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Report Highlights:

Brazil's milk production is forecast to increase by 4 percent in 2006 to over 25 billion liters. Most dairy products should increase at an average 4 percent in response to higher export demand and some improvement in domestic consumption. Brazil is expected to continue to have a net surplus in dairy trade next year.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

Executive Summary	3
Commodity Outlook, Fluid Milk	3
Production.....	3
Consumption	4
Prices.....	4
Trade	4
Tariff Rate Table	4
Stocks	5
Policy.....	5
Commodity Outlook, Cheese	6
Production.....	6
Consumption	6
Prices.....	6
Trade	6
Tariff Rate Table	6
Commodity Outlook, Butter.....	7
Production.....	7
Prices.....	7
Tariff Rate Table	7
Commodity Outlook, Powdered Milk	8
Production.....	8
Consumption	8
Prices.....	8
Trade	8
Tariff Rate Table	9
Stocks	10
Policy.....	10
Marketing	10
Tables.....	11
PSD: Dairy, Milk, Fluid	11
Import Trade Matrix: Dairy, Milk, Fluid	12
Export Trade Matrix: Dairy, Milk, Fluid	13
PSD: Dairy, Cheese	14
Import Trade Matrix: Dairy, Cheese	15
Export Trade Matrix: Dairy, Cheese	16
PSD: Dairy, Butter.....	17
Import Trade Matrix: Dairy, Butter.....	18
Export Trade Matrix, Dairy, Butter.....	19
PSD: Dairy, Dry Whole Milk Powder.....	20
Import Trade Matrix: Dairy, Dry Whole Milk Powder.....	21
Export Trade Matrix: Dairy, Dry Whole Milk Powder	22
PSD Table: Dairy, Nonfat Dry	23
Import Trade Matrix: Dairy, Nonfat Dry	24
Export Trade Matrix: Dairy, Nonfat Dry	25

Executive Summary

Market analysts project economic growth to continue in 2006 around 4 percent, reflecting the results of strong measures in fiscal and monetary policies to curb inflation rates and the public deficit. Spurred by record exports, most sectors of the Brazilian economy increased their capacity utilization to meet a growing world demand for Brazilian goods. Lower unemployment rates and increased disposable income maintains domestic demand at good levels.

The dairy sector is expected to benefit from these improved economic conditions. Total fluid milk production is forecast to increase by 4 percent in 2006, and most dairy products will show a similar increase in production boosted by higher purchasing power and lower unemployment rates. Despite the current valuation of the Brazilian currency, traders expect Brazil to continue expanding dairy product exports in 2006.

Commodity Outlook, Fluid Milk

Production

Note: Official milk production data in Brazil does not include non-commercial and "informally" marketed milk, which represents about 35 percent of total milk production. Post estimates are based on interviews with trade and government sources and include both commercial, as well as non-commercial and informally marketed milk.

Fluid milk production for CY 2006 (Jan-Dec) is forecast by Post to increase to 25.2 billion liters, up 4 percent from the current year. The increase in production reflects higher productivity, mostly from milk producers associated with large Brazilian companies, and assumes good weather conditions in the major producing areas. Higher demand for fluid milk from social programs and continued favorable prices for milk producers, supported by higher dairy exports, are also expected to lead to an increase in demand next year.

Higher productivity is the major factor contributing to increased milk production in Brazil. The increase is coming mostly from integrated producers who have the support of large multinational and Brazilian dairies, such as Nestle, Parmalat, and Itambe. These companies provide support to dairy farmers to invest in genetics, nutrition, quality, and improved management practices. According to the most recent data available from the 15 largest dairies in Brazil, the number of milk producers under contract with these companies dropped from 93,221 in 2002 to 76,743 producers in 2004, but the average productivity of these producers, increased by 5.5 percent from an average 164 liters/day per producer in 2002 to 173 liters/day per producer in 2004. The average producer affiliated with DPA (joint venture between Nestle and Fonterra and the largest dairy in Brazil), produced 508 liters per day in 2004, which shows a great difference in productivity among producers from these 15 large dairy companies.

Brazilian dairy producers are entitled to investment funds from the national milk development program (Pro-Leite). For the 2005/06 marketing year, the government has allocated US\$ 33 million to finance producers to increase productivity through herd improvement, emphasis on quality, and improved management practices.

Another major production factor is the increasing concentration of milk production in the industry. In 2004, the 15 largest dairy companies should account for nearly 65 percent of total fluid milk production under federal inspection, an increase of 5 percent from 2003.

The concentration of production among fewer dairies also contributed to increased concentration among fewer states, with production moving from traditional milk producing areas in Minas Gerais to new frontier areas in the Center-West region of the country.

Consumption

Overall consumption of fluid milk is forecast to increase by 4 percent in CY 2006. The increase is derived mostly from consumption for industrial use. The increase in the employment rate and in the purchasing power of Brazilian consumers is expected to boost consumption of dairy products. Exports of dairy products are also contributing to higher demand of fluid milk for industrial use.

According to trade sources, consumption of Ultra High Temperature (UHT) milk in 2006 will reach nearly 87 percent of total fluid milk consumption in Brazil. The increase in consumption of UHT is due to several factors, including greater convenience to consumers, carton packaging (not glass or plastic), no need for refrigeration, and competitive pricing. Brazilian supermarkets sell predominantly UHT milk, leaving "C" and "B" type refrigerated fresh milk to be sold by the traditional mom-and-pop bread and convenience stores, but at lower volumes.

An important aspect of domestic fluid milk consumption is competition from non-dairy products, such as soymilk, and other specialty lactose free products. As more companies enter this specialty market, prices decline and consumption increases. Health concerns are behind the major increase in these non-dairy products.

Prices

During September 2005 the average price paid to producers in Brazil was R\$0.49 per liter (US\$ 0.19 per liter), up 10 percent from the same period in 2004. The cost of production for the same month is estimated at US\$ 0.18.

The average price of fluid milk (type "C") paid to producers during Jan-Dec 2004 was R\$0.47 per liter in Minas Gerais (largest dairy state in Brazil), followed by R\$0.42 per liter in Goiás (second largest milk producer). Assuming the average exchange rate of R\$2.91 per U.S. dollar in 2004, these prices were respectively US\$ 0.16 and US\$ 0.14 per liter.

Trade

Brazil imports insignificant volumes of fluid milk. Most of the imports consist of packaged UHT milk sold by companies from Argentina and Uruguay with commercial interests in Brazil. However, Brazil is expanding exports of condensed milk to a diversified market, including Venezuela, Philippines, Paraguay, and the United States.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%) (1)	Other Info
0401.10.10	Milk and Cream, UHT	14	Mercosul: Zero
0401.10.10	Milk and Cream, UHT	12	Mercosul: Zero

Note: (1) MERCOSUL's Common External Tariff (CXT). The CXT is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product. In addition, imports of milk and cream pay a PIS/COFINS (social tax) of 9.25 percent.

Stocks

There are no government stocks of milk or milk products in Brazil.

Policy

The new Agricultural and Livestock Plan for the 2005/2006 season announced in June 2005, by the federal government allocates about R\$ 44.4 billion: (US\$ 18.9 billion) for rural credit, of which R\$11.2 billion (US\$ 4.8 billion) is for investment credit in the sector, up 4.2 percent from 2004. Dairy cattle producers can benefit from the following investment credit programs, with subsidized interest rates (8.75 percent per year), to increase productivity and overall milk production:

- a) PRODEAGRO. This program incorporated last year's program called PROLEITE. The program is designed to modernize milk producer's operations, provide incentives for cooling milk at the farm, transportation, and silage. For the 2005/2006 marketing year, the total amount of funds allocated under the PRODEAGRO is R\$300 million (US\$ 128 million), up 50 percent from the previous year, with a loan limit per producer established at R\$60,000 (US\$ 25,320).
- b) MODERFROTA. This program is designed to finance farm equipment in general. Total funds allocated under this program for 2005/2006 are R\$5.5 billion (US\$ 2.3 million), and loan limits vary according to the income of the producers.
- c) MODERINFRA. This program allows dairy producers to build or rebuild silos and warehouses on their farms. The program was recently modified to include irrigation systems. Funds allocated to this program during 2005/2006 are R\$700 million (US\$ 298 million) and are limited to R\$100,000 (US\$ 42,553) per producer.
- d) MODERAGRO. This program is designed for pasture improvement and recently was modified to include soil erosion and conservation of lowlands. Total funds allocated under this program for 2005/2006 are R\$ 1.2 billion (US\$ 510 million), and are limited to R\$200,000 (US\$ 85,100) per producer.

Milk producers are also entitled to state dairy development programs designed to increase productivity through pasture improvement and animal genetics. State government programs are also developed to assist and improve social and economic conditions of the small milk producers. However, the most important state subsidy program to milk producers is the exemption of the state value-added tax (ICMS) on the sale of milk by producers and cooperatives. This benefit, however, is only available for few a states in Brazil, mostly in the center-west and south regions.

In addition to these federal and state programs, milk producers also benefit from financing programs from large dairies, such as Nestle and Parmalat, which are specifically designed to increase milk productivity and quality. These programs are only available for those integrated milk producers with these respective dairies.

Commodity Outlook, Cheese

Production

Note: There are no official statistics on production and consumption of cheese in Brazil. OAA production estimates for cheese are based on interviews with trade contacts and also include "informal" cheese production.

Post forecasts cheese production in CY 2006 to increase by three percent reflecting some improvement in the domestic demand for cheese combined with booming cheese exports.

Consumption

Human consumption of fresh cheese is expected to increase in 2005/06 reflecting the higher purchasing power of consumers. However, most of the increase in demand will continue to come from the fast-food industry, institutional, and "specialty" cheeses (Gruyere, Gouda, Cheddar). The Cheese Producers Association will initiate in 2006 a campaign to increase cheese consumption among Brazilians.

Prices

Average wholesale prices of Brazilian-produced cheese by major types are:

Type	US\$/Kilogram
Minas (fresh farmer type)	8.60
Mozzarella	7.90
Provolone	8.70
Parmesan	10.20

Notes: (1) Prices for Sao Paulo market, as of 10/19/2005.
(2) Current Exchange Rate: US\$ 1.00=R\$2.23

Trade

Cheese imports are expected to stabilize in 2005/06 after several years of continued drop in cheese imports. Argentina and Uruguay remain as the main suppliers of cheese to Brazil, basically because of the preferential tariff treatment deriving from the MERCOSUL Agreement.

Exports of cheese are booming in 2005 and are expected to increase in 2006, but at a lower rate because the valuation of the Brazilian currency is decreasing the profit margins of exporters and reducing Brazilian competitiveness in some of the world markets.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)	Other Info
0406.10.10	Cheese, Mozzarella	16	Mercosul: 27%
0406.10.90	Cheese, Other	16	Mercosul: Zero
0406.20.00	Cheese: Grated or Powdered	16	Mercosul: Zero
0406.90.10	Cheese, with a fat content less than 36 %, by weight	16	Mercosul: 27%
0406.90.20	Cheese with a fat content superior or equal to 36 % and less than 46%,by weight	16	Mercosul: 27%

Notes:

(1) MERCOSUL's Common External Tariff (CXT). The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product. In addition, imports of cheese pay a PIS/COFINS (social tax) of 9.25 percent.

(2) Effective June 1, 2001, these types of cheeses were included on the "exception list" of the Common External Tax (CXT), of the MERCOSUL, per Resolution 16/01, of the Foreign Trade Chamber (CAMEX), which altered Annex Two of the Decree Number 3,704 of December 27, 2000. The 27% tax is charged in addition to the Import Tariff of 18.5 percent for all imported cheeses, including MERCOSUL members

Commodity Outlook, Butter

Production

Note: There are no official statistics on production and consumption of butter in Brazil. OAA Production estimates for butter are based on interviews with trade contacts, and also includes "informal" butter production.

Butter production is projected to increase by only one percent in CY 2006, reflecting a small increase in domestic demand and competition from margarine. Production of margarine is expected to rise to 895,000 metric tons in 2005, up 6 percent from 2005. Imports are expected to continue to drop next year because of the high cost of imports due to the devaluation of the Brazilian currency. Uruguay and, to a lesser extent, Argentina are the only suppliers of butter to Brazil.

Prices

Type	US\$/kilogram
Salted	7.80
Unsalted	7.60

Notes: (1) Prices for Sao Paulo market, as of 10/19/0.

(2) Average Exchange Rate: US\$ 1.00=R\$2.23

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	Other Info
0405.10.00	Butter	16	Mercosul: Zero
0405.90.10	Butter Oil	16	Mercosul: Zero

Note: MERCOSUL's Common External Tariff (CXT). The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product. In addition, imports of butter pay a PIS/COFINS (social tax) of 9.25 percent.

Commodity Outlook, Powdered Milk

Production

Note: There are no official statistics on production and consumption of powdered milk in Brazil. OAA estimates for powdered milk production (nonfat and whole milk) are based on interviews with the trade.

Post forecasts powdered milk production to increase by nearly 8 percent in 2006 to 597,000 metric tons, of which 80 percent is whole milk powdered (WMP), and 20 percent is nonfat dry milk powder (NDM). The following factors support higher Brazilian powdered milk production in 2005/06:

- a) Higher import tariffs and minimum import prices reduced imports of subsidized powdered milk;
- b) Higher exports of powdered milk because of a continued favorable exchange rate, despite the recent valuation of the Brazilian currency in 2005;
- c) Prohibition on the use of imported powdered milk in government's social programs;
- d) Higher allocation of government funds for social programs at the federal and state levels; and,
- e) Higher sanitary standards for imported milk;
- f) The National Bank of Economic and Social Development (BNDES) has credit programs around R\$ 100 million (US\$ 43 million) to finance new investments for powdered milk production. This does not include private sector capital, which brings total investments in dollars up to US\$ 100 million, including international financing.

Consumption

Post forecasts powdered milk consumption to increase in 2006 by 3 percent, in view of the prospects for economic growth, lower unemployment, and higher consumer income. In addition, during 2006, the federal government is expected to allocate a significant amount of funds for social programs designed to fight poverty and hunger because it is an election year.

Prices

Average wholesale prices of powdered milk, by type, are:

Type	US\$/kilogram
Whole milk powder	5.48
Nonfat dry milk powder	5.31

Notes:

- (1) Prices for Sao Paulo market, as of 10/19/05.
- (1) Average Exchange Rate: US\$ 1.00=R\$2.23

Trade

Imports of powdered milk (both whole and nonfat) are estimated to decline by 17 percent in 2006. The significant decline of powdered milk imports in past years is the result of higher import duties (after the antidumping investigation) and minimum import prices.

Argentina and Uruguay are the major suppliers of powdered milk to Brazil, accounting together for 86 percent of total imports, which is comprised mostly of whole milk powder (83 percent of the total imported). New Zealand is a minor supplier of powdered milk to Brazil, accounting for nearly 5 percent. The United States is not competitive in the Brazilian market for powdered milk.

Post forecasts exports of powdered milk, mostly whole milk, to continue to increase in 2006 despite the current valuation of the Brazilian currency. This is due to new markets for the Brazilian products.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)	Other Info
0402.21.10	Whole Milk Powder	16	Mercosul: 27%
0402.21.20	Nonfat Milk, Powder	16	Mercosul: 27%
0404.10.00	Whey Powder	14	Mercosul: 27%

Notes:

MERCOSUL's Common External Tariff (CAT). The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product. In addition, imports of powdered milk pay a PIS/COFINS (social tax) of 9.25 percent;

(1) Effective June 1, 2001, milk powder was included in the "exception list" of the Common External Tariff (CXT), of the MERCOSUL, per Resolution 16/01, of the Foreign Trade Chamber (CAMEX), which altered Annex Two of the Decree Number 3.704 of December 27, 2000. The 27 percent tax is charged to all markets in addition to the import tariff of 16 percent to all markets, including MERCOSUL members.

(2) In addition to the above tariffs, the Brazilian Foreign Trade Board (CAMEX) published the final report of their official dumping investigation, with the following results:

Country	Companies	Applied Rates (%)
New Zealand	New Zealand Dairy Board	3.9
	All other companies	3.9
European Union	All companies, except Arla Foods	14.8
	Ingredients Amba (see note below) Cerealin S.A.	16.9
Uruguay	All companies (see note below)	16.9

Note: Argentina, and later Uruguay, negotiated with Brazilian officials a minimum export price for powdered milk exports to Brazil. Arla Foods Ingredients Amba from Denmark also negotiated a minimum export price. The minimum price was established at US\$ 1,900 per metric ton, FOB, and calculated using USDA's price list.

(4) Effective August 26, 2002, whey powder was included in the "exception list" of the Common External Tariff (CXT), of MERCOSUL, per Resolution 21, of the Foreign Trade Chamber (CAMEX), published in the Diario Oficial (Brazil's Federal Register) on August 26, 2002. The 27 percent tax is charged in addition to the Import Tariff of 16 percent to all markets, including MERCOSUL members.

Stocks

There are no official government stocks of powdered milk in Brazil.

Policy

Please see section under Fluid Milk

Marketing

Two important business organizations were formed in Brazil to market Brazilian powdered milk overseas:

1) SERLAC. The first Brazilian private dairy trading organization to export Brazilian made dairy products, mostly powdered milk, under the brand "Brazilian Dairy Board", following the example of New Zealand. SERLAC includes five major dairies and cooperatives: Itambe, Confepar, Paulista (CCL), Emare and Ilpisa. SERLAC is working in the following markets: Algeria, Morocco, Libya, Middle East, and Latin America. The United States is also a target market.

2) DPA. Nestle and Fonterra from New Zealand formed a joint venture called Dairy Partners of Americas (DPA), which entered into operation on January 1, 2003. The company has its headquarters in Brazil, and will operate in Latin American countries. During 2003, DPA is operating only in Argentina, Brazil, and Venezuela, expanding later to Chile, Ecuador, Colombia, and the Caribbean Islands.

Tables

PSD: Dairy, Milk, Fluid

PSD Table Country Brazil Commodity Dairy, Milk, Fluid (1000 HEAD)(1000 MT)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Cows In Milk	15200	15200	15100	15100	0	15050	(1000 HEAD)
Cows Milk Production	23100	23317	24016	24250	0	25220	(1000 MT)
Other Milk Production	0	0	0	0	0	0	(1000 MT)
TOTAL Production	23100	23317	24016	24250	0	25220	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	1	1	2	2	0	2	(1000 MT)
TOTAL Imports	1	1	2	2	0	2	(1000 MT)
TOTAL SUPPLY	23101	23318	24018	24252	0	25222	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	2	2	2	2	0	3	(1000 MT)
TOTAL Exports	2	2	2	2	0	3	(1000 MT)
Fluid Use Dom. Consum.	12526	12743	12750	13400	0	13849	(1000 MT)
Factory Use Consum.	10423	10423	11116	10700	0	11220	(1000 MT)
Feed Use Dom. Consum.	150	150	150	150	0	150	(1000 MT)
TOTAL Dom. Consumption	23099	23316	24016	24250	0	25219	(1000 MT)
TOTAL DISTRIBUTION	23101	23318	24018	24252	0	25222	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix: Dairy, Milk, Fluid

Import Trade Matrix Country Brazil Commodity Dairy, Milk, Fluid			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Argentina	621		379
Paraguay	0		192
Uruguay	1310		101
Total for Others	1931		672
Others not Listed	0		0
Grand Total	1931		672

Export Trade Matrix: Dairy, Milk, Fluid

Export Trade Matrix Country Brazil Commodity Dairy, Milk, Fluid			
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2003		2004
U.S.	127	U.S.	335
Others		Others	
Angola	118		73
Bolivia	82		187
Chile	653		148
Paraguay	484		349
Phillippines	31		1018
Venezuela	171		765
Total for Others	1539		2540
Others not Listed	137		189
Grand Total	1803		3064

PSD: Dairy, Cheese

PSD Table Country Brazil Commodity Dairy, Cheese (1000 MT)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	470	470	480	480	0	495	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	5	4	5	3	0	3	(1000 MT)
TOTAL Imports	5	4	5	3	0	3	(1000 MT)
TOTAL SUPPLY	475	474	485	483	0	498	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	5	6	6	7	0	8	(1000 MT)
TOTAL Exports	5	6	6	7	0	8	(1000 MT)
Human Dom. Consumption	470	468	479	479	0	490	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	470	468	479	476	0	490	(1000 MT)
TOTAL Use	475	474	485	483	0	498	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	475	474	485	483	0	498	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix: Dairy, Cheese

Import Trade Matrix Country Brazil Commodity Dairy, Cheese			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2003		2004
U.S.	0	U.S.	5
Others		Others	
Argentina	2192		1614
European Union	910		992
New Zealand	214		105
Uruguay	2666		1324
Total for Others	5982		4035
Others not Listed	7		5
Grand Total	5989		4045

Export Trade Matrix: Dairy, Cheese

Export Trade Matrix Country Brazil Commodity Dairy, Cheese			
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2003		2004
U.S.	983	U.S.	1308
Others		Others	
Angola	34		124
Argentina	825		1068
Chile	676		1087
Korea, South	0		1308
Paraguay	281		307
Taiwan	125		187
Uruguay	95		114
Total for Others	2036		4195
Others not Listed	161		903
Grand Total	3180		6406

PSD: Dairy, Butter

PSD Table Country Brazil Commodity Dairy, Butter (1000 MT)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	75	75	78	77	0	78	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	1	1	1	1	0	1	(1000 MT)
TOTAL Imports	1	1	1	1	0	1	(1000 MT)
TOTAL SUPPLY	76	76	79	78	0	79	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	2	1	0	1	0	1	(1000 MT)
TOTAL Exports	2	1	3	1	0	1	(1000 MT)
Domestic Consumption	74	75	76	77	0	78	(1000 MT)
TOTAL Use	76	76	79	78	0	79	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	76	76	79	78	0	79	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix: Dairy, Butter

Import Trade Matrix Country Brazil Commodity Dairy, Butter			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Argentina	206		387
New Zealand	275		185
Uruguay	2917		470
Total for Others	3398		1042
Others not Listed	112		99
Grand Total	3510		1141

Export Trade Matrix, Dairy, Butter

Export Trade Matrix Country Brazil Commodity Dairy, Butter			
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2003		2004
U.S.	17	U.S.	17
Others		Others	
Canada	862		0
China	0		113
Egypt	318		295
Paraguay	61		74
Peru	386		0
UAE	0		363
Yemen	0		199
Total for Others	1627		1044
Others not Listed	12		7
Grand Total	1656		1068

PSD: Dairy, Dry Whole Milk Powder

PSD Table Country Brazil Commodity Dairy, Dry Whole Milk Powder (1000 MT)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	31	0	31	0	31	0	(1000 MT)
Production	420	420	440	440	0	460	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	23	21	20	25	0	20	(1000 MT)
TOTAL Imports	23	21	20	25	0	20	(1000 MT)
TOTAL SUPPLY	474	441	491	465	31	480	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	15	16	23	26	0	30	(1000 MT)
TOTAL Exports	15	16	23	26	0	30	(1000 MT)
Human Dom. Consumption	428	425	437	439	0	450	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	428	425	437	439	0	450	(1000 MT)
TOTAL Use	443	441	460	465	0	480	(1000 MT)
Ending Stocks	31	0	31	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	474	441	491	465	0	480	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix: Dairy, Dry Whole Milk Powder

Import Trade Matrix Country Brazil Commodity Dairy, Dry Whole Milk Powder			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Argentina	19228		15338
Chile	1000		0
New Zealand	919		224
Uruguay	11365		5425
Total for Others	32512		20987
Others not Listed	155		112
Grand Total	32667		21099

Export Trade Matrix: Dairy, Dry Whole Milk Powder

Export Trade Matrix Country Brazil Commodity Dairy, Dry Whole Milk Powder			
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2003		2004
U.S.	145	U.S.	59
Others		Others	
Algeria	940		5483
Chile	625		720
Iraq	100		5970
Israel	0		1851
Senegal	0		1644
Venezuela	0		2179
Total for Others	1665		17847
Others not Listed	1159		4077
Grand Total	2969		21983

PSD Table: Dairy, Nonfat Dry

PSD Table Country Brazil Commodity Dairy, Milk, Nonfat Dry (1000 MT)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	110	110	113	113	0	117	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	5	4	5	5	0	4	(1000 MT)
TOTAL Imports	5	4	5	5	0	4	(1000 MT)
TOTAL SUPPLY	115	114	118	118	0	121	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	1	2	2	3	0	4	(1000 MT)
TOTAL Exports	1	2	2	3	0	4	(1000 MT)
Human Dom. Consumption	114	112	116	115	0	117	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	114	112	116	115	0	117	(1000 MT)
TOTAL Use	115	114	118	118	0	121	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	115	114	118	118	0	121	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix: Dairy, Nonfat Dry

Import Trade Matrix Country Brazil Commodity Dairy, Milk, Nonfat Dry			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Argentina	2564		2087
Chile	25		75
New Zealand	66		61
Uruguay	4080		1837
Total for Others	6735		4060
Others not Listed	0		0
Grand Total	6735		4060

Export Trade Matrix: Dairy, Nonfat Dry

Export Trade Matrix Country Brazil Commodity Dairy, Milk, Nonfat Dry			
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Angola	451		6
Algeria	0		400
Iraq	2325		0
Korea, North	0		995
Uruguay	0		300
Total for Others	2776		1701
Others not Listed	26		44
Grand Total	2802		1745