USDA
United States Department of Agriculture
Foreign Agricultural Service

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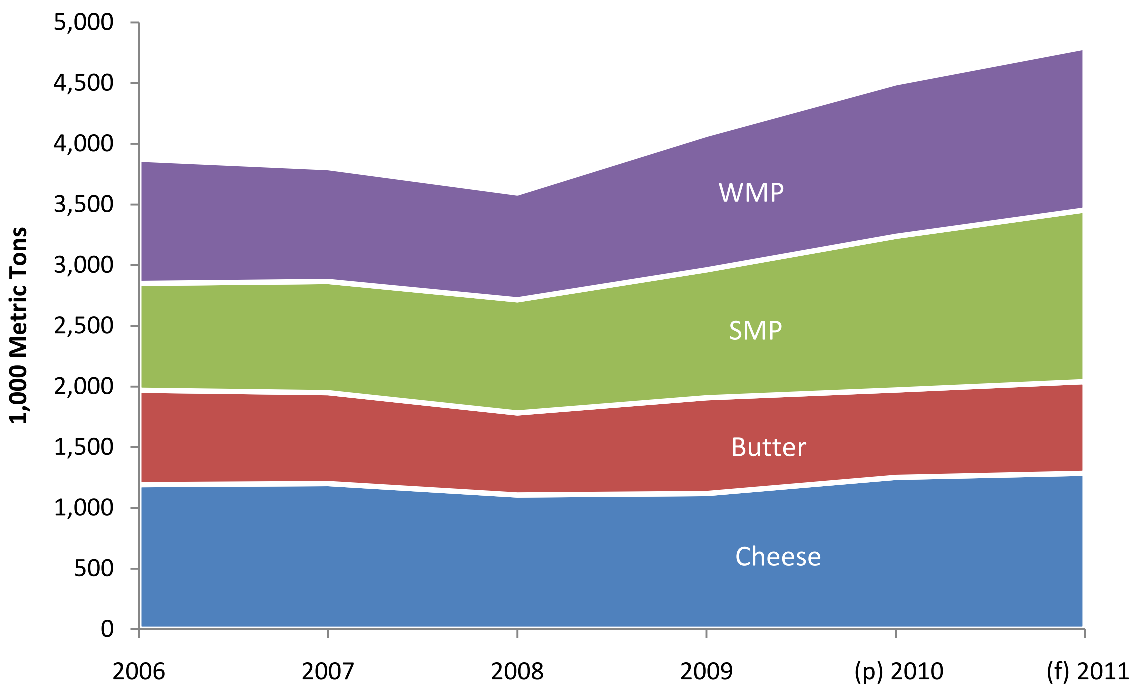
Dairy: World Markets and Trade

The recent growth in whole milk powder (WMP) trade has been in the spotlight particularly as Chinese imports have surged. However, shipments of skimmed milk powder (SMP) from major exporters have also been expanding at a surprisingly fast pace. In fact, in the period 2006-2011, exports of SMP are expected to register an annual growth of around 8 percent. In contrast, exports of WMP are expected to post a more moderate pace of 5 percent annually. Shipments of cheese have also been growing but at a much slower rate – around 1 percent – while butterfat exports are expected to contract over this period.

The expansion of SMP markets is good news for U.S. dairy producers. The U.S. dairy industry has been an effective competitor in the export of skimmed milk products such as SMP, whey and whey products, and lactose and is thus well-positioned to take advantage of this growth. U.S. cheese exports have also been performing well particularly as the Mexican market has continued to develop. U.S. cheese exports are expected to breach the 200,000 ton mark this year, which would be a 17 percent increase over 2010 and nearly double the volume exported in 2009.

Among Major Dairy Exporters 1/, Shipments of Milk Powder Have Expanded Rapidly While Shipments of Cheese and Butter Lagged



1/ Argentina, Australia, EU-27, New Zealand, U.S.

Approved by the World Agricultural Outlook Board/USDA

Dairy Production and Trade Developments

Summary

During the past six months, international prices for dairy commodities experienced a run-up to levels not seen since 2008 reflecting strong demand particularly from Asia. The outlook for the next six months is mixed with butterfat prices reluctantly slipping but still trading at levels easily surpassing $4,000/MT. In the meantime, milk powders, notably whole milk powder, are showing early signs of a retreat to lower price levels. The future course of markets has become more unpredictable and volatile as various undercurrents, political and economic, complicate the outlook.

During the first half of this year, China's unprecedented import surge of WMP particularly in the first quarter of this year was a key factor in supporting the rise in dairy prices. It is unlikely that the early setting import pace will persist; nevertheless, China's imports of WMP for this year will remain significant and are expected to reach record levels. Although China's GDP for 2011 is projected to be lower than in 2010 – 9.3 percent versus 10.3 percent – this should still be sufficient to generate growth in consumer income and thus increased consumption of processed dairy products.

Globally, economic growth this year has been ratcheted down and is now pegged at 3.2 percent down from 3.9 percent in 2010. This suggests that the strong increase in dairy imports witnessed early this year may slow and prices moderate. However, supply lines are tight and any interruptions could spark a sharp spike in dairy product prices. In Oceania, milk output is at a seasonal low and the forecasts, barring any inclement weather, point to a sharp upturn in milk output particularly in New Zealand. In the United States, the price of feedstuffs particularly corn will be a key determinant influencing milk output in the following months. At present, U.S. milk production is in an expansionary mode, albeit at a slower pace than in 2010; but feed price uncertainty is likely factoring into producer decisions.

Milk Production: 2011 Forecast Summary

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

	2009	2010 (est.)	2011-Dec 2010 forecast	2011-July forecast	Change In 2011 For.
Argentina	10,350	10,600	11,070	11,070	+0%
Australia	9,326	9,327	9,700	9,600	-1%
EU-27	133,700	135,350	134,700	136,600	+1%
New Zealand	16,983	17,173	18,642	18,049	-3%
United States	85,881	87,461	88,690	88,768	+ 0%

-- The Australian milk production 2011 forecast is lowered but is still expected to result in a 3 percent expansion in milk output over the previous year due to a return of widespread beneficial rains which have recharged irrigation reservoirs, improved pasture conditions, and increased fodder supplies. The biggest constraint to further expansion is the shortage of dairy cattle available to increase herds. Dairy cow numbers in Australia have been declining since 1965 but now appear to be leveling off and are expected to grow modestly in the coming years.

-- The EU-27 milk production forecast for 2011 is revised up as high internal prices are stimulating increased production despite a slight reduction in the herd size. Although input costs, especially feed prices, have increased substantially, farmers are adopting more efficient production methods and the yield per cow is expected to rise by 1 percent over last year. Despite the increase, milk production for MY 2010/2011 (April-March) was below quota. The milk production quotas are scheduled to rise by 1 percent per year until they are terminated in 2015.

-- In New Zealand, the milk output forecast was revised down, but nevertheless still represents a 5 percent increase over 2010. Rainfall amounts have been favorable in early 2011 and pasture conditions and fodder supplies are currently conducive to increased milk production. At present, Fonterra is predicting a payout range of around US $2.85/lb of milk solids for the season (approximately $22-$25/cwt of milk) and not surprisingly an additional 125 dairy farms or an estimated 100,000 extra cows are expected to enter production by August 2011.

-- The 2011 U.S. milk production forecast is raised marginally by 78,000 tons and total milk output is slated to expand by 1.5 percent over 2010. Milk prices are strong and the 2011 all-milk price forecast to average $20.00-20.30 per cwt. However, the rising cost of feeds, has been a major concern and feed price uncertainty is likely tempering any expansionary plans. Although corn prices have recently been lowered they are still projected to average a record $5.50 to $6.50 per bushel ($216 to $256 per ton) for the 2011/12 crop year.

Cheese:

-- The Oceania 2011 cheese production forecast is revised down 1 percent from 2010 due largely to the forecast drop in New Zealand cheese output. In New Zealand, the focus has been on ramping up the production of WMP which is expected to come at the expense of cheese production. This shift is expected to lead to an 11 percent decline in New Zealand's cheese exports – the lowest recorded in the past 12 years.

-- After 7 consecutive years of decline, Australian cheese production is forecast to increase by 3 percent. Domestic consumption has been increasing for the past 2 years reducing available exportable supplies. Consequently, exports are expected only to increase by 3 percent to 170,000tons.

-- Cheese production in the EU-27 for 2011 is expected to grow by 1 percent due to the greater than anticipated availability of fluid milk, strong export demand, and higher domestic demand. As a result of higher production, the 2011 export forecast has been raised by 5 percent to a record 620,000 tons with most of the cheese expected to be shipped to Russia and the United States. Although cheese shipments to the United States have fallen below 100,000 tons in 2009 and 2010, exports of cheese to the U.S. market through April 2011 are up by nearly 25 percent in comparison to the same period in 2010. Total cheese exports would likely have been higher except that strong domestic consumption is limiting supplies available to the export markets.

-- The U.S. cheese production forecast was revised up by 3 percent from December as the pace of production through April 2011 is up by 3 percent in comparison to the same period in 2010. Exports have also been revised by nearly 40 percent given the strength of shipments in the first quarter of this year. The export forecast of 203,000 tons is a record and most of this cheese is expected to be shipped to meet strong import demand particularly from Mexico and South Korea. At present domestic cheese prices are strong despite some 475,000 tons of stocks recorded in May 2011. However, based on expected consumption rates for 2011 this only equates to a supply line of around 36 days.

Butter:

-- The Oceania 2011 butterfat forecast is revised down by 15 percent due largely to a sharp drop in New Zealand output; nevertheless New Zealand's production will still register a 3 percent increase over the previous year. As in cheese, this decline is primarily due to the focus on using fluid milk for the production of WMP.

-- The Russian import forecast is raised by 44 percent driven by lower domestic milk production and stronger consumer demand driven by rising disposable incomes. The main supplier of butter to Russia – approximately 40 percent – is Belarus which is part of a recently formed Russian-Kazakh-Belarusian Customs Union. Russian import demand for the longer term is uncertain due to the adoption of higher tariff duties and sanitary/technical barriers. Currently, U.S. dairy exports to Russia are not permitted since Russia imposed new health certificate requirements.

-- In the EU-27, demand for butterfat is strong and supplies are tight with virtually no intervention stocks remaining. The EU-27 butterfat 2011 production forecast is raised and total output is expected to by 1 percent over the previous year. Domestic butterfat prices have been steady at relatively high levels; they were recently quoted as ranging from $5,900-$6,150 per ton ($2.68-$2.79 per pound). In contrast, Oceania export prices have been declining during the past two months which may to some extent undermine EU export sales. At present, EU butter exports are pegged at 165,000 tons which is below the past 5-year average of 188,000 tons.

-- The U.S. butter production forecast is raised by 82,000 tons from December to 800,000 reflecting the strong pace of production in the 5 months of this year; up 13 percent in comparison to the same period last year. Domestic butter prices have been consistently strong in the first half of 2011 with the monthly CME price through June averaging $2.06 per pound ($4,540 per ton) due to strong domestic and export demand. The export forecast is revised up by about one third since export shipments January through April 2011 have been more than double the volume shipped over the comparable period in 2010. Butter shipments are anticipated to slow in the second half of 2011 as competition from Oceania supplies ramps up. Further, the competitive advantage that U.S. butter enjoyed earlier in the year has been eroded as the price gap between Oceania and the U.S. port price has virtually closed. U.S. butter ending stocks are anticipated to rise above 2010 levels; nevertheless, they are projected to provide less than a month's buffer given estimated consumption rates.

SMP:

-- For 2011, the forecast for exports of SMP among selected countries was revised up by 11 percent. Consequently, exports of SMP are now expected to jump by 12 percent over the previous year with the strongest increases forecast to be registered by the United States and the EU-27. Import demand has been particularly strong from North Africa, Mexico, and the Asian region.

-- The EU-27 SMP 2011 export forecast is increased by 36 percent largely reflecting strong export flows early in the year. Shipments of EU-27 SMP in the January-April 2011 period have been particularly significant to Algeria, up 116 percent. Intervention stocks of NDM stand at 148,000 tons; however, some 94,000 tons are committed to domestic social programs. The remaining balance is expected to be reduced and end-of-year stocks are projected at 30,000 tons.

-- Mexico's imports of SMP in 2011 are projected to remain stable at 155,000 tons. Mexican dairy farmers have been pressuring LICONSA – a parastatal company charged distributing milk to disadvantaged groups – to raise fluid milk prices to encourage domestic production.

-- The U.S. SMP production forecast is revised up by 5 percent given the current pace of production this year which through May 2011, increased by 4 percent compared to the same period last year. The export forecast has also been raised by 11 percent (41,000 tons) to a record 414,000 tons, reflecting the strong flow of shipments to Mexico and Asian markets such as Vietnam, Philippines, and Indonesia. As in butter, the competitive advantage evident earlier in the year has been eroded as domestic prices have increased and global prices have slipped. For the coming months, international prices of SMP are expected to soften and U.S. exports are expected to slow as competition from Oceania increases.

Whole Milk Powder (WMP):

-- The WMP production forecast among selected countries is raised by 5 percent undoubtedly encouraged by the high prices that prevailed during the first half of the year. A major reason for this has been China's surge in imports of WMP which through May 2011 were up over 54 percent in comparison to the same period last year. Although China's forecast imports of WMP for 2011 have been increased by 8 percent there is the expectation that the pace will be lower in the second half of the year. Currently, China's import demand accounts for nearly a quarter of total exports among selected countries.

-- New Zealand's export forecast is raised by 13 percent to a record 1,000,000 tons in large part due to significant volumes being purchased by China. For 2011, nearly 50 percent of the increased milk production forecast for New Zealand is expected to be channeled into the production of WMP.

-- The EU-27 WMP production forecast for 2011 is set to increase slightly - less than 1 percent – as most of the available fluid milk is channeled into the production of cheese. Exportable supplies are expected to be somewhat limited as domestic consumption is strong; consequently, 2011 exports are expected to decline by 3 percent over the previous year.

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	6,480	6,585
United States	9,137	9,189	9,315	9,203	9,117	9,185
Sub-total	**17,031**	**16,194**	**16,504**	**16,582**	**16,578**	**16,750**
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**	**23,653**	**23,600**
Former Soviet Union						
Russia	9,900	9,910	9,800	9,530	9,000	8,820
Ukraine	3,840	3,221	3,096	2,856	2,758	2,690
Sub-total	**13,740**	**13,131**	**12,896**	**12,386**	**11,758**	**11,510**
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	1,553	1,570
New Zealand	4,100	4,163	4,200	4,597	4,700	4,800
Sub-total	**5,970**	**5,963**	**5,840**	**6,273**	**6,253**	**6,370**
TOTAL SELECTED COUNTRIES	**125,925**	**125,167**	**126,203**	**129,296**	**129,722**	**131,885**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 for the period 2006-2008

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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	11,033	11,060
United States	82,455	84,211	86,174	85,881	87,461	88,768
Sub-total	**100,547**	**103,080**	**105,351**	**105,027**	**106,844**	**108,178**
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**	**135,350**	**136,600**
Former Soviet Union						
Russia	31,100	32,200	32,500	32,600	31,900	31,200
Ukraine	12,890	11,997	11,524	11,370	10,950	10,570
Sub-total	**43,990**	**44,197**	**44,024**	**43,970**	**42,850**	**41,770**
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	7,721	7,550
Sub-total	**40,071**	**43,259**	**42,282**	**36,355**	**36,821**	**38,050**
Oceania						
Australia 2/	10,395	9,870	9,500	9,326	9,327	9,600
New Zealand	15,337	15,918	15,580	16,983	17,173	18,049
Sub-total	**25,732**	**25,788**	**25,080**	**26,309**	**26,500**	**27,649**
TOTAL SELECTED COUNTRIES	**418,976**	**428,118**	**432,915**	**432,666**	**439,213**	**446,663**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 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	1.68
United States	9.02	9.16	9.25	9.33	9.59	9.66
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	5.72	5.79
Former Soviet Union						
Russia	3.14	3.25	3.32	3.42	3.54	3.54
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	9.30	9.15
Oceania						
Australia 2/	5.56	5.48	5.79	5.56	6.01	6.11
New Zealand	3.74	3.82	3.71	3.69	3.65	3.76

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 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	5,206	5,167	5,100
United States	27,705	27,710	28,096	28,223	28,253	28,277
Sub-total	**35,068**	**35,071**	**35,504**	**36,532**	**36,604**	**36,557**
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**	**33,950**	**34,000**
Former Soviet Union						
Russia	12,000	12,000	12,100	12,114	11,800	11,700
Ukraine	6,086	3,641	3,520	3,483	3,290	3,170
Sub-total	**18,086**	**15,641**	**15,620**	**15,597**	**15,090**	**14,870**
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	4,150	4,030
Sub-total	**18,457**	**19,341**	**19,023**	**16,055**	**16,160**	**16,530**
Oceania						
Australia 2/	2,127	2,162	2,205	2,272	2,284	2,300
New Zealand	360	360	345	300	300	300
Sub-total	**2,487**	**2,522**	**2,550**	**2,572**	**2,584**	**2,600**
TOTAL SELECTED COUNTRIES	**163,757**	**160,659**	**163,620**	**165,611**	**166,892**	**171,460**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Based on deliveries
(2) Year ending June 30 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	264	267
United States	4,320	4,435	4,496	4,570	4,734	4,870
Sub-total	**4,756**	**4,927**	**4,969**	**5,103**	**5,295**	**5,442**
South America						
Argentina	480	520	525	530	540	555
Brazil	528	580	607	614	648	675
Sub-total	**1,008**	**1,100**	**1,132**	**1,144**	**1,188**	**1,230**
European Union - 27	**6,801**	**6,760**	**6,800**	**6,810**	**6,970**	**7,050**
Former Soviet Union						
Russia	405	435	430	400	435	440
Ukraine	210	244	249	228	220	205
Sub-total	**615**	**679**	**679**	**628**	**655**	**645**
Asia						
Japan	40	43	47	45	48	50
Korea	28	24	25	23	22	22
Philippines	2	2	2	2	2	2
Sub-total	**70**	**79**	**86**	**82**	**84**	**77**
Oceania						
Australia 2/	362	360	344	321	319	328
New Zealand	292	331	288	308	268	255
Sub-total	**654**	**691**	**632**	**629**	**587**	**583**
TOTAL SELECTED COUNTRIES	**13,904**	**14,236**	**14,298**	**14,396**	**14,779**	**15,027**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 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	338	350
United States	4,392	4,505	4,478	4,540	4,634	4,796
Sub-total	**4,928**	**5,090**	**5,039**	**5,169**	**5,289**	**5,464**
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**	**6,445**	**6,510**
Former Soviet Union						
Russia	625	675	750	690	720	767
Ukraine	170	194	185	160	145	125
Sub-total	**795**	**869**	**935**	**850**	**865**	**892**
Asia						
Japan	247	268	234	229	247	250
Korea	72	74	72	72	80	86
Sub-total	**319**	**342**	**306**	**301**	**327**	**336**
Oceania						
Australia 2/	225	215	215	220	225	230
New Zealand	28	28	22	24	24	24
Sub-total	**253**	**243**	**237**	**244**	**249**	**254**
TOTAL SELECTED COUNTRIES	**13,587**	**13,902**	**14,003**	**14,064**	**14,335**	**14,647**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 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	90
United States	170	161	137	131	109	118
Sub-total	**281**	**273**	**231**	**228**	**213**	**233**
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	78	80
Former Soviet Union						
Russia	230	250	340	310	305	335
Ukraine	8	12	13	9	10	10
Sub-total	**238**	**262**	**353**	**319**	**315**	**345**
Asia						
Japan	207	225	187	184	199	200
Korea	44	50	47	49	58	64
Philippines	13	12	14	14	14	14
Sub-total	**264**	**287**	**248**	**247**	**271**	**278**
Oceania						
Australia 2/	61	64	70	65	75	75
New Zealand	4	6	4	6	6	6
Sub-total	**65**	**70**	**74**	**71**	**81**	**81**
TOTAL SELECTED COUNTRIES	**955**	**982**	**997**	**965**	**978**	**1,037**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 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	6	7
United States	71	100	131	108	173	203
Sub-total	**82**	**113**	**146**	**121**	**177**	**161**
South America						
Argentina	58	45	36	48	45	55
Brazil	5	8	7	6	4	5
Sub-total	**63**	**53**	**43**	**54**	**49**	**53**
European Union - 27	**561**	**534**	**490**	**510**	**603**	**620**
Former Soviet Union						
Russia	10	10	20	21	20	7
Ukraine	50	62	77	77	85	90
Sub-total	**60**	**72**	**97**	**98**	**105**	**97**
Oceania						
Australia 2/	202	212	202	162	165	170
New Zealand	299	309	247	290	265	237
Sub-total	**501**	**521**	**449**	**452**	**430**	**407**
TOTAL SELECTED COUNTRIES	**1,267**	**1,293**	**1,225**	**1,235**	**1,364**	**1,338**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Excludes fresh cheese
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 2/
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	182	187
United States	657	695	746	713	709	800
Sub-total	**841**	**988**	**1,011**	**971**	**976**	**1,072**
South America						
Argentina	50	55	61	51	52	55
Brazil	79	82	84	76	78	80
Sub-total	**129**	**137**	**145**	**127**	**130**	**135**
European Union - 27	**2,035**	**2,053**	**2,040**	**2,030**	**1,980**	**2,000**
Former Soviet Union						
Russia	290	300	305	246	205	195
Ukraine	105	100	85	75	76	72
Sub-total	**395**	**400**	**390**	**321**	**281**	**267**
Asia						
India	3,050	3,360	3,690	3,910	4,155	4,325
Japan	80	75	72	81	74	70
Sub-total	**3,130**	**3,435**	**3,762**	**3,991**	**4,229**	**4,395**
Oceania						
Australia 1/	129	117	111	118	108	109
New Zealand	415	413	413	482	441	454
Sub-total	**519**	**519**	**519**	**519**	**519**	**519**
TOTAL SELECTED COUNTRIES	**7,049**	**7,532**	**7,867**	**7,959**	**8,115**	**8,388**

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

ISAD/OGA/FAS July 2011

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 2/
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	231	222
United States	642	651	690	694	683	726
Sub-total	**879**	**1,013**	**1,007**	**1,015**	**1,004**	**1,036**
South America						
Argentina	36	34	36	33	34	32
Brazil	79	80	81	81	82	84
Sub-total	**115**	**114**	**117**	**114**	**116**	**116**
European Union - 27	**1,934**	**2,006**	**1,946**	**1,874**	**1,967**	**1,887**
Former Soviet Union						
Russia	400	420	453	349	317	323
Ukraine	92	97	82	90	78	76
Sub-total	**492**	**517**	**535**	**439**	**395**	**399**
Asia						
India	3,055	3,360	3,680	3,910	4,170	4,320
Japan	89	92	83	74	85	83
Taiwan	11	14	9	14	15	16
Sub-total	**3,155**	**3,466**	**3,772**	**3,998**	**4,270**	**4,419**
Oceania						
Australia 2/	62	55	64	60	61	63
New Zealand	26	26	23	18	20	20
Sub-total	**88**	**81**	**87**	**78**	**81**	**83**
TOTAL SELECTED COUNTRIES	**6,663**	**7,197**	**7,464**	**7,518**	**7,833**	**7,940**

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

ISAD/OGA/FAS July 2011

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES 2/

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	49	35
United States	18	17	17	17	10	9
Sub-total	**82**	**102**	**73**	**82**	**67**	**64**
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	109	130
Ukraine	0	1	3	16	3	5
Sub-total	**115**	**131**	**153**	**123**	**112**	**135**
Asia						
India	10	10	5	28	19	5
Japan	4	11	18	0	2	13
Taiwan	11	14	9	14	15	16
Sub-total	**25**	**35**	**32**	**42**	**36**	**34**
Oceania						
Australia 2/	10	13	20	18	19	18
New Zealand	1	2	1	1	1	1
Sub-total	**11**	**15**	**21**	**19**	**20**	**19**
TOTAL SELECTED COUNTRIES	**318**	**377**	**346**	**336**	**308**	**326**

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

ISAD/OGA/FAS July 2011

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES 2/

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	18	13	1	3	10	10
Mexico	0	2	0	0	0	0
United States	11	40	89	30	59	67
Sub-total	**29**	**55**	**90**	**33**	**69**	**77**
South America						
Argentina	16	21	25	18	15	25
Brazil	1	3	4	2	4	5
Sub-total	**17**	**24**	**29**	**20**	**19**	**30**
European Union - 27	**248**	**216**	**153**	**169**	**155**	**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	63	63
New Zealand	421	391	349	489	428	435
Sub-total	**503**	**471**	**407**	**572**	**491**	**498**
TOTAL SELECTED COUNTRIES	**820**	**780**	**700**	**823**	**739**	**781**

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

ISAD/OGA/FAS July 2011

SKIMMED MILK POWDER 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	18	18	24	25	13	13
United States 1/	686	679	859	786	824	885
Sub-total	**776**	**772**	**970**	**897**	**919**	**980**
South America						
Argentina	30	24	25	33	38	37
Brazil	117	128	128	125	130	134
Sub-total	**147**	**152**	**153**	**158**	**168**	**171**
European Union - 27	**955**	**1,005**	**980**	**1,080**	**980**	**1,010**
Former Soviet Union						
Russia	110	115	120	70	70	70
Ukraine	80	90	65	51	51	50
Sub-total	**190**	**205**	**185**	**121**	**121**	**120**
Asia						
China	55	58	53	54	55	56
India	295	320	345	360	375	410
Japan	180	173	158	167	156	150
Korea	18	22	20	15	14	13
Sub-total	**548**	**573**	**576**	**596**	**600**	**629**
Oceania						
Australia 2/	221	205	177	203	222	230
New Zealand	264	300	252	385	344	375
Sub-total	**485**	**505**	**429**	**588**	**566**	**605**
TOTAL SELECTED COUNTRIES	**3,101**	**3,212**	**3,293**	**3,440**	**3,354**	**3,515**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP production.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

SKIMMED MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2006	2007	2008	2009	(p) 2010	(f) 2011
North America						
Canada	75	65	70	74	80	80
Mexico	129	139	176	190	168	168
United States 1/	436	396	429	593	427	467
Sub-total	**640**	**600**	**675**	**857**	**675**	**715**
South America						
Argentina	12	9	9	17	18	18
Brazil	122	128	134	135	137	139
Sub-total	**134**	**137**	**143**	**152**	**155**	**157**
European Union - 27	**896**	**813**	**809**	**596**	**670**	**730**
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	200	204	170	152	162	160
Korea	28	25	26	25	22	21
Philippines	76	76	65	82	82	84
Sub-total	**797**	**814**	**834**	**910**	**972**	**1,056**
Oceania						
Australia 2/	38	42	49	50	51	52
New Zealand	5	5	1	1	3	3
Sub-total	**43**	**47**	**50**	**51**	**54**	**55**
TOTAL SELECTED COUNTRIES	**2,666**	**2,594**	**2,712**	**2,773**	**2,811**	**3,004**

Source: FAS post reports, official statistics, and office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM and SMP.

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

ISAD/OGA/FAS July 2011

SKIMMED MILK POWDER 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	152	165	155	155
United States 1/	2	2	1	0	0	0
Sub-total	**116**	**126**	**157**	**167**	**157**	**157**
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**	**4**	**5**
Former Soviet Union						
Russia	45	50	75	105	180	185
Ukraine	0	0	0	8	1	6
Sub-total	**45**	**50**	**75**	**113**	**181**	**191**
North Africa						
Algeria	**68**	**91**	**90**	**93**	**98**	**130**
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/	5	4	4	4	5	6
New Zealand	1	1	1	4	3	3
Sub-total	**6**	**5**	**5**	**8**	**8**	**9**
TOTAL SELECTED COUNTRIES	**599**	**607**	**673**	**798**	**907**	**971**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

SKIMMED MILK POWDER 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
Mexico	0	0	0	0	0	0
United States 1/	287	258	391	248	384	414
Sub-total	**300**	**272**	**402**	**258**	**394**	**424**
South America						
Argentina	21	11	14	13	20	19
Brazil	4	4	1	1	3	5
Sub-total	**25**	**15**	**15**	**14**	**23**	**24**
European Union - 27	**88**	**202**	**179**	**231**	**378**	**450**
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 2/	189	175	120	167	160	175
New Zealand	316	281	242	408	344	375
Sub-total	**505**	**456**	**362**	**575**	**504**	**550**
TOTAL SELECTED COUNTRIES	**1,076**	**1,084**	**1,073**	**1,140**	**1,347**	**1,505**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

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	32	35
Sub-total	**14**	**14**	**23**	**27**	**32**	**35**
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**	**780**	**785**
Former Soviet Union						
Russia	90	95	95	50	55	60
Ukraine	26	25	30	16	14	13
Sub-total	**116**	**120**	**125**	**66**	**69**	**73**
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	147	155
New Zealand	640	672	677	768	947	1,015
Sub-total	**792**	**807**	**819**	**905**	**1,094**	**1,170**
TOTAL SELECTED COUNTRIES	**3,576**	**3,680**	**3,829**	**3,559**	**3,820**	**4,019**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP production.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

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	29	32
Sub-total	**15**	**23**	**15**	**36**	**29**	**32**
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**	**338**	**357**
Former Soviet Union						
Russia	100	115	130	71	108	108
Ukraine	8	12	9	12	6	7
Sub-total	**108**	**127**	**139**	**83**	**114**	**115**
North Africa						
Algeria	**176**	**180**	**160**	**172**	**172**	**200**
Asia						
China	1,071	1,137	954	1,064	1,337	1,502
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**	**1,072**	**1,207**	**1,491**	**1,673**
Oceania						
Australia 2/	27	27	27	28	29	30
New Zealand	1	1	1	1	1	1
Sub-total	**28**	**28**	**28**	**29**	**30**	**31**
TOTAL SELECTED COUNTRIES	**2,423**	**2,584**	**2,357**	**2,424**	**2,760**	**3,005**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP production.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

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	7	5
Sub-total	**13**	**20**	**16**	**18**	**7**	**5**
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**	**2**	**2**
Former Soviet Union						
Russia	15	25	45	30	55	50
Ukraine	0	0	0	1	0	0
Sub-total	**15**	**25**	**45**	**31**	**55**	**50**
North Africa						
Algeria	**182**	**161**	**153**	**200**	**167**	**210**
Asia						
China	74	59	46	177	320	430
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**	**564**
Oceania						
Australia 2/	13	11	13	15	15	15
New Zealand	2	1	1	1	2	1
Sub-total	**15**	**12**	**14**	**16**	**17**	**16**
TOTAL SELECTED COUNTRIES	**431**	**399**	**404**	**615**	**729**	**887**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP production.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011

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	10	8
Sub-total	**12**	**11**	**24**	**9**	**10**	**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**	**444**	**430**
Former Soviet Union						
Russia	5	5	10	9	2	2
Ukraine	18	13	21	5	8	6
Sub-total	**23**	**18**	**31**	**14**	**10**	**8**
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	137	145
New Zealand	645	680	607	818	948	1,000
Sub-total	**798**	**810**	**718**	**951**	**1,085**	**1,145**
TOTAL SELECTED COUNTRIES	**1,556**	**1,478**	**1,592**	**1,660**	**1,772**	**1,848**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes NDM and SMP production.
(2) Year ending June 30 for the period 2006-2008

ISAD/OGA/FAS July 2011