United States
Department of
Agriculture

Foreign
Agricultural
Service

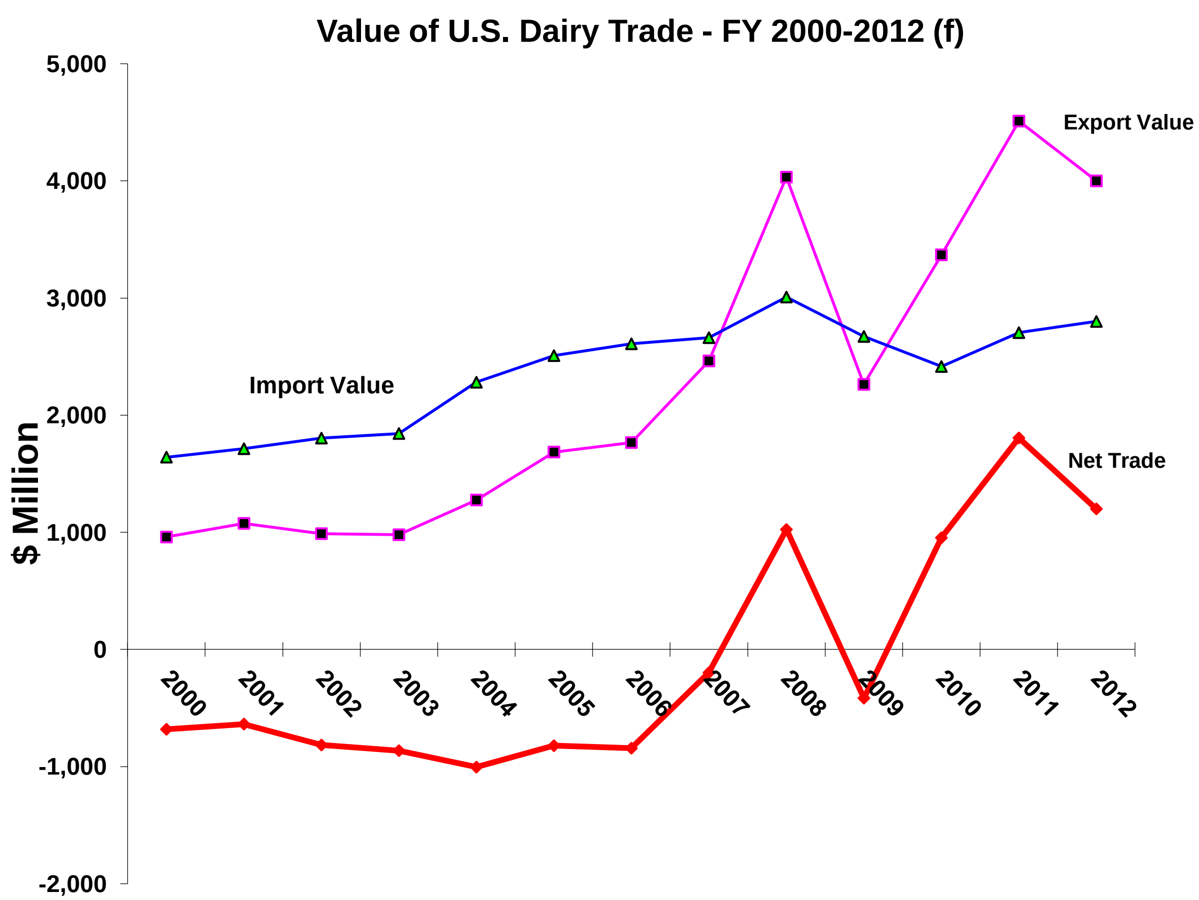
Dec 2011

Dairy:
World Markets and Trade

U.S. Value of Net Dairy Trade Expected to Remain Strong

For FY 2012, U.S. dairy exports are expected to decline to $4 billion as global dairy prices are expected to soften and trend below FY 2011 levels. Volumes are also expected to track below FY2011 with exports of NDM forecast to decline by 8 percent. Nevertheless, the outlook is bright as U.S. dairy exports are expected to post a net trade surplus of $1.2 billion.

U.S. exports of dairy products achieved a milestone in FY 2011 as the total value of shipments hit a record $4.5 billion. This generated an unprecedented net dairy trade surplus of $1.8 billion. The leading export product was skimmed milk powder (SMP) which accounted for nearly a third of total exports on a value basis followed by cheese and lactose. Mexico remains the largest trade partner accounting for a quarter of total exports on a value basis and 38 percent of the volume of SMP exported.



Approved by the World Agricultural Outlook Board/USDA

Dairy Production and Trade Developments

Summary

Global dairy markets in early 2011 experienced a surge in prices as strong global import demand for dairy products outpaced available supplies. As a result, major producing countries, responding to high returns, expanded milk production significantly which increased the supply of available exportable dairy products. Consequently, in the last half of 2011 as favorable weather conditions ushered in Oceania's production season, dairy commodity prices started to slip. Further pressuring dairy markets was undoubtedly a growing caution by buyers as the increasingly volatile financial situation in the EU grew to dominate the financial outlook.

At present, global dairy prices appear to have settled although the forecast for Chinese imports of whole milk powder (WMP) in 2011 has been revised down significantly from July. In early 2011, China had absorbed a significant portion of the additional milk supplies on global markets through the substantial purchase of WMP thus underpinning international dairy prices. For 2012, Chinese purchases of WMP are expected to pick-up but at a more modest pace. WMP prices on the Global Dairy Trade platform, which covers future deliveries, have been rising tentatively suggesting that there is a growing current of underlying demand.

From an economic standpoint, the outlook for 2012 is positive with global GDP slated to grow from a 2.7 percent rate in 2011 to a 2.9 percent rate in 2012. In the critical Asian and Oceania markets, GDP growth is expected to expand at a 5 percent rate – up from the 4.2 percent estimated for 2011. However, GDP growth in China is forecast to slow from 9.1 percent to 8.5 percent which could dampen growth in domestic demand and slow the rapid pace of increases in dairy product imports from the heady pace experienced in recent years.

For 2012, milk production in the major producing countries is forecast to moderate while import demand for dairy products will remain relatively stable as developing countries – particularly in the critical Asian markets – continue to grow economically. Expanding populations and rising disposable incomes will be the key drivers. Consequently, it appears that the price correction for dairy commodities may be over and that there will be some price stability in 2012. However, the lack of any surplus stocks, particularly in the form of Government stocks, makes the market susceptible to any supply shocks and prices are likely to react rapidly.

Milk Production: 2011 Forecast Summary

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

	2010	2011 (est.)	2012 Forecast	2011-2012 Change
Argentina	10,600	11,990	12,450	+4%
Australia	9,327	9,550	9,750	+2%
EU-27	135,435	137,800	138,950	+1%
New Zealand	17,173	18,681	19,130	+2%
United States	87,461	88,950	90,038	+ 1%

- After an anticipated sharp rebound in milk production in 2011, largely as a result of excellent forage conditions and high prices, Argentina's dairy industry is expected to continue to expand in 2012 albeit at a slower pace. Domestic inflationary pressures are expected to squeeze profit margins; consequently, milk production growth is forecast to grow modestly by 4 percent.

- Australian milk production is forecast to expand in 2012 by 2 percent as pasture conditions and fodder availability are expected to be similar to 2011. The 2011 production season benefited greatly from the abundant rainfall in 2010 which set the stage for excellent growing conditions. Although drier conditions are expected to prevail for 2012 as rainfall patterns revert to the long-term average, the major constraining factors to additional output are expected to be the chronic shortage of replacement heifers and relatively high grain prices.

- After an excellent forage season, New Zealand's forecast milk production for 2011 was revised up 4 percent to 18.68 million tons – up 9 percent over the 2010 season. For 2012, milk output is expected to slow down and register a modest 2 percent gain assuming normal weather conditions persist. The herd is expected to grow by 110,000 cows and milk output per cow is forecast to rise due to improved productivity gains.

- Milk output growth in the EU is forecast to slow down to 1 percent in 2012 - down from the 2 percent gain estimated gain for 2011 – as higher costs of production, lower consumption, and the clouded financial uncertainty are expected dampen expansion plans. In 2011, high farm gate prices as a result of higher domestic and international demand provided a strong incentive for dairy farmers to increase output.

- U.S. milk production for 2012 is forecast to expand by 1 percent which will be below the 2 percent rate of growth currently estimated for 2011; dairy farmers are expected to face lower milk prices and relatively higher feed costs which is expected to pressure returns. Producers are currently projected to receive an annual average all milk price of around $18.10-$18.90 per cwt down from the estimated average of $20.05-20.15 per cwt in 2011. Although the herd is projected to contract, expected milk per cow increases are expected to lead to higher milk production. Most of the additional milk is likely to be channeled into the production of cheese.

Cheese:

- Cheese production in Oceania for 2011 is projected to decline by 1 percent over 2010 primarily due to a 4 percent drop in New Zealand's output. New Zealand's projected jump in milk production for 2011 is expected to be used primarily to support the production of whole milk powder for the booming export sector. For 2012, New Zealand cheese production is forecast to rebound by 9 percent. Exports, however, are expected to decline slightly leading to a slight increase in stock levels. New Zealand exports primarily to Japan, Australia, and South Korea.

- EU-27 cheese production is forecast to increase in 2011 and 2012 due to the expected increases in milk production and growing domestic consumption. Following an 18 percent jump in cheese exports in 2010, EU exports for 2011 and 2012 are expected to continue to grow but at a more moderate pace – about 3 percent annually. The major destinations for EU exports are Russia and the United States. EU shipments to Russia through September 2011 have declined by 5 percent but have been offset by increased volumes- up 11 percent – to the United States.

- U.S. cheese production is projected to expand by 1 percent in 2011 to 4.8 million tons largely as a result of high cheese prices driven in part by strong export demand. For 2012, favorable prices for cheese relative to SMP/butter are expected to lead to a 3 percent increase in cheese production to a record 4.9 million tons with most of the additional cheese expected to be absorbed by domestic consumption. Exports for 2012 are forecast to grow at a much slower pace than the 22 percent rate expected 2011 as global markets are likely to be more competitive and economic concerns may limit demand. Mexico which accounts for nearly 30 percent of U.S. cheese exports, will no longer apply the punitive tariffs which were in effect for part of 2011 following resolution of the U.S.-Mexico trucking dispute. This should provide some solid support for an expansion in U.S. shipments and offset declines in other markets. Beginning stocks, which were historically high at the start of 2011, are expected to be drawn down during 2012.

Butter:

- During 2011, Oceania butter prices (mid-point FOB) increased dramatically reaching nearly $5,000 per ton while European prices exceed $6,000 (mid-point FOB) per ton underscoring the tight global supply situation evident in the first half of the year. However, since July 1 through to end of November 2011, butter prices have dropped by nearly 20 percent. Demand, nevertheless, appears to be holding as trade data indicates that imports this year for some key butterfat consuming countries through September 2011 remains strong. For example, Russian imports of butter (excluding Belarus) through September are up 16 percent to 49,000 tons compared to 2010. This may explain why butter prices appear to have recently stabilized and may be an early indication of stronger prices particularly as the Oceania production season winds down.

- Butterfat production among selected countries is forecast to expand by 2 percent in 2012, however, India which trades minimal volumes will account for the large majority of the expected increase. In Oceania, butterfat production for 2012 is forecast to remain largely unchanged from the prior year as milk supplies are expected to flow primarily into the production of WMP. However, exports are expected to increase by 6 percent which is expected to reduce stock levels.

- EU-27 butterfat production is estimated to increase by 2 percent in 2011 over the previous year due to the higher milk fat content in raw milk and strong export demand experienced in the first half of the year. However, total EU butter exports in the January-September 2011 period were down 24 percent compared to the same period last year; consequently, total annual exports are currently pegged at well below 2010 levels. For 2012, production will grow less than 1 percent and exports are forecast to grow modestly on the basis of export demand, particularly by Russia.

- U.S. butter production for 2011 increased sharply as early year returns from butter/powder production favored a shift away from cheese. For 2012, relative values are expected to favor cheese production and butter production is forecast to drop by 1 percent. Exports, which are forecast to grow by 34 percent in 2011, are expected to drop in 2012 as U.S. exporters face growing competition in international markets. U.S. trade data for September and October 2011 has shown a marked decline in butterfat exports which may mark the beginning of slower sales.

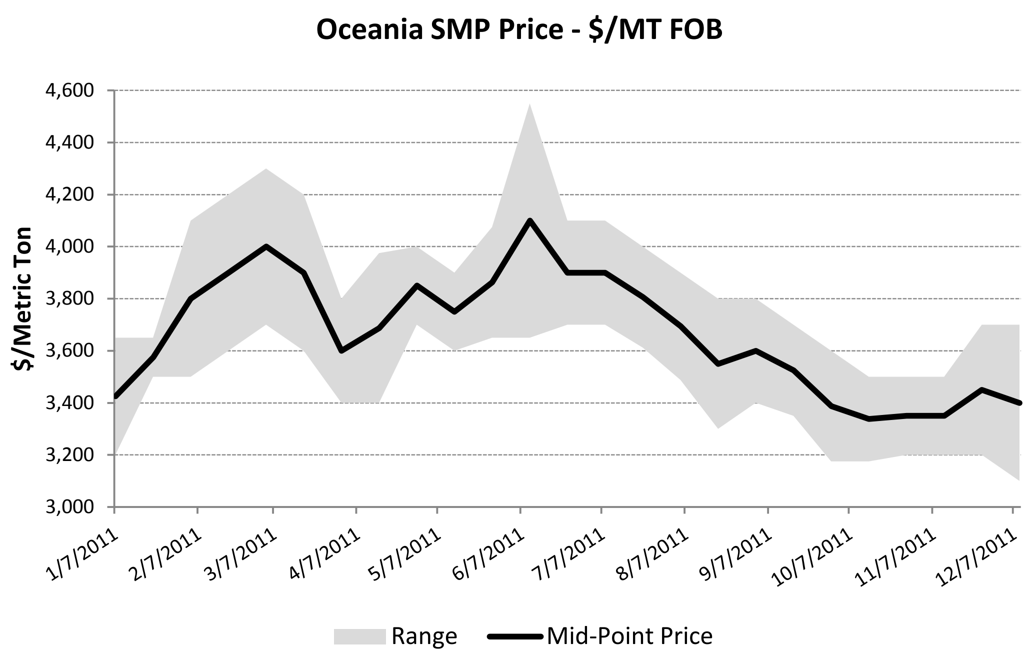
SMP:

- Exports of SMP from selected countries are expected to experience a banner year as shipments for 2011 are pegged to expand by 16 percent over 2010. This was reflected by the rapid climb in Oceania SMP prices which by mid-year had soared to over $4,000 per ton (mid-point FOB) as strong demand from Asia pressured markets. Oceania prices have since corrected sharply, falling to around $3,350 per ton (mid-point FOB) by late October 2011. However, SMP prices in November have started to rise slightly, suggesting that purchasers may be starting to place orders as inventories are replenished. For 2012, exports are expected to contract marginally as a drop in U.S. and EU-27 exports will be nearly offset by increases in Oceania. Shipments of Oceania SMP are projected to increase by almost 9 percent in 2012 to reach 635,000 tons.

- EU-27 exports of SMP are projected to expand by 19 percent in 2011 driven by the increased availability of intervention stocks released to the market and strong export demand particularly from the North Africa and Far East import markets. For 2012, shipments of SMP are forecast to contract by 7 percent despite an expected rise in domestic production. Exports are expected to be constrained by domestic demand as stocks were largely drawn down during 2011.

- The 2011 (July) forecast for U.S. exports of SMP for 2011 has been revised up by 5 percent and shipments expected to set a record at 435,000 tons – up 13 percent from the previous year. Trade data through October 2011, indicates that 143,000 tons of SMP has been shipped to Mexico making it by far the most important market for U.S. SMP. For 2012, exports of U.S. SMP are slated to decline by 8 percent due to increased competition in the key Asian markets and a decline in Mexico's expected purchases.

- On the import side, the 2012 outlook is mixed with some of the key Asian countries such as China, Indonesia, and the Philippines expected to register increased import volumes. China, which is rapidly becoming a key SMP import market, is forecast to grow by 19 percent to reach 140,000 tons. In contrast, in other major markets such as Mexico and Algeria, imports for 2012 are projected to decline from 2011. However, these levels will still be historically high and well above import levels registered in 2010.



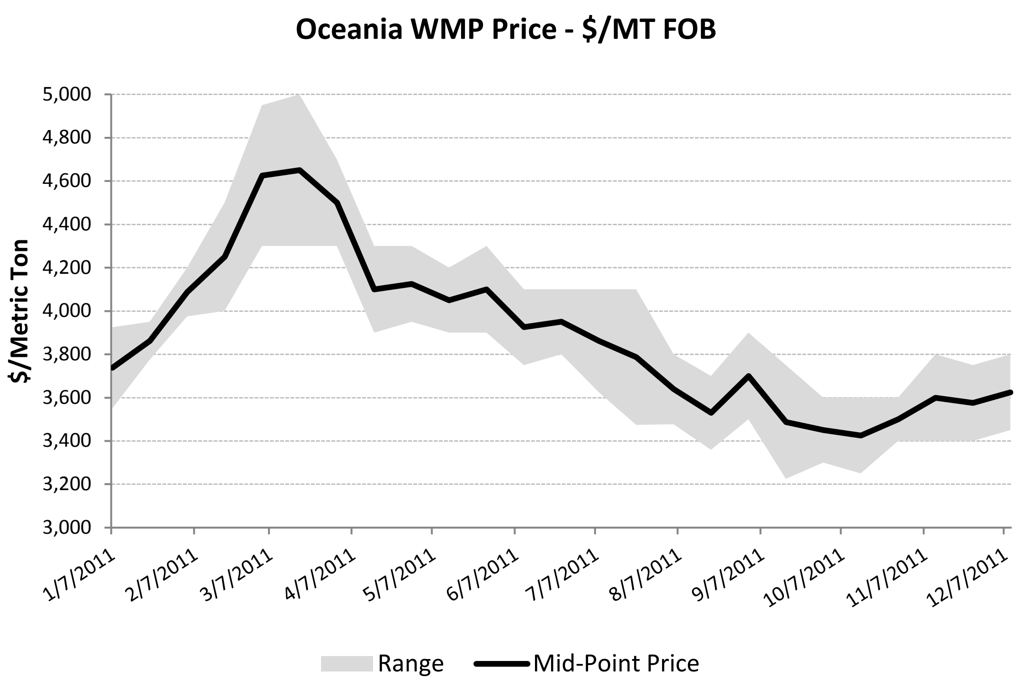
Source: Agricultural Marketing Service, USDA

Whole Milk Powder (WMP):

- Oceania WMP prices have followed a similar trajectory as SMP prices – peaking early in 2011 at around $4,600 per ton (mid-point FOB) and then dropping by 25 percent to slightly over $3,425 per ton in October 2011. There are, however, signs that the market has stabilized and recent price increases, particularly during the peak production period in Oceania, point to resurgence in purchasing activity.

- China's 2011 (July) import forecast has been pared back significantly – 19 percent to 350,000 tons - as the pace of monthly imports has been slowing since mid-year. The high price of WMP has been attributed as a major factor in the drop in import demand as smaller processors are now sourcing their WMP from domestic producers. Most of the imported WMP is used for the manufacture of infant formula and processed foods such as yogurt, ice cream, UHT milk, etc. For 2012, imports of WMP are forecast to grow by 7 percent driven by domestic demand for processed dairy products and lingering concerns over the safety of domestic dairy products.

- New Zealand, which is projected to account for nearly 55 percent of trade among selected exporters in 2011, is forecast to further increase its exports of WMP in 2012 by 4 percent to 1.09 million tons. In contrast, EU-27 exports for 2012 are projected to remain stagnant relative to 2011 as stronger domestic competition for fluid milk supplies and a more competitive export market are expected to limit efforts to expand WMP production. The other major global supplier, Argentina, is forecast to increase 2012 WMP production by 5 percent to 330,000 tons as milk production rises. Most of this will likely be destined to Venezuela, Algeria, and Brazil, which have been Argentina's principal markets for WMP for the past 5 years (2006-2010).



Source: Agricultural Marketing Service, USDA

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	995	985	979	981	987	993
Mexico	6,010	6,204	6,400	6,480	6,500	6,500
United States	9,189	9,315	9,203	9,117	9,200	9,185
Sub-total	**16,194**	**16,504**	**16,582**	**16,578**	**16,687**	**16,678**
South America						
Argentina	2,150	2,150	2,100	2,100	2,150	2,200
Brazil	15,925	16,700	17,200	17,600	18,200	18,600
Sub-total	**18,075**	**18,850**	**19,300**	**19,700**	**20,350**	**20,800**
European Union - 27 1/	**24,178**	**24,176**	**24,192**	**23,617**	**23,072**	**23,000**
Former Soviet Union						
Russia	9,910	9,800	9,530	8,450	8,405	8,390
Ukraine	3,221	3,096	2,856	2,736	2,631	2,560
Sub-total	**13,131**	**12,896**	**12,386**	**11,186**	**11,036**	**10,950**
South Asia						
India	**38,000**	**38,500**	**42,600**	**43,600**	**44,900**	**46,200**
Asia						
China	8,755	8,575	7,115	7,320	7,620	7,975
Japan	871	862	848	830	805	800
Sub-total	**9,626**	**9,437**	**7,963**	**8,150**	**8,425**	**8,775**
Oceania						
Australia 2/	1,800	1,640	1,676	1,596	1,610	1,625
New Zealand	4,163	4,200	4,597	4,680	4,820	4,930
Sub-total	**5,963**	**5,840**	**6,273**	**6,276**	**6,430**	**6,555**
TOTAL SELECTED COUNTRIES	**125,167**	**126,203**	**129,296**	**129,107**	**130,900**	**132,958**

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 2007-2008

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COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	8,212	8,270	8,280	8,350	8,400	8,450
Mexico	10,657	10,907	10,866	11,033	10,878	10,975
United States	84,211	86,174	85,881	87,461	88,950	90,038
Sub-total	**103,080**	**105,351**	**105,027**	**106,844**	**108,228**	**109,463**
South America						
Argentina	9,550	10,010	10,350	10,600	11,990	12,450
Brazil	26,750	27,820	28,795	29,948	30,610	31,300
Sub-total	**36,300**	**37,830**	**39,145**	**40,548**	**42,600**	**43,750**
European Union - 27 1/	**132,604**	**133,848**	**133,700**	**135,435**	**137,800**	**138,950**
Former Soviet Union						
Russia	32,200	32,500	32,600	31,900	31,800	31,900
Ukraine	11,997	11,524	11,370	10,977	10,800	10,550
Sub-total	**44,197**	**44,024**	**43,970**	**42,877**	**42,600**	**42,450**
South Asia						
India	**42,890**	**44,500**	**48,160**	**50,300**	**52,500**	**55,000**
Asia						
China	35,252	34,300	28,445	29,300	30,700	32,150
Japan	8,007	7,982	7,910	7,721	7,450	7,500
Sub-total	**43,259**	**42,282**	**36,355**	**37,021**	**38,150**	**39,650**
Oceania						
Australia 2/	9,500	9,500	9,326	9,327	9,550	9,750
New Zealand	15,918	15,580	16,983	17,173	18,681	19,130
Sub-total	**25,418**	**25,080**	**26,309**	**26,500**	**28,231**	**28,880**
TOTAL SELECTED COUNTRIES	**427,748**	**432,915**	**432,666**	**439,525**	**450,109**	**458,143**

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 2007-2008

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COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	8.25	8.40	8.46	8.51	8.51	8.51
Mexico	1.77	1.76	1.70	1.70	1.67	1.69
United States	9.16	9.25	9.33	9.59	9.67	9.80
South America						
Argentina	4.44	4.66	4.93	5.05	5.58	5.66
Brazil	1.68	1.67	1.67	1.70	1.68	1.68
European Union - 27 1/	5.48	5.54	5.53	5.73	5.97	6.04
Former Soviet Union						
Russia	3.25	3.32	3.42	3.78	3.78	3.80
Ukraine	3.72	3.72	3.98	4.01	4.10	4.12
South Asia						
India	1.13	1.16	1.13	1.15	1.17	1.19
Asia						
China	4.03	4.00	4.00	4.00	4.03	4.03
Japan	9.19	9.26	9.33	9.30	9.25	9.38
Oceania						
Australia 2/	5.28	5.79	5.56	5.84	5.93	6.00
New Zealand	3.82	3.71	3.69	3.67	3.88	3.88

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 2007-2008

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COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	3,086	3,145	3,103	3,184	3,195	3,200
Mexico	4,275	4,263	5,206	5,167	4,672	4,669
United States	27,710	28,084	28,218	28,295	28,452	28,609
Sub-total	**35,071**	**35,492**	**36,527**	**36,646**	**36,319**	**36,478**
South America						
Argentina	1,900	1,975	2,100	2,130	2,180	2,225
Brazil	10,170	10,684	10,895	11,278	11,316	11,515
Sub-total	**12,070**	**12,659**	**12,995**	**13,408**	**13,496**	**13,740**
European Union - 27 1/	**33,334**	**33,744**	**33,700**	**33,738**	**33,870**	**33,915**
Former Soviet Union						
Russia	12,000	12,100	12,114	11,800	11,800	11,850
Ukraine	3,641	3,520	3,483	5,342	5,437	5,337
Sub-total	**15,641**	**15,620**	**15,597**	**17,142**	**17,237**	**17,187**
South Asia						
India	**42,680**	**44,520**	**48,160**	**49,140**	**50,600**	**51,610**
Asia						
China	14,820	14,581	11,791	12,060	12,590	13,140
Japan	4,521	4,442	4,264	4,150	4,060	4,050
Sub-total	**19,341**	**19,023**	**16,055**	**16,210**	**16,650**	**17,190**
Oceania						
Australia 2/	2,271	2,205	2,272	2,284	2,320	2,350
New Zealand	360	345	300	300	300	300
Sub-total	**2,631**	**2,550**	**2,572**	**2,584**	**2,620**	**2,650**
TOTAL SELECTED COUNTRIES	**160,768**	**163,608**	**165,606**	**168,868**	**170,792**	**172,770**

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 2007-2008

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CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	308	285	291	297	305	311
Mexico	184	188	242	264	267	270
United States	4,435	4,496	4,570	4,734	4,800	4,925
Sub-total	**4,927**	**4,969**	**5,103**	**5,295**	**5,372**	**5,506**
South America						
Argentina	520	525	530	540	555	575
Brazil	580	607	614	648	675	700
Sub-total	**1,100**	**1,132**	**1,144**	**1,188**	**1,230**	**1,275**
European Union - 27	**6,760**	**6,800**	**6,810**	**6,970**	**7,070**	**7,120**
Former Soviet Union						
Russia	435	430	400	435	425	420
Ukraine	244	249	228	212	185	200
Sub-total	**679**	**679**	**628**	**647**	**610**	**620**
Asia						
Japan	43	47	45	48	48	49
Korea	24	25	23	27	32	38
Philippines	2	2	2	2	2	2
Sub-total	**69**	**79**	**86**	**82**	**84**	**77**
Oceania						
Australia 2/	360	344	321	319	325	332
New Zealand	331	288	308	268	257	280
Sub-total	**691**	**632**	**629**	**587**	**582**	**612**
TOTAL SELECTED COUNTRIES	**14,226**	**14,291**	**14,400**	**14,769**	**14,948**	**15,210**

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 2007-2008

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CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	318	310	318	318	320	330
Mexico	266	251	311	338	335	348
United States	4,505	4,478	4,540	4,634	4,711	4,825
Sub-total	**5,089**	**5,039**	**5,169**	**5,290**	**5,366**	**5,503**
South America						
Argentina	473	488	495	490	505	521
Brazil	576	605	624	666	701	721
Sub-total	**1,049**	**1,093**	**1,119**	**1,156**	**1,206**	**1,242**
European Union - 27	**6,309**	**6,393**	**6,381**	**6,445**	**6,515**	**6,545**
Former Soviet Union						
Russia	675	750	690	720	732	743
Ukraine	194	185	160	144	122	144
Sub-total	**869**	**935**	**850**	**864**	**854**	**887**
Asia						
Japan	268	234	229	247	253	259
Korea	74	72	72	88	112	134
Sub-total	**342**	**306**	**301**	**335**	**365**	**393**
Oceania						
Australia 2/	215	215	220	225	230	235
New Zealand	28	22	24	24	20	25
Sub-total	**243**	**237**	**244**	**249**	**250**	**260**
TOTAL SELECTED COUNTRIES	**13,901**	**14,003**	**14,064**	**14,339**	**14,556**	**14,830**

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 2007-2008

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CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	26	26	24	25	27	28
Mexico	86	68	73	80	75	85
United States	161	137	131	110	108	110
Sub-total	**273**	**231**	**228**	**215**	**210**	**223**
South America						
Argentina	3	3	3	3	3	3
Brazil	4	5	16	22	29	25
Sub-total	**7**	**8**	**19**	**25**	**32**	**28**
European Union - 27	83	83	81	78	65	65
Former Soviet Union						
Russia	250	340	310	305	315	330
Ukraine	12	13	9	11	12	14
Sub-total	**262**	**353**	**319**	**316**	**327**	**344**
Asia						
Japan	225	187	184	199	205	210
Korea	50	47	49	61	80	96
Philippines	12	14	14	14	15	15
Sub-total	**287**	**248**	**247**	**274**	**300**	**321**
Oceania						
Australia 2/	64	70	65	75	76	75
New Zealand	6	4	6	6	3	3
Sub-total	**70**	**74**	**71**	**81**	**79**	**78**
TOTAL SELECTED COUNTRIES	**982**	**997**	**965**	**989**	**1,013**	**1,059**

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 2007-2008

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CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	10	10	9	9	9	9
Mexico	4	5	4	6	7	7
United States	100	131	108	174	212	215
Sub-total	**82**	**113**	**146**	**121**	**177**	**161**
South America						
Argentina	45	36	48	45	55	60
Brazil	8	7	6	4	3	4
Sub-total	**63**	**53**	**43**	**54**	**49**	**53**
European Union - 27	**534**	**490**	**510**	**603**	**620**	**640**
Former Soviet Union						
Russia	10	20	21	20	7	7
Ukraine	62	77	77	79	75	70
Sub-total	**72**	**97**	**98**	**99**	**82**	**77**
Oceania						
Australia 2/	212	202	162	165	170	174
New Zealand	309	247	290	265	255	250
Sub-total	**521**	**449**	**452**	**430**	**425**	**424**
TOTAL SELECTED COUNTRIES	**1,272**	**1,202**	**1,249**	**1,307**	**1,353**	**1,355**

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 2007-2008

GCAD/OGA/FAS Dec 2011

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	79	85	86	80	84	85
Mexico	214	180	171	182	187	185
United States	695	746	713	709	820	810
Sub-total	**988**	**1,011**	**970**	**971**	**1,091**	**1,080**
South America						
Argentina	55	61	51	57	64	66
Brazil	82	84	76	78	79	81
Sub-total	**137**	**145**	**127**	**135**	**143**	**147**
European Union - 27	**2,053**	**2,040**	**2,030**	**1,980**	**2,025**	**2,040**
Former Soviet Union						
Russia	300	305	246	205	212	210
Ukraine	100	85	75	79	80	80
Sub-total	**400**	**390**	**321**	**284**	**292**	**290**
Asia						
India	3,360	3,690	3,910	4,162	4,320	4,500
Japan	75	72	81	74	67	70
Sub-total	**3,435**	**3,762**	**3,991**	**4,236**	**4,387**	**4,570**
Oceania						
Australia 2/	117	111	118	108	105	107
New Zealand	413	413	482	441	492	490
Sub-total	**519**	**519**	**519**	**519**	**519**	**519**
TOTAL SELECTED COUNTRIES	**7,532**	**7,867**	**7,958**	**8,125**	**8,457**	**8,646**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes Butteroil/AMF butter equivalent.
(2) Year ending June 30 for the period 2007-2008

GCAD/OGA/FAS Dec 2011

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	78	88	96	90	92	93
Mexico	284	229	224	231	225	215
United States	652	689	694	683	741	736
Sub-total	**1,014**	**1,006**	**1,014**	**1,004**	**1,058**	**1,044**
South America						
Argentina	33	34	33	34	37	37
Brazil	80	81	81	75	78	80
Sub-total	**113**	**115**	**114**	**109**	**115**	**117**
European Union - 27	**2,006**	**1,946**	**1,894**	**1,933**	**1,961**	**1,965**
Former Soviet Union						
Russia	420	453	349	317	340	343
Ukraine	97	82	90	84	82	82
Sub-total	**517**	**535**	**439**	**401**	**422**	**425**
Asia						
India	3,360	3,680	3,910	4,170	4,325	4,500
Japan	92	83	74	85	83	82
Taiwan	14	9	14	16	21	25
Sub-total	**3,466**	**3,772**	**3,998**	**4,271**	**4,429**	**4,607**
Oceania						
Australia 2/	55	64	60	61	62	63
New Zealand	26	23	18	20	20	20
Sub-total	**81**	**87**	**78**	**81**	**82**	**83**
TOTAL SELECTED COUNTRIES	**7,197**	**7,461**	**7,537**	**7,799**	**8,067**	**8,241**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes Butteroil/AMF butter equivalent.
(2) Year ending June 30 for the period 2007-2008

GCAD/OGA/FAS Dec 2011

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES 1/
1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	13	7	12	8	8	10
Mexico	72	49	53	49	38	30
United States	18	16	17	10	8	10
Sub-total	**103**	**72**	**82**	**67**	**54**	**50**
South America						
Brazil	1	1	7	2	0	1
European Union - 27	**84**	**93**	**66**	**63**	**65**	**65**
Former Soviet Union						
Russia	130	150	107	109	130	135
Ukraine	1	3	16	6	4	4
Sub-total	**131**	**153**	**123**	**115**	**134**	**139**
Asia						
India	10	5	28	25	5	5
Japan	11	18	0	2	14	12
Taiwan	14	9	14	16	21	25
Sub-total	**35**	**32**	**42**	**43**	**40**	**42**
Oceania						
Australia 2/	13	20	18	19	18	17
New Zealand	2	1	1	1	1	1
Sub-total	**15**	**21**	**19**	**20**	**19**	**18**
TOTAL SELECTED COUNTRIES	**369**	**372**	**339**	**310**	**312**	**315**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes Butteroil/AMF butter equivalent.
(2) Year ending June 30 for the period 2007-2008

GCAD/OGA/FAS   Dec 2011

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES 1/
1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	13	1	3	1	1	1
Mexico	2	0	0	0	0	0
United States	40	89	30	59	79	69
Sub-total	**55**	**90**	**33**	**60**	**80**	**70**
South America						
Argentina	22	27	18	20	26	30
Brazil	3	4	2	5	1	2
Sub-total	**25**	**31**	**20**	**25**	**27**	**32**
European Union - 27	**216**	**153**	**149**	**155**	**125**	**130**
Former Soviet Union						
Ukraine	4	6	1	1	2	2
Asia						
India	10	15	28	11	6	5
Sub-total	**5**	**10**	**15**	**28**	**4**	**10**
Oceania						
Australia 2/	80	58	83	63	63	65
New Zealand	391	349	489	428	453	481
Sub-total	**471**	**407**	**572**	**491**	**516**	**546**
TOTAL SELECTED COUNTRIES	**776**	**697**	**790**	**760**	**754**	**790**

Source: FAS post reports, official statistics, and office research.
Notes:
(p) Preliminary.
(f) Forecast.
(1) Includes Butteroil/AMF butter equivalent.
(2) Year ending June 30 for the period 2007-2008

GCAD/OGA/FAS   Dec 2011

SKIMMED MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	75	87	86	72	73	75
Mexico	18	24	25	13	13	13
United States 1/	679	859	786	824	885	880
Sub-total	**772**	**970**	**897**	**909**	**971**	**968**
South America						
Argentina	24	25	33	35	50	55
Brazil	128	128	125	130	135	141
Sub-total	**152**	**153**	**158**	**165**	**185**	**196**
European Union - 27	**1,005**	**980**	**1,080**	**1,060**	**1,150**	**1,180**
Former Soviet Union						
Russia	115	120	70	70	85	90
Ukraine	90	65	51	53	51	48
Sub-total	**205**	**185**	**121**	**123**	**136**	**138**
Asia						
China	58	53	54	55	56	57
India	320	345	360	380	410	450
Japan	173	158	167	156	140	150
Korea	22	20	15	10	3	3
Sub-total	**573**	**576**	**596**	**601**	**609**	**660**
Oceania						
Australia 2/	205	177	203	222	230	235
New Zealand	300	252	385	344	440	430
Sub-total	**505**	**429**	**588**	**566**	**670**	**665**
TOTAL SELECTED COUNTRIES	**3,212**	**3,293**	**3,440**	**3,424**	**3,721**	**3,807**

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 2007-2008

GCAD/OGA/FAS Dec 2011

SKIMMED MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	65	70	75	72	73	74
Mexico	139	176	190	168	193	183
United States 1/	396	429	593	427	441	478
Sub-total	**600**	**675**	**858**	**667**	**707**	**735**
South America						
Argentina	9	9	17	18	22	23
Brazil	128	134	135	144	160	163
Sub-total	**137**	**143**	**152**	**162**	**182**	**186**
European Union - 27	**813**	**809**	**596**	**750**	**842**	**817**
Former Soviet Union						
Russia	150	180	175	250	270	270
Ukraine	33	21	32	41	27	29
Sub-total	**183**	**201**	**207**	**291**	**297**	**299**
Asia						
China	94	107	124	144	174	197
India	270	310	355	390	445	480
Indonesia	145	156	172	184	220	235
Japan	204	170	152	162	160	160
Korea	25	26	25	21	28	23
Philippines	76	65	89	97	96	100
Sub-total	**814**	**834**	**917**	**998**	**1,123**	**1,195**
Oceania						
Australia 2/	42	49	50	51	52	53
New Zealand	5	1	1	3	3	3
Sub-total	**47**	**50**	**51**	**54**	**55**	**56**
TOTAL SELECTED COUNTRIES	**2,594**	**2,712**	**2,781**	**2,922**	**3,206**	**3,288**

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 2007-2008

GCAD/OGA/FAS Dec 2011

SKIMMED MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	3	4	2	3	2	2
Mexico	121	152	165	155	180	170
United States 1/	2	1	0	0	0	0
Sub-total	**126**	**157**	**167**	**158**	**182**	**172**
South America						
Argentina	0	0	0	0	0	0
Brazil	4	7	11	14	25	22
Sub-total	**4**	**7**	**11**	**14**	**25**	**22**
European Union - 27	**10**	**8**	**6**	**4**	**2**	**2**
Former Soviet Union						
Russia	50	75	105	180	185	180
Ukraine	0	0	8	2	1	1
Sub-total	**50**	**75**	**113**	**182**	**186**	**181**
North Africa						
Algeria	**91**	**105**	**93**	**98**	**135**	**115**
Asia						
China	40	55	70	89	118	140
India	0	0	3	20	35	30
Indonesia	147	159	178	189	220	240
Japan	36	32	34	30	25	40
Korea	5	5	10	8	25	20
Philippines	93	80	112	110	115	118
Sub-total	**321**	**331**	**407**	**446**	**538**	**588**
Oceania						
Australia 2/	4	4	4	5	5	4
New Zealand	1	1	4	3	3	3
Sub-total	**5**	**5**	**8**	**8**	**8**	**7**
TOTAL SELECTED COUNTRIES	**607**	**688**	**805**	**910**	**1,076**	**1,087**

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 2007-2008

GCAD/OGA/FAS   Dec 2011

SKIMMED MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
Canada	14	11	10	6	10	10
Mexico	0	0	0	0	0	0
United States 1/	258	391	248	384	435	400
Sub-total	**272**	**402**	**258**	**390**	**445**	**410**
South America						
Argentina	11	14	13	20	25	32
Brazil	4	1	1	0	0	0
Sub-total	**15**	**15**	**14**	**20**	**25**	**32**
European Union - 27	**202**	**179**	**231**	**378**	**450**	**420**
Former Soviet Union						
Russia	15	15	0	0	0	0
Ukraine	57	44	27	14	25	20
Sub-total	**72**	**59**	**27**	**14**	**25**	**20**
Asia						
China	4	1	0	0	0	0
India	40	35	15	18	0	0
Indonesia	5	5	5	1	1	1
Philippines	18	15	15	15	17	18
Sub-total	**67**	**56**	**35**	**34**	**18**	**19**
Oceania						
Australia 2/	175	120	167	160	175	185
New Zealand	281	242	408	344	410	450
Sub-total	**456**	**362**	**575**	**504**	**585**	**635**
TOTAL SELECTED COUNTRIES	**1,084**	**1,073**	**1,140**	**1,340**	**1,548**	**1,536**

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 2007-2008

GCAD/OGA/FAS Dec 2011

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
United States	14	23	27	32	32	30
Sub-total	**14**	**23**	**27**	**32**	**32**	**30**
South America						
Argentina	186	200	210	210	315	330
Brazil	526	572	473	500	510	550
Chile	53	80	55	63	65	68
Sub-total	**765**	**852**	**738**	**773**	**890**	**948**
European Union - 27	**776**	**840**	**790**	**780**	**770**	**770**
Former Soviet Union						
Russia	95	95	50	55	65	68
Ukraine	25	30	16	15	14	14
Sub-total	**120**	**125**	**66**	**70**	**79**	**82**
Asia						
China	1,150	1,120	977	1,030	1,100	1,200
Indonesia	47	48	56	62	66	71
Taiwan	1	2	0	0	0	0
Sub-total	**1,198**	**1,170**	**1,033**	**1,092**	**1,166**	**1,271**
Oceania						
Australia 1/	135	142	137	147	151	154
New Zealand	672	677	768	947	1,000	1,110
Sub-total	**807**	**819**	**905**	**1,094**	**1,151**	**1,264**
TOTAL SELECTED COUNTRIES	**3,680**	**3,829**	**3,559**	**3,841**	**4,088**	**4,365**

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

GCAD/OGA/FAS Dec 2011

WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
United States	23	14	36	29	26	27
Sub-total	**23**	**14**	**36**	**29**	**26**	**27**
South America						
Argentina	59	75	54	75	80	80
Brazil	503	512	517	532	566	597
Sub-total	**562**	**587**	**571**	**607**	**646**	**677**
European Union - 27	**412**	**356**	**328**	**338**	**356**	**356**
Former Soviet Union						
Russia	115	130	71	108	113	111
Ukraine	12	9	12	9	10	9
Sub-total	**127**	**139**	**83**	**117**	**123**	**120**
North Africa						
Algeria	**180**	**160**	**172**	**182**	**185**	**205**
Asia						
China	1,137	954	1,064	1,373	1,463	1,556
Indonesia	74	91	106	112	118	127
Philippines	10	9	9	10	11	13
Taiwan	31	18	28	26	31	37
Sub-total	**1,252**	**1,072**	**1,207**	**1,521**	**1,623**	**1,733**
Oceania						
Australia 1/	27	27	28	29	30	31
New Zealand	1	1	1	1	1	1
Sub-total	**28**	**28**	**28**	**29**	**30**	**31**
TOTAL SELECTED COUNTRIES	**2,584**	**2,356**	**2,425**	**2,823**	**2,989**	**3,149**

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

GCAD/OGA/FAS Dec 2011

WHOLE MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
United States	20	16	18	7	5	5
Sub-total	**20**	**16**	**18**	**7**	**5**	**5**
South America						
Argentina	2	1	1	0	0	0
Brazil	19	23	57	37	58	50
Sub-total	**21**	**24**	**58**	**37**	**58**	**50**
European Union - 27	**2**	**1**	**1**	**2**	**1**	**1**
Former Soviet Union						
Russia	25	45	30	55	50	45
Ukraine	0	0	1	0	0	0
Sub-total	**25**	**45**	**31**	**55**	**50**	**45**
North Africa						
Algeria	**161**	**153**	**200**	**167**	**190**	**200**
Asia						
China	59	46	177	326	350	375
Indonesia	27	44	50	50	52	57
Philippines	42	45	36	40	35	35
Taiwan	30	16	28	26	31	37
Sub-total	**158**	**151**	**291**	**442**	**468**	**504**
Oceania						
Australia 1/	11	13	15	15	16	15
New Zealand	1	1	1	2	0	0
Sub-total	**12**	**14**	**16**	**17**	**16**	**15**
TOTAL SELECTED COUNTRIES	**399**	**404**	**615**	**727**	**788**	**820**

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

GCAD/OGA/FAS   Dec 2011

WHOLE MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2007	2008	2009	2010	(p) 2011	(f) 2012
North America						
United States	11	25	9	10	11	8
Sub-total	**11**	**25**	**9**	**10**	**11**	**8**
South America						
Argentina	117	138	157	128	222	250
Brazil	42	83	13	5	2	3
Chile	10	15	14	9	18	15
Sub-total	**169**	**236**	**184**	**142**	**242**	**268**
European Union - 27	**366**	**485**	**463**	**444**	**415**	**415**
Former Soviet Union						
Russia	5	10	9	2	2	2
Ukraine	13	21	5	6	4	5
Sub-total	**18**	**31**	**14**	**8**	**6**	**7**
Asia						
China	72	62	10	3	9	11
Philippines	32	36	27	30	24	22
Sub-total	**104**	**98**	**37**	**33**	**33**	**33**
Oceania						
Australia 1/	130	111	133	137	141	144
New Zealand	680	607	818	948	1,050	1,093
Sub-total	**810**	**718**	**951**	**1,085**	**1,191**	**1,237**
TOTAL SELECTED COUNTRIES	**1,478**	**1,593**	**1,658**	**1,722**	**1,898**	**1,968**

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

GCAD/OGA/FAS Dec 2011