

MILK AND MILK PRODUCTS

World milk production is set to reach 833.5 million tonnes in 2017, 1.4 percent more than in 2016. Much of the anticipated rise is expected in Asia and the Americas, while the sector might stagnate in Europe and Africa and possibly face a decline in Oceania.

World trade in dairy products is forecast to increase by 1.3 percent in 2017 to 71.6 million tonnes (in milk equivalent) marking a second year of modest growth. Most of the export growth is expected to come from North America and Europe. Despite a slow growth in milk production, the EU is anticipated to account for the largest export expansion, underpinned by increased sales of cheese and skim milk powder (SMP). Likewise, greater shipments of cheese, but also of SMP, are expected to boost exports from the United States. In contrast, exports from South America, Oceania, Asia and Africa are forecast to decline in 2017, largely reflecting supply constraints.

On the demand side, Asia is anticipated to drive the expansion, with imports by the region predicted at around 41 million tonnes, 1.5 percent more than in 2016. Within Asia, China is behind much of that expected increase, with its purchases fuelled by demand for higher value-added dairy products, in particular cheese and SMP. Elsewhere, imports are forecast to rise in Algeria, Australia, the Russian Federation, Mexico, Indonesia, the Republic of Korea, Japan, Thailand and Pakistan. Conversely, imports are foreseen to decline significantly in Brazil, Saudi Arabia, Oman, the United States, the EU, the Philippines, Egypt, Malaysia, the United Arab Emirates, Cuba, Belarus and Turkey.

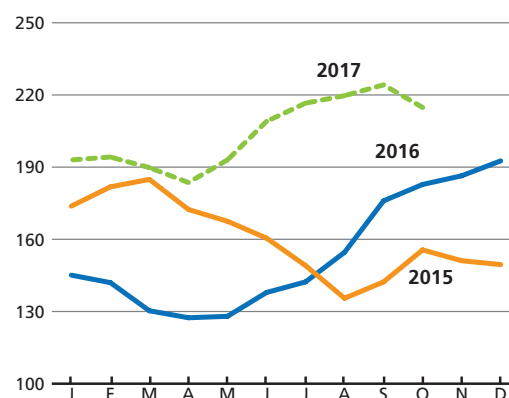
Among the various dairy products, world trade in cheese and SMP is expected to increase in 2017, while trade in butter and WMP may contract.

After continuously rising for nine months from May 2016, international dairy prices tapered off for a short while in early 2017, when increased deliveries by the EU and the United States eased supply concerns. However, prices strengthened from May to September 2017, reflecting a surge in butter prices and moderate increases in cheese and whole milk powder, while skim milk powder prices remained subdued. In October, the index declined by 4 percent as importers held back purchases awaiting the emerging trend for export availabilities from Oceania.

Contact:

Upali.GalketiAratchilage@fao.org

FAO INTERNATIONAL DAIRY PRICE INDEX (2002-2004 = 100)



WORLD DAIRY MARKET AT A GLANCE

	2015	2016 <i>estim.</i>	2017 <i>f'cast</i>	Change: 2017 over 2016
	<i>million tonnes, milk equiv.</i>			%
WORLD BALANCE				
Total milk production	815.4	821.8	833.5	1.4
Total trade	70.0	70.7	71.6	1.3
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	110.4	110.1	110.4	0.3
Trade - share of prod. (%)	8.6	8.6	8.6	-0.1
FAO DAIRY PRICE INDEX (2002-2004=100)				
	2015	2016	2017 <i>Jan-Oct</i>	Change: Jan-Oct 2017 over Jan-Oct 2016 %
	160	154	204	39.0

MILK AND MILK PRODUCTS

Major Dairy Exporters and Importers



PRICES

The price gap between butter and other dairy commodities widens

International dairy prices strengthened between May 2016 and February 2017, primarily on continued concerns about whether export supplies in the EU and Oceania would be sufficient to meet import demand. The situation eased when it became clear that Northern Hemisphere producers have enough to export and that milk output in Oceania would be larger than anticipated. As a result, prices stabilized, with a slight downward adjustment towards March and April 2017. International price quotations for dairy products rallied from May to September, driven by increased demand for butterfat in North America and Europe. Supply constraints in Oceania and South America, together with strong import demand in Asia, also provided support. In October, the index declined by 4 percent as importers held back purchases awaiting the emerging trend for export availabilities from Oceania.

In recent months, butterfat has been the dairy commodity in highest demand in international markets, propelling butter quotations to record highs and widening its price differential relative to the other dairy products. In contrast, quotations for skim milk powder remained subdued, weighed down by slack demand and the availability of ample intervention stocks in the EU.

Figure 1. FAO monthly dairy price index (2002-2004=100)

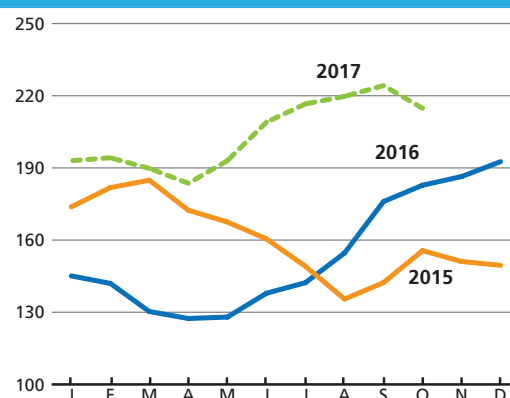


Figure 2. FAO monthly international price indices for butter, cheese, SMP and WMP (2002-2004=100)

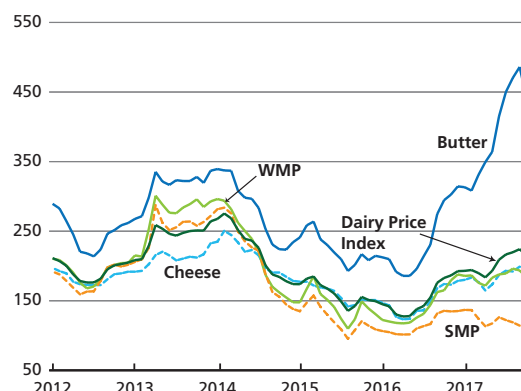


Table 1. World dairy market at a glance

	2015	2016 <i>estim.</i>	2017 <i>f'cast</i>	Change: 2017 over 2016
	<i>million tonnes, milk equiv.</i>			<i>%</i>
WORLD BALANCE				
Total milk production	815.4	821.8	833.5	1.4
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PRODUCTION

India to drive the expansion in world dairy production

World milk production in 2017 is currently predicted to grow by 12 million tonnes, or 1.4 percent, to 833.5 million tonnes. Output is seen to expand in *Asia* and the *Americas*, stagnate in *Europe* and *Africa*, and decline in *Oceania*. Most of the global increase would originate in *Asia*, principally in **India**, where production is forecast to progress by nearly 4 percent to 169 million tonnes. Although localized floods have affected some dairying regions in the country, improved water availability and generally normal monsoons have benefitted pasture growth, which should support milk output. Production increases are also anticipated in **Bangladesh**, the **Islamic Republic of Iran**, **Pakistan** and **Saudi Arabia**. On the other hand, output may still contract in **China**, where the dairy sector is undergoing reform, but only by 1 percent, as compared with a 4 percent drop in 2016. China's restructuring of its dairy industry encompasses a consolidation and relocation of dairy farms away from urban centres as well as imposition of stringent environmental regulations and stricter quality controls, a set of measures that have forced some smallholder dairy farmers to leave the sector, reducing dairy animal numbers in the short-run. In **Japan** and the **Republic of Korea**, stable to lower milk production is expected, due to the effects of herd reduction.

In *South America*, milk output is forecast to grow by 3.4 percent to 63.3 million tonnes, with almost all the countries in the region contributing to the increase. In

Brazil, average farmgate milk prices were higher in the first six months of the year, providing incentives for producers to raise output. In addition, weather conditions have been generally favourable in the main dairying areas of the central and northeastern parts of the country. Consequently, Brazil's milk production is expected to recover in 2017 and likely to surpass 34 million tonnes, 5.2 percent higher than in 2016. In **Argentina**, milk output declined by nearly 12 percent in 2016, depressed by low farmgate prices, poor weather and increased production costs. In 2017, thanks to higher milk prices and more conducive weather conditions, Argentina may see production recover by 0.4 percent, reaching 10.2 million tonnes, which is still short of the average 11.5 million tonnes gathered annually between 2011 and 2015. Elsewhere in the region, more favourable weather and growing demand are expected to boost milk production in **Colombia**, **Uruguay**, **Chile** and **Ecuador**.

In *Central America*, the outlook for milk output is generally positive. In **Mexico**, production is forecast to continue its modest growth in 2017, supported by herd rebuilding, improvements in genetics and more extensive use of technology in dairy operations.

North America's milk output is anticipated to rise by 2 percent to 107.6 million tonnes in 2017, making a significant contribution to the global expansion. Production in the **United States** may reach 98 million tonnes, 1.8 percent more than in 2016, underpinned by an increase in the number of dairy cows and yield per cow. In **Canada**, output is expected to rise by nearly 4 percent to 9.5 million tonnes, as dairy quota limits for milk have been raised in response to increased demand for butterfat.

In *Europe*, milk output is seen expanding by 0.5 percent to 223.1 million tonnes, underpinned by

Figure 3. EU intervention and export prices

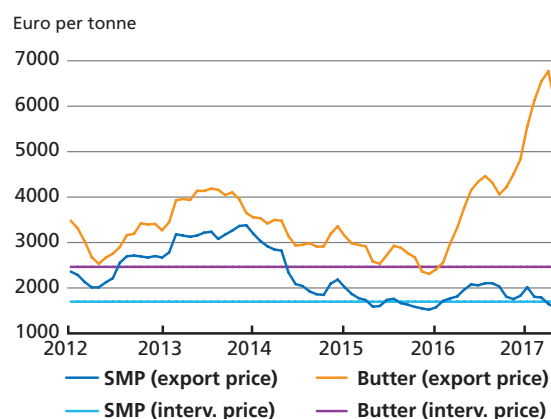


Figure 4. FAO dairy and feed price indices

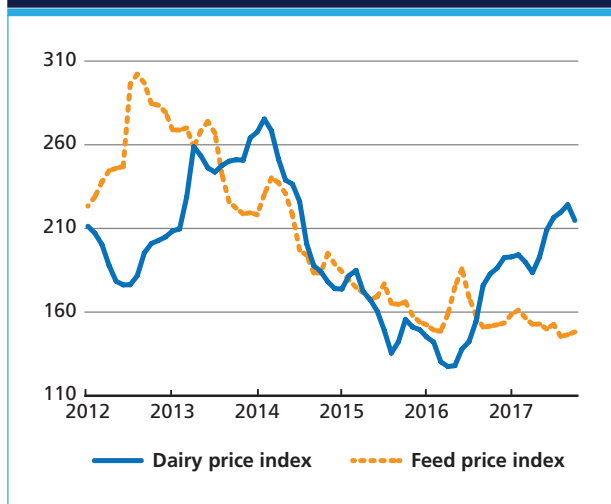


Table 2. Trade in dairy products: Principal exporting countries

	Average 2013-15	2016 <i>prelim.</i>	2017 <i>f'cast</i>	Change 2017 over 2016
	<i>thousand tonnes (product weight)</i>			<i>%</i>
WHOLE MILK POWDER				
World	2 538	2 465	2 408	-2.3
New Zealand	1 365	1 344	1 357	1.0
European Union*	385	380	371	-2.5
Uruguay	76	126	108	-14.6
Argentina	155	110	78	-28.8
SKIM MILK POWDER				
World	2083	2187	2333	6.7
European Union*	581	574	697	21.4
United States	556	593	643	8.4
New Zealand	395	444	408	-8.1
Australia	161	164	165	0.8
BUTTER				
World	947	963	929	-3.5
New Zealand	490	503	514	2.2
European Union*	151	208	166	-19.9
Belarus	74	84	88	4.8
Australia	65	29	29	0.4
United States	42	31	23	-26.1
CHEESE				
World	2 376	2 478	2 573	3.8
European Union*	742	800	848	6.0
New Zealand	294	355	350	-1.4
United States	336	289	342	18.2
Belarus	161	204	199	-2.6
Australia	162	167	170	1.9
Saudi Arabia	118	131	129	-1.5

* Excluding trade between the EU member countries. From 2013: EU-28

gains in the **EU**, the **Russian Federation** and **Belarus**, whereas **Ukraine** could face a contraction. In the **EU**, milk production is projected to increase by 0.4 percent to 164.5 million tonnes, even though milk deliveries between January and July 2017 were somewhat lower than last year. Improved weather conditions, the availability of forage, and higher international and domestic milk prices are anticipated to boost output over the rest of 2017, resulting in a modest growth for the year as a whole, also offsetting the effects of an expected 1.6 percent reduction in herd size. Milk production in the **Russian Federation** is forecast to increase by 0.7 percent in 2017, reflecting increased milk production in large-scale dairy operations, moderated by a decline in production performance at small, backyard farms. In **Belarus**, higher domestic prices are expected to sustain a 1.7 percent growth of output this year.

In *Africa*, milk production in 2017 is forecast to reach 46.8 million tonnes, marginally above the 2016 level. Increases are expected in **South Africa, Algeria, Morocco, Tunisia, Zimbabwe** and **Egypt**, where more favourable weather conditions resulted in pasture improvements. However, the effects of the prolonged drought that afflicted the continent last year are still lingering in some parts of the region. For instance, milk production may fall in some countries such as **Sudan, Ethiopia, Somalia** and **Kenya**, amid disruptions stemming from climate-related extreme events, such as inadequate rain and flooding, but also from conflicts.

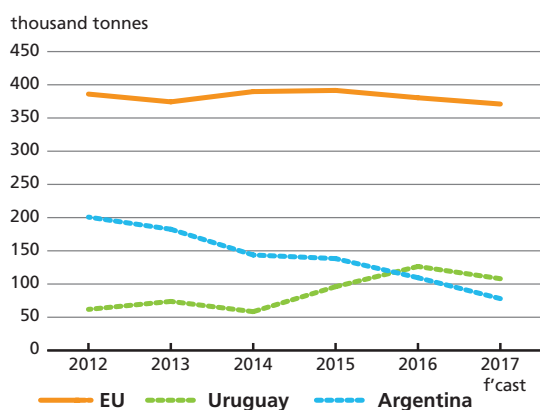
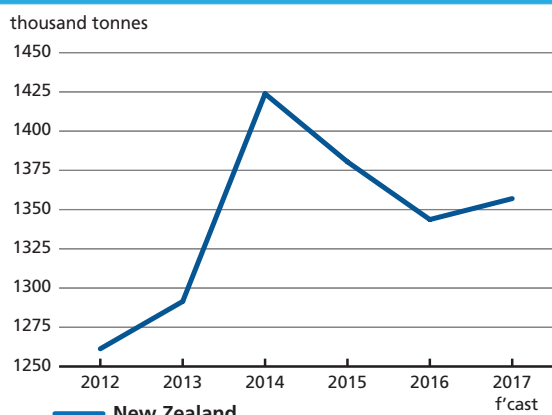
In *Oceania*, the 2016/17 cycle came to an end with a 2.9 percent reduction in milk output to 30.7 million tonnes. In **New Zealand**, milk output over the June/May 2016/17 dairy cycle declined by 1 percent to 21.3 million tonnes. In 2017/18, the country is anticipated to see a recovery due to improved weather and pastures conditions, a larger number of dairy cows and significantly higher average farmgate prices for raw milk. In **Australia**, milk output plummeted by 6.9 percent to 9.3 million tonnes over the 2016/17 dairy cycle, reflecting the low international prices for dairy products that prevailed in 2015 and 2016, the excessive rainfall and an unforeseen downward adjustment of producer payments. As for 2017/18, relatively lower input costs and a recovery in import demand should provide incentives for farmers to produce more milk. However, much will depend on the rainfall. As of now, weather forecasts suggest equal chances of wet and dry conditions.

TRADE

A second year of modest growth expected

World trade in dairy products is projected to reach 71.6 million tonnes of milk equivalent in 2017, or slightly more than 1 percent above 2016. Asia is anticipated to account for much of world import growth. **China**, in particular, may step up its purchases by 4.2 percent to 12.5 million tonnes, in response to the expected contraction in domestic milk output and a lively domestic demand for dairy products. Similarly, shipments to the **Russian Federation** are predicted to increase, reaching close to 4.4 million tonnes, or 3.9 percent more than last year. The country is pursuing a policy of source diversification, which has favoured New Zealand, Kyrgyzstan, Chile and Uruguay. Elsewhere, imports are forecast to rise in **Algeria, Australia**, the **Russian Federation, Mexico, Indonesia**, the **Republic of Korea, Japan, Thailand** and **Pakistan**. Conversely, imports are foreseen to decline significantly in **Brazil, Saudi Arabia, Oman**, the **United States**, the **EU**, the **Philippines, Egypt, Malaysia** the **United Arab Emirates, Cuba, Belarus** and **Turkey**.

Figure 5. WMP: Major exporters



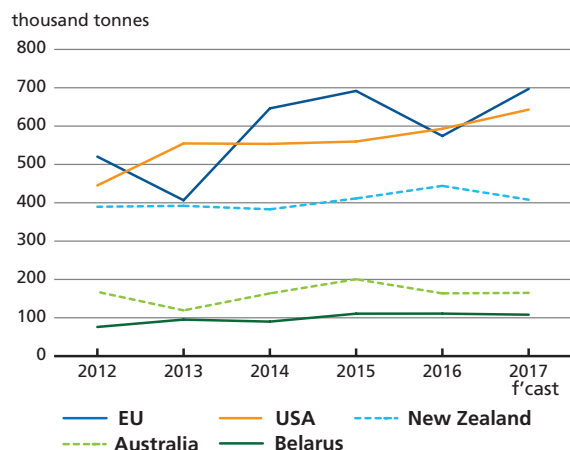
Among suppliers, and based on the export performance for the first six months of 2017, the **United States** is expected to increase shipments of SMP and cheese, which could boost its overall dairy sales to 10.7 million tonnes, around 8 percent more than in 2016. Despite its muted growth in milk production and a significant rise in domestic demand for some dairy products, the **EU** is also anticipated to export more this year, with volumes forecast at 19.3 million tonnes, almost 5 percent more than in 2016. Among other important suppliers, **Canada** and **Ukraine** are also expected to raise exports, whereas **Belarus** may see some contraction due to less buoyant prospects for sales to the Russian Federation, its principal market. In contrast, dairy shipments by **New Zealand** and **Australia** are expected to drop by nearly 1 percent and 2 percent, respectively, primarily because of supply constraints.

Among the internationally traded dairy products, the volumes of trade in butter and WMP are anticipated to decline in 2017, whereas trade in cheese and SMP may increase.

Trade in whole milk powder (WMP) continues to decline

World trade in WMP is projected to reach 2.4 million tonnes in 2017, 2.3 percent less than in 2016. Declines in WMP imports are likely to be prominent in some middle-eastern oil-dependent economies, such as **Saudi Arabia, Oman**, the **United Arab Emirates, Kuwait** and **Lebanon**, as relatively low oil prices weigh heavily on consumers' purchasing power. **Brazil**, which saw imports more than double in 2016, is predicted to buy less this year, as recoveries in milk deliveries and WMP production are underway. **Cuba, Bangladesh** and **Indonesia** are

Figure 6. SMP: Major exporters



also expected to import less in 2017. In **China**, WMP purchases are projected to reach 538 700 tonnes, barely 0.4 percent above 2016 and far below the 2014 peak of 785 000 tonnes, yet still sufficient for the country to retain the status of largest WMP importer. **Algeria, Thailand, Malaysia** and the **Russian Federation** are all predicted to buy more in 2017.

Among WMP suppliers, **New Zealand** may see its WMP exports rise by about 1 percent to 1.4 million tonnes in 2017, supported by the expected rebound in milk deliveries in the coming months. WMP shipments from **Mexico, Australia, Brazil** and **Canada** are also anticipated to increase, while they may contract in **Argentina, Uruguay, the EU, Belarus, the United States** and **Chile**.

Trade in skim milk powder (SMP) to recover in 2017

World trade in SMP is forecast to hover around 2.3 million tonnes, an increase of 6.7 percent from 2016, when exports declined by 1.5 percent. Among importers, **China, Mexico, Algeria, Thailand, Indonesia** and the **Russian Federation** are foreseen to maintain their generally high pace of purchases throughout the year, while lower relative prices of SMP are likely to encourage other countries to import more. In contrast, a few countries that generally tend to buy large volumes of SMP, such as the **Philippines, Malaysia, Saudi Arabia** and **Egypt**, are foreseen to cut their imports.

The **EU** and the **United States** are likely to sustain much of the expansion in SMP world exports, with **Canada, the Islamic Republic of Iran** and **Mexico** also anticipated to increase deliveries. On the other hand, overseas sales from **New Zealand** may drop, as producing

more SMP is relatively less profitable for producers than alternative product combinations under New Zealand's processing arrangements and low international SMP prices. Exports from **Australia**, the fourth major source of SMP after the **EU**, the **United States** and **New Zealand**, are expected to remain stable, at around their 2016 level.

With increased profitability of processing cheese, the **EU** is expected to reduce the production of SMP in 2017, which, along with increased exports, could lead to a reduction in SMP inventories. However, disposing of the nearly 370 000 tonnes of SMP held in the EU public intervention stocks will require some time.

Butter trade to fall as supplies tighten

World trade in butter in 2017 is forecast to reach around 929 000 tonnes, 3.5 percent lower than in 2016. The decrease is mostly due to limited available supplies and rising world prices, which propelled the FAO Butter Price Index up by 41 percent in the first ten months of 2017, resulting in the widest gap between butter and other dairy commodities prices on record.

Reflecting both price sensitivity and declines in purchasing power, butter imports in 2017 are anticipated to contract in **Saudi Arabia, Turkey** and the **Islamic Republic of Iran**. The same factors are likely to depress deliveries to African countries, especially **Egypt** and **Morocco**. By contrast, recent trends in **China**, the largest destination of butter exports, suggest that inflows to the country may rise by 0.8 percent in 2017, reaching 118 000 tonnes. Butter imports by the **Russian Federation, Australia, the Philippines** and **Canada** are also forecast to increase.

The **EU** is predicted to account for much of the fall in this year's world butter exports, with shipments from the

Figure 7. Butter exports: EU major markets

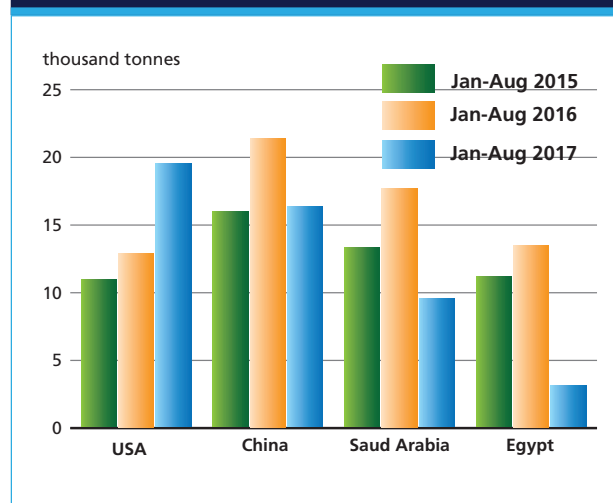
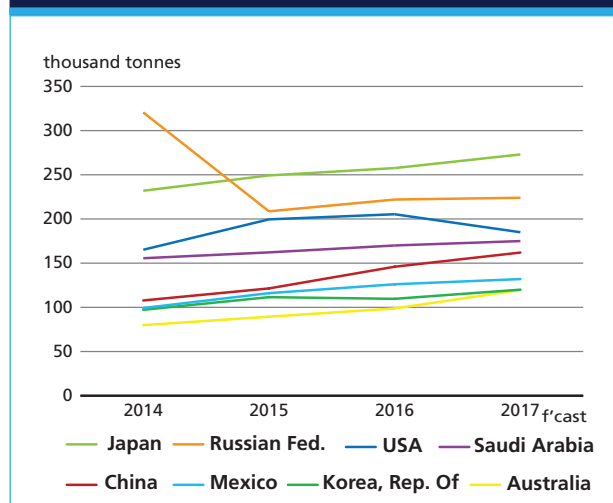


Figure 8. Cheese major importers



region now forecast at 166 200 tonnes, nearly 20 percent less than in 2016. EU's contraction would be largely the result of a strong internal demand for butterfat and a reduction in butter processing in favour of cheese, which has become more profitable. Tight export availabilities are also likely to depress butter exports from **Australia, Mexico, Uruguay** and **Argentina**. By contrast, despite a drop of nearly 11 percent from January to August 2017, butter exports from **New Zealand** over the full year are forecast to progress by about 2 percent, to nearly 514 000 tonnes, spurred by improved weather and pasture conditions, and higher international prices.

Lively import demand to boost trade in cheese to a new record

International trade in cheese is forecast to increase by 3.8 percent to a record 2.6 million tonnes. Much of the growth in world demand is forecast to come from **Australia, China, Japan, the Republic of Korea, Chile, Mexico** and **Saudi Arabia**, along with some support from **El Salvador, the Russian Federation** and **Kuwait**. By contrast, imports by the **United States, Brazil, the EU** and **Algeria** are likely to decline.

Of the various sources of supply, the **United States** and the **EU** are projected to account for much of the increase in world cheese exports in 2017. Shipments from the **United States** are expected to expand by as much as 18 percent, supported by a weaker US dollar and strong demand in a number of markets, especially Mexico, the Republic of Korea, Japan, Australia and Canada. As for the **EU**, its cheese exports may grow by nearly 6 percent this year to a historic high of 848 000 tonnes, underlining the resilience of the EU's dairy industry. Continuing with the successful re-orientation that began with the imposition of the Russian embargo in 2014, the EU is forecast to expand its cheese exports to several destinations in 2017, namely the United States, Japan, Switzerland, the Republic of Korea, Saudi Arabia, Chile, Australia and Algeria. Cheese exports by the **Islamic Republic of Iran, Turkey** and **Australia** are also anticipated to rise, while supply constraints may cause exports to fall in **New Zealand** and **Argentina**. **Belarus**, which has been the main cheese supplier to the Russian Federation since 2014, may also export less this year.

DAIRY:

MAJOR POLICY DEVELOPMENTS MID-MAY TO MID-OCTOBER 2017*

COUNTRY	PRODUCT	DATE	POLICY CATEGORY/INSTRUMENT	DESCRIPTION
Canada	Cheese	Aug-17	Tariff rate quota	Announced a new tariff rate quota (TRQ) administration policy applicable to the 16 000 metric tonnes (MT) of cheese that will be allowed to be imported under the Canada-EU Comprehensive Economic and Trade Agreement (CETA). Of the total TRQ, 60 percent will be allocated to small and medium-sized enterprises with the remaining 40 percent allocated to large companies. In both cases, 50 percent will be allocated to manufacturers and the balance to distributors and retailers. The 1 700 MT of bulk EU industrial cheese TRQ will be allocated entirely to manufacturers of further processed food products.
China (mainland)	Cheese	Oct-17	Import ban	Banned, temporarily, imports of soft cheese products from the EU.
	Dairy products	Oct-17	Food safety standards	Applied the Administrative Measures for the Registration of Recipes for Formula Powder Products for Infants and Young Children, which mandate domestic and overseas producers to: i) register their facilities with the China Food and Drug Administration (CFDA) and the Certification and Accreditation Administration of the People's Republic of China (CNCA); and ii) limit the number of products and brands produced.
European Union	Dairy products	Sep-17	Free trade agreement	Approved the free trade agreement with Canada, which entered into force 21 September 2017, after its approval by EU Member States, expressed in the Council, and by the European Parliament.
India	Dairy products	Jun-17	Import ban extended	Extended the prohibition on import of milk and milk products (including chocolates and chocolate products, and candies/confectionary/food preparations with milk or milk solids as an ingredient) effective until 23 June 2018 or until further orders. The prohibition has been in place since 2008.
Indonesia	Dairy products	Aug-17	Import policy	Introduced a requirement that US dairy-product establishments must pay a fee to undergo the review process to export dairy products to Indonesia. The review process consists of three phases: document review, onsite review and evaluation of onsite audits.
Mexico	Dairy products	Jul-17	Import ban	Suspended all dairy imports from Colombia after new outbreaks of foot-and-mouth disease were detected in the Andean country.
Russian Federation	Dairy products	Jun-17	Import ban extended	Extended until the end of 2018 the ban on the import of agricultural products including milk and milk products from the countries that applied economic sanctions against the Russian Federation.
	Dairy products	Aug-17	Tariff rate quota	Established tariff-rate quotas (TROs) and respective volumes for 2018 imports of a number of products, such as whey, into the Eurasian Economic Union (EAEU). The volume of whey and modified whey products that will be allowed to enter into the Russian Federation is set at 15 000 metric tonnes.

* A collection of major dairy policy developments starting in January 2012 is available at: <http://www.fao.org/economic/est/est-commodities/commodity-policy-archive/en/2groupANDcommodity=Milk.%20Dairy%20products>

APPENDIX TABLE 18: MILK AND MILK PRODUCTS STATISTICS (thousand tonnes, milk equivalent)

	Production			Imports			Exports		
	2013-2015 average	2016 <i>estim.</i>	2017 <i>f'cast</i>	2013-2015 average	2016 <i>estim.</i>	2017 <i>f'cast</i>	2013-2015 average	2016 <i>estim.</i>	2017 <i>f'cast</i>
ASIA	316 603	337 466	344 433	39 480	40 294	40 908	6 709	6 658	6 554
China	41 976	40 936	40 531	12 063	11 998	12 500	75	52	49
India ¹	146 501	162 964	169 320	89	124	136	706	276	213
Indonesia	1 265	1 230	1 250	2 573	2 839	2 863	87	55	50
Iran, Islamic Republic of	6 344	6 440	6 530	490	416	401	478	542	704
Japan	7 407	7 420	7 400	1 845	1 909	1 997	6	8	8
Korea, Republic of	2 159	2 126	2 083	922	1 022	1 115	21	23	25
Malaysia	84	86	87	2 061	2 169	2 137	612	693	689
Pakistan	50 233	53 000	53 700	484	638	717	66	35	33
Philippines	20	21	22	1 650	2 518	2 456	119	211	46
Saudi Arabia	2 359	2 410	2 450	2 942	3 015	2 880	1 393	1 447	1 460
Singapore	-	-	-	1 787	1 576	1 585	629	573	531
Thailand	1 071	1 080	1 110	1 500	1 490	1 570	198	253	252
Turkey	18 719	19 900	19 980	214	160	115	541	930	873
AFRICA	46 610	46 737	46 833	10 234	10 098	10 451	1 151	993	979
Algeria	4 206	4 612	4 700	2 776	2 895	3 265	3	-	-
Egypt	5 580	5 630	5 650	1 683	1 612	1 562	473	363	361
Kenya	4 882	4 830	4 820	61	69	103	14	8	10
South Africa	3 299	3 180	3 280	244	265	279	337	342	346
Sudan	7 616	7 540	7 440	231	258	247	-	-	-
Tunisia	1 222	1 235	1 265	95	80	85	47	31	29
CENTRAL AMERICA	16 937	17 299	17 598	5 012	5 718	5 801	703	849	931
Costa Rica	1 081	1 120	1 140	55	64	66	162	160	161
Mexico	11 321	11 780	12 027	3 048	3 693	3 789	186	326	387
SOUTH AMERICA	64 720	61 179	63 253	3 174	3 634	3 508	4 457	4 063	3 607
Argentina	11 466	10 191	10 232	41	22	25	2 236	1 817	1 496
Brazil	34 810	32 725	34 427	854	1 659	1 462	293	180	194
Colombia	6 848	7 000	7 100	182	431	392	39	3	14
Uruguay	2 218	1 954	2 030	24	31	34	1 286	1 472	1 308
Venezuela	2 008	2 100	2 120	1 210	502	563	-	-	-
NORTH AMERICA	101 680	105 444	107 551	2 386	2 806	2 689	10 603	10 585	11 629
Canada	8 551	9 100	9 450	661	666	640	530	613	895
United States of America	93 127	96 343	98 100	1 710	2 124	2 032	10 071	9 971	10 733
EUROPE	217 471	222 070	223 103	7 366	6 669	6 727	23 262	24 788	25 369
Belarus	6 824	7 169	7 290	170	204	128	3 634	3 930	3 722
European Union	158 867	163 800	164 500	1 427	1 310	1 247	17 347	18 480	19 348
Russian Federation	30 527	30 350	30 563	4 833	4 271	4 438	247	302	270
Ukraine	11 069	10 407	10 334	144	50	52	663	650	713
OCEANIA	30 655	31 629	30 712	1 116	1 340	1 515	21 922	22 719	22 491
Australia ²	9 688	9 991	9 301	720	889	1 098	3 274	3 341	3 280
New Zealand ³	20 897	21 568	21 341	201	281	245	18 645	19 374	19 208
WORLD	794 676	821 824	833 483	68 769	70 559	71 599	68 807	70 655	71 561
Developing countries	411 533	428 668	438 163	55 160	56 890	57 671	12 598	12 140	11 639
Developed countries	383 143	393 156	395 795	13 609	13 670	13 928	56 208	58 516	59 921
LIFDC	247 389	267 126	274 090	5 958	6 219	6 398	1 381	875	827
LDC	33 448	33 784	33 671	3 990	4 016	4 055	174	138	136

¹ For production, the annual dairy cycle starting in April is applied

² For production, the annual dairy cycle starting in June is applied

³ For production, the annual dairy cycle starting in May is applied

Note: Trade values that refer to milk equivalents were derived by applying the following weights: butter (6.60), cheese (4.40), skim/whole milk powder (7.60), skim condensed/evaporated milk (1.90), whole condensed/evaporated milk (2.10), yoghurt (1.0), cream (3.60), casein (7.40), skim milk (0.70), liquid milk (1.0), whey dry (7.6). The conversion factors cited refer to the solids content method. Refer to IDF Bulletin No. 390 (March 2004)

APPENDIX TABLE 24: SELECTED INTERNATIONAL PRICES FOR MILK PRODUCTS AND DAIRY PRICE INDEX

Period	International prices				FAO dairy price index
	Butter ¹	Skim milk powder ²	Whole milk powder ³	Cheddar cheese ⁴	
Annual (Jan/Dec) (USD per tonne) (2002-2004=100) ...
2007	3 337	4 336	4 354	4 055	220
2008	3 701	3 251	3 891	4 633	223
2009	2 736	2 332	2 556	2 957	150
2010	4 270	3 081	3 514	4 010	207
2011	4 876	3 556	4 018	4 310	230
2012	3 547	3 119	3 358	3 821	194
2013	4 484	4 293	4 745	4 402	243
2014	4 010	3 647	3 868	4 456	224
2015	3 212	2 113	2 509	3 340	160
2016	3 350	1 983	2 457	3 094	154
Monthly					
2016 – October	4 213	2 314	2 874	3 631	183
2016 – November	4 328	2 299	3 125	3 613	186
2016 – December	4 497	2 307	3 273	3 725	193
2017 – January	4 479	2 337	3 234	3 756	193
2017 – February	4 409	2 332	3 249	3 825	194
2017 – March	4 730	2 121	3 063	3 688	190
2017 – April	4 994	1 935	2 990	3 438	184
2017 – May	5 205	2 004	3 188	3 619	193
2017 – June	5 938	2 156	3 273	3 900	209
2017 – July	6 438	2 085	3 296	4 031	217
2017 – August	6 724	2 031	3 417	4 008	220
2017 – September	6 950	1 951	3 372	4 151	224
2017 – October	6 306	1 856	3 198	4 125	215

¹ Butter, 82% butterfat, f.o.b. Oceania and EU; average indicative traded prices

² Skim Milk Powder, 26% butterfat, f.o.b. Oceania and EU, average indicative traded prices

³ Whole Milk Powder, 1.25% butterfat, f.o.b. Oceania and EU, average indicative traded prices

⁴ Cheddar Cheese, 39% max. moisture, f.o.b. Oceania, indicative traded prices

Note: The FAO Dairy Price Index is derived from a trade-weighted average of a selection of representative internationally-traded dairy products

Sources: FAO for indices. Product prices: Mid-point of price ranges reported by Dairy Market News (USDA)