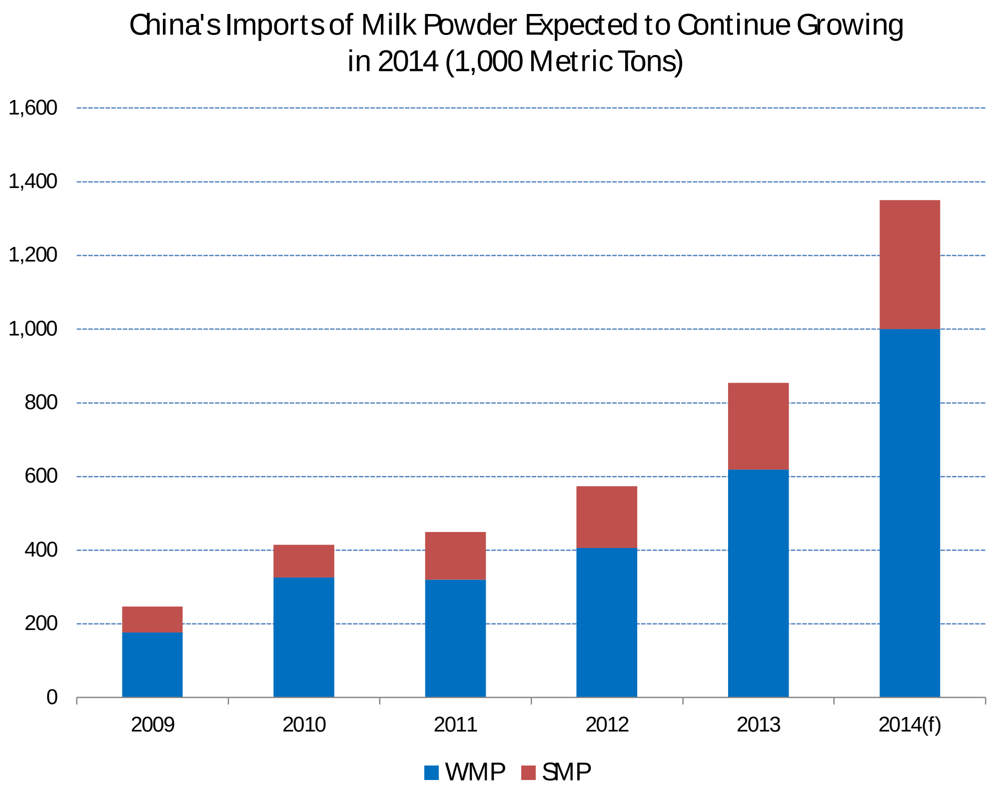
United States
Department of
Agriculture

Foreign
Agricultural
Service

July 2014

Dairy: World Markets and Trade

Although there has been speculation that China's volume of dairy imports were set to decline in 2014, the pace of imports of milk powder during the early months of 2014 continue at a breathtaking pace. Imports of skimmed milk powder (SMP) through May are up nearly 89 percent to 131,000 tons and imports of whole milk powder (WMP) are up 70 percent to 487,000 tons. As a result, China's 2014 import forecast for WMP has been revised up sharply by 54 percent to reach a record 1.0 million tons while the import forecast for SMP is raised by 10 percent to 330,000 tons. There are now signs that China's dairy market is evolving as imports of other dairy products such as cheese and butterfat through May 2014 are accelerating – up 67 percent and 121 percent, respectively, over the same period last year. So far the United States has benefited primarily from growth in the SMP and whey market. However, prospects for U.S. cheese exports to China appear bright as shipments of U.S. cheese through May have increased by 44 percent in comparison to 2013.



Approved by the World Agricultural Outlook Board/USDA

Dairy Production and Trade Developments

Summary

Following the high international prices for dairy products in the second half of 2013 and early 2014, milk production in a number of countries has sharply rebounded as farmers responded to the strong margins. This trend has been further accelerated by favorable weather, particularly in New Zealand and the EU-28, where milk production in the first quarter is running well ahead of last year and output in 2014 is expected to expand by 6 percent and 3 percent over 2013, respectively. Despite strong global import demand, the surge of additional product on the markets has put downward pressure on prices particularly for WMP which has declined sharply from around $5,100 per ton (FOB Oceania) in January to around $3,700 per ton (FOB Oceania) in early July – down almost 30 percent from the early part of year.

Other products such as SMP have not fared much better but there are signs of stability. In the United States and the EU-28, recent domestic SMP prices appear to be holding steady while U.S. butter prices have surged to well above international price levels. This will effectively limit U.S. butter sales on world markets. For the balance of 2014, it is likely that markets will be under pressure as there are ample export supplies of dairy products in the EU-28 and Oceania.

When gauging global demand, China's intentions continue to hold center stage particularly with respect to imports of WMP. While there is much uncertainty, the evidence to date suggest that import demand for a broad range of dairy products shows no sign of flagging being driven by rising incomes, growing urbanization, and an expanding population. Although the Chinese Government has introduced regulatory reforms, confidence in locally sourced supplies of dairy products remains a concern. Consequently, consumers appear motivated to pay premium prices for imported products such as milk powder and fluid milk (primarily UHT).

For U.S. farmers, the boom in U.S. exports continues with total dairy exports in FY 2014 expected to reach a record $6.8 billion. China's growing consumption bodes well for U.S. dairy farmers as this fiscal year China is on track to surpass Canada to become the second most important market after Mexico for purchases of U.S. dairy products.

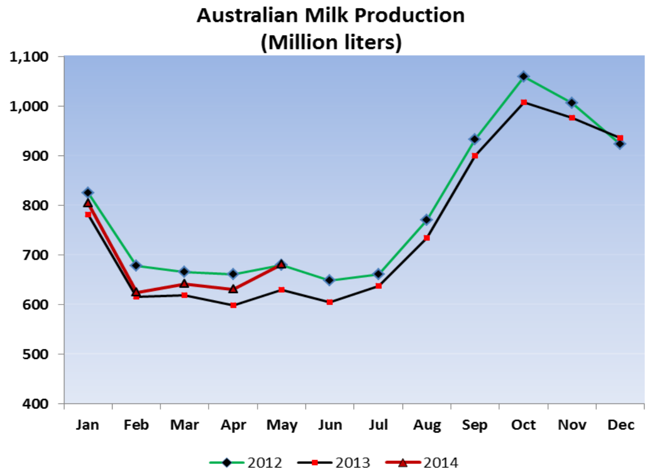
Milk Production: Forecast Summary

Milk Production Summary for Major Exporters
(Million Metric Tons)

	2013	2014 Dec. Forecast	2014 July Forecast	Forecast % Change
Argentina	11.9	12.2	12.1	**-1%**
Australia	9.4	9.9	9.9	**0%**
EU-28	140.1	140.0	144.3	**3%**
New Zealand	20.2	20.6	21.5	**4%**
United States	91.3	93.1	93.4	**0%**
Total	272.9	275.8	281.1	**2%**

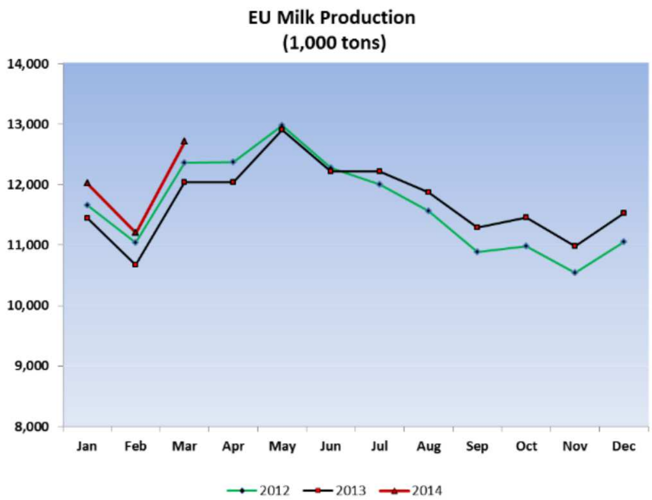
- The 2014 milk production forecast for **Argentina** milk is lowered by 1 percent due to unfavorable weather which included excessive heat in January followed by heavy rains in March and April. Nevertheless, total output for the year will be up a modest 1.5 percent over 2013 due to higher milk prices received by producers. This, however, is being somewhat offset by the 15 percent devaluation of the Argentine peso in January and the current high inflation rate which is negatively impacting farmer's profitability. The additional fluid milk is expected to be used in the manufacture of WMP and cheese.

- In **Australia**, the forecast remains largely unchanged as the industry continues to benefit from improved milk prices and favorable weather. A return to more normal rainfall patterns is expected to reduce irrigation costs and increase fodder supplies to farms while high international dairy prices are expected to boost returns. Producers are in an expansionary mode as the milk herd is forecast to grow during the year by 3 percent to 1.7 million head. Currently, milk production from January-May 2014 is up 4.3 percent over the same period in 2013 and total milk production for the year is forecast to increase by 5 percent over 2013. The only uncertainty facing farmers is the prospect of an El Niño weather event which is typically associated with drought conditions in the south-eastern part of Australia. At this early stage (July 1, 2014), the Australian Bureau of Meteorology states that the weather variables being tracked indicate a 70 percent chance of an El Niño event developing later in 2014 (Source: http://www.bom.gov.au/climate/enso/).



Source: Dairy Australia

- The **EU-28** milk production forecast is raised 3 percent to 144.3 million tons as producers are expected to boost milk output and expand the dairy herd in response to high margins resulting from lower feed costs and high milk prices. Many operations may also be expanding in anticipation of the termination of EU-28 milk production quotas in 2015. Milk output in the Jan-March 2014 period is up significantly, running nearly 6 percent ahead of the same period in 2014. Strong export demand coupled with high international prices has been a key driver of this early spurt but a tempering of global prices is expected to moderate milk production growth in the latter half of the year. As in past years, most of the additional milk supply is expected to flow into manufacturing milk particularly for use in the production of cheese and to a lesser extent WMP.



- Although some areas of **New Zealand** experienced dry conditions early in the year, milk production has rebounded sharply from last year's drought impacted season with January-April milk output up 16 percent in comparison to the same period last year. Due to the high margins, farmers in affected regions were able to offset pasture losses with purchases of feed to maintain production. Milk flows in the second half of the year are expected to moderate and mirror the pace set during the same period in 2013. In addition, the herd is expected to expand by 70,000 head as the dairying industry continues to benefit from the relatively high global prices. As a result, the forecast is revised up 4 percent and total milk output is now expected to grow by 6 percent over last year.

- The estimate for **China's** milk output is lowered by 3 percent to 36 million tons as stricter health requirements for milk are expected to lead to reduced supplies from small-scale dairy farmers. In addition, there is a strong incentive for farmers to slaughter low yielding animals due to high beef prices – up by 30 percent in 2013. As a result, the size of the herd is revised down to 8.71 million head which still represents an expansion of 4 percent from 2013.

  Due to strong consumer demand and tight domestic supplies, China's import demand for ultra-high temperature (UHT) and fresh milk has been growing at rapid pace and the milk import forecast at 300,000 tons remains unchanged from the December 2013 estimate. Approximately 40 percent of the UHT and/or fresh milk in the first five months of 2014 were supplied by Germany. U.S. exports of UHT milk to China have been fairly modest, but shipments through May 2014 are up 65 percent over the comparable period in 2013 indicating that U.S. exporters are starting to establish a foothold in this market.

- In the **United States**, farmers are benefitting from strong returns which are expected to continue for the remainder of the year and provide a strong incentive for the expansion of the dairy herd. Consequently, the 2014 forecast has been revised up by 10,000 head while the milk production forecast is increased by 3 percent to 93.4 million tons.

Cheese:

- Cheese production in the **EU-28** is expected to increase sharply and the 2014 forecast is revised up by 2 percent reflecting the greater availability of fluid milk, strong domestic demand, and high world market prices. Most of the additional cheese produced in 2014 will be destined for domestic consumption which continues to be fairly robust. The export forecast is decreased slightly as shipments through May are lagging compared to the same period last year – down 2 percent. This is largely due to a slowdown in exports to Russia which is the major market destination for EU-28 cheese. Russia has been implementing import bans on EU-28 member states or individual processing plants. In addition, the weaker Russian Ruble has reduced the attractiveness of the Russian market.

- **New Zealand's** cheese production forecast is raised to 324,000 tons – a 4 percent increase over 2013 – but still below 2012 production levels as milk continues to be channeled into the production of WMP. Export shipments through May have been weak with notable drops to such destinations as Japan and South Korea; consequently, the export forecast has been revised down by 10,000 tons to 290,000 tons, an increase of almost 5 percent from 2013.

- **Australia's** cheese production forecast is revised down sharply to 300,000 tons which is only slightly higher than in 2013. In the face of lower forecast production and slow sales to several markets, the export forecast is cut by 23 percent to 147,000 tons which would represent a 10 percent drop from 2013. Shipments of cheese have been lagging particularly to such key markets as Japan – down 11 percent through May 2014 in comparison to last year.

- **Russia's** cheese production forecast is raised 8 percent to 460,000 tons as domestic supplier's step-up production to backfill shortfalls due to restricted trade. Citing various health issues, Russia has limited imports from a number of traditional suppliers in the EU-28 and Ukraine to the benefit of domestic producers. As a result, the import forecast is lowered by 30,000 tons to 355,000 tons – a 2 percent decline from 2013.

- **U.S.** cheese exports continue to shine brightly as the pace of exports exceeds prior expectations with shipments through May 2014 running ahead by over one-third in comparison to the same period last year. During this period, the major destinations for U.S. cheese have been Mexico, South Korea, and Japan; however, exports to Australia and Saudi Arabia have more than doubled from last year. Fresh cheese (e.g. mozzarella) continues to be the primary type of cheese shipped accounting for nearly one third of exported cheese so far this year. Demand for U.S. cheese is expected to remain strong for the balance of the year; consequently the export forecast is increased by 23 percent to 373,000 tons.

SMP:

- SMP output in the **EU-28** is expected to increase significantly due to 1) an increase in the milk supply, 2) new drying facilities in Germany, and 3) strong demand from export markets. As a result, forecast production for 2014 is raised 130,000 tons and the export forecast is revised up by 60,000 tons to 535,000 tons. EU-28 shipments of have been off to a fast pace early this year with exports through April up 66 percent in comparison to the same period last year. By far the most significant market has been Algeria, followed by China and Indonesia.

- The **Oceania** production forecast is revised down by 15,000 tons largely due to a steep reduction in Australian output; however, this is offset by an increase in New Zealand's expected production. Despite these changes, total Oceania SMP exports at 585,000 tons are unchanged from the previous forecast, with New Zealand forecast to export 425,000 tons. In 2013, approximately one third of New Zealand's SMP exports were shipped to China and is still a major competitor to the United States in a number of Asian markets.

- **India's** exports of SMP are expected to be lower this year in comparison to 2013 but not as sharply as originally forecast in December 2013. Consequently, the export forecast is raised by 33 percent to 120,000 tons which represents an 8 percent drop from the volume shipped last year. In 2013, most of India's SMP was exported to Bangladesh and North African markets such as Egypt and Algeria. It is likely that this pattern will be repeated in 2014.

- Despite a sluggish start and the expectation of increased global competition, **U.S.** exports of SMP have accelerated rapidly in recent months and shipments through May 2014 are running 10 percent above last year's record setting pace. During this period, exports of U.S. SMP to such major markets as China and the Philippines are up by 124 percent and 56 percent, respectively, in comparison to the same period last year. In addition, Mexico – by far the most important customer for U.S. SMP – appears to be increasing its purchases this year. Although the pace of exports is expected to taper off, the forecast is raised by 37,000 tons to 577,000 tons.   Global SMP prices declined during the early part of the year but U.S. prices have recently stabilized and are trading at a premium over Oceania suggesting that the markets are somewhat balanced.

WMP

- In **China**, the WMP 2014 import forecast is raised to 1 million tons as import demand is expected to continue to expand rapidly being driven by limited domestic supplies, stricter regulations, and growing consumer demand.

Source: GTIS

The domestic production of WMP is expected to be lower than anticipated and the forecast is trimmed by 4 percent to 1.25 million tons as milk output is expected to fall short of earlier forecasts. In addition, the introduction of stricter policies governing the production of infant formula powder is likely to restrict domestic supplies. China's Food and Drug Administration (CFDA) is instituting new policies requiring all dairy/infant milk powder producers to re-register for a production permit. Recently, it has been reported that more than one third of producers failed to receive production permits which is likely to limit supplies.   Further, it has been reported that China's State Council has issued guidelines to consolidate the industry into 10 large milk powder producer groups by the end of 2015 with further consolidation into 3-5 groups by the end of 2018.

- The **New Zealand** WMP production forecast is raised by 8 percent to 1.4 million tons as strong demand from China is channeling any additional milk into the production of WMP. The export forecast is also being revised up by 25,000 tons to 1.37 million tons – a year-over- year increase of 6.5 percent – based on shipments to the expanding Chinese market.

  New Zealand is likely to continue to be the main beneficiary of China's rapidly expanding demand for WMP since it supplied over 90 percent of China's WMP imports in 2013. During the January-May 2014 period, some 90 percent of these imports have also been sourced from New Zealand which benefits from low tariffs due to a China-New Zealand Free Trade Agreement. In addition, in March 2014, China and New Zealand announced a joint currency agreement allowing New Zealand dollars to be directly traded with Chinese Renminbi.

- With an increase in expected **EU-28** milk output coupled with strong export demand, WMP production is revised up by 100,000 tons to 750,000 tons. Most of the additional quantity is likely to be destined for shipment overseas; consequently, the export forecast is raised by 55,000 tons to 430,000 tons. Already exports this year through April are up 30 percent in comparison to the same period last year with a substantial jump in shipments to Algeria. In fact, exports to Algeria through April total 30,000 tons which exceeds the total volume shipped in 2013.

- The **U.S.** production forecast is raised significantly by 57 percent to 55,000 tons as U.S. producers expand capacity to meet export demand. The export forecast has also been increased by 20,000 tons to 32,000 tons as exportable supplies are expected to increase.

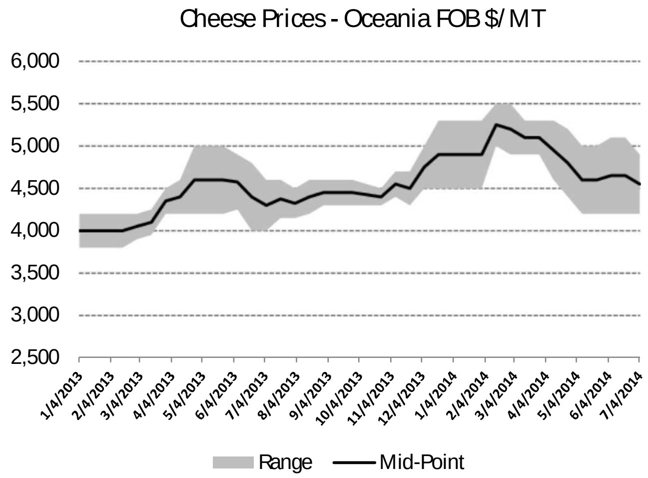
<u>Butter:</u>

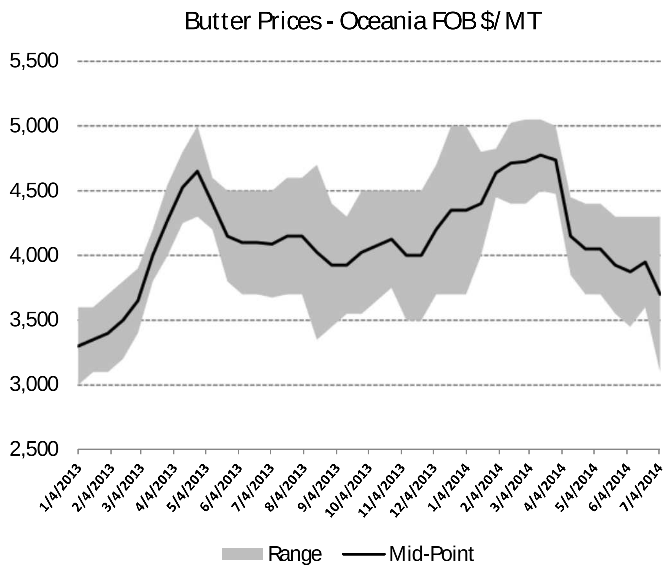
- **Russian** demand for butter remains strong as domestic consumption is forecast to grow by 4 percent in 2014 over last year. This strength is reflected in the early-year pace of imports which through April is up 27 percent relative to the same period last year. There have been notable increases in imports from Argentina and Australia at the expense of New Zealand and Uruguay. Russian import forecast is unchanged at 150,000 tons which is a 10 percent increase over 2013 and represents a fifth year of consecutive growth.

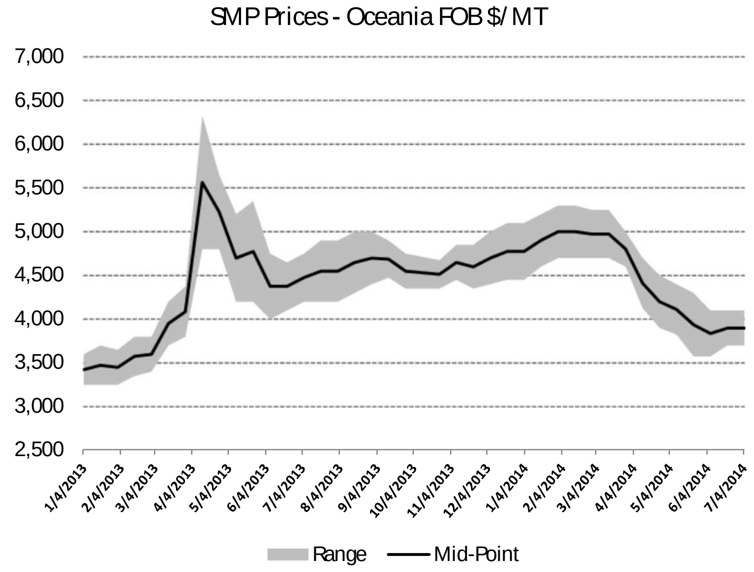
- In the **EU-28**, butter prices have declined significantly in the first half of the year allowing it to become more competitive in global markets. As a result, exports of butter have ramped up with shipments through April up 21 percent to 51,000 tons in contrast to the same period last year. The most significant increase was in shipments to Russia which are up by nearly one third to 12,000 tons. This strength is expected to persist throughout the balance of the year; consequently, the export forecast was increased by 20,000 tons to 120,000 tons – a 15 percent year-on-year increase.

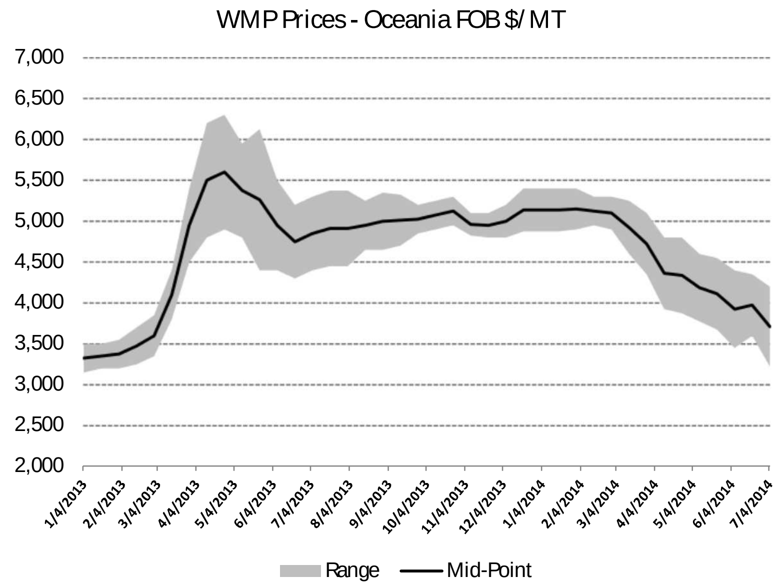
- The **U.S.** export forecast is increased by 15,000 tons to 85,000 tons largely on the strength of sales in the first quarter of the year which totaled 38,000 tons on a butterfat equivalent basis. While global butter prices have been sliding to below $4,000 per ton (FOB Oceania) the recent sharp increase in the domestic price of U.S. butter to over $5,250 per ton (CME), means that U.S. butter exporters will be facing stiffer competition.

International Prices









Source: Agricultural Marketing Service, USDA

COWS MILK: SUMMARY FOR SELECTED COUNTRIES
1,000 Head

Milk Cow Numbers	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	979	981	983	960	961	955
Mexico	6,400	6,480	6,400	6,350	6,300	6,350
United States	9,203	9,119	9,194	9,233	9,221	9,260
Sub-total	**16,582**	**16,580**	**16,577**	**16,543**	**16,482**	**16,565**
South America						
Argentina	2,100	2,100	2,150	2,193	2,193	2,193
Brazil	17,200	17,600	19,200	19,900	20,450	20,859
Sub-total	**19,300**	**19,700**	**21,350**	**22,093**	**22,643**	**23,052**
European Union - 28	**24,192**	**23,566**	**23,122**	**23,053**	**23,193**	**23,505**
Former Soviet Union						
Russia	9,530	8,858	8,650	8,600	8,425	8,200
Ukraine	2,856	2,736	2,631	2,582	2,554	2,540
Sub-total	**12,386**	**11,594**	**11,281**	**11,182**	**10,979**	**10,740**
South Asia						
India	**42,600**	**43,600**	**44,900**	**46,400**	**48,250**	**50,100**
Asia						
China	7,115	7,320	7,620	8,000	8,350	8,710
Japan	848	830	805	813	798	800
Sub-total	**7,963**	**8,150**	**8,425**	**8,813**	**9,148**	**9,510**
Oceania						
Australia	1,676	1,596	1,620	1,650	1,650	1,700
New Zealand	4,597	4,680	4,816	5,010	5,103	5,173
Sub-total	**6,273**	**6,276**	**6,436**	**6,660**	**6,753**	**6,873**
TOTAL SELECTED COUNTRIES	**129,296**	**129,466**	**132,091**	**134,744**	**137,448**	**140,345**

GCAD/OGA/FAS July 2014

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	**2009**	**2010**	**2011**	**2012**	**(p) 2013**	**(f)2014**
North America						
Canada	8,280	8,350	8,400	8,614	8,535	8,450
Mexico	10,866	11,033	11,046	11,274	11,255	11,442
United States	85,880	87,474	88,978	90,962	91,271	93,375
Sub-total	**105,026**	**106,857**	**108,424**	**110,850**	**111,061**	**113,267**
South America						
Argentina	10,350	10,600	11,470	11,679	11,933	12,112
Brazil	28,795	29,948	30,715	31,490	32,380	33,375
Sub-total	**39,145**	**40,548**	**42,185**	**43,169**	**44,313**	**45,487**
European Union - 28 1/	**133,700**	**135,472**	**138,220**	**139,000**	**140,100**	**144,000**
Former Soviet Union						
Russia	32,600	31,847	31,646	31,831	30,661	30,500
Ukraine	11,370	10,977	10,804	11,080	11,160	11,220
Sub-total	**43,970**	**42,824**	**42,450**	**42,911**	**41,821**	**41,720**
South Asia						
India	**48,160**	**50,300**	**53,500**	**55,500**	**57,500**	**60,125**
Asia						
China	28,445	29,300	30,700	32,600	34,300	36,000
Japan	7,910	7,721	7,474	7,631	7,560	7,580
Sub-total	**36,355**	**37,021**	**38,174**	**40,231**	**41,860**	**43,580**
Oceania						
Australia	9,326	9,327	9,568	9,811	9,400	9,900
New Zealand	16,983	17,173	18,965	20,567	20,200	21,450
Sub-total	**26,309**	**26,500**	**28,533**	**30,378**	**29,600**	**31,350**
TOTAL SELECTED COUNTRIES	**432,665**	**439,522**	**451,486**	**462,039**	**466,255**	**479,529**

GCAD/OGA/FAS July 2014

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production	2009	2010	2011	2012	(p) 2013	(f)2014
North America						
Canada	8.46	8.51	8.55	8.97	8.88	8.85
Mexico	1.70	1.70	1.73	1.78	1.79	1.80
United States	9.33	9.59	9.68	9.85	9.90	n.a.
South America						
Argentina	4.93	5.05	5.33	5.33	5.44	5.52
Brazil	1.67	1.70	1.60	1.58	1.58	1.60
European Union - 28 1/	5.53	5.75	5.98	6.03	6.04	6.13
Former Soviet Union						
Russia	3.42	3.60	3.66	3.70	3.64	3.72
Ukraine	3.98	4.01	4.11	4.29	4.37	4.42
South Asia						
India	1.13	1.15	1.19	1.20	1.19	1.20
Asia						
China	4.00	4.00	4.03	4.08	4.11	4.13
Japan	9.33	9.30	9.28	9.39	9.47	9.48
Oceania						
Australia	5.56	5.84	5.91	5.95	5.70	5.82
New Zealand	3.69	3.67	3.94	4.11	3.96	4.15

GCAD/OGA/FAS July 2014

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	**2009**	**2010**	**2011**	**2012**	**(p) 2013**	**(f)2014**
North America						
Canada	3,103	3,184	3,164	3,040	3,014	3,000
Mexico	5,206	5,167	4,100	4,168	4,160	4,180
United States	28,605	28,947	28,436	28,338	28,294	28,950
Sub-total	**36,914**	**37,298**	**35,700**	**35,546**	**35,468**	**36,130**
South America						
Argentina	2,100	2,130	2,093	2,133	2,180	2,213
Brazil	10,895	11,278	11,429	11,712	12,000	12,415
Sub-total	**12,995**	**13,408**	**13,522**	**13,845**	**14,180**	**14,628**
European Union - 28	**33,700**	**33,738**	**33,870**	**33,800**	**33,800**	**33,800**
Former Soviet Union						
Russia	12,114	11,775	11,650	11,000	10,200	10,000
Ukraine	3,483	5,342	5,442	5,588	5,667	5,692
Sub-total	**15,597**	**17,117**	**17,092**	**16,588**	**15,867**	**15,692**
South Asia						
India	**48,160**	**49,140**	**51,660**	**52,000**	**54,400**	**57,460**
Asia						
China	11,791	12,060	12,600	13,517	14,350	15,150
Japan	4,264	4,150	4,058	4,045	3,950	3,950
Sub-total	**16,055**	**16,210**	**16,658**	**17,562**	**18,300**	**19,100**
Oceania						
Australia 2/	2,272	2,284	2,422	2,511	2,494	2,550
New Zealand	300	300	300	425	450	450
Sub-total	**2,572**	**2,584**	**2,722**	**2,936**	**2,944**	**3,000**
TOTAL SELECTED COUNTRIES	**165,993**	**169,495**	**171,224**	**172,277**	**174,959**	**179,810**

GCAD/OGA/FAS July 2014

CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada 1/	291	297	300	549	550	545
Mexico	242	264	270	264	270	275
United States	4,570	4,737	4,806	4,938	5,035	5,135
Sub-total	**5,103**	**5,298**	**5,376**	**5,751**	**5,855**	**5,955**
South America						
Argentina	530	540	572	564	576	584
Brazil	614	648	679	700	722	736
Sub-total	**1,144**	**1,188**	**1,251**	**1,264**	**1,298**	**1,320**
European Union - 28	**8,739**	**8,959**	**8,981**	**9,287**	**9,380**	**9,450**
Former Soviet Union						
Russia	400	438	425	446	460	460
Ukraine	228	212	185	145	147	150
Sub-total	**628**	**650**	**610**	**591**	**607**	**610**
Asia						
Japan	45	48	45	47	47	48
Korea	23	27	25	23	27	27
Philippines	2	2	2	2	2	2
Sub-total	**70**	**79**	**86**	**82**	**84**	**77**
Oceania						
Australia	321	319	339	330	295	300
New Zealand	308	268	300	328	311	324
Sub-total	**629**	**587**	**639**	**658**	**606**	**624**
TOTAL SELECTED COUNTRIES	**16,313**	**16,761**	**16,943**	**17,633**	**17,830**	**18,036**

1/ Includes fresh cheese 2012 onwards

GCAD/OGA/FAS July 2014

CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada 1/	318	318	313	537	560	565
Mexico	311	338	344	341	356	365
United States	4,540	4,638	4,716	4,786	4,838	4,875
Sub-total	**5,169**	**5,294**	**5,373**	**5,664**	**5,754**	**5,805**
South America						
Argentina	495	490	514	513	525	533
Brazil	624	666	715	724	751	762
Sub-total	**1,119**	**1,156**	**1,229**	**1,237**	**1,276**	**1,295**
European Union - 28	**8,245**	**8,367**	**8,374**	**8,597**	**8,668**	**8,740**
Former Soviet Union						
Russia	690	780	759	789	812	798
Ukraine	160	144	117	95	105	113
Sub-total	**850**	**924**	**876**	**884**	**917**	**911**
Asia						
Japan	229	247	260	282	290	295
Korea	72	88	101	101	112	113
Sub-total	**301**	**335**	**361**	**383**	**402**	**408**
Oceania						
Australia	220	225	256	240	214	229
New Zealand	24	24	30	39	39	39
Sub-total	**244**	**249**	**286**	**279**	**253**	**268**
TOTAL SELECTED COUNTRIES	**15,928**	**16,325**	**16,499**	**17,044**	**17,270**	**17,427**

1/ Includes fresh cheese 2012 onwards

GCAD/OGA/FAS July 2014

CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada 1/	24	25	25	25	25	25
Mexico	73	80	78	81	91	95
United States	131	110	110	122	113	110
Sub-total	**228**	**215**	**213**	**228**	**229**	**230**
South America						
Argentina	3	3	3	3	2	2
Brazil	16	22	39	27	31	29
Sub-total	**19**	**25**	**42**	**30**	**33**	**31**
European Union - 28	84	84	75	78	75	80
Former Soviet Union						
Russia	310	353	344	356	364	355
Ukraine	9	11	12	17	18	23
Sub-total	**319**	**364**	**356**	**373**	**382**	**378**
Asia						
Japan	184	199	215	235	243	247
Korea	49	61	76	78	85	86
Philippines	15	15	17	20	17	18
Sub-total	**248**	**275**	**308**	**333**	**345**	**351**
Oceania						
Australia	65	76	72	75	69	76
New Zealand	6	6	5	5	5	5
Sub-total	**71**	**82**	**77**	**80**	**74**	**81**
TOTAL SELECTED COUNTRIES	**969**	**1,045**	**1,071**	**1,122**	**1,138**	**1,151**

1/ Includes fresh cheese 2012 onwards

GCAD/OGA/FAS July 2014

CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada 1/	9	9	9	10	10	9
Mexico	4	6	4	4	5	5
United States	108	173	225	260	316	373
Sub-total	**121**	**188**	**238**	**274**	**331**	**387**
South America						
Argentina	48	45	60	54	51	52
Brazil	6	4	3	3	2	3
Sub-total	**63**	**53**	**43**	**54**	**49**	**53**
European Union - 28	**578**	**676**	**682**	**768**	**787**	**790**
Former Soviet Union						
Russia	21	11	9	13	16	15
Ukraine	77	79	80	67	60	60
Sub-total	**98**	**90**	**89**	**80**	**76**	**75**
Oceania						
Australia	162	160	168	163	163	147
New Zealand	290	265	253	306	277	290
Sub-total	**452**	**425**	**421**	**469**	**440**	**437**
TOTAL SELECTED COUNTRIES	**1,312**	**1,432**	**1,473**	**1,645**	**1,683**	**1,742**

1/ Includes fresh cheese 2012 onwards

GCAD/OGA/FAS July 2014

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	86	80	85	98	92	88
Mexico	171	182	187	190	190	190
United States	713	709	821	843	845	855
Sub-total	**970**	**971**	**1,093**	**1,131**	**1,127**	**1,133**
South America						
Argentina	51	55	63	58	60	59
Brazil	76	78	79	81	83	85
Sub-total	**127**	**133**	**142**	**139**	**143**	**144**
European Union - 28	**2,030**	**1,980**	**2,055**	**2,100**	**2,100**	**2,130**
Former Soviet Union						
Russia	246	207	217	216	225	225
Ukraine	75	79	76	88	90	92
Sub-total	**321**	**286**	**293**	**304**	**315**	**317**
Asia						
India	3,910	4,162	4,330	4,525	4,745	4,887
Japan	81	74	63	69	71	73
Sub-total	**3,991**	**4,236**	**4,393**	**4,594**	**4,816**	**4,960**
Oceania						
Australia	118	132	121	119	117	120
New Zealand	482	441	487	527	525	540
Sub-total	**519**	**519**	**519**	**519**	**519**	**519**
TOTAL SELECTED COUNTRIES	**7,958**	**8,125**	**8,495**	**8,787**	**9,020**	**9,203**

(1) Includes Butteroil/AMF butter equivalent.

GCAD/OGA/FAS July 2014

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	96	90	96	97	95	95
Mexico	224	231	222	219	225	240
United States	694	683	757	793	782	788
Sub-total	**1,014**	**1,004**	**1,075**	**1,109**	**1,102**	**1,123**
South America						
Argentina	34	37	35	38	40	42
Brazil	81	75	78	80	82	84
Sub-total	**115**	**112**	**113**	**118**	**122**	**126**
European Union - 28	**1,894**	**1,934**	**1,982**	**2,027**	**2,030**	**2,064**
Former Soviet Union						
Russia	349	319	330	335	358	376
Ukraine	90	84	78	96	101	105
Sub-total	**439**	**403**	**408**	**431**	**459**	**481**
Asia						
India	3,910	4,170	4,320	4,525	4,735	4,874
Japan	74	86	83	77	72	74
Taiwan	14	16	18	18	19	19
Sub-total	**3,998**	**4,272**	**4,421**	**4,620**	**4,826**	**4,967**
Oceania						
Australia	60	73	78	82	85	86
New Zealand	20	20	20	21	22	22
Sub-total	**80**	**93**	**98**	**103**	**107**	**108**
TOTAL SELECTED COUNTRIES	**7,540**	**7,818**	**8,097**	**8,408**	**8,646**	**8,869**

(1) Includes Butteroil/AMF butter equivalent.

GCAD/OGA/FAS July 2014

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

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	12	8	10	7	7	8
Mexico	53	49	35	30	40	55
United States	17	10	12	18	12	12
Sub-total	**82**	**67**	**57**	**55**	**59**	**75**
South America						
Brazil	7	2	0	1	1	1
European Union - 28	**84**	**93**	**66**	**63**	**65**	**65**
Former Soviet Union						
Russia	107	113	116	119	136	155
Ukraine	16	6	4	8	12	14
Sub-total	**123**	**119**	**120**	**127**	**148**	**169**
Asia						
India	28	25	0	8	0	0
Japan	0	3	15	10	1	4
Taiwan	14	16	18	18	19	19
Sub-total	**42**	**44**	**33**	**36**	**20**	**23**
Oceania						
Australia	18	19	19	21	21	19
New Zealand	1	1	1	0	1	1
Sub-total	**19**	**20**	**20**	**21**	**22**	**20**
TOTAL SELECTED COUNTRIES	**357**	**345**	**296**	**303**	**315**	**353**

(1) Includes Butteroil/AMF butter equivalent.

GCAD/OGA/FAS July 2014

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

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	3	1	0	0	5	3
Mexico	0	0	0	1	5	5
United States	30	59	65	47	93	85
Sub-total	**33**	**60**	**65**	**48**	**103**	**93**
South America						
Argentina	17	15	27	21	19	17
Brazil	2	5	1	2	2	2
Sub-total	**19**	**20**	**28**	**23**	**21**	**19**
European Union - 28	**149**	**154**	**124**	**121**	**122**	**140**
Former Soviet Union						
Ukraine	1	1	2	0	1	1
Asia						
India	28	11	11	8	10	11
Sub-total	**28**	**11**	**11**	**8**	**10**	**11**
Oceania						
Australia	87	58	42	54	50	52
New Zealand	492	429	449	506	505	516
Sub-total	**579**	**487**	**491**	**560**	**555**	**568**
TOTAL SELECTED COUNTRIES	**809**	**733**	**721**	**760**	**812**	**832**

(1) Includes Butteroil/AMF butter equivalent.

GCAD/OGA/FAS July 2014

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

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	83	72	76	85	78	76
Mexico	25	13	26	55	55	55
United States 1/	786	824	882	973	956	1,006
Sub-total	**894**	**909**	**984**	**1,113**	**1,089**	**1,137**
South America						
Argentina	33	35	39	32	34	42
Brazil	125	130	132	141	151	154
Sub-total	**158**	**165**	**171**	**173**	**185**	**196**
European Union - 28	**1,080**	**1,060**	**1,180**	**1,270**	**1,270**	**1,400**
Former Soviet Union						
Russia	70	42	55	57	50	50
Ukraine	51	53	43	52	52	52
Sub-total	**121**	**95**	**98**	**109**	**102**	**102**
Asia						
China	54	55	56	57	54	49
India	360	380	430	450	490	520
Japan	167	156	137	139	142	145
Korea	15	10	4	14	12	12
Sub-total	**596**	**601**	**627**	**660**	**698**	**726**
Oceania						
Australia	203	205	230	235	208	215
New Zealand	385	344	366	404	409	425
Sub-total	**588**	**549**	**596**	**639**	**617**	**640**
TOTAL SELECTED COUNTRIES	**3,437**	**3,379**	**3,656**	**3,964**	**3,961**	**4,201**

(1) Includes NDM and SMP production.

GCAD/OGA/FAS July 2014

SKIMMED MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	84	72	72	69	70	70
Mexico	190	168	220	291	253	265
United States 1/	568	434	438	522	425	410
Sub-total	**842**	**674**	**730**	**882**	**748**	**745**
South America						
Argentina	17	18	19	18	17	17
Brazil	135	144	163	174	179	180
Sub-total	**152**	**162**	**182**	**192**	**196**	**197**
European Union - 28	**596**	**749**	**807**	**802**	**868**	**870**
Former Soviet Union						
Russia	175	159	126	153	178	177
Ukraine	32	41	23	29	37	35
Sub-total	**207**	**200**	**149**	**182**	**215**	**212**
Asia						
China	124	144	186	225	289	379
India	355	390	410	425	400	401
Indonesia	172	184	197	205	222	231
Japan	152	162	157	146	147	150
Korea	25	21	38	27	30	31
Philippines	89	97	92	96	100	105
Sub-total	**917**	**998**	**1,080**	**1,124**	**1,188**	**1,297**
Oceania						
Australia	50	56	68	76	80	80
New Zealand	1	3	3	3	4	4
Sub-total	**51**	**59**	**71**	**79**	**84**	**84**
TOTAL SELECTED COUNTRIES	**2,765**	**2,842**	**3,019**	**3,261**	**3,299**	**3,405**

(1) Includes NDM and SMP production.

GCAD/OGA/FAS July 2014

SKIMMED MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	3	3	3	3	3	2
Mexico	165	155	194	236	198	210
United States 1/	0	0	0	2	1	1
Sub-total	**168**	**158**	**197**	**241**	**202**	**213**
South America						
Argentina	0	0	0	0	0	0
Brazil	11	14	31	33	28	26
Sub-total	**11**	**14**	**31**	**33**	**28**	**26**
European Union - 28	**6**	**4**	**0**	**2**	**5**	**5**
Former Soviet Union						
Russia	105	117	71	96	131	130
Ukraine	8	2	2	3	1	3
Sub-total	**113**	**119**	**73**	**99**	**132**	**133**
North Africa						
Algeria	**93**	**98**	**129**	**112**	**119**	**115**
Asia						
China	70	89	130	168	235	330
India	3	20	32	14	0	0
Indonesia	178	189	196	205	225	230
Japan	34	30	27	32	33	32
Korea	10	8	34	19	18	18
Philippines	112	110	111	106	110	115
Sub-total	**407**	**446**	**530**	**544**	**621**	**725**
Oceania						
Australia	4	5	5	3	5	5
New Zealand	4	3	2	5	2	2
Sub-total	**8**	**8**	**7**	**8**	**7**	**7**
TOTAL SELECTED COUNTRIES	**806**	**847**	**967**	**1,039**	**1,114**	**1,224**

(1) Includes NDM and SMP production.

GCAD/OGA/FAS July 2014

SKIMMED MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
Canada	10	6	10	10	11	10
Mexico	0	0	0	0	0	0
United States 1/	248	384	435	445	555	577
Sub-total	**258**	**390**	**445**	**455**	**566**	**587**
South America						
Argentina	13	20	18	14	25	26
Brazil	1	0	0	0	0	0
Sub-total	**14**	**20**	**18**	**14**	**25**	**26**
European Union - 28	**231**	**379**	**518**	**520**	**407**	**535**
Former Soviet Union						
Russia	0	0	0	0	3	3
Ukraine	27	14	22	26	16	20
Sub-total	**27**	**14**	**22**	**26**	**19**	**23**
Asia						
China	0	0	0	0	0	0
India	15	18	3	37	130	120
Indonesia	5	1	1	1	1	1
Philippines	15	15	17	12	6	8
Sub-total	**35**	**34**	**21**	**50**	**137**	**129**
Oceania						
Australia	167	132	140	168	119	160
New Zealand	408	343	362	390	392	425
Sub-total	**575**	**475**	**502**	**558**	**511**	**585**
TOTAL SELECTED COUNTRIES	**1,140**	**1,312**	**1,526**	**1,623**	**1,665**	**1,885**

(1) Includes NDM and SMP production.

GCAD/OGA/FAS   July 2014

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
United States	27	32	30	26	33	55
Sub-total	**27**	**32**	**30**	**26**	**33**	**55**
South America						
Argentina	210	210	309	281	287	291
Brazil	473	500	515	531	549	560
Chile	55	63	73	74	75	75
Sub-total	**738**	**773**	**897**	**886**	**911**	**926**
European Union - 28	**790**	**780**	**685**	**669**	**685**	**750**
Former Soviet Union						
Russia	50	40	76	67	65	60
Ukraine	16	15	10	11	11	11
Sub-total	**66**	**55**	**86**	**78**	**76**	**71**
Asia						
China	977	1,030	1,100	1,160	1,200	1,250
Indonesia	56	62	66	70	71	72
Taiwan	0	0	0	0	0	0
Sub-total	**1,033**	**1,092**	**1,166**	**1,230**	**1,271**	**1,322**
Oceania						
Australia	137	147	148	120	120	135
New Zealand	768	947	1,162	1,273	1,300	1,400
Sub-total	**905**	**1,094**	**1,310**	**1,393**	**1,420**	**1,535**
TOTAL SELECTED COUNTRIES	**3,559**	**3,826**	**4,174**	**4,282**	**4,396**	**4,659**

GCAD/OGA/FAS July 2014

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

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
United States	35	29	30	25	26	29
Sub-total	**35**	**29**	**30**	**25**	**26**	**29**
South America						
Argentina	54	75	89	90	95	97
Brazil	517	533	569	601	606	618
Sub-total	**571**	**608**	**658**	**691**	**701**	**715**
European Union - 28	**333**	**337**	**299**	**286**	**314**	**324**
Former Soviet Union						
Russia	71	79	94	93	108	111
Ukraine	12	9	9	11	12	13
Sub-total	**83**	**88**	**103**	**104**	**120**	**124**
North Africa						
Algeria	**172**	**182**	**185**	**185**	**171**	**160**
Asia						
China	1,064	1,373	1,433	1,540	1,876	2,248
Indonesia	106	112	118	126	120	127
Philippines	9	10	6	13	24	26
Taiwan	28	26	32	31	30	30
Sub-total	**1,207**	**1,521**	**1,589**	**1,710**	**2,050**	**2,431**
Oceania						
Australia	28	45	40	40	35	40
New Zealand	1	1	2	2	2	2
Sub-total	**29**	**28**	**28**	**29**	**30**	**31**
TOTAL SELECTED COUNTRIES	**2,430**	**2,793**	**2,892**	**3,030**	**3,412**	**3,814**

GCAD/OGA/FAS July 2014

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

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
United States	18	7	8	10	8	6
Sub-total	**18**	**7**	**8**	**10**	**8**	**6**
South America						
Argentina	1	0	0	0	0	0
Brazil	57	38	55	71	57	58
Sub-total	**58**	**38**	**55**	**71**	**57**	**58**
European Union - 28	**1**	**2**	**2**	**3**	**3**	**4**
Former Soviet Union						
Russia	30	41	20	28	44	52
Ukraine	1	0	1	1	1	2
Sub-total	**31**	**41**	**21**	**29**	**45**	**54**
North Africa						
Algeria	**200**	**167**	**204**	**188**	**141**	**160**
Asia						
China	177	326	320	406	619	1,000
Indonesia	50	50	52	56	50	55
Philippines	36	40	30	35	32	36
Taiwan	28	26	32	31	30	30
Sub-total	**291**	**442**	**434**	**528**	**731**	**1,121**
Oceania						
Australia	15	15	13	9	8	9
New Zealand	1	2	1	1	1	1
Sub-total	**16**	**17**	**14**	**10**	**9**	**10**
TOTAL SELECTED COUNTRIES	**615**	**714**	**738**	**839**	**994**	**1,413**

GCAD/OGA/FAS July 2014

WHOLE MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2009	2010	2011	2012	(p) 2013	(f) 2014
North America						
United States	9	10	8	11	15	32
Sub-total	**9**	**10**	**8**	**11**	**15**	**32**
South America						
Argentina	157	128	201	201	182	210
Brazil	13	5	1	1	0	0
Chile	14	9	14	15	12	13
Sub-total	**184**	**142**	**216**	**217**	**194**	**223**
European Union - 28	**458**	**445**	**388**	**386**	**374**	**430**
Former Soviet Union						
Russia	9	2	2	2	1	1
Ukraine	5	6	2	1	0	0
Sub-total	**14**	**8**	**4**	**3**	**1**	**1**
Asia						
China	10	3	9	9	3	2
Philippines	27	30	24	22	8	10
Sub-total	**37**	**33**	**33**	**31**	**11**	**12**
Oceania						
Australia	133	115	116	109	96	110
New Zealand	818	949	1,110	1,261	1,291	1,375
Sub-total	**951**	**1,064**	**1,226**	**1,370**	**1,387**	**1,485**
TOTAL SELECTED COUNTRIES	**1,653**	**1,702**	**1,875**	**2,018**	**1,982**	**2,183**

GCAD/OGA/FAS July 2014