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Dairy and Products

Annual

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Report Highlights:
Post projects an increase in production of milk and milk products in 2003, higher exports of dairy products, and improved returns to producers. However, uncertainties regarding the Brazilian economy in 2003 and the current volatility of the exchange rate could adversaly affect the sector next year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Brasilia [BR1], BR

Executive Summary

In the past decade, Brazil has undertaken a number of economic reforms that dramatically reduced inflation and opened the economy to private sector investment. In 1994, Brazil initiated an economic stabilization program known as the Real Plan, which was highly successful in reducing longstanding inflation. The plan also inaugurated one of the world's largest privatization programs. However, when growth slowed, the economy's dependence on external financing and the government failure to control its finances, left the economy vulnerable to external shocks. In 1999, the government was forced to float and devalue the real. Since 1999 the government has been dedicated to fiscal discipline, highlighted by the passage in May 2000 of the Fiscal Discipline Law, which sets strict limits on government spending at the federal and sub-federal level. The government also initiated an inflation-targeting program as the basis of monetary policy, wherein the government sets a target and the Central Bank strives to keep inflation within a band around the target. While many changes have been implemented, the government needs to continue its economic reform program, notably tax and pension reform.

After a strong economic performance in 2000, the Brazilian economy was hampered by several factors in 2001, most notably an economic crisis in Argentina, falling growth in the major world economies, a serious electricity shortfall in Brazil, and the effects of the September 11 terrorist attacks. The exchange rate weakened appreciably, increasing inflationary pressure, which rose to 7.7 percent. Higher interest rates (to counter inflationary pressures), electricity rationing, and weakening consumer confidence affected economic activity, and GDP expanded by only 1.5 percent in 2001. The Brazilian government made several economic adjustments in 2001 in response to the economic shocks, renewing its agreement with the IMF, tightening fiscal discipline, and drawing on international reserves to provide limited support to the exchange rate. These measures helped strengthen investor confidence, and when Argentina defaulted in December 2001, the Brazilian real actually strengthened.

The first quarter of 2002 was relatively calm, and economic activity showed signs of picking up. However, beginning in the second quarter, investor confidence fell because of uncertainty about the 2002 presidential election and whether the new president, who takes office in January 2003, will be able to service the Brazilian government's sizeable debt burden. Turbulent international financial markets and doubts about economic recovery in the United States have added to the pressure on the Brazilian financial market. The exchange rate again weakened and Brazil risk premiums for international borrowing increased. In August 2002 Brazil reached an agreement with the IMF for a new $30 billion program that extends through 2003. However, the financial markets remained under pressure through September, when the exchange rate fell 25 percent in one month. Given the economic uncertainty, growth will again be modest in 2002, probably around 1.5 percent. Inflation for 2002 is projected at close to 7 percent.

The impact of these economic conditions and the forecast for higher inflation rates and poor growth in 2003 on the dairy sector are mixed. Although production and exports are growing, there are concerns about lower profit margins for producers due to higher feed costs. The devaluation of the Real helps the competitiveness of Brazilian products overseas markets, but the volatility of the exchange rate also increases costs such as vaccines and other inputs quoted in dollars, and limits the availability of export credit financing for Brazilian dairy exporters.

Commodity Outlook for 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. OAA estimates are based on interviews with trade and government sources, and include both commercial, as well as non-commercial and informally marketed milk.

Post estimates that Brazilian fluid milk production will increase by 3 percent in 2003, reflecting an increase in productivity, good weather conditions in the major production areas, and improved prices paid to producers.

OAA made some small adjustments in the PS&D for 2001 and 2002 milk production data to reflect lower production due to a period of lower prices paid to producers, lower demand of some frozen dairy products due to the energy rationing program, and lower milk imports.

Production Factors

The following factors support Brazil's increase in fluid milk production:

a) Increased Productivity. The major factor contributing to increased milk production in Brazil is the increase in productivity. Greater concentration of dairy processing among large multinational companies, such as Nestle and Parmalat, is stimulating Brazilian dairy farmers to invest in genetics, nutrition, quality, and improved management practices.

Data from the 16 largest dairies in Brazil indicate that the number of milk producers, under contract with these dairies, dropped by 20 percent to 115,122 producers in 2001 from 144,450 in 1999, but the average productivity of these producers, increased by 43 percent, from 109 liters/day per producer in 1999 to 156 liters/day per producer in 2000.

During the past five years, the semen market in Brazil increased by more than 30 percent. Final estimates for imported animal genetics in 2001 shows that Brazil spent US$11 million with imports of semen, embryos, and live animals, of which 80 percent was dairy genetics. The U.S. market share of the Brazilian animal genetics market increased to 56 from 36 percent. For dairy genetics, the U.S. market share is nearly 70 percent of Brzil's imports.

b) Government Support: The Brazilian federal government has a dairy fund ("Pro-Leite") valued at R$ 200 million (approximately US$74 million) to increase production and the quality of milk in Brazil (See policy section). This program is used primarily by milk producers in the Center-West regions to increase their productivity. In addition, some state government provide tax exemptions to attract investments and large Brazilian dairies also finance their producers under contract.

c) Private Investments. Recent investments by major dairy processing companies in non-traditional milk producing areas, such as the state of Goias, will also continue to stimulate milk production. Goias has become the second largest producing state. Investments in this Center-West region are primarily aimed at reducing production costs, and increasing the efficiency of land and labor inputs. Feed (to supplement dairy cattle during the dry season) is available in this region at lower costs compared to traditional Brazilian dairy areas. Fiscal incentives, primarily in the state of Goias, have attracted additional investments in the sector. Investments in the Center-West have been supported by Brazilian consumers' increasing acceptance of UHT (ultra high temperature) long shelf-life milk, which enables companies to transport UHT milk economically over longer distances to consumer markets. A good example is the most recent expansion of milk production in the state of Rondonia, in the so-called pre-Amazon area, adjacent to northern Bolivia.

d) **Concentration of Dairy Companies**. Since 1995, multinational companies have been purchasing Brazilian dairy cooperatives and medium-sized dairy family-owned companies. Today, these companies account for an average of 60 percent of federally inspected fluid milk in Brazil (does not include "informal" milk production).

The table below shows major acquisitions in the Brazilian dairy sector since 1995:

Year	Company	Buyer	Country of Origin
1995	Avare	Fleischman Royal	USA
1996	Bethania Leitesol CCGL (Elege)	Parmalat Mastellone (La Serenissima) Avipal	Italy Argentina Brasil
1998	Batavo Ivoti	Parmalat Milkaut	Italy Argentina
1999	Mococa	Royal Numico	Netherlands
2000	Paulista	Danone	France
2001	Avare/Gloria	Parmalat	Italy

Consumption

Declining fluid milk consumption in Brazil during 2002-2003 results from a decline in consumer purchasing power. This situation created a temporary excess of fluid milk in the market since last year and led to a drop in producer prices in all regions of the country. However, retail prices for milk in most supermarkets have not changed and consumers have not benefited from lower milk prices. The concentration of large supermarket chains and dairies has created a problem for small milk producers with no power to control prices, except in the state of Goais due to the strong intervention of the government in price negotiations (see section on price below). Prices paid to producers, however, have changed since July due to the current scarcity of milk production in the market. Important dairies in Brazil began to produce milk powder for export in order to take advantage of the significant appreciation of the dollar relative to the Brazilian Real during the second half of 2002..

According to our trade sources, consumption of UHT milk in 2002 will reach 80 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.

Changes in Brazilian consumption of dairy products since 1995 have prompted large dairy companies and cooperatives to invest in new products. Initially, UHT milk replaced type "C" fluid milk as discussed above. The second step was the introduction of different types of UHT fluid milk (low fat, non-fat, etc.) in addition to whole milk. Lastly, a wide range of frozen desserts and yogurt products are now available in the market. A recent study produced by the Latin Panel notes the changing habits of Brazilian consumers over the past 10 years, including a reduction in brand loyalty, an increase in the consumption of "specialty cheeses", and an increase in consumption of premium wines.

Prices

The average price of fluid milk (type "C") paid to producers during January-December 2001 was R$0.22 per liter in Minas Gerais (largest dairy state in Brazil), followed by R$0.29 per liter in Goias (second largest milk producer). Assuming an average exchange rate of R$2.35 per U.S. dollar in 2001, these prices were respectively US$0.09 and US$0.12 per liter. Prices in 2001 were an average 30 percent lower than 2000. These prices remained the same in Reais during the first half of 2002, but it began to react in July, and in August 2002, prices paid to producers ranged between R$0.39 (US$0.13) per liter in Goais, and R$0.37 (US$0.12) per liter in Minas Gerais. The exchange rate used for August 2002 was R$3.12 per dollar. As of October 25, 2002 the price of milk paid to producers in Minas Gerais is R$0.42 per liter (US$0.11), and the exchange rate is R$3.85 per U.S. dollar.

Prices paid to producers in Goais have been traditionally higher than the rest of the country because of the organization of the producers'cooperatives and the strong intervention of the state government in price negotiations. The reason is that the state of Goias has provided credit subsidies for large dairies to install their plants in that state, such as 70 percent exemption of the state added-value tax (ICMS) during 15 years, and state financing to milk producers to invest in genetics and equipment. State officials use their power during price negotiations by thretening dairies with cuts in subsidies. In addition, milk producers benefit from the increasing production of corn and soybeans in that state which reduces portions of their cost of production, although the recent appreciation of the dollar and the drop in corn production in Brazil has increased their costs.

The Farm Bureau of the state of Goias completed an interesting study showing the increase in the price of milk paid to producers in that state and the increase in prices (nominal terms) of major inputs used by the sector for the period of July 1994 through July 2002 (the so-called period of "Real" Economic Plan).

Inputs	Percent increase in price
Diesel	197.52
Gasoline	220.37
Cotton Meal	89.00
Soybean Meal	215.66

Feed	130.60
Corn	113.93
Soybean	163.16
Minimum Wage	208.69
Labor (16 to 17% of total cost of production)	366.67
Ganatet (vet product)	175.73
Ganaseg (vet product)	145.09
Milk (Price per liter paid to producer)	71.95

Trade

Imports of fluid milk, mostly packaged UHT milk sold by companies from Argentina and Uruguay with commercial interests in Brazil, dropped in 2002, and will likely drop even further in 2003 due to the significant devaluation of the Brazilian currency relative to the U.S. dollar.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	Other Info
0401.10.10	Milk and Cream ,UHT	15.5	Free: Mercosul
0401.10.90	Milk and Cream, other	13.5	Free: Mercosul

Note: (1) MERCOSUL' s Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product.

Stocks

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

Policy

The goals of Brazilian milk producers for 2002/03 changed after a favorable ruling on the dumping investigation, initiated in early 1999 by the Brazilian Farm Bureau (CNA). The final report resulted in anti-dumping tariffs for a period of five years, on powdered milk, and the establishment of a minimum price of US$1,900 for imports from Argentina, Uruguay, and Arla Foods from Dennmark (see import tariff section). The new goals include:

a) adding milk to the federal government minimum price program and creating new marketing mechanisms to support prices to producers, such as Government Acquisition Programs or Government Loan Programs, which are already in use for crops;

b) increased surveillance and sanitary inspection of milk production to avoid competition from "informal" milk producers;

c) implementing the National Program to Increase Milk Quality (PNQL) to benefit local consumers and increase exports (see section below);

d) streamline procedures for approval of Brazilian dairy establisments to increase exports;

e) negotiate "inspection equivalency" agreements for milk and milk products with foreign governments;

f) identify foreign import barriers to Brazilian dairy products;

g) create market promotion programs to increase dairy exports; and,

h) establish an annual fund for building milk powder stocks to support domestic prices;

National Program to Increase Milk Quality (PNQL). The Brazilian government published in the Diario Oficial (Brazil's Federal Register), Normative Instruction Number 51, dated September 18, 2002 regarding the technical specifications for the Production, Identitity, and Quality of different types of milk (A, B, and C). The new regulations require that all types of milk be cooled at the farm according to international rules and standards. Beginning in 2005, type "C" milk will be abolished in Brazil. In the North-Northeast regions of the country producers will have until 2007 to adapt to the new production regulations. This new regulation will improve sales of multinational companies like DeLaval, Westfalia, and Bosio who control the market for cooling tanks. The sector foresees an increase in sales in 2003 by over US$20 million due to these new regulations.

Since September 10, 1999, the Brazilian Minister of Agriculture, Livestock, and Food Supply (MAPA) prohibits, through Normative Instruction Number 11, the use of imported powdered milk in social feeding programs financed by the federal government. This regulation established a procedure by which any company offering to supply milk under federal government social feeding programs must present a laboratory test for the product and meet all the technical specifications of powdered milk produced by Brazilian dairy companies.

The Brazilian government also increased enforcement of non-tariff barriers on dairy imports, such as formal review and registration of foreign processing and plant inspection systems, greater pre-inspection of plants in exporting countries, certificates of origin, laboratory product-quality tests, and product label registration according to Brazilian consumer law.

The Inspection Department for Products of Animal Origin (DIPOA), Ministry of Agriculture, Livestock, and Food Supply (MAPA), resumed the registration of new U.S. dairy inspection plants to export their products to Brazil in 2002.

Commodity Outlook for 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 estimates that cheese production will increase by four percent in 2003, rebounding from 2002. The increase in production for next year reflects continued firm demand by the fast food industry and less competition from cheese imports.

Consumption

Human consumption of fresh cheese is expected to increase in 2002, but at moderate rates because of the higher domestic price of cheese combined with the drop in consumer's purchasing power. However, demand will continue to be firm for fast-food, institutional, and "specialty" cheeses (Gruyere, Gouda, Cheddar).

Prices

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

Type	US$/Kilogram
Minas (fresh farmer type)	1.95
Mozzarella	1.85
Provolone	2.00
Parmesan	2.35

Notes: (1) Prices for Sao Paulo market, as of 10/25/2002
(2) Average Exchange Rate: US$1.00=R$3.85

Trade

Cheese imports are expected to rebound in 2003 and increase by 25 percent, reflecting higher demand for specialty cheeses, and for Mozzarella cheese from the fast food industry. Argentina remains as the amjor supplier of cheese to Brazil, mostly Mozzarella, followed by Uruguay and the European Union (mostly specialty cheeses).

Exports of Brazilian cheese is expected to double in 2003 due to the devalution of the Brazilian currency. Argentina is the main importer of Brazilian cheese, but Brazilian cheese exporters also exports to a variety of destinations, including Angola, Japan, Taiwan, and Paraguay. In 2001, Brazil exported more cheese to the U.S. than imported from the United States.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	Other Info (2)
0406.10.10	Cheese, Mozzarella	17.5	Mercosul: 27%
0406.10.90	Cheese, Other	17.5	Mercosul: Free
0406.20.00	Grated or Powdered Cheese	17.5	Mercosul: Free
0406.90.10	Cheese, with a fat content less than 36.0%, by weight	17.5	Mercosul: 27%
0406.90.20	Cheese with a fat content superior or equal to 36.0% and less than 46.0% by weight	17.5	Mercosul: 27%

Notes:

(1) MERCOSUL' s Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product;

(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 for 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 nearly 11 percent in 2003, reflecting lower imports of butter and butter oil, and higher domestic demand, mostly for unsalted butter. Competition from margarine remains strong, with margarine production rising to 783,000 metric tons, up 3 percent from 2002.

Prices

The current average wholesale prices of domestically produced butter are:

Type	US$/Kilogram
Salted	1.30
Unsalted	1.20

Notes: (1) Prices for Sao Paulo market, as of 10/25/02
(2) Average Exchange Rate: US$1:00=R$3.85

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	other Info
0405.10.00	Butter	17.5	Mercosul: Free
0405.90.10	Butter Oil	17.5	Mercosul: Free

Notes:

(1) MERCOSUL' s Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product.

Commodity Outlook for 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 trade contacts.

Total powdered milk production will increase by about 6.5 percent in 2003, to 493,000 metric tons, of which 78 percent is whole milk powder (WMP), and 22 percent is nonfat dry milk powder (NDM). The greater increase in the production of powdered milk reflects the following factors: (a) decline in the imports of powdered milk due to the higher cost of imports after the establishment of higher tariffs and the devaluation of the Real in 2001; (b) higher allocation of government funds for social programs at the federal and state levels; (c) prohibition of the use of imported powdered milk in social programs; and, d) strict sanitary standards for imported milk.

The following factors support higher Brazilian powdered milk production:

a) higher import tariffs and minimum import prices, which reduced significantly imports of subsized powdered milk;

b) new credit programs of more than R$100 million (about US$37 million) by the National Bank of Economic and Social Development (BNDES) to finance new investments in plants to produce powdered milk. This does not include private sector capital, which brings total investments up to US$100 million; and,

c) reported increase of 25 percent in sales of equipment for producing powdered milk.

Prices

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

Type	US $ /Kilogram
Whole milk powder	2.35
Nonfat dry milk powder	2.90

Notes:

(1) Prices for Sao Paulo market, as of 10/25/02;
(2) Average Exchange Rate: US$1.00=R$

Trade

Imports of powdered milk (both whole and nonfat) are estimated to decline by nearly 10 percent in 2003, following a significant increase of over 50 percent in 2002. The rebound in imports of powder milk in 2002 reflects higher purchases of some dairies from Mercosul countries to fulfill contracts for exports. Trade sources have indicated that some of the Brazilian dairies were exporting at a loss because they were importing powder milk at US$1,600 and US$1,900 per metric ton, and exporting the product at US$1,400.

Argentina and Uruguay are the main suppliers of powdered milk to Brazil, mostly whole milk. The European Union has lost market share in Brazil since 1981. On the export side, the major destinations of Brazilian powdered milk are Angola, Bolivia, Colombia, Paraguay, and the United States. Exports are doubling each year, and they are expected to reach in 42,000 metric tons in 2003, with the inclusion of new markets such as Russia, Chile, Algeria, and Trinidad & Tobago.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	Other Info (2)
0402.21.10	Whole Milk Powder	17.5	Mercosul: 27%

0402.21.20	Nonfat Milk, Powder	17.5	Mercosul: 27%
0404.10.00	Whey Powder	15.5	Mercosul: 27%

Notes:

(1) MERCOSUL' s Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product;

(2) Effective June 1, 2001, milk powder was included in 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 to all markets, including MERCOSUL members.

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 All other companies	3.9 3.9
European Union	All Companies, except Arla Foods Ingredients Amba (see note below) Cerealin S.A.	14.8 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 exported 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 was calculated using USDA's price list.

(3) Effective August 26, 2002, whey powder was included in the "exception list" of the Common External Tax (CXT), of the 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% tax is charged in addition to the Import Tariff of 15.5 percent to all markets, including MERCOSUL members.

Stocks

There are no official government stocks of powdered milk.

Policy

Please see section under Fluid Milk.

Marketing

Two important business organizations were formed in 2002 to market Brazilian powdered milk overseas:

1) SERLAC. The first Brazilian dairy trading 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), Embare 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. Recently, SERLAC initiated negotiations with CONAPROLE from Uruguay to form a partnership on exports of dairy products.

2) DPA. Nestle and Fonterra from New Zealand formed a joint-venture called Dairy Partners Americas (DPA), which will enter into operation on January 1, 2003. The company will have its headquarters in Brazil, and will operate in Latin American coutries. During 2003, DPA plans to operate only in Argentina, Brazil, and Venezuela, expanding later to Chile, Ecuador, Colombia, and the Caribean islands. In 2004, DPA plans to intitiate sales to the NAFTA countries. DPA officials estimate sales of dairy products, mostly powdered milk, in the first year of operation at US$420 million. Nestle's seven milk plants in Brazil will serve as the production base for DPA.

Tables

PSD: Dairy, Milk, Fluid

PSD Table						
Country	Brazil					
Commodity	Dairy, Milk, Fluid				(1000 HEAD)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Cows In Milk	16045	15900	15980	15600	0	15300
Cows Milk Production	22580	22300	23260	22635	0	23315
Other Milk Production	0	0	0	0	0	0
TOTAL Production	22580	22300	23260	22635	0	23315
Intra EC Imports	0	0	0	0	0	0
Other Imports	65	39	0	25	0	15
TOTAL Imports	65	39	0	25	0	15
TOTAL SUPPLY	22645	22339	23260	22660	0	23330
Intra EC Exports	0	0	0	0	0	0
Other Exports	2	2	3	4	0	8
TOTAL Exports	2	2	3	4	0	8
Fluid Use Dom. Consum.	12670	12390	12790	12292	0	12326
Factory Use Consum.	9825	9799	10320	10218	0	10886
Feed Use Dom. Consum.	148	148	147	146	0	110
TOTAL Dom. Consumption	22643	22337	23257	22656	0	23322
TOTAL DISTRIBUTION	22645	22339	23260	22660	0	23330
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import trade Matrix, Milk, Fluid

Import Trade Matrix			
Country	Brazil		
Commodity	Dairy, Milk, Fluid		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Argentina	24		32
Uruguay	71		6
Total for Others	95		38
Others not Listed	1		1
Grand Total	96		39

PSD: Dairy, Cheese

PSD Table						
Country	Brazil					
Commodity	Dairy, Cheese				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Production	460	460	472	470	0	484
Intra EC Imports	0	0	8	0	0	0
Other Imports	11	8	0	10	0	10
TOTAL Imports	11	8	8	10	0	10
TOTAL SUPPLY	471	468	480	480	0	494
Intra EC Exports	0	0	0	0	0	0
Other Exports	3	2	4	2	0	4
TOTAL Exports	3	2	4	2	0	4
Human Dom. Consumption	468	466	476	478	0	490
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	468	466	476	478	0	490
TOTAL Use	471	468	480	480	0	494
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	471	468	480	480	0	494
Calendar Yr. Imp. from U.S.	1	1	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Cheese

Import Trade Matrix			
Country	Brazil		
Commodity	Dairy, Cheese		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2000		2001
U.S.	138	U.S.	48
Others		Others	
Argentina	8407		3096
European Union	1840		1432
New Zealand	864		934
Uruguay	2290		1885
Total for Others	13401		7347
Others not Listed	1231		633
Grand Total	14770		8028

Export Trade Matrix, Cheese

Export Trade Matrix			
Country	Brazil		
Commodity	Dairy, Cheese		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2000		2001
U.S.	55	U.S.	50
Others		Others	
Angola	30		60
Argentina	1593		1546
Chile	128		168
Japan	57		56
Paraguay	56		58
Taiwan	226		110
Total for Others	2090		1998
Others not Listed	271		222
Grand Total	2416		2270

PSD: Dairy, Butter

PSD Table						
Country	Brazil					
Commodity	Dairy, Butter				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Production	78	78	81	70	0	78
Intra EC Imports	0	0	0	0	0	0
Other Imports	6	2	5	7	0	2
TOTAL Imports	6	2	5	7	0	2
TOTAL SUPPLY	84	80	86	77	0	80
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	3	0	1	0	2
TOTAL Exports	0	3	0	1	0	2
Domestic Consumption	84	77	86	76	0	78
TOTAL Use	84	80	86	77	0	80
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	84	80	86	77	0	80
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Butter

Import Trade Matrix			
Country	Brazil		
Commodity	Dairy, Butter		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Argentina	4692		349
E. Union	141		44
Uruguay	4797		1393
Total for Others	9630		1786
Others not Listed	666		0
Grand Total	10296		1786

Export Trade Matrix, Butter

Export Trade Matrix			
Country	Brazil		
Commodity	Dairy, Butter		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2000		2001
U.S.	7	U.S.	12
Others		Others	
Algeria	0		100
Angola	4		10
Bolivia	4		7
Canada	0		320
Egypt	0		1580
Japan	9		2
Total for Others	17		2019
Others not Listed	75		247
Grand Total	99		2278

PSD: Dairy, Dry Whole Milk Powder

PSD Table						
Country	Brazil					
Commodity	Dairy, Dry Whole Milk Powder				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	11	11	0	0	3	0
Production	310	345	330	355	0	385
Intra EC Imports	0	0	0	0	0	0
Other Imports	90	52	90	85	0	75
TOTAL Imports	90	52	90	85	0	75
TOTAL SUPPLY	411	408	420	440	3	460
Intra EC Exports	0	0	0	0	0	0
Other Exports	6	8	7	30	0	40
TOTAL Exports	6	8	7	30	0	40
Human Dom. Consumption	405	400	410	410	0	420
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	405	400	410	410	0	420
TOTAL Use	411	408	417	440	0	460
Ending Stocks	0	0	3	0	0	0
TOTAL DISTRIBUTION	411	408	420	440	0	460
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Dry Whole Milk Powder

Import Trade Matrix			
Country	Brazil		
Commodity	Dairy, Dry Whole Milk Powder		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	2000		2001
U.S.	415	U.S.	6
Others		Others	
Argentina	98202		39640
European Union	12617		4503
New Zealand	3600		1518
Uruguay	18601		6544
Total for Others	133020		52205
Others not Listed	3405		127
Grand Total	136840		52338

Export Trade Matrix, Dry Whole Milk Powder

Export Trade Matrix			
Country	Brazil		
Commodity	Dairy, Dry Whole Milk Powder		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	2000		2001
U.S.	33	U.S.	130
Others		Others	
Angola	3229		4734
Bolivia	22		41
Colombia	0		438
Paraguay	1398		1294
Total for Others	4649		6507
Others not Listed	92		1785
Grand Total	4774		8422

PSD: Dairy, Milk, Nonfat Dry

PSD Table						
Country	Brazil					
Commodity	Dairy, Milk, Nonfat Dry				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Production	87	103	98	107	0	108
Intra EC Imports	0	0	0	0	0	0
Other Imports	16	2	10	1	0	2
TOTAL Imports	16	2	10	1	0	2
TOTAL SUPPLY	103	105	108	108	0	110
Intra EC Exports	0	0	0		0	0
Other Exports	0	0	0	2	0	2
TOTAL Exports	0	0	0	2	0	2
Human Dom. Consumption	103	105	108	106	0	108
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	103	105	108	106	0	108
TOTAL Use	103	105	108	108	0	110
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	103	105	108	108	0	110
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0