United States
Department of
Agriculture

Foreign
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Service

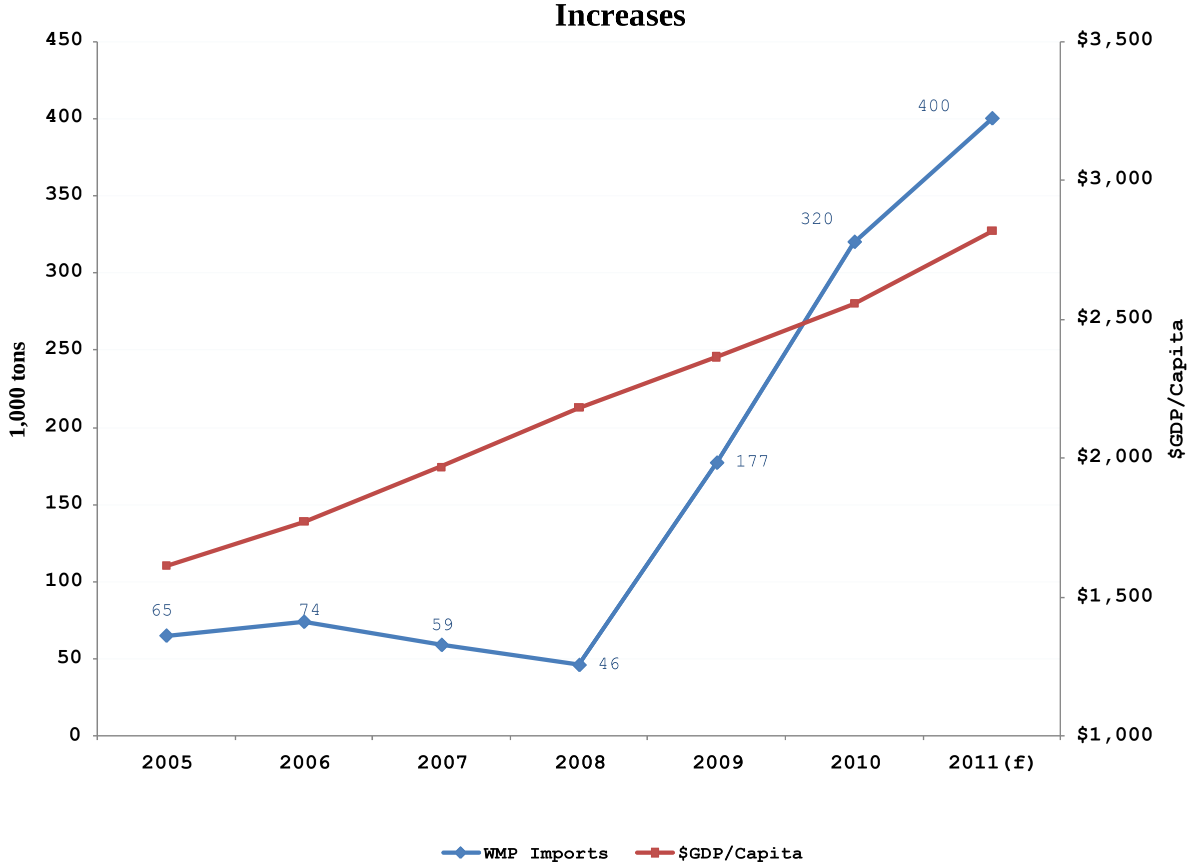
Dec 2010

Dairy: World Markets and Trade

Chinese imports of whole milk powder (WMP) are forecast to reach a staggering 400,000 tons in 2011- a 260 percent increase over the span of 2 years - easily eclipsing all other major importing markets. This growth is being fueled by several factors; an expanding population experiencing a steady rise in disposable income, tight domestic supplies, and food safety concerns over local milk production. China's need for imported WMP is expected to continue for the foreseeable future. Chinese imports of skim milk powder (SMP) have also been growing at an impressive 22 percent annual rate over the past 5 years (2005-2009) and are forecast to reach 100,000 tons in 2011.

The implications for global dairy markets are significant. For 2011, exports of WMP from New Zealand and Argentina are expected to increase, but not sufficiently to offset the forecast decrease in EU-27 WMP exports and the expected rise in Chinese imports. Consequently, WMP prices are likely to remain relatively buoyant which will encourage increased exports from Argentina. High WMP may also provide support for prices of cheese and butter. Whether SMP prices will benefit remains to be seen; however, import demand from some key Asian countries is expected to grow which casts a positive outlook for exports of U.S. SMP.

Chinese Imports of WMP Expected to Grow as Per Capita GDP Increases



Dairy Production and Trade Developments

Summary

Despite the backdrop of a sluggish global economic recovery, international dairy markets during 2010 were surprisingly robust with prices of such commodities as butterfat and WMP at historically lofty levels. Prices for butter demonstrated a persistent upward run starting from an average of $3,600/MT FOB (Oceania) in early February 2010 to a recent price of around $4,500/MT FOB. The higher dairy prices have translated into higher returns for producers and not unexpectedly, milk output from major producers is forecast to increase significantly in 2011. In New Zealand for example, farmers are forecast to ramp-up production by an impressive 10 percent.

Despite the prospect of higher milk supplies, the outlook for 2011 remains bright. Although global GDP is forecast to moderate from 2010, income per capita growth rates in such key market areas as Asia and Oceania are forecast to increase by around 3.9 percent – up from 2.9 percent in 2010. This implies that import demand will remain fairly strong. Further, there are limited buffer stocks of SMP or butter in the United States or the EU-27 to temper any production shortfalls. In fact, the supply lines for some dairy products looks precariously tenuous; stocks of butter in the EU are at historically low levels while U.S. stocks of butter are 20 percent below average levels of the past decade. For SMP, there are no U.S. CCC surplus stocks while EU SMP stocks are largely committed to domestic assistance programs or metered out at only high prices.

The lynchpin to the outlook, however, will be China. Assuming strong economic growth in China, the 2011 forecast calls for China to import 400,000 tons of WMP which will absorb any added supplies coming onto world markets. This will effectively keep pressure on prices. At present, judging from the results of the recent Fonterra auctions (via the Global Dairy Trade platform), the market sentiment points towards strong import demand; prices for WMP to be delivered well into 2011 have ranged from around $3,000 to $3,600/MT since early August 2010. Similarly for anhydrous milk fat (AMF); prices during the same period have been above $5,000/ton which suggest that butter prices will be equally strong.

Prospects for U.S. exports are positive although there are obstacles. In Mexico, the Government has implemented retaliatory tariffs - as permitted by the World Trade Organization - on imports of U.S. cheese as a result of the cross-border trucking issue. In 2010, through October, nearly 30 percent of total U.S. cheese exports were shipped to Mexico; consequently, U.S. exports of cheese to Mexico are expected to decline. In addition, the Russian and Algerian Governments have implemented an import ban on U.S. dairy products due to unresolved certification issues. China has also imposed a new hygiene certificate that threatened imports of U.S dairy products but U.S. dairy exports have continued to ship while talks to resolve the issue are ongoing.

Milk Production: 2011 Forecast Summary

Milk Production Summary for Major Exporters
(1,000 Metric Tons)

	2009	2010 (est.)	2011 (for.)	Change 2010 vs. 2011
Argentina	10,350	10,600	11,070	+4%
Australia	9,326	9,400	9,700	+3%
EU-27	133,700	134,200	134,700	0%
New Zealand	17,397	16,897	18,642	+ 10%
United States	85,874	87,450	88,690	+ 1%

As expected, higher returns in 2010 have stimulated dairy farmers to raise production. In Argentina, the herd is forecast to remain unchanged for 2011 as competition for land use – particularly for crop production - is likely to limit any expansionary plans. However, higher prices and returns are expected to promote the use of higher energy feeds increasing milk output by an expected 470,000 tons. Most of this additional production is expected to be channeled into the production of WMP, ultimately for the export market.

In Australia, widespread rains since early in 2010 appears to have broken the long-running drought conditions and dairy producers are forecast to start rebuilding herds during 2011. Although cow numbers are expected to grow by 1 percent, the total number of cows will still be well below – about 30 percent – the peak attained in 2001/2002. Improved pasture conditions, fodder, and increased irrigation supplies will boost per cow yields to record levels; consequently, total milk production for 2011 is forecast to grow by 3 percent

The expansion in EU-27 milk production, which started in 2010 as a result of improved farm-gate prices and strong export demand, is expected to continue through 2011. Although the total herd size is anticipated to contract, milk output is likely to grow as result of higher milk per cow yields following the extensive culling of poorer performing cows in previous years. The additional, milk supplies are expected to be directed towards the production of cheese as export and domestic demand is anticipated to be firm.

In New Zealand, drought conditions early in the year are likely to reduce milk output by 3 percent in 2010, but production is expected to rebound by 10 percent in 2011 to hit a record 18.6 million tons. This forecast increase is attributed to the conversion of farms to dairy units, improved genetics and growth in the national herd. However, weather conditions played a key role in suppressing milk production in 2010 and recent reports indicate developing drought conditions which could impact production.

U.S. projected milk production for 2010 is pegged to grow by 2 percent and the outlook for 2011 is for continued growth but a slower pace. Although milk prices in 2011 – averaging from $15.90 - $16.70 - are expected to remain similar to 2010, higher feed prices particularly for corn, are expected to result in a lower milk feed price which will likely dampen any rapid expansion in cow inventories.

Cheese:

Cheese production in Oceania for 2011 is expected to grow modestly by 3 percent (20,000 tons) and most of this output is likely to be exported. Australian cheese exports are forecast to rise significantly by 9 percent; however, at a projected 180,000 tons this is still well below the prior 5-year average of 189,000 tons. New Zealand cheese shipments are forecast to grow by 4 percent to 295,000 tons but this is only 5,000 tons higher that the exports registered in 2009, i.e., the year prior to the drought.

After several years of anemic growth, EU-27 cheese production in 2010 is estimated to jump by over 2 percent to nearly 7 million tons. For 2011, cheese production is projected to continue growing – increasing by 1 percent – as most of the additional manufacturing milk is likely to flow into cheese vats. EU-27 exports of cheese are projected to grow by a modest 2 percent and the domestic cheese market is likely to remain fairly firm given recovering domestic consumption. This translates into higher returns for the production of cheese relative to other dairy products. During 2010, Russian import demand was a key factor in promoting EU-27 exports of cheese – up an estimated 14 percent - with nearly one third of all shipments (through August 2010) flowing to Russia. For 2011, Russian import demand is expected to continue and server as a major outlet for EU cheese.

U.S. cheese production is on track to post a 3 percent increase in 2010 and exports are forecast to hit a record 163,000 tons. Nevertheless, despite increased domestic consumption and shipments, ending stocks are projected to grow by 4 percent. The stocks are expected to overhang markets in early 2011. For 2011, cheese output is pegged to increase by 1 percent flat while exports, though still historically strong, are expected to be down from 2011. Production increases in Oceania and the EU will increase competition in global markets. In addition Mexico, which in 2010 will likely account for around 30 percent of U.S. cheese exports, has imposed retaliatory tariffs on imports U.S. cheese which will likely reduce shipments.

Butter:

Global butter trade for 2011 for major exporters is forecast to shrink by 3 percent largely due to reduced shipments from the EU-27. For 2010, EU-27 butterfat exports are expected to jump by 18 percent due to strong demand from Russia and to a lesser extent, Iran. However, for 2011, EU-27 butter exports are expected to drop sharply by 17 percent due to lower available exportable supplies and increased international competition.

New Zealand butter output for 2011 is projected to rise by 10 percent reflecting to some extent the substantial jump in domestic milk production forecast for that year. Likewise, exports are expected to increase by 2 percent. Although 2011 ending stocks are forecast to grow, recent prices for anhydrous milk fat (AMF) on Fonterra's Global Trading auctions have demonstrated surprising strength. This suggests that there is a strong and persistent import demand for butterfat that may well carry through all of 2011.

U.S. butter production in 2010 is expected to be 3 percent lower as milk was channeled into the production of other products. For 2011, butter output is forecast to reverse course and expand by 3 percent ending up marginally above levels attained in 2009. For 2010, U.S. butter exports are expected to post an impressive 311 percent gain. For 2011, however, shipments are expected to be limited by increased competition from Oceania. Further, there is strong global demand for butteroil/AMF; a product the U.S. does not produce in substantial quantities.

SMP:

Exports of SMP from key exporting countries are on track to post substantial gains in 2010 – estimated at 11 percent for the year. Although 2010 shipments from Oceania are slated to drop by 95,000 tons this is likely to be more than compensated for by shipments for EU-27 and the United States which are estimated to expand by 231,000 tons by year's end. For 2011, growth in SMP shipments for selected countries is forecast to be somewhat less than in 2010, but are nevertheless projected to post a relatively healthy 6 percent gain. Australian SMP exports are expected to rebound significantly by 28 percent to reach 160,000 tons while New Zealand exports are projected to grow by 13 percent to 400,000 tons.

EU-27 exports of SMP for 2011 are anticipated to decline slightly – down 6 percent - reflecting a slight decrease in output as processers shift more milk to the more profitable production of cheese. Intervention stocks, which stood at 259,000 tons in early 2010, are expected to fall to 80,000 tons by the end of 2011 and more critically, no purchases are anticipated during the coming year. During 2010, the EU-27 committed some 65,000 tons of SMP stocks to domestic social programs while very limited quantities were released to the open market. The EU Commission has adopted a very cautious approach to avoid negatively impacting domestic prices.

U.S. exports of SMP are forecast to increase by 1 percent in 2011, as demand increases with global economic growth. However, export growth will be limited by increased supplies in Oceania. Export data for 2010 – through October 2010 - indicates that although nearly 30 percent of U.S. SMP is shipped to Mexico, some 40 percent of the volume exported was shipped to the hotly contested markets of the Philippines, Indonesia, Vietnam, and Malaysia. For 2011, imports of SMP in the Asia region are expected to expand by 10 percent but competition from Oceania will more visible.

Whole Milk Powder (WMP):

Production of WMP for selected countries is expected to grow by 5 percent in 2011 with major gains likely to be posted by New Zealand and Argentina. In contrast, WMP output in the EU – the second largest global exporter after New Zealand – is expected to decline as more milk is directed to the production of cheese.

On the trade side, exports of WMP from Argentina are expected to grow by 18 percent to 200,000 tons – the second highest recorded volume. Although New Zealand exports are also expected to grow by a modest 3 percent, at 885,000 tons they are likely to set a record.

On the import side, China's spectacular rise as a major purchaser of WMP in 2010 is expected to continue with imports forecast to reach 400,000 tons in 2011. This will account for nearly a quarter of global trade for selected countries. This is not expected to be just a onetime phenomenon but could be a longer term pattern that may have a profound influence on global dairy markets.

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	8,041	8,212	8,270	8,280	8,350	8,350
Mexico	10,051	10,657	10,907	10,866	11,176	11,330
United States	82,455	84,211	86,174	85,874	87,450	88,690
Sub-total	**100,547**	**103,080**	**105,351**	**105,020**	**106,976**	**108,370**
South America						
Argentina	10,200	9,550	10,010	10,350	10,600	11,070
Brazil	25,230	26,750	27,820	28,795	29,948	30,846
Sub-total	**35,430**	**36,300**	**37,830**	**39,145**	**40,548**	**41,916**
European Union - 27 1/	**132,206**	**132,604**	**133,848**	**133,700**	**134,200**	**134,700**
Former Soviet Union						
Russia	31,100	32,200	32,500	32,600	31,740	31,400
Ukraine	12,890	11,997	11,524	11,370	10,950	10,570
Sub-total	**43,990**	**44,197**	**44,024**	**43,970**	**42,690**	**41,970**
South Asia						
India	41,000	42,890	44,500	48,160	50,300	52,500
Asia						
China	31,934	35,252	34,300	28,445	29,100	30,500
Japan	8,137	8,007	7,982	7,910	7,790	7,800
Sub-total	**40,071**	**43,259**	**42,282**	**36,355**	**36,890**	**38,300**
Oceania						
Australia 2/	10,395	9,870	9,500	9,326	9,400	9,700
New Zealand 3/	15,200	15,640	15,141	17,397	16,897	18,642
Sub-total	**25,595**	**25,510**	**24,641**	**26,723**	**26,297**	**28,342**
TOTAL SELECTED COUNTRIES	**418,839**	**427,840**	**432,476**	**433,073**	**437,901**	**446,098**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:
- (p) Preliminary.
- (f) Forecast.
- (1) Based on deliveries
- (2) Year ending June 30 for the period 2006-2008
- (3) Year ending May 31 for the period 2006-2008.

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COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	3,058	3,086	3,145	3,103	3,184	3,180
Mexico	4,305	4,275	4,263	2,021	2,276	2,307
United States	27,705	27,710	28,096	28,250	27,900	28,255
Sub-total	**35,068**	**35,071**	**35,504**	**33,374**	**33,360**	**33,742**
South America						
Argentina	1,900	1,900	1,975	2,100	2,130	2,160
Brazil	13,755	10,170	10,684	10,895	11,234	11,503
Sub-total	**15,655**	**12,070**	**12,659**	**12,995**	**13,364**	**13,663**
European Union - 27 1/	**34,084**	**33,334**	**33,744**	**33,700**	**33,850**	**33,900**
Former Soviet Union						
Russia	12,000	12,000	12,100	12,114	11,695	11,500
Ukraine	6,086	3,641	3,520	3,483	3,290	3,170
Sub-total	**18,086**	**15,641**	**15,620**	**15,597**	**14,985**	**14,670**
South Asia						
India	39,920	42,680	44,520	48,160	49,140	53,240
Asia						
China	13,809	14,820	14,581	11,791	12,010	12,500
Japan	4,648	4,521	4,442	4,264	4,140	4,080
Sub-total	**18,457**	**19,341**	**19,023**	**16,055**	**16,150**	**16,580**
Oceania						
Australia 2/	2,127	2,162	2,205	2,272	2,300	2,350
New Zealand 3/	360	360	345	331	340	340
Sub-total	**2,487**	**2,522**	**2,550**	**2,603**	**2,640**	**2,690**
TOTAL SELECTED COUNTRIES	**163,757**	**160,659**	**163,620**	**162,484**	**163,489**	**168,485**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 for the period 2006-2008

(3) Year ending May 31 for the period 2006-2008.

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COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	1,019	995	985	979	981	980
Mexico	6,875	6,010	6,204	6,400	6,560	6,650
United States	9,137	9,189	9,315	9,201	9,111	9,125
Sub-total	**17,031**	**16,194**	**16,504**	**16,580**	**16,652**	**16,755**
South America						
Argentina	2,150	2,150	2,150	2,100	2,100	2,100
Brazil	15,290	15,925	16,700	17,200	17,600	18,200
Sub-total	**17,440**	**18,075**	**18,850**	**19,300**	**19,700**	**20,300**
European Union - 27 1/	**24,944**	**24,178**	**24,176**	**24,192**	**23,662**	**23,500**
Former Soviet Union						
Russia	9,900	9,910	9,800	9,530	9,200	8,975
Ukraine	3,840	3,221	3,096	2,856	2,758	2,690
Sub-total	**13,740**	**13,131**	**12,896**	**12,386**	**11,958**	**11,665**
South Asia						
India	**38,000**	**38,000**	**38,500**	**42,600**	**43,600**	**44,900**
Asia						
China	7,900	8,755	8,575	7,115	7,350	7,630
Japan	900	871	862	848	830	825
Sub-total	**8,800**	**9,626**	**9,437**	**7,963**	**8,180**	**8,455**
Oceania						
Australia 2/	1,870	1,800	1,640	1,676	1,630	1,650
New Zealand 3/	4,100	4,163	4,200	4,597	4,753	4,850
Sub-total	**5,970**	**5,963**	**5,840**	**6,273**	**6,383**	**6,500**
TOTAL SELECTED COUNTRIES	**125,925**	**125,167**	**126,203**	**129,294**	**130,135**	**132,075**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008.

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COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	7.89	8.25	8.40	8.46	8.51	8.52
Mexico	1.46	1.77	1.76	1.70	1.70	1.70
United States	9.02	9.16	9.25	9.33	9.60	9.72
South America						
Argentina	4.74	4.44	4.66	4.93	5.05	5.27
Brazil	1.65	1.68	1.67	1.67	1.70	1.69
European Union - 27 1/	5.30	5.48	5.54	5.53	5.67	5.73
Former Soviet Union						
Russia	3.14	3.25	3.32	3.42	3.45	3.50
Ukraine	3.36	3.72	3.72	3.98	3.97	3.93
South Asia						
India	1.08	1.13	1.16	1.13	1.15	1.17
Asia						
China	4.04	4.03	4.00	4.00	3.96	4.00
Japan	9.04	9.19	9.26	9.33	9.39	9.45
Oceania						
Australia 2/	5.56	5.48	5.79	5.56	5.77	5.88
New Zealand 3/	3.71	3.76	3.61	3.78	3.56	3.84

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008.

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CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	291	308	285	291	297	305
Mexico	145	184	188	242	244	247
United States	4,320	4,435	4,496	4,586	4,720	4,765
Sub-total	**4,756**	**4,927**	**4,969**	**5,119**	**5,261**	**5,317**
South America						
Argentina	480	520	525	530	540	550
Brazil	528	580	607	614	648	675
Sub-total	**1,008**	**1,100**	**1,132**	**1,144**	**1,188**	**1,225**
European Union - 27	**6,801**	**6,760**	**6,800**	**6,810**	**6,970**	**7,040**
Former Soviet Union						
Russia	405	435	430	400	430	430
Ukraine	210	244	249	228	220	205
Sub-total	**615**	**679**	**679**	**628**	**650**	**635**
Asia						
Japan	40	43	47	45	48	55
Korea	28	24	25	23	22	22
Philippines	13	12	14	14	14	n.a.
Sub-total	**81**	**79**	**86**	**82**	**84**	**77**
Oceania						
Australia 2/	362	360	344	321	335	345
New Zealand 3/	292	350	292	308	303	313
Sub-total	**654**	**710**	**636**	**629**	**638**	**658**
TOTAL SELECTED COUNTRIES	**13,915**	**14,255**	**14,302**	**14,412**	**14,791**	**14,952**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

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CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	307	319	310	318	317	318
Mexico	229	266	251	311	319	321
United States	4,392	4,505	4,478	4,556	4,649	4,753
Sub-total	**4,928**	**5,090**	**5,039**	**5,185**	**5,285**	**5,392**
South America						
Argentina	424	473	488	495	500	505
Brazil	529	576	605	624	660	686
Sub-total	**953**	**1,049**	**1,093**	**1,119**	**1,160**	**1,191**
European Union - 27	**6,339**	**6,309**	**6,393**	**6,381**	**6,471**	**6,530**
Former Soviet Union						
Russia	625	675	750	690	773	776
Ukraine	170	194	185	160	145	125
Sub-total	**795**	**869**	**935**	**850**	**918**	**901**
Asia						
Japan	247	268	234	229	253	265
Korea	72	74	72	72	80	86
Sub-total	**319**	**342**	**306**	**301**	**333**	**351**
Oceania						
Australia 2/	225	215	215	220	225	230
New Zealand 3/	28	28	22	24	24	24
Sub-total	**253**	**243**	**237**	**244**	**249**	**254**
TOTAL SELECTED COUNTRIES	**13,587**	**13,902**	**14,003**	**14,080**	**14,416**	**14,619**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

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CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	9	9	10	9	9	9
Mexico	2	4	5	4	5	6
United States	71	100	131	108	163	146
Sub-total	**82**	**113**	**146**	**121**	**177**	**161**
South America						
Argentina	58	45	36	48	45	48
Brazil	5	8	7	6	4	5
Sub-total	**63**	**53**	**43**	**54**	**49**	**53**
European Union - 27	**561**	**534**	**490**	**510**	**580**	**590**
Former Soviet Union						
Russia	10	10	20	21	22	23
Ukraine	50	62	77	77	85	90
Sub-total	**60**	**72**	**97**	**98**	**107**	**113**
Oceania						
Australia 2/	202	212	202	162	165	180
New Zealand 3/	267	309	283	290	285	295
Sub-total	**469**	**521**	**485**	**452**	**450**	**475**
TOTAL SELECTED COUNTRIES	**1,235**	**1,293**	**1,261**	**1,235**	**1,363**	**1,392**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 for the period 2006-2008

(3) Year ending May 31 for the period 2006-2008

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CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	25	26	26	24	24	25
Mexico	86	86	68	73	80	80
United States	170	161	137	131	109	107
Sub-total	**281**	**273**	**231**	**228**	**213**	**212**
South America						
Argentina	2	3	3	3	4	4
Brazil	6	4	5	16	16	16
Sub-total	**8**	**7**	**8**	**19**	**20**	**20**
European Union - 27	**99**	**83**	**83**	**81**	**81**	**80**
Former Soviet Union						
Russia	230	250	340	310	365	370
Ukraine	8	12	13	9	10	10
Sub-total	**238**	**262**	**353**	**319**	**375**	**380**
Asia						
Japan	207	225	187	184	205	210
Korea	44	50	47	49	58	64
Philippines	13	12	14	14	14	n.a.
Sub-total	**264**	**287**	**248**	**247**	**277**	**274**
Oceania						
Australia 2/	61	64	70	65	67	65
New Zealand 3/	3	3	6	6	6	6
Sub-total	**64**	**67**	**76**	**71**	**73**	**71**
TOTAL SELECTED COUNTRIES	**954**	**979**	**999**	**965**	**1,039**	**1,037**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:
- (p) Preliminary.
- (f) Forecast.
- (1) Excludes fresh cheese
- (2) Year ending June 30 for the period 2006-2008
- (3) Year ending May 31 for the period 2006-2008

ISAD/OGA/FAS Dec. 2010

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	75	79	85	87	85	85
Mexico	109	214	180	171	173	175
United States	657	695	746	714	694	718
Sub-total	**841**	**988**	**1,011**	**972**	**952**	**978**
South America						
Argentina	50	55	61	51	52	50
Brazil	79	82	84	76	78	80
Sub-total	**129**	**137**	**145**	**127**	**130**	**130**
European Union - 27	**2,035**	**2,053**	**2,040**	**2,030**	**1,980**	**1,975**
Former Soviet Union						
Russia	290	300	305	246	240	252
Ukraine	105	100	85	75	76	72
Sub-total	**395**	**400**	**390**	**321**	**316**	**324**
Asia						
India	3,050	3,360	3,690	3,910	4,155	4,325
Japan	80	75	72	81	78	78
Sub-total	**3,130**	**3,435**	**3,762**	**3,991**	**4,233**	**4,403**
Oceania						
Australia 1/	129	117	111	118	110	113
New Zealand 2/	390	442	422	482	453	500
Sub-total	**519**	**559**	**533**	**600**	**563**	**613**
TOTAL SELECTED COUNTRIES	**7,049**	**7,572**	**7,881**	**8,041**	**8,174**	**8,423**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:
(p) Preliminary.
(f) Forecast.
(1) Year ending June 30 for the period 2006-2008
(2) Year ending May 31 for the period 2006-2008
(3) Includes butter equivalent of butteroil/anhydrous milk fat.

ISAD/OGA/FAS Dec. 2010

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	79	78	88	97	90	88
Mexico	158	284	229	224	218	223
United States	642	651	690	707	675	675
Sub-total	**879**	**1,013**	**1,007**	**1,028**	**983**	**986**
South America						
Argentina	36	34	36	34	38	41
Brazil	79	80	81	81	82	84
Sub-total	**115**	**114**	**117**	**115**	**120**	**125**
European Union - 27	**1,934**	**2,006**	**1,946**	**1,874**	**1,895**	**1,880**
Former Soviet Union						
Russia	400	420	453	349	332	335
Ukraine	92	97	82	90	78	76
Sub-total	**492**	**517**	**535**	**439**	**410**	**411**
Asia						
India	3,055	3,360	3,680	3,910	4,170	4,320
Japan	89	92	83	74	85	80
Taiwan	12	11	14	9	9	10
Sub-total	**3,156**	**3,463**	**3,777**	**3,993**	**4,264**	**4,410**
Oceania						
Australia 2/	62	55	64	60	61	62
New Zealand 3/	26	26	23	18	20	20
Sub-total	**88**	**81**	**87**	**78**	**81**	**82**
TOTAL SELECTED COUNTRIES	**6,664**	**7,194**	**7,469**	**7,527**	**7,753**	**7,894**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Year ending June 30 for the period 2006-2008
(2) Year ending May 31 for the period 2006-2008
(3) Includes butter equivalent of butteroil/anhydrous milk fat.

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BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	18	13	1	3	10	10
Mexico	0	0	0	0	0	0
United States	11	40	89	18	56	50
Sub-total	**29**	**53**	**90**	**21**	**66**	**60**
South America						
Argentina	16	21	25	17	11	10
Brazil	1	3	4	2	4	5
Sub-total	**17**	**24**	**29**	**19**	**15**	**15**
European Union - 27	**248**	**216**	**153**	**169**	**200**	**165**
Former Soviet Union						
Ukraine	**18**	**4**	**6**	**1**	**1**	**1**
Asia						
India	5	10	15	28	4	10
Sub-total	**5**	**10**	**15**	**28**	**4**	**10**
Oceania						
Australia 2/	82	80	58	83	66	72
New Zealand 3/	366	439	369	489	450	461
Sub-total	**448**	**519**	**427**	**572**	**516**	**533**
TOTAL SELECTED COUNTRIES	**765**	**826**	**720**	**810**	**802**	**784**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Year ending June 30 for the period 2006-2008
(2) Year ending May 31 for the period 2006-2008
(3) Includes butter equivalent of butteroil/anhydrous milk fat.

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BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	15	13	7	12	8	20
Mexico	49	72	49	53	45	48
United States	18	17	17	17	16	16
Sub-total	**82**	**102**	**73**	**82**	**69**	**84**
South America						
Brazil	**1**	**1**	**1**	**7**	**8**	**9**
European Union - 27	**84**	**93**	**66**	**63**	**65**	**65**
Former Soviet Union						
Russia	115	130	150	107	90	90
Ukraine	0	1	3	16	3	5
Sub-total	**115**	**131**	**153**	**123**	**93**	**95**
Asia						
India	10	10	5	28	19	5
Japan	4	11	18	0	7	2
Taiwan	11	14	9	14	15	16
Sub-total	**25**	**35**	**32**	**42**	**41**	**23**
Oceania						
Australia 2/	10	13	20	18	19	20
New Zealand 3/	1	1	2	1	1	1
Sub-total	**11**	**14**	**22**	**19**	**20**	**21**
TOTAL SELECTED COUNTRIES	**318**	**376**	**347**	**336**	**296**	**297**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 for the period 2006-2008

(2) Year ending May 31 for the period 2006-2008

(3) Includes butter equivalent of butteroil/anhydrous milk fat.

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NONFAT DRY MILK PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	72	75	87	86	82	82
Mexico	183	253	239	279	290	300
United States 1/	686	679	859	785	825	845
Sub-total	**941**	**1,007**	**1,185**	**1,150**	**1,197**	**1,227**
South America						
Argentina	30	24	25	33	38	35
Brazil	117	128	128	125	130	134
Sub-total	**147**	**152**	**153**	**158**	**168**	**169**
European Union - 27	**955**	**1,005**	**980**	**1,080**	**980**	**970**
Former Soviet Union						
Russia	110	115	120	70	70	75
Ukraine	80	90	65	51	51	50
Sub-total	**190**	**205**	**185**	**121**	**121**	**125**
Asia						
China	55	58	53	54	55	56
India	295	320	345	360	375	410
Japan	180	173	158	167	160	160
Korea	18	22	20	15	14	13
Sub-total	**548**	**573**	**576**	**596**	**604**	**639**
Oceania						
Australia 3/	221	205	177	203	200	206
New Zealand 4/	247	325	256	385	355	400
Sub-total	**468**	**530**	**433**	**588**	**555**	**606**
TOTAL SELECTED COUNTRIES	**3,102**	**3,320**	**3,359**	**3,535**	**3,457**	**3,567**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM production and SMP production.
(2) Based on deliveries
(3) Year ending June 30 for the period 2006-2008
(4) Year ending May 31 for the period 2006-2008

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NONFAT DRY MILK CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	77	67	71	75	81	81
Mexico	294	374	408	461	428	447
United States	436	396	429	586	446	472
Sub-total	**807**	**837**	**908**	**1,122**	**955**	**1,000**
South America						
Argentina	12	9	9	17	18	17
Brazil	122	128	134	135	137	139
Sub-total	**134**	**137**	**143**	**152**	**155**	**156**
European Union - 27	**896**	**813**	**809**	**596**	**724**	**735**
Former Soviet Union						
Russia	140	150	180	175	250	255
Ukraine	16	33	21	32	35	36
Sub-total	**156**	**183**	**201**	**207**	**285**	**291**
Asia						
China	116	94	107	124	146	156
India	245	270	310	355	368	415
Indonesia	132	145	156	172	192	220
Japan	225	235	197	174	182	187
Korea	28	25	26	25	22	21
Philippines	76	76	65	82	82	84
Sub-total	**822**	**845**	**861**	**932**	**992**	**1,083**
Oceania						
Australia 2/	38	42	49	50	51	52
New Zealand 3/	5	5	1	1	2	2
Sub-total	**43**	**47**	**50**	**51**	**53**	**54**
TOTAL SELECTED COUNTRIES	**2,858**	**2,862**	**2,972**	**3,060**	**3,164**	**3,319**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP.
(2) Based on deliveries
(3) Year ending June 30 for the period 2006-2008
(4) Year ending May 31 for the period 2006-2008

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NONFAT DRY MILK EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	13	14	11	10	10	10
United States 1/	287	258	391	255	367	372
Sub-total	**300**	**272**	**402**	**265**	**377**	**382**
South America						
Argentina	21	11	14	13	20	18
Brazil	4	4	1	1	3	5
Sub-total	**25**	**15**	**15**	**14**	**23**	**23**
European Union - 27	**88**	**202**	**179**	**231**	**350**	**330**
Former Soviet Union						
Russia	15	15	15	0	0	0
Ukraine	64	57	44	27	17	20
Sub-total	**79**	**72**	**59**	**27**	**17**	**20**
Asia						
China	1	4	1	0	0	0
India	50	40	35	15	10	15
Indonesia	10	5	5	5	6	7
Philippines	18	18	15	15	15	15
Sub-total	**79**	**67**	**56**	**35**	**31**	**37**
Oceania						
Australia 3/	189	175	120	167	125	160
New Zealand 4/	243	327	251	408	355	400
Sub-total	**432**	**502**	**371**	**575**	**480**	**560**
TOTAL SELECTED COUNTRIES	**1,003**	**1,130**	**1,082**	**1,147**	**1,278**	**1,352**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP.
(2) Based on deliveries
(3) Year ending June 30 for the period 2006-2008
(4) Year ending May 31 for the period 2006-2008

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NONFAT DRY MILK IMPORTS: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	3	3	4	2	2	2
Mexico	111	121	176	187	145	155
United States	2	2	1	1	1	1
Sub-total	**116**	**126**	**181**	**190**	**148**	**158**
South America						
Argentina	0	0	0	0	0	0
Brazil	9	4	7	11	10	10
Sub-total	**9**	**4**	**7**	**11**	**10**	**10**
European Union - 27	**21**	**10**	**8**	**6**	**5**	**5**
Former Soviet Union						
Russia	45	50	75	105	180	180
Ukraine	0	0	0	8	1	6
Sub-total	**45**	**50**	**75**	**113**	**181**	**186**
North Africa						
Algeria	**68**	**91**	**90**	**93**	**92**	**90**
Asia						
China	62	40	55	70	91	100
India	0	0	0	3	25	0
Indonesia	140	147	159	178	200	230
Japan	32	36	32	34	30	30
Korea	7	5	5	10	8	9
Philippines	93	93	80	105	95	100
Sub-total	**334**	**321**	**331**	**400**	**449**	**469**
Oceania						
Australia 2/						
New Zealand 3/	5	4	4	4	4	4
Sub-total	1	1	1	4	2	2
	6	**5**	**5**	**8**	**6**	**6**
TOTAL SELECTED COUNTRIES	**531**	**516**	**607**	**728**	**799**	**834**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP.
(2) Based on deliveries
(3) Year ending June 30 for the period 2006-2008
(4) Year ending May 31 for the period 2006-2008

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WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
United States	14	14	23	27	28	30
Sub-total	**14**	**14**	**23**	**27**	**28**	**30**
South America						
Argentina	260	186	200	210	220	260
Brazil	465	526	572	473	500	510
Chile	50	53	80	55	63	68
Sub-total	**775**	**765**	**852**	**738**	**783**	**838**
European Union - 27	**800**	**776**	**840**	**790**	**760**	**750**
Former Soviet Union						
Russia	90	95	95	50	50	55
Ukraine	26	25	30	16	14	13
Sub-total	**116**	**120**	**125**	**66**	**64**	**68**
Asia						
China	1,030	1,150	1,120	977	1,000	1,050
Indonesia	48	47	48	56	62	68
Taiwan	1	1	2	0	0	0
Sub-total	**1,079**	**1,198**	**1,170**	**1,033**	**1,062**	**1,118**
Oceania						
Australia 2/	152	135	142	137	120	130
New Zealand 3/	611	671	651	768	850	900
Sub-total	**763**	**806**	**793**	**905**	**970**	**1,030**
TOTAL SELECTED COUNTRIES	**3,547**	**3,679**	**3,803**	**3,559**	**3,667**	**3,834**

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

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WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
United States	15	23	15	36	26	29
Sub-total	**15**	**23**	**15**	**36**	**26**	**29**
South America						
Argentina	50	59	75	54	55	58
Brazil	479	503	512	515	531	539
Sub-total	**529**	**562**	**587**	**569**	**586**	**597**
European Union - 27	**381**	**412**	**356**	**328**	**330**	**330**
Former Soviet Union						
Russia	100	115	130	71	88	113
Ukraine	8	12	9	12	6	7
Sub-total	**108**	**127**	**139**	**83**	**94**	**120**
North Africa						
Algeria	**176**	**180**	**160**	**172**	**172**	**174**
Asia						
China	1,071	1,137	984	1,154	1,347	1,492
Indonesia	74	74	91	106	112	127
Philippines	10	10	9	9	10	12
Taiwan	31	31	18	28	32	32
Sub-total	**1,186**	**1,252**	**1,102**	**1,297**	**1,501**	**1,663**
Oceania						
Australia 2/	27	27	27	28	29	30
New Zealand 3/	1	1	1	1	1	1
Sub-total	**28**	**28**	**28**	**29**	**30**	**31**
TOTAL SELECTED COUNTRIES	**2,423**	**2,584**	**2,387**	**2,514**	**2,739**	**2,944**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

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WHOLE MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
United States	12	11	24	9	8	8
Sub-total	**12**	**11**	**24**	**9**	**8**	**8**
South America						
Argentina	214	117	138	157	170	200
Brazil	17	42	83	15	6	10
Chile	7	10	15	14	14	14
Sub-total	**238**	**169**	**236**	**186**	**190**	**224**
European Union - 27	**422**	**366**	**485**	**463**	**430**	**420**
Former Soviet Union						
Russia	5	5	10	9	12	12
Ukraine	18	13	21	5	8	6
Sub-total	**23**	**18**	**31**	**14**	**20**	**18**
Asia						
China	33	72	62	10	3	3
Philippines	30	32	36	27	30	30
Sub-total	**63**	**104**	**98**	**37**	**33**	**33**
Oceania						
Australia 2/	153	130	111	133	110	120
New Zealand 3/	634	670	621	818	860	885
Sub-total	**787**	**800**	**732**	**951**	**970**	**1,005**
TOTAL SELECTED COUNTRIES	**1,545**	**1,468**	**1,606**	**1,660**	**1,651**	**1,708**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

ISAD/OGA/FAS Dec. 2010

WHOLE MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
United States	13	20	16	18	6	7
Sub-total	**13**	**20**	**16**	**18**	**6**	**7**
South America						
Argentina	1	2	1	1	2	1
Brazil	31	19	23	57	37	39
Sub-total	**32**	**21**	**24**	**58**	**39**	**40**
European Union - 27	**3**	**2**	**1**	**1**	**0**	**0**
Former Soviet Union						
Russia	15	25	45	30	50	70
Ukraine	0	0	0	1	0	0
Sub-total	**15**	**25**	**45**	**31**	**50**	**70**
North Africa						
Algeria	**182**	**161**	**153**	**200**	**170**	**172**
Asia						
China	74	59	46	177	320	400
Indonesia	27	27	44	50	50	60
Philippines	40	42	45	36	40	42
Taiwan	30	30	16	28	32	32
Sub-total	**171**	**158**	**151**	**291**	**442**	**534**
Oceania						
Australia 2/	13	11	13	15	15	15
New Zealand 3/	1	1	1	1	1	1
Sub-total	**14**	**12**	**14**	**16**	**16**	**16**
TOTAL SELECTED COUNTRIES	**430**	**399**	**404**	**615**	**723**	**839**

Source: Counselor and attache reports, official statistics, and results of office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008
(3) Year ending May 31 for the period 2006-2008

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