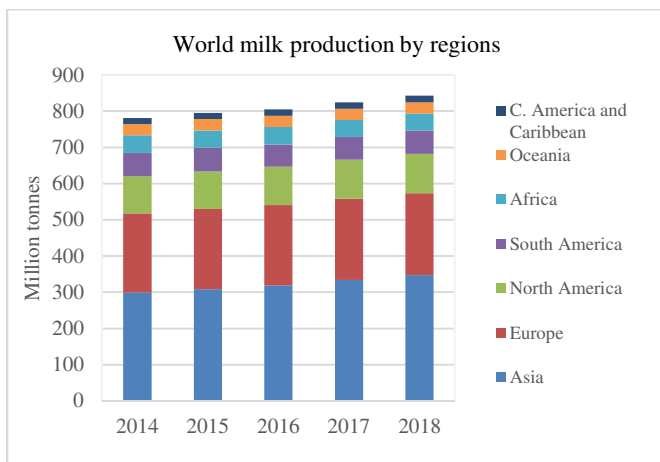


# DAIRY MARKET REVIEW

## Overview of global dairy market developments in 2018

**Global milk output** in 2018 is estimated at 842 million tonnes, an increase of 2.2 percent from 2017, driven by production expansions in **India, Turkey, the European Union, Pakistan, the United States of America and Argentina**, but partially offset by declines in **China and Ukraine**, among few others. This increase has come about as a result of higher dairy herd numbers along with improvements to milk collection processes (India and Pakistan), efficiency improvements in integrated dairy production systems (Turkey), increased yield per cow (the European Union and the United States of America) and enhanced utilization of idle capacity and higher demand from the processing sector and imports (Argentina). Milk output declines largely stemmed from industrial restructuring processes and downscaling of small-scale farms (China) and reduced producer margins and farm gate prices (Ukraine).

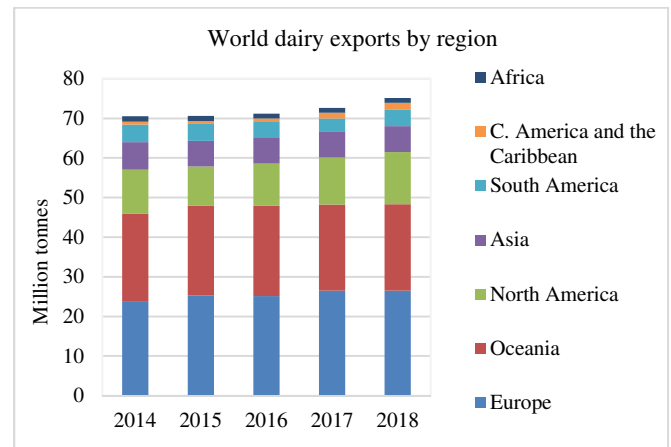


Across the regions, Asia registered the highest milk output expansion by volume in 2018, followed Europe, North America. Milk output expanded in all other regions too, but by smaller volumes.

**World exports of dairy products**<sup>1</sup> expanded to 75 million tonnes (in milk equivalents), an increase of 2.1 million tonnes, or 2.9 percent from 2017, principally coming from the **United States of America** and

**Argentina**, but also **India, Uruguay, and Mexico**. By contrast, exports declined in a number of countries, in particular in the **Islamic Republic of Iran**.

Across the main dairy products, in 2018, SMP registered the highest export expansion (+8.6 percent), followed by butter (+7.5 percent), WMP (+1.7 percent) and cheese (+0.8 percent). As for milk powders, consisting of SMP and WMP, export availabilities were abundant from almost all major international suppliers. Large stocks of SMP, held by the European Union, the United States of America and India, also contributed to elevate global supply availabilities. SMP stocks of the European Union, given their age, were mostly considered less suitable for human consumption. In addition to immediate human consumption in the form of milk, powders were also in high demand from food processors and manufacturers, boosting import demand from some countries such as Mexico.



Although butter exports for the whole year expanded, supplies were relatively limited in the first six months. Global supplies rose only when supplies from Oceania began entering the global markets, starting from about July, when its milk production season was in full swing. Butter import demand nevertheless was robust, especially from Asia, as urbanization, rising income and

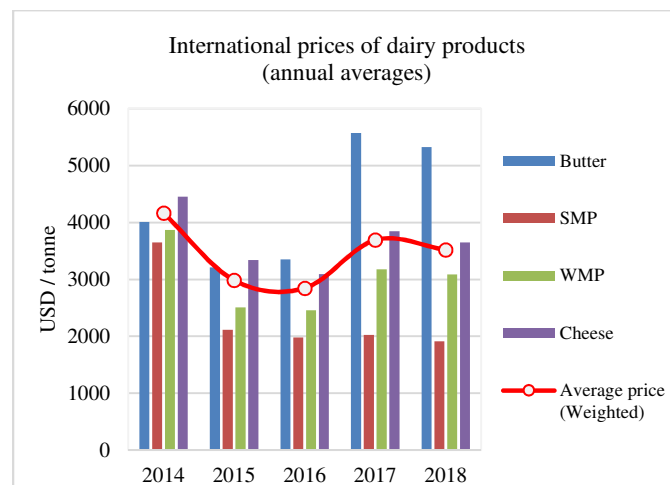
<sup>1</sup> See, the statistical annex for a list of dairy products.

changing food habits made butter demand less price sensitive.

Cheese exports expanded at a slower pace in 2018, compared to that of 2017, reflecting import cutbacks of many importers, including Australia and the United States of America. A robust market, however, existed for high value cheese products, boosted by rising consumer demand for specialized cheese varieties, also with geographic labelling.

**International dairy prices** in 2018, measured by the FAO Dairy Price Index, declined by 4.6 percent compared to that of 2017, reflecting declines in prices of all dairy products represented in the Index, with the highest fall registered for SMP (-5.6 percent), followed by cheese (-5.2 percent), butter (-4.4 percent) and WMP (-2.9 percent). The global supply-demand balances of each commodity, induced by factors discussed above, are compatible with these price movements. An additional factor that is noteworthy of mentioning on international dairy prices was the significant differentials that existed between the European Union and Oceania on butter,

WMP and SMP prices. Prices for butter and WMP in the European Union hovered at higher levels than for Oceania, and that prices for SMP from Oceania were higher than those from the European Union. Market segmentation, associated with consumer preferences and geographical proximity to markets, was thought to be mainly behind the price differentials.



## Global milk output

### Output increased in key producing countries

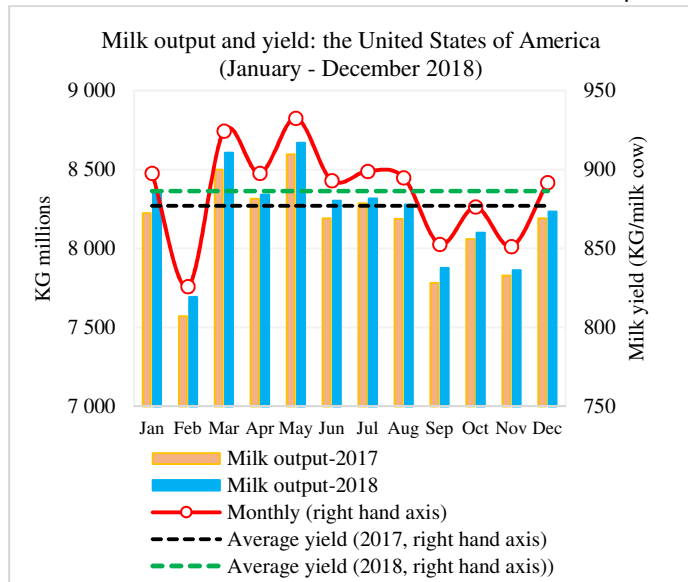
Considering milk output across major regions, Asia was mainly behind the global output expansion. Milk output expanded moderately in all the regions, including Africa, Central America and the Caribbean, Europe, North America, Oceania and South America.

*In Asia*, milk output increased to 346.9 million tonnes, up 3.9 percent from 2017, as outputs rose in **India** and **Pakistan**. In **India**, milk production increased by 5.6 percent in 2018, driven by an expanded dairy herd and incremental, but steady, improvements to milk collection systems and higher productivity. However, India's milk output growth in 2018 was slightly lower than for the preceding two years. This resulted from limited fodder availability on account of the below-average rainfall received during the monsoon. Milk production in **Pakistan**, the fourth largest milk producer in the world, has been rising at about 3 percent in recent years, notwithstanding the difficulties faced by dairy processors in collecting milk from small-scale farmers who are scattered over a vast terrain. Milk output in **China** in 2018 is estimated to have declined by 1.1 percent. Recently published census data for China indicated that milk output during 2015-2017 has been one average 15 percent

below that of the preceding three years, mostly attributed to the ongoing industrial restructuring process and downscaling of small-scale farms in view of the strict environmental regulations pursued by the government.

*In Europe*, milk output increased to 226.4 million tonnes in 2018, up 0.8 percent from 2017, with higher outputs in the **European Union**, the **Russian Federation** and **Belarus**, partially offset by a decline in Ukraine. Milk deliveries in the **European Union** reached 167.3 million tonnes, or about 1.7 million tonnes more, an increase of 1.0 percent from 2017. The rate of growth of output expansion could have been slightly higher if not for the 2018 summer drought that affected parts of Europe and the marginal decline of dairy herd numbers. Milk output in the **Russian Federation** increased to 31.5 million tonnes, an increase of 1.1 percent from 2017, as large scale dairy farms began contributing more to output, especially because of higher milk yields that was adequate to compensate reductions in the small-scale farm sector. Milk output in **Belarus** remained stable, breaking from the trend existed in previous years. A sharp reduction in imports of dairy products by the Russian Federation led to an accumulation of stocks and a reduction in farmgate prices. Exports to other destinations, especially to China, increased, helping the sector to remain stable. In

**Ukraine**, input costs rose while farmgate prices declined, which led to a reduction in farmer incentives and output.



In *North America*, mainly **Canada** and the **United States of America**, milk output increased to 108.6 million tonnes, an increase of 1.1 percent from 2017. Continued milk output expansion in the **United States of America** (0.9 percent to 98.6 million tonnes), though at a lower rate than in 2017, resulted from an increase in milk yield (10 525 kilograms in 2017 to 10 632 kilograms in 2018), adequate to counter a small reduction in the number of milk cows due to increased culling in the second half of the year. Meanwhile, milk output in **Canada** increased by 2.7 percent to 9.9 million tonnes, as investments increased in capacity and efficiency of dairy operations, along with a smaller increase in quotas for production under its Supply Management System.

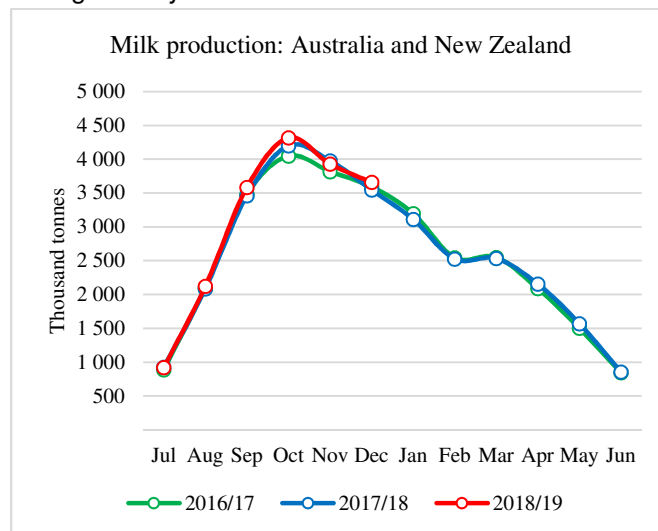
In *South America*, milk output increased by 1.6 percent to 64.4 million tonnes from 2017, reflecting output increases in **Argentina** and **Brazil**, but also **Chile**, **Uruguay** and **Colombia**. **Argentina's** milk output recovered in 2018, rising by nearly 4 percent, thanks to an increase in output from April to October, although output fell in the following months. Increased demand from the processing industry in view of industry consolidation and expanded use of idle processing capacity was a factor. Increased farmgate prices (in Argentinian peso) induced higher production, notwithstanding some increase in production costs associated with inflation and currency depreciation. **Brazil's** output increased, but at a moderate rate of 0.8 percent in 2018, compared to 4 percent in 2017, partly due to dry weather, along with the strike action by transport workers. **Uruguay** also benefitted from good

weather in the first several months of the year and higher farmgate prices in relation to operating costs.

In *Africa*, milk output is estimated to have increased only marginally (+0.7 percent), as output increases in some countries such as **Kenya**, **Algeria** and **Morocco** were offset by decreases elsewhere, especially **Mali**, **Niger** and **South Africa**. Good weather was a factor in output expansion in countries such as **Kenya** and **Algeria**, but production disruptions due to bad weather and conflicts continued negatively affect some countries. In **Kenya** output expansion was fuelled by the introduction of school milk programme and government support. In **Algeria**, dairy farmers benefitted from the removal of VAT on grain imports for animal feed.

In *Central America and the Caribbean*, milk output is estimated to have increased by 1.1 percent, mainly contributed by Mexico, while output remained stable elsewhere. **Mexico's** milk output continued to expand, and in 2018 by 1.6 percent, as dairy prices remained stable and the government took further efforts to modernize the industry.

In *Oceania*, after two years of declines, milk output increased by 1 percent in the 2017/18 production cycle (June to May), and further 1.8 percent from June to December in the 2018/19 production season. **New Zealand's** milk output expanded by 4.4 percent, adequate to counter a 3.8 percent decline in **Australia**. New Zealand's output expansion benefitted from mild temperatures and good soil moisture, while Australia continued to have warmer weather conditions and water deficiencies that led to higher feed prices and increased culling of dairy cows.



## World trade in dairy products

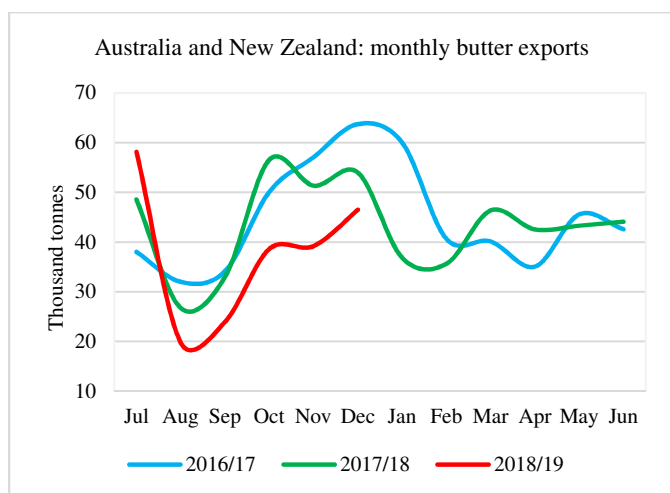
World trade in dairy products expanded to 75 million tonnes (in milk equivalents), an increase of 2.1 million tonnes, or 2.9 percent from 2017.

The largest contribution for this year's export expansion by volume came from North America (+8.7 percent), followed by South America (+27.2 percent), Central America and the Caribbean (+15.2 percent). Export expansion in Asia was limited to 0.9 percent and that of Oceania to 0.6 percent, but by contrast, Africa's exports declined by 4.8 percent.

## Butter

### European butter exports shrunk for the second successive year on strong internal demand

Global butter exports expanded by 7.5 percent to 917 920 tonnes in 2018, mainly contributed by **New Zealand**, the **United States of America** and **India**, but those of the **European Union** declined. Global butter markets were tight in the first half of the year due to reduced export availabilities on strong internal demand in Europe and North America, coinciding with limited supplies from Oceania. However, markets began easing since June, as export availabilities improved thanks to increased output and export availabilities from New Zealand in the 2018/19 production cycle.



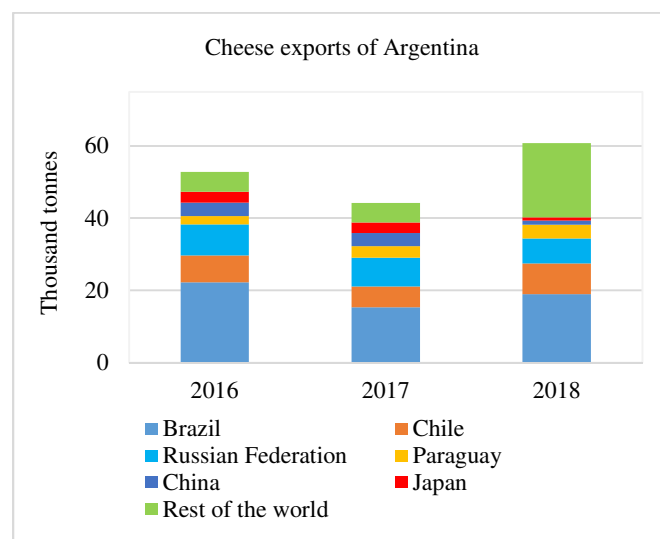
Global butter import demand remained strong, including from both developing and developed countries, but especially **China**, **United States of America**, **Egypt**, **Australia**, **Saudi Arabia** and the **Malaysia**. **China** remained the largest butter importer and its imports grew by 16.2 percent to 147 568 tonnes in 2018, driven by

demand from an increasingly urbanized population with higher incomes.

## Cheese

### World trade continued to increase but at a slower pace

World cheese exports increased to 2.57 million tonnes, up by 0.8 percent in 2018, compared to a 4.6 percent increase in 2017, mainly supplied by the **EU**, the **United States of America**, **New Zealand**, **Belarus** and **Australia**, accounting for 73 percent of total world trade. Cheese exports of the **European Union** grew by a moderate 0.4 percent in 2018 in comparison to 11.3 percent and 3.7 percent, respectively, in 2016 and 2017. The **United States of America** consolidated its cheese exports growth further in 2018, expanding by 2.1 percent, but far below of 18.5 percent growth registered in 2017. By contrast, **New Zealand** cut down on cheese exports, preferring to focus more on WMP and butter. Following a sharp decline in 2017, cheese exports of **Belarus** recovered, thanks to continued increase in sales to the Russian Federation and success in finding alternative markets, especially in Kazakhstan, Kyrgyzstan and Ukraine. Despite a decline in milk output in 2017/18 season, **Australia's** cheese production and exports expanded, as imports by Japan as well as the Philippines, New Zealand and Thailand expanded, offsetting declines elsewhere. **Argentina's** cheese exports expanded by 37.5 percent in 2018 on account of its success in exporting to alternative destinations, but contracted to the Russian Federation and Japan, two markets with significant shares in previous years.

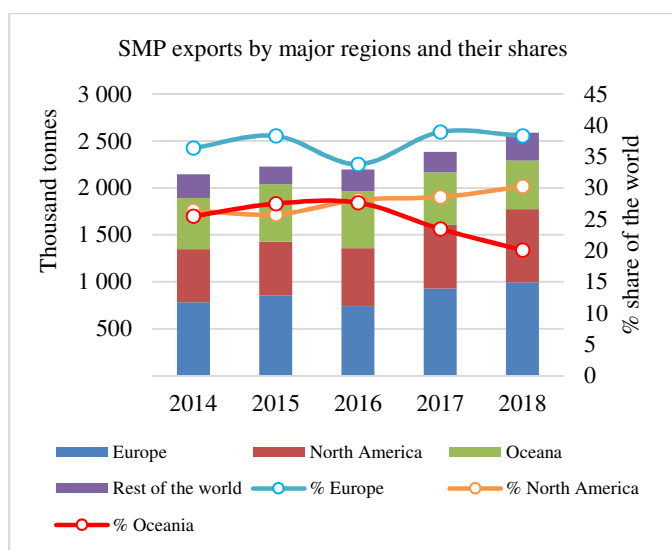


Cheese imports by the **Russian Federation, Japan, Chile, United Arab Emirates** and **Canada** expanded in 2018, but those of **Australia, El Salvador** and the **United States of America** declined. Cheese imports by **China** and the **Republic of Korea** also declined in 2018, but not too far off from their trend levels.

### Skim Milk Powder

#### Global SMP imports rose sharply for a second year on competitive prices

World SMP exports expanded by 8.6 percent to 2.6 million tonnes, following a similar rate of expansion in 2017. While imports sharply expanded in **China, Mexico, Egypt** and **Indonesia**, several others curtailed theirs including **Russian Federation, Saudi Arabia, Japan**, among others. The bulk of the expanded export supplies came from the **United States of America, Mexico, the European Union** and **Belarus**, while those of **New Zealand** declined.



The **United States of America** benefitted from increased SMP production, high stocks and competitive prices it offered, along with active demand from several trading partners, specially, Mexico, the Philippines, Indonesia, Malaysia, and Viet Nam. However, exports to China, its third largest export destination, declined by as much as one-third in 2018. **Mexico**, one of the largest importers and exporters of SMP, imported as much as 360 000 tonnes and exported 105 000 tonnes. Of Mexico's total SMP exports, almost 90 percent went to Venezuela. The **European Union** also benefitted from competitive prices and strong demand. While expanding SMP exports, the European Union also brought down its stocks held under

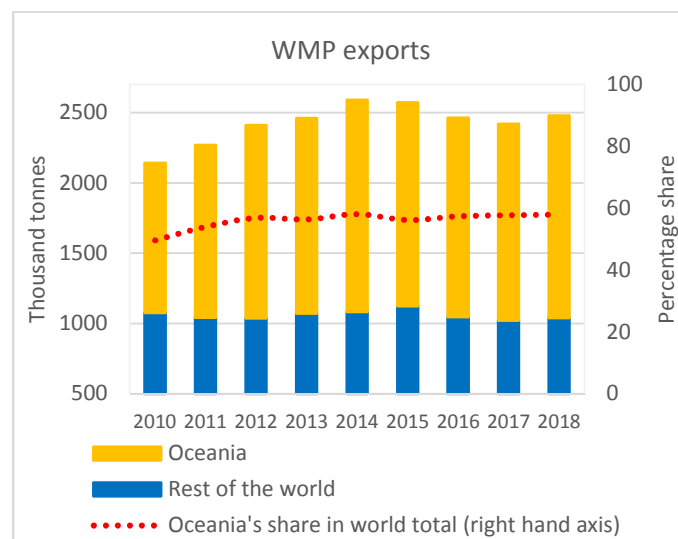
the public intervention programme to 175 803 tonnes at the end of December, less than half to what it had in January 2018, and no new stocks were acquired. SMP exports of **Belarus** expanded markedly to Kazakhstan, Kirgizstan, Ukraine and Armenia, while exports to the Russian Federation declined by 31 percent.

**New Zealand's** exports declined for a second consecutive year, reflecting low production in the 2017/18 milk cycle, but remained the third largest SMP exporter in the world. SMP exports of Australia, the fourth largest SMP exporter in the world, also declined, a result of reduced milk output caused by extreme weather conditions. Considering the 2018/19 dairy cycle, SMP exports of New Zealand in November and December 2018 surpassed their respective levels in 2017.

### Whole Milk Powder

#### Ample supplies and competitive prices helped New Zealand to expand WMP exports

After three years of contractions, world WMP exports reached 2.46 million tonnes in 2018, registering a year-on-year increase of 1.7 percent, mainly contributed by **Argentina, New Zealand, Uruguay** and the **United States of America**, but partially offset by reductions elsewhere, especially the **European Union** and **Mexico**.



**Argentina's** WMP exports bounced back closer to its exports in 2015 on the back of increased volume of production. **New Zealand's** WMP exports expanded by 2.9 percent, thus nearly recovering its level in 2015. Increased milk production and greater focus on producing WMP helped New Zealand to remain competitive in its traditional markets such as China, Algeria, Bangladesh

and Thailand, although declines were noted for destinations including the United Arab Emirates, Sri Lanka and Malaysia. **Uruguay** benefitted in 2018 from decent milk output growth and strong demand from Algeria, Cuba and China, but also of Brazil and the Russian Federation. Sharp increases of import orders by Viet Nam, Mexico, Singapore and Colombia, along with continued growth to China, supported WMP export expansion of the **United States of America**.

Much of the increased WMP exports in 2018 went to **China, Algeria, Oman, Indonesia, Malaysia, Bangladesh** and **Thailand**, but **Venezuela** and the **Russian Federation** cut back their imports.

## Statistical Annex

### 1. FAO Dairy Price Index

| Period                             | International prices (USD per tonne) |                       |                         |                          | FAO Dairy Price Index (5)<br>(2000 - 2004 = 100) |
|------------------------------------|--------------------------------------|-----------------------|-------------------------|--------------------------|--------------------------------------------------|
|                                    | Butter<br>(1)                        | Cheddar cheese<br>(2) | Skim Milk<br>Powder (3) | Whole Milk<br>Powder (4) |                                                  |
| <b>Annual (January - December)</b> |                                      |                       |                         |                          |                                                  |
| 2010                               | 4 270                                | 4 010                 | 3 081                   | 3 514                    | 207                                              |
| 2011                               | 4 876                                | 4 310                 | 3 556                   | 4 018                    | 229                                              |
| 2012                               | 3 547                                | 3 821                 | 3 119                   | 3 358                    | 194                                              |
| 2013                               | 4 484                                | 4 402                 | 4 293                   | 4 745                    | 243                                              |
| 2014                               | 4 010                                | 4 456                 | 3 647                   | 3 868                    | 224                                              |
| 2015                               | 3 212                                | 3 340                 | 2 113                   | 2 509                    | 160                                              |
| 2016                               | 3 350                                | 3 094                 | 1 983                   | 2 457                    | 154                                              |
| 2017                               | 5 573                                | 3 848                 | 2 025                   | 3 179                    | 202                                              |
| <b>2018 (monthly)</b>              |                                      |                       |                         |                          |                                                  |
| January                            | 4 843                                | 3 413                 | 1 740                   | 2 977                    | 180                                              |
| February                           | 5 129                                | 3 644                 | 1 864                   | 3 127                    | 191                                              |
| March                              | 5 588                                | 3 700                 | 1 784                   | 3 228                    | 197                                              |
| April                              | 5 961                                | 3 788                 | 1 813                   | 3 301                    | 204                                              |
| May                                | 6 245                                | 4 094                 | 1 941                   | 3 289                    | 215                                              |
| June                               | 6 271                                | 3 981                 | 2 018                   | 3 290                    | 213                                              |
| July                               | 5 777                                | 3 700                 | 1 949                   | 3 130                    | 199                                              |
| August                             | 5 463                                | 3 713                 | 1 937                   | 3 102                    | 196                                              |
| September                          | 5 156                                | 3 619                 | 2 023                   | 3 048                    | 191                                              |
| October                            | 4 702                                | 3 513                 | 1 935                   | 2 910                    | 182                                              |
| November                           | 4 507                                | 3 375                 | 1 960                   | 2 834                    | 176                                              |
| December                           | 4 265                                | 3 238                 | 1 967                   | 2 814                    | 170                                              |

Notes:

(1) Butter: 82 percent butterfat, FOB Oceania and EU indicative average trading price

(2) Cheddar cheese: 39 percent maximum moisture, FOB Oceania indicative trading price

(3) Skim Milk Powder: 1.25 percent butterfat, FOB Oceania and EU average indicative trading prices

(4) Whole Milk Powder: 26 percent butterfat, FOB Oceania and EU indicative trading prices

(5) FAO Dairy Price Index represents the trade-weighted average of international prices of the four dairy products shown above

Source: FAO for indices and the Dairy Market News of USDA for international dairy price quotations

## 2. World milk output and trade

| World milk production (thousand tonnes) |                |                |                           |
|-----------------------------------------|----------------|----------------|---------------------------|
|                                         | 2017           | 2018           | Change 2018 over 2017 (%) |
| <b>World</b>                            | <b>824 379</b> | <b>842 364</b> | <b>2.2</b>                |
| India                                   | 176 272        | 186 143        | 5.6                       |
| EU 28                                   | 165 600        | 167 256        | 1.0                       |
| United States                           | 97 735         | 98 646         | 0.9                       |
| Pakistan                                | 44 294         | 45 623         | 3.0                       |
| Brazil                                  | 35 257         | 35 539         | 0.8                       |
| China                                   | 31 958         | 31 592         | -1.1                      |
| Russian Fed.                            | 31 184         | 31 527         | 1.1                       |
| Turkey                                  | 20 700         | 22 791         | 10.1                      |
| New Zealand                             | 21 341         | 21 372         | 0.1                       |

Notes:

(a) India production, the annual dairy cycle starting in April is applied

(b) New Zealand production, the annual dairy cycle starting in June is applied

| World total milk imports (thousand tonnes milk equivalents) |               |               |                           |
|-------------------------------------------------------------|---------------|---------------|---------------------------|
|                                                             | 2017          | 2018          | Change 2018 over 2017 (%) |
| <b>World</b>                                                | <b>72 910</b> | <b>74 967</b> | <b>2.8</b>                |
| China                                                       | 13 538        | 14 615        | 8.0                       |
| Mexico                                                      | 3 965         | 4 202         | 6.0                       |
| Algeria                                                     | 3 431         | 3 835         | 11.8                      |
| Russian Fed.                                                | 4 498         | 3 700         | -17.7                     |
| Indonesia                                                   | 2 736         | 2 981         | 9.0                       |
| Saudi Arabia                                                | 2 984         | 2 790         | -6.5                      |
| Philippines                                                 | 2 296         | 2 501         | 8.9                       |
| Malaysia                                                    | 2 179         | 2 389         | 9.7                       |
| Japan                                                       | 2 171         | 2 211         | 1.8                       |

| World total milk exports (thousand tonnes milk equivalents) |               |               |                           |
|-------------------------------------------------------------|---------------|---------------|---------------------------|
|                                                             | 2017          | 2018          | Change 2018 over 2017 (%) |
| <b>World</b>                                                | <b>72 667</b> | <b>74 781</b> | <b>2.9</b>                |
| EU 28                                                       | 20 395        | 20 504        | 0.5                       |
| New Zealand                                                 | 18 666        | 18 748        | 0.4                       |
| United States                                               | 10 724        | 11 778        | 9.8                       |
| Belarus                                                     | 3 714         | 3 789         | 2.0                       |
| Australia                                                   | 3 015         | 3 055         | 1.3                       |
| Argentina                                                   | 1 341         | 1 996         | 48.8                      |
| Uruguay                                                     | 1 259         | 1 556         | 23.6                      |



| <b>Butter imports (tonnes)</b> |                |                |                           |
|--------------------------------|----------------|----------------|---------------------------|
|                                | 2017           | 2018           | Change 2018 over 2017 (%) |
| <b>World</b>                   | <b>849 333</b> | <b>904 778</b> | <b>6.5</b>                |
| China                          | 126 164        | 146 568        | 16.2                      |
| Russian Fed.                   | 99 695         | 88 416         | -11.3                     |
| United States                  | 44 351         | 58 186         | 31.2                      |
| Saudi Arabia                   | 47 838         | 50 852         | 6.3                       |
| Australia                      | 33 971         | 39 930         | 17.5                      |
| Egypt                          | 22 326         | 34 600         | 55.0                      |
| Iran Isl. Rep Of               | 36 449         | 34 481         | -5.4                      |

| <b>Butter exports (tonnes)</b> |                |                |                           |
|--------------------------------|----------------|----------------|---------------------------|
|                                | 2017           | 2018           | Change 2018 over 2017 (%) |
| <b>World</b>                   | <b>853 681</b> | <b>917 920</b> | <b>7.5</b>                |
| New Zealand                    | 436 407        | 458 631        | 5.1                       |
| EU 28                          | 171 505        | 158 357        | -7.7                      |
| Belarus                        | 79 100         | 89 913         | 13.7                      |
| United States                  | 34 132         | 51 719         | 51.5                      |
| Ukraine                        | 30 454         | 30 383         | -0.2                      |
| India                          | 13 542         | 29 594         | 118.5                     |
| Australia                      | 16 067         | 16 315         | 1.5                       |

| <b>Cheese imports (tonnes)</b> |                  |                  |                           |
|--------------------------------|------------------|------------------|---------------------------|
|                                | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>                   | <b>2 496 418</b> | <b>2 539 609</b> | <b>1.7</b>                |
| Japan                          | 272 772          | 285 701          | 4.7                       |
| Russian Fed.                   | 226 197          | 263 151          | 16.3                      |
| United States                  | 183 264          | 175 839          | -4.1                      |
| Saudi Arabia                   | 173 578          | 170 400          | -1.8                      |
| China                          | 157 992          | 156 396          | -1.0                      |
| Korea Rep. Of                  | 125 002          | 123 850          | -0.9                      |
| Mexico                         | 121 510          | 122 975          | 1.2                       |
| Australia                      | 115 926          | 98 284           | -15.2                     |

| <b>Cheese exports (tonnes)</b> |                  |                  |                           |
|--------------------------------|------------------|------------------|---------------------------|
|                                | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>                   | <b>2 548 891</b> | <b>2 570 548</b> | <b>0.8</b>                |
| EU 28                          | 829 531          | 832 678          | 0.4                       |
| United States                  | 342 914          | 350 240          | 2.1                       |
| New Zealand                    | 343 438          | 324 171          | -5.6                      |
| Belarus                        | 189 423          | 210 253          | 11.0                      |
| Australia                      | 171 295          | 172 520          | 0.7                       |
| Egypt                          | 105 498          | 101 000          | -4.3                      |
| Saudi Arabia                   | 68 324           | 72 300           | 5.8                       |

| <b>SMP Imports (tonnes)</b> |                  |                  |                           |
|-----------------------------|------------------|------------------|---------------------------|
|                             | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>                | <b>2 360 706</b> | <b>2 532 539</b> | <b>7.3</b>                |
| Mexico                      | 330 762          | 360 360          | 8.9                       |
| China                       | 278 224          | 309 003          | 11.1                      |
| Algeria                     | 161 331          | 166 851          | 3.4                       |
| Indonesia                   | 146 711          | 161 796          | 10.3                      |
| Philippines                 | 157 187          | 159 120          | 1.2                       |
| Malaysia                    | 120 469          | 128 631          | 6.8                       |
| Russian Fed.                | 125 922          | 87 302           | -30.7                     |
| Viet Nam                    | 84 898           | 83 000           | -2.2                      |

| <b>SMP exports (tonnes)</b> |                  |                  |                           |
|-----------------------------|------------------|------------------|---------------------------|
|                             | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>                | <b>2 382 620</b> | <b>2 587 940</b> | <b>8.6</b>                |
| EU 28                       | 779 825          | 834 092          | 7.0                       |
| United States               | 608 222          | 716 193          | 17.8                      |
| New Zealand                 | 401 002          | 362 989          | -9.5                      |
| Australia                   | 157 740          | 155 567          | -1.4                      |
| Belarus                     | 109 035          | 119 948          | 10.0                      |
| Mexico                      | 28 874           | 104 600          | 262.3                     |
| Canada                      | 71 880           | 65 806           | -8.5                      |

| WMP imports (tonnes) |                  |                  |                           |
|----------------------|------------------|------------------|---------------------------|
|                      | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>         | <b>2 409 341</b> | <b>2 501 150</b> | <b>3.8</b>                |
| China                | 585 949          | 648 270          | 10.6                      |
| Algeria              | 262 000          | 311 780          | 19.0                      |
| UAE                  | 145 425          | 144 000          | -1.0                      |
| Saudi Arabia         | 141 771          | 138 200          | -2.5                      |
| Sri Lanka            | 84 549           | 87 288           | 3.2                       |
| Bangladesh           | 71 110           | 82 000           | 15.3                      |
| Oman                 | 66 681           | 81 351           | 22.0                      |
| Brazil               | 72 819           | 67 645           | -7.1                      |
| Singapore            | 68 804           | 66 176           | -3.8                      |

| WMP exports (tonnes) |                  |                  |                           |
|----------------------|------------------|------------------|---------------------------|
|                      | 2017             | 2018             | Change 2018 over 2017 (%) |
| <b>World</b>         | <b>2 417 402</b> | <b>2 457 740</b> | <b>1.7</b>                |
| New Zealand          | 1 342 107        | 1 380 672        | 2.9                       |
| EU 28                | 393 308          | 333 630          | -15.2                     |
| Uruguay              | 107 469          | 143 459          | 33.5                      |
| Argentina            | 70 842           | 135 433          | 91.2                      |
| UAE                  | 70 000           | 67 400           | -3.7                      |
| Oman                 | 57 010           | 55 200           | -3.2                      |
| Australia            | 54 746           | 55 081           | 0.6                       |

## Note:

1. Data consist of official, non-official and estimates at the time of writing.
2. The dairy products considered in the analysis are: Butter, cheese, Skim Milk Powder (SMP), Whole Milk Powder (WMP), casein, liquid milk, cream, skim milk, condensed and evaporated skim milk, whey and yoghurt.

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