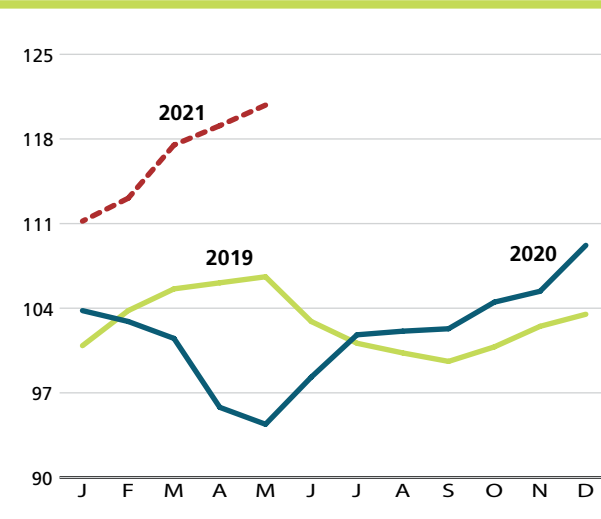


MILK AND MILK PRODUCTS

FAO's current forecasts point to expansions in production and trade in milk and milk products in 2021, despite the likely dampening effects of the COVID-19 pandemic on output and trading activities in parts of the world. Global milk output in 2021 is forecast at 921 million tonnes, an increase of 1.6 percent from 2020, with Asia accounting for the highest volume, followed by North America, Europe, South America, Oceania, Central America and the Caribbean, and Africa. Increases in dairy cattle numbers in India and Pakistan and expanding large-scale farms in China sustain Asia's milk output growth. Increasing dairy cattle and milk yields, together with improvements to farming technology, underpin the likely output expansions in most countries in the Americas. Favourable weather and pasture improvements could lessen the rising costs of feed, lifting milk production in the European Union and Oceania.

World trade in dairy products is forecast at 88 million tonnes (in milk equivalents) in 2021, a rise of 2.6 percent from 2020, with a higher import concentration in Asia, especially China. Strong economic growth prospects for 2021 and the real appreciation of the Yuan that would increase per capita consumption and expand the consumer base are behind much of the anticipated import demand growth in China. Brazil, Mexico, Indonesia and Malaysia, among others, are also expected to import more milk products. Nevertheless, widespread import curtailments elsewhere are likely, stemming from continued COVID-19 market disruptions and associated economic downturns. With the anticipated increase in dairy import demand and the implied product mix and changes in trade directions, dairy exports are forecast to increase significantly from the European Union, the United States of America, New Zealand and Australia.

FAO INTERNATIONAL DAIRY PRICE INDEX (2014-2016 = 100)



WORLD DAIRY MARKET AT A GLANCE

	2019	2020 <i>estim.</i>	2021 <i>f'cast</i>	Change: 2021 over 2020
	<i>million tonnes, milk equiv.</i>			%
WORLD BALANCE				
Total milk production	888.1	906.2	921.1	1.6
Total trade ¹	77.8	85.7	87.9	2.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	115.1	116.1	116.8	0.6
Trade - share of prod. (%)	8.8	9.5	9.5	0.9
FAO DAIRY PRICE INDEX (2014-2016=100)	2019	2019	2021 <i>Jan-May</i>	Change: Jan-May 2021 over Jan-May 2020 %
	103	102	116	16.7

¹ From 2020, the United Kingdom of Great Britain and Northern Ireland is treated as a separate country from the European Union when aggregating trade data.

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