

Required Report - public distribution

Date: 6/2/2000 GAIN Report #UK0018

United Kingdom

Dairy and Products

Semi-Annual

2000

Approved by: Michael L. Conlon U.S. Embassy, London

Prepared by: Steve R. Knight

Report Highlights:

The UK dairy industry struggled through 1999 as a consequence of the knock-on effects of a strong pound combined with the highly competitive nature of export markets. However, a recent decline in sterling's strength on international currency markets combined with an upturn in demand on key export markets has offered a glimmer of hope to the sector.

Includes PSD changes: Yes Includes Trade Matrix: Yes Semi-Annual Report London [UK1], UK

Table of Contents

Executive Summary	
Section I: Situation and Outlook	<u>2</u>
Section II: Statistical Tables	<u>4</u>
Table 1: Fluid Milk, PS&D	<u>4</u>
Table 2: Fluid Milk, Export Trade Matrix	<u>5</u>
Table 3: Fluid Milk, Import Trade Matrix	<u>6</u>
Table 4: Fluid Milk, Prices Table	<u>7</u>
Table 5: Cheese, PS&D Cheese, PS&D	<u>8</u>
Table 6: Cheese, Export Trade Matrix	<u>9</u>
Table 7: Cheese, Import Trade Matrix	<u>10</u>
Table 8: Cheese, Prices Table	<u>11</u>
Table 9: Butter, PS&D	<u>12</u>
Table 10: Butter, Export Trade Matrix	<u>13</u>
Table 11: Butter, Import Trade Matrix	<u>14</u>
Table 12: Butter, Prices Table	<u>15</u>
Table 13: Milk, Nonfat Dry PS&D	<u>16</u>
Table 14: Milk, Nonfat Dry Export Trade Matrix	<u>17</u>
Table 15: Milk, Nonfat Dry Import Trade Matrix	<u>18</u>
Table 16: Milk, Dry PS&D	<u>19</u>
Table 17: Milk, Dry Export Trade Matrix	<u>20</u>
Table 18: Milk, Dry Import Trade Matrix	<u>21</u>
Appendix: Whey	<u>22</u>
Production	<u>22</u>
Trade matrix	<u>22</u>

Executive Summary

Over recent months the UK dairy industry has seemingly become more and more ruled by movements in the strength of sterling on international currency markets. As highlighted in previous reports, not only has the strong pound reduced the sterling value of intervention prices (which act as a floor for the butter and skimmed milk powder markets and which have hit all-time lows in 1999) but, when combined with increasingly competitive export markets, it has pressured UK domestic dairy prices ever lower. As such, the UK dairy industry struggled through 1999 as the pound determinedly maintained its value. Although the early months of CY2000 saw a continuation in this trend, a glimmer of hope has been offered to the agricultural sector over the past three weeks during which sterling has lost eight percent of its value against the Euro (the longest sustained decline in four years) and recorded a similar fall against the dollar. Should, as many in the dairy sector hope, this downward movement in the strength of the pound continue then this will do much to fuel a reduction in the UK's dairy trade deficit and give some support to the weak domestic prices.

Between 1995 and 1999 the number of UK dairy holdings declined from 36,500 to 30,900, a fall of over 15 percent. This decline in the number of holdings accelerated in 1999 as a direct consequence of the ongoing difficulties within the sector. Although many of the larger farms have absorbed the milk quotas of the smaller enterprises exiting the sector, other changes are afoot within the dairy industry which have the potential to change the sector dramatically. Most notably, April 1 saw three new regional co-operatives taking over from Milk Marque, broken up as a consequence of the UK Governments' Competition Commission investigation into the monopolistic nature of milk buying in the UK (UK9046). Before the announcement of its break up, Milk Marque was making a move towards vertical integration by investing in processing capacity. At the present time neither Milk Link, Axis nor Zenith have committed to follow in their predecessors lead. However, industry expectations are that it is only a matter of time before such an announcement is made. Such a move would likely be funded by a short-term reduction in the milk price received by farmers. Given the very low prices already being received at the farm gate and the eagerness of the new cooperatives to retain the loyalty of farmers previously supplying Milk Marque, industry sources are currently waiting to see whether the new cooperatives will choose to hold off on any movements in this direction until the market shows a more determined sign of recovery.

Also of interest in 2000 will be the sharp reduction in the GATT limits for third country subsidized exports of dairy products. As in the US, the EU (and thus the UK) is affected by GATT constraints. Of particular note is the possible impact on the dry milk sector where a recent rise in world demand has led to a sharp and sustained increase in world prices. Many in the UK dry milk sector are watching these developments with interest since should prices rise to a level at which unsubsidized exports become a possibility, current UK prices and exchange rates would mean that the UK could be highly competitive in such a market.

Finally, the UK's first major national generic milk campaign for 6 years starts on June 19. Featuring wellknown UK celebrities, the campaign will revolve around nationwide 20 second and 30 second television commercials. The 18 month campaign is costing BPS9 (USD2.25) million, the costs being half met by a farmer levy and half by dairy companies. The television campaign will be supplemented by both radio and billboard campaigns. The overall aim of the campaign is to increase UK domestic consumption of fluid milk by 65 million liters per annum.

Section I: Situation and Outlook

UK production of milk is estimated at 14.6 million MT in CY1999, an increase of 2.7 percent on 1998. Although the UK Intervention Board's collation of data is ongoing, early indications are that the UK has exceeded its quota during the 1999/00 marketing year (April through March) by nearly 40 million liters. Although slightly up on last years' 38 million liters, the total levy bill is expected to fall to around BPS8.7 (USD13) million, the strength of sterling reducing the superlevy to 22.05 ppl from 24.36 ppl in 1998/99. For the second year running, the UK has come bottom of the EU milk price league, the average price down a further 5.4 percent on 1998 at 18.35 ppl. This continues to add validity to the claims throughout the industry that the profitability of milk production in the UK is falling. The consequent negative undertone pervading the sector has persisted into 2000. Combined with the influence of yet another superlevy, the less than favorable wet and overcast weather in the early Spring means that the supply of fluid milk is tight at the present time. That said, it is thought that the ongoing exodus of dairy farmers from the industry is largely being met by increased production by those remaining and there is little expectation that 2000/01 will be the first under quota marketing year in the UK since 1992/93.

Domestic consumption of fluid milk, although remaining under pressure, rose in 1999 in line with the increase in supply. Against the trend seen in recent years, 1999 saw increased consumption of full-fat milk at the expense of purchases of semi-skimmed and skimmed milk. The increase in availability of supplies and low prices also meant that total factory and feed use volumes rose in 1999. As expected, exports of fluid milk continued to rise in 1999. However, the increase of 40,000 MT can be directly attributed to trade to the Republic of Ireland under contract processing arrangements. Indeed exports to the Republic of Ireland accounted for nearly 95 percent of the export volume in 1999. Most of this milk was reported to be destined for butter and skimmed milk powder production. It is expected that, in addition to leading to a reduction in domestic fluid use and factory and feed use, the forecast decline in production in 2000 will reduce the export tonnage to the Republic of Ireland. As forecast, imports of fluid milk declined sharply in 1999, the currency driven increase in the volume from Denmark in 1998 being short-lived. Import volumes are forecast steady in 2000.

Following the decline in 1998, UK production of cheese recovered slightly in 1999. However, given the increase in availability of fluid milk for manufacturing purposes, the increase is lower than would otherwise have been expected, much of the increase going for other manufacturing purposes such as butter where prices are slightly less depressed. This has meant supplies available for cheese production have remained tight. The slight recovery in the cheese production volume is thought to be proportionally split between the two main varieties produced in the UK, these being cheddar and mozzarella. Current industry expectations are that the depressed nature of the sector will cause the cheese make to fall in 2000, manufacturers preferring to source any shortfall in availability of domestic supply from the large stocks.

The BSE-tainted image of UK cheese on export markets is now a thing of the past. Although the strength of sterling on international currency markets in recent years has hindered exports, 1999 saw a slight rise in the export tonnage, all of the increase was to third countries. The recent decline in sterling means that further gains are expected this year with CY2000 exports currently forecast to reach 58,000 MT.

Although total UK consumption of cheese remains steady, recent years have seen an increase in the proportion of speciality cheeses imported and consumed in the UK. While 1999 saw a slight decline in the import volume

of cheese, named speciality imports increased by 10,000 MT at the expense of fresh and processed imports, against the trend of recent years. In particular, increases were seen in the importation of Brie/Camembert, Edam, Blue Vein, Samsoe/Gouda type, Feta and Gran types. UK consumers are adventurous cheese eaters and, as such, this move away from the domestic varieties to more exotic imports is forecast to continue through 2000 and beyond. Other potential market opportunities continue to lie in the organic cheese area, low fat cheeses and in high quality convenience products such as lunch box packs.

Unlike cheese, UK production of butter rose in 1999. At 142,000MT, this was the largest UK make of butter since 1994. According to the UK's National Food Survey, butter's share of yellow fat consumption rose again in 1999. Although the household market for yellow fats remains highly competitive, domestic consumption rose in 1999. With spreadable butter sales boosted by its use in many supermarkets as a loss-leader, consumption is forecast steady in 2000. As such, production is forecast steady in 2000. Official trade statistics show imports little changed in 1999 at around 104,000 MT. However, within this total imports from Denmark rose 12,000 tonnes. Trade sources suggest that the increase is, in fact less marked, and that tonnage sourced from Denmark in 1998 was mis-allocated in the official data that year. Imports from New Zealand remained buoyant in 1999, reflecting the ongoing difficulties with the Russian market and the subsequent remarketing of goods elsewhere. Exports were down as anticipated, sterling reducing the UK's competitiveness on already tight export markets. The trade outlook for 2000 remains uncertain, much of it dependent on sterling's movements.

The large increase in world demand for dry milk powder in 1999 and a corresponding hike in world market prices has caused UK manufacturers (like their counterparts elsewhere in the world) to focus their attentions on this sector of the market. However, the timing and strength of the demand (thought fueled by the need by Asian and South American countries to replenish recession-diminished stocks in addition to meeting current demand) has caught the industry at a time when there is quite some concern with regards GATT limits which will limit the size of subsidized third country exports from July. Although market commentators believe buyers will initially turn to Australasia, limitations in the availability of supplies from this source may lead to a further increase in prices. If prices do rise then, at current exchange rates, EU exports would be better equipped to export on a subsidy free basis. UK companies continue to monitor this closely. As such, post's forecasts for CY2000 reflect possible increases in both production and third country exports.

Section II: Statistical Tables

Table 1: Fluid Milk, PS&D

Country	United King	dom				
Commodity	Dairy, Milk, Fluid				(1000 HEAI	D)(1000 MT)
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Cows In Milk	2053	2042	2030	2030	2000	1992
Cows Milk Production	14446	14218	14400	14605	14350	14500
Other Milk Production	0	0	0	0	0	0
TOTAL Production	14446	14218	14400	14605	14350	14500
Intra EC Imports	195	195	211	144	190	150
Other Imports	0	0	0	0	0	0
TOTAL Imports	195	195	211	144	190	150
TOTAL SUPPLY	14641	14413	14611	14749	14540	14650
Intra EC Exports	164	164	194	204	205	190
Other Exports	1	1	1	1	0	0
TOTAL Exports	165	165	195	205	205	190
Fluid Use Dom. Consum.	6994	6989	6960	7119	6930	7050
Factory Use Consum.	7261	7071	7310	7244	7300	7200
Feed Use Dom. Consum.	221	188	146	181	105	210
TOTAL Dom. Consumption	14476	14248	14416	14544	14335	14460
TOTAL DISTRIBUTION	14641	14413	14611	14749	14540	14650
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Table 2: Fluid Milk, Export Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Milk, Fluid		
Time period	Jan - Dec	Units:	MT
Exports for:	1998		1999
U.S.	16	U.S.	0
Others		Others	
Irish Republic	153602	Irish Republic	194082
Germany	7847	Germany	4547
France	861	France	2772
Spain	844	Spain	89
Netherlands	600	Netherlands	1975
Belgium-Lux	356	Tanzania	67
British Virgin Islands	259	British Virgin Islands	303
Antigua & Barbuda	204	Antigua & Barbuda	235
Tanzania	113	Grenada	94
Hong Kong	106	Sweden	80
Total for Others	164792		204244
Others not Listed	664		316
Grand Total	165472		204560

Table 3: Fluid Milk, Import Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Milk, Fluid		
Time period	Jan - Dec	Units:	MT
Imports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Irish Republic	89509	Irish Republic	72433
Denmark	44951	Denmark	30747
Germany	27719	Germany	13223
France	20931	France	13597
Belgium-Lux	11516	Belgium-Lux	6987
Netherlands	460	Netherlands	3728
Spain	9	Spain	24
		Austria	2929
		Italy	118
Total for Others	195095		143786
Others not Listed	0		9
Grand Total	195095		143795

Table 4: Fluid Milk, Prices Table

Country	United Kingdom		
Commodity	Dairy, Milk, Fluid		
Prices in	Pence	per uom	Liter
	1000	• • • • •	
Year	1999	2000	% Change
Jan	19.31	16.77	-13.15%
Feb	19.03	16.59	-12.82%
Mar	18.98	16.61	-12.49%
Apr	17.53		-100.00%
May	16.39		-100.00%
Jun	17.2		-100.00%
Jul	19.76		-100.00%
Aug	19.8		-100.00%
Sep	19.15		-100.00%
Oct	18.09		-100.00%
Nov	17.66		-100.00%
Dec	17.33		-100.00%
Exchange Rate	1.5	Local currency/US \$	
Date of Quote	05/30/00	MM/DD/YY YY	

Source & Contract Terms: Ministry of Agriculture, Fisheries & Food. Average farm gate prices, including bonus payments.

Table 5: Cheese, PS&D

Country	United King	dom				
Commodity	Dairy, Cheese				(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	160	160	135	141	116	117
Production	357	358	370	362	370	350
Intra EC Imports	222	222	210	207	208	200
Other Imports	33	33	42	41	42	42
TOTAL Imports	255	255	252	248	250	242
TOTAL SUPPLY	772	773	757	751	736	709
Intra EC Exports	45	45	45	43	46	43
Other Exports	10	10	13	13	15	15
TOTAL Exports	55	55	58	56	61	58
Human Dom. Consumption	582	577	583	578	584	578
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	582	577	583	578	584	578
TOTAL Use	637	632	641	634	645	636
Ending Stocks	135	141	116	117	91	73
TOTAL DISTRIBUTION	772	773	757	751	736	709
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	5	5	5	7	5	5

Table 6: Cheese, Export Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Cheese		
Time period	Jan - Dec	Units:	MT
Exports for:	1998		1999
U.S.	5318	U.S.	7143
Others		Others	
Irish Republic	13494	Irish Republic	12053
Germany	8184	Germany	8083
France	6038	France	6923
Denmark	5007	Netherlands	3991
Spain	2758	Denmark	3578
Netherlands	2569	Spain	2662
Belgium-Lux	2025	Sweden	2060
Sweden	1553	Belgium-Lux	1846
Greece	1244	Greece	1104
Austria	1206	Algeria	961
Total for Others	44078		43261
Others not Listed	5667		5773
Grand Total	55063		56177

Table 7: Cheese, Import Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Cheese		
Time period	Jan - Dec	Units:	MT
Imports for:	1998		1999
U.S.	61	U.S.	32
Others		Others	
Irish Republic	81864	Irish Republic	66744
France	46632	Germany	38730
Germany	29755	France	36583
Belgium-Lux	18182	New Zealand	26564
New Zealand	18004	Belgium-Lux	20195
Denmark	12973	Denmark	19871
Netherlands	11735	Italy	11147
Italy	11623	Netherlands	10924
Greece	6250	Australia	6528
Canada	5513	Canada	5014
Total for Others	242531		242300
Others not Listed	12055		5299
Grand Total	254647		247631

Table 8: Cheese, Prices Table

Prices Table			
Country	United Kingdom		
Commodity	Dairy, Cheese		
Prices in	Pounds	per uom	МТ
Year	1999	2000	% Change
Jan	2350	2063	-12.21%
Feb	2250	2063	-8.31%
Mar	2150	2063	-4.05%
Apr	2088	2063	-1.20%
May	2063	2030	-1.60%
Jun	2063		-100.00%
Jul	2063		-100.00%
Aug	2063		-100.00%
Sep	2063		-100.00%
Oct	2063		-100.00%
Nov	2063		-100.00%
Dec	2063		-100.00%
Exchange Rate	1.5	Local currency/US \$	
Date of Quote	05/30/00	MM/DD/YY YY	

Source & Contract Terms: United Kingdom Provision Trade Federation Bulletin. English Creamery (mild), rindless, 20 kg, white. Prices first week of month.

Table 9: Butter, PS&D

Country	United King	dom				
Commodity	Dairy, Butter				(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	8	8	11	11	23	22
Production	137	137	147	142	145	141
Intra EC Imports	57	57	58	57	55	54
Other Imports	48	48	42	47	38	43
TOTAL Imports	105	105	100	104	93	97
TOTAL SUPPLY	250	250	258	257	261	260
Intra EC Exports	49	49	45	48	42	46
Other Exports	15	15	15	6	15	10
TOTAL Exports	64	64	60	54	57	56
Domestic Consumption	175	175	175	181	175	181
TOTAL Use	239	239	235	235	232	237
Ending Stocks	11	11	23	22	29	23
TOTAL DISTRIBUTION	250	250	258	257	261	260
Calendar Yr. Imp. from U.S.	0	0	1	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Table 10: Butter, Export Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Butter		
Time period	Jan - Dec	Units:	MT
Exports for:	1998		1999
U.S.	9	U.S.	15
Others		Others	
France	17206	Belgium-Lux	16061
Belgium-Lux	16290	France	13686
Netherlands	7562	Netherlands	10698
Russia	4942	Germany	4163
Uzbekistan	4846	Italy	1330
Germany	3640	Irish Republic	1011
Portugal	1182	Canada	1004
Irish Republic	1138	Portugal	895
Italy	974	Latvia	840
Morocco	781	Russia	600
Total for Others	58561		50288
Others not Listed	5391		3845
Grand Total	63961		54148

Page 14 of 22

Table 11: Butter, Import Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Butter		
Time period	Jan - Dec	Units:	MT
Imports for:	1998		1999
U.S.	1	U.S.	4
Others		Others	
New Zealand	47291	New Zealand	46181
Irish Republic	31000	Denmark	25482
Denmark	13990	Irish Republic	19794
Belgium-Lux	6447	France	4008
France	3681	Belgium	3887
Netherlands	1608	Netherlands	2097
Finland	398	Austria	1390
Germany	213	Australia	446
Canada	212	Finland	330
Latvia	80	Germany	159
Total for Others	104920		103774
Others not Listed	145		159
Grand Total	105066		103937

Table 12: Butter, Prices Table

Prices Table			
Country	United Kingdom		
Commodity	Dairy, Butter		
Prices in	Pounds	per uom	MT
Year	1999	2000	% Change
Jan	2188	1860	-14.99%
Feb	2085	1760	-15.59%
Mar	2015	1760	-12.66%
Apr	1975	1755	-11.14%
May	1960	1730	-11.73%
Jun	1930		-100.00%
Jul	1910		-100.00%
Aug	1920		-100.00%
Sep	1925		-100.00%
Oct	1950		-100.00%
Nov	1955		-100.00%
Dec	1860		-100.00%
Exchange Rate	1.5	Local currency/US \$	
Date of Quote	05/30/00	MM/DD/YY YY	

Source & Contract Terms: United Kingdom Provision Trade Federation Bulletin. Home Produced Butter, 80% salted, bulk. Prices first week of month.

Table 13: Milk, Nonfat Dry PS&D

Country	United Kingdom					
Commodity	Dairy, Milk, Nonfat Dry			(1000 MT)		
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	55	55	55	60	66	62
Production	107	107	112	103	110	109
Intra EC Imports	11	11	14	16	12	12
Other Imports	0	0	1	1	0	0
TOTAL Imports	11	11	15	17	12	12
TOTAL SUPPLY	173	173	182	180	188	183
Intra EC Exports	13	13	19	22	19	20
Other Exports	28	28	19	20	25	30
TOTAL Exports	41	41	38	42	44	50
Human Dom. Consumption	66	64	67	65	67	64
Other Use, Losses	11	8	11	11	11	11
Total Dom. Consumption	77	72	78	76	78	75
TOTAL Use	118	113	116	118	122	125
Ending Stocks	55	60	66	62	66	58
TOTAL DISTRIBUTION	173	173	182	180	188	183
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Table 14: Milk, Nonfat Dry Export Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan - Dec	Units:	MT
Exports for:	1998		1999
U.S.	0	U.S.	79
Others		Others	
Irish Republic	12878	Mexico	10590
Netherlands	15532	Netherlands	10176
Mexico	3876	Irish Republic	8248
Chile	1386	Russia	7004
France	1065	Spain	899
Nigeria	1007	France	893
Cuba	769	Pakistan	694
Eritrea	706	Chile	512
Venezuela	654	Indonesia	416
Germany	573	Thailand	336
Total for Others	38446		39768
Others not Listed	2836		2222
Grand Total	41282		42069

Table 15: Milk, Nonfat Dry Import Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan - Dec	Units:	MT
Imports for:			1
U.S.	0	U.S.	0
Others		Others	
Irish Republic	5294	Irish Republic	7712
France	2468	Denmark	3257
Netherlands	2276	Netherlands	1627
Germany	350	France	1192
Denmark	290	Germany	1170
Sweden	286	Sweden	531
Belgium-Lux	231	Austria	379
Greece	1	Belgium-Lux	86
		Finland	23
Total for Others	11196		15977
Others not Listed	0		1
Grand Total	11196		15978

Table 16: Milk, Dry PS&D

Country	United Kingdom					
Commodity	Dairy, Dry Whole Milk Powder ((1000 MT)		
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	3	3	3	3	3	3
Production	134	98	120	102	97	104
Intra EC Imports	9	9	9	8	9	9
Other Imports	0	0	0	0	0	0
TOTAL Imports	9	9	9	8	9	9
TOTAL SUPPLY	146	110	132	113	109	116
Intra EC Exports	31	24	45	28	35	26
Other Exports	83	63	55	64	42	70
TOTAL Exports	114	87	100	92	77	96
Human Dom. Consumption	29	20	29	18	29	18
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	29	20	29	18	29	18
TOTAL Use	143	107	129	110	106	114
Ending Stocks	3	3	3	3	3	2
TOTAL DISTRIBUTION	146	110	132	113	109	116
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Table 17: Milk, Dry Export Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Dry Whole Milk Powder		
Time period	Jan - Dec	Units:	MT
Exports for:	1998		1999
U.S.	151	U.S.	98
Others		Others	
Netherlands	19724	Algeria	13476
Brazil	10624	Netherlands	11467
Venezuela	9876	France	6816
France	6946	Venezuela	5590
Ivory Coast	5470	Thailand	4697
Mexico	5404	Ivory Coast	3483
Algeria	4009	Mexico	3109
Senegal	3758	Egypt	2518
Guatemala	3455	Senegal	2454
Thailand	3113	Brazil	2400
Total for Others	72379		56010
Others not Listed	41499		36065
Grand Total	114029		92173

Table 18: Milk, Dry Import Trade Matrix

Country	United Kingdom		
Commodity	Dairy, Dry Whole Milk Powder		
Time period	Jan - Dec	Units:	MT
Imports for:	1998		1999
U.S.		U.S.	1
Others		Others	
Irish Republic	4083	Irish Republic	3859
France	2262	France	887
Netherlands	1331	Netherlands	908
Germany	1026	Germany	2430
Belgium-Lux	194	Belgium-Lux	129
Denmark	132	Greece	3
Spain	40	Sweden	2
New Zealand	24	New Zealand	40
Italy	13	Australia	8
		Austria	125
Total for Others	9105		8391
Others not Listed	73		3
Grand Total	9178		8395

Appendix: Whey

No official data is published on dried whey in the UK. However, the UK Government does collect production data for dried whey in one of its surveys in order to meet the EU Commission's statistical demands. The data is historical in nature and is as follows:

Production

Year		Production (MT)
	1997	37,500
	1998	53,400
	1999	54,800

No stocks or usage data is available.

Trade matrix

(MT)	1996	1997	1998	1999
Intra-EU Imports	19080	25492	29172	18474
Extra-EU Imports	39	80	48	9
(of which U.S.)	37	64	29	4
Total Imports	19120	25572	29220	18484
Intra-EU exports	25890	29367	29558	34327
Extra-EU Exports	316	1211	309	246
Total Exports	26206	30578	29867	34573