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Germany

Dairy

German Whey Powder PS&D - Historical Data

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Report Highlights:

Germany is the third largest producer of whey powder in the European Union after France and the Netherlands. Production in 1999 is estimated at 205,000 MT, a slight increase over the previous year. As a by-product of cheese and casein manufacturing, production of whey powder increases with increases in cheese production. Total use rose less than production in the last decade, and thus there was less need for imports. Exports increased in the last decade whereas feed use declined and food use rose slightly.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

Bonn [GM1], GM

Executive Summary

Whey is essentially a by-product of cheese production. For example, in 1998, 91 percent of the liquid whey produced in the European Union (EU) resulted from cheese production, the rest from the production of casein. Whey is often concentrated (whey concentrate) and processed into several whey products: whey powder (WP), lactose, and others (mainly whey protein concentrates.)

Consequently, production of whey powder follows the monthly and annual ups and downs of cheese and casein production. Based on annual averages, German production of whey powder increased continuously from 141,000 MT in 1990 to 205,000 MT in 1999 (see Tables 3 and 4,) together with cheese production. In the EU, Germany represents the third largest producer of WP after France (1998: 559,000 MT) and the Netherlands (1998: 246,000 MT.) Total EU production of WP in 1998 was 1.3 million MT in 1998 compared to 538,800 MT in the United States. During the same period, total use (domestic consumption and exports) increased only slightly: In the first half of the 1990^s, total use of whey powder fluctuated between 220,000 and 230,000 MT annually and increased slightly to around 250,000 MT towards the end of the second half.

As a result, imports of WP trended downwards from around 80,000 MT in the early 1990^s to around 50,000 MT in the late 1990^s. Meanwhile, exports increased from approximately 90,000 MT to now well over 130,000 MT during the last decade.

The bulk of Germany's whey powder imports originate in the Netherlands and France. Both countries also account for most of its exports. The United States exports only small quantities of WP to Germany.

Unfortunately, no detailed information is available on the domestic use of whey powder. In Germany, approximately 90 percent of whey powder use is for feed, mainly in milk replacers for veal fattening (around 40 percent of total weight is in WP) and veal rearing, as a starter feed for piglets and in other feed formulas including pet food, while only ten percent is for food or other uses.

WP is used in a variety of foods: dairy products, confectionary, bakery, soft drinks, margarine, soups, meat preparations, dry and wet blends, infant food, dietary food, prepared dry mixes, etc.

Its use in other products is also plentiful: chemicals, pharmaceuticals, packaging, etc. These markets look promising for the future. Nevertheless, research and introduction of new products and uses must keep up with ever increasing supply.

Note: PS&D data for 1989 and 1990 are for former West Germany only. Nevertheless, the margin of error compared to numbers for Total Germany is negligible.

Note: PS&D data contain only whey powder. (Tariff codes 0404 1002 through 1038 of the EU harmonized tariff system.) Other whey (liquid whey concentrate) is excluded

Note: In recent years the U.S. dollar/German mark and Euro (i) exchange rates have been as follows:

CY1997: \$1 = DM 1.70; CY1998: \$1 = DM 1.76; CY1999: \$1 = DM 1.85. Estimate.
 (i) /DM: i 1 = DM 1.95583, i /U.S. dollar: i 1 = \$ 1.0062 (12/1/1999), U.S. dollar/i : US\$1 = i 0.9936.

Table 1: PSD for Whey Powder (in 1,000 MT), average monthly Import Prices (inUS\$ per MT)

	1998		1999		2000	
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	0	0	0	0	0	0
Production	0	203	0	205	0	207
Intra EC Imports	0	48	0	48	0	45
Other Imports	0	1	0	1	0	1
TOTAL Imports	0	49	0	49	0	46
TOTAL SUPPLY	0	252	0	254	0	253
Intra EC Exports	0	129	0	129	0	129
Other Exports	0	8	0	6	0	6
TOTAL Exports	0	137	0	135	0	135
Human Dom. Consumption	0	12	0	12	0	12
Other Use, Losses	0	103	0	107	0	106
Total Dom. Consumption	0	115	0	119	0	118
TOTAL Use	0	252	0	254	0	253
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	252	0	254	0	253
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Year	1997	1998	% Change		1997	1998	% Change
Jan	811	729	-10.1%	Jul	892	865	-3.0%
Feb	767	953	24.3%	Aug	752	816	8.5%
Mar	931	1,048	12.6%	Sep	878	919	4.7%
Apr	811	896	10.5%	Oct	822	1,098	33.6%
May	1,137	1,211	6.5%	Nov	721	1,118	55.1%
Jun	811	1,006	24.0%	Dec	815	769	-5.6%

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), FAS/Bonn estimates.

Table 2: German Import and Export of Whey Powder (in MT)

Imports for	1998		1999
U.S.	17	U.S.	50
Others		Others	
Netherlands	20,707	Netherlands	25,000
France	16,020	France	15,000
Ireland	4,403	Denmark	3,000
Denmark	2,645	Ireland	1,300
Sweden	1,382	Belgium	1,100
Austria	1,116	Austria	1,000
Belgium	586	Sweden	400
Italy	469	Great Britain	310
Great Britain	407	Czech Republic	270
Poland	289	Finland	150
Total for Others	48,024	Total for Others	47,530
Others not listed	594	Others not listed	1,000
Grand Total	48,635	Grand Total	48,580

Exports for	1998		1999
U.S.	122	U.S.	120
Others		Others	
Netherlands	92,109	Netherlands	93,000
France	12,103	France	15,000
Italy	9,701	Italy	6,500
Belgium	4,830	Belgium	4,800
Spain	3,628	Great Britain	2,700
Austria	2,458	Austria	1,900
Great Britain	2,033	Spain	1,400
Japan	1,923	Thailand	1,300
Thailand	1,754	Japan	1,200
Denmark	1,617	Denmark	1,000
Total for Others	132,156	Total for Others	128,800
Others not listed	4,977	Others not listed	6,000
Grand Total	137,255	Grand Total	134,920

Source: FAS/Bonn based on official data from the German Office of Statistics in Wiesbaden.
FAS/Bonn estimates.

Table 3: Historical PSD for Whey Powder (in 1,000 MT, 1989 - 1994)

	1989	1990	1991	1992	1993	1994
Calendar Year Begin	01/1989	01/1990	01/1991	01/1992	01/1993	01/1994
Beginning Stocks	0	0	0	0	0	0
Production	148	141	142	157	158	146
Intra EC Imports	73	78	88	73	71	78
Other Imports	1	1	1	0	0	0
TOTAL Imports	74	79	89	73	71	78
TOTAL SUPPLY	222	220	231	230	229	224
Intra EC Exports	86	80	96	109	104	100
Other Exports	2	3	4	6	6	4
TOTAL Exports	88	83	100	115	110	104
Human Dom. Consumption	8	10	11	12	13	12
Other Use, Losses	126	127	120	103	106	108
Total Dom. Consumption	134	137	131	115	119	120
TOTAL Use	222	220	231	230	229	224
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	222	220	231	230	229	224
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), FAS/Bonn estimates.

Table 4: Historical PSD for Whey Powder (in 1,000 MT, 1995 - 2000)

	1995	1996	1997	1998	1999	2000
Calendar Year Begin	01/1995	01/1996	01/1997	01/1998	01/1999	01/2000
Beginning Stocks	0	0	0	0	0	0
Production	154	185	199	203	205	207
Intra EC Imports	82	69	47	48	48	45
Other Imports	1	1	0	1	1	1
TOTAL Imports	83	70	47	49	49	46
TOTAL SUPPLY	237	255	246	252	254	253
Intra EC Exports	113	126	129	129	129	129
Other Exports	4	6	7	8	6	6
TOTAL Exports	117	132	136	137	135	135
Human Dom. Consumption	12	12	11	12	12	12
Other Use, Losses	108	111	99	103	107	106
Total Dom. Consumption	120	123	110	115	119	118
TOTAL Use	237	255	246	252	254	253
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	237	255	246	252	254	253
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), FAS/Bonn estimates.

Table 5: Whey Powder Factory Prices (in DM per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	0.76	0.76	0.74	0.69	0.66	0.67	0.70	0.73	0.81	0.86	0.96	1.14
1998	1.19	0.99	0.91	0.93	0.98	1.03	1.11	1.11	1.00	0.89	0.96	0.92
1999	0.84	0.78	0.79	0.79	0.85	0.82	0.82	0.81	0.75	0.79		

Spray, 26 percent fat, excl. VAT.

Source: ZMP, Europamarkt Dauermilch, various issues.

Table 6: Whey Powder (Food Grade) Factory Prices (in DM per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	0.88	0.89	0.87	0.84	0.81	0.81	0.82	0.85	0.91	0.94	1.04	1.16
1998	1.24	1.10	0.99	1.03	1.07	1.09	1.16	1.19	1.14	1.00	1.07	1.05
1999	0.97	0.93	0.95	0.95	0.96	0.95	0.94	0.93	0.91	0.93		

Source: ZMP, Europamarkt Dauermilch, various issues.