INTERNATIONAL DAIRY ARRANGEMENT

Eighth Annual Report

THE WORLD MARKET FOR DAIRY PRODUCTS 1987

General Agreement on Tariffs and Trade

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Introduction

The International Dairy Arrangement came into operation on 1 January 1980, and was a result of the Multilateral Trade Negotiations 1973 to 1979. It was, in a way, a successor to the Arrangement Concerning Certain Dairy Products of 1970. It has been extended until 31 December 1988.

The objectives of the Arrangement are: to achieve the expansion and ever greater liberalization of world trade in dairy products under market conditions as stable as possible, 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, and the need to avoid surpluses and shortages and to maintain prices at an equitable level were recognized, and 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 Arrangement applies to the dairy products sector, including casein.

These 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 secretariat. Three Protocols annexed to the Arrangement: the Protocol Regarding Certain Milk Powders; the Protocol Regarding Milk Fat and the Protocol Regarding Certain Cheeses, are integral parts of it. 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. Participants have undertaken to take the steps necessary to ensure that these minimum export-price provisions are being complied with. The Committees are making quarterly reviews of the market situation for the respective products, and quarterly reviews of the application of the provisions of the Protocols by participants, notably their observance of the minimum export prices.

As of 1 November 1987, the Arrangement had the following participants: Argentina, Australia, Bulgaria, Egypt, the European Economic 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 was participating in the Arrangement until 12 February 1985 and Austria until 9 June 1985.

The present report, which is the eighth annual report issued under the Arrangement, reviews the situation in the world market for dairy products. It covers developments in 1986 and the first half of 1987 and the outlook for 1987/88. 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 secretariat expresses its sincere thanks.

TABLE 1

Levels of Minimum Export Prices

(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
Skimmed milk powder	425	500	600	600	680	765	825
Whole milk powder	725	800	950	830	880	900	950
Buttermilk powder	425	500	600	600	680	765	825
Anhydrous milk fat	1,100	1,200	1,440	1,200	1,200	1,200	1,200
Butter	925	1,000	1,200	1,000	1,000	1,000	1,000
Certain cheeses	800	900	1,000	1,000	1,030	1,030	1,120

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 producing participants, 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. Note should be taken of the fact that new minimum prices for skimmed milk powder, buttermilk powder, whole milk powder and certain cheeses became effective on 23 September 1987. Minimum export prices must not be considered as market prices, but merely the floor price levels which the participants have agreed to observe.

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Overview of the Situation

Some highlights of the economic situation in general

World merchandise trade continued to grow in 1986 at an estimated annual rate of 3 1/2 per cent in terms of volume and 10 per cent in terms of value. The growth in trade was facilitated by a decline in interest rates and a fall in petroleum prices, which however began to rise in the latter part of the year. World production increased by some 3 per cent in 1986. During the first half of 1987, there was a further growth in world merchandise output and trade, apparently at a pace close to that in the previous year.

The trade performance of developing countries as a group was again disappointing in 1986, and notably oil-exporting countries experienced a further decline in the dollar value of their exports and imports. However, petroleum prices strengthened in 1987 and there were increasing signs that the post-1979 price decline was bottoming out for a number of other primary products, and indeed major price increases were recorded by the middle of the year. This might, together with increased foreign exchange earnings from exports of manufactured goods, bring about some relief in several developing countries in the current year.

Trade in agricultural products declined by 1 per cent from 1985 to 1986 in spite of incentives and assistance, notably subsidies, provided by major trading nations to facilitate their agricultural exports. Once more, trade performance fell short of the modest increase in world agricultural production, reflecting the inward-looking policy approach to agriculture in many countries. The decline is indicative of a difficult state of world trade in some major agricultural products and of how difficult it has become for some agricultural exporters to maintain, let alone expand, their export earnings.

There was little change in the employment situation in 1986 with 8 per cent of the labour force remaining unemployed in the OECD countries. The rate of unemployment in Western Europe remained high, on average 11 per cent. Unemployment in developing countries was difficult to determine because of data limitations, but it would appear that in many countries the labour force grew faster than employment. A number of developing countries were successful in curbing inflation in 1986 and inflation rates remained moderate in industrial countries. In the middle of 1987, there were, however, signs of a pick-up of inflation in some industrial countries. Huge current account imbalances persisted for some main countries, despite a significant depreciation of the United States dollar against other major currencies.

World dairy situation

Highlights

- A long awaited decline in world milk production came about in 1987. Although the decline was very mo st, it at least indicated that the upward trend which had persist. for years was halted or even reversed. The efforts made in many countries to contain milk production were beginning to show results.

- Reduced milk production in the European Communities, New Zealand and the United States, was only partly offset by increases in India and the USSR.

- World milk production seemed to have been stabilized in 1987 and could hopefully be kept within reasonable limits in the future. However, ample availability of feed at low prices and the application of new technology, notably the use of somatotropin, might make any forecasts for the near future less reliable.

- The international market for butter and anhydrous milk fat remained fragile in 1987, and significant quantities had been disposed of through sales under derogation from the price provisions of the Arrangement at extremely low prices. However, such sales together with substantially reduced production resulted in an appreciable reduction of stocks providing some hope for improvement in the butter market in 1987/88.

- Import demand for cheese and milk powders which had been relatively low in 1986, recovered appreciably in 1987. At the same time, quantities available for export, notably of powder, were reduced and prices firmed up.

- Renewed efforts by some countries to dispose of dairy surpluses made early in 1987, created uncertainties in the world dairy market throughout the year, but the simultaneous reduction in production and in surplus stocks gave rise to a hope for a better balance between commercial import demand and export availabilities in the near future.

Dairy policies

Over recent years, substantial efforts have been made by most participants in the Arrangement to contain milk production and deliveries. Also other countries, notably Austria, Canada and the United States have taken measures to limit their milk production. A wide range of measures have been applied and in several cases, in rather complex combinations. The choice of measures applied has been influenced by the characteristics of production and marketing structures and also by the political environment in individual countries. The measures aimed at controlling directly the quantity produced range from quotas per farm and quotas per dairy, to global quantities which could be marketed at a guaranteed price. The quotas may have been compulsory, applied on a permanent or trial basis or merely based on voluntary schemes for limiting milk supplies. Other measures have been applied with the aim to encourage qualitative improvements of the products and to adapt the product range to current trends in the market, for instance by revaluating the solids non-fat component of the milk.

Various measures related to milk prices have remained important elements in dairy policies for some time. In a number of countries, support prices, target prices and advance payments have been reduced in order to discourage a further increase in milk production, or as a necessary adaptation to deteriorating export returns. Quota systems have been made effective through the application of two-price systems, penalties on production in excess of quotas and levies on production collected to provide funds for market intervention and payments on losses on exports. Furthermore, some countries have been trying to provide disincentives to milk production by restricting feed supplies either through price measures or otherwise.

Significant amounts have been spent on various measures implemented in order to provide structural changes in the industry, such as dairy termination schemes, outgoer schemes and the limitation of herd size. The encouragement of exports of dairy cattle to developing countries often on very favourable terms, might not have had insignificant effects in that context.

Attempts have been made to asses and evaluate the results of the measures taken to contain milk production, but so far much of the work has remained inconclusive and more time and information is needed to reach more definitive conclusions. It should nevertheless be said that the upward trend in production has been halted and may have been reversed through the implementation of measures to contain milk production and deliveries.

It remained, however, the stated aims of dairy policies in some countries to increase the self-sufficiency ratio of milk and dairy products. In the USSR, prices to consumers have been maintained at the same level for years, and have remained at levels below current costs of production. If retail prices were to be adjusted upwards, something already taken up for consideration by the USSR authorities, this could have an adverse effect on consumption, import demand and ever at some stage result in the accumulation of surpluses. Such surplus quantities of dairy products might some time in the future be offered for sale on the world market at very low prices, made possible by a strong price differential

between sales in the domestic market which will remain the dominating outlet and export sales of a marginal size. Various export pricing practices might also be facilitated by monetary policies, exchange rate fluctuations and particular trading patterns.

In several developing countries, particularly in Asia, high priorities have been given to production, marketing and consumption of milk and dairy products in agricultural and rural development plans. This has been in line with general aims of improving nutritional standards and diversifying agriculture in these countries. In recent years, significant exports of live dairy cattle from North America to developing countries in South America and Asia have taken place, often on concessional terms. Furthermore, there has also been an increase in financial and technological assistance for developing milk production and dairy processing and marketing in many developing countries. It has been aimed at increasing the self sufficiency of milk and dairy products, something which may have reduced the potential import demand. On the other side, the current market situation may have discouraged a development of dairy production for export, something which might well be technically possible for a number of developing countries.

Ongoing analysis and studies of various national dairy programmes would obviously increase the general understanding of the problems to be dealt with. A certain redefinition of aims and objectives, or at least a further clarification of these might prove necessary. Such redefinition and clarification might entail subsequent adjustments and improvements in the choice of measures or combination of measures to be applied. In light of the dominating role of the dairy sector in the agriculture of many countries, persisting general and structural surpluses and a strong potential for further growth in milk production as a result of technological progress, close international co-operation about production and trade policies will remain more important than ever before.

Milk and dairy production

In spite of a stagnation or even decline in milk production in many countries, world milk production expanded by another 1.4 per cent from 1985 to 1986, then totalling 520 million tons (including sheep, goat and buffalo milk). This increase was in line with the long-term trend. Cows' milk production which accounted for 90 per cent of the total, amounted to 468 million tons with an increase of 1.3 per cent from 1985 to 1986. At the same time there was a comparatively stronger increase in buffalo milk of 3.8 per cent, mainly due to a strong development in Indian buffalo milk production. However, buffalo milk accounted for less than 7 per cent of world milk production with sheep milk and goats' milk making up the balance of 3 per cent.

Milk production in the USSR rose by almost 2.5 per cent from 1985 to 1986; while the increase in the United States was 0.7 per cent and the European Communities 1.4 per cent. While Community production thus recovered from its low level of 1985, it nevertheless remained inferior to the levels attained in 1983-84. There was also further expansion in Indian milk production which in 1986 reached 44 million tons, with buffalo milk accounting for more than half of the total. When the third stage of "Operation Flood" will be concluded by 1990, Indian milk production might

have reached a planned target of 52 million tons. Also for China and Indonesia further progress was reported in the milk production, although total output still remained at a modest level in these countries and a significant part of consumption requirements continued to be covered by imports.

In most other countries, both developed and developing, changes in milk production were small, but declines were reported for a number of countries, such as the Western Europe countries outside the European Communities, Australia and Canada. In Poland 1986 milk production fell back to the average level of 1981 to 1983 as many private farmers had given up milk production because of an insufficient profitability. Adverse weather conditions resulted in a strong decline in milk deliveries in New Zealand of some 14 per cent from 1985/86 to 1986/87, with consequent reductions in the output of all dairy products except for whole milk powder.

Adverse climatic conditions affected adversely feed supplies and consequently milk production also in countries in Africa and South America. In Brazil, where persisting drought caused problems, the anti-inflationary programme entailed a price freeze and producers claimed that milk returns hardly covered transportation costs and milk deliveries were consequently reduced.

Information for the early part of 1987, indicated that the world milk production was not increasing any further and would remain at almost the same level as in 1986. Milk production had continued to increase in India and the USSR, but this was more than outweighed by reduced production in the European Communities, New Zealand and the United States. Although the decline appeared to be very modest, it represented a modest but welcome hope that the upward trend which had persisted for years had been halted and maybe even reversed. The efforts made in many countries to contain milk supplies were beginning to produce results, and in addition less favourable climatic conditions had similar effects in some areas. However, ample availabilities of feed, low feed prices and the introduction of new techniques, such as the use of somatotropin to dairy cows, may result in any forecasts for the next few years being less reliable. Much will depend on how effective production control measures will be in the near future.

World production of butter reached the level of 7.8 million tons in 1986, an increase by 2.2 per cent on the level of 1985. This was mainly due to the increase in Community butter production which rose by 150 thousand tons from 1985 to 1986 with very strong increases in the new member countries, Portugal and Spain. Community butter production thereby attained a level of 200 thousand tons above the average of 1981-1983. This increase could be only partly outweighed by declines in other regions and countries. Butter production was substantially reduced in Australia and New Zealand and in some European countries outside the Community. In the United States, butter production was high during the early part of 1986, but fell appreciably during the remainder of the year and finally there was a decrease of 4 per cent compared with the previous year.

The increase in Community butter production in 1986 was to a large extent accidental, partly caused by a temporary reduction in sales of fresh milk due to some fear of radionuclide contamination in the spring of 1986.

Butter supplies at the beginning of 1987 remained far in excess of market requirements and drastic measures had to be applied in order to alleviate the pressure on the market. Measures taken by the Community to discourage butter production including restrictions on intervention purchases, were having appreciable effects and for the first half of 1987, Community butter production fell by 15 per cent compared to the corresponding period of 1986, and was for the year as a whole expected to be brought back to the average level of 1981-83, at least. This would in itself entail a significant reduction in the world butter production in 1987. Reduced butter production was reported for Oceania and North America as well, and it was expected that world butter production would be significantly reduced in 1987/88.

World cheese production reached a total of nearly 13 million tons in 1986, an increase by 1 per cent on the level of 1985. Another 1 per cent gain was forecast for 1987. In 1986, there were substantial increases from the previous year in cheese production of Australia, Canada, Finland and the United States of 4 to 5 per cent. Community production also rose by 1 per cent and Japan, Norway and Switzerland experienced increases of the same order. Cheese production in New Zealand fell by 9 per cent and those of Austria and Sweden by 7 and 2 per cent, respectively. A reason suggested for the decline in these countries was a bleak market outlook for their cheese exports. However, early in 1987, the demand for hard cheese and regional speciality cheeses seemed to be strengthening and later in the year, import demand for Feta cheese in the Middle East was recovering. The improved export market outlook gave rise to some optimism and subsequent increase in production. Community cheese production for the first half of 1987, was more than 3 per cent higher than in the corresponding period of 1986.

Community skimmed milk powder production increased by 10 per cent from 1985 to 1986 but remained below the average for 1981-83. There were also substantial increases in Canadian and Japanese production. This was only partly outweighed by a decline in the production in Oceania, Sweden and Switzerland and world skimmed milk production rose by some 5 per cent to a total of 4.8 million tons in 1986. The high Community production in 1986 was considered to be rather accidental and it was expected that the 1987 production would be of a level of previous years. Efforts made to contain butter production in several countries were likely to entail a reduced production of skimmed milk powder in 1987 and total world production was consequently expected to register a substantial decline. World whole milk powder production increased slightly from 1985 to 1986, in the latter year estimated to have reached 2 million tons. There was a 7 per cent decline in Community production and also a decline in Finland, Sweden and Japan, which was outweighed by an increase of 2 per cent in the United States and relatively strong increases of around 30 per cent in Australia and New Zealand. Whole milk powder production continued to grow in 1987, in response to an increase in export orders.

Consumption

The consumption of milk and dairy products showed some signs of recovery in 1986. Both in Europe and in North America, commercial disappearance of milk and fresh milk products increased, notably in the case of low-fat products. In the European Communities, fresh milk

consumption increased by 0.3 per cent from 1985 to 1986 and for the United States demand for fluid milk was reported to be strong throughout the year. Demand for standard milk declined by another 1 per cent in Canada, but demand for cream rose by 0.4 per cent and that for low-fat milk (including flavoured milk) increased by more than 4 per cent. Sales of low-fat milk constituted more than 60 per cent of Canadian consumption of fluid milk products. Butter consumption recovered slightly in a number of countries. There was further appreciable expansion in Bulgaria, Hungary, Poland and Japan. Various efforts made to stimulate butter consumption had some effect in European countries, and Community butter consumption increased by almost 2 per cent from 1985 to 1986 and almost regained its average level of 1981-83. Substantial quantities of butter were disposed of by discount sales in other Western European countries, but doubts were expressed as to whether there would be any lasting effects in terms of increased demand for butter, and the downward trend might not yet have been reversed. In Canada, butter consumption fell by another 3 per cent in 1986, and was expected to fall at a similar rate in 1987. The upward trend in United States butter consumption was maintained in 1986, with further increase of about 3 per cent and declining retail prices, economic growth and vigorous promotion was expected to bring about a further increase of 1 to 3 per cent in 1987.

In general, cheese consumption expanded further in 1986, but there were considerable variations from one country to another. Community cheese consumption increased by only a bit more than 1 per cent in 1986, and preliminary information for other European countries suggested only minor changes. Despite a levelling out in the consumption of cheese in New Zealand, at about 8 kgs. per capita, cheese maintained a positive image in respect of its nutritional content and versatility. Cheddar accounted for 80 per cent of the consumption and it was aimed at encouraging cheese consumption by widening the product range and offering consumers new products. Australian consumption recovered appreciably from its low level in 1985 and in 1986 was about one third above its average level for 1981-83. Further expansion in cheese consumption was also reported for Japan, Canada and the United States. With overall increases at 7.5 and 4.3 per cent respectively in the United States and Canada, it was notably demand for speciality cheeses that remained strong.

Total world consumption of skimmed milk powder was slightly reduced in 1986. A decrease in Community consumption of 7.5 per cent was only to a limited extent outweighed by increased consumption in some other European countries, Japan and North America.

The general trends prevailing in recent years continued in 1987. While total consumption of milk and dairy products was more or less in line with production developments, the situation for individual product categories differed. Butter markets remained weak and it was uncertain whether the many sales promotion efforts made would have long lasting effects on the demand of butter for traditional uses. Cheese consumption was expected to develop further, notably that of speciality cheeses. There were also a few clouds on the horizon in respect of skimmed milk powder, as demand for feed might continue to be affected by regulations of milk deliveries. However, the demand for milk powders for human consumption was strengthening in 1987/88.

Trade

Trade in fresh milk and fresh milk products remained relatively insignificant in 1986 with the value totalling between US$40 and US$50 million. The butter market remained very difficult throughout 1986 and that was also the case for anhydrous milk fat for recombination purposes. An aggregated total for the five major exporting participants in the Arrangement showed that butter exports during 1986 were almost one-fifth less than in 1985. Over the same period United States butter exports amounted to only 6 thousand tons, one sixth of the quantity exported in 1985, in spite of considerable efforts to dispose of substantial quantities under the Food Security Act of 1985. Total world butter exports amounted to less than 700 thousand tons in 1986, 12 per cent below their level in 1985. Considerable sales at discount prices below the minimum, and by derogation under Article 7:1 of the Protocol Regarding Milk Fat, of butter and anhydrous milk fat to the USSR and Brazil had been concluded in 1986 and deliveries would hopefully be completed in 1987. This might result in higher export figures, but the international market for butter and anhydrous milk fat remained fragile. However, in 1988 market conditions might improve, notably for fresh butter, due to reduced supplies of butter.

A series of measures adopted by the European Communities at the end of 1986 and early in 1987 in order to dispose of 1 million tons of butter throughout 1987 and 1988 was expected in the end to provide some relief to the market. However, anticipated Community exports of 400 to 500 thousand tons of old butter at extremely low prices caused concern among other exporters. Similarly, the new Dairy Export Incentive Program adopted by the United States in February 1987 and the offers subsequently made of 140 thousand tons of fresh butter and substantial quantities of non-fat dry milk, whole milk powder and Cheddar cheese to a large number of countries also caused concern among other major exporters to these markets. However, no significant sales had so far been reported to have been made under the programme.

World exports of cheese declined for a second consecutive year in 1986, and reached some 865 thousand tons. Among major exporters, only New Zealand increased cheese exports in 1986. There were substantial declines in both Australian and Community exports and some decline in Canadian and United States sales as well. The decrease was mainly due to smaller imports by OPEC countries and other developing countries. However, towards the end of the year import demand showed signs of improvement as Iran was again buying Feta cheese and Brazil was in the market to import cheese. World exports were expected to increase in 1987.

There was a decline of nearly 2 per cent in world trade in skimmed milk powder in 1986, with reduced sales by several major exporting countries, with the exception of Canada and the United States. It was notably government-to-government sales of non-fat dry milk to Brazil and Mexico and sales of feed powder to Austria and Israel that boosted United States sales. Also Canadian exports were able to benefit from stronger import demand in Latin American countries, notably Mexico and Peru. Imports into OPEC countries fell by 7 per cent from 1985 to 1986 and demand for feed powder was lower than before in Europe and Japan. However, world exports of skimmed milk powder (including food aid) were expected to increase in 1987. Trade in whole milk powder increased slightly in 1986 and import demand remained strong in 1987. Throughout 1986 and well into

1987, international trade in milk powders was adversely affected by matters related to radionuclide contamination, as a number of importing countries were applying very restrictive measures in order to protect the health of consumers. In this situation, the absence of internationally agreed standards for tolerance limits with respect to radionuclide contamination of food was strongly felt.

Food aid

Food aid in dairy products had accounted for roughly one sixth of world dairy trade throughout the first part of the eighties. In 1985, food-aid deliveries of dairy products were low mainly due to reduced Community donations which were only partly outweighed by increased United States donations. In 1986, there was a further reduction in donations of dairy products by the European Communities. Provisions were made by the United States to increase food-aid exports in 1986 and 1987, but food-aid exports were lower in 1986 as compared to 1985. However, sharply reduced uncommitted stocks currently on hand and anticipated for 1988 would likely curtail foreign donations.

Stocks

Increased milk production and slack demand for some dairy products resulted in further accumulation of stocks in 1986. By the end of the year Community butter stocks had reached new record levels, in December 1986 amounting to nearly 1.45 million tons, up one third from a year earlier. Apart from the general increase in milk supplies, reduced production of cheese, whole milk powder and condensed milk, temporarily reduced sales of fresh liquid milk following the Chernobyl accident resulted in more milk being diverted to the processing of butter and skimmed milk powder which in turn boosted intervention stocks. Community skimmed milk powder stocks at the end of 1986 at 800 thousand tons, were one and a half their level a year earlier. For most other countries, dairy stocks at the end of 1986 were reported generally to have remained at or below the level of previous years without causing too much concern.

A contract concluded by New Zealand with Brazil for the sale of 50 thousand tons of butter oil brought substantial relief to New Zealand stocks. Similarly, various measures applied in the Community aiming at a substantial reduction in butter stocks, at a total cost of 3.2 billion ECU's, started to bring about some relief. The situation of dairy stocks showed an appreciable improvement throughout 1987 and it was expected that stocks of butter and skimmed milk powder, at the end of the year, would be substantially lower than their level one year earlier.

International prices

New minimum export prices came into effect on 25 June 1987, in the case of, whole milk powder (US$900 per ton f.o.b.), skimmed milk powder and buttermilk powder (US$765 per ton f.o.b.). Later, the minimum export prices for cheese and powders were raised with effect from 23 September 1987 to US$1,120 per ton f.o.b. for certain cheeses, to US$950 per ton f.o.b. for whole milk powder and US$825 per ton f.o.b. for skimmed milk powder and buttermilk powder. The minimum export prices for butter and anhydrous milk fat remained unchanged at the levels at which they had been since 5 June 1985 (respectively US$1,000 and US$1,200 per ton f.o.b.). (Tables 1 and 2 and Graph 1.)

In 1986, a total of 50 thousand tons of butter oil and some 425 thousand tons of old butter were reported to have been sold at prices below the agreed minimum, by derogation according to Article 7:1 of the Protocol Regarding Milk Fat, with deliveries to be made up to the middle of 1988. Moreover, certain offers for the sale of butter were reportedly made at less than the minimum price. In 1986 and throughout 1987 both butter and anhydrous milk fat prices remained at or slightly above the minimum export prices set under the Arrangement. Reduced supplies of butter in 1988 were expected to result in an improvement in prices, at least for fresh butter.

Competition remained keen in several major cheese markets and Cheddar cheese prices were under some pressure from the middle of 1986 on. Prices nevertheless remained at or above the minimum prices. However, for a number of other cheeses demand was firming at the end of the year, following increased purchases by Brazil and Iran, and throughout 1987, international cheese prices remained well above the agreed minimum export prices.

Apart from some irregular movement in skimmed milk powder prices early in 1986, international prices for milk powders showed a steady improvement in the latter part of 1986 and throughout 1987. There was some concern as to prices for feed powder in the coming months, but for powder for human consumption, prices were expected to remain clearly above the minimum prices in 1987, and even improve following an upswing in the economic situation in major importing countries. Similarly, prices for whey powder and casein increased in 1987, perhaps reflecting expectations of a firmer skimmed milk powder market.

The Situation for Individual Products

Milk

World milk production (including buffalo, sheep and goat milk) touched a new record level of 520 million tons in 1986, 1.4 per cent more than in 1985. Cow milk, which accounted for about 90 per cent of the total, amounted to 468 million tons in 1986, showing an increase of 1.3 per cent over the previous year. Buffalo milk output, however, increased more sharply from 34 million tons in 1985 to 35 million tons in 1986 or by nearly 4 per cent, due mainly to increases in certain Asian countries, particularly in India. However, buffalo milk still accounted for just under 7 per cent of the world milk production with sheep and goats' milk making up the balance of 3 per cent.

Forecasts for 1987 suggested a reduction in total milk production in Western Europe and the United States due mainly to policy measures to curb production and adverse weather conditions affecting production in other areas. This reduction was not likely to be outweighed by some increases in the USSR, India and other developing countries in Asia. However, some uncertainty remained as to the future levels of production, with ample supplies of low cost animal feeds and the introduction of new techniques contributing to dramatic increases in yields. It was, nevertheless, likely that the world market would remain over-supplied for some dairy products, notably milk fat, even with no further increase in world milk production in 1987.

TABLE 2

International Prices (1985-1986-1987)

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

Product	1985				1986				1987		
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December	January-March	April-June	July-September
Skimmed milk powder[a]	600-650	630-700	685-800	750-800	812-850	650-740	740-800	750-800	750-900	800-900	900-1,000
Whole milk powder	860-950	850-960	890-1,010	950-1,000	990-1,050	900-1,050	930-1,000	900-1,050	900-1,000	950-1,050	950-1,060
Anhydrous milk fat[b]	1,440-1,500	1,290-1,650	1,200-1,360	1,200-1,300	1,200	1,200	1,200	1,200	1,200	1,200	1,200-1,250
Butter[b]	1,200-1,300	850-1,450	1,000-1,150	1,000-1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000-1,050
Cheddar cheese[c]	1,150-1,200	1,100-1,430	1,050-1,270	1,000-1,300	1,100-1,380	1,100-1,500	1,050-1,300	1,030-1,130	1,050-1,200	1,100-1,200	1,150-1,250

[a] Mainly skimmed milk powder for human consumption. Some sales of skimmed milk powder for animal feed made according to Article 3:5 of the Protocol Regarding Certain Milk Powders have been made at lower prices than the ranges indicated.

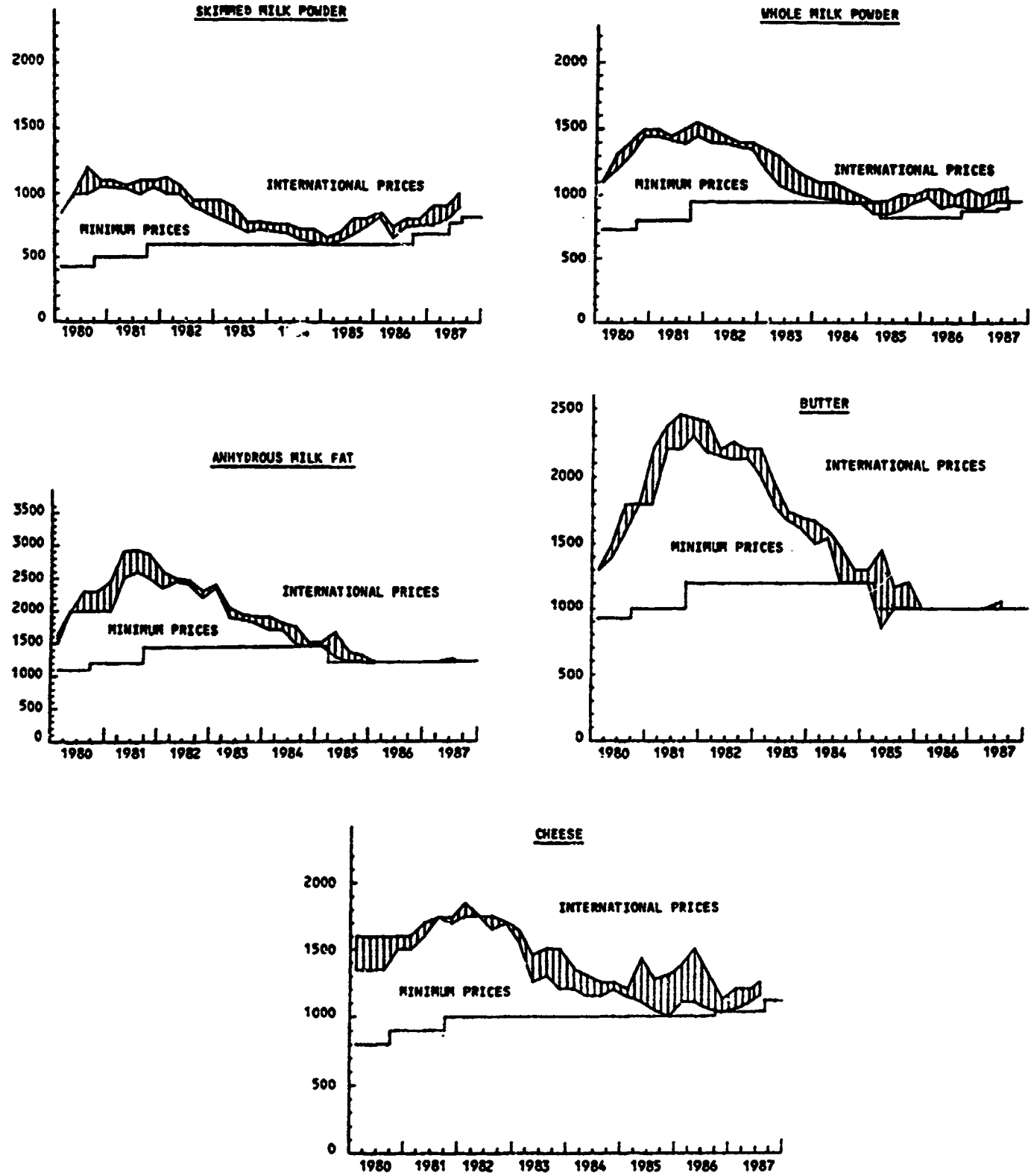
[b] The minimum export prices of anhydrous milk fat and butter were provisionally suspended from 16.11.84 to 31.5.85. In 1986 and 1987, some old butter and anhydrous milk fat was sold at prices lower than the ranges indicated by derogation under Article 7:1 of the Protocol Regarding Milk Fat.

[c] Some sales of cheese below normal export quality made according to Article 7:2 of the Protocol Regarding Certain Cheeses have been made at lower prices than the range indicated.

GRAPH 1

INTERNATIONAL PRICES OF DAIRY PRODUCTS 1980-1987[1/]

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



1/ See notes to Table 2.

Milk deliveries in the European Communities (including Spain and Portugal) totalled 106.9 million tons in 1986, i.e. 1 per cent more than in 1985 despite the quota system introduced to curb production. Generally favourable pasture conditions and lower prices for concentrate feed increased productivity. Dairy cow numbers in the Community declined by about 5 per cent in the past two years and a further reduction of 1.8 million head occurred in 1987. The decline was expected to continue in 1988. However, as milk yields on an average increased by 1.5 per cent per annum milk deliveries would decline less than cow numbers. Producers apparently realized that a modest over-shooting of their reference quantities was still profitable, and deliveries exceeded quotas by 0.8 per cent in 1986/87. Milk deliveries for the EC were down to 101 million tons in 1987. A further reduction of 12 million tons of milk was forecast for 1988.

The 1987/88 farm price package, adopted in July 1987, left the target price for milk (ECU 27.84/100 kgs.) unchanged. No change was made in the intervention prices applicable for butter, skimmed milk powder and cheese. The price ratio between fats and solids-non-fat thus remained at 48.2/51.8. The co-responsibility levy was maintained at 2 per cent of the target price. The additional levy payable by producers or purchasers of cows' milk on quantities exceeding quotas was set at 100 per cent of the target price for milk.

In April 1986, a further reduction in the overall Community quota of 2 per cent was decided for the 1987/88 year and another of 1 per cent for 1988/89. To help achieve this, the EC had adopted an outgoers scheme aiming at taking farmers accounting for up to 3.2 million tons of milk out of production in 1986-88. Farmers undertaking to discontinue definitively all milk production were to be compensated at the rate of ECU 4 per 100 kgs. of milk annually for seven years. Member States were authorized to supplement this compensation payment according to various industry and regional factors.

The growing imbalance in the milk market in 1986 made further steps imperative. The EC Council of Ministers decided, on 16 December 1986, on an important package of reforms in the dairy and beef sectors. For the dairy sector, the Council's decisions entailed a reduction in milk deliveries by 9.5 per cent over two years, i.e. 7 per cent in 1987/88 and 2.5 per cent in 1988/89. The main measures decided upon were as follows:

(i) The 2 per cent cut in quota decided in April 1986 was maintained; it would be carried out by a voluntary abandonment of the milk production scheme and the compensatory payment will be increased to ECU 6 per 100 kgs.

(ii) An additional production reduction of 4 per cent would be implemented as from 1 April 1987, through a temporary linear suspension of the quota and a compensatory payment of ECU 10 per 100 kgs. Member States might increase this payment to ECU 12.5 per 100 kgs. for the year 1987/88. The compensatory amount was guaranteed for two years. A further reduction of 1 per cent would be implemented through the tightening up of certain rules relating to the application of the quota scheme.

(iii) Taking into account market prospects and stocks, an additional reduction of 2.5 per cent would be implemented for the 1988/89 production year, through:

- the 1 per cent additional cut decided in April 1986, accompanied by the same conditions as in (i).

- an additional temporary suspension of the quota of 1.5 per cent, compensated either as in (ii) or by an appropriate reduction of the co-responsibility levy.

In February 1987, the Council approved further proposals for dealing with surplus stocks of butter in 1987 and 1988 and consequently announced that the Commission intended to proceed with a destocking programme relating to butter. The new measures would be based on non-commercial exports to certain destinations of 400 to 500 thousand tons in 1987, sales to animal feed industry of 200 thousand tons in both 1987 and 1988, industrial uses of 100 thousand tons in 1987 and the disposal of 130 thousand tons over two years through special action for EC consumers. Total disposal of stocks in 1987 and 1988 was foreseen to exceed 1 million tons. The overall cost of the measures would be in the region of ECU 3.2 billion.

Spain and Portugal joined the European Communities on 1 January 1986, though their integration with the Common Agricultural Policy was being phased over several years. Cow numbers in Spain increased and yield was slightly down in 1986. Total production for 1986 was estimated to be 6.7 million tons. Portuguese production increased by about 3 per cent in 1986 to 978 thousand tons.

In Finland, milk production and deliveries in 1986 were slightly lower than in 1985. While dairy cow numbers had gone down slightly, yields per cow had increased. The two-tier pricing system adopted in 1985 continued to operate successfully. Penalties for farmers exceeding production quotas had been increased for 1986 from FIM 1.60/litre to FIM 2.00/litre. The Farm Closure Act was revised in August 1986. The Act was originally enacted in 1974 providing for a "farm closure" pension to eligible farmers, aged 55 years or more, who agreed to cease production and sell their farm. The changes made to the Act would now allow the farmer to retain his land and return to production after six years of cessation. A severe winter and a bad summer had adversely affected feed supplies in 1987, resulting in a decline in milk deliveries which were expected to reach 2.7 million tons in 1987.

Norwegian deliveries (including goat milk) slightly increased in 1986 to a level of 1.85 thousand tons. However, some decline was expected for 1987 as a result of the operation of the quota system. The limits of the quota system remained unchanged for 1986, but the price paid to milk producers was increased with effect from 1 July 1986.

TABLE 3

Some Data Related to (a) Cows' Milk Production or (b) Deliveries for Selected Countries

		Milk Production/ Deliveries (million tons)	Percentage change from previous year		
			Production/ Deliveries	Milk yield	Dairy cow numbers
EC-12	1985	(b) 105.9	- 1.5	+ 1.5	- 2.8
	1986	(b) 106.9	+ 1.0	+ 2.0	- 2.0
Foreca	1987	(b) 101.0	- 5.5		- 1.8
USSR	1985	(a) 97.76	+ 0.3	+ 2.2	- 1.0
	1986	(a) 100.00	+ 2.3	+ 2.0	- 2.0
Forecast	1987	(a) 102.00	+ 2.0		
United States	1985	(a) 64.93	+ 5.7	+ 3.0	- 2.0
	1986	(a) 65.35	+ 0.7	+ 2.3	- 1.5
Forecast	1987	(a) 64.30	- 2.3		
Poland	1985	(a) 16.43	- 1.8	+ 5.3	- 4.0
	1986	(a) 15.70	- 4.5	+ 2.0	- 3.0
New Zealand	1985	(b) 7.90	+ 6.3	+ 0.9	+ 2.2
	1986	(b) 7.80	- 1.2	+ 0.6	+ 1.5
Canada	1985	(a) 8.14	- 0.6	- 0.7	- 1.9
	1986	(a) 8.10	- 0.5	+ 2.1	- 1.9
Japan	1985	(b) 7.37	+ 3.3	+ 4.2	- 0.9
	1986	(b) 7.45	+ 1.0	- 0.1	+ 1.0
Australia	1985	(b) 6.21	+ 1.8	+ 2.0	- 5.3
	1986	(b) 6.18	- 0.5	+ 2.4	- 2.5
Forecast	1987/88	(b) 6.28	- 1.2		

Milk deliveries in Sweden were 4.5 per cent lower to a level of 3.42 million tons in 1986 compared to their level in 1985, mainly as a result of the two-price system introduced on a three-year trial basis for the period July 1985 to June 1988. A further small decline was expected for 1987. While productivity showed some increase, the number of cows declined in 1986 by 5 per cent. Farmers taking part in the system were granted a full home market price for a quota equal to 92 per cent of the largest annual delivery from the farm in the base period 1981-83. For deliveries in excess of the quota the price paid was related to the export price obtained on the market. Farmers not taking part in the system received the home market price reduced by an export financing fee. The export financing fee, which was levied on their total deliveries, was based on the difference between the prices on the home market and the export market and the total amount of milk delivered by producers who did not participate in the two-price scheme. The effect of the scheme had been stronger than initially expected.

In Switzerland, the strict quota system kept the deliveries of milk at around 3 million tons in 1986. The overall milk quota was reduced in two stages by 75 thousand tons or 2.5 per cent. The first stage involving a reduction of 43 thousand tons was implemented in 1986/87, and a second reduction was left to the milk producers to implement by their own devices. Premiums were paid for non-marketing of milk and for processing milk into cheese which had a relatively high price in the domestic and international markets. The basic price for milk was raised by 5 centimes to 97 centimes/kg. from 1 July 1986. It was noteworthy that the reduction in deliveries in 1986 was far greater than the drop in total milk production, implying greater retention of milk used for feed on the farm in response to stricter quota restraints.

Adverse weather conditions resulted in a strong decline in milk deliveries in New Zealand of some 14 per cent from 1985/86 to 1986/87. The output of all dairy products except whole milk powder had consequently been reduced. The farm gate price for milk (basic milk-fat and solids non-fat price) which in the middle of 1986 had been lowered to 2.25 dollars per kg. was later raised to 3.20 dollars per kg. For 1987/88 the farm gate price had been fixed at 3.10 dollars per kg. Producer prices for milk were determined directly by export market realizations. Fundamentally therefore, the level of milk production in New Zealand continued to be determined by the export performance of the dairy industry relative to other alternative uses of land and pastures, with short term sharp variations because of the climatic conditions. Although there were no subsidies or other regulations which could be manipulated to control production, a number of steps to influence milk production had been taken recently such as a supply moratorium and a milk limitation scheme, applied in the 1986/87 season, resulting in contracts to reduce production by 5,300 tons of milk fat or 1.5 per cent of 1985/86 output. The payment for this "non-production" was $1.20/kg. milk fat. For the current season, a "butter realization differential" scheme had been introduced. Under this scheme, payments to dairy companies by the New Zealand Dairy Board would, for butter and butter oil exports beyond a base production level, be based on marginal rather than average market realizations. This was done as a policy thrust to ensure that market signals were passed on to the milk producers.

In Australia, milk production was down by 1 per cent in 1986, but rising profitability due to the expected boost to export returns as a result of a devalued Australian dollar, was expected to hold 1987 production at the 1986 level. Dairy cow numbers were projected to fall by nearly 1 per cent, but production per cow was expected to increase through genetic and management improvements. The long-term trend of declining cow numbers was likely to continue. The dairy policy introduced for 1986/87 aimed at the development of a more efficient market-oriented dairy industry. It was accompanied by some increase in milk prices to producers, which were partly benefiting from higher levies on milk and milk products sold on the home market and from more favourable export returns following the depreciation of the Australian dollar. Milk production was estimated to reach 6.28 million tons in 1987/88, a 1.2 per cent decrease compared to 1986/87.

Following a 3 per cent rise in Japanese milk production in 1985 to a level of 7.38 million tons, the upward trend continued in 1986 when production aggregated 7.45 million tons or 1 per cent more than in the previous year. It was forecast to return to around 7.38 million tons in 1987. The introduction of the Production Adjustment Scheme had brought about a sharp decline in the number of dairy farms, stopped the increase in production and led to a decline in milk output. The South African production of milk at 1.90 million tons in 1986 was slightly below the level of the previous year. Deliveries, however, were slightly more than in 1985. Forecasts for 1987 were for stability or a small increase.

In Argentina, the price per kg. of fat was increased by 25 per cent from the beginning of 1986, and this increase was confirmed for another year when the price convention between producers and the industry was prolonged in June 1986. Milk producers were thus encouraged to raise their productivity, carry out further investments and to increase deliveries of milk. Together with good feed supplies, this resulted in a further increase in milk production. At 6.20 million tons in 1986, milk deliveries were 15 per cent higher than in 1985. There was also a recovery in Uruguayan milk production in 1986, which, however, remained below the average level of 1981-83.

In Bulgaria, where milk production had been low in 1985, there was some recovery in State procurements in 1986. There was a further reduction of about 2 per cent in the dairy herd but yields improved. There was a slow increase of milk production in Hungary in recent years, while the herd size, especially dairy cow numbers, decreased. The bulk of the production covered the growing home demand. With the exception of some special kinds of cheeses, traditionally exported by Hungary, there were only occasional exports of dairy products. There was a decline of 5 per cent in milk production in Poland in 1986 following a hard winter, reduced cow numbers and a lack of profitability in dairying, which had led many private farmers to reduce their herds. The decline was however expected to be reversed with the Government's raising of milk support prices.

In Romania, the system of compulsory quotas and supply tasks had been abolished and replaced by an unitary system of contracting for the purchase of agricultural products from agricultural production co-operatives, their members and private producers. The new system defined the tasks and liabilities of the socialist production units concerning delivery of agricultural products from co-operative farmers and private producers,

assuring reasonable and stable prices for the products delivered. The State granted contractual prices and incentive purchase prices to State agricultural units, as well as to members of agricultural production co-operatives and to private producers. The contractual prices for milk and cream in respect of the agricultural co-operative units, their members and the private producers constituted purchase ceiling prices. The Ministry of Food Industry and Agricultural Product Purchase was responsible for establishing contracts and making purchases of milk and dairy products from all the categories of producers.

In Yugoslavia, where small farmers were reported to be giving up milk production, milk deliveries fell by 3 per cent from 1985 to 1986, but an increase in milk support prices should increase milk production in 1987. No significant change in milk deliveries took place in the Democratic Republic of Germany and Czechoslovakia as the decline in cow numbers was outweighed by an improvement in yields.

Despite the fall in cow numbers by 1 per cent in 1986, the USSR milk production was 2 per cent higher due to favourable forage and concentrate feed supplies. A similar increase was observed in 1987 as increased productivity more than offset a decline in cow numbers. According to the Twelfth Five-Year Plan, milk deliveries to the State by collective and State farms, should be increased to 106-110 million tons by 1990, which meant annual rates of increase between 1.5 and 2.5 per cent. Production in excess of delivery plans might be sold freely and at higher prices.

In the United States, the overall milk output in 1986 was only slightly higher than its level in 1985. Average yield increased by 2 per cent over that of 1985, following the ending of the 15-month dairy diversion programme as a result of favourable milk-feed price ratios which encouraged the increase in concentrate feeding. The introduction of the Dairy Termination Programme (DTP) on 1 April 1986, which provided for the slaughter of 8.5 per cent of dairy cow herd over an 18-month period, and the reduction of the milk support price by 2.2 per cent (from US$11.60/cwt. to US$11.35/cwt.) in January 1987 had adversely affected milk output. About 20 thousand cows per month were expected to be culled under this programme in the first half of 1987. Already in the first half of 1987, milk production was 3 per cent below the level of a year earlier and the output for the whole of 1987 forecast at 64.3 million tons, another 2.3 per cent down. However, production was projected to rise in 1988 onwards due to higher milk yields resulting from lower cow feed prices following policy changes in the cereal/feed sector, and the growing use of bovine hormones and new technology.

Canadian milk deliveries in 1986 were marginally up on the level of the previous year, despite a 5 per cent reduction in the number of milk producers and a 2 per cent decline in cow numbers. Not only yields had improved, milk sales off farms had also increased. Several provinces exceeded their quota allocation and had to pay penalties. The Federal Government extended its commitment for the subsidy of Can$6.03/hl. of standard industrial milk until 1990/91. This subsidy was payable on all industrial milk produced for domestic requirements and a 1.1 million hectolitres of Special Export Programme milk. There was some concern regarding the yields and productivity in 1987, as silage quality was lower than usual and as a possible increase in penalties and levies to discourage over-quota production and to provide funds to cover export costs could

reduce the profitability of milk production. The Canadian Dairy Commission's target support price for industrial milk was for 1987/88 fixed at Can$46.30 to Can$47.00, compared to Can$43.60 for 1986/87.

Milk production in the developing countries generally remained at low levels due to technical and economic factors. However, production in India, which accounted for nearly one half of the total Asian milk production and one third of the aggregate for all developing countries, expanded under the "Operation Flood" project sponsored by the European Community. At around 44 million tons in 1986, it showed an increase of nearly 5 per cent over the output of the preceding year. China's production of milk rose by 11 per cent in 1986 to a level of 5.5 million tons, as a result of increased cow numbers and more emphasis in national plans on the nutritional value of milk consumption. In Indonesia also, milk production showed a rapid increase, but from a very low base. On the other hand, demand and production of milk more or less remained unchanged in Africa. In Latin America, though the overall production was a shade higher, demand for milk products outpaced the supplies and made larger imports necessary. Mexican output increased by 15 per cent in 1986 due to favourable pasture conditions and abundant feed supplies. Likewise, in Chile, milk deliveries increased by 14 per cent in 1986, with the consequence that dairy imports were almost eliminated and small exports were made to Bolivia, Brazil and Peru. In Brazil production fell by 6 per cent due to a drought and a price freeze imposed by the Government as part of its economic package.

Consumption

Demand for fresh liquid milk for human consumption remained stagnant in 1986. Demand for milk for animal feeding slackened because of good availability of cheap substitutes. Some milk was apparently held back on farms and used as feed, in order to avoid payments on milk produced in excess of quotas. The major exception was constituted by some developing countries where demand for fresh milk was increasing but from rather low levels. This reflected political efforts to raise nutritional standards. However, the main explanation of the increase in milk consumption in many developing countries remained the population growth and urbanization.

In developed countries, a tendency to move away from whole milk to skimmed milk had been apparent for some time. However, recent studies suggested that partially skimmed milk was gaining an increasing share of the market and might in several countries soon be accounting for one half of fresh milk consumption. A 1 to 2 per cent rise in consumption of partially skimmed milk was reported by the following countries: Belgium, Denmark, Finland, France, the Federal Republic of Germany, Italy, Sweden and Switzerland. In some countries, such as the Federal Republic of Germany and the United Kingdom, there was a strong increase in the consumption of cream, apparently because of increased use of cream for cooking. The Chernobyl accident had at least temporarily adverse effects on the consumption of fresh milk in many European countries in the early summer of 1986, but the confidence in fresh milk as a safe and healthy element of nutrition was rapidly regained. The generally favourable developments in the consumption of dairy products in the United States also benefited whole milk sales. Heavy promotion, declining retail prices and general economic recovery were thought to have stimulated demand for liquid milk. Health considerations may also have changed slightly in favour of

fresh milk. Commercial sales of liquid milk continued to increase in Canada, with 2 per cent partly skimmed milk accounting for more than 60 per cent of the market in 1986.

The principal area of growth in consumption was Asia, both developed and developing countries. Japan expected the trend of slowly increasing consumption to continue. The government was subsidizing a campaign to promote it and maintained a school milk subsidy. Thailand maintained a government sponsored promotion campaign aimed specifically at adolescents. Consumption had risen steadily in recent years in Indonesia and China although the absolute levels still remained low.

In the USSR, government policies had involved substantial subsidies to keep consumer milk prices stable, the current retail price of liquid milk in 1986 was little more than half of the total cost of production and marketing. Prices of milk (and major milk products) had remained virtually unchanged for twenty-five years. As a result demand had remained strong, sometimes ahead of supply. However, in 1987, considerations were being made of a possible adjustment of retail prices which might result in an increase in prices.

Fresh Milk Products

The production of fresh milk products (e.g. yoghurt, flavoured milk, cream, etc.) continued to expand in 1986 and appeared to be maintaining its growth in 1987. In the developed countries of Europe and North America these products constituted the fastest-growing sector of demand for dairy products in recent years. The growth might have slackened in some older-established markets but the general trend remained positive.

In the European Communities, 1986 output of fresh milk products other than whole and skimmed milk exceeded the equivalent of 9 million tons of milk. Around 6 million tons of this was cream and the rest yoghurt, flavoured milk, etc. There were indications that the fashion for low-fat products would be superseded by a preference for the taste qualities of full-fat products.

In Norway, yoghurt and cream production and consumption continued to increase in 1986, but remained relatively stable for other product groups. The situation was fairly static in Sweden and Finland. In Switzerland, production and consumption of flavoured milk products increased by nearly 50 per cent in 1986. New Zealand's output of fresh milk products (all types) increased further in 1986. In the United States where consumption of yoghurt had increased by 120 per cent from 1974 to 1984, fresh products showed continued demand growth in 1986. In Canada commercial sales of cream, flavoured milk and yoghurt were up on 1985/86 and were projected to increase further in 1986/87.

Total world trade in fresh milk products (including fresh milk) might have reached 150 thousand tons in terms of milk equivalent in 1986 with a value of 40 to 50 million US dollars. For comparison, it might be mentioned that intra-Community trade in fresh milk and products amounted to more than 2.5 million tons in 1984. Both for Australia and New Zealand exports of fresh milk and products remained steady over recent years,

around 10 to 12 thousand tons in both cases, but efforts were made to develop demand for a variety of fresh dairy products which could hopefully produce results in the near future. In New Zealand there was a sharp increase in the production of fresh milk products, including ice-cream, yoghurt and cottage cheese up to 1984. Efforts were made to develop demand for ultra heat treated (UHT) milk products and sales of flavoured milk expanded well in the Caribbean, Western Samoa and Guam. However, the exclusion of New Zealand products from the New Caledonian market more than outweighed the progress achieved elsewhere. Other dairy exporting countries were also active in developing recombining industries in developing countries, notably the Middle East. The purpose was to create new markets for anhydrous milk fat and milk powder to be used for the manufacture of yoghurt, flavoured milk and other dairy products, and improving nutritional levels in developing countries in general.

Butter and Anhydrous Milk Fat

Butter

Production

World production of butter and butter oil in 1986 reached 7.8 million tons, which was 2.2 per cent up on the level of 1985. The outlook for 1987 was for a decline of 3 per cent to the lowest level in several years. Butter output expanded sharply in the European Communities, in 1986 reaching 2.17 million tons, an increase of about 150 thousand tons from 1985. Fluid use of milk in the Community declined and the small rise in cheese manufacture was not enough to absorb the rise in surplus milk supplies. In 1987, butter production was expected to fall by nearly 15 per cent to a level of 1.85 million tons.

In New Zealand, production was down to 232 thousand tons in 1986, a decline of 12 per cent compared to 1985. During the first six months of 1987, production at 69 thousand tons was 32 per cent less than the level in the corresponding period of last year. The total fall anticipated for 1987 was around 9 per cent compared to the level in 1986. In Australia, butter output at 68.5 thousand tons in calendar year 1986 was 14 per cent below the level in 1985, in spite of an increase in milk output. This was mainly due to increased production of non-Cheddar chee e and whole milk powder. Production of butter including butter oil in 1986/87 (July-June season), totalled 103.9 thousand tons, a marginal decrease on the previous season. On a calendar year basis, a drop of 7 per cent was projected for 1987 and for the season 1987/88 production might decrease by the same percentage.

Polish output of butter at 259 thousand tons was 6 per cent smaller in 1986 than in 1985, also due to reduced supplies of milk. There was a considerable improvement in the first six months of 1987 when production aggregated 47 thousand tons, which was nearly 9 per cent more than in the corresponding period of last year.

In Finland, butter production in 1986 and 1987 remained unchanged at a level of 72 thousand tons. In Sweden, output of butter in 1986 fell by 13 per cent to 37 thousand tons and it declined further in 1987. Butter production continued to fall also in Norway in 1986, but it recovered in 1987.

In the United States butter production dropped by nearly 5 per cent to a level of 544 thousand tons in 1986, as more milk moved into cheese manufacture and as sales of fluid milk increased. With an anticipated decline of more than 2 per cent in milk production, butter output was projected to drop by nearly 14 per cent in 1987. Butter production in Canada in 1986 was 2 per cent lower than in the previous year due to increased allocation of milk for cheese production. A further 2 per cent decline was anticipated for 1987 in continuation of the previous trend. USSR production rose by 6 per cent reaching a level of 1.6 million tons in 1986 and was expected to increase by another 4 per cent in 1987. Output of butter in the German Democratic Republic showed a slight increase from 316 thousand tons in 1985 to 317 thousand tons in 1986 and was expected to remain unchanged at this level in 1987.

As a result of larger milk output in several developing Asian countries, especially in India, Pakistan and China, butter production showed some increase in 1986. Elsewhere, it either declined or remained static.

Consumption

Global consumption of butter lagged behind aggregate world production resulting in a further accumulation of stocks. However, there were indications that 1986 total consumption of butter in the participating countries edged slightly higher than in 1985 as a result of numerous measures taken to promote its consumption.

The European Communities continued its policy of encouraging butter consumption. Special sales of cut-price butter within the EC such as sales to ice cream and cake manufacturers and to non-profit making institutions, were continued. A campaign financed by funds from the co-responsibility levy was launched to promote consumption of dairy products. Community assistance to the milk and milk products distribution programme in schools was expanded in all member States. In January 1987, this type of aid was extended to individuals in need of such help. Another measure which was expected to influence consumption of butter and butter oil was the proposed tax on oils and fats; if adopted it would raise the prices of competing products like vegetable oils and marine fats. In July 1986, a scheme was adopted under which old butter would be incorporated in animal feeds, after processing into butter oil. In January 1987, the Commission adopted a regulation on the emergency supply of butter to the most deprived persons in the Community. Under this scheme the intervention agencies would make available to welfare and charitable organizations butter for free distribution to such people. The scheme applied to butter which was taken into storage after 1 January 1986 and was valid until the end of March 1987. The EC sold under special programmes 283 thousand tons in 1985 and 330 thousand tons in 1986, including sales of concentrated butter for cooking purposes, at half the normal price. Total consumption of butter in 1986 at almost 1.7 million tons was 5 per cent higher than in 1985 and was increasing further in 1987.

In Switzerland, where a number of measures fairly similar to those of the EC had been taken to promote butter consumption in the domestic market, the product was being sold at prices considerably below cost, mainly with the help of subsidies. Advertising campaigns were launched to promote butter consumption. In addition, charges were applied on imports of edible

oils and fats in order to narrow the gap between the price of butter and other fats. Domestic consumption of butter, amounted to 40 thousand tons in 1986, 1 per cent less than in 1985, and the decline continued in 1987.

In Finland, where consumption of dairy products, particularly butter was high, the consumer price of butter was subsidized. A subsidy was granted on all butter produced in dairies or on farms, while the price of margarine was increased by consumption tax modifying the ratio between butter and margarine prices in favour of butter but butter consumption decreased by 9 per cent to 55 thousand tons in 1986. Butter consumption fell in Norway and Sweden as well in 1986. The decline continued in Norway in 1987, but there was an appreciable recovery in Finland and Sweden.

In Poland, butter consumption continued to increase in 1986 and 1987, reaching 138 thousand tons in the first six months of 1987, about 2 per cent higher than in the same period of 1986.

In South Africa, consumption of butter continued to decline in the face of increased competition from margarine. Steps had been taken to foster butter consumption with the help of advertising programmes, and a special campaign was conducted during which the retail price of butter was subsidized from the Dairy Board's Stabilization Fund.

Until recently, butter prices in New Zealand were much lower than those of margarine. Following an increase in the retail price of butter, however, the two products were being sold at the same price. Consumption had been assisted by a promotional campaign undertaken by the New Zealand Dairy Board and by the introduction of new products such as semi-soft butter and clarified butter. Domestic consumption of butter remained stable at around 39-40 thousand tons a year; it was expected that it would remain stable.

In Australia, domestic consumption of butter and butter oil declined marginally in 1986/87 to 57 thousand tons compared with 60 thousand tons in 1985/86. Domestic consumption in 1987/88 was expected to remain stable. The Australian Dairy Corporation was endeavouring to promote consumption of butter within the context of a decrease in overall fat consumption in Australia.

In Austria, advertising campaigns to promote consumption and sales drives involving reduced butter prices were undertaken for social and economic reasons. Likewise, the army and hospitals could obtain butter at reduced prices throughout the year. In the United States, total domestic consumption in 1986 was 529 thousand tons as compared to 582 thousand tons in 1985. In Canada, aggregate consumption of butter at the end of 1985 amounted to 101.7 thousand tons, i.e., 1.5 per cent less than in 1984. In 1986, consumption fell by another 3 per cent and was expected to fall at a similar rate in 1987. Consumption of butter in the USSR was growing although shortage of foreign currencies was restricting imports.

Trade

World trade in butter remained sluggish in 1986. An aggregate for the five major exporting participants in the Arrangement showed that butter exports during 1986 were almost one-fifth less than in 1985 and the decline in New Zealand's exports accounted for more than half of the fall in

aggregate butter exports. The market situation was characterized by a high level of stocks, weak demand and intense competition resulting in depressed international prices. Despite low prices, import demand tended to remain weak in developing countries, because of foreign exchange shortages and their general economic situation. Also, production of dairy products was expanding in some of these countries reflecting domestic dairy policies. Import demand in the USSR was likely to remain along past trends as long as dairy products in international trade remained available at very low prices, but could weaken substantially if and when those prices were to increase.

The international market for butter and anhydrous milk fat remained fragile in 1987, and significant quantities were disposed of through sales under derogation from the price provisions of the Arrangement at extremely low prices. However, such sales together with substantially reduced production resulted in an appreciable reduction of stocks providing some hope for improvement in the butter market in 1987/88.

EC exports of butter to third countries, which had decreased to 201 thousand tons in 1985, dipped further to their lowest level of 185 thousand tons in 1986. Shipments were mainly directed to certain Mediterranean and OPEC countries and to the USSR. The EC exported 300 thousand tons of butter (18-months' old) to the USSR in the first quarter of 1987 and further sales were envisaged.

In 1986, exports by New Zealand fell by one fourth to a level of 162 thousand tons. The United Kingdom remained the main outlet. Under the preferential regime for butter imports, the United Kingdom had been authorized to import from New Zealand 81 thousand tons in 1985 and 79 thousand tons in 1986. Import quotas for 1987 and 1988 were respectively 76 thousand tons and 74 thousand tons. New Zealand also sold 23 thousand tons to Algeria and 26 thousand tons to the USSR. Butter exports in the first half of 1987 amounted to 91.5 thousand tons as against 76.2 thousand tons in the same six months of 1986. It was also reported that New Zealand had sold 36.5 thousand tons of unsalted butter to Iran in August 1987.

Australian exports of butter continued their uptrend so that their level was 27 thousand tons by the end of 1985. In 1986 exports decreased by almost 28 per cent to a level of 20 thousand tons. The main destinations were Algeria, Iran and a number of Pacific countries. Exports of butter and butter oil for 1987/88 were forecast at 42 thousand tons as against 34.7 thousand tons in 1986/87.

The downtrend in Finland's butter exports continued in 1986 to decline steeply to a level of 10 thousand tons in 1986, due mainly to a sharp reduction in exports to African countries. Exports to the USSR at 8 thousand tons were slightly more than in the previous year. Exports by Sweden decreased to 8 thousand tons in 1986 from a level of 13 thousand tons in 1985.

Exports of butter from the United States, which totalled 30 thousand tons in 1985, in 1986 declined to 6 thousand tons; the main destinations being Mexico, Egypt and Jamaica. Under the US Food Security Act of 1985, a five-year farm-subsidy programme allowed for export sales of 100,000 tons of surplus butter in each of the three fiscal years 1986 through 1988, provided that the butter was available and that it would not disrupt domestic or world markets. In fiscal year 1986, only 3 thousand tons of butter oil had been exported under the programme. However, under the new Dairy Export Incentive Programme, adopted in February 1987, the United States offered some 140 thousand tons of fresh butter to a large number of countries. It appeared, however, that no significant sales had made under this programme. Due to the reduction in stocks the United States was not expected to play an important role in the export markets in the near future.

Imports of butter by the EC from third countries, which in 1985 aggregated 80 thousand tons, in 1986 totalled 85 thousand tons. New Zealand remained the main source of Community imports. Imports into Switzerland in 1986, recovered by 11 per cent to a total of 7.9 thousand tons and indications were for a further increase in 1987.

Imports into Poland in 1986 amounted to 38.9 thousand tons compared to no imports in 1985. The main source of these imports was the EC. Further expansion in imports was anticipated in 1987.

Imports into the USSR reached 276 thousand tons in 1985, but fell back to 194 thousand tons in 1986. The bulk of these imports originated from the EC (Table 4). In the first quarter of 1987, 300 thousand tons of old butter (over 18 months) was bought from the EC as compared to a total of 125 thousand tons in 1986.

Stocks

Total stocks of butter in the EC, North America and Oceania in April 1987 amounted to 1.46 million tons compared to 1.43 million tons a year earlier, an increase of less than 2 per cent. However, on 1 July 1987, aggregate stocks at 1.40 million tons were about 16 per cent lower than a year earlier. Stocks continued to decline in the third quarter of 1987. It was expected that world stocks at the end of 1987 would be substantially lower than their level at the beginning of the year.

Aggregate stocks of butter in the EC (public and private) having reached a level of 1.48 million tons on 1 October 1986 receded to 1.16 million tons on 1 July 1987. It was estimated that some 600 thousand tons, or nearly half of the total stocks, were of the older butter (over 18 months), of which a great part was quite deteriorated butter. Public stocks had decreased to 1.07 million tons on 10 September 1987 as against 1.24 million tons on 11 September 1986. Aggregate stocks (public and private) were expected to be reduced to 750 thousand tons at the end of 1987, almost half their level of 1.36 million tons at the beginning of the year.

TABLE 4

Imports of Butter into USSR by Origin
('000 metric tons)

	1981	1982	1983	1984	1985	1986
Total of which from	215.06	150.69	202.63	196.02	276.04	194.34
Belgium	31.63	-	18.37	0.49	16.72	-
Ireland	8.80	13.06	25.40	25.70	19.79	-
Netherlands	17.74	18.40	8.00	29.14	34.80	-
France	45.96	5.30	23.99	48.77	94.14	15.20
Total EC countries mentioned	104.13	36.76	75.76	104.10	165.45	..
Hungary	-	-	10.44	5.16	1.76	0.72
Norway	1.91	-	3.11	0.30	-	-
Finland	9.55	6.41	12.05	9.87	7.07	8.00
Sweden	-	5.97	10.41	5.04	2.31	-
Canada	-	-	2.00	-	-	-
Uruguay	3.22	3.21	3.67	1.00	-	..
New Zealand	34.29	67.98	43.87	-	35.98	25.11
Others (unspecified origins)	61.96	30.36	40.82	72.55	63.47	145.31

Source: Foreign Trade Yearbooks of the USSR 1981 to 1986.

In order to reduce the level of stocks, the Commission took two measures which actually meant a cut in the intervention price. The first was to delay payment for butter sold into intervention stocks of 240 days instead of 60 days. The second was to make the seller responsible for the costs of the first 240 days of storage. Further important decisions were taken in February 1987 to dispose of 1 million tons of old butter in 1987 and 1988. The current system would be maintained during the transitional period and the present delays in payments and intervention buying-in would be maintained. The transitional period would end some time after 1 April 1987, and as soon as the volume of butter offered for intervention would exceed 150 thousand tons. To prevent speculation during the month of March when normally 30 thousand tons of butter would be offered, a limit was set at 180 thousand tons. By the end of June 1987, offers of butter into intervention since March, had reached a total of 180 thousand tons, and the Commission suspended intervention buying. Further sales into intervention were based on a tender basis.

New Zealand stocks decreased to 60 thousand tons on 1 July 1987 as compared to 110 thousand tons on 1 July 1986. The sale of 50 thousand tons of butter oil to Brazil under derogation had largely removed excess inventories of old stocks. This together with the heavy cut in production in 1986/87 meant that a balanced stock position for butter was achieved at the end of the 1986/87 season. Australian butter stocks had on 1 July 1987 increased to 29.6 thousand tons as compared to 16.6 thousand tons on 1 July 1986, mainly as a result of a substantial fall in exports.

In Poland, stocks of butter which had been low in 1986 recovered and in July 1987 reached a level of 24.8 thousand tons. In Finland, butter stocks at 15 thousand tons on 1 July 1987 were 7 per cent higher than a year earlier, and indications were that they would increase further in the course of the year due to declining exports. Swedish butter stocks decreased to 6.5 thousand tons on 1 July 1987, as compared to 8 thousand tons on 1 July 1986. Butter stocks held by Japan on 1 April 1987 at 29 thousand tons, were slightly less than a year earlier. In the course of 1987 there was a further decline, but the level was reckoned to be still high due to a stagnation in butter demand.

In the United States, support purchases of butter had been reduced to a negligible level with the much improved balance restored to the domestic market principally by the whole herd buy-out scheme. Uncommitted public stocks of butter had been reduced at an historically low level, reaching 44 thousand tons in August 1987 against 102 thousand tons in August 1986. By the end of the year they were expected to be at the lowest level since the mid 1970's. Canadian stocks on 1 July 1987 at 18 thousand tons, were 20 per cent smaller than a year earlier.

International prices

The minimum export price of butter was reduced from US$1,200 per ton to US$1,000 per ton on 31 May 1985 by the decision of the Committee of the Protocol Regarding Milk Fat. The decision came into effect on 5 June 1985. Simultaneously, a decision was taken with regard to sales of old butter by derogation from the provisions of paragraphs 1 to 4 of Article 3, and pursuant to Article 7:1 of the Protocol Regarding Milk Fat (BISD 31S/173). Sales of about 200 thousand tons of butter were reported to have been made at prices below the minimum of US$1,200 per metric ton, f.o.b. All

deliveries of butter sold under the Resolution were completed by 30 June 1986. Sales of some 425 thousand tons of old butter were concluded by the EC at prices below US$1,000 per ton f.o.b. in 1986, by derogation under Article 7:1 of the Protocol. The derogation of May 1985 expired on 31 December 1986.

In the past few years, international prices of butter had declined continuously, in particular because of slack demand. Butter stocks remained high and continued to cause pressure on the market. In 1986 and early 1987, the observance of the agreed minimum price was found to be difficult by certain participants for sales of fresh butter to certain markets. Thus, in accordance with Article IV(6) of the International Dairy Arrangement and paragraph 5 of the Decison of 31 May 1985 (BISD 31S/173), the Committee of the Protocol Regarding Milk Fat decided on 2 June 1987, that it was not possible for certain traditional volumes of butter sales to the USSR to be concluded at prices fully consistent with Article 3 of the Protocol. In light of the situation, therefore, the traditional suppliers to this market could export at below the minimum prices in 1987 (DPC/F/48). International prices for fresh butter remained at or slightly above the minimum export price in 1986 and throughout 1987, although some recent sales of fresh butter were reported to have been effected at prices up to US$1,050 per ton f.o.b. Reduced supplies of butter in 1988 were expected to result in an improvement in prices.

Anhydrous Milk Fat

Production

Production of anhydrous milk fat in 1986 was higher in Australia and New Zealand, but was significantly lower in the EC. Combined output in the EC, Australia, New Zealand, Sweden, Switzerland and Uruguay at 293 thousand tons was 3 per cent smaller in 1986 than in the previous year. In the first six months of 1987, output was relatively higher in the EC, New Zealand and Sweden as compared to the level in the corresponding period of last year.

Trade

Traditionally, the major exporters of anhydrous milk fat were the EC and New Zealand. EC exports in 1986 were 120 thousand tons or 22 per cent smaller than 1985. Exports considerably picked up in the first six months of 1987 when they reached the level of 80 thousand tons compared to 53 thousand tons in the same period last year. Exports from New Zealand at 47 thousand tons, as compared to 36 thousand tons in 1985, were 31 per cent higher in 1986. Their level in the first six months of 1987 at 31.3 thousand tons compared most favourably with only 12.2 thousand tons in the same period last year. A sale under derogation, of 50 thousand tons of butter oil was concluded with Brazil for delivery by the end of 1987. Australian exports in 1986 at 23.8 thousand tons were marginally below their level of 1985 and, in the first six months of 1987 ran much below their level in the corresponding period of last year.

Food aid

The 1986 and 1987 Community food-aid programmes provided for a maximum of 27.3 thousand tons for each year. In 1986, deliveries of butter oil as food aid amounted to 28 thousand tons, the same as in 1985. The relative importance of food aid sales increased, however, as the percentage of total Community exports of anhydrous milk fat going to food aid increased from 18 to 23 per cent from 1985 to 1986. Actual food aid deliveries during the first six months of 1987, amounted to 12 thousand tons in relation to 13 thousand tons delivered in the corresponding period of 1986.

During fiscal year 1986, signed commitments to donate United States dairy products under Section 416 included 16 thousand tons of butter oil and 1.6 thousand tons of butter, the main beneficiaries being Mexico, Mauritania and Poland. During 1 October 1986-19 June 1987, signed commitments to donate US dairy products under Section 416 included 3 thousand tons of butter oil and 7.5 thousand tons of butter, the main beneficiaries being Mexico and Mozambique.

Stocks

In New Zealand, stocks of anhydrous milk fat reached a level of 5 thousand tons on 1 July 1987 compared to 4.5 thousand tons a year earlier. Australian stocks on 1 July 1987 at 2.1 thousand tons were unchanged compared to their level one year earlier.

International prices

On 31 May 1985, the Committee of the Protocol Regarding Milk Fat decided to reduce the minimum price of anhydrous milk fat from US$1,400 to US$1,200 per metric ton f.o.b. as from 5 June 1985.

International prices of anhydrous milk fat had been weakening since 1983 and throughout the years 1986 and 1987, export prices remained close to the minimum export price of US$1,200 per ton f.o.b. New Zealand sold 50 thousand tons of butter oil to Brazil at US$550 per ton c.a.f. under derogation from the price provisions of the Protocol. Concerns were repeatedly expressed with regard to the observance of the minimum price for anhydrous milk fat, and in this respect it was recalled that participants had undertaken to take the steps necessary to ensure that the minimum prices were observed and that efforts were further pursued to this effect.

Cheese

Production

World output of cheese at 13.5 million tons in 1986 was 1 per cent more than in 1985 and another 1 per cent gain was forecast for 1987. Lack of export markets for butter and increased consumption of non-traditional cheeses were stimulating the overall cheese production. In the EC, cheese production in 1986 totalled 4.17 million tons, the same as in 1985. It was forecast to increase to 4.25 million tons in 1987 or by 2 per cent over the level in 1986. Already in the first half of the current year, production increased by 2.6 per cent.

In Australia, cheese production at 168.2 thousand tons in 1986 was 2.5 per cent higher than in the previous year. Cheese output in the first six months of 1987 was 73.8 thousand tons, up 12 per cent on the corresponding period in 1986. Production for 1986/87 (July/June) was 176.9 thousand tons, up 3.9 per cent on the level of 170 thousand tons in 1985/86. New Zealand cheese output in 1986 at 111.9 thousand tons was some 17 thousand tons less than in 1985, representing a 7 per cent decline. Production in 1986/87 declined by 11 per cent to 113.2 thousand tons.

Relative gains were recorded in 1986 cheese output in Argentina (+ 19.7 per cent), Bulgaria (+ 8 per cent), Finland (+ 5.1 per cent), Hungary (+ 0.1 per cent), Japan (+ 15.7 per cent), Norway (+ 5.8 per cent), Poland (+ 1.8 per cent), Romania (+ 2.5 per cent), South Africa (+ 4.7 per cent), Switzerland (+ 2.6 per cent) and Uruguay (+ 26.3 per cent). However, declines were shown by Egypt (- 1.0 per cent) and Sweden (- 2 per cent).

In Austria, cheese manufacture declined by 7 per cent in 1986. In the United States, output at 2.39 million tons in 1986 was 4.8 per cent higher than its level in 1985. A further gain of 2 per cent was anticipated in 1987. Canadian cheese output showed a gain of 12.5 per cent, from 207.3 thousand tons in 1985 to 233.3 thousand tons in 1986. It was expected to increase further in 1987. In the USSR, production of cheese at around 825 thousand tons in 1986 was about 2 per cent higher than in 1985, and a further expansion was projected for 1987. In the Democratic Republic of Germany, cheese output in 1986 at around 225 thousand tons remained unchanged from its level in the previous year, as it remained unchanged in Czechoslovakia at around 194 thousand tons. In Mexico, cheese production in 1986 increased by 40 per cent over the previous year and was projected to increase by another 12 per cent in 1987. In Brazil, however, the level at around 52 thousand tons remained unchanged from the previous year's level.

Consumption

Global consumption of cheese in 1986 was about 4 per cent higher than in 1985. With the exception of a few countries, the demand for different types of cheese increased at a steady rate, and the outlook for 1987 was for a further improvement in world demand for cheese, especially the speciality type cheeses.

Cheese consumption in the EC increased by only 0.3 per cent to 3.88 million tons in 1986. It was forecast to rise by another 1 per cent in 1987 to reach a level of 3.92 million tons. Consumption also rose in Finland (+ 13.0 per cent), Hungary (+ 3.6 per cent), Japan (+ 5.1 per cent), Norway (+ 4.2 per cent), Poland (+ 4.3 per cent), South Africa (+ 9.8 per cent), Switzerland (+ 1.9 per cent). It, however, declined in Sweden (- 0.1 per cent) and Uruguay (- 14.3 per cent). Consumption of cheese in Australia increased by 13.7 per cent reaching 132.5 thousand tons in 1986.

Overall consumption increased marginally in Austria from 34.3 thousand tons in 1985 to 34.6 thousand tons in 1986. In Canada, consumption increased from 216.7 thousand tons in 1985 to 248.2 thousand tons in 1986, showing an increase of 14.5 per cent over the year. In the United States, cheese consumption rose by 5.2 per cent from 2.45 million tons in 1985 to 2.58 million tons in 1986.

Consumption also increased in the USSR, from 809 thousand tons in 1985 to 825 thousand tons in 1986, or by 1.9 per cent. A further increase was anticipated for 1987. In the Democratic Republic of Germany and Czechoslovakia it remained stable respectively at the levels of 225 thousand tons and 194 thousand tons.

Trade

World exports of cheese declined for a second consecutive year in 1986 and were estimated to be some 865 thousand tons. Due to a slackening of import demand in the Near East, overall trade in cheese in 1986 decreased by about 1 per cent compared to the level a year earlier. The decrease was mainly due to smaller imports by OPEC countries and other developing countries. However, towards the end of 1986, import demand was showing signs of improvement as Iran was again buying Feta cheese and Brazil was in the market to import cheese. World supply was expected to remain tight during 1987/88 with demand continuing to be strong.

The EC exports of cheese at 377 thousand tons in 1986 were 7.8 per cent below those of last year. The main destinations were the United States, Canada, Japan and certain Middle East countries. Exports were expected to remain stable or decline slightly in 1987.

Deliveries by New Zealand increased by 18.7 per cent, from 87.5 thousand tons in 1985 to 103.9 thousand tons in 1986, the main outlet being Japan. New Zealand continued to invoke Article 7:2 for exports of cheese below normal export quality. For 1983-87, New Zealand notified sales of almost 10 thousand tons under this provision to a range of countries. Australian exports of cheese in 1986 at 60.8 thousand tons were 17 per cent less than in the preceding year when they totalled 73.6 thousand tons. Exports in 1986/87 57.2 thousand tons, comprising 50 thousand tons of Cheddar and 7.2 thousand tons of non-Cheddar cheeses. Exports in 1987/88 were forecast to increase to 64.5 thousand tons.

Exports from Switzerland declined by nearly 2 per cent in 1986 to 64.2 thousand tons. It was forecast that exports would decrease by another 1 to 2 per cent in 1987. The decline in exports in the first six months of 1987 amounted to 7.4 per cent from 29.9 thousand to 27.7 thousand tons. Finland's exports at 33.1 thousand tons in 1986 were 11 per cent smaller than their level in 1985. Prospects for increased exports in 1987 were limited due to ceilings under bilateral agreements both with the Community and the United States.

Exports of cheese were higher from Argentina (+ 45.0 per cent), Norway (+ 0.5 per cent) and Uruguay (+ 213.0 per cent), but were lower from Bulgaria (- 32.3 per cent), Hungary (- 20.8 per cent), Romania (- 38.0 per cent), South Africa (- 35.8 per cent) and Sweden (- 17 per cent). Exports from Poland remained unchanged. Exports from all the participants aggregated some 717 thousand tons in 1986, thus showing around 5 per cent overall decline compared to the level in 1985.

Cheese exports from the United States decreased to a level of 12.4 thousand tons in 1986 from 15.7 thousand tons in 1985, a decline of about 21 per cent. Under the new Dairy Export Incentive Program adopted in February 1987, 73 thousand tons of Cheddar cheese and bulk American cheese

for processing was offered to a number of countries, including Egypt (33.5 thousand tons) but no sales had been concluded by November 1987. Canadian exports of cheese also decreased between 1985 to 1986 from 10.5 thousand tons to 10.1 thousand tons or by 4 per cent; as they declined from Austria by 15 per cent, from 42.5 thousand tons to 36 thousand tons in 1986.

On the import side, the United States purchased a total of 132 thousand tons of cheese in 1986, as compared to 137 thousand tons in 1985. The bulk of the imports were from the EC, New Zealand and Finland. The EC imports at 104 thousand tons in 1986, mostly from Switzerland, were 7.2 per cent smaller than in the previous year. Similarly, the Japanese imports of cheese in 1986 were 1 per cent smaller than in 1985, the main suppliers being the EC, New Zealand and Australia. In Switzerland, cheese imports were, however, 6 per cent higher in 1986 compared to their level in 1985 when they totalled 21.3 thousand tons, and there was a further increase of 8 per cent for the first half of 1987 compared to the same period one year earlier.

Stocks

At the global level, cheese stocks were on 1 July 1987, lower than one year earlier and were expected to decline further throughout 1987. The decrease was mainly due to the fall in stocks held by the United States. Cheese stocks in the EC were normally not subject to wide variations due to a strong domestic demand; nonetheless, they increased in 1986 as a result of less than anticipated growth in demand and a drop in EC's exports. On 10 September 1987, stocks (including intervention stocks and stocks qualifying for aid to private storage) amounted to 130 thousand tons, comprising mainly Italian-type cheeses.

In Australia, stocks on 1 July 1987 added up to 85.5 thousand tons, some 5 per cent more than one year earlier. New Zealand stocks declined by more by 24 per cent amounting to 50 thousand tons in July 1987. Cheese stocks declined or changed very little in most other participating countries, and were near their levels of the previous year.

In the United States cheese stocks on 1 July 1987 were estimated to be at a level of 331 thousand tons, 27 per cent less than one year earlier. Canadian cheese stocks were also reported to have declined by 12 per cent from 1986 to 1987.

International prices

During its annual review of the minimum export prices in September 1987, the Committee of the Protocol Regarding Certain Cheeses decided to raise the minimum export price for certain cheeses from US$1,030 to US$1,120 per ton f.o.b. effective from 23 September 1987.

Market prices for cheese continued to vary according to types of cheeses and markets in 1986 and throughout 1987. International prices for Cheddar cheese which in 1985 had ranged between US$1,000 and US$1,430 per ton f.o.b. improved slightly in the early part of 1986. However, towards the middle of the year, prices again came under pressure due to abundant supplies with some quotations close to the agreed minimum export prices. Later in the year they recovered slightly and improved further in 1987.

Demand for a number of cheeses was firming up following increased purchases by Brazil and Iran. During the third quarter of 1987 Cheddar prices fluctuated between US$1,150 and US$1,250 per ton f.o.b.

Milk Powders

Skimmed Milk Powder and Buttermilk Powder

Production

World production of skimmed milk powder in 1986 (4.75 million tons) was 4.6 per cent higher than in 1985 when it had decreased by 1.5 per cent. Most of the increase for 1986 occurred in the EC as surplus milk went into skimmed milk powder and butter manufacture. Substantial cutbacks in skimmed milk powder production by the United States, New Zealand, Australia and Poland partly offset the 1986 gains by the EC and USSR.

In the EC, production increased by about 11 per cent in 1986 to a level of 2.10 million tons. As a result of higher milk collection, lower domestic sales of fresh milk products and reduced manufacture of whole milk powder and condensed milk for export, EC production of butter and skimmed milk powder rose sharply. However, production of skimmed milk powder in the first six months of 1987 decreased by 18 per cent in relation to the corresponding period of 1986 and reached 1.03 million tons.

In New Zealand, the skimmed milk powder production in 1986 amounted to 154 thousand tons, a decrease of 21.7 per cent in relation to 1985. Production decreased sharply (by 25 per cent) in the first half of 1987. In Australia, production in 1986 decreased by 8.2 per cent to 123 thousand tons; however, it increased by 16 per cent in the first half of 1987. Production of skimmed milk powder totalled 128.4 thousand tons in 1986/87, an increase of 2.9 per cent compared with the 1985/86 output of 124.8 thousand tons. There was also a strong decrease in buttermilk powder production both in Australia and New Zealand in 1986, and in 1986/87 reduced milk supplies in New Zealand resulted in the lowest buttermilk powder production (22.7 thousand tons) in many years. Production of skimmed milk powder by other participants followed varying trends in 1986 and 1987.

In the United States, output decreased by 6.7 per cent in 1986, reaching 588 thousand tons. This decrease continued in the first half of 1987 at a faster rate, and production declined by 26 per cent to 263 thousand tons compared to 355 thousand tons in the first six months of 1986. In Canada, production in 1986 totalled 104 thousand tons, an increase of 6.7 per cent in relation to 1985. Production in the USSR continued to increase in 1986, reaching 825 thousand tons.

World production of skimmed milk powder, following a lower production in the EC, Oceania and North America, decreased substantially in 1987. In the EC, production of skimmed milk powder was expected to fall from 2.1 million tons in 1986 to 1.64 million tons in 1987 or by 22 per cent. In the United States, production was expected to amount to 470 thousand tons in 1987, a decline of 20 per cent over 1986.

Consumption

World consumption of skimmed milk powder decreased in 1986. In the EC total internal consumption had declined to the level of 1,637 thousand tons in 1986, a decrease by 2.5 per cent in relation to 1985. During the first half of 1987, total domestic consumption was 866 thousand tons, as against 843 thousand tons in the first half of 1986. In Japan, domestic consumption totalled 267 thousand tons in 1986, i.e. 12 thousand tons more than in 1985; 196 thousand tons was used for human consumption. In Finland and Hungary most of the skimmed milk powder consumed in 1986 was used for animal feed. In the United States, total consumption of skimmed milk powder increased by 6 thousand tons in 1986, to a level of 365 thousand tons.

In Western Europe, where skimmed milk powder was used mainly for animal feed, measures were applied to promote its consumption. EC direct aid for the use of skimmed milk powder in feeding calves was at the rate of ECU 80 per 100 kgs., or 46 per cent of the intervention price of this product. In addition, subsidies were granted on liquid skimmed milk, to promote either its use as animal feed or for processing into compound feed for the "pig-and-poultry" sector, if the stock situation so required. The "pig and-poultry" scheme was discontinued in April 1985 because the stocks had come down to their lowest level of about 350 thousand tons. Due to the subsequent rise in stocks, the EC reintroduced this scheme in August 1986.

Other countries too, in particular Austria, Finland and Switzerland, launched promotion drives for the use of skimmed milk powder or liquid skimmed milk as animal feed. In the United States, some old skimmed milk powder stocks were disposed of as animal feed.

Trade

World exports of skimmed milk powder (including food aid) decreased in 1986, due mainly to the fall in exports by the EC, New Zealand, Australia and Poland. The major exception was the United States with its elevated export levels of skimmed milk powder.

Exports by the EC (including food aid) decreased by 13 per cent in 1986, totalling 267 thousand tons of which 97 thousand tons was delivered as food aid. Exports increased in the first half of 1987, reaching 164 thousand tons, as against 95 thousand tons in the corresponding period of 1986.

Skimmed milk powder exports by New Zealand decreased by 7.5 per cent in 1986 to reach 160 thousand tons; during the first six months of 1987, exports amounted to 64.5 thousand tons, as against 68.8 thousand tons in the corresponding period of 1986. The main destinations were countries in South East and Eastern Asia and Brazil. Buttermilk powder exports reached 24 thousand tons in 1986, up 5 per cent from the previous year. Exports of skimmed milk powder from Australia decreased by 17.5 per cent in 1986 to the level of 74.4 thousand tons; they also declined slightly for the first half of 1987 to 38 thousand tons, and there was also a decline in buttermilk powder exports.

Exports from Poland decreased sharply (by 26.2 per cent) in 1986 to reach 26.4 thousand tons; the main destinations were Algeria, Japan, Bangladesh and New Zealand.

Exports by the United States rose by 13.8 per cent in 1986 to reach 347 thousand tons; approximately 43 per cent of the shipments - about 148 thousand tons - were made as food aid. The principal destinations for these exports were countries in Africa, South and Central America. Government-to-government sales of non-fat dry milk in relation to the Food Security Act of 1985, in the period 1 October 1985-31 August 1986, amounted to 124.6 thousand tons, of which 50 thousand tons to Brazil at prices between US$665 and US$690 per ton f.a.s. and 41 thousand tons to Mexico at prices between US$730 and US$800 per ton f.o.b. Furthermore, 33 thousand tons of feed powder were sold to Austria at a price of US$350 per ton and 600 tons to Israel at a price of US$450 per ton. Under the new Dairy Exports Incentive Program adopted in February 1987, the United States offered some 370 thousand tons of non-fat dry milk and whole milk powder to certain developing countries. However, no significant sales had been made by November 1987. Exports from Canada increased in 1986 by 9 per cent to 66 thousand tons and continued to expand in 1987. The principal destinations of Canadian exports were Mexico and Peru.

On the import side, purchases by Japan declined by 12.5 per cent in 1986 to 91 thousand tons. Much of the powder imported - 71.7 thousand tons - was for use as animal feed. At the beginning of 1987 imports continued to decline and showed a fall of 10.2 per cent in the first six months. The principal origins of supplies in 1986 were New Zealand (19.6 thousand tons), Australia (16.5 thousand tons) and the EC (12.4 thousand tons).

Mexico, whose Government operated a large milk distribution scheme, had maintained imports of dairy products at a high level, in spite of a sharp fall in foreign exchange earnings and larger domestic output. Imports of skimmed milk powder into Mexico continued to increase, reaching some 161 thousand tons in 1986, as against 145 thousand tons in 1985, the principal supplier being the United States. Brazil, faced with a decline in domestic output and rapidly rising demand, became one of the world's largest buyers of milk powders and butter oil. Imports of skimmed milk powder into Brazil showed a very substantial increase, reaching some 250 thousand tons in 1986 as against 40 thousand tons in 1985, the principal suppliers being the United States, the EC and New Zealand. However, total imports in 1987 were forecast to decline to 125 thousand tons as milk production recovered and higher retail milk prices limited consumption.

World exports of skimmed milk powder (including food aid) were expected to increase in 1987. Total exports by the United States could continue to increase and reach 375 thousand tons in 1987. Exports by the EC and Oceania could also register increases in 1987.

Food aid

Food-aid deliveries of dairy products consisted mainly of skimmed milk powder and anhydrous milk fat (Table 5). Shipments of dairy products as food aid by the United States, the EC and a number of other developed countries accounted for approximately one sixth of world exports of dairy products, partly reflecting the persistent excess of supply over commercial demand. Food-aid deliveries both from the EC and the United States decreased in 1986. As regards skimmed milk powder, foreign donations by

the United States amounted to 148 thousand tons as against 222 thousand tons in 1985, the main beneficiaries being Mexico and Brazil. These figures do not include skimmed milk powder reported as a component of a mixture of corn, soya and skimmed milk powder. Foreign donations were expected to continue at high levels in 1987. However, sharply reduced uncommitted stocks currently on hand and anticipated for 1988 would most likely curtail foreign donations.

The EC food aid programme for the year 1986 provided for a maximum of 94 thousand tons of skimmed milk powder. The main beneficiaries under the 1986 programme were Egypt with 3.3 thousand tons, Tunisia 3 thousand tons and the World Food Programme (22 thousand tons). Food-aid deliveries by the EC amounted to 97 thousand tons in 1986, as against 124 thousand tons in 1985. The 1987 food-aid programme of the Community provided for a maximum of 94 thousand tons of skimmed milk powder, the same as in 1986. During the first six months of 1987 food-aid deliveries by the EC amounted to 61 thousand tons in relation to 47 thousand tons delivered in the corresponding period of 1986.

Food-aid deliveries of milk powder had also been made by Australia, Austria, Canada, Finland, Japan and Switzerland. China, which had not traditionally been a large milk producer and consumer, was now attaching greater importance to dairy development and might be seeking food aid in the form of skimmed milk powder and anhydrous milk fat as a major element in its dairy development programme.

Stocks

Total stocks of skimmed milk powder in the EC, North America and Oceania of approximately 1.15 million tons at 1 January 1987 were up by 3.3 per cent from one year earlier. Total stocks of skimmed milk powder held by other countries showed divergent trends, but on the whole, world stocks of skimmed milk powder had continued to increase in 1986. However in 1987, stocks decreased sharply with total stocks of skimmed milk powder in the EC, North America and Oceania of approximately 1.04 million tons at 1 July 1987, down by 28 per cent from one year earlier.

After the measures taken in December 1986 concerning milk production, the European Communities, in March 1987, took important measures concerning the management of the European dairy products market. With regard to skimmed milk powder: intervention purchases of skimmed milk powder were suspended each year between 1 September and 28 February of the following year, i.e. during six months; during the rest of the year, intervention purchases might be suspended if the quantities taken in after 1 March 1987 exceeded 100,000 tons; and, the Commission might suspend temporarily intervention on skimmed milk powder in exceptional circumstances. From 1 March up to 31 August 1987, only 40 thousand tons of skimmed milk powder entered into intervention stocks. Community public stocks on 10 September 1987, totalled 757 thousand tons, 11 per cent less than one year earlier.

TABLE 5

Share of Food Aid in Total Exports for Selected Countries

Participating countries	Total exports			Food aid			Food aid/ Total exports		
	1984	1985	1986	1984	1985	1986	1984	1985	1986
	Metric tons						Per cent		
Skimmed Milk Powder									
Australia	70,200	90,200	74,400	4,200	800	400	6.0	0.9	0.5
Canada	70,000	60,580	66,100	28,000[a/]	...	...	40.0	...	...
EC	307,000	306,300	264,000	167,000	124,000	97,000	54.4	40.5	36.7
Switzerland	700	8,800	8,400	700	1,200	700	100.0	13.6	8.3
United States	264,517	304,883	347,100	180,533	221,928	148,000	68.3	72.8	42.6
TOTAL	712,417	770,763	760,000	381,151	...	...	53.5	...	...
Whole Milk Powder									
Australia	27,300	31,700	38,000	600	40	70	2.2	0.1	0.2
Switzerland	3,100	3,000	3,000	2,700	2,600	2,600	87.1	86.7	86.7
TOTAL	30,400	34,700	41,000	3,300	2,640	2,670	10.8	7.6	6.5
Anhydrous Milk Fat									
Australia	10,800	24,000	23,800	-	600	100	-	2.5	0.4
EC	129,000	153,000	120,000	49,000	28,000	28,000	38.0	18.3	23.3
TOTAL	139,800	177,000	143,800	49,000	28,600	28,100	35.0	16.1	19.5

[a/] Food aid for Canada is fiscal year, while total export figures relate to calendar year.

Note: Foreign donations of butter oil and butter by the United States in 1985 totalled some 31,000 tons (butter equivalent). No information was available for later years.

In Oceania, stocks registered substantial decreases, and a sharp decrease was reported as regards United States stocks with uncommitted public stocks amounting to only 27 thousand tons at the end of August 1987. It was expected that world stocks at the end of 1987 would be substantially lower than their level of the beginning of the year, with United States stocks reduced to insignificant levels.

International prices

At its June 1987 session, the Committee of the Protocol Regarding Certain Milk Powders reviewed the level of minimum export prices of milk powders at the request of one participant, taking into account the evolution of the situation of the international market. It was decided to raise the minimum export price of skimmed milk powder and buttermilk powder from US$680 to US$765 per ton f.o.b. as from 25 June 1987. During the annual review of the minimum export prices in September 1987, the Committee decided to further raise the minimum export price of skimmed milk powder and buttermilk powder from US$765 to US$825 per ton f.o.b. as from 23 September 1987.

During the first quarter of 1986, prices of skimmed milk powder for human consumption ranged between US$812 and US$860 per ton f.o.b. However, since the beginning of March 1986, prices had fallen and during the second quarter of 1986, they were within the range of US$650 to US$740 per ton f.o.b. Prices firmed in the third quarter of 1986, in particular because of the depreciation of the United States dollar, and fluctuated between US$740 and US$800 per ton f.o.b. In the fourth quarter of 1986, prices remained firm and ranged between US$750 and US$800 per ton f.o.b. At the end of 1986, the situation on the skimmed milk powder market was healthy and prospects were encouraging. Prices continued to firm in the third quarter of 1987, ranging between US$900 and US$1,000 per ton f.o.b. Thus, the market for skimmed milk powder tended to strengthen and the supply situation was tight with an expectation that prices would continue to rise in the coming months.

Whole Milk Powder

Production

Aggregate output of whole milk powder, closely related to specific demand, again increased slightly in 1986 in relation to 1985 having reached 2 million tons, and continued to expand in 1987.

Output in the EC declined by 2 per cent in 1986, reaching 718 thousand tons. In the first six months of 1987, however, production showed a substantial increase of 25 per cent, and reached 400 thousand tons as compared to 321 thousand tons in the first half of 1986. In New Zealand production rose by 28.2 per cent in 1986 to 189.5 thousand tons. In the first six months of 1987, production declined by 17.5 per cent to 70 thousand tons. In Australia, output increased by 30 per cent in 1986 and in the 1986/87 season rose by about 25 per cent from 52.1 thousand tons to 65.3 thousand tons, in response to an increase in export orders. In Finland, production decreased by 9 per cent in 1986; this decline continued in the first six months of 1987 at a faster rate. In Poland and Switzerland production remained relatively stable in 1986.

In Austria, production remained stable in 1986 at around 21 thousand tons. In the United States, output progressed by 1.8 per cent in 1986 to 55.1 thousand tons.

Trade

Total exports of whole milk powder by the main exporter participants increased by about 5 per cent in 1986. In the first six months of 1987 total exports of the same participarts continued to increase at a faster rate of about 25 per cent reflecting a strong import demand. The EC remained the leading exporter of whole milk powder, exporting 478 thousand tons in 1986, i.e. 1.2 per cent less than in 1985. In the first six months of 1987, however, exports increased substantially by 37 per cent to 288 thousand tons.

Exports from New Zealand, the world's second largest exporter, increased by 23.4 per cent in 1986 to 166.1 thousand tons. However, they decreased to 79.3 thousand tons in the first six months of 1987 as compared to 81.7 thousand tons exported in the first half of 1986. The main outlets were South and East Asia, Central America, Brazil and the USSR. Australian exports increased by 20 per cent in 1986 to 38 thousand tons. Exports in 1986/87 totalled 51.2 thousand tons as against 40.7 thousand tons in 1985/86.

Exports from Finland, which went exclusively to the USSR, decreased by 4 per cent in 1986 to 31.7 thousand tons. Due to the expected decline in production in 1987, export availability was likely to be lower, around 26 thousand tons.

The United States exported some 20.3 thousand tons of partly skimmed milk powder in 1986, almost exclusively to Brazil, as compared to 40.6 thousand tons in 1985. These exports were mainly concessional sales as the United States was not in the commercial whole milk powder market.

Stocks

Stocks of whole milk powder at 1 July 1987 where higher in Australia and lower in New Zealand and Finland in relation to their level at 1 July 1986. As exports were made on order, traditionally, stocks of whole milk powder remained low and statistical information was incomplete.

International prices

At its June 1987 session, the Committee reviewed the level of minimum export prices of milk powders at the request of one participant, taking into account the evolution of the situation of the international market. It decided to raise the minimum export price of whole milk powder from US$880 to US$900 per ton f.o.b. as from 25 June 1987. During the annual review of the minimum export prices in September 1987, the Committee decided to again raise the minimum export price of whole milk powder from US$900 to US$950 per ton f.o.b. as from 23 September 1987.

In 1986, international prices of whole milk powder ranged between US$900 and US$1,050 per ton f.o.b. In the first quarter of 1987, export prices ranged between US$900 and US$1,000 per ton f.o.b., but started to improve from April on, and in the third quarter of 1987 ranging between

US$950 and US$1,060 per ton f.o.b. Late in 1987, the market for whole milk powder remained firm, the supply situation was tight and prices were likely to increase further.

Other Dairy Products

Whey in powder or block, or concentrate

Only a few years ago most of the whey was disposed of in drains and waterways, but increasing concern about the unfavourable effect of such disposal on the environment and increased demand for whey and whey products used as food and feed ingredients and in pharmaceutical application has led to the processing of whey into a range of products. Total world production of whey powder showed a steady increase over recent years, from about 1 million tons in the mid-seventies to nearly 2 million tons in 1986. This figure should be considered to be merely a rough estimate as statistics still remained incomplete and may cover a variety of milk concentrates including lactose.

The European Communities remained the main producer of whey powder, and Community production including whey concentrate and other whey products, amounted to 760 thousand tons in 1986, almost 2 per cent more than in 1985. Production of whey powder and concentrated whey declined in other European countries in 1986. Switzerland experienced a further decline of 13 per cent in its production of whey powder which for 1986 did not reach 3 thousand tons.

In 1986, Austrian whey powder production remained at the level of recent years, around 3.5 thousand tons, which was almost entirely disposed of on the internal market mainly as feed. Canadian whey powder production recovered appreciably from its low level of the previous year and total production for 1986 amounted to 64 thousand tons. On the contrary, United States production of whey powder which had shown a strong recovery in 1985, remained at the same level in 1986, reaching 447 thousand tons.

Information for the first months of 1987 indicated a further increase of 9 per cent in the Community production of whey powder. There was also an appreciable increase in the whey powder production in other European countries and the United States. The increase was linked to an increased cheese production and also to a reduced output of skimmed milk powder creating expectations of increased demand for whey powder which provided an incentive to increase the recuperation of whey in many countries. In Canada, the relatively high level of 1986 was not reached in 1987 with an expected decline of some 10 per cent.

Whey powder prices remained low throughout 1986, with international prices as low as US$220 per ton at the end of the year. In European markets whey powder quotations remained depressed in the first part of 1987, but with signs of a firmer market around the middle of the year. In the United States the market was tight from February 1987 on and in May 1987 whey powder was quoted at US$530 per ton, roughly double the level one year earlier. In light of expectations of significantly reduced supplies of skimmed milk powder coming on to the market, the world market for whey powder was expected to remain firm in 1987/88 with significantly higher prices than in previous years.

Concentrated milk

In 1986, world production of condensed and evaporated milk amounted to 4.5 million tons, which meant a decline of 3 per cent from the previous year. This was mainly the result of reduced production in the EC, the United States, Australia and Canada, which outweighed further expansion in some Asian countries. Developing countries in the Far East had by 1985 expanded their aggregate production of condensed milk to a total of 520 thousand tons, a level comparable to the traditional level of production in the Federal Republic of Germany, the Netherlands and the USSR. World trade in concentrated milk in 1986 was much lower than in previous years, down to around 620 thousand tons. Prices remained steady throughout 1986 and the first part of 1987, at a level slightly below US$2,000 per ton.

Community production of condensed milk fell by almost 7 per cent from 1985 to 1986, in the latter year amounting to 1.2 million tons, following slack demand on the world market. Information for the first part of 1987 indicated that the Community production of condensed milk might decline by another 11 per cent in 1987. While Community exports had recovered appreciably in 1985, reaching a total of 545 thousand tons, there was a decline in 1986, when exports were down by 20 per cent amounting to only 438 thousand tons.

In Australia, the production of condensed, concentrated and evaporated milk was again low in 1986, barely reaching 50 thousand tons. However, in spite of the decline in production, Australian exports of condensed milk amounted to 11 thousand tons in 1985/86 compared to 8 thousand tons in the previous period. New Zealand production remained unchanged at 3 thousand tons in 1986/87. In Argentina, both production and consumption declined in 1986, there were no exports and stocks were further reduced. In South Africa the downward trend in production continued in 1986 and exports were negligible.

In Canada, production of concentrated whole milk fell again in 1986, only reaching 114 thousand tons. Consumption had been steadily declining since 1982, and more than two thirds of Canadian production was exported in subsequent years. In 1984/85 exports amounted to 137 thousand tons, but fell during subsequent years and for 1986/87 reached only 56 thousand tons following a further reduction in the special export programme. United States production of canned condensed milk declined by 10 per cent in 1986. Austrian production of condensed milk remained at its level of previous years, i.e. 14 thousand tons in 1986. In the USSR condensed milk production amounted to a total of 575 thousand tons the same level as in 1985. In 1985, 20 thousand tons were exported which was 10 per cent less than the average for recent years, and exports remained low in 1986 as well.

Imports of condensed milk into developing countries had been declining over recent years. Notably there had been a strong decline in imports into some countries in Africa and Latin America, while imports into countries in Asia continued to increase. Total imports into developing countries which in 1985 had amounted to 660 thousand tons, were in 1986 only around 460 thousand tons. Both production and trade in condensed milk were expected to continue to decline, partly because whole milk powder was increasingly replacing condensed milk.

Casein

World production of casein was in 1986 lower than in the previous year, amounting to 235 thousand tons. Community production of casein reached some 136 thousand tons. Australian casein production which in 1985 had been down to 7.3 thousand tons, declined further in 1986 with a production of 6.9 thousand tons. The decline was attributed to a change in product mix because of environmental problems associated with casein production. In New Zealand, production of casein reached 78 thousand tons in 1986, an increase of 2 per cent compared with 1985.

In 1987, the situation changed, with a reduced production in New Zealand and Australia accounting for 61.8 and 7.5 thousand tons respectively. Production in the European Communities was 20 per cent higher for the first half of 1987 than in the corresponding period of the preceding year. Some increase in casein production was also reported to have come about in Poland and the USSR. However for 1987 as a whole, an increase in exportable surpluses of casein was not expected to materialize. Increased supplies in Eastern Europe were needed to cover increasing domestic needs and Community production was expected to be relatively low during the latter part of the year due to less milk being available for the casein industry. From 1 October 1987, Community aid paid on skimmed milk processed into casein was reduced from ECU 9.30 to ECU 8.80 per 100 kgs. of milk.

World trade in casein did not continue the upward trend of previous years in 1986, falling by some 6 per cent from 1985 and totalling less than 190 thousand tons. A further decline in casein trade was expected for 1987 as exportable supplies remained slightly reduced, following a lower production and increased domestic demand.

Community casein exports fell by 2 per cent from 1985 to 1986, in the latter year amounting to 90 thousand tons, while imports remained unchanged at the level of 24 thousand tons. Polish exports fell by almost a fourth and amounted to only 15.5 thousand tons. The major exception was Uruguay for which exports reached 3.5 thousand tons in 1986.

Australian casein exports continued to decline in 1986, amounting to some 5 thousand tons or less than half of their level in recent years, and concern was expressed as to future sales in the United States market. New Zealand casein exports showed a slight increase of less than 0.5 per cent from 1985 to 1986 and the high level of 1985 was again achieved with exports reaching 71.2 thousand tons, thus confirming New Zealand's position as the world's leading casein exporter. The expansion of New Zealand casein exports with record levels of sales of all casein products, was the result of sustained sales efforts over a wide front in all major markets. Significant developments of industry resources and manufacturing facilities enabled a higher proportion of the total casein product mix to be processed into products suitable for direct sales to end-users, offering a wide range of casein, casinate and co-precipitate products. The efforts made over recent years to improve the quality of New Zealand casein and adopt the product range to market requirements were continued. However, in 1987/88 New Zealand was not able to maintain the same level of casein exports as in 1985 and 1986, partly because of smaller quantities available for export and partly because import demand might react, at least temporarily, to increased prices.

Imports of casein into Japan fell in 1986 back to a more traditional level of 23.6 thousand tons, some 4 per cent less than in 1985, with New Zealand, the European Communities and Australia providing the supplies.

The United States remained by far the most important outlet for casein in 1986, accounting for more than half of world imports. However, United States imports decreased from 110 thousand tons in 1985 to 100 thousand tons in 1986. In 1987, demand for casein was strong in the United States but this seemed in the first instance to have an impact on prices, which went up strongly and less on imported quantities. Reduced New Zealand supplies were to a great extent made up for by increased Community supplies during the first half of 1987. Exporters were expressing concerns as to a possible restriction of casein imports into the United States, as the United States dairy sector was complaining about the adverse effects casein imports had in the domestic market. A USDA study was conducted in 1986 to determine whether imports of casein tended to interfere with or rendered ineffective the United States milk price support programme. The study concluded, inter alia, that a 50 per cent quota on imports might reduce CCC purchases of cheese and price support programme costs by about US$84 to US$300 million, but consumers' expenditure would increase by US$180 million. A 50 per cent tariff would have little impact on the cost of the price support programme, while it could increase consumers' expenditure by about US$66 million. The only action taken by the US Government was a change made in the tariff classification of casein, from being a chemical industry product to being a food product.

As a result of abundant supplies, world market prices for casein remained depressed throughout the first part of 1986. However, prices improved throughout the latter part of the year. Prices continued to increase in 1987, notably in the United States market, where edible casein was in July 1987 quoted at US$130 per 100 lb. or approximately US$2,800 per ton (wholesale) compared with a level of US$2,000 a year earlier. Prices in European markets started to increase in the spring of 1987 and by the middle of the year tendencies were very strong for a further increase with spot deliveries very much in demand. In the autumn of 1987, market supplies of casein from all sources were extremely tight and prices were firming up. Expectations that casein prices might be high throughout 1987/88 were therefore strong.

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

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 (world totals), the UN/Economic Commission for Europe, the OECD, the Commonwealth Secretariat, the Commission of the European Communities, Agriculture Canada and the United States Department of Agriculture.

Notes relating to data of individual countries

In some countries' statistics, figures relating to anhydrous milk fat are not kept separate from those relating to butter. They may therefore be included in the data relating to butter. The data shown with respect to consumption, relate to apparent consumption, as calculated by the secretariat. All totals include only the figures shown.

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.

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. Whole milk powder export classification changed on 1 July 1984. Stocks are those held by manufacturers. Cheese stock figures only include Cheddar, Gouda and stirred curd/granular cheeses.

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

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 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. Exports of skimmed milk powder in 1984, were food aid. 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. Exports of skimmed milk powder first half of 1985, do not include 28,614 tons for stock feed and other non-human consumption. 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", (1985: 23,700 tons, 1986: 23,400 tons).

Butter figures for Switzerland 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 1985 for skimmed milk powder include skimmed milk powder and buttermilk powder.

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 milk powder, dry whole milk and cream.

Notes relating to total world trade and production (FAO information)

For cheese, totals include cheese and curd.

For butter, totals include butter and ghee.

Regions of destination

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

ANNEX TABLE I/ANNEXE TABLEAU I/CUADRO I DEL ANEXO

Milk Deliveries/Livraisons de lait/Entregas de leche

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	million m.t.			Indices 1981-83 = 100		million m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	5.53	5.38	6.20	97	112	2.57	...	98	...
AUSTRALIA	5.61	6.20	6.18	110	110	2.43	2.44	119	119
BULGARIA	1.89	2.02	2.08	107	110	1.12	...	112	...
EC 10	100.88	100.09	101.30	99	100	55.65	53.42*	106	102
EC 12	106.00	105.90	106.90	100	101	...	55.80*	...	...
EGYPT	0.75	0.96	0.97	128	101	...	...	...	...
FINLAND	2.98	2.89	2.89	97	97	1.44	1.42	97	96
HUNGARY	2.28	2.52	2.38	111	104	1.10	...	98	...
JAPAN	6.80	7.38	7.45	108	110	3.80	...	112	...
NEW ZEALAND	6.77	7.83	7.76	116	115	3.21	2.54*	129	102
NORWAY	1.94	1.84	1.85	95	95	0.99	...	97	...
POLAND	10.07	11.47	10.91	114	108	5.09	5.22*	111	114
ROMANIA	4.86	4.52	4.10	93	84	...	...	...	...
SOUTH AFRICA	0.95	0.86	0.87	90	91	...	...	...	...
SWEDEN	3.50	3.58	3.42	102	98	1.76	1.77	92	98
SWITZERLAND	3.02	3.08	3.09	102	102	1.56	1.54	99	98
URUGUAY	0.59	0.50	0.56	86	95	0.24	...	...	...
Others									
AUSTRIA	2.38	2.38	2.38	100	100	1.18	1.18	98	98
CANADA	7.60	7.26	7.52	96	99	3.79	3.84	99	100
UNITED STATES	61.56	65.24	65.35	106	106	33.80	32.90	108	105
USSR	92.12	97.76	100.00	106	109	36.00	37.00	111	114
TOTAL Participants	158.42	161.12	167.61	102	106	...	...	...	...
TOTAL World	483.5	506.8	515.00	105	107	186.80	...	88	...

ANNEX TABLE II/ANNEXE TABLEAU II/CUADRO II DEL ANEXO

Production of Butter/Production de beurre/Producción de mantequilla

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
		'000 m.t.		Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	34.4	31.5	32.0	92	93	15.8	...	93	...
AUSTRALIA	79.0	79.9	68.5	101	87	21.3	29.7	100	139
BULGARIA	22.1	24.6	24.4	111	110	13.3	13.9	121	126
EC 10	1,987.0	1,904.0	2,039.0*	96	103	1,158.0	988.0*	106	91
EGYPT	71.3	79.6	79.0	112	111	...	...	...	...
FINLAND	74.7	72.0	72.0	96	96	35.0	35.0	93	93
HUNGARY	31.8	30.3	32.1	95	101	15.3	...	97	...
JAPAN	67.0	89.0	88.0	133	131	48.0	38.0	139	110
NEW ZEALAND	238.8	263.1	232.3	110	97	101.1	69.0	114	78
NORWAY	24.8	24.6	23.5	99	95	13.1	13.8	92	97
POLAND	235.6	275.0	259.1	117	110	108.5	118.0	111	120
ROMANIA	40.2	47.0	49.7	117	122	20.1	...	108	...
SOUTH AFRICA	17.3	17.4	14.5	101	84	7.6	5.6	94	165
SWEDEN	43.5	42.5	36.9	98	85	20.1	19.3	80	77
SWITZERLAND	32.8	33.2	31.8	101	97	16.5	17.1	93	96
URUGUAY	9.6	10.9	10.9	114	111	5.2	5.6	118	127
Others									
AUSTRIA	42.2	40.5	42.2	96	100	19.6	19.7	94	94
CANADA	113.0	94.5	96.5	84	85	52.2	43.6	91	76
UNITED STATES	575.1	569.6	544.0	99	95	320.3	269.7	100	84
TOTAL Participants	3,009.9	3,024.6	3,093.0*	100	103	...	...	...	...
TOTAL World	7,272.0	7,618.0	7,800.0	105	107	3,089.0	...	95	...

ANNEX TABLE III/ANNEXE TABLEAU III/CUADRO III DEL ANEXO

Consumption of Butter/Consommation de beurre/Consumo de mantequilla

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	31.1	29.2	33.7*	94	108	15.4	...	97	...
AUSTRALIA	61.1	69.6	57.2	114	94	26.5	25.9	93	91
BULGARIA	21.6	24.6	26.1*	114	121	14.1*	13.8*	145	142
EC 10	1,719.7	1,608.0	1,695.0*	94	99	883.0	1,033.0*	101	118
FINLAND	59.0	60.0	55.0	102	93	21.0	25.0	83	99
HUNGARY	27.4	30.2	33.7	110	123	16.0	...	118	...
JAPAN	73.7	81.0	83.0	110	113	38.0	39.8*	114	119
NEW ZEALAND	40.7	40.2	38.9	99	96	19.8	18.9	100	95
NORWAY	19.4	19.2	17.5	99	90	9.0	8.4	94	88
POLAND	257.3	275.8	297.9	107	116	135.1	137.7	112	114
SOUTH AFRICA	16.9	13.2	16.9	79	100	7.0	8.8	74	93
SWEDEN	30.4	29.3	27.9	96	92	11.4	12.7	84	93
SWITZERLAND	44.9	40.9	40.1	91	89	20.6	19.0	93	86
URUGUAY	4.2	3.2	2.6	76	62	1.2	1.6	...	...
Others									
AUSTRIA	37.4	35.3	35.3	94	94	17.3	17.1	94	92
CANADA	104.6	101.7	100.5	97	96	50.0	43.1	99	85
UNITED STATES	494.3	582.0	529.0	118	107	...	...	...	...
TOTAL Participants	2,407.4	2,324.4	2,425.5*	97	101	1,218.1*	...	102	...
TOTAL World	5,888.5	6,286.0	6,257.0	107	106	...	...	...	...

ANNEX TABLE IV/ANNEXE TABLEAU IV/CUADRO IV DEL ANEXO

Exports of Butter/Exportations de beurre/Exportaciones de mantequilla

A. Total

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	4.1	-	-	-	-	-	...	-	...
AUSTRALIA	7.0	27.4	19.7	391	281	15.5	4.2	443	120
BULGARIA	0.3	0.2	0.3	67	100	-	0.1	...	...
EC 10	252.6	200.7	185.1	79	73	64.0	199.0*	47	145
FINLAND	16.0	18.9	10.4	118	65	5.2	12.9	71	177
HUNGARY	10.3	1.0	0.2	10	2	0.2	...	4	...
NEW ZEALAND	173.9	214.9	161.6	124	93	76.2	91.5	105	127
NORWAY	4.6	6.2	4.5	135	98	2.0	5.4	67	135
POLAND	1.6	-	-	-	-	-	-*	-	-
ROMANIA	13.9	22.0	23.3*	158	168	6.5	...	90	...
SOUTH AFRICA	1.1	0.5	0.5	46	46	0.3	0.1	50	17
SWEDEN	12.5	13.3	8.3	106	66	5.3	5.9	67	75
URUGUAY	5.9	8.2	6.8	139	115	3.7	2.5	93	63
Others									
AUSTRIA	3.0	2.6	7.5	87	250	2.5	2.9	208	242
CANADA	1.4	0.9	0.4	64	29	0.3	0.2	43	29
UNITED STATES	51.4	30.0	6.2	58	12	2.2	2.8	10	13
TOTAL Participants	503.8	512.4	420.0*	102	84	178.9	...	71	...
TOTAL World	816.0	791.0	700.0	97	86	...	...	...	...

ANNEX TABLE IV (Cont'd)/ANNEXE TABLEAU IV (suite)/CUADRO IV DEL ANEXO (cont.)

B. Exports of Butter by Destination/Exportations de beurre par destinations/Exportaciones de mantequilla, por destino

('000 metric tons)

EXPORTERS	EC 10		NEW ZEALAND		SWEDEN		FINLAND		AUSTRALIA		UNITED STATES		TOTAL	
DESTINATIONS	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
WESTERN EUROPE	8.4	10.0	87.4	71.6	4.5	3.2	5.0	2.4	-	-	-	-	105.3	87.2
EASTERN EUROPE	0.3	18.3	-	14.1	-	-	-	-	-	-	-	0.1	0.3	32.5
USSR	133.4	104.7	20.0	9.1	2.3	-	7.1	8.0	7.0	-	-	-	169.8	121.8
NORTH AMERICA	0.3	0.2	-	-	-	-	-	-	-	-	-	-	0.3	0.2
SOUTH AMERICA	0.5	0.2	-	2.6	-	-	-	-	-	-	-	-	0.5	2.8
CENTRAL AMERICA	0.2	-	-	-	-	-	-	-	-	-	11.0	3.8	11.2	3.8
CARIBBEAN	3.1	2.6	16.4	16.0	-	-	-	-	-	0.1	0.3	0.2	19.8	18.9
AFRICA	15.9	19.3	22.1	11.3	6.3	4.5	4.7	-	10.2	6.1	18.3	2.0	77.5	43.2
SOUTH AND EAST ASIA	5.0	3.0	3.8	6.6	0.2	-	-	-	4.7	11.7	-	0.1	13.7	21.4
WESTERN ASIA	32.2	22.2	52.6	18.6	-	-	0.1	-	4.9	1.7	-	-	89.8	42.5
OCEAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER DESTINATIONS	1.4	4.8	12.6	11.7	-	0.6	2.0	-	0.6	0.1	0.4	-	17.0	17.2
TOTAL	200.7	185.3	214.9	161.6	13.3	8.3	18.9	10.4	27.4	19.7	30.0	6.2	505.2	391.5
OIL-EXPORTING COUNTRIES (members of OPEC)	30.6	21.4	72.5	27.2	2.0	-	-	-	11.4	13.0	-	-	116.5	61.6

ANNEX TABLE V/ANNEXE TABLEAU V/CUADRO V DEL ANEXO

Imports of Butter/Importations de beurre/Importaciones de mantequilla

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	1.0	0.6	0.5	60	50	-	...	-	...
AUSTRALIA	0.3	-	-	-	-	-	-	-	-
BULGARIA	0.3	-	2.0	-	667	0.8	-	268	-
EC 10	105.0	80.0	85.0*	76	81	51.0	40.0*	106	83
EGYPT	32.5	54.3	49.4*	167	152	24.0	...	160	...
HUNGARY	6.5	2.2	3.0	34	46	1.2	...	29	...
JAPAN	3.0	1.7	1.7	57	57	0.8	0.8	267	267
NEW ZEALAND	8.2	-	-	-	-	-	-	-	-
POLAND	32.2	-	38.9	-	121	5.0	28.7	27	157
ROMANIA	11.9	-	-*	-	-	...	...	...	...
SOUTH AFRICA	1.3	-	-	-	-	-	-	-	-
SWEDEN	0.1	0.2	0.1	200	100	-	-	-	-
SWITZERLAND	13.2	7.1	7.9	54	60	3.7	3.3	65	58
Others									
AUSTRIA	1.1	3.7	2.5	336	336	2.0	1.2	333	200
CANADA	-	0.1	-	...	-	-	-	-	-
UNITED STATES	1.0	0.8	0.9	80	90	...	...	...	...
TOTAL Participants	215.5	146.1	188.5*	68	87	...	...	...	...
TOTAL World	831.0	861.0	817.0	104	98	...	...	...	...

ANNEX TABLE VI/ANNEXE TABLEAU VI/CUADRO VI DEL ANEXO

Stock of Butter/Stocks de beurre/Existencias de mantequilla

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
			'000 m.t.			Indices 1981-83 = 100		
IDA Participants								
ARGENTINA	1 Jan.	7.8	2.2	5.3		28	68	
	1 Apr.	8.7	3.9	6.5		45	75	
	1 Jul.	6.5	4.2	5.7		65	88	
	1 Oct.	5.0	3.1	4.1		62	82	
AUSTRALIA	1 Jan.	26.1	50.5	38.1	29.7	194	146	114
	1 Apr.	27.3	43.6	32.6	35.9	160	119	132
	1 Jul.	.7	27.3	16.6	29.3	174	106	187
	1 Oct.	18.1	22.7	11.4		125	63	
BULGAR	1 Jan.	1.2	1.5	2.7		125	225	
	1 Apr.	1.1	1.2			109		
	1 Jul.	2.2	2.5			114		
	1 Oct.	2.4	2.5			104		
EC 10	1 Jan.	230.7	949.0	1,124.0	1,367.0*	411	487	593
	1 Apr.	141.7	890.0	1,122.0	1,188.0*	628	792	838
	1 Jul.	354.3	1,084.0	1,386.0	1,163.0*	306	391	328
	1 Oct.	513.0	1,212.0	1,475.0*		236	288	
FINLAND	1 Jan.	9.3	12.0	5.0	12.0	129	54	129
	1 Apr.	7.3	14.0	10.0	17.0	192	137	233
	1 Jul.	14.3	17.0	14.0	15.0	119	98	105
	1 Oct.	16.7	20.0	18.0		120	108	
HUNGARY	1 Jan.	2.6	0.9	1.3	2.5	35	50	96
	1 Apr.	2.9	0.8	1.1		28	38	
	1 Jul.	3.6	1.9	1.6		53	44	
	1 Oct.	3.0	1.9	2.6		63	87	
JAPAN	1 Jan.	19.0	14.0	24.0	30.0	74	126	158
	1 Apr.	20.7	20.0	30.0	29.0	97	145	140
	1 Jul.	21.0	26.0	35.0		124	167	
	1 Oct.	21.7	29.0	37.0		134	171	
NEW ZEALAND	1 Jan.	33.9	91.0	110.0	104.0	268	324	307
	1 Apr.	31.7	119.0	130.0	102.0	375	410	322
	1 Jul.	25.4	77.9	110.7	60.0	307	436	236
	1 Oct.	20.8	91.6	83.3		440	400	
NORWAY	1 Jan.	2.1	4.3	3.1	3.7	205	148	176
	1 Apr.	3.7	6.2	4.2	4.9	168	114	132
	1 Jul.	3.7	7.1	4.4	3.5	192	119	95
	1 Oct.	2.6	5.5	3.0		212	115	
POLAND	1 Jan.		38.6	29.0	19.5			
	1 Apr.		22.3	7.8	13.0			
	1 Jul.		25.6	5.9	24.8			
	1 Oct.		40.6	9.2				

ANNEX TABLE VI (Cont'd)/ANNEXE TABLEAU VI (suite)/CUADRO VI DEL ANEXO (Cont.)

Stocks of Butter/Stocks de beurre/Existencias de mantequilla

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
		'000 m.t.				Indices 1981-83 = 100		
IDA Participants (cont'd)								
SOUTH AFRICA	1 Jan.	2.5	4.5	9.2	6.3	180	368	252
	1 Apr.	3.9	7.0	9.8	5.7	179	251	146
	1 Jul.	1.7	4.6	9.5	3.0	271	559	176
	1 Oct.	2.6	7.6	6.3		292	242	
SWEDEN	1 Jan.	2.3	5.0	4.9	5.6	217	213	243
	1 Apr.	3.3	5.7	4.2	7.4	173	127	224
	1 Jul.	5.9	9.2	8.0	6.5	156	136	110
	1 Oct.	4.6	9.2	5.1		200	111	
SWITZERLAND	1 Jan.	3.4	4.9	4.0	3.6	144	118	106
	1 Apr.	3.7	4.3	4.0	3.7	116	108	100
	1 Jul.	4.4	5.9	3.6	5.0	134	82	114
	1 Oct.	5.6	4.6	5.3		82	95	
URUGUAY	1 Jan.	3.2	1.7	1.4	2.9	53	44	91
	1 Apr.		0.7	2.8	4.5			
	1 Jul.		1.9	1.7	4.3			
	1 Oct.		2.4	0.7				
Others								
AUSTRIA	1 Jan.	1.9	4.5			237		
	1 Apr.	2.1	...			...		
	1 Jul.	2.6	3.5			135		
	1 Oct.	3.1	6.2*			200		
CANADA	1 Jan.	23.8	28.3	20.3	17.5	119	85	74
	1 Apr.	21.7	24.9	21.1	17.7	115	97	82
	1 Jul.	29.7	30.9	22.5	17.9	104	76	60
	1 Oct.	32.0	27.5	21.2		86	66	
UNITED STATES	1 Jan.	181.6	134.5	93.2	114.2	74	51	63
	1 Apr.	210.0	132.3	128.5	115.0	63	61	55
	1 Jul.	247.7	130.1	171.0	138.0*	53	69	56
	1 Oct.	235.0	116.0	142.7	104.0*	49	61	44

ANNEX TABLE VII/ANNEXE TABLEAU VII/CUADRO VII DEL ANEXO

Production of Anhydrous Milk Fat/Production de matières grasses laitières anhydres/ Producción de grasas lácteas anhidras

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
IDA Participants	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
AUSTRALIA	9.6	24.9	25.3	259	264	9.6	5.5	229	131
EC 10	216.3	241.0	225.0*	111	104	84.0	111.0*	79	105
NEW ZEALAND	18.2	24.2	33.0	133	181	22.8	38.4	415	698
SWEDEN	3.9	6.9	5.7	177	146	3.1	5.2	155	260
SWITZERLAND	3.0	3.2	3.6	107	120	1.9	1.8	119	113
URUGUAY	0.2	0.4	0.4	200	200	0.1	-	100	-
TOTAL Participants	251.2	300.6	293.0*	120	117	121.5	161.9*	102	136

ANNEX TABLE VIII/ANNEXE TABLEAU VIII/CUADRO VIII DEL ANEXO

A. Total Exports of Anhydrous Milk Fat/Exportations de matières grasses laitières anhydres/ Exportaciones de grasas lácteas anhidras

('000 metric tons)

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
IDA Participants	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
AUSTRALIA	3.6	24.0	23.8	667	661	11.1	6.1	555	305
BULGARIA	-	-	0.3	...	...	-	0.1	...	...
EC 10	130.7	152.9	119.5	117	91	53.0	80.0*	86	130
NEW ZEALAND	36.6	36.0	46.5	98	127	12.2	31.3	56	143
SWEDEN	0.2	0.8	0.3	400	150	0.2	0.2	100	100
URUGUAY	-	0.4	0.8	...	...	0.2	0.1	...	...
TOTAL Participants	171.1	214.1	191.2	125	112	76.7	117.8*	...	...

ANNEX TABLE VIII (Cont'd)/ANNEXE TABLEAU VIII (suite)/CUADRO VIII DEL ANEXO (Cont.)

B. European Communities and New Zealand: Exports of Anhydrous Milk Fat by Destination/Communautés européennes et Nouvelle-Zélande: Exportations par matières grasses laitières anhydres par destinations/Comunidades Europeas y Nueva Zelandia: Exportaciones de grasas lácteas anhidras, por destino

('000 metric tons)

	1984		1985		1986	
	EC 10	NZ	EC 10	NZ	EC 10	NZ
Western Europe	0.7	-	0.3	-	-	-
Eastern Europe	0.1	-	-	-	-	-
USSR	0.4	-	29.0	-	-	-
North America	0.2	1.1	-	-	-	0.8
South America	2.7	5.5	2.5	2.8	4.0	19.1
Central America of which:	15.0	6.7	9.0	2.6	8.4	3.0
Mexico	13.0	6.0	7.5	2.6	6.9	2.5
Caribbean	1.4	1.3	3.6	0.8	2.8	-
Africa of which:	46.6	1.3	57.4	9.0	62.4	2.1
Algeria	3.4	1.3	10.0	9.0	11.6	2.1
Libya	4.0	-	4.5	-	0.3	-
Egypt	20.8	-	27.7	-	38.4	-
South and East Asia of which:	36.4	14.9	19.1	8.1	15.0	9.3
Indonesia	1.7	4.7	1.8	3.8	1.2	2.2
India	13.5	-	4.5	-	0.6	-
Bangladesh	3.5	-	0.3	-	0.4	-
Philippines	3.8	3.1	0.3	2.5	0.7	4.1
Pakistan	1.2	0.8	1.0	-	1.7	-
Western Asia of which:	27.0	5.1	31.0	3.2	22.0	5.5
Syria	15.1	-	17.5	-	10.4	1.3
Saudi Arabia	5.3	-	5.3	-	4.9	2.1
Other	-	4.7	1.0	9.5	4.9	6.7
TOTAL	130.5	40.6	152.9	36.0	119.5	46.5
OPEC	17.5	10.1	25.8	16.0	10.6	8.8

ANNEX TABLE IX/ANNEXE TABLEAU IX/CUADRO IX DEL ANEXO

Production of Cheeses/Production de fromages/Producción de quesos

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	242.4	215.2	260.6	89	108	116.9	...	99	...
AUSTRALIA	152.4	164.0	168.2	108	110	66.0	73.8	129	144
BULGARIA	120.2	129.5	140.0	108	116	82.8	80.4	121	118
EC 10	3,881.7	4,171.0	4,165.0*	107	107	2,122.0	2,179.0*	104	107
EGYPT	260.0	306.3	303.0	118	117	...	...	...	...
FINLAND	73.0	79.0	83.0	108	114	41.0	42.0	117	120
HUNGARY	49.9	54.1	54.2	108	109	27.1	...	112	...
JAPAN	13.0	19.0	22.0	146	169	10.0	12.0	167	200
NEW ZEALAND	105.4	120.6	111.9	114	106	51.0	47.9	122	115
NORWAY	68.5	69.2	73.2	101	107	38.6	41.3	105	113
POLAND	101.7	123.5	125.8	121	124	56.4	61.5	136	148
ROMANIA	132.0	87.4	100.5	66	76	45.7	...	...	...
SOUTH AFRICA	35.6	34.0	35.6	96	100	16.2	16.4	99	101
SWEDEN	112.4	114.6	106.2	102	94	52.5	52.4	94	94
SWITZERLAND	124.0	124.0	127.2	100	103	63.2	63.5	101	102
URUGUAY	11.7	11.0	13.9	94	119	5.3	4.7	106	94
Others									
AUSTRIA	80.2	83.3	77.6	104	97	38.8	39.2	95	96
CANADA	175.7	207.3	233.3	118	133	109.0	120.3	125	138
UNITED STATES	2,044.1	2,279.2	2,389.3	112	117	1,219.1	1,211.2	117	117
TOTAL Participants	5,483.9	5,822.4	5,890.3*	106	107	...	...	...	...
TOTAL World	11,947.0	12,760.0	12,900.0.	107	108	5,317.3	...	109	...

ANNEX TABLE X/ANNEXE TABLEAU X/CUADRO X DEL ANEXO

Consumption of Cheeses/Consommation de fromages/Consumo de quesos

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	238.8	207.2	255.8*	87	107	119.9	...	100	...
AUSTRALIA	105.2	116.5	132.8	111	126	63.2	...	127	...
BULGARIA	90.4	106.8	120.8*	118	134	...	...	...	...
EC 10	3,589.0	3,865.0	3,878.0*	108	108	1,990.0	2,052.0*	105	109
FINLAND	38.7	46.0	52.0	119	134	26.0	24.0	140	129
HUNGARY	39.5	44.0	45.6	111	115	21.4	...	114	...
JAPAN	85.0	98.0	103.0	115	121	48.0	54.0	119	134
NEW ZEALAND	27.4	28.4	26.1*	104	95	15.0	11.9	108	86
NORWAY	48.0	49.5	51.6	103	108	25.7	26.3	100	102
POLAND	102.3	109.1	113.8	107	111	50.5	53.7	120	127
ROMANIA	...	83.0	97.5*	...	...	...	...	...	...
SOUTH AFRICA	33.8	35.7	39.2	106	116	24.6	18.2	125	92
SWEDEN	118.5	117.0	116.9	99	99	55.6	60.9	99	109
SWITZERLAND	87.0	90.8	92.6	104	106	...	...	...	...
URUGUAY	8.9	8.5	7.2	96	81	2.8	5.0	...	...
Others									
AUSTRIA	34.5	34.3	34.6	99	100	17.3	17.5	100	101
CANADA	191.8	216.7	248.2	113	129	117.4	121.7	125	129
UNITED STATES	2,064.7	2,454.0	2,581.0	119	125	...	...	...	...
TOTAL Participants	...	5,005.5	5,132.9*	...	...	...	...	...	...
TOTAL World	8,154.5	9,088.0	9,441.0	111	116	...	...	...	...

ANNEX TABLE XI/ANNEXE TABLEAU XI/CUADRO XI DEL ANEXO

Exports of Cheese/Exportations de fromages/Exportaciones de quesos

A. Total

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	5.4	5.6	8.1	104	150	2.3	...	77	...
AUSTRALIA	55.2	73.6	60.8	133	110	28.5	29.8	107	112
BULGARIA	13.6	29.7	23.1	218	170	11.7	10.2	316	276
EC 10	382.3	408.4	376.7	107	99	178.0	181.0*	99	100
EGYPT	0.1	-	-	-	-	-	-*	-	-
FINLAND	34.7	37.3	33.1	107	95	13.2	17.6	80	106
HUNGARY	9.0	10.1	8.0	112	89	3.7	...	100	...
NEW ZEALAND	78.9	87.5	103.9	111	132	49.2	47.0	132	126
NORWAY	20.6	19.7	19.8	96	96	8.4	9.2	86	94
POLAND	1.3	1.1	1.1	85	85	0.4	0.3	133	100
ROMANIA	4.7	5.4	3.3	115	70	0.9	...	33	...
SOUTH AFRICA	0.2	1.4	0.9	700	450	0.8	-	800	-
SWEDEN	5.7	5.2	4.3	91	75	2.0	2.0	83	83
SWITZERLAND	62.4	65.4	64.2	105	103	29.9	27.7	104	97
URUGUAY	2.8	2.3	7.2	82	257	2.2	1.5	157	107
Others									
AUSTRIA	42.3	42.5	36.0	101	85	16.1	16.7	84	87
CANADA	4.7	10.5	10.1	223	215	5.4	4.7	257	224
UNITED STATES	13.3	15.7	12.4	118	93	3.2	6.0	68	128
TOTAL Participants	676.9	752.7	714.5	111	106	330.2	...	104	...
TOTAL World	795.0	858.0	850.0	108	107	...	...	...	...

ANNEX TABLE XI (Cont'd)/ANNEXE TABLEAU XI (suite)/CUADRO XI DEL ANEXO (cont.)

B. Exports of Cheeses by Region/Exportations de fromages par destinations/Exportaciones de quesos, por destino

('000 metric tons)

EXPORTERS	EC 10		NEW ZEALAND		AUSTRALIA		SWITZERLAND		FINLAND		BULGARIA		UNITED STATES		TOTAL	
DESTINATIONS	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
WESTERN EUROPE	76.3	52.6	15.4	13.8	5.8	5.3	54.3	55.1	12.5	12.8	1.9	-	0.1	-	166.3	139.6
EASTERN EUROPE	2.6	5.3	-	-	-	-	-	-	0.4	0.6	8.0	-	-	-	11.0	5.9
USSR	0.1	-	0.6	1.6	-	-	-	-	6.2	3.1	-	10.2	-	-	6.9	14.9
NORTH AMERICA	71.5	58.5	18.3	18.5	3.3	3.9	5.9	4.9	11.3	9.6	0.5	-	1.0	0.8	111.8	96.2
SOUTH AMERICA	4.5	15.7	-	-	-	-	-	-	0.1	0.1	-	-	2.3	-	6.9	15.8
CENTRAL AMERICA	2.9	1.8	0.4	0.5	0.3	-	-	-	-	0.3	-	-	4.6	6.6	8.2	9.2
CARIBBEAN	10.5	7.5	2.5	3.2	0.5	0.9	-	-	0.1	0.1	-	2.2	2.0	1.7	15.6	15.6
AFRICA	55.2	37.3	2.2	2.9	5.9	3.7	-	-	1.5	1.7	-	-	4.5	1.1	69.3	46.7
SOUTH AND EAST ASIA	28.5	25.8	29.1	32.4	28.1	32.5	-	-	-	0.1	-	-	1.0	0.9	86.7	91.7
WESTERN ASIA	146.0	141.5	2.8	6.5	28.5	14.3	-	-	4.5	3.8	13.0	5.5	0.2	-	195.0	171.6
OCEANIA	9.2	8.3	7.2	7.3	0.1	0.2	-	-	0.7	0.9	-	-	-	-	17.2	16.7
OTHER DESTINATIONS	1.1	22.4	9.0	17.2	1.1	-	5.2	4.2	-	-	6.3	5.2	-	1.3	22.7	50.3
TOTAL	408.4	376.7	87.5	103.9	73.6	60.8	65.4	64.2	37.3	33.1	29.7	23.1	15.7	12.4	717.6	674.2
OIL-EXPORTING COUNTRIES (members of OPEC)	139.2	144.3	4.4	9.3	33.0	22.3	-	-	1.0	1.3	13.0	5.5	0.2	-	120.8	102.7

ANNEX TABLE XII/ANNEXE TABLEAU XII/CUADRO XII DEL ANEXO

Imports of Cheeses/Importations de fromages/Importaciones de quesos

Country	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
		'000 m.t.		Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	2.4	0.6	1.5	25	63	0.3	...	20	...
AUSTRALIA	17.7	22.1	19.6	125	111	9.7	8.9	124	114
BULGARIA	-	0.2	0.1	...	...	-	-	-	-
EC 10	101.7	112.0	104.0*	110	102	50.0	50.0*	112	112
EGYPT	25.2	39.7	40.0*	158	159	25.0	...	379	...
FINLAND	0.3	1.0	1.5	333	600	0.7	0.6	...	...
HUNGARY	0.2	0.2	0.3	100	200	0.3	...	...	...
JAPAN	72.0	82.0	81.2	114	113	38.2	42.5	112	125
NEW ZEALAND	0.2	0.5	0.8	250	400	0.3	0.1	...	...
NORWAY	1.5	2.0	2.1	133	140	1.0	0.8	143	114
POLAND	5.4	2.8	5.6	52	104	2.3	0.4	121	21
ROMANIA	1.8	0.5	0.3*	28	17	-	...	-	...
SWEDEN	14.5	14.9	14.3	103	99	5.7	7.6	93	125
SWITZERLAND	20.6	21.3	22.6	103	110	10.7	11.5	106	114
URUGUAY	0.1	-	-	-	-	-	-	-	-
Others									
AUSTRIA	8.1	10.3	10.4	127	128	5.3	5.0	126	119
CANADA	20.2	19.4	19.2	96	95	8.8	7.5	98	83
UNITED STATES	121.3	137.2	131.9	113	109	55.4	39.1	115	81
TOTAL Participants	263.6	299.0	293.9*	113	111	144.2	...	127	...
TOTAL World	733.0	832.0	815.0	114	111	...	...	...	...

ANNEX TABLE XIII/ANNEXE TABLEAU XIII/CUADRO XIII DEL ANEXO

Stocks of Cheese/Stocks de fromages/Existencias de queso

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
		'000 m.t.				Indices 1981-83 = 100		
IDA Participants								
ARGENTINA	1 Jan.	22.5	18.5	21.6		82	96	
	1 Apr.	22.2	20.3	20.6		91	93	
	1 Jul.	19.1	22.1	16.8		116	88	
	1 Oct.	18.0	20.9	19.8		116	110	
AUSTRALIA	1 Jan.	79.3	98.0	97.0	91.4	124	122	115
	1 Apr.	79.2	95.1	100.6	101.3	120	127	128
	1 Jul.	62.1	79.6	81.0	85.5	128	130	138
	1 Oct.	62.1	78.9	76.4		127	123	
BULGARIA	1 Jan.	12.4	16.8	13.0		136	105	
	1 Apr.	17.6	18.0			102		
	1 Jul.	35.2	28.0			80		
	1 Oct.	30.7	26.0			85		
EC 10	1 Jan.	54.0	88.0	97.0	108.0*	163	180	200
	1 Apr.	48.3	68.0	91.0	100.0*	141	188	207
	1 Jul.	54.3	85.0	101.0	104.0*	157	186	192
	1 Oct.	76.7	116.0	131.0*		151	171	
FINLAND	1 Jan.	11.3	12.0	12.0	12.0	106	106	106
	1 Apr.	12.3	13.0	14.0	14.0	106	114	114
	1 Jul.	13.7	12.0	14.0	13.0	88	102	95
	1 Oct.	16.0	15.0	20.0		94	125	
HUNGARY	1 Jan.	4.2	5.1	5.4	6.3	121	129	150
	1 Apr.	4.9	5.4	6.9		110	141	
	1 Jul.	5.8	6.2	7.7		107	133	
	1 Oct.	5.7	6.9	7.6		121	133	
NEW ZEALAND	1 Jan.	38.3	61.0	70.6	62.8	159	184	164
	1 Apr.	45.0	71.8	81.4	70.4	160	181	156
	1 Jul.	32.7	50.7	65.5	50.0	155	200	153
	1 Oct.	28.3	42.5	50.0		150	177	
NORWAY	1 Jan.	19.2	19.7	19.4	19.4	103	101	101
	1 Apr.	19.5	20.6	21.9	22.1	106	112	113
	1 Jul.	19.6	22.7	21.3	24.4	116	109	124
	1 Oct.	19.5	20.7	20.2		106	104	

ANNEX TABLE XIII (Cont'd)/ANNEXE TABLEAU XIII (suite)/CUADRO XIII DEL ANEXO (Cont.)

Stocks of Cheese/Stocks de fromages/Existencias de queso

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
		'000 m.t.				Indices 1981-83 = 100		
IDA Participants (cont'd)								
POLAND	1 Jan.		4.8	6.5	4.8			
	1 Apr.		4.4	3.0	3.0			
	1 Jul.		6.2	5.2	3.2			
	1 Oct.		6.6	4.7				
SOUTH AFRICA	1 Jan.	10.4	13.9	10.8	6.2	134	103	60
	1 Apr.	11.4	14.9	9.3	5.5	131	82	48
	1 Jul.	6.9	7.3	1.5	4.4	106	22	64
	1 Oct.	10.4	10.3	6.2		99	60	
SWEDEN	1 Jan.	35.7	41.7	43.1	42.4	117	121	119
	1 Apr.	38.3	44.0	43.9	42.5	115	115	111
	1 Jul.	39.3	44.0	43.7	39.8	112	111	101
	1 Oct.	40.1	44.9	42.6		109	106	
SWITZERLAND	1 Jan.	17.0	24.3	20.1	19.9	143	118	117
	1 Apr.	15.8	22.6	19.7	19.5	143	125	123
	1 Jul.	15.4	21.0	16.5	19.4	136	107	126
	1 Oct.	17.7	18.9	17.8		107	101	
URUGUAY	1 Jan.	3.1	2.4	2.6	2.1	77	84	
	1 Apr.		3.0	3.0	2.6			
	1 Jul.		4.0	2.9	2.9			
	1 Oct.		3.9	2.2				
Others								
AUSTRIA	1 Jan.	7.1	8.1			114		
	1 Apr.	8.1	...			...		
	1 Jul.	8.7	8.1			93		
	1 Oct.	8.3						
CANADA	1 Jan.	52.2	52.6	51.3	45.0	101	98	86
	1 Apr.	51.9	52.5	53.9	44.9	101	104	87
	1 Jul.	51.7	48.2	51.9	46.4	93	100	90
	1 Oct.	49.8	51.9	49.0		102	98	
UNITED STATES	1 Jan.	413.0	481.0	428.3	358.0	117	104	87
	1 Apr.	420.0	...	423.8	319.4	...	101	76
	1 Jul.	471.3	468.0	456.0	331.0	99	97	70
	1 Oct.	507.7	467.9	435.1	292.0	92	86	58

ANNEX TABLE XIV/ANNEXE TABLEAU XIV/CUADRO XIV DEL ANEXO

Production of Skimmed Milk Powder/Production de lait écrémé en poudre/ Producción de leche desnatada en polvo

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	19.3	17.2	12.1*	89	63	4.3	...	73	...
AUSTRALIA	91.2	133.8	122.8	147	135	34.8	40.3	157	182
BULGARIA	8.1	-	-	-	-	-	-	-	-
EC 10	2,158.3	1,889.0	2,096.0*	88	97	1,261.0	1,034.0*	103	85
FINLAND	60.7	42.0	45.0	69	74	20.0	21.0	65	69
HUNGARY	35.1	22.0	19.9	63	57	7.1	...	42	...
JAPAN	137.7	181.0	184.0	131	134	101.0	81.0	146	117
NEW ZEALAND	181.5	197.4	154.6	109	85	64.7	48.4	111	83
NORWAY	10.5	7.4	9.9	71	94	4.8	6.0	76	95
POLAND	104.1	158.3	150.1	152	144	65.8	66.7	162	164
ROMANIA	27.4	27.5	28.6	100	104	14.0	...	...	...
SOUTH AFRICA	21.4	24.7	17.2	115	80	9.1	5.2	99	57
SWEDEN	47.5	57.1	48.7	120	103	27.7	30.6	98	108
SWITZERLAND	30.2	30.5	28.1	101	93	14.7	15.1	84	86
URUGUAY	3.3	3.0	3.8	91	115	1.7	2.1	121	150
Others									
AUSTRIA	31.9	30.6	32.9	96	103	13.0	12.4	83	79
CANADA	143.8	97.7	104.2	68	72	56.8	53.8	80	75
UNITED STATES	640.9	630.5	588.1	98	92	355.2	263.5	103	77
TOTAL Participants	2,936.3	2,788.4	2,920.8*	95	99	1,630.7	...	106	...
TOTAL World	4,605.0	4,544.0	4,750.0	99	103	2,060.7	...	101	...

ANNEX TABLE XV/ANNEXE TABLEAU XV/CUADRO XV DEL ANEXO

Consumption of Skimmed Milk Powder/Consommation de lait écrémé en poudre/ Consumo de leche desnatada en polvo

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	15.6	15.8	13.2*	101	85	7.6	...	83	...
AUSTRALIA	53.8	52.5	51.7	98	96	19.8	22.5	77	88
BULGARIA	1.4	1.6	1.6*	114	114	...	...	...	...
EC	1,475.4	1,679.0	1,637.0*	114	111	843.0	866.0*	95	98
of which:									
Human consumption	223.7	296.0	341.0*	132	152	256.0	278.0*		
Animal feed	1,237.7	1,383.0	1,296.0*	112	105	587.0	588.0*		
FINLAND	57.0	45.0	40.0	79	70	17	11.0	68	83
of which:									
Human consumption	12.0	13.0	...	108	...	...	...		
Animal feed	45.0	32.0	...	71	...	...	...		
HUNGARY	31.8	23.1	18.7	73	73	6.9	...	45	...
of which:									
Human consumption	4.1	4.3	5.2	105	127	2.4	...		
Animal feed	27.7	18.8	13.5	68	49	4.5	...		
JAPAN	248.3	255.0	267.0	103	108	138.0	...	113	...
of which:									
Human consumption	177.3	179.0	196.0	101	111	103.0	...		
Animal feed	71.0	76.0	71.0	107	100	35.0			
NEW ZEALAND	1.7	-	-	-	-	-	-	-	-
NORWAY	8.3	7.3	8.5	88	88	4.5	4.7	102	112
of which									
Human consumption	4.1	3.9	3.9	95	95	2.1	...		
Animal feed	4.2	3.4	4.3	81	102	-	...		

ANNEX TABLE XV (Cont'd)/ANNEXE TABLEAU XV (suite)/CUADRO XV DEL ANEXO (Cont.)

Consumption of Skimmed Milk Powder/Consommation de lait écrémé en poudre/
Consumo de leche desnatada en polvo

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants (Cont'd)									
POLAND	90.8	106.1	106.4	117	117	47.3	50.3	127	135
of which:									
Human consumption	28.0	44.6	55.3	159	198	25.8	27.6		
Animal feed	62.8	61.5	51.1	98	81	21.5	22.7		
SOUTH AFRICA	16.3	17.0	25.1	104	154	10.8	7.9	126	180
SWEDEN	28.0	25.4	25.5	91	91	13.4	16.3	96	187
of which:									
Human consumption	19.4	17.1	19.9	88	103	11.0	14.6		
Animal feed	8.6	8.3	5.6	97	65	2.5	1.7		
SWITZERLAND	29.2	23.7	20.6	81	71	11.9	12.7	71	138
URUGUAY	1.8	1.7	0.9	94	50	0.3	1.0	75	250
of which:									
Human consumption	1.8	1.7	0.8	94	44	0.3	1.0		
Animal feed:	-	-	0.1	-	...	-	-		
Others									
AUSTRIA	18.2	15.3	17.1	84	94	9.3	7.0	96	72
of which:									
Human consumption	2.2	...	...	...	...	...	...		
Animal feed	16.0	...	...	...	...	...	...		
CANADA	49.6	44.8	45.0	90	91	16.7	27.6	63	105
UNITED STATES	366.3	359.0	365.0*	98	100	...	...	...	...
TOTAL Participants	2,059.4	2,253.2	2,160.2*	109	105	...	...	...	...
TOTAL World	3,411.5	3,501.0	3,449.0	103	101	...	...	...	...

ANNEX TABLE XVI/ANNEXE TABLEAU XVI/CUADRO XVI DEL ANEXO

Exports of Skimmed Milk Powder/Exportations de lait écrémé en poudre/ Exportaciones de leche desnatada en polvo

A. Total

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	4.9	-	1.2	-	24	1.0	...	34	...
AUSTRALIA	33.6	90.2	74.4	268	221	38.8	38.0	224	220
EC 10	354.7	306.3	266.7	86	75	95.0	164.0*	51	87
FINLAND	4.0	6.0	3.6	150	90	1.1	1.0	183	167
HUNGARY	2.9	-	0.3	-	10	-	...	-	...
JAPAN	0.7	-	-	-	-	-	-	-	-
NEW ZEALAND	148.0	172.9	160.0	117	108	68.8	64.5	84	79
NORWAY	7.6	-	-	-	-	-	-	-	-
POLAND	18.4	41.4	26.4	225	143	11.6	...	237	...
SOUTH AFRICA	2.5	9.8	6.4	392	256	6.3	-	...	-
SWEDEN	21.7	28.6	21.5	132	99	10.3	14.6	80	114
SWITZERLAND	1.6	7.6	7.7	475	481	-	6.3	-	...
URUGUAY	1.1	2.3	2.1	209	191	1.4	1.5	467	750
Others									
AUSTRIA	16.5	25.0	45.1	152	283	...	...	...	...
CANADA	87.6	60.6	66.1	69	75	20.3	21.7	62	66
UNITED STATES	166.7	304.9	347.1	183	208	147.1	132.8	227	205
TOTAL Participants	601.7	665.1	570.3	111	95	234.3	...	75	...
TOTAL World	951.0	1,192.0	1,170.0	125	123	...	...	...	...

ANNEX TABLE XVI (Cont'd)/ANNEXE TABLEAU XVI (suite)/CUADRO XVI DEL ANEXO (Cont.)

B. Exports of Skimmed Milk Powder by Destination/Exportations de poudre de lait écrémé, en poudre par destinations/Exportaciones de leche desnatada en polvo, por destino

('000 metric tons)

EXPORTERS / DESTINATIONS	EC 10		NEW ZEALAND		AUSTRALIA		SWEDEN		POLAND		UNITED STATES		CANADA		TOTAL	
	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
WESTERN EUROPE	17.3	2.9	-	-	-	-	0.8	2.4	-	0.2	11.1	28.9	-	-	29.2	34.4
EASTERN EUROPE	-	0.8	-	-	-	-	-	-	-	-	5.7	1.8	-	-	5.7	2.6
USSR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NORTH AMERICA	0.3	-	-	-	1.0	0.9	0.3	1.4	-	-	0.2	-	2.5	3.1	4.3	5.4
SOUTH AMERICA	18.5	49.1	8.0	30.4	-	-	1.2	-	-	-	52.2	111.9	1.9	23.6	81.8	215.0
CENTRAL AMERICA	40.0	39.5	24.2	10.2	-	-	-	-	-	-	49.8	75.7	33.0	14.6	147.0	140.0
CARIBBEAN	13.1	4.3	5.3	-	-	-	0.3	0.6	-	-	15.7	16.5	2.0	-	36.4	21.4
AFRICA	123.7	92.0	9.1	8.5	0.8	0.7	3.2	3.7	16.1	8.9	140.5	74.6	-	3.7	293.4	192.1
SOUTH AND EAST ASIA	58.5	48.2	68.6	69.5	88.2	63.5	15.4	11.5	24.5	17.3	25.0	27.8	7.8	-	288.0	237.8
WESTERN ASIA	33.2	21.1	23.1	11.4	-	0.1	5.3	0.8	0.8	-	4.0	6.1	-	-	66.4	39.5
OCEANIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER DESTINATIONS	1.7	8.8	34.6	30.0	0.2	9.2	2.1	1.1	-	-	0.7	3.8	13.4	21.1	52.7	74.0
TOTAL	306.3	266.7	172.9	160.0	90.2	74.4	28.6	21.5	41.4	26.4	304.9	347.1	60.6	66.1	1,004.9	962.2
OIL-EXPORTING COUNTRIES (members of OPEC)	57.4	44.7	50.0	30.8	9.4	4.4	7.7	4.6	16.0	8.4	14.6	12.7	-	-	155.1	107.1

ANNEX TABLE XVII/ANNEXE TABLEAU XVII/CUADRO XVII DEL ANEXO

Imports of Skimmed Milk Powder/Importations de lait écrémé en poudre/ Importaciones de leche desnatada en polvo

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
		'000 m.t.		Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	0.4	0.1	0.1	25	25	-	...	-	...
AUSTRALIA	0.8	0.5	0.7	63	88	0.2	1.1	67	367
BULGARIA	-	-	0.2	-	...	0.2	-	...	-
EC 10	0.3	-	-	-	-	-	1.0*	-	333
HUNGARY	-	1.5	1.6	...	...	1.6	...	...	...
JAPAN	89.7	104.0	91.0	116	101	47.0	42.2	109	98
POLAND	13.4	-	-	-	-	-	...	-	...
SOUTH AFRICA	10.1	-	-	-	-	-	2.1	-	525
SWEDEN	0.5	1.0	0.6	200	120	0.6	0.7	200	233
URUGUAY	0.4	-	-	-	-	-	-	-	-
Others									
CANADA	-	-	-	-	-	-	5.1	-	...
UNITED STATES	0.3	1.3	0.9	433	300	...	...	...	...
TOTAL Participants	115.6	107.1	94.2	93	81	49.6	...	106	...
TOTAL World	1,262.0	1,454.0	1,425.0	115	113	...	...	...	...

ANNEX TABLE XVIII/ANNEXE TABLEAU XVIII/CUADRO XVIII DEL ANEXO

Stocks of Skimmed Milk Powder/Stocks de lait écrémé en poudre/ Existencias de leche desnatada en polvo

Country	Date	1981-83 average	1985	1986.	1987	1985	1986	1987
			'000 m.t.				Indices 1981-83 = 100	
IDA Participants								
ARGENTINA	1 Jan.	9.0	5.1	6.7		57	72	
	1 Apr.	7.6	3.8	3.1		50	41	
	1 Jul.	2.7	3.8	2.3		141	85	
	1 Oct.	3.6	4.5	1.5		125	42	
AUSTRALIA	1 Jan.	33.4	39.1	30.6	29.7	117	92	89
	1 Apr.	27.7	38.4	30.2	25.0	139	109	90
	1 Jul.	13.2	12.4	8.7	10.6	94	66	80
	1 Oct.	19.3	17.3	17.6		90	91	
BULGARIA	1 Jan.		0.1	0.1				
	1 Apr.							
	1 Jul.							
	1 Oct.							
EC 10	1 Jan.	362.0	617.0	520.0	772.0*	170	144	213
	1 Apr.	354.0	405.0	646.0	765.0*	144	182	216
	1 Jul.	513.0	381.0	887.0*	777.0*	74	173	151
	1 Oct.	649.0	478.0	845.0*		74	130	
FINLAND	1 Jan.	17.0	15.0	6.0	8.0	88	35	47
	1 Apr.	15.0	11.0	5.0	12.0	73	33	80
	1 Jul.	22.0	13.0	8.0	17.0	59	36	77
	1 Oct.	25.0	12.0	12.0		48	48	
HUNGARY	1 Jan.	0.9	0.4	0.7	3.0	44	78	333
	1 Apr.	0.9	0.3	1.6		33	178	
	1 Jul.	1.3	2.5	2.4		192	185	
	1 Oct.	1.7	1.3	4.7		77	276	
JAPAN	1 Jan.	75.0	25.0	44.0	52.0	33	59	69
	1 Apr.	71.0	37.0	47.0	50.0	52	66	70
	1 Jul.	63.0	43.0	54.0		68	86	21
	1 Oct.	56.0	39.0	54.0		70	96	
NEW ZEALAND	1 Jan.	132.0	71.0	84.6	24.4	54	64	18
	1 Apr.	142.0	85.0	93.2	29.0	60	66	20
	1 Jul.	89.0	76.5	24.0	19.0	86	27	21
	1 Oct.	83.0	49.7	3.5		60	4	
NORWAY	1 Jan.	2.8	1.0	0.7	2.5	36	25	89
	1 Apr.	3.8	1.5	1.5	3.8	40	40	100
	1 Jul.	3.6	1.4	1.1	3.6	39	31	100
	1 Oct.	2.4	0.4	0.7		17	29	

ANNEX TABLE XVIII (Cont'd)/ANNEXE TABLEAU XVIII (suite)/CUADRO XVIII DEL ANEXO (Cont.)

Stocks of Skimmed Milk Powder/Stocks de lait écrémé en poudre/
Existencias de leche desnatada en polvo

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
			'000 m.t.				Indices 1981-83 = 100	
IDA Participants (cont'd)								
POLAND	1 Jan.		11.8	10.2	18.8			
	1 Apr.		6.2	4.2	11.0			
	1 Jul.		7.6	13.3	12.0			
	1 Oct.		9.2	18.2				
SOUTH AFRICA	1 Jan.	8.3	13.4	11.3	3.4	161	136	41
	1 Apr.	10.2	15.5	8.4	3.3	152	82	32
	1 Jul.	9.3	14.7	3.3	2.9	158	35	31
	1 Oct.	9.9	15.5	2.2		157	22	
SWEDEN	1 Jan.	9.7	8.0	12.1	17.3	83	125	178
	1 Apr.	9.3	10.7	10.2	19.4	115	110	209
	1 Jul.	11.7	13.0	16.0	17.0	111	137	145
	1 Oct.	13.9	15.1	13.8		109	99	
SWITZERLAND	1 Jan.	2.9	12.7	11.9	11.7	438	410	403
	1 Apr.	3.0	11.6	13.5	7.4	387	450	247
	1 Jul.	3.7	14.2	14.7	7.8	384	397	211
	1 Oct.	3.5	17.0	10.4		486	297	
URUGUAY	1 Jan.	1.6	1.5	2.6	0.9	94	163	56
	1 Apr.		2.0	2.7	1.4			
	1 Jul.		2.6	2.6	0.5			
	1 Oct.		1.2	2.9				
Others								
AUSTRIA	1 Jan.	8.3	7.9			95		
	1 Apr.	5.4						
	1 Jul.	7.4						
	1 Oct.	10.1						
CANADA	1 Jan.	29.3	20.5	15.6	10.3	70	53	35
	1 Apr.	26.1	24.2	15.9	15.9	93	61	61
	1 Jul.	46.5	30.2	35.6	20.0	65	77	43
	1 Oct.	52.8	30.5	17.3		58	33	
UNITED STATES	1 Jan.	417.0	559.0	458.6	311.5	134	110	75
	1 Apr.	441.0	504.6	448.1	233.0*	114	102	53
	1 Jul.	494.0	493.2	459.0	220.0*	100	93	45
	1 Oct.	525.0	468.2	383.2	142.0	89	73	27

ANNEX TABLE XIX/ANNEXE TABLEAU XIX/CUADRO XIX DEL ANEXO

Production of Whole Milk Powder/Production de lait entier en poudre/ Producción de leche entera en polvo

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	60.1	84.6	81.6	141	136	35.9	...	126	...
AUSTRALIA	53.8	46.6	60.4	87	112	20.6	25.5	118	146
BULGARIA	4.5	3.7	-	82	-	-	-	-	-
EC 10	634.0	733.0	718.0*	116	113	321.0	400.0*	101	125
FINLAND	27.0	34.0	31.0	126	115	18.0	15.0	129	107
HUNGARY	3.7	3.8	4.3	103	116	2.6	...	130	...
JAPAN	34.0	35.0	32.0	103	94	18.0	15.0	98	82
NEW ZEALAND	109.4	147.8	189.5	135	173	84.8	70.0	190	157
NORWAY	0.9	1.1	1.2	122	133	0.6	0.7	150	175
POLAND	41.6	48.9	47.3	118	114	22.3	23.1	109	113
SOUTH AFRICA	12.1	11.2	10.8	93	89	5.6	4.1	95	69
SWEDEN	6.2	5.7	5.3	92	85	2.6	3.4	76	100
SWITZERLAND	15.8	12.9	13.0	82	82	8.6	7.3	84	72
URUGUAY	0.8	3.0	2.7	375	338	1.3	2.2	217	367
Others									
AUSTRIA	22.6	21.0	21.2	93	94	11.5	13.1	101	115
UNITED STATES	45.3	54.1	55.1	119	122	26.7	28.9	118	127
TOTAL Participants	1,003.9	1,171.3	1,197.1*	117	119	541.9	...	111	...
TOTAL World	1,782.0	1,940.0	1,925.0	109	108	728.9	...	100	...

ANNEX TABLE XX/ANNEXE TABLEAU XX/CUADRO XX DEL ANEXO

Exports of Whole Milk Powder/Exportations de lait entier en poudre/
Exportaciones de leche entera en polvo

A. Total

Country	Year					First half year			
	1981-83 average	1985	1986	1985	1986	1986	1987	1986	1987
	'000 m.t.			Indices 1981-83 = 100		'000 m.t.		Indices 1981-83 = 100	
IDA Participants									
ARGENTINA	8.9	-	0.7	-	8	-	...	-	...
AUSTRALIA	37.7	31.7	38.0	84	101	18.9	24.7	93	122
EC 10	483.1	459.8	465.0	95	96	210.0	288.0*	84	115
FINLAND	25.8	33.0	31.7	128	123	14.2	15.3	107	115
NEW ZEALAND	98.0	134.6	166.2	137	170	81.7	79.3	153	149
SOUTH AFRICA	-	0.2	-	...	-	-	-	-	-
SWEDEN	1.2	-	-	-	-	-	-	-	-
SWITZERLAND	0.9	0.4	0.4	44	44	0.2	0.2	40	40
URUGUAY	0.2	0.2	-	100	-	-	0.9	-	900
Others									
AUSTRIA	19.0	15.4	17.0	81	89	...	...	...	...
UNITED STATES	10.7	40.6	20.3	379	190	13.7	2.6	274	52
TOTAL Participants	655.8	659.9	702.0	101	107	325.0	...	94	...
TOTAL World	697.0	737.0	740.0	106	106	...	...	...	...

ANNEX TABLE XX (Cont'd)/ANNEXE TABLEAU XX (suite)/CUADRO XX DEL ANEXO (Cont.)

Exports of Whole Milk Powder by Destination/Exportations de poudre de lait entier par destination/
Exportaciones de leche entera en polvo, por destino

('000 metric tons)

EXPORTERS / DESTINATIONS	EC 10		NEW ZEALAND		AUSTRALIA		FINLAND		UNITED STATES		TOTAL	
	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
WESTERN EUROPE	11.3	4.2	0.8	-	-	-	-	-	39.5	-	51.6	4.2
EASTERN EUROPE	0.3	9.2	-	-	-	-	-	-	-	-	0.3	9.2
USSR	6.2	9.4	10.9	23.6	-	-	33.2	31.7	-	-	50.3	64.7
NORTH AMERICA	1.1	0.5	-	-	1.5	1.1	-		0.2	0.4	2.8	2.0
SOUTH AMERICA	57.3	52.6	28.8	31.2	-	-	-		-	17.6	86.1	101.4
CENTRAL AMERICA	11.1	14.0	5.8	12.7	-	-	-	-	0.3	0.2	17.2	26.9
CARIBBEAN	16.8	13.3	4.1	2.6	-	-	-	-	0.4	0.1	21.3	16.0
AFRICA	114.7	123.0	8.8	6.3	0.8	1.6	-	-	0.1	1.6	124.4	132.5
SOUTH AND EAST ASIA	73.5	78.1	46.4	59.1	27.3	31.6	-	-	0.1	0.4	147.3	169.2
WESTERN ASIA	164.6	145.5	2.8	0.8	-	0.1	-	-	-	-	167.4	146.4
OCEANIA	-	-	-	-	1.1	-	-	-	-	-	1.1	-
OTHER DESTINATIONS	2.9	15.2	26.2	29.9	1.0	3.6	0.1	-	-	-	30.2	48.7
TOTAL	459.8	465.0	134.6	166.2	31.7	38.0	33.3	31.7	40.6	20.3	700.0	721.2
OIL-EXPORTING COUNTRIES (members of OPEC)	195.6	161.8	38.1	16.7	-	1.0	-	-	-	0.2	233.7	179.7

ANNEX TABLE XXI/ANNEXE TABLEAU XXI/CUADRO XXI DEL ANEXO

Stocks of Whole Milk Powder/Stocks de lait entier en poudre/ Existencias de leche entera en polvo

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
		'000 m.t.				Indices 1981-83 = 100		
IDA Participants								
ARGENTINA	1 Jan.	14.5	7.7	15.1		53	104	
	1 Apr.	14.2	5.0	13.1		35	92	
	1 Jul.	9.6	8.6	6.5		90	68	
	1 Oct.	6.3	10.7	5.2		170	83	
AUSTRALIA	1 Jan.	21.5	13.8	13.2	16.8	64	61	78
	1 Apr.	21.2	13.5	19.7	21.5	64	93	101
	1 Jul.	8.2	5.8	7.4	8.0	71	90	98
	1 Oct.	11.8	8.4	12.0		71	102	
BULGARIA	1 Jan.	0.1	0.1	0.1		100	100	
	1 Apr.	0.1	0.1			100		
	1 Jul.	0.2	0.1			50		
	1 Oct.	0.2	0.1			50		
FINLAND	1 Jan.	6.0	4.0	4.0	5.0	67	67	83
	1 Apr.	2.3	3.0	4.0	3.0	130	174	130
	1 Jul.	5.3	5.0	7.0	3.0	94	132	57
	1 Oct.	5.3	8.0	9.0		151	170	
HUNGARY	1 Jan.	0.1	0.1	0.2	-	100	200	-
	1 Apr.	0.1	0.1	0.2		100	200	
	1 Jul.	0.1	0.3	0.4		300	400	
	1 Oct.	0.2	0.1	0.4		50	200	
JAPAN	1 Jan.	4.3	4.0	4.0	3.0	93	93	70
	1 Apr.	5.3	5.0	5.0	5.0	94	94	94
	1 Jul.	5.3	6.0	7.0		113	132	
	1 Oct.	3.3	5.0	5.0		152	152	
NEW ZEALAND	1 Jan.	29.0	35.0	40.0	50.0	121	137	172
	1 Apr.	34.8	50.0	57.0	40.0	144	164	115
	1 Jul.	26.2	25.0	40.0	10.0	95	153	38
	1 Oct.	19.3	30.0	50.0		155	259	
NORWAY	1 Jan.	-	0.1	0.1	-			-
	1 Apr.	-	0.1	0.1	0.1			
	1 Jul.	-	0.1	0.1	0.1			
	1 Oct.	-	0.1	0.1				
POLAND	1 Jan.		2 4	2.5	2.5			
	1 Apr.		1.8	1.5	1.5			
	1 Jul.		1.7	4.1	1.5			
	1 Oct.		2.0	3.5				
SOUTH AFRICA	1 Jan.	2.7	2.4	1.6	1.2	89	59	44
	1 Apr.	3.1	2.4	0.9	1.5	77	29	48
	1 Jul.	2.3	1.9	0.9	1.3	83	39	57
	1 Oct.	2.0	1.7	0.6		85	30	

ANNEX TABLE XXI (Cont'd)/ANNEXE TABLEAU XXI (suite)/CUADRO XXI DEL ANEXO (Cont.)

Stocks of Whole Milk Powder/Stocks de lait entier en poudre/
Existencias de leche entera en polvo

Country	Date	1981-83 average	1985	1986	1987	1985	1986	1987
		'000 m.t.				Indices 1981-83 = 100		
IDA Participants (cont'd)								
SWEDEN	1 Jan.	-	0.2	0.3	0.4	...	...	...
	1 Apr.	0.4	0.4	0.6	0.8	100	150	200
	1 Jul.	0.3	0.6	0.6	0.5	200	200	167
	1 Oct.	0.3	0.8	0.8		267	267	
SWITZERLAND	1 Jan.	1.0	1.4	1.2	1.1	140	120	110
	1 Apr.	1.6	2.0	1.6	1.0	125	100	63
	1 Jul.	2.1	2.0	2.1	1.3	95	100	62
	1 Oct.	2.0	2.0	1.4		100	70	
URUGUAY	1 Jan.	0.1	0.4	0.1	0.3	400	100	300
	1 Apr.	0.3	0.3	0.4	0.7	100	133	233
	1 Jul.	0.3	0.6	1.1	0.8	200	367	267
	1 Oct.	0.3	0.5	0.5		167	167	
Others								
AUSTRIA	1 Jan.	3.5	2.1			60		
	1 Apr.	3.2						
	1 Jul.	3.3						
	1 Oct.	3.7						
UNITED STATES	1 Jan.	2.7						
	1 Apr.	2.3						
	1 Jul.	3.0						
	1 Oct.	2.0						