Foreign Agricultural Service
*GAIN* Report
Global Agriculture Information Network

Required Report - public distribution

Date: 5/11/2000

GAIN Report #AS0017

# Australia

# Dairy and Products

# Semi-Annual

# 2000

Approved by:
**Randolph H. Zeitner**
**U.S. Embassy**
Prepared by:
Mike Darby

**Report Highlights:**
**Milk production in 1999/2000 (Jul-Jun) is forecast to reach 11,103 TMT, around 6 percent above the previous season. Most of the increase in milk production will be used in the manufacturing sector. The export volume of most manufactured dairy products will increase during 1999/2000. Post forecasts that cheese production will increase by 13 percent, butter production by 5 percent, SMP production by around 5 percent and WMP production by around 12 percent.**

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Canberra [AS1], AS

## Executive Summary

Despite the continuing uncertainty surrounding market deregulation, producers have continued to sharply increase milk production. Production for the 1999/2000 (Jul-Jun) season is forecast by the Australian Bureau of Agricultural and Resource Economics (ABARE) to reach 11,103 TMT, around 6 percent ahead of the previous season. For the first 6 months of the 1999/2000 season, national production was up by 7.7 percent according to the Australian Dairy Corporation (ADC). Victoria's production, accounting for over 60 percent of national production, increased by 8.6 percent driven by fodder availability and lower grain prices. New South Wales (N.S.W.) and South Australia (SA) increased production by 7.6 percent and 8.8 percent respectively. Queensland and Western Australia (WA) both had modest increases of between 1 and 2 percent.

The majority of the increase in milk production will be used in the manufacturing sector. The export volume of most manufactured dairy products is expected to increase during 1999/2000, with significant increases forecast for liquid milk, dried whey, butter and cheese.

The Government of Australia (GOA) now has legislation in place to deregulate the Australian Dairy Industry by July 1, 2000. The legislation, passed by both houses of parliament but yet to be proclaimed, allows for a restructuring package of A$1.78 Billion. Of this, A$1.63 has been allocated to the Dairy Structural Adjustment Program which will be administered by the newly created Dairy Adjustment Authority (DAA), (www.daa.gov.au). The restructuring package is to be funded through a levy of 11 cents per liter on all retail milk sales over the next 8 years.

In anticipation of the new regulatory environment, Bonlac Foods (one of the two major processors in Victoria), and the New Zealand Dairy Board have announced they will create a separate joint venture company with revenue to be split evenly. This company would have the number one position for branded cheese in Australia with a turnover of A$550 million. This move comes as part of a major restructuring project for Bonlac aimed at reducing the companies A$567 million debt.

Post forecasts that during 1999/2000, cheese production will increase by around 13 percent, butter production by 5 percent, SMP production by around 5 percent and WMP production by around 12 percent.

# Milk, Fluid

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Milk, Fluid | | | | (1000 HEAD)(1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Cows In Milk | 2060 | 2060 | 2121 | 2121 | 2152 | 2179 |
| Cows Milk Production | 9722 | 9722 | 10483 | 10483 | 10797 | 11103 |
| Other Milk Production | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Production | 9722 | 9722 | 10483 | 10483 | 10797 | 11103 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 3 | 3 | 4 | 4 | 4 | 3 |
| TOTAL Imports | 3 | 3 | 4 | 4 | 4 | 3 |
| TOTAL SUPPLY | 9725 | 9725 | 10487 | 10487 | 10801 | 11106 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 82 | 82 | 83 | 83 | 85 | 85 |
| TOTAL Exports | 82 | 82 | 83 | 83 | 85 | 85 |
| Fluid Use Dom. Consum. | 1920 | 1913 | 1930 | 1912 | 1940 | 1934 |
| Factory Use Consum. | 7723 | 7730 | 8474 | 8492 | 8776 | 9087 |
| Feed Use Dom. Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Dom. Consumption | 9643 | 9643 | 10404 | 10404 | 10716 | 11021 |
| TOTAL DISTRIBUTION | 9725 | 9725 | 10487 | 10487 | 10801 | 11106 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

### General

Despite the continuing uncertainty surrounding market deregulation, producers have continued to sharply increase milk production. Production for the 1999/2000 (Jul-Jun) season is forecast by the Australian Bureau of Agricultural and Resource Economics (ABARE) to reach 11,103 TMT, around 6 percent ahead of the previous season. For the first 6 months of the 1999/2000 season, national production was up by 7.7 percent according to the Australian Dairy Corporation (ADC). Victoria’s production, accounting for over 60 percent of national production, increased by 8.6 percent driven by fodder availability and lower grain prices. New South Wales (NSW) and South Australia (SA) increased production by 7.6 percent and 8.8 percent respectively. Queensland and Western Australia (WA) both had modest increases of between 1 and 2 percent.

Productivity gains and increasing cow numbers have both contributed to the growth in milk supply in recent years. Dairy cow numbers have increased by around 3 percent per year since 1993-94 driven by improving profitability in recent years. Similarly, milk yield per cow according to ABARE has increased from 4000 liters in 1991/92 to 4600 liters in 1997/98, with an average increase of around 3 percent per year. These improvements in productivity have been driven by increased technology adoption at the farm level.

The longer term outlook, as reported by ABARE, is for milk production to continue increasing to around 11,926 TMT by 2004/2005. This production increase is expected to be driven by continued increases in productivity as well as steadily increasing cow numbers.

The majority of the increase in milk production will be used in the manufacturing sector. The export volume of most manufactured dairy products is expected to increase during 1999/2000, with significant increases being forecast for liquid milk, dried whey, butter and cheese.

## Policy

### General

The Government of Australia (GOA) introduced the current dairy market support arrangements for the Australian dairy industry on July 1, 1995. These arrangements which are referred to as the Domestic Market Support Scheme (DMS), basically provide the same level of assistance as the old scheme and are scheduled to terminate on June 30, 2000.

Under this scheme farmers pay a levy on milk consumed domestically as drinking milk and manufacturers pay a levy on milk used in the production of finished products for domestic sale. The rate of the levy for 1998-99 is approximately 3.7 Aust. Cents/liter. Milk embodied in exports of finished dairy products is exempt from the levies. The money raised by these two industry levies is placed in the Domestic Market Support Fund, which is administered by the ADC. The money, in turn is used to make a Domestic Market Support Payment to farmers who supply milk for manufacturing.

Market milk regulation falls under state jurisdiction with all states regulating the supply and farm gate price of market milk. Different arrangements apply in each state. Three states have quotas–Western Australia, New South Wales and Queensland–while the other states have pooling arrangements i.e. an equal proportion of each farmer's milk is eligible for the market milk price premium. There is limited trade across state borders and all milk exported interstate must be sourced at the state regulated farm gate price. These market milk regulations accounted for about 1.9 billion liters of milk in 1997/98 or about 20 percent of all milk production. The market milk premiums amounted to $A 369 million in 1996/97, far exceeding the $A 119 million received through the DMSS. All states have now deregulated the market milk beyond the farm gate with Queensland the last to do so on January 1, 1999.

The GOA now has legislation in place to deregulate the Australian Dairy Industry by July 1, 2000. The legislation, passed by both houses of parliament but yet to be proclaimed, allows for a restructuring package of A$1.78 billion. Of this, A$1.63 has been allocated to the Dairy Structural Adjustment Program which will be administered by the newly created Dairy Adjustment Authority (DAA), (www.daa.gov.au). The restructuring package is to funded through a levy of 11 cents per liter on all retail milk sales over the next 8 years.

Individual producer entitlements would be based on 1998-99 milk deliveries at the rate of 46.23 Australian cents a liter for market milk and 8.96 Australian cents a liter for manufacturing milk. Payments would be paid quarterly over eight years. Exit payments of up to $A 45,000 would also be available for farmers who choose to leave dairying. The GOA has allocated A$30 million to the Dairy Exit Program. Also, A$45 million has been allocated to a Regional Assistance Program to assist regions adjusting to the deregulated environment.

Complete deregulation of the Australian Dairy Industry is conditioned on all state governments repealing their own regulations. Most of the states support the Federal Governments package of measures, with some states yet to complete the necessary changes, however government sources remain confident that all the necessary arrangements will be in place by July 1, 2000.

Deregulation will result in some farmers leaving the industry and will see others strengthen their business by retiring debt, or investing in new infrastructure or technology. In general, farms are expected to decrease in number but become larger in size.

In anticipation of the new regulatory environment, Bonlac Foods (one of the two major processors in Victoria) and the New Zealand Dairy Board have announced they will create a separate joint venture company with revenue to be split evenly. This company would have the number one position for branded cheese in Australia with a turnover of A$550 million. This move comes as part of a major restructuring project for Bonlac aimed at reducing the company's A$567 million debt.

## Trade

### General

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Milk, Fluid | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | | U.S. | |
| Others | | Others | |
| New Zealand | 3126 | New Zealand | 3474 |
| Thailand | 1 | Australia | 197 |
| Total for Others | 3127 | | 3671 |
| Others not Listed | 1 | | 0 |
| Grand Total | 3128 | | 3671 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Milk, Fluid | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 57 | U.S. | 0 |
| Others | | Others | |
| Hong Kong | 23981 | Hong Kong | 24448 |
| Singapore | 19354 | Singapore | 19416 |
| The Philippines | 7161 | The Philippines | 8375 |
| Papua New Guinea | 3562 | China | 4539 |
| China | 2999 | American Samoa | 3471 |
| Vietnam | 2855 | Papua New Guinea | 2950 |
| American Samoa | 2826 | Vietnam | 2490 |
| Russia | 2218 | Rep. of Korea | 1995 |
| Malaysia | 1266 | Malaysia | 1703 |
| Western Samoa | 1106 | Indonesia | 1421 |
| Total for Others | 67328 | | 70808 |
| Others not Listed | 4226 | | 8244 |
| Grand Total | 71611 | | 79052 |

# Dairy, Cheese

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Cheese | | | | (1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Beginning Stocks | 93 | 93 | 73 | 73 | 42 | 32 |
| Production | 305 | 305 | 312 | 312 | 335 | 353 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 31 | 31 | 36 | 26 | 50 | 29 |
| TOTAL Imports | 31 | 31 | 36 | 26 | 50 | 29 |
| TOTAL SUPPLY | 429 | 429 | 421 | 411 | 427 | 414 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 151 | 151 | 172 | 172 | 180 | 182 |
| TOTAL Exports | 151 | 151 | 172 | 172 | 180 | 182 |
| Human Dom. Consumption | 205 | 205 | 207 | 207 | 210 | 210 |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 205 | 205 | 207 | 207 | 210 | 210 |
| TOTAL Use | 356 | 356 | 379 | 379 | 390 | 392 |
| Ending Stocks | 73 | 73 | 42 | 32 | 37 | 22 |
| TOTAL DISTRIBUTION | 429 | 429 | 421 | 411 | 427 | 414 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 8 | 8 | 8 | 8 | 8 | 9 |

### General

Post forecasts that cheese production will increase by around 13 percent to 353,000 MT in 1999/2000, slightly lower than ABARE's forecast of 363,000 MT. This increase is expected as a result of the improved outlook for cheese on the world market, the continued success in key Asian and Middle east countries and the increased supply of manufacturing milk.

# Trade

## General

Cheese exports are forecast to increase by around 5 percent in 1999/2000 in line with increases in Milk production and assisted by demand in key export markets.

According to official (ABS) statistics, Japan remains the largest market for Australian cheese providing a destination for approximately 38 percent of all Australian cheese exports. For the CY 1999, exports to Japan and Saudi Arabia fell by around 7 percent and 5 percent respectively, while exports to the Netherlands and the USA increased by 132 percent and 23 percent respectively. Exports to the Republic of Korea increased by 77 percent making it Australia's fourth largest export market for cheese. These top five countries represent around 66 percent of Australia's export destinations.

The export statistics for the PS & D Table are sourced from the ADC while the numbers for the trade matrices are sourced from the ABS. While there is not a major difference between the numbers post believes that in general ADC export statistics are more accurate.

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Cheese | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 47 | U.S. | 14 |
| Others | | Others | |
| New Zealand | 16711 | New Zealand | 20953 |
| Italy | 1609 | Italy | 1712 |
| Norway | 1462 | Norway | 1351 |
| The Netherlands | 1124 | The Netherlands | 966 |
| Denmark | 1056 | Greece | 918 |
| Greece | 914 | Bulgaria | 862 |
| Bulgaria | 833 | Denmark | 768 |
| Germany | 324 | France | 338 |
| France | 317 | Germany | 301 |
| United Kingdom | 115 | Romania | 109 |
| Total for Others | 24465 | | 28278 |
| Others not Listed | 439 | | 473 |
| Grand Total | 24951 | | 28765 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Cheese | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 8424 | U.S. | 10401 |
| Others | | Others | |
| Japan | 72804 | Japan | 67472 |
| Saudi Arabia | 13077 | The Netherlands | 16523 |
| The Netherlands | 7117 | Saudi Arabia | 12485 |
| The Philippines | 6747 | Rep. of Korea | 10978 |
| Rep. of Korea | 6179 | Algeria | 6323 |
| Algeria | 5680 | The Philippines | 5425 |
| United Kingdom | 4638 | United Kingdom | 5419 |
| Belgium | 3570 | Egypt | 3646 |
| Trinidad & Tobago | 3519 | Mexico | 2924 |
| Mexico | 2460 | Taiwan | 2363 |
| Total for Others | 125791 | | 133558 |
| Others not Listed | 33400 | | 32997 |
| Grand Total | 167615 | | 176956 |

# Dairy, Butter

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Butter | | | | (1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Beginning Stocks | 20 | 20 | 16 | 16 | 41 | 34 |
| Production | 154 | 154 | 173 | 175 | 170 | 184 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 6 | 6 | 7 | 7 | 9 | 10 |
| TOTAL Imports | 6 | 6 | 7 | 7 | 9 | 10 |
| TOTAL SUPPLY | 180 | 180 | 196 | 198 | 220 | 228 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 105 | 105 | 95 | 104 | 110 | 121 |
| TOTAL Exports | 105 | 105 | 95 | 104 | 110 | 121 |
| Domestic Consumption | 59 | 59 | 60 | 60 | 61 | 61 |
| TOTAL Use | 164 | 164 | 155 | 164 | 171 | 182 |
| Ending Stocks | 16 | 16 | 41 | 34 | 49 | 46 |
| TOTAL DISTRIBUTION | 180 | 180 | 196 | 198 | 220 | 228 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 4 | 4 | 5 | 5 | 5 | 3 |

### General

Butter production is forecast by post to increase by 5 percent during 1999/2000 reaching 184,000 MT in line with ABARE's forecast.

# Trade

## General

ABS statistics indicate that for the CY 1999 Australian butter exports increased by around 26 percent. Egypt, the largest export destination, fell by 6 percent when compared to the previous year. However the rest of the top five export destinations increased between 20 percent and 61 percent.

Post forecasts that exports of butter will increase by 16 percent during 1999/2000. This is in line with ABARE's forecast .

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Butter | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 39 | U.S. | 38 |
| Others | | Others | |
| New Zealand | 6463 | New Zealand | 7809 |
| France | 6 | Australia | 461 |
| | | France | 11 |
| | | The Philippines | 4 |
| Total for Others | 6469 | | 8285 |
| Others not Listed | 1 | | 0 |
| Grand Total | 6509 | | 8323 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Butter | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 3864 | U.S. | 3680 |
| Others | | Others | |
| Egypt | 12163 | Egypt | 11457 |
| Singapore | 7328 | Thailand | 9142 |
| Thailand | 7174 | Singapore | 8760 |
| Mexico | 6776 | Russia | 5511 |
| Saudi Arabia | 4868 | Malaysia | 5475 |
| Iran | 4097 | The Philippines | 4409 |
| Russia | 3820 | Saudi Arabia | 4326 |
| Morocco | 3662 | Mexico | 4267 |
| The Philippines | 3556 | India | 4015 |
| Taiwan | 3396 | Taiwan | 3897 |
| Total for Others | 56840 | | 61259 |
| Others not Listed | 32971 | | 53244 |
| Grand Total | 93675 | | 118183 |

# Milk Nonfat Dry Milk Powder

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Milk, Nonfat Dry | | | | (1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Beginning Stocks | 31 | 31 | 29 | 29 | 11 | 9 |
| Production | 231 | 231 | 255 | 255 | 265 | 267 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 3 | 3 | 2 | 0 | 2 | 0 |
| TOTAL Imports | 3 | 3 | 2 | 0 | 2 | 0 |
| TOTAL SUPPLY | 265 | 265 | 286 | 284 | 278 | 276 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 199 | 199 | 238 | 238 | 220 | 230 |
| TOTAL Exports | 199 | 199 | 238 | 238 | 220 | 230 |
| Human Dom. Consumption | 37 | 37 | 37 | 37 | 37 | 37 |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 37 | 37 | 37 | 37 | 37 | 37 |
| TOTAL Use | 236 | 236 | 275 | 275 | 257 | 267 |
| Ending Stocks | 29 | 29 | 11 | 9 | 21 | 9 |
| TOTAL DISTRIBUTION | 265 | 265 | 286 | 284 | 278 | 276 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 1 | 0 | 1 |
| Calendar Yr. Exp. to U.S. | 4 | 4 | 2 | 1 | 2 | 1 |

### General

Production of SMP is forecast to increase by around 5 percent during 1999/2000.

# Trade

## General

Exports of SMP are forecast to fall slightly during 1999/2000.

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Australia | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Total for Others | 0 | | 0 |
| Others not Listed | 0 | | 0 |
| Grand Total | 0 | | 0 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 1058 | U.S. | 1329 |
| Others | | Others | |
| The Philippines | 51050 | The Philippines | 55384 |
| Malaysia | 30704 | Malaysia | 34947 |
| Thailand | 24806 | Thailand | 25889 |
| Japan | 18397 | Japan | 14080 |
| Singapore | 14169 | Singapore | 13844 |
| Indonesia | 10095 | Indonesia | 11821 |
| Taiwan | 10013 | Taiwan | 11207 |
| Egypt | 6979 | Saudi Arabia | 7893 |
| Saudi Arabia | 5823 | Nigeria | 4465 |
| Vietnam | 4967 | Sri Lanka | 4105 |
| Total for Others | 177003 | | 183635 |
| Others not Listed | 27634 | | 34780 |
| Grand Total | 205695 | | 219744 |

# Dry Whole Milk Powder

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Dry Whole Milk Powder | | | | (1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Beginning Stocks | 19 | 19 | 18 | 18 | 5 | 3 |
| Production | 127 | 127 | 145 | 145 | 160 | 162 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 4 | 4 | 2 | 0 | 5 | 0 |
| TOTAL Imports | 4 | 4 | 2 | 0 | 5 | 0 |
| TOTAL SUPPLY | 150 | 150 | 165 | 163 | 170 | 165 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 110 | 110 | 139 | 139 | 140 | 140 |
| TOTAL Exports | 110 | 110 | 139 | 139 | 140 | 140 |
| Human Dom. Consumption | 22 | 22 | 21 | 21 | 23 | 23 |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 22 | 22 | 21 | 21 | 23 | 23 |
| TOTAL Use | 132 | 132 | 160 | 160 | 163 | 163 |
| Ending Stocks | 18 | 18 | 5 | 3 | 7 | 2 |
| TOTAL DISTRIBUTION | 150 | 150 | 165 | 163 | 170 | 165 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

### General

Post forecasts that WMP production will increase by around 12 percent during 1999/2000 due to increased milk production.

# Trade

## General

Exports of WMP are forecast to increase only slightly during CY 2000.

Exports of WMP have increased to the Philippines, Taiwan, Bangladesh, Sri Lanka, Singapore and Malaysia. These markets accounted for 70 percent of Australian exports of WMP in CY 1999.

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Total for Others | 0 | | 0 |
| Others not Listed | 0 | | 0 |
| Grand Total | 0 | | 0 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 350 |
| Others | | Others | |
| The Philippines | 23407 | The Philippines | 26438 |
| Sri Lanka | 11248 | Taiwan | 16003 |
| Bangladesh | 10811 | Bangladesh | 11588 |
| Malaysia | 10646 | Thailand | 11479 |
| Taiwan | 10469 | Sri Lanka | 11463 |
| Thailand | 9735 | Malaysia | 11021 |
| Singapore | 4238 | Singapore | 6723 |
| Saudi Arabia | 4099 | Oman | 6169 |
| Mauritius | 3406 | Vietnam | 5678 |
| Algeria | 3000 | Mauritius | 4715 |
| Total for Others | 91059 | | 111277 |
| Others not Listed | 24585 | | 22839 |
| Grand Total | 115644 | | 134466 |

# Dried Whey

## Production

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Australia | | | | | |
| Commodity | Dairy, Dried Whey | | | | (1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1997 | | 07/1998 | | 07/1999 |
| Beginning Stocks | 2 | 2 | 10 | 10 | 12 | 11 |
| Production | 51 | 51 | 53 | 53 | 55 | 55 |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Imports | 3 | 3 | 0 | 0 | 0 | 0 |
| TOTAL Imports | 3 | 3 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 56 | 56 | 63 | 63 | 67 | 66 |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Exports | 35 | 35 | 40 | 41 | 44 | 44 |
| TOTAL Exports | 35 | 35 | 40 | 41 | 44 | 44 |
| Human Dom. Consumption | 11 | 11 | 11 | 11 | 12 | 12 |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 11 | 11 | 11 | 11 | 12 | 12 |
| TOTAL Use | 46 | 46 | 51 | 52 | 56 | 56 |
| Ending Stocks | 10 | 10 | 12 | 11 | 11 | 10 |
| TOTAL DISTRIBUTION | 56 | 56 | 63 | 63 | 67 | 66 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 1 | 1 | 1 | 1 | 0 | 3 |

### General

Dried whey production is largely determined by export demand.  Increased export demand during 1999/2000 is expected to result in production and exports  increasing.

# Trade

## General

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Dried Whey | | |
| Time period | Cal Yr | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Total for Others | 0 | | 0 |
| Others not Listed | 0 | | 0 |
| Grand Total | 0 | | 0 |

| | | | |
|---|---|---|---|
| Export Trade Matrix | | | |
| Country | Australia | | |
| Commodity | Dairy, Dried Whey | | |
| Time period | Cal Yr | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 592 | U.S. | 703 |
| Others | | Others | |
| Malaysia | 4516 | Malaysia | 3785 |
| The Philippines | 4367 | Indonesia | 2889 |
| Hong Kong | 3945 | China | 2786 |
| Indonesia | 3570 | The Philippines | 2342 |
| Brazil | 3494 | Japan | 1882 |
| China | 3423 | Singapore | 1860 |
| Japan | 3352 | Taiwan | 1525 |
| Singapore | 2219 | Hong Kong | 1453 |
| Thailand | 2054 | Thailand | 701 |
| The Netherlands | 1866 | Bangladesh | 606 |
| Total for Others | 32806 | | 19829 |
| Others not Listed | 6018 | | 1498 |
| Grand Total | 39416 | | 22030 |