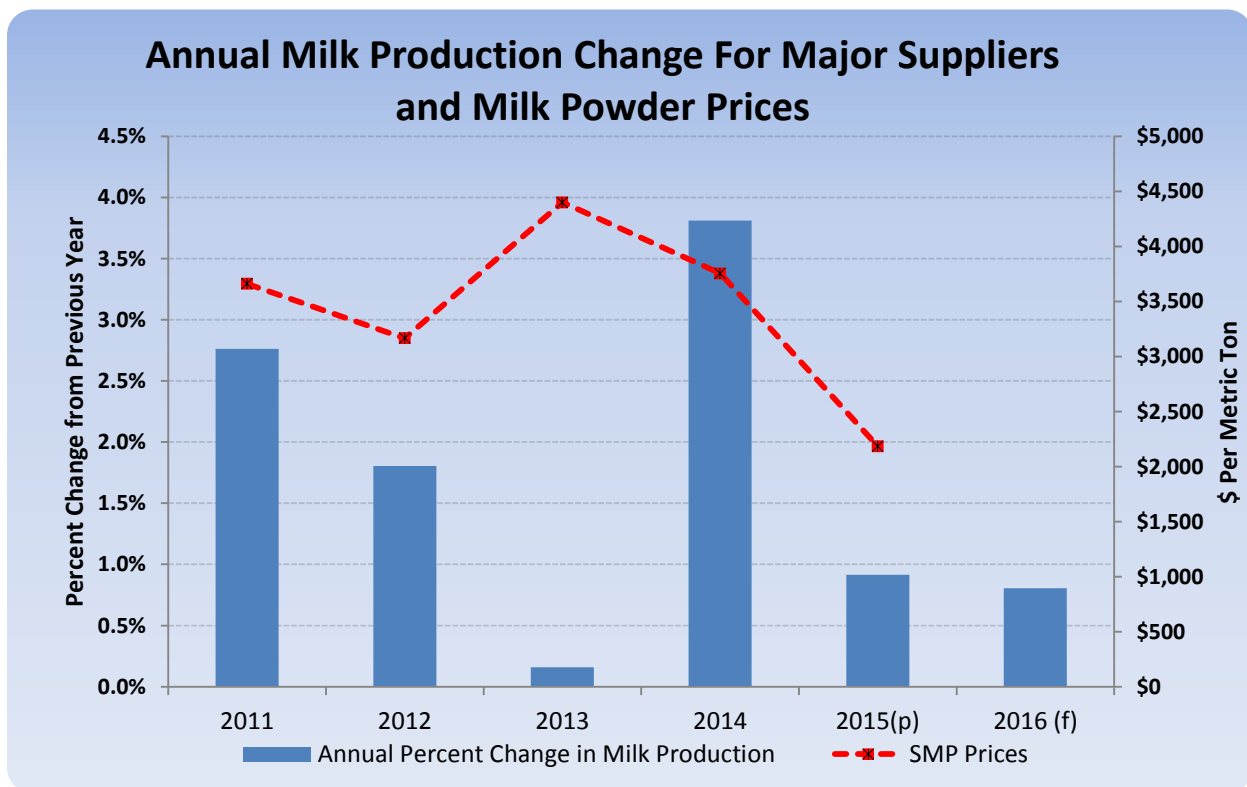


Dairy: World Markets and Trade

Dec 2015

The world dairy situation remains little changed from the previous circular published in July 2015 as global dairy markets continue to struggle in the face of weak import demand and excess supplies. Milk production during 2015 among major suppliers is estimated to have expanded by 1 percent over the previous year; a sharp correction from the high 4 percent growth registered in 2014. For 2016, low milk prices are expected to restrain growth in milk output, which is forecast to increase modestly by less than 1 percent declining by 640,000 tons in Oceania but offset by projected gains of 2.9 million tons of milk production in the EU, Argentina and the United States. Although the pace of increasing milk production is forecast to slow, prices for such dairy products as skimmed milk powder (SMP) and whole milk powder (WMP) are expected to remain relatively weak. These products face strong headwinds due to the continuation of the Russian ban on imports of dairy products, the strong dollar, and weak import demand from China. Absent a change in these variables or the onset of unfavorable weather, prices will likely not improve significantly in the first half of 2016.



Note: Major suppliers includes, Argentina, Australia, EU-28, New Zealand and the United States

Source: AMS/USDA mid-point Oceania FOB prices

Dairy Production and Trade Developments

Milk Production: Forecast Summary

Milk Production Summary for Major Exporters
(Million Metric Tons)

	2014	2015 Preliminary	2016 Forecast	2016 vs 2015 Change %
Argentina	11.3	11.5	11.7	2%
Australia	9.7	10.0	10.0	0%
EU-28	146.5	148.1	149.0	1%
New Zealand	21.9	21.4	20.7	-3%
United States	93.5	94.5	96.3	2%
Total	282.9	285.5	287.7	1%

- Despite facing challenging conditions, milk production in **Argentina** for 2015 is expected to grow by 1 percent over last year to reach 11.5 million tons. So far year, farmers have faced variable weather conditions ranging from excessive rain to periods of extreme heat but the overall impact appears to be minimal. The major challenge, however, has been dealing with low farm gate prices, high inflation (about 30 percent annually), a relatively strong peso, and export restrictions through the use of permits. Smaller farm operators have been exiting the industry and this is expected to reduce the herd size by 4 percent to 1.87 million cows. This consolidation has led to efficiency gains as evidenced by higher milk-per-cow yields forecast to grow by 6 percent.

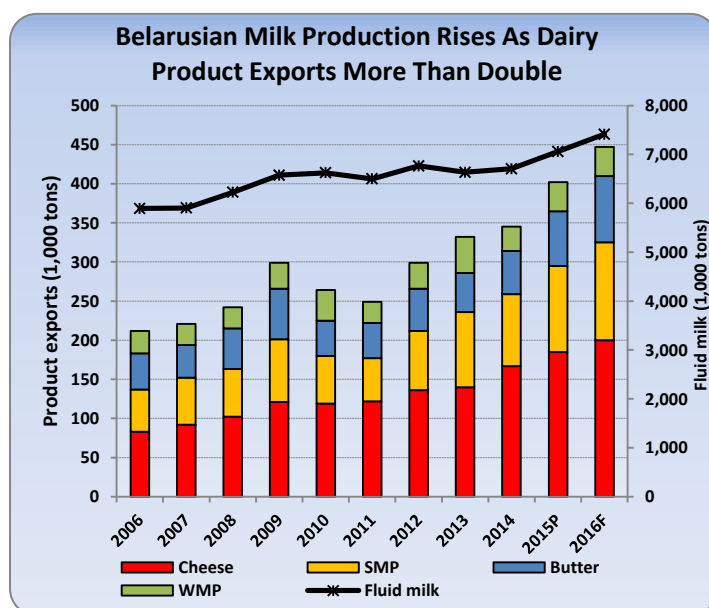
For 2016, milk production is slated to grow by a further 2 percent to reach 11.7 million tons assuming normal weather conditions. The herd size is forecast to drop by 3 percent; however, this will be offset by productivity gains, particularly higher milk-per-cow output.

- January through September 2015 milk production in **Australia** has been running nearly 6 percent ahead of last year largely due to favorable rainfall and pasture conditions. The outlook for the remainder of this year and early 2016 is positive as the most recent Australian Bureau of Meteorology (December 17, 2015) forecast called for a neutral rainfall outlook for most of Australia, i.e., roughly equal chances of a wetter or drier summer. In addition, dairy farmers are adopting new technologies and management systems that are increasing productivity. As a result, milk production for this year is revised to 10.0 million tons, a 3 percent increase from last year and reflects a milk-per-cow yield boost of 3 percent over last year.

For 2016, the herd size is expected to total 1.7 million head, unchanged from 2015.

Assuming normal weather conditions, milk production is also slated to remain unchanged. Exports of fluid milk (including cream) year-over-year through September 2015 are up 8 percent totaling 112 million liters. Approximately 43 percent of this volume is being shipped to China and Hong Kong with the balance going to other Asian markets. Exports of fresh milk have been growing rapidly as a number of Australian companies have been airfreighting milk to China to sell at a premium price. China's import clearance procedures now allow the exported Australian milk to reach a supermarket shelf in 8 days. This trade is expected to expand further in 2016.

- Milk production in **Belarus** is up over 5 percent through October as export demand for dairy products continues to grow. While the dairy cow herd has been expanding since 2013, gains in milk yields largely account for the higher production. Unlike neighboring Russia and Ukraine, Belarusian dairy farms are highly concentrated, with over 90 percent of production from state-owned farms. Yields at a projected 4.6 tons per cow in 2015 have improved over the past 2 years, but still lag behind many EU member states. Rising productivity is expected to continue through 2016 with milk production forecast 5 percent higher to 7.4 million tons. Belarus has benefitted from Russia's ban on dairy product imports, particularly from former major suppliers the EU and Ukraine. Russia accounts for over 90 percent of Belarusian dairy product exports comprising mostly of cheese, SMP, butter, and to a lesser extent WMP. With the extension of Russia's import ban through August 2016, Belarusian exports and market share are forecast to grow despite softer consumer demand and a weak ruble.

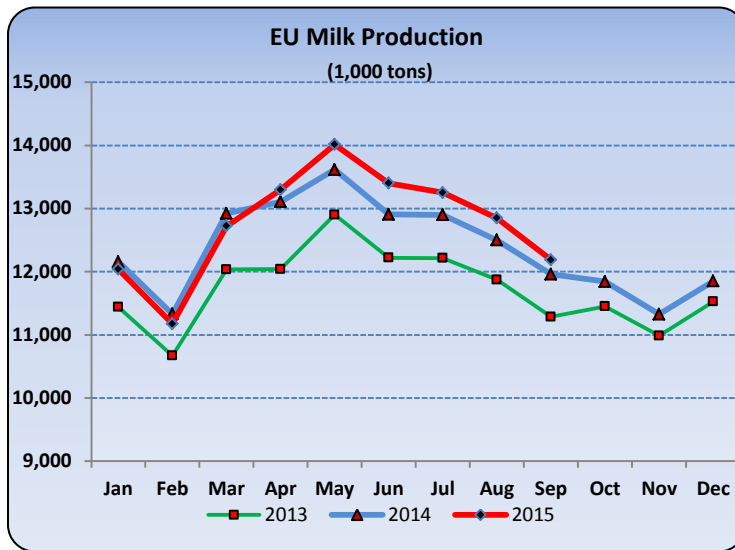


Exports of fluid milk (including cream) year-over-year through September 2015 are up 8 percent totaling 112 million liters. Approximately 43 percent of this volume is being shipped to China and Hong Kong with the balance going to other Asian markets. Exports of fresh milk have been growing rapidly as a number of Australian companies have been airfreighting milk to China to sell at a premium price. China's import clearance procedures now allow the exported Australian milk to reach a supermarket shelf in 8 days. This trade is expected to expand further in 2016.

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- Milk production in the **EU** through September is running 1.5 percent ahead in comparison to the same period last year despite farmers facing lower farm-gate prices. The average EU milk price through September was nearly 20 percent below last's year average. Consequently, the 2015 milk production forecast is revised up to 148.1 million tons which represents an increase of 1 percent over the previous year. This is a marked slowdown from the record 5 percent growth registered in 2014. Milk output throughout the EU has been uneven with strong gains registered in Ireland -- up 10 percent year-over-year through September -- and the Netherlands while production in Italy and France has contracted due to summer drought conditions. Due to the sharp decline in export demand for WMP, most of the additional milk for processing is being channeled into the production of cheese, SMP, and butter.

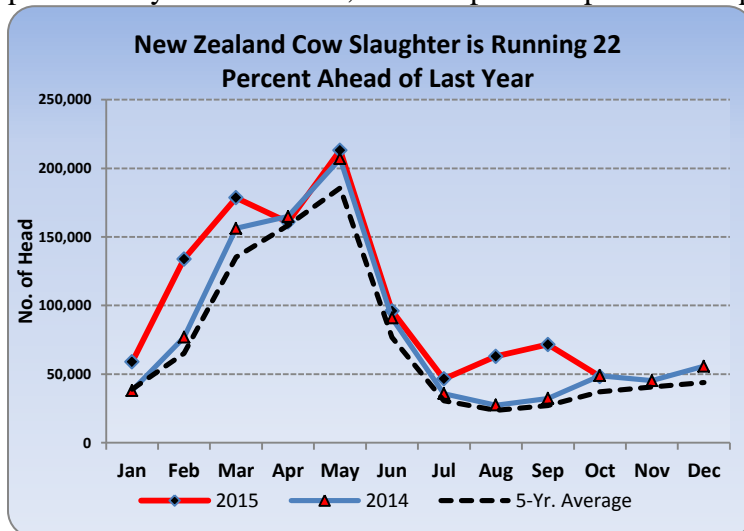
For 2016, EU milk production is expected to grow albeit at a slower rate due to low farm-gate milk prices and limited supplies of roughage in certain states. Between June and



August 2015, extreme heat with short-term dryness developed in major producing countries such as Germany and France which reduced the supply of roughage, stressed dairy cattle and led to increased culling. This drought induced limit on feed supplies is expected to impact milk output into early 2016. While the culling is expected to marginally lower the herd size, this is likely to have a positive impact as farmers will likely remove lower producing animals and therefore boost milk-per-cow yields. As in

2015, most of the additional milk production is forecast to be used in the increased production of butter and SMP.

- **New Zealand** milk production for the year through August was up 1 percent over the same period last year. However, milk output in September dropped dramatically and is behind last year's pace by nearly 1 percent.



last year's pace by nearly 1 percent. Low milk prices are taking a toll on farmers as they cut costs, culling herds and minimizing supplemental feeding. The total number of cows slaughtered this year through October totaled 1.1 million head which is 22 percent above last year. In addition, the winter and early spring (June to mid-September) has been colder than usual which has negatively affected pasture growth. As a result, the

milk production forecast for 2015 is revised down to 21.4 million tons which represents a year-over-year drop of 2 percent.

For 2016, farmers are likely to continue to operate in an environment of low milk prices which will limit herd expansion and use of supplemental feeds. Consequently, the dairy herd is expected to be cut back further by 2 percent to 5.1 million head and milk output is forecast to drop by 3 percent to 20.7 million tons.

- The milk production 2015 forecast for **Russia** is revised on higher milk-per-cow yields. Although dairy farmers in Russia are facing low milk prices, high interest rates, and a lack of capital, output per cow has been improving consistently for the past several years as the smaller, inefficient, non-commercial household farmers exit the industry. In mid-2015, the Russian government reported that these small household farms still accounted for 47 percent of the milking herd, with the balance held by large agricultural establishments (40 percent) and small private farms (13 percent). State aid, which totaled about \$4.0 billion to all agricultural producers, remains a critical factor in supporting the dairy sector and in meeting import substitution goals for dairy products. This level of aid is expected to continue in 2016. Although the dairy herd is expected to contract by 2 percent in 2016, productivity is forecast to improve resulting in only a marginal decline in milk output.
- Dairy production in **China** for 2015 is forecast to be unchanged from 2014 as weaker prices have pressured smaller operations. Currently, farm-gate milk prices in 2015 through September are averaging 17 percent below the same period in 2014. This is effectively driving out the smaller farms while directing investment to the larger scale more efficient dairy farms. Despite facing low milk prices, the dairy herd in China is expected to grow by 1 percent in 2016 as shorter-term impacts of the loss of smaller operations are offset by the shift in production to larger operation with improved efficiency. Milk production is forecast to grow by 2 percent to 38.0 million tons.

China remains a major importer of fluid milk largely in the form of Ultra High Temperature (UHT) milk. For 2015, imports of fluid milk (including UHT) are surging -- up 31 percent year-over-year through October to reach 348,000 tons. The largest supplier is the EU accounting for about 64 percent of shipments so far this year, followed by New Zealand and Australia. As a result, the 2015 import forecast is revised up to 400,000 tons. This import pace is expected to continue through 2016 driven by consumer demand for relatively low priced imported UHT milk, confidence in the safety of imported milk, and a thriving e-commerce market. Consequently, 2016 imports are forecast to grow by 6 percent to 425,000 tons.

Cheese:

- **EU** cheese exports have been hit hard by the Russian import ban that was originally implemented in August 2014 and then extended for an additional year in August 2015. This resulted in the loss of an annual 200,000-250,000 ton export market. In 2013, prior to the ban, nearly one-third of EU cheese shipments were exported to Russia. However, this loss has been somewhat mitigated by strengthening of the U.S. dollar that has effectively made EU cheese products increasingly competitive on global markets. Shipments through September of this year to such major markets as the United States and Japan are up 21 and 44 percent, respectively, compared to the same period last year. Nevertheless, the overall pace of EU cheese shipments are down from last year and will likely reach 700,000 tons; down 3 percent from last year. Domestic production in 2015, however, is expected to increase, outpacing higher consumption rates and leading to higher ending stocks. Due to the challenging market conditions, the EU Commission announced on September 15, 2015,

a new Private Storage Scheme that would allow for the maximum storage of 100,000 tons of cheese and cheese products.

For 2016, EU exports are expected to expand further by 1 percent to 705,000 tons. Domestic consumption is also forecast to increase but not enough to prevent a rise in ending stocks to 80,000 tons that will overhang markets until cleared.

- For 2015, **New Zealand** cheese production is forecast to grow by 7 percent as more milk is made available due to the expected decline in WMP production. Exports of cheese through October 2015 are running 18 percent ahead year-over-year due largely to higher shipments to the Australian and Chinese import markets. However, exports of cheese to the United States registered the most pronounced gains with shipments through October up nearly 3 times in comparison to the same period last year. Based on U.S. import data most of this cheese is being imported under quota classified as Cheddar and other types of cheese and substitutes.

Due to the expected decline in milk output, cheese production in 2016 is pegged to drop by 11 percent. This lower production is expected to reduce available exportable supplies and shipments of cheese in 2016 are forecast to decline to 285,000 tons.

- **Russia's** import forecast of cheese for this year is revised down to 205,000 tons which would represent the lowest level since 2005. This is primarily attributed to the import ban of dairy products originating from major dairy suppliers, weak consumer demand, and the depreciation of the ruble. Domestic production of cheese for this year is slated to grow by 12 percent, but the short availability of quality fluid milk has been a constraining factor. Consequently, cheese processors have been producing greater volumes of lower-quality and lower-priced cheese using greater amounts of non-dairy fat substitutes such as palm oil. Russian trade data indicates that imports of palm oil through September 2015 are up one third (to 148,000 tons) year-over-year. Due to increased use of these non-dairy ingredients in dairy products, the Russian Government is reportedly amending the technical regulations to limit the use of these ingredients. For 2016, cheese imports are forecast to rebound modestly to 220,000 tons as the import ban is set to expire in August.
- **U.S.** cheese exports have been handicapped by a stronger U.S. dollar which has eroded its competitiveness particularly when facing EU and Oceania competition. U.S. cheese exports through October have been trailing last year's pace by 15 percent. This drop in shipments has been particularly evident in such markets as South Korea and Japan which have been increasing purchases this year through October 15 with import volumes up 15 percent and 7 percent, respectively, year-over-year. As a result, the 2015 U.S. export forecast is revised down to 315,000 tons, 15 percent below 2014.

The outlook for 2016 points to a further contraction in U.S. exports as the strength of the dollar is not expected to show any signs of moderating. Consequently, U.S. exporters will continue to face stiff competition from the EU and Oceania particularly in the Asian and North African markets. One bright note is that the Mexican import market is expected to grow by 3 percent to 118,000 tons which will likely benefit the United States. In 2014, the

United States supplied nearly 80 percent of Mexico's cheese imports.

The U.S. cheese market continues to show strength as consumption in 2015 is expected to grow by 3 percent over last year. The most dramatic change has been the rise in imports which are expected to grow by 25 percent over 2014 to reach 159,000 tons -- well above the July 2015 forecast. Most of this will likely be supplied by the EU which through October 2015 accounted for nearly 70 percent of licensed cheese imports. For 2016, U.S. imports of cheese are expected to be marginally lower but at historically high levels as the U.S. market offers better returns relative to other markets.

Butter:

- Due to the current import ban of dairy products from a number of Western suppliers, forecast imports of butter by **Russia** for this year have been revised to 85,000 tons, a sharp drop of 38 percent from 2014. Although domestic production is expected to increase by 5 percent over last year, reports indicate the increased use of non-dairy substitutes (primarily palm oil) in butter. For 2016, butter output is forecast unchanged from this year, as milk is diverted into the production of cheese which will likely to offer higher returns.
- **EU** butter exports in 2015 have been shipping at a rapid clip and are expected to jump by nearly one-third over 2014 to reach 190,000 tons. Current shipments through September 2015 are up nearly 40 percent year-over-year. By far the most notable gains during this period have been in exports to China and Hong Kong which have grown from 4,300 tons in 2014 to 37,100 tons in 2015. Domestic consumption, however, remains lackluster and year ending-stocks -- primarily in the Private Storage Aid (PSA) -- are expected to grow to 50,000 tons. In an effort to aid the dairy industry following the loss of the Russian market, the EU Commission extended the PSA until February 2016 and extended butter intervention for 50,000 tons until the end of 2015 with a support price of €2,217/ton (\$2,440/ton or \$1.11/lbs.). PSA stocks reached a peak of 99,000 tons in August but were being drawn down rapidly, standing at about 74,200 tons by end of October. No butter has been offered to intervention.

For 2016, EU exporters of butter are expected to maintain their current aggressive competitive stance and shipments are anticipated to increase a further 10 percent to reach 210,000 tons. However, due to higher domestic output coupled with relatively flat demand, ending stocks are expected to grow by 60 percent to 80,000 tons.

- Exports of **U.S.** butter are forecast to drop sharply this year by 70 percent to 22,000 tons -- the lowest level of shipments since 2006 -- due to a lack of available exportable supplies. Domestic demand has been exceptionally strong and the average monthly CME price has increased almost continuously from \$1.57/lbs. (\$3,461/ton) in January 2015 to a peak of \$2.67/lbs. (\$5,890/ton) in September. Although prices have declined since then, U.S. butter prices remain uncompetitive and well above global market levels. For 2016, exports are forecast to recover to 33,000 tons as U.S. butter as prices are forecast to moderate and become more competitive. However, this level will still be well below the 5-year average

shipped between 2010 and 2014 highlighting the challenge facing U.S. exporters.

- Exports of **New Zealand** butter during 2015 have been facing stiffer competition from EU butter particularly in certain key markets such Saudi Arabia and lately China. In addition, import demand from such major markets as Iran has been weak. As a result, year-over-year shipments of butter for 2015 are estimated to drop by 5 percent to 530,000 tons. For next year, butter exports are slated to remain flat due to lower available milk supplies, slow global demand, and continued strong competition from the EU.

SMP:

- **Mexican** import demand for SMP in 2015 has been progressing at an impressive clip --up 23 percent through September year-over-year and the forecast for the year is 230,000 tons which represents an increase of 13 percent over last year. Imported SMP is generally used by private industry for the production of high value-added processed products and for use by the Government for reconstitution into milk for distribution to low-income groups. The outlook for 2016 points to no growth in the import forecast of SMP as the Government is expected to reduce imports and support the domestic dairy industry by increasing domestic milk purchases.
- Due to low returns from WMP, **EU** processors have been channeling more milk into the production of SMP and butter at the expense of WMP. In fact, SMP and butter output through September 2015 increased by 7 percent and 3 percent, respectively, in comparison to the same period last year. In addition, SMP and butter have the advantage that they can be placed in the Private Storage Aid (PSA) scheme or sold into the EU's public intervention support program. Under the PSA, the EU subsidizes producers to store the product for a limited time, effectively keeping it off the market temporarily. In contrast, under EU intervention, producers relinquish the product to the EU. For the first time since 2008, SMP was sold into intervention underscoring the weakness of the market. The SMP and butter intervention support program has been extended from October 1, to the end of the year. The current year volume limit for SMP stands at 109,000 tons at a support price of €1,698/ton (\$1,868/ton or 85 cents/lbs.). Through early December, a total of 28,500 tons of SMP were offered to intervention while PSA stocks totaled 27,700 tons. A new intervention program will be introduced on January 1, 2016 with a volume reset and scheduled to run through to the end of September 2016. In addition, in September 2015, a new PSA scheme for SMP was introduced without a volume limit that allows EU producers to receive subsidies for storing SMP for up to a year.

Exports of EU SMP are booming with the forecast total for this year expected to reach 705,000 tons; the highest level in well over a decade. EU exporters have been particularly competitive in the Asian and North African markets and have recently even made in-roads into the Mexican market, traditionally a market dominated by U.S. SMP. For 2016, shipments of EU SMP are set to increase by an additional 55,000 tons to 760,000 tons.

- Strong domestic demand and uncompetitive prices have slowed **India's** export pace. As a

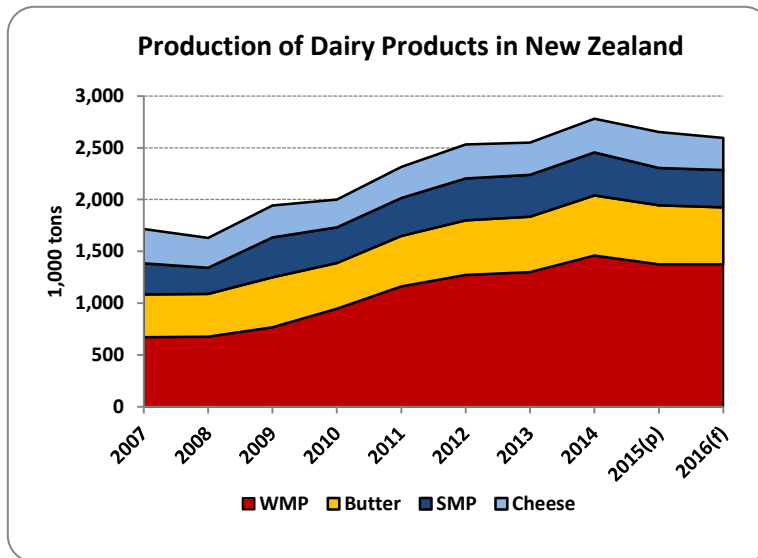
result, the current year forecast is cut back to 25,000 tons. For 2016, shipments of SMP are forecast to remain stagnant as consumption of SMP is expected to grow by 10 percent limiting available exportable supplies. Domestic demand for value-added dairy products is increasing rapidly due to rising incomes, urbanization, and other demographic shifts.

- Despite facing strong competition, **U.S.** exports of SMP through October were virtually unchanged from last year but are expected to post a gain of 3 percent for the year as export prices on the West coast have become highly competitive. Shipments of SMP through October 2015 to many major markets such as the Philippines, China, and Vietnam are lagging behind last year's pace. Fortunately, these losses have been largely offset by increased shipments to Mexico which are up 26 percent year-over-year. For 2016, U.S. exports of SMP are expected to remain virtually unchanged as U.S. exporters face the dual challenge of a surge in EU SMP on global markets and a strong dollar.

WMP:

- Imports of WMP by **China** through October of this year have been trailing last year's pace by 50 percent as users continue to work off domestic stocks. As a result, the forecast has been revised to 310,000 tons which will represent the lowest level of WMP imports since 2011. In 2016, WMP imports are expected to grow by 16 percent to 360,000 tons as stocks are drawn down and demand is anticipated to increase due to continuing urbanization and economic growth. Annual GDP is slated to slow down to 6.1 percent from the 6.5 percent growth projected for 2015. Approximately 37 percent of WMP in China is used in the production of infant formula, 32 percent is used in the milk beverage industry, 22 percent is reconstituted into milk and used in yogurt, and the balance is channeled into the production of ice cream and bakery goods. Despite the slowdown in WMP purchases, the market for imported infant formula continues to grow with China's imports through October of this year up 36 percent year-over-year to reach 137,000 tons. The EU supplies approximately three-quarters of this market.
- Based on **EU** data, the production of WMP, partly skimmed powder, and milk powder cream through September of this year is down 6 percent in comparison to the same period last year largely due to thin margins resulting from low world WMP prices. Consequently, more milk is being diverted into products such as SMP, butter, and cheese that offer relatively higher returns. Surprisingly, WMP exports have been faring quite well with export volume through September up 1 percent year-over-year. EU exporters appear to have been fairly successful in shipping to Middle Eastern and Northern African markets such as Oman and Algeria. The export forecast for 2015 is raised to 390,000 tons, identical to 2014. For 2016, the export forecast is set at 395,000 tons -- up 1 percent from 2015.

- The downturn in global milk powder markets has particularly impacted **New Zealand's** exports of WMP which more than doubled from 2008 through to 2014. In fact, WMP production has been a major driver of the New Zealand dairy industry with approximately



70 percent of the increased milk production between 2008 and 2014 going into the production of WMP.

Currently, WMP shipments are lagging behind last year's pace and are forecast to total 1.36 million tons for the year; 4 percent below last year. However, since domestic output for this year is projected to contract by 6 percent, carry-over stocks into 2016 are not expected grow significantly. For 2016, the production and exports of WMP are forecast to hold

steady. However, the dairy industry in New Zealand has expanded processing capacity which giving it greater flexibility to rapidly ramp-up production of WMP should returns on global markets improve.

- Venezuela** imports of WMP are forecast up almost 68 percent in 2015 as demand has accelerated for staple food products. Negative economic growth and a weakened exchange rate have limited imports of many goods, including meat products, while demand has strengthened for less expensive proteins such as milk powder. Imports are forecast to remain stable in 2016 as world powder prices remain low and continued weak oil prices limit Venezuelan economic growth.

Additional Resources:

For additional information, please contact Paul Kiendl at 202-720-8870 or Paul.Kiendl@fas.usda.gov or Lindsay Kuberka at 202-644-4650 or Lindsay.Kuberka@fas.usda.gov

Subscription services for FAS circulars can be obtained at:
<https://public.govdelivery.com/accounts/USDAFAS/subscriber/new>

Individual FAS country reports covering dairy are available at:
<http://gain.fas.usda.gov/Pages/Default.aspx>

The USDA Production, Supply and Demand database is available at:
<http://www.fas.usda.gov/psdonline>

A monthly “Livestock, Dairy, and Poultry Outlook” for the United States published by the Economic Research Service is available at: <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/>

U.S. trade data is available on the Global Agricultural Trade System (GATS):
<http://apps.fas.usda.gov/gats/default.aspx>

The next publication of this circular will be in July 2016.

Cows Milk Production and Consumption: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Cows Milk Production						
Argentina	11,470	11,679	11,519	11,326	11,496	11,650
Australia	9,568	9,811	9,400	9,700	10,000	10,010
Belarus	6,500	6,766	6,633	6,705	7,060	7,413
Brazil	22,449	23,008	24,259	25,489	26,300	27,100
Canada	8,400	8,614	8,443	8,437	8,682	8,685
China	30,700	32,600	34,300	37,250	37,250	38,000
European Union	138,220	139,000	140,100	146,500	148,100	149,000
India	53,500	55,500	57,500	60,500	64,000	68,000
Japan	7,474	7,631	7,508	7,334	7,375	7,340
Korea, South	1,888	2,111	2,093	2,214	2,200	2,193
Mexico	11,046	11,274	11,294	11,464	11,750	11,857
New Zealand	18,965	20,567	20,200	21,893	21,391	20,745
Russia	31,646	31,831	30,529	30,499	30,025	29,980
Taiwan	336	348	358	363	374	380
Ukraine	10,804	11,080	11,189	11,152	10,700	10,100
Others	17	18	19	20	21	22
Subtotal	362,983	371,838	375,344	390,846	396,724	402,475
United States	89,020	91,010	91,277	93,461	94,480	96,345
World Total	452,003	462,848	466,621	484,307	491,204	498,820
Fluid Use Dom. Consum.						
Argentina	2,093	2,133	2,065	2,044	2,074	2,105
Australia	2,422	2,511	2,494	2,600	2,700	2,710
Belarus	1,078	1,089	1,001	1,021	1,070	1,085
Brazil	8,355	8,562	9,036	9,660	9,900	10,095
Canada	3,164	3,040	2,982	2,946	2,945	2,945
China	12,600	13,517	14,350	15,150	15,200	15,545
European Union	33,870	33,800	33,800	34,066	34,000	34,000
India	51,660	52,000	54,400	57,000	59,750	62,750
Japan	4,058	4,045	3,975	3,911	3,920	3,900
Korea, South	1,623	1,578	1,587	1,540	1,530	1,529
Mexico	4,100	4,168	4,160	4,190	4,225	4,240
New Zealand	300	425	451	495	497	497
Russia	11,650	11,000	10,150	9,859	9,310	9,080
Taiwan	354	340	356	361	373	381
Ukraine	5,442	5,588	5,316	5,538	5,497	5,124
Others	61	52	58	62	58	62
Subtotal	142,830	143,848	146,181	150,443	153,049	156,048
United States	27,839	27,740	27,334	27,060	26,789	26,521
World Total	170,669	171,588	173,515	177,503	179,838	182,569

Fluid Milk - Cow Numbers: Summary For Selected Countries
1,000 Head

	2011	2012	2013	2014	2015	2016 Dec
Cows In Milk						
Argentina	2,150	2,193	2,100	1,950	1,875	1,815
Australia	1,620	1,650	1,650	1,700	1,705	1,705
Belarus	1,478	1,477	1,519	1,525	1,535	1,550
Brazil	16,154	16,455	16,599	16,825	17,330	17,680
Canada	983	960	961	955	955	955
China	7,620	8,000	8,350	8,400	8,400	8,500
European Union	23,122	23,053	23,193	23,481	23,557	23,550
India	44,900	46,400	48,250	50,500	52,500	54,500
Japan	805	813	798	773	750	745
Korea, South	191	209	206	208	207	206
Mexico	6,400	6,350	6,300	6,350	6,400	6,450
New Zealand	4,816	5,010	5,005	5,175	5,200	5,100
Philippines	14	15	16	18	19	20
Russia	8,650	8,600	8,250	8,050	7,750	7,585
Taiwan	55	59	60	60	60	60
Ukraine	2,631	2,582	2,554	2,509	2,323	2,200
Subtotal	121,589	123,826	125,811	128,479	130,566	132,621
United States	9,199	9,237	9,224	9,257	9,310	9,305
World Total	130,788	133,063	135,035	137,736	139,876	141,926

Cheese Production and Consumption: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Production						
Algeria	0	0	0	0	0	0
Argentina	572	564	556	564	570	580
Australia	339	330	320	320	330	340
Belarus	147	153	140	170	190	210
Brazil	679	700	722	736	751	766
Canada	378	386	388	396	400	400
European Union	8,981	9,287	9,368	9,560	9,610	9,635
Japan	45	47	49	46	42	42
Korea, South	25	23	22	24	24	24
Mexico	270	264	270	275	282	287
New Zealand	300	328	311	325	347	310
Philippines	2	2	2	2	2	2
Russia	753	790	713	760	850	860
Taiwan	0	0	0	0	0	0
Ukraine	185	145	140	104	100	100
Total Foreign	12,676	13,019	13,001	13,282	13,498	13,556
United States	4,806	4,938	5,036	5,194	5,299	5,375
Total	17,482	17,957	18,037	18,476	18,797	18,931
Total Dom. Consumption						
Algeria	0	0	0	0	0	0
Argentina	514	513	507	510	521	525
Australia	256	240	220	239	244	244
Belarus	28	20	5	14	13	16
Brazil	715	724	750	754	769	783
Canada	395	400	403	407	417	417
European Union	8,374	8,597	8,656	8,883	8,957	8,965
Japan	260	282	285	278	287	292
Korea, South	101	101	107	118	130	137
Mexico	344	349	368	370	392	400
New Zealand	30	39	39	40	40	40
Philippines	18	21	16	20	26	26
Russia	1,143	1,214	1,157	1,058	1,050	1,055
Taiwan	22	23	25	26	29	0
Ukraine	117	94	91	98	96	100
Total Foreign	12,317	12,617	12,629	12,815	12,971	13,000
United States	4,716	4,786	4,839	4,949	5,105	5,228
Total	17,033	17,403	17,468	17,764	18,076	18,228

Cheese Trade: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Total Exports						
Argentina	60	54	51	56	45	55
Australia	168	163	163	151	170	170
Belarus	122	136	140	167	185	200
European Union	682	768	787	721	700	705
New Zealand	253	306	277	278	325	285
Others	120	111	107	68	49	52
Total Foreign	1,405	1,538	1,525	1,441	1,474	1,467
United States	225	260	316	368	315	303
Total	1,630	1,798	1,841	1,809	1,789	1,770
Total Imports						
Australia	72	75	69	80	85	85
Japan	215	235	236	232	245	250
Korea, South	76	78	85	97	110	120
Mexico	78	89	103	99	115	118
Russia	416	449	466	349	205	220
Others	199	202	205	201	189	156
Total Foreign	1,056	1,128	1,164	1,058	949	949
United States	110	122	113	127	159	156
Total	1,166	1,250	1,277	1,185	1,108	1,105

Butter Production and Consumption: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Production						
Algeria	0	0	0	0	0	0
Argentina	63	58	60	55	54	56
Australia	121	119	117	125	122	125
Belarus	104	113	99	105	120	135
Brazil	79	81	83	85	87	88
Canada	85	98	95	88	91	93
European Union	2,055	2,100	2,100	2,250	2,310	2,340
India	4,330	4,525	4,745	4,887	5,035	5,200
Japan	63	69	68	61	64	63
Mexico	187	190	190	192	195	197
New Zealand	487	527	535	580	570	550
Russia	217	216	219	252	265	265
Taiwan	0	0	0	0	0	0
Ukraine	76	88	93	115	105	100
Total Foreign	7,867	8,184	8,404	8,795	9,018	9,212
United States	821	843	845	842	830	850
Total	8,688	9,027	9,249	9,637	9,848	10,062
Domestic Consumption						
Algeria	0	0	0	0	0	0
Argentina	35	38	41	41	43	44
Australia	78	82	85	87	95	98
Belarus	59	59	49	51	50	50
Brazil	78	88	87	80	88	87
Canada	97	99	102	98	101	101
European Union	1,982	2,027	2,031	2,162	2,105	2,110
India	4,320	4,525	4,735	4,876	5,026	5,190
Japan	83	77	72	75	77	77
Mexico	223	226	234	221	230	229
New Zealand	20	21	22	22	22	0
Russia	334	340	357	365	365	362
Taiwan	20	20	19	22	26	28
Ukraine	78	96	100	116	96	95
Total Foreign	7,407	7,698	7,934	8,216	8,324	8,471
United States	757	792	782	794	843	870
Total	8,164	8,490	8,716	9,010	9,167	9,341

Butter Trade: Summary For Selected Countries
1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Total Imports						
Russia	120	124	140	137	85	100
Mexico	36	37	50	37	43	40
Taiwan	20	20	19	22	26	28
Australia	19	21	21	23	23	20
Japan	15	10	4	11	20	17
Canada	11	8	7	10	11	11
European Union	44	52	44	52	13	10
Brazil	1	8	5	1	2	1
India	0	8	1	1	1	1
New Zealand	1	0	1	1	1	1
Ukraine	4	8	14	11	0	1
Algeria	0	0	0	0	0	0
Argentina	0	0	1	0	0	0
Belarus	0	0	0	1	0	0
Total Foreign	271	296	307	307	225	230
United States	12	17	12	22	53	40
Total	283	313	319	329	278	270
Total Exports						
New Zealand	449	506	508	560	530	530
European Union	124	121	122	142	190	210
Belarus	45	54	50	55	70	85
Australia	42	54	50	44	45	42
Argentina	27	21	19	14	10	12
India	11	8	10	10	10	10
Mexico	0	1	6	8	8	8
Ukraine	2	0	3	5	8	7
Russia	2	2	2	4	3	5
Brazil	2	1	1	6	1	2
Canada	0	1	4	2	1	1
Algeria	0	0	0	0	0	0
Japan	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Total Foreign	704	769	775	850	876	912
United States	65	47	93	74	22	33
Total	769	816	868	924	898	945

Nonfat Dry Milk Production and Consumption: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Production						
Australia	230	235	215	205	235	255
Brazil	132	141	151	154	157	160
European Union	1,180	1,270	1,250	1,550	1,670	1,710
India	430	450	490	520	540	540
New Zealand	366	404	404	415	370	370
Others	511	586	585	621	624	629
Total Foreign	2,849	3,086	3,095	3,465	3,596	3,664
United States	882	973	956	1,047	1,015	1,035
Total	3,731	4,059	4,051	4,512	4,611	4,699
Total Dom. Consumption						
China	186	225	289	300	239	250
European Union	807	802	848	889	905	932
India	410	425	400	446	490	535
Indonesia	197	205	222	215	204	215
Mexico	220	291	253	258	285	285
Others	935	982	1,053	1,040	1,063	1,087
Total Foreign	2,755	2,930	3,065	3,148	3,186	3,304
United States	438	523	424	458	461	468
Total	3,193	3,453	3,489	3,606	3,647	3,772

Nonfat Dry Milk Trade: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Total Imports						
Mexico	194	236	198	203	230	230
Indonesia	196	205	225	215	205	215
China	130	168	235	253	195	210
Algeria	129	112	120	168	140	150
Russia	71	96	131	103	120	117
Philippines	111	106	113	95	100	105
Brazil	31	33	24	23	35	35
Japan	27	32	32	43	55	35
Taiwan	22	21	21	23	25	26
Korea, South	34	19	20	21	20	20
Australia	5	3	5	5	10	10
Chile	7	10	7	5	10	5
New Zealand	2	5	5	4	5	4
Canada	3	3	3	6	3	3
European Union	0	2	5	2	3	2
Belarus	0	1	1	3	0	1
Ukraine	2	3	2	1	0	1
Argentina	0	0	0	0	0	0
India	32	14	0	1	0	0
Total Foreign	996	1,069	1,147	1,174	1,156	1,169
United States	0	2	1	3	1	2
Total	996	1,071	1,148	1,177	1,157	1,171
Total Exports						
European Union	518	520	407	646	705	760
New Zealand	362	390	392	383	410	385
Australia	140	168	119	164	200	200
Belarus	55	76	96	92	110	125
Ukraine	22	26	12	28	30	30
Argentina	19	14	25	22	30	27
India	3	37	130	61	25	25
Canada	10	10	13	13	13	13
Chile	2	4	0	2	1	2
Russia	0	0	3	3	2	2
Algeria	0	0	0	0	0	0
Brazil	0	0	0	0	0	0
China	0	0	0	2	1	0
Indonesia	1	1	1	1	0	0
Japan	0	0	0	0	0	0
Korea, South	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
Philippines	17	12	6	5	0	0
Taiwan	0	0	0	0	0	0
Total Foreign	1,149	1,258	1,204	1,422	1,527	1,569
United States	435	444	555	545	563	567
Total	1,584	1,702	1,759	1,967	2,090	2,136

Whole Milk Powder Production And Consumption: Summary For Selected Countries

1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Production						
Argentina	309	281	277	258	238	255
Brazil	515	531	549	612	617	629
China	1,100	1,160	1,200	1,350	1,375	1,500
European Union	685	669	667	720	680	690
New Zealand	1,162	1,273	1,300	1,460	1,375	1,375
Others	607	560	555	545	520	508
Total Foreign	4,378	4,474	4,548	4,945	4,805	4,957
United States	30	26	33	47	44	45
Total	4,408	4,500	4,581	4,992	4,849	5,002
Total Dom. Consumption						
Algeria	185	185	170	180	215	228
Brazil	569	602	600	603	637	643
China	1,441	1,547	1,746	1,845	1,873	1,880
European Union	299	286	296	331	292	296
Venezuela	211	224	193	157	235	233
Others	654	635	646	654	657	664
Total Foreign	3,359	3,479	3,651	3,770	3,909	3,944
United States	30	24	25	28	44	38
Total	3,389	3,503	3,676	3,798	3,953	3,982

Whole Milk Powder Trade: Summary For Selected Countries
1,000 Metric Tons

	2011	2012	2013	2014	2015	2016 Dec
Total Imports						
Afghanistan	0	0	0	0	0	0
Algeria	204	188	142	204	220	230
Argentina	0	0	0	0	0	0
Australia	13	9	8	10	10	10
Brazil	55	71	54	30	60	55
Chile	3	6	8	4	8	8
China	320	406	619	671	310	360
European Union	2	3	3	1	2	1
Indonesia	52	56	50	53	51	53
Mexico	30	9	11	7	8	8
New Zealand	1	1	1	1	6	1
Philippines	30	35	29	20	22	24
Russia	20	28	44	37	33	35
Taiwan	32	31	31	33	35	35
Venezuela	188	201	170	134	215	215
Others	1	2	1	0	0	0
Total Foreign	951	1,046	1,171	1,205	980	1,035
United States	8	10	7	7	8	8
Total	959	1,056	1,178	1,212	988	1,043
Total Exports						
Afghanistan	0	0	0	0	0	0
Algeria	0	0	0	0	0	0
Argentina	201	201	182	144	128	145
Australia	116	109	96	81	70	70
Belarus	27	33	46	31	37	37
Brazil	1	0	3	39	40	41
Chile	14	15	19	21	8	10
China	9	9	3	6	3	2
European Union	388	386	374	390	390	395
Indonesia	0	0	0	0	0	0
Mexico	8	5	5	6	10	10
New Zealand	1,110	1,261	1,291	1,423	1,360	1,359
Philippines	24	21	13	8	8	9
Russia	2	2	1	1	1	1
Ukraine	2	1	0	2	2	2
Others	0	0	0	0	0	0
Total Foreign	1,902	2,043	2,033	2,152	2,057	2,081
United States	8	12	15	18	16	15
Total	1,910	2,055	2,048	2,170	2,073	2,096