

INTERNATIONAL DAIRY ARRANGEMENT

Thirteenth Annual Report

**THE WORLD MARKET
FOR DAIRY PRODUCTS
1992**



General Agreement on Tariffs and Trade

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INTRODUCTION

The International Dairy Arrangement came into operation on 1 January 1980 as a result of the 1973-1979 Multilateral Trade Negotiations (Tokyo Round). It succeeded the 1970 Arrangement Concerning Certain Dairy Products. The Arrangement applies to the dairy products sector, including casein. It has been successively extended for three-year periods; the most recent extension maintains its validity until 31 December 1994.

The objectives of the Arrangement are to achieve the expansion and ever greater liberalization of world trade in dairy products under as stable as possible market conditions, on the basis of mutual benefit to exporting and importing countries, and to further the economic and social development in developing countries. In adopting these objectives, the economic importance of milk and dairy products to many countries was recognized, as well as the need to avoid surpluses and shortages and to maintain prices at an equitable level. It was considered that improved co-operation in the dairy products sector contributed to the attainment of the objectives agreed upon in the Tokyo Declaration of 14 September 1973.

The objectives are advanced through the activities of the International Dairy Products Council and the Committees of the Protocols. Twice each year the Council makes an evaluation of the market situation, based on background documentation established by the GATT Secretariat. The Council also reviews regularly the functioning of the Arrangement. Three Protocols annexed to the Arrangement are integral parts of it: the Protocol Regarding Certain Milk Powders; the Protocol Regarding Milk Fat and the Protocol Regarding Certain Cheeses.

Under these Protocols, minimum export prices have been established for skimmed milk powder, whole milk powder, buttermilk powder, anhydrous milk fat, butter and certain cheeses. The minimum export prices are fixed for pilot products defined in the Arrangement

taking account, in particular, of the current market situation, dairy prices in participating producing countries, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term. New minimum prices for all pilot products became effective on 20 September 1989 and have since then remained unchanged.

Participants have undertaken to take the steps necessary to ensure that these minimum export-price provisions are complied with. Minimum export prices are not market prices, but merely the floor price levels which the participants have agreed to observe. The Committees review quarterly the market situation for respective products and the application of provisions of the Protocols by participants, notably their observance of the minimum export prices.

As of 1 November 1992, the Arrangement had the following participants: Argentina, Australia, Bulgaria, Egypt, the European Community, Finland, Hungary, Japan, New Zealand, Norway, Poland, Romania, South Africa, Sweden, Switzerland and Uruguay. Other countries have been represented at meetings by observers. The United States participated in the Arrangement until 12 February 1985 and Austria until 9 June 1985.

The present annual report, the thirteenth report issued under the Arrangement, reviews the situation in the world market for dairy products. It covers developments in 1991 and the first half of 1992 and the outlook for 1992/93. It is based on the work of the Council and the Committees. The sources of information are mainly submissions by participants supplemented with other information available to the Secretariat, notably documentation made available by the FAO, the IDF, the Economic Commission for Europe and the OECD, for which the GATT Secretariat expresses its sincere thanks. This report has been prepared on the basis of information available to the GATT Secretariat before 15 October 1992.

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OVERVIEW

The world economy in brief

The slower pace of global economic activity in 1991 lowered the volume growth of world merchandise trade from 5 to 3 per cent in 1991, the third consecutive year of decline. While North America's economic activity and demand for imports recovered following the cessation of hostilities in the Middle East in March, recessionary tendencies emerged in Western Europe and Japan in the second half of 1991. The pace of global trade activity was further reduced by the collapse of intra-regional trade between Central European countries and the former USSR and the weakness of Africa's import demand. On the other hand, rapid growth in the import demand of Asia, Latin American and the Middle East braked the deceleration in world trade growth in 1991.

The value of world merchandise exports rose 1½ per cent in 1991 to \$3.5 trillion, a sharp deceleration from the 13½ per cent growth posted in 1990 and the lowest annual growth rate recorded since 1985. Lower values of exports were reported in all regions in 1991, with the exceptions of Asia and North America, reflecting the above average export volume growth in these regions. Western Europe's slower growth in the volume of exports combined with a modest appreciation of the United States dollar relative to the ECU led to lower export values.

World economic activity in the first quarter of 1992 reflected the modest recovery in the pace of economic activity in the OECD area, led by GDP growth of almost 3 per cent (at an annual rate) in the United States' economy. The pace of growth of OECD countries slowed in the second quarter, as domestic demand stagnated in Germany and Japan, and growth slowed in the United States to 1.5 per cent. On the basis of incomplete data for the third quarter, no recovery is apparent in the OECD countries. Outside the OECD area, a slowdown in the (still above-average) pace of growth has been noted in Singapore, the Republic of Korea and Taiwan in the first half, while economic activity accelerated in China and Hong Kong. Growth slowed in Mexico in the first half, but recovery has begun in Brazil and continues in other countries of Latin America. Growth continues to be sluggish in Africa, but the reconstruction of Kuwait is boosting the growth of the Middle East. While there is some evidence that the slide in output may have ended in Poland, Czechoslovakia and Hungary, the decline in output continues in other Central European countries. Events in the former USSR are unclear, but indicators point to a steep decline in industrial production. The Secretariat consequently expects recorded world output growth to reflect a modest renewal of global economic activity in 1992

due to the strength of the first half of the year, with considerable uncertainty regarding the course of the world economy in 1993.

On the basis of these trends in economic activity, the Secretariat expects the volume growth of world trade in 1992 to continue to draw its strength from dynamic growth of imports in Asia (apart from Japan), and import growth above the world average in the Middle East and Latin America. An additional boost to world trade growth was given by the recovery of North America's demand for imports in the first half, balancing to a certain extent a slowdown in Western Europe's import demand. In Central Europe, the continuing expansion of extra-regional trade of Hungary, Poland and Czechoslovakia in the first half of 1992 may offset the declining trade of other countries in the region. The trade of Russia is on a steep decline as output plummets, and trade between members of the Commonwealth of Independent States has apparently collapsed due to payment uncertainties and inter-republican conflicts. Other countries with traditional trading ties to the former USSR and countries in Central Europe are facing uncertainty concerning trading relationships.

World dairy markets

Highlights

- World milk production fell by 2 per cent in 1991 and is expected to decrease further by 1 to 2 per cent in 1992. Major factors behind this drop in output are the efforts made by the European Community and some other countries to contain milk deliveries and the virtual collapse of the commercial market in Russia and Central and Eastern parts of Europe.
- In conjunction with a decline in world output, milk powder prices increased as of mid-1991. In 1992, milk powder prices further rose in response to large purchases by major importers and the weakening of the United States dollar. Stocks of skimmed milk powder declined rapidly in 1992.
- In 1991 and 1992, world trade in cheese was fuelled by a further growth in demand. World market prices were 13 to 16 per cent above the previous year levels, well above the agreed minimum export prices.
- World butter production shrank by 4 per cent in 1991 and a further decline by 2½ per cent is expected for 1992. The drop in output has been limited because substantial quantities of milk fat are produced as a by-product of light (fat-reduced) products, for which a vigorous demand persists. Consumption

continues to decline and stocks of butter are relatively high.

- World market prices for butter and anhydrous milk fat have remained depressed at, or only slightly above, the agreed minimum prices in 1991 and 1992. Commercial sales in international markets have been very limited. This is largely the result of the loss of the former USSR as the major commercial import market for butter.
- In 1991, Russia took less than 60 per cent of the quantity of butter contracted under derogation. In 1992, virtually the only sales of butter to Russia were under a United States credit guarantee programme.
- Food aid in dairy products, which had declined over recent years, increased slightly in 1991 and 1992. This was almost entirely due to various shipments of food aid or other forms of non-commercial transactions to Russia, following a request for massive food aid.
- Requests for food aid are expected to remain large. There are concerns that food-aid transactions could adversely affect world dairy markets unless agreed principles for providing aid are fully observed.

Dairy policies

Efforts have been pursued in most major producing countries to contain public expenditure on dairy price support in 1991 and 1992. Support prices, target prices and advance payments were maintained at previous levels or even lowered. Production quotas have been maintained or reduced and quota systems made effective through the application of two-price systems, penalty payments on production in excess of quotas and levies on production collected to provide funds for market intervention and to cover losses on exports of surpluses.

There is an almost universal trend towards increased liberalization and less governmental interference, with a reducing of subsidies and re-evaluating of pricing arrangements in response to the alteration in relative values of fat and protein in the market place. The aim is to reduce costly surpluses, for instance by restricting the dairy herd and limiting milk deliveries, or otherwise adapting the capacity to the market. The numbers of dairy farms and cows continue to decline in many countries and a re-organization of the processing industry is taking place. Structural changes are encouraged or facilitated in various ways in many countries in order to raise productivity and efficiency in the sector.

In line with the general aim of improving nutritional standards and diversifying agriculture, high priority continues to be given to production, marketing and consumption of milk and dairy products in agricul-

tural and development plans of developing countries. Imports of high yielding breeding stock during recent years and the introduction of better feeding practices have resulted in increasing milk production in many developing countries.

Further efforts have been made to encourage improvements in product quality and to adapt the product range to prevalent trends in demand and consumption. Efforts to prevent contamination accidents have been stepped up to keep dairy products safe for human consumption.

The dramatic and far-reaching political, social and economic changes in Central and Eastern Europe have had a strong impact on the dairy market. Changes in economic policies resulted in higher retail prices which adversely affected domestic demand. There was a consequent increase in exportable surpluses of dairy products, and particularly that of butter. The collapse of intra-regional trade and persisting balance-of-payments problems have led to exports at reduced prices and to new markets in search of convertible currencies. At the same time, commercial import demand has been reduced due to a lack of ability to pay for normal imports, particularly in Russia, which previously has been a major export outlet for butter.

Import demand in the Near East recovered in 1991/92 following the end of military operations in March 1991, and oil exporters elsewhere increased their purchases of milk products, i.e. Mexico, Venezuela and Algeria.

The potential exists for a strong rise in global productivity in the medium to long term, due to genetic improvements, ample feed supplies and technological progress. The authorization to commercialize yield-increasing hormones is still pending in major dairying countries. There is some concern that strong consumer opposition to their use could result in a possible adverse reaction on demand if extended use of hormones in dairy cows were permitted.

There remain concerns that global milk production potential in the medium term could result in supplies increasing faster than the growth in import demand and consumption, most seriously for butter. This underlines the need to reduce the use of support and protection measures which have the effect of stimulating production.

The steadily growing demand for certain dairy products, notably cheese and dairy proteins, and the increase in their prices have entailed an upsurge in output and sales of a wide variety of dairy imitations and substitutes. In 1992, however, fewer new such products seemed to have been launched than in previous years. Imitations often contain milk components such as casein, whey and skimmed milk powder which are extensively used as ingredients in a variety of food products.

Table 1 - Levels of Minimum Export Prices 1980 to 1992

(US\$/metric ton f.o.b.)

Pilot products	Effective since									
	1 Jan. 1980	1 Oct. 1980	1 Oct. 1981	5 June 1985	2 Oct. 1986	25 June 1987	23 Sept. 1987	23 Mar. 1988	21 Sept. 1988	20 Sept. 1989
Skimmed milk powder	425	500	600	600	680	765	825	900	1,050	1,200
Whole milk powder	725	800	950	830	880	900	950	1,000	1,150	1,250
Buttermilk powder	425	500	500	600	680	765	825	900	1,050	1,200
Anhydrous milk fat	1,100	1,200	1,400	1,200	1,200	1,200	1,200	1,325	1,500	1,625
Butter	925	1,000	1,200	1,000	1,000	1,000	1,000	1,100	1,250	1,350
Certain cheeses	800	900	1,000	1,000	1,030	1,030	1,120	1,200	1,350	1,500

In a number of new dairy products, notably light products and flavoured products, milk components, mostly fat, have frequently been replaced by something else, such as ingredients of vegetable origin. Consequently it is increasingly difficult to draw the line between what should be designated as milk or non-milk products.

The minimum export prices under the Arrangement for skimmed milk powder, whole milk powder, buttermilk powder, anhydrous milk fat, butter and certain cheeses have remained unchanged since 1989.

Milk and dairy production

In 1991, world milk production (including sheep, goat and buffalo milk) amounted to 526.7 million tons, a decrease by 2.1 per cent from the previous year. The output of cow's milk decreased by 2.7 per cent to 464 million tons. The decline in total milk production was particularly marked in Central and Eastern Europe and the former USSR area. Decreases were also registered in Western Europe. Output remained unchanged in North America while it increased in Oceania and Japan. Output continued to rise in Asia, particularly in India. Elsewhere in the developing regions milk production stagnated in 1991.

For 1992, a decrease in milk production by 1 to 2 per cent is expected, but supplies could nevertheless exceed commercial demand. However, surpluses could decrease somewhat as the decline in demand may be less than that in output. In the former USSR area, a substantial drop in milk output is expected due to decreasing yields and cow numbers but production is likely to start to recover, at least in some countries, following efforts made to improve food supplies in general. With demand shrinking and subsidies being removed, profitability in dairying is decreasing in Central and Eastern Europe. In the European Community also, milk deliver-

ies might decrease while a slight decline or a relative stability in production is forecast in other European countries as well as in Canada and in Africa. In the United States, Oceania and in Japan, production continued to increase in 1992.

Efforts are being made in many developing countries to increase milk production, but gains have been partly offset by the adverse effects of tight feed supplies and higher feed costs. India and several other developing countries in Asia increased milk production

Major Milk Producers ¹ 1991 estimates		(Million M.T.)
EEC ²		103.0
USSR		96.4
USA		67.4
INDIA		54.7
POLAND		14.9
BRAZIL		13.8
JAPAN		8.3
NEW ZEALAND		7.9
CHINA		7.1
MEXICO		6.9

¹ Cow and buffalo milk
² Production estimate. Deliveries reported as 97.0

once more in 1992. Strengthened demand in domestic markets might benefit producers in several Latin American countries.

In the medium term, increased dairy production in

Russia and the Ukraine may progressively substitute for imports, but it will likely take a few years for milk production to recover to the level of 1990 for these countries. For Belarus and the Baltic countries, increased milk production and reduced domestic consumption may result in larger supplies available for export, for instance to Western Europe and the Middle East.

World butter and butter oil production decreased by 4.2 per cent in 1991 to 7.45 million tons. Butter production decreased in the European Community, Oceania and the former USSR. World butter production in 1992 is forecast to decrease by 2.5 per cent from the previous year, mainly due to reduced milk supplies and more milk being allotted to the production of cheese. Excess carry-over stocks in major producing countries and low demand related to health concerns are also discouraging butter production. The shift in consumption towards light dairy products continued in 1991 and 1992. Further developments in production and sales of light products have tended to increase the supplies of butter available for export, a tendency notably apparent in Europe and North America.

Major Butter Producers	
1991 estimates	(Thousand M.T.)
USSR	1,570
EEC	1,515
INDIA ¹	1,040
USA	606
PAKISTAN	298
POLAND	190
NEW ZEALAND	170
¹ Including ghee	

World cheese production (all kinds of cheese) reached 14.16 million tons in 1991, 2.6 per cent less than in the previous year. This was mainly due to lower production in the Nordic countries, as well as in the former USSR and in Central and Eastern Europe. Cheese production is expected to remain low in these areas in 1992. In most other countries, cheese production was encouraged by a generally favourable market outlook, and production showed further growth in 1992.

Major Cheese Producers	
1991 estimates	(Thousand M.T.)
EEC	4,745
USA	2,760
USSR	1,845
EGYPT	320
ARGENTINA	281
CANADA	261
AUSTRALIA	181
SWITZERLAND	134
NEW ZEALAND	125

World skimmed milk powder production decreased in 1991 by 3.5 per cent to 3.85 million tons, with declines in the European Community, New Zealand and Poland. In 1992, world production has dropped by 6 per cent following declines in the European Community and North America. World production of whole milk powder recovered appreciably in 1991, increasing by 5 per cent compared to 1990. Total 1992 production is expected to remain at that level, despite lower production in the first half of 1992.

Environmental regulations preventing whey to be disposed of as waste and increased supplies of cheese stimulated production of whey powder. Increases were noted in Australia, Canada, the European Community and the United States (where new record levels were attained in 1991), and production continued to increase in 1992.

World production of condensed and evaporated milk declined throughout the 1980s, with condensed milk being increasingly replaced by whole milk powder in the market. The trend now appears to have levelled out, with some increases in production in the European Community, the United States and Australia, in 1992.

World casein production reached a level of 200 thousand tons in 1991, 6.5 per cent down on 1990. This decline was mainly due to a reduction in Polish production, which fell by almost one half. In 1991, European Community output recovered somewhat but nevertheless remained relatively low as it was more profitable to produce skimmed milk powder and to use liquid skimmed milk as feed. In the first part of 1992, European Community casein production was high, but a reduction in aid to manufacturing might discourage production later in the year.

Consumption

World consumption of milk and fresh milk products, which had increased at an annual rate of about 1 per cent over recent years, has shown a stronger annual increase of 1.5 to 2 per cent since 1990. There is a lively demand for low-fat milk products in most regions and it is expected that the protein component of milk will be facing increased demand in the near future. At the same time, consumption of cream has started to increase in Western Europe; European Community consumption rose by almost 4 per cent from 1990 to 1991.

Throughout the 1980s, butter consumption showed very little change on average, and annual world per capita consumption of butter remained at a level of 2.8 kgs. The trend remained unaffected by an increasing substitution of blended spreads of butter and vegetable oil. In 1991, world consumption declined by 2 per cent, with sharper decreases in particular regions. The trend toward blended spreads and low fat spreads has accelerated since 1990, due to consumer preferences for products with reduced fat and cholesterol and to changes in legislation permitting the sale of blended products to consumers. In the short and medium term it is likely that this trend will continue or even accelerate. In Central and Eastern European countries, lower production and reduced supplies, together with increased retail prices, affected adversely the consumption of butter in 1991 and 1992. In some cases, consumption has fallen to only one half of its previous level.

The upward trend in cheese consumption continued in 1991, with further advances in most countries. In general, demand for speciality cheeses expanded more rapidly than that for traditional cheeses. The great variety of cheese available, active product development (i.e. low fat cheeses) and brand advertising were the main reasons for these positive developments in cheese consumption. World per capita cheese consumption has been increasing at an average annual rate of 2 per cent since the early 1980s, and is expected to further increase at that rate in the near future. Per capita cheese consumption shows great variation from one country to another. It is high in some countries of Western Europe and in North America, which are also the areas which showed the strongest annual increase in consumption. At close to 13 kgs., annual per capita consumption of cheese in the United States in 1991 was about 30 per cent higher than in the early 1980s. Average consumption per head in the European Community reached 14 kgs. in 1991. European Community consumption further increased in 1992.

World consumption of skimmed milk powder declined in 1991. With smaller supplies and firming world prices this downward trend has continued in 1992. Consumption of whole milk powder increased in 1991 following substantially increased supplies by the

European Community and New Zealand and, to a lesser extent, also by Australia.

In the medium term, world butter consumption is expected to decrease further reflecting, among other factors, the trend towards a diet with less fat. The decline would primarily be in household consumption, while industrial use of butter could be stimulated through various actions. The rate of growth in cheese consumption is expected to continue to exceed that of population growth, with the strongest growth in low fat cheeses. Both for cheese and fermented milks and products such as yogurt and fresh and frozen desserts, an increase in consumption in a range of 2 to 3 per cent could be expected. Demand for fresh liquid milk could also increase at rates between 1 and 2 per cent a year. Health concerns, particularly concerns related to reduction of fat and cholesterol intake, remain important factors for future demand of dairy products.

Trade

World import demand for butter has continued to weaken, reflecting a continued decline in milk fat consumption in many countries. As a result of a further deterioration of the market for butter, world exports in 1991 decreased to 698 thousand tons, 3 per cent below 1990 levels. World exports are expected to decline further by 3.4 per cent in 1992 to 675 thousand tons, notably due to lower commercial imports into Russia. The emergency situation in the former USSR resulted in a demand for food imports, including butter, on special terms, and consequently a derogation for sales of butter to the former USSR was granted in December 1990.

Major Butter Exporters 1991 estimates		(Thousand M.T.)
EEC ¹		251.0
NEW ZEALAND		207.5
AUSTRALIA		36.6
USA		23.0
SWEDEN		22.2
FINLAND		22.0
¹ Excluding EC-Intra Trade		

Sales contracts concluded under this derogation totalled 311 thousand tons. However, shipments were delayed, mainly due to payment difficulties experienced by the USSR, and total deliveries under this derogation reached only 177.5 thousand tons

Major Butter Importers 1991 estimates		(Thousand M.T.)
USSR		250.0
EEC ¹		68.0
EGYPT		64.0
JAPAN		21.0
INDIA		10.0
¹ Excluding EC-Intra Trade		

In 1992, the United States sold 34.6 thousand tons of government salted butter to Russia under a three-year credit guarantee programme. No other commercial sales to that market were reported by mid-1992.

Cheese trade expanded further in 1991 with world exports reaching 905 thousand tons. This was due to higher exports from the European Community, New Zealand and Australia. Japanese cheese imports recovered appreciably, and higher imports into OPEC countries and other developing countries more than outweighed a certain stagnation in the volume of cheese imported into the United States. In general, cheese trade continued to expand in 1992.

Major Cheese Exporters 1991 estimates		(Thousand M.T.)
EEC ¹		478.0
NEW ZEALAND		109.1
AUSTRALIA		64.6
SWITZERLAND		61.3
AUSTRIA		30.1
¹ Excluding EC-Intra Trade		

Major Cheese Importers¹ 1991 estimates		(Thousand M.T.)
USA		136.3
JAPAN		122.0
EEC ²		109.0
SWITZERLAND		27.6
¹ Information not available for certain major importers ² Excluding EC-Intra Trade		

In 1991, world exports of skimmed milk powder declined to 800 thousand tons, a drop of 11 per cent.

Sharp decreases in the European Community were not entirely offset by increases in Australian, New Zealand and United States exports. Polish exports also decreased in 1991. However, import demand in some developing countries remained strong and imports into Japan recovered appreciably. In 1991, exports of whole milk powder by major suppliers recovered strongly and world exports reached a new record level of 980 thousand tons. In 1992, international trade in both skimmed and whole milk powders increased due to efforts by major producers to reduce powder stocks and increased demand from traditional customers, particularly Mexico and other Latin American countries.

Major Skimmed Milk Powder Exporters 1991 estimates		(Thousand M.T.)
EEC ¹		253.0
NEW ZEALAND		151.7
AUSTRALIA		118.9
USA		43.5
POLAND		41.5
CANADA		36.1
AUSTRIA		25.0
¹ Excluding EC-Intra Trade		

Major Skimmed Milk Powder Importers 1991 estimates		(Thousand M.T.)
JAPAN		117.0
MEXICO		50.0
BRAZIL		35.0
INDIA		15.0
PERU		12.0
ARGENTINA		10.6

The international whey powder market continued to be supply-driven in 1990 and 1991. Although demand was stimulated by reduced skimmed milk powder supplies, feed compounders were not able to absorb the greater supplies of whey. World trade of condensed milk continued to decline in 1990, following lower supplies, but recovered in 1991. World exports of casein decreased by some 8 per cent compared to 1990. In 1991, when the volume of United States casein imports increased marginally, their value decreased by 20 per

cent. In the first half of 1992, the volume of United States casein imports were almost 5 per cent higher than in the corresponding period of 1991, and the import value was up by 13 per cent.

Food aid

Reduced supplies and declining surplus stocks have adversely affected the amount of dairy products available for donations under food-aid programmes. Food-aid shipments of dairy products, which had averaged nearly 400 thousand tons (product weight) in the early 1980s, were estimated to have fallen below 100 thousand tons in 1990. The increase in prices at the same time made the financing of food aid in dairy products more difficult. Moreover, apparently because of the reduced needs of India and China, dairy food aid to developing countries remained low. However, the volume of dairy products provided as food aid increased in 1991 as supplies were again more plentiful and stocks rising. This increase was exclusively due to increased shipments to countries in Central and Eastern Europe and the former USSR.

A total of 97 thousand tons of non-fat dry milk and 105 thousand tons of butter/butter oil were made available by the United States under the PL 480 and Section 416(b) programmes for fiscal year 1992. Under these programmes, dairy products were provided as food aid to a number of countries, including Poland and Russia, early in 1992.

The former USSR area was in need of substantial supplies for food relief purposes in 1991/92 and made a request for massive food aid including butter and milk powders (baby food). The European Community has been the main supplier but shipments from the United States have also been substantial. Triangular arrangements have also been reported, whereby OECD donor countries purchase food in Central and Eastern European countries for delivery as food aid to the former USSR area. In light of the commercial importance of the Russian market, concerns were expressed that any response to the request should be such as to cause a minimum disruption to the commercial market and that the FAO "Principles of Surplus Disposal and Consultative Obligations" should be observed. Supplies of food aid, partly consisting of dairy products, to Moscow, St. Petersburg and other large cities in the area were provided throughout 1992.

Stocks

World stocks at the end of 1991 were at around 1 million tons for butter and 850 thousand tons for skimmed milk powder. At 631 thousand tons, butter stocks in the European Communities, North America and Oceania remained relatively stable compared to their level one year earlier. However, concerns were expressed that stocks held in the European Communities

and the United States were still high. At the same time, skimmed milk powder stocks, at 635 thousand tons, were 15 per cent higher than a year earlier. World stocks at the end of 1992 are expected to decrease for each product, notably for skimmed milk powder, reflecting reduced production and efforts to dispose of surpluses.

International prices

In the first half of 1991, the market situation for butter continued to worsen with the accumulation of stocks, following a persisting decline in butter consumption in many countries and an extremely weak international demand. Prices of butter and anhydrous milk fat were at or slightly above the respective minimum export prices and, in practice, few sales had been made. Moreover, certain offers and sales had reportedly been made at prices below the minimum prices.

Butter prices started to recover in the third quarter of 1991 partly due to the weakening of the United States dollar, but traded volumes remained low. Prices continued to firm in the fourth quarter of 1991 and ranged between US\$1,500 and US\$1,850 per ton f.o.b. However, prices weakened again throughout the first half of 1992, ranging between US\$1,350 and US\$1,600 per ton f.o.b., mainly due to weak commercial demand, and few sales were made in the second quarter of 1992. Considerable uncertainty persists as to the situation for butter and anhydrous milk fat in the coming months, as neither the final quantities to be delivered as food aid to the former USSR area are known nor the quantities which could be commercially sold to that area. The situation in that area remains crucial to the butter market, which continues to be fragile.

Cheddar cheese prices fluctuated between US\$1,500 and US\$2,100 per ton f.o.b. in 1991, and between US\$1,800 and US\$2,200 per ton f.o.b. in the first nine months of 1992. For most cheeses covered by the Protocol, the market situation is steady, and prices are expected to remain well above the agreed minimum export price. This outlook could, however, be affected adversely by developments for butter.

The increase in world market prices for milk powders, which began in 1990, continued in early 1991. However, following a temporary strengthening of the United States dollar in the second quarter, international prices declined, although the market situation remained basically the same. Thus, for the second quarter, prices of skimmed milk powder decreased to the range of US\$1,250 to US\$1,300 per ton f.o.b. and those for whole milk powder to the range of US\$1,250 to US\$1,330 per ton f.o.b. Due to a subsequent weakening of the United States dollar and to tight supply conditions for milk powders, the market for milk powders recovered in the second half of the year. Prices firmed and ranged between US\$1,450 and US\$1,800 per ton

for skimmed milk powder and between US\$1,440 and US\$1,575 per ton f.o.b. for whole milk powder. In the first half of 1992, international demand for milk powders, and particularly for skimmed milk powder, continued to grow mainly reflecting large purchases by major importers. In the first half of 1992, prices increased to the range of US\$1,550-US\$1,900 per ton f.o.b. for both skimmed milk powder and whole milk powder. The market continued to remain firm throughout 1992, with skimmed milk prices ranging between US\$1,800 and US\$2,170 per ton f.o.b. and those for whole milk powder between US\$1,750 and US\$2,100 per ton f.o.b. in the third quarter.

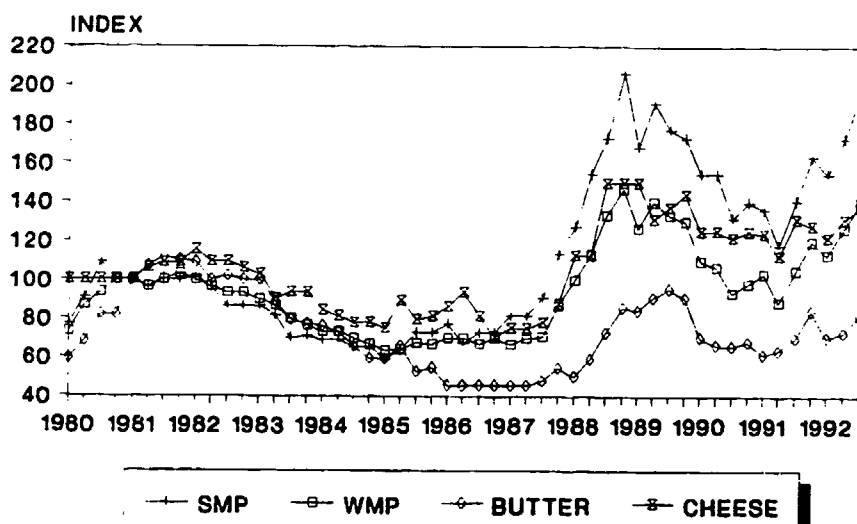
At their September 1992 meetings, the Committees reviewed the minimum export prices for products covered by the Protocols. New Zealand had submitted a written proposal in advance of the meeting to increase the minimum prices specified under the Protocol Regarding Certain Milk Powders by US\$200 per ton f.o.b., indicating that such an increase was fully justified in light of the criteria of Article 3:3(b) of the Protocol. Some participants supported this proposal and noted that current minimum prices for powders were too low to guarantee a viable return to the most efficient producers. They further noted the long-term and sustained upward trend in the prices of milk powders and expressed their concern over the substantial difference between market prices and the agreed minima. However, others felt that the upward trend in the prices was largely due to the decline in the United States dollar and that in light of the monetary uncertainties and the changes in the production and consumption patterns

in certain countries, it would not be appropriate to modify minimum export prices at this time. Consequently, the present minimum export prices for the pilot products covered by the three Protocols were maintained unchanged.

Prices for condensed milk increased throughout 1991, then remained stable until July 1992, when they again rose. There was still some downward pressure on prices of casein in the United States early in 1991 but a recovery could be seen from September on. Subsequently, prices continued to strengthen, reflecting the tight market conditions for skimmed milk powder. In August 1992, prices of edible casein in the United States averaged US\$5,200 a ton, an increase by 31 per cent on August 1991. Whey prices declined in the first part of 1990, but while the decline continued in the United States, prices rose in Europe towards the end of the year. In 1991, prices continued to increase in Europe as well as in the United States. In August 1992, European prices fell back to their level of a year earlier while quotations in the United States remained well above their level in 1991.

During the thirteen-year period in which the Arrangement has been in operation, market prices have gone through various phases. At the beginning of the 1980s prices on world dairy markets were relatively stable. 1982 marked the beginning of a period of increased world milk production, not matched by increased demand, and the accumulation of surplus stocks notably of butter and skimmed milk powder. Stocks remained high and continued to have a depressing impact on the prices of all dairy products until 1986-87. There-

DAIRY PRICES INDICES * (Basis: 1st quarter 1981=100)



*Upper level of price range

after a general recovery came about, first for powders and cheese and later for butter and anhydrous milk fat. The prices for powder and cheese reached new record levels in 1988, while those for butter and anhydrous milk fat, although increasing substantially, did not regain their levels of the early 1980s.

Milk proteins have few substitutes and have been, even at the higher price level, in a strong competitive position with vegetable proteins. This has not been the situation for milk fat, which has been facing stiff competition from vegetable fat, at the same time as dietary advice has dampened the demand for fats in general. Such advice, in contrast, favours demand for milk protein and has affected the recent developments in powder prices, with good quality skimmed milk powder for recombination commanding a premium compared to whole milk powder. Developments in market prices, and changes in the agreed minimum export prices, clearly illustrate the difference in market trends for various milk components.

World Milk Production and National Dairy Policies

World milk production (including buffalo, sheep and goat milk), at 526.7 million tons in 1991, showed a decrease of some 2 per cent over the previous year. The production of cow's milk decreased by 2.7 per cent to 464 million tons. While output remained unchanged in North America and increased in Oceania and Japan, it decreased in Western Europe and particularly in Central and Eastern Europe and Russia. Output continued to rise in Asia, notably in India. Elsewhere in develop-

ing regions, milk production stagnated in 1991. In most Western European countries and Canada, production remained subject to quotas and changed only moderately.

World milk output is expected to further decrease by 1 to 2 per cent in 1992. Most of the decline will again occur in Central and Eastern Europe and Russia, although Western Europe might also experience another reduction. In Oceania and Japan, production has continued to increase in 1992. Milk output in the United States is forecast to rise by 1 per cent. The European Community has maintained its production quotas at the same level as in the previous year. Other Western European countries and Canada might lower quotas again, while Japan continues to pursue its recent policy of satisfying most of the rise in domestic demand through imports.

In the developing regions, milk production has further grown in Asia, stimulated by rising demand, in particular in India. Strengthening of demand in domestic markets has also benefited producers in several Latin American countries. Although globally the supply of milk and milk products will continue to exceed effective demand, surpluses should decrease in 1992.

Milk deliveries in the *European Community*, decreased by 1.9 per cent to 97 million tons in 1991. Cow numbers fell by 2 per cent but productivity per cow increased by 1.5 per cent in 1991. The main factors depressing deliveries in 1991/92 were the 2 per cent linear reduction in quotas and the additional quota buy-out period agreed by the EC Council in June 1991. For the first half of 1992, European Community milk deliveries (including the new German *länder*) decreased by 2.3 per cent compared to the corresponding period in 1991.

Table 2 - International Prices (1990-1991-1992)

(US\$ per metric ton f.o.b.)

Product	1990	1991		1992		
	January-December	January-June	July-December	January-March	April-June	July-September
Skimmed Milk powder ^a	1,300-1,700	1,250-1,500	1,450-1,800	1,550-1,700	1,600-1,900	1,800-2,170
Whole milk powder	1,250-1,650	1,250-1,550	1,440-1,800	1,550-1,700	1,550-1,900	1,750-2,100
Anhydrous milk fat ^b	1,625-1,950	1,625-1,800	1,675-2,250	1,700-1,950	1,625-1,950	1,625-2,200
Butter ^b	1,350-1,500	1,350-1,400	1,450-1,850	1,400-1,550	1,350-1,600	1,350-1,800
Cheddar cheese ^c	1,550-2,000	1,550-1,980	1,550-2,100	1,750-1,950	1,750-2,100	1,800-2,200

^a In 1991, certain sales of skimmed milk powder for animal feed were made at lower prices than the ranges indicated, by derogation under Article 3:5 of the Protocol Regarding Certain Milk Powders.

^b In 1991, certain sales of butter were made at prices lower than the ranges indicated, by derogation under Article 7:1 of the Protocol Regarding Milk Fat.

^c In 1991 and 1992, some sales of cheese below normal export quality were made at lower prices than the ranges indicated according to Article 7:2 of the Protocol Regarding Certain Cheeses.

In the medium term, milk deliveries are expected to stabilize. Cow numbers should continue to fall, not least in light of measures implemented to encourage some farmers to give up milk production. Yields are expected to increase by 1.4 per cent a year, and might, together with improved feeding techniques, tend to increase production. Following German unification in 1990, total European Community milk delivery forecasts should be revised upwards by around 5 per cent.

In March and May 1992, the EC Council took decisions relating to quotas, prices and reform of dairy policy. In March, the Council extended the quota system for the 1992/93 dairy year (1 April to 31 March), maintaining the deliveries and direct sales quotas at the same level as in 1991/92. The European Community reserve was also unchanged. In May, the Council decided to maintain the target price for milk at ECU 26.81/100 kgs. for the 1992/93 dairy year. The co-responsibility levy was extended for a further year at 1.5 per cent of the target price. The intervention prices for milk products also remain at their level of the previous dairy year.

The regulations implementing the reform decisions of May 1992 were published in August 1992. There was agreement to extend the quota system for seven years and to reduce the intervention price of butter by 2.5 per cent in the same two years while keeping the intervention price of skimmed milk powder (and in consequence the target price for milk) at the same level. Other decisions, which have yet to be finalized, concern the reduction of quotas by 1 per cent in 1993/94 and in 1994/95, taking into account the evolution of the market situation; provision of compensation of ECU 5/100 kgs. for ten years for quota reduction and incentives for the total and permanent discontinuation of milk production of ECU 17/100 kgs. per year for three years.

In *Finland*, milk deliveries were at 2.42 million tons in 1991, some 9 per cent down from their 1990 level. The reason for this rapid decrease was the milk buy-out scheme implemented from December 1990 through May 1991, covering 221,000 tons of milk. Milk deliveries again fell by 5.8 per cent for the first half of 1992. Annual 1992 deliveries are expected to decrease by 4 per cent to 2.32 million tons, due to a temporary decline in yields and a new milk buy-out scheme implemented in March/June 1992 covering 107,000 tons of milk. Milk deliveries are forecast to continue to decline in 1993 to 2.26 million tons. The Milk Quota Act has been revised, with the result that the penalties for exceeding quotas has been reduced and the share of free quotas has been increased.

In *Norway*, total milk deliveries decreased by 2.5 per cent to 1.88 million tons in 1991 due to reductions in milk quotas and a tightening of the two-price system. In 1992, deliveries are expected to decline to 1.78 mil-

lion tons, due to a further tightening of the quota system. Further reductions in the coming years are also expected as the Government has launched a programme for buying back milk production quotas from farmers.

In *Sweden*, a new food policy based on the principle that agriculture should be subject to the same conditions as other sectors was laid down in June 1990. Consumer subsidies for milk and dairy products were abolished from 1 January 1991. Internal price controls (including export subsidies) are to be abolished over a transitional period of five years. The internal controls include a profitability equalization scheme designed to eliminate differences in the profitability of different products. As part of a package of measures to stabilize Swedish agriculture, the maximum milk price was abolished as of 1 July 1992 and thus milk prices have been liberalized. Milk deliveries decreased to 3.13 million tons in 1991. In 1992, milk deliveries were down by 5 per cent for the first half of the year and annual deliveries are expected to decrease by 2 per cent to 3.07 million tons, mainly due to a further decline of 5 per cent in dairy cow numbers and feed supplies adversely affected by drought.

In *Switzerland*, milk deliveries increased by 2.9 per cent to 3.06 million tons in 1991. In the first seven months of 1992, however, milk deliveries were 3 per cent lower than in the corresponding period of 1991. Dairy cow numbers are expected to decline in the coming years while yields could increase further. Premiums are paid for non-marketing of milk and for processing of milk into cheese.

In the 1991/92 season (1 June to 31 May), milk production in *New Zealand* amounted to 362 million kgs. of milk fat, an increase of 5.5 per cent on 1990/91 due mainly to very favourable weather conditions. Production in 1992/93 is forecast to be some 2 per cent lower than in 1991/92 with a return to more normal rainfall patterns. For the medium term, it is forecast that cow numbers will remain steady, yields per cow will stabilize at 3,400 kgs. per year and milk production will stabilize at an average 7.5 million tons a year.

The final value for manufacturing milk fixed by the Board for the 1991/92 season was NZ\$5.20 per kg. milk fat, up from the interim price of NZ\$4.70 per kg. milk fat fixed in February 1992 and the final price of NZ\$3.70 per kg. set for the 1990/91 season. Weighted average payment to farmers by dairy companies was NZ\$5.84 per kg. milk fat in 1991/92. This reflects both the weaker value of the New Zealand dollar as well as increases in international market prices. The advance price set for the 1992/93 season is NZ\$4.50 per kg. milk fat. Producer prices for milk continue to be determined directly by export market conditions.

In *Australia*, milk production in the 1991/92 season (1 July to 30 June) was estimated to total 6.73 mil-

lion tons, an increase by 5.1 per cent on 1990/91, due mainly to favourable seasonal conditions and farm level productivity gains. There was a 3.4 per cent reduction in herd numbers and dairy cow numbers continued to decline, while yields increased by 6 per cent to 4,125 litres as a result of genetic and management improvements. The marketing arrangements established in 1986 aimed at the development of a more efficient market-oriented dairy industry. Major components of these arrangements expired in June 1992 and legislation has been enacted to allow for slightly modified arrangements until 1999-2000.

Japanese milk production in 1991 increased by about 1 per cent to 8.26 million tons. The increase was mainly due to a further improvement in yields, while dairy cow numbers continued to fall. Deliveries in the first half of 1992 were almost 4 per cent above the year-earlier level, whereas the demand for drinking milk increased only by 0.3 per cent. For the whole of 1992, output is forecast to increase. Excess domestic demand for dairy products has been met through substantial imports. Japan has lowered its support price for manufacturing milk further in 1991/92 and allowed larger imports to meet rising demand. For 1992/93 (1 April to 31 March), this support price was maintained unchanged at its level of 1991/92. Imports of cheese have increased, while restrictions on imports of butter and milk powder have been relaxed. Milk production in Japan is not expected to rise much in the near future so that the growth in demand should be met from imports. After the decline in 1989 and 1990, Japanese imports of dairy products (including casein and lactose) reached some 2 million tons of milk equivalent in 1991, making it one of the world's largest net importers in quantitative terms, and the world's largest in value terms.

In *South Africa* there has been a marked downward trend in milk production since April 1991. This might lead to a shortage in the supply of milk since cyclical shortages of milk solids occur regularly followed by shorter periods of over-supply or surpluses. Milk output decreased by 4 per cent in 1991 to 1.95 million tons due to unfavourable weather conditions, the reduced producer price of milk and the resulting decrease in the number of milk producers. Milk production in 1992 is estimated to decrease by 5 per cent to 1.85 million tons due to drought, and will remain low in 1992/93.

In *Argentina*, milk deliveries declined by 3.3 per cent in 1991 to 5.57 million tons due mainly to adverse climatic factors. Dairy policies were under review, with consideration being given to the overall quality of raw milk, including its composition, microbial count and other sanitary aspects, and to the establishment of a new basis for payments for milk delivered to dairies. There were no subsidies on production or exports of dairy products. Certain trade liberalization measures

were adopted with effect from 1 April 1991, under which the custom duties are to be reduced to zero and specific duties removed. Since the second half of 1991, Argentine dairy exports declined while domestic consumption increased. The recovery in domestic consumption led many companies to opt for increased imports. Early in 1992, Argentina continued to import dairy products, mainly milk powders. The combined effect of drought, a switch to beef, and economic improvements, boosted demand for imports.

In *Uruguay*, milk deliveries declined in 1991 following significant growth in 1990. With very favourable conditions for dairying and a low cost of milk production, Uruguay has rapidly expanded its export-oriented dairy sector becoming, in recent years, the largest net exporter of dairy products among the developing countries. Although exports had declined in 1990, they recovered appreciably in 1991 and continued to grow in 1992 for all dairy products except butter.

In *Egypt*, the import régime of certain dairy products has been changed. Total production of milk (including buffalo milk) in 1991, at 2.30 million tons, was 1.3 per cent higher than in 1990. Efforts are being made to develop and increase dairy production. The target for milk production in the year 2000 is 4 million tons, and the aim is to achieve full self-sufficiency of liquid milk and fresh milk products. Efforts are being made to reach these objectives through increased traditional production of feed, genetic improvement and improvement of cattle health and fertility. Attempts are also being made to establish a sound processing, storage and marketing system.

In *Bulgaria*, total production of milk in 1991 fell by 3 per cent to 2.25 million tons due to a drop in both cow numbers and productivity per cow. A comprehensive price reform, implemented since 1991, has eliminated almost all restrictions on producer and consumer prices. For essential foodstuffs, including milk and dairy products, the government has assessed new market prices, involving an average five-fold increase from previous levels. A far-reaching privatization programme has been evolved which affects monopoly structures in the production and trade of agricultural products, including dairy products. A comprehensive reform of the exchange system based on an interbank foreign exchange market has been introduced and new fiscal and tax policies implemented. From February 1991, the government temporarily prohibited the export of milk powder, milk, yoghurt, cream and buttermilk, and imposed an export tax on cheese amounting to 30 per cent of the export price, in order to alleviate acute domestic food shortages. These restrictions were gradually eliminated during the year.

Hungarian production of milk decreased by almost 9 per cent to 2.29 million tons in 1991, due to the dete-

riorating economic situation and decreasing dairy cow numbers. A further decrease of 10 per cent is expected in 1992. With the introduction of market-oriented policies, the previously large-scale consumer subsidies were phased out, resulting in major price increases for dairy products and in a substantial decrease in domestic consumption. The consumption of dairy products, which had already declined by 20 per cent in the three years between 1988 and 1990, fell further by 16.7 per cent in 1991. Export opportunities were adversely affected by the collapse of traditional export markets, especially in the former USSR and Yugoslav areas.

In *Romania*, total milk production in 1991 recovered slightly by 1 per cent to 4.61 million tons. Production remained low, though, due to transitional difficulties related to structural reforms of the sector. Since early 1990, Romania embarked upon wide-ranging reforms in order to move to a market economy. These reforms have also affected the production, consumption and prices of dairy products. Unlike other Eastern European countries, Romania has continued to control consumer prices of basic foods, including milk. As from 1 May 1992, production subsidies for dairy products have been reduced by 25 per cent. A further 25 per cent reduction was to be implemented on 1 September 1992, but this met with strong opposition and was postponed. As of 1 January 1992, Romania applied a new import customs tariff, the great majority of customs duties being between 20 per cent and 25 per cent. Imports have been liberalized while exports of milk for consumption, milk powders and butter have been prohibited. Moreover, the country has received some dairy products as food aid from Western Europe.

In *Poland*, a system of market-oriented prices was introduced in 1989 and subsidies to the dairy industry were abolished. The deregulation of prices after forty years of State control resulted in a substantial rise in retail prices, adversely affecting the consumption of dairy products. The Polish dairy sector suffered from the removal of subsidies on domestic consumption and the loss of markets in Eastern Europe and Russia. The liberalization of foreign trade meant greater competition from other exporting countries. However, in 1991 Poland devalued its currency and raised import duties. Poland sold calves to Western Europe in 1991, which had the effect of reducing its milk and beef production capacity. Such sales were subsequently restricted by European Community limitations of imports of calves from Eastern Europe. Milk production decreased by 8 per cent in 1991 to 14.88 million tons. This was due to a decline by 8 per cent in cow numbers while yields remained unchanged. In 1991, deliveries declined by 22 per cent to 7.9 million tons as the abolition of all subsidies decreased the profitability of milk production. Following these developments Poland had to import

certain quantities of butter in 1991 and 1992 and received 16,000 tons of butter as food aid from the United States. An intervention purchasing scheme for butter and skimmed milk powder was introduced early in 1992. Milk production is expected to decline a further 7 per cent to 7.3 million tons in 1992, largely because of drought.

Milk production in *Czechoslovakia* fell by 16 per cent in 1991 to 5.8 million tons as a result of a slaughter campaign and a sharp fall in consumption. Milk deliveries have continued to decline significantly in 1992. Cow numbers declined by 6 per cent in 1991, due to a combination of lower returns to producers, dry weather and poor fodder crops. Increases in retail prices, mainly due to the removal of consumer subsidies, adversely affected consumption, which decreased by about 20 per cent in 1991. As domestic demand declined more than production, certain quantities of dairy products, including 17 thousand tons of butter, were exported in 1992.

In 1991, inadequate feed supplies, both with respect to quantity and quality, lower yields and reduced cattle numbers entailed a reduction of almost 12 per cent in milk production in the former *USSR* area, estimated to have reached only 96.43 million tons. Milk deliveries were also adversely affected by general economic difficulties. Statistical information on these countries must be treated with caution and figures should merely be taken as approximations and rough indications of the volume of production and deliveries.

In 1991, *Russian* milk production fell by 8 per cent to 51.5 million tons; that of *Ukraine* by 10 per cent to 21.5 million tons, while that for *Belarus* was estimated to have fallen below 7 million tons. The decline in milk production continued in 1992 as feed supplies were again insufficient. In the first half of 1992, Russian milk deliveries were 18 per cent lower than in the corresponding period of 1991. Consumption has been adversely affected by reduced supplies. For the Commonwealth of Independent States taken together, average per capita consumption of milk and dairy products in 1991 amounted to 305 kgs., 16 per cent less than in 1990, and might fall further to its level in the 1960s.

The potential for increasing milk production and deliveries remains significant, with a cow population of around 30 million head and a yield of less than 3 tons per cow. However, feed supplies need to be increased and management improved in order to raise production. Efficient systems for the collection, processing and distribution of milk and dairy products have not yet been established in these countries. Larger cities, such as Moscow and St. Petersburg, will most likely continue to require supplies from abroad through concessional sales or donations. It remains uncertain when Russia will be in a position to resume commercial imports of butter.

TABLE 3
Some Data Related To (a) Cows' Milk Production or (b) Deliveries For Selected Countries Or Regions

		Milk Production/Deliveries (million tons)	Percentage change from previous year		
			Production/Deliveries	Milk yield	Dairy cow numbers
EC-12	1990	(b) 98.86	0.0	+ 1.4	- 1.9
	1991	(b) 97.00	- 1.9	+ 1.5	- 2.0
	Forecast 1992	(b) 95.00	- 2.0	+ 1.4	- 2.0
United States	1990	(a) 67.28	+ 3.0	+ 3.0	0.0
	1991	(a) 67.37	+ 0.1	+ 1.5	- 1.3
	Forecast 1992	(a) 68.04	+ 1.0	+ 2.5	- 2.0
Poland	1990	(a) 16.17	- 1.5	- 0.8	- 1.0
	1991	(a) 14.88	- 8.0	0.0	- 8.0
	Forecast 1992	(a) 14.13	- 5.0		
New Zealand	1990	(a) 7.72	+ 5.0	+ 0.3	+ 4.9
	Preliminary 1991	(a) 8.02	+ 3.9	+ 3.0	+ 1.0
	Forecast 1992	(a) 8.10	+ 1.0		
Canada	1990	(a) 8.05	0.0	+ 3.0	- 3.0
	1991	(a) 7.95	- 2.3	+ 0.5	- 2.0
	Forecast 1992	(a) 7.70	- 3.1		- 1.5
Japan	1990	(a) 8.20	+ 1.6	+ 3.0	- 1.0
	1991	(a) 8.26	+ 0.9	+ 1.8	- 0.8
	Forecast 1992	(a) 8.38	+ 1.0		- 1.6
Australia	1990	(b) 6.41	- 1.8	+ 1.0	- 1.5
	1991	(b) 6.66	+ 3.9	+ 3.6	- 0.6
	Forecast 1992	(b) 6.79	+ 2.0		
EFTA countries	1990	(b) 1.91-3.77	- 3.1-5.0		- 2.0-1.7
	Ranges 1991	(b) 1.86-3.78	- 9.5-0.1		- 10.5-1.5
	Preliminary 1992	(b) 1.85-3.79	- 3.9-0.3		- 5.1-0.0

Estonia, Latvia and Lithuania regained their independence in 1991. Dairy products have traditionally been major agricultural export items. These countries have significant export potential. With a total population in the three countries comparable to that of Sweden, but with a total milk production of 6.3 million tons, that is, twice that of Sweden, an annual exportable surplus of 2 to 3 million tons of milk is likely. Currently, efforts are being made to improve productivity and feed supplies, and to restructure the dairy industry and develop and adjust the product range and quality to market needs. Before these countries regained their independence, substantial quantities of dairy products were delivered to Russia on a regular basis. Estonian milk production in 1990 was reportedly around 1.20 million tons, Latvian production around 1.90 million tons and that of Lithuania around 3.20 million tons. In 1991 and 1992, all three countries were going through a period of re-organization and had problems with feed supplies due to severe drought. While milk deliveries were down by 12-13 per cent, the quality of the cattle herd was high and annual yields were well above 4 tons

per cow in Estonia and around 3.5 tons in Latvia and Lithuania.

In the *United States*, the sustained period of favourable returns to milk production encouraged increases in milk cow numbers and expansion in production by early 1991. However, sizable early-1991 production increases diminished as the year progressed in response to lower milk prices. For the year as a whole, average prices received by milk producers were significantly below the relatively high 1990 level as demand for milk and dairy products, notably cheese, was dampened by economic recession and stocks increased. In this situation, the expansion of milk production levelled out. For all of 1991, milk output, at 67.37 million tons, remained almost unchanged compared to 1990. Dairy cow numbers decreased by 1.3 per cent while yields increased by 1.5 per cent to a record level of 6.744 kgs. per cow, next to Israel the highest in the world. In 1991, commercial consumption of dairy products was slightly higher than in the previous year. Shifts in consumption from higher-fat products toward

lower-fat products persisted, entailing an increased surplus of butter available for export. For 1992, milk production is expected to grow by 1 per cent as an increase in yields should more than offset a drop in dairy cow numbers; commercial use could increase 1.8 per cent and farm milk prices rise to levels above those in 1991. The Commodity Credit Corporation (CCC) effected significant purchases of butter and skimmed milk powder in 1991. In 1992, CCC purchases are forecast to be about one half the 1991 level.

Dairy cow numbers are forecast to decline by 4.7 per cent over the period 1992-1997, while average yields per cow are expected to increase by 12.2 per cent. As a result of such strong increases in average yields, milk production is expected to continue to rise at an annual average of about 1 per cent, or by a total of 6.3 per cent during 1992-1997. The production of butter is forecast to decline by about 10 per cent over the period, while little change is expected in aggregate butter consumption. More milk fat is forecast to be shifted into cheese production, in response to continued strong annual increases in cheese consumption (about 4-5 per cent annually). Both butter and skimmed milk powder stocks are expected to decline significantly over the period.

The support price for manufacturing milk was lowered by 50 cents to US\$10.10 per cwt. as of 1 January 1990 and has since then remained unchanged. The Food, Agriculture, Conservation and Trade Act of 1990 provides that the minimum support price will stay at US\$10.10 per cwt. through 1995. While the support price for manufacturing milk has been kept unchanged in 1992, the support price for butter was reduced by 11 per cent in January and by a further 14 per cent to US\$1,681 per ton in May 1992. At the same time, the support price for non-fat dry milk was raised twice by 7 per cent, reaching US\$2,145 per ton in May 1992. Consequently, since January 1992, the United States support prices for non-fat dry milk have been set at levels higher than those set for butter, adjustments which reflect the opposite trends in demand for milk fat and milk protein. Butter production has exceeded demand and the adjustments are aimed at reducing the surplus production of butter.

The 1990 Farm Bill re-authorized the Dairy Export Incentive Program, extending it until 31 December 1995. The programme provides for substantial subsidies on shipments to specific countries. In 1992, eight African countries and India have been added to the list of countries eligible to purchase milk powder under the programme, a list which already contained a number of countries in Central and South America and the Middle East. United States food-aid donations of butter to Poland and Russia, and offers made to a number of countries for supplying butter under the programme, could

put downward pressure on world market prices for butter. Under a three-year credit guarantee programme, substantial quantities of butter have already been made available to Russia in 1992.

In 1991, *Canadian* milk production, at 7.95 million tons, decreased by 2.3 per cent compared to 1990, as the reduction in cow numbers was not offset by increased productivity. A further drop of 2 per cent is expected for 1992. Effective 1 August 1991, the target return was raised by 2.5 per cent to Can\$49.92 per hectolitre of milk. For the 1991/92 dairy year (1 August to 31 July), the Market Sharing Quota (MSQ) was reduced by 4.7 per cent following a decrease in the estimated domestic requirements for butterfat and increased low-fat fluid milk sales. The Market Sharing Quota was further reduced by 1 per cent in February 1992 and by another 3 per cent at the start of the 1992/93 dairy year. The final target price was at the same time reduced to Can\$49.86 per hl. of milk.

In *Israel*, production continued to decline by 3.9 per cent to 906 thousand tons in 1990. Faced with a sharp decline in domestic demand for all dairy products except fresh cheeses, the Milk Marketing Board took steps to cut milk production quotas. Subsidies were cut and retail prices increased by 9 per cent in real terms. However, production recovered in 1991, increasing by 3.4 per cent to 937 thousand tons. In 1991, Israel had an average yield of 8,400 kgs. per cow, the highest in the world.

Output of developing countries increased by 1.5 per cent to 158 million tons in 1991. Their world market share has increased to about 30 per cent of global milk output, due more to a reduction in output in the developed countries than an expansion of their own production. The outlook for 1992 is for somewhat faster growth in output, notably in Asia and Latin America. In the latter area, government policies may contribute to a recovery in demand. With global milk production decreasing by another 1 to 2 per cent in 1992, the share of the developing countries will rise again. Several importing developing countries have embarked on very ambitious development programmes in the dairy sector and their degree of self-sufficiency is expected to increase in the next few years. However, there are substantial differences in the development outlook among the developing countries.

India has become, after the European Community and the United States, the third largest producer in the world. Milk production and marketing in 1990/91 had grown so fast that processing plants were not able to process all milk during the flush season. However, less favourable weather in some dairy districts curbed production growth in 1991/92. At the same time, milk deliveries to modern processing plants actually decreased as a shortage in the vegetable fat market stimulated in-

creased processing of milk into ghee (butter oil) in the rural areas. Consequently, in calendar year 1991, total milk production increased by only 1.6 per cent to 54.7 million tons. The 1991/92 (1 July to 30 June) milk production target is 57.5 million tons compared with a production of 55 million tons in 1990/91. Milk output is projected to rise by about 10 per cent to 61 million tons by 1995. Per capita consumption is forecast to increase from its present level of 58 kgs. per year to about 68 kgs., and with a population growth of 2.2 per cent, India is expected to reach self-sufficiency in dairy products.

China's production of milk increased throughout the 1980s, as a result of increased cow numbers and more emphasis in national plans on the nutritional value of milk consumption. Following some slowdown in 1990, growth accelerated again in 1991. In 1991, *China's* production of milk (including milk from buffaloes, sheep and goats) was somewhat over 7 million tons, 2 per cent more than in 1990. Earlier plans which indicated a target of 30 million tons by the year 2000 were revised downwards as feed supply was lagging behind the requirements of the livestock sector and fodder prices were increasing. Even so, by the beginning of the next century, *China* might establish itself as the second largest milk producer among the developing countries.

In the *Republic of Korea*, demand for milk products and production of milk rose by 10 per cent to some 1.7 million tons in 1990. However, following two decades of fast increase, milk production virtually stagnated in 1991, as the government relaxed restrictions on imports under its policy to curb inflation. For the first time, foreign products accounted for a sizable proportion of consumption of milk and milk products. With rising incomes and westernization of the diet, per capita consumption of milk and milk products has trebled over the past ten years, reaching 45 kgs. of milk equivalent by 1991.

In some *Latin American* countries, the dairy industry continued to be stimulated by economic growth and rising demand. *Mexico's* milk production continued to rise sharply, up an estimated 9 per cent for 1991 to 6.9 million tons, mainly due to favourable weather conditions. A further increase by 5 per cent was projected for 1992. Assuming normal weather, Mexican milk output should rise further, reflecting factors such as the upgrading of the genetic potential of the dairy cattle population through sizable imports of breeding animals. Even so, as the government is committed to large-scale distribution of dairy products under social programmes, *Mexico* should remain one of the world's largest importers of milk powder, not least because of its rapid population growth.

Milk production in *Brazil* decreased by 5 per cent in 1991 to 13.8 million tons. However, in 1992 *Brazil-*

ian production of milk is expected to increase by about 7 per cent, among the highest growth rates in the countries covered in this report. The Government of *Brazil* recently began implementation of its March 1990 tariff reform programme. The programme will reduce import tariffs on dairy products to a range of zero to 40 per cent, with an average tariff of 20 per cent by 1994. The dairy commodities that are affected by this reform are skimmed milk powder, butter and cheese. However, in early April 1992, *Brazil* imposed a provisional countervailing duty of 31 to 52 per cent on imports of milk powders from the European Community.

In 1991, favourable milk prices in *Chile* stimulated production to reach 1.5 million tons. Production is projected to increase by 5 per cent in 1992.

Cuba's dairy industry depends heavily on imported milk powder and butterfat for recombining. The political and economic changes occurring in the former *USSR* and other traditional trading partners, have adversely affected the development of the industry. Cuban milk production decreased by about 3 per cent in 1991 to 1.1 million tons. A further decrease is expected for 1992. Reportedly, milk production in *Cuba* has fallen by almost half since the late 1980s, resulting in considerably reduced consumption of milk and dairy products, in spite of larger imports from *New Zealand* and other countries.

Consumption of liquid milk and fresh milk products

Over the last ten years, world consumption of liquid milk increased at an average annual rate of 1 per cent. In per capita terms, the consumption of milk remained rather stable at nearly 46 kgs. throughout this period. In 1991, worldwide fluid per capita milk consumption is estimated to have reached the 1984 record level of 47.6 kgs. Of course there are large variations in per capita consumption among different countries and regions of the world. While per capita consumption in some developed countries reaches 160 kgs. of liquid milk consumption, the intake is as low as 2.5 kgs. in certain developing countries. Yet while consumption levels are gradually increasing in developing countries with growing urbanization and population/income increase, per capita milk consumption is stagnant in some developed countries because of health concerns or due to the availability of a wide variety of substitute drinks and milk imitations of low caloric content at moderate prices. Consumers are showing preference for semi-skimmed types of milk and other light products. The switch from whole milk to partially skimmed milk has continued in 1991 and 1992, with sharp increases in consumption of the latter occurring in many countries in Europe and in North America. In some Central and Eastern European countries, where per capita consumption had been comparatively high, strong increases in

retail prices, distribution problems and other structural inefficiencies have had adverse effects on the consumption of milk and fresh milk products.

In 1992, world consumption of liquid milk is expected to increase by a further 1 per cent compared to 1991. Increased consumption is apparent in the United States, Japan, Mexico, Argentina, Brazil, India and Chile. Little change in consumption is expected in the European Community. Milk consumption is expected to decline significantly in Central and Eastern Europe, as well as the former USSR area.

The principal area of growth in consumption has been Asia. Rising incomes and changing food consumption habits provide a strong boost to demand for milk and dairy products. Many countries subsidize school milk and other campaigns to promote milk consumption. As a result, per capita milk consumption has steadily increased in countries such as the Republic of Korea, Thailand, Indonesia, China and India. Consumption increased as a consequence of milk distribution programmes also in Latin America, where the greatest increase in milk consumption in the world is forecast for 1992.

The consumption of other fresh milk products such as yoghurt and other fermented or flavoured milks has increased steadily in a number of countries and is expected to continue its upward trend. In the European Community, fresh product output increased by 1 per cent in 1991. It is estimated that more than 30 per cent of the milk collected is now marketed in this form. There is a potential demand for yoghurt and flavoured milks in many developing countries, but consumption continues to be hampered by relatively high prices.

The strong demand for milk products has encouraged the development and production of dairy substitutes and imitations, which to a variable degree contain milk components. Market information for such products is difficult to obtain, but it is generally believed that their rôle in the market still remains limited.

Individual Dairy Products

Butter and Anhydrous Milk Fat

Butter

Production

World production of butter and butter oil amounted to 7.45 million tons in 1991, down 4.2 per cent from the previous year. The accumulation of stocks and weakening prices were the principal reasons for these decreases. World production during 1992 is projected to decrease further by 2.5 per cent to 7.26 million tons due primarily to excess carry-over stocks

in major producing countries, low demand resulting from health concerns, and reduced output in the former USSR area and in the European Community.

In 1991, *European Community* butter production decreased by 5.6 per cent to 1.51 million tons compared to 1.60 million tons in 1990. Lower output of milk, coupled with further increases in domestic demand for cheese and fresh milk products, led to substantial cuts in European Community butter production in 1992. There was a decline of almost 12 per cent in the first half of the year.

In *New Zealand*, the dairy industry has continued to pursue the objective of reducing the proportion of milk used in butter manufacture in the face of reduced access to traditional markets. In line with industry goals, butter/butter oil production in 1991/92 is reportedly down by 3.4 per cent to around 260 thousand tons despite the increase in milk output. In *Australia*, production of butter/butter oil for 1991/92 reached almost 116 thousand tons, up 4 per cent from 1990/91.

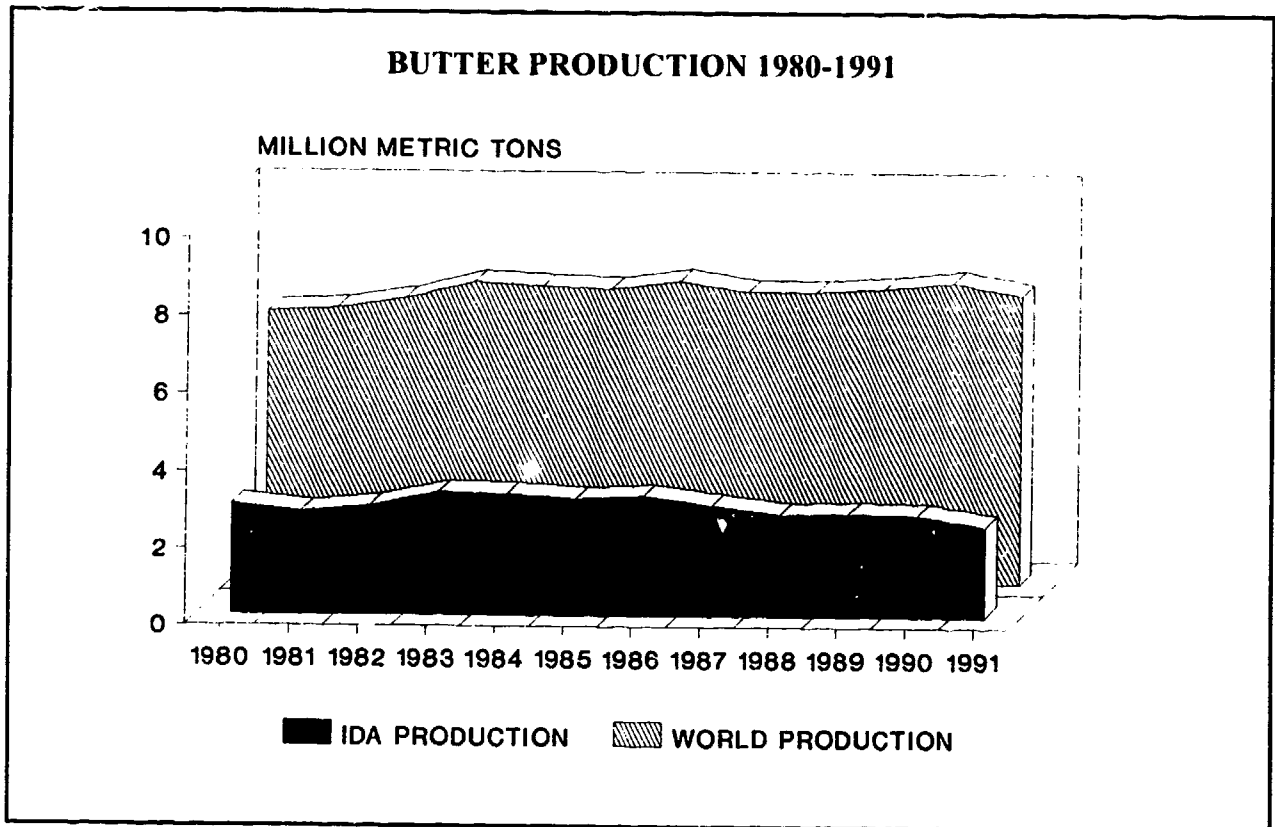
In 1991, butter production declined in the *Nordic countries*. This decrease accelerated in 1992, when production in the first half of the year fell by 8.6 per cent in Finland, 10 per cent in Norway and 19 per cent in Sweden, compared to the same period in 1991. In *Poland*, production of butter decreased sharply by 30 per cent to 190 thousand tons in 1991, and continued to fall by 24 per cent in the first half of 1992.

United States butter production increased by 2.6 per cent in 1991, reaching 606 thousand tons. In response to the shift in consumption toward lower-fat milk products, output of such products increased, resulting in a growing quantity of milk fat being diverted to butter production. However, the outlook for 1992 is for a decline in butter output by 7.6 per cent to 560 thousand tons, reflecting expanded cheese production. *Canadian* butter production decreased by 2.3 per cent to 96.8 thousand tons in 1990/91, due to quota cuts made in the light of declining consumer demand and increased production of cheese. The outlook for 1991/92 is for a decrease in output of butter by 3 per cent to 94 thousand tons. For 1992/93 a further drop is projected to about 90 thousand tons, reflecting efforts to adjust production to declining demand.

Butter production in the former USSR area dropped by as much as 13 per cent in 1991 to 1.57 million tons as a result of the shrinking supply of milk. Moreover, margarine production fell sharply in 1991, down by 22 per cent in the first half of the year. In *Russia*, *Ukraine* and *Belarus*, production is reportedly down by 13 per cent in 1992 to 709.39 thousand tons.

Consumption

World butter consumption continued to decline substantially in 1991 and 1992, mainly reflecting eco-



conomic difficulties in former centralized economies, economic recession in Western economies, and prevailing health concerns. World per capita consumption, which averaged 2.7-2.8 kgs. over the last ten years, stagnated or declined slightly through 1991. In 1991 and 1992, increased retail prices in Central and Eastern European countries adversely affected the consumption of butter. The switch to blended spreads and low fat spreads (both butter and margarine) accelerated in 1991 and 1992. In the short and medium term it is likely that the downward trend in butter demand will continue and even accentuate.

In the *European Community*, butter from intervention storage continues to be available at a discount price for non-profit-making organizations and for the armed forces. Member States also subsidize butter for social purposes and the European Community contributes financially to national schemes for school milk. Measures under the milk co-responsibility regime have continued in 1991 and 1992, providing funds for subsidized butter to be used in pastry products, ice-cream and sugar confectionery. Such disposals of butter increased to about 440 thousand tons in 1991. Total European Community consumption of butter is expected to decline annually at about 2 per cent, although this is not apparent from the information available for the first six months of 1992. The projected decline is due to higher prices, increased supply of imitation products in some

member States and dietary concerns. Butter consumption is expected to decrease to a level of around 4.4 kgs. per head by 1997. Consumption of margarine seems to be stable at a level of about 4.7 kgs. per head, whereas consumption of spreads appears to be increasing.

In *Switzerland*, a number of measures have been taken to promote butter consumption, including by way of subsidies. Consumption has remained stable in 1992. Consumption in the *Nordic countries* continued to decline sharply, particularly in Norway and Finland, in the first half of 1992.

In 1991, average per capita consumption of butter in *Poland* was estimated at 4 kgs., a decrease by 30 per cent over 1990. This reflected the decline in the real income of the population and the increase of market prices. In *Romania*, total butter consumption decreased by 40 per cent in 1991 to 28.5 million tons. In *Hungary*, domestic consumption fell from 26.2 thousand tons in 1990 to 19.5 thousand tons in 1991, or nearly 26 per cent. In *Bulgaria*, also, total domestic consumption of butter dropped by 40 per cent to 13 thousand tons in 1991. Butter consumption continued to fall in Central and Eastern European countries in 1992.

In *Australia*, domestic sales of butter, butter blends and butter oil fell by 7 per cent to 53.6 thousand tons in 1990/91. However, due to rapid growth of the butter blend market, butter increased its share in the do-

mestic table spread market at the expense of margarine at a time when total retail demand for spreads was gradually declining. Domestic sales of butter were expected to remain at their previous level in 1992/93.

The repeal of the Margarine Act from 1 January 1990, meant that the manufacture and sale of cheap saturated fat margarines on the *New Zealand* market became legal. The repeal of the Margarine Act also allowed for sale on the *New Zealand* market of blended spreads, i.e. margarines with milk fat added, advertised to have both the benefits of margarine and the taste of butter. These developments may reduce the market share for butter which has accounted for 65 per cent of the *New Zealand* consumer yellow fats market, remaining one of the biggest selling product categories in grocery outlets. Butter consumption declined by 2.2 per cent in 1990/91 and a further decline is estimated for 1991/92. Greater expenditure on general and branded promotions reduced the decline in butter consumption to some extent.

In the *United States*, butter consumption decreased in 1991 by 0.6 per cent to 540.7 thousand tons. Beyond 1992, new domestic food labelling rules may contribute to the increased production of lower fat versions of high milk fat content products such as butter. In *Canada*, butter consumption decreased by around 5 per cent to 88 thousand tons in 1991/92, with a further 3 per cent drop projected for 1992/93.

In the former USSR area, economic reforms re-

sulted in increased domestic prices and per capita consumption of butter declined in 1991. Even so, average consumption of butter remains relatively high by international standards. However, there are widening differences between individual republics, and within republics between income groups. Food-aid by the European Community and other western countries could increase butter consumption in Russia and other countries in that area in 1992.

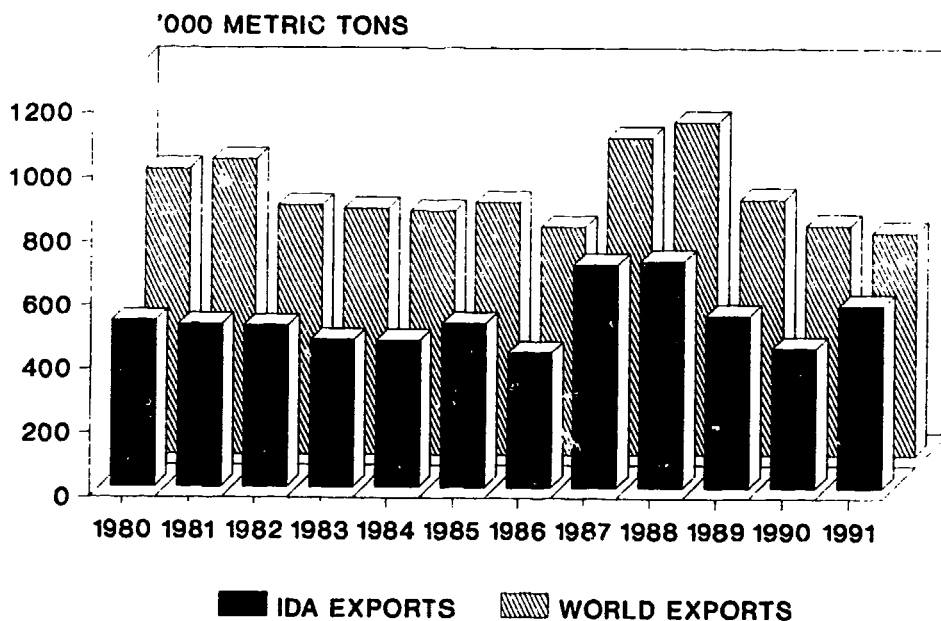
Trade

A continued decline in milk fat consumption in many countries led to lower import demand on one side and an increase of exportable surpluses on the other, resulting in downward price pressure. In 1991, world butter exports declined to 698 thousand tons, 3 per cent below the 1990 level. World exports are expected to decline further by 3.4 per cent to 675 thousand tons in 1992.

Under a derogation granted in December 1990, 311 thousand tons of butter were contracted for sale to the former USSR at prices below the minimum export prices. However, not all deliveries could be completed mainly due to payment difficulties experienced by the former USSR, and in the end only 177.5 thousand tons were shipped to that market under the derogation.

Since 1991 there has been a substantial need for dairy products and other food items to be supplied to Russia for food relief purposes and on other than normal commercial terms. The European Community will

BUTTER EXPORTS 1980-1991



probably be the main supplier but shipments from the United States are also expected to be substantial. A third source of supply could be through triangular arrangements whereby food would be purchased by OECD countries from some exporting countries in Central and Eastern Europe for shipment to former Soviet republics. A number of participants to the Arrangement have stressed the commercial importance of this market and sought assurances that any decision to provide food aid should be such as to cause minimum disruption to the commercial market and that the FAO "Principles of Surplus Disposal and Consultative Obligations" should be observed.

European Community exports of butter to third countries increased by 124 per cent amounting to 251 thousand tons in 1991, the main destination being the former USSR. Pursuant to the Decision adopted on 12 December 1990, a contract for the supply of 200 thousand metric tons of European Community butter to the former USSR had been concluded. However, due to payment difficulties experienced by the former USSR, shipments were delayed and only 95.5 thousand tons were actually delivered. The average price was ECU 60 per 100 kgs. The European Community imports of butter decreased to 68 thousand tons in 1990, largely supplied by New Zealand.

In 1991, exports by *New Zealand* recovered to 207 thousand tons compared to 163 thousand tons in 1990. The European Community remained a major market. Under special arrangements for imports of New Zealand butter into the European Community, the global volume of butter which New Zealand could export to the European Community has been progressively reduced to 58.2 thousand tons for 1991 and 55 thousand tons for 1992. The arrangements provide for a reduction in the special import levy from 25 per cent ad valorem to 15 per cent. The current arrangements expire at the end of 1992, but a new quota might be granted for 1993. Other important outlets for New Zealand butter were Iran and Russia. Pursuant to the Decision adopted on 12 December 1990, New Zealand contracted to supply some 100 thousand metric tons of butter to the former USSR at a price of US\$1,150 per metric ton f.o.b. stowed. Deliveries under this contract were adversely affected by former USSR payment difficulties and total deliveries reached only 71 thousand tons.

Australian exports of butter/butter oil recovered in 1990/91, the main outlets being the former USSR, Japan and traditional Asian markets. Export sales of butter increased by 60 per cent to 36.6 thousand tons in 1991. Within the terms of the Decision adopted on 12 December 1990, Australia contracted to supply 4 thousand metric tons of butter to the former USSR at a price of US\$1,150 per metric ton stowed. Shipments were completed in the first half of 1991.

In accordance with the Decision adopted on 12 December 1990, *Finland* concluded a contract to deliver 7,000 tons of butter to the former USSR, at a price of US\$1,200 per metric ton, and deliveries were completed. Finnish butter exports, as well as those of *Norway* and *Sweden*, continued to decrease in 1991 and 1992.

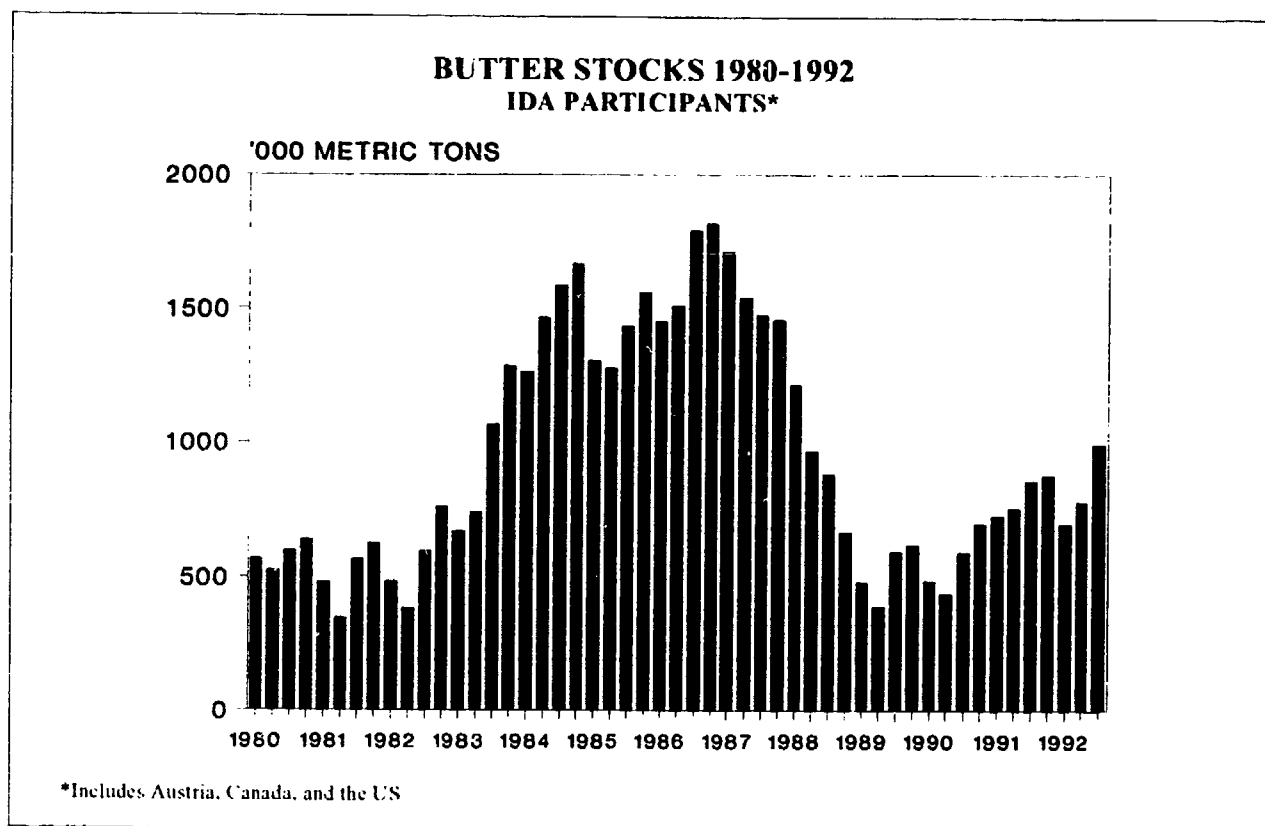
Exports of butter by *Argentina* declined sharply from 7.4 thousand tons to 2.9 thousand tons, while imports increased substantially from 200 tons in 1990 to 7.7 thousand tons in 1991. Thus, Argentina became a net importer of butter in 1991.

In *South Africa*, butter supplies were short in 1992, and it was expected that 1 thousand tons would have to be imported in 1992/93.

While *Poland* exported 30 thousand tons of butter in 1990, its exports declined to only 5 thousand tons in 1991, reflecting the significant decline in milk output. Poland's imports in 1991 amounted to almost 4 thousand, but Poland may have to import some 20 thousand tons in 1992. In early 1990, *Romania* restricted its exports and allowed greater imports of dairy products with a view to increasing supplies for domestic consumption. Thus, Romanian imports of butter in 1990 amounted to 23.8 thousand tons. Some 12.5 thousand tons were food-aid imports, mainly supplied by the European Community and the United States. In 1991, imports of butter amounted to 5.9 thousand tons.

Japanese imports of butter reached 21 thousand tons in 1991. In the first half of 1992, only 2 thousand tons were imported, less than one third of imports in the first half of 1991.

United States butter/butter oil exports more than doubled in 1991 to some 65.8 thousand tons, but still below the 1989 level. The principal destination was Mexico. In view of large public sector butter stocks (322 thousand tons 1 July 1992) there are concerns that the United States might resort to the use of export subsidies to reduce stocks. In 1992, a substantial increase in exports to some 100,000 tons may result from the implementation of the Dairy Export Incentive Program. Moreover, a bill passed in the fall of 1991 mandates the export of 113,000 tons of dairy products to Russia and other countries in that area, including 80,000 tons of skimmed milk powder and not less than 25,000 tons of butter. In the first half of 1992, the United States donated 16,000 tons of butter as food aid to Poland and 21,000 tons to Russia. Furthermore, United States butter and butter oil have reportedly been offered on markets in Africa and in Central and South America, in combination with allocations under the Dairy Export Incentive Program. In July 1992, 34.6 thousand tons of government-owned salted butter were sold to Russia at a price of US\$1,567.50 per ton, freight inclusive Baltic Sea ports, under a three-year credit guarantee pro-



gramme with deliveries scheduled from August through November 1992. These donations, credit sales and export offers are causing considerable uncertainty and may add to the downward pressure on prices in the world butter market.

With imports amounting to 250 thousand tons in 1991, the former USSR remained the largest outlet for butter in the world market. This was nevertheless 50 thousand tons or 17 per cent less than in 1990. Most of the 1991 imports were at prices substantially below the agreed minimum export price under a derogation granted in December 1990. A total of 311 thousand tons were originally contracted as concessional sales but delivery was taken for only 177.5 thousand tons, due to the inability by the former USSR to pay and to internal transportation and distribution difficulties.

With both production and consumption declining in the Commonwealth of Independent States and lack of statistics and other market information, it is difficult to assess future import demand, notably for Russia. The latter would normally remain the major outlet for butter in the world market, with an import demand potential of 200 thousand tons or more. In 1992, however, Russia has made virtually no commercial purchases of butter because of a shortage of foreign exchange. Even some deliveries made under older contracts have not yet been paid. Only donations of butter as food aid have entered the country. From the beginning of 1992, substantial

food-aid supplies, including butter, have arrived in Moscow, St. Petersburg and other big cities, and it is expected that further shipments, as food aid or in the form of non-commercial transactions, will be made. The United States has made arrangements for donating 21 thousand tons of butter to Russia in 1992, claiming that this will not affect the level of consumption or normal commercial imports. Some triangular operations have been scheduled, whereby OECD member countries would purchase food, including butter, in Central and Eastern European countries for donation to Russia. It is hard to see when and how the situation could change; most likely the difficulties will persist for some time. Consequently, the world butter market will be adversely affected by the uncertainties about the size and type of Russian imports and the lack of ability to pay for such imports.

Stocks

On 1 January 1992, total stocks of butter in the *European Community*, *North America* and *Oceania* amounted to 631 thousand tons, 2 per cent less than their level one year earlier. However, concerns have been expressed that stocks held by the United States, as well as the European Community, are still high. World stocks at the end of 1991 were estimated at 1.07 million tons, primarily held by the European Community and the United States. At the end of 1992, world butter stocks are expected to decline to 988 thousand tons,

down by 7.8 per cent as compared to the beginning of the year, with decreases forecast both in the European Community and the United States.

Despite the reduction in milk deliveries and the decrease in the production of butter in the *European Community*, the reduction in exports and in the consumption of butter led to intervention purchases and increased butter stocks in 1991. However, in the fourth quarter of 1991, intervention stocks were used to stabilize prices, with both butter and skimmed milk powder being sold for this purpose. Consequently, butter stocks at the end of 1991 were at 302 thousand tons compared to 335 thousand tons at the end of 1990. In 1992, about 120 thousand tons of butter were released from intervention stocks for industrial use, food aid and other exports. In September 1992, butter stocks stood at 340 thousand tons compared to 500 thousand tons a year earlier. Stocks are expected to decline further throughout the remainder of 1992.

On 1 January 1992, stocks of butter in *Oceania*, at 60 thousand tons, were 40 per cent lower than a year earlier. Increased export sales by Australia and deliveries by New Zealand, mainly to Russia and Iran, helped to maintain stocks at normal levels, although Australian stocks slightly increased at the end of the 1991/92 season.

In *Poland*, butter stocks declined from 16 thousand tons in January 1992 to 10 thousand tons in July 1992, reflecting reduced production. Stocks continued to decline in the second half of 1992.

In the *United States*, total butter stocks were at 248

thousand tons at the end of 1991, compared to 189 thousand tons a year earlier. In June 1992, stocks reached 322 thousand tons, but are expected to decline by 15 per cent to 210 thousand tons by the end of 1992, thus remaining at a relatively high level. *Canadian* stocks reached 15 thousand tons at the end of 1991, compared to 19 thousand tons a year earlier. Stocks at the end of the dairy year 1991/92 (end July 1992) were expected to remain around 15 thousand tons.

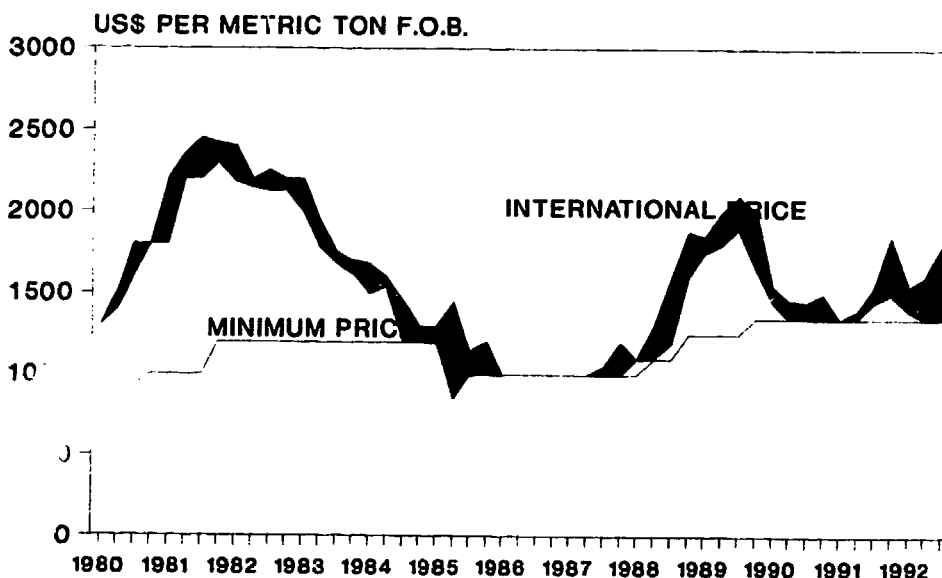
International prices

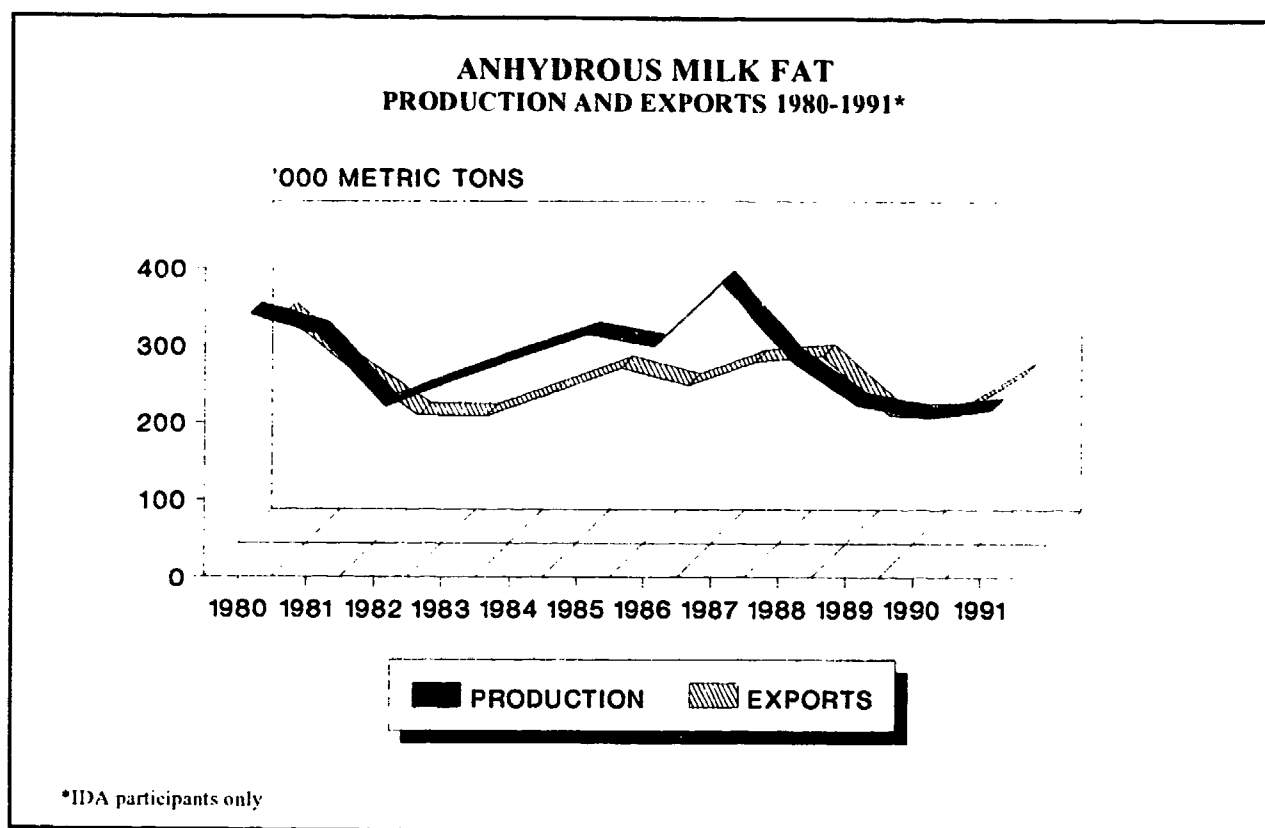
In the first half of 1991, a persisting decline in butter consumption in many countries and a weak international demand led to a further drop in world butter prices to the level of US\$1,350 per ton f.o.b., i.e. the minimum export price. Few sales were reported although certain offers and sales were allegedly made at prices below the minimum export price.

Prices increased in the last half of 1991, ranging between US\$1,450 and US\$1,850 per ton f.o.b. This development was largely due to a weakening of the United States dollar and tighter supply conditions. However, prices again declined in the first three quarters of 1992 ranging between US\$1,350 and US\$1,800 per ton f.o.b., mainly due to weak commercial demand. Developments for the remainder of 1992 will be primarily affected by the level of commercial and other imports into Russia. The world market outlook is thus rather unpredictable.

The minimum export price has remained at US\$1,350 per metric ton f.o.b. since September 1989.

BUTTER PRICES 1980-1992





Anhydrous Milk Fat

Production and trade

Output of anhydrous milk fat for the *European Community* was lower in 1991 than in the previous year, while for *Australia* and *New Zealand* an increase in production was registered in 1991. *European Community* and *Australian* exports increased in 1991, while sales by *New Zealand* decreased compared to 1990.

Food aid

European Community food-aid programmes provided for a maximum of 12 thousand tons of butter oil in 1991 compared to 18 thousand tons in 1990. Actual food-aid deliveries in 1991 amounted to 10 thousand tons, up from 9 thousand tons in 1990. The food-aid programmes provide for a maximum of 6.8 thousand tons of butter oil in 1992. In March 1992, the *European Community* decided to deliver 25,000 tons of butter to the *CIS* from intervention stocks under humanitarian aid.

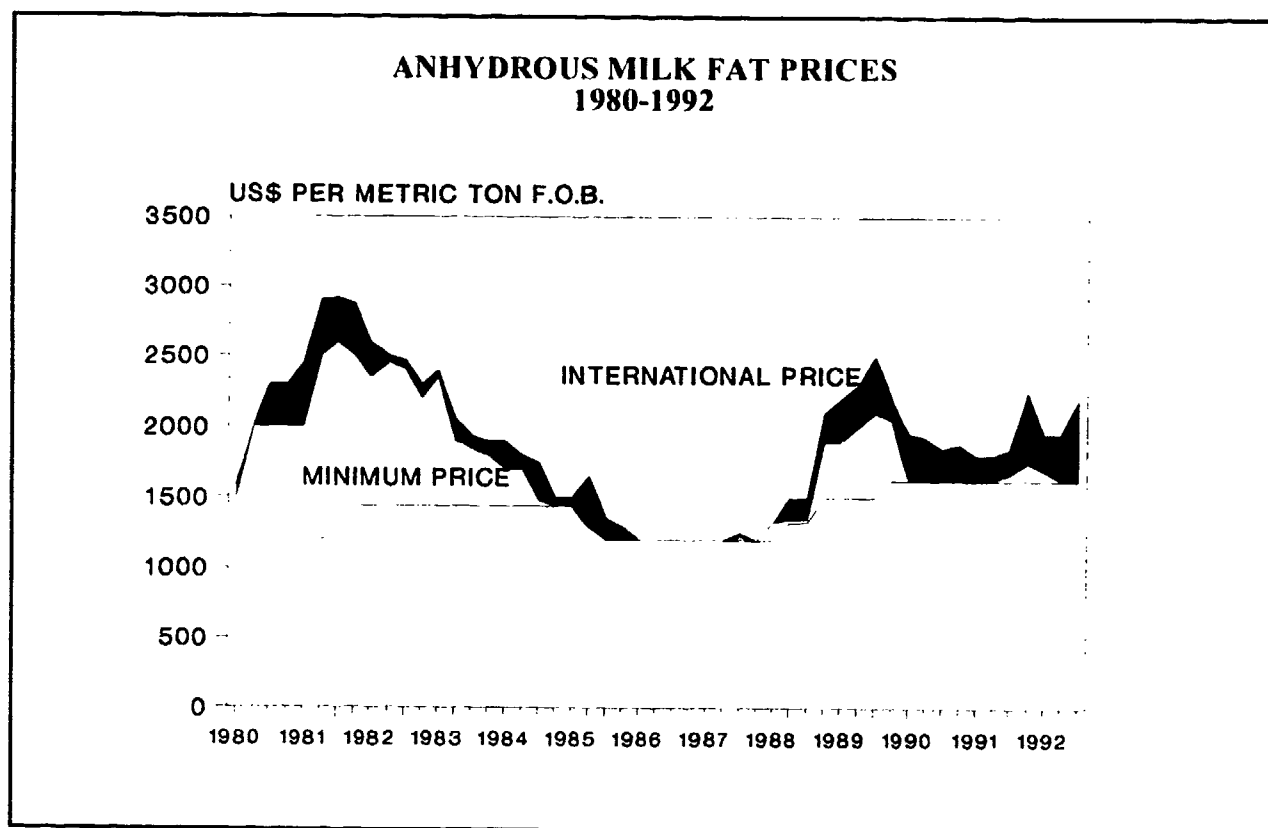
In the *United States*, 25 thousand tons of butter/butter oil were made available under the PL 480 Program and 80 thousand tons under Section 416(b) for fiscal year 1992. The *United States* agreed to donate 16 thousand tons of butter to *Poland* in fiscal year 1992 under Section 416(b). In November 1991, the *United States* announced a multifaceted aid package to assist the transition to a more market-oriented economy in the

former *USSR* area. Donations of dairy products under the Section 416(b) programme are an important part of this US\$165 million package that is intended to be initially concentrated on areas particularly hard hit by shortages of food supplies during the winter of 1991/1992.

International prices

In the first half of 1991, international prices of anhydrous milk fat fluctuated between US\$1,625 and US\$1,800 per ton f.o.b. Certain sales had reportedly been made at prices below the minimum export price. Some firming in the market was registered in the second half of 1991 when prices ranged between US\$1,675 and US\$2,250 per ton f.o.b., mainly due to the weakening of the *United States* dollar. However, prices weakened again in the first half of 1992, ranging between US\$1,625 and US\$1,950 per ton f.o.b., and remained depressed in the third quarter ranging between US\$1,625 and US\$2,200 per ton f.o.b. Prices remain volatile.

On the outlook, prices and sales of anhydrous milk fat remain sensitive to competition from vegetable oils. However, the minimum export price has been kept at US\$1,625 per ton f.o.b. since September 1989.



Cheese

Production

World output of cheese (all kinds, including curd) reached 14.16 million tons in 1991, 2.6 per cent less than in 1990. This was mainly due to a sharp decline in the former USSR area and in Central and Eastern Europe, but production in the Nordic countries declined as well. In most other countries cheese production was encouraged by a generally favourable outlook for cheese and production was growing further in 1992, in some cases even very strongly.

In the *European Community*, cheese production in 1991 reached 4.75 million tons, an increase by 2 per cent over 1990. In the first half of 1992 European Community cheese production grew by almost 7 per cent, and for the year as a whole, a considerable increase is expected.

In *Australia*, cheese production remained at 176 thousand tons in 1990/91, virtually the same as in the previous year. In 1991/92, cheese production was favoured by relatively attractive export prices and the increased availability of manufacturing milk. It rose by 10 per cent to 197 thousand tons.

New Zealand cheese production in 1990/91 was similar to that in the previous season, i.e. around 125 thousand tons. In line with the trends of recent seasons and industry goals to reduce the proportion of milk

used for butter manufacture, cheese production is estimated to have increased in 1991/92 to 136 thousand tons.

As for most other participating countries, a significant increase in production was recorded in 1991. Further increases are forecast for 1992, particularly in Japan (5 per cent) and South Africa (10 per cent). Little change or further declines in cheese production are expected in Finland, Norway, Sweden and Switzerland.

In *Bulgaria*, cheese production declined by 19 per cent to 116.5 thousand tons in 1991 largely reflecting the deep economic crisis. However, production recovered somewhat in the first half of 1992. *Hungarian* cheese production in the first half of 1992 was 15 per cent lower than in the same period of 1991. In *Romania*, cheese production fell by one third.

United States cheese production marginally increased to 2.76 million tons in 1991. However, the outlook for 1992 is for an increase of 7 per cent to 2.88 million tons, in line with the expected growth in commercial demand. Production in *Canada* grew by 1.6 per cent to some 262 thousand tons in 1991/92, in response to rising domestic demand. The trend continued in 1992/93, and production is expected to increase by a further 2 per cent. In the former *USSR* area, 1991 production of cheese (including curd and fresh cheese) at 1.85 million tons decreased by 11 per cent over 1990.

as a result of the shrinking supply of milk. In the first half of 1992, *Russian* cheese production again fell by 15 per cent compared to the corresponding period of the previous year. Production of cheese in *developing countries*, around 12 per cent of total world output, hardly changed in 1991.

Consumption

World per capita cheese consumption grew at an average annual rate of around 2 per cent during the 1980s. Per capita consumption was particularly high in Western Europe (around 13 kgs.) and in North America (around 11 kgs.). In Western Europe and North America demand for cheese is expected to expand at an annual rate of 2 to 3 per cent in the 1990s. A notable growth in cheese consumption can be observed in North Africa and the Middle East since 1990.

In the *European Community*, cheese consumption expanded by 1.5 per cent in 1991. The outlook for 1992 is for continued growth in total cheese consumption of more than 2 per cent. The great variety of cheese available and further product diversification (i.e. low-fat cheeses) are the main reasons for these developments. Cheese consumption continues to increase in other European countries as well.

The *United States* market continued to show strong growth in cheese consumption with annual gains at 4 per cent in 1990 and around 3 per cent in 1991. Further growth is projected for 1992.

The expansion in demand and consumption of cheese has encouraged the development and production of imitation cheeses, but such products still captured only a marginal market share in 1991 and 1992. However, cheese analogues, filled cheese and imitation cheese are, with some success, being marketed as ingredients for making pizzas and for other cooking applications, notably in the United States.

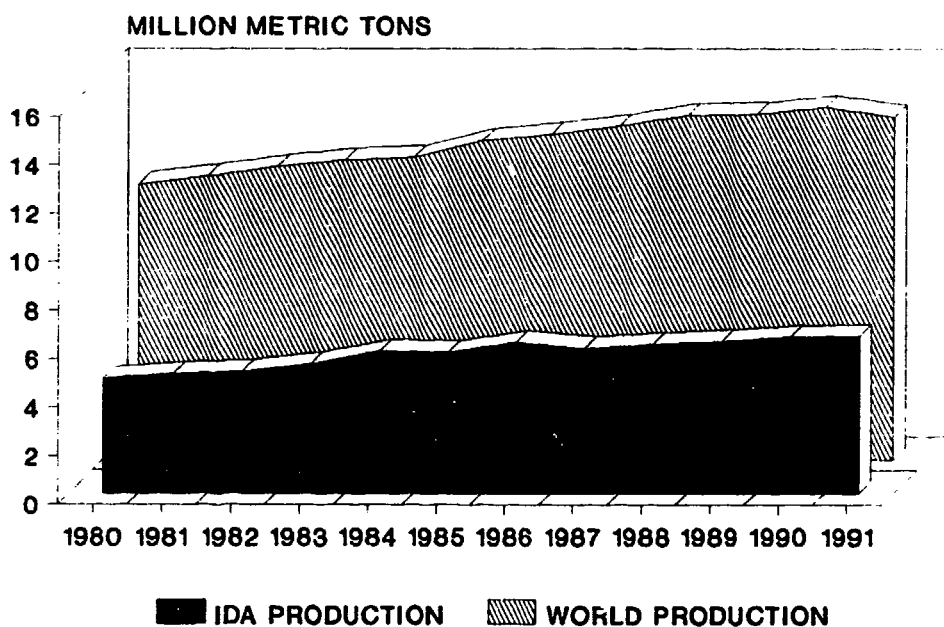
Trade

World exports of cheese were up 2 per cent for 1991 and reached some 905 thousand tons. The outlook for 1992 is for a further growth of the same order. The international cheese market is dominated by exports from Western Europe and Oceania, which together account for over 80 per cent of world cheese exports.

The *European Community's* cheese exports expanded by 5.9 per cent to 478 thousand tons in 1991. The main outlet was Iran, accounting for 90 thousand tons. In the first half of 1992, European Community cheese exports reached 228 thousand tons, 11 per cent more than in the corresponding period of 1991. However, 1991 exports were depressed because of the Gulf war.

New Zealand exports reached 109.1 thousand tons in 1991, 13.9 per cent above their level in 1990, and continued to increase in 1992 with the main outlet remaining Japan. New Zealand sold 1,485 tons of low-quality cheese under derogation in 1991. New Zealand

CHEESE PRODUCTION 1980-1991



made an advance notification of sales of cheese under derogation in 1992 and had, until August of that year, sold 605 tons of low-quality cheese to destinations in Western Europe at prices ranging from US\$445 to US\$1,025 per ton f.o.b.

There was an appreciable recovery in *Australian* cheese exports in 1990/91. For calendar year 1991, exports amounted to 64.6 thousand tons, up 27 per cent on 1990. Exports increased at the same rate in 1991/92 to 67 thousand tons. Exports to Japan have increased rapidly lately, reflecting increases in sales of bulk Cheddar-shred cheese, and progress in the development of cream cheese and other speciality cheese lines. There are promising signs of further growth in the Japanese market, where several new Australian and Japanese brands were launched by the Australian Dairy Corporation in 1990/91. During the period October 1990 to September 1991, a total of 744 tons of low-quality cheese were shipped by Australia to different destinations in Europe.

Exports by *Switzerland* decreased marginally in 1991 and amounted to 61.3 thousand tons but recovered appreciably in the first half of 1992. Exports of *Finland* fell to 28 thousand tons in 1991, down by 3.5 per cent, and remained at the same level in the first half of 1992. *Norwegian* cheese exports recovered strongly in 1992, increasing by almost 40 per cent in the first half of the year compared to the same period of 1991. *Bulgarian* cheese exports recovered appreciably in 1991, when they amounted to 24 thousand tons, the decrease in do-

mestic consumption resulted in higher quantities available for export.

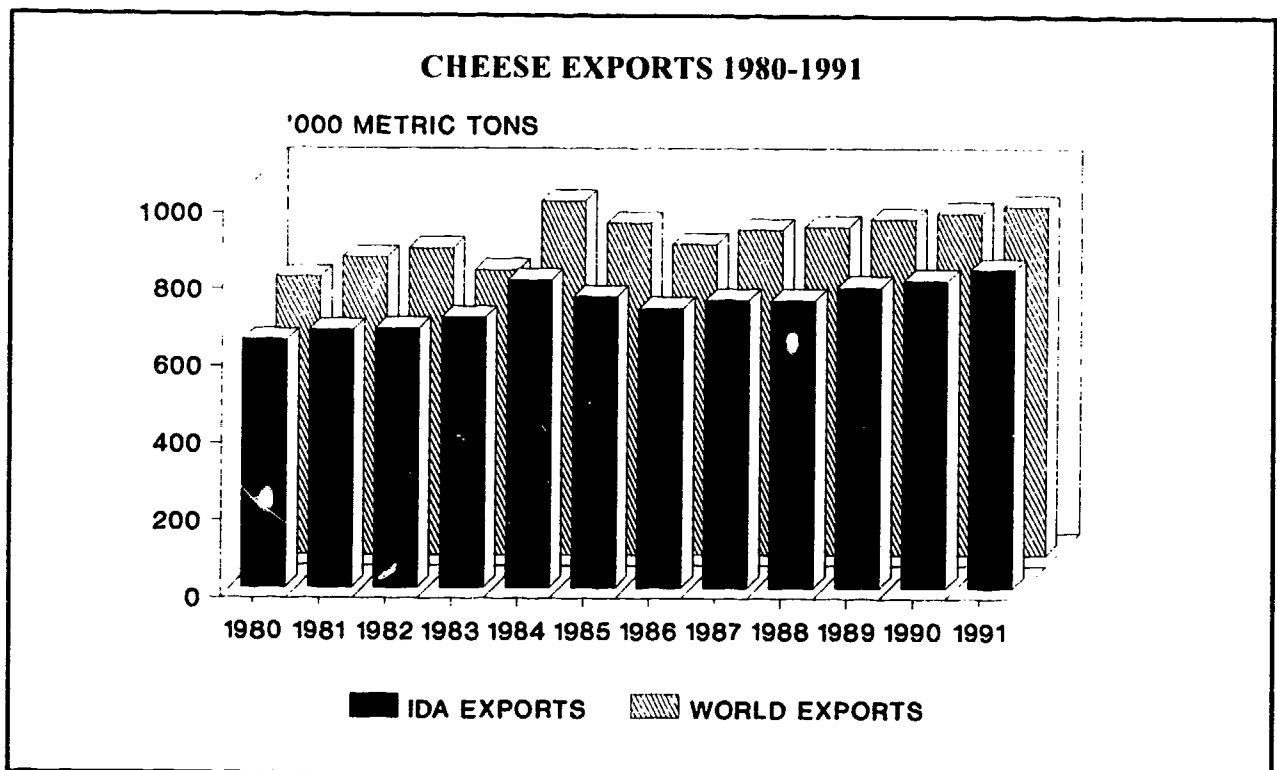
In 1990, *Argentina* exported 22.5 thousand tons, four times its average exports in 1981-83. In 1991, there was a sharp drop to 7.8 thousand tons. Exports declined further in 1992, partly in response to changed economic policies.

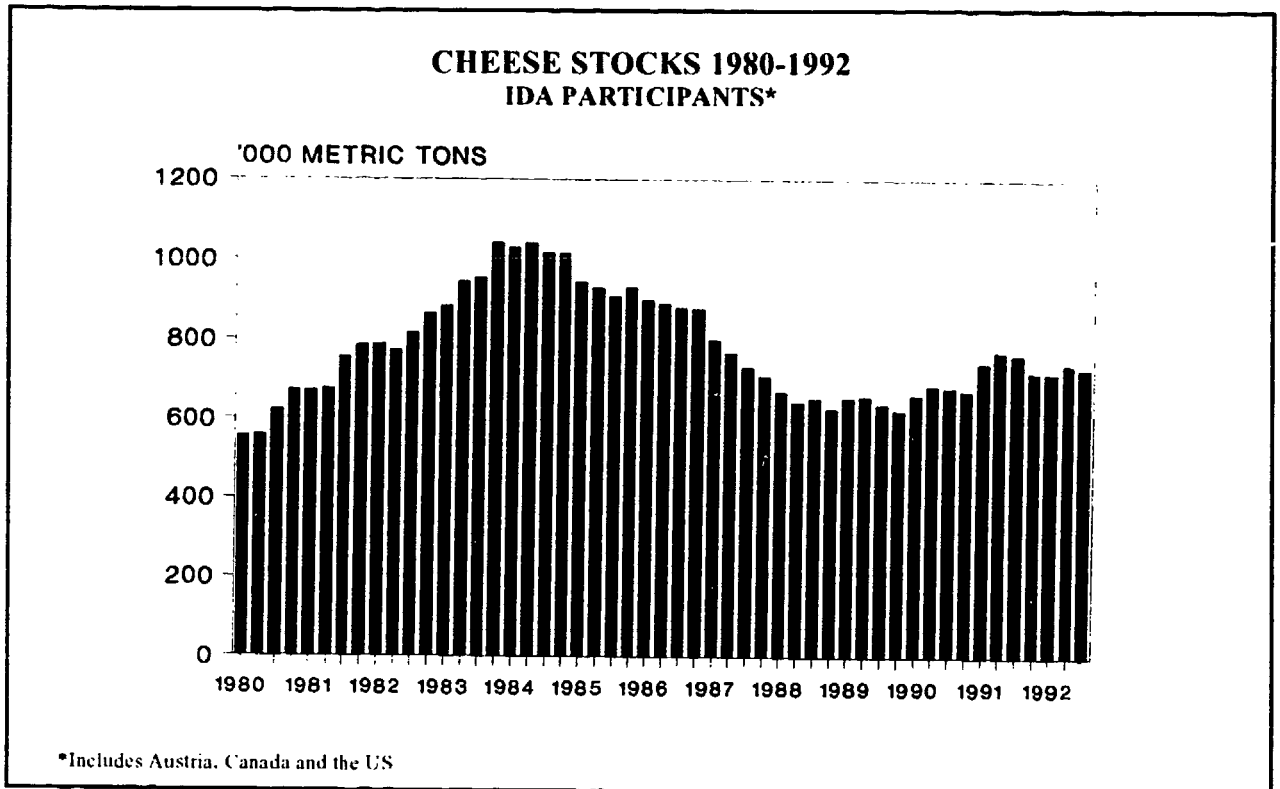
Cheese exports from the *United States* increased marginally in 1991 to 12.1 thousand tons and increased again in the first half of 1992. *Canadian* exports of cheese increased by 38 per cent to 11.9 thousand tons in 1991 and apparently remained at that level in 1992.

Last year, *European Community* imports, which were mostly from Switzerland, decreased by 7 per cent to 109 thousand tons. In early 1992, imports recovered. In *Switzerland*, imports of cheese increased by 6.6 per cent to 27.6 thousand tons in 1991, but declined slightly in the first half of 1992.

In *Japan*, domestic demand for cheese has nearly doubled in ten years and is likely to continue to increase. In 1991, imports reached a new record level of 122 thousand tons, an increase by 15 per cent over 1990. Japanese cheese imports in the first six months of 1992, at 61 thousand tons, were 6 per cent higher than for the corresponding period of 1991, with the European Community, New Zealand and Australia remaining the main suppliers.

United States cheese purchases totalled 136 thousand tons in 1990, up by 9 per cent on 1989. The bulk of the imports was from the European Community,





New Zealand and Finland. However, although total imports remained stable in 1991, imports under quota were lower. In the first half of 1992, the volume of United States imports was slightly higher than in the previous year, while cheese imports increased by 2 per cent in terms of value.

Import demand in the Middle East remained lively in 1990/91, although the trade embargo with Iraq and Kuwait and transportation problems caused by the military conflict in the Gulf had adverse effects on cheese imports into the area. In 1991, Iranian cheese imports recovered slightly, but import into other countries in the area did not expand.

Stocks

On 1 January 1992, world cheese stocks were more than 3 per cent lower than a year earlier, and a further decline of 4 per cent was expected for the end of 1992. With the exception of the United States and Canada, most large dairy producers are likely to experience declines in cheese carry-over stocks as domestic consumption and exports are expected to grow faster than production. The inclusion of Cheddar cheese in the Dairy Export Incentive Program might dampen the growth also in United States cheese stocks in the immediate future.

International prices

International Cheddar cheese prices have been fairly stable since the beginning of 1991. Cheddar cheese prices fluctuated between US\$1,600 and

US\$1,980 per ton f.o.b. in the first quarter and between US\$1,550 to US\$1,800 in the second quarter. In the second half of 1991, prices ranged between US\$1,550 and US\$2,100 per ton f.o.b. Prices continued to firm during the first three quarters of 1992, when they were in the range of US\$1,750 to US\$2,200 per ton f.o.b. For most of the cheeses covered by the Protocol, the market situation is steady and prices remain well above the agreed minimum export price. The outlook is positive but could be adversely affected by developments in the butter market. The minimum export price has been maintained unchanged at US\$1,500 per ton f.o.b., a level established in September 1989.

Milk Powders

Skimmed Milk Powder and Buttermilk Powder

Production

In 1991, world production of skimmed milk powder reached 3.85 million tons, a 3.5 per cent decline from 1990. Decreases occurred in a number of countries, including the European Community, New Zealand and Poland. In 1992, world production is forecast to decline by a further 6 per cent from the previous year due mainly to reduced milk supplies in major producing countries. Substantial declines in output are expected in the United States and the European Community and

some decline is also expected in other Western European countries, Poland and Oceania.

Output of skimmed milk powder in the *European Community* fell in 1991 to 1.45 million tons, a decrease by 11.8 per cent over 1990. Thus, production of skimmed milk powder fell more sharply than milk deliveries. This was because of the increase in production of whole milk powder and casein. A further substantial drop in skimmed milk powder production is expected for 1992. Production in January to June was down 29 per cent from the corresponding period in 1991.

In *New Zealand*, production of skimmed milk powder dropped by 10 per cent to 132 thousand tons in 1991/92 and remained at a low level in the second quarter in 1992. In *Australia*, the 1992/92 production of skimmed milk powder/buttermilk powder amounted to 149 thousand tons, up by about 3 per cent from 1990/91.

In *Japan*, production increased by 1.7 per cent to 181 thousand tons in 1991 as a result of the growth in milk production. It further increased by 12 per cent in the first half of 1992. In *Poland*, production decreased by 15.5 per cent to 147 thousand tons in 1991 but recovered substantially in the first half of 1992.

In the *United States*, non-fat dry milk production remained at around 400 thousand tons in 1991. However, a sharp decline is projected for 1992 when larger

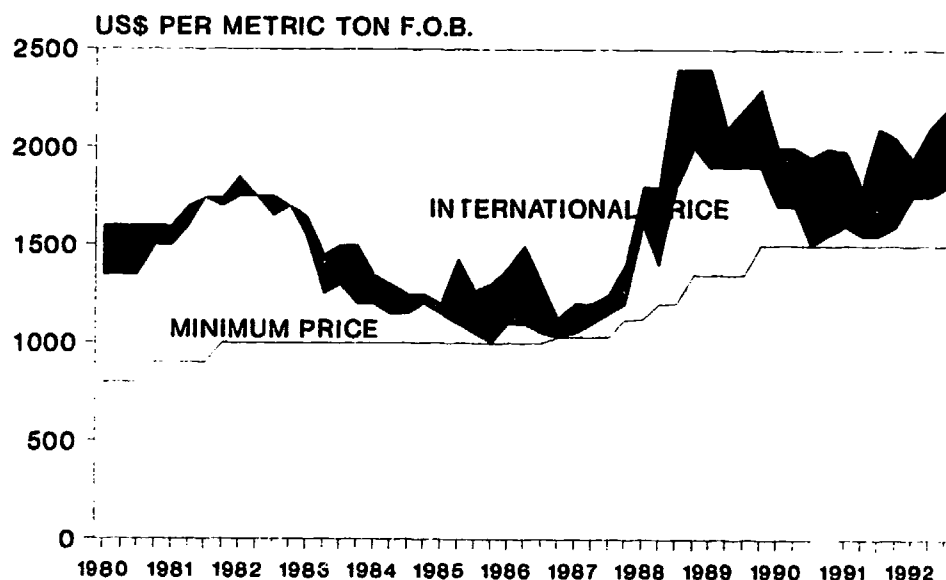
quantities of milk are expected to be diverted to cheese production. *Canadian* production declined by 7 per cent to 74 thousand tons in 1991/92 due to a reduction in industrial milk quotas, and the fact that more butter was made with fluid skim-off. A further decline of the same order is forecast for 1992/93.

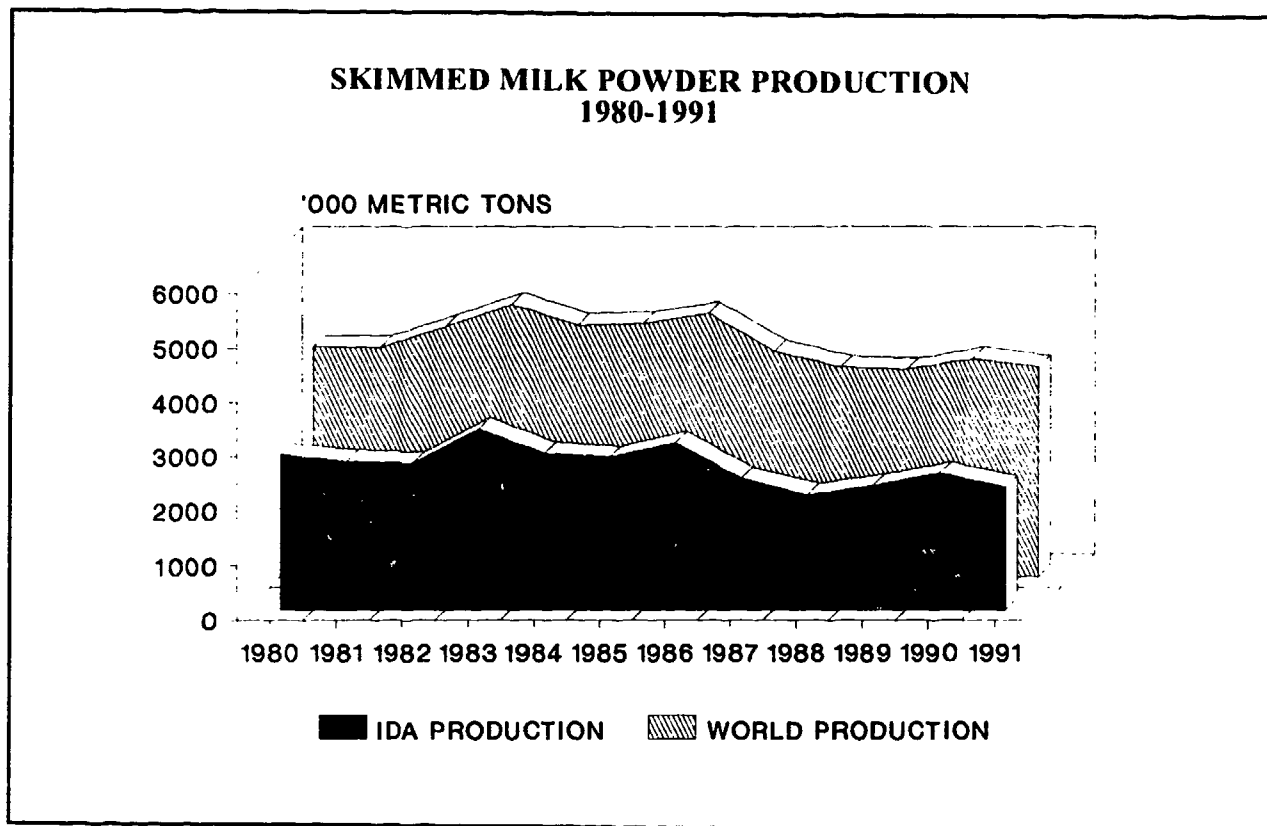
Production in the former *USSR* area declined by 10 per cent to 657 thousand tons in 1991 as a result of lower supplies of milk. Output in *India* decreased by 10 per cent in 1991 to 65 thousand tons. However, the outlook for 1992 is for a recovery to 75 thousand tons. *Brazilian* production decreased to 55 thousand tons in 1991. The outlook for 1992 is for a sharp increase of the same order, output regaining its 1990 level of 60 thousand tons.

Consumption

World consumption of skimmed milk powder declined in 1991. With smaller supplies and firming world prices, consumption is expected to drop further in 1992. In the *European Community*, total domestic consumption increased by 13.3 per cent to 1.09 million tons in 1991; the use of skimmed milk powder for animal feed increased by 30 per cent to 866 thousand tons due to lower internal prices throughout the year. Taking into account the evolution of the market, the aid granted to skimmed milk powder used in animal feed was reduced in May 1991 from ECU 70 to ECU 65 per 100

CHEESE PRICES 1980-1992





kgs. and further reduced to ECU 60 per 100 kgs. from 17 August 1992. This led to a fall in demand from the feed compound industry of 10 per cent during the first seven months of 1992.

In *Japan*, where total consumption increased in 1991, about one fifth of the supply was used for animal feed.

In the *United States*, domestic consumption of skimmed milk powder declined by 10 per cent in 1991. The outlook for 1992 is for a continued reduction in consumption. The use in animal feed dropped to negligible levels. In *Canada*, domestic consumption declined by 12 per cent in 1990/91. A further decline by 5 per cent is projected for 1991/92 and 1992/93, resulting in annual domestic consumption of less than 38 thousand tons.

Trade

Following continued tightness in world supplies reflecting the decline in world production and the negligible level of world stocks, world exports of skimmed milk powder again declined to some 800 thousand tons in 1991. This was mostly due to lower exports by the European Community. However, world exports of skimmed milk powder recovered in 1992. Strong growth in exports are expected from the United States and the European Community as traders react to the upturn in world skimmed milk powder prices and increased demand from traditional customers, especially

in Mexico and other Latin American countries. In 1991, certain sales of skimmed milk powder for animal feed were made at prices below the minimum export prices, but no such sales were reported in 1992.

At 253 thousand tons in 1991, *European Community* sales registered a decline by 24 per cent. However, in 1992 European Community exports were recovering to their level in 1990.

Skimmed milk powder exports by *New Zealand* continued to increase at a rate of 1.4 per cent in 1991, reaching 151.7 thousand tons. In the first half of 1992, however, exports were down to only 66 thousand tons, 18 per cent less than in the first half of 1991. The main destinations were countries in South East and Eastern Asia and Mexico. Buttermilk powder exports declined in 1991. A small quantity of buttermilk powder, 94.5 metric tons, was sold under derogation to Mexico and delivered in May 1991.

Australian exports of skimmed milk powder increased in 1990/91, the major reason being increased exports to Asian destinations. In 1990/91 however, buttermilk powder exports were down compared to the previous season. Export sales of skimmed milk powder for the first nine months of the 1991/92 season (July 1991-March 1992) were 7 per cent below the comparable period in the 1990/91 season, despite a strong and sustained recovery in prices since June 1991. Buttermilk powder exports rose by 42 per cent in this period.

reflecting stronger demand coupled with a recovery in prices.

Skimmed milk powder exports by *Poland* decreased by 36 per cent in 1991 to 42 thousand tons, but recovered in the first half of 1992. Between December 1990 and December 1991, Poland gave advance notification of its intention to conclude sales of a total of 18,055 tons of skimmed milk powder for animal feed under derogation, but less than 12 thousand tons were delivered. The destinations were Japan, France, Denmark and the Netherlands, with deliveries scheduled from December 1990 to December 1991.

Exports of skimmed milk powder by *South Africa* increased to 10.2 thousand tons in 1991. Surpluses of butter and of skimmed milk powder developed as consumption of dairy products decreased beginning in 1990. In April, June and September 1991, South Africa notified its intention to sell skimmed milk powder for animal feed under derogation to Japan. The quantities involved totalled 7,310 tons with deliveries scheduled from April 1991 to January 1992.

In the *United States* skimmed milk powder exports increased in 1991 to 43.5 thousand tons as a result of the implementation of the Dairy Export Incentive Program. In the first half of 1992, exports of 46.6 thousand tons already exceeded the level for the whole of 1991. Sales were made, mainly from public stocks, to the traditional Mexican market. There were also shipments of food aid to Russia, Armenia, Albania and India. United States exports in 1992 are forecast to be 100 thousand tons, more than twice their 1991 level. In *Canada*, ex-

ports of skimmed milk powder declined to 36 thousand tons because of reduced supply in the 1990/91 dairy year. Exports are forecast to be 60 thousand tons in 1991/92. Canada is, however, nearing the point of self-sufficiency in skimmed milk powder and therefore exports may fall sharply in the coming years.

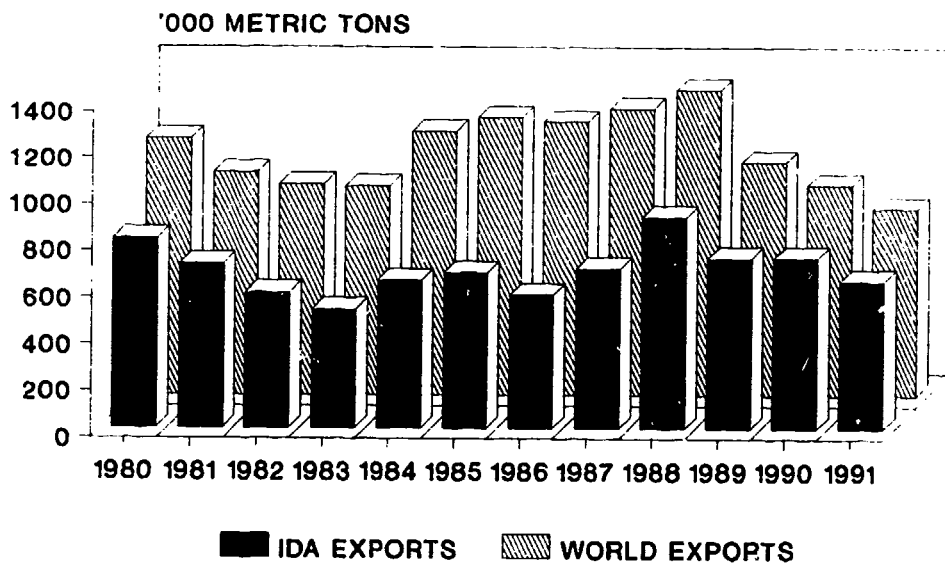
1991 imports of skimmed milk powder into *Japan* recovered substantially and reached a new record of 117 thousand tons. In the first half of 1992, imports were down by 7 per cent compared to the first half of 1991.

Import demand, mainly for recombination purposes, remained strong in several developing countries. *Mexico* maintained imports of dairy products at a high level, while domestic output also increased. Mexico imported 255 thousand tons in 1990, thus becoming the world's largest importer of skimmed milk powder. However, in 1991, imports declined sharply to 50 thousand tons. The outlook for 1992 is for a substantial increase in imports to some 160 thousand tons, and Mexico could still remain the largest importer of skimmed milk powder. It appears that Mexican plans to achieve self-sufficiency in fluid milk production will not be reached soon, and that the country will continue to depend on large imports of powder for recombination.

Brazilian imports remained at the low level of 35 thousand tons in 1991 due to a general decline in demand for dairy products. The outlook for 1992 is for a decrease to 30 thousand tons.

SKIMMED MILK POWDER EXPORTS

1980-1991



	Total exports		Food aid		Food aid/Total exports	
	1990	1991	1990	1991	1990	1991
	Metric tons		Skimmed Milk Powder		per cent	
Australia	93,700	118,900	500	-	0.5	-
EC	330,000	253,000	68,000	61,000	20.6	24.1
Switzerland	7,300	11,500	1,200	1,400	16.4	12.2
United States	7,700	43,500	-	15,000	-	34.5
Total	438,700	426,900	69,700	77,400	14.9	18.1
			Whole Milk Powder			
Switzerland	2,500	1,000	1,500	1,000	60.0	100.0
			Anhydrous Milk Fat			
EC	87,000	103,000	9,000	10,000	11.1	9.7

Note: Substantial quantities of milk powders and butter have been reportedly supplied by the EC and the United States in 1991 and 1992, but statistical information was incomplete at the time the present note was written.

Food aid

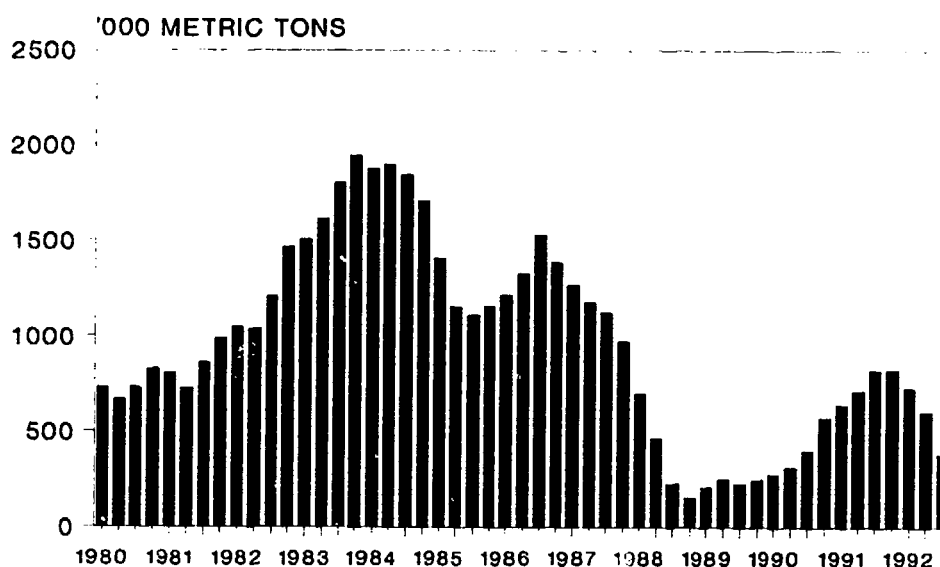
Food-aid deliveries of dairy products consist mainly of skimmed milk powder and anhydrous milk fat. The decline in global surpluses affected the availability of milk products that can be provided under food-aid programmes. In recent years, food aid has accounted for about 20 per cent of total exports of dairy products, most of it coming from the United States and the European Community. However, for 1990, shipments under food-aid programmes contracted even more than total exports. Food-aid shipments of dairy products, which had averaged nearly 400 thousand tons (product weight) in previous years, were estimated to have fallen below 100 thousand tons in 1990. Although food aid grew again in 1991, this was exclusively due to increased shipments to countries in Central and Eastern Europe and the former USSR. Food-aid transactions reported to FAO's Consultative Sub-Committee on Surplus Disposal (CSD) totalled 178 thousand tons in 1991, compared with 81 thousand tons in 1990 and 86 thousand tons in 1989. According to CSD, more than half of total shipments in 1991 went to Eastern Europe and the former USSR area, whose commercial imports decreased.

The reduction in food-aid shipments by the United States was due to lower supplies being available. Uncommitted stocks remained at minimal levels and no

foreign donations were made in 1990. However, increased public stocks allowed foreign donations to be resumed in 1991. The availability of skimmed milk powder for fiscal year 1992 is 22 thousand tons under PL 480, Title II, and 75 thousand tons under Section 416(b). In November 1991, the United States announced a multifaceted aid package to the former USSR. Donations of dairy products under the Section 416(b) programme are an important part of this package.

Since the early 1980s, the *European Community* has been reducing the share of milk products in food aid, replacing it by larger supplies of vegetable foods, notably cereals. Annual allocations of skimmed milk powder were reduced from 150 thousand tons at the beginning of the decade to 83 thousand tons in 1991, and those of butter oil from 45 thousand tons to 12 thousand tons. In 1991, actual European Community food-aid deliveries amounted to 61 thousand tons of skimmed milk powder compared to 68 thousand tons in 1990. In March 1991, the European Community took urgent action to supply Bulgaria and Romania with certain agricultural products, including 4,200 tons and 2,000 tons of skimmed milk powder, respectively. The food-aid programme for 1992 includes 53 thousand tons of skimmed milk powder, a decrease by 36 per cent in relation to the 1991 programme. In March 1992,

SMP STOCKS 1980-1992 IDA PARTICIPANTS*



*Includes Austria, Canada and the US

the European Community decided to deliver 21 thousand tons of skimmed milk powder from intervention stocks to the CIS under humanitarian aid.

Stocks

On 1 January 1992, total stocks of skimmed milk powder in the *European Community*, *North America* and *Oceania* were 635 thousand tons, 15 per cent higher than a year earlier. Despite efforts by major producers to slow accumulation and dispose of surplus stocks, world stocks were at around 850 thousand tons at the end of 1991. However, world ending stocks are expected to decrease substantially in 1992, reflecting successful efforts to reduce accumulation and dispose of surpluses. From the middle of 1992, stocks were low in all major producing countries.

As a result of the fall in demand and despite the decrease in production, *European Community* stocks of skimmed milk powder (public and private) continued to grow and were at 421 thousand tons at the end of 1991, compared to 333 thousand tons a year earlier. However, as a result of declining production and strong internal and external demand, intervention purchases were stopped in February 1992. Uncommitted public stocks subsequently declined to 95 thousand tons on 31 July 1992, compared to 517 thousand tons a year

earlier, and declined further to less than 70 thousand tons in September 1992, compared to more than 500 thousand tons a year earlier. Stocks continued to decline throughout the remainder of 1992.

In *Oceania*, stocks remained at normal levels throughout 1991 and were low at the end of June 1992 with supply positions very tight. In the *United States*, public stocks of skimmed milk powder skyrocketed to 129 thousand tons in early May 1991, and at the end of December 1991 were at 170 thousand tons compared to 21 thousand tons one year earlier. However, stocks at the end of June 1992 declined to 65,000 tons and are projected to drop further to some 45,000 tons by the end of 1992.

International prices

Prices of skimmed milk powder continued to strengthen in the first quarter of 1991 to the range of US\$1,400-US\$1,500 per ton f.o.b. Some oil-producing countries and large dairy importers, such as Algeria and Venezuela, increased their purchases. Moreover, the strengthening of prices was also due to the absence of offers of cheap Eastern European product in the market. Although requirements of milk powder markets remained basically unchanged in the second quarter of 1991, some increase in stocks of skimmed milk powder

were reported. World market prices of skimmed milk powder declined mainly due to a continued strengthening of the United States dollar and prices of skimmed milk powder fell to the range of US\$1,250 to US\$1,300 per ton f.o.b.

This development was reversed later in 1991 as the United States dollar again weakened. World market prices continued to increase in the last half of 1991 as the United States dollar weakened further and supply conditions for milk powders became tight. Prices in the second half of the year ranged between US\$1,450 and US\$1,800 per ton f.o.b.

In the first half of 1992, the market situation for milk powders, and particularly for skimmed milk powder, continued to increase due to large purchases by major importers, notably Mexico, Venezuela and Algeria. In the first quarter of 1992, prices increased to the range of US\$1,550-US\$1,700 per ton f.o.b., and further to the range of US\$1,600-US\$1,900 per ton f.o.b. in the second quarter. The market continued to remain firm and in the third quarter prices ranged between US\$1,800 and US\$2,170 per ton f.o.b. Minimum export prices for both skimmed milk powder and buttermilk powder have been maintained unchanged at US\$1,200 per ton f.o.b. since September 1989, as no consensus has yet been reached on a proposal to raise them.

Whole Milk Powder

Production

World whole milk powder production recovered appreciably in 1991, following further increase in New Zealand production and strong recoveries in the European Community, Poland and Australia. For calendar year 1991, world whole milk powder production increased by 6.5 per cent to 2.27 million tons. It is expected to remain at that level in 1992.

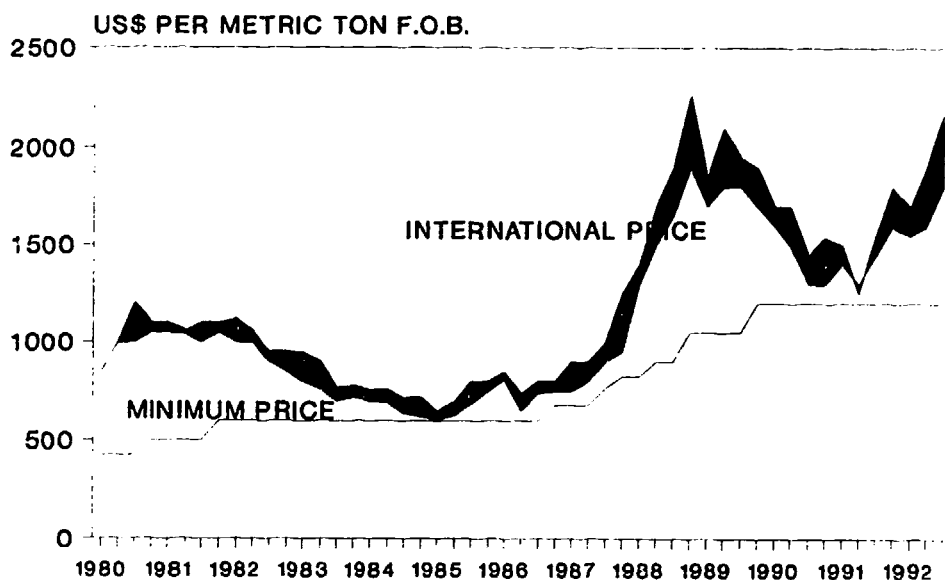
European Community output increased by 14 per cent to 914 thousand tons in 1991, following strong demand in international markets. In the first half of 1992, whole milk powder production declined by 3 per cent.

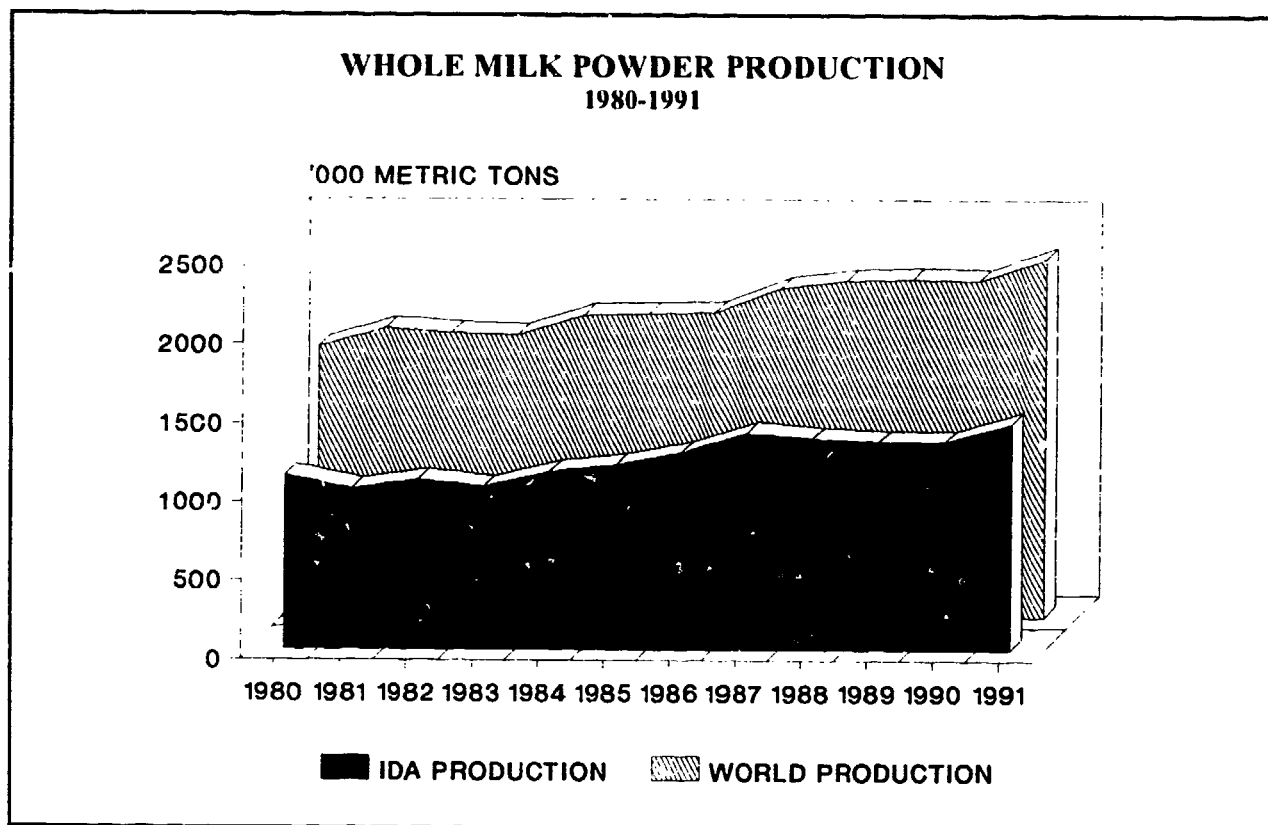
In 1991, *New Zealand* production continued to increase strongly with an output of 243 thousand tons, an increase by 17 per cent compared to 1990. Production expanded by another 6 per cent in the first half of 1992. New Zealand's whole milk powder production has more than doubled that of ten years ago.

In *Australia*, production of whole milk powder rose by 16 per cent to 69 thousand tons in 1991/92, reflecting a shift from butter/skimmed milk powder production to whole milk powder for which prices were more attractive. Production in 1992/93 is again expected to be higher than for the previous season.

In *Argentina*, output decreased by 20 per cent to 69 thousand tons in 1991 and has continued to fall in 1992. Production in *Finland*, which was entirely for exports,

**SKIMMED MILK POWDER PRICES
1980-1992**





declined in 1991 to 11 thousand tons, a level corresponding to two fifths of that in the early 1980s. A further sharp decline to 3.5 thousand tons was expected for 1992, due to the loss of traditional export outlets. In *Poland*, manufacture of whole milk powder, which had declined in 1990 to 40 thousand tons, recovered to 48 thousand tons in 1991 and continued to increase in 1992.

United States production fell by more than 30 per cent in 1991 to some 48.4 thousand tons and continued to fall in 1992. In *Austria*, output fell by 20 per cent in 1991 to some 10 thousand tons and continued to decline in 1992.

Trade

Whole milk powder exports recovered to 980 thousand tons in 1991, recapturing its earlier trend. Strong increases were registered by the major exporters, i.e. *Australia*, the *European Community* and *New Zealand*.

European Community exports recovered to 627 thousand tons in 1991, an increase by 25 per cent compared to 1990. Following a decision taken in March 1991, the *European Community* provided 50 thousand tons of whole milk powder to the former *USSR* as part of an urgent action to provide food aid to that area.

Exports from *New Zealand*, the world's second largest exporter, continued to recover in 1991. Exports amounted to 254 thousand tons, an increase of 32 per cent compared to 1990, and corresponding to two and a

half times their 1980 level. The main outlets remained in South and East Asia and in South America. The outlook for 1992/93 is for exports increasing to some 300 thousand tons, with possible annual increases in subsequent years of 50 thousand tons. *Australian* exports rose by 4.5 per cent to 44.7 thousand tons in 1990/91. In 1991/92, exports amounted to 55 thousand tons, again up by 4 per cent, and this trend is expected to continue. Demand from buyers in major Asian markets was particularly strong. *Polish* exports reached almost 12 thousand tons in 1991 and continued to grow in 1992.

Exports from *Finland*, exclusively to the former *USSR*, were low in 1991 and reached only 10 thousand tons. A further sharp decline in exports to only 3 thousand tons was expected for 1992 and the forecast is for no exports in 1993. Exports by *Argentina* continued their downward trend in 1991 when they dropped further to less than 9 thousand tons. The main destinations remained *Brazil* and *Peru*.

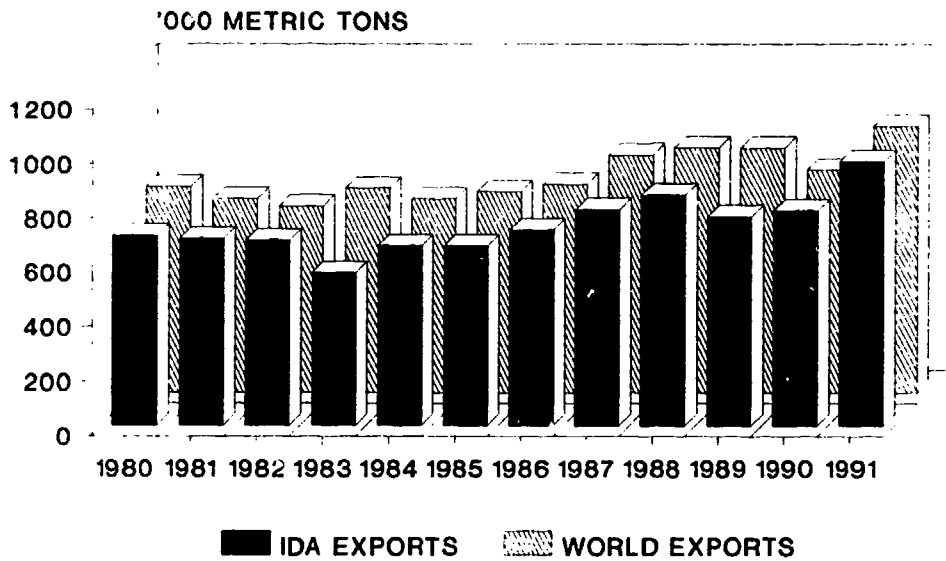
Whole milk powder imports by developing countries began to increase towards the end of 1990 and this development continued in 1991 and 1992. There was a further shift in import demand from condensed and evaporated milk to milk powder, especially whole milk powder in several developing countries. *Korea* raised import quotas for milk powder from 8,000 tons to 14,000 tons in 1991, in order to stabilize retail prices.

International prices

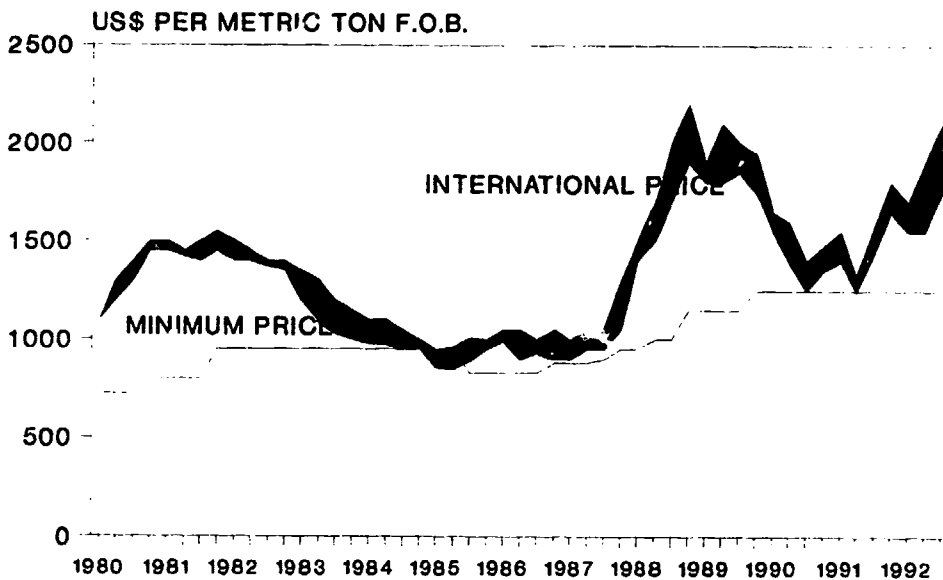
International prices of whole milk powder continued to increase in 1991 fuelled by reports that Venezuela bought substantial quantities of whole milk powder. In the first quarter of 1991, prices ranged between US\$1,400 and US\$1,550 per ton f.o.b. A strengthening of the United States dollar in the second

quarter depressed prices to a range of US\$1,250 and US\$1,330 per ton f.o.b. As the United States dollar later weakened, however, prices recovered and ranged between US\$1,440 and US\$1,575 per ton f.o.b. in the third quarter of 1991 and between US\$1,650 and US\$1,800 per ton f.o.b. in the fourth quarter. Prices continued to increase in 1992, with the lower level moving to US\$1,550 and later to US\$1,750 per ton

WHOLE MILK POWDER EXPORTS 1980-1991



WHOLE MILK POWDER PRICES 1980-1992



f.o.b. and the upper level moving from US\$1,700 to US\$2,100 per ton f.o.b.

The minimum export price has been maintained at US\$1,250 per ton f.o.b. since September 1989, as no consensus has yet been reached on a proposed increase.

Other Dairy Products

Whey in powder or block or concentrate

World production of whey powder increased by about 2 per cent to 1.65 million tons in 1991 following developments in production of cheese. Furthermore, the production of other related milk concentrates, including lactose, continued to expand, but the magnitude of the production of such products remains difficult to evaluate. These products are mainly by-products of cheese production. Output of whey powder and lactose has grown more rapidly than cheese production in recent years. In the past, much of the whey went into sewage systems as waste. Lately this has been forbidden, mainly for environmental reasons, and the whey has to be recuperated and disposed of otherwise. Liquid whey and concentrated whey are still extensively fed to animals, notably calves. The demand for whey and whey products for use as food and feed ingredients and in pharmaceutical applications has remained strong, stimulating production in several countries.

European Community production of whey powder has expanded at a rate of 5 per cent in recent years and reached 879 thousand tons in 1991, accounting for 53 per cent of world production. Production increased again in the first half of 1992, by 8 per cent.

United States production increased by 0.5 per cent in 1991, to 511 thousand tons and continued to increase by more than 5 per cent in the first half of 1992. *Canadian* production recovered in 1991, increasing by 9.2 per cent to 63.9 thousand tons, and has continued to expand at a similar rate in 1992.

In 1991, the *European Community* imported 19 thousand tons and exported 30.3 thousand tons of whey powder, mainly in connection with forward processing. It furthermore exported 81 thousand tons of lactose, a third more than the average of recent years. The *European Community* discontinued the forward processing arrangements for most dairy products, including whey powder, effective 28 February 1991. As a result, imports and exports declined in 1991, notably for whey concentrate for which *European Community* imports in 1990 amounted to 48 thousand tons.

In late September 1992, *Japan* announced increases in import quotas for various whey products. Import quotas for prepared whey for infant formula and for mineral concentrated whey will be increased by 2 thousand tons each fiscal year from 1992 through 1994. The fiscal year 1991 quota levels were 19 thousand tons

for prepared whey for infant formula and 8 thousand tons for mineral concentrated whey. The quota for whey powder for animal feed will be increased by 3 thousand tons each fiscal year, starting from the 1991 level of 8 thousand tons. The quota for other dairy products has been set at 91 thousand tons for fiscal year 1992, with increases of 10 thousand tons annually through 1994.

Late in 1991, whey powder prices generally strengthened but experienced unusual price fluctuations in the *United States* market. In July 1991, prices remained at around US\$330 per ton in the *United States* but then increased to US\$550 per ton in December 1991. Although prices in *Europe* in July 1991 were as much as 80 per cent higher than a year earlier, expressed in dollar terms they were at only US\$575 per ton due to the strengthening of the *United States* dollar. In December 1991, prices in *Europe* were about 65 per cent higher than a year earlier but expressed in dollar terms they were at around US\$800 per ton due to the subsequent weakening of the *United States* dollar in the second half of 1991. In May 1992, prices in the *United States* reached a peak, at around US\$535 per ton, 60 per cent higher than a year earlier. However, prices fell in the summer and were at year earlier levels by early autumn. In *Europe*, whey powder prices were falling during the early part of 1992. Prices had fallen to US\$625 per ton in May, and continued to fall to previous year levels by August. A recent tightening in *United States* whey supplies has begun to put some upward pressure on prices.

Concentrated milk

Following a decrease in 1990, world production of condensed milk recovered in 1991, increasing by 1.9 per cent to 4.73 million tons. In the *European Community*, output had also decreased in 1990, mirroring the decline in international outlets. In 1991, output remained relatively stable at around 1.22 million tons.

In 1991, production fell in the *United States* to 252 thousand tons, 4.5 per cent less than in 1990, but recovered in the first half of 1992. In *Canada*, production recovered in 1991 and increased to 73.7 thousand tons, 23 per cent up on 1990, but was again low in 1992. *Australian* production fell by 2.4 per cent to 89 thousand tons in 1991 and showed little change in 1992. In *Japan*, production increased by another 5 per cent in 1991, reaching 66 thousand tons and there was a further increase of production in 1992. Production in the former *USSR* area continued to expand, amounting to 635 thousand tons in 1991, an increase by 2.4 per cent over 1990. Condensed milk production increased in *Asia* and *Latin America* in 1990 and 1991.

From a peak of nearly 1 million tons in 1985, world trade in condensed milk declined to about 350 thousand tons in 1991. *European Community* exports

fell by 7 per cent to 337 thousand tons. *Canadian* exports declined to 7 thousand tons in 1990/91. Canadian exports are expected to remain low in 1992/93 and in later years.

Dutch quotations for condensed milk continued to increase throughout 1991, and in December reached Hfl. 3,550 per ton, which in dollar terms corresponded to US\$1,940. In the first half of 1992, Dutch quotations remained at Hfl. 3,550 per ton. The quotation was increased to Hfl. 3,590 per ton in September 1992, which in light of a lower exchange rate corresponded to US\$2,300 per ton.

Casein

Since 1990, casein markets have been undergoing major adjustments, not least due to programme adjustments in the European Community market for skimmed milk powder. World casein production decreased by 5 per cent to 214 thousand tons in 1990 and declined further in 1991, reaching some 200 thousand tons. The European Community accounted for nearly all of the reduction, which was related to a reduced milk output and lower supplies of milk being available for casein production. Recoveries in production in New Zealand and Poland were more than offset by decreases in Australia and the European Community.

European Community casein production is highly dependent on aid programmes. As from 10 October 1990, the casein aid scheme was altered to reduce end-use control difficulties and the production subsidy on casein was increased. European Community production subsequently increased by 9 per cent in 1991, and the upward trend has continued into 1992 when, in the first half of the year, 27 per cent more milk was used for casein production. However, in July 1992, the aid to manufacture of casein was cut back from ECU 7.94 to ECU 7 per 100 kgs. of skimmed milk.

New Zealand production of casein for 1991/92 was estimated at 70 thousand tons, compared to 64 thousand tons in 1990/91. In *Poland*, production of casein increased by 15 per cent to 38 thousand tons in 1990, but

decreased to some 20 thousand tons in 1991. Polish production of casein is estimated to fall by 27 per cent in 1992 and is not expected to recover in 1993.

World exports, which had recovered in 1990, remained at 150 thousand tons in 1991. *New Zealand's* exports of casein increased to 77.2 thousand tons in 1991, while *European Community* exports fell to 56.6 thousand tons. *Polish* shipments of casein fell to 18 thousand tons in 1991.

In 1991, *United States* casein imports increased only marginally (by 0.5 per cent) to 85.6 thousand tons, and their value fell from US\$370.2 million to US\$297.9 million. All supplier countries, except New Zealand, suffered losses in their share of the market. Total imports from the European Community fell by 12 per cent to 40.2 thousand tons in 1991. In the first half of 1992, United States casein imports at almost 40 thousand tons increased by 5 per cent compared to the corresponding period of 1991.

Casein prices vary widely with quality. During the first nine months of 1991, there was still some downward pressure on prices of casein in the United States, and at around US\$3,500 a ton in September 1991, prices were 15 per cent lower than a year earlier. Prices were firming later in 1991, following strong import demand, a less than expected increase in European Community production, small New Zealand supplies and hardly any supplies coming from Central and Eastern Europe. Consequently, prices increased to US\$3,720 a ton in November 1991, but were still 6 per cent lower than a year earlier. In the subsequent months prices continued to strengthen, reflecting the tight market conditions for skimmed milk powder, in both Europe and North America. United States quotations increased further throughout 1992, in September reaching US\$5,200 per ton, 47 per cent higher than a year earlier. At the end of May 1992, the United States quotations for rennet casein and acid casein stood at US\$3,740-US\$4,840 per ton and US\$4,400-US\$5,170 per ton, respectively. ■

The World Market for Dairy Products 1992 is available in English, French and Spanish editions, and can be ordered from:

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ANNEX

EXPLANATORY NOTES

Symbols

The following symbols have been used with the following meanings in the statistical tables:

- ... not available
- nil or negligible
- * provisional figures, subject to revision

Basis for indices: 1981-1983 average = 100.

Sources

In preparing the note, the Secretariat based itself mainly on replies to questionnaires, other information submitted by participants and observers as well as various information arising from the operation of the Protocol Regarding Certain Milk Powders, the Protocol Regarding Milk Fat and the Protocol Regarding Certain Cheeses. Furthermore, the secretariat used supplementary information available to it from various national and international sources, notably documentation from the FAO, the UN/Economic Commission for Europe, the OECD, the IDF, the Commission of the European Communities, Agriculture Canada and the United States Department of Agriculture.

Notes relating to data of individual countries

The data shown with respect to consumption, relate to apparent consumption, as calculated by the Secretariat.

Certain countries have not been included in all the tables either because the quantity of trade has been nil or insignificant, or because figures have not been available.

For some countries, figures relating to anhydrous milk fat are included in the data relating to butter.

Figures for **Australia** for skimmed milk powder also include partly skimmed milk powder, cream powder, skimmed milk powder and buttermilk powder mixtures, and skimmed milk powder modified. Stocks are those held by manufacturers. Cheese stock figures only include Cheddar, Gouda and stirred curd/granular cheeses. Figures for exports and exports by destination may be different due to the use of different sources.

For **Bulgaria**, skimmed milk powder is included in whole milk powder statistics. Cheese figures include Kashkaval.

For the **EC**, statistics are in principle only covering the Community as it was before German unification in 1990.

EC stocks of skimmed milk powder and butter include public intervention stocks and private stocks. Cheese stocks include intervention stocks (public stocks for Grano-Padano and Parmigiano Reggiano) and stocks qualifying for aid for private storage.

For **Finland**, stock figures are referring to wholesale stocks for dairies.

For **Hungary**, stock figures and production figures of milk powders for 1990 include all types of milk powders.

For **Japan**, figures refer to stocks of whole milk powder held by manufacturers, whereas for skimmed milk powder and butter, the data refer to stocks held by manufacturers as well as the Livestock Industry Promotion Corporation. Cheese production figures are estimates.

All stock figures for **New Zealand** include export and local market stocks. Government stocks are nil. Skimmed milk powder statistics include partly skimmed and cream powder. Whole milk powder statistics include infants' food.

For **Norway**, cheese figures include whey cheese and processed cheese.

Cheese figures for **Poland** include ripening and processed cheeses only.

Butter production figures for **Sweden** do not include "Bregott".

Annual exports of milk powders for **Switzerland** include food aid, while quarterly exports do not. Butter figures include resolidified butter. Quarterly figures for cheese production are estimates. Processed cheeses are not included in the statistics. Cheese stock figures include Emmental, Gruyère, Sbrinz, Tilsit and Appenzell.

For **Austria**, stocks include only products of domestic origin. Figures for skimmed milk powder include skimmed milk powder and buttermilk powder. Cheese consumption figures reflect sales of domestic produce only.

For **Canada**, butter figures refer to creamery butter only; whey butter is not included. Cheese figures include Cheddar and other whole milk cheeses.

United States data on stocks of milk powders refer to CCC stocks. Exports of whole milk powder include partly skimmed powder, dry whole milk and cream.

Regions of destination

Regions of destination are as previously defined. (See Fifth Annual Report, pages 82 and 83.)

ANNEX TABLE 1 - MILK DELIVERIES
ANNEXE TABLEAU 1 - LIVRAISONS DE LAIT
CUADRO 1 DEL ANEXO - ENTREGAS DE LECHE
MILLION M.T

COUNTRY	AVERAGE 1981-1983	YEAR				FIRST HALF YEAR			
		1990	1991	INDICES 1990 1991		1991	1992	INDICES 1991 1992	
IDA PARTICIPANTS									
ARGENTINA	5.53	5.76	5.57	104	100	2.64	2.60*	100	98
AUSTRALIA	5.61	6.41	6.66	114	118	2.72	2.92*	132	142
BULGARIA	1.90	2.32	2.25	122	119	1.25	1.20*	132	127
EEC	104.72	98.86	97.00*	94	92	50.62	50.90	96	97
EGYPT	0.75	0.97*	0.98*	129	130	0.52*	0.53*	139	141
FINLAND	2.98	2.68	2.42	89	81	1.26	1.17	85	79
HUNGARY	2.28	2.05	1.85	89	81	0.96	0.86	85	76
JAPAN	6.80	8.20	8.26	120	121	4.16	4.32	122	127
NEW ZEALAND	6.77	7.36	7.38	108	109	2.65	2.95*	106	118
NORWAY	1.94	1.92	1.88	98	96	0.98	0.96	96	94
POLAND	10.07	10.12	7.93	100	78	4.14	3.85	90	84
ROMANIA	4.86	4.56	4.60*	93	94	2.40	2.40*	99	99
SOUTH AFRICA	0.95	0.98	0.98	103	103	0.45	0.43	95	91
SWEDEN	3.50	3.43	3.13	98	89	1.70	1.60	93	88
SWITZERLAND	3.02	2.97	3.06	98	101	1.62	1.60*	102	99
URUGUAY	0.60	0.67	0.62	113	105	0.31	0.30*	105	102
OTHERS									
AUSTRIA	2.38	2.24	2.21	94	92	1.10	1.10	91	91
CANADA	7.60	7.54	7.46	99	98	3.84	3.80	101	100
UNITED STATES	61.55	67.25	67.37*	109	109	34.54	34.90*	110	111
USSR	91.70	108.70	96.43*	118	105	50.00*	...	109	...
TOTAL PARTICIPANTS	162.26	159.25	154.57	98	95	75.63	78.60	99	103
WORLD TOTAL	483.00	477.55	464.45	98	96	...	...	...	...

ANNEX TABLE 2A - PRODUCTION OF BUTTER
ANNEXE TABLEAU 2A - PRODUCTION DE BEURRE
CUADRO 2A DEL ANEXO - PRODUCCION DE MANTEQUILLA
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR			FIRST HALF YEAR				
		1990	1991	INDICES 1990 1991	1991	1992	INDICES 1991 1992		
IDA PARTICIPANTS									
ARGENTINA	34.40	40.05	36.88	116	107	18.05	16.00*	106	94
AUSTRALIA	79.00	78.80	66.30	99	83	25.20	33.30	118	156
BULGARIA	22.10	22.00	12.10	99	54	8.70	5.30	79	48
EEC	1,987.00	1,605.00	1,515.00	80	76	885.00	780.00	80	71
EGYPT	71.30	82.00*	82.00*	115	115	45.00*	45.50*	126	127
FINLAND	74.70	62.00	59.00	82	78	31.00	29.00	82	76
HUNGARY	31.80	38.10	25.10	119	78	14.00	9.90	88	62
JAPAN	67.00	76.00	76.00	113	113	42.00	49.00	121	141
NEW ZEALAND	238.80	206.00	170.00	86	71	58.70	73.30	66	82
NORWAY	74.80	20.00	18.68	80	75	10.34	9.15	72	63
POLAND	235.60	270.00*	190.00	114	80	95.90	72.30	97	73
ROMANIA	40.10	33.30	22.80	83	56	12.50	11.41	67	61
SOUTH AFRICA	17.30	21.04	16.88	121	97	9.02	6.78	111	83
SWEDEN	43.50	49.20	38.00	113	87	25.10	20.70	100	82
SWITZERLAND	32.80	31.80	34.10	96	103	20.10	19.80	112	111
URUGUAY	9.80	13.00*	8.56	132	87	5.00	4.00*	113	90
OTHERS									
AUSTRIA	42.20	35.30	36.20	83	85	17.40	16.77	82	79
CANADA	113.00	99.87	96.40	88	85	51.80	49.70*	90	86
UNITED STATES	575.10	590.70	606.00	102	105	341.50	345.00	106	107
TOTAL PARTICIPANTS	3,009.91	2,648.30	2,365.28	88	78	1,305.60	1,185.43	87	79
WORLD TOTAL	7,272.00	7,775.00	7,450.00	106	103	...	...	...	...

ANNEX TABLE 2B - CONSUMPTION OF BUTTER
ANNEXE TABLEAU 2B - CONSOMMATION DE BEURRE
CUADRO 2B DEL ANEXO - CONSUMO DE MANTEQUILLA
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	31.10	35.18	40.66	113	130	19.16	20.00*	121	126
AUSTRALIA	61.10	50.70	46.50	82	76	23.60	26.20	82	91
BULGARIA	21.60	21.90	13.00	101	60	6.70	4.90	69	50
EEC	1,719.70	1,370.00	1,503.00	79	86	640.00	643.00	73	73
FINLAND	59.00	34.00	39.00	57	66	19.00	16.00	75	63
HUNGARY	27.40	26.20	19.50	95	71	10.30	7.20	75	52
JAPAN	73.70	87.00	90.00	118	122	44.00	43.00	131	128
NEW ZEALAND	40.70	32.80	32.20	80	79	15.40	15.00	77	75
NORWAY	19.40	11.50	11.43	59	58	5.57	4.70	58	48
POLAND	257.30	275.40	194.42	107	75	97.30	80.00	80	66
ROMANIA	-	48.40	28.51	...	...	16.30	19.65	...	...
SOUTH AFRICA	16.90	16.30	15.31	96	90	7.14	7.81	75	82
SWEDEN	30.40	20.60	19.20	67	63	9.10	9.10	66	66
SWITZERLAND	44.90	36.40	37.30	81	83	18.10	18.20	81	81
URUGUAY	4.20	4.51	4.00*	95	107	2.33	2.00*	111	95
OTHERS									
AUSTRIA	37.40	31.40	33.60	83	89	17.43	15.50	94	84
CANADA	104.60	90.75	87.80	86	83	39.20	37.50*	77	74
UNITED STATES	494.30	578.70	540.70	117	109	270.00	260.00*	116	112
TOTAL PARTICIPANTS	2,407.35	2,070.36	2,094.54	86	87	933.00	916.75	78	76
WORLD TOTAL	5,888.50	6,439.00	6,310.00	109	107	...	...	...	...

ANNEX TABLE 2C1 - EXPORTS OF BUTTER
ANNEXE TABLEAU 2C1 - EXPORTATIONS DE BEURRE
CUADRO 2C1 DEL ANEXO - EXPORTACIONES DE MANTEQUILLA
 ('000 M.T)
TOTAL

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	4.10	7.40	2.94	180	71	2.82	0.50*	108	19
AUSTRALIA	7.00	22.00	36.60	314	522	22.10	6.70	631	191
BULGARIA	0.30	-	-	-	-	-	-	-	-
EEC	252.60	112.00	250.80*	44	99	146.00	123.00*	106	89
FINLAND	16.00	36.00	22.00	225	137	14.00	8.00	191	109
HUNGARY	10.30	9.30	10.20	90	99	6.40	1.60	128	32
NEW ZEALAND	173.90	163.20	207.50	93	119	99.00	61.30	136	84
NORWAY	4.60	9.40	7.44	204	161	3.90	3.76	130	125
POLAND	1.60	30.00	5.38	875	336	1.08	-	80	-
ROMANIA	13.90	...	0.01	...	-	-	-	-	-
SOUTH AFRICA	1.10	2.05	1.52	186	138	1.32	0.20	220	33
SWEDEN	12.50	32.00	22.20	256	177	17.90	9.90	226	125
URUGUAY	5.90	13.00*	4.15	220	70	2.53	2.00*	63	50
OTHERS									
AUSTRIA	3.00	1.30	1.15	43	38	0.69	0.33	56	27
CANADA	1.40	4.08	12.41	291	886	8.20	5.00*	171	104
UNITED STATES	51.40	52.40	23.00	101	44	5.00	15.00*	23	69
TOTAL PARTICIPANTS	503.79	436.35	570.73	86	111	317.04	216.95	126	86
WORLD TOTAL	816.00	720.00	698.00	88	86	...	...	...	...

TABLE 2C2 - EXPORTS OF BUTTER BY DESTINATION
 TABLEAU 2C2 - EXPORTATIONS DE BEURRE PAR DESTINATIONS
 CUADRO 2C2 - EXPORTACIONES DE MANTEQUILLA, POR DESTINO
 ('000 M.T.)

EXPORTERS DESTINATIONS	PARTICIPANTS													
	EEC		NEW ZEALAND		AUSTRALIA		FINLAND		USA		TOTAL			
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991		
WESTERN EUROPE	9.5	8.3	60.4	63.0	8.0		1.1	1.6	0.1	-	79.1	72.9		
EASTERN EUROPE	11.1	17.5	-	-	-	-	0.1	2.5	7.5	8.6	18.7	28.6		
USSR	28.7	158.2	66.8	55.5	1.0	15.6	29.0	10.9	36.8	-	162.3	250.2		
NORTH AMERICA	0.5	0.6	-	0.2	-	-	-	-	-	-	0.5	0.8		
SOUTH AMERICA	0.8	0.7	-	6.6	-	-	0.3	-	-	0.3	1.1	7.6		
CENTRAL AMERICA	0.2	0.7	-	-	-	-	-	0.3	4.6	8.5	4.8	9.5		
CARIBBEAN	2.9	2.2	1.0	3.0	-	-	1.1	0.8	0.1	2.0	5.1	8.0		
AFRICA	23.7	21.5	2.7	17.8	-	0.3	3.4	1.4	-	2.6	29.8	43.6		
SOUTH AND EAST ASIA	5.7	7.2	10.5	16.0	8.4	17.1	0.1	1.1	-	-	24.7	41.4		
WESTERN ASIA	26.0	29.7	10.6	16.1	1.8	1.3	0.9	1.3	2.8	-	42.1	48.4		
OCEANIA	0.9	0.6	0.2	-	0.7	0.3	-	-	-	-	1.8	0.9		
OTHER DESTINATIONS	1.9	3.6	11.0	19.3	2.1	2.0	0.1	2.1	0.5	1.0	15.6	28.0		
TOTAL	112.0	250.8	163.2	207.5	22.0	36.6	36.1	22.0	52.4	23.0	385.7	539.9		
OPEC	32.1	31.2	12.3	26.1	0.8	1.3	1.1	0.5	2.8	1.6	49.1	60.7		

ANNEX TABLE 2D - IMPORTS OF BUTTER
ANNEXE TABLEAU 2D - IMPORTATIONS DE BEURRE
CUADRO 2D DEL ANEXO - IMPORTACIONES DE MANTEQUILLA
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	1.00	0.18	7.68	18	768	1.41	5.00*	470	1176
AUSTRALIA	0.30	1.10	1.00	366	333	0.60	0.90	300	450
BULGARIA	0.30	4.70	0.60	566	200	0.60	1.00	200	335
EEC	105.00	88.00	68.00	83	64	30.00	25.06*	62	52
EGYPT	32.50	61.00	64.00*	187	196	30.00*	32.00*	200	213
HUNGARY	6.50	-	-	-	-	-	-	-	-
JAPAN	3.00	7.00	21.00	233	700	7.00	2.00	333	666
NEW ZEALAND	8.20	-	0.10	-	1	-	-	-	-
POLAND	32.20	4.20	3.80	13	11	2.17	2.50	11	13
ROMANIA	11.90	23.80	5.94	200	49	0.70	0.20	12	3
SOUTH AFRICA	1.30	0.75	-	57	-	-	0.67	-	83
SWEDEN	0.10	-	-	-	-	-	-	-	-
SWITZERLAND	13.20	4.20	3.00	31	22	2.40	1.53	42	26
OTHERS									
AUSTRIA	1.10	0.40	1.05	35	95	0.51	1.11	85	183
CANADA	-	0.13	0.16	...	...	0.10	0.10*	...	...
UNITED STATES	1.00	2.60	1.40	260	140	0.80	0.50*	160	100
TOTAL PARTICIPANTS	215.50	194.93	175.12	90	81	74.88	70.80	74	69
WORLD TOTAL	831.00	590.00	572.00	70	69	...	...	...	...

ANNEX TABLE 2E - STOCKS OF BUTTER
ANNEXE TABLEAU 2E - STOCKS DE BEURRE
CUADRO 2E DEL ANEXO - EXISTENCIAS DE MANTEQUILLA
 ('000 M.T)

COUNTRY	DATE	AVERAGE	INDICES					
		1981-1983	1990	1991	1992	1990	1991	1992
IDA PARTICIPANTS								
ARGENTINA	1 JAN.	7.80	6.97*	4.45	5.40	89	57	69
	1 APR.	8.70	11.01	5.05	5.00*	126	58	57
	1 JUL.	6.50	6.03	1.93	5.00*	92	29	75
	1 OCT.	5.00	1.90	2.35		38	47	...
AUSTRALIA	1 JAN.	26.10	26.90	34.10	18.30	103	130	70
	1 APR.	27.30	26.40	26.50	24.90	96	97	91
	1 JUL.	15.70	15.70	14.20	19.60	100	90	124
	1 OCT.	18.10	14.00	6.90		77	38	...
BULGARIA	1 JAN.	1.20	...	0.80	0.70	...	66	58
	1 APR.	1.10	...	2.70	0.80	...	245	72
	1 JUL.	2.20	...	3.40	1.50	...	154	68
	1 OCT.	2.40	...	2.00		...	83	...
EEC	1 JAN.	230.70	124.00	335.00	302.00	53	145	130
	1 APR.	141.70	82.00	324.00	274.00	57	228	193
	1 JUL.	354.30	243.00	450.00	332.00*	68	127	93
	1 OCT.	513.00	368.00	478.00		71	93	...
FINLAND	1 JAN.	9.30	14.00	6.00	5.00	150	64	53
	1 APR.	7.30	15.00	4.00	6.00	205	54	82
	1 JUL.	14.30	16.00	5.00	9.00	111	34	62
	1 OCT.	16.70	14.00	9.00		83	53	...
HUNGARY	1 JAN.	2.60	3.60	6.20	1.60	138	238	61
	1 APR.	2.90	5.00	4.30	2.70	172	148	93
	1 JUL.	3.60	4.00	3.50	2.70	111	97	75
	1 OCT.	3.00	6.10	1.40		203	46	...
JAPAN	1 JAN.	19.00	17.00	11.00	18.00	89	57	94
	1 APR.	20.70	17.00	13.00	21.00	82	62	101
	1 JUL.	21.00	21.00	16.00	26.00	100	76	123
	1 OCT.	21.70	16.00	14.00		73	64	...
NEW ZEALAND	1 JAN.	33.90	90.00	67.00	48.40	265	197	142
	1 APR.	31.70	84.90	52.70	72.80	267	166	229
	1 JUL.	25.40	36.80	11.30	45.50	144	44	179
	1 OCT.	20.80	45.00	61.30		216	294	...
NORWAY	1 JAN.	2.10	4.90	2.55	1.68	233	126	80
	1 APR.	3.70	4.68	4.00	1.65	126	107	44
	1 JUL.	3.70	3.23	3.20	1.96	87	86	52
	1 OCT.	2.60	3.88	1.66		149	63	...
POLAND	1 JAN.	...	36.60	15.80	15.80	...	...	...
	1 APR.	...	...	15.73	8.30	...	...	...
	1 JUL.	...	...	15.50	10.60	...	...	...
	1 OCT.	...	...	8.90		...	...	...

ANNEX TABLE 2E - STOCKS OF BUTTER
ANNEXE TABLEAU 2E - STOCKS DE BEURRE
CUADRO 2E DEL ANEXO - EXISTENCIAS DE MANTEQUILLA
 ('000 M.T.)

COUNTRY	DATE	AVERAGE				INDICES		
		1981-1983	1990	1991	1992	1990	1991	1992
IDA PARTICIPANTS								
ROMANIA	1 JAN.	...	1.66	6.20	1.17	...	...	...
	1 APR.	...	...	6.00*	6.46	...	...	...
	1 JUL.	...	5.56	0.76	0.71	...	...	...
	1 OCT.	...	...	0.82	...	...	...	...
SOUTH AFRICA	1 JAN.	2.50	2.06	5.50	5.55	82	219	222
	1 APR.	3.90	4.11	6.36	4.58	105	163	117
	1 JUL.	1.70	5.33	6.06	4.99	313	356	293
	1 OCT.	2.60	6.00	5.30	...	230	203	...
SWEDEN	1 JAN.	2.30	7.80	4.80	2.00	339	208	86
	1 APR.	3.30	13.60	2.20	2.90	412	66	87
	1 JUL.	5.90	9.60	2.00	3.80	162	33	64
	1 OCT.	4.60	7.10	1.40	...	154	30	...
SWITZERLAND	1 JAN.	3.40	4.90	4.50	4.30	144	132	126
	1 APR.	3.70	4.70	5.20	5.40	127	140	145
	1 JUL.	4.40	5.60	8.90	7.40	127	202	168
	1 OCT.	5.60	5.50	8.00	...	98	142	...
URUGUAY	1 JAN.	3.20	4.60	1.07*	1.00*	143	33	31
	1 APR.	...	3.32	2.46*	2.00*	...	...	...
	1 JUL.	...	4.63	1.21	1.50*	...	...	...
	1 OCT.	...	5.00	0.33	...	...	...	...
OTHERS								
AUSTRIA	1 JAN.	1.90	...	3.00*	3.00*	...	157	157
	1 APR.	2.10	...	3.00*	3.00*	...	142	142
	1 JUL.	2.60	...	2.00*	3.00*	...	76	114
	1 OCT.	3.10	...	3.00*	...	...	96	...
CANADA	1 JAN.	23.80	14.05	19.23	15.08	59	80	63
	1 APR.	21.70	19.11	22.91	22.54	88	105	103
	1 JUL.	29.70	25.98	22.84	18.00*	87	76	60
	1 OCT.	32.00	23.97	18.44	...	74	57	...
UNITED STATES	1 JAN.	181.60	127.30	189.00	248.00	70	104	136
	1 APR.	210.00	148.40	252.00	315.00	70	120	150
	1 JUL.	247.70	189.20	370.00	322.00	76	149	129
	1 OCT.	235.00	185.00	275.00	...	78	117	...
IDA TOTAL	1 JAN.	344.10	344.97	505.05	430.90	100	146	125
	1 APR.	256.00	271.71	474.18	438.48	106	185	171
	1 JUL.	458.70	376.47	542.95	468.26	82	118	102
	1 OCT.	616.10	492.46	601.34	...	79	97	...

ANNEX TABLE 3A - PRODUCTION OF ANHYDROUS MILK FAT
ANNEXE TABLEAU 3A - PRODUCTION DE MATIERES GRASSES LAITIERES ANHYDRES
CUADRO 3A DEL ANEXO - PRODUCCION DE GRASAS LACTEAS ANHIDRAS
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	INDICES 1991	INDICES 1992
IDA PARTICIPANTS									
AUSTRALIA	9.60	25.60	37.40	266	389	16.40	16.90	390	402
EEC	216.30	115.00	106.00	53	49	60.00	66.00*	51	62
NEW ZEALAND	18.20	40.00	47.30	219	259	17.30	19.90	314	361
SWEDEN	3.90	7.20	7.00	184	179	3.90	3.50	195	175
SWITZERLAND	3.00	4.80	5.10	160	170	2.60	2.70	162	168
URUGUAY	0.20	...	0.45	...	450	0.37	...	370	...
TOTAL PARTICIPANTS	251.20	192.60	203.25	76	80	100.57	109.00	84	91

ANNEX TABLE 3B1 - TOTAL EXPORTS OF ANHYDROUS MILK FAT
ANNEXE TABLEAU 3B1 - EXPORTATIONS DE MATIERES GRASSES LAITIERES ANHYDRES
CUADRO 3B1 DEL ANEXO - EXPORTACIONES DE GRASAS LACTEAS ANHIDRAS
('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
AUSTRALIA	3.60	22.10	31.80	613	883	13.50	19.00	675	950
EEC	130.70	87.00	136.80	66	104	45.00	59.00*	71	96
NEW ZEALAND	36.60	42.40	36.10	115	98	16.20	16.90	73	77
SWEDEN	0.20	0.70	1.00	350	500	1.00	0.10	500	50
TOTAL PARTICIPANTS	171.10	152.20	205.70	88	120	76.02	95.00	88	111

TABLE 3B2 - EXPORTS OF ANHYDROUS MILK FAT BY DESTINATION
TABLEAU 3B2 - EXPORTATIONS DE MATIERES GRASSES LAITIERES ANHYDRES PAR DESTINATIONS
CUADRO 3B2 - EXPORTACIONES DE GRASAS LACTEAS ANHIDRAS, POR DESTINO

('000 M.T.)

EXPORTERS DESTINATIONS	PARTICIPANTS										TOTAL	
	EEC		NEW ZEALAND		AUSTRALIA							
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991
WESTERN EUROPE	0.2	0.4	-	-	-	-	-	-	-	-	0.2	0.4
EASTERN EUROPE	-	-	-	-	-	-	-	-	-	-	-	-
USSR	-	8.1	-	-	-	-	-	-	-	-	-	8.1
NORTH AMERICA	0.2	0.1	0.5	0.6	-	-	-	-	-	-	0.7	0.7
SOUTH AMERICA	1.2	5.3	4.6	3.3	-	0.3	-	-	-	-	5.8	8.9
CENTRAL AMERICA	7.2	21.4	9.7	7.9	-	0.2	-	-	-	-	16.9	29.5
CARIBBEAN	1.3	2.8	0.2	3.8	-	-	-	-	-	-	1.5	6.6
AFRICA	47.6	43.8	9.5	-	-	-	-	-	-	-	57.1	43.8
SOUTH AND EAST ASIA	13.9	34.4	9.2	11.8	19.9	26.0	-	-	-	-	43.0	72.2
WESTERN ASIA	9.4	19.8	5.2	4.8	0.6	0.7	-	-	-	-	15.2	25.3
OCEANIA	-	0.1	0.4	0.4	-	-	-	-	-	-	0.4	0.5
OTHER DESTINATIONS	6.0	0.6	3.1	3.5	1.6	4.6	-	-	-	-	10.7	8.7
TOTAL	87.0	136.8	42.4	36.1	22.1	31.8	-	-	-	-	151.5	204.7
OPEC	26.7	37.6	5.2	4.8	0.5	0.6	-	-	-	-	32.4	43.0

ANNEX TABLE 4A - PRODUCTION OF CHEESES
ANNEXE TABLEAU 4A - PRODUCTION DE FROMAGES
CUADRO 4A DEL ANEXO - PRODUCCION DE QUESOS
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR		INDICES	
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	242.40	271.25	280.55	111	115	132.48	130.00*	112	110
AUSTRALIA	152.40	175.40	181.20	115	118	72.40	87.30	141	170
BULGARIA	120.20	142.30	116.50	118	96	52.50	61.20	76	89
EEC	3,881.70	4,653.00	4,745.00	119	122	2,396.00	2,560.00*	117	125
EGYPT	260.00	320.00*	320.00*	123	123	160.00*	160.00*	123	123
FINLAND	73.00	93.00	85.00	127	116	43.00	45.00	122	128
HUNGARY	49.90	63.60	51.90	127	104	28.40	23.80	117	98
JAPAN	13.00	29.00	27.00	223	207	14.00	15.00	233	250
NEW ZEALAND	105.40	111.70	125.00	105	118	50.10	56.30	119	134
NORWAY	68.50	84.13	80.57	122	117	43.60	43.48	118	118
POLAND	101.70	135.10*	110.80	132	108	54.10	46.60	130	112
ROMANIA	132.00	95.00	68.10	71	51	38.00	24.03	58	37
SOUTH AFRICA	35.60	41.64	39.76	116	111	19.26	18.54	118	113
SWEDEN	112.40	108.40	107.30	96	95	55.00	54.60	98	97
SWITZERLAND	124.00	129.70	134.20	104	108	67.40	65.50*	108	105
URUGUAY	11.70	17.00*	18.63	145	159	7.62	7.00*	152	140
OTHERS									
AUSTRIA	80.20	85.00	79.75	105	99	40.10	42.20	98	102
CANADA	175.70	255.20	261.00	145	148	128.00	133.00*	147	153
UNITED STATES	2,044.10	2,745.00	2,760.00	134	135	1,362.00	1,438.00*	131	138
TOTAL PARTICIPANTS	5,483.89	6,470.22	6,491.53	117	118	3,233.86	3,398.35	124	130
WORLD TOTAL	11,947.00	14,539.00	14,163.00	121	119	...	...	...	...

ANNEX TABLE 4B - CONSUMPTION OF CHEFSES
ANNEXE TABLEAU 4B - CONSOMMATION DE FROMAGES
CUADRO 4B DEL ANEXO - CONSUMO DE QUESOS
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	238.80	243.28	277.28	101	116	131.77	134.00*	109	111
AUSTRALIA	105.20	146.30	142.50	139	135	67.80	72.30	135	144
BULGARIA	90.40	129.70	85.30	143	94	22.90	35.20	58	46
EEC	3,589.00	4,309.00	4,370.00	120	121	2,239.00	2,357.00*	118	124
FINLAND	38.70	63.00	64.00	162	165	32.00	35.00	172	188
HUNGARY	39.50	43.90	38.80	111	98	17.60	18.10	93	96
JAPAN	85.00	138.00	149.00	162	175	72.00	76.00	178	188
NEW ZEALAND	27.40	22.30	29.70	81	108	15.00	14.20	107	102
NORWAY	48.00	53.78	55.71	112	116	29.14	26.83	113	104
POLAND	102.30	115.70	109.40	113	106	53.10	65.00	125	154
ROMANIA	-	107.70	68.07	...	...	34.00	23.26	...	...
SOUTH AFRICA	33.80	42.70	40.72	126	120	20.63	18.44	104	93
SWEDEN	118.50	130.50	125.10	110	105	61.60	60.00*	110	103
SWITZERLAND	87.00	92.90	98.20	106	112	52.70	47.00	121	108
URUGUAY	8.90	...	9.87	...	222	4.76	5.00*	106	111
OTHERS									
AUSTRIA	34.50	36.60	36.50	106	105	18.30	18.50*	105	106
CANADA	191.80	263.80	269.50	137	140	131.70	134.00*	139	141
UNITED STATES	2,064.70	2,820.00	2,908.00	136	141	1,428.00	1,450.00*	139	141
TOTAL PARTICIPANTS	4,612.47	5,638.77	5,663.67	128	129	2,854.00	2,987.32	122	127
WORLD TOTAL	8,154.50	10,651.00	10,864.00	130	133	...	...	...	...

ANNEX TABLE 4CI - EXPORTS OF CHEESES
ANNEXE TABLEAU 4CI - EXPORTATIONS DE FROMAGES
CUADRO 4CI DEL ANEXO - EXPORTACIONES DE QUESOS
('000 M.T)

TOTAL

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
<i>ARGENTINA</i>	5.40	22.52	7.80	417	144	4.07	2.00*	135	66
<i>AUSTRALIA</i>	55.20	50.70	64.60	91	117	33.20	35.00	124	131
<i>BULGARIA</i>	13.60	18.00	23.90	132	175	6.90	11.70	186	316
<i>EEC</i>	382.30	451.00	478.00	117	125	203.00	228.00*	112	126
<i>FINLAND</i>	34.70	29.00	28.00	83	80	11.00	11.00	66	66
<i>HUNGARY</i>	9.00	22.20	14.90	246	165	7.30	4.40	197	118
<i>NEW ZEALAND</i>	78.90	95.80	109.10	121	138	59.10	57.20	158	153
<i>NORWAY</i>	20.60	27.50	22.30	133	108	10.51	14.22	107	145
<i>POLAND</i>	1.30	7.20*	2.57	553	197	0.91	2.30	303	766
<i>ROMANIA</i>	4.70	-	1.50	-	31	0.20	0.27	7	10
<i>SOUTH AFRICA</i>	0.20	0.04	-	20	-	-	0.01	-	10
<i>SWEDEN</i>	5.70	4.00	3.70	70	64	3.30	3.00*	137	125
<i>SWITZERLAND</i>	62.40	61.40	61.30	98	98	28.90	30.50	100	106
<i>URUGUAY</i>	2.80	7.00*	7.70	250	275	2.80	2.50*	199	178
OTHERS									
<i>AUSTRIA</i>	42.30	36.30	30.10	85	71	13.64	12.30	70	63
<i>CANADA</i>	4.70	8.60	11.90	182	253	4.30	4.00*	204	190
<i>UNITED STATES</i>	13.30	11.90	12.10	89	90	5.30	6.90	112	146
TOTAL PARTICIPANTS	676.79	796.37	825.35	117	121	371.17	402.10	117	126
WORLD TOTAL	795.00	887.00	905.10	111	114	...	...	...	...

TABLE 4C2 - EXPORTS OF CHEESES BY DESTINATION
 TABLEAU 4C2 - EXPORTATIONS DE FROMAGES PAR DESTINATIONS
 CUADRO 4C2 - EXPORTACIONES DE QUESOS, POR DESTINO
 ('000 M.T.)

EXPORTERS / DESTINATIONS	PARTICIPANTS																	
	EEC		NEW ZEALAND		SWITZERLAND		AUSTRALIA		FINLAND		BULGARIA		USA		TOTAL			
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991		
WESTERN EUROPE	74.2	70.3	11.1	11.5	50.3	47.9	3.8	4.5	12.6	12.2	-	11.3	0.1	0.3	152.1	158.0		
EASTERN EUROPE	9.7	18.8	6.0	-	-	-	-	-	-	0.2	-	-	-	-	15.7	19.0		
USSR	4.8	1.4	2.0	0.6	-	-	-	-	0.2	1.0	9.3	10.1	-	-	16.3	13.1		
NORTH AMERICA	79.6	78.8	18.1	16.2	5.5	6.2	4.2	4.4	9.4	8.3	0.9	0.5	1.9	2.5	119.6	116.9		
SOUTH AMERICA	2.1	9.4	-	-	-	-	-	-	-	0.5	-	-	0.1	0.1	2.2	10.0		
CENTRAL AMERICA	5.1	5.6	0.8	1.9	-	-	0.5	1.1	-	-	-	-	2.1	3.2	8.5	11.8		
CARIBBEAN	14.2	13.3	3.4	1.3	-	-	0.1	0.1	-	-	1.5	0.4	0.8	0.9	20.0	16.0		
AFRICA	47.3	41.1	1.0	3.0	-	-	-	0.8	0.2	0.7	-	-	-	-	48.5	45.6		
SOUTH AND EAST ASIA	42.2	38.3	30.3	42.2	-	-	28.9	40.7	0.2	-	-	-	3.6	3.5	105.2	124.7		
WESTERN ASIA	147.3	159.6	1.5	4.9	-	-	10.8	9.8	5.8	1.2	-	1.2	1.9	0.2	167.3	176.9		
OCEANIA	9.3	9.2	10.2	12.7	-	-	-	0.2	-	-	0.7	0.4	-	-	20.2	22.5		
OTHER DESTINATIONS	15.2	32.2	11.4	14.8	5.6	7.2	2.4	2.9	0.6	3.9	5.6	0.0	1.4	1.4	42.2	62.4		
TOTAL	451.0	478.0	55.8	109.1	61.4	61.3	50.7	64.5	29.0	28.0	18.0	23.9	11.9	12.1	717.8	776.9		
OPEC	142.6	152.5	2.5	7.9	-	-	10.4	9.7	0.4	0.7	-	0.5	1.9	0.2	157.8	171.5		

ANNEX TABLE 4D - IMPORTS OF CHEESES
ANNEXE TABLEAU 4D - IMPORTATIONS DE FROMAGES
CUADRO 4D DEL ANEXO - IMPORTACIONES DE QUESOS
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	2.40	0.15	2.50	6	103	0.24	2.00*	16	133
AUSTRALIA	17.70	21.10	24.90	119	140	11.30	11.50	144	147
BULGARIA	-	1.40	-	...	...	-	-	...	...
EEC	101.70	117.00	109.00	115	107	52.00	53.00*	115	118
EGYPT	25.20	36.94*	37.00*	146	146	18.00	18.00*	272	272
FINLAND	0.30	2.00	2.00	666	666	1.00	1.00	667	667
HUNGARY	0.20	-	-	-	-	-	-	...	...
JAPAN	72.00	106.00	122.00	147	169	58.00	61.00	170	179
NEW ZEALAND	0.20	0.50	0.20	250	100	-	0.30	...	300
NORWAY	1.50	2.22	2.38	148	158	1.14	1.25	162	178
POLAND	5.40	0.20	0.26	3	4	0.10	12.00	5	631
ROMANIA	1.80	12.70	1.60	705	88	0.85	0.80	94	88
SWEDEN	14.50	21.80	23.10	150	159	11.20	12.00*	183	196
SWITZERLAND	20.60	25.90	27.60	125	133	13.20	12.50	130	123
URUGUAY	0.10	-	-	-	-	-	-	-	-
OTHERS									
AUSTRIA	8.10	12.85	13.65	158	168	6.38	7.83	151	186
CANADA	20.20	21.10	21.20	104	104	10.00	10.00*	111	111
UNITED STATES	121.30	136.20	136.30	112	112	55.70	56.00	116	117
TOTAL PARTICIPANTS	263.59	347.90	352.51	132	134	167.03	185.35	147	163
WORLD TOTAL	733.00	827.00	843.30	112	115	...	...	...	...

ANNEX TABLE 4E - STOCKS OF CHEESE
ANNEXE TABLEAU 4E - STOCKS DE FROMAGES
CUADRO 4E DEL ANEXO - EXISTENCIAS DE QUESO
 ('000 M.T)

COUNTRY	DATE	AVERAGE	INDICES					
		1981-1983	1990	1991	1992	1990	1991	1992
IDA PARTICIPANTS								
ARGENTINA	1 JAN.	22.50	22.77	24.40	24.00*	101	108	106
	1 APR.	22.20	23.93	23.11	24.00*	107	104	108
	1 JUL.	19.10	23.08	21.30*	22.00*	120	111	115
	1 OCT.	18.00	21.60	17.32*		120	96	...
AUSTRALIA	1 JAN.	79.30	90.70	90.20	89.20	114	113	112
	1 APR.	79.20	95.50	92.50	93.70	120	116	118
	1 JUL.	62.10	77.20	72.90	80.70	124	117	129
	1 OCT.	62.10	73.80	69.50		118	111	...
BULGARIA	1 JAN.	12.40	...	10.40	18.30	...	83	147
	1 APR.	17.60	...	19.60	14.00	...	111	79
	1 JUL.	35.20	...	33.10	22.80	...	94	65
	1 OCT.	30.70	...	20.80		...	67	...
EEC	1 JAN.	54.00	146.00	152.00	158.00	270	281	292
	1 APR.	48.30	134.00	152.00	148.00	277	314	306
	1 JUL.	54.30	152.00	158.00	158.00*	279	292	290
	1 OCT.	76.70	170.00	178.00		221	232	...
FINLAND	1 JAN.	11.30	10.00	13.00	8.00	88	115	70
	1 APR.	12.30	12.00	15.00	8.00	97	121	65
	1 JUL.	13.70	13.00	15.00	8.00	94	109	58
	1 OCT.	16.00	15.00	16.00		93	100	...
HUNGARY	1 JAN.	4.20	7.10	6.80	5.00	169	161	119
	1 APR.	4.90	6.90	7.90	6.80	140	161	138
	1 JUL.	5.80	8.10	10.30	6.30	139	177	108
	1 OCT.	5.70	9.00	8.90		157	156	...
NEW ZEALAND	1 JAN.	38.30	75.10	71.90	58.30	196	187	152
	1 APR.	45.00	86.70	77.70	72.20	192	172	160
	1 JUL.	32.70	60.00	47.90	43.30	183	146	132
	1 OCT.	28.30	41.70	33.40		147	118	...
NORWAY	1 JAN.	19.20	20.40	22.62	22.40	106	117	116
	1 APR.	19.50	24.81	24.10	23.56	127	123	120
	1 JUL.	19.60	25.06	24.66	23.71	127	125	120
	1 OCT.	19.50	21.80	21.50		111	110	...
POLAND	1 JAN.	...	3.60	12.50	15.30	...	...	...
	1 APR.	...	...	12.47	7.92	...	...	...
	1 JUL.	...	...	12.75	6.62	...	...	...
	1 OCT.	...	...	15.21		...	...	...

ANNEX TABLE 4E - STOCKS OF CHEESE
ANNEXE TABLEAU 4E - STOCKS DE FROMAGES
CUADRO 4E DEL ANEXO - EXISTENCIAS DE QUESO
 ('000 M.T)

COUNTRY	DATE	AVERAGE			INDICES			
		1981-1983	1990	1991	1992	1990	1991	1992
IDA PARTICIPANTS								
ROMANIA	1 JAN.	...	6.05	8.00*	5.41	...	...	...
	1 APR.	...	...	8.00*	4.71	...	...	...
	1 JUL.	...	13.07	6.06	6.71	...	...	...
	1 OCT.	...	...	4.90	...	...	...
SOUTH AFRICA	1 JAN.	10.40	11.14	10.05	9.06	107	96	87
	1 APR.	11.40	10.90	10.25	9.57	95	89	83
	1 JUL.	6.90	10.46	8.70	9.15	151	125	132
	1 OCT.	10.40	9.13	8.04	...	87	77	...
SWEDEN	1 JAN.	35.70	39.80	35.90	37.50	111	100	105
	1 APR.	38.30	40.00	38.00	37.60	104	99	98
	1 JUL.	39.30	40.30	37.20	38.10	102	94	96
	1 OCT.	40.10	39.40	37.60	...	98	93	...
SWITZERLAND	1 JAN.	17.00	22.00	23.30	25.60	129	137	150
	1 APR.	15.80	22.50	21.20	26.00	142	134	164
	1 JUL.	15.40	21.40	22.30	26.10*	138	144	169
	1 OCT.	17.70	20.00	26.40	...	112	149	...
URUGUAY	1 JAN.	3.10	2.80	2.50*	2.50*	90	80	80
	1 APR.	...	3.17	2.88*	2.50*	...	...	...
	1 JUL.	...	2.62	2.41	2.40*	...	...	...
	1 OCT.	...	2.63	2.02	...	...	...	...
OTHERS								
AUSTRIA	1 JAN.	7.10	...	7.00*	7.00*	...	98	98
	1 APR.	8.10	...	8.00*	7.00*	...	98	86
	1 JUL.	8.70	...	8.00*	7.00*	...	91	80
	1 OCT.	8.30	...	8.00*	...	...	96	...
CANADA	1 JAN.	52.20	41.00	46.10	44.54	78	88	85
	1 APR.	51.90	46.70	42.40	51.04	89	81	98
	1 JUL.	51.70	45.00	43.90	50.00*	87	84	96
	1 OCT.	49.80	42.90	45.80	...	86	91	...
UNITED STATES	1 JAN.	413.00	164.00	208.00	188.00	39	50	45
	1 APR.	420.00	179.90	271.00	203.00	42	64	48
	1 JUL.	471.30	209.60	289.00	231.00	44	61	49
	1 OCT.	507.70	208.00	200.00	...	40	39	...
IDA TOTAL								
IDA TOTAL	1 JAN.	307.40	457.45	483.56	478.56	148	157	155
	1 APR.	314.50	460.41	504.71	478.54	146	160	152
	1 JUL.	304.10	446.30	473.60	453.86	146	155	148
	1 OCT.	325.20	424.06	459.60	...	130	141	...

ANNEX TABLE 5A - PRODUCTION OF SKIMMED MILK POWDER
ANNEXE TABLEAU 5A - PRODUCTION DE LAIT ECREME EN POUFRE
CUADRO 5A DEL ANEXO - PRODUCCION DE LECHE DESNATADA EN POLVO
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR		INDICES	
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	19.30	33.98	22.95	176	118	11.50	10.00*	194	169
AUSTRALIA	91.20	141.20	143.60	154	157	47.70	52.60	214	236
BULGARIA	8.10	9.00*	9.00*	111	111	4.50*	4.50*	111	111
EEC	2,158.30	1,608.00	1,451.00	74	67	877.00	670.00*	72	54
FINLAND	60.70	22.00	20.00	36	32	10.00	7.00	32	22
HUNGARY	35.10	30.10	14.90	85	42	6.00	4.40	35	26
JAPAN	137.70	178.00	181.00	129	131	95.00	106.00	137	152
NEW ZEALAND	181.50	151.80	134.40	83	74	53.30	50.60	91	86
NORWAY	10.50	7.93	8.24	75	78	4.03	4.56	63	72
POLAND	104.10	174.00*	147.30	167	141	68.70	74.70	168	183
ROMANIA	27.40	27.00	19.10	98	69	12.40	4.10	90	30
SOUTH AFRICA	21.40	25.20	18.67	117	87	9.51	6.37	103	69
SWEDEN	47.50	51.10	31.40	107	66	24.00	18.40	84	64
SWITZERLAND	30.20	26.20	27.80	86	92	19.70	16.90	111	96
URUGUAY	3.30	9.00*	5.45	272	165	3.16	2.00*	225	142
OTHERS									
AUSTRIA	31.90	24.60	27.95	77	87	12.52	11.30	80	71
CANADA	143.80	92.84	76.80	64	53	43.60	35.52	61	49
UNITED STATES	640.90	400.00	400.00	61	61	240.00	219.00	69	63
TOTAL PARTICIPANTS	2,936.29	2,494.50	2,236.90	84	75	1,246.50	1,032.12	81	67
WORLD TOTAL	4,605.00	4,000.00	3,850.00	86	84	...	...	...	...

ANNEX TABLE 5B - CONSUMPTION OF SKIMMED MILK POWDER
ANNEXE TABLEAU 5B - CONSOMMATION DE LAIT ECREME EN POUVRE
CUADRO 5B DEL ANEXO - CONSUMO DE LECHE DESNATADA EN POLVO
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR			
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	15.60	14.34	28.81	91	184	12.97	13.00*	140	140
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
AUSTRALIA	53.80	43.30	38.40	80	71	18.20	21.60	70	84
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
BULGARIA	1.40	...	...	...	...	...	...	...	...
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	1.40	...	...	...	...	...	...	...	...
EEC	1,475.40	964.00	1,094.00	65	74	611.00	751.00	68	84
HUMAN	223.70	285.00	227.00	127	101	164.00	348.00	...	...
ANIMAL	1,237.70	663.00	866.00	53	69	447.00*	403.00	...	...
FINLAND	57.00	23.00	16.00	40	28	8.00	7.00	32	28
HUMAN	12.00	13.00	11.00	108	91	...	...	...	...
ANIMAL	45.00	13.00	5.00	28	11	...	...	...	...
HUNGARY	31.80	18.30	10.10	57	31	3.50	1.70	23	11
HUMAN	4.10	3.50	3.90	85	95	1.00	1.60	...	...
ANIMAL	27.70	14.80	6.20	53	22	2.50	0.10	...	...
JAPAN	248.30	259.00	278.00	104	111	139.00	162.00	113	132
HUMAN	177.30	199.00	226.00	112	127	112.00	136.00	...	...
ANIMAL	71.00	60.00	52.00	84	73	27.00	26.00	...	...
NEW ZEALAND	1.70	-	-	-	-	-	-	-	-
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
NORWAY	8.30	7.44	6.50	89	78	4.47	4.12	106	98
HUMAN	4.10	4.65	4.30	113	104	3.10	2.68	...	...
ANIMAL	4.20	2.78	2.20	66	52	1.38	1.07	...	...
POLAND	90.80	...	120.00*	...	132	81.65	70.00	218	187
HUMAN	28.00	...	...	...	...	...	...	...	...
ANIMAL	62.80	...	...	...	...	...	...	...	...
ROMANIA	-	32.30	19.10	...	...	...	3.60	...	...
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
SOUTH AFRICA	16.30	16.11	14.78	98	90	7.35	7.44	85	86
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
SWEDEN	28.00	23.70	22.30	84	79	12.80	12.00*	91	85
HUMAN	19.40	17.30	18.40	89	94	9.10	9.00*	...	...
ANIMAL	8.60	6.40	3.90	74	45	3.70	3.00*	...	...

ANNEX TABLE 5B - CONSUMPTION OF SKIMMED MILK POWDER
ANNEXE TABLEAU 5B - CONSOMMATION DE LAIT ECREME EN POUVRE
CUADRO 5B DEL ANEXO - CONSUMO DE LECHE DESNATADA EN POLVO
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR		INDICES	
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
SWITZERLAND	29.20	17.80	19.20	60	65	10.30	10.60	61	63
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
URUGUAY	1.80	...	0.50	...	56	0.25	0.25*	62	62
HUMAN	1.80	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
OTHERS									
AUSTRIA	18.20	13.55	15.05	74	82	7.30	3.64	75	37
HUMAN	2.20	...	...	...	...	...	...	...	...
ANIMAL	16.00	...	...	...	...	...	...	...	...
CANADA	49.60	46.66	45.50	94	74	19.07	16.67	72	63
HUMAN	-	...	...	...	...	...	...	...	...
ANIMAL	-	...	...	...	...	...	...	...	...
UNITED STATES	366.30	339.00	306.00*	92	83	150.00*	150.00*	82	82
HUMAN	339.70	...	...	...	...	...	...	...	...
ANIMAL	26.70	...	...	...	...	...	...	...	...
TOTAL PARTICIPANTS	2,059.39	1,419.30	1,667.70	68	80	909.48	1,114.31	78	91
WORLD TOTAL	3,411.50	2,831.00	2,745.00	82	80	...	...	...	...

ANNEX TABLE SCI - EXPORTS OF SKIMMED MILK POWDER
ANNEXE TABLEAU SCI - EXPORTATIONS DE LAIT ECREME EN POUVRE
CUADRO SCI DEL ANEXO - EXPORTACIONES DE LECHE DESNATADA EN POLVO
 ('000 M.T)

TOTAL

COUNTRY	AVERAGE 1981-1983	YEAR		INDICES		FIRST HALF YEAR		INDICES	
		1990	1991	1990	1991	1991	1992	1991	1992
IDA PARTICIPANTS									
ARGENTINA	4.90	27.20	5.90	554	120	5.30	2.00*	182	69
AUSTRALIA	33.60	93.70	118.90	278	353	72.30	61.70	417	356
EEC	354.70	330.00	253.00	93	71	114.00	161.00*	60	85
FINLAND	4.00	4.00	7.00	100	175	2.00	3.00	333	500
HUNGARY	2.90	10.80	8.30	372	286	3.80	2.40	292	184
JAPAN	0.70	-	-	-	-	-	-	-	-
NEW ZEALAND	148.00	149.60	151.70	101	102	80.40	66.10	98	81
NORWAY	1.60	0.54	0.08	33	5	0.08	0.55	6	42
POLAND	18.40	65.00*	41.50*	353	225	22.10	31.30	451	638
SOUTH AFRICA	2.50	7.33	10.20	293	408	3.83	0.88	306	170
SWEDEN	21.70	30.50	17.00	140	78	17.00	2.20	132	17
SWITZERLAND	1.60	6.20	10.10	387	631	5.90	5.50	738	688
URUGUAY	1.10	5.00*	6.92	454	629	5.77	5.00*	885	767
OTHERS									
AUSTRIA	16.50	25.15	25.00*	152	151	10.78	10.36	160	154
CANADA	87.60	42.51	36.10	48	41	13.50	23.76	41	71
UNITED STATES	166.70	7.70	43.50	4	26	2.60	46.60	4	72
TOTAL PARTICIPANTS	595.69	729.85	630.68	122	105	332.47	341.62	106	109
WORLD TOTAL	951.00	900.00	800.00	94	84	...	...	...	...

TABLE SC2 - EXPORTS OF SKIMMED MILK POWDER BY DESTINATION
TABLAU SC2 - EXPORTATIONS DE LAIT ECREME EN POUDRE PAR DESTINATIONS
CUADRO SC2 - EXPORTACIONES DE LECHE DESNATADA EN POLVO, POR DESTINO

('000 M.T.)

EXPORTERS / DESTINATIONS	PARTICIPANTS														TOTAL	
	EEC		NEW ZEALAND		AUSTRALIA		SWEDEN		USA		CANADA		TOTAL			
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991		
WESTERN EUROPE	2.2	0.7	-	-	-	-	0.4	0.8	0.3	-	-	-	2.9	1.5		
EASTERN EUROPE	0.3	11.0	-	-	-	2.0	-	-	1.0	-	-	-	2.3	12.0		
USSR	0.6	9.1	-	-	-	-	-	-	-	-	-	-	0.6	9.1		
NORTH AMERICA	8.1	-	-	-	1.3	0.8	0.5	-	-	-	2.0	2.4	11.9	3.2		
SOUTH AMERICA	15.9	29.6	12.7	5.1	-	0.4	-	2.0	-	-	1.9	3.1	30.5	40.2		
CENTRAL AMERICA	145.9	15.3	29.1	18.0	10.1	-	-	-	3.6	19.2	35.1	6.4	223.8	58.9		
CARIBBEAN	16.6	19.0	6.5	4.2	0.5	-	0.7	0.1	0.2	1.1	1.1	7.3	25.6	31.7		
AFRICA	79.5	83.6	-	11.9	-	4.0	13.3	9.6	-	7.2	-	8.5	92.8	124.8		
SOUTH AND EAST ASIA	43.4	59.8	77.4	83.7	81.8	113.7	12.2	4.3	2.7	13.2	0.8	2.8	218.3	277.5		
WESTERN ASIA	12.5	7.9	8.8	11.3	-	-	0.4	0.2	0.5	-	0.9	-	23.1	19.4		
OCEANIA	-	0.4	-	-	-	-	-	-	-	-	-	-	-	0.4		
OTHER DESTINATIONS	5.1	16.6	15.1	17.5	-	-	1.0	0.3	0.4	1.8	0.7	5.6	22.3	41.8		
TOTAL	330.0	253.0	149.6	151.7	93.7	118.9	30.5	17.3	7.7	43.5	42.5	36.1	654.0	620.5		
OPEC	48.0	50.7	8.8	23.3	-	-	12.6	9.8	0.5	-	-	6.9	69.9	90.7		

ANNEX TABLE 5E - STOCKS OF SKIMMED MILK POWDER
ANNEXE TABLEAU 5E - STOCKS DE LAIT ECREME EN POUDRE
CUADRO 5E DEL ANEXO - EXISTENCIAS DE LECHE DESNATADA EN POLVO
('000 M.T)

COUNTRY	DATE	AVERAGE	1990	1991	1992	INDICES		
		1981-1983				1990	1991	1992
IDA PARTICIPANTS								
ARGENTINA	1 JAN.	9.00	14.73	7.73	6.00*	163	85	66
	1 APR.	7.60	23.73	8.20	6.00*	312	107	78
	1 JUL.	2.70	9.62	2.20	5.00*	356	81	184
	1 OCT.	3.60	5.52	1.91		153	53	...
AUSTRALIA	1 JAN.	33.40	53.60	57.80	44.40	160	173	132
	1 APR.	27.70	46.70	41.00	41.60	168	148	150
	1 JUL.	13.20	24.20	15.00	14.00	183	113	106
	1 OCT.	19.30	29.80	17.20		154	89	...
EEC	1 JAN.	362.00	5.00	333.00	421.00	1	91	116
	1 APR.	354.00	21.00	353.00	336.00	5	100	94
	1 JUL.	513.00	151.00	498.00	163.00*	29	97	31
	1 OCT.	649.00	339.00	516.00		52	79	...
FINLAND	1 JAN.	17.00	17.00	14.00	11.00	100	82	64
	1 APR.	15.00	9.00	13.00	10.00	60	86	66
	1 JUL.	22.00	13.00	13.00	8.00	59	59	36
	1 OCT.	25.00	15.00	14.00		60	56	...
HUNGARY	1 JAN.	0.90	2.40	3.90	0.40	266	433	44
	1 APR.	0.90	3.20	1.90	0.20	355	211	22
	1 JUL.	1.30	3.80	2.60	0.70	292	200	53
	1 OCT.	1.70	3.70	2.70		217	158	...
JAPAN	1 JAN.	75.00	35.00	19.00	39.00	46	25	52
	1 APR.	71.00	40.00	27.00	37.00	56	38	52
	1 JUL.	63.00	41.00	34.00	38.00	65	53	60
	1 OCT.	56.00	26.00	25.00		46	44	...
NEW ZEALAND	1 JAN.	132.00	72.40	74.60	57.80	54	56	43
	1 APR.	142.00	82.00	67.60	69.50	57	47	48
	1 JUL.	89.00	48.20	47.50	42.30	54	53	47
	1 OCT.	83.00	45.50	40.00		54	48	...
NORWAY	1 JAN.	2.80	1.44	1.86	2.50	51	66	89
	1 APR.	3.80	2.64	2.16	3.28	69	56	86
	1 JUL.	3.60	2.18	1.34	2.81	60	37	78
	1 OCT.	2.40	1.37	1.14		57	47	...
POLAND	1 JAN.	...	14.40	30.00	15.30	...	...	...
	1 APR.	...	...	17.20	12.00*	...	...	...
	1 JUL.	...	...	30.00	-	...	...	...
	1 OCT.	...	...	35.00		...	...	...
ROMANIA	1 JAN.	...	1.90	3.50*	-	...	...	...
	1 APR.	...	...	3.50*	-	...	...	...
	1 JUL.	...	...	3.50*	0.50	...	...	...
	1 OCT.	...	...	3.50*		...	...	...

ANNEX TABLE 5E - STOCKS OF SKIMMED MILK POWDER
ANNEXE TABLEAU 5E - STOCKS DE LAIT ECREME EN POUVRE
CUADRO 5E DEL ANEXO - EXISTENCIAS DE LECHE DESNATADA EN POLVO
 ('000 M.T)

COUNTRY	DATE	AVERAGE	INDICES					
		1981-1983	1990	1991	1992	1990	1991	1992
IDA PARTICIPANTS								
SOUTH AFRICA	1 JAN.	8.30	8.12	9.87	3.56	97	118	42
	1 APR.	10.20	10.34	11.36	1.93	101	111	18
	1 JUL.	9.30	9.71	8.21	2.68	104	88	28
	1 OCT.	9.90	12.06	1.85		121	18	...
SWEDEN	1 JAN.	9.70	11.50	9.00	1.50	118	92	15
	1 APR.	9.30	17.10	10.80	2.80	183	116	30
	1 JUL.	11.70	18.00	2.90	5.20	153	24	44
	1 OCT.	13.90	9.40	1.30		67	9	...
SWITZERLAND	1 JAN.	2.90	5.00	7.20	5.70	172	248	196
	1 APR.	3.00	5.20	9.90	5.80	173	330	193
	1 JUL.	3.70	10.30	10.70	6.50	278	289	175
	1 OCT.	3.50	6.20	8.60		177	245	...
URUGUAY	1 JAN.	1.60	2.47	3.57	2.00*	154	223	125
	1 APR.	...	3.56	3.75	2.00*	...	...	...
	1 JUL.	...	3.90	0.71	1.00*	...	...	...
	1 OCT.	...	1.20	0.34		...	...	...
OTHERS								
AUSTRIA	1 JAN.	8.30	...	9.00*	9.00*	...	108	108
	1 APR.	5.40	...	9.00*	9.00*	...	166	166
	1 JUL.	7.40	...	9.00*	8.00*	...	121	108
	1 OCT.	10.10	...	9.00*		...	89	...
CANADA	1 JAN.	29.30	9.47	14.40	15.26	32	49	52
	1 APR.	26.10	18.75	13.50	21.90	71	51	84
	1 JUL.	46.50	25.68	22.23	10.56	55	47	23
	1 OCT.	52.80	25.73	24.10		48	45	...
UNITED STATES	1 JAN.	417.00	22.50	73.00	100.00	5	17	23
	1 APR.	441.00	28.00	119.00	55.00	6	26	12
	1 JUL.	494.00	42.30	155.00	65.00	8	31	13
	1 OCT.	525.00	55.00	145.00		10	27	...
IDA TOTAL								
IDA TOTAL	1 JAN.	654.60	244.95	575.02	610.15	37	87	93
	1 APR.	644.50	264.46	572.35	528.10	41	88	81
	1 JUL.	732.50	334.90	669.65	289.68	45	91	39
	1 OCT.	867.30	494.73	668.64	...	57	77	...

ANNEX TABLE 6A - PRODUCTION OF WHOLE MILK POWDER
ANNEXE TABLEAU 6A - PRODUCTION DE LAIT ENTIER EN POUDRE
CUADRO 6A DEL ANEXO - PRODUCCION DE LECHE ENTERA EN POLVO
 ('000 M.T)

COUNTRY	AVERAGE 1981-1983	YEAR				FIRST HALF YEAR			
		1990	1991	INDICES 1990 1991		1991	1992	INDICES 1991 1992	
IDA PARTICIPANTS									
ARGENTINA	60.10	86.00	69.10	143	114	28.95	27.00*	101	130
AUSTRALIA	53.80	49.40	64.70	91	120	25.80	30.50	147	174
BULGARIA	4.50	...	...	...	...	1.80	1.60	72	64
EEC	634.00	803.00	914.00	126	144	486.00	470.00*	152	147
FINLAND	27.00	22.00	11.00	81	40	9.00	1.00	64	7
HUNGARY	3.70	8.20	11.30	221	305	6.20	3.60	310	180
JAPAN	33.90	33.00	35.00	97	103	18.00	18.00	98	98
NEW ZEALAND	109.30	207.50	242.60	189	221	103.80	109.90	232	245
NORWAY	0.80	1.15	1.10	143	137	0.60	0.42	147	105
POLAND	41.60	40.00*	48.00*	96	115	35.10	37.00*	171	180
ROMANIA	-	40.00*	7.00	...	...	3.10	5.02	...	...
SOUTH AFRICA	12.10	12.12	11.00	100	90	5.40	5.40	91	91
SWEDEN	6.20	6.60	7.30	106	117	3.90	3.60	114	105
SWITZERLAND	15.80	10.50	13.00	66	82	6.40	6.00	62	58
URUGUAY	0.80	3.00*	4.60	375	575	1.90	1.00*	315	166
OTHERS									
AUSTRIA	22.59	12.35	9.95	54	44	5.46	4.53	43	36
UNITED STATES	45.29	72.00	54.10	158	119	24.40	24.00*	107	105
TOTAL PARTICIPANTS	1,003.90	1,322.46	1,439.70	131	142	735.91	717.03	150	146
WORLD TOTAL	1,782.00	2,130.00	2,270.00	119	126	...	...	...	...

ANNEX TABLE 6B1 - EXPORTS OF WHOLE MILK POWDER
ANNEXE TABLEAU 6B1 - EXPORTATIONS DE LAIT ENTIER EN POUVRE
CUADRO 6B1 DEL ANEXO - EXPORTACIONES DE LECHE ENTERA EN POLVO
 ('000 M.T)

A. TOTAL

COUNTRY	AVERAGE 1981-1983	YEAR				FIRST HALF YEAR			
		1990	1991	INDICES 1990 1991		1991	1992	INDICES 1991 1992	
IDA PARTICIPANTS									
ARGENTINA	8.90	15.38	8.86*	172	99	5.07	2.00*	90	36
AUSTRALIA	37.70	42.90	49.50	113	131	23.60	28.60	116	140
BULGARIA	-	-	-	...	...	-	1.00	...	...
EEC	485.70	503.00	627.00	103	129	311.00	300.00*	124	119
FINLAND	25.70	24.00	10.00	92	42	6.00	1.00	45	7
HUNGARY	-	6.20	8.40	...	...	4.60	-	...	...
NEW ZEALAND	98.70	190.90	251.60	193	254	121.40	127.00	227	238
NORWAY	-	0.11	-	...	...	-	-	...	...
POLAND	-	5.00*	11.70*	...	...	2.50*	3.50*	...	...
SOUTH AFRICA	-	1.15	1.47	...	...	0.68	1.10	...	...
SWEDEN	1.20	0.80	-	66	-	-	-	-	-
SWITZERLAND	0.80	1.00	-	125	-	-	-	-	-
URUGUAY	0.20	1.00*	2.89	500	1475	0.67	0.40*	670	400
OTHERS									
AUSTRIA	19.00	6.22*	6.00*	32	31	3.50	3.50*	33	33
UNITED STATES	10.70	5.11	8.50	47	79	2.60	15.10	52	302
TOTAL PARTICIPANTS	657.40	791.33	971.45	120	148	473.01	458.70	137	132
WORLD TOTAL	697.00	820.00	980.00	117	121	...	...	...	...

TABLE 6B2 - EXPORTS OF WHOLE MILK POWDER BY DESTINATION
TABLEAU 6B2 - EXPORTATIONS DE LAIT ENTIER EN POUDRE PAR DESTINATIONS
CUADRO 6B2 - EXPORTACIONES DE LECHE ENTERA EN POLVO, POR DESTINO

('000 M.T.)

EXPORTERS DESTINATIONS	PARTICIPANTS											
	EEC			NEW ZEALAND		AUSTRALIA		ARGENTINA			TOTAL	
	1990	1991	1990	1991	1990	1991	1990	1990	1991	1990	1991	
WESTERN EUROPE	5.5	3.9	-	2.1	-	-	-	-	-	-	5.5	6.0
EASTERN EUROPE	3.6	6.1	-	-	-	-	-	-	-	-	3.6	6.1
USSR	43.0	68.9	1.6	6.2	-	-	-	-	-	-	44.6	75.1
NORTH AMERICA	0.8	1.4	-	-	1.8	0.1	-	-	-	-	2.6	1.5
SOUTH AMERICA	18.0	90.2	28.2	40.9	-	0.2	6.0	8.8	-	-	52.2	140.1
CENTRAL AMERICA	23.0	17.8	8.2	3.7	-	-	-	-	-	-	31.2	21.5
CARIBBEAN	21.9	23.3	8.8	18.8	-	-	-	-	-	-	30.7	42.1
AFRICA	176.8	187.2	23.0	34.9	-	0.8	-	-	-	-	199.8	222.9
SOUTH AND EAST ASIA	69.9	86.6	61.9	81.1	37.0	44.4	2.9	-	-	-	171.7	212.1
WESTERN ASIA	129.6	118.0	16.1	5.9	-	-	2.0	-	-	-	147.7	123.9
OCEANIA	1.2	1.4	-	-	1.1	1.7	-	-	-	-	2.3	3.1
OTHER DESTINATIONS	9.7	22.2	43.1	58.0	3.0	2.3	6.0	0.1	-	-	61.8	82.6
TOTAL	503.0	627.0	190.9	251.6	42.9	49.5	15.4	8.9	-	-	752.2	937.0
OPEC	190.1	226.7	49.4	73.1	-	-	2.0	1.0	-	-	241.5	300.8