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COMMITTEE ON COMMODITY PROBLEMS

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MEAT AND DAIRY MARKETS: OUTLOOK AND COMMODITY ISSUES

Table of Contents

	Page
2007 OUTLOOK FOR MEAT MARKETS	1
Meat prices depressed in 2006; however expected to recover in tandem with demand	1
Meat production prospects to recover in 2007 despite rising feed prices	3
Meat trade outlook buoyed by a reduction in disease-related trade restrictions	4
Meat Tables	6 - 9
2007 OUTLOOK FOR MILK AND DAIRY PRODUCTS	10
Milk production	11
Trade in major dairy products	15

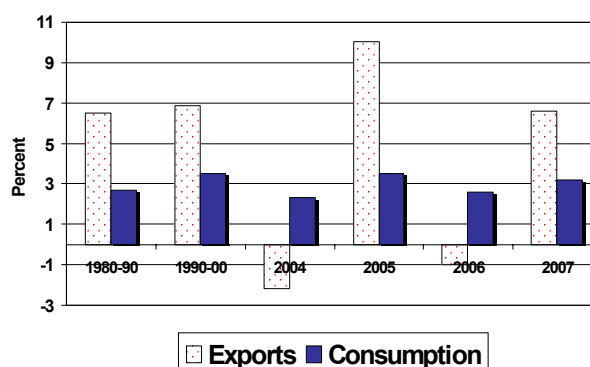
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2007 OUTLOOK FOR MEAT MARKETS

Global meat markets in 2007 are expected to gradually recover in the aftermath of animal disease outbreaks which have plagued the sector for the past years. Low poultry prices and renewed consumer confidence is forecast to induce a gradual recovery in global meat demand, expected up 3 percent to 285 million tonnes. As meat output responds to renewed meat consumption, considerable uncertainties hinge on the impact of rising feed prices on industry profitability and consumers' potential responses to rising meat prices. On the trade side, meat shipments, after witnessing an animal disease-induced cyclical pattern of losses and recoveries over the past four years, is forecast up 7 percent to 22 million tonnes. These favourable trade prospects hinge on the progressive lifting of animal disease related trade bans and a steady recovery in consumption. Key, of course, to both consumption and trade growth, however, is consumer responses to any further disease outbreaks.

Animal disease outbreaks introduce considerable volatility for meat traders

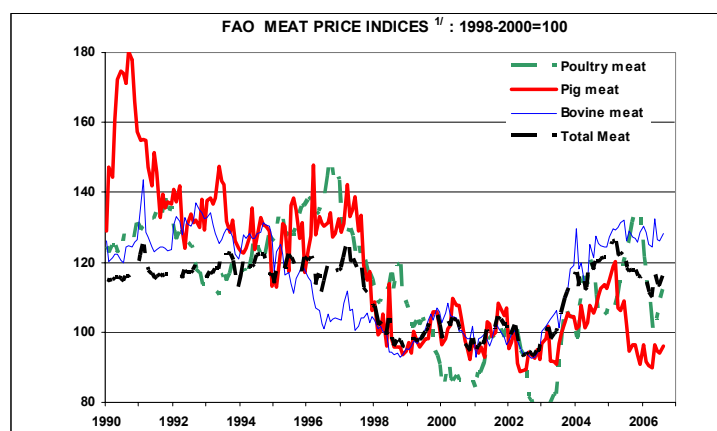
Trade flows highly volatile...



Meat prices depressed in 2006; however expected to recover in tandem with demand

Despite expectations of a gradual recovery of meat consumption and trade in 2007, meat prices in 2006 remain depressed, with the FAO meat price index-through August 2006- at 114 points, down from the 10 year peak of 124 points in mid-2005.

....and meat price movement reflect changes in demand and supply availabilities



- Poultry prices, after rising more than 30 percent in the context of AI-reduced export supplies since 2003, plummeted nearly 20 percent since mid-2005 as AI was reported in approximately 40 previously unaffected countries. Poultry prices in the United States and Brazil, the suppliers of 70 percent of global trade, dropped 40 and 25 percent respectively between mid-2005 and April 2006. Recovering demand, however, has allowed export prices to recover but not yet to pre-AI levels.
- Meanwhile, abundant meat supplies combined with languishing global poultry consumption in 2006 have put pressure on pigmeat prices, down 10 percent in mid-year 2006. While higher feed prices may pressure pigmeat prices up in 2007, continued strong supply growth from integrated US industries and a competitive exchange rate is expected to mitigate major international prices pressures in 2007. This supply growth has allowed the US share of global pigmeat exports to grow from 16 percent in 2003 to nearly a quarter of global shipments in 2007.
- Despite tight supplies of world beef supplies (induced by FMD outbreaks in Brazil, BSE trade bans on North American beef, and Argentine export bans) FAO's trade weighted average of beef prices through mid-2006 was down marginally from the 2005 average of US\$3,507. While a strong recovery in Asian beef consumption and imports in 2007 are likely to support grain fed beef prices, overall beef prices rises are expected to be moderated by increased South America exportable supplies.

INTERNATIONAL MEAT PRICE INDICES ^{1/}					
FAO indices of International Meat Prices (1998-2000=100)					
		Total meat	Poultry meat	Pig meat	Bovine meat
2000		100	87	101	102
2001		100	95	101	98
2002		96	89	93	96
2003		105	90	99	107
2004		118	109	107	122
2005		121	121	104	129
2006	(Avg.)	115	109	94	128
2006	Jan	118	122	96	131
	Feb	115	116	91	129
	Mar	112	110	91	125
	Apr	111	100	90	124
	May	117	102	96	133
	Jun	114	104	95	127
	Jul	114	108	94	126
	Aug	116	112	96	128

^{1/} Composition of the different indices :

Poultry Meat - USA : Broiler cuts, export unit value.
 Japan : Broiler Import Price (c.i.f.) : Frozen, other than leg quarters
 Brazil : Export unit value for chicken (f.o.b.)

Pig Meat - USA : Export unit value for frozen product.
 USA : Wholesale price, Pork loins 14-18 lb. - Central US.
 Japan : Pork Import Price (c.i.f.) : Frozen boneless cuts.

Bovine Meat - USA : Frozen beef, export unit value.
 Japan : Beef Import Price (c.i.f.) : Boneless cuts, fresh or chilled.
 Argentina : Export unit value of chilled and frozen beef cuts.
 Australia - Up to Oct02 : cow forequarters frozen boneless, 85% chemical lean, cif US port (East Coast) ex-dock;
 From Nov02 : chucks and cow forequarters.

Meat production prospects to recover in 2007 despite rising feed prices

- Global meat output is set to rise to 285 million tonnes, a rise of over 3 percent over 2006, in the context of a recovery in consumer confidence. An estimated 4 percent growth in meat output in developing countries is twice that expected for developed regions, pushing up their contribution to global output to 60 percent.
- The strongest meat output gains are expected to be in Asia and South America which account respectively for 42 and 12 percent of the global totals. In export-oriented South America, an easing of previous trade barriers will likely prompt an increase in slaughtering and production. FMD-related trade restrictions are expected to be lifted gradually on Brazilian beef and pigmeat while Argentine beef production is likely to be boosted by an easing of the partial export bans put in place in 2006 with the objective of dampening food inflation.

- While developed countries are set to witness output gains double the last five year average (1 percent), most of the gains will originate in the United States and drought-affected Oceania. European production is expected to increase marginally, with rising meat prices prompting a slight increase in cattle and pigmeat slaughter. European poultry production, hit by AI outbreaks in 2006, is expected to recover only slightly
- However, uncertainties facing the meat industry include the potential effects of drought-induced higher feed costs in many countries. In early November, the maize price in the United States, the major producers and exporter, soared to 10 years highs, putting pressure on livestock profitability and implying potentially higher meat prices in 2007.

World meat markets at a glance

	2005	2006	2007	Change 2007/06
	million tonnes			% ^{1/}
World Balance				
Production	269.1	275.7	284.3	3.1
Bovine meat	64.5	65.7	67.5	2.8
Poultry meat	82.2	83.1	85.5	3.0
Pigmeat	104.0	108.0	112.0	3.7
Ovine meat	13.1	13.5	13.8	2.7
Trade	20.9	20.7	22.0	6.7
Bovine meat	6.6	6.6	7.2	9.2
Poultry meat	8.4	8.2	8.7	6.4
Pigmeat	4.8	4.8	5.0	4.2
Ovine meat	0.8	0.8	0.9	4.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption :				
World (kg / year)	41.7	42.2	43.0	1.9
Developed (kg / year)	83.0	83.8	85.1	1.6
Developing (kg / year)	30.9	31.5	32.3	2.6
FAO Price Index				
1998-2000 = 100	121	115 ^{2/}	...	

^{1/} Percentage calculated on unrounded data.

^{2/} Jan-Aug 2006

Meat trade outlook buoyed by a reduction in disease-related trade restrictions

- Low meat prices and recovering consumption are setting the stage for a 7 percent rise in meat trade in 2007 to 22 million tonnes. While trade prospects for all meats appear favourable, the beef and poultry sectors are set to account for 80 of these trade gains, benefiting from a lifting of the animal disease related trade restrictions.
- Brazil, surpassing the United States as the large meat exporter in 2004, is expected to maintain its position in 2007. While their share of the global market declined in 2006 two percent points to 24 percent, Brazilian meat exports are set to expand 8 percent in 2007,

supported by increased poultry consumption in their traditional export markets in the Middle East and Africa and by easing restriction due to FMD.

- After witnessing an AI-induced 2 percent drop in poultry trade in 2006, exports are forecast to expand 6 percent, reaching a record 8.7 million tonnes in 2007. As global demand recovers to 86 million tonnes and many of the affected regions in Africa and the Middle East resume traditional importing patterns, the three largest exporters, the US, Brazil and the EU, are set to increase exports. The outlook for poultry imports by the EU, the world's third largest importer, however, are clouded by on-going discussions with Brazil and Thailand about the establishment of new quotas for salted chicken. This negotiation follows mid-year WTO panel decision which required the EU to lower tariffs of select poultry cuts.

MEAT PRODUCTION	Bovine Meat				Ovine Meat				Pig Meat				Poultry Meat				Total Meat ^{1/}			
	2004 Million tons - CWE	2005	2006	2007	2004 Million tons - CWE	2005	2006	2007	2004 Million tons - CWE	2005	2006	2007	2004 Million tons - CWE	2005	2006	2007	2004 Million tons - CWE	2005	2006	2007
World	63.1	64.5	65.7	67.5	12.7	13.1	13.5	13.8	100.4	104.0	108.0	112.0	78.9	82.2	83.1	85.5	260.3	269.1	275.7	284.3
Africa	4.6	4.8	4.7	4.8	2.0	2.1	2.1	2.2	0.8	0.8	0.9	0.9	3.4	3.5	3.4	3.5	12.1	12.5	12.4	12.7
Egypt	0.6	0.7	0.6	0.6	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.7	0.7	0.5	0.6	1.4	1.5	1.3	1.4
Nigeria	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.1	1.1	1.1	1.1
South Africa	0.7	0.7	0.7	0.7	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.9	0.9	0.9	1.0	1.9	1.9	1.9	1.9
Others	3.1	3.1	3.1	3.2	1.5	1.6	1.6	1.7	0.5	0.5	0.5	0.5	1.6	1.7	1.7	1.7	7.7	8.0	8.0	8.2
North & Central America	14.9	15.0	15.5	15.9	0.2	0.2	0.2	0.2	12.6	12.7	12.9	13.2	22.5	23.3	23.8	24.2	50.6	51.6	52.8	53.9
Canada	1.5	1.5	1.4	1.3	0.0	0.0	0.0	0.0	1.9	1.9	1.9	1.9	1.1	1.2	1.2	1.2	4.6	4.6	4.5	4.4
Mexico	1.5	1.6	1.6	1.6	0.1	0.1	0.1	0.1	1.1	1.1	1.1	1.2	2.3	2.4	2.5	2.6	5.1	5.2	5.4	5.6
USA	11.3	11.3	11.9	12.3	0.1	0.1	0.1	0.1	9.3	9.4	9.5	9.8	18.0	18.6	19.0	19.3	38.9	39.6	40.7	41.6
Others	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.4	1.1	1.1	1.1	1.2	2.0	2.1	2.1	2.2
South America	13.4	14.2	14.4	14.9	0.3	0.3	0.3	0.4	4.2	4.5	4.5	4.8	12.7	13.9	14.2	14.8	30.8	33.2	33.7	35.1
Argentina	3.0	3.2	2.8	2.9	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.8	0.9	1.1	1.2	4.2	4.4	4.3	4.4
Brazil	7.8	8.4	8.8	9.1	0.1	0.1	0.1	0.1	3.0	3.2	3.1	3.3	8.9	9.9	9.9	10.4	19.8	21.6	21.9	22.9
Colombia	0.7	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.7	0.7	0.7	0.7	1.6	1.6	1.6	1.7
Uruguay	0.5	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.6	0.7	0.7	0.7
Others	1.3	1.4	1.5	1.5	0.1	0.1	0.1	0.1	1.0	1.0	1.1	1.2	2.2	2.4	2.4	2.5	4.7	4.9	5.2	5.5
Asia	14.6	15.2	15.8	16.5	6.7	7.1	7.4	7.6	54.2	56.4	57.5	58.6	25.9	26.8	26.9	27.5	105.7	110.9	115.1	119.7
China, Mainland	6.8	7.1	7.5	7.9	4.0	4.3	4.5	4.7	47.0	50.1	53.0	55.8	13.5	13.7	13.8	14.0	72.5	76.4	80.1	83.7
India	3.0	3.1	3.3	3.5	0.7	0.7	0.7	0.7	0.5	0.5	0.5	0.5	1.7	2.0	2.0	2.2	6.0	6.5	6.7	7.0
Japan	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	3.0	3.0	3.1	3.1
Pakistan	1.0	1.0	1.0	1.1	0.5	0.5	0.6	0.6	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.4	1.9	2.0	2.0	2.0
Thailand	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.7	0.7	0.7	0.7	1.0	1.0	1.1	1.1	1.9	1.9	2.0	2.0
Others	3.1	3.2	3.3	3.3	1.5	1.6	1.6	1.6	4.8	3.9	2.0	0.3	8.2	8.5	8.3	8.6	20.3	21.0	21.2	21.8
Europe Incl. Baltics	8.8	8.6	8.7	8.8	1.3	1.3	1.3	1.2	23.1	23.0	23.2	23.4	11.7	11.7	11.4	11.5	45.9	45.5	45.6	45.9
EU ^{2/}	8.1	7.8	8.0	8.0	1.1	1.1	1.0	1.0	21.4	21.3	21.6	21.6	10.9	10.9	10.7	10.8	42.5	42.1	42.2	42.4
Switzerland	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.4	0.4	0.4	0.4
Poland ^{3/}	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	2.0	2.2	2.4	2.5	1.0	1.1	1.2	1.3	3.3	3.6	3.9	4.1
Romania	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	1.2	1.2	1.2	1.2
Serbia & Montenegro	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.5	0.6	0.6	0.6	0.1	0.1	0.1	0.1	0.8	0.8	0.9	0.9
Others	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.2	1.0	1.0	1.0	1.0
Oceania	2.9	2.9	2.9	3.1	1.2	1.2	1.2	1.3	0.5	0.5	0.5	0.5	0.9	0.9	1.0	1.0	5.9	6.0	6.0	6.3
Australia	2.2	2.2	2.2	2.4	0.6	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.7	0.8	0.8	0.9	4.0	4.1	4.2	4.4
New Zealand	0.7	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5	1.5	1.4	1.5
CIS (12)	4.0	3.8	3.7	3.6	0.6	0.6	0.6	0.6	2.8	2.8	3.1	3.3	1.8	2.1	2.5	2.9	9.4	9.5	10.1	10.7
Developed countries	29.7	29.4	29.8	30.3	3.3	3.3	3.3	3.4	39.0	38.9	39.7	40.2	36.1	37.2	37.7	38.7	109.7	110.4	112.1	114.2
Developing countries	33.4	35.1	35.9	37.2	9.4	9.8	10.1	10.5	61.4	65.2	68.4	71.9	42.9	45.1	45.4	46.9	150.8	155.9	163.7	170.3

Note: Total computed from unrounded data.

^{1/} Including Other Meat^{2/} Up to 2003 15 member countries, from 2004 25 member countries^{3/} From 2004 included in EU(25)

MEAT IMPORTS	Bovine Meat				Ovine Meat				Pig Meat				Poultry Meat				Total Meat ^v			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
	Thousand tons - CWE				Thousand tons - CWE				Thousand tons - CWE				Thousand tons - CWE				Thousand tons - CWE			
World ^z	5881.2	6547.0	6521.9	7132.7	739.3	778.1	807.0	860.1	4470.0	4776.7	4795.8	4978.0	7223.1	8236.3	8190.7	8656.7	18534.9	20579.1	20558.5	21886.4
Africa	460.7	524.4	592.4	635.9	66.3	63.9	68.5	72.4	90.0	100.5	110.5	122.3	621.0	691.0	701.2	755.5	1261.4	1406.7	1499.5	1615.0
Algeria	67.6	70.0	72.0	75.0	0.1	0.1	0.1	0.2	28.3	30.0	32.0	35.0	85.9	90.0	85.0	88.0	181.9	190.1	189.1	186.2
Egypt	160.0	190.0	240.0	250.0	0.2	0.7	0.7	1.0	0.0	0.0	0.0	0.1	3.0	4.0	25.0	30.0	163.3	194.9	265.8	281.5
South Africa	21.4	25.0	18.0	22.0	17.1	18.0	20.0	22.0	23.7	27.0	30.0	32.0	180.3	210.0	253.0	250.0	242.9	280.3	321.3	326.3
Others	211.6	239.4	262.4	288.9	48.9	45.1	47.7	48.2	37.9	43.4	48.5	55.2	351.8	387.0	338.2	387.5	673.3	741.4	723.2	809.0
North & Central America	2014.8	2048.6	1935.4	2053.5	168.4	173.5	181.7	191.5	1072.5	1062.4	1102.4	1130.3	977.8	1123.3	1145.1	1217.9	4256.7	4436.2	4392.7	4622.1
Canada	113.3	130.0	150.0	160.0	18.1	20.0	22.0	25.0	103.2	139.0	140.0	145.0	154.0	150.0	160.0	175.0	391.1	442.0	475.1	508.0
Mexico	274.6	310.0	350.0	360.0	56.4	60.0	62.0	65.0	391.2	360.0	390.0	400.0	459.2	570.0	600.0	630.0	1192.8	1315.0	1417.0	1470.0
USA	1555.4	1522.0	1340.0	1420.0	83.5	82.0	85.0	86.7	497.2	484.0	462.0	466.0	44.0	56.0	70.0	55.0	2185.6	2130.0	1983.0	2033.7
Others	71.5	86.6	95.4	113.5	10.5	11.5	12.7	14.8	80.9	99.4	110.4	119.3	320.6	347.3	315.1	357.9	487.2	549.2	537.6	610.4
South America	289.2	330.5	269.5	317.9	3.3	4.4	4.4	5.6	72.3	65.4	66.5	71.9	124.5	234.6	261.5	298.8	490.0	635.7	602.7	695.7
Argentina	3.4	3.0	2.0	1.0	0.3	0.3	0.3	0.3	28.8	20.8	19.0	20.0	2.8	7.0	10.0	10.0	35.3	31.2	31.4	31.5
Brazil	47.7	45.0	25.0	40.0	3.0	4.0	4.0	5.0	0.2	0.2	0.2	0.2	0.3	0.0	0.0	0.2	51.4	49.4	29.3	45.8
Chile	165.4	180.0	150.0	170.0	0.0	0.0	0.0	0.0	1.6	2.0	2.0	2.0	9.5	25.0	20.0	22.0	176.6	207.1	172.0	194.1
Others	72.7	102.5	92.5	106.9	0.1	0.1	0.1	0.4	41.7	42.4	45.3	49.7	111.8	202.5	231.5	266.6	226.7	348.1	369.9	424.3
Asia	1179.7	1972.8	2055.3	2288.2	226.0	241.9	254.6	270.5	2165.5	2248.4	2144.8	2174.1	2920.7	3321.0	3365.4	3648.2	7125.4	7819.7	7856.5	8417.8
China, Mainland	12.2	7.0	10.0	20.0	33.0	40.0	43.0	45.0	84.9	37.0	33.0	32.0	185.5	375.0	550.0	640.0	316.2	459.4	636.4	737.4
China, Province of Taiwan	75.5	87.0	93.0	95.0	28.2	30.0	32.0	35.0	45.7	30.0	28.0	28.0	67.0	90.0	120.0	130.0	217.1	237.6	271.6	289.0
China, Hong Kong SAR	86.0	98.0	98.0	100.0	6.0	7.0	7.0	7.0	119.2	290.0	295.0	330.0	556.9	500.0	520.0	525.0	972.2	898.8	923.5	966.0
Japan	985.4	630.0	600.0	670.0	28.5	30.0	34.0	35.0	3195.6	1220.0	1150.0	1130.0	695.3	860.0	880.0	865.0	2516.7	2752.0	2676.0	2712.0
Korea, Rep. of	200.7	225.0	235.0	280.0	2.9	4.0	5.0	6.0	218.0	325.0	250.0	220.0	76.7	100.0	130.0	135.0	503.1	660.0	626.0	647.0
Saudi Arabia	90.9	120.0	140.0	150.0	43.5	42.0	42.0	40.0	4.0	4.0	5.0	5.0	432.7	490.0	440.0	480.0	571.9	656.6	628.0	675.9
Others	729.0	805.8	879.3	973.2	83.9	88.9	91.6	102.5	298.2	342.4	385.8	425.1	906.6	906.0	725.4	873.2	2028.2	2155.3	2095.0	2390.5
Europe incl. Baltics	627.7	710.1	730.1	793.0	227.8	241.7	238.1	254.8	308.8	406.0	453.0	471.0	890.3	1026.2	1021.7	1080.2	2158.6	2490.5	2551.4	2712.7
EU ^z ^{3/}	514.0	530.0	500.0	520.0	217.4	230.0	225.0	240.0	19.0	20.0	18.0	25.0	568.4	635.0	680.0	730.0	1409.3	1508.0	1518.0	1615.0
Switzerland	13.7	17.0	25.0	30.0	6.6	7.0	8.0	8.0	17.1	20.0	25.0	25.0	44.3	45.0	47.0	50.0	93.3	100.7	116.7	124.6
Bulgaria	43.2	65.0	80.0	90.0	0.0	0.0	0.0	0.1	24.8	35.0	40.0	40.0	51.0	54.0	52.0	55.0	119.5	154.2	172.2	185.2
Czech Rep. ^{4/}	11.3	20.0	25.0	25.0	0.3	0.2	0.2	0.2	74.9	135.0	150.0	150.0	53.1	50.0	48.0	45.0	143.3	209.2	227.5	224.0
Poland ^{4/}	2.2	4.0	4.0	5.0	0.1	0.1	0.1	0.1	107.4	175.0	180.0	190.0	74.1	65.0	70.0	75.0	183.9	244.1	254.1	270.1
Others	56.8	98.1	125.1	153.0	3.8	4.7	5.1	6.6	247.9	331.0	370.0	381.0	226.7	292.2	242.7	245.2	536.6	727.6	744.6	787.8
Oceania	40.0	45.4	46.5	49.0	44.4	49.1	50.0	53.3	97.8	118.2	109.3	120.3	37.5	43.4	39.6	46.6	223.0	260.2	248.8	273.1
Australia	8.3	14.0	14.0	14.0	0.4	1.0	1.0	3.0	55.8	85.0	75.0	85.0	0.7	1.0	1.0	1.0	76.4	101.8	91.8	102.0
New Zealand	9.7	10.0	10.0	10.0	1.9	2.0	2.0	3.0	23.4	24.0	25.0	26.0	0.1	0.2	0.2	0.0	35.4	36.5	37.4	39.2
Papua New Guinea	5.7	6.0	6.0	7.0	25.9	28.0	25.0	30.0	1.3	1.0	1.0	1.0	1.6	2.0	1.0	2.0	35.2	37.8	37.9	41.0
CIS (12)	668.7	912.8	890.1	993.2	3.9	4.4	10.4	12.4	689.2	771.2	804.7	883.4	1648.6	1793.6	1652.0	1605.3	3013.6	3521.2	3396.1	3539.8
Russian Federation	611.8	800.0	750.0	820.0	3.8	4.0	10.0	12.0	437.2	600.0	635.0	680.0	1116.8	1335.0	1310.0	1225.0	2289.9	2774.0	2740.0	2777.0
Ukraine	4.8	42.0	50.0	65.0	0.0	0.0	0.0	0.0	76.6	75.0	55.0	70.0	297.3	137.0	76.0	58.0	379.1	254.6	181.5	194.0
Other CIS	52.0	70.8	90.1	108.2	0.1	0.4	0.4	0.4	85.1	96.2	114.7	133.4	234.4	321.6	266.0	322.9	374.6	492.6	474.6	568.8
Developed countries ^{2/}	3676.9	4053.8	3852.1	4192.2	351.4	399.9	413.3	441.0	2876.9	3136.3	3139.7	3238.5	3613.3	4037.0	4037.9	4031.5	10707.3	11855.0	11613.1	12084.7
Developing countries	2206.1	2493.9	2669.4	2940.6	359.9	380.1	395.6	420.5	1590.2	1637.3	1653.0	1736.5	3604.2	4132.6	4145.2	4617.6	7822.9	8716.8	8936.4	9792.7

Note: Total computed from unrounded data.

^v Including Other Meat^{2/} Excluding EU Intra-trade^{3/} Up to 2003-15 member countries, from 2004-25 member countries^{4/} From 2004 included in EU(25)

MEAT EXPORTS	Bovine Meat				Ovine Meat				Pig Meat				Poultry Meat				Total Meat ^{1/}			
	2004 Thousand tons - CWE	2005	2006	2007	2004 Thousand tons - CWE	2005	2006	2007	2004 Thousand tons - CWE	2005	2006	2007	2004 Thousand tons - CWE	2005	2006	2007	2004 Thousand tons - CWE	2005	2006	2007
World ^{2/}	6068.7	6635.0	6555.9	7159.3	714.2	777.5	817.6	854.8	4454.4	4799.4	4821.5	5023.4	7483.2	8399.3	8170.3	8697.3	18993.0	20852.3	20653.3	22029.9
Africa	56.7	53.7	54.6	58.2	3.6	4.3	4.3	5.6	8.4	8.5	8.7	8.8	10.6	14.4	16.2	17.2	84.3	88.2	91.0	97.9
Burkina Faso	13.6	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.9	15.3	15.3	15.1
Nigeria	27.0	29.0	30.0	30.0	0.1	0.0	0.0	0.0	0.2	0.8	0.8	0.9	10.5	0.1	0.1	0.2	27.6	30.9	31.9	32.1
Others	16.1	9.7	9.6	13.2	3.5	4.3	4.3	5.6	8.2	7.8	7.8	7.9	10.5	14.3	16.1	17.1	42.9	42.0	43.8	50.8
North & Central America	850.7	946.3	1049.4	1206.9	7.7	8.4	15.4	20.4	1784.1	2077.6	2218.8	2290.5	2771.7	3028.6	3111.5	3192.8	5454.1	6102.4	6436.6	6752.6
Canada	555.6	550.0	450.0	435.0	0.3	0.4	0.4	0.4	879.6	980.0	1000.0	1020.0	103.2	135.0	130.0	135.0	1555.6	1683.4	1598.4	1605.4
Nicaragua	51.5	40.0	35.0	45.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.3	0.3	0.3	0.4	51.9	40.6	35.6	46.1
USA	202.0	303.0	506.0	660.0	7.4	8.0	15.0	20.0	842.3	1030.0	1146.0	1193.0	2652.1	2877.0	2865.0	3040.0	3725.4	4240.0	4654.0	4935.0
Others	41.6	53.3	58.4	66.9	0.0	0.0	0.0	0.0	62.2	67.5	72.7	77.2	16.1	16.3	16.2	17.4	121.2	138.4	148.7	163.0
South America	2427.7	2944.4	2840.7	3136.1	20.1	26.3	27.3	29.4	688.1	846.8	862.4	777.3	2767.8	3202.2	2953.2	3183.2	5974.3	7091.9	6575.5	7196.2
Argentina	537.6	660.0	430.0	530.0	6.6	9.0	8.0	8.0	0.4	0.4	1.0	1.0	70.1	90.0	95.0	120.0	653.0	797.4	572.0	695.0
Brazil	1433.6	1660.0	1700.0	1850.0	0.0	0.0	0.0	0.1	598.1	730.0	570.0	650.0	2628.2	3020.0	2755.0	2950.0	4680.8	5432.0	5047.0	5473.1
Uruguay	322.4	400.0	450.0	460.0	7.9	11.0	12.0	14.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	336.5	417.6	468.8	481.0
Others	134.1	224.4	260.7	296.1	5.6	6.3	7.3	7.3	89.6	116.3	111.3	121.3	69.4	92.2	103.2	113.2	304.0	444.9	487.8	543.1
Asia	411.5	521.4	598.0	629.8	40.3	45.1	49.9	53.3	629.6	557.9	563.1	594.2	899.4	1138.4	1209.3	1345.3	2016.6	2301.5	2461.5	2662.4
China, Mainland	53.4	83.0	80.0	75.0	24.0	27.0	30.0	32.0	512.6	480.0	475.0	490.0	330.9	420.0	435.0	450.0	944.7	1034.0	1044.5	1071.0
India	307.5	390.0	465.0	500.0	8.9	10.0	11.0	12.0	0.5	1.0	1.1	1.0	1.6	2.0	0.0	0.0	319.5	403.8	478.0	514.0
Thailand	2.6	3.0	3.0	3.0	0.0	0.0	0.0	0.0	8.0	10.0	10.0	12.0	319.3	380.0	440.0	450.0	329.9	393.0	453.0	465.0
Others	48.0	45.4	50.0	51.8	7.4	8.1	8.9	9.3	108.5	66.9	77.0	91.2	247.4	336.4	334.3	445.3	422.4	470.7	486.0	612.4
Europe incl. Baltics	355.4	252.2	193.2	196.0	17.1	17.9	19.8	20.0	1242.9	1156.6	1208.7	1219.5	977.0	915.7	812.8	888.5	2670.2	2421.9	2316.8	2407.3
EU ^{2/} ^{3/}	346.0	240.0	180.0	180.0	3.3	3.0	3.0	3.0	1226.9	1140.0	1190.0	1200.0	946.0	885.0	785.0	850.0	2599.4	2343.0	2238.0	2313.0
Czech Rep. ^{4/}	13.4	10.0	10.0	12.0	0.0	0.0	0.0	0.0	20.9	30.0	35.0	35.0	25.0	31.0	35.0	38.0	61.5	73.2	82.1	86.9
Hungary ^{4/}	7.4	8.0	9.0	12.0	0.5	0.5	0.5	0.5	94.8	100.0	105.0	110.0	118.1	90.0	100.0	110.0	227.1	203.3	219.5	238.5
Poland ^{4/}	74.4	80.0	75.0	70.0	0.1	0.1	0.1	0.1	180.6	185.0	270.0	280.0	131.4	185.0	200.0	220.0	404.1	470.1	567.1	594.1
Others	9.4	12.2	13.2	16.0	13.8	14.9	16.8	17.0	16.0	18.6	18.7	19.5	29.0	30.7	27.8	38.5	70.8	78.9	78.8	94.3
Oceania	1811.0	1789.8	1752.9	1862.3	624.4	675.0	700.0	725.0	51.3	45.4	48.4	46.7	25.8	27.3	31.3	34.1	2554.2	2579.7	2574.8	2713.5
Australia	1263.5	1257.0	1270.0	1350.0	275.1	310.0	325.0	340.0	51.0	45.0	48.0	46.0	21.4	22.0	23.0	27.0	1627.8	1651.0	1685.0	1781.0
New Zealand	544.4	530.0	480.0	510.0	349.3	365.0	375.0	385.0	0.2	0.3	0.3	0.3	3.9	5.0	6.0	7.0	922.8	925.3	886.3	925.3
CIS (12)	155.8	127.2	67.1	70.0	0.9	0.5	0.9	1.1	49.9	104.6	91.4	91.4	31.0	32.8	36.1	36.2	239.1	266.5	197.0	200.0
Russian Federation	8.8	4.0	4.0	4.0	0.0	0.0	0.0	0.0	11.1	18.0	15.0	15.0	0.8	0.8	0.8	1.0	21.5	23.5	20.5	20.6
Ukraine	86.5	65.0	1.0	1.0	0.1	0.2	0.1	0.1	15.0	18.0	5.0	5.0	11.8	12.0	12.0	12.0	113.7	95.6	18.5	18.6
Other CIS	60.6	58.2	62.1	65.0	0.8	0.3	0.7	0.9	23.8	68.6	71.4	71.4	18.3	20.0	23.3	23.2	104.0	147.5	157.9	160.9
Developed countries ^{2/}	3090.0	3025.4	2972.3	3229.0	650.3	701.8	736.2	766.6	3067.5	3320.1	3496.0	3571.8	3808.6	4009.4	3998.8	4159.7	10779.9	11223.0	11374.3	11902.7
Developing countries	2979.2	3609.6	3583.6	3930.4	64.0	75.7	81.4	88.2	1391.0	1483.4	1329.8	1455.6	3674.8	4350.3	4172.0	4538.1	8218.0	9633.9	9284.0	10131.9

Note : Total computed from unrounded data.

^{1/} Including Other Meat^{2/} Excluding EU (15) intra-trade^{3/} Up to 2003 15 member countries¹, from 2004 25 member countries^{4/} From 2004 included in EU(25)

MEAT CONSUMPTION																					
		Bovine Meat				Ovine Meat				Pig Meat				Poultry Meat				Total Meat ^{1/}			
		2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
		Million tons - CWE				Million tons - CWE				Million tons - CWE				Million tons - CWE				Million tons - CWE			
World		63.1	64.4	65.7	67.5	12.7	13.1	13.5	13.8	100.5	103.9	108.1	112.0	78.6	82.1	83.2	85.4	299.9	268.9	275.6	284.2
Africa	Egypt	5.0	5.2	5.2	5.3	2.1	2.1	2.2	2.2	0.9	0.9	1.0	1.0	4.0	4.2	4.0	4.2	13.3	13.8	13.8	14.2
	Nigeria	0.8	0.8	0.8	0.8	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.7	0.7	0.6	0.6	1.6	1.7	1.6	1.7
	South Africa	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.1	2.2	2.2	2.3
	Others	3.3	3.4	3.4	3.5	1.6	1.6	1.7	1.7	0.5	0.5	0.6	0.6	2.1	2.2	2.1	2.2	8.5	8.8	8.9	9.1
	North & Central America	16.0	16.1	16.4	16.7	0.4	0.4	0.4	0.4	11.9	11.7	11.8	12.0	20.7	21.3	21.9	22.2	49.4	50.0	50.7	51.8
	Canada	1.1	1.1	1.1	1.1	0.0	0.0	0.0	0.0	1.2	1.1	1.0	1.0	1.2	1.2	1.2	1.2	3.4	3.4	3.3	3.3
	Mexico	1.8	1.8	1.9	2.0	0.1	0.1	0.2	0.1	1.4	1.4	1.4	1.5	2.7	3.0	3.1	3.2	6.2	6.5	6.7	6.9
	USA	12.6	12.6	12.7	13.0	0.2	0.2	0.2	0.2	9.0	8.8	8.9	9.1	15.4	15.7	16.2	16.2	37.4	37.5	38.0	38.7
	Others	0.6	0.6	0.7	0.7	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.5	1.4	1.4	1.4	1.5	2.4	2.6	2.6	2.7
	South America	Argentina	11.2	11.6	11.8	12.1	0.3	0.3	0.3	0.3	3.6	3.7	3.9	4.1	10.1	11.0	11.5	11.9	25.4	26.7	27.7
Brazil		2.5	2.5	2.4	2.3	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.8	0.8	1.0	1.0	3.6	3.7	3.7	3.8
Colombia		0.7	0.7	0.7	0.8	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.7	0.7	0.7	0.7	1.5	1.6	1.6	1.7
Venezuela		0.4	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.8	0.9	1.0	1.0	1.3	1.5	1.6	1.7
Others		1.2	1.1	1.1	1.2	0.1	0.1	0.1	0.1	0.8	0.8	0.9	1.0	1.6	1.6	1.7	1.7	3.7	3.8	3.9	4.1
Asia		16.0	16.7	17.3	18.2	7.3	7.7	7.9	8.2	57.9	61.2	64.5	67.5	27.9	29.0	29.1	29.8	110.8	116.4	120.5	125.5
Europe Incl.Baltics	China, Mainland	6.7	7.0	7.4	7.9	4.0	4.3	4.5	4.7	46.6	49.7	52.6	55.3	13.3	13.6	13.9	14.2	71.9	75.9	79.7	83.4
	India	2.7	2.7	2.8	3.0	0.7	0.7	0.7	0.7	0.5	0.5	0.5	0.5	1.7	2.0	2.0	2.2	5.5	6.1	6.2	6.5
	Japan	1.1	1.1	1.1	1.2	0.0	0.0	0.0	0.0	2.4	2.4	2.4	2.4	1.9	2.1	2.2	2.2	5.7	5.8	5.8	5.8
	Korea, Rep	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	1.3	1.3	1.3	1.3	0.5	0.6	0.7	0.7	2.2	2.5	2.5	2.5
	Philippines	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0	1.4	1.4	1.5	1.5	0.7	0.7	0.7	0.7	2.6	2.5	2.6	2.6
	Viet Nam	0.2	0.3	0.3	0.3	0.0	0.0	0.0	0.0	2.0	2.3	2.4	2.6	0.4	0.4	0.4	0.4	2.7	3.0	3.1	3.3
	Others	4.4	4.7	4.8	5.0	2.5	2.6	2.7	2.7	3.6	3.7	3.8	3.8	9.3	9.6	9.2	9.5	20.1	20.7	20.7	21.3
	EU ^{2/}	9.1	9.0	9.2	9.4	1.5	1.5	1.5	1.5	22.2	22.2	22.5	22.6	11.6	11.8	11.6	11.7	45.3	45.6	45.9	46.2
	Switzerland	0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.5	0.5	0.5	0.6
	Bulgaria	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.5	0.5	0.5	0.5
Oceania	Czech, Rep. ^{3/}	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.5	0.5	0.5	0.3	0.3	0.2	0.2	0.8	0.8	0.8	0.8
	Hungary ^{1/}	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.9	0.9	0.9	1.0
	Poland ^{3/}	0.3	0.2	0.2	0.3	0.0	0.0	0.0	0.0	1.9	2.1	2.3	2.4	0.9	1.0	1.1	1.1	3.1	3.3	3.6	3.8
	Romania	0.2	0.2	0.3	0.3	0.1	0.1	0.1	0.1	0.7	0.7	0.7	0.7	0.5	0.6	0.5	0.5	1.4	1.6	1.6	1.6
	Serbia & Montenegro	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.1	0.1	0.1	0.1	0.9	0.9	0.9	0.9
	Others	0.2	0.2	0.3	0.3	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.8	0.8	0.8	0.9
	Australia	1.2	1.2	1.2	1.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.9	0.9	1.0	1.0	3.6	3.7	3.7	3.9
	New Zealand	1.0	1.0	1.0	1.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.7	0.8	0.8	0.8	2.4	2.5	2.6	2.7
	Others	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.6	0.5	0.6
	CIS (12)	4.5	4.6	4.5	4.6	0.6	0.6	0.6	0.6	3.4	3.5	3.9	4.1	3.4	3.9	4.1	4.5	12.2	12.7	13.3	14.0
Developed countries		30.4	30.4	30.6	31.2	3.0	3.0	3.0	3.0	38.8	38.7	39.4	39.9	35.9	37.2	37.8	38.5	109.6	111.0	112.3	114.3
Developing countries		32.7	34.0	35.0	36.2	9.7	10.1	10.5	10.8	61.7	65.3	68.8	72.1	42.7	45.0	45.4	47.0	150.4	158.0	163.3	169.9

Note: Total computed from unrounded data.

^{1/} Including Other Meat^{2/} Up to 2003 15 member countries, from 2004 25 member countries^{3/} From 2004 included in EU(25)

2007 OUTLOOK FOR MILK AND DAIRY PRODUCTS

PRICES

International dairy product prices trended down in 2006, but are now showing strength

- FAO's index of international dairy product prices (Figure 1) reached their last cyclical peak in September 2005, but fell 11% during the next 12 months. In October, 2006 they turned up again largely reflecting lower supplies from the European Union and limited supplies from Australia. Firm demand continues in Asia and North Africa.
- For October 2006, year over year changes in prices for milk products have been steady for skim milk powder, as supplies of this product have been reduced in favour of higher whole milk powder supplies. Butter and whole milk powder prices have declined given higher supplies and weaker demand. Cheese prices remain firm under steady demand.
- EU restitutions for milk products have fallen marginally in 2006, and in October were 520€, 995€, and 500€ per tonne for whole milk powder, butter and cheddar cheese respectively. Restitutions for skim milk powder have been nil since May 2006.
- Considerable price uncertainty remains for 2007, depending on the export supply situation from Europe and Oceania weighed against stronger supplies from South American countries. International demand for dairy products is expected to remain firm.

Figure 1. FAO Dairy Price Index (1998-2000 = 100)

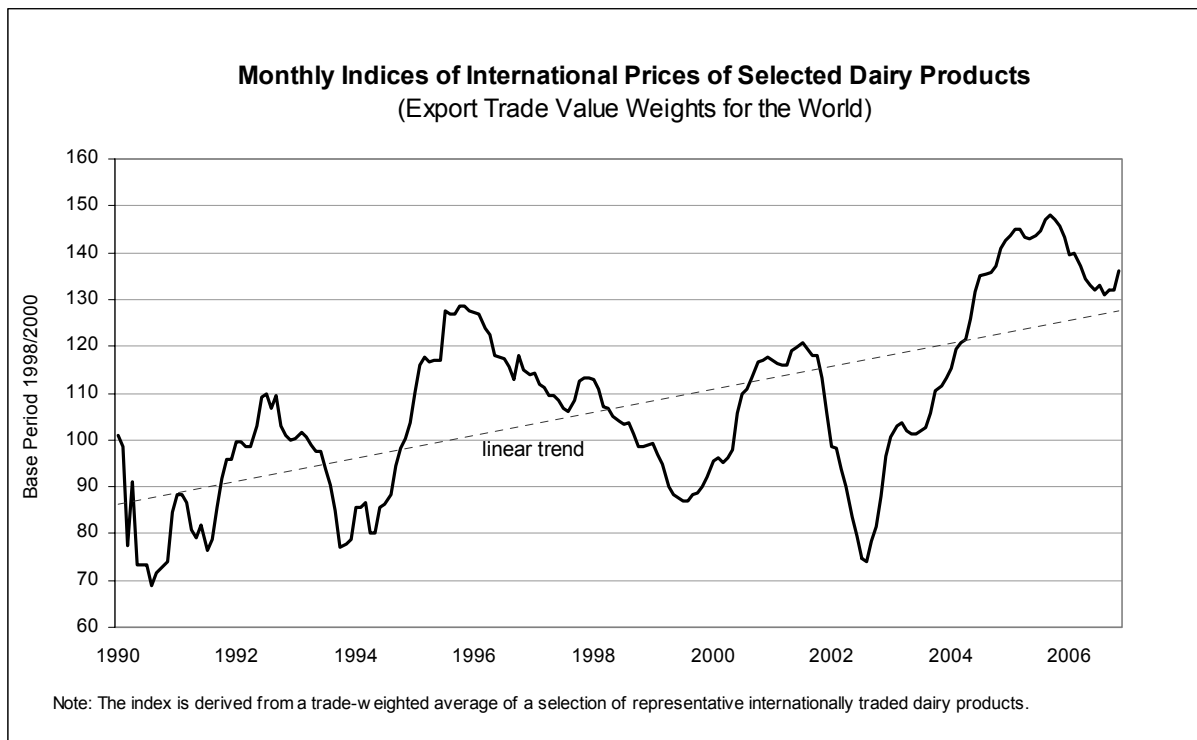


Table 1: Selected international prices for milk products

PERIOD	International Prices (<i>US\$ per tonne</i>)				FAO Dairy Price Index
	Butter ¹	Skim Milk Powder ²	Whole Milk Powder ³	Cheddar Cheese ⁴	(1998-2000=100)
Annual (January/December)					
2002	1 056	1 380	1 389	1 690	86
2003	1 372	1 761	1 804	1 864	105
2004	1 788	2 018	2 021	2 611	130
2005	2 128	2 223	2 261	2 838	145
2006 (January/October)	1 768	2 132	2 124	2 671	135
Monthly					
2005 – October	2 119	2 250	2 300	2 900	147
2005 – November	2 050	2 238	2 269	2 900	146
2005 – December	2 000	2 175	2 250	2 875	143
2006 – January	1 950	2 163	2 175	2 750	139
2006 – February	1 932	2 182	2 188	2 750	140
2006 – March	1 863	2 150	2 157	2 700	137
2006 – April	1 800	2 100	2 125	2 650	134
2006 – May	1 763	2 075	2 100	2 657	133
2006 – June	1 725	2 050	2 063	2 657	132
2006 – July	1 700	2 075	2 100	2 657	133
2006 – August	1 638	2 088	2 088	2 625	131
2006 – September	1 638	2 169	2 082	2 600	132
2006 – October	1 675	2 263	2 163	2 625	136

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

² Skim Milk Powder, 1.25% butterfat, f.o.b. Oceania; indicative traded prices

³ Whole Milk Powder, 26% butterfat, f.o.b. Oceania; indicative traded prices

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

MILK PRODUCTION

Strong growth in world milk production continues, but falling share of oceania is increasingly evident

- World milk production (Table 2) is expected to reach 655.7 million tonnes in 2006, an increase of over 2 percent from 2004, encouraged in part by high international product prices. Preliminary projections for 2007 are for this growth to continue.
- Developing countries as a group are quickly increasing production share as they grow at over 4 percent, while Developed countries show near zero growth.
- Milk production in the EU has declined in 2006, and prospects are for no growth in 2007. This situation is due to drought in parts of the region, but importantly to policy reforms in recent years that has decoupled farm payments from production.
- Asia is the source of global growth, with reports that milk production in China continues to surge at 20 percent per year. India, the world's largest single producing country continues to grow over 3 percent per year. Pakistan continues also to grow over 3 percent.

- Emerging export suppliers in South America continue to grow strongly, with Argentina's milk production up 8 percent in 2006. Uruguay production is almost 2 percent higher in 2006. Brazil's production continues to rise in the 3 percent range and its net export position of the previous year will be confirmed if growth continues.
- Milk production in Ukraine, one of Europe's emerging exporters, fell 4 percent in 2006, largely as a result of import bans by the Russian Federation, but growth is expected to resume in 2007, if the trade situation is clarified.
- While New Zealand has resumed growth in the past two years, its production is lower than its previous trend. Australia's production has remained flat after policy reforms and difficult weather conditions in recent years, including drought in 2006. Total Oceanic production has not maintained its growth of the late 1990s and early 2000s (see Figure 3).
- Milk production in Africa continues to struggle, with Egypt, the region's largest producer, falling almost 8 percent in 2006 due to outbreaks of animal diseases including lumpy skin (LSD) and foot and mouth (FMD) diseases.

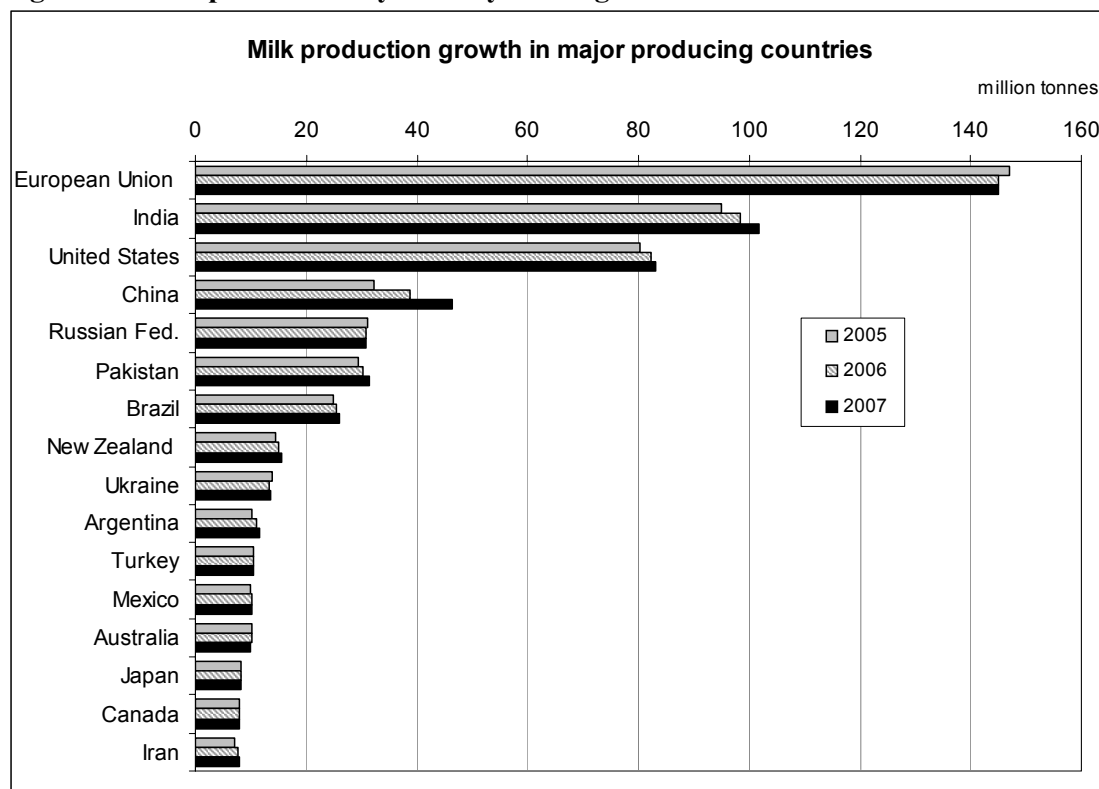
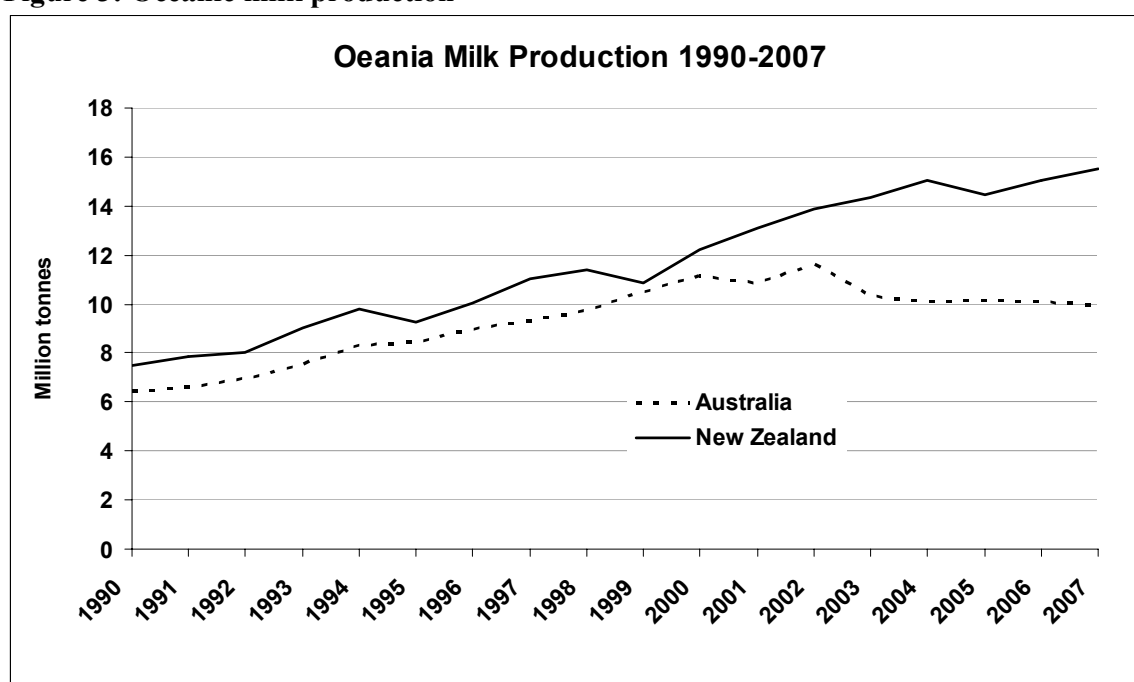
Figure 2: Milk production by country and region**Figure 3: Oceanic milk production**

Table 2: World milk production by country and region

	MILK PRODUCTION (million tonnes in milk equivalent)			Year over year growth (%)	
	2005	2006	2007	2006	2007
ASIA	214.9	226.3	238.8	5.3	5.5
China 1/	32.4	38.8	46.4	19.8	19.8
India 2/	95.1	98.4	101.9	3.5	3.5
Indonesia	0.7	0.7	0.7	0.0	-2.0
Iran, Islamic Rep. of	7.1	7.5	8.0	6.3	6.5
Japan	8.3	8.2	8.2	-1.4	-0.2
Korea, Rep. of	2.2	2.2	2.2	-1.0	-1.0
Pakistan	29.5	30.4	31.3	3.0	3.1
Saudi Arabia	1.2	1.2	1.2	0.5	0.4
Thailand	0.9	1.0	1.0	10.0	3.3
Turkey	10.5	10.5	10.5	0.0	-0.6
Others in Asia	27.13	27.49	27.5	1.3	0.2
AFRICA	31.1	30.7	30.4	-1.3	-0.9
Algeria	1.7	1.8	1.8	3.2	3.0
Egypt	5.5	5.1	4.7	-7.8	-7.8
Kenya	3.0	2.9	2.9	-3.0	0.0
South Africa	2.9	2.9	2.9	0.0	-1.0
Sudan	5.1	5.1	5.1	0.0	0.1
Tunisia	1.0	1.0	1.1	7.7	2.9
Others in Africa	11.9	11.9	12.0	-0.2	0.6
CENTRAL AMERICA	15.9	16.0	16.3	1.2	1.4
Costa Rica	0.8	0.8	0.9	4.9	2.5
Mexico	10.0	10.2	10.3	1.4	1.0
Others in Central America	5.1	5.1	5.1	0.1	1.8
SOUTH AMERICA	51.4	53.2	54.6	3.5	2.6
Argentina	10.1	10.9	11.5	8.0	5.0
Brazil	24.7	25.5	26.1	3.0	2.5
Colombia	6.8	6.8	6.8	1.0	0.0
Uruguay	1.6	1.7	1.7	1.9	0.6
Venezuela	1.3	1.3	1.3	5.0	0.0
Others in South America	6.9	7.0	7.2	1.4	2.9
NORTH AMERICA	88.2	90.6	90.9	2.7	0.4
Canada	8.1	8.0	7.9	-0.9	-1.3
United States	80.3	82.5	83.0	2.8	0.6
EUROPE	215.9	213.7	214.1	-1.0	0.2
European Union 3/	146.9	144.9	145.1	-1.3	0.1
Romania	6.1	6.1	6.2	1.2	0.9
Russian Fed.	31.0	30.9	30.8	-0.3	-0.4
Ukraine	13.8	13.3	13.5	-4.0	1.6
Others in Europe	18.2	18.4	18.5	1.4	0.5
OCEANIA	24.7	25.2	25.6	2.2	1.4
Australia 4/	10.1	10.1	10.0	-0.3	-0.9
New Zealand 5/	14.5	15.0	15.5	4.0	3.0
Others in Oceania	0.1	0.1	0.1	0.0	-4.3
WORLD	642.0	655.7	670.7	2.1	2.3
Developing Countries	286.3	299.0	312.8	4.4	4.6
Developed Countries	355.9	356.7	357.8	0.2	0.3
LIFDC 6/	209.4	219.7	231.4	4.9	5.4
LDC 7/	21.4	21.4	21.5	0.0	0.5
NFIDC 7/	46.3	47.3	48.2	2.1	2.0

Source: FAO

Note: Totals computed from unrounded data. 2006 refers to FAO estimates, 2007 refers to FAO forecasts. The solids content method was used to calculate milk equivalents. ME multiplication factors used: butter 6.60, cheese (from whole cow milk) 4.40, cheese (from skim cow milk) 2.00, milk powder 7.60. Regarding assumptions and approaches in calculation of milk equivalents please refer to the IDF Bulletin No. 390 (March 2004). Differences between total imports and total exports are due to many factors, including the timelag between dispatch and arrival of goods between countries and/or different classification/data reporting systems.

1/ Including Taiwan Province.

2/ Dairy years starting April of the year stated.

3/ Excluding trade between the 25 EU member countries.

4/ Dairy years ending June of the year stated.

5/ Dairy years ending May of the year stated.

6/ Low Income Food Deficit Countries (LIFDC) refer to food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$145 in 2002).

7/ The Least Developed Countries (LDC) and Net Food Importing Developing Countries (NFIDC) groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on LDC and NFIDC.

TRADE IN MAJOR DAIRY PRODUCTS

Dairy product trade continues relatively stagnant in 2006, largely due to lower supplies from the European Union

- Exports from the EU have fallen significantly in recent years. This trend is expect to continue, and is largely a result of both policy reform and EU expansion.
- Export supplies are resuming in Oceania, particularly from New Zealand. However, Australia's export situation is constrained by stagnant milk production.
- Whole milk powder supplies are increasing, as it has more favourable demand in developing countries given its contents of both milk fat and proteins. Skim milk powder demand is lower. Over 90 percent of milk powder imports are by developing countries.
- Cheese remains by far the largest traded milk product in value terms, even if by volume terms is now exceeded by WMP. The majority of such trade is among developed countries, and is affected largely by tariff rate quotas.

Table 3: Export of dairy products

	2003*	2004	2005	2006 prel.
	... 000 tonnes ...			
WHOLE MILK POWDER				
World total	1653	1781	1654	1697
New Zealand	638	699	592	638
EU-25	481	509	474	452
Argentina	100	177	162	170
Australia	142	117	105	126
Ukraine	8	18	20	20
SKIMMED MILK POWDER				
World total	1241	1149	1052	979
USA	116	232	300	250
EC-25	222	281	192	100
New Zealand	287	250	181	201
Australia	181	155	141	134
Ukraine	51	63	57	65
BUTTER AND GHEE				
World total	955	959	841	787
EU-25	315	344	330	230
New Zealand	364	365	288	337
Australia	111	83	69	70
Ukraine	18	42	24	18
CHEESE				
World total	1558	1587	1600	1522
EC-25	509	573	536	520
New Zealand	285	277	254	254
Australia	209	212	227	202
Ukraine	61	94	116	50
USA	54	62	58	70
Argentina	23	35	52	55

* EU data refers to EU-15

Figure 4: Exports of dairy products