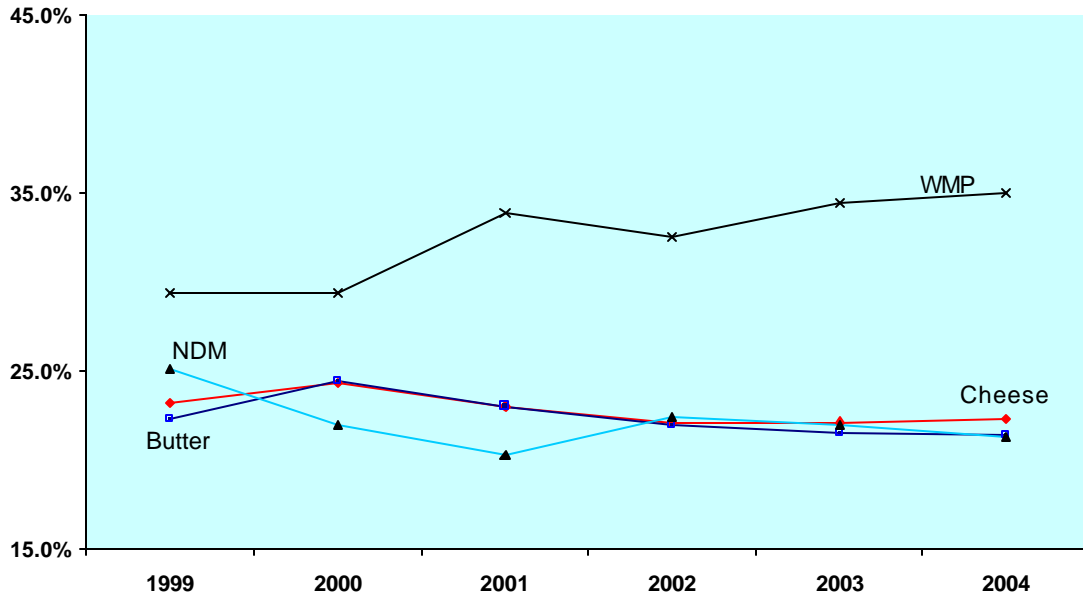


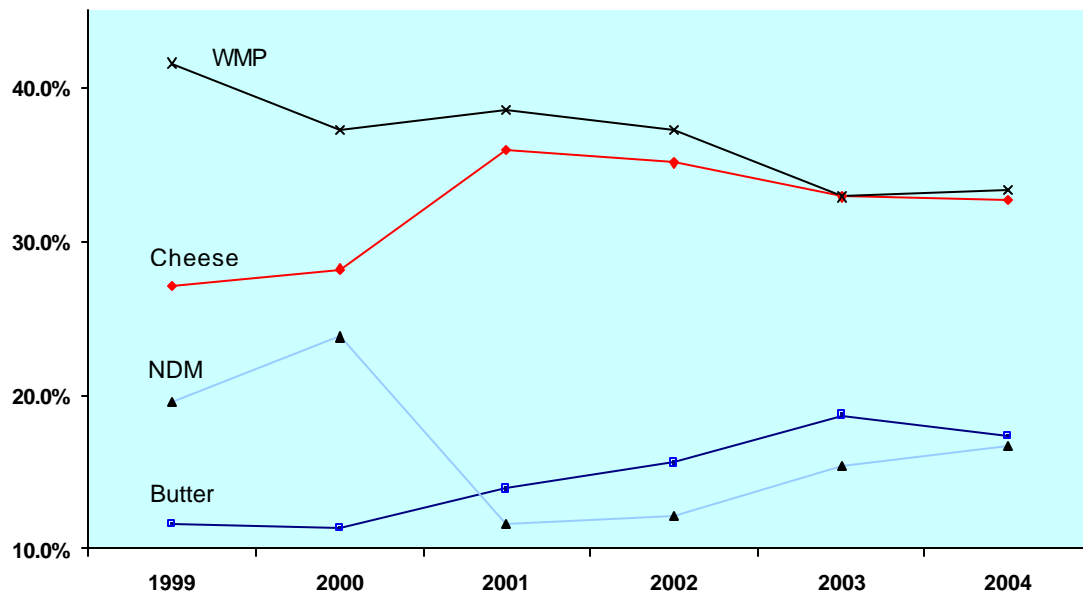


Dairy: World Markets and Trade

Oceania Exports: Product Mix As A Percent of Total Exports



EU-15 Export: Product Mix As A Percent of Total Exports



Cover Graph Comment:

The cover graphs highlight some key trade trends of the major dairy exporters in Oceania and the EU-15. In Oceania, where exports of the major commodities have been growing at an annual average rate of 5.8 percent over the 1999-2004 period, it is evident that the focus remains on the development of whole milk powder (WMP) markets. The proportion of WMP exported has grown from below 30 percent in 1999-2000 to around 35 percent in 2004. In contrast, the proportion of nonfat dry milk (NDM) and butter exported has declined by 3-4 percent over the same period. Cheese has remained relatively steady. It is likely that exports of WMP will continue to gain a more prominent role given the fast paced economic growth being experienced in such Asian markets as China, Malaysia, and the Philippines. Collectively, these import markets have expanded by 156,000 tons since 1999 through 2004. In addition, the potential to add value to WMP by packaging in retail packs is greater than NDM, which tends to be sold primarily in bulk for ingredient and recombination use. In the future, it is likely that the proportion of WMP exports from Oceania will probably grow at the expense of NDM and butter.

In the EU-15, dairy trade dynamics are much more complex due to the extensive use of export subsidies and the limitations imposed on these exports by the Uruguay Round. Consequently, as a percent of the major commodities exported, WMP has been declining with the losses being offset by gains in cheese exports. Although the UR agreement limits EU subsidized cheese exports to 321,300 tons it is evident that non-subsidized export sales of cheese have been rising rapidly from an estimated 50,000 tons prior to 1999 to over 100,000 tons currently. This trend is likely to continue but forecasting total volume exports of all dairy commodities will be difficult due to the impact of CAP reform and the enlargement of the EU to include 10 new members. Current projections by the European Commission point to a continuing structural surplus of dairy products within the EU-25 but with a significant improvement in market balances by 2010. Consequently, exports of cheese, butter, and NDM as measured for the EU-25 will probably start to decline in 2006-2007 as domestic consumption absorbs a greater proportion of quota limited milk production. This consumption will be reinforced since the income effects in accession countries are expected to stimulate a substantial increase in per capita consumption – more than 20 percent by 2010 - of cheese and dairy products.

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Dairy Production and Trade Developments

Summary

There has been little change in the fundamentals that have led to the strong global demand growth for dairy products in late 2003 and early 2004. On the economic front, world gross domestic product (GDP) growth for 2004 is expected to moderate from the 6 percent annualized pace experienced in the second half of 2003 to a respectable 4 percent plus rate. In the key import markets of Asia, GDP growth remains high with forecast GDP increases for 2004 ranging from around 8 percent for China to 5.4 percent for the ASEAN-4 countries. Consequently, global import demand for dairy products for the second half of 2004 is expected to remain strong and will continue to pressure available exportable supplies. The production outlook for the upcoming season in Oceania remains mixed. Although New Zealand will likely follow trend increases in milk output of 3-4 percent, climatic conditions in Australia had not improved sufficiently to completely alliviate the rainfall deficit in key producing areas. Adequate rainfall in the next several months will be critical to mitigate the effects of drought during the past two seasons. In addition, the rapid appreciation of Oceania currencies relative to the U.S. dollar has substantially offset gains in global prices experienced in the first half of 2004. A reversal leading to the deppreciation of the Australian dollar vis-à-vis the U.S. dollar will boost farmer's income and aid substantially in restoring output to pre-drought levels.

In the EU-15, output is virtually unchanged from last year, however, the trade environment has been complicated due to the implementation of reforms to the Common Agricultural Policy (CAP) and the accession of 10 new countries to the EU. These factors plus the rapid rise in the value of the Euro have led to frequent changes in the terms governing subsidized exports of dairy products. In the United States, milk production lags previous year rates and the current forecast is for a marginal decline in CY 2004 output. Domestic demand has been a key driver leading to record high milk prices but it appears that these elevated prices may also be starting to impact demand negatively. Prices for cheese have recently tumbled and coupled with a slide in butter prices this suggests that milk prices for the next half of the year will be lower than first half prices.

At present, global prices of major dairy commodities are likely to remain strong but past price cycles suggest that once above \$2,000/ton, import demand for dairy products starts to wane. The weakness of the dollar also will raise import costs, although in many key Asian import markets, Governments have intervned to the extent that domestic currencies have been effectively depreciated. Consequently, global prices are probably at their peak and will likely moderate for the rest of the year.

Milk Production

There have been no major changes in the milk production forecast for all selected countries. In Oceania, New Zealand's milk output has been revised upwards slightly to 14.88 million tons – a gain of 3.7 percent over the 2002/03 (June-May) season - due to favorable pasture conditions, a 2 percent increase in cow numbers, and greater per cow productivity. Although there were some flood-affected areas in North Island that impacted dairy production, good pasture conditions prevailed in most of the region. During the period 1999-2004, Australia's dairy herd grew by an average of 3.6 percent annually, however, there are indications that this rate will decline in the future. The rate of dairy farm conversions has decreased and farmers are consolidating existing dairy operations to improve efficiency in response to lower returns. Consequently, for the 2004/05 season, although there are no forecast figures, milk production growth will probably moderate. Nevertheless, given current firm world market prices, any change in exchange rates that would lead to a depreciation of the New Zealand dollar (versus the U.S. dollar) will likely boost milk production and profits.

In contrast, the Australian milk production forecast for 2003/04 (July/June) year has been revised down by 2.3 percent to 10.5 million metric tons. Although there has been a late season recovery in milk production due to improved moisture conditions it is estimated that cumulative milk production from July 2003 through April 2004 was lagging the year earlier pace by 3 percent. However, production in the key state of Victoria – accounting for about two thirds of total Australian milk production – registered a 7 percent increase in milk output from January through April 2004 in comparison to the same period the previous year. Further, some major cooperatives have already announced increases of 5 percent in the price of milk for the new season. However, climatic conditions will play a pivotal role in shaping the outlook for the new season. Although there has been a marked improvement in moisture conditions, large areas of Victoria continue to endure deficit conditions. In the latest outlook (dated 06-17-04) for the July-September period, the Australian Bureau of Meteorology issued a neutral report for Victoria and most of Australia noting that “the shifts in the odds are too weak to offer any firm guidance as to the most likely outcome of September quarter rainfall”.

In the EU-15, the milk production estimate for 2003 has been adjusted upwards from the prior estimate by nearly 1 percent since farmers in many of the drought-impacted countries were able to use high quality feed to raise milk output. However, many dairy producers have exceeded their milk quota limits and face significant super levy payments. In Germany, farmers surpassed quota limits by 362,000 tons and now face an estimated super levy fine of \$158 million (€129 million). As farmers adjust to quota levels, milk production is anticipated to decline marginally in 2004. Cow numbers in 2004 are expected to have declined by 1.5 percent continuing the long-term trend of increasing productivity and consolidation within the dairy sector.

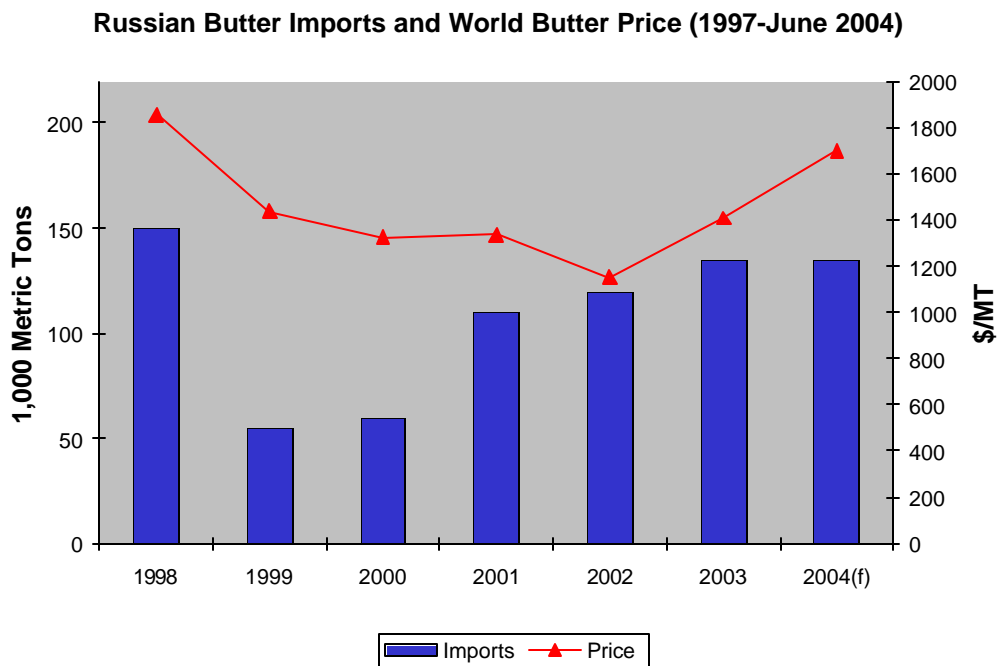
In the United States, the milk production forecast for 2004 has been lowered by 1.1 percent from the previous 2004 forecast to levels slightly below 2002 and 2003. Despite high domestic prices generated as a result of strong product demand, significant milk

production increases are not anticipated. Dairy producers have been constrained in their ability to expand herds or raise milk production due to tight heifer supplies (both domestically and from Canada), the rationing of Recombinant Bovine Somatotropin, high feed prices (specifically unfavorable milk feed ratios), and uncertainty over future dairy prices. Note that for the years 1999 through 2003, the cow number and milk production figures were adjusted to reflect revision made by the National Agricultural Statistics Service as a result of the 2002 census.

Dairy Trade

There have been no significant revisions in trade forecasts. Given the high prices of dairy commodities prevailing on world markets, major exporting countries have drawn down ending stocks in order to meet import demand. In the United States, the NDM export forecast for 2004 has been raised by 17 percent from the previous report to 175,000 tons. Trade reports indicate that some 35,000 to 45,000 tons of NDM have been already sold for export without the aid of subsidies and there is speculation of further substantial orders pending.

There are, however, some indications that the strength in commodity prices is starting to impact import demand. In the butterfat sector, Russian purchases have frequently been cited as a critical factor in influencing global butter prices. In the first quarter of 2004 imports of butterfat are down by 24 percent compared to the same quarter in 2003. Russia is expected to import a total of 135,000 tons of butterfat in 2004 – unchanged from 2003.



In the EU-15, the approaching accession of 10 new countries, new intervention prices under the CAP reform, and strong export flows have led to rapid changes in export subsidies and generated uncertainty among exporters. Under CAP reform, intervention prices for butter and NDM starting on July 1, 2004 through July 1, 2007 are being progressively cut by 25 percent and 15 percent, respectively. This means that the intervention price of NDM will drop from €2,055/ton (\$2,528/ton) to €1,747/ton (\$2,149/ton) by July 2006. If exchange rates adjust to the extent that there is parity between the Euro and U.S. dollar, then the EU support rate for NDM will be competitive with the current U.S. support rate of \$1,764/ton. For butter, the intervention price will drop from €3,282/ton (\$4,037/ton) to €2,464/ton (\$3,030/ton) by July 1, 2007. In addition, by 2008 if intervention reaches 30,000 tons the Commission may suspend purchases. Other key components of the CAP reform are the extension and adjustment of quotas to 2014/2015, removal of a target price for milk, and direct payments to dairy farmers that will eventually be decoupled. In anticipation of some of these changes and reflecting strong world market conditions, the EU sharply cut export restitutions for cheese, butterfat, NDM, and whole milk powder. For example, since January 2004 the export subsidy for NDM has dropped by 55 percent to the current level of €90/ton (\$357/ton).

This edition of the *Dairy: World Markets and Trade* circular is based on post reports submitted since August 2003 and on available secondary information. U.S. information is from USDA sources. Reflecting the greater availability of information electronically, production and trade data for some countries is only shown in aggregate. Scheduled reports were received from the following countries:

Algeria	AG3004	Korea (Rep.)	KS3064
Argentina	AR3043	Malaysia	MY3053
Australia	AS4016	Mexico	MX4062
Brazil	BR3615	New Zealand	NZ4008
Canada	CA4041	Peru	PE3019
Chile	CI3027	Philippines	RP3061
China, P. Rep	CH3127	Poland	PL3042
Colombia	CO3014	Romania	RO3016
EU-15	E24074	Russian F.	RS4026
Egypt	EG3022	Taiwan	TW3040
India	IN3101	Thailand	TH3123
Indonesia	ID3026	Ukraine	UP3008
Japan	JA3075	Venezuela	VE3013

Detailed data for both listed and non-listed countries can be found on the following website:

<http://www.fas.usda.gov/psd/>

The individual country reports can be obtained from the following website:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Situation and outlook information on the U.S. dairy industry can be obtained from:

<http://www.ers.usda.gov/publications/so/view.asp?f=livestock/ldp-mbb/>

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	1,180	1,141	1,091	1,084	1,065	1,077
Mexico	6,700	6,800	6,800	6,800	6,800	6,850
United States	9,153	9,199	9,103	9,139	9,084	8,970
Sub-total	17,033	17,140	16,994	17,023	16,949	16,897
South America						
Argentina	2,500	2,450	2,450	2,150	2,000	2,000
Brazil	16,194	16,040	15,900	15,600	15,300	15,100
Chile	613	608	610	614	614	614
Peru	600	610	610	620	620	623
Sub-total	19,907	19,708	19,570	18,984	18,534	18,337
European Union - 15	20,930	20,610	20,480	20,068	19,678	19,387
Eastern Europe						
Poland	3,471	3,296	3,130	2,991	2,967	2,950
Romania	1,613	1,580	1,564	1,550	1,541	1,538
Sub-total	5,084	4,876	4,694	4,541	4,508	4,488
Former Soviet Union						
Russia	13,500	12,900	12,500	12,200	11,700	11,000
Ukraine	5,841	5,431	4,958	4,918	4,715	4,385
Sub-total	19,341	18,331	17,458	17,118	16,415	15,385
South Asia						
India	35,500	35,750	35,900	36,000	36,500	37,000
Asia						
China	2,220	2,280	2,848	3,164	3,417	3,690
Japan	1,008	992	971	966	964	960
Sub-total	3,228	3,272	3,819	4,130	4,381	4,650
Oceania						
Australia 2/	2,154	2,171	2,281	2,369	2,298	2,298
New Zealand 3/	3,285	3,337	3,557	3,749	3,842	3,920
Sub-total	5,439	5,508	5,838	6,118	6,140	6,218
TOTAL SELECTED COUNTRIES	126,462	125,195	124,753	123,982	123,105	122,362

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	8,164	8,161	8,106	7,964	7,880	7,770
Mexico	8,877	9,305	9,501	9,560	9,842	10,140
United States	73,750	75,929	74,994	77,140	77,253	76,925
Sub-total	90,791	93,395	92,601	94,664	94,975	94,835
South America						
Argentina	10,300	9,800	9,500	8,500	7,900	8,100
Brazil	21,700	22,134	22,300	22,635	22,860	23,163
Chile	2,130	2,060	2,250	2,230	2,125	2,120
Peru	1,050	1,100	1,100	1,194	1,250	1,280
Sub-total	35,180	35,094	35,150	34,559	34,135	34,663
European Union - 15 1/	115,218	114,900	114,856	115,600	116,509	116,000
Eastern Europe						
Poland	12,068	11,800	11,894	11,850	11,966	12,170
Romania	5,165	5,100	5,188	5,150	5,270	5,230
Sub-total	17,233	16,900	17,082	17,000	17,236	17,400
Former Soviet Union						
Russia	32,000	31,900	33,000	33,500	33,000	32,300
Ukraine	13,140	12,400	13,169	13,860	13,306	12,786
Sub-total	45,140	44,300	46,169	47,360	46,306	45,086
South Asia						
India	36,000	36,250	36,400	36,200	36,500	37,500
Asia						
China	7,176	8,274	10,255	12,998	15,550	18,505
Japan	8,457	8,497	8,300	8,385	8,403	8,400
Sub-total	15,633	16,771	18,555	21,383	23,953	26,905
Oceania						
Australia 2/	10,483	11,172	10,864	11,608	10,636	10,500
New Zealand 3/	11,070	12,235	13,162	13,925	14,346	14,880
Sub-total	21,553	23,407	24,026	25,533	24,982	25,380
TOTAL SELECTED COUNTRIES	376,748	381,017	384,839	392,299	394,596	397,769

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	6.92	7.15	7.43	7.35	7.40	7.21
Mexico	1.32	1.37	1.40	1.41	1.45	1.48
United States	8.06	8.25	8.24	8.44	8.50	8.58
South America						
Argentina	4.12	4.00	3.88	3.95	3.95	4.05
Brazil	1.34	1.38	1.40	1.45	1.49	1.53
Chile	3.47	3.39	3.69	3.63	3.46	3.45
Peru	1.75	1.80	1.80	1.93	2.02	2.05
European Union - 15 1/	5.50	5.57	5.61	5.76	5.92	5.98
Eastern Europe						
Poland	3.48	3.58	3.80	3.96	4.03	4.13
Romania	3.20	3.23	3.32	3.32	3.42	3.40
Former Soviet Union						
Russia	2.37	2.47	2.64	2.75	2.82	2.94
Ukraine	2.25	2.28	2.66	2.82	2.82	2.92
South Asia						
India	1.01	1.01	1.01	1.01	1.00	1.01
Asia						
China	3.23	3.63	3.60	4.11	4.55	5.01
Japan	8.39	8.57	8.55	8.68	8.72	8.75
Oceania						
Australia 2/	4.87	5.15	4.76	4.90	4.63	4.57
New Zealand 3/	3.37	3.67	3.70	3.71	3.73	3.80

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	2,837	2,913	2,909	2,884	2,857	2,805
Mexico	3,672	3,915	4,075	4,080	4,352	4,350
United States	26,978	26,890	26,850	27,003	27,250	27,100
Sub-total	33,487	33,718	33,834	33,967	34,459	34,255
South America						
Argentina	2,300	2,300	2,350	1,990	2,000	2,100
Brazil	12,726	12,690	12,390	12,295	12,391	12,589
Chile	452	448	450	455	455	450
Peru	700	750	750	745	715	705
Sub-total	16,178	16,188	15,940	15,485	15,561	15,844
European Union - 15 1/	32,209	32,324	32,237	30,432	30,137	30,000
Eastern Europe						
Poland	5,400	5,050	5,000	4,912	4,950	4,750
Romania	3,450	3,435	3,500	3,460	3,550	3,430
Sub-total	8,850	8,485	8,500	8,372	8,500	8,180
Former Soviet Union						
Russia	14,500	14,156	14,140	14,350	13,350	13,300
Ukraine	2,900	3,100	3,200	3,300	3,400	3,974
Sub-total	17,400	17,256	17,340	17,650	16,750	17,274
South Asia						
India	33,000	33,000	33,300	33,500	34,000	34,500
Asia						
China	2,755	3,813	4,463	5,678	6,916	8,299
Japan	4,949	4,971	4,941	5,002	5,006	5,005
Sub-total	7,704	8,784	9,404	10,680	11,922	13,304
Oceania						
Australia 2/	1,989	1,992	1,920	1,966	1,982	2,000
New Zealand 3/	400	346	355	355	360	360
Sub-total	2,389	2,338	2,275	2,321	2,342	2,360
TOTAL SELECTED COUNTRIES	151,217	152,093	152,830	152,407	153,671	155,717

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	329	328	329	350	345	340
Mexico	126	134	140	145	126	150
United States	3,581	3,746	3,747	3,877	3,900	4,010
Sub-total	4,036	4,208	4,216	4,372	4,371	4,500
South America						
Argentina	446	445	440	370	350	360
Brazil	434	445	460	470	460	470
Sub-total	880	890	900	840	810	830
European Union - 15	5,290	5,437	5,420	5,520	5,520	5,550
Eastern Europe						
Poland	155	148	161	183	187	193
Romania	95	92	90	88	93	100
Sub-total	250	240	251	271	280	293
Former Soviet Union						
Russia	185	220	260	340	335	330
Ukraine	53	67	105	129	173	180
Sub-total	238	287	365	469	508	510
North Africa						
Egypt	382	380	395	410	425	430
Asia						
Japan	35	34	34	36	36	36
Korea	14	15	20	20	22	25
Sub-total	49	49	54	56	58	61
Oceania						
Australia 2/	320	373	374	413	368	390
New Zealand 3/	245	297	281	312	285	305
Sub-total	565	670	655	725	653	695
TOTAL SELECTED COUNTRIES	11,690	12,161	12,256	12,663	12,625	12,869

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	331	335	334	358	363	360
Mexico	170	188	206	210	208	235
United States	3,691	3,845	3,913	4,006	4,059	4,185
Sub-total	4,192	4,368	4,453	4,574	4,630	4,780
South America						
Argentina	436	436	420	350	330	345
Brazil	454	459	466	479	463	472
Sub-total	890	895	886	829	793	817
European Union - 15	5,060	5,154	5,146	5,190	5,194	5,220
Eastern Europe						
Poland	149	144	151	163	163	166
Romania	95	92	90	88	93	100
Sub-total	244	236	241	251	256	266
Former Soviet Union						
Russia	243	275	394	465	498	505
Ukraine	50	56	75	94	112	115
Sub-total	293	331	469	559	610	620
North Africa						
Egypt	398	393	402	414	433	434
Asia						
Japan	222	239	236	240	230	245
Korea	34	43	52	50	56	58
Sub-total	256	282	288	290	286	303
Oceania						
Australia 2/	192	200	205	225	237	234
New Zealand 3/	33	23	23	28	28	28
Sub-total	225	223	228	253	265	262
TOTAL SELECTED COUNTRIES	11,558	11,882	12,113	12,360	12,467	12,702

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	25	29	27	28	28	26
Mexico	44	54	66	65	82	85
United States	195	186	198	214	216	215
Sub-total	264	269	291	307	326	326
South America						
Argentina	2	8	6	1	1	1
Brazil	20	16	8	11	6	6
Sub-total	22	24	14	12	7	7
European Union - 15	142	144	170	146	156	160
Eastern Europe						
Poland	2	6	3	2	2	3
Former Soviet Union						
Russia	60	60	140	130	175	175
Ukraine	1	1	2	2	2	2
Sub-total	61	61	142	132	177	177
North Africa						
Egypt	16	15	9	9	12	8
Asia						
Japan	187	205	202	204	194	209
Korea	21	30	34	31	33	35
Sub-total	208	235	236	235	227	244
Oceania						
Australia 2/	33	38	43	45	51	49
New Zealand 3/	0	0	2	1	2	2
Sub-total	33	38	45	46	53	51
TOTAL SELECTED COUNTRIES	748	792	910	889	960	976

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

Notes:

- (p) Preliminary.
- (f) Forecast.
- (1) Based on deliveries
- (2) Year ending May 31 of the year shown.
- (3) Year ending June 30 of the year shown.

FAS/CMP/DLP July, 2004

CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	25	18	19	17	12	8
Mexico	0	0	0	0	0	0
United States	38	47	53	54	52	52
Sub-total	63	65	72	71	64	60
South America						
Argentina	20	22	18	26	23	23
Brazil	0	2	2	2	3	4
Sub-total	20	24	20	28	26	27
European Union - 15	376	436	445	466	478	490
Eastern Europe						
Poland	12	8	21	22	26	30
Former Soviet Union						
Russia	3	5	5	5	10	10
Ukraine	6	12	31	37	63	67
Sub-total	9	17	36	42	73	77
North Africa						
Egypt	0	2	2	5	4	4
Asia						
Japan	0	0	0	0	0	0
Korea	0	1	1	0	0	1
Sub-total	0	1	1	0	0	1
Oceania						
Australia 2/	172	223	219	218	208	208
New Zealand 3/	240	253	251	277	290	290
Sub-total	412	476	470	495	498	498
TOTAL SELECTED COUNTRIES	892	1,029	1,067	1,129	1,169	1,187

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

CHEESE ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	42	46	49	52	50	48
Mexico	0	0	0	0	0	0
United States	282	322	301	332	337	325
Sub-total	324	368	350	384	387	373
South America						
Argentina	31	26	34	29	27	20
Brazil	0	0	0	0	0	0
Sub-total	31	26	34	29	27	20
European Union - 15	126	117	116	126	130	130
Eastern Europe						
Poland	6	8	0	0	0	0
Former Soviet Union						
Russia	7	7	8	8	10	0
Ukraine	1	1	2	2	2	2
Sub-total	8	8	10	10	12	2
North Africa						
Egypt	0	0	0	0	0	0
Asia						
Japan	15	15	15	15	15	15
Korea	1	2	3	4	3	4
Sub-total	16	17	18	19	18	19
Oceania						
Australia 2/	77	65	58	73	47	44
New Zealand 3/	13	34	43	51	20	9
Sub-total	90	99	101	124	67	53
TOTAL SELECTED COUNTRIES	601	643	629	692	641	597

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	89	77	84	77	75	70
Mexico	70	70	70	70	78	85
United States	579	570	559	615	563	525
Sub-total	738	717	713	762	716	680
South America						
Brazil	70	72	78	70	72	70
European Union - 15	1,731	1,700	1,710	1,914	1,941	1,900
Eastern Europe						
Poland	168	169	181	184	180	180
Romania	7	6	6	6	7	7
Sub-total	175	175	187	190	187	187
Former Soviet Union						
Russia	260	265	270	280	280	275
Ukraine	108	135	156	131	120	110
Sub-total	368	400	426	411	400	385
North Africa						
Algeria	0	0	0	3	3	3
Egypt	10	10	12	12	13	13
Sub-total	10	10	12	15	16	16
Asia						
India	1,750	1,950	2,250	2,400	2,450	2,600
Japan	86	88	80	83	80	82
Taiwan	0	0	0	0	0	0
Sub-total	1,836	2,038	2,330	2,483	2,530	2,682
Oceania						
Australia 2/	176	180	160	164	148	130
New Zealand 3/	316	344	352	370	390	405
Sub-total	492	524	512	534	538	535
TOTAL SELECTED COUNTRIES	5,420	5,636	5,968	6,379	6,400	6,455

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	79	81	89	86	83	80
Mexico	104	104	105	107	129	125
United States	596	581	579	581	595	560
Sub-total	779	766	773	774	807	765
South America						
Brazil	81	82	77	78	76	72
European Union - 15	1,616	1,618	1,632	1,721	1,781	1,780
Eastern Europe						
Poland	178	166	170	181	177	176
Romania	8	7	7	8	10	9
Sub-total	186	173	177	189	187	185
Former Soviet Union						
Russia	317	332	380	400	415	405
Ukraine	103	105	100	110	110	107
Sub-total	420	437	480	510	525	512
North Africa						
Algeria	0	0	0	14	15	15
Egypt	53	59	57	62	58	60
Sub-total	53	59	57	76	73	75
Asia						
India	1,753	1,958	2,251	2,399	2,449	2,596
Japan	82	84	92	88	89	89
Taiwan	0	0	0	10	12	12
Sub-total	1,835	2,042	2,343	2,497	2,550	2,697
Oceania						
Australia 2/	60	58	57	50	55	51
New Zealand 3/	30	27	27	26	26	26
Sub-total	90	85	84	76	81	77
TOTAL SELECTED COUNTRIES	5,060	5,262	5,623	5,921	6,080	6,163

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	6	15	26	19	20	25
Mexico	34	34	35	37	51	40
United States	18	15	34	16	15	20
Sub-total	58	64	95	72	86	85
South America						
Brazil	11	10	2	8	4	2
European Union - 15	105	104	114	115	141	140
Eastern Europe						
Poland	8	11	3	5	5	4
Romania	1	1	0	2	3	2
Sub-total	9	12	3	7	8	6
Former Soviet Union						
Russia	55	60	110	120	135	135
Ukraine	3	1	2	1	0	0
Sub-total	58	61	112	121	135	135
North Africa						
Algeria	0	0	0	12	12	12
Egypt	43	49	45	50	45	47
Sub-total	43	49	45	62	57	59
Asia						
India	4	10	3	2	1	1
Japan	0	0	0	4	13	10
Taiwan	0	0	0	10	12	12
Sub-total	4	10	3	16	26	23
Oceania						
Australia 2/	6	10	12	7	7	10
New Zealand 3/	0	0	0	0	0	0
Sub-total	6	10	12	7	7	10
TOTAL SELECTED COUNTRIES	294	320	386	408	464	460

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	11	10	16	17	12	15
Mexico	0	0	0	0	0	0
United States	2	4	0	3	10	0
Sub-total	13	14	16	20	22	15
South America						
Brazil	0	0	3	0	0	0
European Union - 15						
	161	176	172	207	271	260
Eastern Europe						
Poland	3	3	19	12	10	10
Romania	0	0	0	0	0	0
Sub-total	3	3	19	12	10	10
Former Soviet Union						
Russia	3	3	3	5	5	5
Ukraine	8	31	53	15	20	10
Sub-total	11	34	56	20	25	15
North Africa						
Algeria	0	0	0	0	0	0
Egypt	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0
Asia						
India	1	2	2	3	2	5
Japan	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Sub-total	1	2	2	3	2	5
Oceania						
Australia 2/	117	139	123	125	100	89
New Zealand 3/	279	338	347	343	386	390
Sub-total	396	477	470	468	486	479
TOTAL SELECTED COUNTRIES	585	706	738	730	816	784

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

BUTTER ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	14	15	20	13	13	13
Mexico	0	0	0	0	0	0
United States	11	11	25	72	45	30
Sub-total	25	26	45	85	58	43
South America						
Brazil	0	0	0	0	0	0
European Union - 15	111	121	141	242	272	272
Eastern Europe						
Poland	4	15	10	6	4	2
Romania	1	1	0	0	0	0
Sub-total	5	16	10	6	4	2
Former Soviet Union						
Russia	40	30	27	22	17	17
Ukraine	10	10	15	22	12	5
Sub-total	50	40	42	44	29	22
North Africa						
Algeria	0	0	0	1	1	1
Egypt	0	0	0	0	0	0
Sub-total	0	0	0	1	1	1
Asia						
India	0	0	0	0	0	0
Japan	29	33	21	20	24	27
Taiwan	0	0	0	0	0	0
Sub-total	29	33	21	20	24	27
Oceania						
Australia 2/	21	14	6	2	2	2
New Zealand 3/	93	72	50	51	29	18
Sub-total	114	86	56	53	31	20
TOTAL SELECTED COUNTRIES	334	322	315	451	419	387

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

NONFAT DRY MILK PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	78	75	90	83	80	78
Mexico	140	151	143	150	150	160
United States	617	659	641	724	721	650
Sub-total	835	885	874	957	951	888
South America						
Argentina	46	45	40	34	24	26
Brazil	60	62	103	107	108	100
Chile	10	8	9	9	10	10
Colombia	4	4	5	6	7	8
Sub-total	120	119	157	156	149	144
European Union - 15	1,108	1,079	953	1,107	1,083	1,030
Eastern Europe						
Poland	109	139	151	151	152	150
Former Soviet Union						
Russia	130	125	130	140	145	140
Ukraine	32	61	92	63	63	63
Sub-total	162	186	222	203	208	203
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	48	58	70	72	73	75
India	130	150	175	185	200	230
Indonesia	0	0	0	0	0	0
Japan	192	194	175	183	183	185
Korea	8	24	22	35	33	32
Malaysia	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Thailand	0	0	0	0	0	0
Sub-total	378	426	442	475	489	522
Oceania						
Australia 2/	265	264	265	261	209	178
New Zealand 3/	203	197	227	255	299	321
Sub-total	468	461	492	516	508	499
TOTAL SELECTED COUNTRIES	3,180	3,295	3,291	3,565	3,540	3,436

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

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

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	44	34	45	47	46	47
Mexico	256	285	286	287	317	325
United States	361	345	428	491	660	668
Sub-total	661	664	759	825	1,023	1,040
South America						
Argentina	27	20	20	16	14	15
Brazil	105	98	114	123	119	114
Chile	16	17	15	15	16	16
Colombia	10	10	9	9	9	9
Peru	13	13	13	9	9	8
Sub-total	171	158	171	172	167	162
European Union - 15	931	980	867	875	898	884
Eastern Europe						
Poland	26	50	55	61	60	60
Former Soviet Union						
Russia	220	128	165	170	180	180
Ukraine	17	13	20	20	37	43
Sub-total	237	141	185	190	217	223
North Africa						
Algeria	71	70	80	110	105	112
Egypt	0	20	15	18	15	15
Sub-total	71	90	95	128	120	127
Asia						
China	67	80	88	107	123	140
India	130	155	182	195	186	195
Indonesia	40	55	82	95	111	117
Japan	258	235	207	223	211	225
Korea	14	21	30	34	38	36
Malaysia	72	75	57	53	56	58
Philippines	99	99	99	90	91	94
Taiwan	35	35	34	31	28	27
Thailand	55	53	58	68	74	81
Sub-total	770	808	837	896	918	973
Oceania						
Australia 2/	35	32	33	35	35	35
New Zealand 3/	11	5	5	5	5	5
Sub-total	46	37	38	40	40	40
TOTAL SELECTED COUNTRIES	2,913	2,928	3,007	3,187	3,443	3,509

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

NONFAT DRY MILK IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	1	2	3	1	2	1
Mexico	123	129	141	132	157	165
United States	5	3	3	6	1	1
Sub-total	129	134	147	139	160	167
South America						
Argentina	0	0	0	0	1	0
Brazil	46	30	11	19	12	16
Chile	9	9	6	5	7	6
Colombia	6	5	4	3	1	1
Peru	13	13	13	9	9	8
Sub-total	74	57	34	36	30	31
European Union - 15	73	78	57	69	93	90
Eastern Europe						
Poland	5	16	10	7	4	2
Former Soviet Union						
Russia	90	51	50	50	60	65
Ukraine	0	0	0	0	0	0
Sub-total	90	51	50	50	60	65
North Africa						
Algeria	71	70	97	114	100	114
Egypt	0	20	15	18	15	15
Sub-total	71	90	112	132	115	129
Asia						
China	20	22	18	35	50	65
India	18	17	0	0	0	0
Indonesia	58	95	98	110	117	120
Japan	57	52	53	44	43	45
Korea	3	3	5	4	4	4
Malaysia	72	75	57	53	56	58
Philippines	87	108	89	100	105	110
Taiwan	35	35	34	31	28	27
Thailand	56	53	59	76	65	75
Sub-total	406	460	413	453	468	504
Oceania						
Australia 2/	0	4	2	3	4	3
New Zealand 3/	0	0	0	0	0	0
Sub-total	0	4	2	3	4	3
TOTAL SELECTED COUNTRIES	848	890	825	889	934	991

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

NONFAT DRY MILK EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	41	32	46	49	36	32
Mexico	0	0	0	0	0	0
United States	217	142	96	126	141	175
Sub-total	258	174	142	175	177	207
South America						
Argentina	29	25	18	22	12	12
Brazil	0	0	0	3	1	2
Chile	0	0	0	0	0	0
Colombia	0	0	0	0	0	0
Peru	0	0	0	0	0	0
Sub-total	29	25	18	25	13	14
European Union - 15	272	358	143	161	224	250
Eastern Europe						
Poland	83	86	108	94	100	100
Former Soviet Union						
Russia	0	48	15	20	25	25
Ukraine	15	49	71	43	26	22
Sub-total	15	97	86	63	51	47
North Africa						
Algeria	0	0	0	0	0	0
Egypt	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0
Asia						
China	1	0	0	0	0	0
India	2	5	8	10	23	30
Indonesia	14	29	16	15	2	2
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0
Philippines	0	0	0	12	14	16
Taiwan	0	0	0	0	0	0
Thailand	0	0	0	0	0	0
Sub-total	17	34	24	37	39	48
Oceania						
Australia 2/	240	253	218	231	181	141
New Zealand 3/	205	175	195	248	314	336
Sub-total	445	428	413	479	495	477
TOTAL SELECTED COUNTRIES	1,119	1,202	934	1,034	1,099	1,143

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

NONFAT DRY MILK ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	6	17	19	7	7	7
Mexico	49	44	42	37	27	27
United States	113	288	408	521	442	250
Sub-total	168	349	469	565	476	284
South America						
Argentina	8	8	10	6	5	4
Brazil	6	0	0	0	0	0
Chile	4	4	4	3	4	4
Colombia	2	1	1	1	0	0
Peru	1	1	1	1	1	1
Sub-total	21	14	16	11	10	9
European Union - 15	181	0	0	140	194	180
Eastern Europe						
Poland	20	39	37	40	36	28
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	2	1	2	2	2	0
Sub-total	2	1	2	2	2	0
North Africa						
Algeria	2	2	19	23	18	20
Egypt	0	0	0	0	0	0
Sub-total	2	2	19	23	18	20
Asia						
China	0	0	0	0	0	0
India	42	49	34	14	5	10
Indonesia	4	15	15	15	19	20
Japan	34	45	66	70	85	90
Korea	3	9	6	11	10	10
Malaysia	0	0	0	0	0	0
Philippines	5	14	4	2	2	2
Taiwan	0	0	0	0	0	0
Thailand	11	11	12	20	11	5
Sub-total	99	143	137	132	132	137
Oceania						
Australia 2/	19	2	18	16	13	18
New Zealand 3/	54	71	98	100	80	60
Sub-total	73	73	116	116	93	78
TOTAL SELECTED COUNTRIES	566	621	796	1,029	961	736

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	4	4	0	0	0	0
Mexico	0	0	0	0	0	0
United States	54	50	19	21	18	20
Sub-total	58	54	19	21	18	20
South America						
Argentina	244	202	185	205	165	165
Brazil	244	256	345	355	390	400
Chile	56	52	62	56	52	55
Colombia	42	54	63	78	80	82
Peru	4	4	5	4	0	0
Venezuela	35	38	31	30	24	26
Sub-total	625	606	691	728	711	728
European Union - 15	1,005	951	840	800	809	820
Eastern Europe						
Poland	32	30	34	27	30	30
Former Soviet Union						
Russia	55	75	110	120	110	100
Ukraine	9	7	19	17	17	17
Sub-total	64	82	129	137	127	117
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	450	522	610	577	606	640
India	0	0	0	0	0	0
Indonesia	43	49	45	45	47	45
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Taiwan	6	6	6	6	6	6
Thailand	0	0	0	0	0	0
Sub-total	499	577	661	628	659	691
Oceania						
Australia 2/	145	187	205	239	169	164
New Zealand 3/	382	420	480	540	615	625
Sub-total	527	607	685	779	784	789
TOTAL SELECTED COUNTRIES	2,810	2,907	3,059	3,120	3,138	3,195

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	0	0	0	0	0	0
Mexico	35	34	55	45	45	45
United States	52	39	24	25	21	22
Sub-total	87	73	79	70	66	67
South America						
Argentina	94	92	90	95	90	95
Brazil	357	380	420	426	410	417
Chile	61	62	61	54	52	52
Colombia	55	55	55	59	61	62
Peru	26	26	26	12	9	6
Venezuela	96	100	122	110	105	115
Sub-total	689	715	774	756	727	747
European Union - 15	436	383	381	325	342	330
Eastern Europe						
Poland	29	30	22	19	19	22
Former Soviet Union						
Russia	87	95	119	130	124	119
Ukraine	7	4	8	11	12	13
Sub-total	94	99	127	141	136	132
North Africa						
Algeria	108	109	107	112	115	117
Asia						
China	518	563	608	626	695	769
India	0	0	0	0	0	0
Indonesia	43	55	66	58	60	65
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	14	17	80	71	75	78
Philippines	37	52	50	30	27	30
Taiwan	48	44	34	35	37	36
Thailand	33	31	33	32	35	38
Sub-total	693	762	871	852	929	1,016
Oceania						
Australia 2/	21	20	25	24	26	28
New Zealand 3/	14	1	1	1	1	1
Sub-total	35	21	26	25	27	29
TOTAL SELECTED COUNTRIES	2,171	2,192	2,387	2,300	2,361	2,460

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

WHOLE MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	3	3	0	0	0	0
Mexico	35	34	55	45	45	45
United States	3	3	4	4	3	2
Sub-total	41	40	59	49	48	47
South America						
Argentina	0	1	1	0	1	0
Brazil	147	108	43	95	47	47
Chile	3	7	4	2	10	8
Colombia	11	14	16	8	1	2
Peru	21	22	22	8	8	6
Venezuela	67	67	90	78	75	85
Sub-total	249	219	176	191	142	148
European Union - 15	8	8	19	18	11	10
Eastern Europe						
Poland	2	1	3	5	2	2
Former Soviet Union						
Russia	35	25	15	16	20	25
Ukraine	0	0	0	0	0	0
Sub-total	35	25	15	16	20	25
North Africa						
Algeria	108	110	110	116	115	121
Asia						
China	69	51	41	77	110	150
India	0	0	0	0	0	0
Indonesia	4	18	35	33	23	25
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	14	17	80	71	75	78
Philippines	37	52	50	45	42	48
Taiwan	42	38	28	29	31	30
Thailand	34	35	29	35	37	40
Sub-total	200	211	263	290	318	371
Oceania						
Australia 2/	0	5	7	3	10	4
New Zealand 3/	0	0	0	0	0	0
Sub-total	0	5	7	3	10	4
TOTAL SELECTED COUNTRIES	643	619	652	688	666	728

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

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

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	8	7	0	0	0	0
Mexico	0	0	0	0	0	0
United States	4	15	0	0	0	0
Sub-total	12	22	0	0	0	0
South America						
Argentina	149	104	85	136	75	70
Brazil	0	0	1	24	27	30
Chile	8	2	6	10	11	12
Colombia	7	14	17	25	21	24
Peru	0	0	0	0	0	0
Venezuela	2	2	0	0	0	0
Sub-total	166	122	109	195	134	136
European Union - 15	577	576	478	493	478	500
Eastern Europe						
Poland	5	1	16	13	13	10
Former Soviet Union						
Russia	3	5	6	6	6	6
Ukraine	2	4	11	6	5	4
Sub-total	5	9	17	12	11	10
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	1	10	43	28	21	21
India	0	0	0	0	0	0
Indonesia	2	2	22	20	8	5
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0
Philippines	0	0	0	15	15	18
Taiwan	0	0	0	0	0	0
Thailand	0	0	0	0	0	0
Sub-total	3	12	65	63	44	44
Oceania						
Australia 2/	139	169	183	213	142	140
New Zealand 3/	382	407	511	481	635	641
Sub-total	521	576	694	694	777	781
TOTAL SELECTED COUNTRIES	1,289	1,318	1,379	1,470	1,457	1,481

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

WHOLE MILK POWDER ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	1999	2000	2001	2002	(p) 2003	(f) 2004
North America						
Canada	1	1	0	0	0	0
Mexico	0	0	0	0	0	0
United States	3	2	1	1	1	1
Sub-total	4	3	1	1	1	1
South America						
Argentina	20	27	38	12	13	13
Brazil	80	64	31	31	31	31
Chile	17	12	11	5	4	3
Colombia	3	2	9	11	10	8
Peru	1	1	2	2	1	1
Venezuela	39	42	41	39	33	29
Sub-total	160	148	132	100	92	85
European Union - 15	0	0	0	0	0	0
Eastern Europe						
Poland	1	1	0	0	0	0
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	1	0	0	0	0	0
Sub-total	1	0	0	0	0	0
North Africa						
Algeria	2	3	6	10	10	14
Asia						
China	0	0	0	0	0	0
India	0	0	0	0	0	0
Indonesia	2	12	4	4	6	6
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Thailand	6	10	6	9	11	13
Sub-total	8	22	10	13	17	19
Oceania						
Australia 2/	3	6	10	15	26	26
New Zealand 3/	40	52	20	78	57	40
Sub-total	43	58	30	93	83	66
TOTAL SELECTED COUNTRIES	219	235	179	217	203	185

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

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

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

FAS/CMP/DLP July, 2004

U.S. Exports of Dairy Products :

The value of U.S. exports this fiscal year through April 2004 is currently running 25 percent above the year to date level attained in 2003. As a result, the U.S. export value forecast for FY 2004 has been raised 10 percent to \$1.1 billion. On a calendar year basis, year-to-date exports are currently up 38 percent over last year. There were significant gains in exports of milk powder likely due not only to sales under the Dairy Export Incentive Program and food aid programs, but also some commercial sales. In the first four months of 2003, the volume of U.S. milk powder exported surged by 71 percent to reach nearly 64,000 tons. At present with world market prices for NDM at over \$2,000/ton, U.S. NDM is competitive in the export market. It is estimated that some 30,000 to 40,000 tons of NDM may have been already sold for delivery through to November 2004 and additional substantial sales may be pending. Exports of other dairy products (such as lactose and infant formula) and cheese have also experienced strong gains.

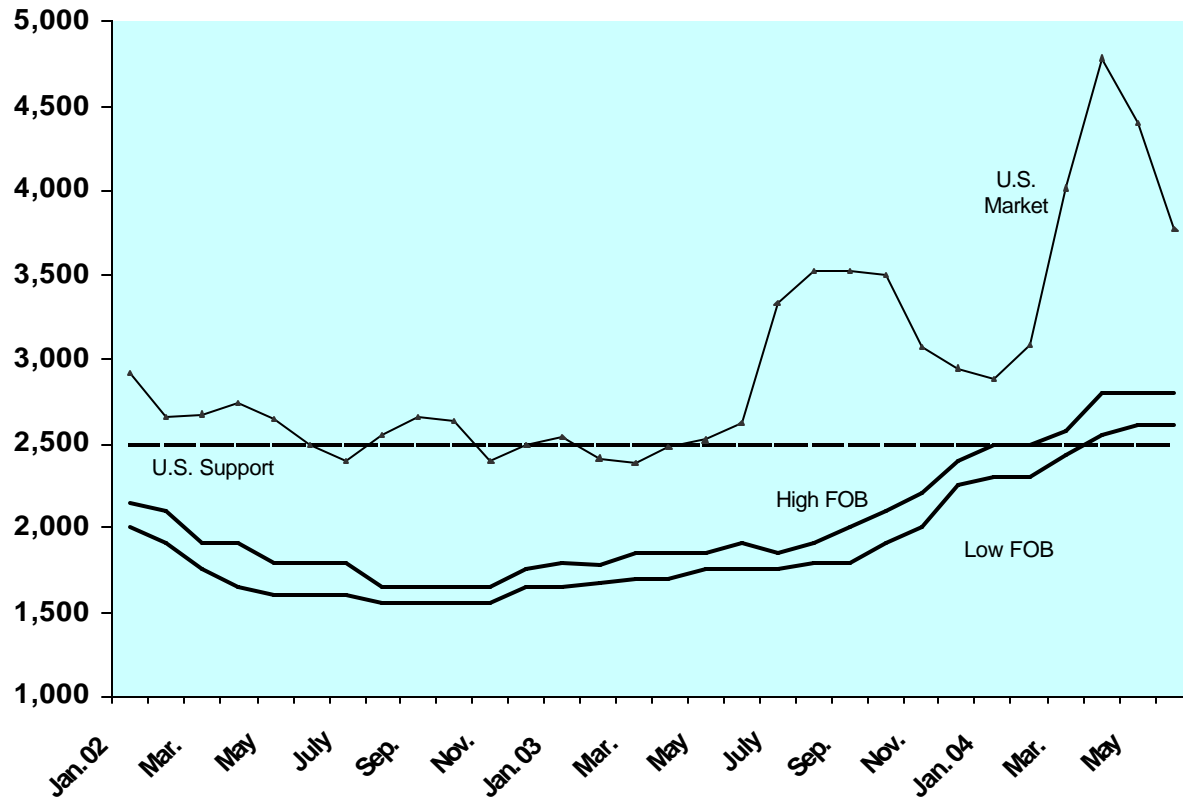
U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Unit	←-----Quantity-----→					←-----Value (\$ Million)-----→				
		2002	2003	January Through April Data			2002	2003	January Through April Data		
				2003	2004	% Change			2003	2004	% Change
Milk Powder											
Non-Fat Dry Milk		74,375	114,778	22,732	47,976	111%	115.1	182.7	36.9	87.3	137%
Dry Whole Milk & Cream		37,826	26,084	14,728	15,964	8%	44.8	34.8	20.2	26	29%
Total Milk Powder	MT	112,201	140,862	37,460	63,940	71%	159.9	217.5	57.1	113.3	98%
Condensed & Evap. Milk											
	MT	11,823	17,209	7,057	9,610	36%	11.8	18.6	8.3	9.4	13%
Fluid Milk & Cream											
	Mil. Liter	22,970	29,863	6,607	9,322	41%	20.4	26.0	5.9	7.4	25%
Yogrt & Other Ferm. Milk											
	Mixed	1,971	2,019	835	630	-25%	12.3	9.3	2.8	2.4	-14%
Butter & Milkfat											
	MT	3,866	11,626	1,250	3,870	210%	5.8	17.4	2.2	5.1	132%
Ice Cream											
	MT	36,855	29,202	9,011	8,158	-9%	74.0	56.3	16.2	16.8	4%
Cheese & Curd											
Cheese , All Kinds		23,882	16,413	5,215	7,858	51%	69.3	51.6	15.5	24.8	60%
Cheese, Inc. Mixt.		12,220	14,524	4,203	4,897	17%	37.1	43.5	11.8	16.4	39%
Cheese Processed		9,896	9,030	2,707	2,863	6%	31.1	27.1	8.0	9.3	16%
Other (Frsh,Clby,Chdr, etc)		7,911	12,144	4,236	5,277	25%	22.9	29.9	8.6	14.3	66%
Total Cheese	MT	53,909	52,111	16,361	20,895	28%	160.4	152.1	43.9	64.9	48%
Casein											
	MT	2,419	2,903	834	1,028	23%	10.1	13.4	3.9	5.1	31%
Whey											
Whey Protein Conc.	MT	22,951	20,978	5,465	8,608	58%	40.6	38.0	10.3	12.7	23%
Dried Whey	MT	150,676	139,244	49,867	47,929	-4%	84.2	80.7	29.5	25.1	-15%
Other	Mixed	--	--	--	--		13.4	15.4	5.8	7.3	26%
Total Whey	Mixed	--	--	--	--		138.2	134.1	45.6	45.1	-1%
Other Dairy Products											
Lactose	MT	118,224	142,709	44,510	49,862	12%	69.5	82.9	24.0	32.2	34%
Infant Formula	MT	26,981	26,610	8,664	9,180	6%	87.8	91.2	28.5	33.1	16%
Food Preps.	MT	50,198	56,105	15,025	20,021	33%	84.0	84.4	26.1	30.1	15%
Other (Rnt,Drnks,Fd Rel.,etc)	Mixed	--	--	--	--		111.2	98.9	31.1	42.9	38%
Total Other Dairy Prods.							352.5	357.4	109.7	138.3	26%
TOTAL							\$945.5	\$1,002.0	\$295.5	\$407.9	38.0%

Fiscal Year 2003 Dairy Exports \$982 Million
Fiscal Year 2004 Dairy Exports (May) Forecast \$1,100 Million

\$/Metric Ton

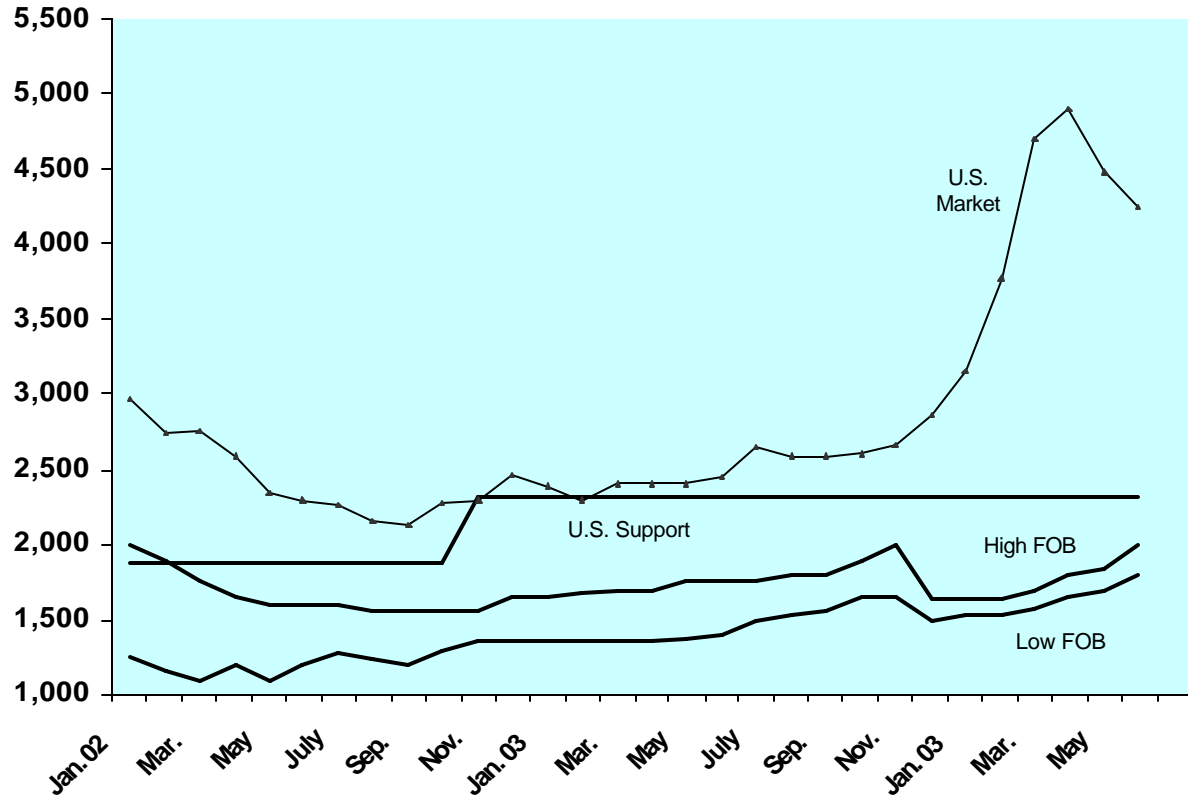
WORLD CHEDDAR CHEESE PRICES



	N. Europe High FOB	N. Europe Low FOB	U.S. Market (CME #40 Block)	U.S. Support
Jan.02	2,150	2,000	2,920	2,494
Feb.	2,100	1,900	2,660	2,494
Mar.	1,900	1,750	2,675	2,494
Apr.	1,900	1,650	2,745	2,494
May	1,800	1,600	2,650	2,494
June	1,800	1,600	2,491	2,494
July	1,800	1,600	2,400	2,494
Aug.	1,650	1,550	2,551	2,494
Sep.	1,650	1,550	2,655	2,494
Oct.	1,650	1,550	2,635	2,494
Nov.	1,650	1,550	2,400	2,494
Dec.	1,750	1,650	2,495	2,494
Jan.03	1,800	1,650	2,537	2,494
Feb.	1,775	1,675	2,407	2,494
Mar.	1,850	1,700	2,385	2,494
Apr.	1,850	1,700	2,475	2,494
May	1,850	1,750	2,518	2,494
June	1,900	1,750	2,615	2,494
July	1,850	1,750	3,334	2,494
Aug.	1,900	1,800	3,527	2,494
Sep.	2,000	1,800	3,527	2,494
Oct.	2,100	1,900	3,500	2,494
Nov.	2,200	2,000	3,070	2,494
Dec.	2,400	2,250	2,950	2,494
Jan. 04	2,500	2,300	2,880	2,494
Feb.	2,500	2,300	3,080	2,494
Mar.	2,575	2,425	4,010	2,494
Apr.	2,800	2,550	4,780	2,494
May	2,800	2,600	4,295	2,494
June	2,800	2,600	3,770	2,494

\$/Metric Ton

WORLD BUTTER PRICES

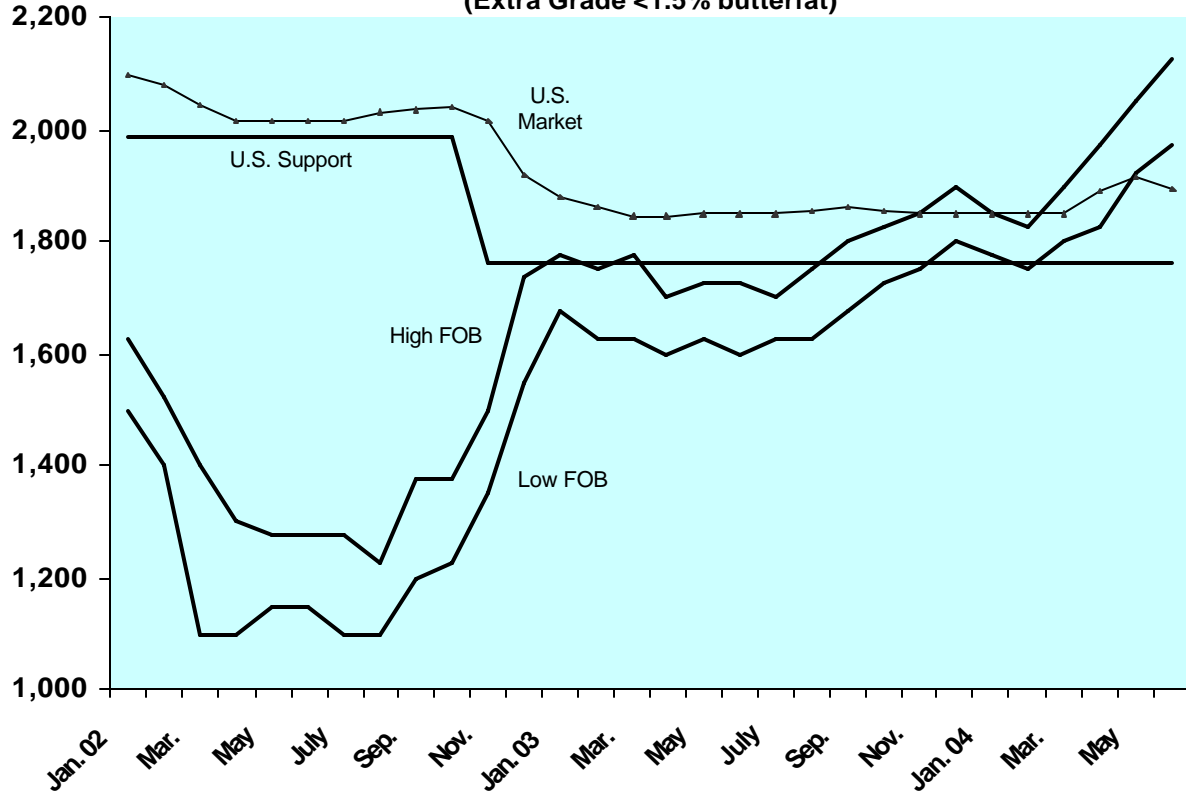


	N. Europe High FOB 82%	N. Europe Low FOB 82%	U.S. Market (80%-Salted CME)	U.S. Support
Jan.02	1,250	1,100	2,965	1,885
Feb.	1,150	1,050	2,740	1,885
Mar.	1,100	1,000	2,750	1,885
Apr.	1,200	1,000	2,580	1,885
May	1,100	1,000	2,335	1,885
June	1,200	1,050	2,298	1,885
July	1,275	1,050	2,271	1,885
Aug.	1,225	1,025	2,150	1,885
Sep.	1,200	1,100	2,125	1,885
Oct.	1,300	1,150	2,275	1,885
Nov.	1,350	1,200	2,300	2,315
Dec.	1,350	1,200	2,470	2,315
Jan.03	1,350	1,200	2,385	2,315
Feb.	1,350	1,250	2,295	2,315
Mar.	1,350	1,250	2,405	2,315
Apr.	1,350	1,225	2,405	2,315
May	1,375	1,250	2,405	2,315
June	1,400	1,275	2,455	2,315
July	1,500	1,350	2,642	2,315
Aug.	1,525	1,375	2,581	2,315
Sep.	1,550	1,375	2,585	2,315
Oct.	1,650	1,500	2,610	2,315
Nov.	1,650	1,525	2,660	2,315
Dec.	1,625	1,500	2,860	2,315
Jan.04	1,625	1,525	3,160	2,315
Feb.	1,625	1,525	3,780	2,315
Mar.	1,700	1,575	4,705	2,315
Apr.	1,800	1,650	4,895	2,315
May	1,800	1,700	4,490	2,315
June	2,000	1,800	4,255	2,315

\$/Metric Ton

WORLD NONFAT DRY MILK PRICES

(Extra Grade <1.5% butterfat)

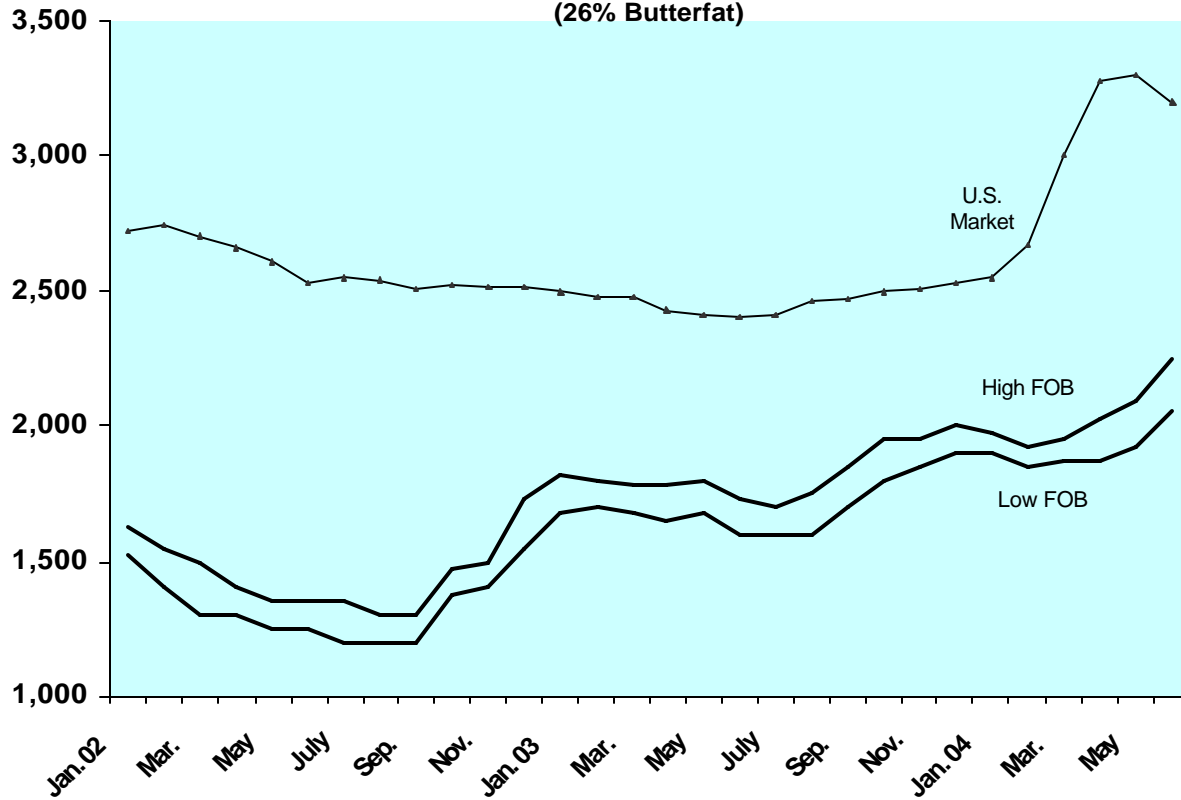


	N. Europe High FOB	N. Europe Low FOB	U.S. Market West	U.S. Support
Jan.02	1,625	1,500	2,095	1,984
Feb.	1,525	1,400	2,080	1,984
Mar.	1,400	1,100	2,045	1,984
Apr.	1,300	1,100	2,015	1,984
May	1,275	1,150	2,015	1,984
June	1,275	1,150	2,015	1,984
July	1,275	1,100	2,015	1,984
Aug.	1,225	1,100	2,030	1,984
Sep.	1,375	1,200	2,035	1,984
Oct.	1,375	1,225	2,040	1,984
Nov.	1,500	1,350	2,015	1,764
Dec.	1,740	1,550	1,920	1,764
Jan.03	1,775	1,675	1,880	1,764
Feb.	1,750	1,625	1,861	1,764
Mar.	1,775	1,625	1,847	1,764
Apr.	1,700	1,600	1,847	1,764
May	1,725	1,625	1,850	1,764
June	1,725	1,600	1,850	1,764
July	1,700	1,625	1,850	1,764
Aug.	1,750	1,625	1,855	1,764
Sep.	1,800	1,675	1,860	1,764
Oct.	1,825	1,725	1,855	1,764
Nov.	1,850	1,750	1,850	1,764
Dec.	1,900	1,800	1,850	1,764
Jan.04	1,850	1,775	1,850	1,764
Feb.	1,825	1,750	1,850	1,764
Mar.	1,900	1,800	1,850	1,764
Apr.	1,975	1,825	1,890	1,764
May	2,075	1,925	1,915	1,764
June	2,125	1,975	1,895	1,764

\$/Metric Ton

WORLD WHOLE MILK PRICES

(26% Butterfat)



	N. Europe High FOB	N. Europe Low FOB	U.S. Market
Jan.02	1,625	1,525	2,725
Feb.	1,550	1,400	2,750
Mar.	1,500	1,300	2,700
Apr.	1,400	1,300	2,660
May	1,350	1,250	2,610
June	1,350	1,250	2,535
July	1,350	1,200	2,550
Aug.	1,300	1,200	2,540
Sep.	1,300	1,200	2,510
Oct.	1,475	1,375	2,520
Nov.	1,500	1,400	2,515
Dec.	1,725	1,550	2,515
Jan.03	1,825	1,675	2,500
Feb.	1,800	1,700	2,480
Mar.	1,775	1,675	2,485
Apr.	1,775	1,650	2,430
May	1,800	1,675	2,410
June	1,725	1,600	2,405
July	1,700	1,600	2,410
Aug.	1,750	1,600	2,460
Sep.	1,850	1,700	2,470
Oct.	1,950	1,800	2,495
Nov.	1,950	1,850	2,510
Dec.	2,000	1,900	2,530
Jan.03	1,975	1,900	2,550
Feb.	1,975	1,850	2,670
Mar.	1,950	1,875	3,000
Apr.	2,025	1,875	3,280
May	2,100	1,925	3,305
June	2,250	2,050	3,200