



Varied and protected, cheese trade breaks the mould

While most dairy products tend to be fairly homogeneous, cheese exhibits a sizeable number of different varieties, which makes it necessary to be more specific about the data mapped above.

We are looking at bulk cheese as defined by HS code 040690, which includes all varieties apart from fresh, grated or powdered and blue-veined variants. However, even within this subset, it is the variety of the product – Gouda, Edam, Emmental, Feta, to name but four – that is driving trade.

Among other things, this is because many varieties, outside generics like Cheddar, can be tied to specific origins. Within the European Union,

for example, Parmigiano-Reggiano (also known as Parmesan), can only be labelled as such if it is produced in certain provinces of northern Italy.

Trade officials in Brussels are trying to insert language regarding the EU's Protected Geographical Status framework into bilateral agreements with other countries, thus actively contributing to the growing importance of such schemes in international trade.

But even without such regulations, a high-class restaurant in Los Angeles would need to purchase imported cheese if it wanted to serve original Parmesan with its pasta.

This helps to explain why the third instalment of the *Dairy Markets* trade maps looks different from, say the SMP map (see *DM*, No 1133, 12.01.12, centre pages).

While milk powder is not widely traded between major producing nations, this is not the case for cheese. Here, the US\$702 million trade flow from the EU to the United States is one of the most important product movements there is. Where cheese does resemble SMP is in the EU bloc's trade with Russia, which is an impressive \$816m.

A sizeable portion of the EU's output, however, does not travel far, but is sold to countries such as Switzerland (which buys soft cheese and sells hard cheese back), Norway and Croatia. The Middle East and North Africa (MENA) region is also a key market, and fairly close to home.

New Zealand may be the biggest powder exporter, but is hampered by the absence of nearby cheese customers except the one across the Tasman. Australia takes \$165m worth of its cheese, but Southeast Asia gener-

ally makes for a poor market. This is only partially compensated by healthy purchases from Japan, the third biggest cheese destination globally.

Australia also serves Japan, and South Korea, but its main customers are in North America. Here it vies with the Americans and Europeans for the attention of Mexican and Canadian customers.

This is probably much to the chagrin of US producers, whose varieties can only find markets in a limited number of countries. It seems as if their products are more of a local speciality.

Our next and final trade map in the series will visualise global butter trade and is scheduled to be published in three weeks time.

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