

Dairy market summary

International prices of dairy products began to strengthen in mid-2012, reversing the steady decline that had characterized the previous twelve months. The change in trend resulted from a tightening of supplies to the world market. Availabilities are anticipated to be finely balanced until at least the end of the year, as output in the Northern Hemisphere is now trending seasonally downwards and only a limited increase is anticipated during the new production year in the Southern Hemisphere. The absence of substantial growth in milk output in the principal exporting countries is likely to mean a further upward movement in prices.

World milk production in 2012 is forecast to grow by 3.0 percent to 760 million tonnes – a higher rate than the average for recent years. Asia is expected to account for most of the increase, with output also growing in Oceania and South America.

World trade in dairy products is expected to continue expanding in 2012. Demand remains firm, with imports anticipated to reach 52.9 million tonnes of milk equivalent, up 4.6 percent from 2011. Most of the growth in demand will come from Asia, followed by Africa.

World dairy market at a glance

	2010	2011 estim.	2012 f'cast	Change: 2012 over 2011
	million tonnes, milk equiv.			%
WORLD BALANCE				
Total milk production	722.9	737.9	759.6	3.0
Total trade	47.8	50.5	52.9	4.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	104.6	105.6	107.5	1.8
Developed (kg/year)	234.1	234.9	238.1	1.4
Developing (kg/year)	69.4	70.8	72.7	2.8
Trade share of prod. (%)	6.6	6.8	7.0	1.6
FAO DAIRY PRICE INDEX (2002-2004=100)				
	2010	2011	2012 Jan-Oct	Change: Jan-Oct 2012 over Jan-Oct 2011 %
	200	221	187	-16.6

FAO international dairy price index (2002-2004=100)



The index is derived from a trade-weighted average of a selection of representative internationally traded dairy products.

Contact person:

Michael.Griffin@fao.org

MILK AND MILK PRODUCTS

Prices rise in the face of limited availability on the international market

International prices of dairy products began to strengthen in mid-2012, reversing the steady decline that had characterized the previous 12 months. The change in trend resulted from a tightening of supplies to the world market. Availabilities are anticipated to be finely balanced until at least the end of the year, as output in the Northern Hemisphere is now trending seasonally downwards and only limited growth is anticipated during the new production year in the Southern Hemisphere.

The FAO international dairy products price index (2002–2004=100) stabilized at 173 during June and July but had risen to 194 by October. Prices strengthened for all the products that constitute the index, especially skimmed milk powder (SMP) which registered an increase of USD562 per tonne, or 20 percent, after its mid-year low. In the same period, whole milk powder (WMP) prices also rose, by USD 425 per tonne or 15 percent, as did quotations for butter, which were up USD 400 per tonne or 14 percent, and cheddar cheese, which increased by USD 175 per tonne or 5 percent.

Over the past three years, the dairy index has oscillated around a value of 200, meaning prices for dairy products overall are approaching the average level for this period. With publicly financed inventories at minimal levels in the **EU** and the **United States**, the market remains sensitive to sudden changes in milk production and availability of milk products. The absence of substantial growth in milk output in the principal exporting countries is likely to mean a further upwards movement in prices.

PRODUCTION

World milk production to grow by 3 percent in 2012, sustained by gains in Asia, Oceania and South America

World milk production in 2012 is forecast to grow by 3.0 percent to 760 million tonnes – a higher rate than the average for recent years. Asia is expected to account for most of the increase, with output in **India**, the world's largest milk producing country, forecast to rise by 5 million tonnes to 132 million tonnes. Dynamic domestic demand provides the main impetus for growth, as India is largely absent from the international market for dairy products. Unlike many countries, expansion in herd size, rather than rising productivity, is the principal engine behind the rise in India's milk production. Increased output is also anticipated

Figure 50. FAO international dairy price index (2002-2004=100)



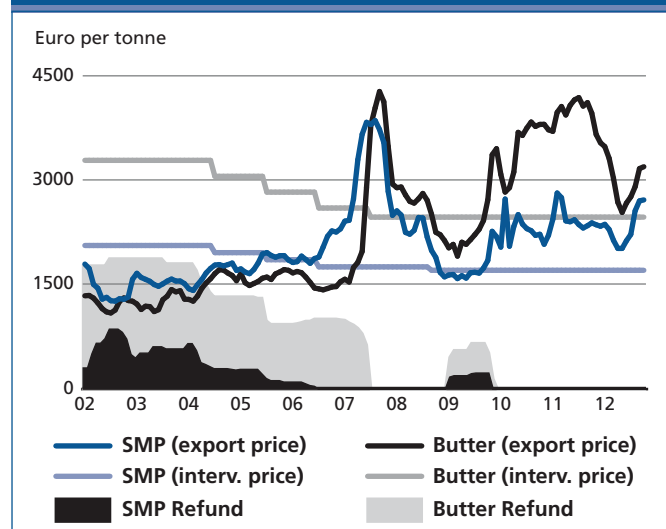
Table 19. World dairy market at a glance

	2010	2011 <i>estim.</i>	2012 <i>f'cast</i>	Change: 2012 over 2011
	<i>million tonnes, milk equiv.</i>			<i>%</i>
WORLD BALANCE				
Total milk production	722.9	737.9	759.6	3.0
Total trade	47.8	50.5	52.9	4.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	104.6	105.6	107.5	1.8
Developed (kg/year)	234.1	234.9	238.1	1.4
Developing (kg/year)	69.4	70.8	72.7	2.8
Trade share of prod. (%)	6.6	6.8	7.0	1.6
FAO DAIRY PRICE INDEX (2002-2004=100)				
	2010	2011	2012 <i>Jan-Oct</i>	Change: Jan-Oct 2012 over Jan-Oct 2011 <i>%</i>
	200	221	187	-16.6

in **China, Pakistan** and **Turkey**, spurred by steady growth in consumer demand. The **Republic of Korea** is beginning to recover from the 2011 foot-and-mouth disease outbreak which required the slaughter of 8 percent of the dairy herd and led to a corresponding drop in production.

In Africa, a small increase in milk output is anticipated for 2012, even though a number of countries in the region have suffered adverse weather, which has limited growth. For example, a below-average rainy season in northern Kenya led to water shortages and poor pasture conditions, while poor rainfall in south-eastern and coastal areas and flooding in western Kenya resulted in higher prices for feed and fodder. High maize prices are expected to constrain growth

Figure 51. EU intervention prices, price and export refund for butter and skim milk powder



in milk production in **South Africa** in 2012, leaving it only slightly higher. Elsewhere in the region, an outbreak of foot-and-mouth disease in **Egypt** led to higher calf mortality and may limit growth in milk output.

Rising incomes and firm regional and international demand have favoured dairy production growth in several countries in Latin America and the Caribbean. Even more important, most South American countries had very good pasture conditions during the 2011/2012 production year. Overall, South American milk production expanded by over 5 percent in 2011 and a similar rate of increase is foreseen for 2012, when its output is expected to reach 71 million tonnes. The strongest gains this year are forecast for **Argentina, Ecuador** and **Uruguay**, with output in **Brazil** and **Chile** also growing. Conditions have been favourable for pasture production, and there is an optimistic perspective on the future international market for dairy products, leading to increased investment in new technology and improved animal genetics. In Central America, milk output in **Mexico**, the largest producer, is expected to be constrained by drought, which may trigger herd reduction and withdrawal of a number of small-scale producers from the industry. Production in **Costa Rica** is expected to show a moderate increase.

In North America, milk production in the **United States** is forecast to rise to 90.3 million tonnes, an increase of almost 2 percent, reflecting dairy herd expansion in response to positive national and international demand. Until July, monthly production was above the same period in the previous year, but an unfavourable milk/feed price ratio since then has led some farmers to cut back. Output in **Canada** is set to remain stable at 8.3 million tonnes, within the limits set by the milk quota system.

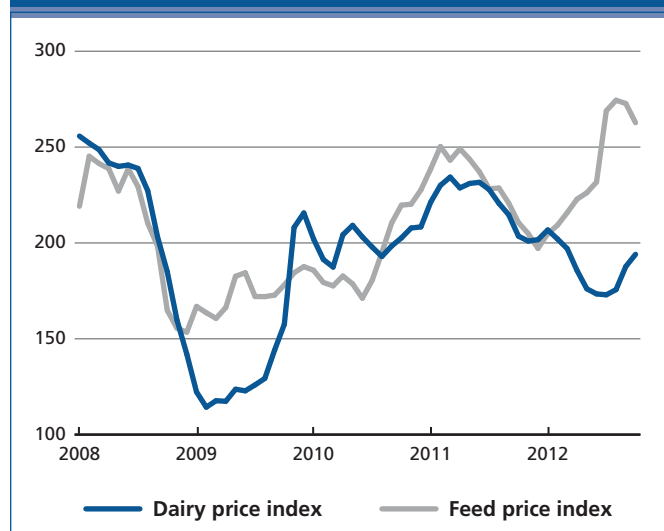
In Europe, **EU** milk production is forecast to rise by only 1.5 percent to 157.9 million tonnes in 2012, as improved milk yields continue to more than compensate for reduced cow numbers. Weather early in the year was generally favourable for pasture growth, which set the basis for a positive start. However, subsequently some member countries suffered dry conditions or even drought, in particular Romania, Hungary and Bulgaria, while others, such as Ireland, the United Kingdom and northern France, had excessive rain which adversely affected both pasture and forage. As a result, several European countries faced rising feed prices and deteriorating pasture quality. Although EU production limits are being raised by 1 percent per year in preparation for the 2015 abolition of its quota system, it now appears that some producers will not be able to avail themselves of the increase because of the adverse weather

Table 20. Major exporters of dairy products

	2008-10 Average	2011 prelim.	2012 f'cast
<i>thousand tonnes</i>			
WHOLE MILK POWDER			
World	2 066	2 247	2 373
New Zealand	791	1110	1210
EU*	464	390	360
Argentina	126	201	230
Australia	130	116	117
SKIM MILK POWDER			
World	1 330	1 713	1 733
EU*	263	518	520
United States	341	436	450
New Zealand	331	362	363
Australia	142	140	159
BUTTER			
World	841	826	877
New Zealand	396	414	455
EU*	149	126	115
Belarus	69	62	64
United States	56	64	60
Australia	63	41	55
CHEESE			
World	2 063	2 406	2 534
EU*	603	683	750
Saudi Arabia	200	284	341
New Zealand	267	253	280
United States	139	226	254
Egypt	133	175	130
Australia	160	168	170

* Excluding trade between the EU Member States. From 2007: EU-27

Figure 52. FAO indices of dairy and feed prices (2002-2004=100)



conditions described above. Furthermore, milk prices have not increased to reflect higher production costs, which will also act as a brake on growth. Milk production in the **Russian Federation** is anticipated to show a modest increase in 2012, following two years of decline, supported by an improvement in profitability and a concomitant slowing in dairy herd contraction. In neighbouring **Ukraine**, milk production also appears to be stabilizing, following a period of prolonged decline, due to government programmes to support the sector.

In Oceania, sustained high prices for dairy products on the international market and associated levels of profitability have stimulated milk production. In **New Zealand**, output rebounded strongly during the 2011/12 season and closed 10 percent higher at 19.7 million tonnes, due to an increase in herd size combined with above average pasture conditions, especially during the second-half of the season. The new season has begun well and deliveries are running ahead of the same period in 2011/12. However, it is unlikely that the previous season's exceptional performance will be improved upon, and final output is expected to reach around 19.0 million tonnes. In both New Zealand and Australia, herd health and condition are reported to be the best they have been for a number of years. In **Australia**, herd rebuilding and favourable weather conditions were behind a 4 percent increase in milk production during the 2011/12 season, to 9.5 million tonnes. The 2012/13 Australian milk year has opened with less than favourable, cool and wet weather. Furthermore, an increase in the price of feed grain, which accounts for approximately 25 percent of total costs, may prompt farmers to feed less, which would result in lower average milk production per cow. For 2012/13, milk output

in the country is expected to grow by 2 percent to some 10.2 million tonnes.

TRADE

Limited export availability and strong import demand drive up international dairy prices

World trade in dairy products is expected to continue to expand in 2012. Demand remains firm and imports are forecast to reach 52.8 million tonnes of milk equivalent, up 4.8 percent from 2011. Asia will continue to be the main market for dairy products, accounting for some 51 percent of world imports. In 2012, significant additional demand is expected from **China, Saudi Arabia, Indonesia, Japan, Singapore, the United Arab Emirates, Malaysia, Vietnam and Sri Lanka**. Elsewhere in Asia, the **Philippines, Thailand and the Republic of Korea** should also remain important markets, but the level of their imports is not expected to rise. Growth is anticipated among a number of significant importing countries in North Africa and Latin America and the Caribbean, including **Egypt, Mexico, Venezuela and Brazil**. Conversely, **Algeria**, which was the fourth largest importer in 2011, is expected to cut its purchases due to carry-over stocks of milk powder from the previous year. Supplies from the main exporting countries are foreseen as being finely balanced for the remainder of 2012, and perhaps into the first part of 2013.

Whole milk powder (WMP) – Prices rise from July in the face of supply uncertainties

International WMP prices began increasing in mid-2012, following several months of decline. In June, they had dropped to USD 2 800 per tonne, while by October they stood at USD 3 300 – an increase of 18 percent. Prices during the first part of the year were weakened by a strong closing of the 2011/2012 season in the Southern Hemisphere, resulting in larger than expected export availability. However, a lack of any substantial production increase in the Northern Hemisphere, in part as a result of climatic extremes, and uncertainty over Southern Hemisphere availability for the 2012/2013 season have raised prices since July. World exports of WMP are projected to show continued growth in 2012, rising by 126 000 tonnes to reach 2.4 million tonnes. Sustained demand is forecast for Asia, the main market, as well as for several importers in North Africa and Latin America and the Caribbean. **China, Algeria and Venezuela**, the major importing countries (in order of volume) make up over 30 percent of world WMP trade. Imports by Venezuela are expected to show a substantial increase, with some growth in imports by China,

while purchases by Algeria are anticipated to decline as a result of retained stock from the previous year. Imports of WMP by China levelled off after having substantial growth in 2009 and 2010, although with current annual purchases of around 350 000 tonnes, it remains the largest market. Since 2011, buyer interest has focussed more on SMP, with China also on course to become the largest importer of this product. Purchases by a number of other important WMP importing countries, including (in order of volume) **Saudi Arabia, United Arab Emirates, Sri Lanka, Indonesia** and **Oman**, are expected to grow. Demand for WMP is very geographically diverse, stemming from its wide use in both the processing industry and for direct retail sale. As for the exporters, **New Zealand, Argentina, Belarus** and **Uruguay** will supply most of the increase in trade, as limited milk supplies and more profitable alternative uses are expected to curb export availability from the **EU** and **Australia**. Altogether, the six exporters supply 85 percent of the international WMP market.

Skim milk powder (SMP) – Prices up on limited export supplies

Trade in SMP is anticipated to rise by 1 percent in 2012, to 1.7 million tonnes. In the face of limited export availability, SMP prices rose from a low of USD 2 838 per tonne in mid-2012, to reach USD 3 400 in October. Factors behind the increase are similar to those described for WMP. However, supplies of SMP to the world market are expected to be more constrained as manufacturers place emphasis on other products in the context of overall tight milk supplies. SMP is central to the milk processing industry in many countries and, as such, market demand is widespread. The principal markets are (in order of volume) **Mexico, China, Indonesia, Algeria, Malaysia** and the **Philippines**, followed by **Singapore, Egypt, Saudi Arabia** and **Thailand**. Overall demand is expected to remain firm in these markets. **China**, in particular, is anticipated to increase its purchases substantially, by 65 000 tonnes, and is on course to become the major importer of SMP by the middle of the decade, after becoming the principal market for WMP in 2010. Higher imports are also anticipated (in order of volume) for **Mexico, Indonesia** and **Malaysia**. Conversely, purchases by **Algeria**, fourth ranked in terms of world imports, are anticipated to decrease as stocks are drawn down to meet domestic demand. Over 85 percent of world exports are supplied by (in order of volume) the **EU, the United States, New Zealand** and **Australia**. For 2012, the largest increase in supplies is expected to come from the **United States** and **Australia**. In the face of limited export supplies this year, **Saudi Arabia's** and **Switzerland's** participation

in the international market may become more important than in the past. Exports by the **EU** and **New Zealand** are anticipated to remain at levels similar to the previous year, as emphasis is placed on the production of other milk products.

Butter – Market is well-balanced, prices may trend higher

Pressure for international prices to rise has been less for butter than for its co-product, SMP. Butter prices reached a low of USD 2 850 per tonne in July, representing a substantial reduction from the peak levels of 2011, when they touched a high of USD 4 880. Since July 2012, prices have risen somewhat, to stand at USD 3 250 in October. Trade in butter is forecast to grow by 6 percent in 2012, to 878 000 tonnes. This is anticipated to be a consequence of increased deliveries by **New Zealand, Belarus, Australia, Uruguay** and **Switzerland** compensating for a fall in sales from the **EU, the United States** and **Argentina**. In the case of the EU, lower profitability for butter has led to more emphasis on using milk for cheese production. Furthermore, at present, international butter prices are not competitive with those on the EU internal market. **New Zealand** is the predominant supplier of butter to the world, accounting for over half of trade. Demand for butter imports comes principally from **Southeast Asia, the Middle East** and the **Russian Federation**. Additionally, as a result of trading agreements, the **EU** is both an important butter importer (ranking third) and exporter (ranking second). Purchases by most of the main importing countries – **Egypt, the EU, Saudi Arabia** and **China** – are anticipated to increase during 2012, while imports by the **Russian Federation** may decline as a result of increased domestic production.

Cheese – Prices move upwards from September

Among the dairy commodities, cheese prices traditionally have been more stable – reflecting the wide variety of cheese available, each with its own distinct characteristics. This makes cheese less subject to supply and demand fluctuation than the standardized products. Even in the case of a generic cheese, such as cheddar, differences in taste, consumer preference and the use of branding mean that prices are not as volatile as for milk powder and butter fat which are destined mainly for reconstitution and other processing. Consequently, while cheese prices moved somewhat lower during the first half of 2012, the degree of decline was not as great as for the other milk-based commodities. After remaining at a low of USD 3 600 per tonne from May to August, the price had risen to USD 3 925 by October. Trade in cheese is forecast to grow by 5.3 percent in 2012, to 2.5 million tonnes, sustained by robust import demand. The

world cheese market is the most difficult dairy market to classify. One apparent anomaly is that a number of major cheese producing and exporting countries are also important importers, including (in order of volume) the **United States**, the **EU**, **Australia** and **Switzerland**. Most often, purchases by this group of countries reflect import quotas under trade agreements and also the highly specific nature of some cheeses, including those with restrictions on the use of their names and areas of origin. Elsewhere, several of the most important cheese importers, including the **Russian Federation**, **Japan**, **Saudi Arabia**, **Mexico**, the **Republic of Korea** and **Egypt**, focus more on industrial cheese,

both for direct consumption and for use by the processing industry, although each market may have its specific requirements and preferences. Overall, four importers, the **Russian Federation**, **Japan**, the **United States** and **Saudi Arabia**, account for almost 45 percent of purchases. The **EU** remains the major cheese exporter, supplying 30 percent of world trade, not including the substantial amount of cheese that is traded among the EU countries themselves. Other important exporters are **Saudi Arabia**, **New Zealand**, the **United States**, **Australia**, **Egypt**, **Belarus**, **Argentina**, **Switzerland**, the **Ukraine**, **Uruguay** and **Turkey**.

Table 21. Dairy Market Policy Developments: January to October 2012

Country	Product	Date	Policy Instrument	Description
Australia-Malaysia	Milk, Dairy products	May	Free Trade Agreement	Signed Free trade Agreement 22 May to take effect 1 January 2013. Under the Agreement, Australia and Malaysia will cut tariffs earlier and on a wider range of goods. The Agreement also addresses other barriers to trade and simplifies administration for traders.
Australia	Milk	July	Market intervention	Increased the dairy levy from 1 percent to 10 percent for every 1 million litres of milk produced. The increase, voted in April by Australian dairy farmers, improved the scale of investment and services provided by the dairy industry through the levy funds.
Brazil	Milk	July	State market regulation	Passed a new law to give producers greater bargaining power: dairies will have to reveal in advance (on the 25th of each month preceding delivery) what they will pay farmers each month.
China	Food/Dairy	June	Food safety measures	Released a 5-year Food Safety Plan which includes safety standards for dairy products, specifying limits for dangerous ingredients.
	Milk powder	Sept.	Food safety measures	Placed a ban on adding colostrum to infant formula milk powder or infant foods.
EU	Milk	Feb.	Quota regulation	Signed off on an EU regulation that will allow contracts between dairy farmers and processors after quotas expire in 2015. Agreed to by EU Member States.
	Poultry	Oct.	Export refunds reduced	Reduced export refunds for frozen whole chickens (65%-70%) from Euro 32.50 per 100 kg to Euro 21.70/100 kg.
	Milk, Dairy products	Jan.	Production policy	Initiated the National Dairy Plan (NDP) in response to growing consumer demand for dairy products as well as sustained food inflation. It aims to increase milk production in India by 6 million tonnes each year for the next 15 years. The first phase of the plan has a financial outlay of USD 416 million (over INR 20 billion) and will have an implementation period of 6 years. The NDP will be managed by the National Dairy Development Board (NDDB).
	Milk, Dairy products	Jan.	Import ban	Extended the import prohibition on milk and milk products from China for six months. The ban includes milk and milk products including chocolates and chocolate products, candies and confectionary as well as prepared foods that have milk or milk solid ingredients and originated in China.
India	Whey and whey products	May	Export regulations	Amended the policy for the export of casein and casein products, moving them from "prohibited" to "restricted" category, thus permitting casein exports under license.
	Skimmed milk powder	June	Export measure	Amended export promotional measure to include skimmed milk powder (SMP). The program incentivizes exports through a duty credit scrip at 5 percent of the fob value of the export.
	Skimmed milk powder	June	Export ban lifted	Lifted the ban on the export of SMP to improve finances of dairy firms and help milk producers. The government had banned SMP exports in February 2011 to contain rise in domestic milk prices.
	Milk, Dairy products	July	Import ban extended	Extended the ban on the import of milk and milk products from China until 23 July 2013 or until further orders. The ban was a precautionary measure taken after melamine adulteration was found in Chinese milk powder imports.
Mexico	Skimmed milk powder	Jan.	Import quota	Announced the 2012 Milk Powder TRQ: duty-free import of 80 000 MT under the Most Favored Nations (MFN) as part of its World Trade Organization (WTO) commitments. This excludes US milk powder which will continue to be granted unlimited duty-free access under NAFTA.

Country	Product	Date	Policy Instrument	Description
Mexico	Dairy products	May	State Market Regulation	Published two official norms related to the regulation of dairy products on 3 May 2012: NOM-155-SCFI-2012 "Milk-Denomination, physical-chemical specifications, commercial information, and testing methods" and NOM-183-SCFI-2012 "Dairy formulas and combined dairy formulas- denomination, physical-chemical specifications, commercial information, and testing methods."
Norway	Cheese	Oct.	Import duties	Announced a new range of import duties for foreign cheese products, such as grana padano, parmigiano reggiano and pecorino.
Peru	Milk powder	Oct.	Import duties	Imposed a 21 percent surtax on imported milk powder.
Russian Federation	Cheese	Feb.	Import ban	Banned imports of cheese from selected Ukrainian facilities due to products' noncompliance with the Russian technical regulation on dairy products.
	Cheese	May	Import ban relaxed	Relaxed some restrictions on the import of cheese and allowed some imports with compulsory laboratory testing of each shipment.
	Milk, Dairy products	Aug.	WTO accession	Announced that, following the formal access to the WTO on 22 August 2012, the duty on dairy products will fall from its current 19.8 percent to 14.9 percent (fully implemented); some whey products will be subject to tariff rate quotas (TRQs); imports entering the market within the quota will face lower tariffs; and higher duties will be applied to products imported outside the quota.
Russian Federation- Belarus- Kazakhstan (Custom Union- CU)	Milk, Dairy products	April	Technical regulations	Discussed major differences on the CU technical regulation "On milk and dairy products" and agreed to exclude "vegetable-milk containing products"; tighten tolerances for antibiotic residues (effective 1 July 2015); and cancel categories of milk with establishment of maximum level of bacterial insemination and somatic cells content (effective 1 July 2017).
Ukraine	Dairy products	Sept.	Import restrictions	Imposed temporary export restrictions on 5 Ukrainian dairy producers as of 4 October 2012, after publishing the results of the System Audit conducted by CU veterinary specialists in June 2012, and completely delisted one dairy processing facility. The CU-wide restriction affects producers of cheese, dried milk and butter.
	Raw milk	June	State Price Regulations	Added raw milk to the list of products subject to state price regulations, which already included dried milk and butter. On August 30, the Cabinet of Ministers of Ukraine set a minimum price for milk procured from households at USD 0.27 (UAH 2.2) per liter (before value added tax).
	Milk, dairy products	July	Free Trade Agreement	Ratified Free Trade Agreement (FTA) with seven Commonwealth of Independent States countries, namely Russian Federation, Kazakhstan, Belarus, Kirgizstan, Moldova, Tadzhikistan and Armenia, on July 30, 2012.
United Arab Emirates	Dairy products	August	Import ban	Banned imports of milk powder and other dairy products from Belarus.
	Dairy products	Jan.	Import restrictions	Liberalized trade in 12 areas, including dairy, as part of efforts to strengthen UAE economic competitiveness by curbing monopolistic practices and avoiding unjustified price rises.
United States - Indonesia	Dairy products	July	Trade Agreement	Agreed to a process to facilitate issuance of import permits to Indonesian importers that import dairy products from the US.

Table A19. Milk and milk products statistics (thousand tonnes, milk equivalent)

	Production			Imports			Exports		
	2008-2010 average	2011 <i>estim.</i>	2012 <i>f'cast</i>	2008-2010 average	2011 <i>estim.</i>	2012 <i>f'cast</i>	2008-2010 average	2011 <i>estim.</i>	2012 <i>f'cast</i>
ASIA	258 303	272 110	282 176	21 072	26 507	27 871	5 419	5 596	5 827
China	40 579	43 053	45 333	3 323	5 342	6 338	317	219	220
India ¹	116 818	127 300	132 400	189	299	247	390	195	182
Indonesia	1 182	1 300	1 400	1 427	1 724	1 791	240	102	95
Iran, Islamic Republic of	7 563	7 570	7 100	210	419	332	158	270	330
Japan	7 871	7 474	7 590	1 250	1 373	1 423	13	6	3
Korea, Republic of	2 169	1 896	1 923	359	762	746	12	9	11
Malaysia	71	52	55	1 067	1 126	1 181	313	320	343
Pakistan	34 370	31 800	32 500	103	242	251	26	35	20
Philippines	13	10	10	1 315	1 360	1 277	289	344	278
Saudi Arabia	1 751	2 000	2 100	1 757	2 810	3 031	1 387	1 803	2 138
Singapore	-	-	1	1 344	1 392	1 366	654	583	563
Thailand	826	860	870	759	916	887	120	142	121
Turkey	12 797	15 000	16 500	252	141	181	140	254	209
AFRICA	39 541	42 598	43 356	8 433	8 992	9 225	1 312	1 246	1 043
Algeria	2 193	3 000	3 180	2 225	2 753	2 532	9	9	10
Egypt	5 793	5 850	5 850	952	1 441	1 717	668	834	647
Kenya	4 004	4 393	4 350	18	26	24	33	35	24
South Africa	3 158	3 223	3 280	97	119	205	104	93	92
Sudan	7 529	7 900	8 000	208	363	331	-	-	-
Tunisia	1 085	1 110	1 125	68	82	76	44	44	42
CENTRAL AMERICA	16 267	16 455	16 531	4 087	4 463	4 568	490	587	536
Costa Rica	917	965	1 010	33	39	45	73	151	112
Mexico	10 829	10 851	10 960	2 256	2 494	2 562	142	160	139
SOUTH AMERICA	61 920	67 058	70 784	2 476	2 382	3 144	3 025	3 601	3 952
Argentina	10 396	11 400	12 000	23	26	28	1 445	2 179	2 347
Brazil	29 558	31 543	32 800	478	850	849	404	106	90
Colombia	7 492	7 515	7 600	11	66	187	40	8	7
Uruguay	1 798	2 180	2 400	11	18	17	736	877	993
Venezuela	2 238	2 350	2 375	1 481	935	1 480	-	-	-
NORTH AMERICA	94 711	96 861	98 595	2 118	1 935	1 921	4 192	5 231	5 468
Canada	8 199	8 292	8 342	339	314	306	153	137	152
United States of America	86 511	88 568	90 250	1 763	1 602	1 595	4 037	5 092	5 314
EUROPE	213 817	215 708	218 953	5 459	5 256	5 171	13 968	15 573	15 875
Belarus	6 476	6 544	6 870	34	27	25	2 009	1 957	2 200
European Union	152 565	155 577	157 910	1 051	838	981	10 388	12 225	12 310
Russian Federation	32 255	31 640	32 000	3 592	3 485	3 191	207	100	91
Ukraine	11 540	11 085	11 200	144	124	171	731	625	511
OCEANIA	25 517	27 062	29 236	790	841	877	16 236	18 685	20 154
Australia ²	9 211	9 102	9 484	548	594	612	3 319	3 056	3 311
New Zealand ³	16 237	17 890	19 679	70	60	72	12 913	15 626	16 841
WORLD	710 076	737 851	759 630	44 436	50 375	52 778	44 642	50 519	52 854
Developing countries	345 894	367 159	381 292	34 102	40 411	42 997	10 066	10 878	11 208
Developed countries	364 182	370 692	378 338	10 334	9 964	10 074	34 576	39 640	41 644
LIFDCs	262 717	278 091	289 198	13 833	16 270	17 702	4 854	4 376	4 376
LDCs	28 086	30 087	30 792	2 630	3 282	3 255	112	135	143

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), 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). The conversion factors cited refer to the solids content method. Refer to IDF Bulletin No. 390 (March 2004).

Table A26. Selected international prices for milk products and dairy price index

Period	International prices (USD per tonne)				FAO dairy price index (2002-2004=100)
	Butter ¹	Skim milk powder ²	Whole milk powder ³	Cheddar cheese ⁴	
Annual (Jan/Dec)					
2007	2 959	4 291	4 185	4 055	212
2008	3 607	3 278	3 846	4 633	220
2009	2 335	2 255	2 400	2 957	142
2010	4 043	3 127	3 464	4 010	200
2011	4 473	3 657	3 860	4 310	221
Monthly					
2011 - October	4 075	3 346	3 475	4 029	204
2011 - November	3 825	3 400	3 588	3 944	201
2011 - December	3 784	3 433	3 658	3 946	202
2012 - January	3 913	3 425	3 619	4 113	206
2012 - February	3 900	3 369	3 600	4 088	202
2012 - March	3 650	3 200	3 481	3 950	196
2012 - April	3 500	3 025	3 294	3 700	185
2012 - May	3 100	2 807	3 000	3 625	176
2012 - June	2 975	2 863	2 800	3 600	173
2012 - July	2 850	2 838	2 875	3 600	172
2012 - August	2 942	2 975	2 955	3 600	175
2012 - September	3 175	3 325	3 194	3 775	187
2012 - October	3 250	3 400	3 300	3 925	194

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

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

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

⁴ Cheddar Cheese, 39 percent maximum 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)