



# Import Watch

Second Quarter 2009

## Imports monitored still trailing 2008

For the first six months of 2009, as can be seen from the table on the back of *Import Watch*, imports of some dairy products are much higher in the first six months of 2009 compared to the same period in 2008 while others continue to trail 2008 levels.. In total, the imports that *Import Watch* monitors still trail 2008.

For the first half of 2009 the total tons of imports CWT tracks is down 19% compared to the first six months of 2008. Looking at specific products:

Butter	+206%
Butter Substitutes	+376%
Cheddar Cheese	+88%
American-type Cheese	-20%
Italian-type Cheese	-20%
Casein and Caseinates	-38%
Milk Protein Concentrates	-12%
Total Imports Monitored	-19%

Imports of the butter, butter substitutes and Cheddar cheese are up substantially compared to 2008. However, as the table below shows, imports of these products in 2008 were down substantially from 2007.

The total of all the cheeses *Import Watch* tracks is up due the rise in Cheddar cheese imports while the other


three cheese are down significantly in the first six months of 2009, compared to 2008.

Imports of milk proteins continue to lag behind 2008 levels. In fact, total imports of milk protein concentrate are at their lowest level in five years. The same is true for casein and caseinate imports as well.

The decline in imports of these products compared to 2008 is a reflection of the weak U.S. economy as well as the very low milk prices resulting from very low dairy product prices.

### Imports in second quarter less than in first

One thing interesting about the level of imports generally, is that in the second quarter of the year, they drop off from the first quarter. This is especially true for dairy products imports from Oceania generally and New Zealand specifically.

As a pasture-based dairy industry in the Southern Hemisphere, the peak milk production months are in what would be the fall and winter in the Northern Hemisphere. Their flush is December-January with production dropping in February-March to practically nothing as far as exports are concerned in late summer and early fall. It increases significantly in November and December as do U.S. imports of dairy products including milk proteins. 

	2005	2006	2007	2008	2009
Butter	4,386 MT	2,765 MT	3,301 MT	925 MT	2,830 MT
Butter Substitutes	2,921 MT	3,198 MT	3,476 MT	615 MT	2,931 MT
Cheddar	9,735 MT	9,671 MT	9,005 MT	4,556 MT	9,377 MT
Total Cheese	30,520 MT	29,771 MT	25,350 MT	19,554 MT	21,495 MT
Casein & Caseinates	53,357 MT	42,221 MT	42,152 MT	61,922 MT	38,417 MT
Milk Protein Concentrates	31,089 MT	29,903 MT	29,292 MT	31,605 MT	27,901 MT

Commodities [Annual Quota] (2009 Safeguard Level)	Jan-Jun 2009 Metric Tons	Jan-Jun 2008 Metric Tons	Jan-Jun 2008-09 Growth Rate	% of 2009 Quota/Safeguard Reached*
<b>QUOTA PRODUCTS</b>				
<b>Butter</b>				
In-quota [6,977 MT]	2,555	866	195%	37%
Over-quota	275	59	368%	
<i>TOTAL</i> <sup>1</sup> (7,514 MT)	2,830	925	206%	32%
<b>Butter Substitutes (Butteroil &amp; AMF)</b>				
In-quota [6,080 MT]	2,579	503	413%	42%
Over-quota	352	113	213%	
<i>TOTAL</i> <sup>1</sup> (6,542 MT)	2,931	615	376%	6%
<b>Cheddar</b>				
In-quota [13,256 MT]	9,085	4,205	116%	69%
Over-quota	293	351	-17%	
<i>TOTAL</i> <sup>1</sup> (12,279 MT)	9,377	4,556	106%	65%
<b>American-type Cheese</b>				
In-quota [3,523 MT]	2,058	2,051	0%	58%
Over-quota	2,059	3,113	-34%	
<i>TOTAL</i> <sup>1</sup> (8,841 MT)	4,117	5,163	-20%	42%
<b>Italian-type Cheese</b>				
In-quota [13,481 MT]	3,579	3,409	5%	27%
Over-quota	2,022	3,574	-43%	
<i>TOTAL</i> <sup>1</sup> (23,312 MT)	5,601	6,982	-20%	24%
<b>Food Preparation</b>				
In-quota [4,105 MT]	3,173	3,018	5%	77%
Over-quota	20,443	11,639	76%	
<i>TOTAL</i> <sup>1</sup> (52,093 MT)	23,616	14,657	61%	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-Jun 2009 Metric Tons	Jan-Jun 2008 Metric Tons	Jan-Jun 2008-09 Growth Rate	Jan-Jun 2006-09 Growth Rate
<b>NON QUOTA PRODUCTS</b>				
Butter Substitutes (<45% Butterfat)	719	483	49%	-90%
Casein	38,417	61,962	-38%	-9%
MPC (more than 40%, less than 90% protein)	22,406	23,923	-6%	-10%
MPC (90% or more protein)	5,495	7,683	-28%	8%
Total MPC	27,901	31,605	-12%	-7%
Chocolate Block	17,542	46,549	-62%	-67%
Goya Cheese	2,424	2,852	-15%	-70%
Mixes and Dough	69,722	77,361	-10%	0%

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

- 3rd Quarter 2009, December 2009
- 4th Quarter 2009, March 2010
- 1st Quarter 2010, June 2010