



Import Watch

Fourth Quarter 2009

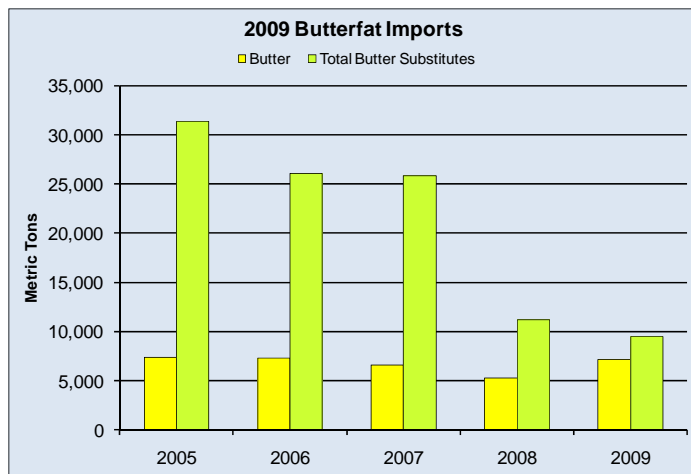
2009: Butter and Cheddar Imports Up, Proteins Down

Imports of the dairy products *Import Watch* tracks were generally down for 2009 were all below. Butter and Cheddar cheese imports were up. Casein and milk protein concentrate imports were at a five year low as were butter substitutes.

Butter imports up, substitutes down

Imports of butter were up 35% for calendar 2009 compared to 2008 and slightly above 2007 and below the levels imported in 2005 and 2006. Butter imports surged in the second and third quarters of 2009 compared to 2008, but fell well below the level imported in the fourth quarter of 2008.

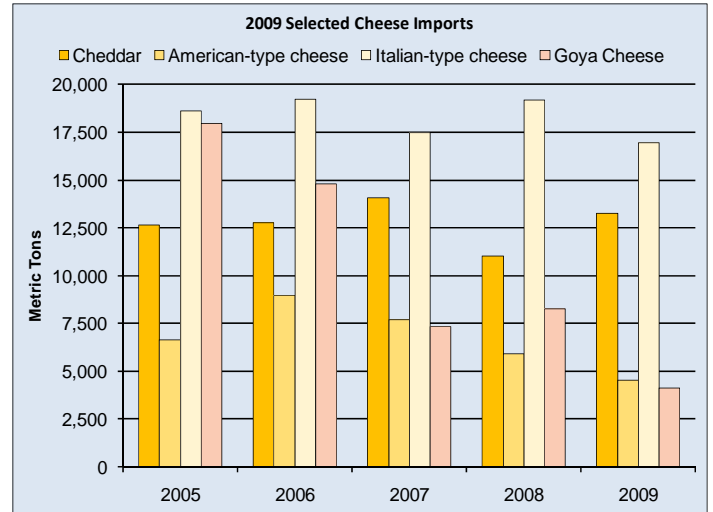
Butter substitutes imports were down in 2009 compared to 2008 and still well below the levels imported in 2005, 2006 and 2007.



Cheddar cheese imports up, others down

While butter imports were up in 2009, imports of the cheeses *Import Watch* tracks were all down in 2009 compared to the four previous calendar years, except for Cheddar. Cheddar cheese imports were up over 2,000 metric tons compared to 2008, as well 500 metric tons above 2005 and 2006 levels. Only in

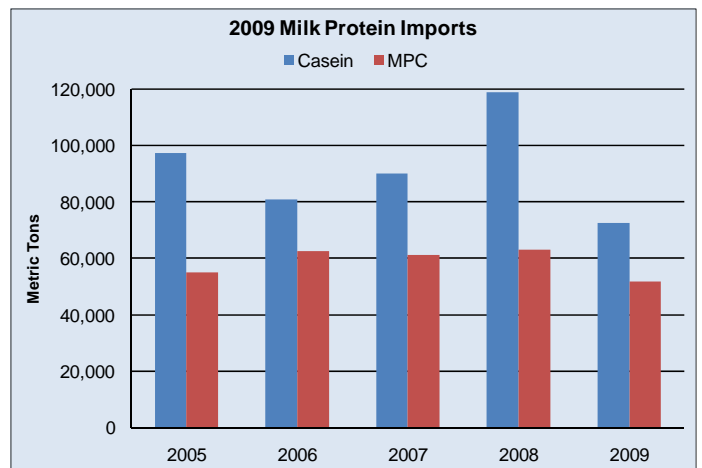
2007 were cheddar cheese imports higher than for calendar year 2009.



Imports of American-type and Italian-type cheeses were substantially lower in 2009 reflecting the state of the U.S. economy and U.S. cheese prices relative to world prices.

Milk protein imports much lower

Imports the milk proteins *Import Watch* tracks including all casein, caseinates and all milk protein concentrates closed 2009 much lower than in the previous four years.



Commodities [Annual Quota] (2009 Safeguard Level)	Jan-Dec 2009 Metric Tons	Jan-Dec 2008 Metric Tons	Jan-Dec 2008-09 Growth Rate	% of 2009 Quota/Safeguard Reached*
QUOTA PRODUCTS				
Butter				
In-quota [6,977 MT]	6,751	5,048	34%	97%
Over-quota	358	204	76%	
<i>TOTAL</i> ¹ (7,514 MT)	7,109	5,252	35%	82%
Butter Substitutes (Butteroil & AMF)				
In-quota [6,080 MT]	6,079	6,012	1%	100%
Over-quota	514	168	206%	
<i>TOTAL</i> ¹ (6,542 MT)	6,594	6,180	7%	93%
Cheddar				
In-quota [13,256 MT]	12,181	10,289	18%	92%
Over-quota	1,062	730	45%	
<i>TOTAL</i> ¹ (12,279 MT)	13,243	11,019	20%	91%
American-type Cheese				
In-quota [3,523 MT]	2,486	2,558	-3%	71%
Over-quota	2,061	3,335	-38%	
<i>TOTAL</i> ¹ (8,841 MT)	4,547	5,893	-23%	29%
Italian-type Cheese				
In-quota [13,481 MT]	11,955	12,557	-5%	89%
Over-quota	4,991	6,618	-25%	
<i>TOTAL</i> ¹ (23,312 MT)	16,945	19,175	-12%	73%
Food Preparation				
In-quota [4,105 MT]	3,174	3,018	5%	77%
Over-quota	30,551	17,148	78%	
<i>TOTAL</i> ¹ (52,093 MT)	33,725	20,166	67%	59%
<i>I. Special Safeguard tariffs can be imposed when total imports, both in-quota and over-quota, exceed the applicable trigger level.</i>				
<i>*Neither the Safeguard Level nor the % of Safeguard Level include countries with which the U.S. has FTAs.</i>				
<i>However, the metric tons of product imported do include product from countries with which the U.S. has FTAs.</i>				
Commodities	Jan-Dec 2009 Metric Tons	Jan-Dec 2008 Metric Tons	Jan-Dec 2008-09 Growth Rate	Jan-Dec 2006-09 Growth Rate
NON QUOTA PRODUCTS				
Butter Substitutes (<45% Butterfat)	2,844	891	219%	-79%
Casein	72,493	118,777	-39%	-10%
MPC (more than 40%, less than 90% protein)	42,917	49,593	-13%	-18%
MPC (90% or more protein)	8,858	13,456	-34%	-11%
Total MPC	51,775	63,048	-18%	-17%
Chocolate Block	33,382	81,312	-59%	-70%
Goya Cheese	4,135	8,251	-50%	-72%
Mixes and Dough	143,121	155,696	-8%	-8%

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

- 1st Quarter 2010, June 2010
- 2nd Quarter 2010, September 2010

- 3rd Quarter 2010, December 2010
- 4th Quarter 2010, March 2011

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