

# Global Dairy Market Outlook



U.S. DAIRY  
EXPORT COUNCIL



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**William Loux**, senior vice president, global economic affairs, USDEC

**Monica Ganley**, senior director, global trade analysis, USDEC

**Stephen Cain**, vice president, economic research and analysis, USDEC

# Last Year's Results

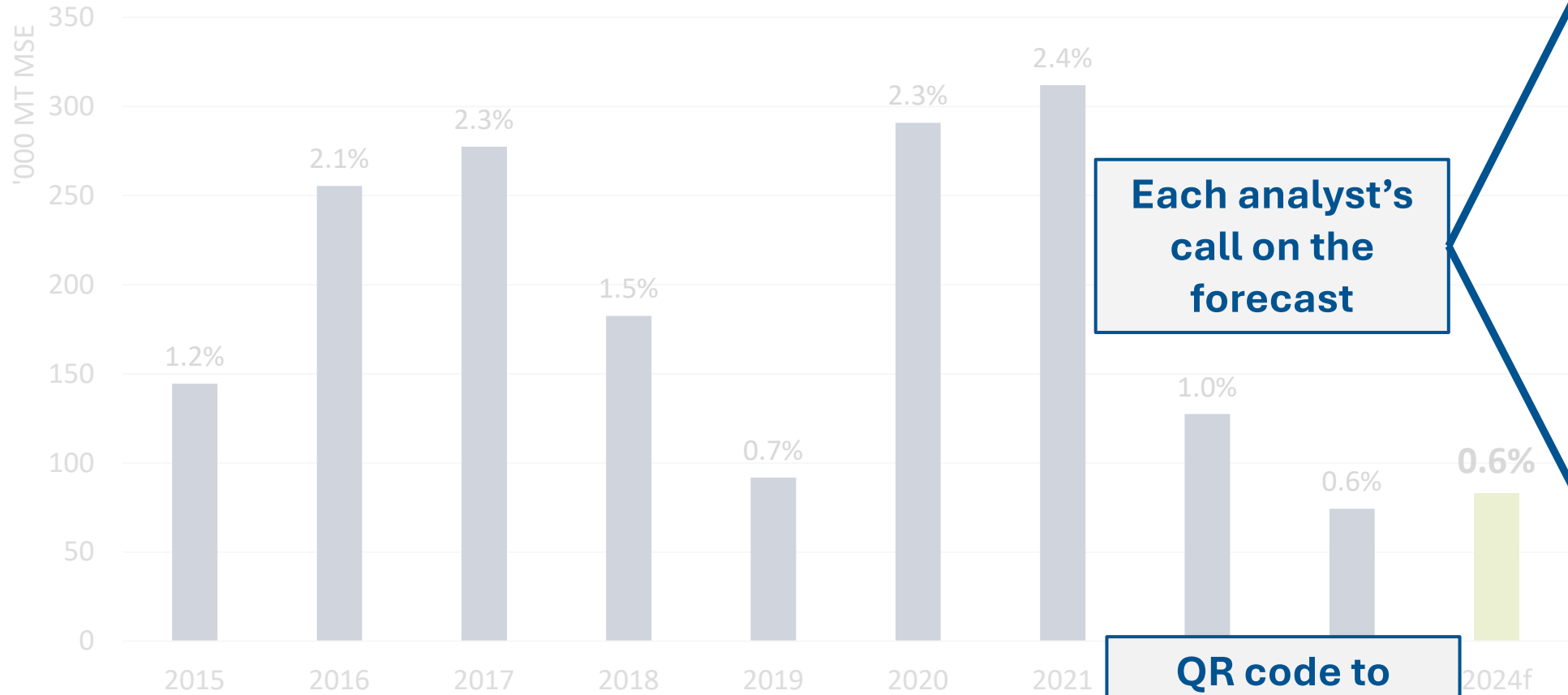
Topic	Baseline	Actual	Will	Monica	Stephen	Members
U.S. Milk Production	1.70%	+3.8% ▲	▲	▼	▼	▼ (72%)
EU Milk Production	0.50%	+2.3% ▲	▲	▼	▼	▼ (73%)
Global Dairy Exports to China	9%	+1.8% ▼	▲	▼	▼	▼ (76%)
U.S. Cheese Exports to Mexico	0%	+5.5% ▲	▼	▲	▼	▲ (69%)
Global SMP Exports to SEA	4%	+5.5% ▲	▲	▼	▲	▲ (51%)
U.S. WPC80+ Exports	6%	+5.9% ▼	▼	▲	▲	▲ (60%)
U.S. Butter Exports	30%	+163% ▲	▲	▼	▲	▼ (63%)
U.S. Exports	2.20%	+4% ▲	▼	▲	▲	▲ (51%)
<b>FINAL SCORE:</b>			<b>5/8</b>	<b>3/8</b>	<b>4/8</b>	<b>4/8</b>

# U.S. Milk Production

Forecast being analyzed

$\pm X.X\%$

YOY Change in U.S. Milk Solids Production



Each analyst's call on the forecast

**Will**

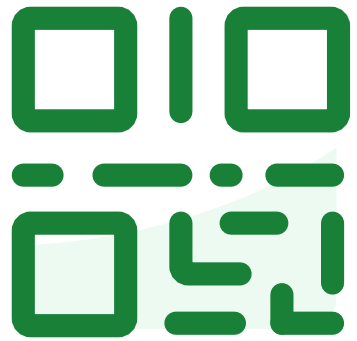
**Monica**

**Stephen**

QR code to participate in polling



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How to change the design



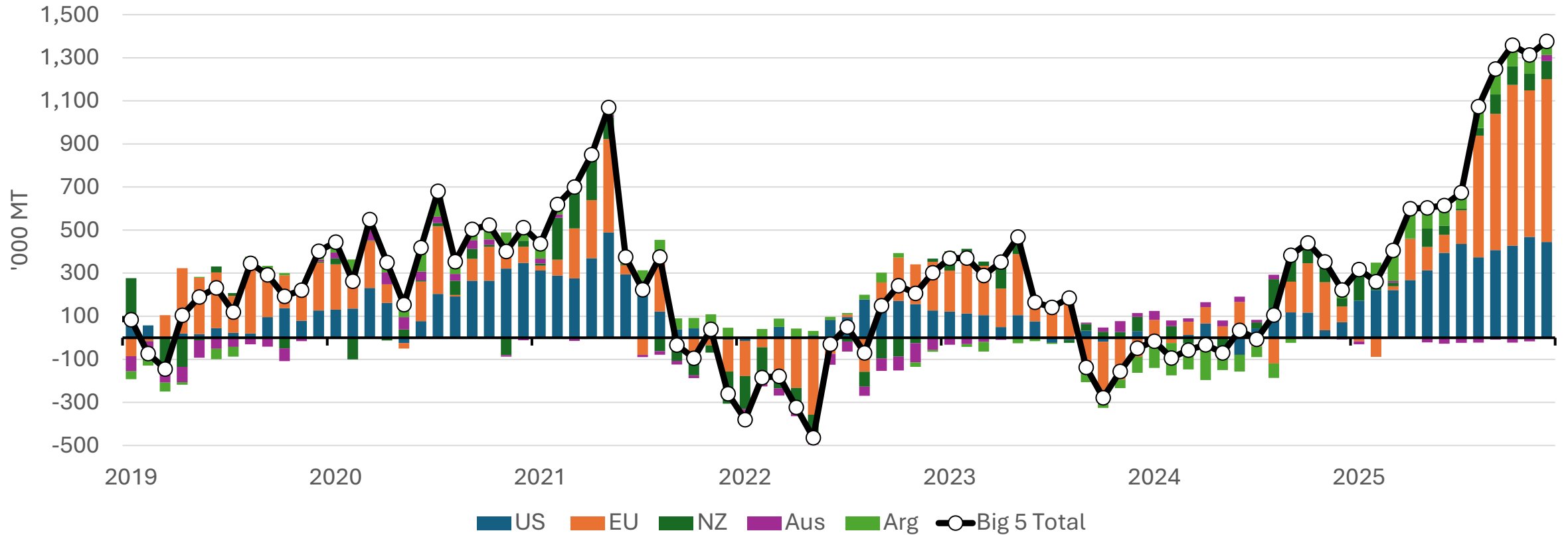
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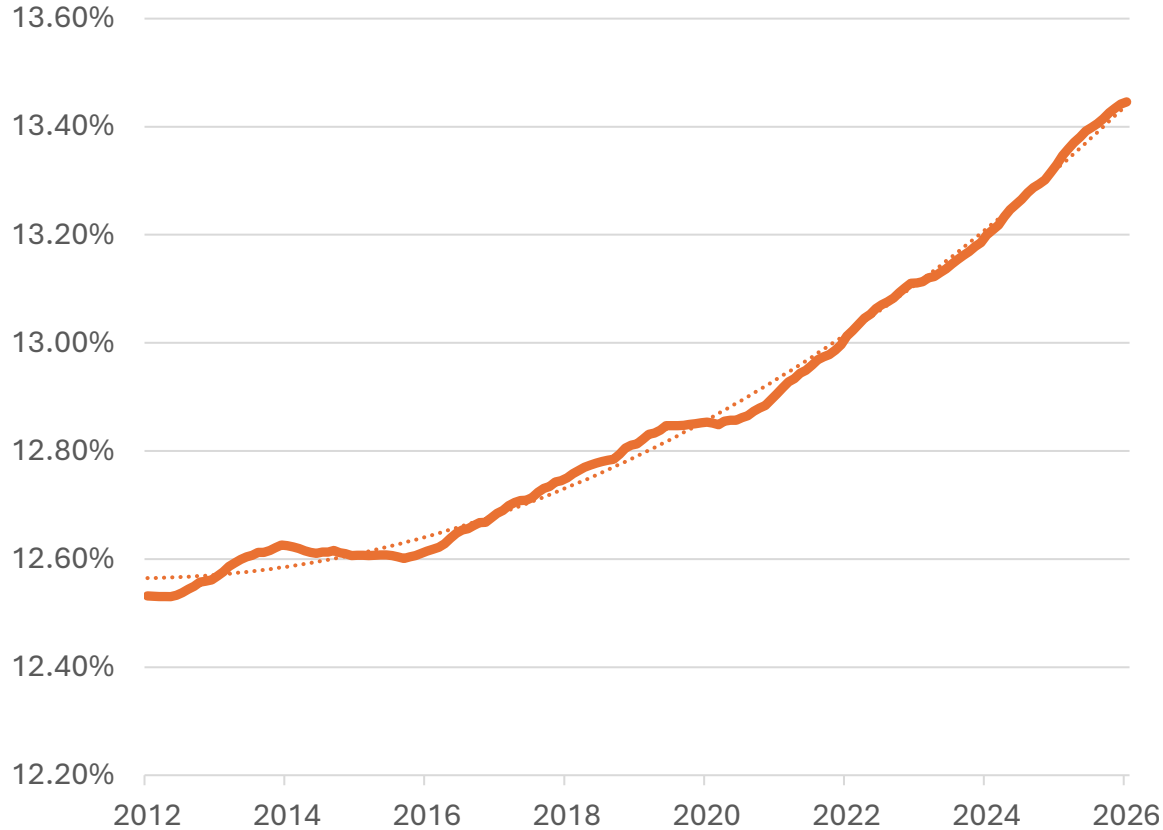
# Global Supply Outlook

YOY Change in U.S., EU, NZ, Aus & Arg Component Adjusted Milk Production  
(Components adjusted to 2011 component content)



# Growing Components & Delayed Price Signals

**U.S. Total Milk Solids Test**  
(Rolling 12 Months)

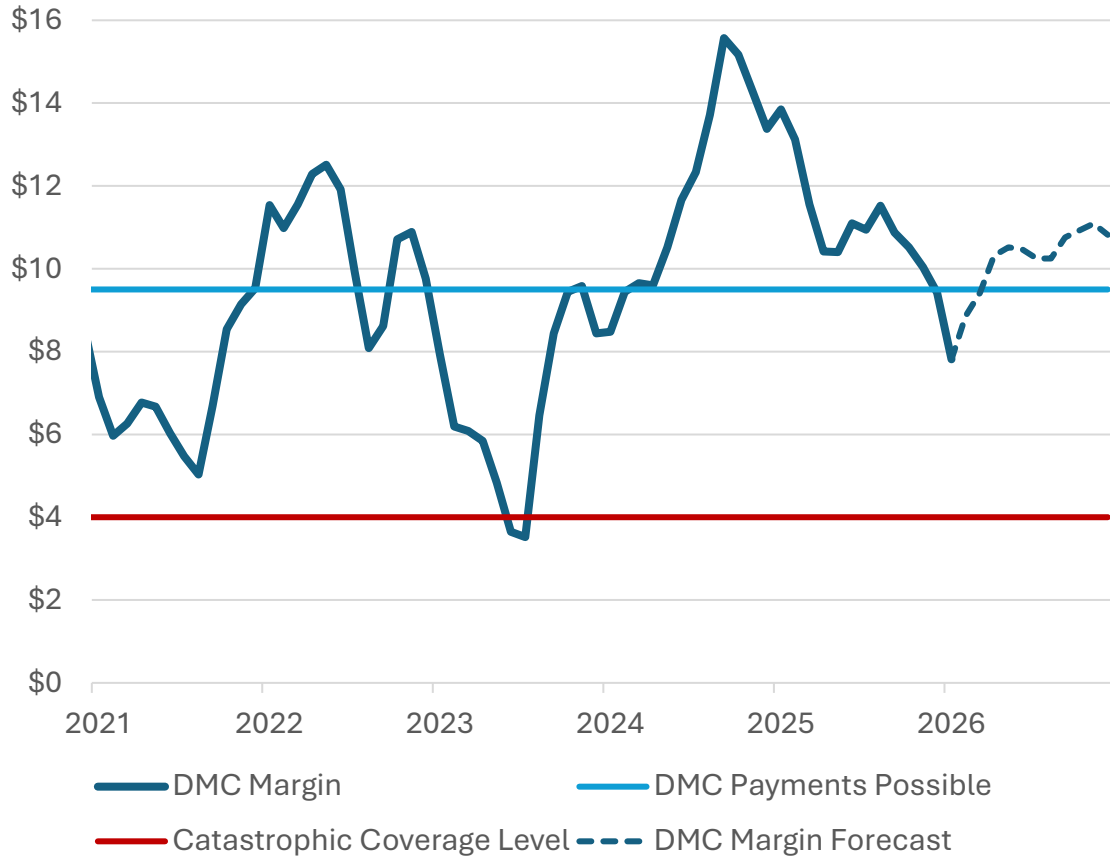


**CME Feeder Cattle Index**

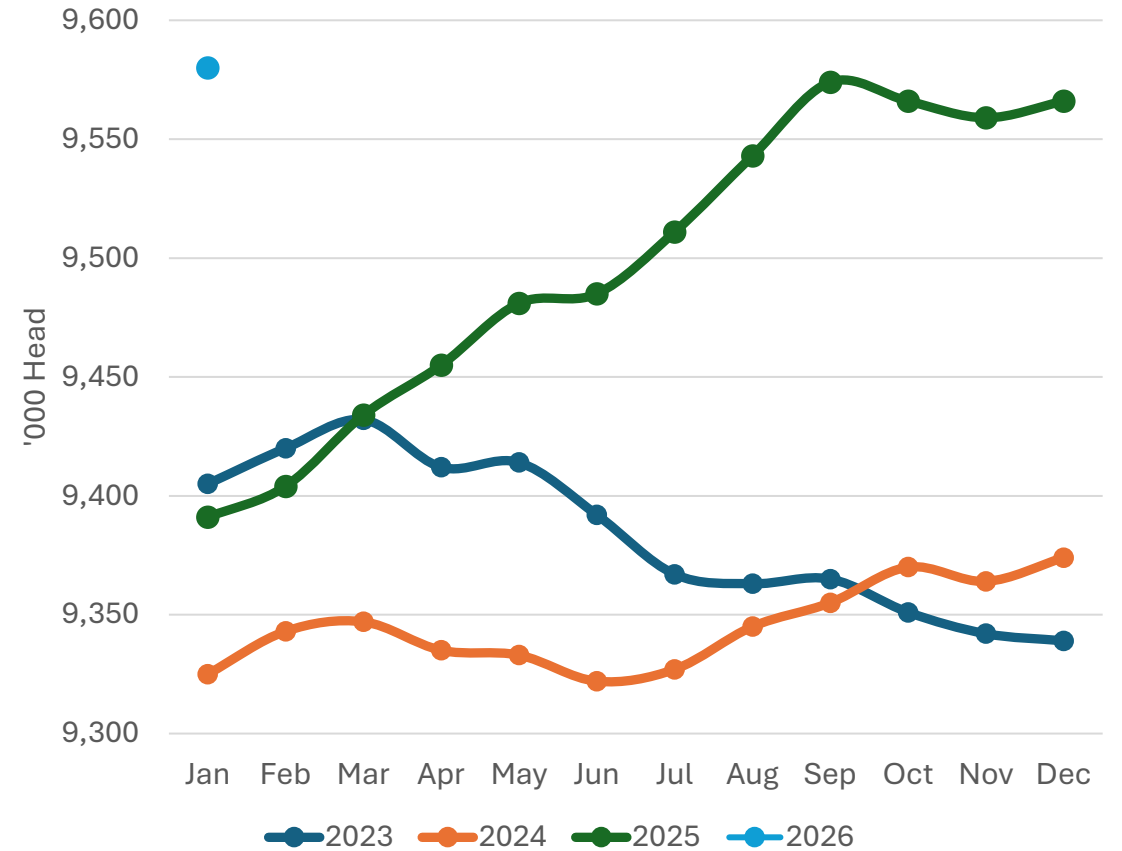


# Does The Milking Herd Contract?

## DMC Milk Margin Above Feed Cost



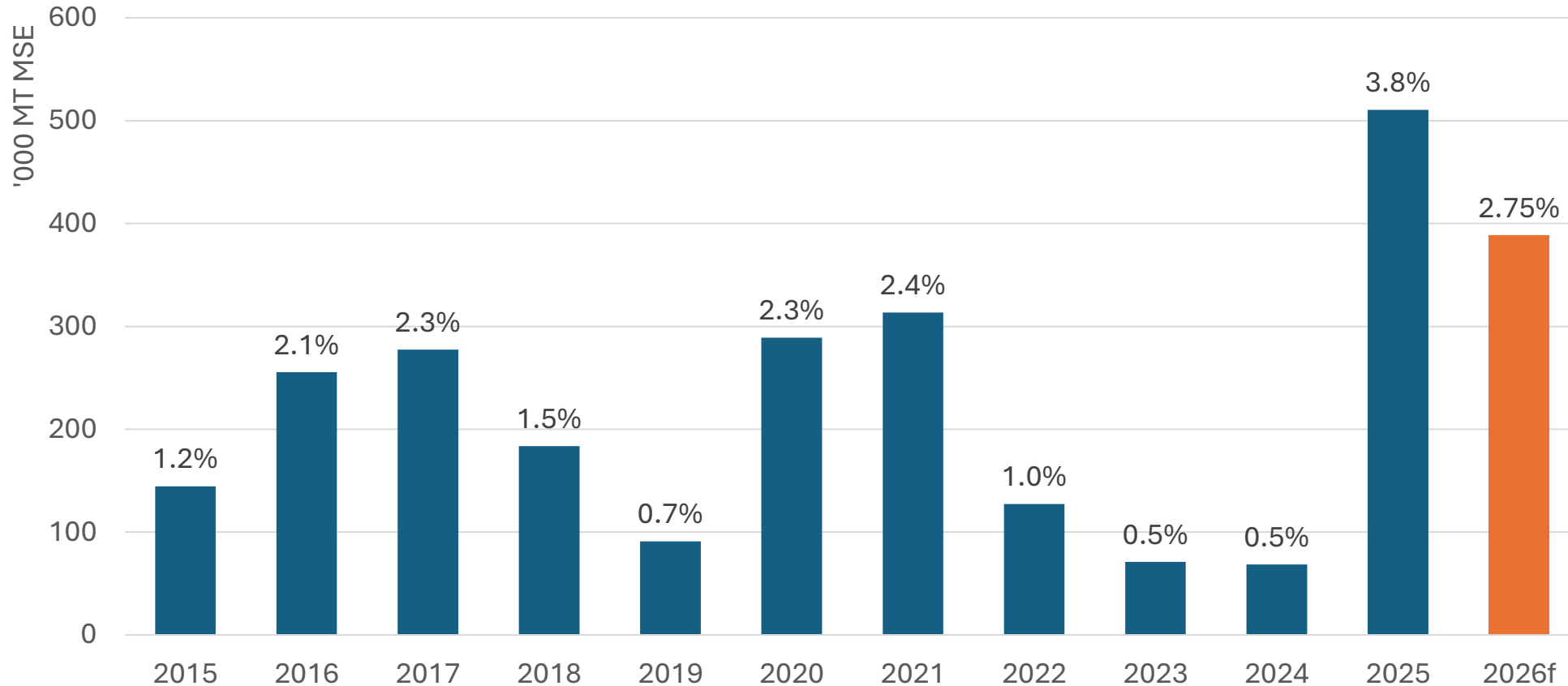
## United States Milk Cows by Month



# U.S. Milk Production

+2.75%

## YOY Change in U.S. Milk Solids Production



Will



Monica



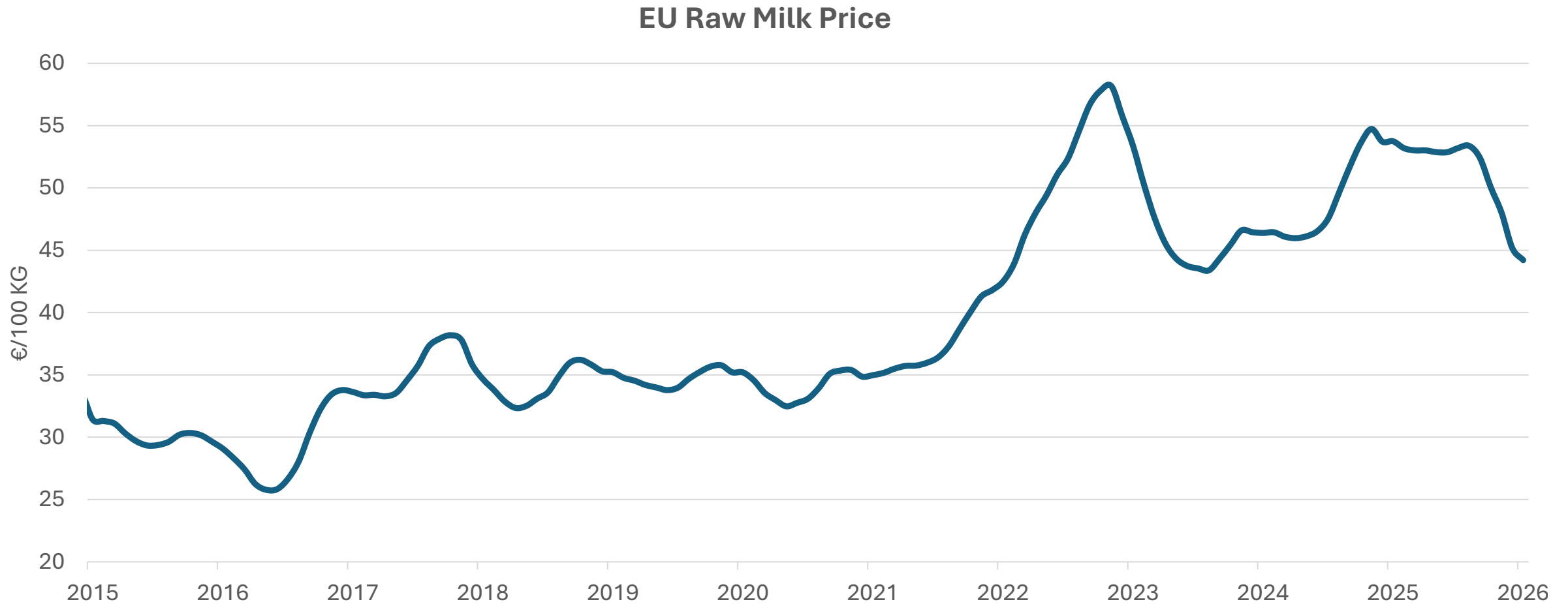
Stephen





# U.S. Milk Production

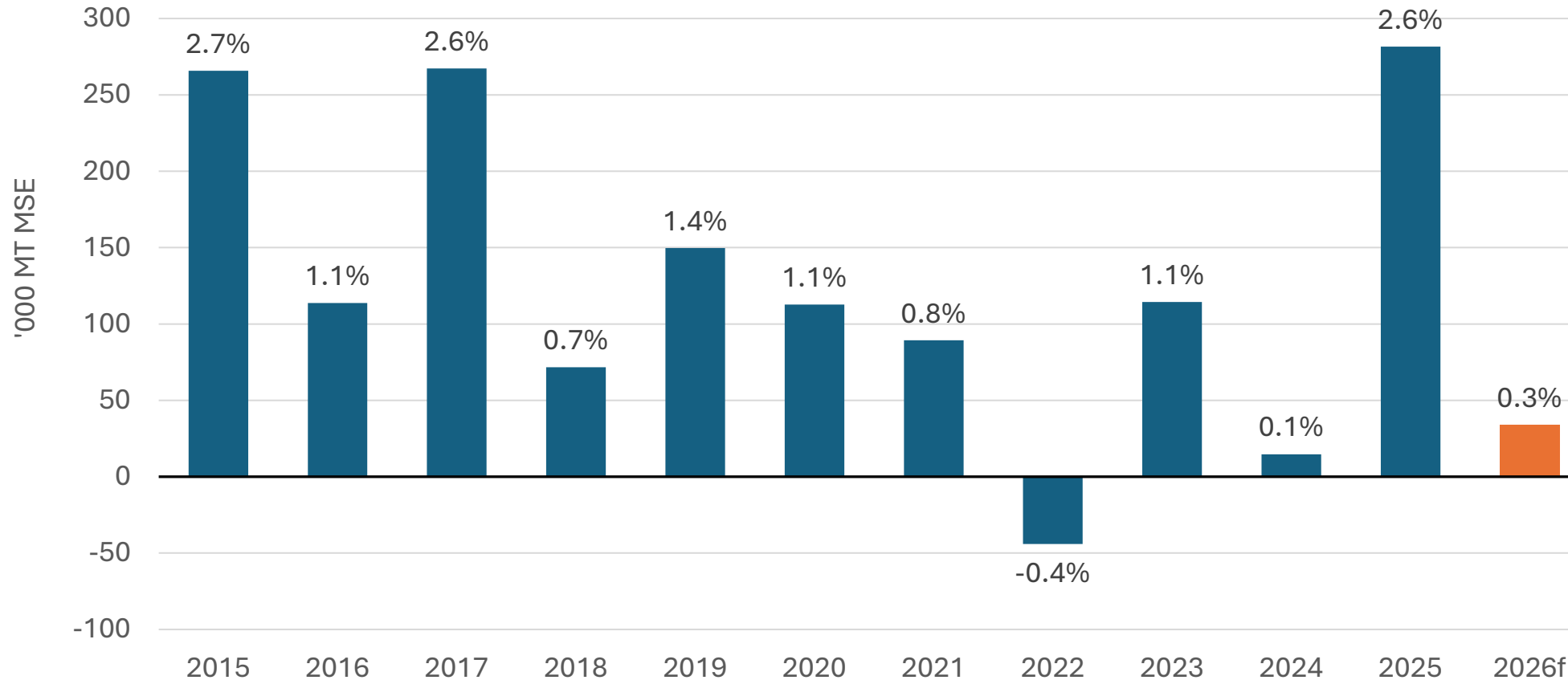
# Will Lower EU Prices Cause Contraction?



# EU Milk Production

+0.3%

## YOY Change in EU Fat+Protein Production



Will



Monica



Stephen





# EU Milk Production

# Supply Takeaways

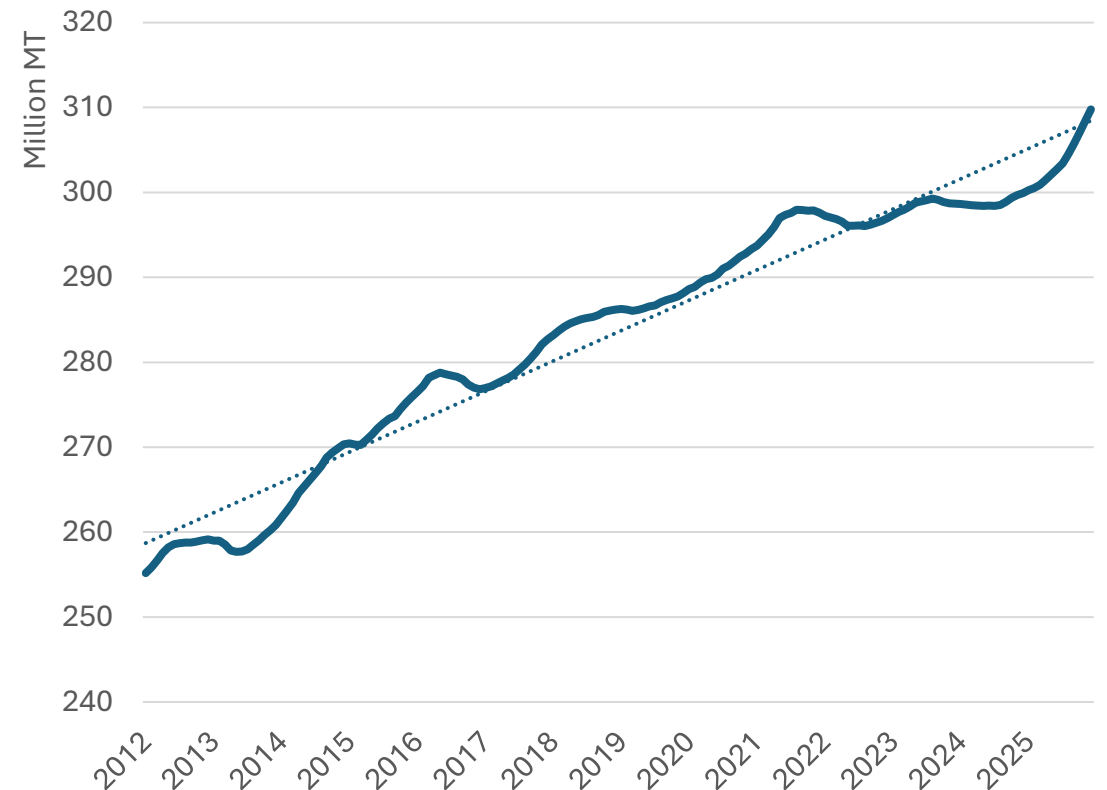
Milk Production Expected to Be Ample in First Half of '26

On Farm Margins Are Tightening in U.S., EU

Robust Beef Returns Mean U.S. is Likely the “Last to Blink”

**Combined U.S., EU, NZ, Aus & Arg Milk Production**

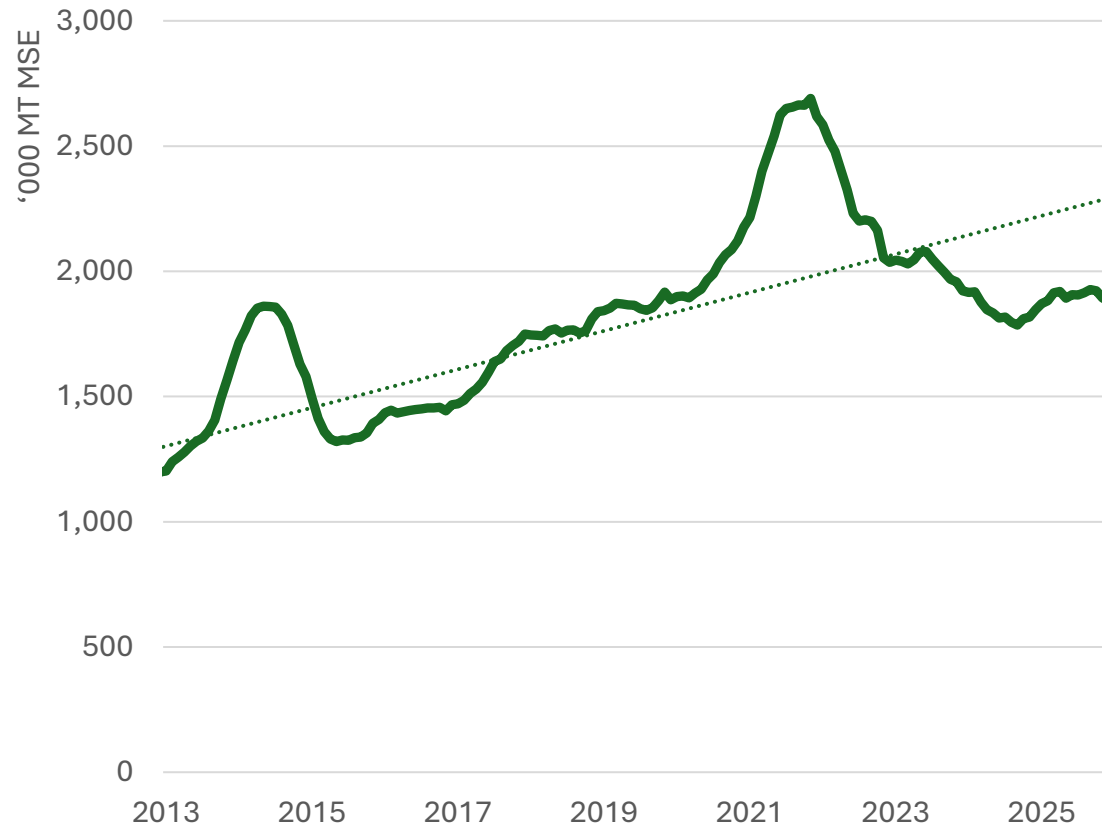
(Rolling 12 Months, Component Adjusted to 2011 Levels)



# Structural Change in China's Dairy Market

## Global Dairy Trade to China

(Rolling 12 Months, Milk Solids Equivalent)



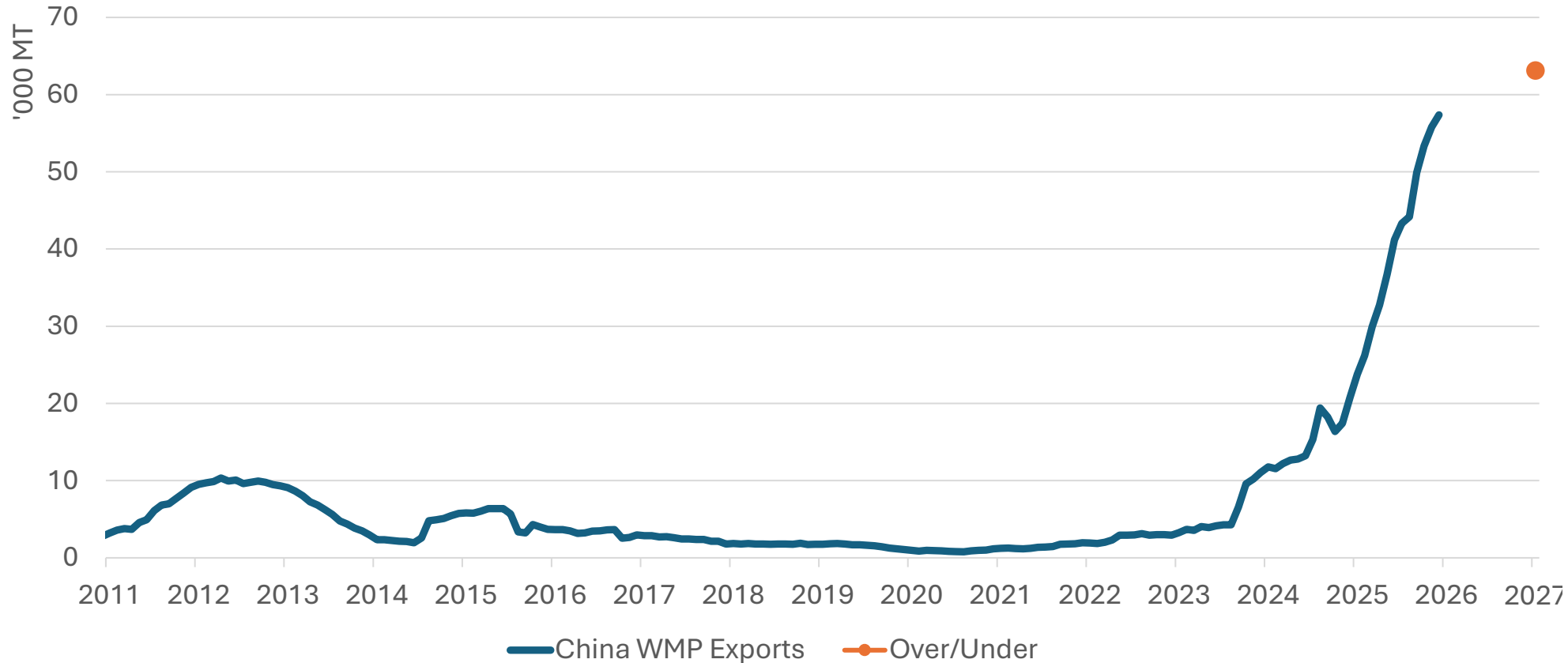
## Farmgate Milk Price: U.S. & China



# China WMP Exports

+10%

China WMP Exports



Will



Monica



Stephen

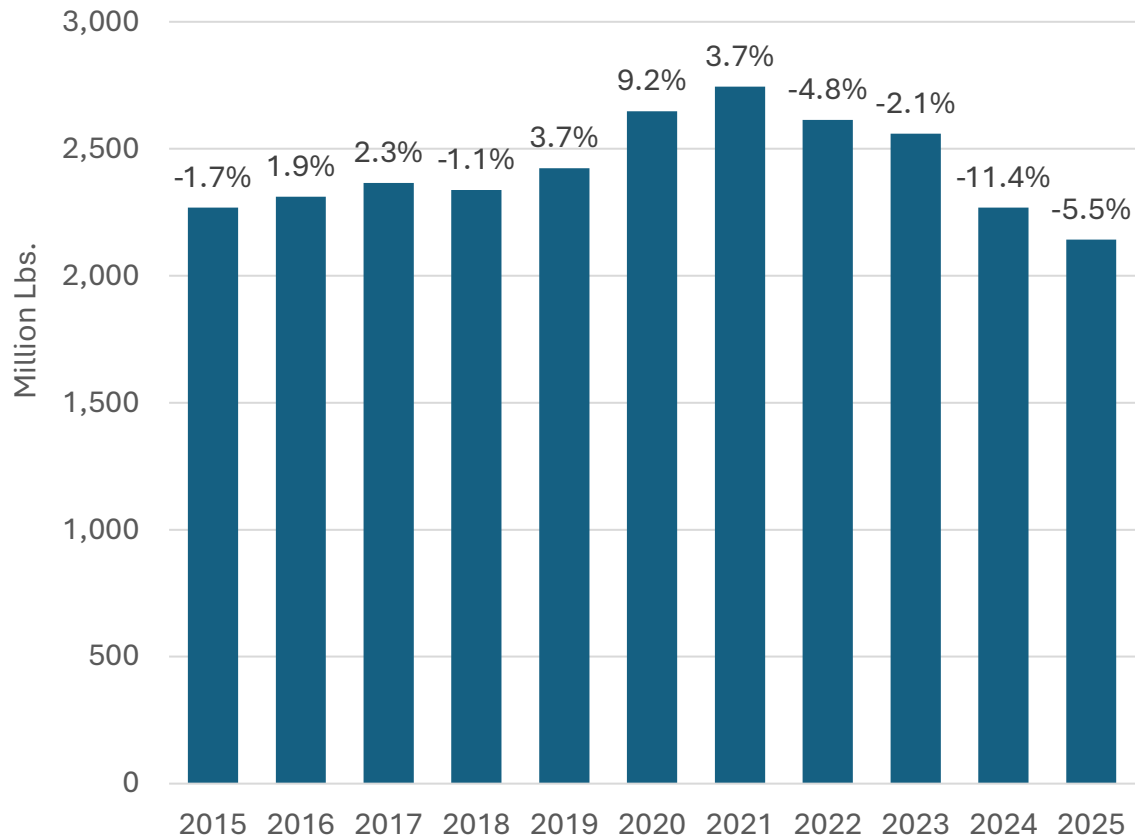




# China WMP Exports

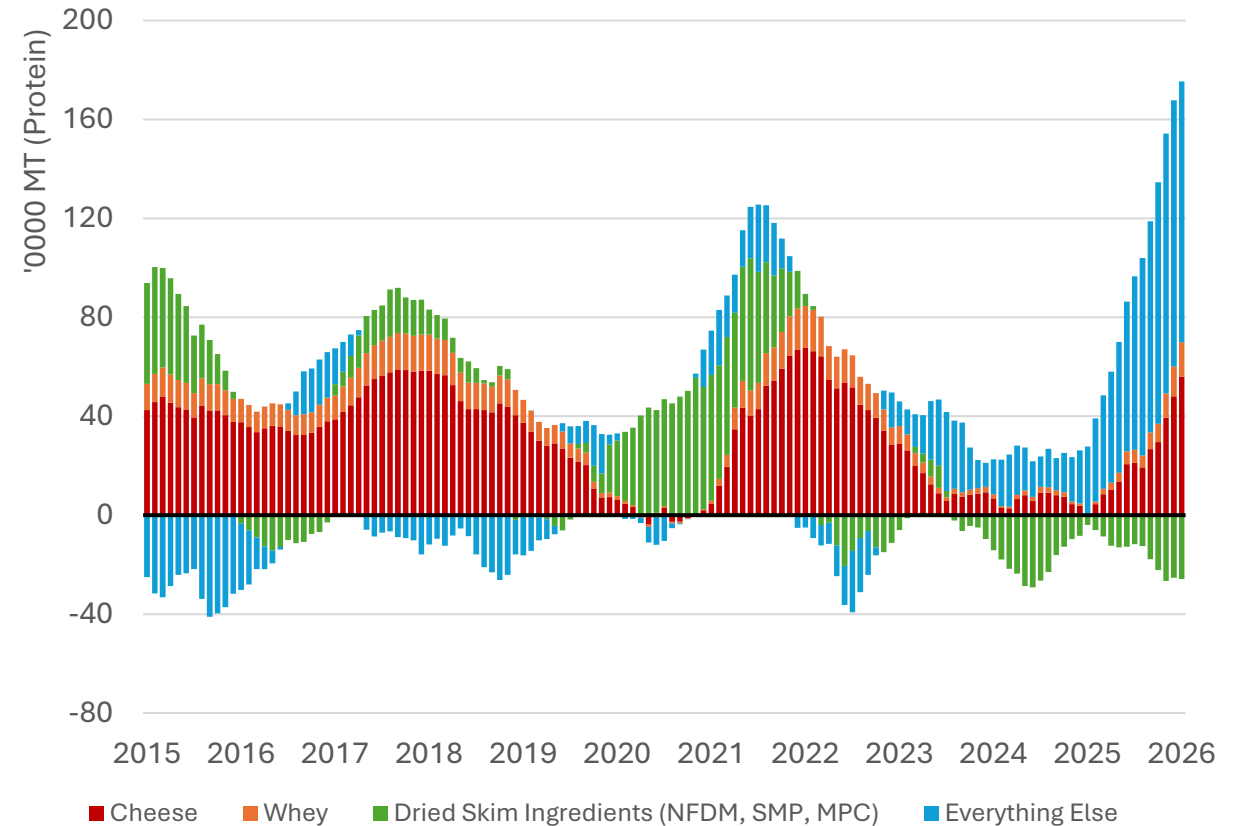
# How Much NFDM Will the US Make in 2026?

## U.S. Production of NFDM/SMP



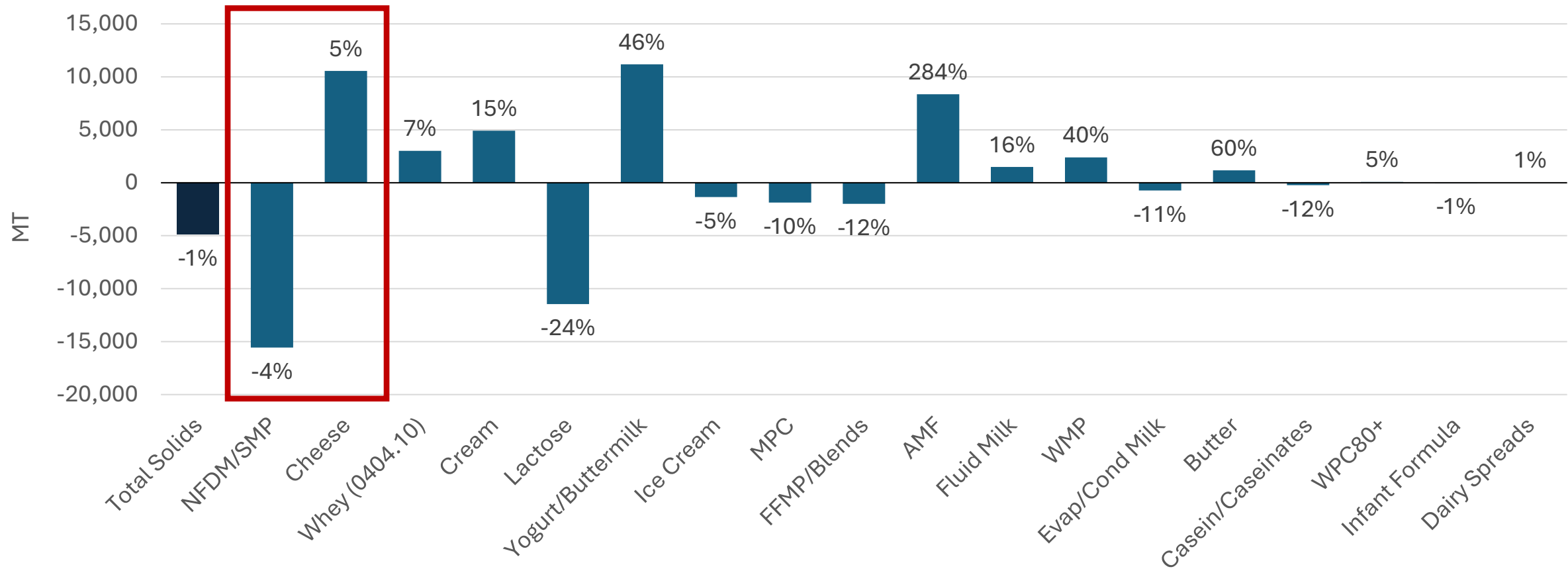
## YOY Change in U.S. Dairy Protein Utilization

(Rolling 12 Months)



# Will Mexican Buyers Still Demand NFDM?

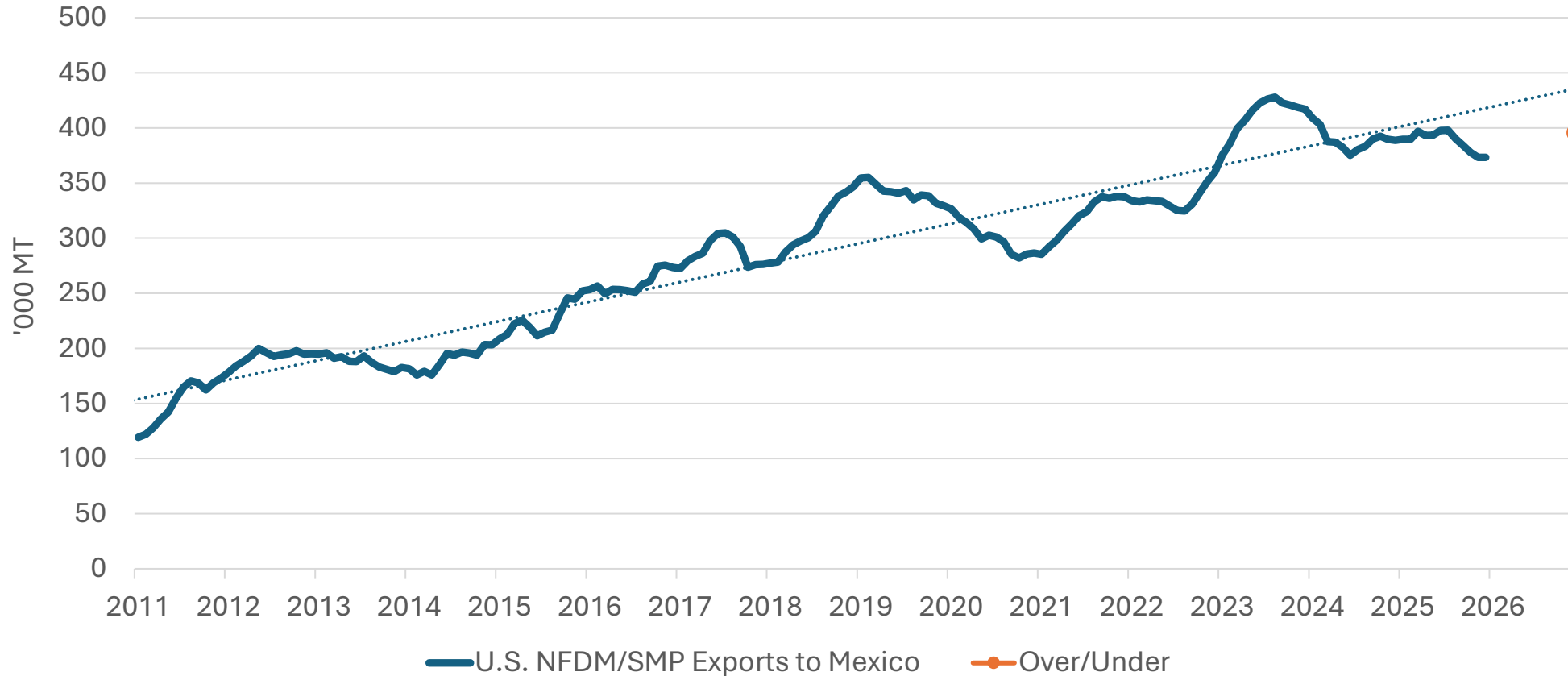
Change in Dairy Trade from U.S. to Mexico 2025



# U.S. NFDMS Exports to Mexico

+6%

## U.S. NFDMS/SMP Exports to Mexico



Will



Monica



Stephen

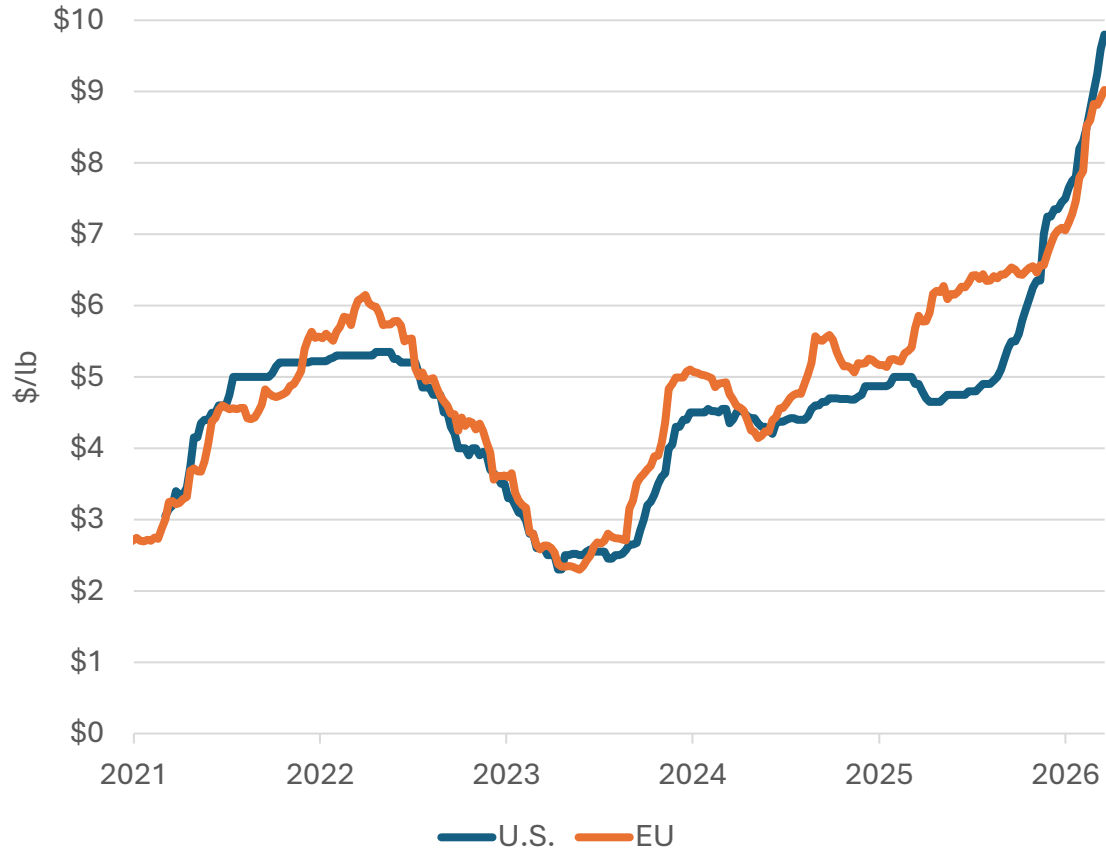




# U.S. NFDM Exports to Mexico

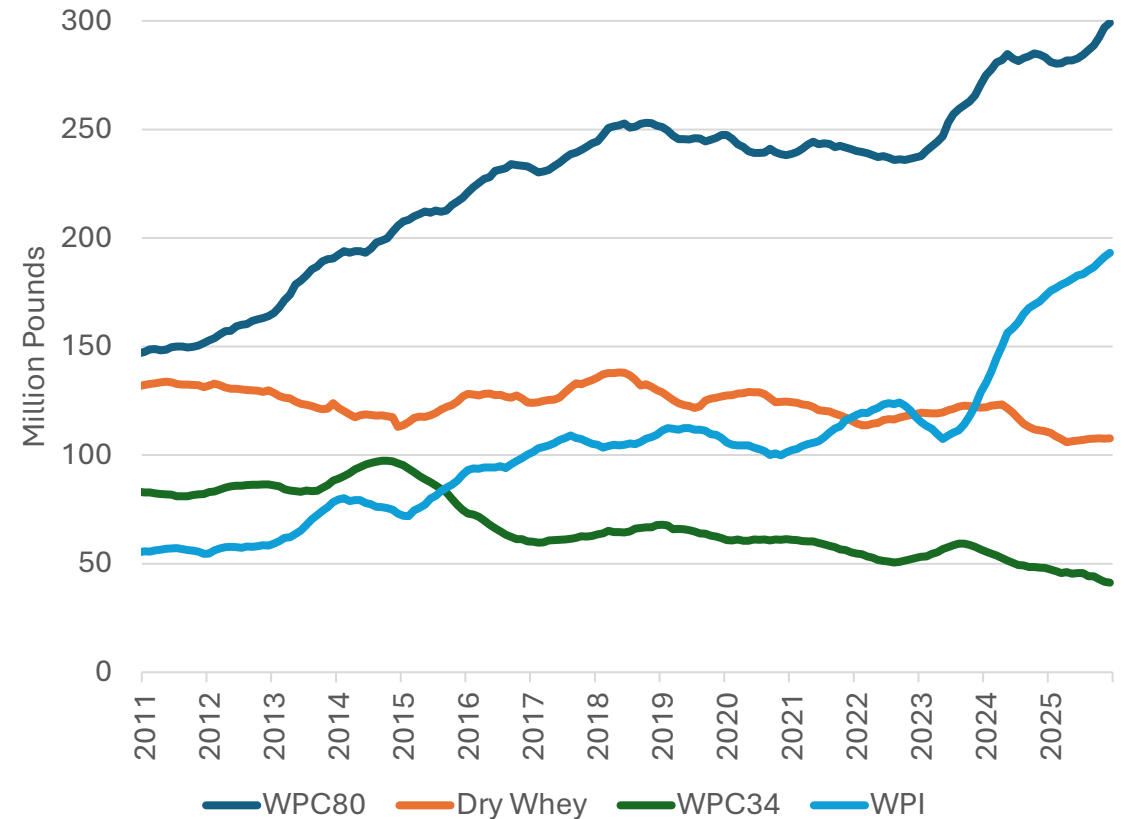
# Skyrocketing WPC80+ Prices

## WPC80 Prices



## U.S. Whey Protein Production by Product

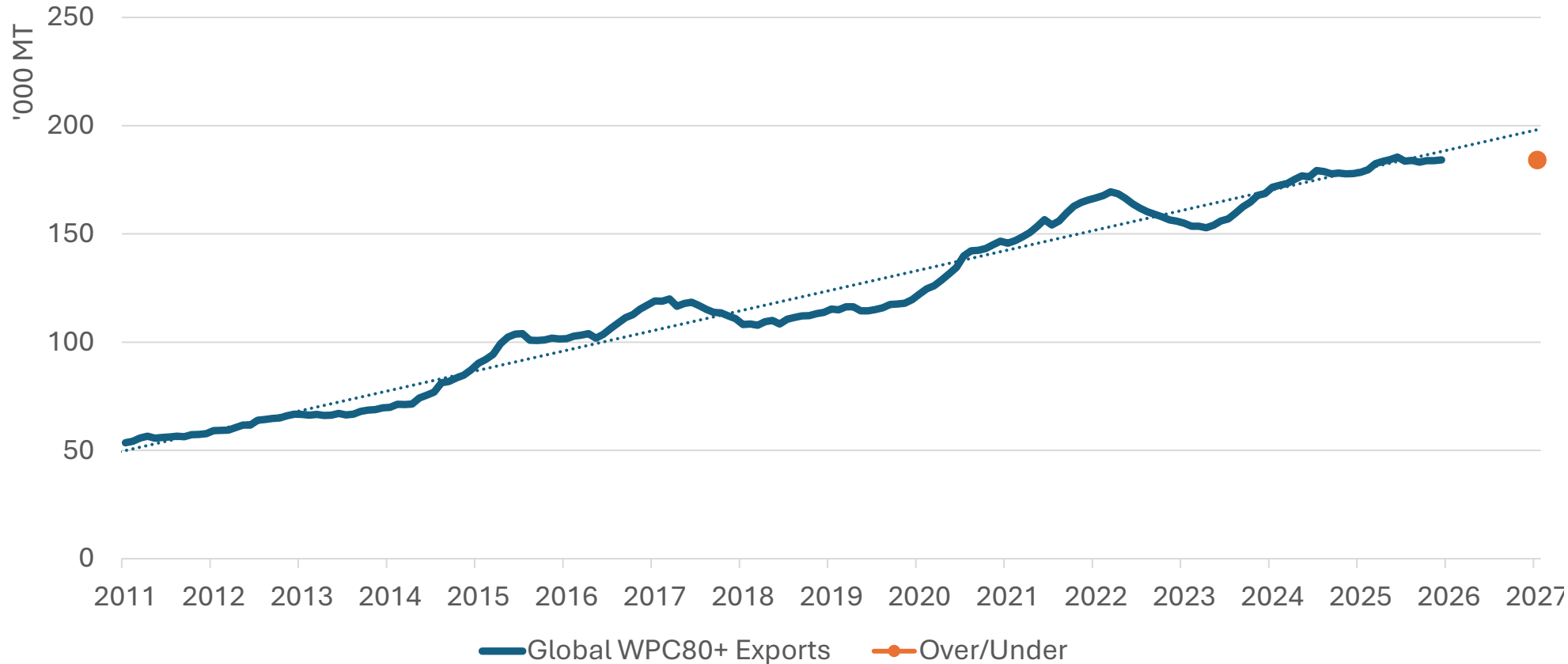
(Rolling 12 Months, Protein Equivalent)



# Global WPC80+ Exports

# FLAT

## Global WPC80+ Exports



**Will**

**Monica**

**Stephen**



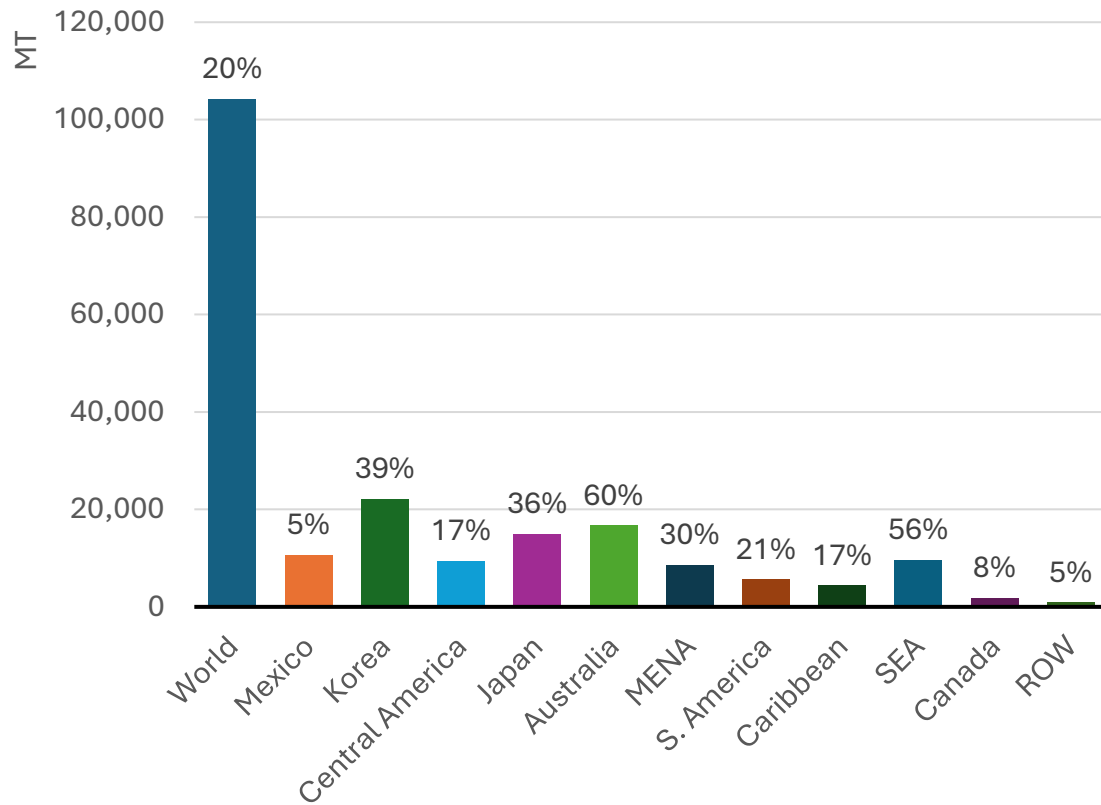


# Global WPC80+ Exports

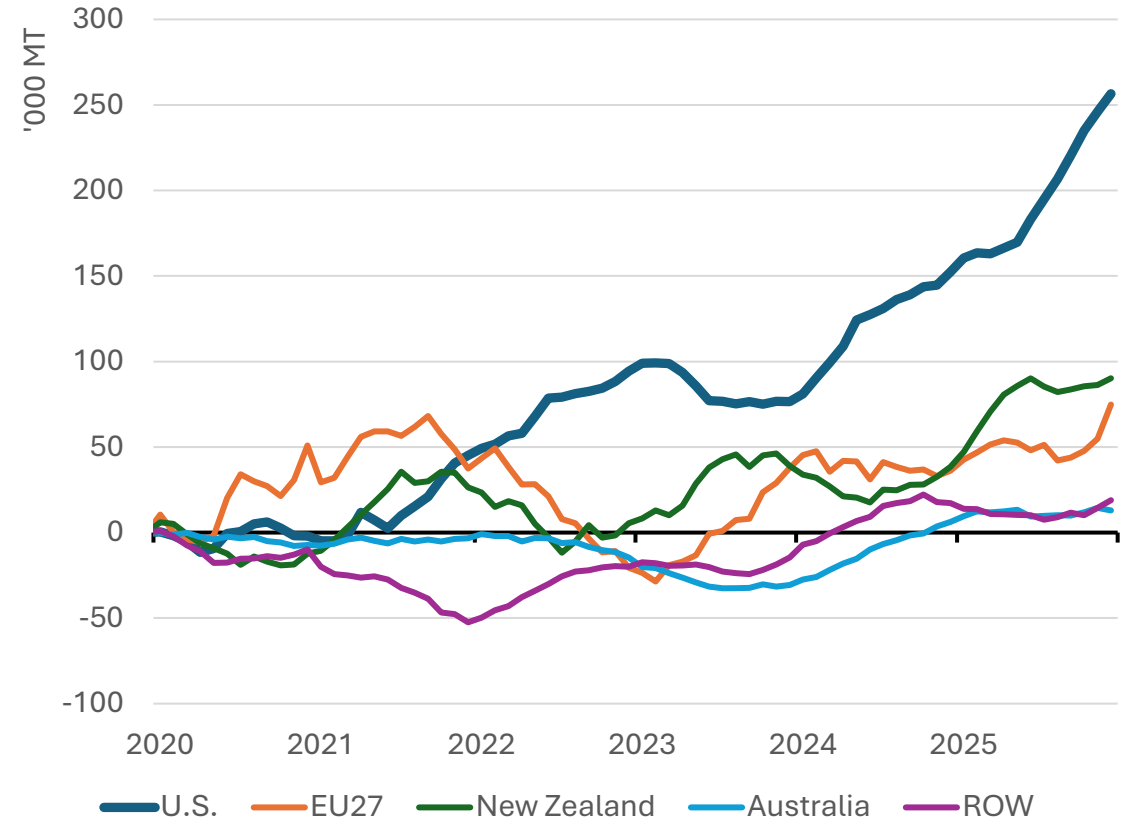
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# Can Cheese Exports Maintain Momentum?

2025 YOY Change in U.S. Cheese Exports to Top 10 Markets



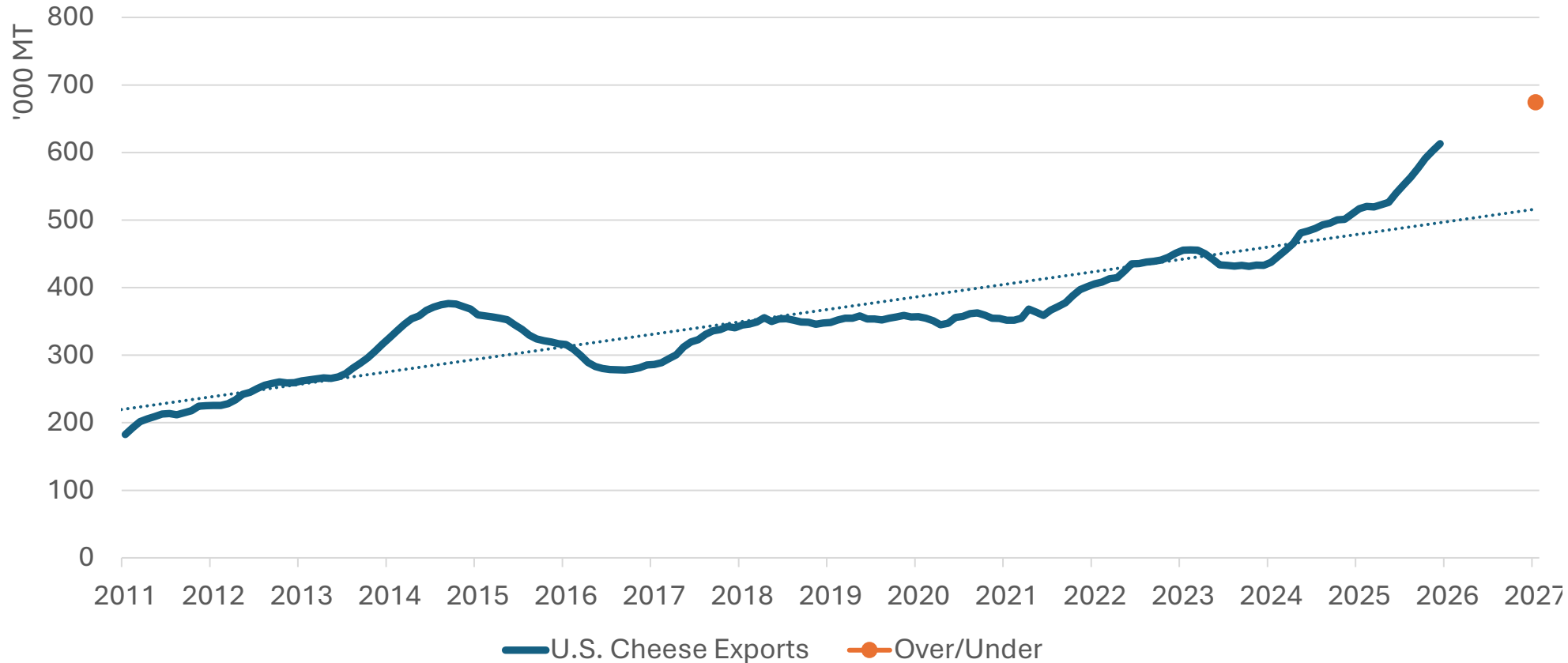
Incremental Growth of Cheese Exports Since 2019  
(Rolling 12 Month)



# U.S. Cheese Exports

+10%

## U.S. Cheese Exports



Will



Monica



Stephen



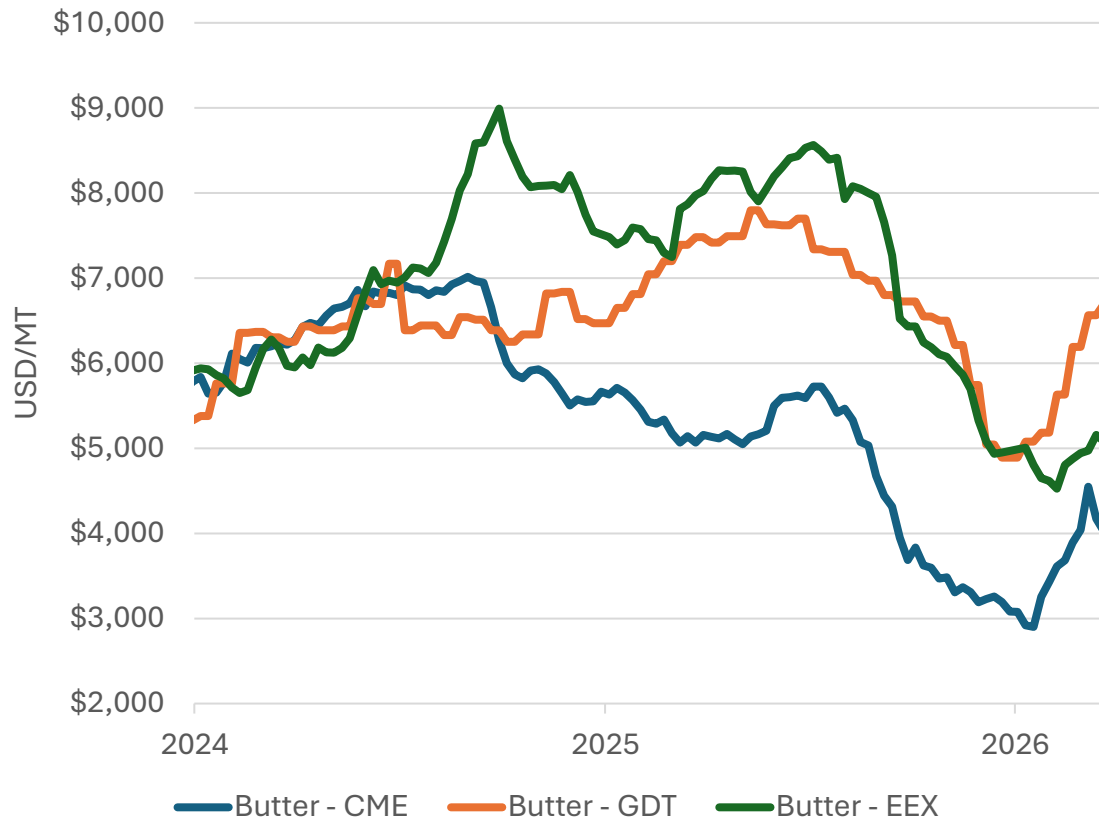


# U.S. Cheese Exports

# Butter Poised for Growth; Iran Conflict Challenges

## Butter Price Comparison

(80% Milkfat Equivalent)



## U.S. Exportable Supply of Milkfat

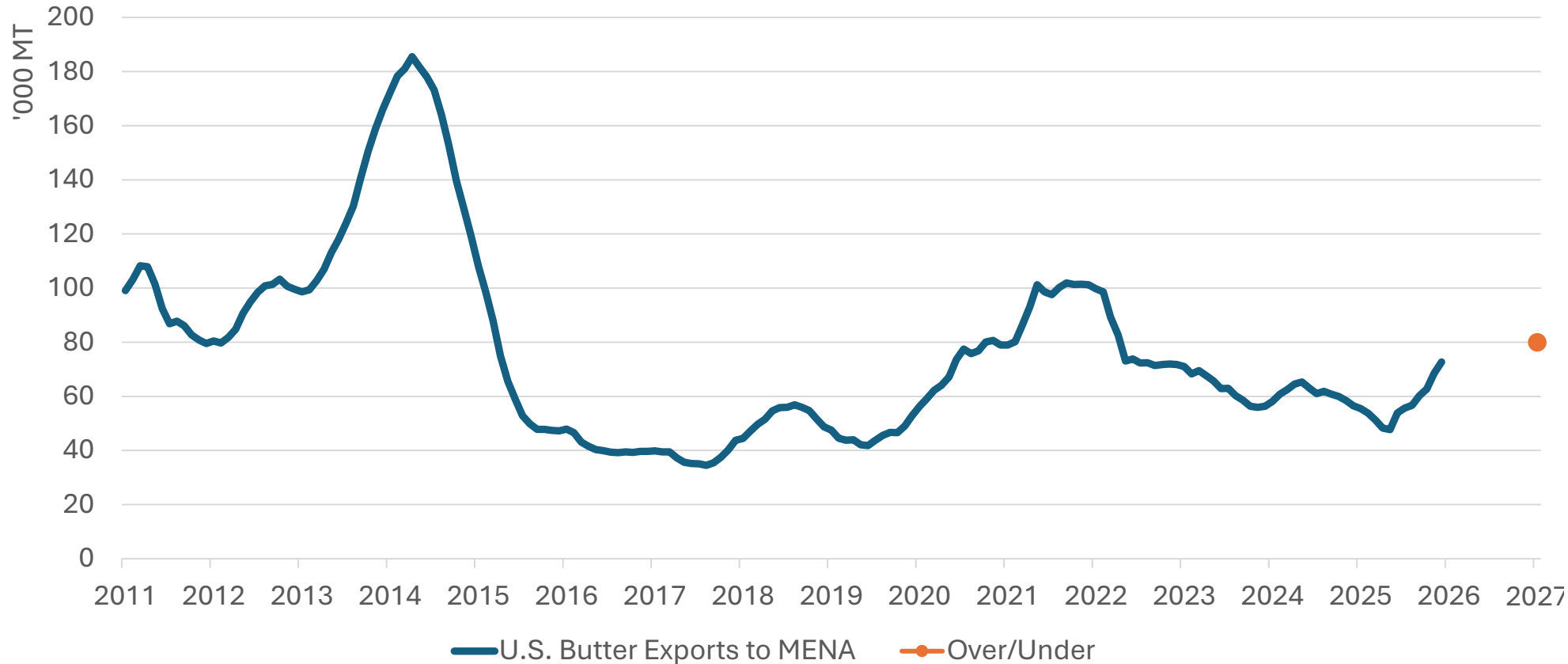
(Production + Imports - Domestic Utilization, Rolling 12 Months)



# U.S. Butter Exports to MENA

+10%

## U.S. Butter Exports to MENA



**Will**

**Monica**

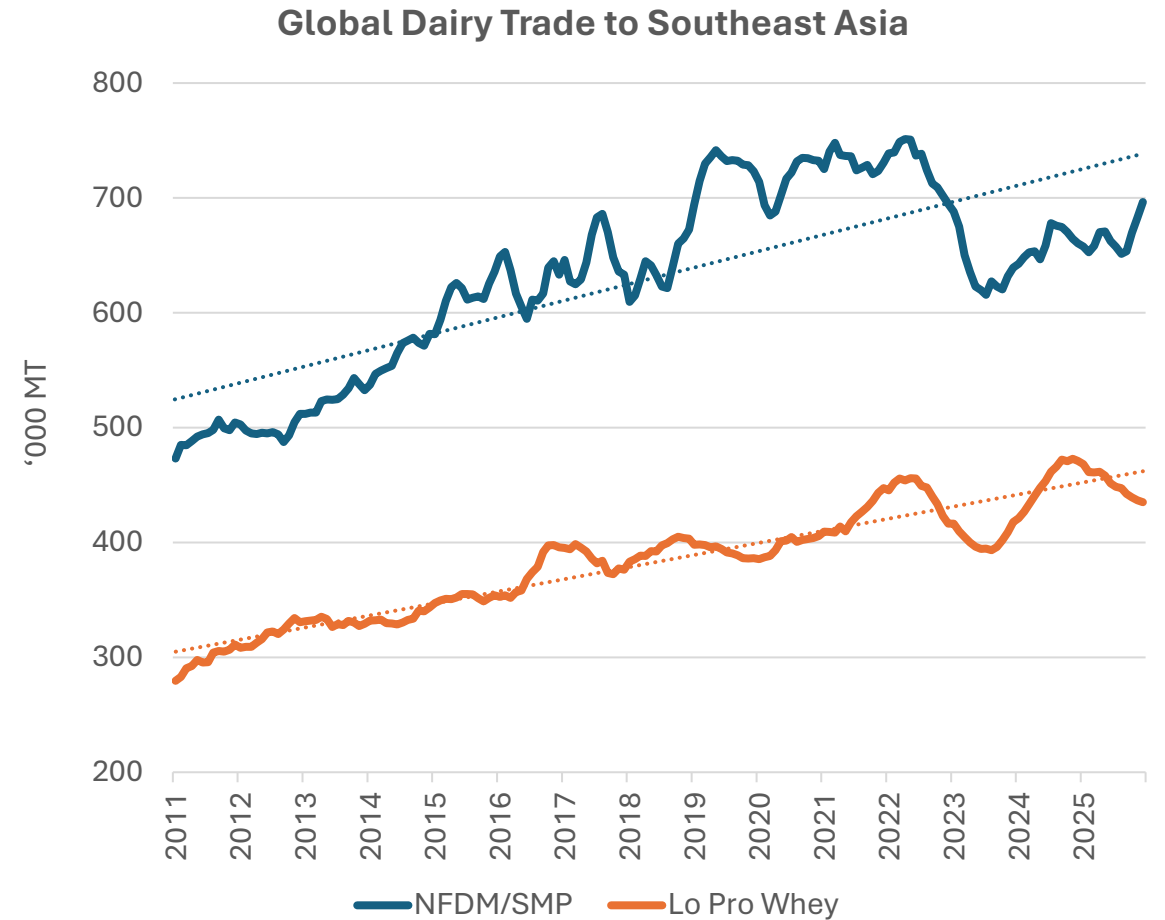
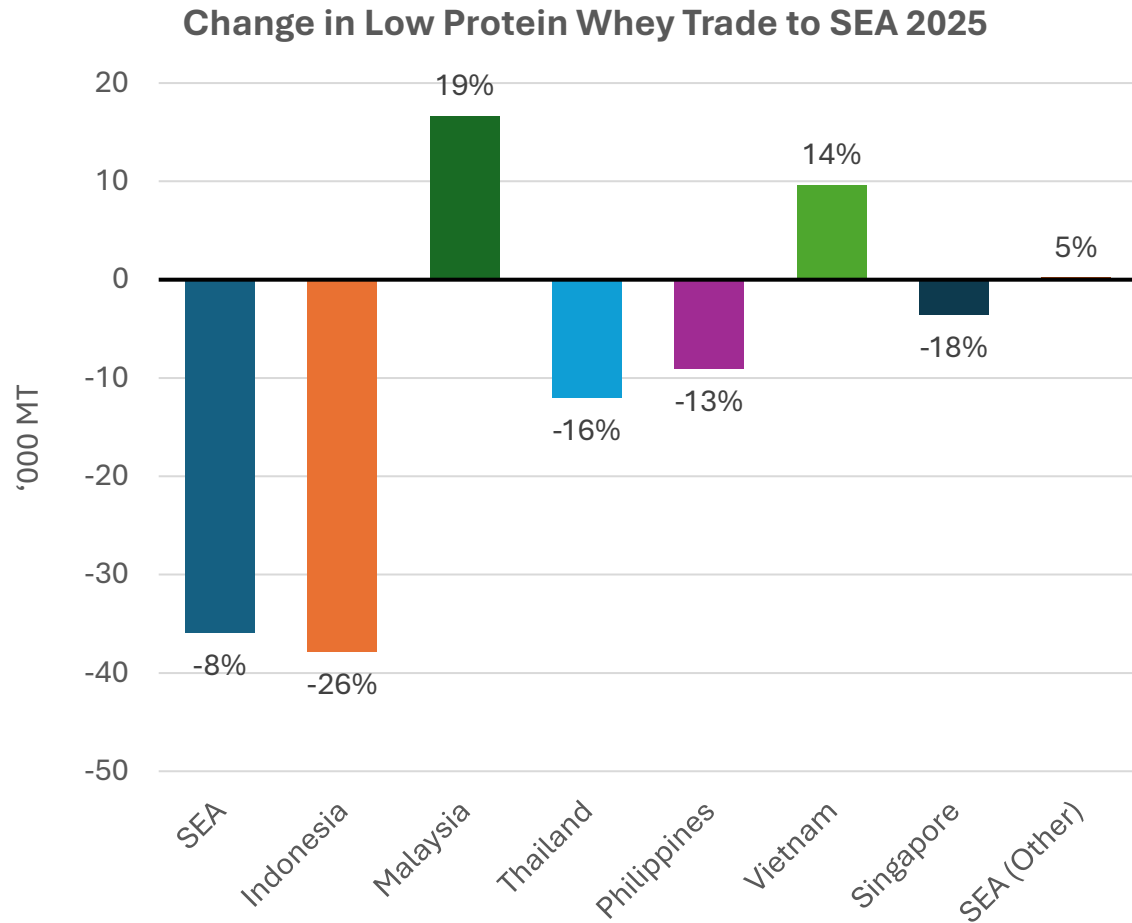
**Stephen**





# U.S. Butter Exports to MENA

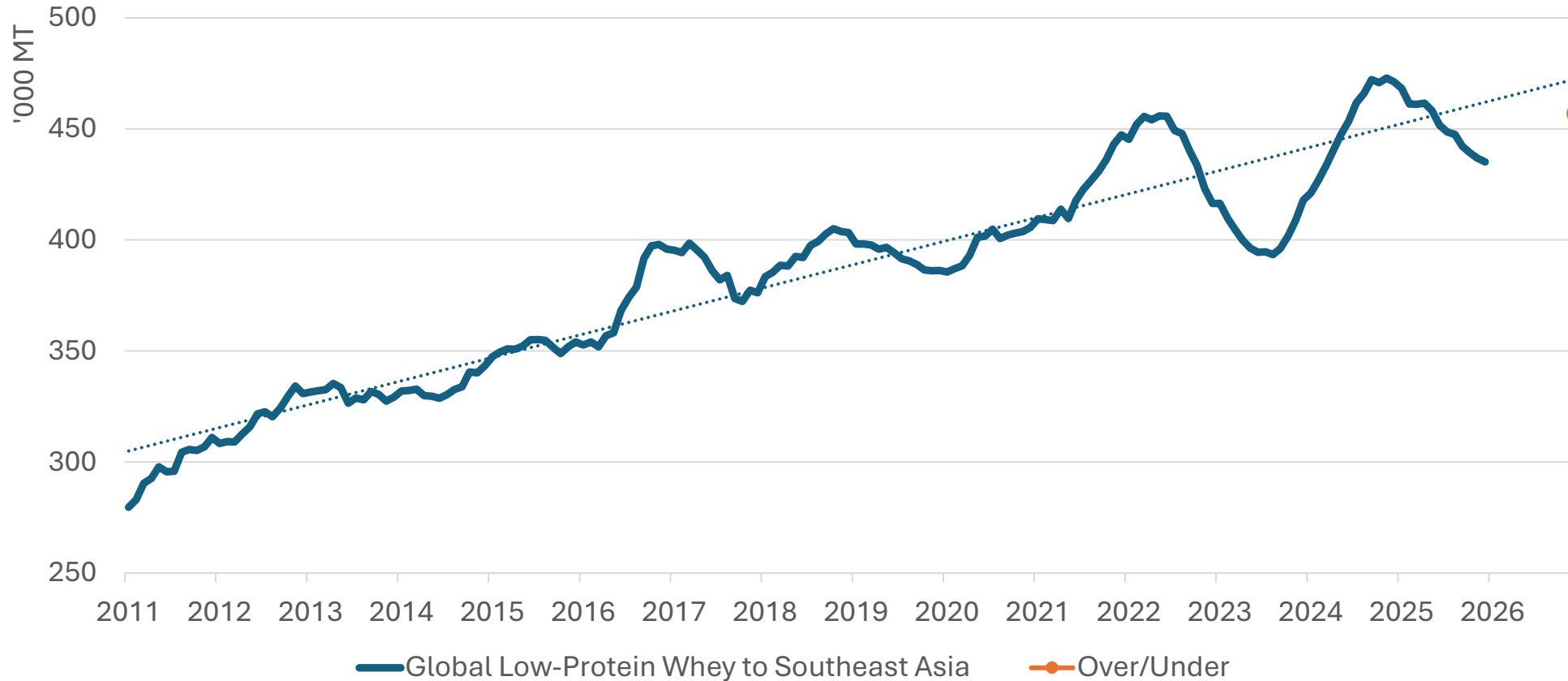
# Will Low Protein Whey Demand in SEA Bounce Back?



# Global Low Protein Whey to SEA

+5%

## Global Low-Protein Whey to Southeast Asia



**Will**

**Monica**

**Stephen**





# Global Low Protein Whey to SEA

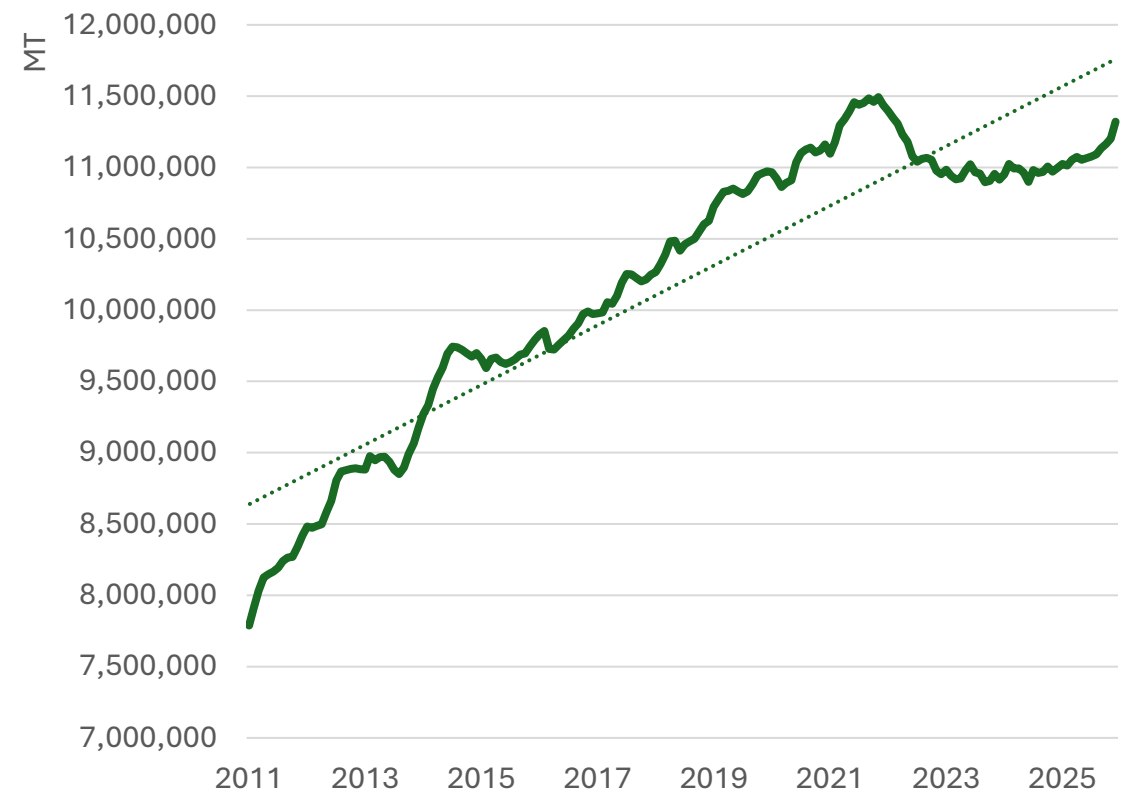
# Demand Takeaways

Global Demand is Finally Recovering

Cheese, Proteins and Fats Leading U.S. Export Portfolio

Plenty of Hurdles to Setting a New Dairy Export Record in 2026

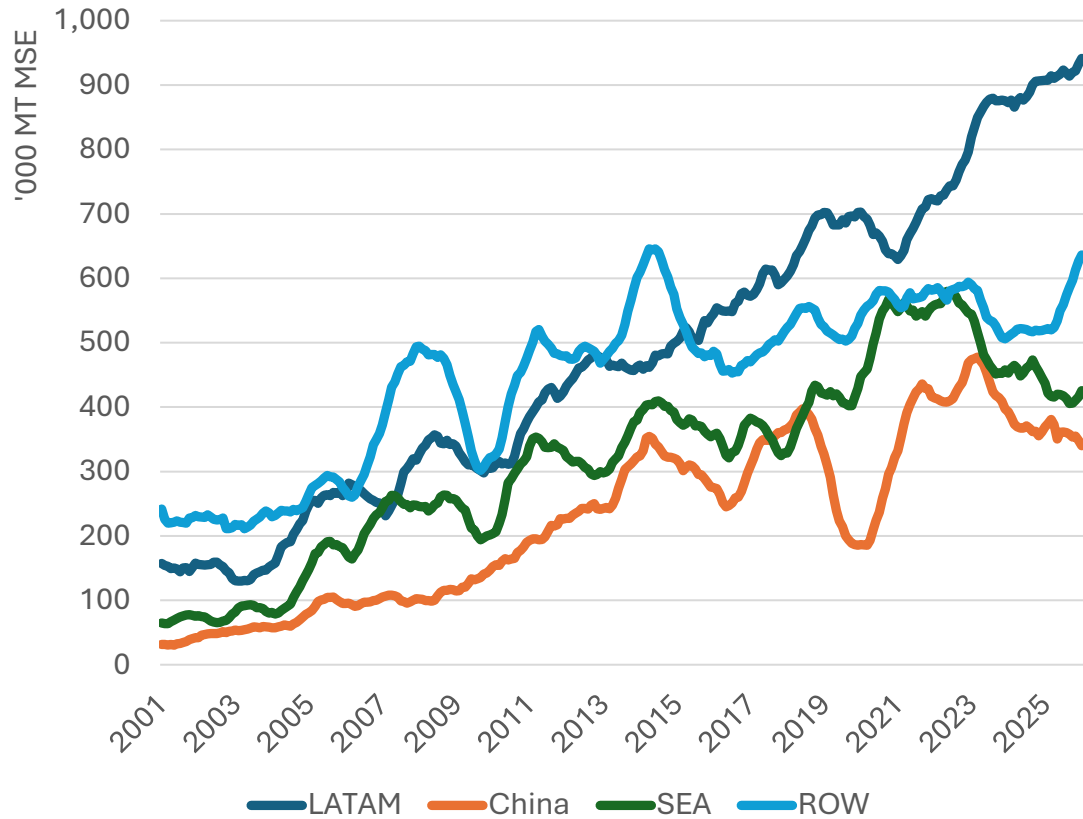
**Global Dairy Trade**  
(Milk Solids Equivalent, Rolling 12 Months)



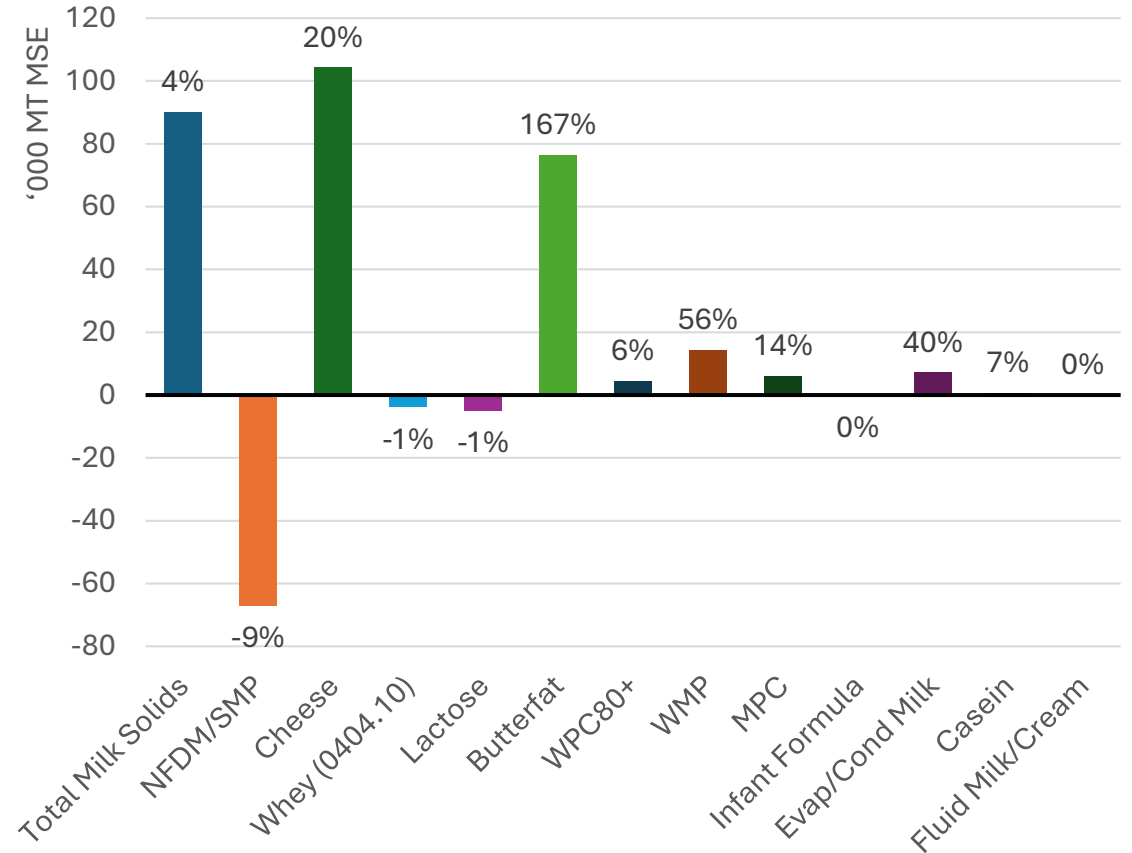
# Can 2026 Set a New Record for U.S. Dairy Exports?

## U.S. Dairy Exports by Destination

(Rolling 12 Months, Milk Solids Equivalent)



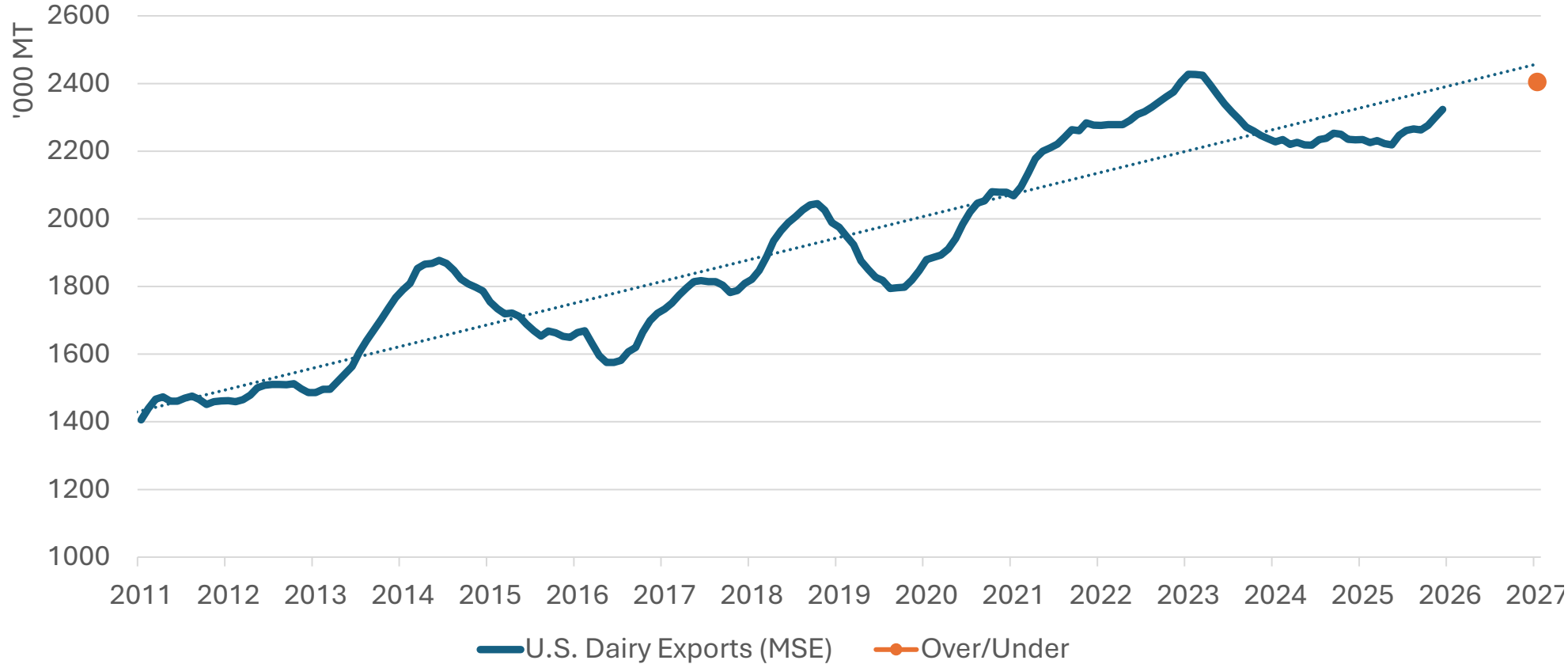
## 2025 YOY Change in U.S. Dairy Exports



# Total U.S. Dairy Exports

+3.5%

U.S. Dairy Exports, MSE



Will



Monica



Stephen





# Total U.S. Dairy Exports

# Concluding Thoughts

Topic	Baseline	Key Variables	Will	Monica	Stephen
U.S. Milk Production	+2.75%	Growing Components & Beef-on-Dairy	▲	▼	▼
EU Milk Production	+0.3%	Lingering Pay Prices & Sluggish Exports	▼	▲	▼
China WMP Exports	10%	Is Milk Production Significantly Expanding?	▼	▲	▼
U.S. NFDM Exports to Mexico	6%	Will the U.S. Have Enough Product?	▲	▼	▼
Global WPC80+	0%	How Strong is Demand at These Prices?	▼	▲	▼
U.S. Cheese Exports	10%	Will Domestic Demand Claw Back Vol.?	▲	▼	▼
U.S. Butter Exports to MENA	10%	How Long with Iranian Conflict Last?	▲	▼	▲
Global Low Protein Whey to SEA	5%	How Strong Will Recovery Be?	▼	▲	▲
U.S. Dairy Exports (MSE)	3.5%	Can We Set a New Record in 2026?	▲	▲	▼