



# Import Watch

First Quarter 2009

## Imports monitored down in total

As can be seen from the table on the back of *Import Watch*, imports of some dairy products are up in the first quarter of 2009 compared to the first quarter of 2008. This is due to a number of factors including the recovery of milk production in Oceania, the European Union reinstating export subsidies and the general decline in the world economy impacting the progress of developing countries.

The U.S. economy is down and the total tons of imports CWT tracks is down 14% in the first quarter of 2009 compared to the first quarter of 2008. Looking at specific products:

Cheddar Cheese	+68%
American-type Cheese	-38%
Italian-type Cheese	-23%
Casein and Caseinates	-22%
Milk Protein Concentrates	+9%

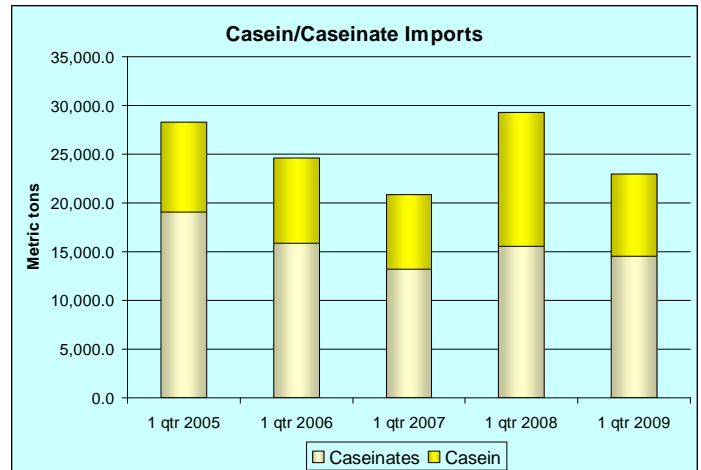
A review of import data for the first quarter of 2009 indicates that total cheese imports are down 4.6%.

### Imports of milk protein

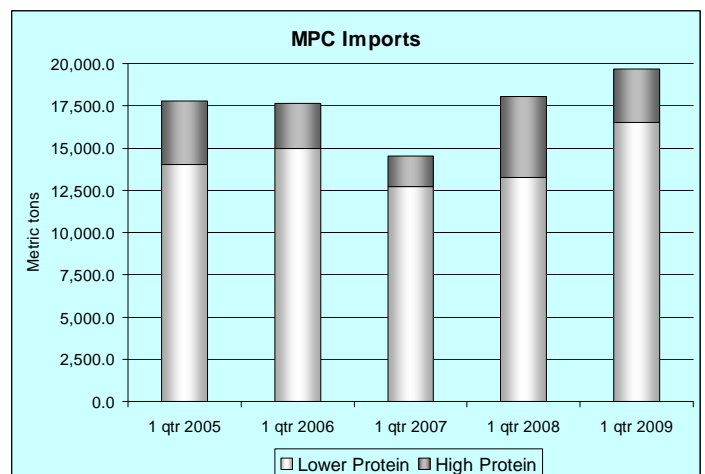
*Import Watch* monitors two types of milk protein imports — casein (including caseinates) and milk protein concentrates (MPC). The following charts provide some interesting information regarding these two categories of milk protein imports.


As stated previously, *Import Watch* keeps track of both casein and caseinates. As the following chart (and the data table above) shows, total imports of caseins are down significantly in the first quarter of 2009 compared to the first quarter of 2008. More importantly most of the decrease is in the higher protein content (and higher value) casein. Casein imports are down almost 39% while imports of the lower valued caseinates were down just 6.7% compared to the first

quarter of 2008.



Imports of milk protein concentrates during the first quarter of 2009 are a slightly different story. Total MCP imports are up 9.1% (1,648 metric tons) compared to the first three months of 2008. However, again, the higher protein content MPC registered a significant drop, down 34% (1,614 metric tons).



NMPF has a long standing policy calling for establishing tariff-rate quotas for milk protein concentrate (MPC) and casein and will continue to imports of these products and the other imports it watches closely. 

Commodities [Annual Quota] (2009 Safeguard Level)	Jan-Mar 2009 Metric Tons	Jan-Mar 2008 Metric Tons	Jan-Mar 2008-09 Growth Rate	% of 2009 Quota/Safeguard Reached*
<b>QUOTA PRODUCTS</b>				
<b>Butter</b>				
In-quota [6,977 MT]	488	408	20%	7%
Over-quota	50	29	72%	
<i>TOTAL</i> <sup>1</sup> (7,514 MT)	538	437	23%	7%
<b>Butter Substitutes (Butteroil &amp; AMF)</b>				
In-quota [6,080 MT]	119	81	46%	2%
Over-quota	301	39	674%	
<i>TOTAL</i> <sup>1</sup> (6,542 MT)	419	120	250%	6%
<b>Cheddar</b>				
In-quota [13,256 MT]	5,521	3,228	71%	42%
Over-quota	159	159	0%	
<i>TOTAL</i> <sup>1</sup> (12,279 MT)	5,680	3,388	68%	33%
<b>American-type Cheese</b>				
In-quota [3,523 MT]	1,725	1,821	-5%	49%
Over-quota	695	2,091	-67%	
<i>TOTAL</i> <sup>1</sup> (8,841 MT)	2,420	3,912	-38%	26%
<b>Italian-type Cheese</b>				
In-quota [13,481 MT]	1,412	1,202	17%	10%
Over-quota	880	1,785	-51%	
<i>TOTAL</i> <sup>1</sup> (23,312 MT)	2,293	2,987	-23%	10%
<b>Food Preparation</b>				
In-quota [4,105 MT]	3,173	3,014	5%	77%
Over-quota	11,120	6,206	79%	
<i>TOTAL</i> <sup>1</sup> (52,093 MT)	14,293	9,221	55%	26%

1. Special Safeguard tariffs can be imposed when total imports, both in-quota and over-quota, exceed the applicable trigger level.

\*Neither the Safeguard Level nor the % of Safeguard Level include countries with which the U.S. has FTAs.

However, the metric tons of product imported do include product from countries with which the U.S. has FTAs.

Commodities	Jan-Mar 2009 Metric Tons	Jan-Mar 2008 Metric Tons	Jan-Mar 2008-09 Growth Rate	Jan-Mar 2006-09 Growth Rate
<b>NON QUOTA PRODUCTS</b>				
Butter Substitutes (<45% Butterfat)	60	283	-79%	-95%
Casein	22,943	29,312	-22%	22%
MPC (more than 40%, less than 90% protein)	16,523	13,262	25%	12%
MPC (90% or more protein)	3,162	4,775	-34%	21%
Total MPC	19,685	18,038	9%	14%
Chocolate Block	10,453	24,407	-57%	-33%
Goya Cheese	1,369	2,017	-32%	-55%
Mixes and Dough	35,011	39,069	-10%	9%

Import Watch is published quarterly by the National Milk Producers Federation. Issues covering the following time periods will be available by the following dates:

- 2nd Quarter 2009, September 2009

- 3rd Quarter 2009, December 2009

- 4th Quarter 2009, March 2010

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