

MILK AND MILK PRODUCTS

World milk production is forecast to grow by 1.4 percent to 831 million tonnes in 2017, with output set to expand in Asia and the Americas, stagnate in Europe and Africa, and decline in Oceania. During the first part of 2017 (January to May), prices remained generally stable overall, as recovery of milk deliveries in the EU and continued growth in output in the United States lessened supply concerns.

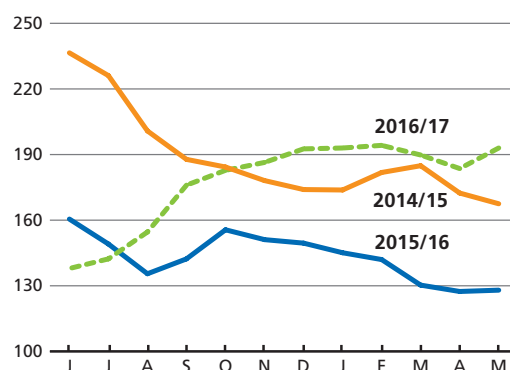
Global trade in dairy products is projected to register a second year of modest growth in 2017, rising by 1 percent to 71.8 million tonnes of milk equivalent. Continued recovery in imports by China, following the substantial drop sustained in 2015, is forecast to be the main engine for growth. Purchases by the Russian Federation, Mexico, Australia, the Philippines, Thailand, Yemen and the Republic of Korea, among others, are also projected to increase. Conversely, a fall in imports is anticipated for Brazil, Saudi Arabia, Malaysia, Viet Nam and Nigeria, while shipments to Indonesia, the United Arab Emirates, the United States and Japan are expected to remain virtually unchanged. Within the overall international market for dairy products, trade flows in skim milk powder (SMP), cheese and butter are anticipated to expand, while those of whole milk powder (WMP) could wane.

The EU, the United States, Argentina and Canada are the main exporting countries expected to see increased sales, while New Zealand, Australia and Switzerland are forecast to experience a retrenchment in shipments. Sustained milk output in the EU and a rise in production in the United States are anticipated to be the most dynamic factors affecting the international market in 2017. In Oceania, reduced milk supplies are forecast to constrain its exports, while in Belarus, the level of shipments is expected to remain unchanged, due to limited growth in import demand by the Russian Federation combined with greater competition from other sources of supply.

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

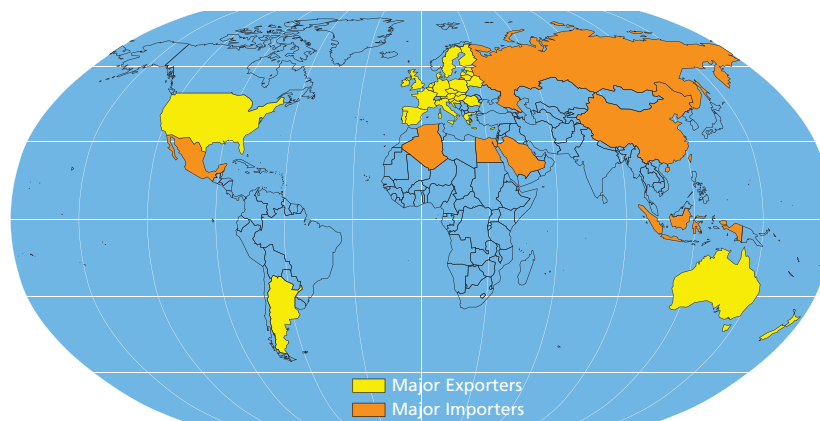


WORLD DAIRY MARKET AT A GLANCE

| | 2015 | 2016 <i>estim.</i> | 2017 <i>f'cast</i> | Change: 2017 over 2016 |
|--|------------------------------------|-----------------------|-----------------------|---|
| | <i>million tonnes, milk equiv.</i> | | | <i>%</i> |
| WORLD BALANCE | | | | |
| Total milk production | 812.1 | 819.3 | 830.5 | 1.4 |
| Total trade | 70.0 | 71.1 | 71.8 | 1.0 |
| SUPPLY AND DEMAND INDICATORS | | | | |
| Per caput food consumption: | | | | |
| World (kg/year) | 110.5 | 110.2 | 111.4 | 1.1 |
| Trade - share of prod. (%) | 8.6 | 8.7 | 8.6 | -0.3 |
| FAO DAIRY PRICE INDEX (2002-2004=100) | | | | |
| | 2015 | 2016 | 2017 | Change: Jan-May 2017 over Jan-May 2016 <i>%</i> |
| | 160 | 154 | 191 | 41.7 |

MILK AND MILK PRODUCTS

Major Dairy Exporters and Importers



PRICES

International prices largely stable during first-half of 2017

International dairy prices surged 50 percent during the second half of 2016, stemming from a declining trend in monthly milk output in the EU and uncertainty over whether or not 2016/17 production in Oceania would be sufficient to meet anticipated demand. Between January and May 2017, prices remained generally stable overall, as recovery of milk deliveries in the EU and continued growth in output in the United States lessened supply concerns.

The **FAO Dairy Price Index** averaged 193 points in May, up 9.5 points (5.1 percent) from April, almost compensating for the falls recorded in the previous two months and returning its level at the start of 2017. Compared to a year earlier, the May index averaged 65 points, or 51 percent, higher, with all commodities rising – butter by 96 percent to USD 5 205 per tonne, whole milk powder (WMP) by 55 percent to USD 3 188 per tonne, cheese by 40 percent to USD 3 619 per tonne, and skimmed milk powder (SMP) by 15 percent to USD 2 004 per tonne. In the case of butter, firm domestic demand in Europe and North America provided additional support to prices, while ample intervention stocks in the EU muted price growth for SMP.

Figure 1. Butter surges as SMP remains subdued

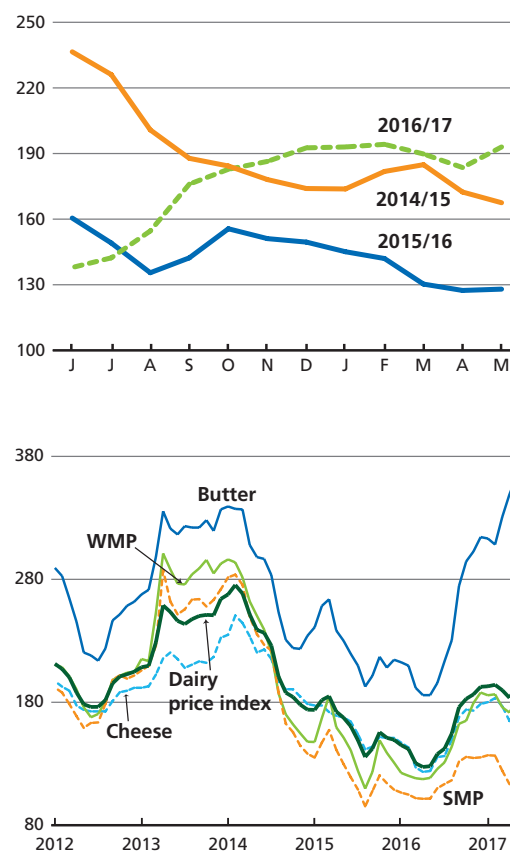


Table 1. World dairy market at a glance

| | 2015 | 2016 <i>estim.</i> | 2017 <i>f'cast</i> | Change: 2017 over 2016 |
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PRODUCTION

Asia to provide most growth

World milk production is forecast to grow by 1.4 percent in 2017 to 831 million tonnes. Output is set 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 **India**, where production is forecast to expand by 3.9 percent, or 6.3 million tonnes, to 166.6 million tonnes. Rising incomes and urbanization are fuelling demand in the country, although the small size and limited productivity of individual dairy operations and urban encroachment constitute challenges to the industry. Increased output is also anticipated in **Pakistan**, **Turkey**, the **Islamic Republic of Iran** and **Saudi Arabia**. In **China**, output is anticipated to record a second year of decline, as low domestic prices and competition from imported milk powder have weighed on profitability and led to a reduction in the national dairy herd. In **Japan** and the **Republic of Korea**, stable to lower milk production is anticipated due to the effects of herd reduction.

In *Africa*, poor pasture conditions persist in large parts of **Kenya**, **Somalia**, **Ethiopia** and **Tanzania**, following inadequate precipitation during the October-to-December 2016 rainy season, and are expected to impinge on milk production. Meanwhile, milk output in southern Africa may rise in a number of countries, including **Malawi**, **South Africa** and **Zambia**, as abundant seasonal rains have led to improvements in animal and pasture condition and alleviated some of the effects of the prolonged drought that had afflicted the subregion.

In *South America*, recovery in milk production is forecast following *El Niño*-associated extreme weather conditions, which caused overall milk production to fall by over 4 percent in the region in 2016. Milk producers in **Brazil** endured severe drought in 2015/16, which caused output to fall by 4 percent in 2016. The resultant shortage of milk triggered increased milk prices which should serve as an incentive to producers to raise output in 2017. From January to May 2017, weather conditions have been generally favourable in the main dairying areas of the central and northeastern part of the country. Consequently, Brazil's milk production is expected to recover in 2017 and could reach 34.5 million tonnes. **Argentina** and **Uruguay** both saw milk output fall by over 10 percent in 2016, mainly as a result of excessive rainfall and resultant flooding. Despite some continued heavy rainfall, the situation so far this year has not been as extreme as last year, raising hope of pastures returning to normal conditions for the coming 2017/18 season and output expanding. Improved international prices for milk products will also provide an incentive for augmented investment in the industry and greater use of supplementary feed in both countries. In **Mexico**, continued modest growth in output is foreseen – based on herd rebuilding and improvements in genetics and technology.

In *North America*, output in the **United States** is forecast to rise by 2 percent to 98.3 million tonnes, continuing the expansion witnessed in recent years. Milk deliveries in **Canada** are set to grow by almost 4 percent to 9.4 million tonnes, as quota limits for milk destined for processing were raised due to increased domestic use of butterfat.

In *Europe*, **EU** milk production is projected to increase by 0.4 percent to reach 164.2 million tonnes. Improved

Figure 2. EU intervention and export prices

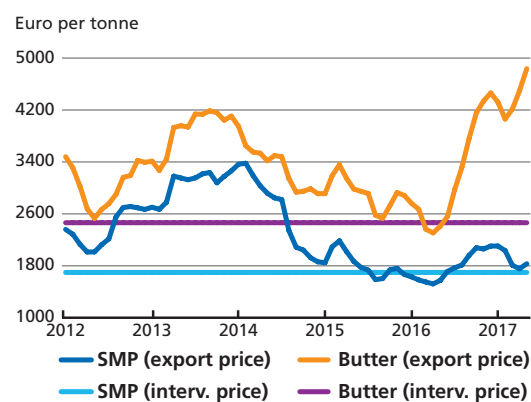


Figure 3. Dairy products/feed price ratio positive

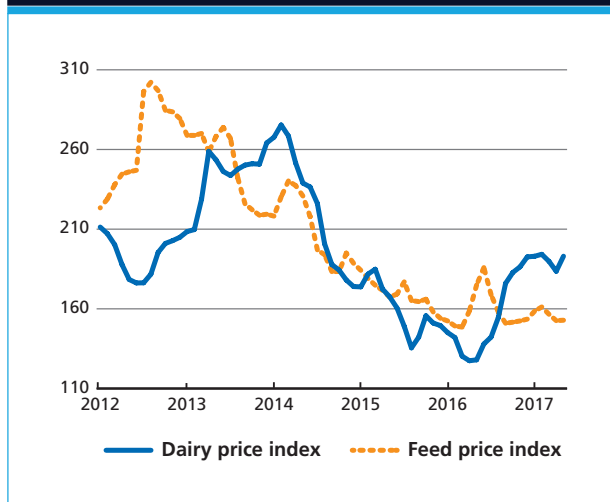


Table 2. Trade in dairy products: Principal exporting countries

| | Average 2013-15 | 2016 prelim. | 2017 f'cast | Change 2017 over 2016 |
|--------------------------|----------------------------------|-----------------|----------------|-----------------------------|
| | thousand tonnes (product weight) | | | % |
| WHOLE MILK POWDER | | | | |
| World | 2 539 | 2 532 | 2 518 | -0.5 |
| New Zealand | 1 365 | 1 343 | 1 330 | -1.0 |
| European Union* | 385 | 380 | 365 | -4.1 |
| Uruguay | 76 | 127 | 130 | 2.4 |
| Argentina | 155 | 110 | 112 | 2.3 |
| SKIM MILK POWDER | | | | |
| World | 2 082 | 2 162 | 2 221 | 2.7 |
| European Union* | 581 | 574 | 672 | 17.0 |
| United States | 556 | 567 | 602 | 6.2 |
| New Zealand | 395 | 444 | 407 | -8.3 |
| Australia | 161 | 164 | 134 | -18.1 |
| BUTTER | | | | |
| World | 947 | 968 | 986 | 1.9 |
| New Zealand | 490 | 503 | 506 | 0.7 |
| European Union* | 151 | 212 | 233 | 10.1 |
| Belarus | 74 | 84 | 82 | -2.4 |
| Australia | 42 | 31 | 34 | 9.1 |
| United States | 65 | 29 | 22 | -23.9 |
| CHEESE | | | | |
| World | 2 376 | 2 479 | 2 532 | 2.1 |
| European Union* | 742 | 800 | 825 | 3.1 |
| New Zealand | 294 | 355 | 340 | -4.2 |
| United States | 336 | 290 | 295 | 1.8 |
| Belarus | 161 | 204 | 218 | 6.7 |
| Australia | 162 | 167 | 171 | 2.1 |
| Saudi Arabia | 118 | 130 | 133 | 2.3 |

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

domestic and international prices of milk and milk products are anticipated to stimulate an increase in yields, which should more than compensate for an expected 1.6 percent decline in the dairy herd. Average EU milk prices for the first quarter of 2017 were one third higher than their lowest point in mid-2016. To a large degree, milk output in the EU is still adapting to the 2015 removal of production quotas and the resulting intensification of exposure to international market forces. In the first part of 2016, a large rise in production and limited external demand caused milk prices in EU member countries to drop substantially, forcing many producers to cut output during the second part of the year. In general, this was done by farmers retaining capital investments in terms of animals and equipment and opting instead to constrain production via reduced feeding of concentrates and delayed calving. Milk production in the **Russian Federation** is predicted to fall by 0.5 percent this year. The dairy herd is expected to continue its decline and may fall by 3 percent, although this would be largely compensated by productivity gains, as the movement towards increased large-scale production and reduced smallholder participation continues. In neighbouring **Belarus**, milk production may finish the year only slightly higher than in 2016, as lack of progression in sales to the Russian Federation has removed a major stimulant for expansion.

In **Oceania**, **New Zealand's** 2016/17 milk production is forecast to fall for the second consecutive year, dropping by 1 percent to 21.4 million tonnes. The dairy sector in New Zealand continues to feel the effects of the adjustments brought about by falling international milk product prices in 2015 and 2016, which caused farmers to increase culling rates and reduce supplementary feeding. Despite an increase in international dairy product prices, producers are expected to be cautious about investing in expanding output and to concentrate on debt repayment. In this context, New Zealand's 2017/18 season's output is posited as unchanged. In **Australia**, milk production in 2016/17 is set to plummet by 8 percent to 9.1 million tonnes, its lowest level in 21 years. This exceptional situation has stemmed from the industry having to cope with low international prices in 2015 and 2016, an unforeseen sharp and downwards revision in processor payments, and excessive rainfall in the main milk producing areas. Assuming normal weather conditions, milk production is anticipated to recover somewhat in 2017/18, assisted by growth in domestic demand and improved international prices for milk products.

TRADE

Second year of modest growth

Global trade in dairy products is projected to record a second year of modest growth in 2017, rising by 1 percent to 71.8 million tonnes of milk equivalent. Continued recovery in imports by **China**, following a substantial drop in 2015, is forecast to be the main engine for growth. Purchases by the **Russian Federation, Mexico, Australia, the Philippines, Thailand, Yemen** and the **Republic of Korea**, amongst others, are also projected to increase. Conversely, a drop in imports is anticipated for **Brazil, Saudi Arabia, Malaysia, Viet Nam** and **Nigeria**, while shipments to **Indonesia, the United Arab Emirates, the United States** and **Japan** are expected to be little changed. Within the overall international market for dairy products, trade flows in SMP, cheese and butter are anticipated to expand, while those of WMP could wane.

The **EU, the United States, Argentina** and **Canada** are the main exporting countries expected to see their sales rise, while **New Zealand, Australia** and **Switzerland** are forecast to export less. Sustained milk output in the EU and production growth in the United States are anticipated to be the most dynamic factors affecting the international market in 2017. In Oceania, reduced milk supplies will constrain exports, while in **Belarus**, external sales are expected to stagnate due to limited growth in import demand by the Russian Federation combined with a rise in competition from other sources of supply.

Whole milk powder – continued decline

World trade in WMP is projected to fall slightly in 2017, by 0.5 percent to 2.5 million tonnes, which would represent

a third year of decline. **Brazil**, which saw imports more than double in 2016, is predicted to reduce its purchases as domestic milk production recovers. Elsewhere, a second year of curtailed imports is forecast for **Saudi Arabia, Nigeria, Oman, Cuba, Algeria, Bangladesh** and the **United Arab Emirates**. Conversely, import demand by **China** is projected to recover somewhat for a second year, rising by 55 000 tonnes to 592 000 tonnes, although still remaining substantially below the 2014 peak, which reached 786 000 tonnes. **Colombia, Sri Lanka, Egypt** and the **Russian Federation** may also raise their levels of imports. The two main exporting countries, **New Zealand** and the **EU**, could place less emphasis on WMP production in 2017. The resulting shortfall may be partly filled by other countries including **Uruguay, the United States, Australia** and **Argentina**.

Skim milk powder – recovery in 2017

After dropping by 2.4 percent in 2016, trade in SMP is predicted to recover in 2017, gaining 2.7 percent to reach 2.2 million tonnes. This would mean a return to the consistent growth that had characterised this product for the preceding eight years. However, an overarching element of uncertainty that could influence the outlook is the **EU's** large intervention stocks of SMP, in excess of 400 000 tonnes as of March, equivalent to 20 percent of world trade. The European Commission sought to dispose of part of the stocks through a series of tenders that were held between December and May. However, as of May, only 40 tonnes had been disposed of because the tenders offer did not meet the minimum price required. Looking ahead, there could be a further complication, because the longer intervention stocks remain in storage and unsold,

Figure 4. WMP: Major exporters

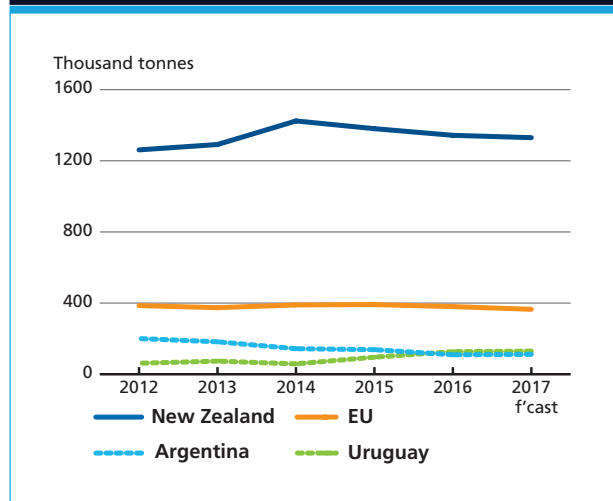
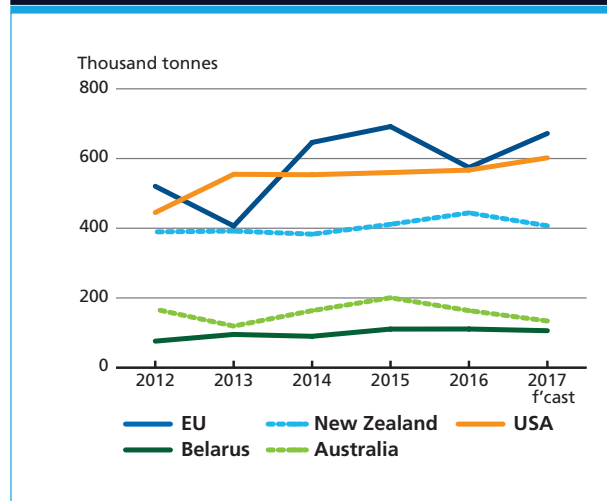


Figure 5. SMP: Major exporters

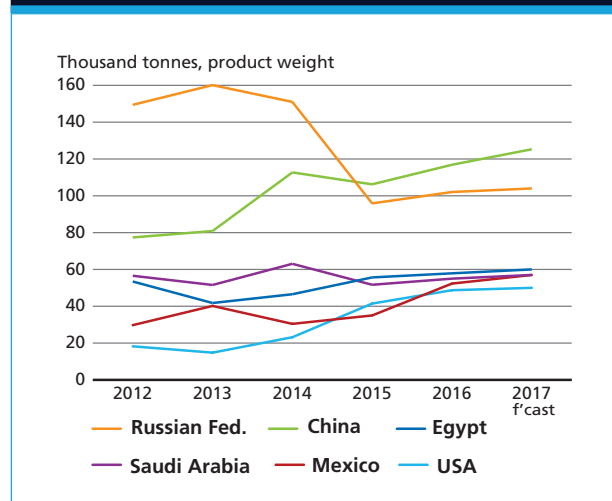


the less attractive they may become to potential purchasers due to reduced post-sale storage life. In this context, after experiencing a 17 percent drop in exports in 2016 due to SMP being channelled into intervention, the EU may see trade recover in 2017, with sales tentatively forecast to exceed 670 000 tonnes – including some sales from intervention stocks. Elsewhere, increased milk output and strong demand for butter fat in the **United States** has augmented surplus supplies of SMP, which could see exports rise by 6 percent to 600 000 tonnes. Meanwhile, as a result of constricted milk supplies, **Australia** and **New Zealand** could see manufacture and sale of SMP fall. Firm demand for SMP by the processing industry in the principal markets is expected to lead to rising imports by a number of countries including **China**, **Mexico**, the **Philippines**, **Yemen**, **Algeria** and **Thailand**, while those of **Malaysia**, **Saudi Arabia**, **Singapore**, **Japan** and **Viet Nam** may be reduced somewhat.

Butter – solid demand

Trade in butter is forecast to record a second year of growth in 2017, rising by 1.9 percent to 986 000 tonnes. As a reflection of strong international demand and limited supplies, international quotations for butter have risen substantially; for example, year-on-year for May, they rose 96 percent compared with an average of 37 percent for the other dairy commodities covered by the FAO Index. The main sources of augmented purchases are projected to be **China**, **Mexico** and **Australia**, with imports by **Egypt**, **Saudi Arabia**, the **Philippines** and the **Russian Federation** also predicted to grow. Meanwhile, greater production in the **United States** and **Canada** could limit demand for external supplies of butter.

Figure 6. Butter: Major importers



Elsewhere, other major importing countries are expected to maintain levels of purchases similar to 2016.

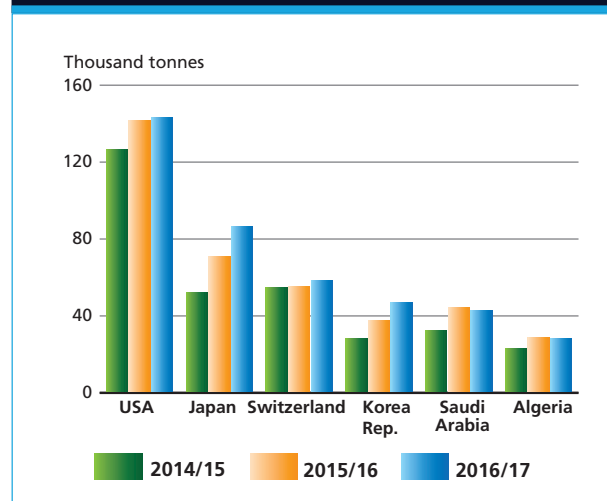
For the third consecutive year, the **EU** is projected to supply most of the rise in international demand and could witness sales up by 10 percent and total shipments exceeding 230 000 tonnes. Since 2013, EU butter exports have almost doubled, with particularly strong growth seen in China, the United States, Saudi Arabia and Egypt. In the case of **New Zealand**, the main exporter in the world, shipments of butter are likely to remain slightly above 500 000 tonnes, the same level as the previous three years. New Zealand's sale of butter to the Russian Federation almost tripled in 2016, reaching 21 000 tonnes, which may limit export opportunities for **Belarus**. Exports by the **United States** are expected to fall back due to firm domestic demand and associated strong internal prices reducing opportunities for trade.

Cheese – sustained growth

Trade in cheese is forecast to increase by 2.1 percent to a record 2.5million tonnes. Growth in imports is anticipated in all major markets, in particular **China**, the **Russian Federation**, the **Republic of Korea** and **Australia**, but also **Japan**, **Saudi Arabia**, **Mexico**, the **United Arab Emirates** and the **United States**.

The **EU** and **Belarus** are projected to provide much of the additional supply. Exports by the **EU** could rise by 3 percent to an historic high of 825 000 tonnes, the second annual increase since the Russian Federation embargo was imposed in 2014. As the Russian Federation was previously its largest market for cheese, accounting for around a third of exports, the EU has reoriented its exports, focusing on a range of countries including Japan, the United States,

Figure 7. Cheese exports: EU major markets (April-March)



the Republic of Korea, Saudi Arabia, Mexico and Egypt. Meanwhile, following the embargo, Belarus experienced considerable expansion in its sales to the Russian Federation. Continuation of this trend may see overall cheese exports by Belarus rising by a further 7 percent in 2017, to reach 218 000 tonnes. Exports by **Argentina**, the **United States**, **Turkey**, **Australia** and **Saudi Arabia**

could also increase. Stocks of cheese in the United States have grown steadily over the past two years and represent a potential source of export supply; however, domestic prices have generally remained above those prevailing internationally, limiting overseas sales. Cheese exports from **New Zealand** may decline in 2017, perhaps falling by 4 percent to 340 000 tonnes.

DAIRY: MAJOR POLICY DEVELOPMENTS MID-SEPTEMBER 2016 TO MID-MAY 2017*

| COUNTRY | PRODUCT | DATE | POLICY CATEGORY/INSTRUMENT | DESCRIPTION |
|----------------|----------------|--------|----------------------------|---|
| Argentina | Dairy products | Dec-16 | Export promotion | Announced modification of export rebates for a wide range of high value and value-added agricultural products – including milk, cream, butter, whey, yogurt and cheese – to promote diversified agro-industrial development and strengthen export competitiveness. New export rebate rates for dairy products vary from 2.5 percent to 5 percent. |
| China | Dairy products | Feb-17 | Food safety standards | Issued its 13th Five-Year Plan on Food Safety, which revises the Administrative Rules for Quality and Safety of Dairy Products. The new plan includes aligning Chinese standards with international standards, and launching a food safety risk alert system and a food importer/exporter monitoring mechanism. |
| European Union | Dairy products | Sep-16 | State market intervention | Extended the skim milk powder (SMP) intervention stock until 31 December 2016, and opened a 2017 scheme that will be valid until 30 September 2017. The European Commission began to offer the SMP intervention stock for sale from December 2016. The Private Storage Aid (PSA) scheme was renewed for 2017. |
| | Dairy products | Oct-16 | Free trade agreement | Signed the Comprehensive Economic and Trade Agreement (CETA) with Canada on 30 October 2016, which covers nearly all Canada-EU trade, including trade in dairy products. The European Parliament voted in favour of CETA on 15 February 2017. The agreement will come into full force only when all EU member states ratify it. |
| India | Dairy products | Sep-16 | Import ban extended | Extended the ban on Chinese milk and dairy products until June 23, 2017, or until further notice. |
| Indonesia | Dairy products | Oct-16 | Market access | Approved 97 US dairy plants for export to Indonesia, an increase from 90 approved in October 2015. |
| Japan | Dairy products | Apr-17 | Production support | Announced a JPY 150 million (roughly USD 1.4 million) programme to subsidize the import of replacement dairy cattle through 2019, targeting eligible dairy farmers to provide assistance in the face of rising prices of replacement heifers. |
| Rwanda | Dairy products | Mar-17 | Production support | Launched a six-year dairy development project worth USD 65.1 million aimed at addressing challenges to diversification of dairy products, contributing to Rwanda's dairy value addition and product diversification opportunities, and increasing local dairy supply and exports. |
| Turkey | Dairy products | Mar-17 | Food safety standards | Broadened the variety of dairy cattle genetics that can be imported into the country. The new list includes the top 200 proven and genomic bulls. |

* A collection of major dairy policy developments starting in January 2012 is available at: http://www.fao.org/economic/es/est-commodities/commodity-policy-archiv/eiv/groupANDcommodity=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 | 315 778 | 335 136 | 342 235 | 39 412 | 40 521 | 41 169 | 6 725 | 7 016 | 7 039 |
| China | 41 974 | 40 926 | 40 076 | 12 066 | 12 019 | 12 727 | 83 | 62 | 59 |
| India ¹ | 145 678 | 160 377 | 166 632 | 90 | 133 | 132 | 706 | 275 | 270 |
| Indonesia | 1 265 | 1 230 | 1 250 | 2 573 | 2 533 | 2 525 | 98 | 96 | 96 |
| Iran, Islamic Republic of | 6 344 | 6 440 | 6 530 | 490 | 427 | 429 | 478 | 543 | 565 |
| Japan | 7 407 | 7 420 | 7 400 | 1 845 | 1 909 | 1 917 | 6 | 8 | 8 |
| Korea, Republic of | 2 159 | 2 126 | 2 083 | 907 | 1 000 | 1 059 | 21 | 22 | 24 |
| Malaysia | 84 | 86 | 87 | 2 061 | 2 169 | 2 071 | 612 | 697 | 665 |
| Pakistan | 50 233 | 53 000 | 54 000 | 482 | 645 | 683 | 71 | 58 | 56 |
| Philippines | 20 | 20 | 20 | 1 650 | 2 505 | 2 628 | 119 | 211 | 234 |
| Saudi Arabia | 2 359 | 2 410 | 2 440 | 2 925 | 3 159 | 3 043 | 1 393 | 1 443 | 1 455 |
| Singapore | - | - | - | 1 791 | 1 622 | 1 598 | 629 | 573 | 583 |
| Thailand | 1 071 | 1 080 | 1 100 | 1 500 | 1 541 | 1 623 | 198 | 253 | 263 |
| Turkey | 18 719 | 19 900 | 20 180 | 211 | 161 | 134 | 541 | 930 | 962 |
| AFRICA | 46 610 | 46 737 | 46 819 | 10 194 | 10 096 | 10 115 | 1 144 | 1 008 | 999 |
| Algeria | 4 206 | 4 612 | 4 730 | 2 771 | 2 587 | 2 616 | 3 | 2 | 2 |
| Egypt | 5 580 | 5 630 | 5 660 | 1 674 | 1 613 | 1 651 | 473 | 363 | 357 |
| Kenya | 4 882 | 4 830 | 4 800 | 60 | 71 | 69 | 14 | 9 | 10 |
| South Africa | 3 299 | 3 180 | 3 250 | 237 | 258 | 251 | 337 | 342 | 333 |
| Sudan | 7 616 | 7 540 | 7 450 | 230 | 274 | 270 | - | - | - |
| Tunisia | 1 222 | 1 235 | 1 260 | 89 | 86 | 88 | 47 | 44 | 48 |
| CENTRAL AMERICA | 16 937 | 17 276 | 17 488 | 5 002 | 5 743 | 5 827 | 703 | 883 | 925 |
| Costa Rica | 1 081 | 1 120 | 1 130 | 55 | 67 | 68 | 162 | 160 | 170 |
| Mexico | 11 321 | 11 757 | 11 933 | 3 048 | 3 692 | 3 827 | 186 | 327 | 347 |
| SOUTH AMERICA | 64 574 | 61 391 | 63 394 | 3 179 | 3 637 | 3 500 | 4 457 | 4 035 | 4 160 |
| Argentina | 11 466 | 10 096 | 10 500 | 41 | 22 | 23 | 2 236 | 1 817 | 1 899 |
| Brazil | 34 659 | 33 021 | 34 507 | 854 | 1 659 | 1 508 | 293 | 180 | 192 |
| Colombia | 6 848 | 7 000 | 7 100 | 181 | 429 | 464 | 39 | 3 | 14 |
| Uruguay | 2 222 | 1 956 | 1 843 | 24 | 30 | 32 | 1 286 | 1 468 | 1 474 |
| Venezuela | 2 008 | 2 100 | 2 120 | 1 210 | 491 | 483 | - | - | - |
| NORTH AMERICA | 101 680 | 105 444 | 107 790 | 2 389 | 2 812 | 2 763 | 10 603 | 10 603 | 10 993 |
| Canada | 8 551 | 9 100 | 9 450 | 661 | 663 | 615 | 530 | 613 | 658 |
| United States of America | 93 127 | 96 343 | 98 339 | 1 713 | 2 132 | 2 131 | 10 071 | 9 989 | 10 333 |
| EUROPE | 217 467 | 221 833 | 222 317 | 7 399 | 6 654 | 6 803 | 23 261 | 24 814 | 25 578 |
| Belarus | 6 827 | 7 200 | 7 275 | 172 | 225 | 210 | 3 634 | 3 930 | 3 945 |
| European Union | 158 867 | 163 552 | 164 200 | 1 426 | 1 306 | 1 274 | 17 347 | 18 508 | 19 332 |
| Russian Federation | 30 527 | 30 350 | 30 195 | 4 850 | 4 223 | 4 394 | 247 | 302 | 289 |
| Ukraine | 11 069 | 10 407 | 10 251 | 144 | 49 | 47 | 663 | 646 | 641 |
| OCEANIA | 30 655 | 31 483 | 30 479 | 1 117 | 1 362 | 1 462 | 21 922 | 22 711 | 22 085 |
| Australia ² | 9 688 | 9 844 | 9 056 | 720 | 889 | 1 013 | 3 274 | 3 344 | 3 170 |
| New Zealand ³ | 20 897 | 21 568 | 21 352 | 201 | 281 | 255 | 18 645 | 19 364 | 18 911 |
| WORLD | 793 700 | 819 300 | 830 522 | 68 693 | 70 826 | 71 640 | 68 815 | 71 070 | 71 779 |
| Developing countries | 410 561 | 426 258 | 435 403 | 55 100 | 57 208 | 57 828 | 12 610 | 12 505 | 12 693 |
| Developed countries | 383 139 | 393 042 | 395 119 | 13 593 | 13 618 | 13 812 | 56 205 | 58 565 | 59 086 |
| LIFDC | 246 566 | 264 769 | 272 038 | 5 963 | 6 616 | 6 645 | 1 376 | 926 | 935 |
| LDC | 33 448 | 33 782 | 33 727 | 4 009 | 4 261 | 4 311 | 174 | 137 | 140 |

¹ Dairy years starting April of the year stated (production only)

² Dairy years ending June of the year stated (production only)

³ Dairy years ending May of the year stated (production only)

Note: Trade figures refer to the milk equivalent trade in the following products: butter (6.60), cheese (4.40), milk powder (7.60), milk whole dry (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 - May | 2 657 | 1 735 | 2 064 | 2 588 | 128 |
| 2016 - June | 2 799 | 1 879 | 2 192 | 2 825 | 138 |
| 2016 - July | 3 051 | 1 937 | 2 284 | 2 844 | 142 |
| 2016 - August | 3 296 | 1 990 | 2 506 | 3 119 | 155 |
| 2016 - September | 3 926 | 2 248 | 2 831 | 3 504 | 176 |
| 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 |

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)