

# Global Market Outlook

1:00 – 2:00 p.m.

## Panelists:

### **Will Loux**

senior vice president,  
global economic affairs,  
USDEC

### **Stephen Cain**

Senior director, economic  
research and analysis,  
USDEC

### **Monica Ganley**

senior director, global trade  
analysis, USDEC

# Last Year's Results

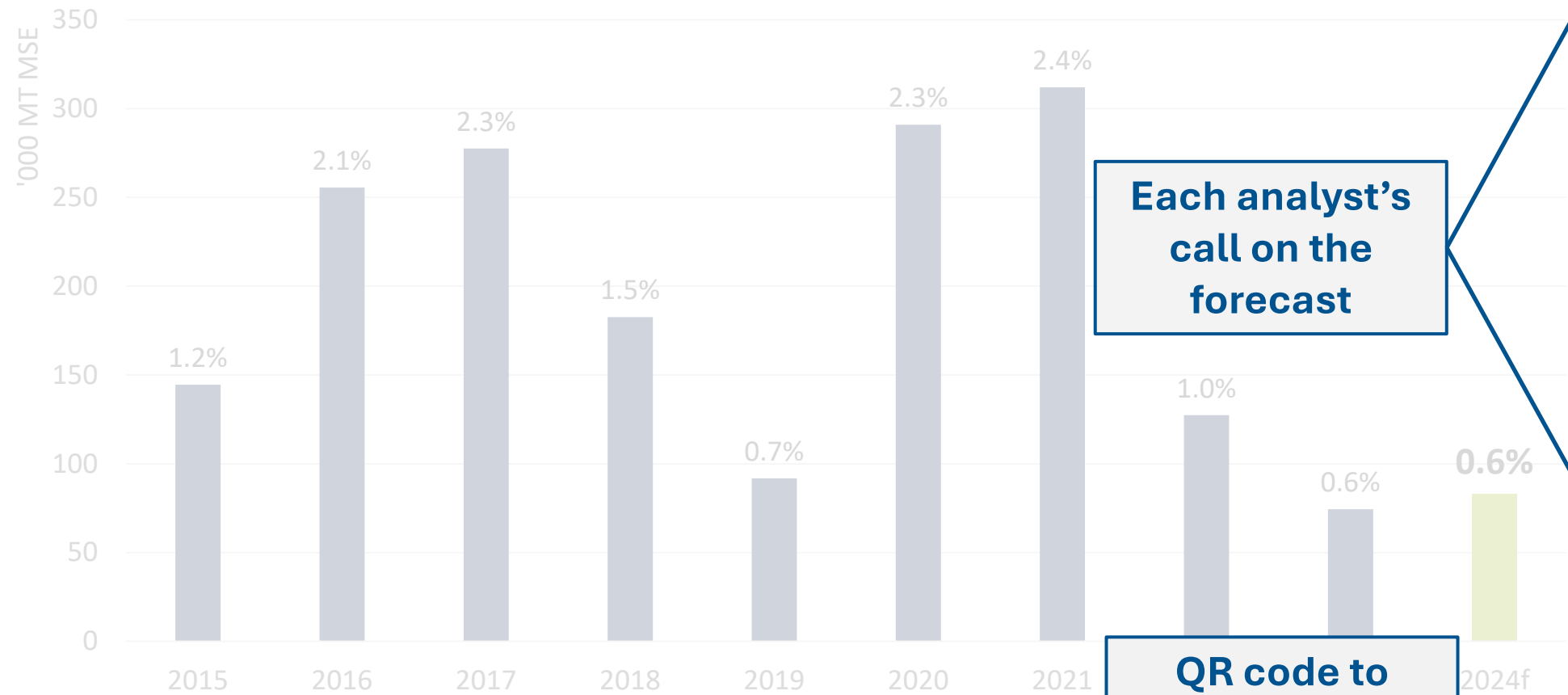
Topic	Baseline	Actual	Will	Peter	Stephen	Members
U.S. Milk Production	+1.3%	+0.6% ▼	▲	▲	▼	▲ (62%)
EU Milk Production	+0.4%	+1.2% ▲	▲	▲	▼	▲ (53%)
China WMP	+30%	-10% ▼	▼	▲	▼	▼ (78%)
Mexico NFDM	+9.5%	+16% ▲	▲	▼	▼	▼ (57%)
Latin Am. Cheese	+1.5%	+15% ▲	▲	▲	▼	▲ (96%)
Japanese WPC80+	+4.1%	-0% ▼	▲	▼	▼	▲ (63%)
Chinese Whey	-1.6%	-14% ▼	▲	▲	▼	▲ (56%)
All-Milk Price	\$22.63	\$21.30 ▼	▼	▼	▲	N/A
U.S. Dairy Exports	+1.5%	-5.3% ▼	▲	▼	▼	▲ (59%)
<b>FINAL SCORE:</b>			5/9 (55%)	4/9 (44%)	5/9 (55%)	3/8 (38%)

# U.S. Total Dairy Exports

Forecast being analyzed

$\pm X.X\%$

YOY Change in U.S. Milk Solids Production



Each analyst's call on the forecast

Will  
▲ OVER  
▼ UNDER

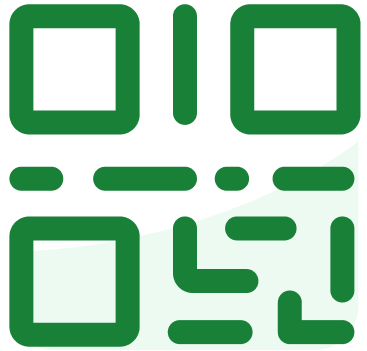
Monica  
▲ OVER  
▼ UNDER

Stephen  
▲ OVER  
▼ UNDER

QR code to participate in polling



# slido



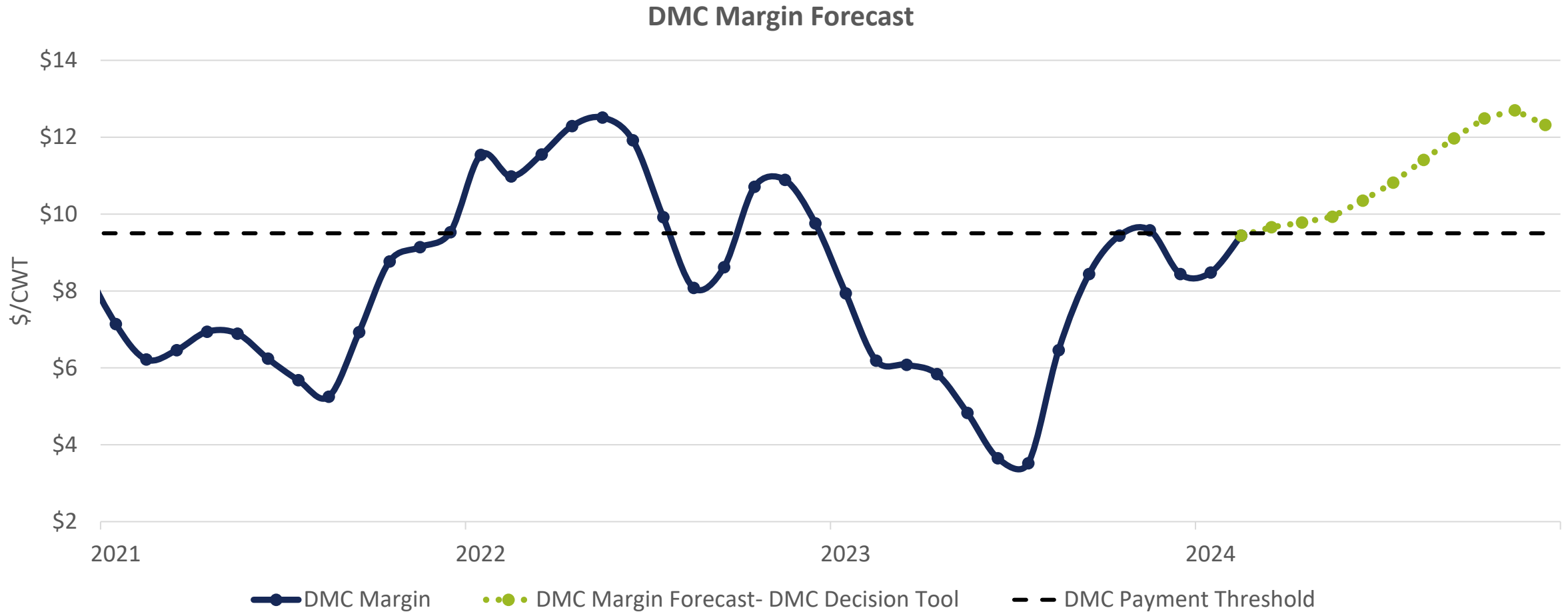
**Join at [slido.com](https://slido.com)  
#4172609**

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# Global Supply Outlook



# Will Supply Increase with Better Margins?

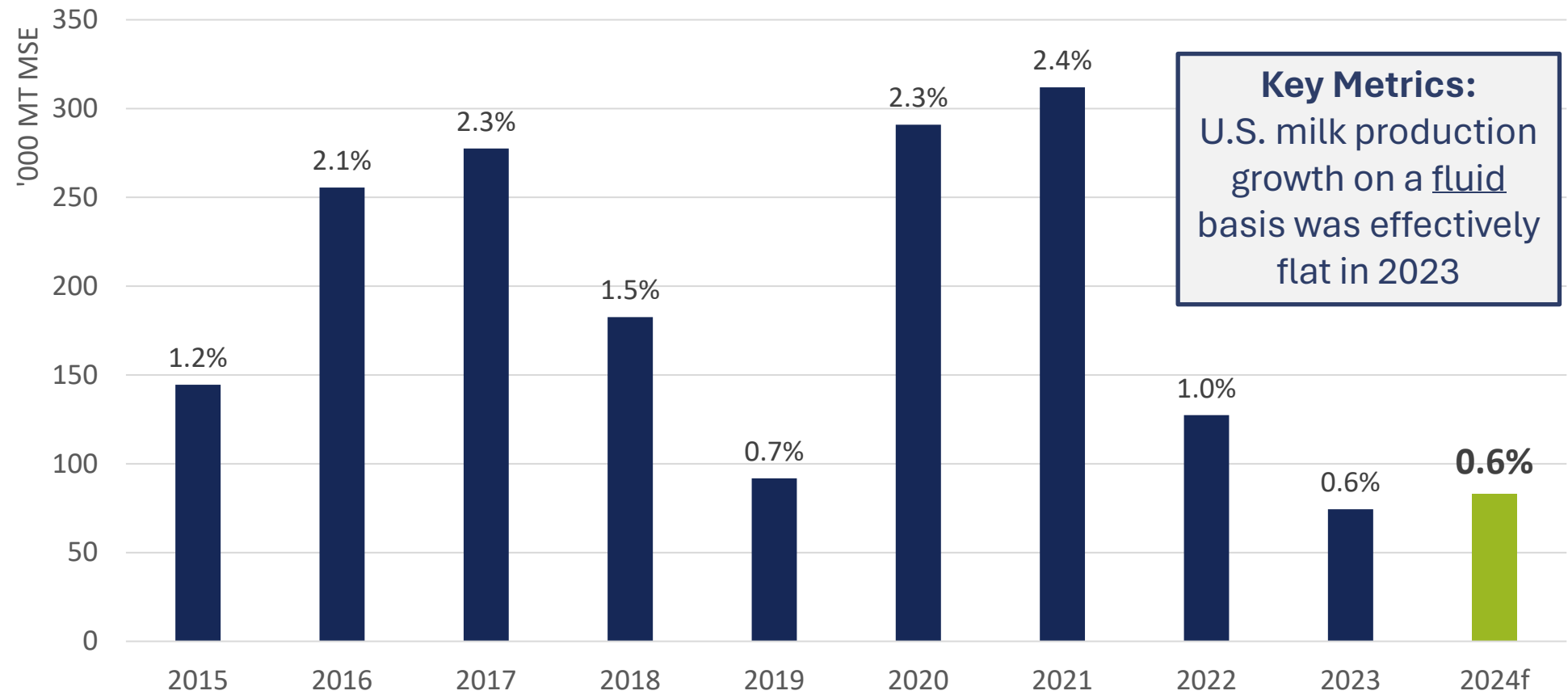


Source: USDEC-NMPF, USDA

# U.S. Milk Production

+0.6%

YOY Change in U.S. Milk Solids Production



Source: USDEC-NMPF, UDM

Will

▲ Over

Monica

▲ Over

Stephen

▼ Under



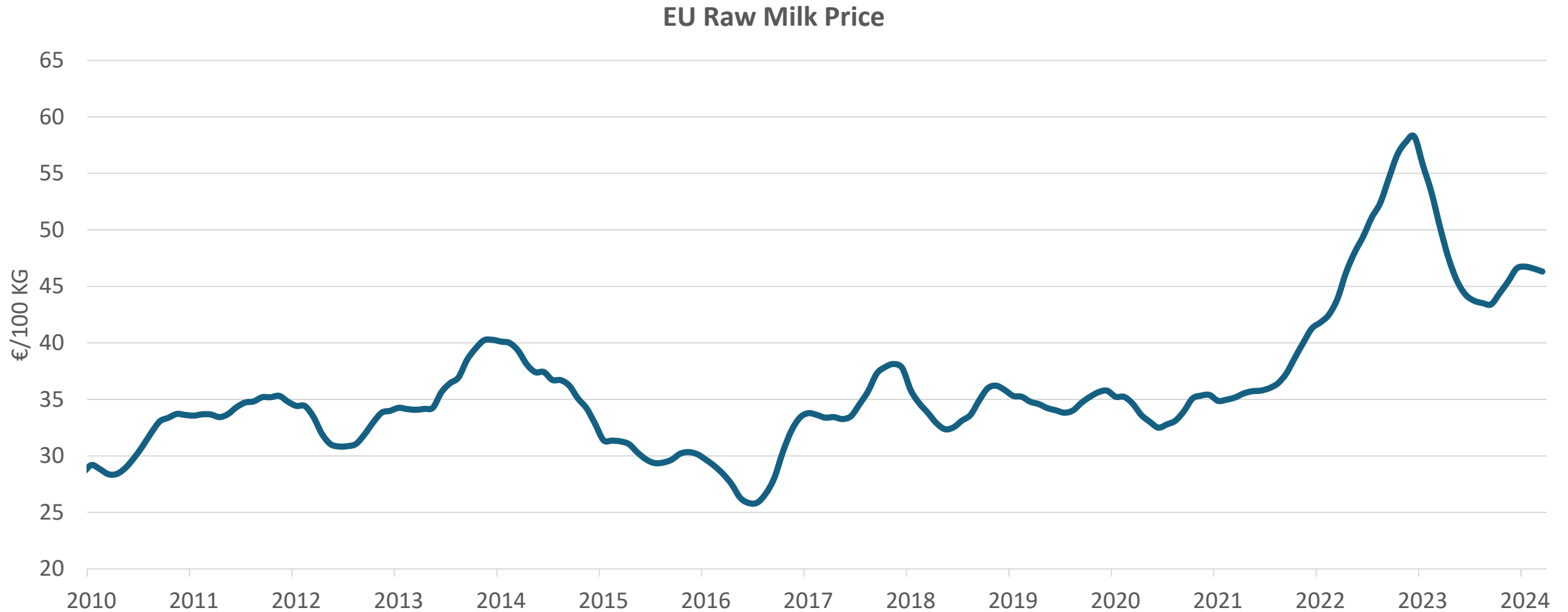
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## U.S. Milk Production

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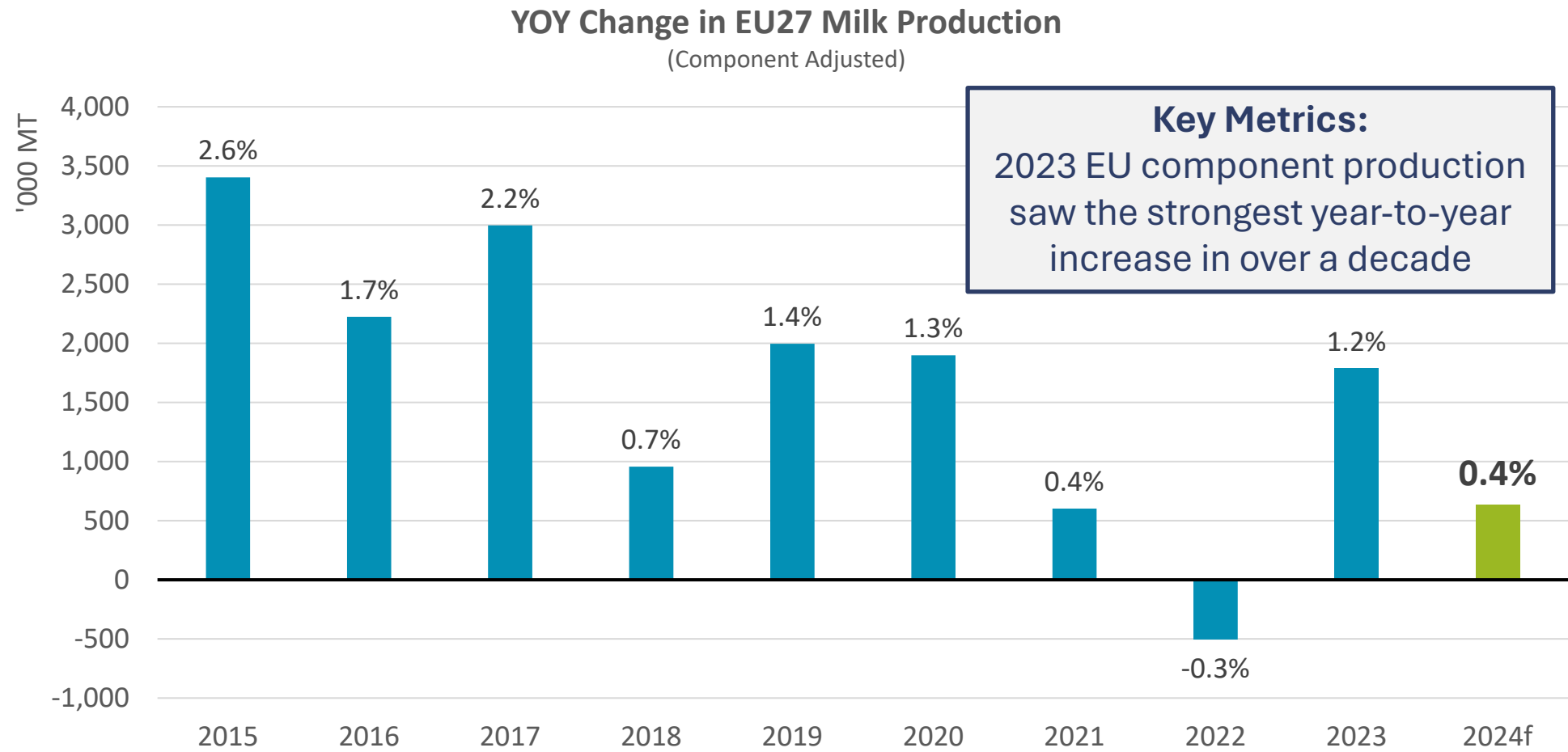
# Is European Raw Milk Price High Enough?



Source: USDEC-NMPF, Eurostat

# EU27 Milk Production

+0.4%



Will

▲ Over

Monica

▼ Under

Stephen

▼ Under



Source: USDEC-NMPF, Eurostat

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## EU27 Milk Production

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# Supply Takeaways

## Key Takeaways

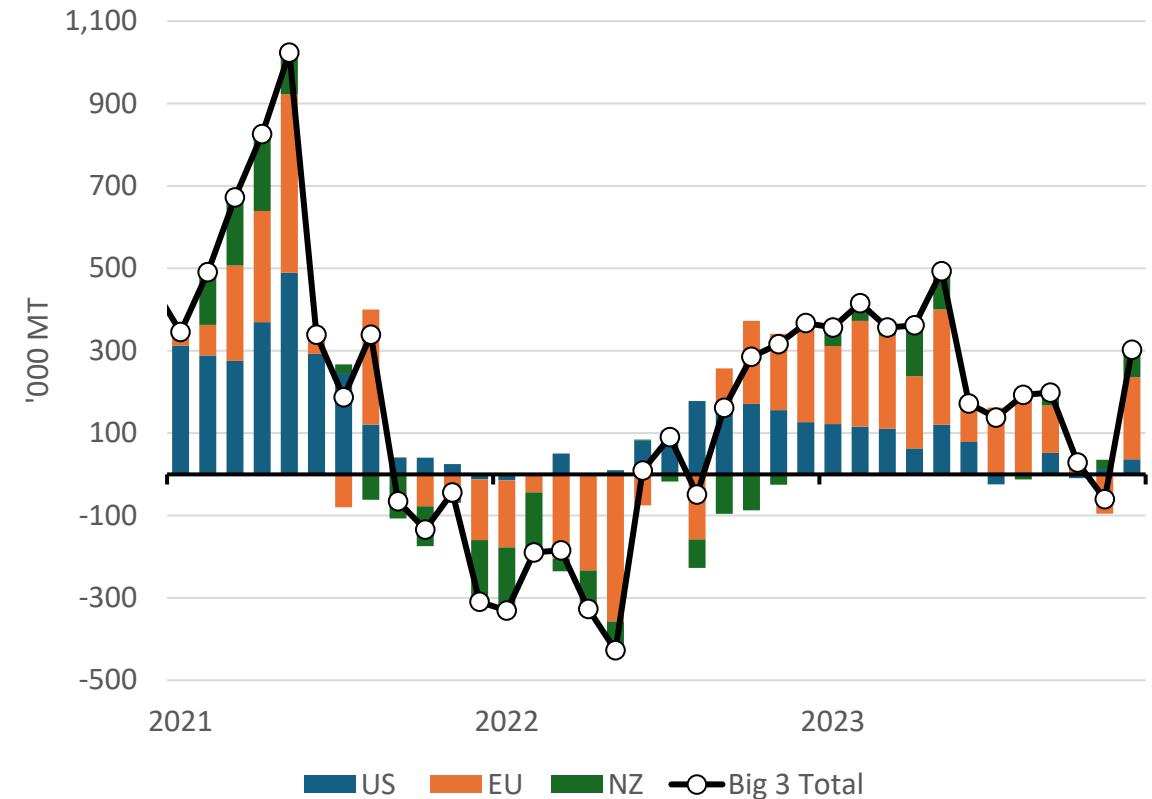
Headline Margins Improving

Weak Demand Matching Lower Production

Lower Prices Providing Little Incentive for Growth

Source: USDEC-NMPF, UDM, Eurostat

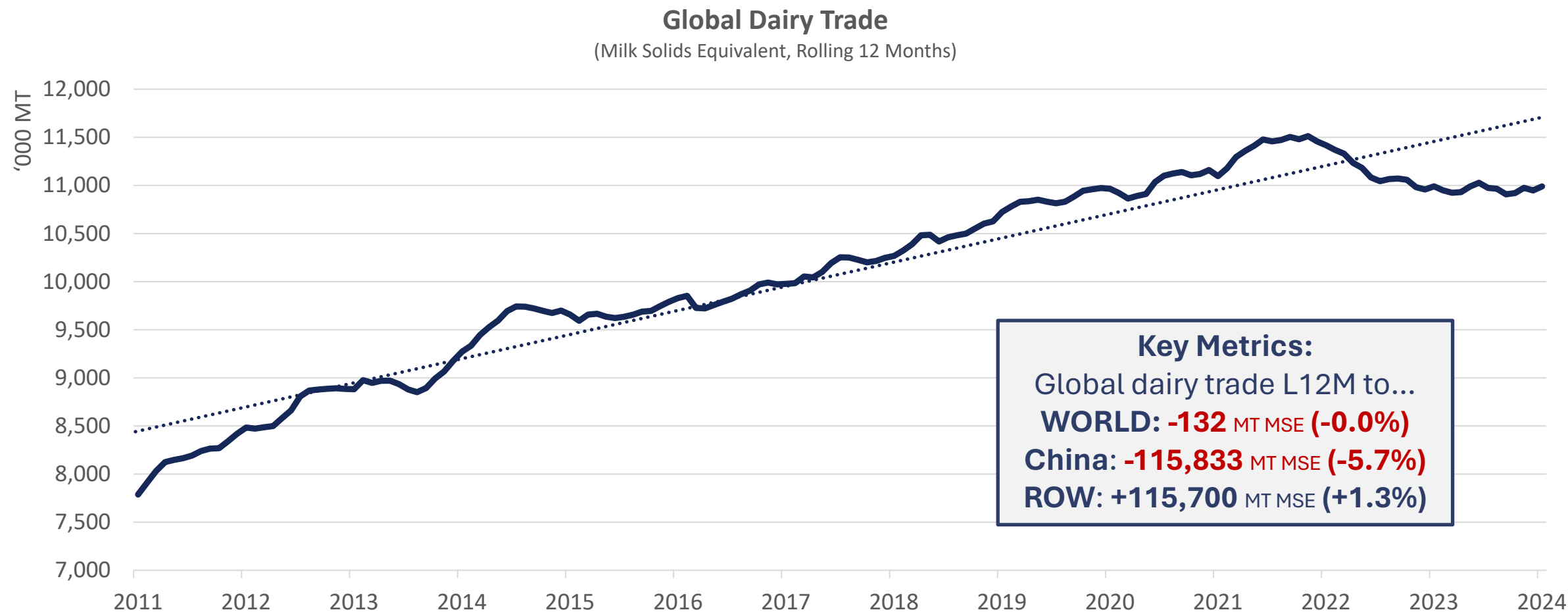
YOY Change in U.S., EU and NZ Milk Production  
(Components Adjusted to 2011 Component Content)



# Demand Outlook



# Flat Global Dairy Trade



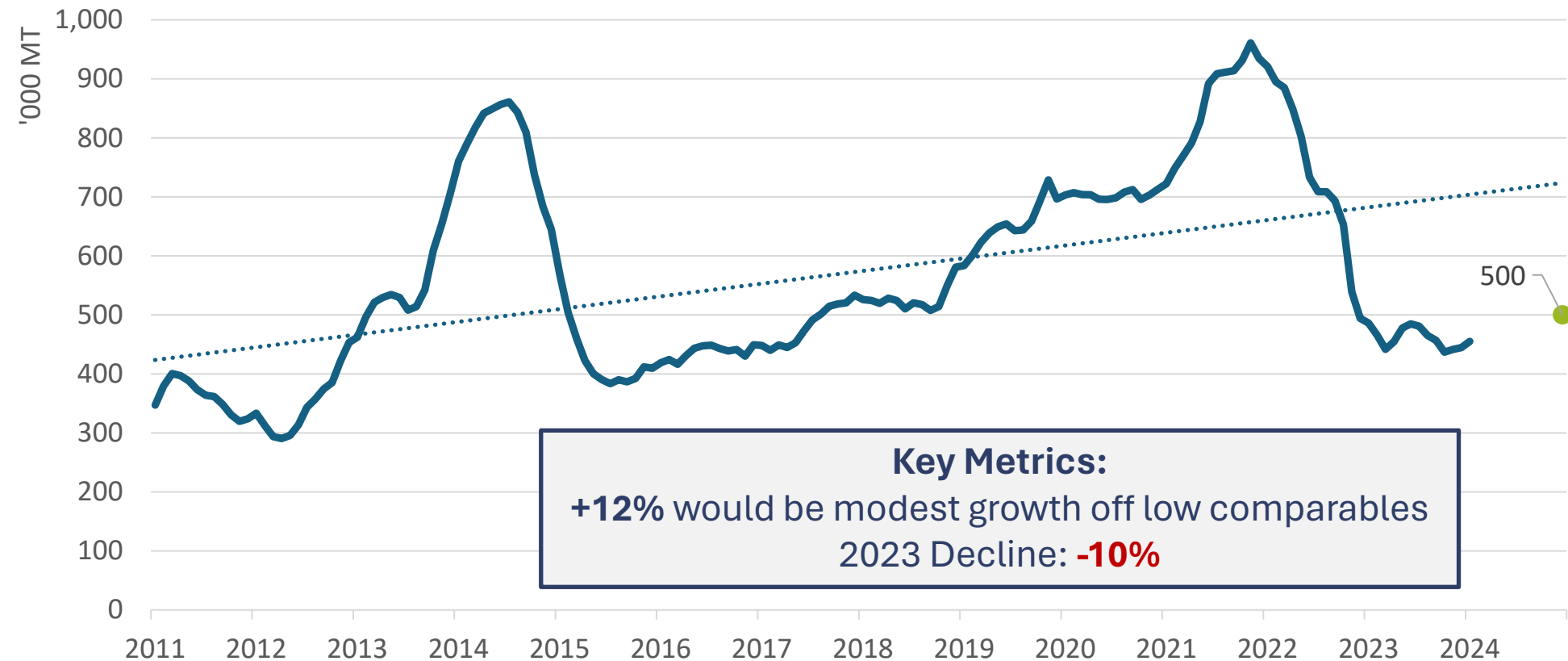
Source: USDEC-NMPF, TDM



# China WMP Demand

+12%

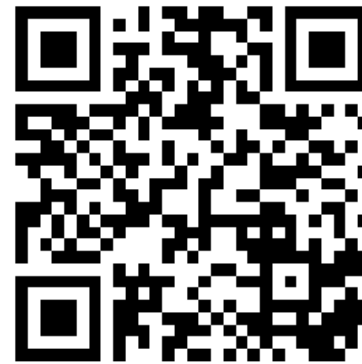
Global WMP Exports to China  
(Rolling 12 Months)



Will  
▼ Under

Monica  
▲ Over

Stephen  
▼ Under



Source: USDEC-NMPF, TDM

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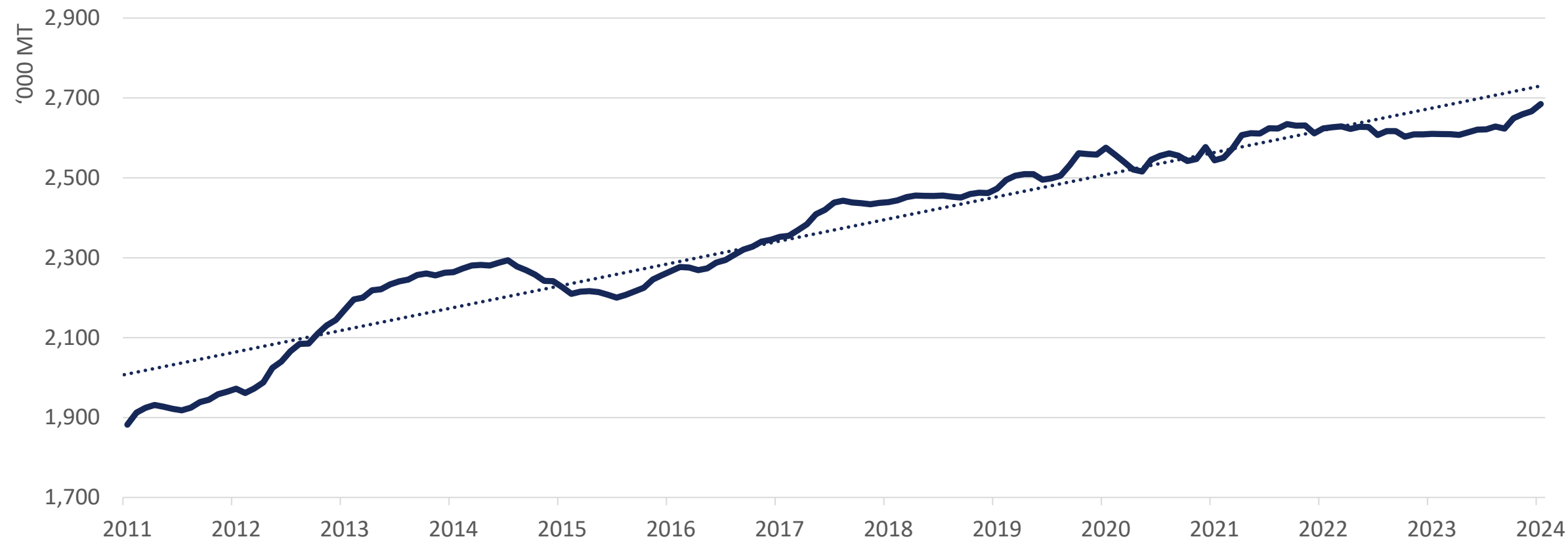


## China Whole Milk Powder Demand

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# Global Cheese Demand

Global Cheese Exports to World  
(Rolling 12 Months)



Source: USDEC-NMPF, TDM



# Mexico Cheese Demand

+10%



Will

▲ Over

Monica

▼ Under

Stephen

▼ Under



Source: USDEC-NMPF, TDM

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## Mexican Cheese Demand

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# Competition for Weaker Korean Demand



Source: USDEC-NMPF, Trade Data Monitor



# Korean Cheese Demand

0.0%



Will

▼ Under

Monica

△ Over

Stephen

▲ Over



Source: USDEC-NMPF, TDM

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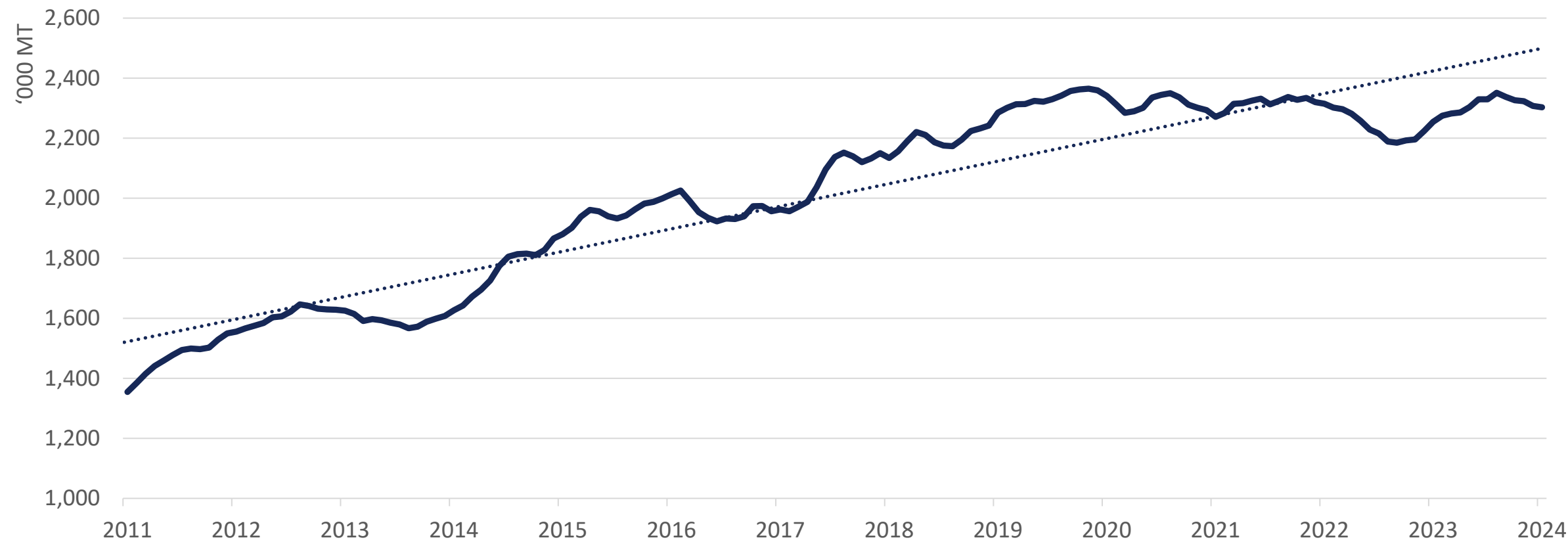


## Korean Cheese Demand

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# Global NFDM/SMP Demand

Global NFDM/SMP Exports to World  
(Rolling 12 Months)



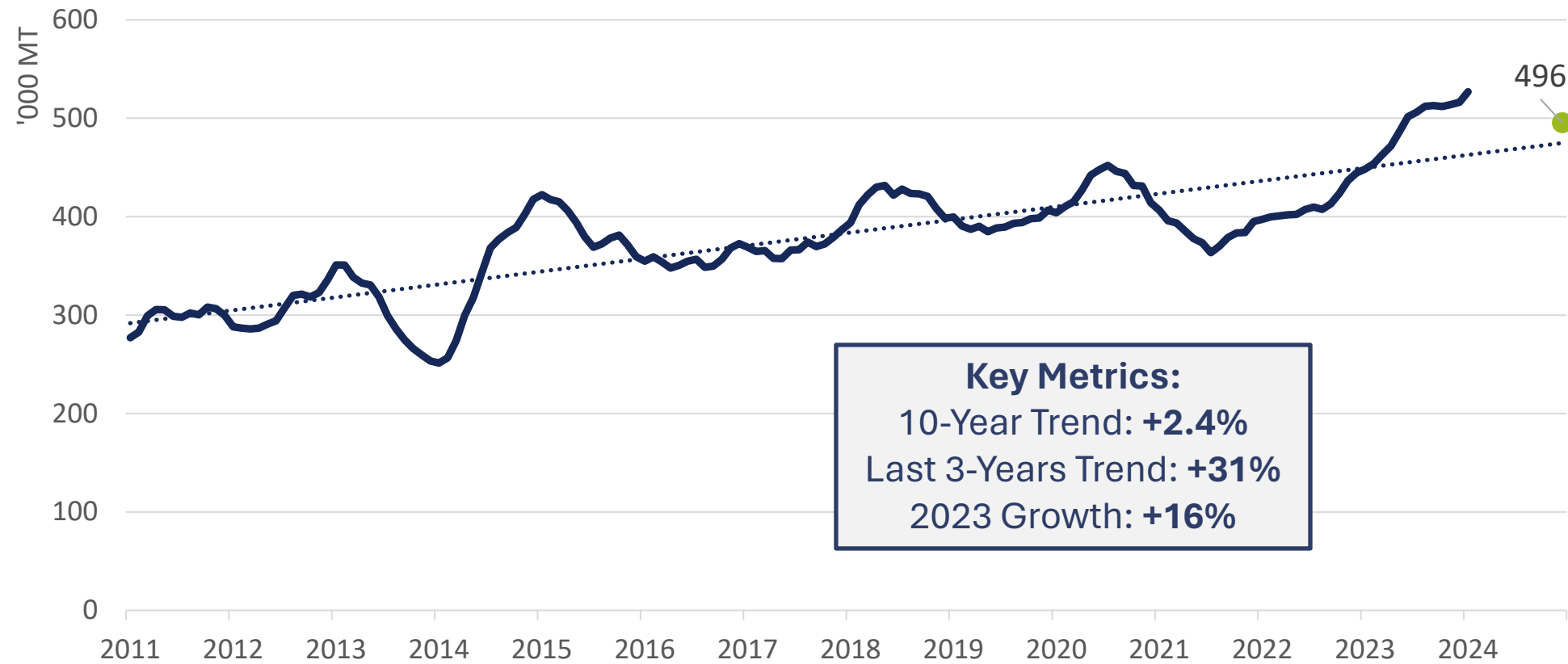
Source: USDEC-NMPF, TDM



# MENA SMP Demand

-4.0%

Global SMP Exports to MENA  
(Rolling 12 Months)



Source: USDEC-NMPF, TDM

Will

▼ Under

Monica

▲ Over

Stephen

▼ Under



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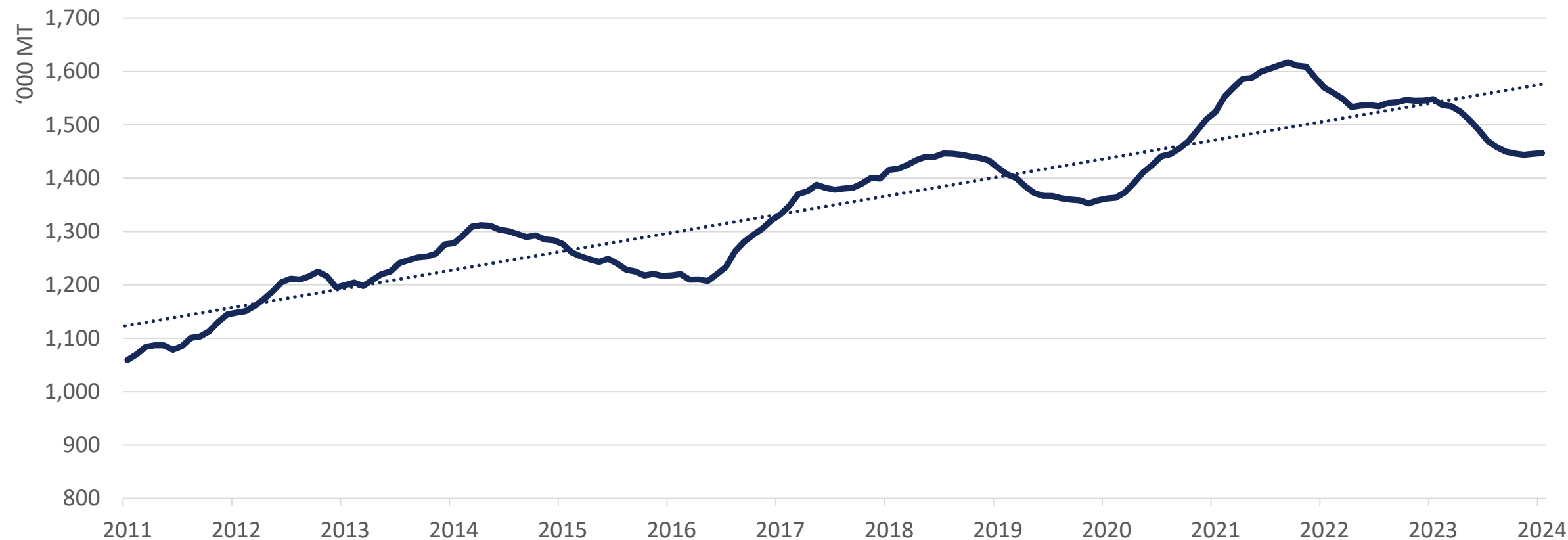


## MENA Skim Milk Powder Demand

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# Global Whey Demand

Global Dry Whey Exports to World  
(Rolling 12 Months)

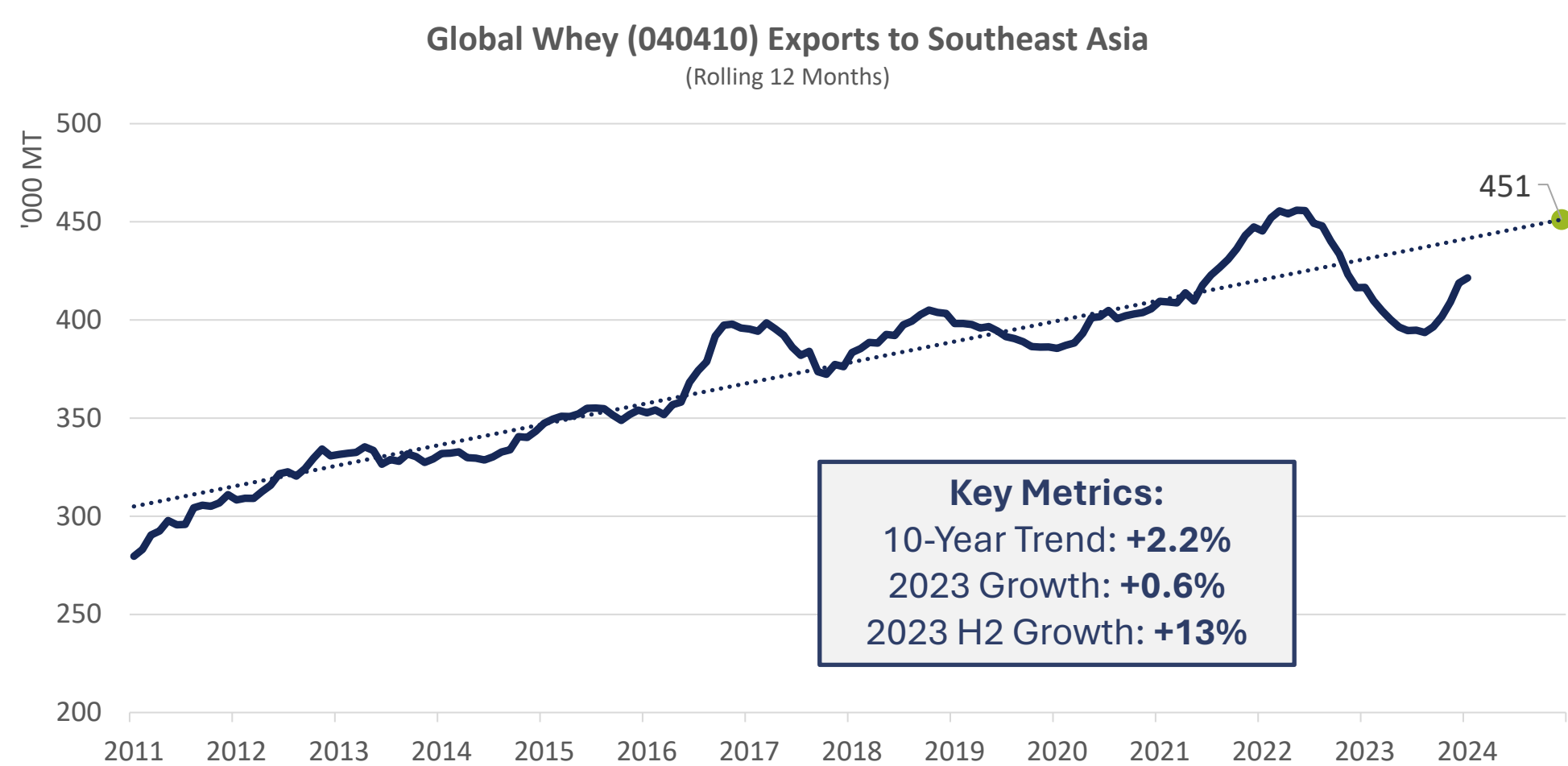


Source: USDEC-NMPF, TDM



# SEA Low Protein Whey Demand

+8.0%



Source: USDEC-NMPF, TDM

Will  
Under

Monica  
Under

Stephen  
Over



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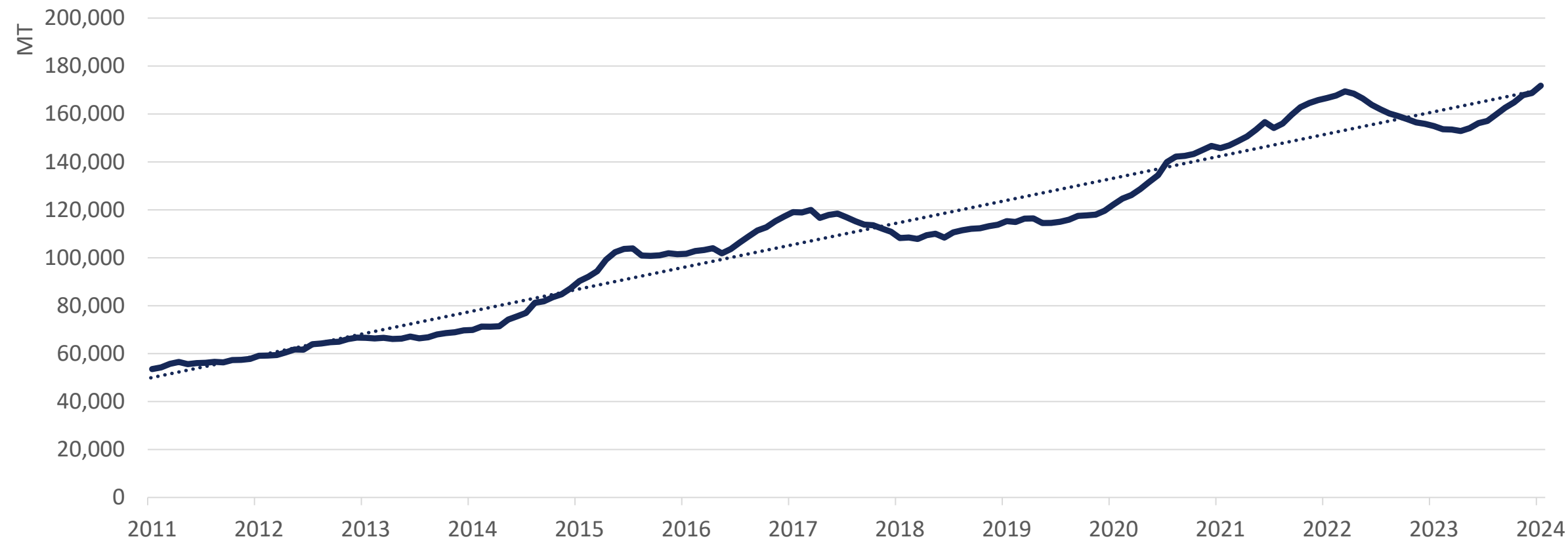


## SEA Low Protein Whey Demand

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# Global WPC80+ Demand

Global WPC80+ Exports to World  
(Rolling 12 Months)

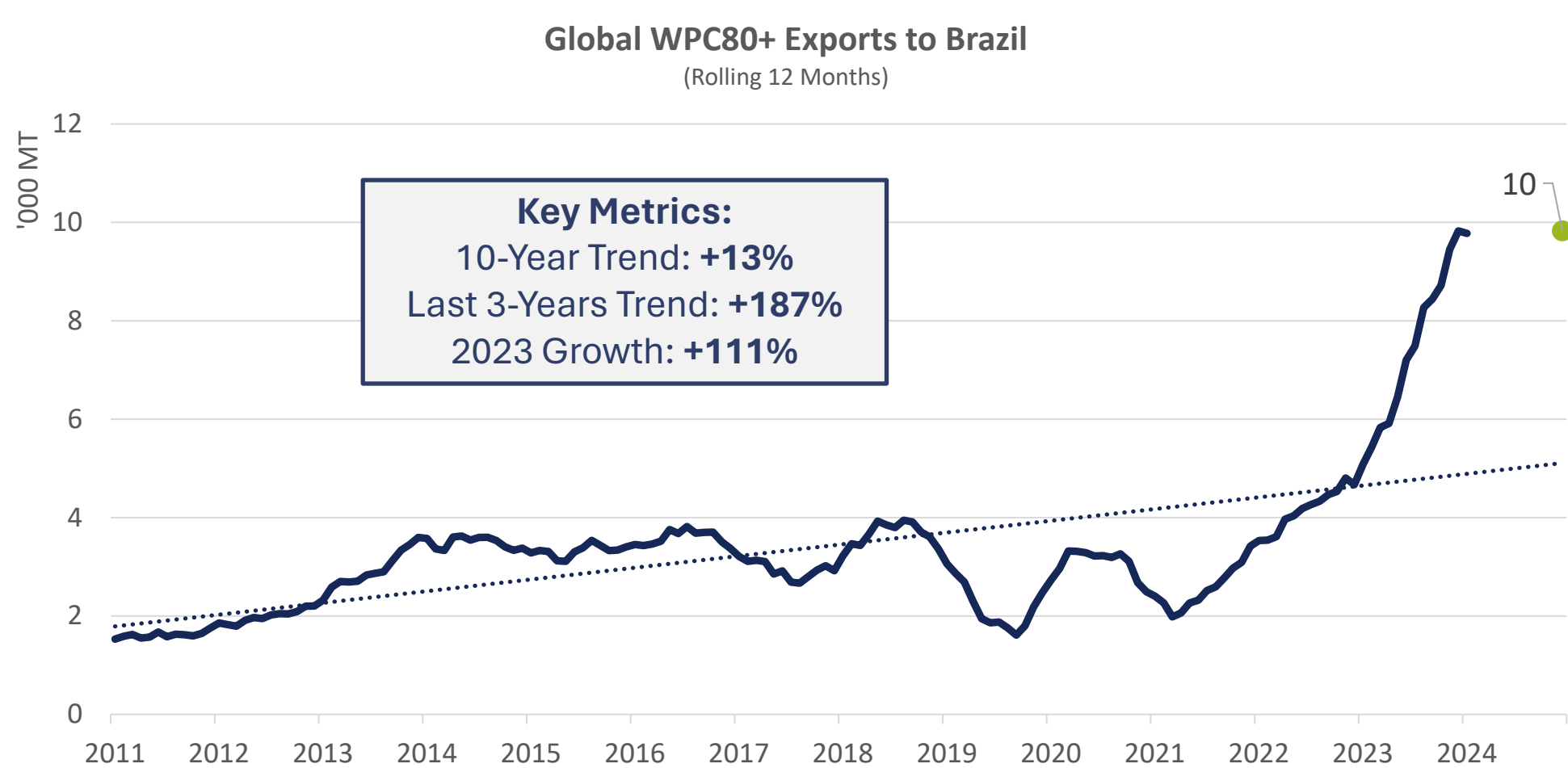


Source: USDEC-NMPF, TDM



# Brazilian WPC80+ Demand

0.0%



Will

▼ Under

Monica

△ Over

Stephen

▲ Over



Source: USDEC-NMPF, TDM

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## Brazilian WPC80+ Demand

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# Demand Takeaways

## Key Takeaways

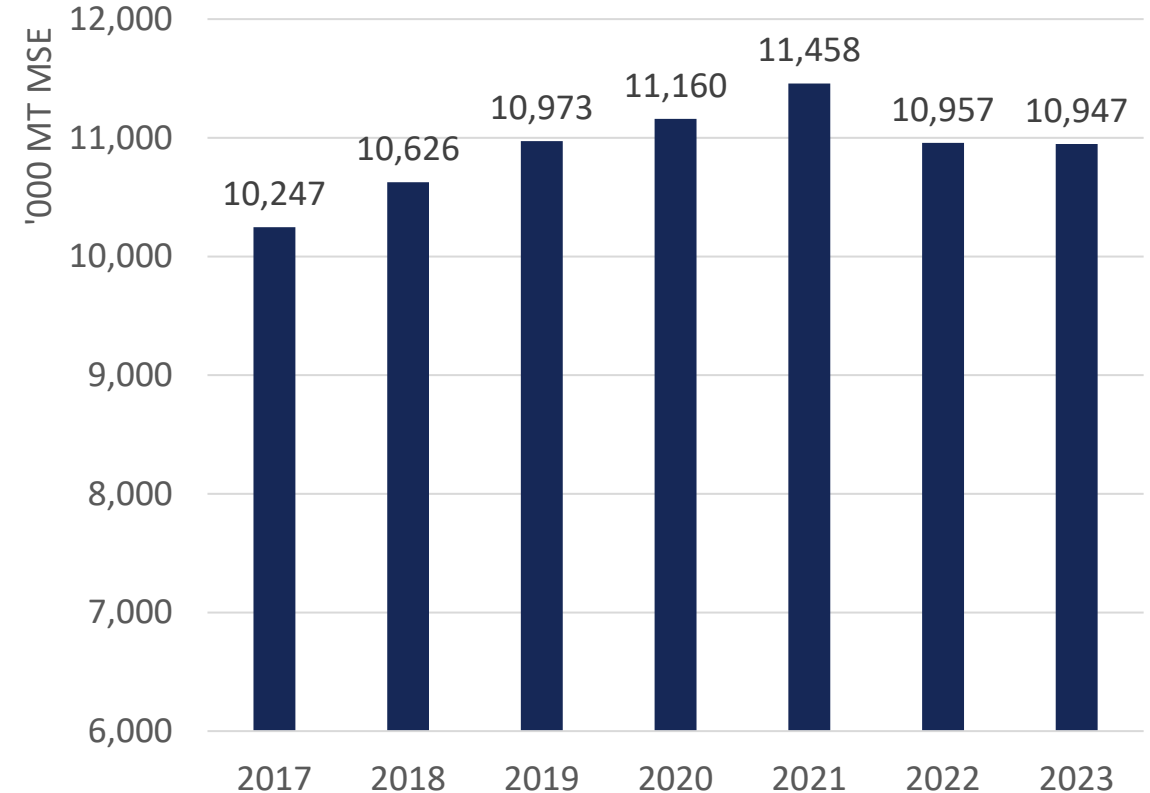
Continued Economic Recovery

China Remains Wildcard

Anticipate Challenges in 2024

Source: USDEC-NMPF, TDM

**Global Dairy Trade**  
(Milk Solids Equivalent)



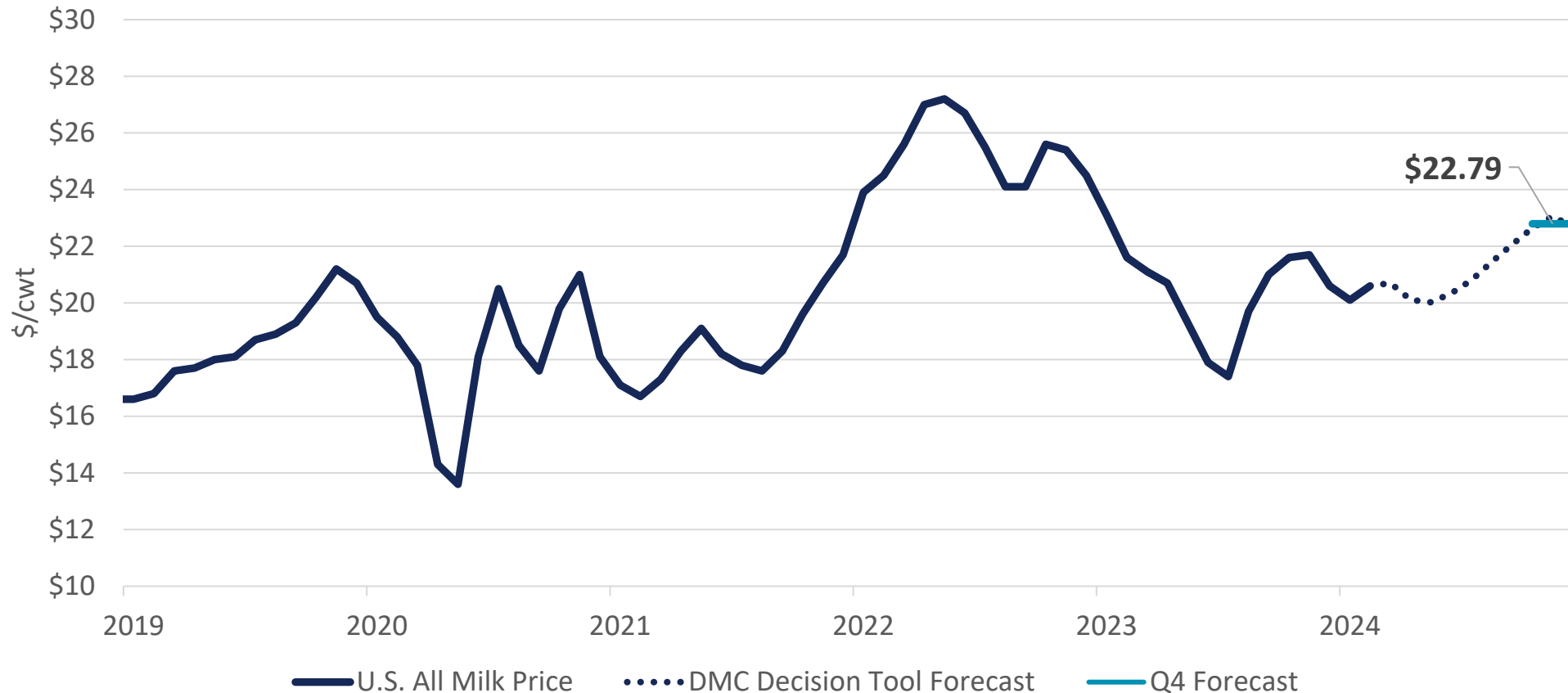
# Price and U.S. Exports



# All-Milk Price Expectation

**\$22.79**

U.S. All-Milk Price



Will

▼ Under

Monica

▲ Over

Stephen

▼ Under

No Polling on  
All-Milk Price

Source: USDEC-NMPF, USDA



# Total U.S. Dairy Exports

+1.6%



Source: USDEC-NMPF, TDM

Will

▼ Under

Monica

△ Over

Stephen

▲ Over



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## Total U.S. Dairy Exports

ⓘ Start presenting to display the poll results on this slide.

# Concluding Thoughts

Topic	Baseline	Key Question	Will	Monica	Stephen
U.S. Milk Production	+0.6%	Can U.S. Supply Rebound?	▲	▲	▼
EU Milk Production	+0.4%	Will Components Continue to Grow?	▲	▼	▼
China WMP	+12%	Will Demand Outpace Domestic Supply?	▼	▲	▼
Mexico Cheese	+10%	Can Mexico's Import Surge Continue?	▲	▼	▼
Korean Cheese	FLAT	Will Imports Stabilize in 2024?	▼	▲	▲
MENA SMP	-4%	Will MENA Keep Buying?	▼	▲	▼
SEA Low Protein Whey	+8.0%	Can SEA Compensate for China's Weakness?	▼	▼	▲
Brazilian WPC80+	FLAT	Will the Meteoric Import Demand Continue?	▼	▲	▲
All-Milk Q4 Price	\$22.79	Is Price Improvement on the Horizon?	▼	▲	▼
U.S. Exports	+1.6%	Can U.S. Exports Get Back to 2021 Levels?	▼	▲	▲

# Thank You & Questions?



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