

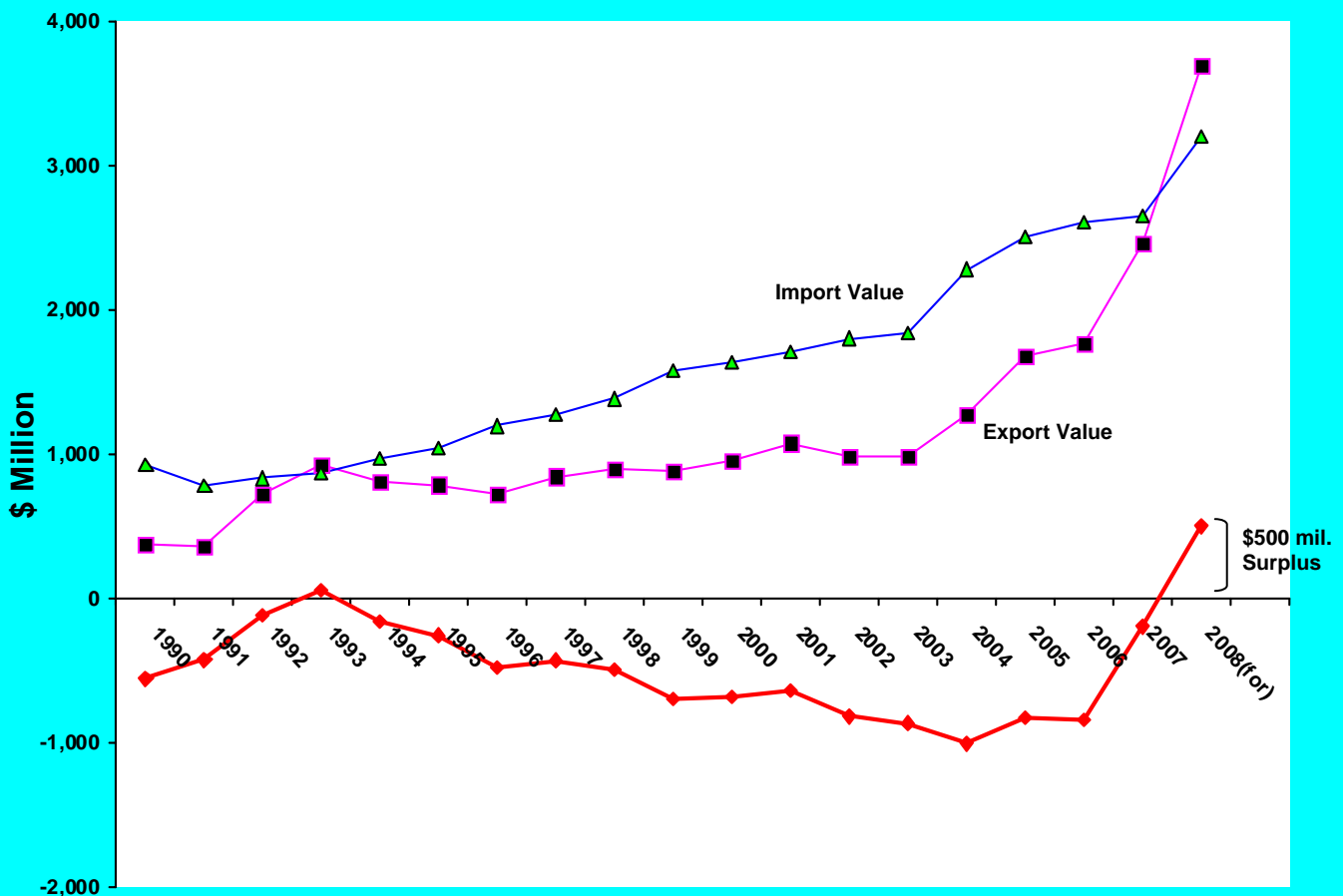


Dairy: World Markets and Trade

During the past four years, U.S. dairy exports have been expanding at a record setting pace and the outlook for FY 2008 looks no different with U.S. dairy exports forecast to increase by 50 percent to hit a new high of \$3.7 billion. Driven by rising global demand and tight supplies, the growth in U.S. dairy exports has been particularly evident in shipments of skimmed milk powder, whey, cheese, and butterfat to destinations in North America (particularly Mexico) and Asia.

A further notable milestone associated with this export surge is that the U.S. dairy industry is likely to register an unprecedented net trade surplus of around \$500 million. Traditionally, the United States has been a net trade importer of dairy products. However, a decline in imports of such products as cheese – down 5 percent year-to-date, coupled with the surge in exports in both volume and value is expected to result in a significant surplus.

Value of U.S. Dairy Trade - FY 1990-2008 (f)



Dairy Production and Trade Developments

Summary

Uncertainty continues to plague dairy markets as fuel and feed costs soar and weather factors disrupt expected production patterns. In late 2007, world dairy prices were for the most part retreating from the breathtaking record levels posted in mid-2007 as forecasts pointed to a resumption of long-term production trends and thus increased milk supplies. In early 2008, however, these assumptions were thrown into doubt as New Zealand experienced a drought that knocked down the original December 2007 milk production forecast for the 2007/08 season by 7 percent. In effect, the widely anticipated growth in New Zealand milk production was now set to shrink by 5 percent from the previous year. This effectively arrested the decline in dairy product prices and kept them well above historical levels.

As the new production season unfolds, the weather situation in Australia remains questionable as May was noted as being the driest month on record and all dairying areas received less than average rainfall. Even with a resumption of normal rainfall, cow numbers are at their lowest level since 1992; consequently, any herd expansion will require several years of investment and plentiful rainfall to resume pre-drought production levels. In New Zealand, the record payout is expected to boost prospects for conversions into dairying and encourage dairies to expand. As a result, milk production during the 2008/09 season is expected to rebound by 7-10 percent. Elsewhere, in the EU-27, quota increases are also forecast to raise milk production but most of the additional output is likely to be channeled towards the domestic market.

In the United States, 2008 milk production continues to expand at a 2 percent clip but the longer-term outlook is clouded by concerns over high feed costs in relation to milk receipts. For this reason, after several years of over 2 percent growth, milk output in 2009 is forecast to grow by less than one percent. Nevertheless, the U.S. dairy industry is currently reaping the benefits of the tight global market and weak currency with fiscal year 2008/09 exports expected to hit a record \$3.7 billion.

Despite the high world prices, dairy product demand remains surprisingly robust. Although world growth for 2008 is expected to be below 2007 due to rising energy costs and the financial impact of the U.S. credit crisis, GDP growth in the key East Asian markets – forecast at 4 percent to 5 percent - remains solid. In China, GDP growth has been lowered, but at 9 percent, this still represents a significant pace that will have an impact on trade. Meanwhile, in other markets such as Mexico, North Africa and the Middle East, oil revenues are ensuring that purchases of dairy products for social feed programs continue.

Milk Production: 2008 Forecast Summary

Australian milk production for the 2007/08 season ending in June 2008 is expected to remain stagnant as drought conditions continue to undercut any recovery in milk output. During June 2008, rainfall in the key dairy producing regions was described as being below average and the autumn (July-Sep) outlook for parts of the major producing state of Victoria call for “a shift in the odds favoring drier than average conditions”. This suggests that milk output for the next year will be hard pressed to register any significant gains. In addition, the Goulburn-Murray Water Murray Basin – a key source of irrigation water – remains depleted and will need significant rainfall in the coming months to allow use for agricultural production.

New Zealand also experienced adverse conditions as drought cut 2007/08 milk production by nearly 1 million metric tons resulting in a 5-percent drop in milk output compared to the previous year. Nevertheless, dairy farmers benefitted from a record pay-out of NZ\$7.30/kg (US\$ 5.60/kg) milk solids that is expected to keep dairying profitable relative to other livestock enterprises. This means that conversions of land into dairying will continue and likely lead to further expansion in milk output next year. Reports indicate that for the 2008/09 season, there may be an additional 300 dairies coming into production that may lead to a 10-11 percent jump in milk output increase to around 16.5 million tons.

The EU-27 2008 milk production forecast is revised up slightly driven by strong internal consumption, export demand, and an expansion of the milk production quotas. These production quotas were increased by 0.5 percent for the EU-15 and an additional 2 percent was applied to all EU member countries starting April 2008. This is likely to lead to further growth in output but the EU Commission expects that internal demand primarily for cheese and fresh dairy products – particularly in the new member states - will absorb a significant portion of the increase. This will also leave less available milk for the production of bulk milk products such as butter and NDM.

The U.S. 2008 milk production forecast is lowered marginally but still results in a 2.1 percent increase in milk output over 2007. For 2009, high feed prices are expected to squeeze profit margins and put a damper on expansionary plans; consequently, milk production is anticipated to grow by only half of one percent.

Summary of Major Milk Producer Forecasts for 2008

(Million Metric Tons)

	2006	2007	2008 (Dec forecast)	Change	2008 (July forecast)
Australia	10,395	9,870	9,400	-23	9,377
EU-27	132,206	132,600	133,400	+270	133,670
New Zealand	15,200	15,595	15,830	-954	14,876
United States	80,462	84,188	86,410	-463	85,947

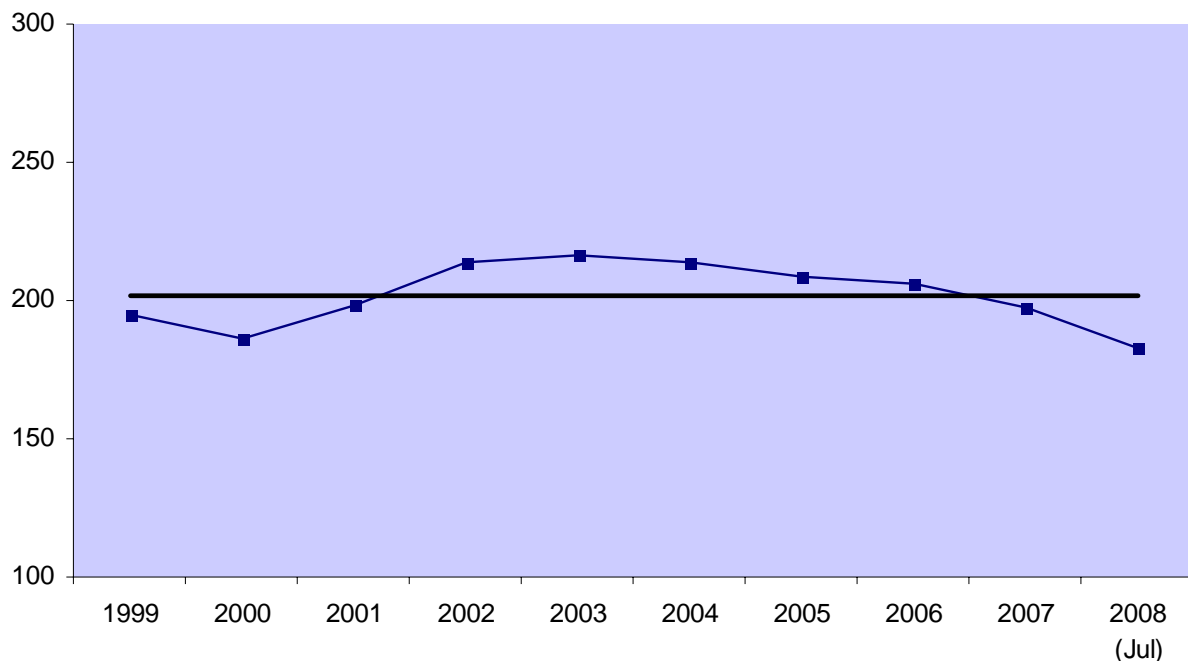
Note: Australia July-June, New Zealand June-May year

Cheese:

Cheese exports in 2008 among selected exporters are expected to grow by 4 percent to 1.4 million tons with marginal decreases in the export forecast for New Zealand being offset by increases in the United States, EU and Australia forecast. The most significant change from the December 2007 forecasts has been the U.S. cheese export forecast which is raised by 22 percent to 122,000 tons – a 23 percent increase over 2007. However, U.S. cheese production this year – up only 0.6 percent through May 2008 over the comparable period in 2007 – has been surprisingly low but is anticipated to accelerate during the balance of the year. Nevertheless, as the economy falters cheese consumption is expected to slow and register only a modest gain of 1 percent over the previous year. This is a significant drop from the growth experienced during the 2005-2007 period when consumption grew at an average annual rate of 2.5 percent.

On the import side, the Russian December import forecast is raised by 8 percent to 280,000 tons as the Russian Government has taken steps to facilitate purchases of dairy products from Belarus and the Ukraine in order to dampen domestic price inflation. This import forecast represents a 12 percent increase from the previous year and highlights the growing expansion of this market. In contrast, the U.S. market for imported cheeses continues to contract with imports in 2008 slated to fall by 7 percent.

U.S. Cheese Imports (000 MT)



Butter

The 2008 export forecasts for Australia, New Zealand, and the EU-27 were reduced by a total of 63,000 tons from December but this was partially offset by a sharp rise of 38,000 tons in expected U.S. shipments of butter. The United States has emerged as a major shipper of butter and is expected to almost double the volume of butter exported in 2007. Although in principle returns favor the channeling of manufacturing milk to cheese processors expectations are that U.S. butter production will increase by 6 percent this year.

Skimmed Milk Powder

Summary of Major SMP Exporter Forecasts for 2008
(Million Metric Tons)

	2006	2007	2008 (Dec forecast)	Change	2008 (July forecast)
Australia	189	175	168	-48	120
EU-27	88	170	155	+26	181
New Zealand	243	327	312	-55	257
United States	287	255	275	+125	400
TOTAL	807	927	910	+48	958

Note: Australia July-June, New Zealand June-May year

The Australian and New Zealand export forecast was adjusted down due to drought and increased use of fluid milk in the production of cheese and WMP. The U.S. SMP export forecast was revised up sharply by 45 percent from December on the strength of shipments during the January-April 2008 period – up 77 percent over the comparable 2007 period. U.S. production of SMP and NDM has surged and 2008 output through May 2008 is running 36 percent ahead of the same period in 2007.

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	7,734	7,905	7,806	8,041	8,145	8,140
Mexico	9,784	9,874	9,855	10,051	10,290	10,300
United States	77,289	77,534	80,254	82,462	84,188	85,947
Sub-total	94,807	95,313	97,915	100,554	102,623	104,387
South America						
Argentina	7,950	9,250	9,500	10,200	9,400	10,000
Brazil	22,860	23,317	24,250	25,230	26,750	28,890
Sub-total	30,810	32,567	33,750	35,430	36,150	38,890
European Union - 27 1/	135,069	133,969	134,672	132,206	132,600	133,670
Former Soviet Union						
Russia	33,000	32,000	32,000	31,100	32,200	32,725
Ukraine	13,400	13,787	13,423	13,017	13,100	13,150
Sub-total	46,400	45,787	45,423	44,117	45,300	45,875
South Asia						
India	36,500	37,500	37,520	41,000	42,140	42,890
Asia						
China	17,463	22,606	27,534	31,934	35,000	38,000
Japan	8,400	8,329	8,285	8,137	8,007	8,100
Sub-total	25,863	30,935	35,819	40,071	43,007	46,100
Oceania						
Australia 2/	10,636	10,377	10,429	10,395	9,870	9,377
New Zealand 3/	14,346	15,000	14,500	15,200	15,595	14,876
Sub-total	24,982	25,377	24,929	25,595	25,465	24,253
TOTAL SELECTED COUNTRIES	394,431	401,448	410,028	418,973	427,285	436,065

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

OGA/FAS

July 2008

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	2,810	2,835	2,831	3,058	3,060	3,018
Mexico	4,352	4,349	4,266	4,305	4,431	4,437
United States	27,173	27,288	27,416	27,851	28,965	29,544
Sub-total	34,335	34,472	34,513	35,214	36,456	36,999
South America						
Argentina	2,050	1,800	1,800	1,900	2,000	2,100
Brazil	12,391	12,743	13,400	13,755	14,582	15,756
Sub-total	14,441	14,543	15,200	15,655	16,582	17,856
European Union - 27 1/	35,560	35,190	34,932	34,084	34,000	34,000
Former Soviet Union						
Russia	13,350	12,900	12,845	12,000	12,000	12,200
Ukraine	3,450	5,112	5,441	4,929	5,075	5,100
Sub-total	16,800	18,012	18,286	16,929	17,075	17,300
South Asia						
India	34,000	35,500	36,600	39,920	41,130	42,680
Asia						
China	7,661	10,315	12,500	13,809	14,820	15,900
Japan	5,035	4,955	4,775	4,648	4,521	4,405
Sub-total	12,696	15,270	17,275	18,457	19,341	20,305
Oceania						
Australia 2/	1,982	2,020	2,145	2,127	2,162	2,227
New Zealand 3/	360	360	360	360	360	360
Sub-total	2,342	2,380	2,505	2,487	2,522	2,587
TOTAL SELECTED COUNTRIES	150,174	155,367	159,311	162,746	167,106	171,727

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

OGA/FAS

July 2008

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	1,065	1,055	1,066	1,019	1,005	1,005
Mexico	6,800	6,800	6,850	6,875	6,885	6,887
United States	9,083	9,012	9,043	9,112	9,158	9,259
Sub-total	16,948	16,867	16,959	17,006	17,048	17,151
South America						
Argentina	2,000	2,000	2,100	2,150	2,150	2,150
Brazil	15,300	15,200	15,100	15,290	15,925	16,700
Sub-total	17,300	17,200	17,200	17,440	18,075	18,850
European Union - 27 1/	26,498	26,018	25,355	24,944	24,344	24,000
Former Soviet Union						
Russia	11,700	11,200	10,400	9,900	9,910	9,920
Ukraine	4,715	4,313	4,130	3,491	3,200	3,170
Sub-total	16,415	15,513	14,530	13,391	13,110	13,090
South Asia						
India	36,500	37,000	38,000	38,000	38,000	38,500
Asia						
China	4,466	5,466	6,800	7,900	8,700	9,500
Japan	964	936	910	900	890	895
Sub-total	5,430	6,402	7,710	8,800	9,590	10,395
Oceania						
Australia 2/	2,050	2,036	2,041	1,870	1,800	1,710
New Zealand 3/	3,842	3,920	3,970	4,100	4,163	4,200
Sub-total	5,892	5,956	6,011	5,970	5,963	5,910
TOTAL SELECTED COUNTRIES	124,983	124,956	125,765	125,551	126,130	127,896

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

OGA/FAS

July 2008

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	7.26	7.49	7.32	7.89	8.10	8.10
Mexico	1.44	1.45	1.44	1.46	1.49	1.50
United States	8.51	8.60	8.87	9.05	9.19	9.28
South America						
Argentina	3.98	4.63	4.52	4.74	4.37	4.65
Brazil	1.49	1.53	1.61	1.65	1.68	1.73
European Union - 27 1/	5.10	5.15	5.31	5.30	5.45	5.57
Former Soviet Union						
Russia	2.82	2.86	3.08	3.14	3.25	3.30
Ukraine	2.84	3.20	3.25	3.73	4.09	4.15
South Asia						
India	1.00	1.01	0.99	1.08	1.11	1.11
Asia						
China	3.91	4.14	4.05	4.04	4.02	4.00
Japan	8.71	8.90	9.10	9.04	9.00	9.05
Oceania						
Australia 2/	5.19	5.10	5.11	5.56	5.48	5.48
New Zealand 3/	3.73	3.83	3.65	3.71	3.75	3.54

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

OGA/FAS July 2008

CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	342	345	352	291	297	300
Mexico	126	134	143	145	154	160
United States	3,882	4,025	4,150	4,320	4,400	4,480
Sub-total	4,350	4,504	4,645	4,756	4,851	4,940
South America						
Argentina	325	370	400	480	475	515
Brazil	460	470	495	528	580	640
Sub-total	785	840	895	1,008	1,055	1,155
European Union - 27	6,205	6,481	6,625	6,801	6,870	6,940
Former Soviet Union						
Russia	335	350	375	405	435	400
Ukraine	169	224	274	217	243	260
Sub-total	504	574	649	622	678	660
Asia						
Japan	35	35	39	40	43	47
Korea	23	24	24	28	30	32
Philippines	6	6	5	6	7	7
Sub-total	64	65	68	74	80	86
Oceania						
Australia 2/	368	389	375	362	360	350
New Zealand 3/	301	305	297	292	308	321
Sub-total	669	694	672	654	668	671
TOTAL SELECTED COUNTRIES	12,577	13,158	13,554	13,915	14,202	14,452

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGS/ISA July, 2008

CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	348	358	365	307	314	317
Mexico	204	214	230	229	242	251
United States	4,054	4,182	4,277	4,428	4,507	4,543
Sub-total	4,606	4,754	4,872	4,964	5,063	5,111
South America						
Argentina	310	338	350	422	440	460
Brazil	463	468	491	529	578	635
Sub-total	773	806	841	951	1,018	1,095
European Union - 27	5,793	6,061	6,219	6,339	6,375	6,430
Former Soviet Union						
Russia	498	528	615	625	675	670
Ukraine	110	133	164	179	188	202
Sub-total	608	661	779	804	863	872
Asia						
Japan	229	254	251	247	268	262
Korea	59	65	69	72	77	82
Sub-total	288	319	320	319	345	344
Oceania						
Australia 2/	230	230	223	225	215	215
New Zealand 3/	28	28	28	28	28	26
Sub-total	258	258	251	253	243	241
TOTAL SELECTED COUNTRIES	12,326	12,859	13,282	13,630	13,907	14,093

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGS/ISA July, 2008

CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	24	24	25	25	25	25
Mexico	78	82	89	86	90	93
United States	216	214	209	206	197	183
Sub-total	318	320	323	317	312	301
South America						
Argentina	1	0	2	2	2	2
Brazil	6	4	3	6	5	5
Sub-total	7	4	5	8	7	7
European Union - 27	127	104	93	99	105	110
Former Soviet Union						
Russia	175	190	250	230	250	280
Ukraine	2	3	6	9	10	12
Sub-total	177	193	256	239	260	292
Asia						
Japan	194	219	212	207	225	215
Korea	36	41	44	44	47	50
Philippines	6	6	5	6	7	7
Sub-total	236	266	261	257	279	272
Oceania						
Australia 2/	51	49	49	61	64	68
New Zealand 3/	2	2	2	3	3	3
Sub-total	53	51	51	64	67	71
TOTAL SELECTED COUNTRIES	918	938	989	984	1,030	1,053

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGS/ISA July, 2008

CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	11	11	9	9	8	8
Mexico	0	2	2	2	2	2
United States	52	61	58	71	99	122
Sub-total	63	74	69	82	109	132
South America						
Argentina	23	31	45	58	45	55
Brazil	3	6	7	5	7	10
Sub-total	26	37	52	63	52	65
European Union - 27	539	524	499	561	600	620
Former Soviet Union						
Russia	10	10	10	10	10	10
Ukraine	61	94	116	49	65	70
Sub-total	71	104	126	59	75	80
Oceania						
Australia 2/	207	212	227	202	212	214
New Zealand 3/	290	289	265	267	309	299
Sub-total	497	501	492	469	521	513
TOTAL SELECTED COUNTRIES	1,196	1,240	1,238	1,234	1,357	1,410

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGS/ISA July, 2008

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	84	84	84	75	77	80
Mexico	77	88	93	114	126	130
United States	564	565	611	657	695	740
Sub-total	725	737	788	846	898	950
South America						
Brazil	72	75	77	79	82	85
European Union - 27	2,153	2,164	2,155	2,035	2,040	2,055
Former Soviet Union						
Russia	280	270	275	290	300	310
Ukraine	148	138	118	104	97	95
Sub-total	428	408	393	394	397	405
Asia						
India	2,450	2,600	2,749	3,050	3,360	3,610
Japan	80	80	84	80	75	82
Sub-total	2,530	2,680	2,833	3,130	3,435	3,692
Oceania						
Australia 1/	163	132	131	129	117	105
New Zealand 2/	405	418	340	390	458	385
Sub-total	568	550	471	519	575	490
TOTAL SELECTED COUNTRIES	6,476	6,614	6,717	7,003	7,427	7,677

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

FAS/OGA/ISAD

Jul-08

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	92	93	86	79	76	81
Mexico	117	141	144	159	179	192
United States	594	604	611	641	649	679
Sub-total	803	838	841	879	904	952
South America						
Brazil	76	75	77	79	82	85
European Union - 27	1,897	1,948	1,943	1,934	1,940	1,933
Former Soviet Union						
Russia	440	437	385	400	420	440
Ukraine	140	103	94	96	89	89
Sub-total	580	540	479	496	509	529
Asia						
India	2,449	2,608	2,743	3,055	3,360	3,615
Japan	89	88	86	89	92	90
Taiwan	12	11	12	11	13	14
Sub-total	2,550	2,707	2,841	3,155	3,465	3,719
Oceania						
Australia 2/	60	60	65	62	55	62
New Zealand 3/	26	26	26	26	26	25
Sub-total	86	86	91	88	81	87
TOTAL SELECTED COUNTRIES	5,992	6,194	6,272	6,631	6,981	7,305

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

FAS/OGA/ISAD

Jul-08

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	20	28	24	15	13	20
Mexico	40	53	51	45	53	62
United States	15	23	16	17	16	7
Sub-total	75	104	91	77	82	89
South America						
Brazil	4	1	1	1	2	2
European Union - 27	93	93	81	84	88	88
Former Soviet Union						
Russia	160	170	110	115	130	135
Ukraine	0	0	0	0	0	0
Sub-total	160	170	110	115	130	135
Asia						
India	1	10	1	10	10	15
Japan	13	7	6	4	11	13
Taiwan	12	11	12	11	13	14
Sub-total	26	28	19	25	34	42
Oceania						
Australia 2/	7	9	10	10	13	22
New Zealand 3/	0	0	1	1	1	0
Sub-total	7	9	11	11	14	22
TOTAL SELECTED COUNTRIES	365	405	313	313	350	378

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

FAS/OGA/ISAD

Jul-08

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	12	17	20	18	16	16
Mexico	0	0	0	0	0	0
United States	12	9	9	11	41	78
Sub-total	24	26	29	29	57	94
South America						
Brazil	0	1	1	1	2	2
European Union - 27	321	353	340	248	260	220
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	18	42	24	13	8	6
Sub-total	18	42	24	13	8	6
Asia						
India	2	2	7	5	10	10
Sub-total	2	2	7	5	10	10
Oceania						
Australia 2/	110	75	70	82	80	60
New Zealand 3/	399	400	316	366	439	360
Sub-total	509	475	386	448	519	420
TOTAL SELECTED COUNTRIES	874	899	787	744	856	752

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

FAS/OGA/ISAD

Jul-08

NONFAT DRY MILK PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	91	90	73	72	75	76
Mexico	150	155	155	183	202	222
United States 1/	721	641	695	656	681	810
Sub-total	962	886	923	911	958	1,108
South America						
Argentina	31	35	40	30	24	24
Brazil	108	110	113	117	128	135
Sub-total	139	145	153	147	152	159
European Union - 27	1,334	1,074	1,074	955	975	990
Former Soviet Union						
Russia	145	125	110	110	115	120
Ukraine	71	78	78	80	78	80
Sub-total	216	203	188	190	193	200
Asia						
China	83	68	60	55	56	57
India	200	235	256	295	320	345
Japan	183	183	187	180	173	195
Korea	26	25	24	18	21	20
Sub-total	492	511	527	548	570	617
Oceania						
Australia 3/	215	203	206	221	205	172
New Zealand 4/	289	274	225	247	304	262
Sub-total	504	477	431	468	509	434
TOTAL SELECTED COUNTRIES	3,508	3,151	3,143	3,072	3,205	3,349

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

Notes:

- (p) Preliminary.
- (f) Forecast.
- (1) Includes NDM production plus preliminary estimate of other SMP production.
- (2) Based on deliveries
- (3) Year ending June 30 of the year shown.
- (4) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

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

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	42	58	74	77	68	71
Mexico	291	300	311	296	324	362
United States	657	624	572	405	405	434
Sub-total	990	982	957	778	797	867
South America						
Argentina	18	19	18	10	9	12
Brazil	112	112	115	122	127	132
Sub-total	130	131	133	132	136	144
European Union - 27	1,029	968	963	896	830	850
Former Soviet Union						
Russia	180	170	165	140	150	160
Ukraine	21	15	21	16	18	19
Sub-total	201	185	186	156	168	179
Asia						
China	133	127	115	116	92	91
India	186	230	225	245	250	285
Indonesia	105	115	121	132	145	147
Japan	211	222	227	225	235	235
Korea	33	31	30	29	27	27
Philippines	96	94	77	78	81	82
Taiwan	23	17	19	20	22	23
Sub-total	787	836	814	845	852	890
Oceania						
Australia 2/	35	20	35	38	40	42
New Zealand 3/	5	5	5	5	5	5
Sub-total	40	25	40	43	45	47
TOTAL SELECTED COUNTRIES	3,177	3,127	3,093	2,850	2,828	2,977

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM production plus preliminary estimate of other SMP production.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

NONFAT DRY MILK IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	2	2	4	3	3	3
Mexico	129	141	155	113	122	140
United States	1	1	5	2	2	2
Sub-total	132	144	164	118	127	145
South America						
Argentina	1	0	0	0	0	0
Brazil	7	4	5	9	4	5
Sub-total	8	4	5	9	4	5
European Union - 27	62	30	10	21	25	25
Former Soviet Union						
Russia	60	65	70	45	50	55
Ukraine	1	0	0	0	0	0
Sub-total	61	65	70	45	50	55
North Africa						
Algeria	68	75	72	67	84	80
Asia						
China	51	61	55	62	40	39
India	0	15	0	0	0	0
Indonesia	120	125	135	140	147	154
Japan	43	37	34	32	36	40
Korea	5	4	6	7	7	8
Philippines	110	120	87	95	98	100
Taiwan	23	17	19	20	22	23
Sub-total	352	379	336	356	350	364
Oceania						
Australia 2/	4	2	4	5	3	3
New Zealand 3/	0	1	1	1	1	0
Sub-total	4	3	5	6	4	3
TOTAL SELECTED COUNTRIES	619	625	590	555	560	597

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM production plus preliminary estimate of other SMP production.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

NONFAT DRY MILK EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p) 2007	(f) 2008
North America						
Canada	36	16	6	13	8	8
Mexico	0	0	0	0	0	0
United States 1/	141	231	277	287	255	400
Sub-total	177	247	283	300	263	408
South America						
Argentina	14	18	22	21	12	12
Brazil	3	2	3	4	5	8
Sub-total	17	20	25	25	17	20
European Union - 27	337	277	190	88	170	165
Former Soviet Union						
Russia	25	20	15	15	15	15
Ukraine	51	63	57	64	60	61
Sub-total	76	83	72	79	75	76
Asia						
China	1	2	0	1	4	5
India	23	10	40	50	60	60
Indonesia	18	12	10	10	5	5
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	14	16	18	18	18	18
Sub-total	56	40	68	79	87	88
Oceania						
Australia 3/	193	187	141	189	175	120
New Zealand 4/	314	305	221	243	327	257
Sub-total	507	492	362	432	502	377
TOTAL SELECTED COUNTRIES	1,170	1,159	1,000	1,003	1,114	1,134

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM production plus preliminary estimate of other SMP production.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p)2007	(f) 2008
North America						
United States	18	19	14	14	14	19
Sub-total	18	19	14	14	14	19
South America						
Argentina	198	260	255	260	175	190
Brazil	390	420	440	465	505	535
Sub-total	588	680	695	725	680	725
European Union - 27	865	857	858	800	770	780
Former Soviet Union						
Russia	110	90	85	90	95	95
Ukraine	20	28	28	26	33	35
Sub-total	130	118	113	116	128	130
Asia						
China	750	832	918	1,030	1,150	1,260
Indonesia	46	45	48	48	47	48
Taiwan	7	6	5	1	1	1
Sub-total	803	883	971	1,079	1,198	1,309
Oceania						
Australia 2/	170	187	189	152	135	125
New Zealand 3/	619	628	585	611	653	670
Sub-total	789	815	774	763	788	795
TOTAL SELECTED COUNTRIES	3,193	3,372	3,425	3,497	3,578	3,758

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2003	2004	2005	2006	(p)2007	(f) 2008
North America						
United States	21	22	17	16	14	18
Sub-total	21	22	17	16	14	18
South America						
Argentina	84	86	98	54	85	90
Brazil	430	440	439	479	498	523
Sub-total	514	526	537	533	583	613
European Union - 27	369	347	369	381	378	387
Former Soviet Union						
Russia	124	109	110	100	115	120
Ukraine	12	10	8	9	12	14
Sub-total	136	119	118	109	127	134
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	821	898	951	1,071	1,142	1,236
Indonesia	63	65	75	74	75	75
Philippines	17	17	9	10	10	12
Taiwan	34	36	31	31	34	35
Sub-total	935	1,016	1,066	1,186	1,261	1,358
Oceania						
Australia 2/	25	23	22	27	27	28
New Zealand 3/	1	1	1	1	1	1
Sub-total	26	24	23	28	28	29
TOTAL SELECTED COUNTRIES	2,001	2,054	2,130	2,253	2,391	2,539

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

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

	2003	2004	2005	2006	(p)2007	(f) 2008
North America						
United States	3	3	3	3	2	2
Sub-total	3	3	3	3	2	2
South America						
Argentina	1	1	3	1	1	1
Brazil	33	21	25	31	20	20
Sub-total	34	22	28	32	21	21
European Union - 27	6	4	3	3	3	2
Former Soviet Union						
Russia	20	25	30	15	25	30
Ukraine	0	0	0	0	0	0
Sub-total	20	25	30	15	25	30
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	91	91	65	74	57	51
Indonesia	20	21	26	27	27	27
Philippines	42	45	35	40	42	45
Taiwan	27	30	26	30	33	34
Sub-total	180	187	152	171	159	157
Oceania						
Australia 2/	7	12	15	13	11	12
New Zealand 3/	2	2	1	1	1	1
Sub-total	9	14	16	14	12	13
TOTAL SELECTED COUNTRIES	252	255	232	238	222	225

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008

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

	2003	2004	2005	2006	(p)2007	(f) 2008
North America						
United States	0	0	0	1	2	3
Sub-total	0	0	0	1	2	3
South America						
Argentina	100	177	162	210	95	100
Brazil	3	16	26	17	27	32
Sub-total	103	193	188	227	122	132
European Union - 27	502	514	492	422	395	395
Former Soviet Union						
Russia	6	6	5	5	5	5
Ukraine	8	18	20	17	21	21
Sub-total	14	24	25	22	26	26
Asia						
China	20	25	32	33	65	75
Philippines	25	28	26	30	32	33
Sub-total	45	53	58	63	97	108
Oceania						
Australia 2/	142	173	161	153	130	110
New Zealand 3/	614	669	585	634	670	670
Sub-total	756	842	746	787	800	780
TOTAL SELECTED COUNTRIES	1,420	1,626	1,509	1,522	1,442	1,444

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

FAS/OGA/ISAD July, 2008