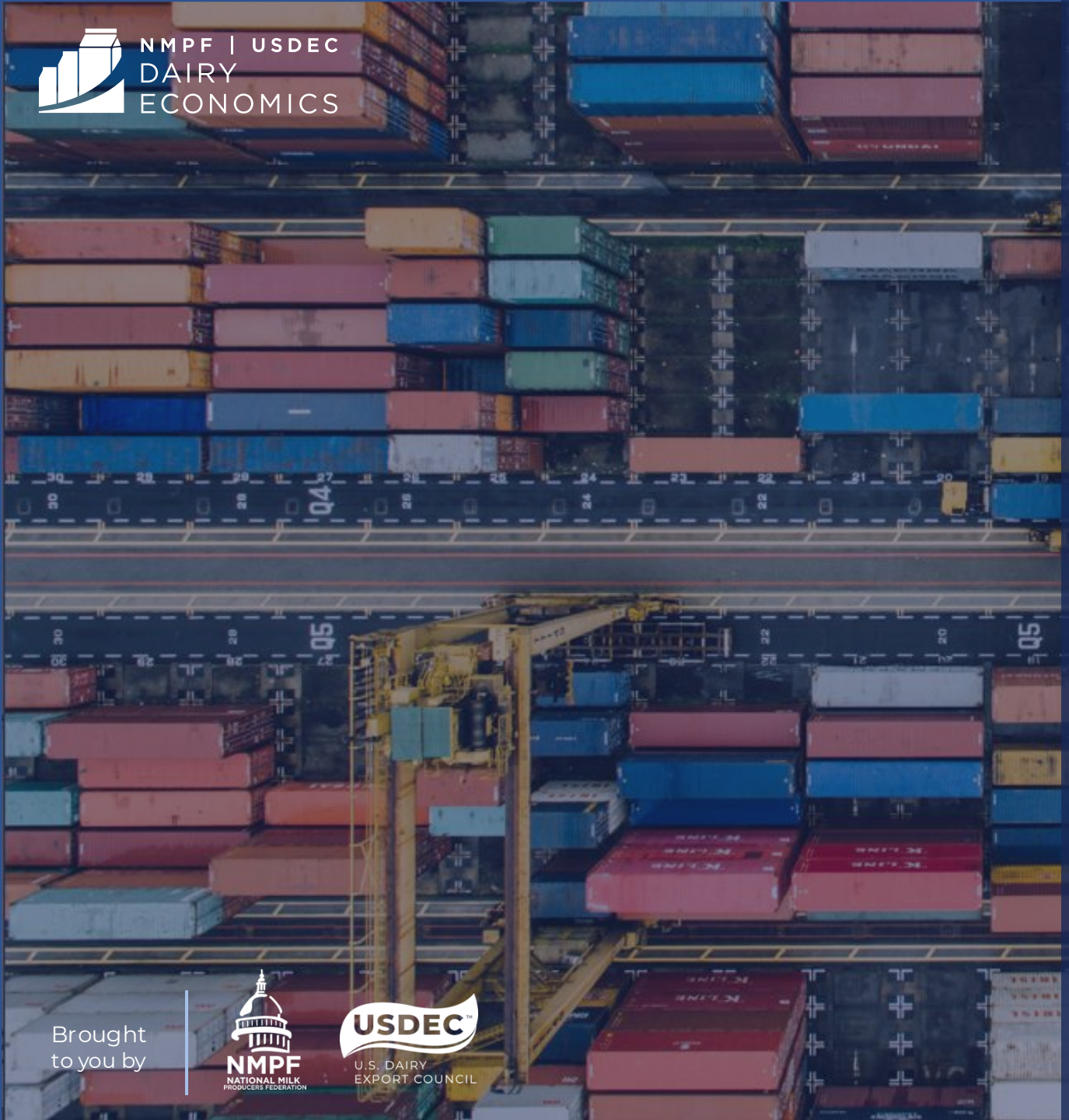


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International Demand Analysis

Data Through:
August 2026

Brought to you by

NMPF
NATIONAL MILK PRODUCERS FEDERATION

USDEC
U.S. DAIRY EXPORT COUNCIL

TABLE OF CONTENTS

I. Executive Summary

II. Cheese

III. NFDM/SMP

IV. Whey Products (0404.10)

V. WPC80+ (3502.20)

VI. Other Products

  I. Lactose

  II. Butter

  III. WMP

A Note from the Authors

- This is the **International Demand Analysis** from the Dairy Economics Team at National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC). This monthly report outlines the latest global dairy trade trends and data combined with our own commentary analyzing demand in key markets for **cheese**, **NFDM/SMP**, **whey (0404.10)** and **WPC80+**, alongside shorter summaries for **lactose**, **butterfat** and **WMP** – all with a forward-looking lens and US exporter viewpoint.

- **Data Notes**
  - All comparisons are year-over-year unless otherwise noted.
  - 3-Year CAGR is calculated from most recent 12-months and not from calendar year.

- If you have any questions, comments or suggestions on how to improve the report, send us an email at:
  - **wloux@usdec.org**
  - **scain@usdec.org**
  - **mganley@usdec.org**

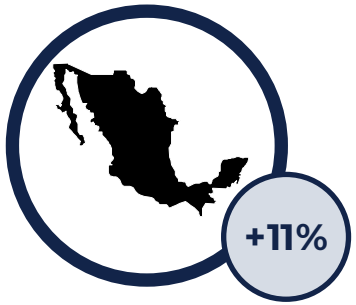
Global Dairy Demand Market Commentary

KEY TAKEAWAYS

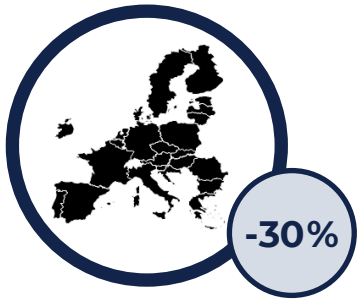
- **Global consumers remain keen on dairy as dairy trade rose once more in August**. In milk solids terms, trade was up 4% (+34,587 MT MSE) relative to the same month last year, marking the 15th consecutive month of year over year gains. With two thirds of the year now complete, **it seems virtually certain that 2026 will be a record year for global dairy trade**. Year to date volumes are up 6% (+456,484 MT MSE) and trade could fall by 7% over the final four months of the year and still best the prior record set in 2021. Given the strength of both supply and demand the world over, it seems unlikely that trade will retrench to such a degree.
- **Southeast Asia was the largest contributor to stronger global figures as shipments jumped 13% (+16,890 MT MSE) to the highly competitive region** (See Additional Notes). Gains in SEA were complemented by increases to South America (+28%, +10,320 MT MSE) and Mexico (+11%, +5,799 MT MSE).
- Developed markets were the largest detractors from global trade during August as shipments to the EU tumbled by 30% (-13,421MT MSE) though our team notes that this was mostly driven by some curious fluid milk data. Meanwhile volumes into the U.S. fell by 13% (-4,702 MT MSE).

Global Milk Solids Trade				
	+4.4% Aug YoY	**+6.3%** YTD, Ending Aug	**+6.1%** Last 12-Months, Ending Aug	**+2.3%** 3-Year CAGR

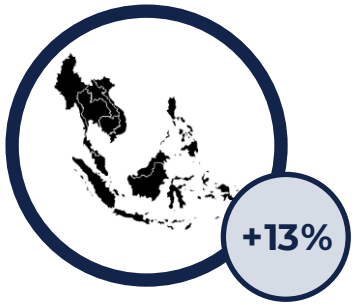
August Standout Markets



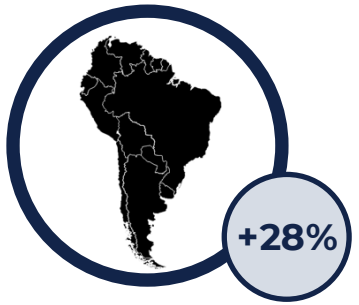
MEXICO
+5,799 MT



EU27
-13,421 MT



SOUTHEAST ASIA
+16,890 MT



SOUTH AMERICA
+10,320 MT

ADDITIONAL NOTES

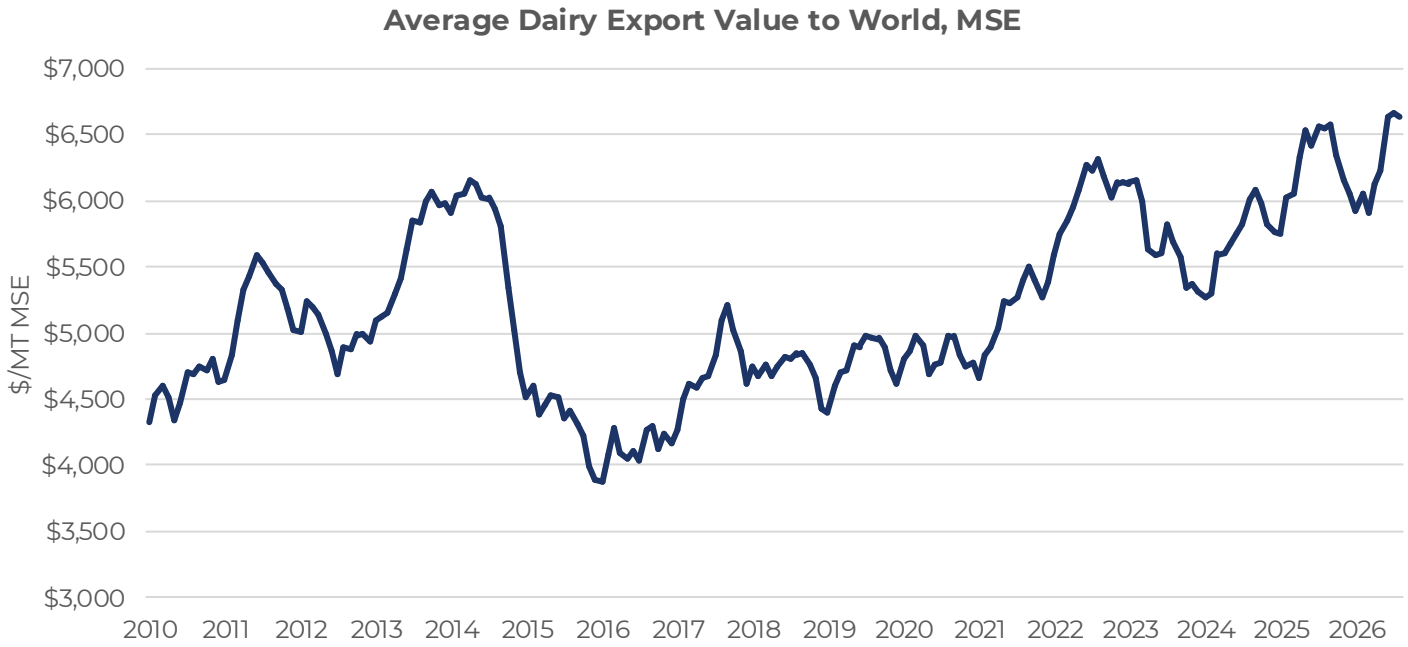
Southeast Asia continues to grow its relevance to global dairy trade. Over the first eight months of 2026, dairy trade to the SEA was up 14% (+176,516 MT MSE) and the region accounted for 18% of global dairy trade, an increase of nearly 1.5% compared to 2025. Encouragingly, a broad cross section of products has underpinned the strength in SEA dairy demand. Milk powders continue to form the cornerstone of the market with year-to-date shipments of SMP and WMP up 18% and 10%, respectively. However, demand for these commodity products is compounded by consumer facing products such as fluid milk, yogurt, and even cheese. So far this year, only demand for infant formula, evaporated milk, and ice cream has fallen, and only by very modest amounts. While appealing for its size, growth potential, and diversity of demand SEA is also a highly contestable region with suppliers from the U.S., EU, Oceania, and beyond all keen to get a piece of the growing pie.

Global Dairy Demand Market Commentary

LOOKING AHEAD

- **Global dairy trade remains well positioned to continue growing through the balance of the year. Milk supplies remain robust the world over and even as volumes slow compared to last year's stellar levels, milk is expected to remain plentiful during the coming months**. The U.S. and New Zealand are best positioned to see continued production growth while the EU and South America are beginning to see year over year growth decelerate.
- Demand has also remained remarkably resilient so far this year. Even as the specter of rising inflation has loomed large, it has so far failed to meaningfully dent dairy demand. However, **as consumers continue to bear the weight of rising prices, especially for fuel, it seems plausible that they may pull back on spending, including certain dairy products in the coming months.**
- Dairy markets remain volatile and dramatically different price trajectories are evolving for dairy fats and proteins. While dairy remains affordable compared to other foodstuffs, **persistently elevated prices for some protein-rich dairy products could have a negative impact on demand.**

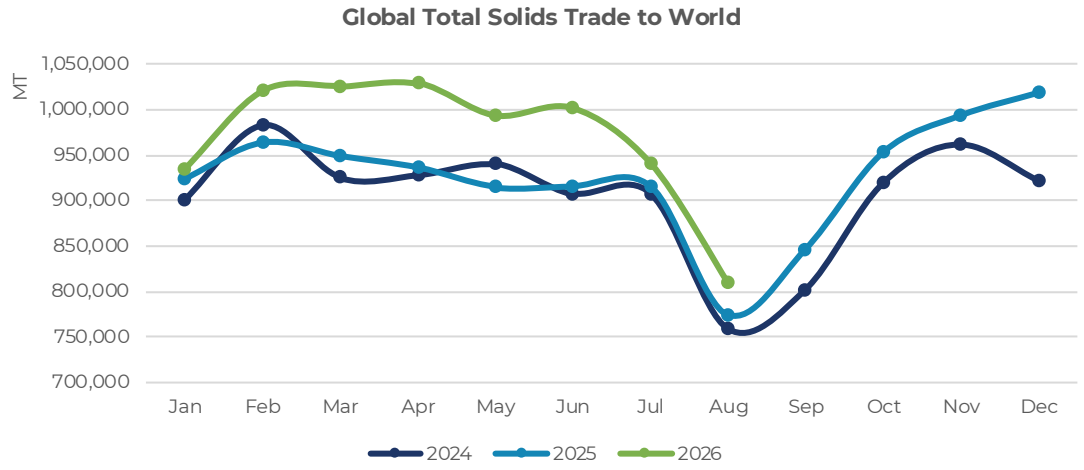
U.S. Milk Solids Exports[1]	**+2.5%** Aug YoY	**+6.1%** YTD, Ending Aug	**+6.4%** Last 12-Months, Ending Aug	**+1.3%** 3-Year CAGR
EU Milk Solids Exports	**+10%** Aug YoY	**+6.5%** YTD, Ending Aug	**+7.5%** Last 12-Months, Ending Aug	**+1.7%** 3-Year CAGR
NZ Milk Solids Exports	**+11.4%** Aug YoY	**+10.9%** YTD, Ending Aug	**+6.7%** Last 12-Months, Ending Aug	**+2.6%** 3-Year CAGR

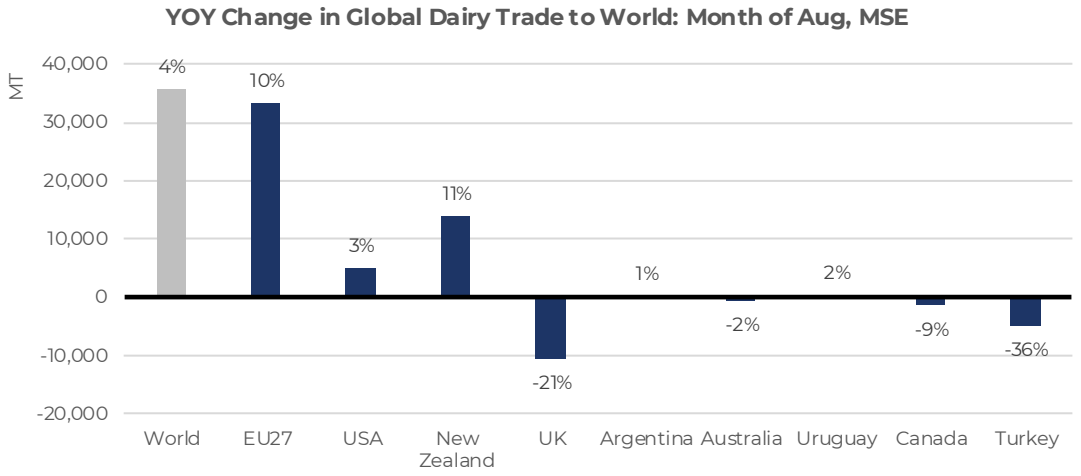


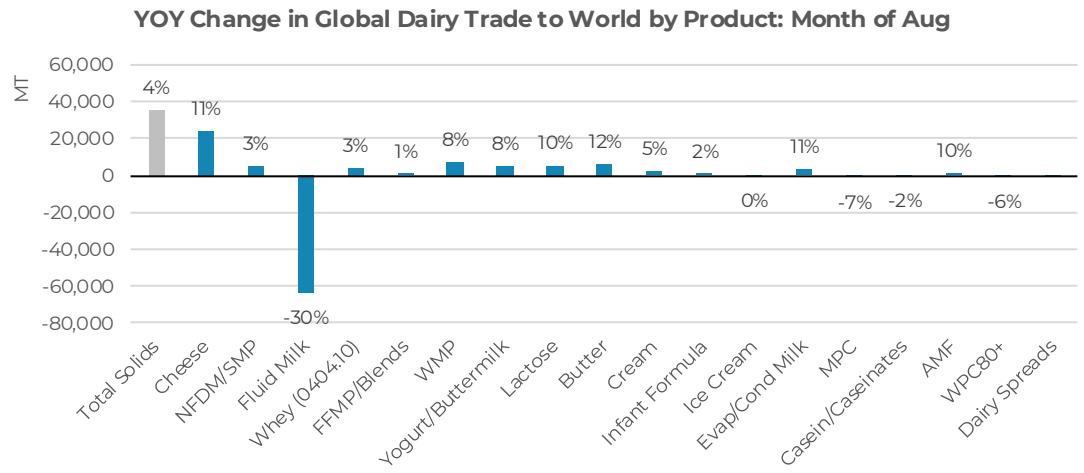
Source: NMPF/USDEC, TDM

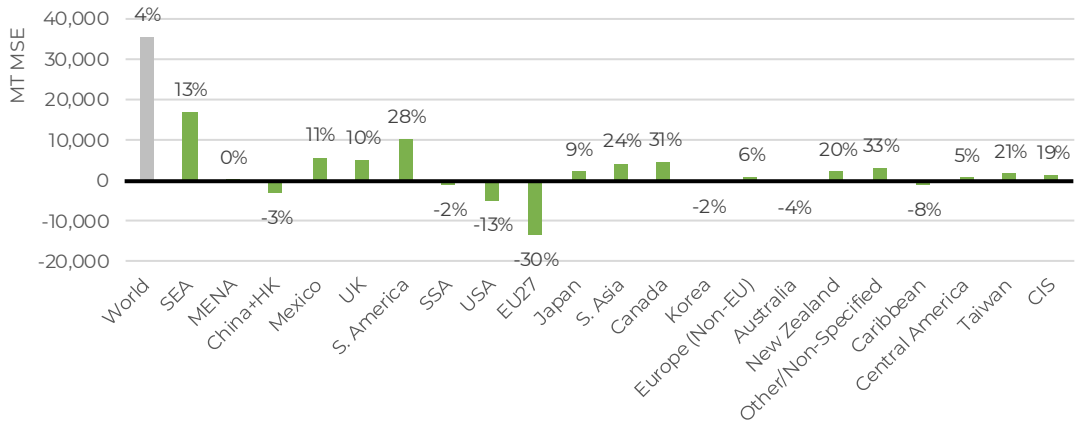
[1]U.S. Milk Solids Exports reflect trade data aggregated from 6-digit HS codes (global HS codes are harmonized at the 6-digit level). This number will differ slightly from U.S. Milk Solids Exports reported in our U.S. Trade Data Release which takes a more granular look at U.S. specific, 10-digit HS codes.

Executive Summary: August 2026



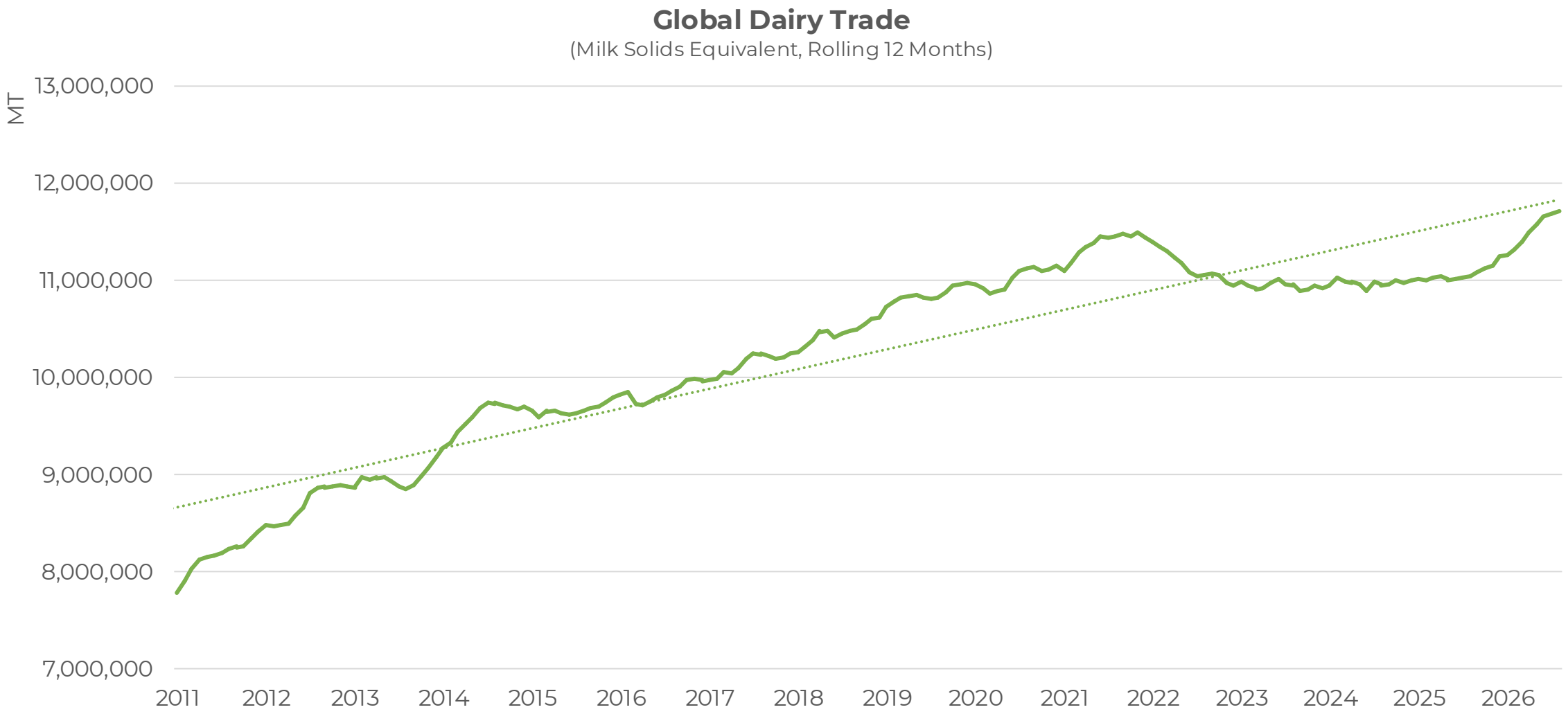






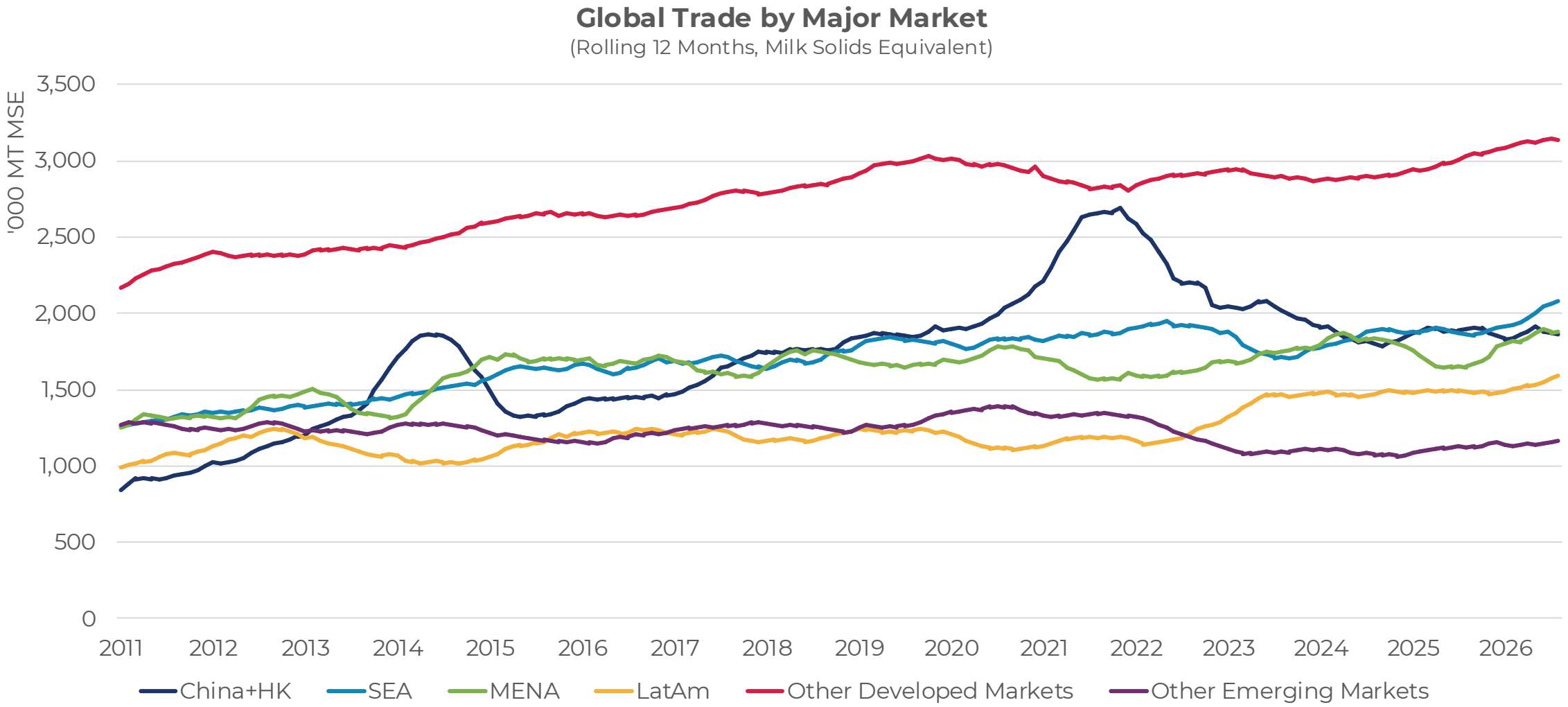
Source: NMPF/USDEC, TDM

Global Dairy Trade

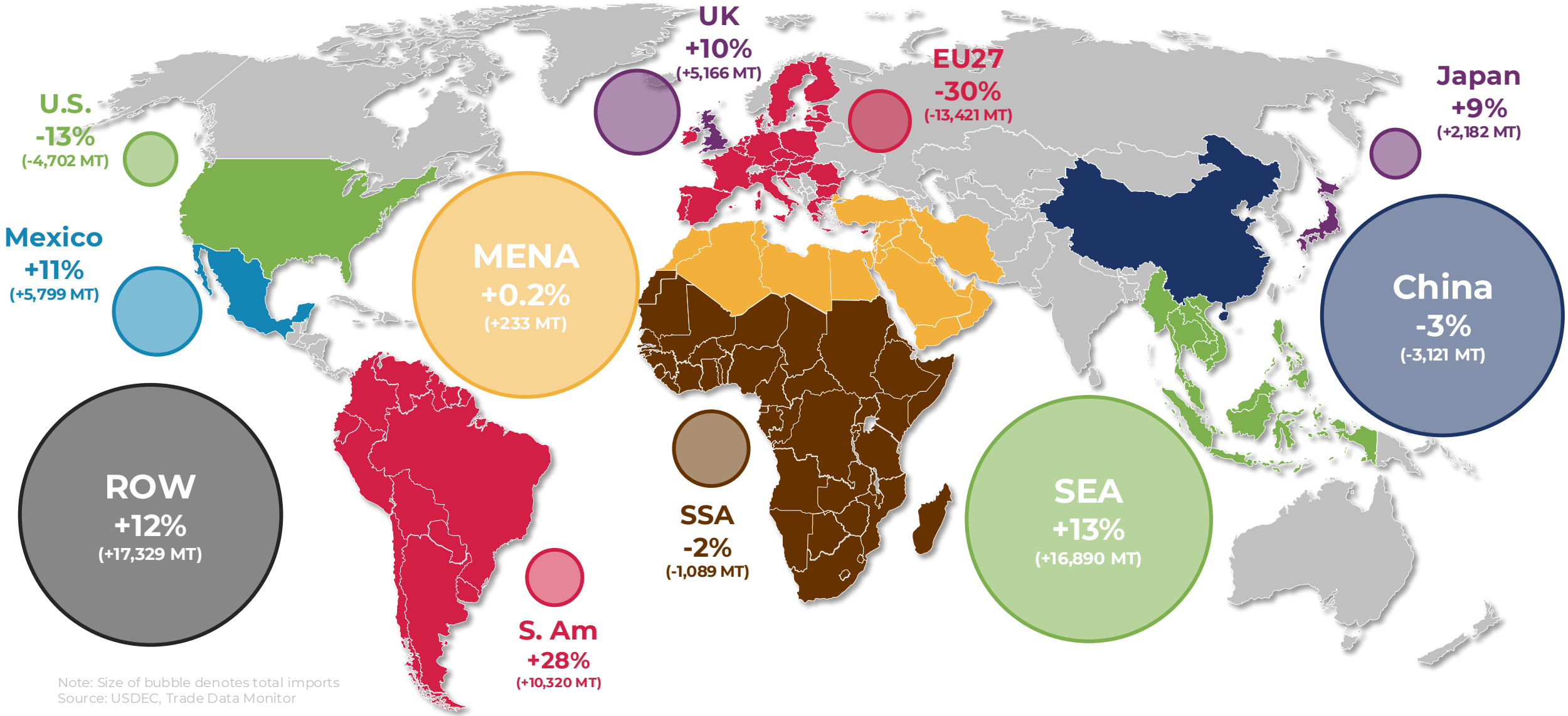


Source: NMPF/USDEC, TDM

Global Dairy Trade

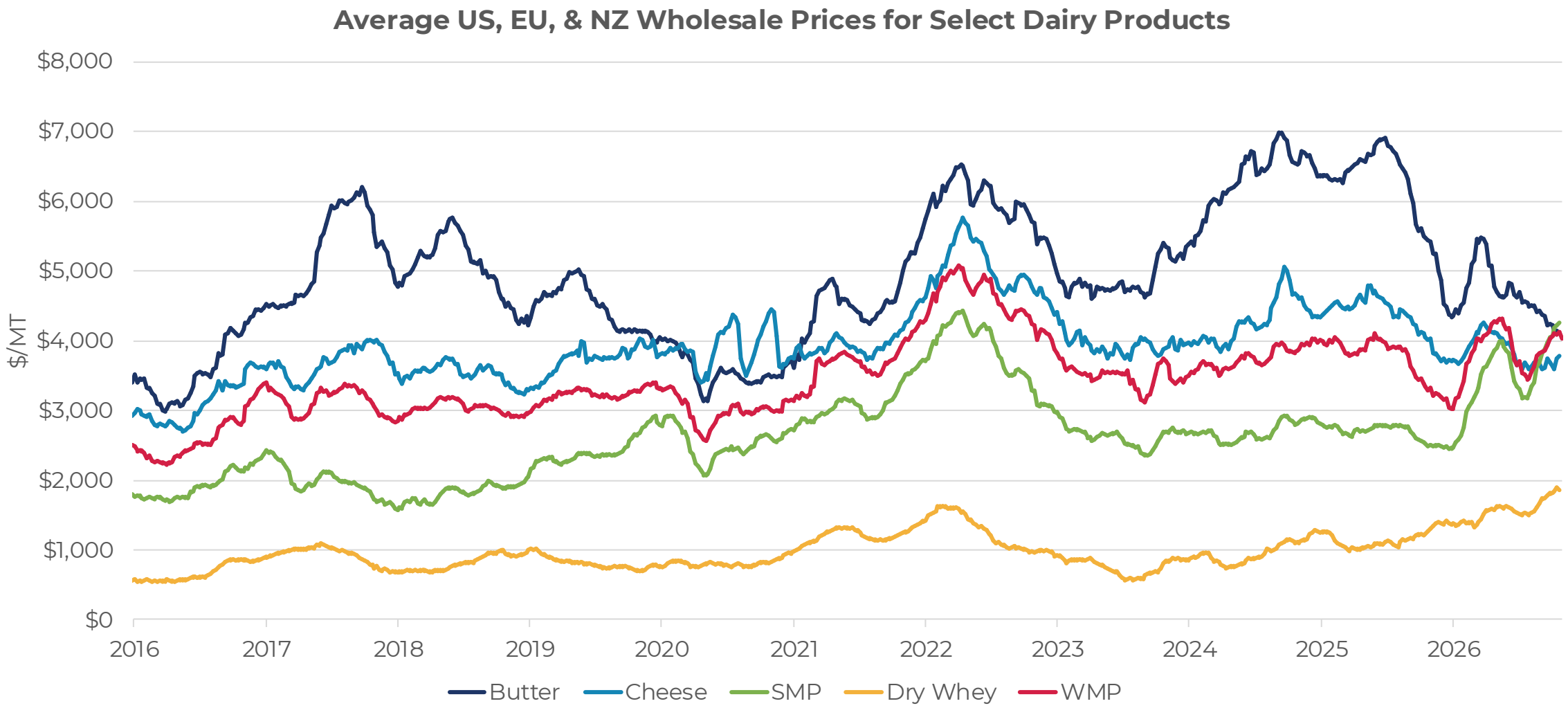


Select Markets – Month of Aug. 2026, Milk Solids Equiv.



Note: Size of bubble denotes total imports
Source: USDEC, Trade Data Monitor

Global Dairy Spot Prices



Source: NMPF-USDEC, CME, NDPSR, Eurostat, EEX, GDT

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Cheese

Cheese Market Commentary

KEY TAKEAWAYS

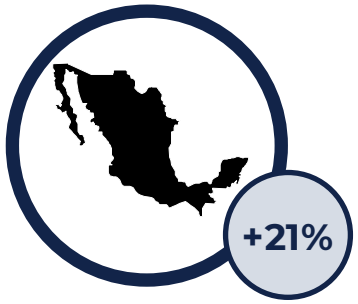
- **Global cheese trade continued its strong expansion in August, as volumes grew 11% (+24,390 MT) against prior year trade, taking 12-month trade to yet another record.** Trade for the 8 months to August surged to 2.14 million MT of cheese, 9% (+182,878 MT) above the prior year.
- Importing markets across the world continued to demand more cheese with only a few small exceptions. Mexico (+21%, +3,753 MT, and up a stunning 30%, 42,419 MT year to date) and Japan (+23%, +3,708 MT, lifting year-to-date trade 7%, +12,253 MT) made the largest contributions to overall growth, with South America (+22%, +2,686 MT) and Southeast Asia (+16%, +2,585 MT) serving as the other standouts. (See Additional Notes).
- Importantly for the global situation, UK demand lifted 11% (+4,064 MT), absorbing an additional 5% or 24,163 MT of EU27 cheese exports in the past year, a record volume of trade.
- Small declines were reported in a couple of important U.S. markets. Cheese trade to South Korea (-7% -886 MT) and Australia (-4%, -366 MT) posted the biggest declines across the small number of markets where trade slowed.

Global Cheese Trade				
	+10.9%	**+9.3%**	**+9.7%**	**+6.5%**
	Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

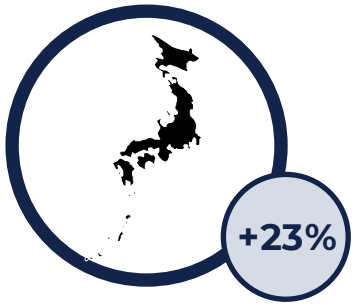
August Standout Markets



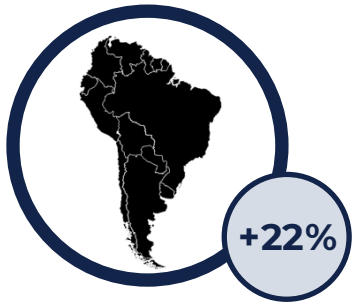
UNITED KINGDOM
+4,064 MT



MEXICO
+3,754 MT



JAPAN
+3,708 MT



SOUTH AMERICA
+2,686 MT

ADDITIONAL NOTES

Cheese demand has recently improved across the Southeast Asian region, one of the "quiet achievers" in global cheese trade. Southeast Asia accounted for close to 6% of global cheese trade in the 12 months to August 2026, as exports grew 13% over the prior year. The region is a more price-sensitive market for cheese generally but steady development of end-use occasions and innovative product types, helped by increased demand for pizzas and burgers in fast food outlets, has reduced that vulnerability. Importantly for U.S. exporters, growth in trade to the region has been spectacular this year, up by 44% (+8,071 MT) over the first eight months of 2026, after expanding 56% in 2025. U.S. exporters have won 63% of the growth in regional cheese trade in that year-to-date period. Stronger demand from Indonesia in the first eight months of 2026 (+15%, 3,486 MT), including a 44% jump in August trade, has been the strongest contributor in the region, with Philippines (+8%, +2,320 MT) and Thailand (+13%, +2,118 MT) playing crucial support roles.

Cheese Market Commentary

LOOKING AHEAD

- **The strong growth in global cheese trade is expected to continue with shipped prices remaining at attractive levels.**
- On the supply side, cheese production is also expected to remain abundant at least through 2026 with sustained growth in milk production in the U.S. and (to a lesser extent) New Zealand. However, milk output in some parts of the EU27 has been slowed by extreme weather. The strength in cheese stream returns with prevailing high returns from high-protein whey products will ensure cheese vats in major EU27 producers take priority.
- **The U.S. has been the largest beneficiary of the growth in global cheese trade in 2026 with 48% of the gains in shipments from January to August this year**. The price advantage for U.S. exporters, which has widened in recent months, will endure based on current futures market prices through mid-2027.
- Meanwhile the EU27 has recently reclaimed some lost ground, growing exports in the six months to August by the largest tonnage in more than six years. This recovery came after EU27 cheese exports shrank in each of 2024 and 2025. EU27 cheese prices are steadily rising as milk supply begins to tighten, which should further advantage U.S. producers.

U.S. Cheese Exports	**+9.5%** Aug YoY	**+22%** YTD, Ending Aug	**+24.4%** Last 12-Months, Ending Aug	**+17.5%** 3-Year CAGR
EU Cheese Exports	**+10.8%** Aug YoY	**+6.7%** YTD, Ending Aug	**+6.7%** Last 12-Months, Ending Aug	**+3.0%** 3-Year CAGR
NZ Cheese Exports	**+24.2%** Aug YoY	**+5.0%** YTD, Ending Aug	**+4.6%** Last 12-Months, Ending Aug	**+4.1%** 3-Year CAGR



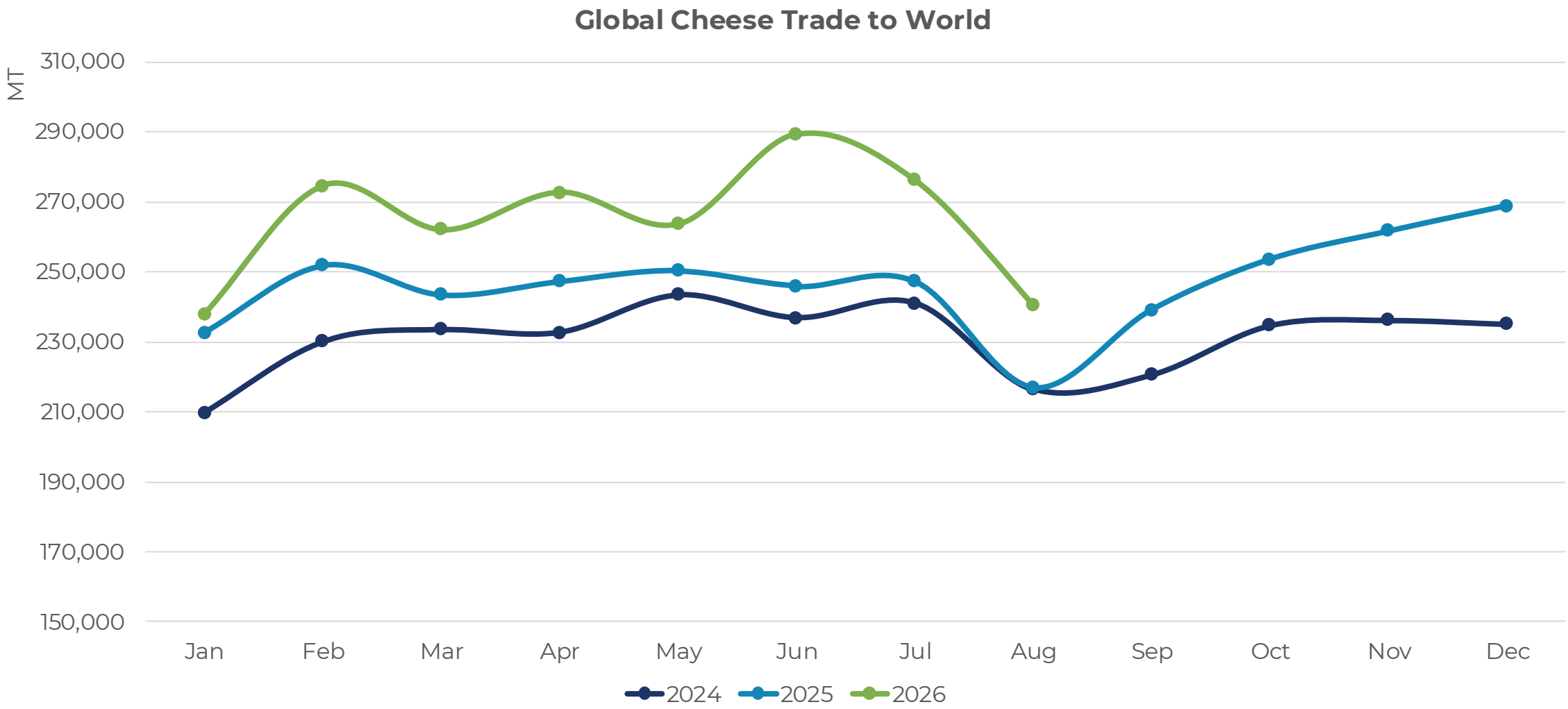
Source: NMPF/USDEC, TDM

Global Overview: Cheese



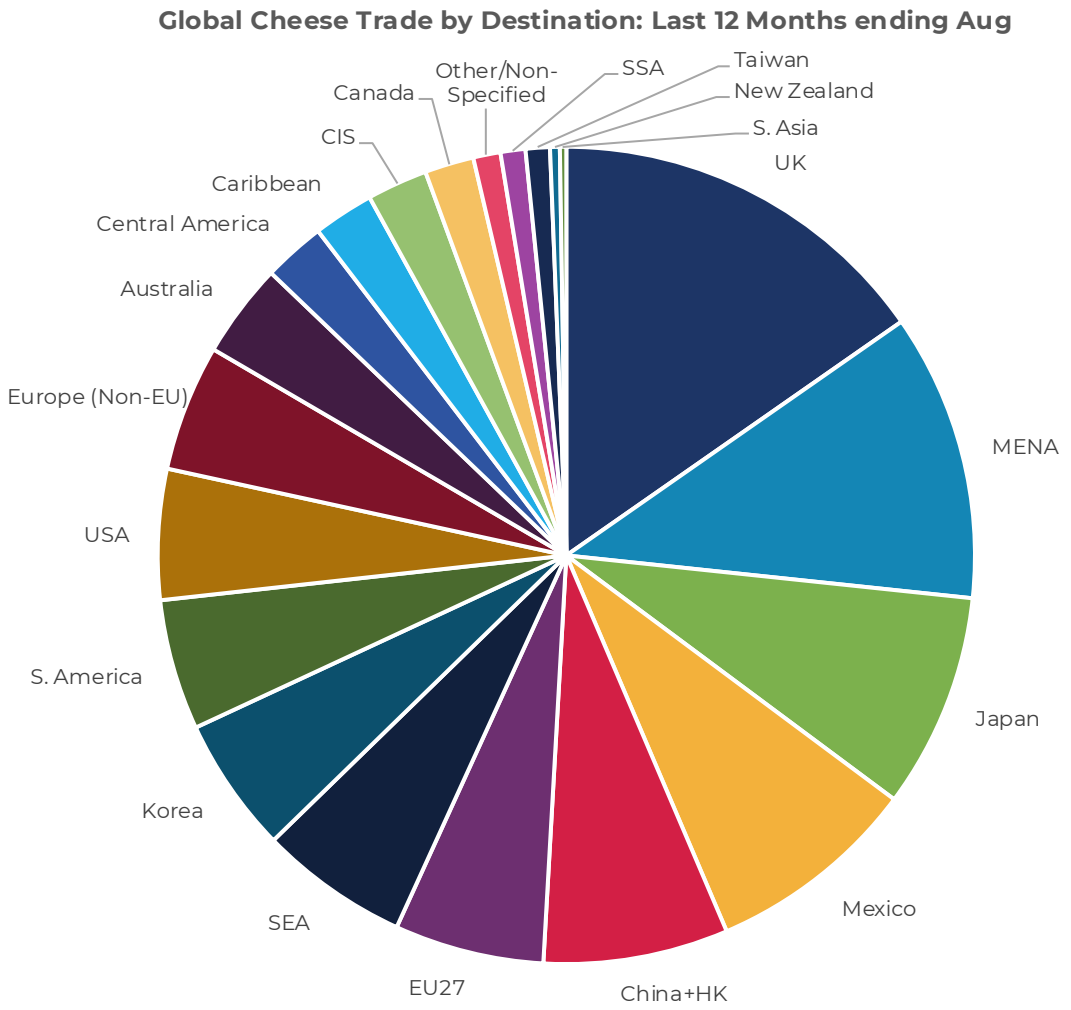
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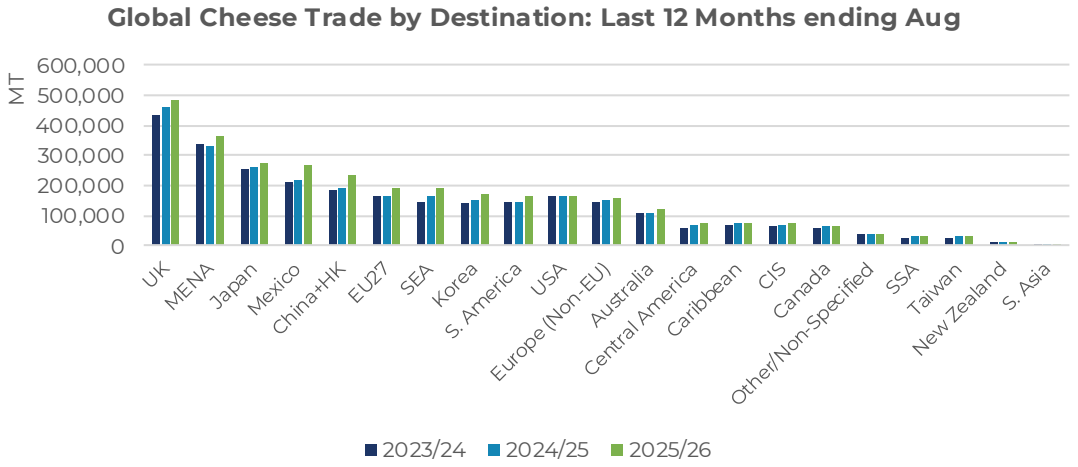
Global Overview: Cheese

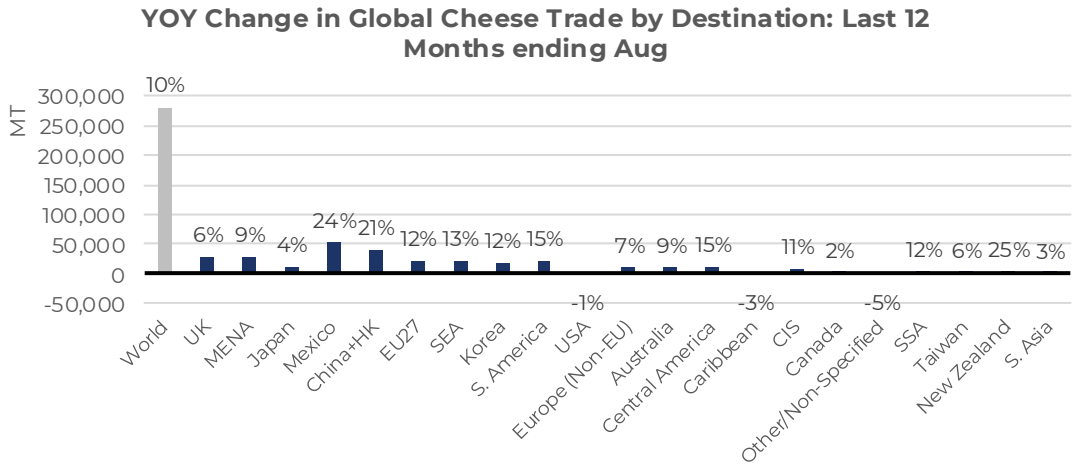


Source: NMPF/USDEC, TDM

Global Overview: Cheese – Last 12 Months

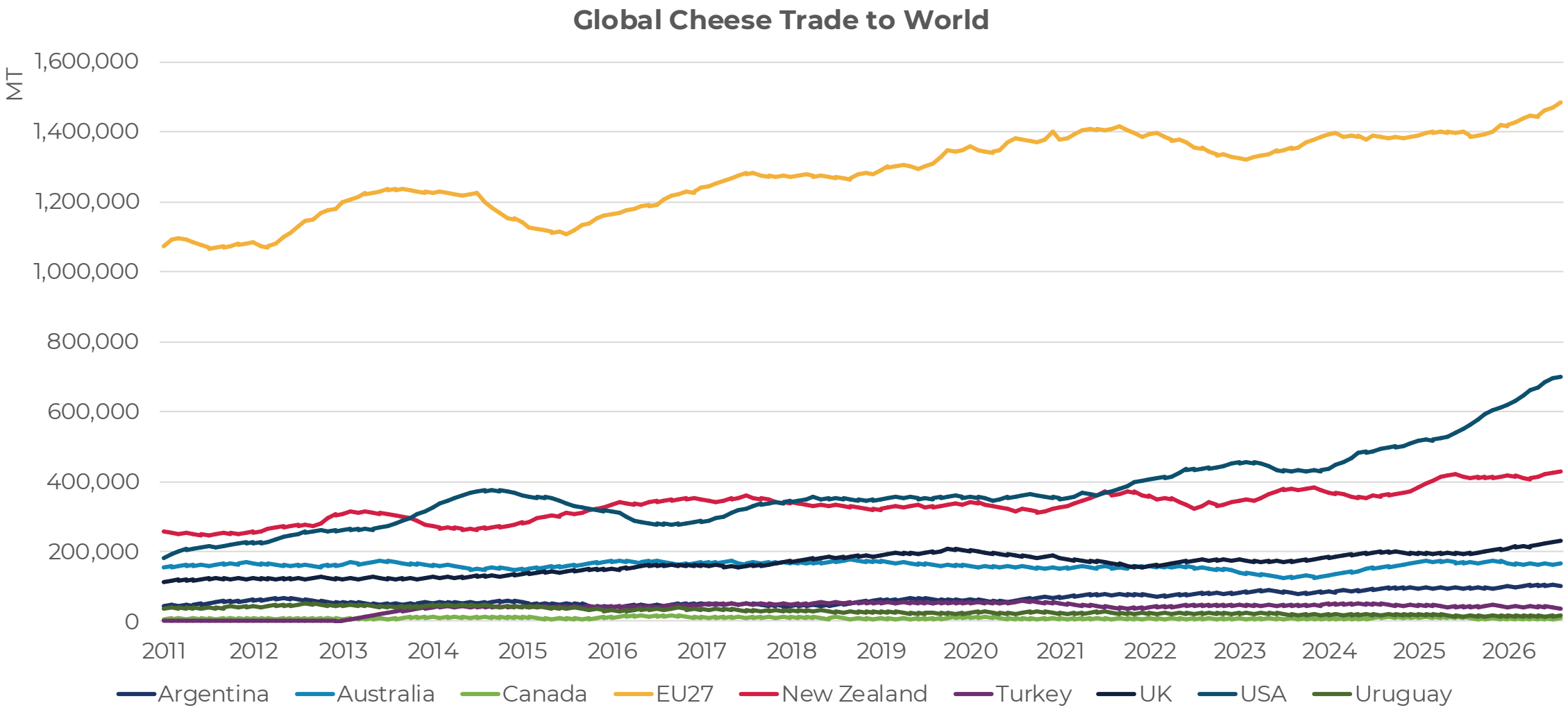




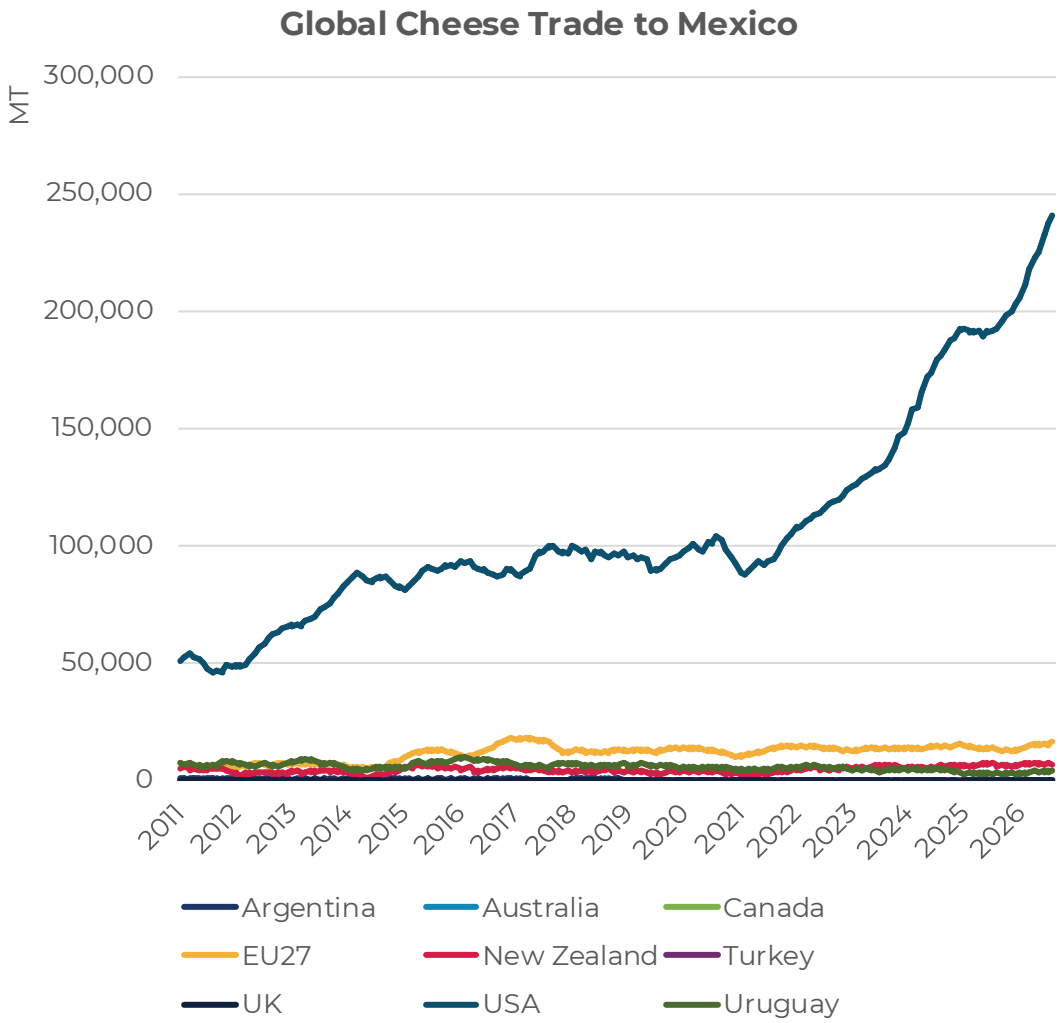


Source: NMPF/USDEC, TDM

Trade Flows: Cheese



Mexico

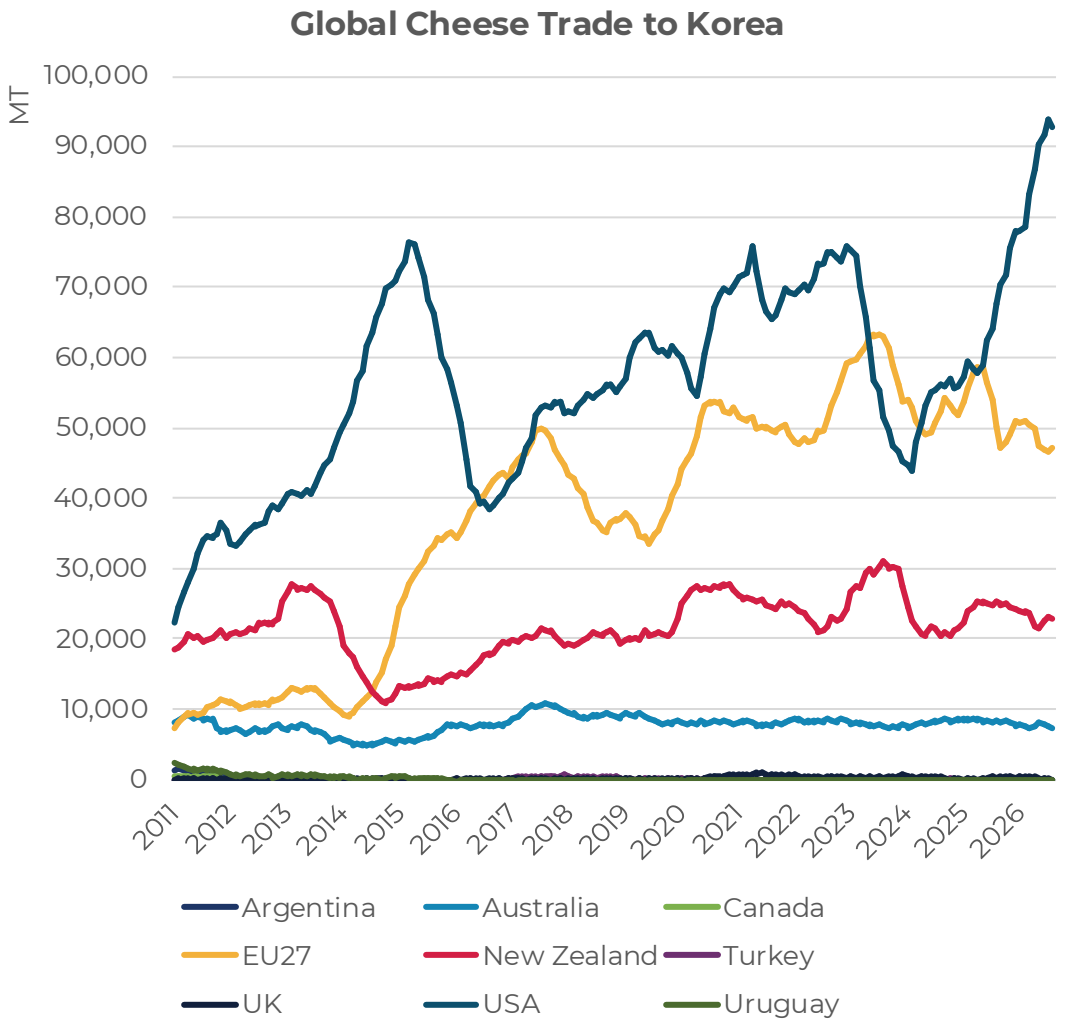


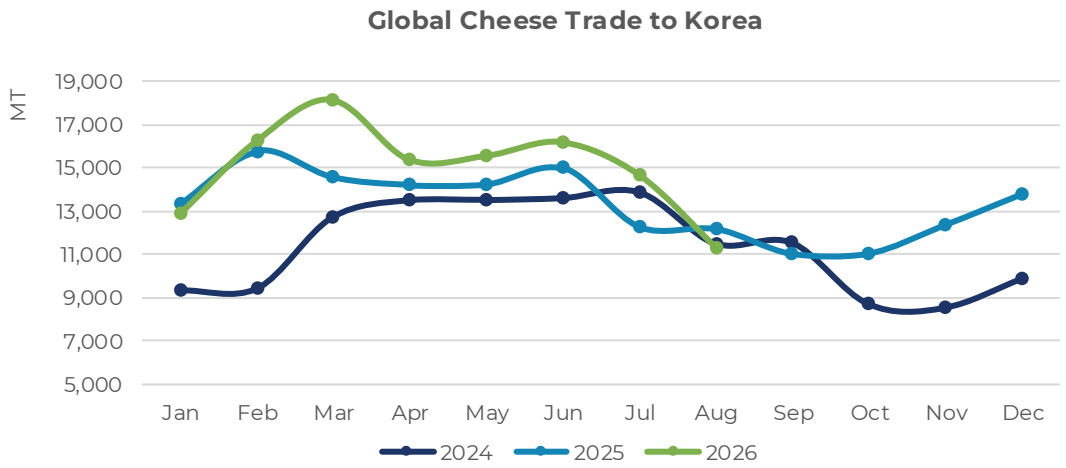




Source: NMPF/USDEC, TDM

Korea

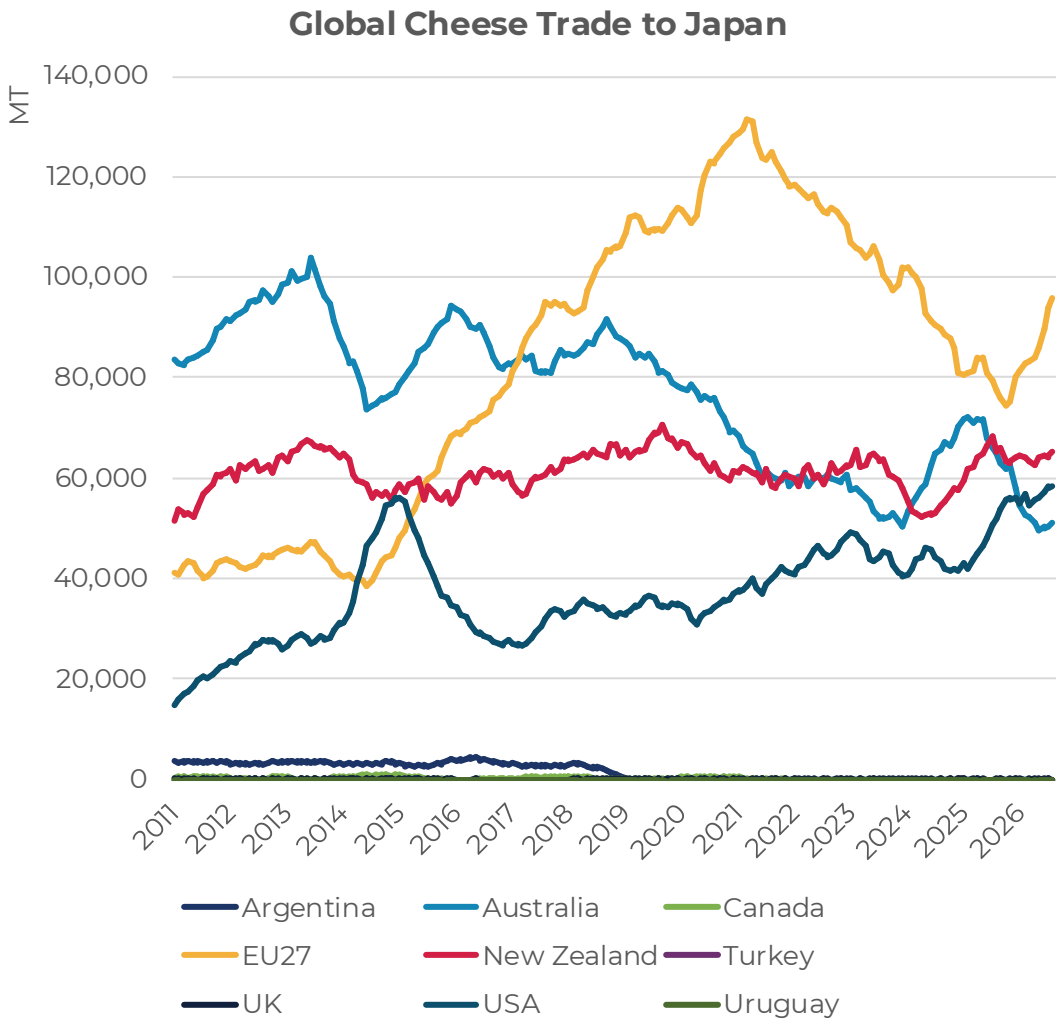


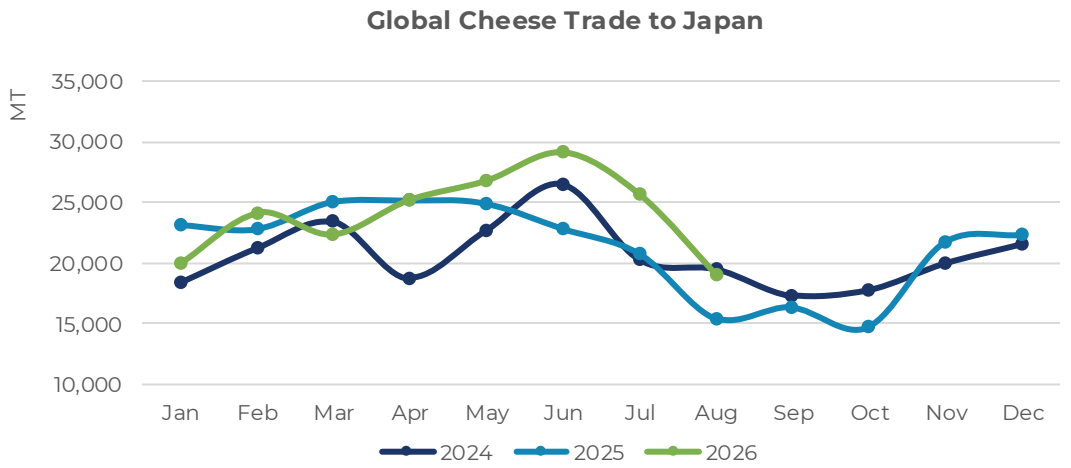


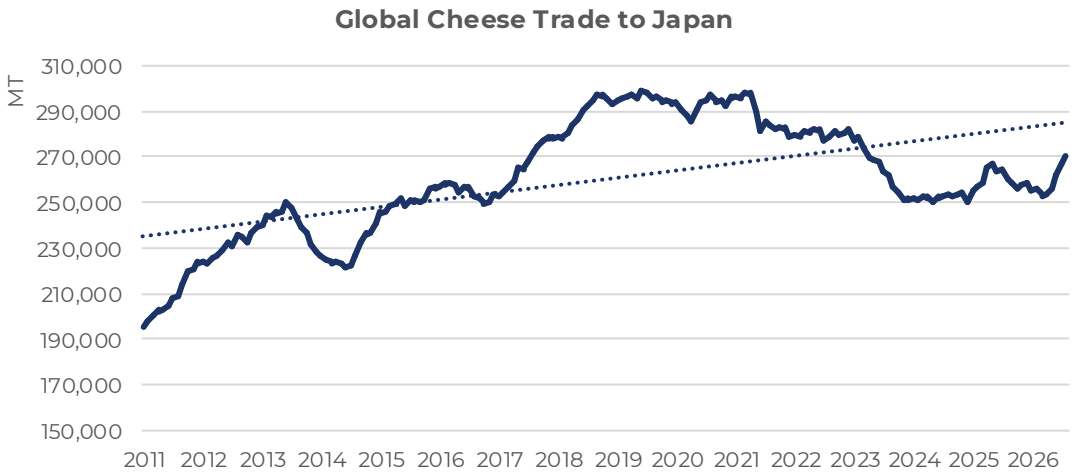


Source: NMPF/USDEC, TDM

Japan

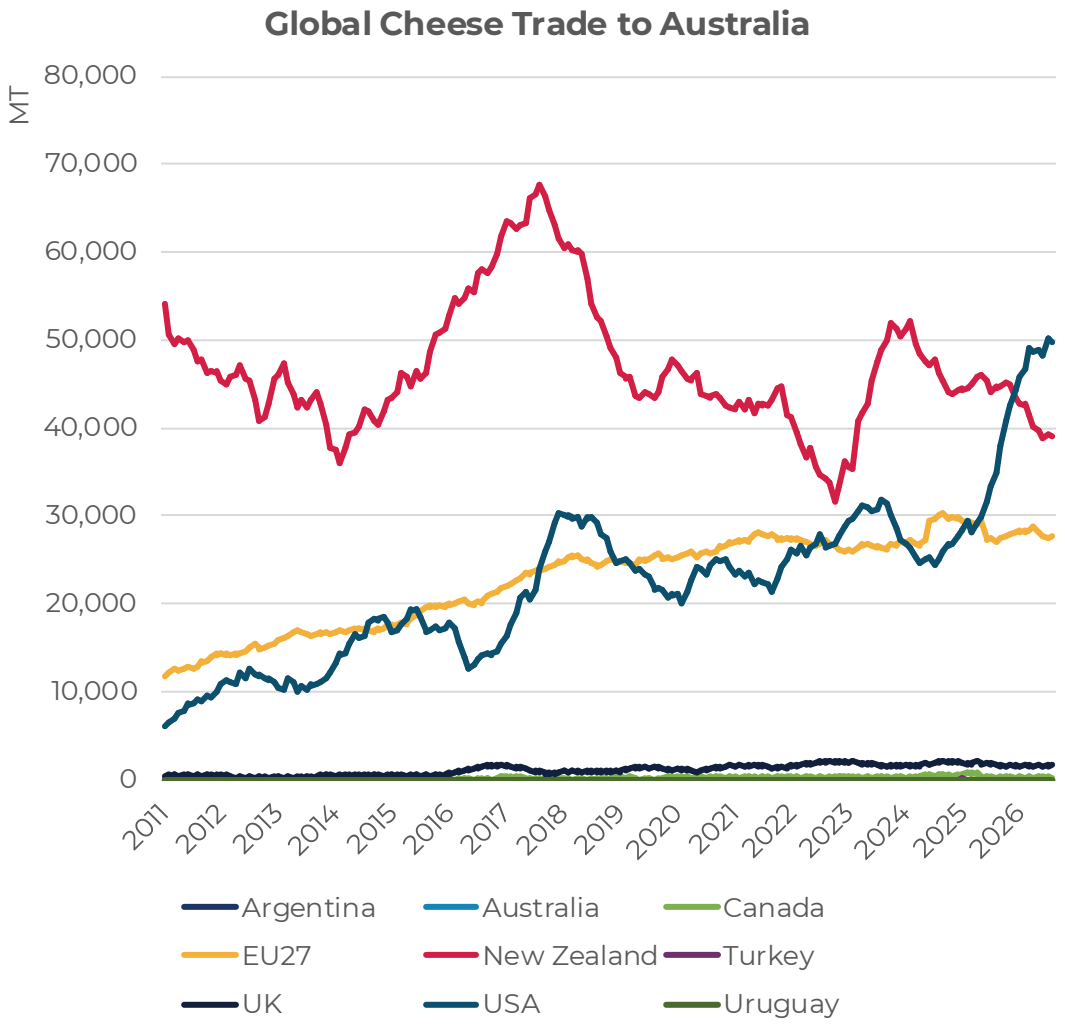


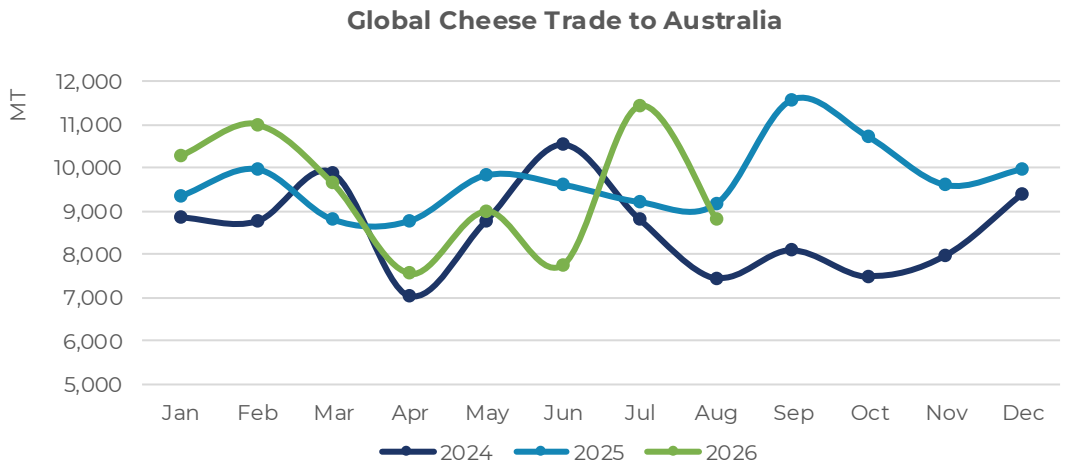


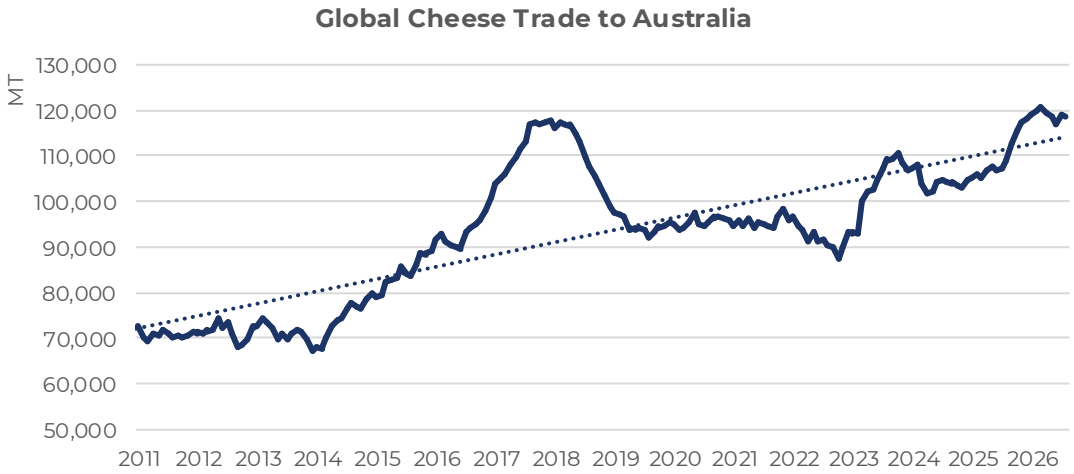


Source: NMPF/USDEC, TDM

Australia

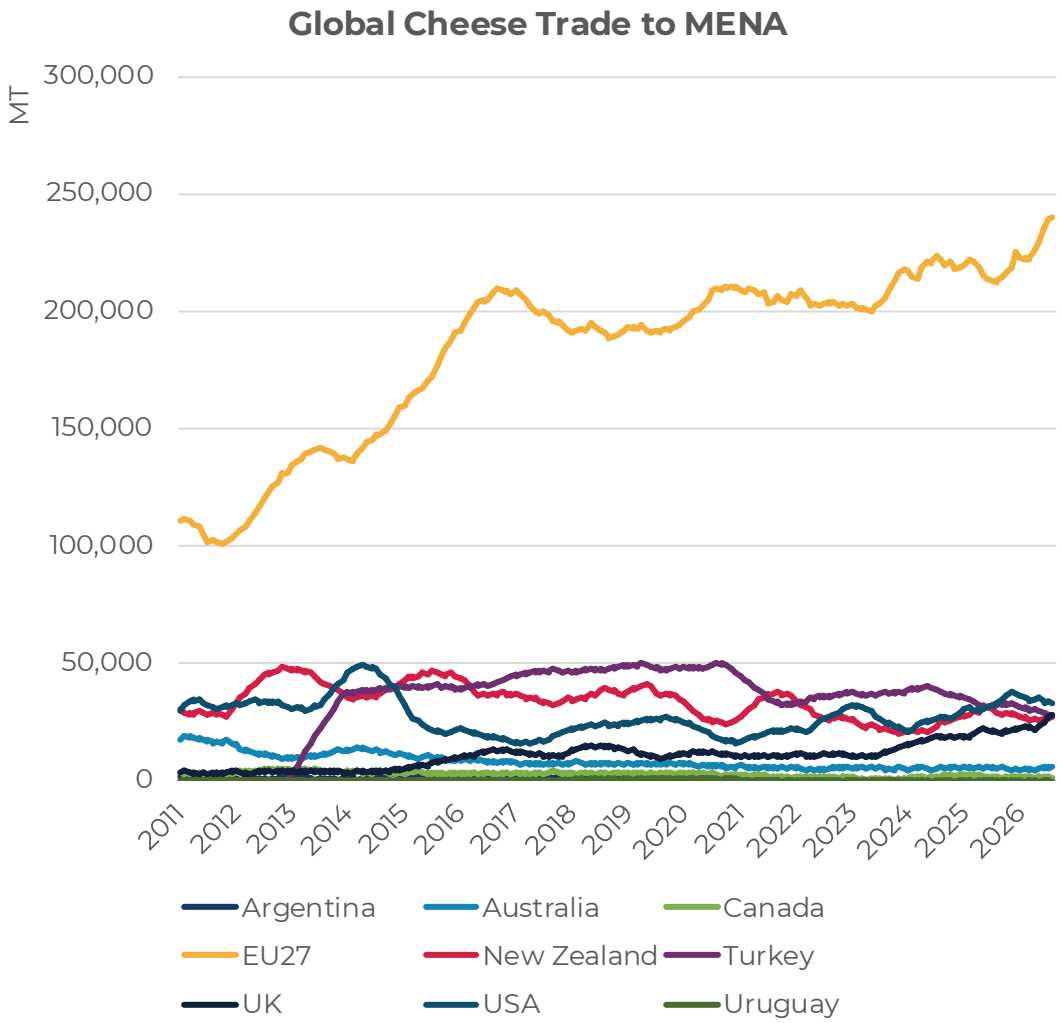


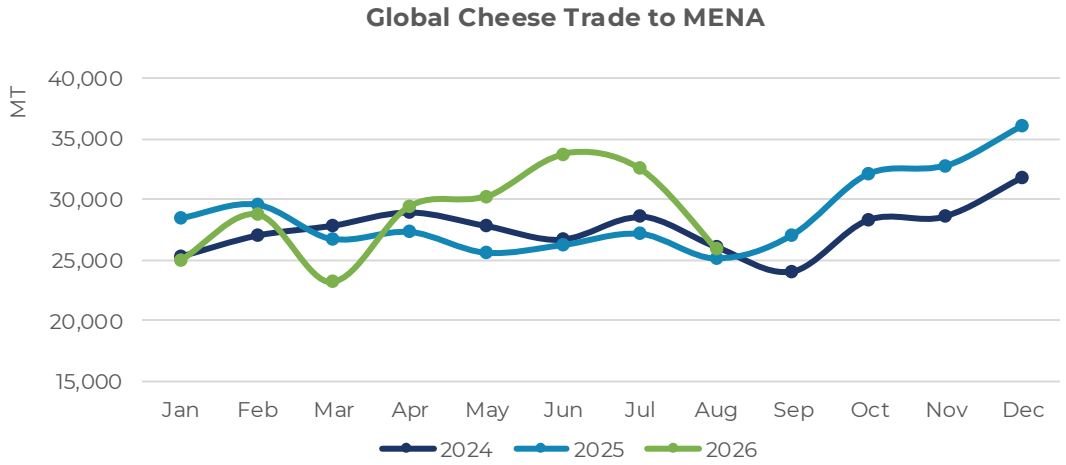


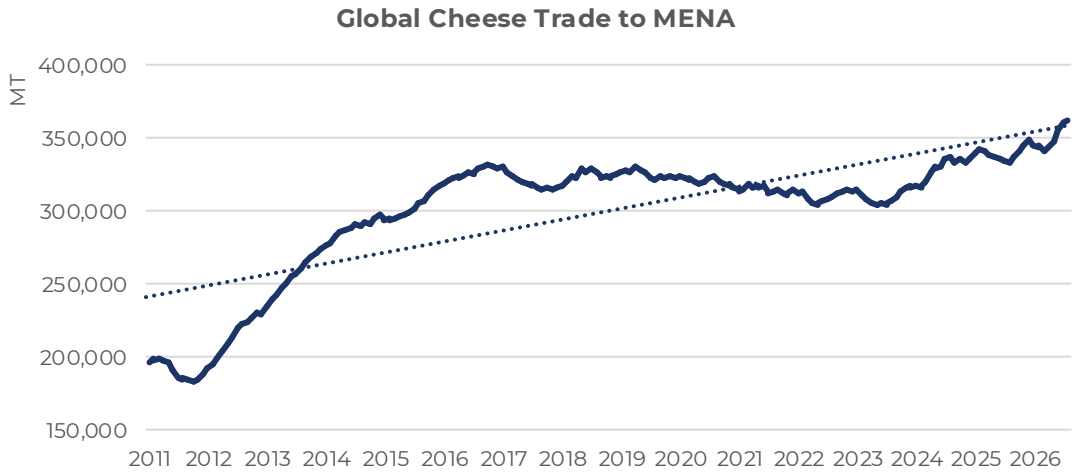


Source: NMPF/USDEC, TDM

MENA

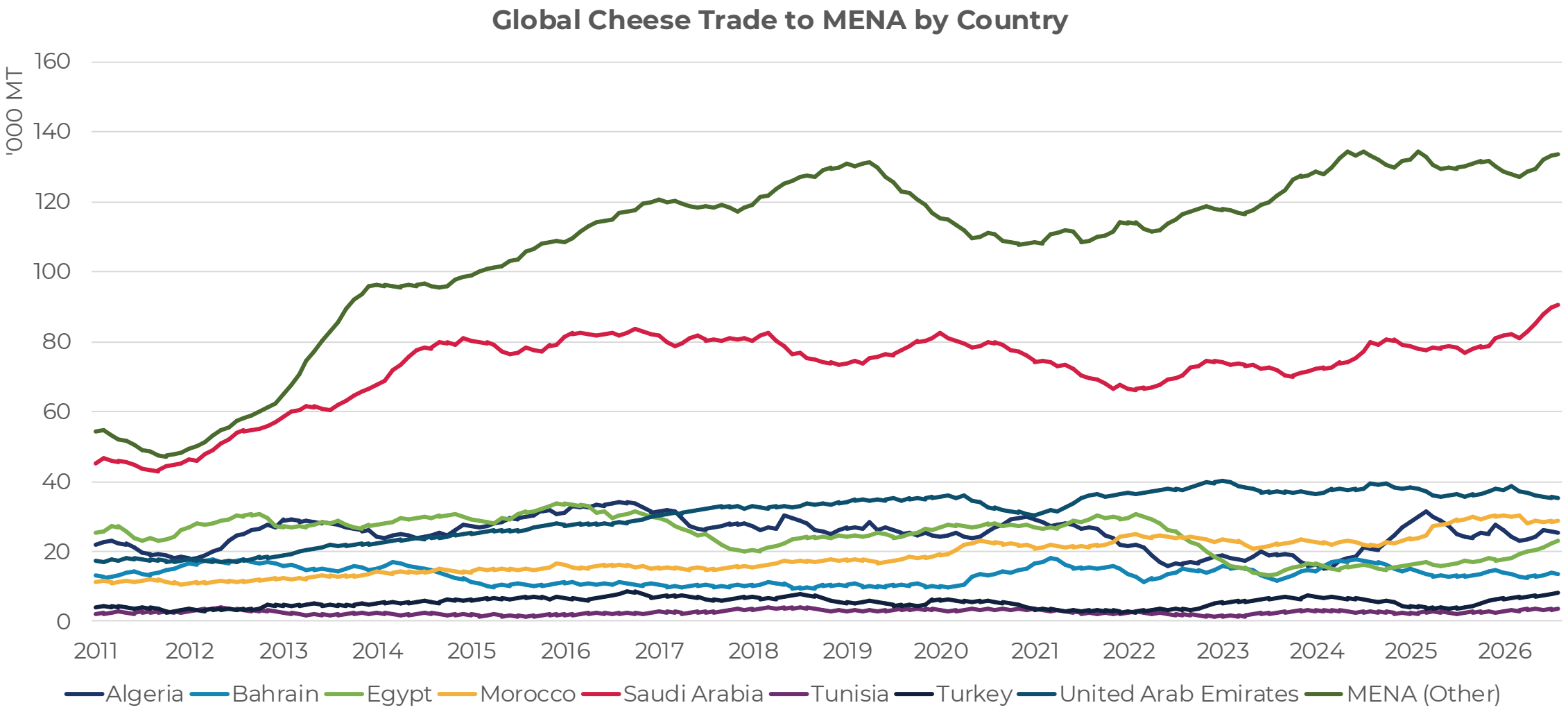






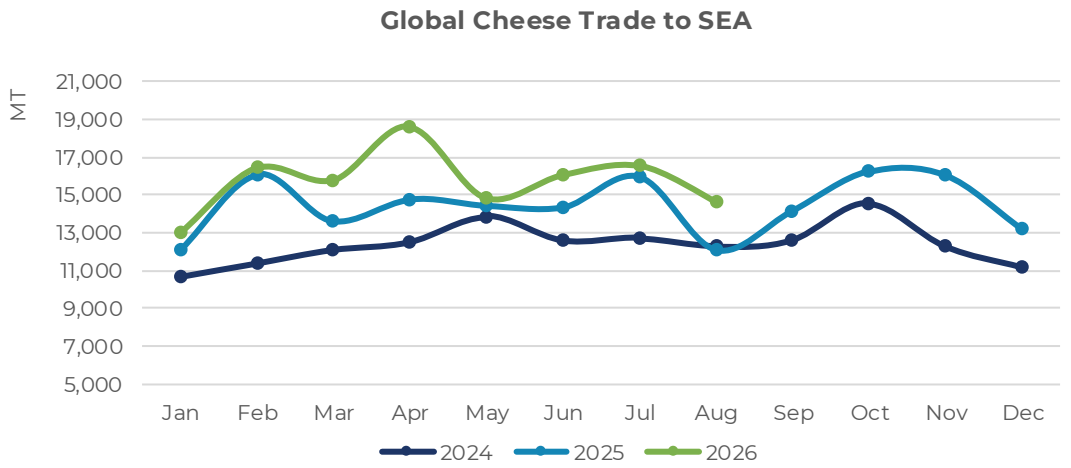
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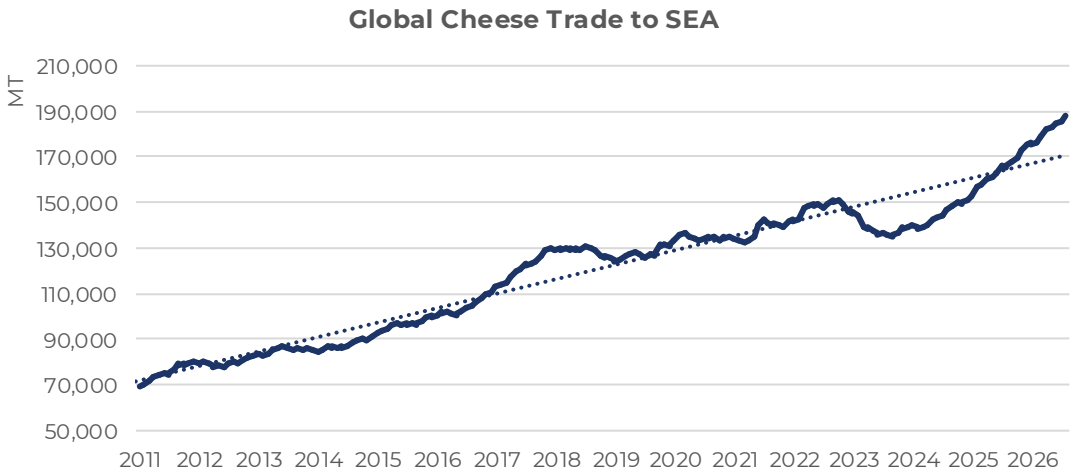
Middle East-North Africa Country Breakdown



Southeast Asia

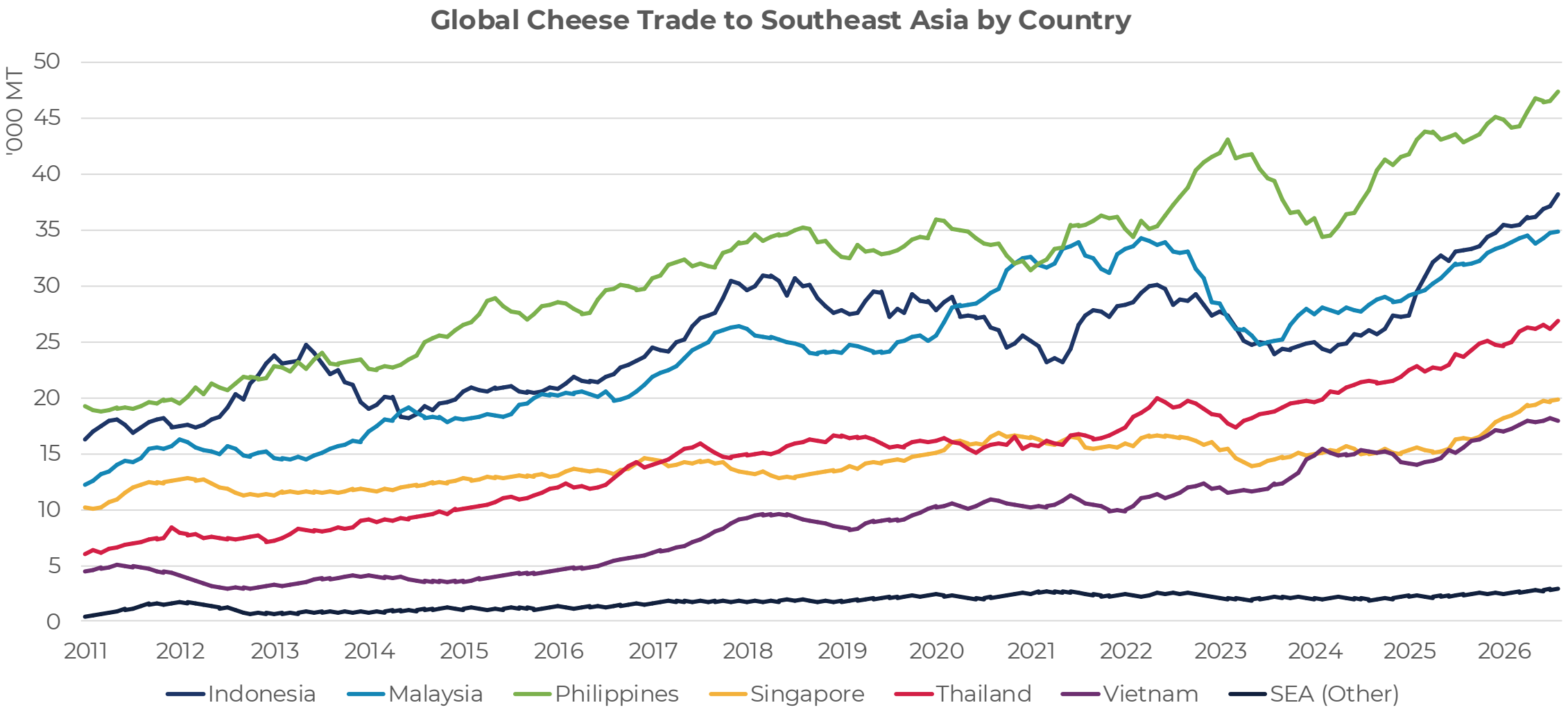




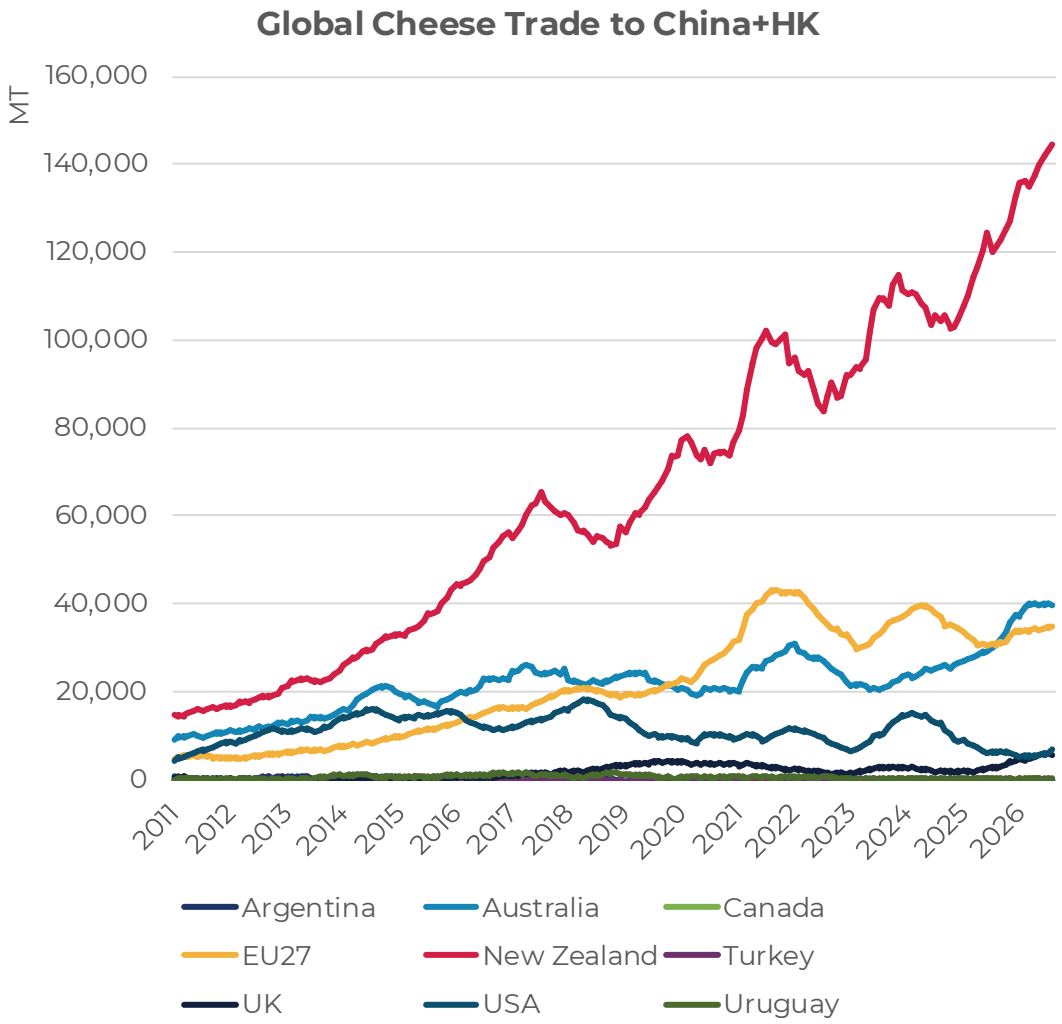


Source: NMPF/USDEC, TDM

Southeast Asia Country Breakdown



China







Source: NMPF/USDEC, TDM

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NFDM/SMP

NFDM/SMP Market Commentary

KEY TAKEAWAYS

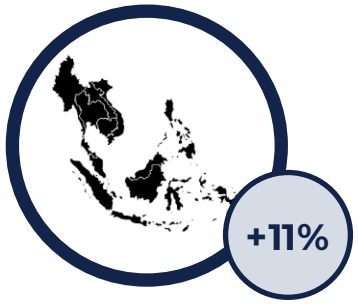
- **Global NFDM/SMP trade returned to year-on-year growth in August, up 3.4% (+5,146 MT) against prior year levels**, despite rising export prices. That kept January to August 2026 volumes up 4% (+5,260 MT).
- **Exporter performance varied widely**. EU27 shipments sustained its huge expansion (August +22%, +12,734 MT, 12-month exports +20%, +145,613 MT), while U.S. sales further contracted (-19%, -10,916 MT). New Zealand exports lifted 47% in the month, taking the rolling 12-month volume 5% higher, still well below exports of two years earlier.
- Slowing demand from some key markets reflected rising prices. NFDM/SMP trade to Southeast Asia was nonetheless firm in August, up 11% (+5,219 MT). Indonesia remains the dominant influence on the region, up 55% in August (+7,038 MT), and 39% for January to August (+49,598 MT), responsible for 69% of growth in regional trade year-to-date. Chinese demand continued to be lethargic, down 29% in August (-5,355 MT) and a thumping 15% lower (-22,715 MT) year-to-date.
- Mexico's trade lifted 8% (+2,364 MT) but remained 4% weaker (-9,828 MT) over 2026. MENA trade lifted 6% in August (+1,902 MT), pushing volumes in January to August 2026 5% higher (+14,331 MT), which remains well below 2023 and 2024 activity. Weak demand from Algeria (27%, -25,460 MT year-to-date) remains a drag on the region.

Global NFDM/SMP Trade	+3.4%	+4.3%	+6.0%	-1.0%
	Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

August Standout Markets



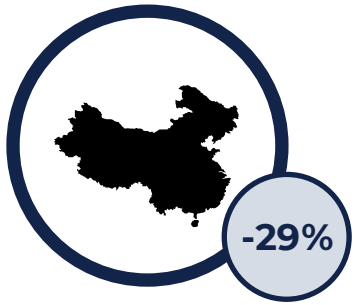
SOUTH AMERICA
+2,342 MT



SOUTHEAST ASIA
+5,219 MT



SSA
-3,017 MT



CHINA+HK
-2,222 MT

ADDITIONAL NOTES

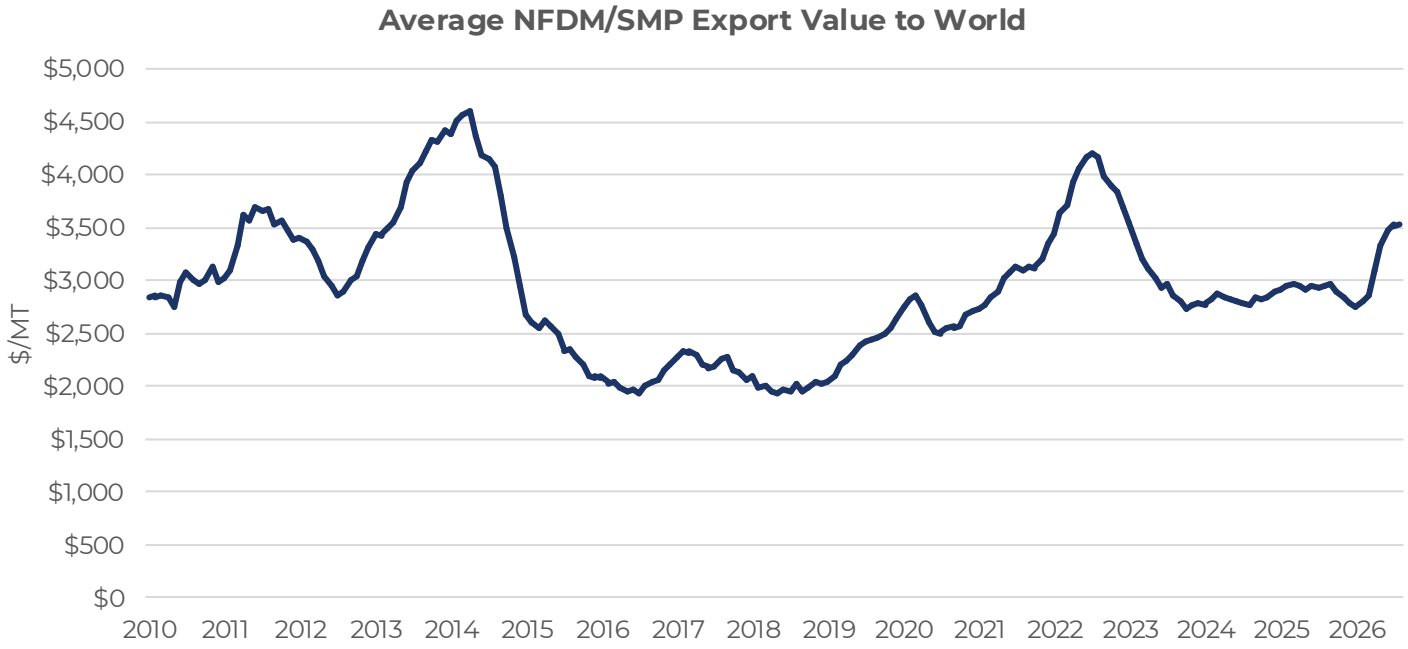
Over time, global NFDM/SMP trade has grown slowly. Demand from the largest market region, Southeast Asia, expanded less than 1% on a 5-year CAGR to August 2026, but has fluctuated through short-term market cycles as buyers in the region are acutely price-sensitive. In the year to August 2026, Indonesia was 28% of the region's NFDM/SMP market but 51% of its growth. Indonesia has outperformed the region, expanding in the past 5 years by 22%, or by 4.1% CAGR. Trade volumes suggest it may have broken out of the long-term cycle to reach a new market capacity. Or have buyers merely been restocking? The resilience of Indonesia's demand will be tested in coming months as SMP inventories tighten and milk output in the EU27 slows. August 2026 average shipped prices to the country were 16% higher than a year earlier (+24% in local currency), and the highest USD prices in 3 ½ years. SMP and NFDM futures prices for the half-year ahead are now 10-15% higher than those achieved in August trade data. Other Southeast Asian markets are far less resilient, with demand in the second largest market, Philippines, still smaller in annualized terms than 5 years ago, as trade fell in July and August with higher prices.

NFDM/SMP Market Commentary

LOOKING AHEAD

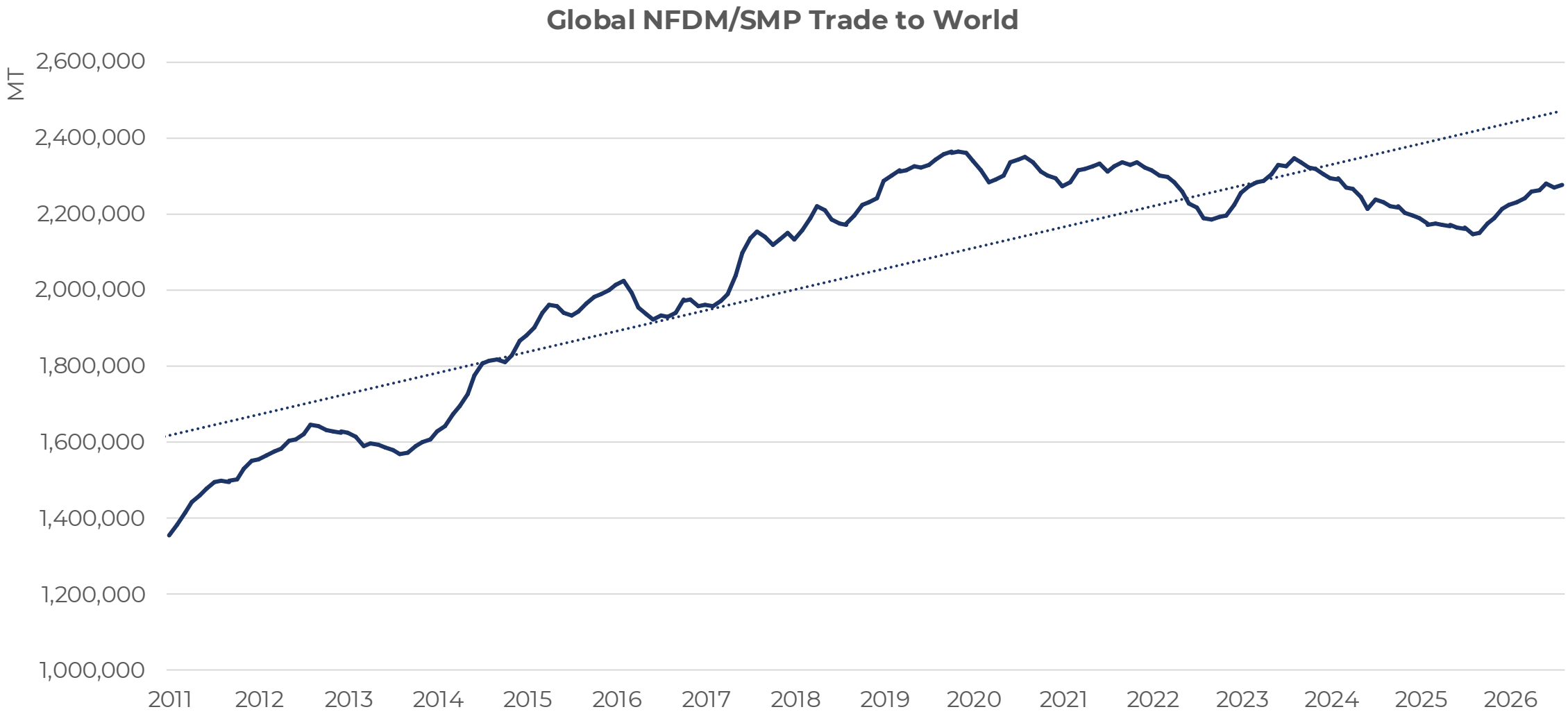
- **Global milk powder trade is likely to remain volatile in the coming months, with the escalation in commodity prices in EU27 and New Zealand. Supply volumes from the U.S. are expected to remain weak in the short-term at least as domestic prices are likely to remain uncompetitive.**
- EU exporters will seek continued expansion of exports with SMP output still rising. Higher milk production is expected in New Zealand's peak season, but allocation of raw milk to SMP/butterfat will depend on sustainability of the recent revival in WMP trade.
- Despite the continued growth in U.S. milk output, the priorities given to cheese & whey streams and higher value milk protein concentrates will limit NFDM production. Futures prices however converge in coming months, with U.S. prices expected to relax below competitor prices into 2027.
- The demand from price-sensitive Southeast Asian and Middle East customers will be curbed with the lift in SMP prices in the EU27 and Oceania. Inflationary pressures with elevated energy prices may increase the caution in Asian markets. With little apparent progress toward resolving the worsening conflicts in the region, important demand from Gulf States may slow with increased economic uncertainty and disruptions to shipping.

U.S. NFDM/SMP Exports	**-19.3%** Aug YoY	**-7.9%** YTD, Ending Aug	**-5.5%** Last 12-Months, Ending Aug	**-8.4%** 3-Year CAGR
EU NFDM/SMP Exports	**+22.2%** Aug YoY	**+15%** YTD, Ending Aug	**+19.9%** Last 12-Months, Ending Aug	**+2.8%** 3-Year CAGR
NZ NFDM/SMP Exports	**+47.4%** Aug YoY	**+12.1%** YTD, Ending Aug	**+5.0%** Last 12-Months, Ending Aug	**+0.3%** 3-Year CAGR



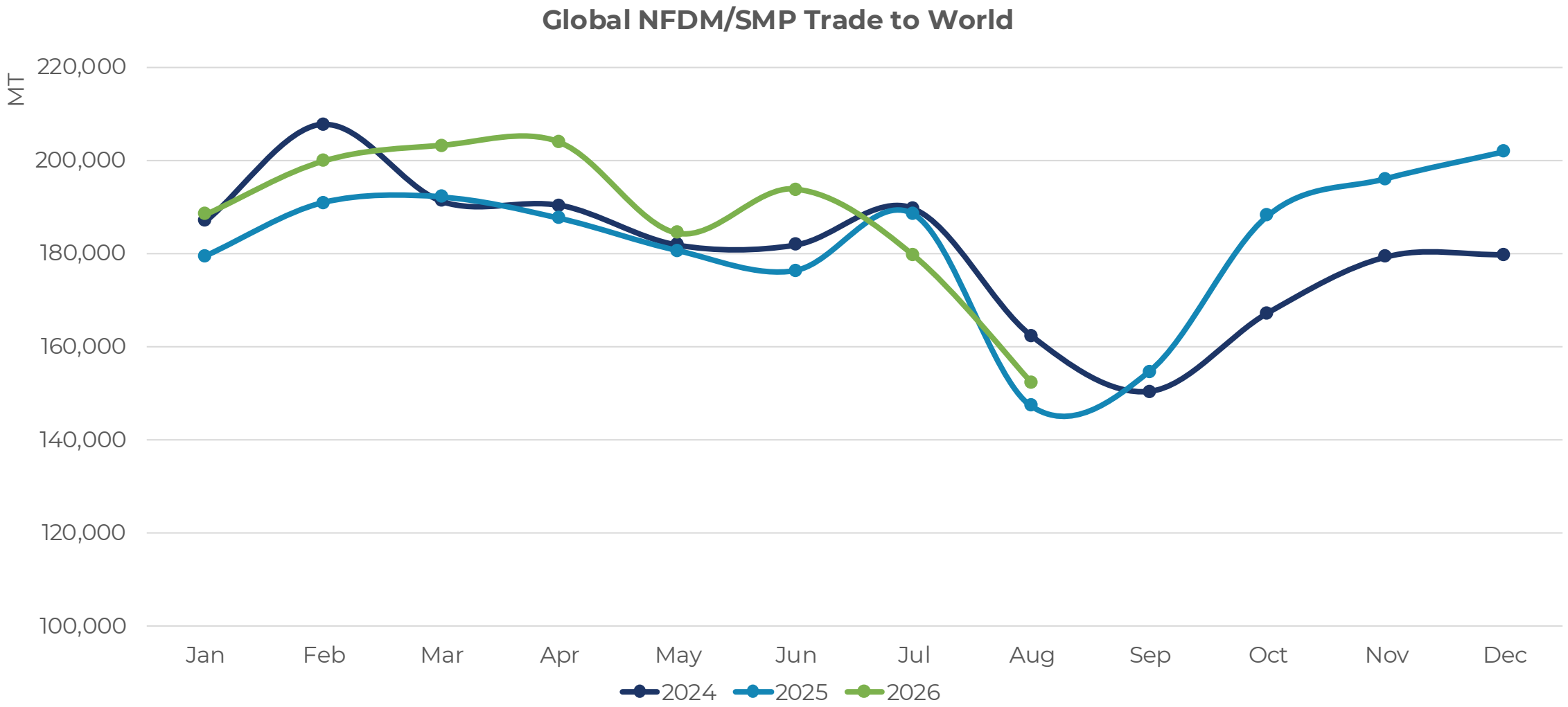
Source: NMPF/USDEC, TDM

Global Overview: NFDM/SMP

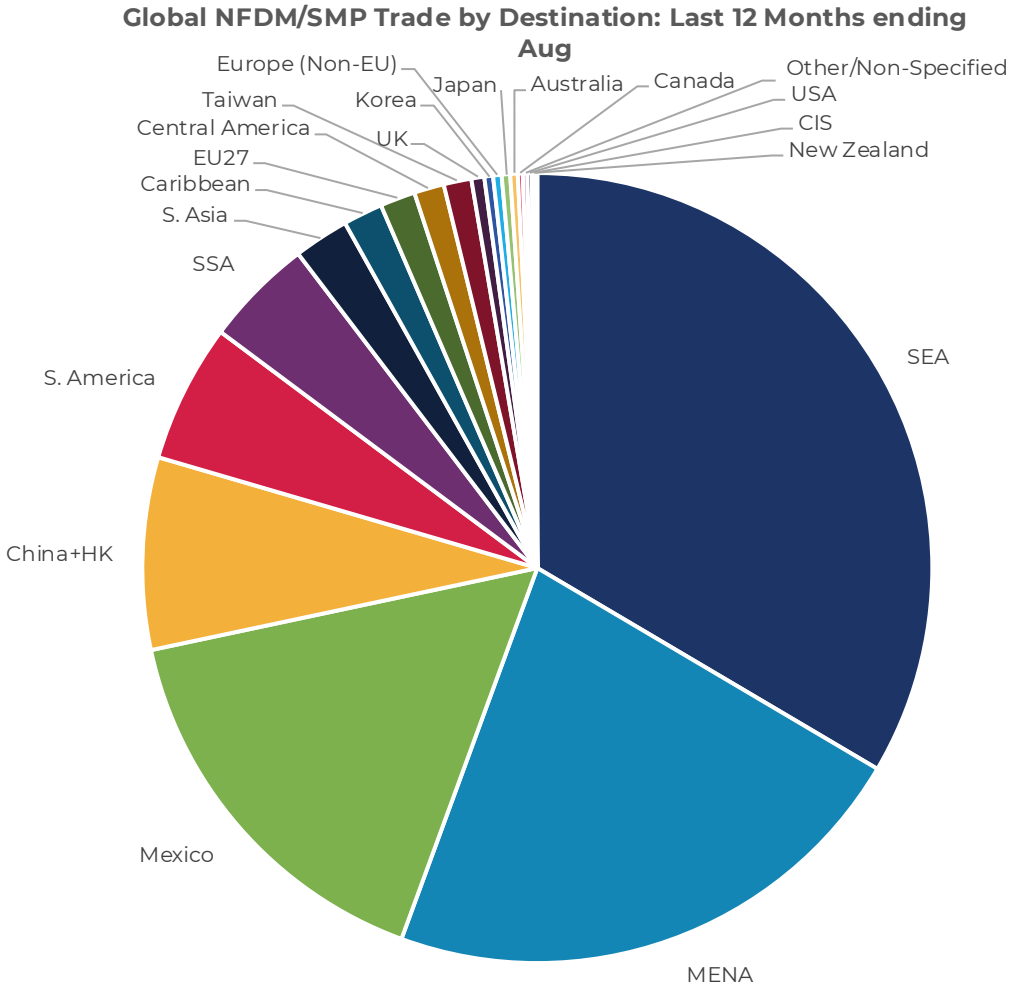


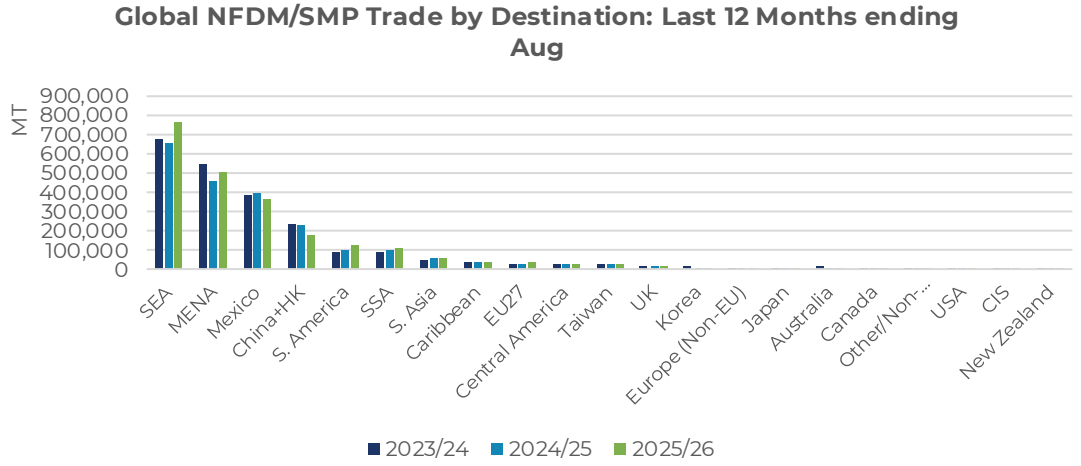
Source: NMPF/USDEC, TDM

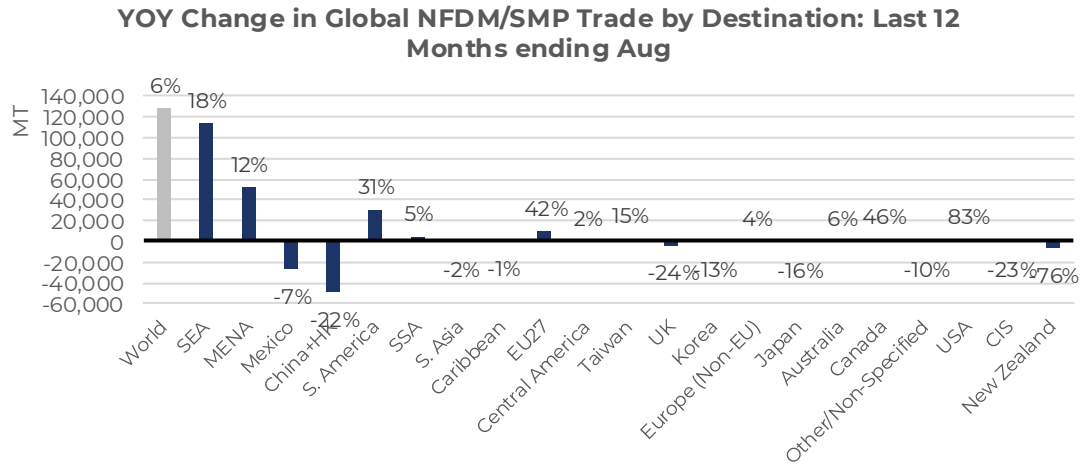
Global Overview: NFDM/SMP



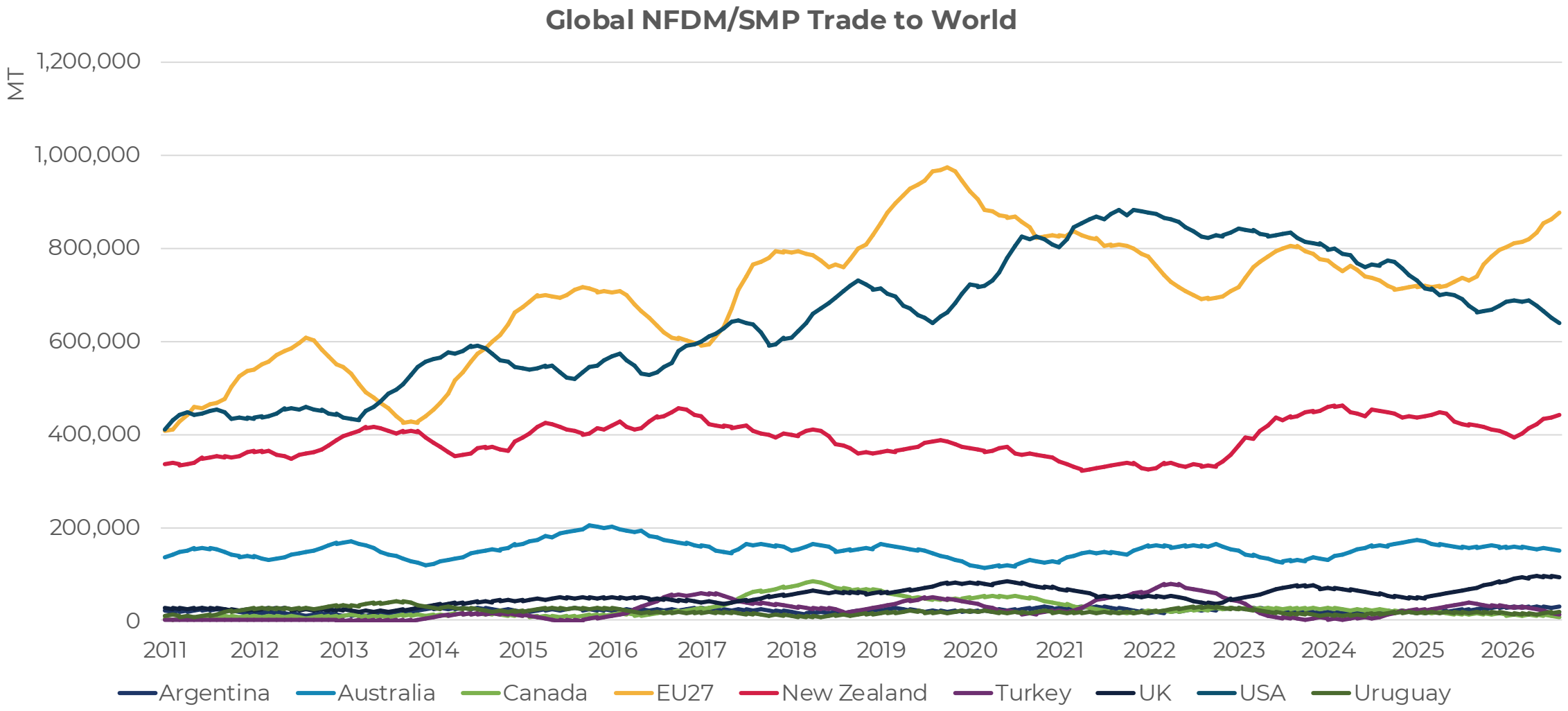
Global Overview: NFDM/SMP – Last 12 Months



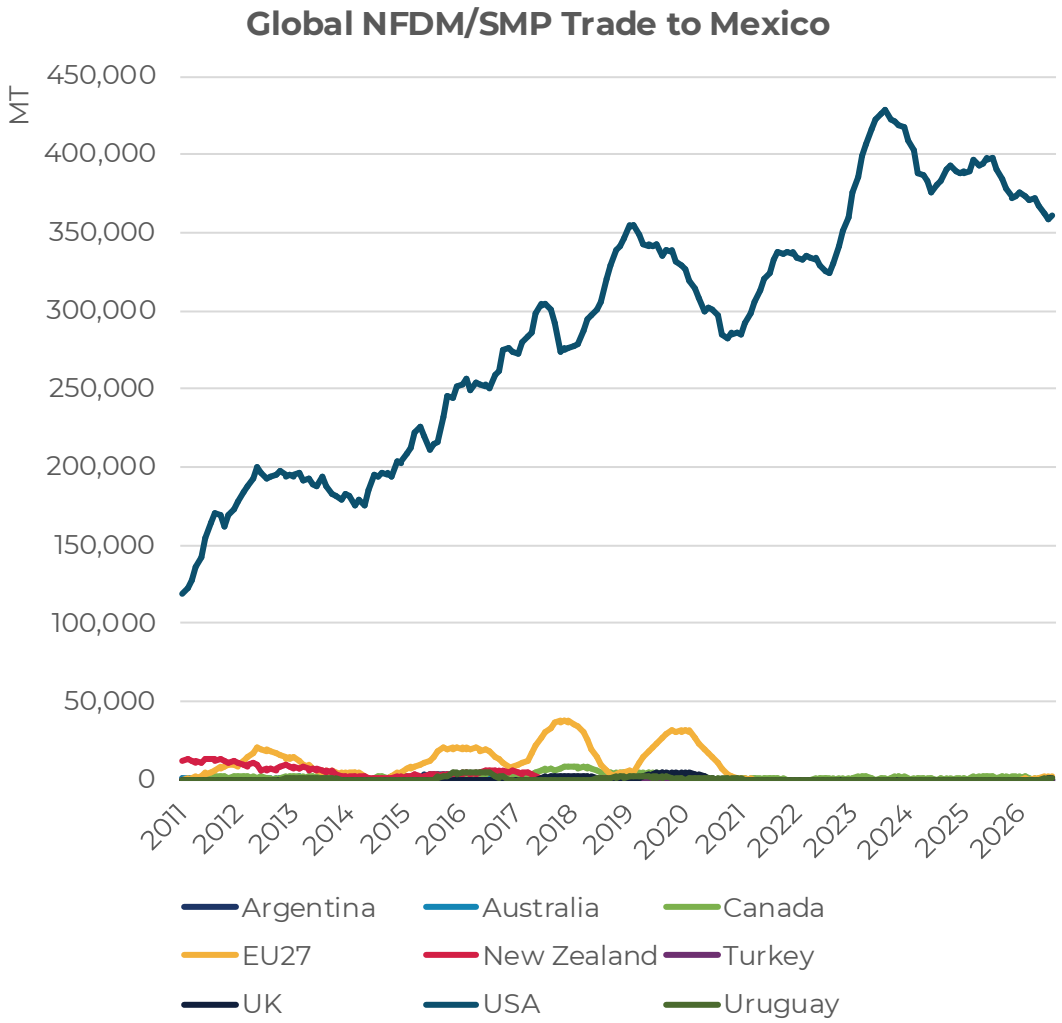


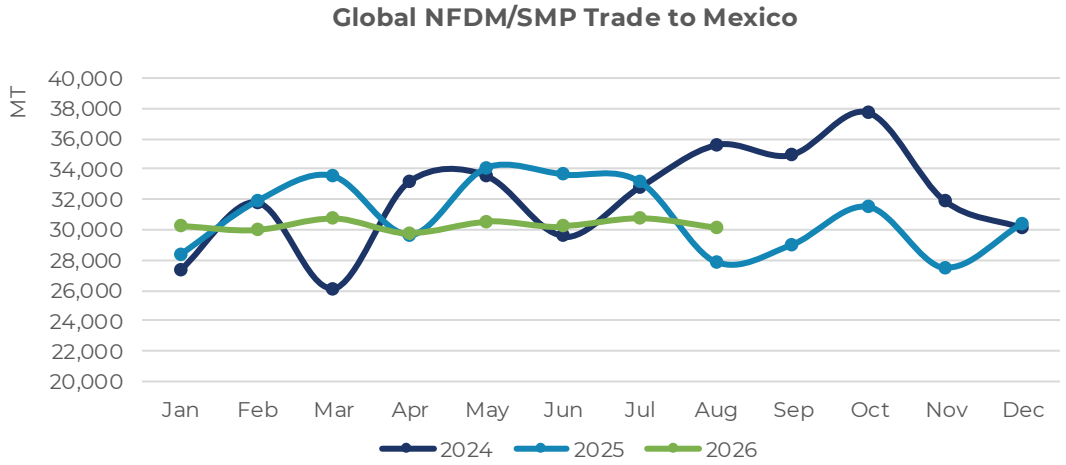


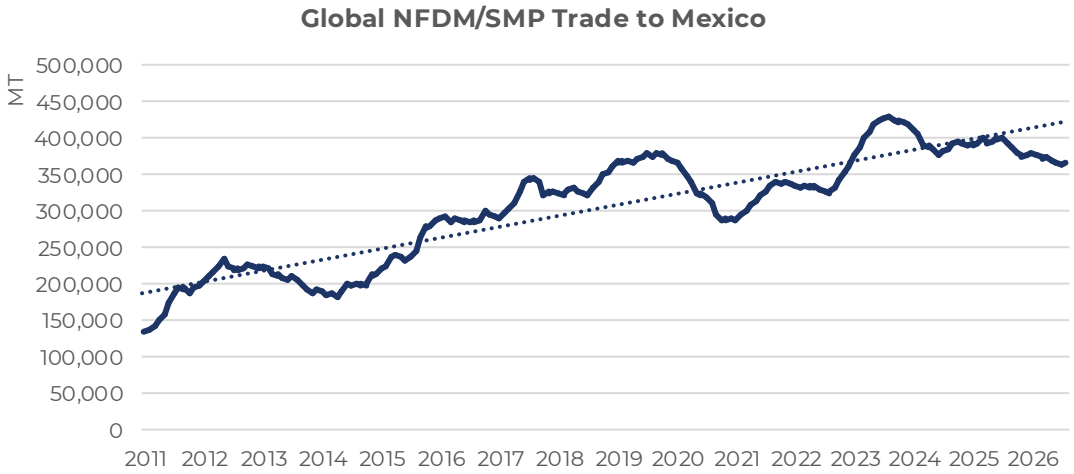
Trade Flows: NFDM/SMP



Mexico

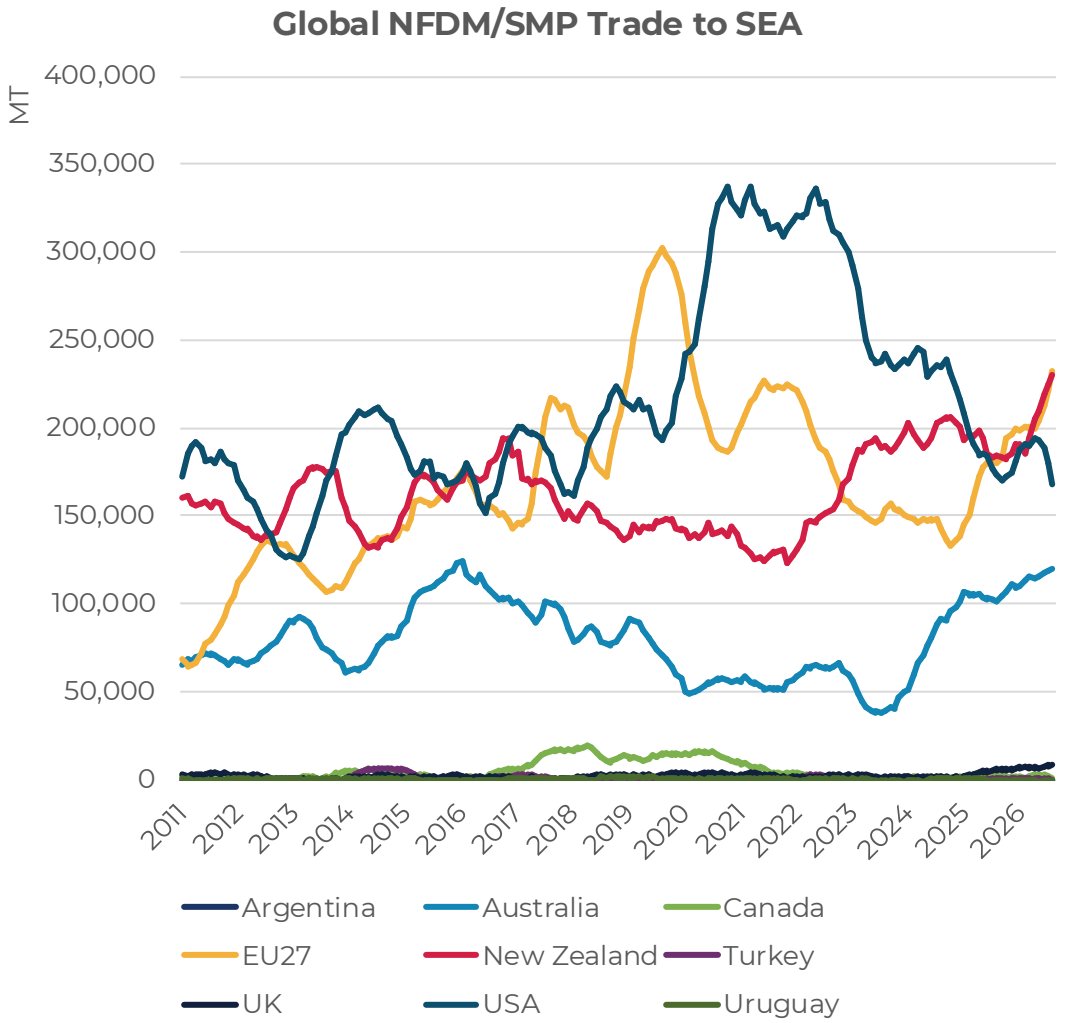


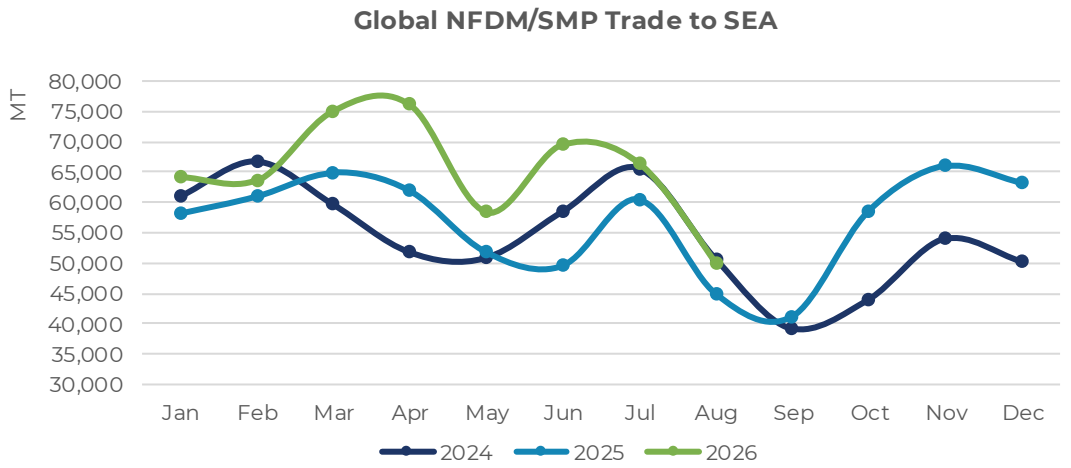


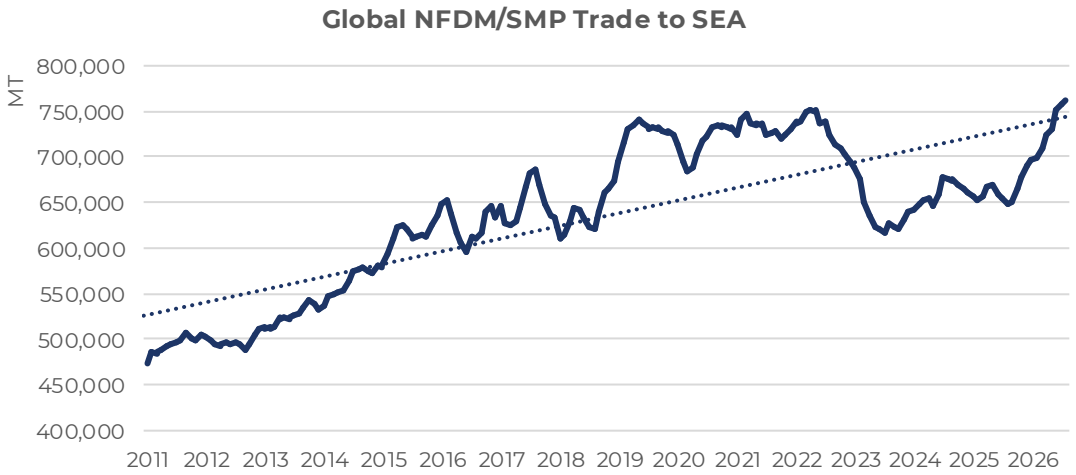


Source: NMPF/USDEC, TDM

Southeast Asia

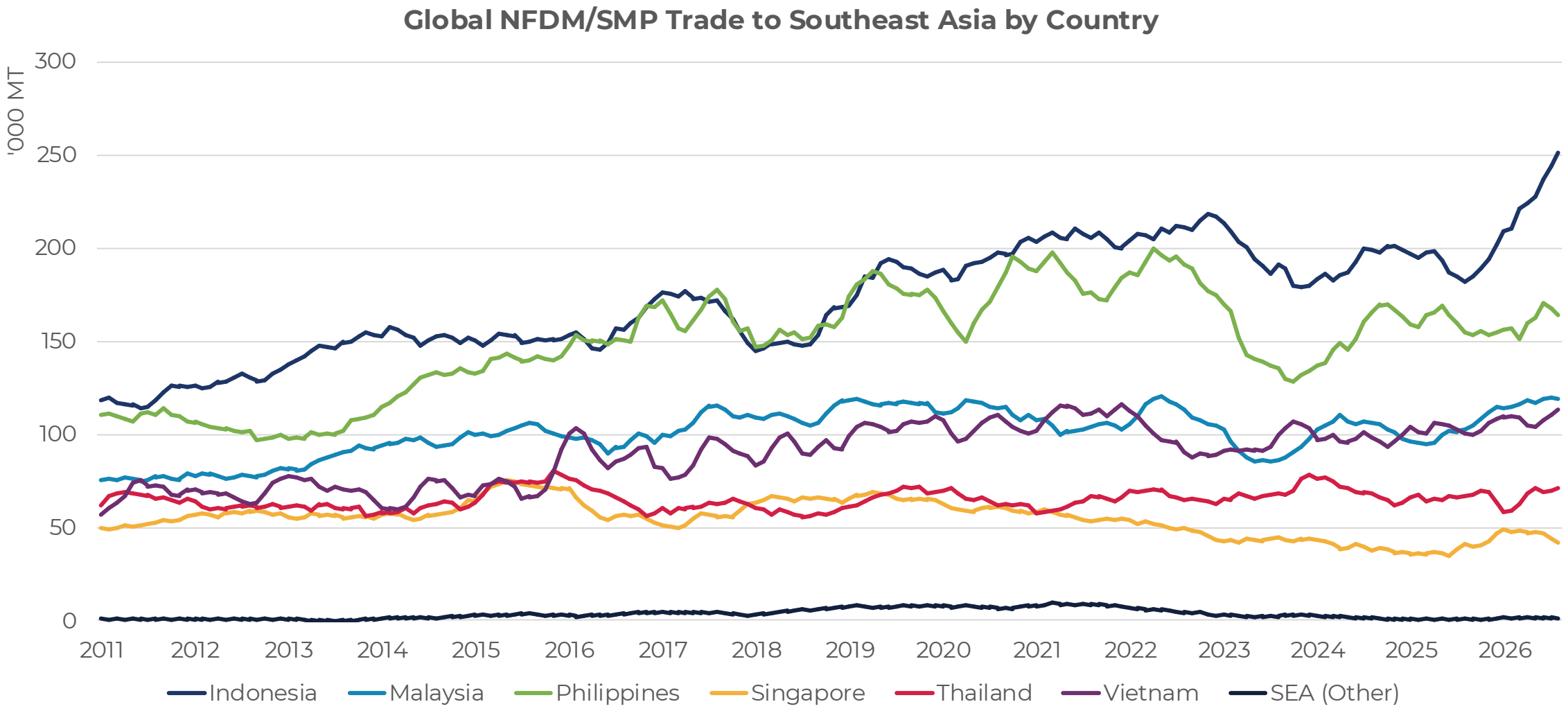






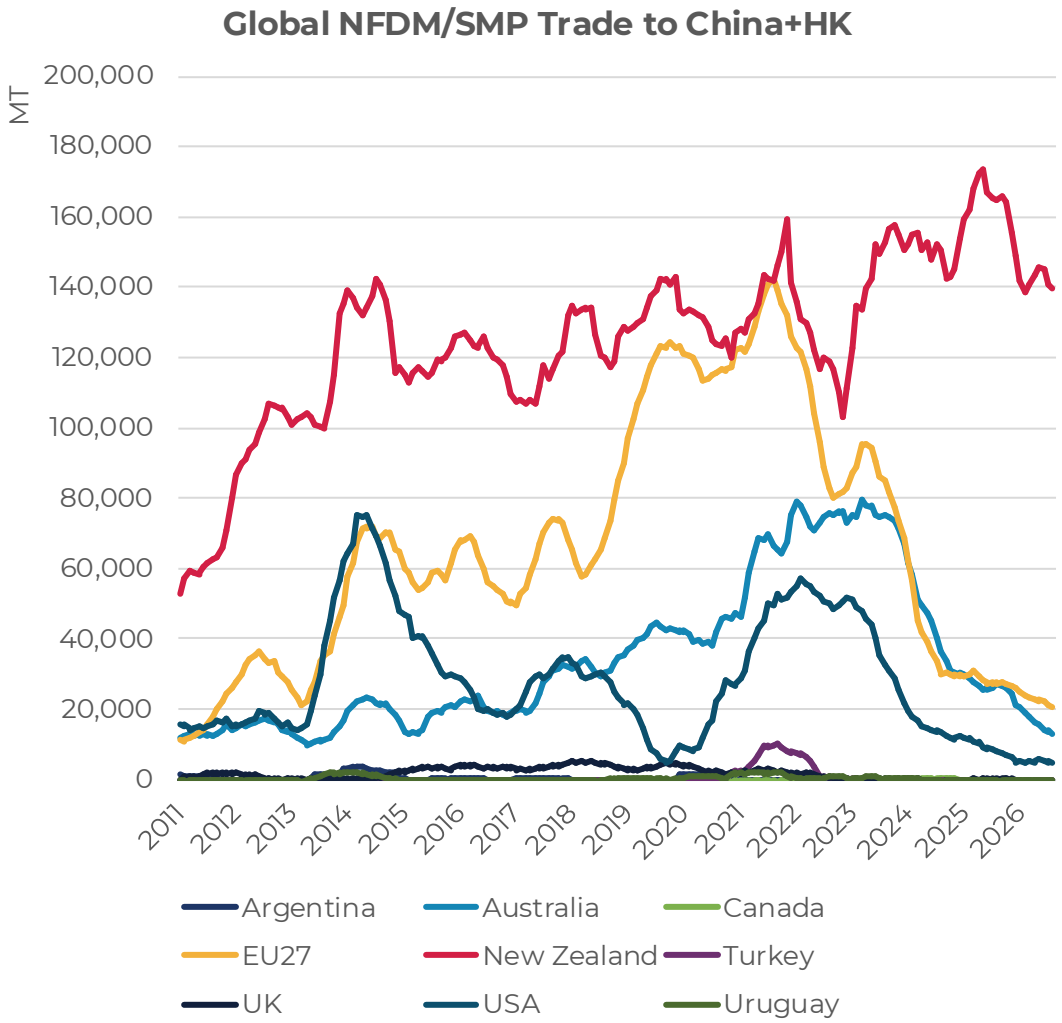
Source: NMPF/USDEC, TDM

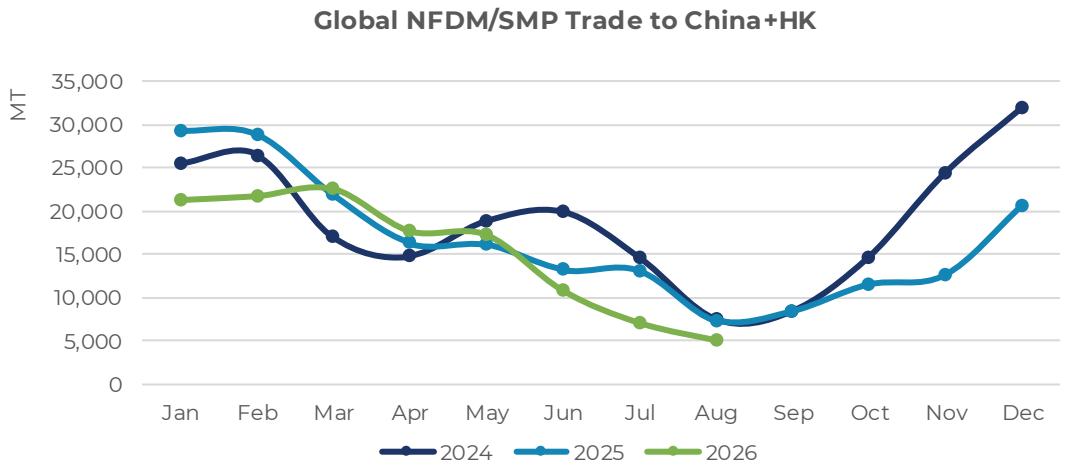
Southeast Asia Country Breakdown



Source: NMPF/USDEC, TDM

China

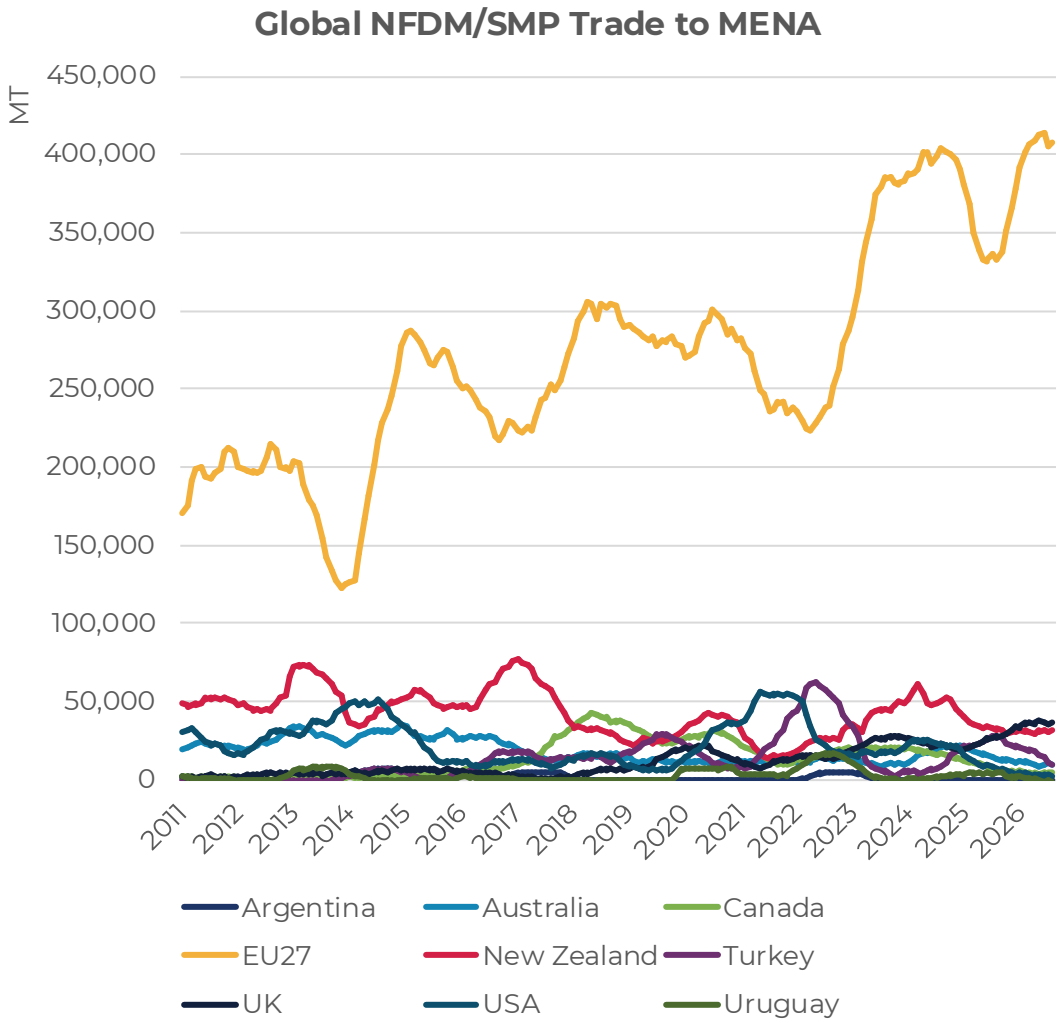


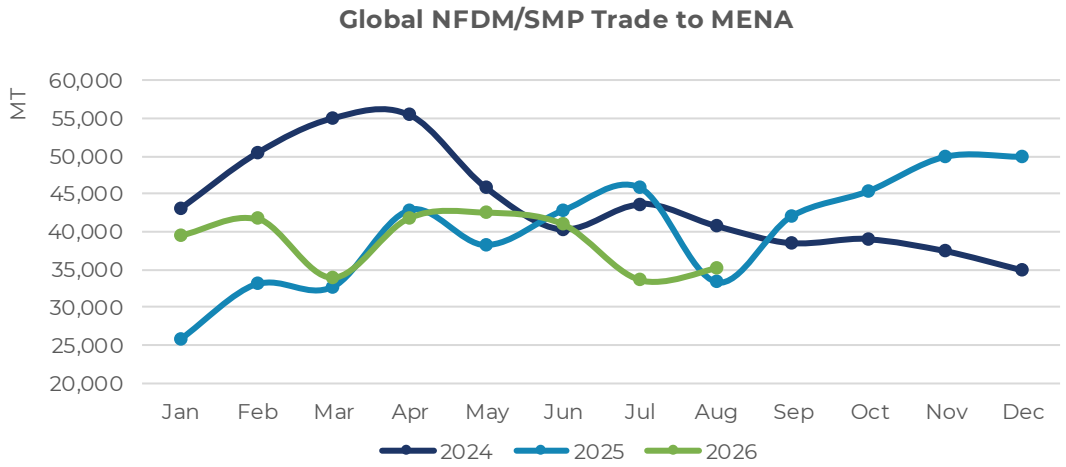


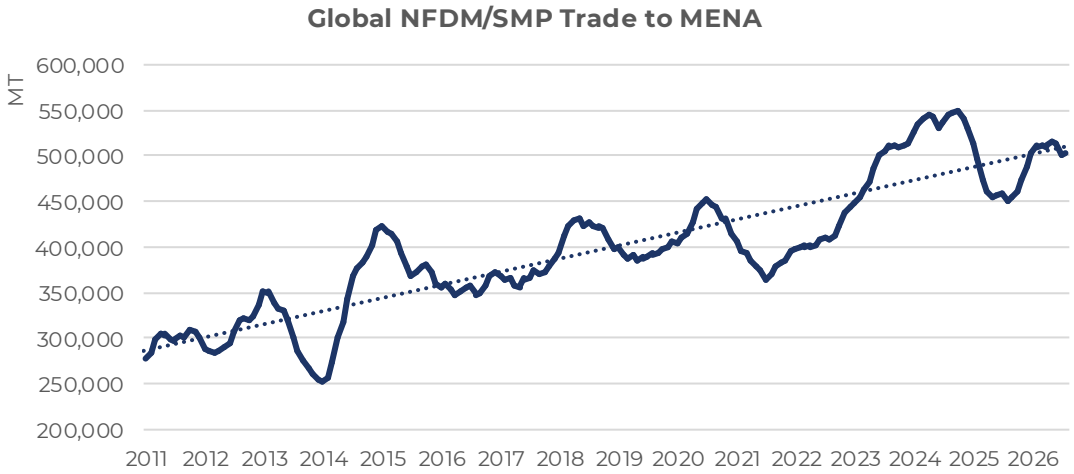


Source: NMPF/USDEC, TDM

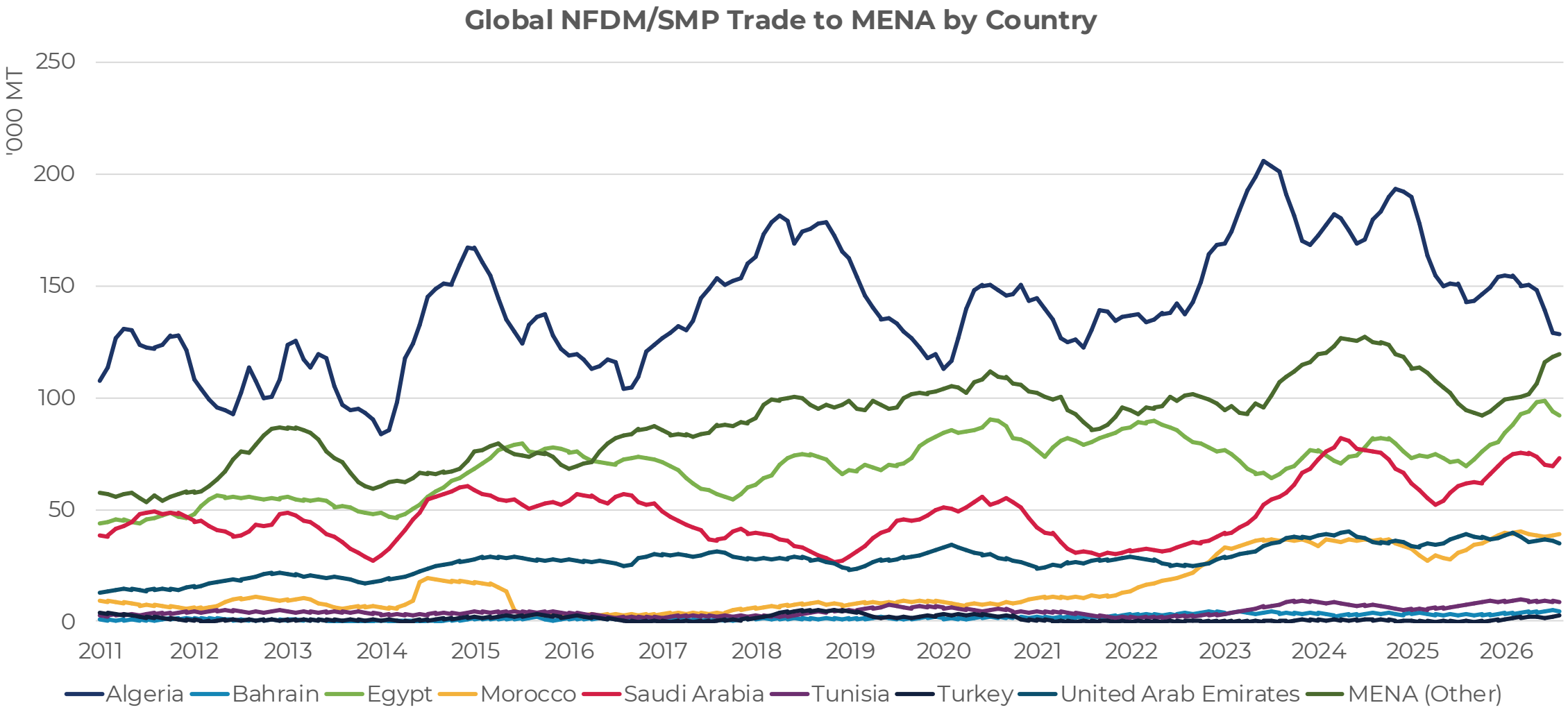
MENA


Global NFDM/SMP Trade to MENA
MT
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay


Global NFDM/SMP Trade to MENA
MT
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024
2025
2026

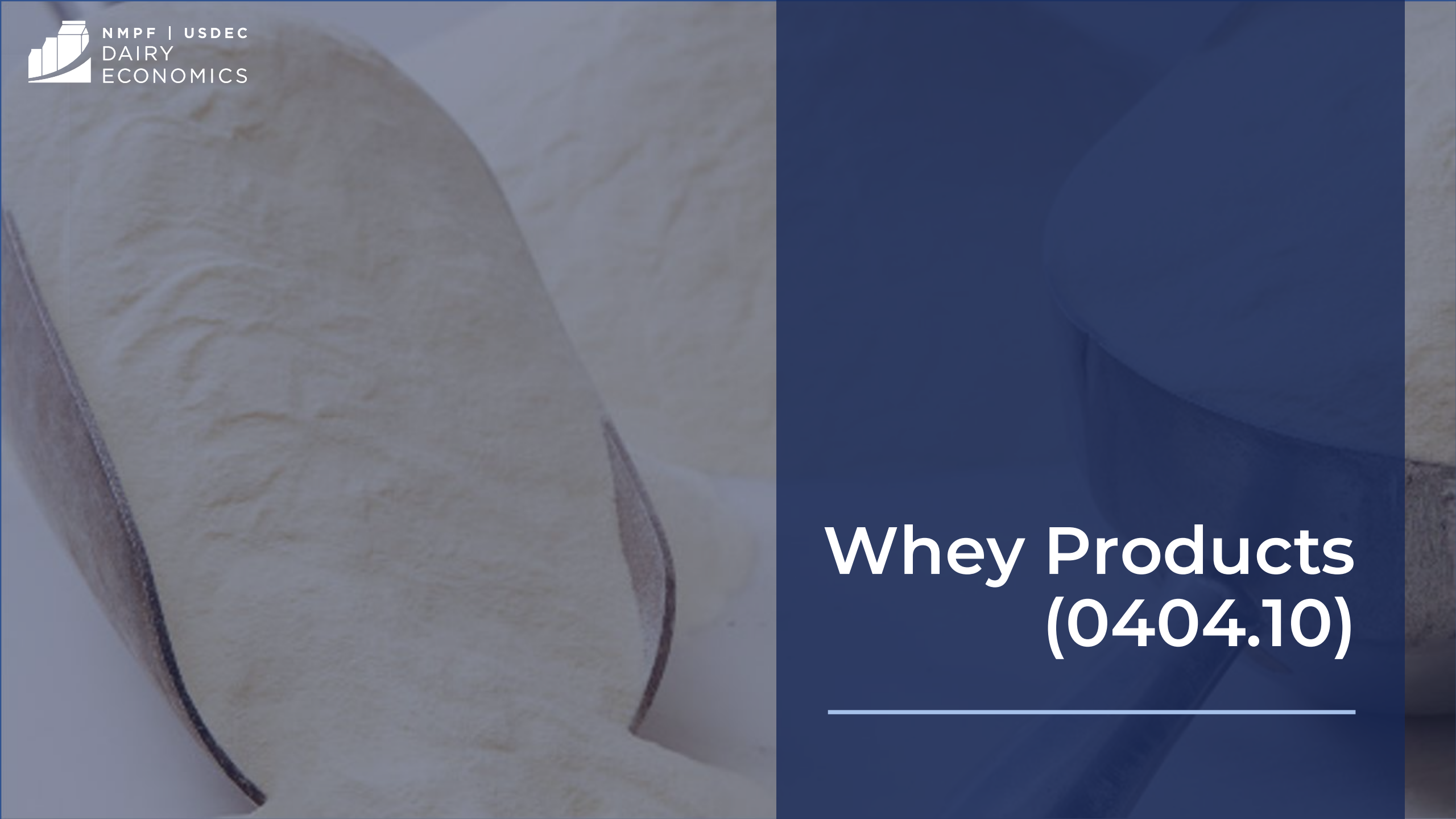

Global NFDM/SMP Trade to MENA
MT
600,000
550,000
500,000
450,000
400,000
350,000
300,000
250,000
200,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

Middle East-North Africa Country Breakdown



Source: NMPF/USDEC, TDM

NMPF | USDEC
DAIRY
ECONOMICS



Whey Products (0404.10)

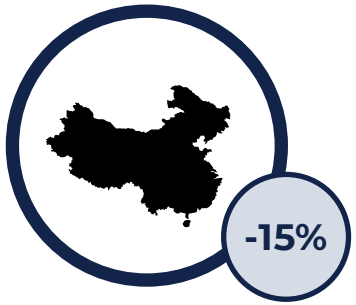
Whey Products (0404.10) Market Commentary

KEY TAKEAWAYS

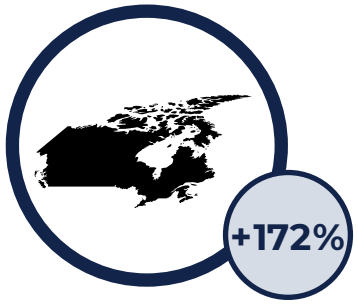
- **There were further signs of recovery in low-protein whey trade which lifted in August (+3.1%, 4,270 MT) for the third month in a row.** The continued recovery boosted global trade in the first eight months of the year by 3% (+29,955 MT).
- **If not for weaker demand from China, which accounted for 30% of global trade in the past year, 2026 global trade would have been double the year-to-date performance**. Low protein whey exports to that country worsened from July to be down 15% (-6,720 MT) in August, pulling the January to August 2026 trade 9% lower (-30,862 MT). Meanwhile the U.S. grew exports to China in that period by 12% due to the sustained demand for whey permeate.
- Exports to Southeast Asia continued to recover, up an impressive 19% (+6,772 MT) in August, which lifted 12-month trade to August by 3% above the prior year, which was almost back to 2024 levels.
- **The continued surge in exports to Canada, up 172% (+4,483 MT) remains an interesting market dynamic. Rolling 12-month trade lifted 85% to 62,969 MT to August, almost offsetting the effect of weaker Chinese demand.**

Global Whey (0404.10) Trade	+3.1%	+2.8%	+2.0%	+4.0%
	Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

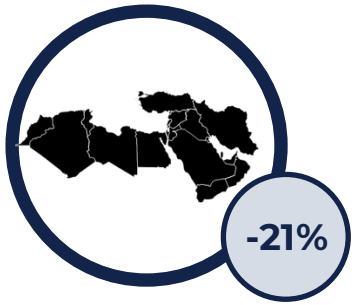
August Standout Markets



CHINA+HK
-6,721 MT



CANADA
+4,484 MT



MENA
-1,604 MT



SOUTHEAST ASIA
+6,772 MT

ADDITIONAL NOTES

Exports to Southeast Asia were 28% of global low protein whey trade in the 12 months to August. The steady recovery in demand from the region has sustained global trade volumes, which grew just 2% in that period. While the region has represented 34% the growth in rolling 12-month global trade (behind the surge in shipments to Canada) the recovery in recent months was more impressive. The rebuild in Indonesia's demand was the primary driver of Southeast Asian growth (+50%, +4,517 MT), while gains in Vietnam offset the slowing of trade with Thailand in the past year. In the eight months of 2026 Indonesia had 22% of the region's low-protein whey trade, as volumes lifted 28% (+20,179 MT). In annual terms Indonesia's demand was still 13% below the previous annual high set in 2024. Vietnam's demand has improved more consistently over time, lifting 15% (+7,948 MT) year to date. EU exporters continued to enjoy most of the spoils from growth in this regional trade, with 62% of 2026 gains to date, but in Indonesia, U.S. exporters have won the largest share, at 47% of growth in that period.

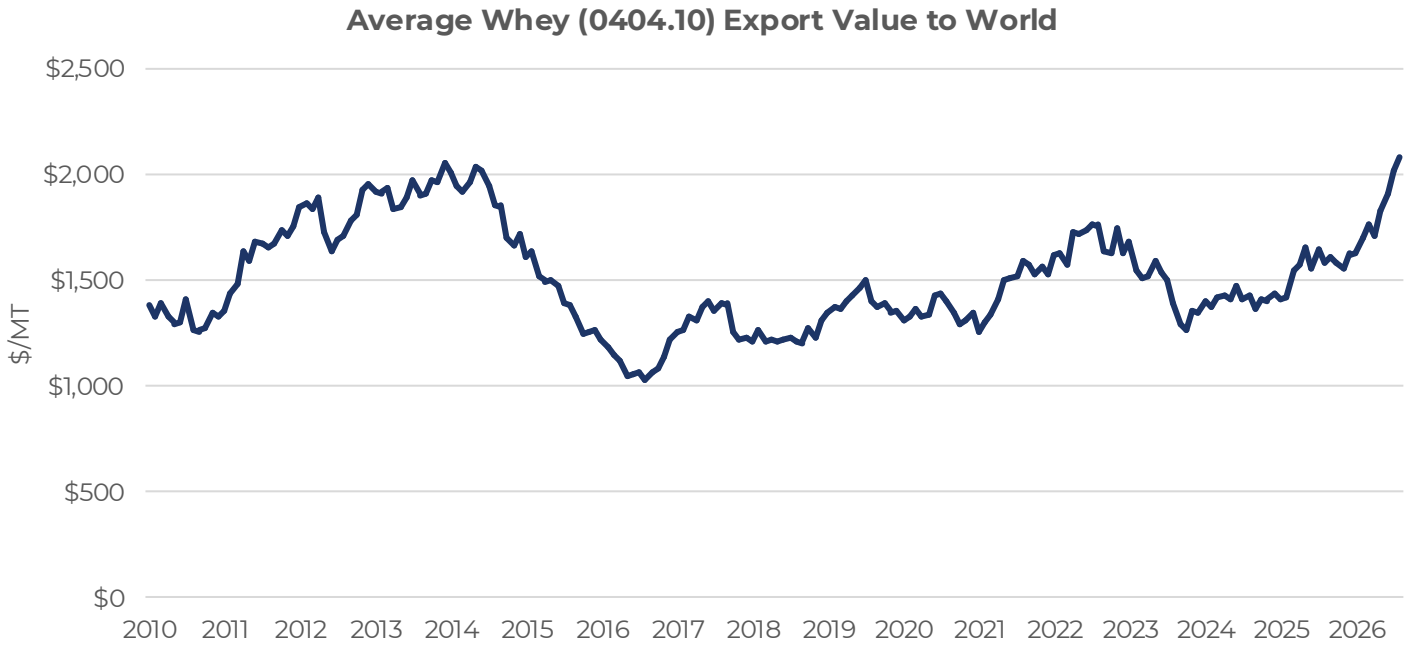
Source: NMPF/USDEC, TDM

Whey Products (0404.10) Market Commentary

LOOKING AHEAD

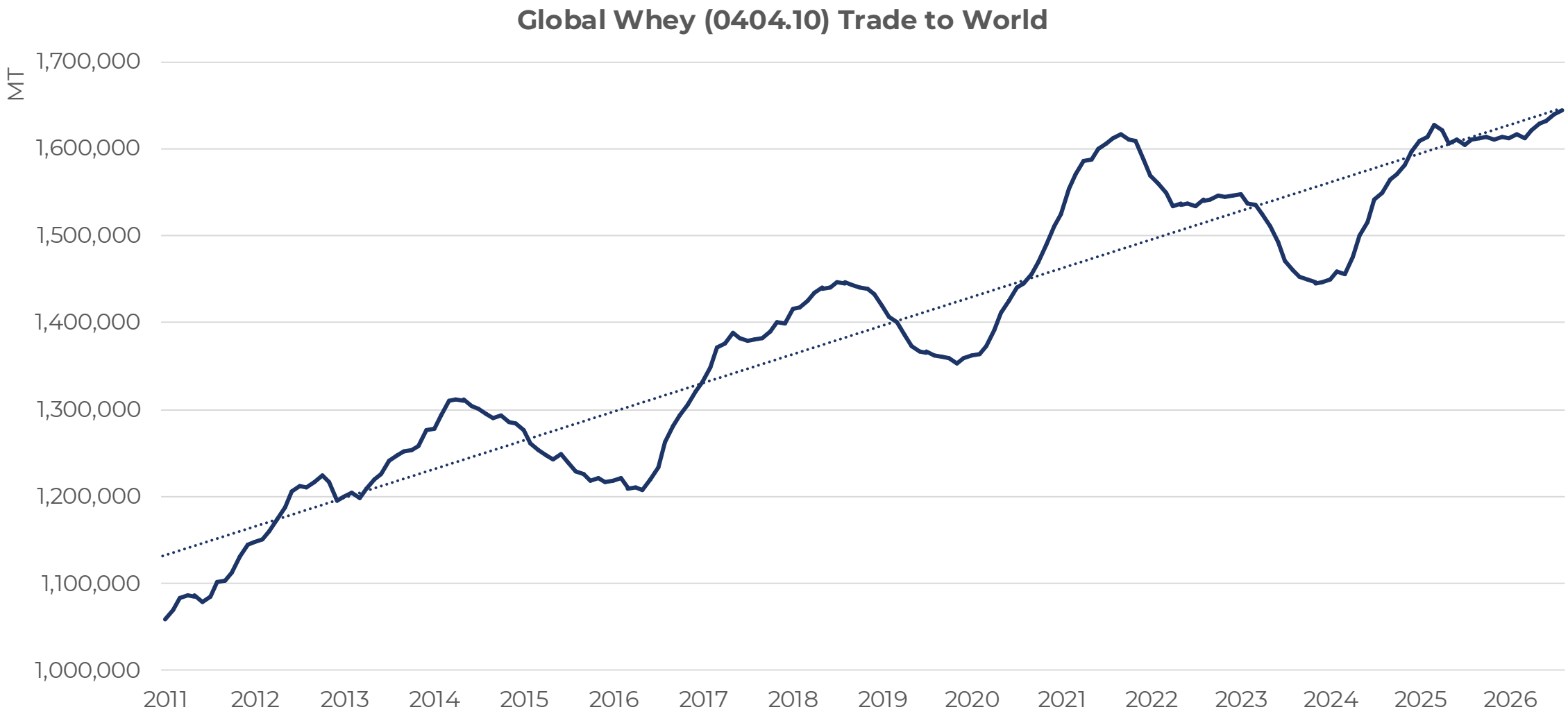
- Global demand for low protein whey remains positive (+3% YTD), but the mix of products and markets within the broad category is diverse.
- **The global average export value of low protein whey remains elevated and continues to test buyers' willingness to pay. Sustained demand for high-protein products will continue to constrict the availability of whey solids for dry and sweet whey powder.**
- **Product prices for most whey products continued to push higher in August trade**. Since that time EU27 sweet whey quotes have lifted sharply, while U.S. prices remained relatively steady, which may improve U.S. exporters' prospects in coming months. EU average export values were generally higher than $2,700 MT in August (U.S. average $2,261 MT, with a portion of whey permeate), with a divergence in prices and product mix across markets.
- **With some expected pressure on high-protein prices resulting from increased U.S. product availability and buyers balking at already high prices, whey permeate prices may come under further pressure with added supply. This may continue to support U.S. whey permeate trade, while higher-value whey powder trade (especially from the EU27) may be challenged.**

U.S. Whey (0404.10) Exports	**+25.5%** Aug YoY	**+18.7%** YTD, Ending Aug	**+12.6%** Last 12-Months, Ending Aug	**+4.1%** 3-Year CAGR
EU Whey (0404.10) Exports	**-10.6%** Aug YoY	**-5.5%** YTD, Ending Aug	**-1.6%** Last 12-Months, Ending Aug	**+2.2%** 3-Year CAGR
NZ Whey (0404.10) Exports	**+362%** Aug YoY	**+61.6%** YTD, Ending Aug	**+35.3%** Last 12-Months, Ending Aug	**+3.0%** 3-Year CAGR



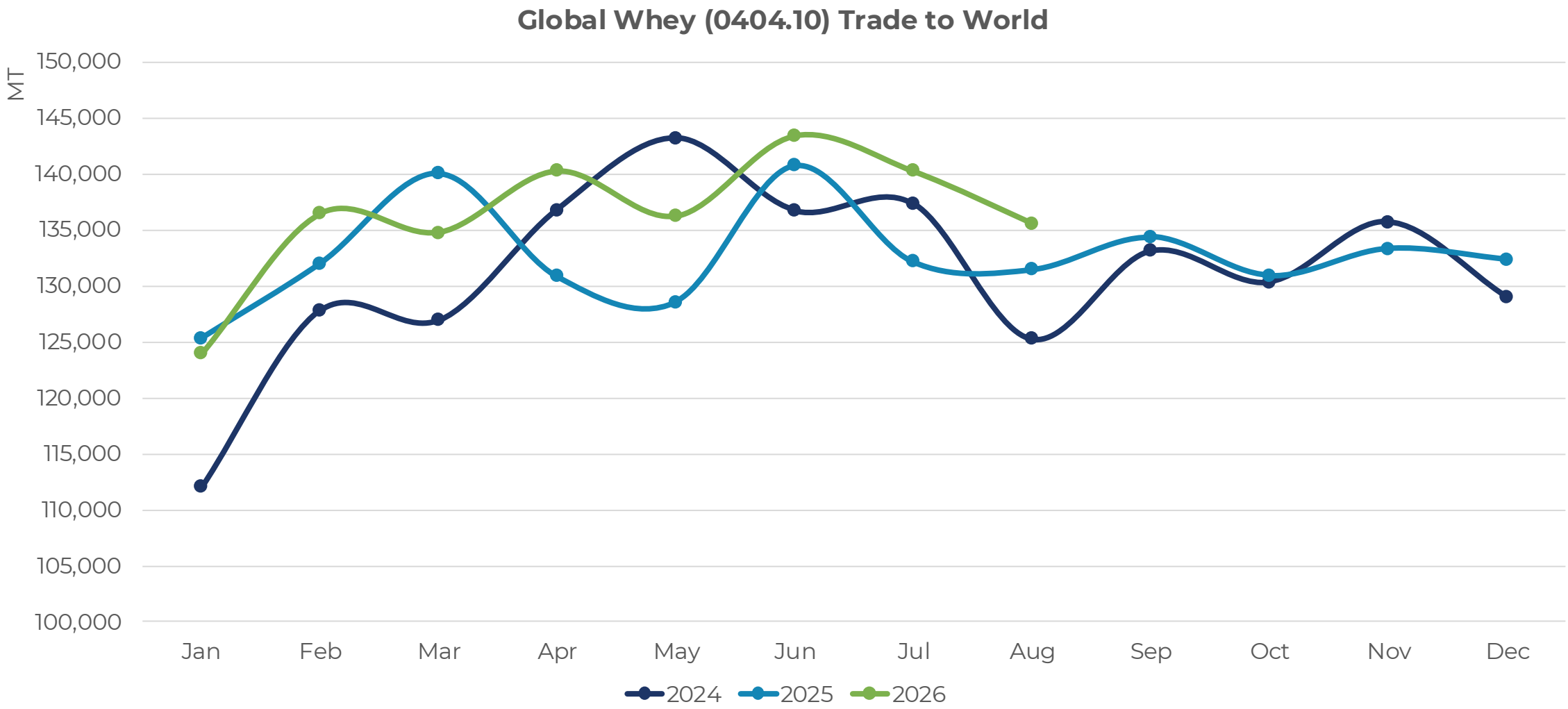
Source: NMPF/USDEC, TDM

Global Overview: Whey (0404.10)

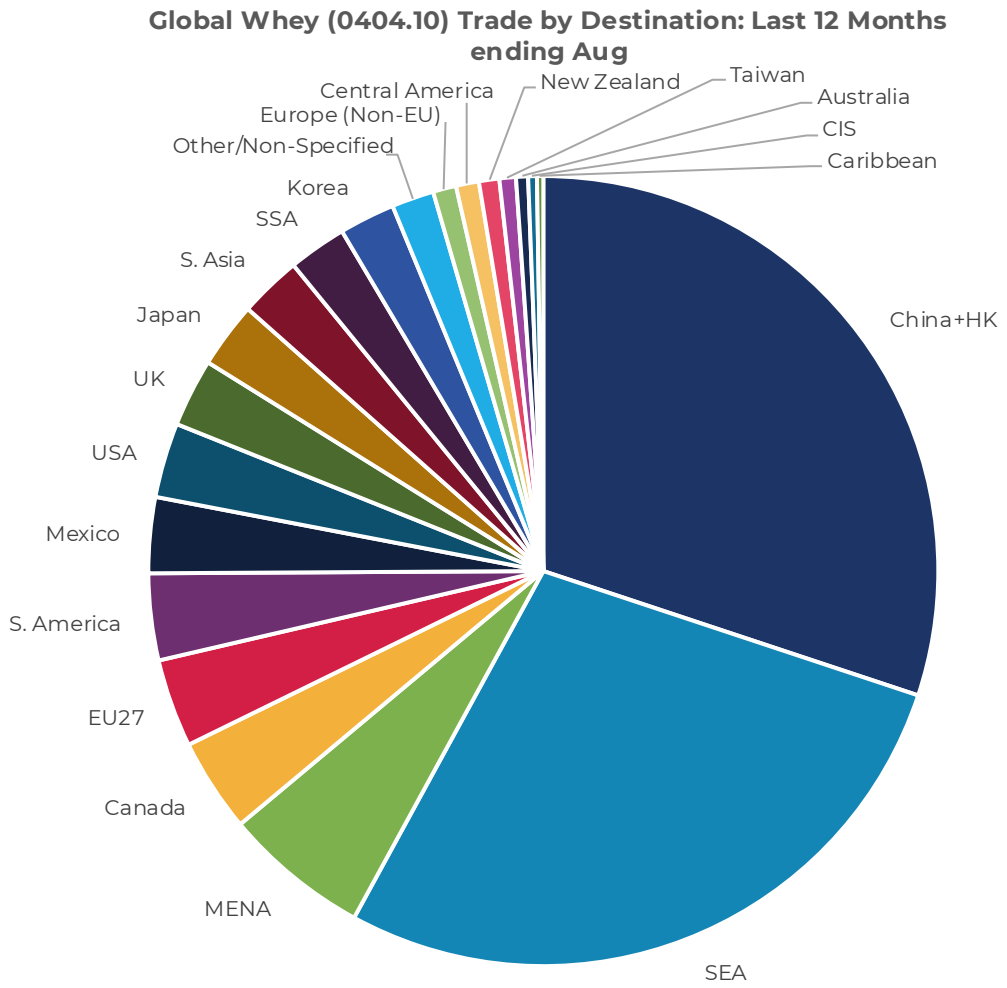


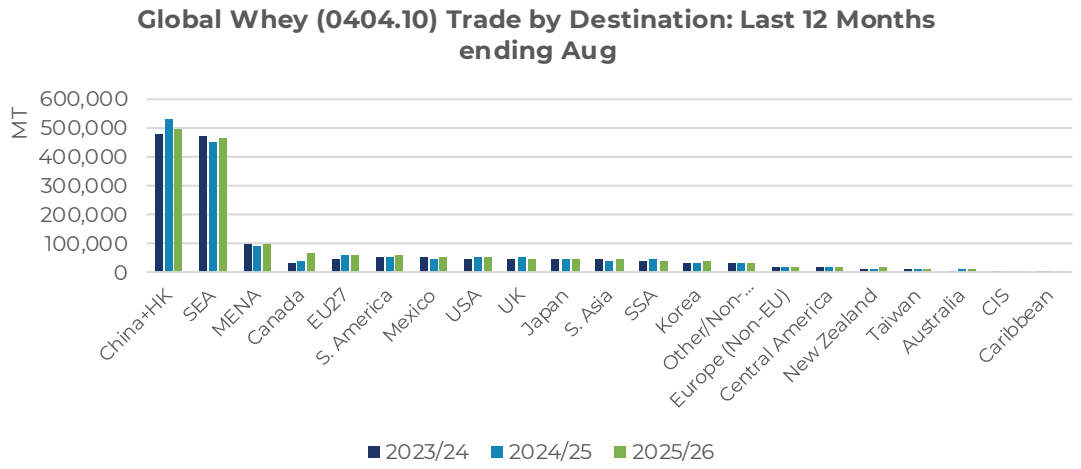
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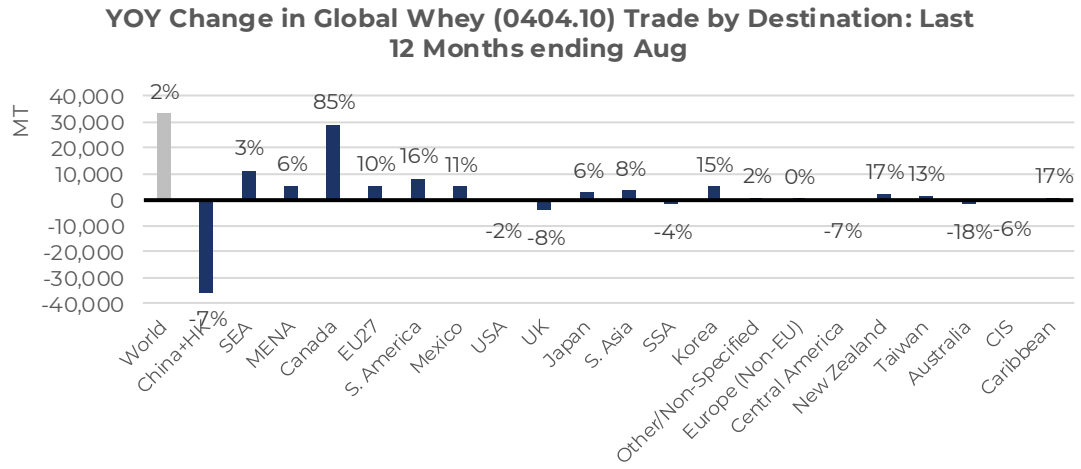
Global Overview: Whey (0404.10)



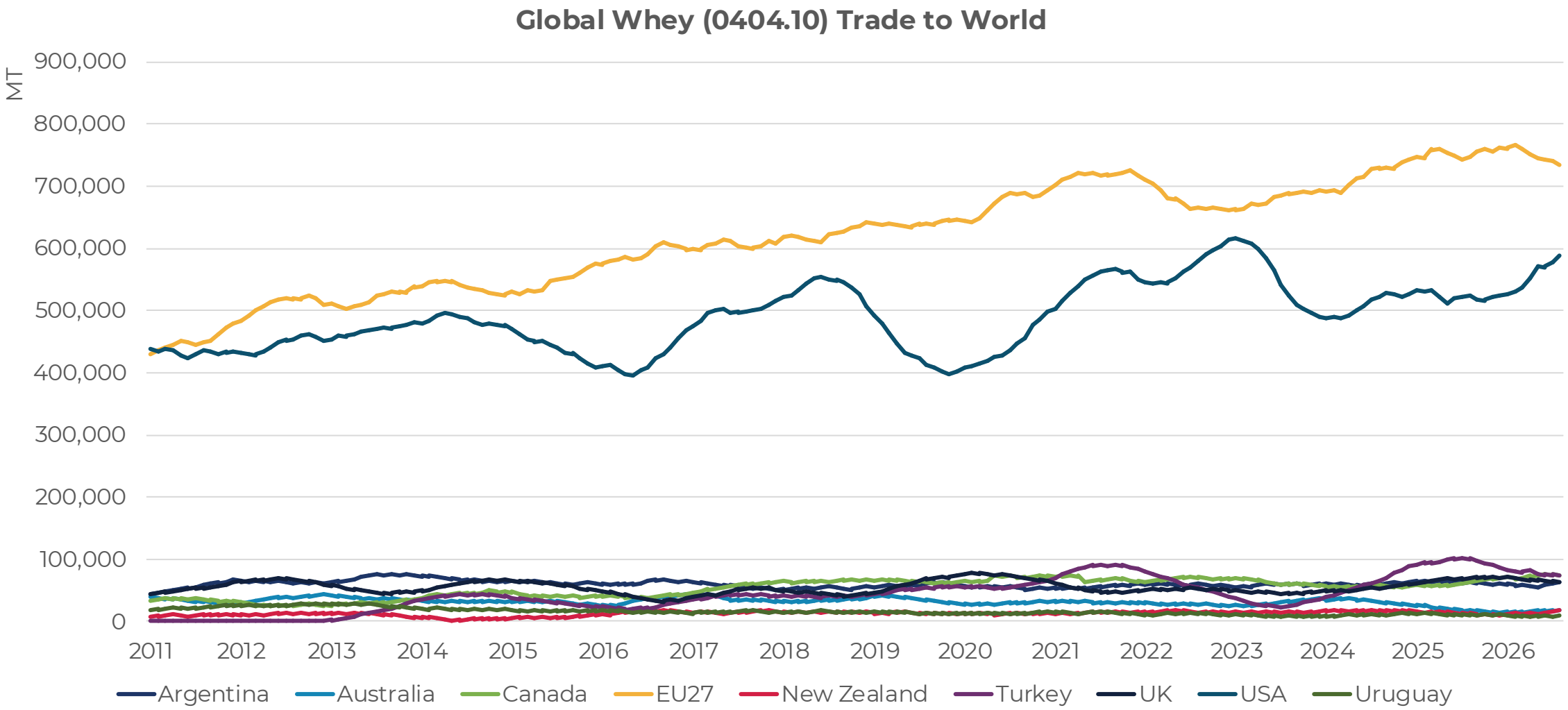
Global Overview: Whey (0404.10) – Last 12 Months



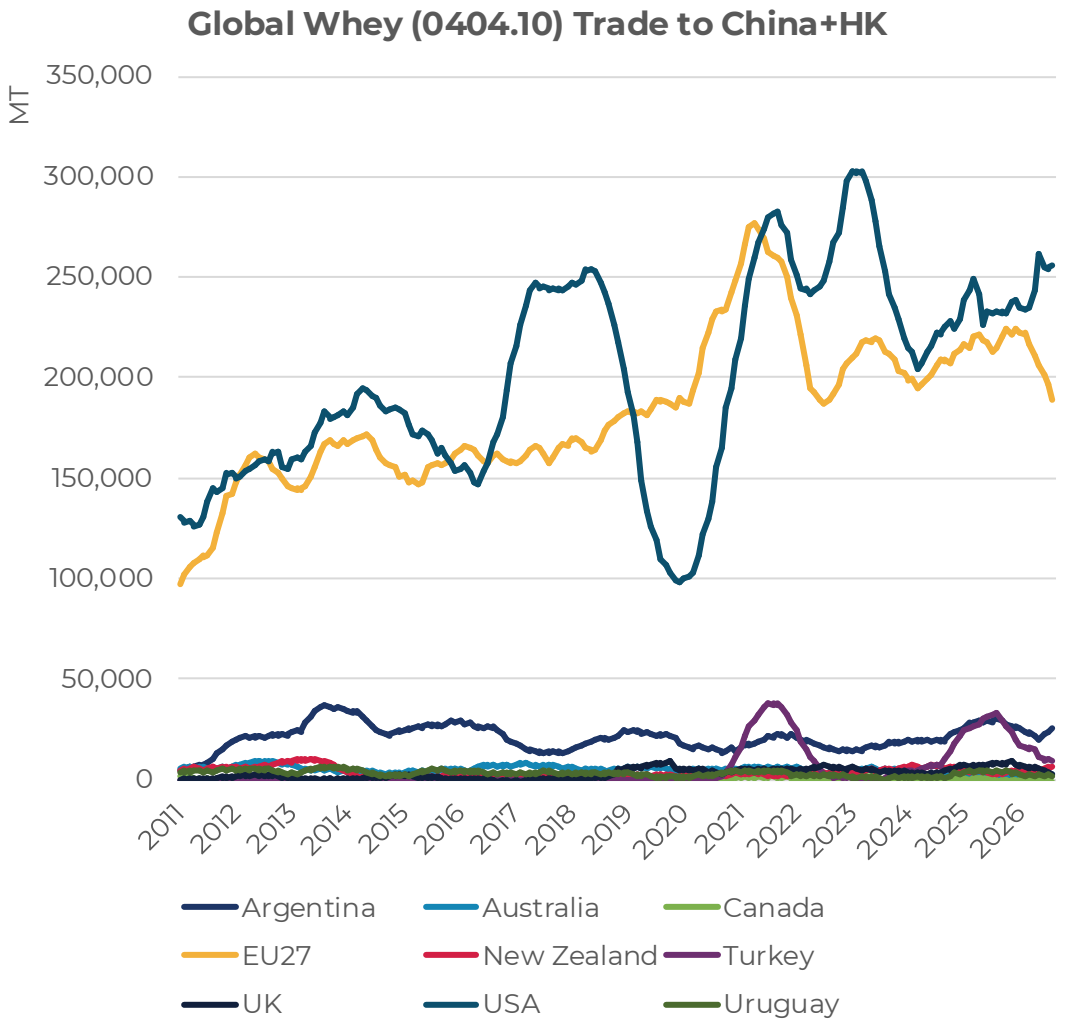




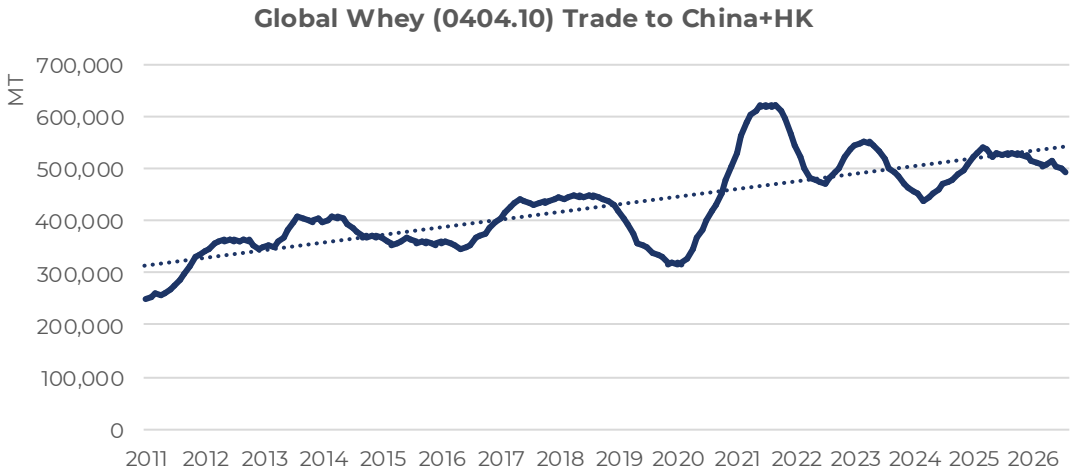
Trade Flows: Whey Products



China

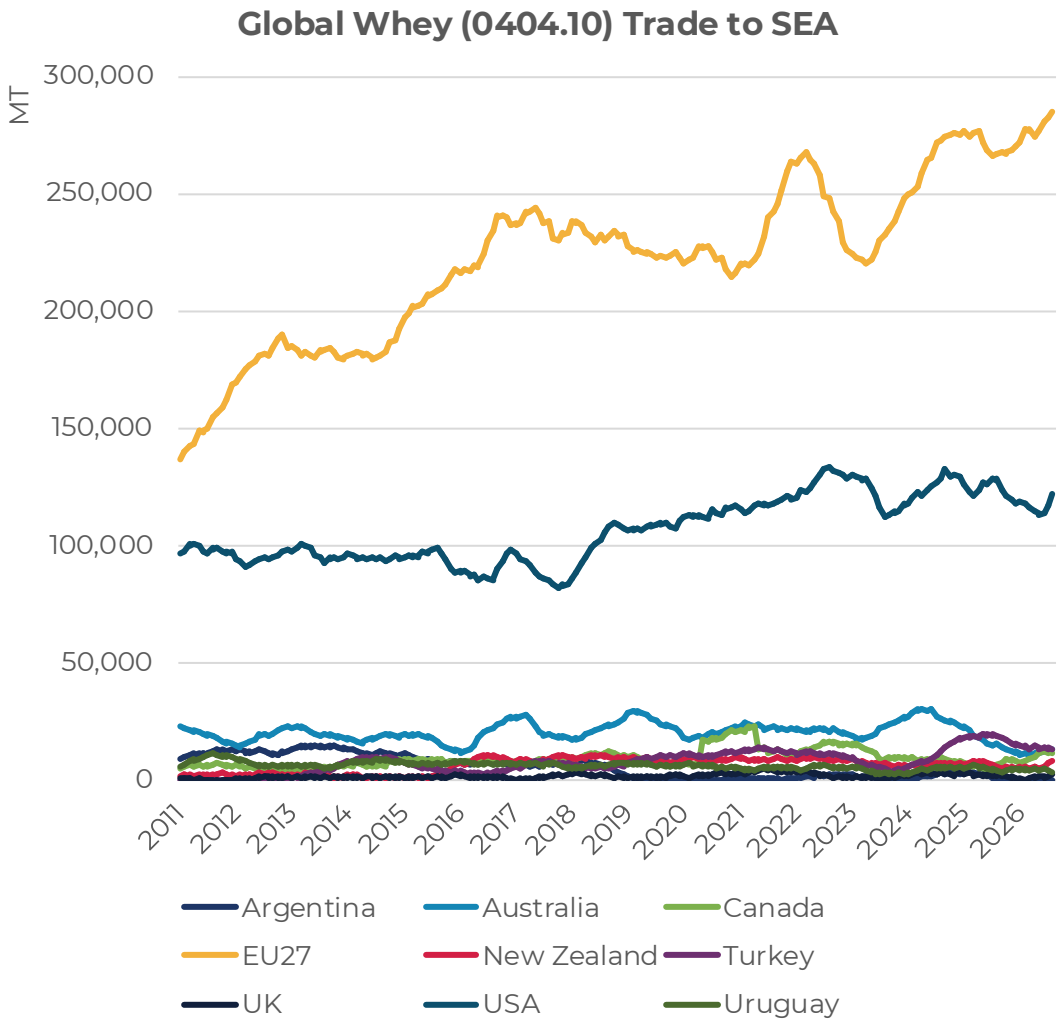


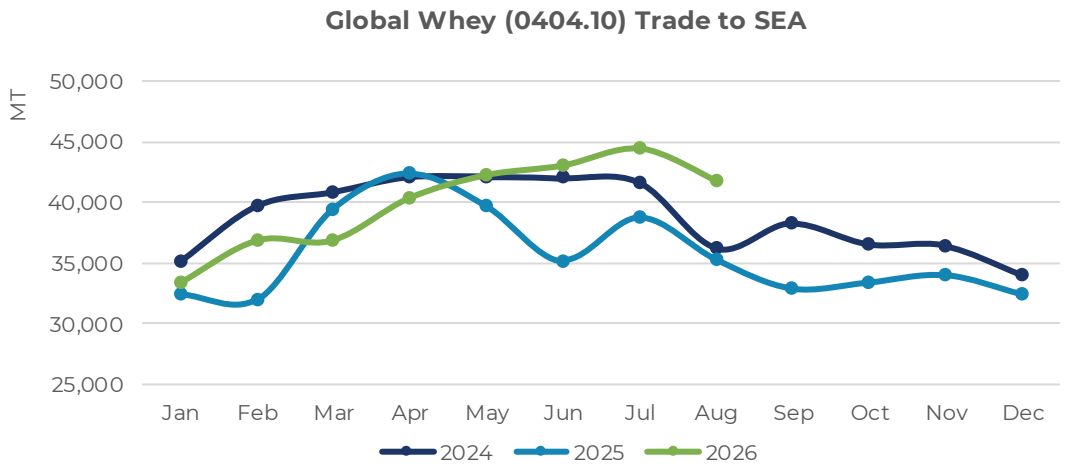


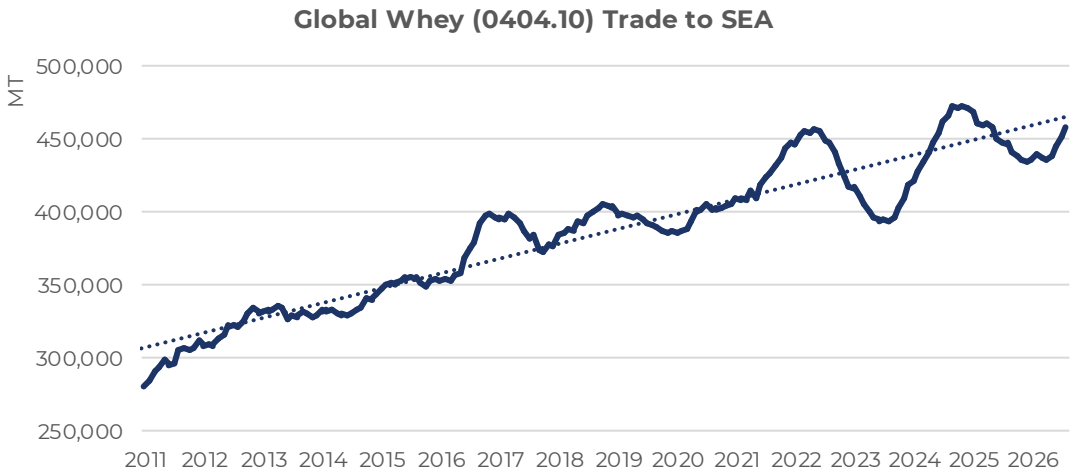


Source: NMPF/USDEC, TDM

Southeast Asia

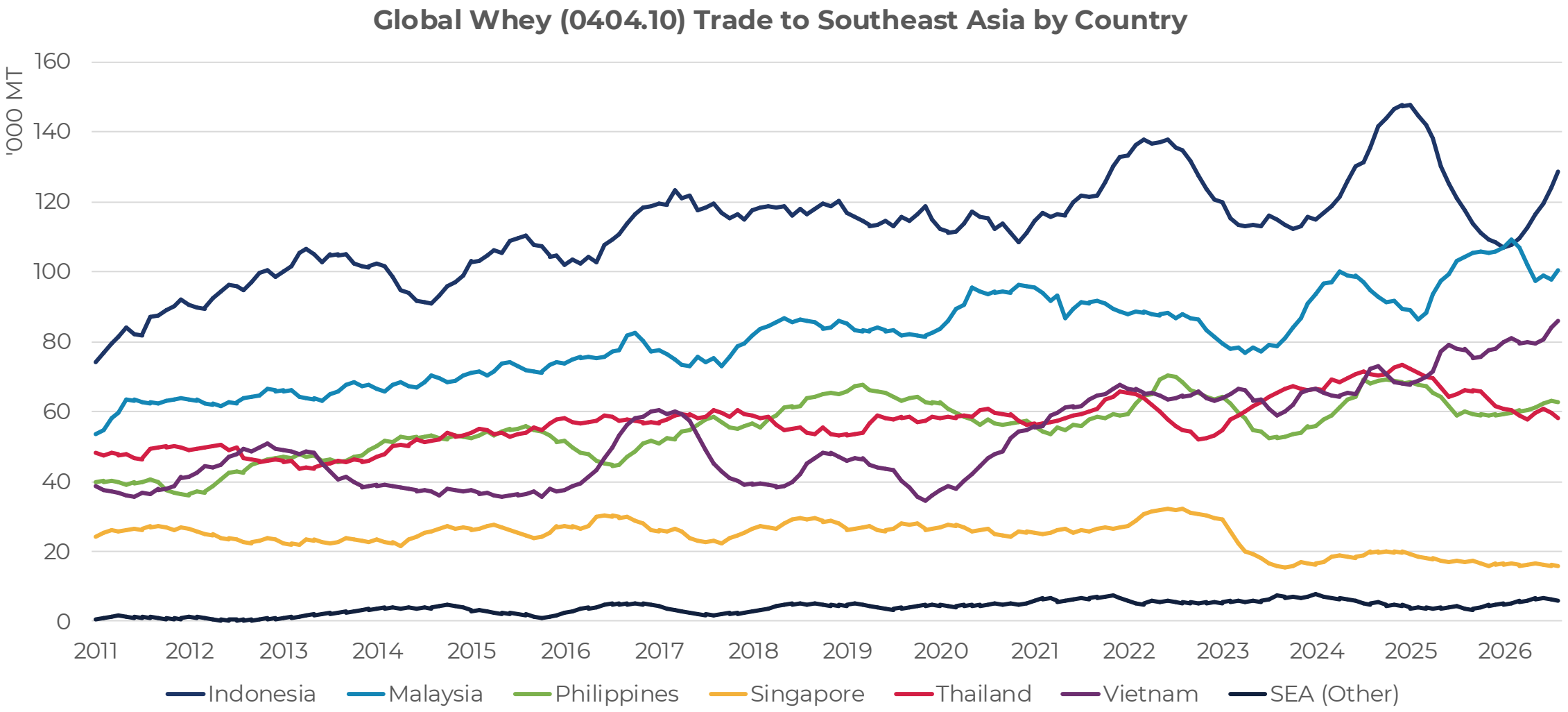






Source: NMPF/USDEC, TDM

Southeast Asia Country Breakdown



NMPF | USDEC
DAIRY
ECONOMICS



WPC80+ (3502.20)

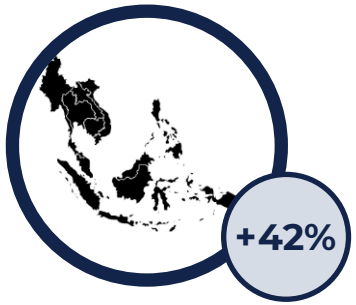
WPC80+ (3502.20) Market Commentary

KEY TAKEAWAYS

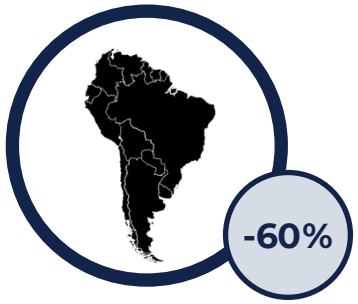
- Global high protein whey trade took another step back (-6%, -813 MT) in August, marking the second consecutive month that volumes trailed prior year levels. Totaling just 13,367 MT, **August marked the lowest traded volume in a year and underscored the persistent tension that manufacturers face between serving domestic and international customers.**
- While the overall tone of WPC80+ trade leaned bearish, a review of the underlying destinations reveals much more nuanced performance. To the downside, trade to South America was drastically lower (-60%, -871 MT) in August, driven especially by slower shipments to Brazil (-69%, -596 MT) where high prices and accelerating domestic production have discouraged imports of high protein whey ingredients. South America's declines were compounded by weaker shipments to the U.S. (-58%, -434 MT) and Canada (-25%, -236 MT).
- Meanwhile, shipments to the EU soared, rising by 28% (+503 MT) YOY further emphasizing burgeoning demand in the region. Trade was also notably stronger to SEA (+42%, +304 MT) and India (+18%, +267 MT) highlighting the role that developing economies may play in pushing WPC80+ demand upward.

Global WPC80+ Trade	-5.7%	-4.0%	-2.9%	+3.7%
	Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

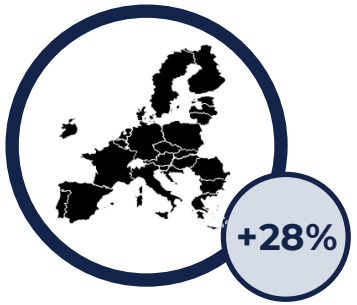
August Standout Markets



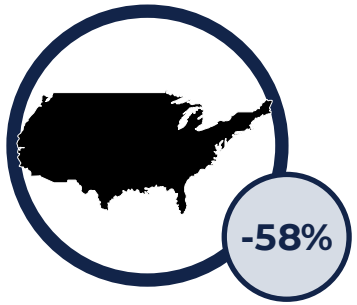
SOUTHEAST ASIA
+304 MT



SOUTH AMERICA
-871 MT



EU27
+503 MT



USA
-434 MT

ADDITIONAL NOTES

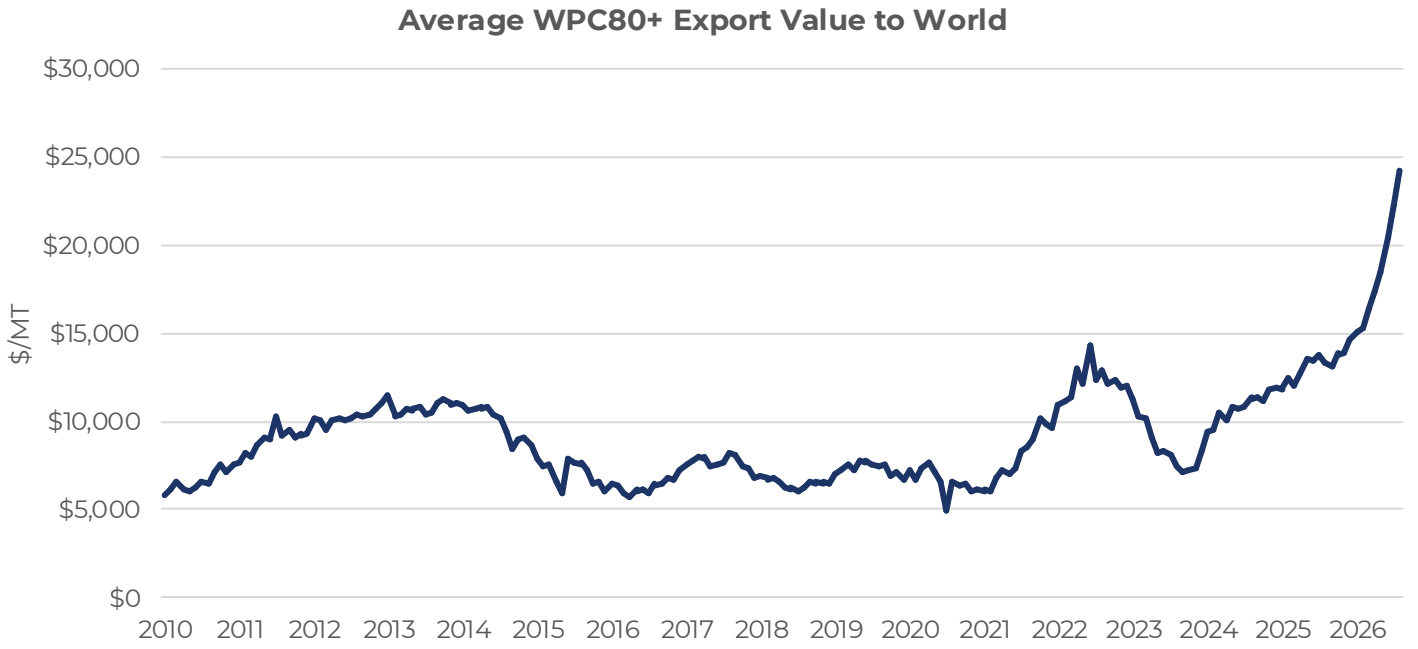
Protein demand in the U.S. continues to surge as consumers seek ever larger amounts of the macronutrient to support their lifestyles. Even as U.S. production of high value whey ingredients like WPI and WPC80 continues to rise, domestic demand has been so strong that manufacturers continue to prioritize serving domestic consumers at the expense of exports. While still the largest global supplier, this has caused the U.S. to cede share of global WPC80+ trade. In August, the U.S. accounted for just 41% of global trade, down from 49% share during the same month a year prior. European suppliers have been keen to step in and fill the gap with volumes up from both the European Union and the UK. While demand for high value whey proteins is also strong in Europe, even pushing imports higher, it appears that supply is sufficient to route growing volumes into the global market.

WPC80+ (3502.20) Market Commentary

LOOKING AHEAD

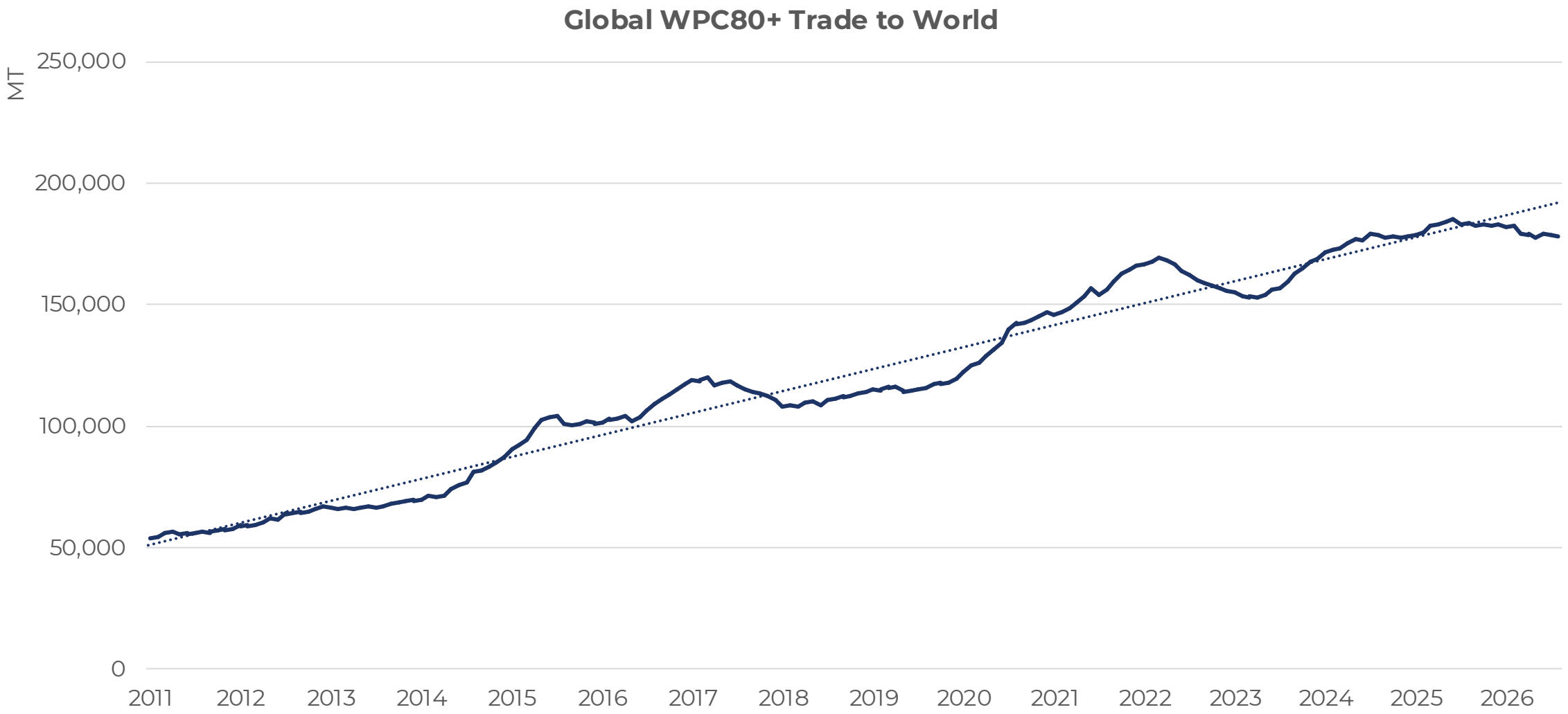
- **The fundamental demand for protein is not expected to retreat in the near term. Consumers continue to seek elevated protein levels in their diets while demonstrating a distinct preference for whey protein, trends which should help to support robust trade for WPC80+ in the coming months.**
- Importantly, **price moderation is poised to further boost consumer demand**. The average export value for WPC80+ rose to a new record high of $24,196/MT in August, up nearly $11,000 from a year earlier. But WPC80 prices have begun to weaken substantially in recent weeks. Since the beginning of September WPC80 prices in the US and EU have fallen by 21% and 32%, respectively. EU WPI prices have also eased by a more modest 12% while U.S. WPI prices have held steady. It will take time for these lower prices to surface in the trade data but they are likely to help bolster demand, particularly from more price sensitive consumers.
- In the near term, Europe is likely to continue to be the major benefactor of rising global demand for WPC80+. While U.S. production should continue to rise as capacity is upgraded and more efficiently utilized, domestic demand is likely to absorb most of the new volumes.

U.S. WPC80+ Exports	**-20.6%** Aug YoY	**-19.6%** YTD, Ending Aug	**-13.3%** Last 12-Months, Ending Aug	**-1.5%** 3-Year CAGR
EU WPC80+ Exports	**+9.4%** Aug YoY	**+7.5%** YTD, Ending Aug	**+4.0%** Last 12-Months, Ending Aug	**+6.9%** 3-Year CAGR
NZ WPC80+ Exports	**-13%** Aug YoY	**+4.9%** YTD, Ending Aug	**-2.0%** Last 12-Months, Ending Aug	**+0.9%** 3-Year CAGR



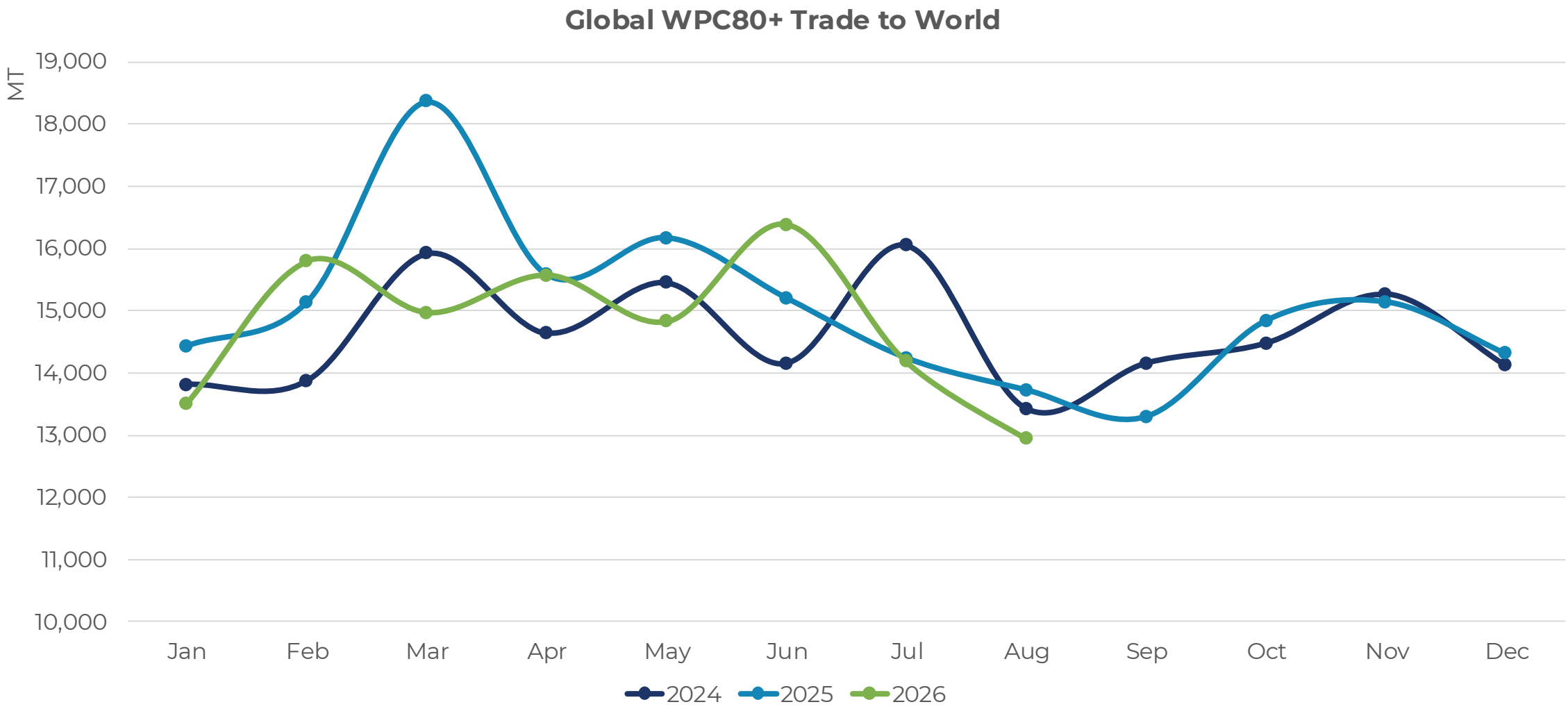
Source: NMPF/USDEC, TDM

Global Overview: WPC80+

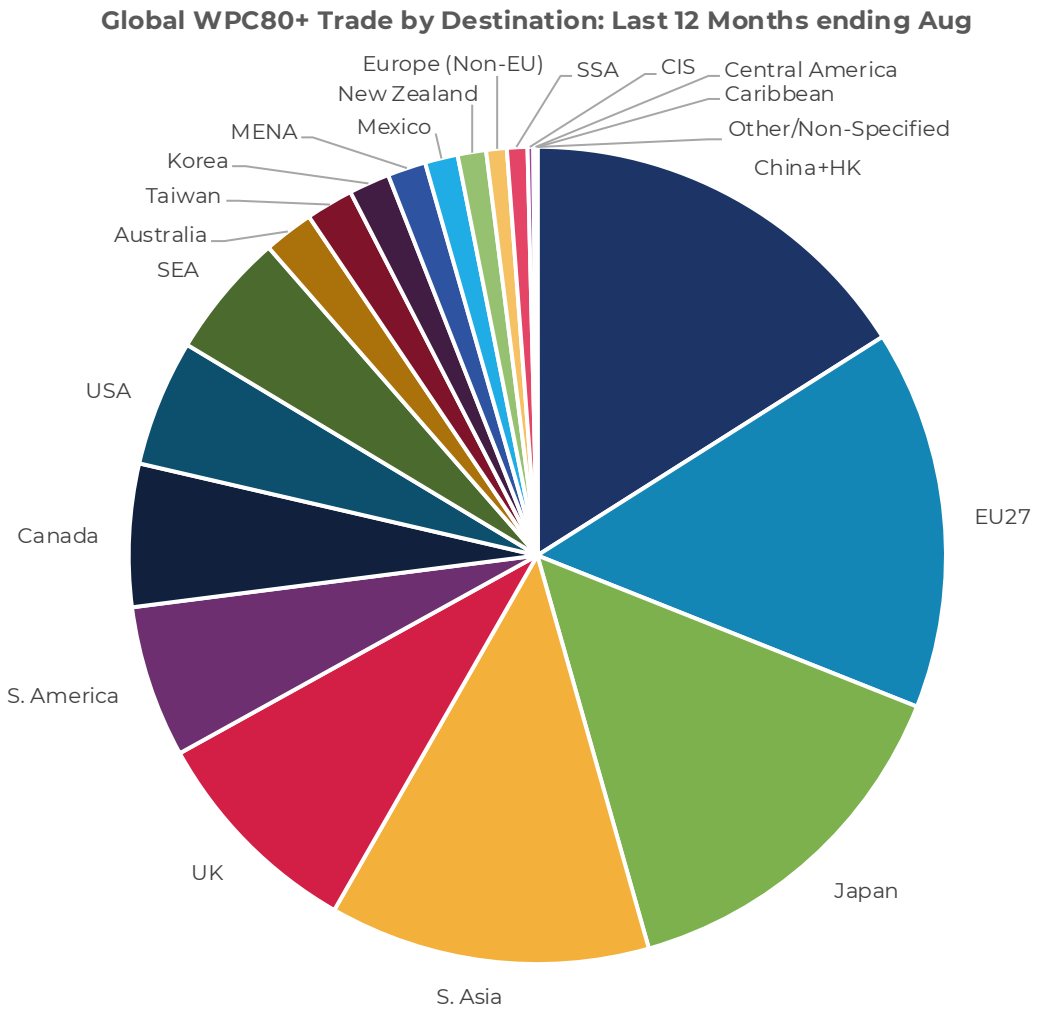


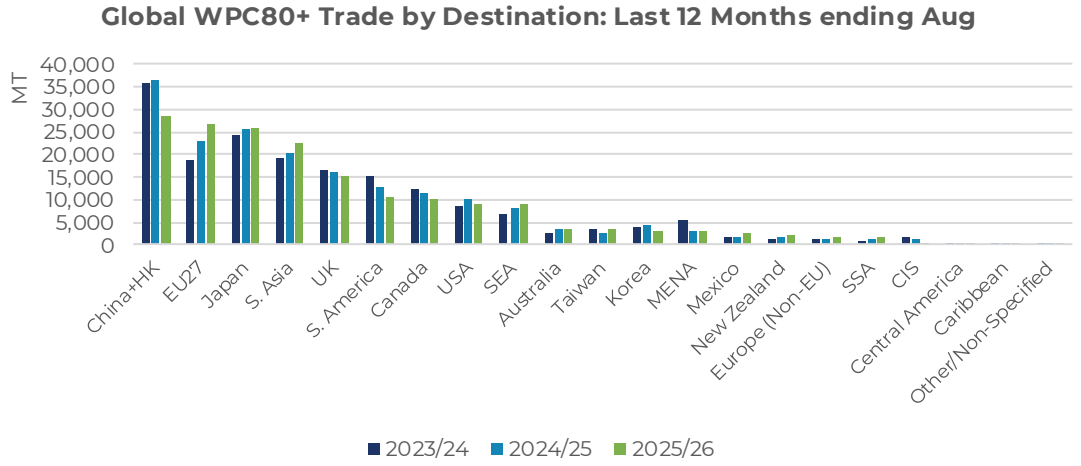
Source: NMPF/USDEC, TDM

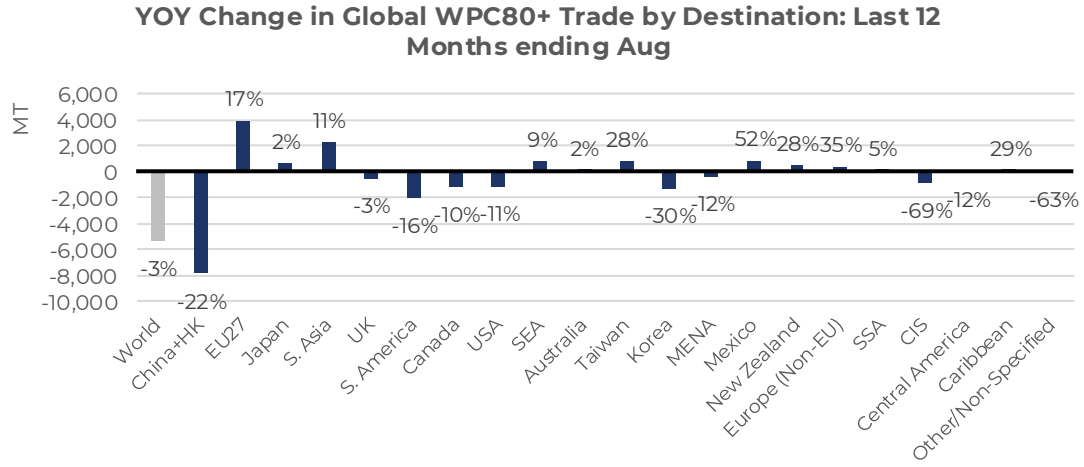
Global Overview: WPC80+



Global Overview: WPC80+ – Last 12 Months

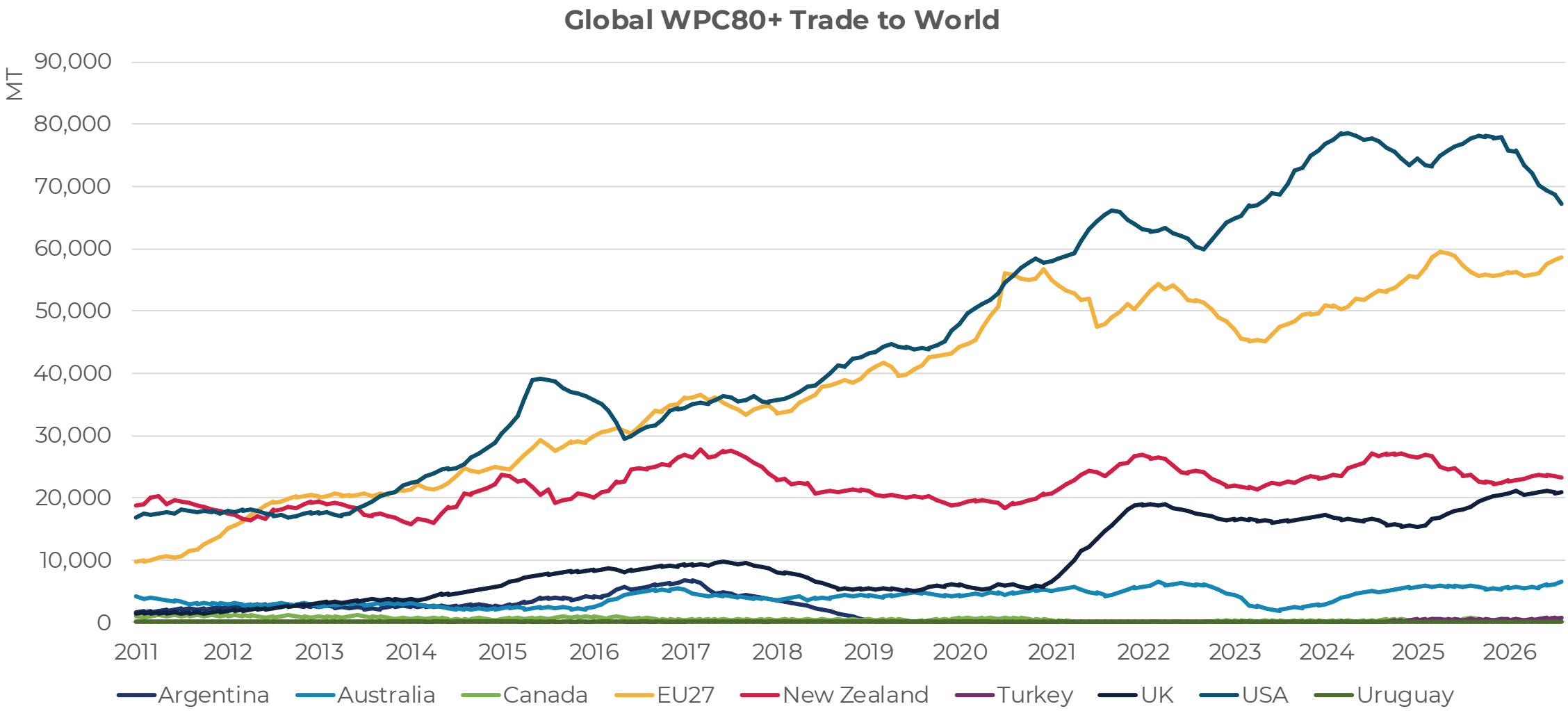




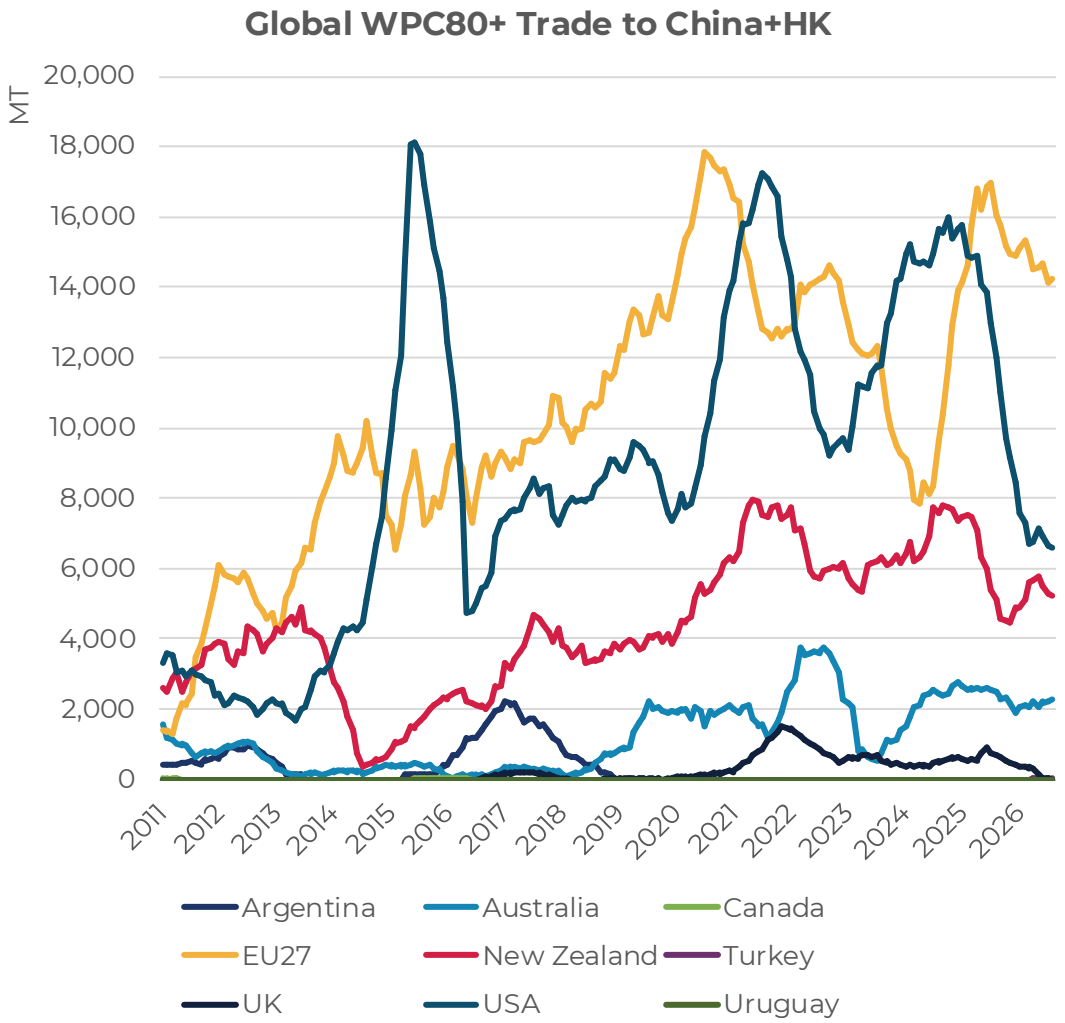


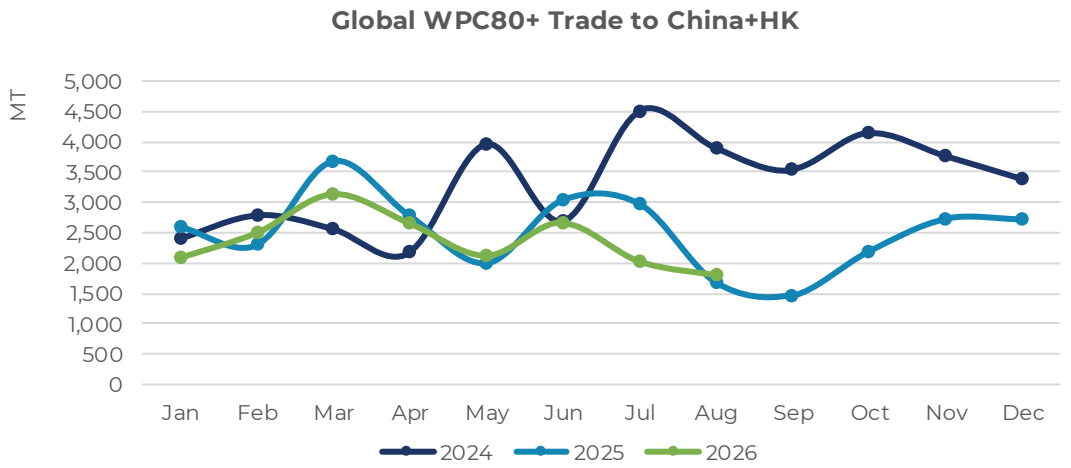
Source: NMPF/USDEC, TDM

Trade Flows: WPC80+



China

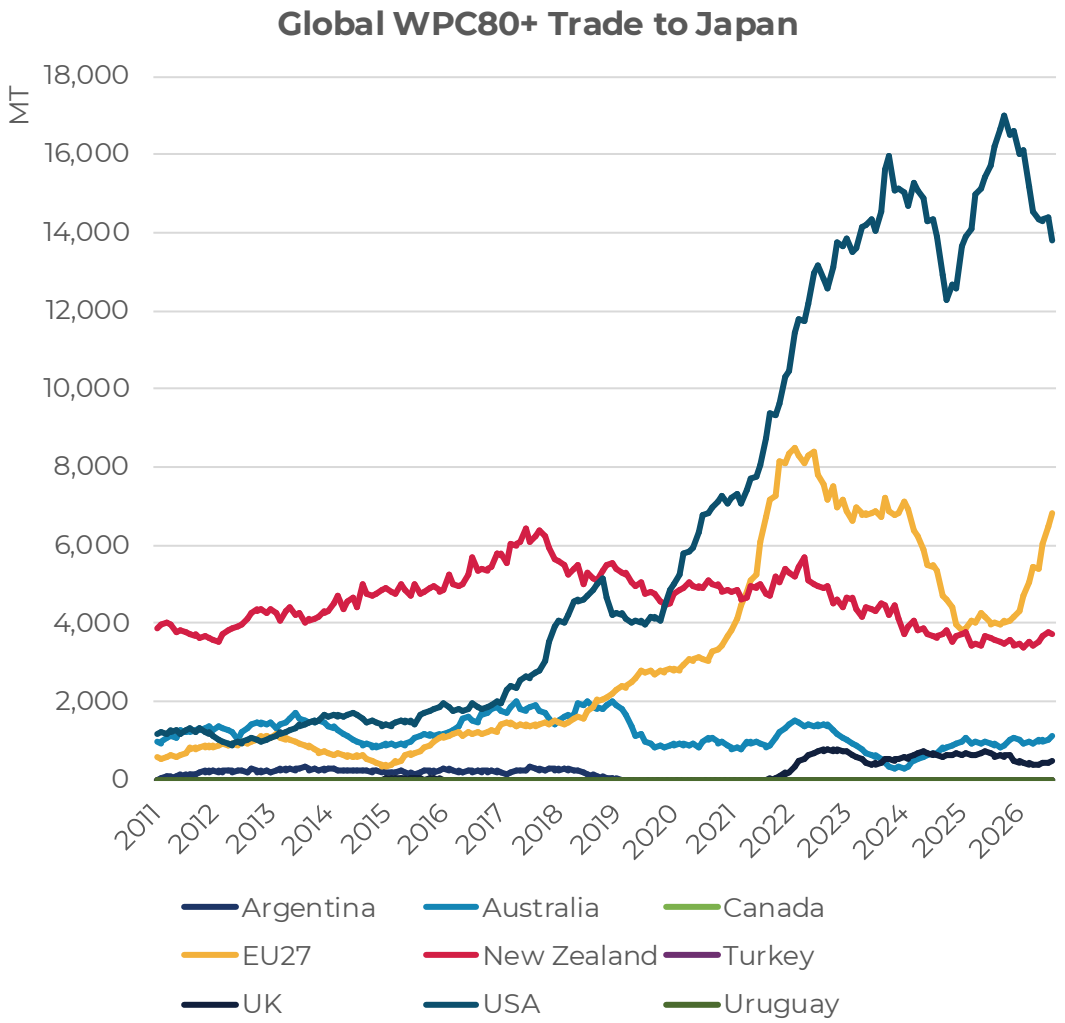


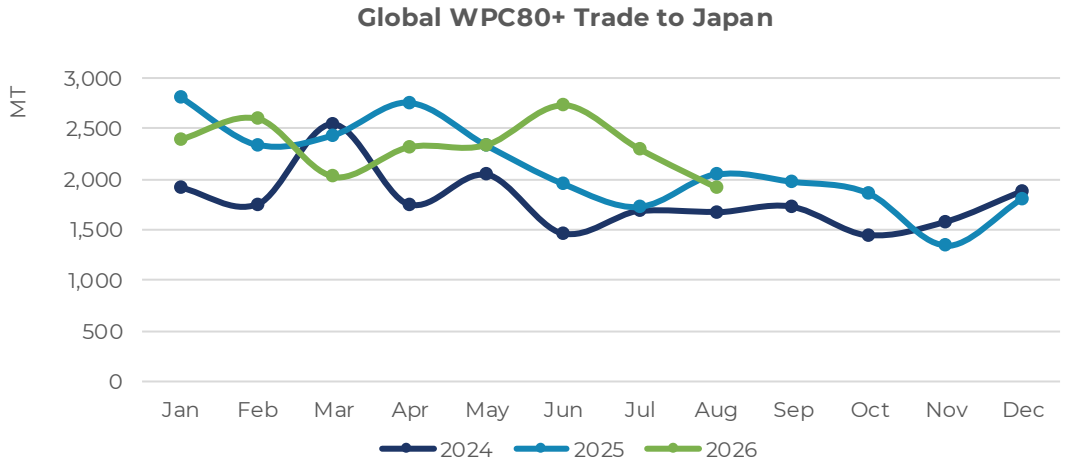


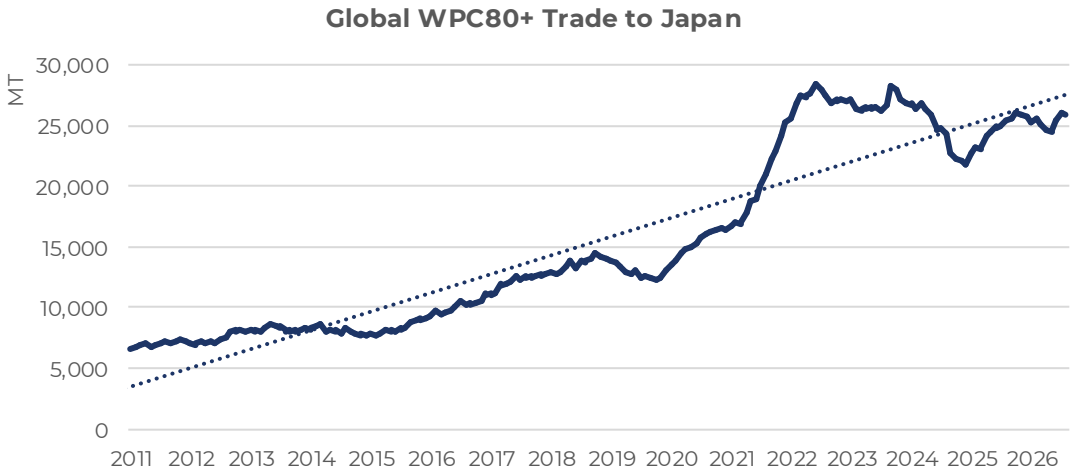


Source: NMPF/USDEC, TDM

Japan

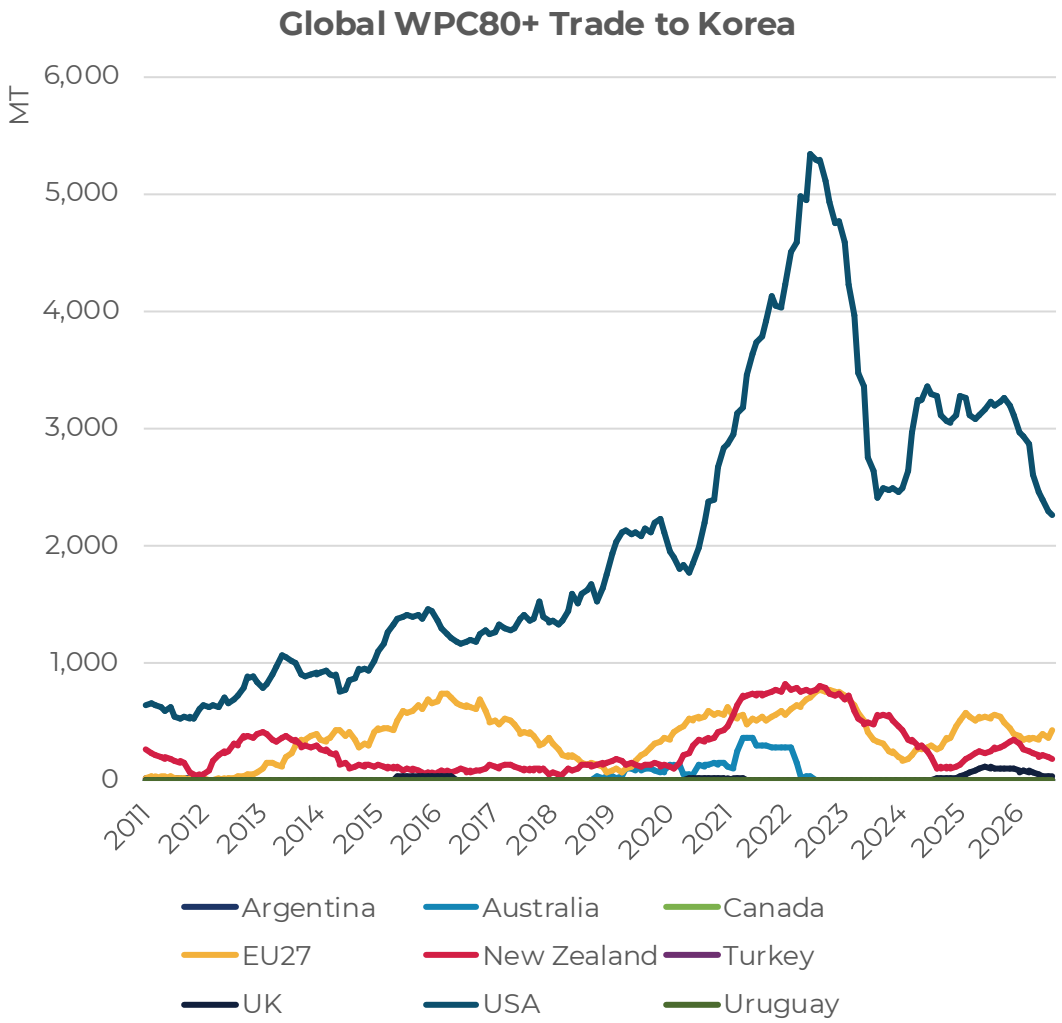


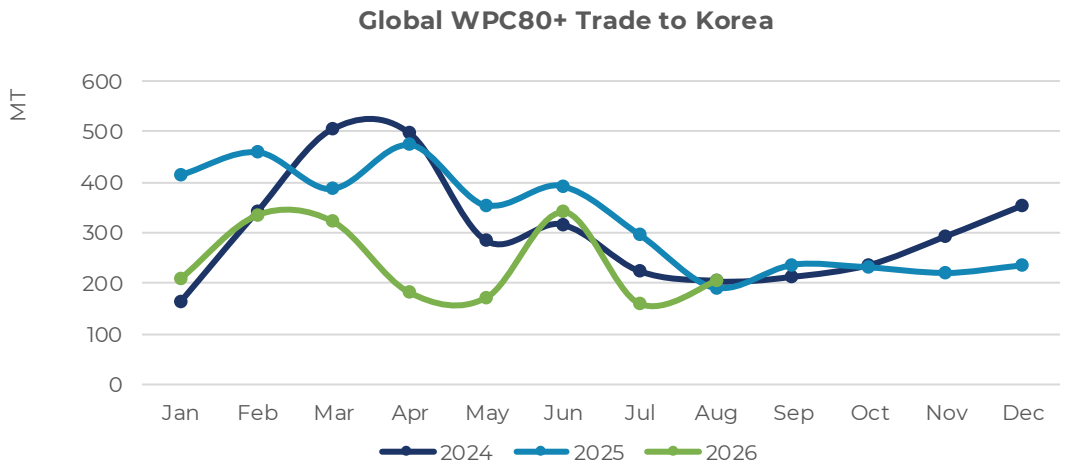




Source: NMPF/USDEC, TDM

Korea

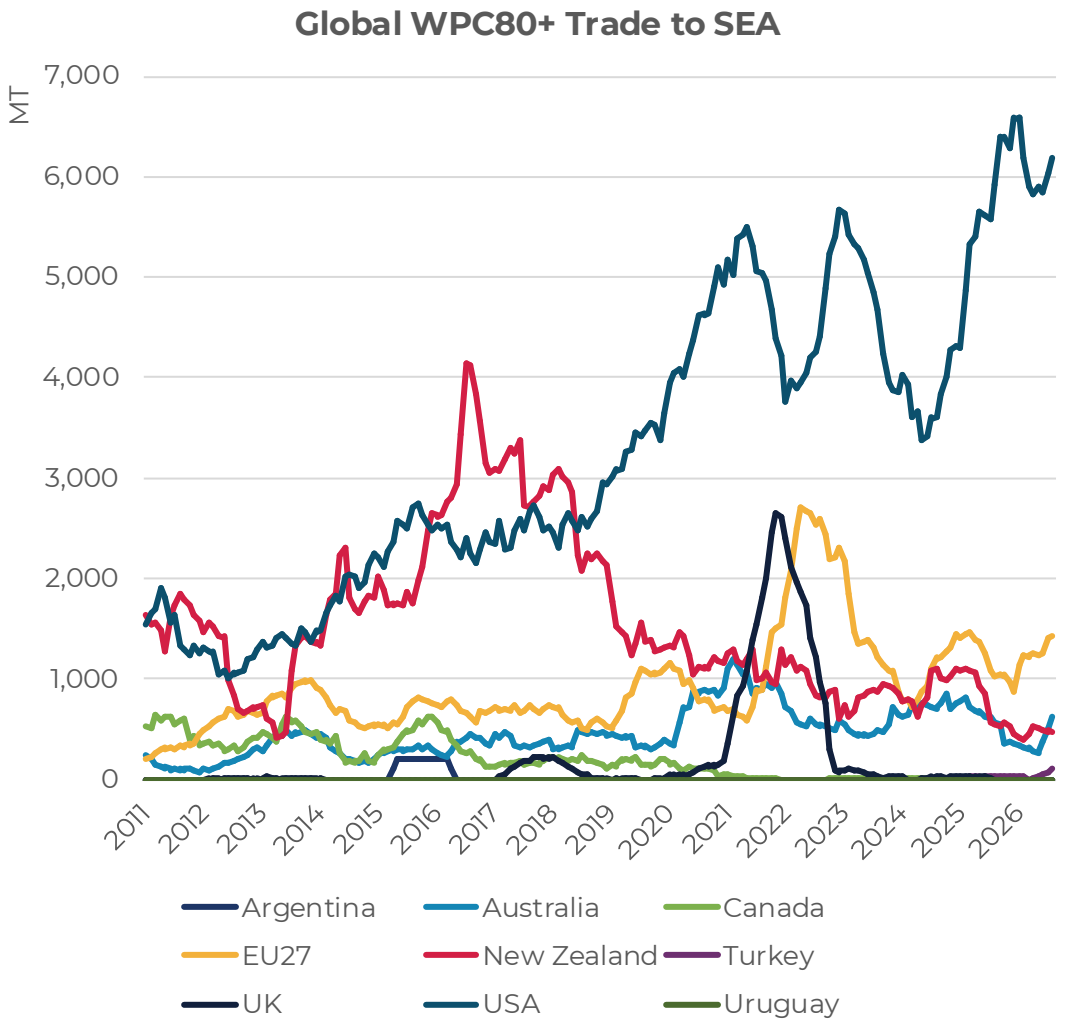


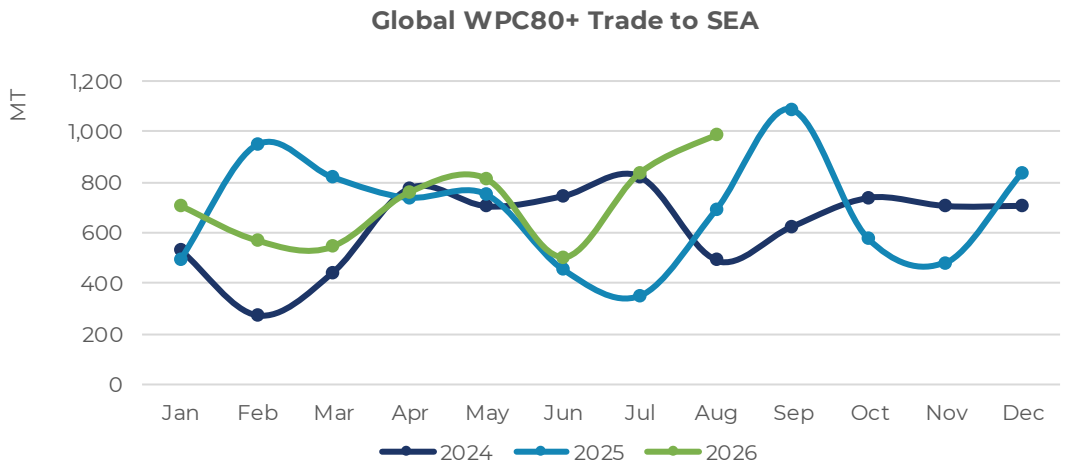


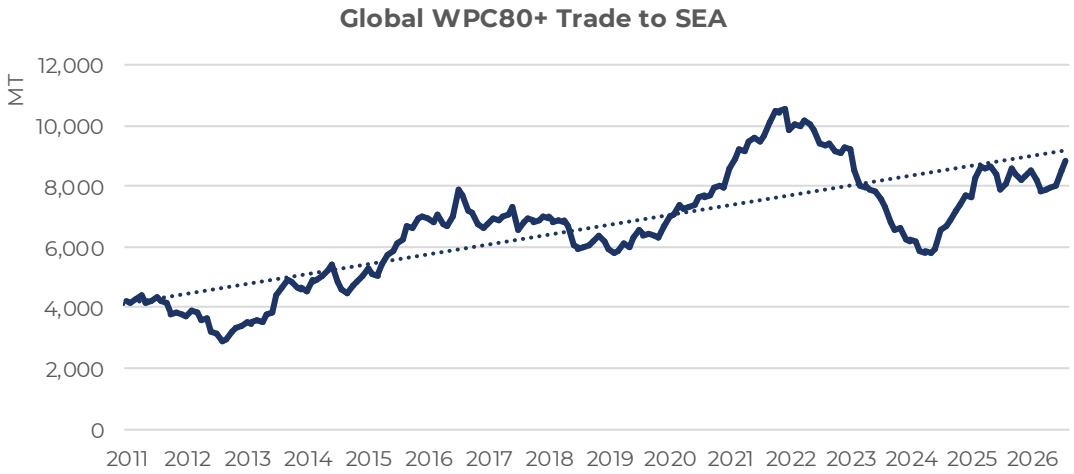


Source: NMPF/USDEC, TDM

Southeast Asia

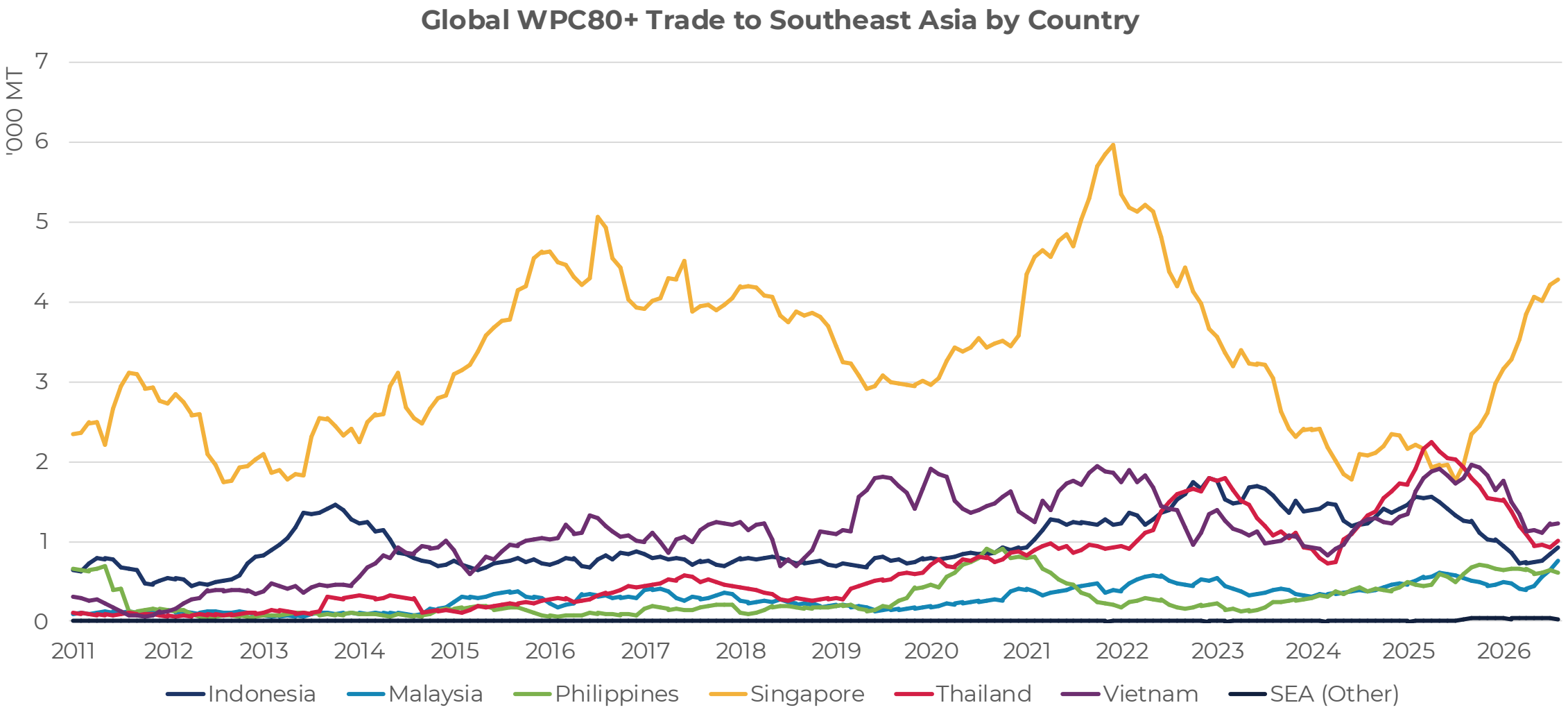






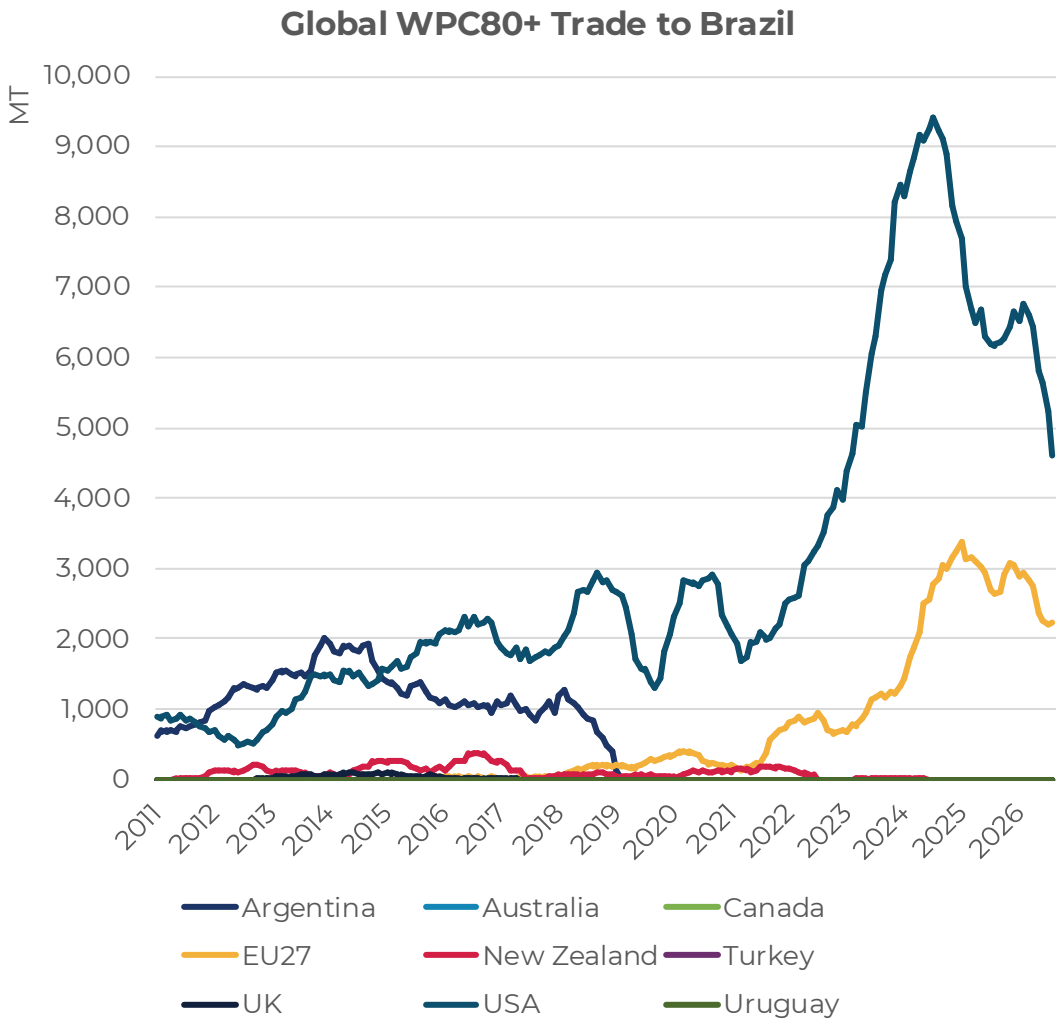
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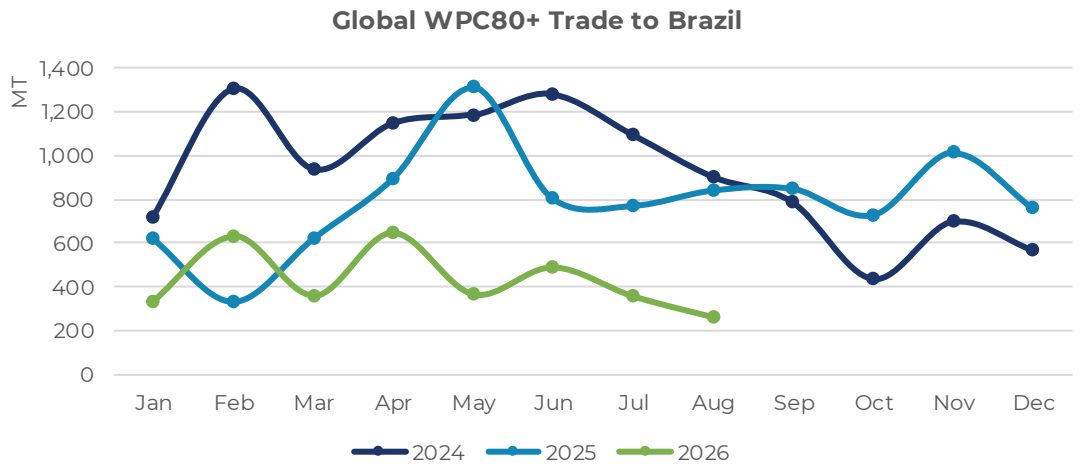
Southeast Asia Country Breakdown

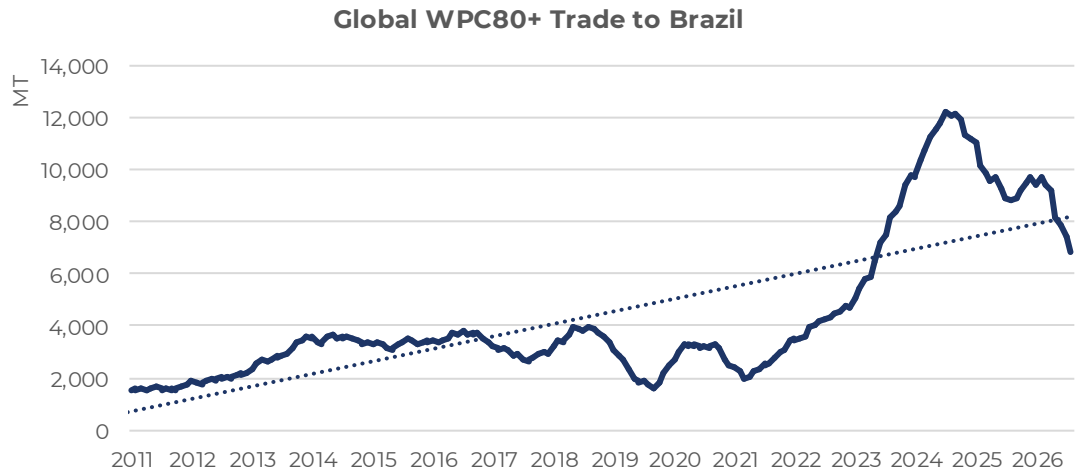


Source: NMPF/USDEC, TDM

Brazil

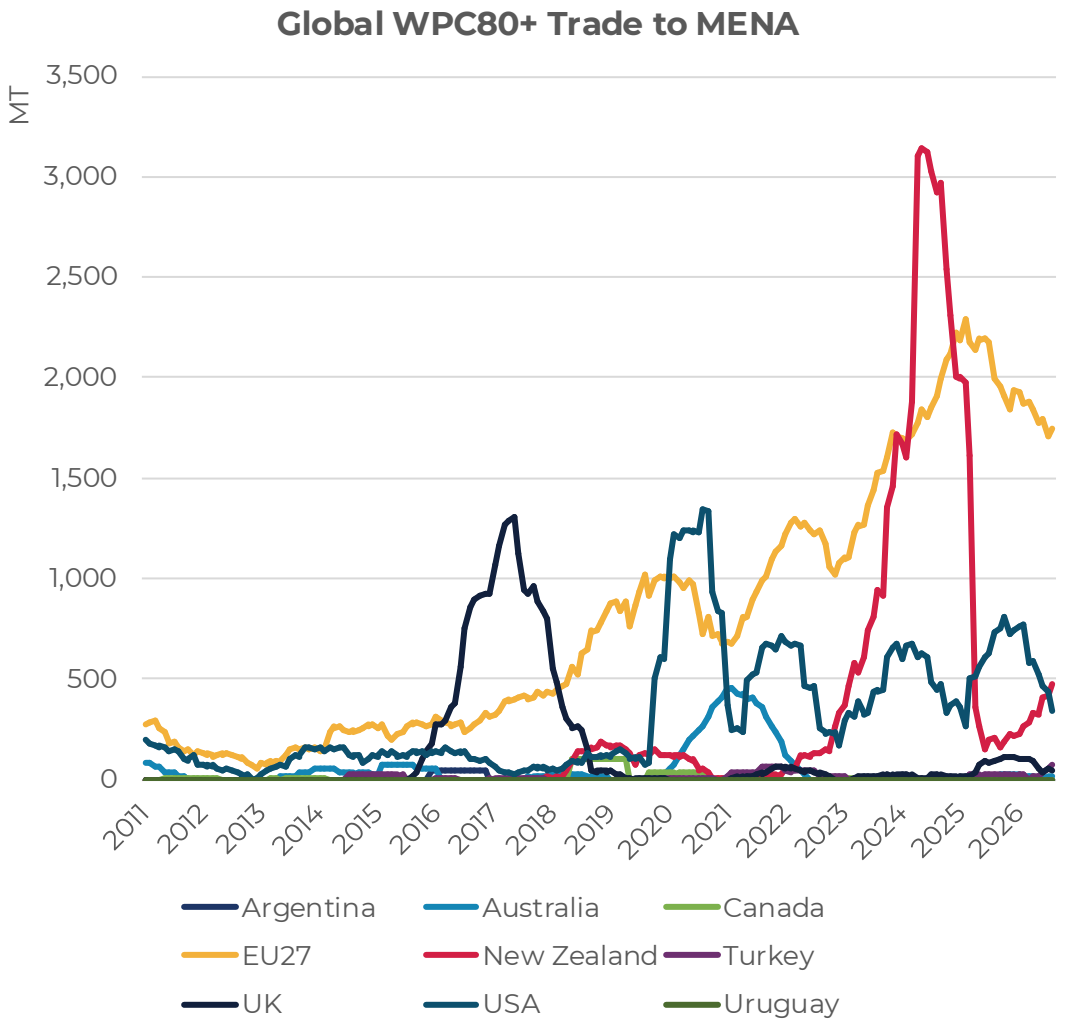


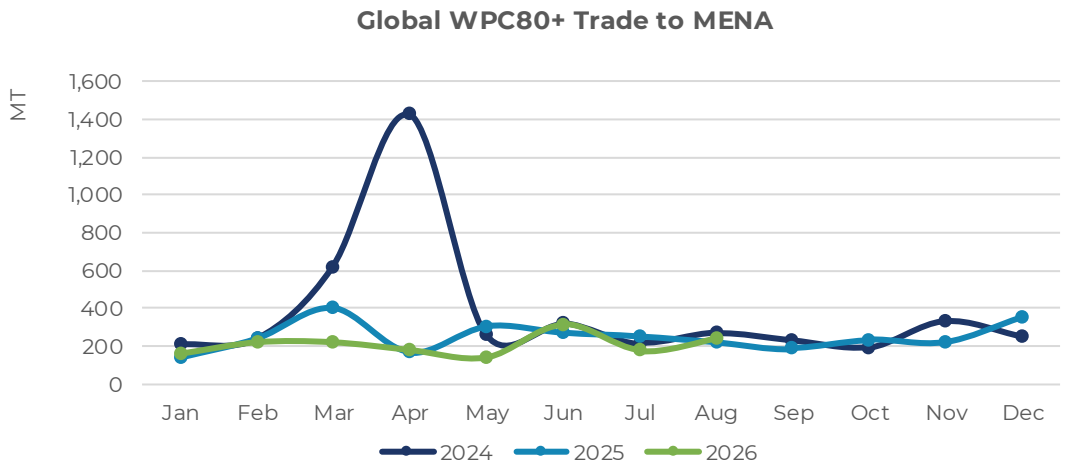


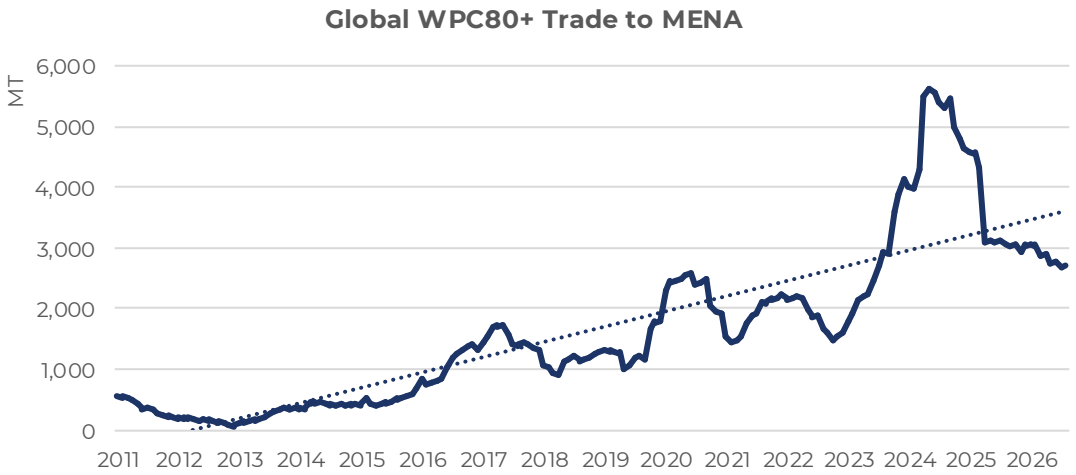


Source: NMPF/USDEC, TDM

MENA

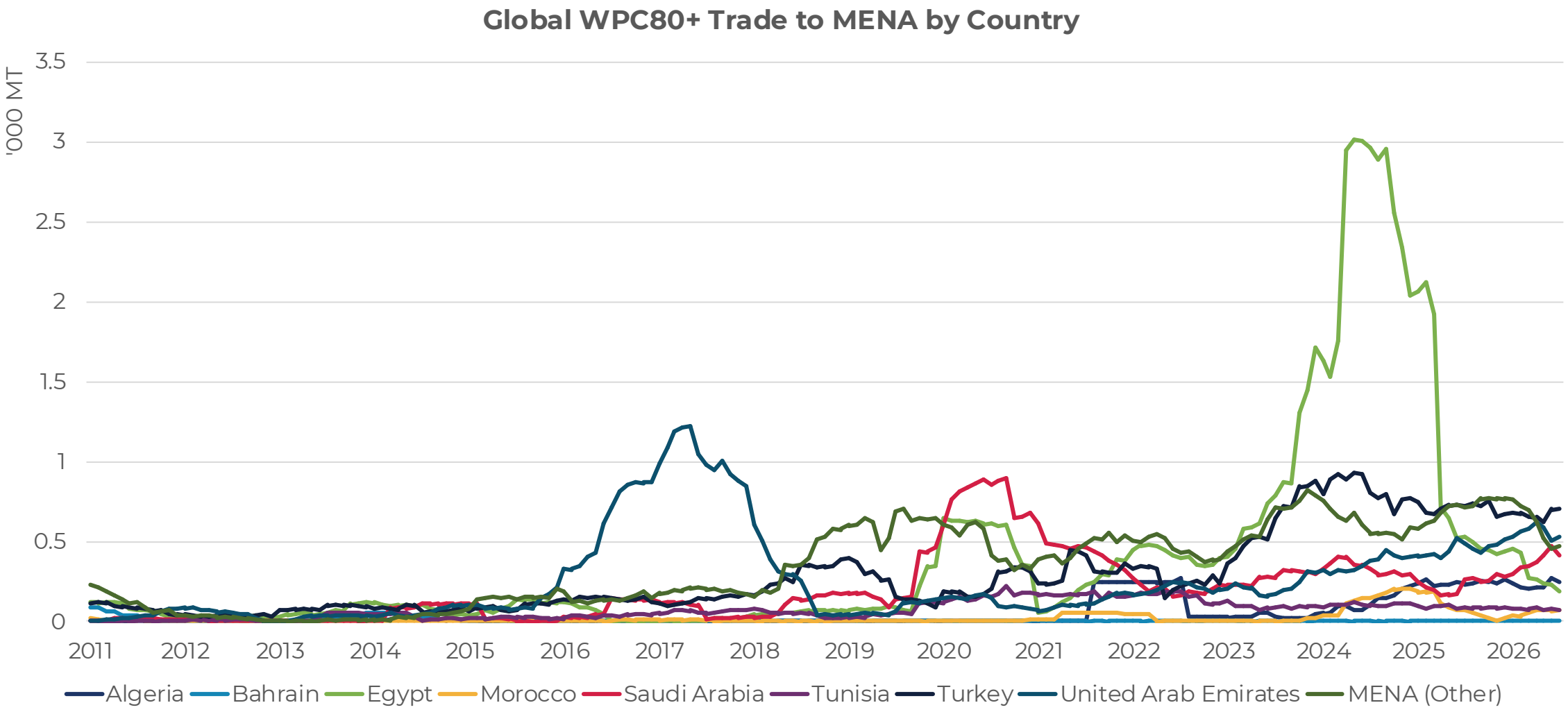






Source: NMPF/USDEC, TDM

Middle East-North Africa Country Breakdown



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Other Dairy Products

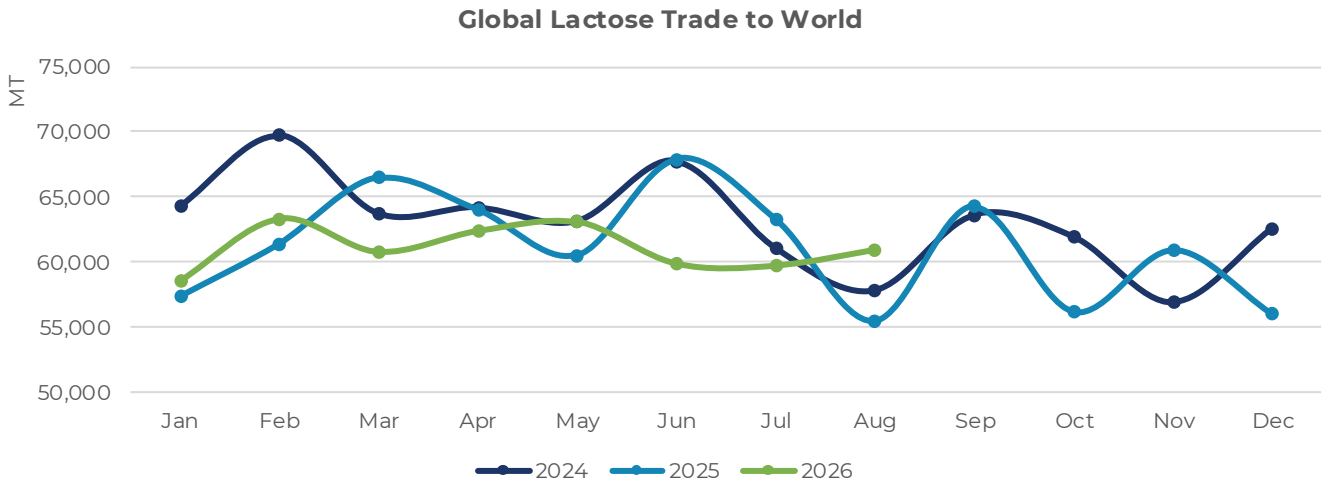
Global Overview: Lactose

KEY TAKEAWAYS

Global Lactose Trade

+9.8%	-1.6%	-2.1%	-2.5%
Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

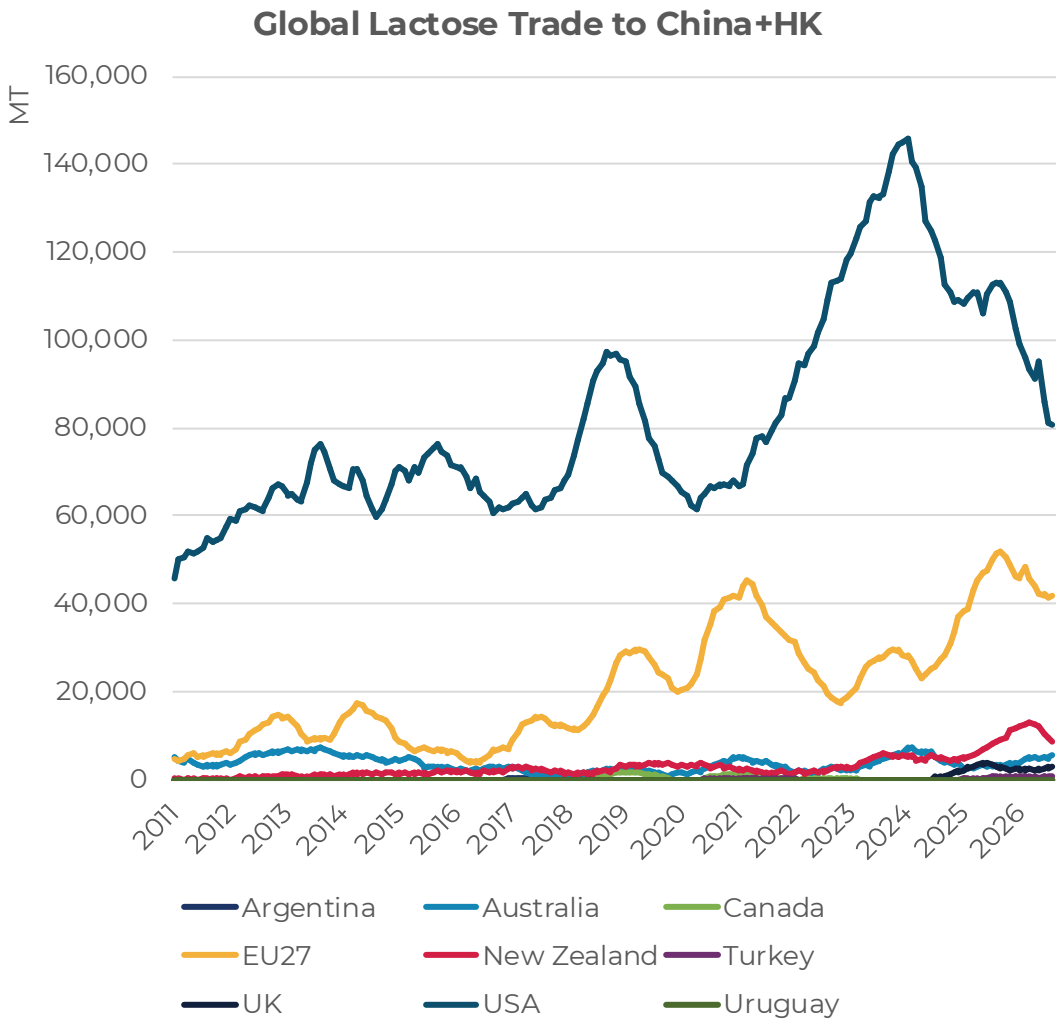
- After slipping the two months prior, global lactose trade improved in August, rising 10% (+5,592 MT) above last year's levels. Trade has been choppy this year and despite August's sizeable gain, year to date volumes are still 2% (-7,916 MT) behind the same period in 2025.
- **New Zealand was the largest contributor to the August gain as volumes to the country were up 39% (+3,136 MT), suggesting that the Kiwis were preparing to standardize significant amounts of SMP during the upcoming peak milk production season.** Shipments to China were also up 3% (+349 MT) though year to date for the world's largest lactose market are still running a distant 22% (-26,908 MT) behind last year.
- Lactose prices continued to tick upward with the August average export price reaching $1,858/MT, up nearly $50 from prior month and notching the highest price since 2013. **If values continue to inflate, lactose demand may come under more severe pressure.**

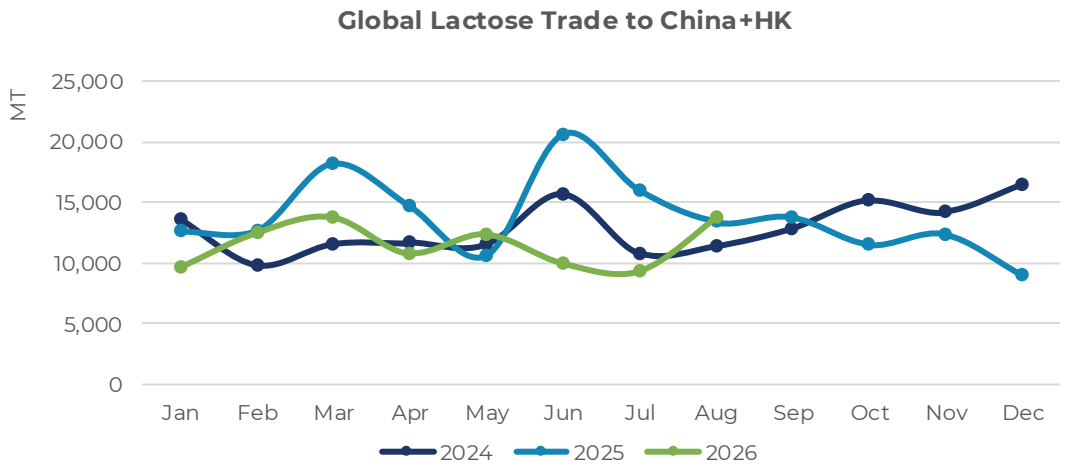




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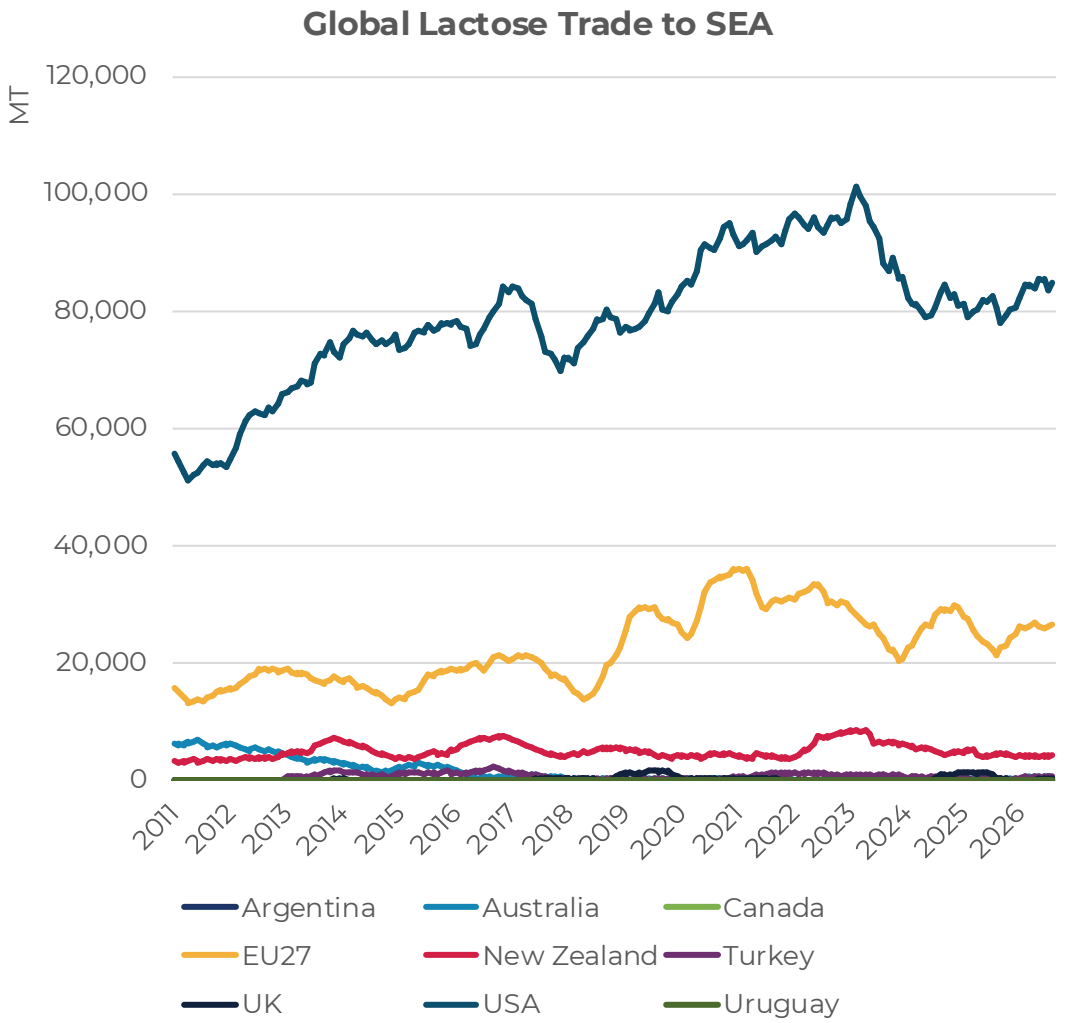
Lactose – China

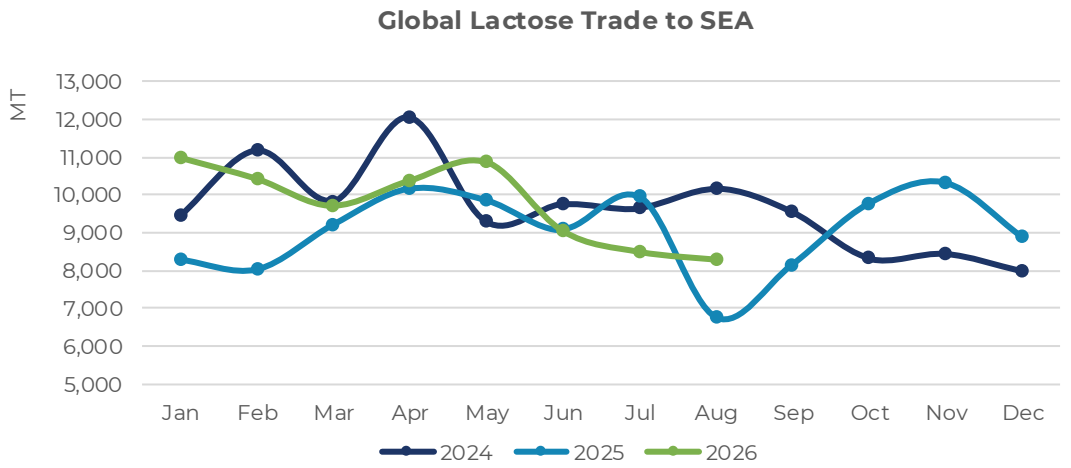


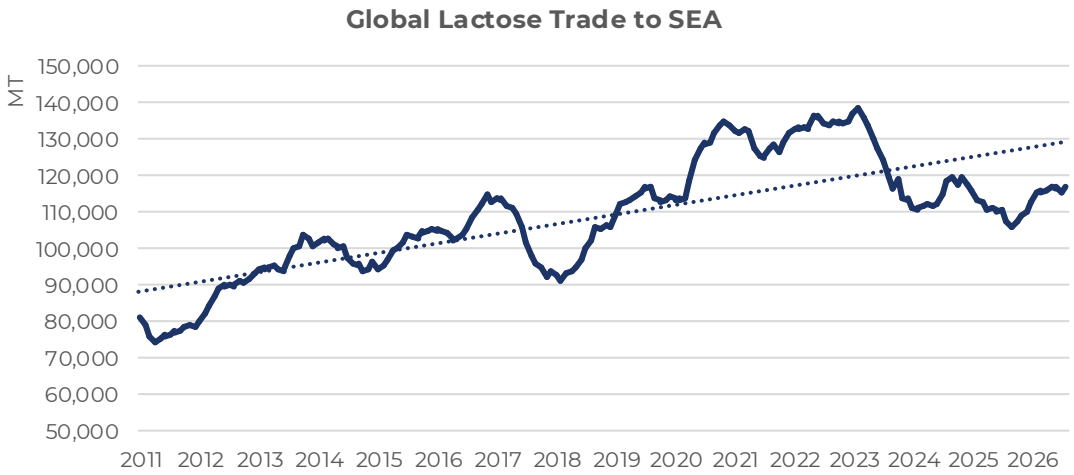




Lactose – Southeast Asia

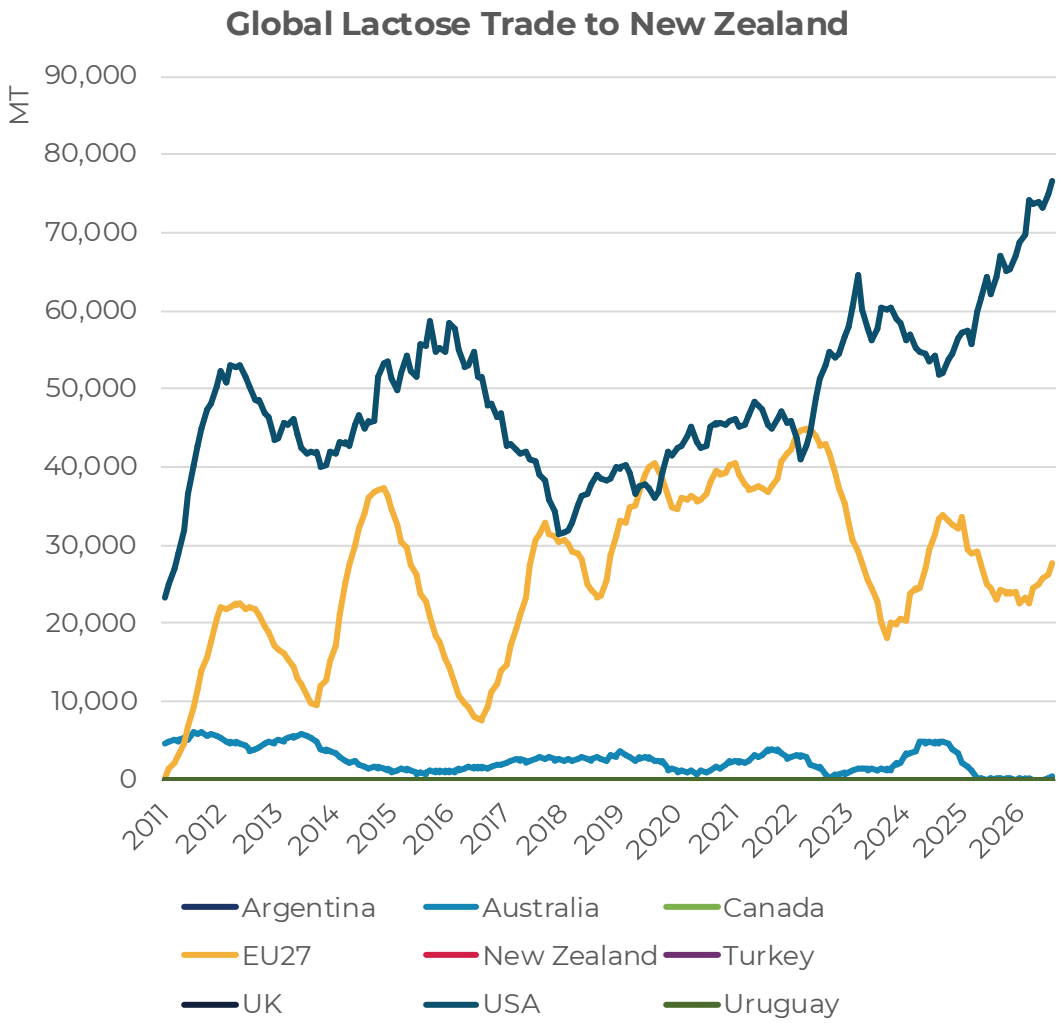


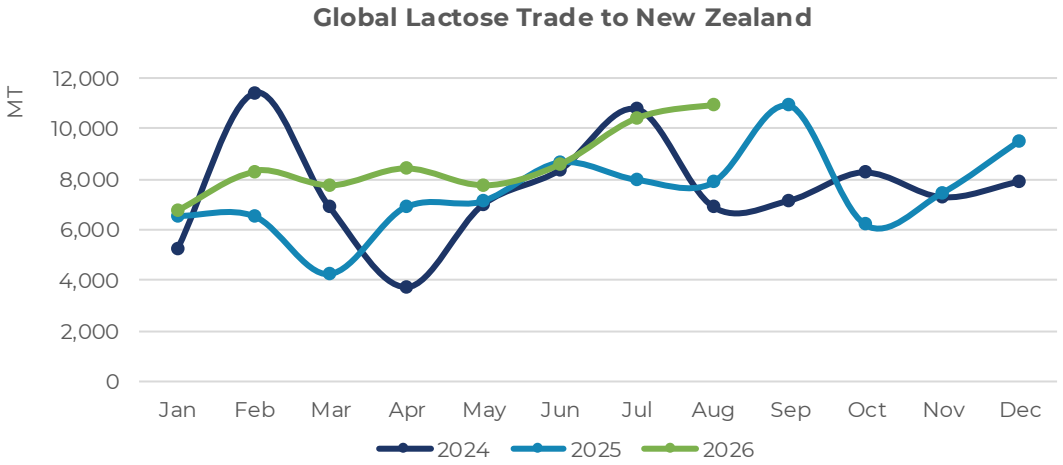


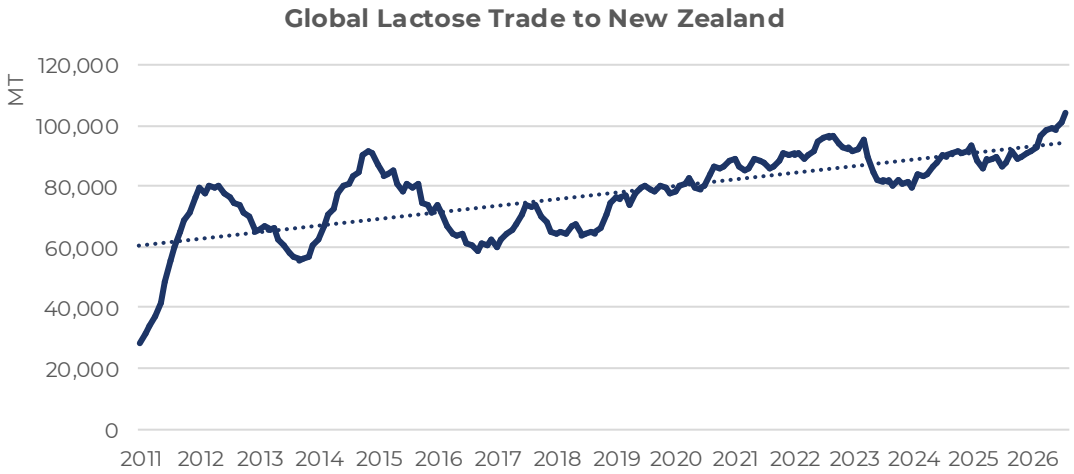


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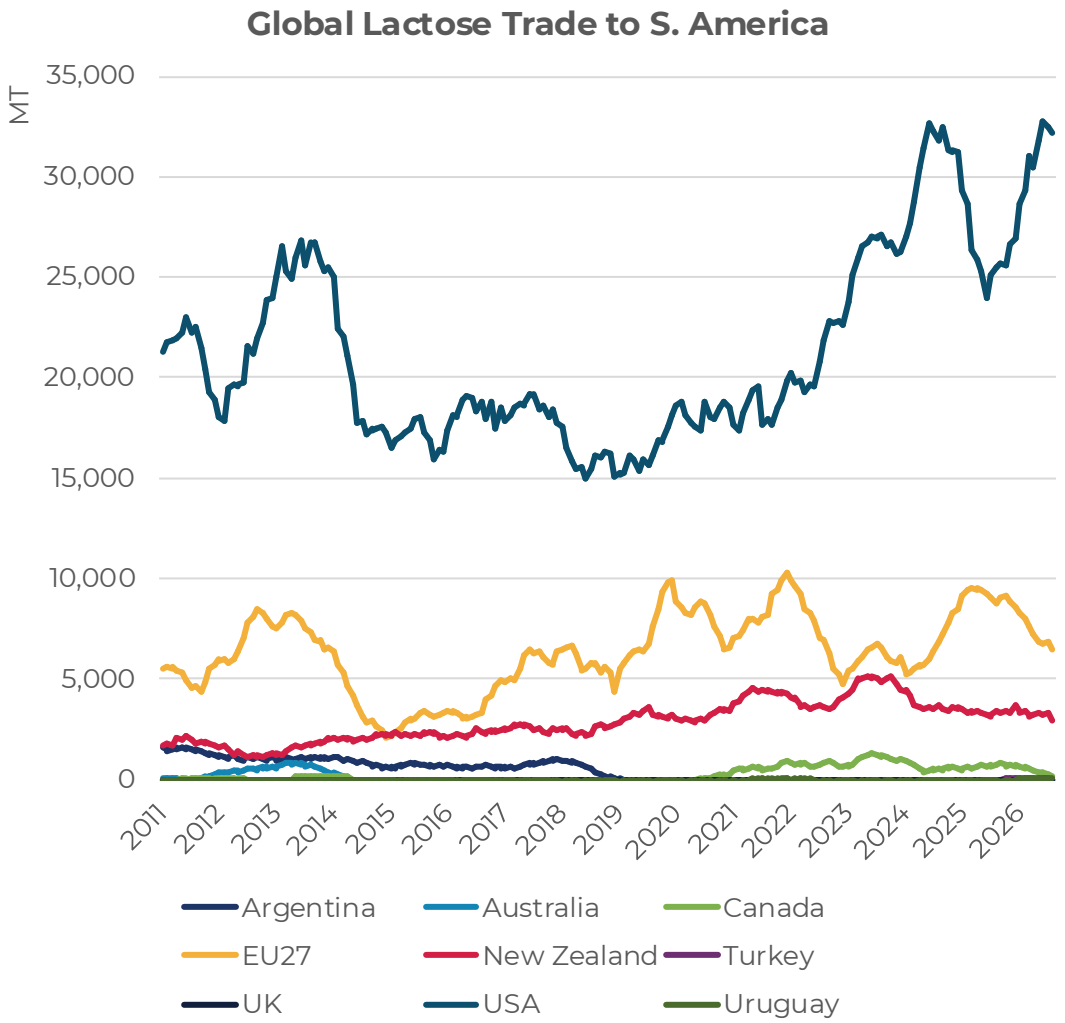
Lactose – New Zealand

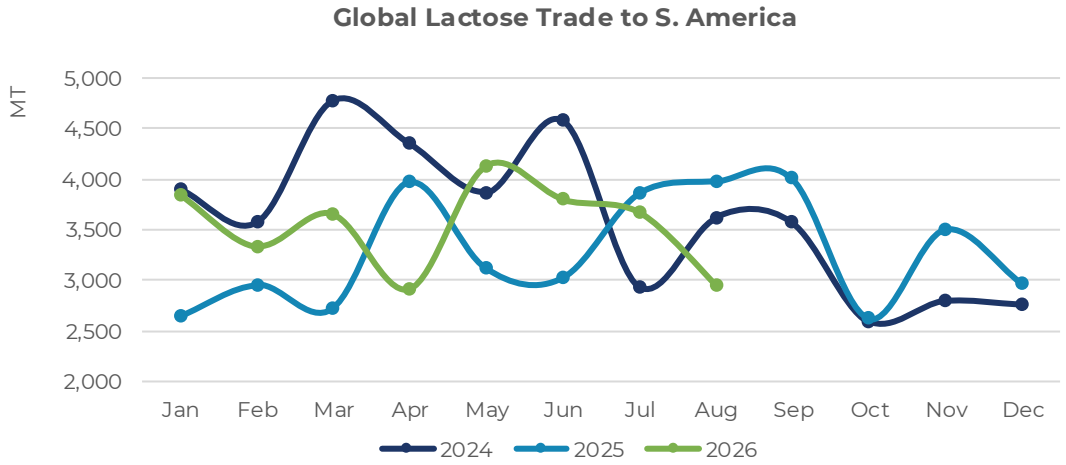


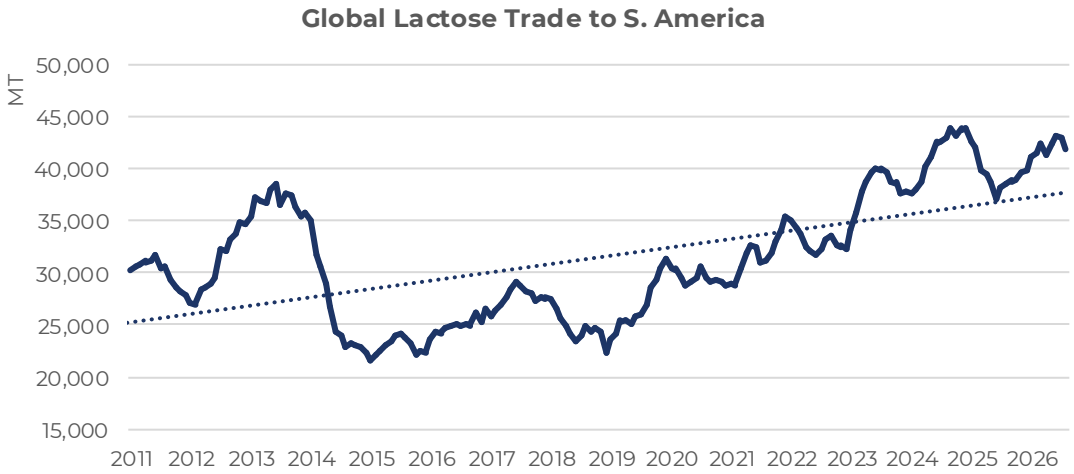




Lactose – South America







Source: NMPF/USDEC, TDM

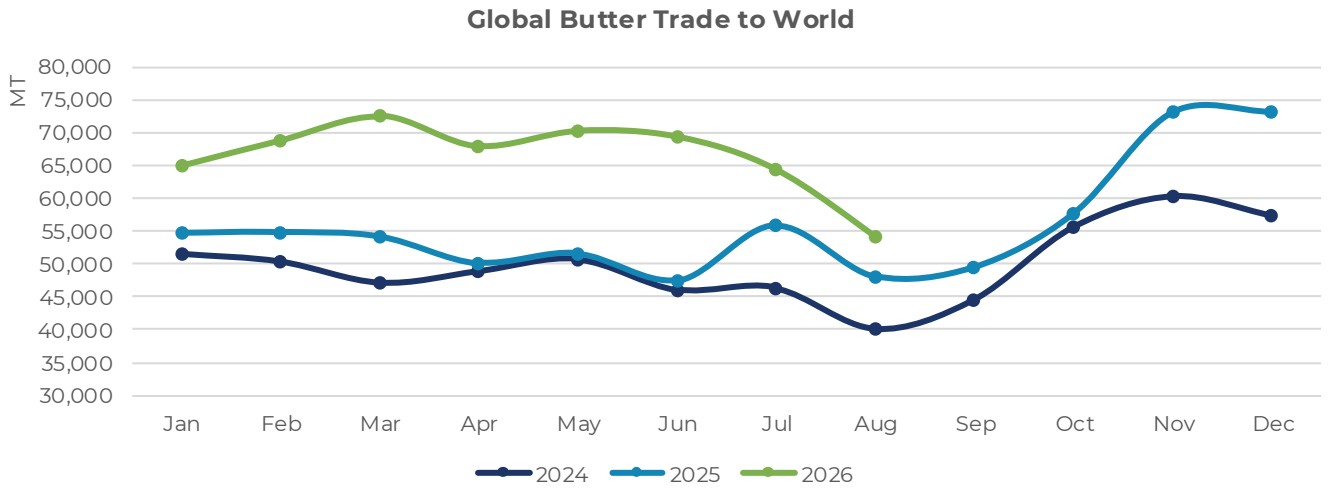
Global Overview: Butter

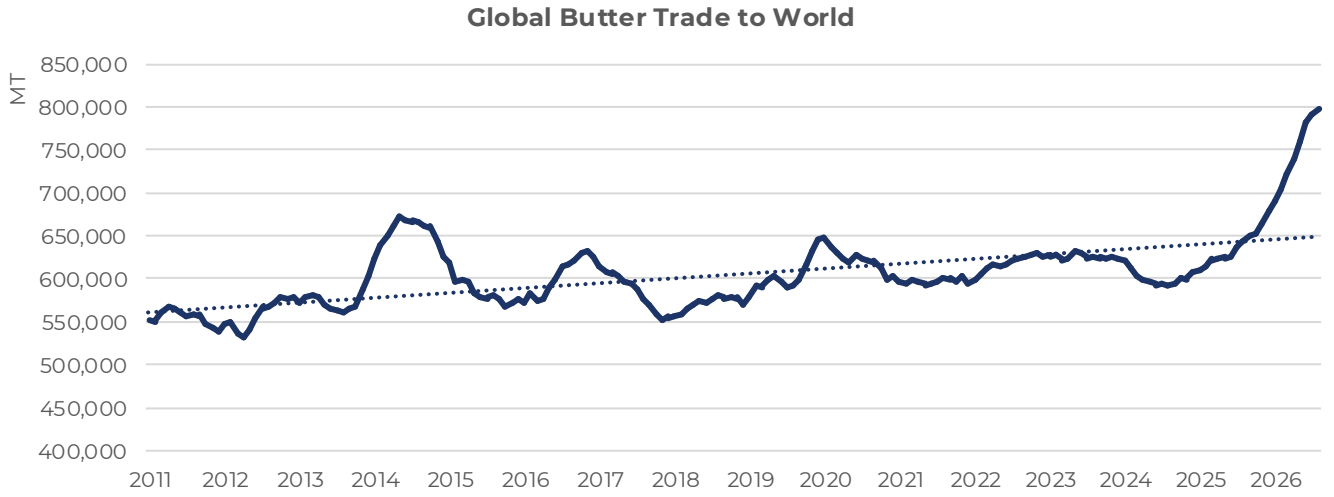
KEY TAKEAWAYS

Global Butter Trade

+12.3%	+27.5%	+23.6%	+8.4%
Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

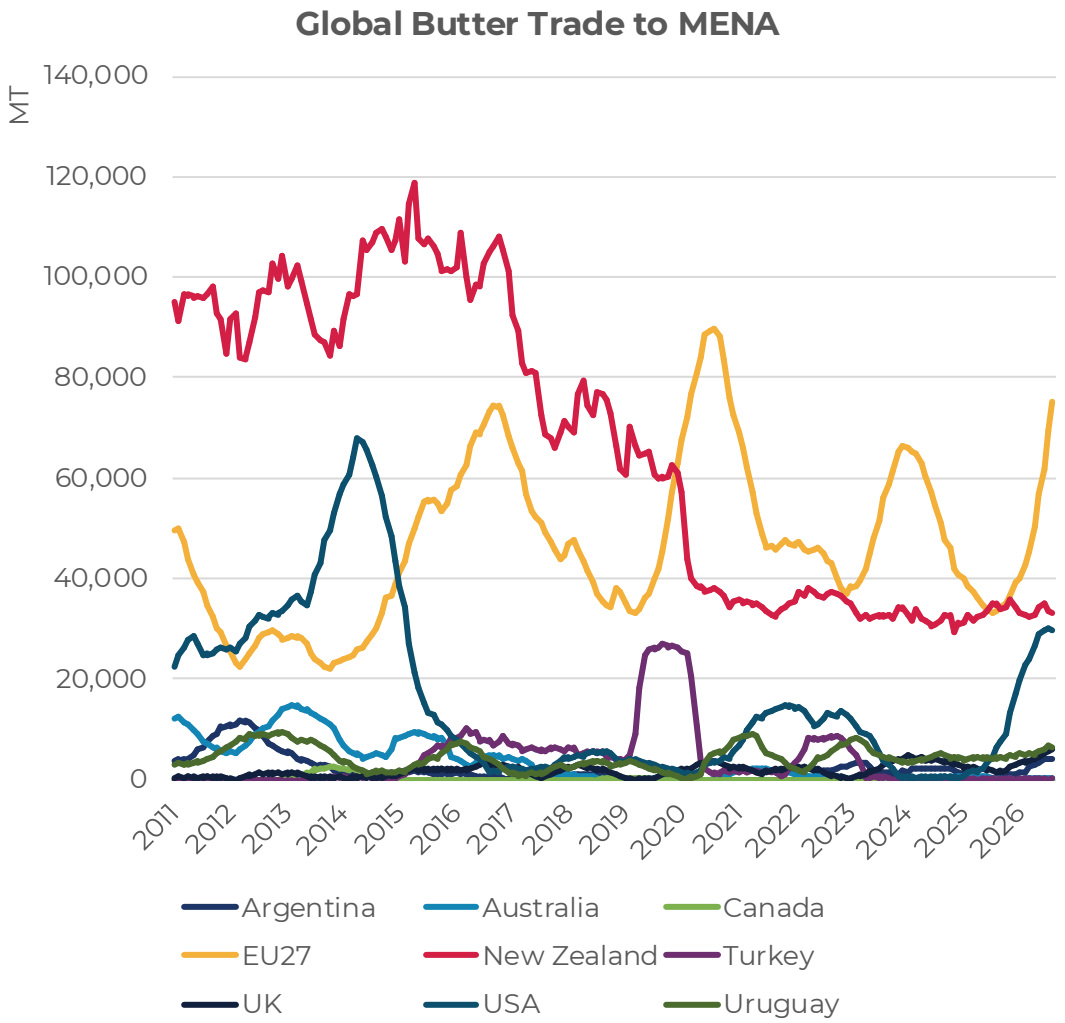
- **Global butter trade continues to grow, though the pace is slowing slightly as volumes lap a strong 2025**. Steady milk production in the U.S. and EU, along with a New Zealand season that is poised to surpass last year's output, should keep milkfat readily available for churns through year-end. As such, prices are likely to remain soft.
- MENA remained the primary driver of demand growth (+70%, +5,421 MT), while demand elsewhere was more mixed. Trade to the UK (+48%, +2,001 MT) and Australia (+96%, +1,568 MT) picked up, supplied mainly by the EU and New Zealand, respectively. By contrast, exports to the U.S. (-16%, -1,321 MT) and EU27 (-57%, -1,891 MT) declined.
- Sustained growth in butter trade has been a boon to U.S. exporters over the last year. **But even with holiday demand approaching, there is some concern that pipelines could be largely filled, which may be a headwind to further growth.**

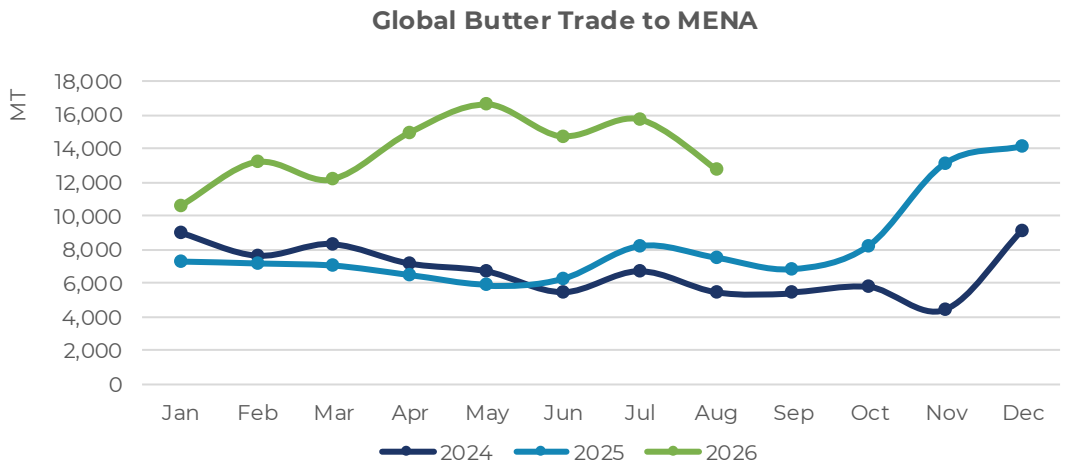


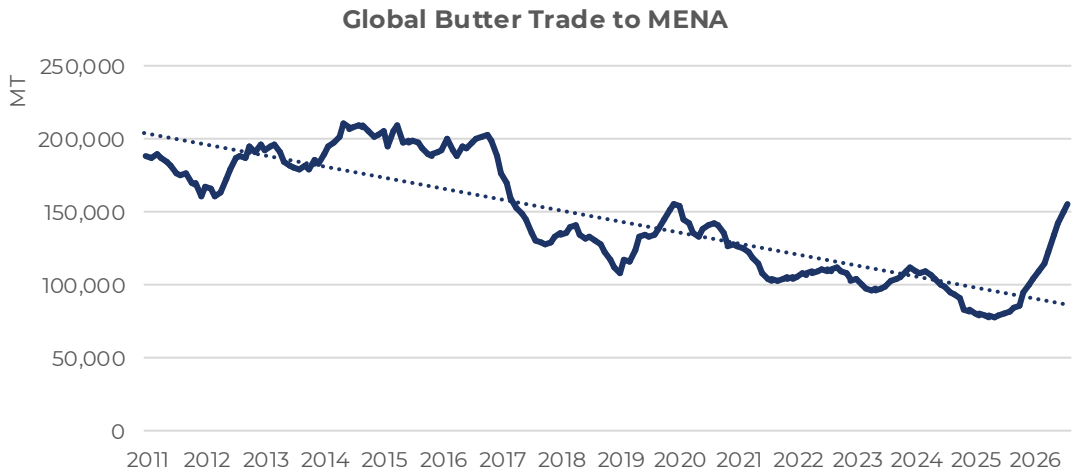


Source: NMPF/USDEC, TDM

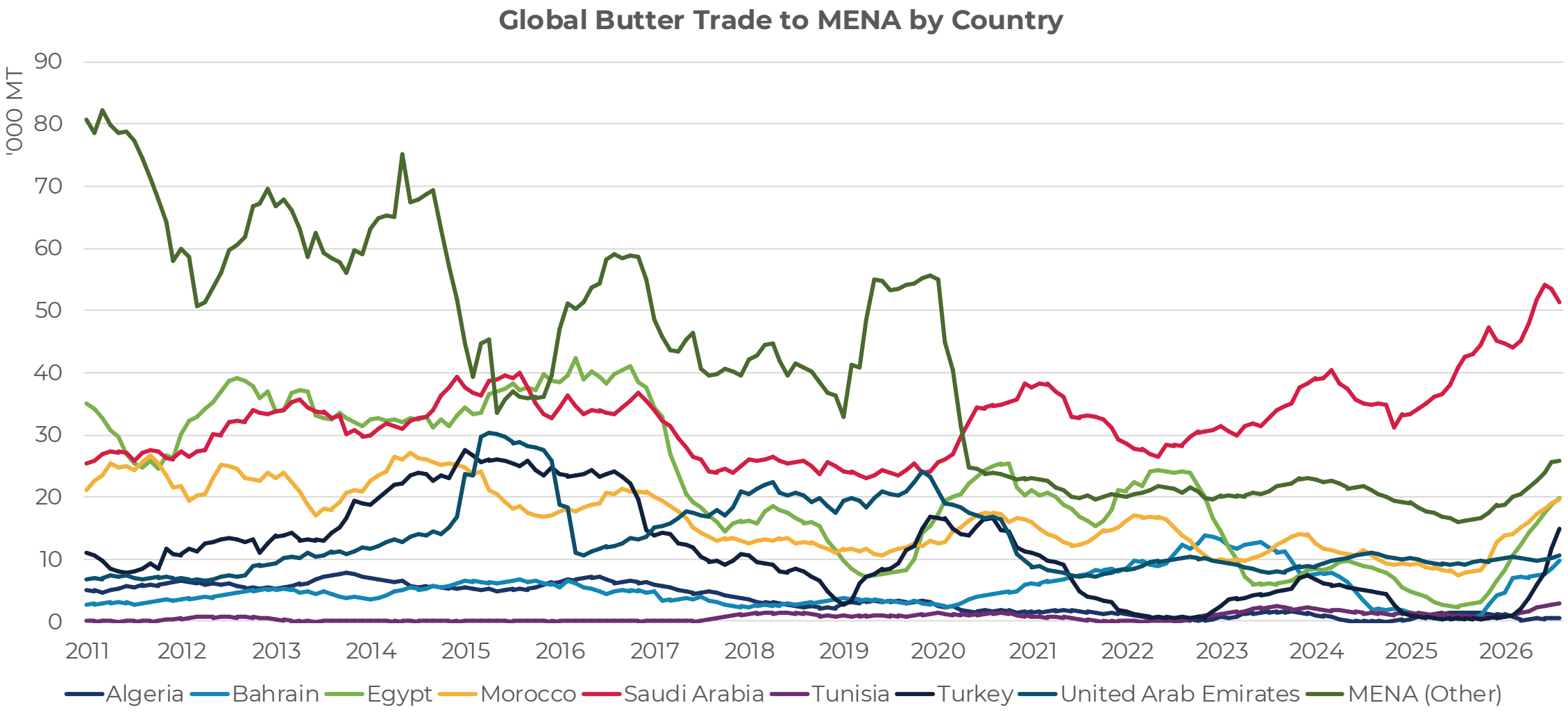
Butter – MENA


Global Butter Trade to MENA
MT
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay

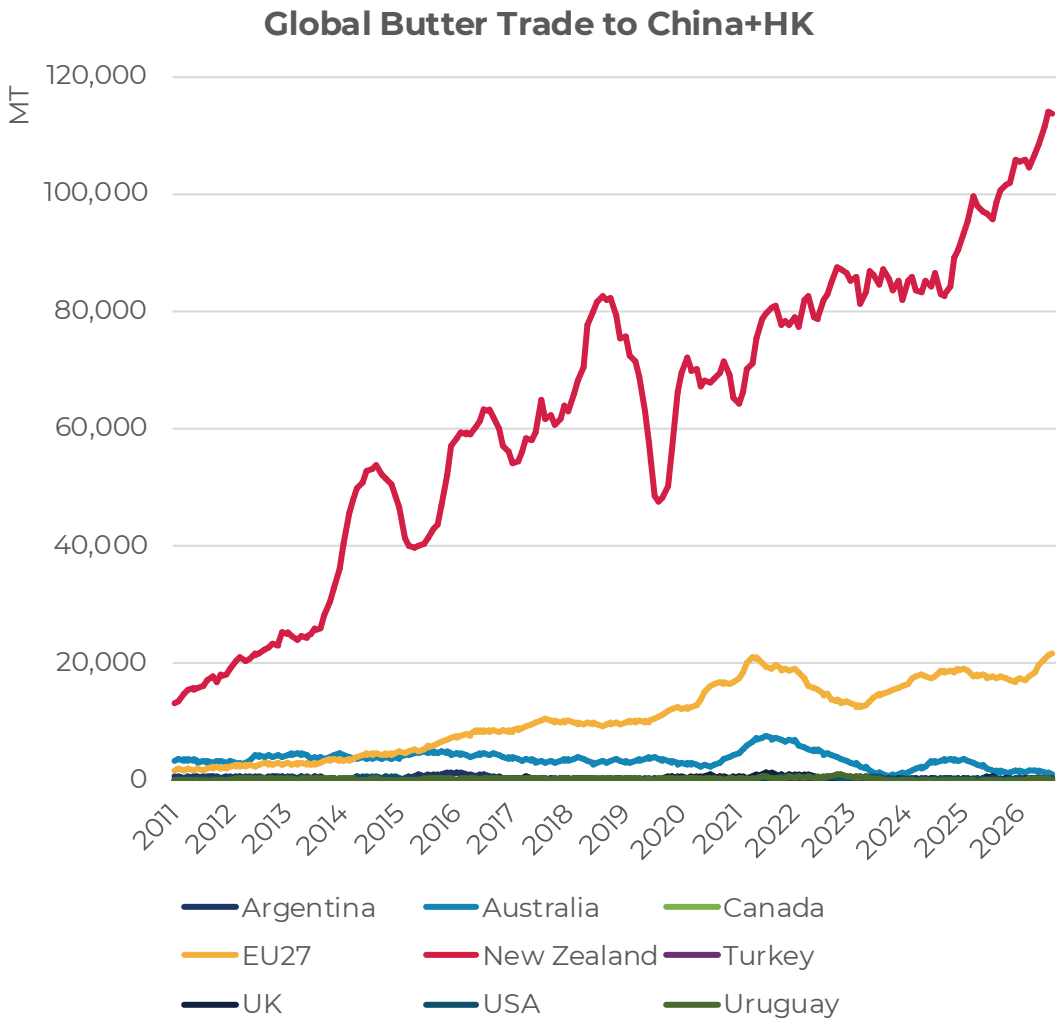

Global Butter Trade to MENA
MT
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024
2025
2026

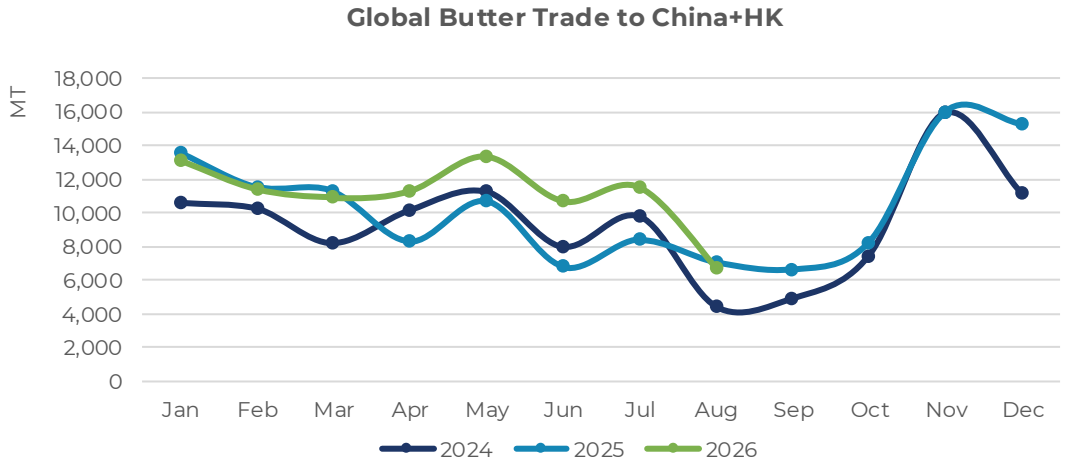

Global Butter Trade to MENA
MT
250,000
200,000
150,000
100,000
50,000
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

Middle East-North Africa Country Breakdown



Butter – China

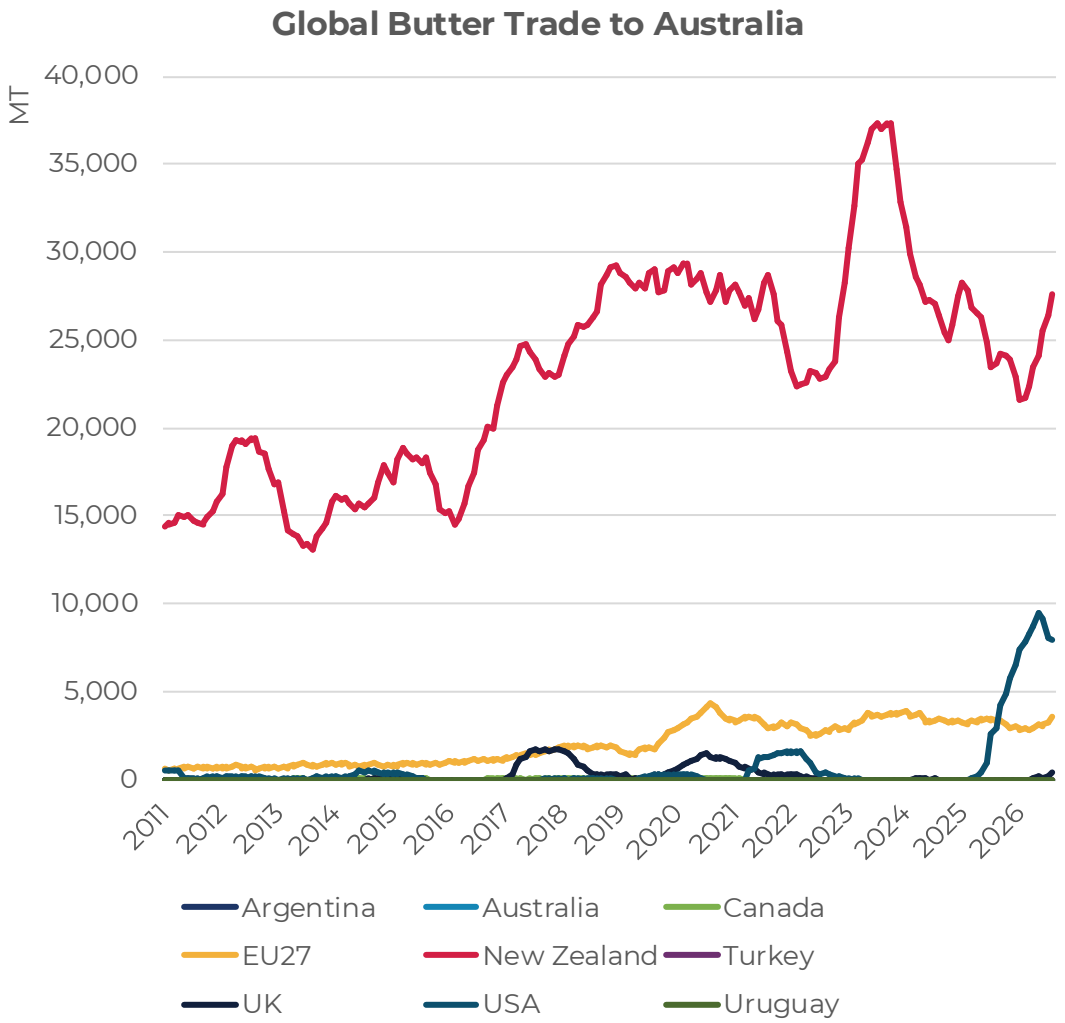


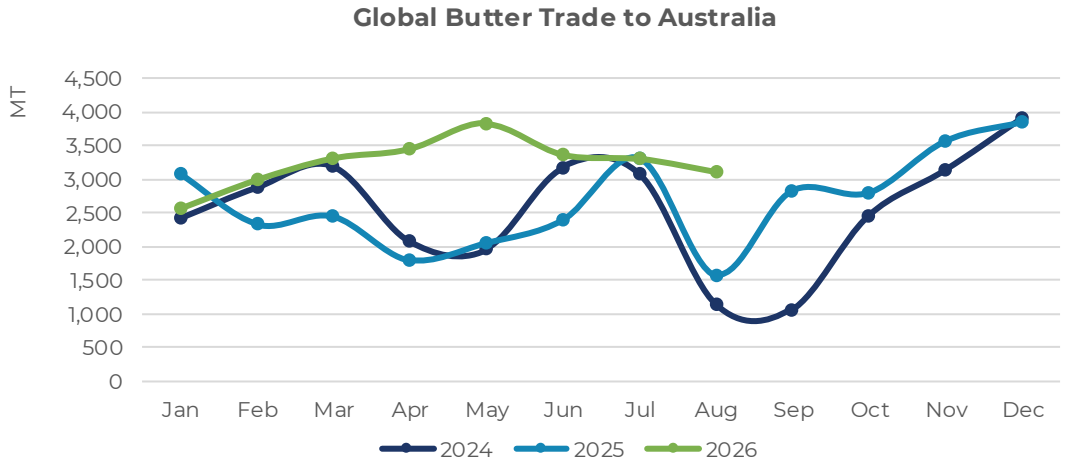


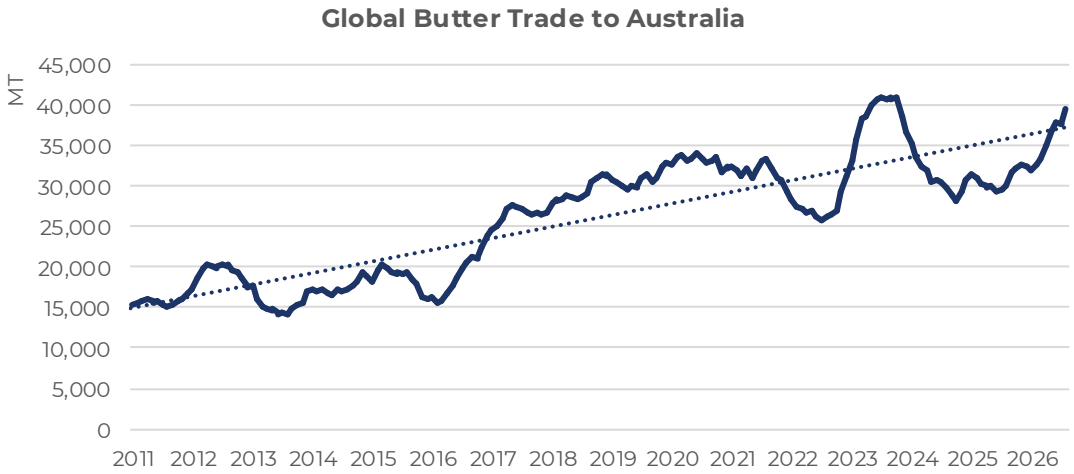


Source: NMPF/USDEC, TDM

Butter – Australia

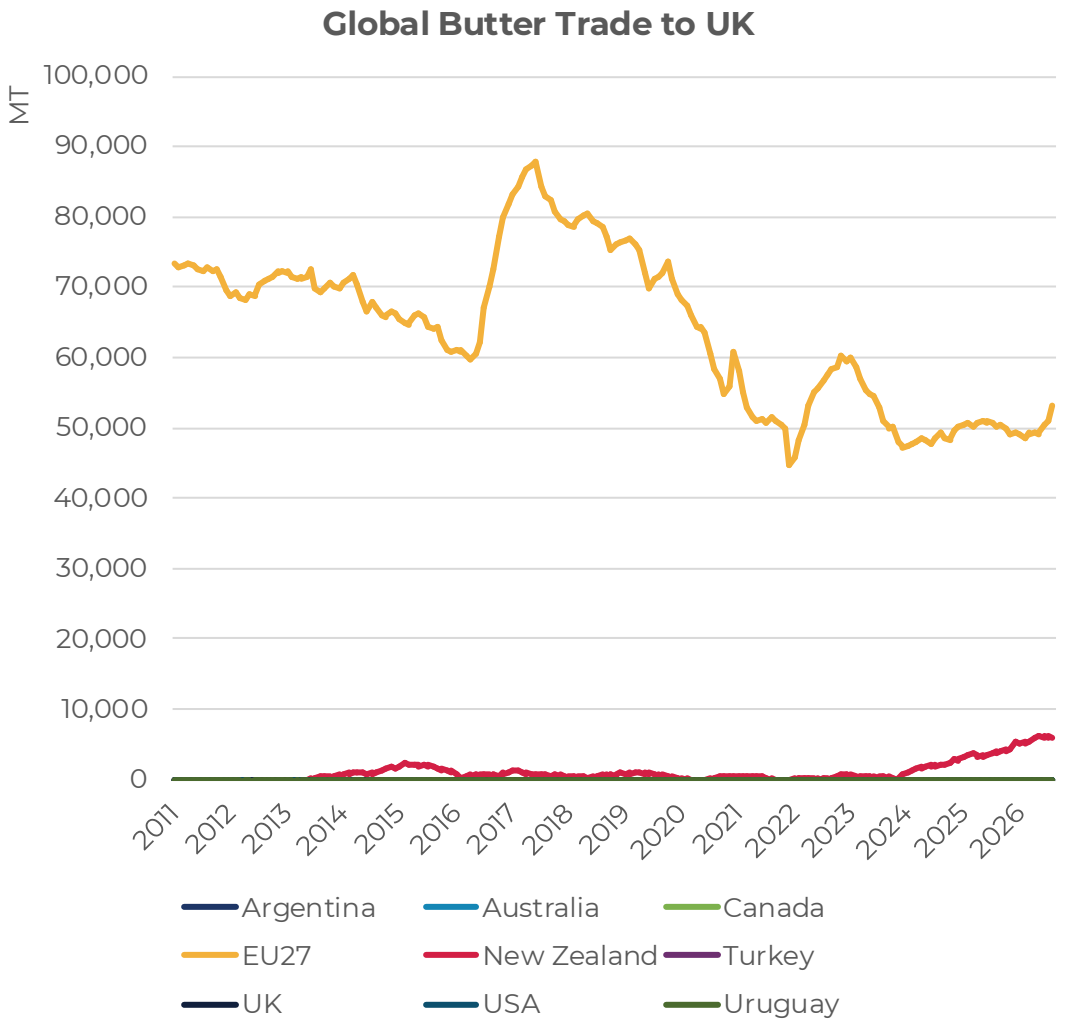


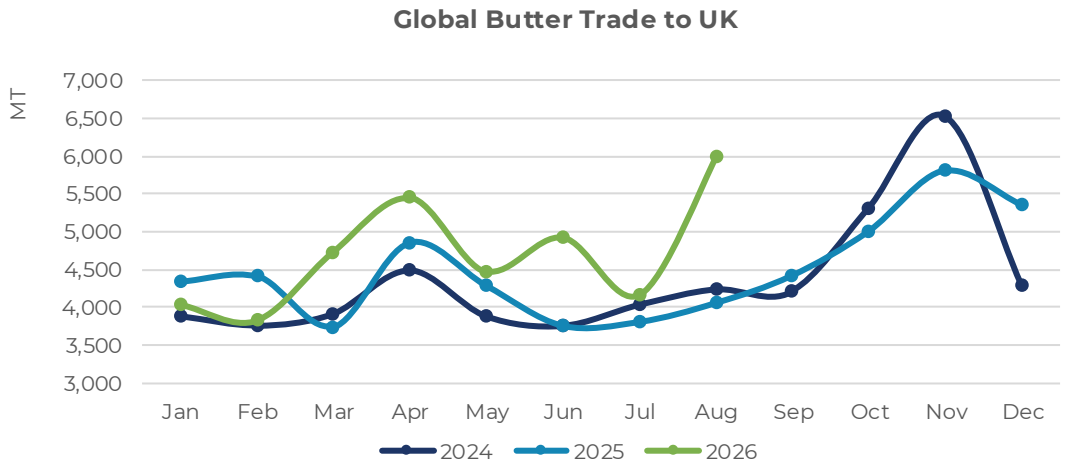


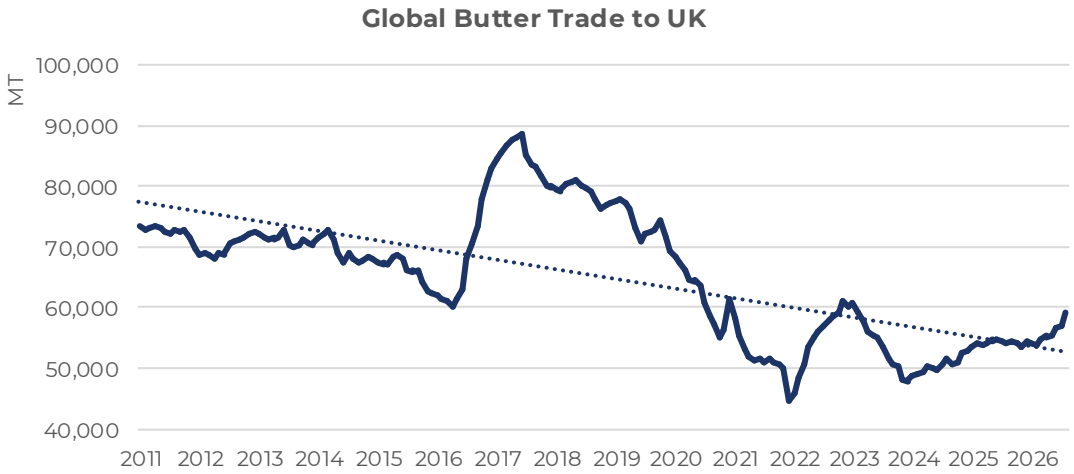


Source: NMPF/USDEC, TDM

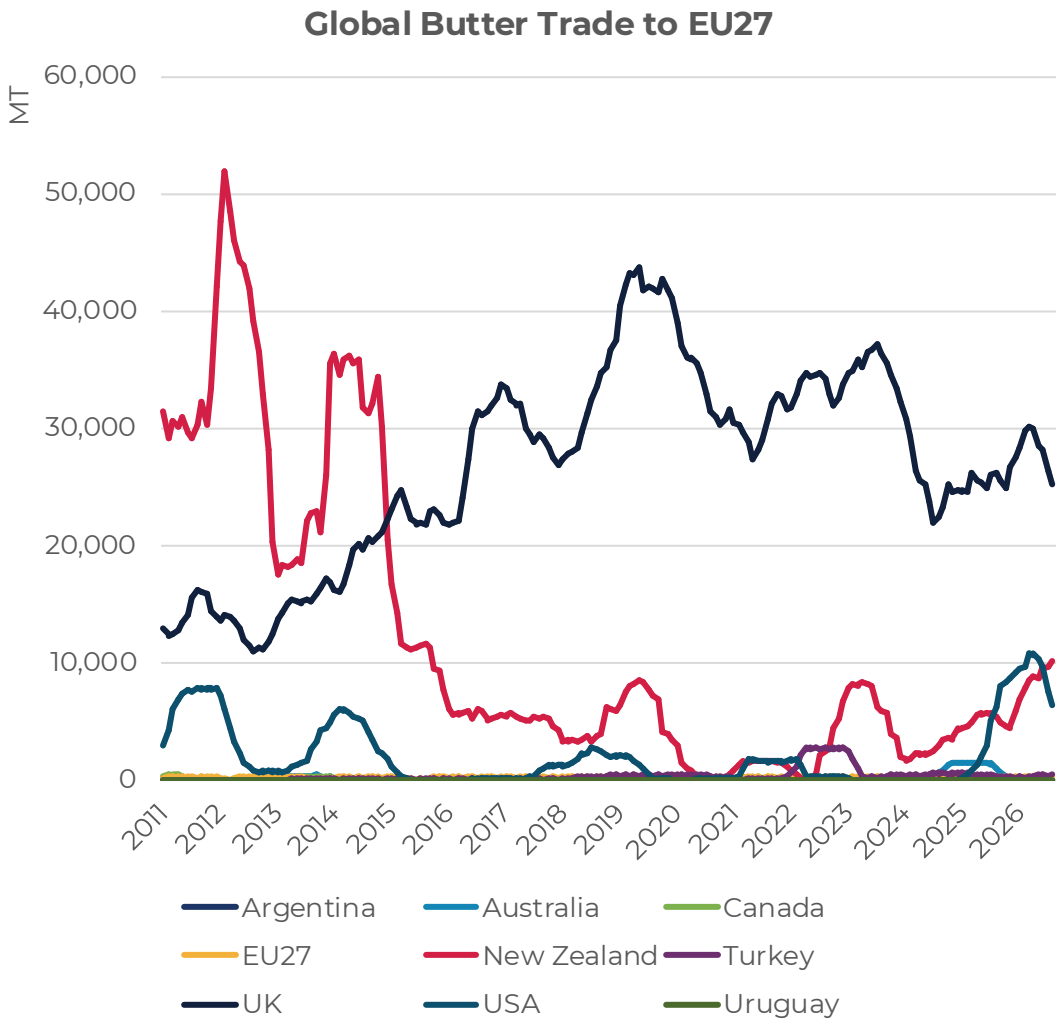
Butter – UK

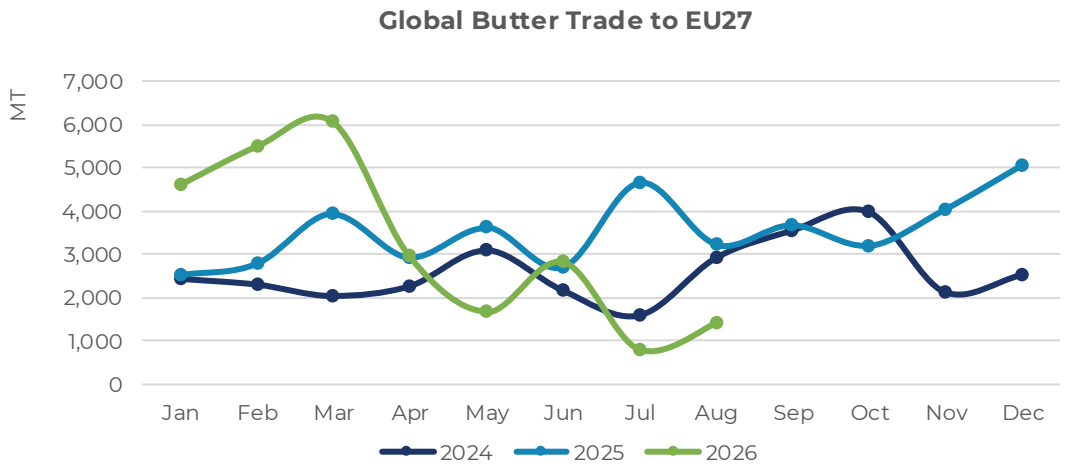

Global Butter Trade to UK
MT
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay

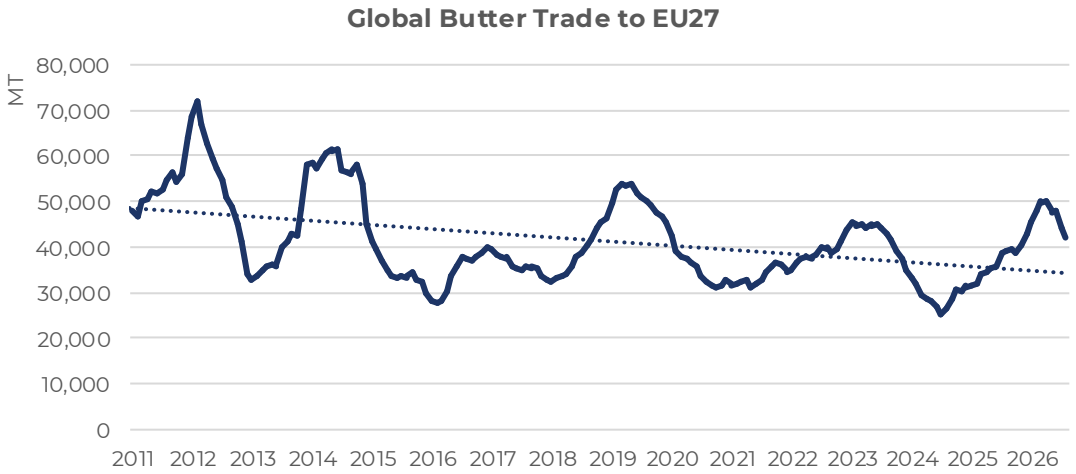

Global Butter Trade to UK
MT
7,000
6,500
6,000
5,500
5,000
4,500
4,000
3,500
3,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024
2025
2026


Global Butter Trade to UK
MT
100,000
90,000
80,000
70,000
60,000
50,000
40,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

Butter – EU27







Source: NMPF/USDEC, TDM

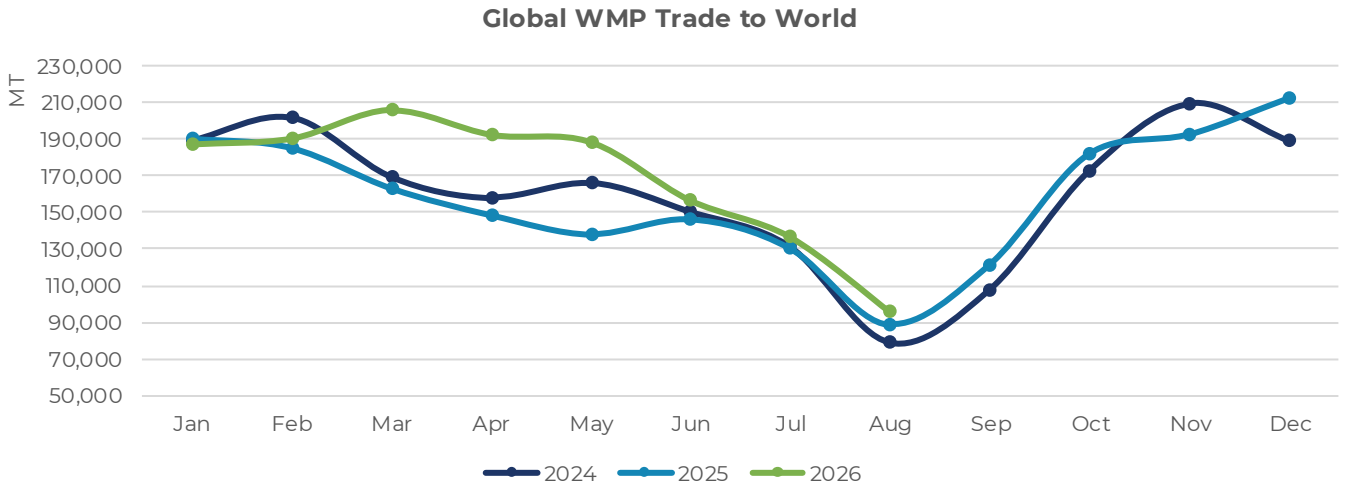
Global Overview: Whole Milk Powder

KEY TAKEAWAYS

Global WMP Trade

+8.4%	+13.8%	+10.4%	+2.2%
Aug YoY	YTD, Ending Aug	Last 12-Months, Ending Aug	3-Year CAGR

- **Global WMP trade managed to grow by 8% (+7,642 MT) in August, the weakest month of trade for the commodity**. Overall, trade has been upbeat this year, with year-to-date volumes up 14% (+165,978 MT) fueled by stronger buying from China (+23%, +62,132 MT), South America (+42%, +39,028 MT), and SEA (+18%, +39,205 MT). However, WMP trade is still well shy of the peak levels reached in 2022.
- **South America was the single largest driver of August's strong result with volumes to the region up 78% year over year** (+7,076 MT). The region's heavyweight, Brazil, played a key role in the increase with shipments up 38% (+2,712 MT). But Peru and especially Colombia have also contributed to the regional total. **Year to date WMP shipments to Colombia were more than ten times greater than last year, likely due to the full liberalization of its trade agreements.**
- On the other hand, WMP trade to MENA plunged by 23% (-6,628 MT) in August. However, the loss was driven almost entirely by Algeria (-68%, -9,913 MT), while other countries in the region saw volumes climb.

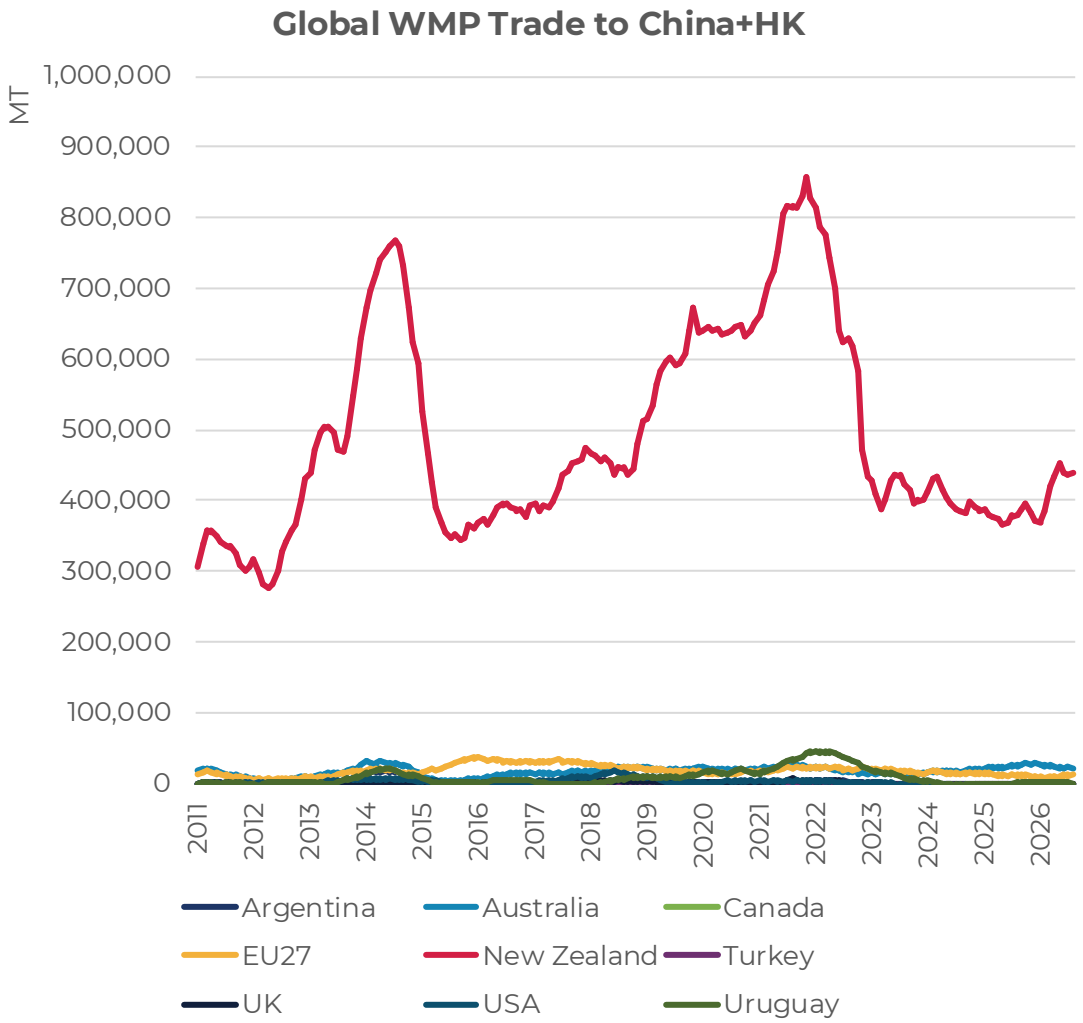




NMPF | USDEC DAIRY ECONOMICS

Source: NMPF/USDEC, TDM

Whole Milk Powder – China

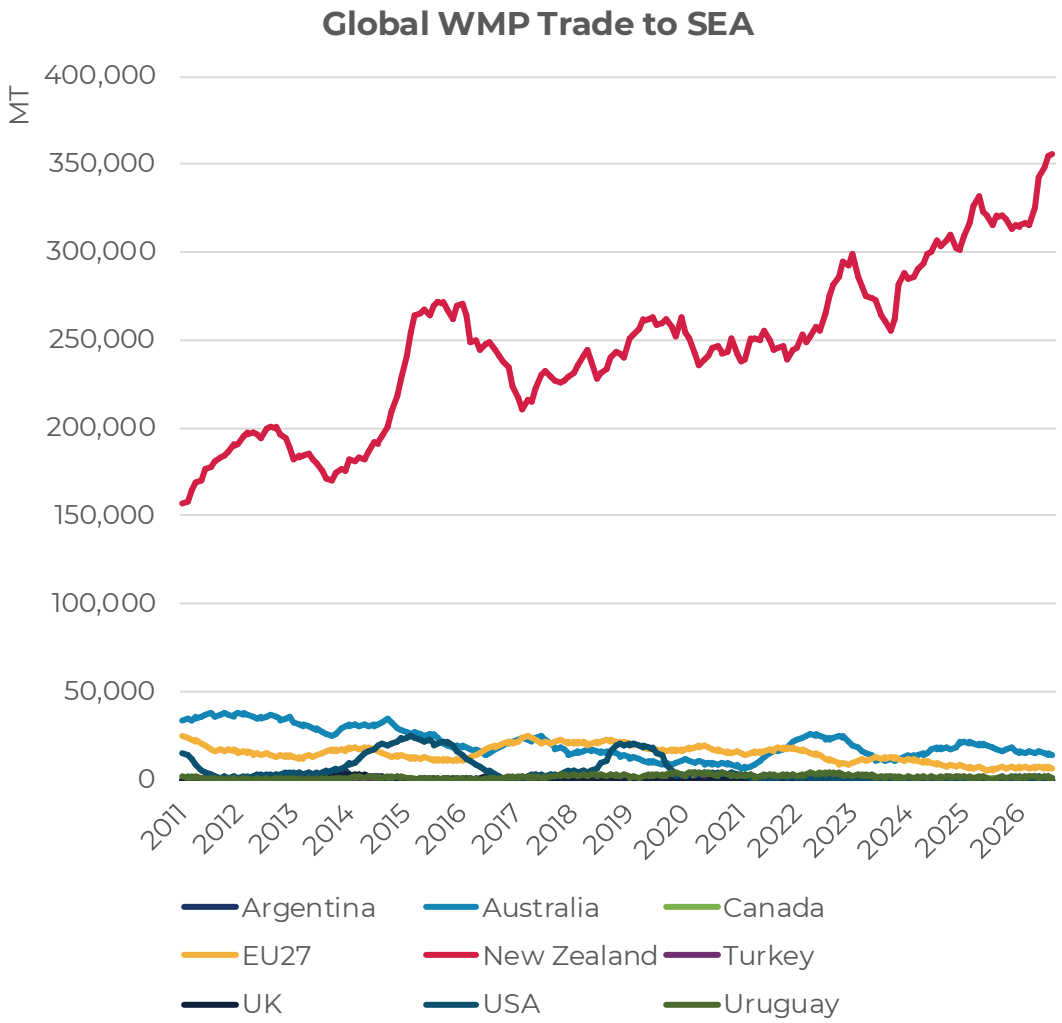


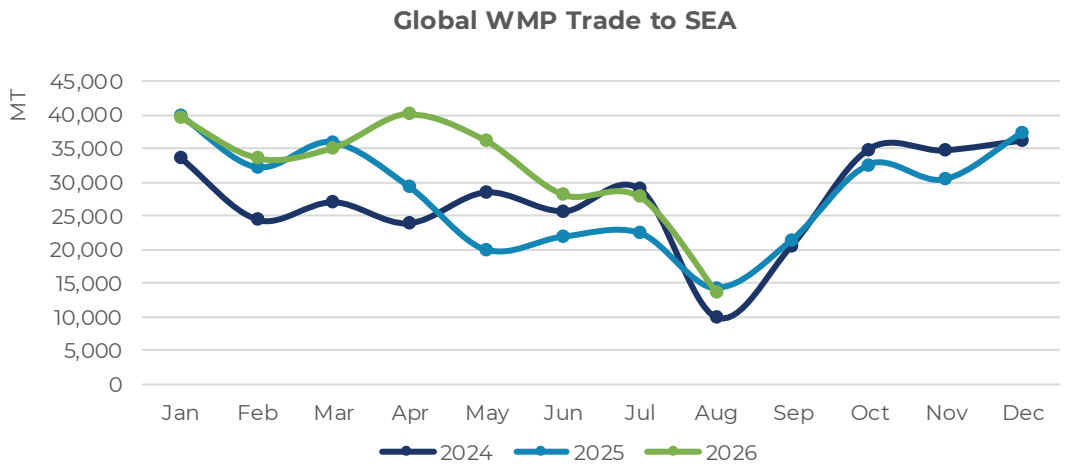


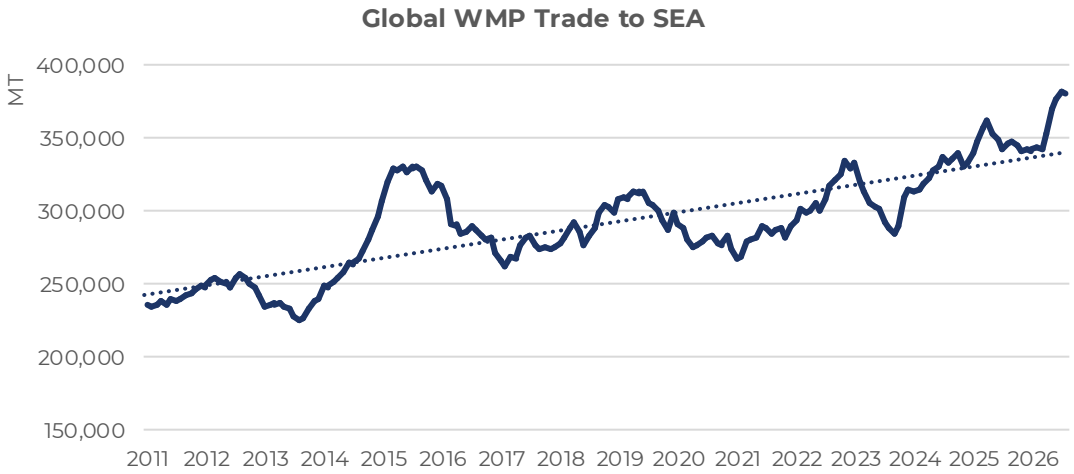


Source: NMPF/USDEC, TDM

Whole Milk Powder – Southeast Asia

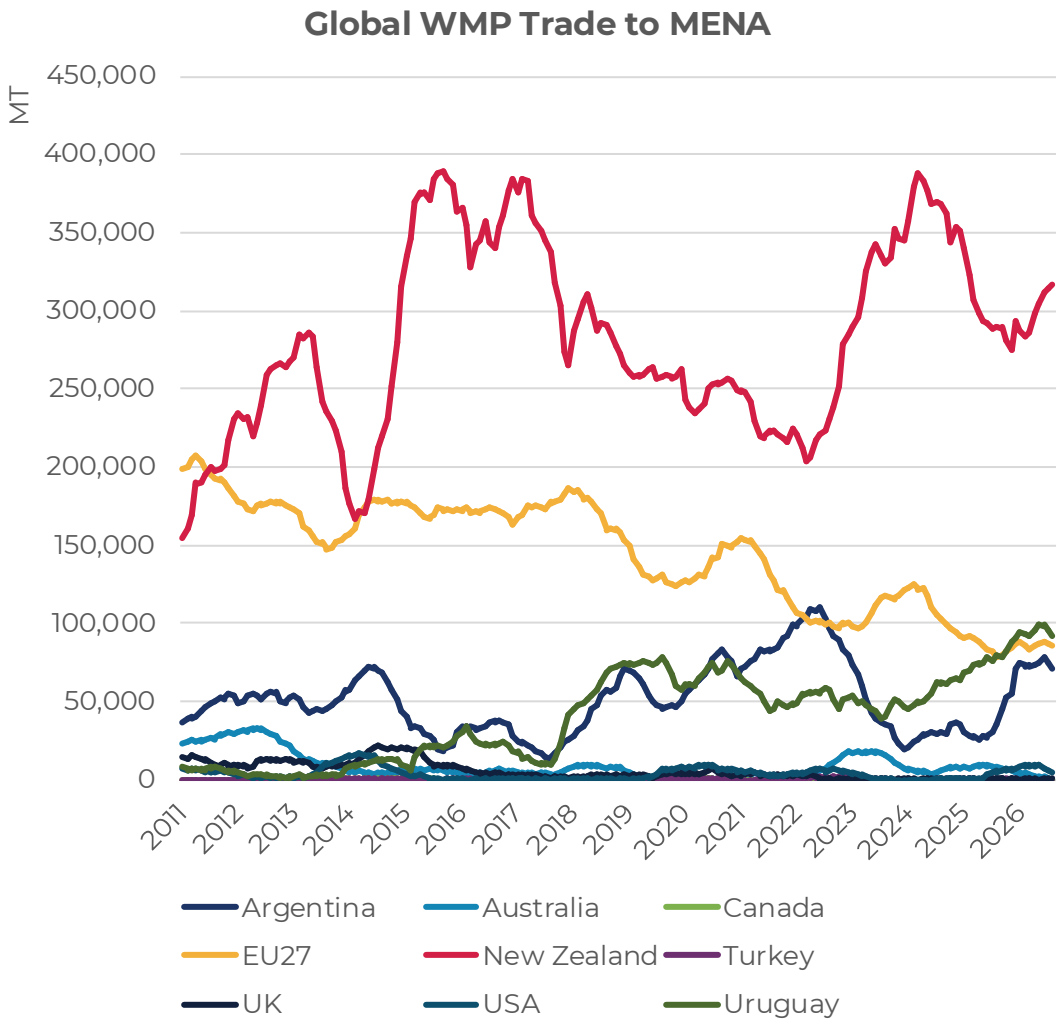


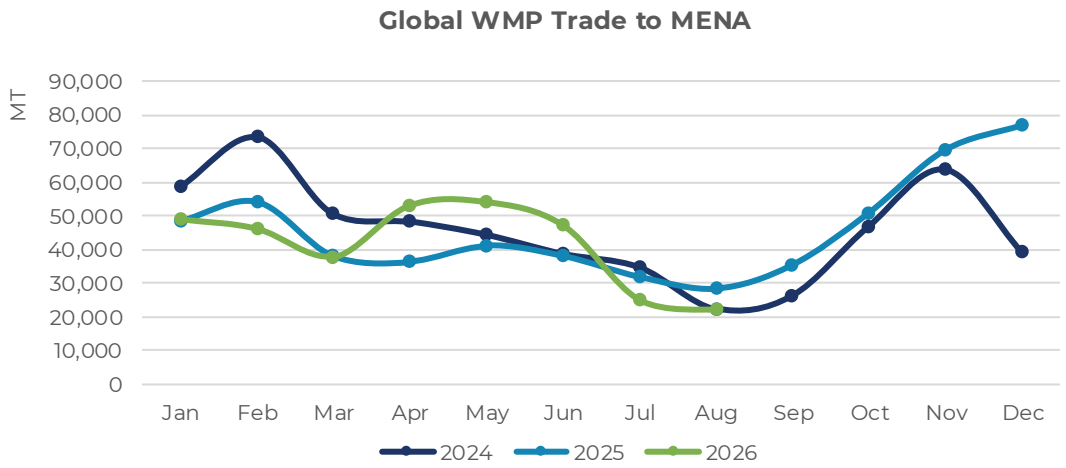


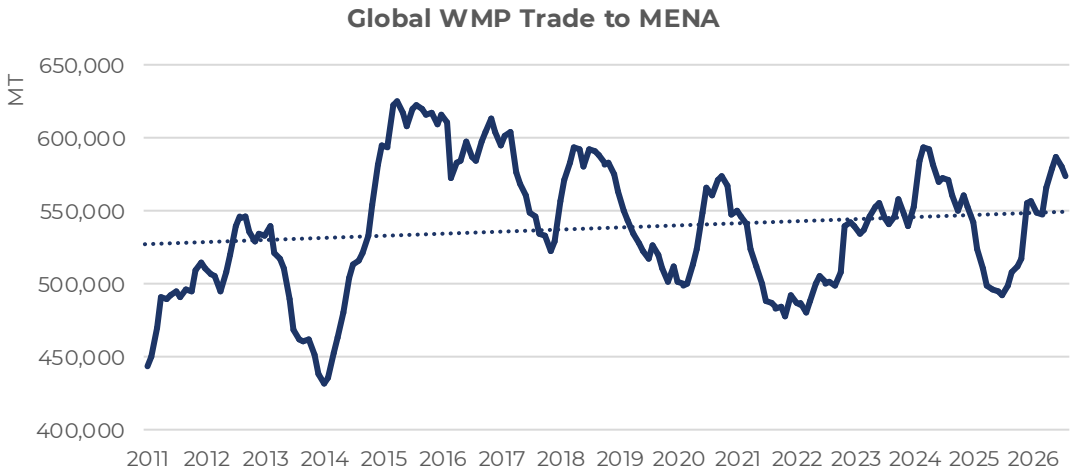


Source: NMPF/USDEC, TDM

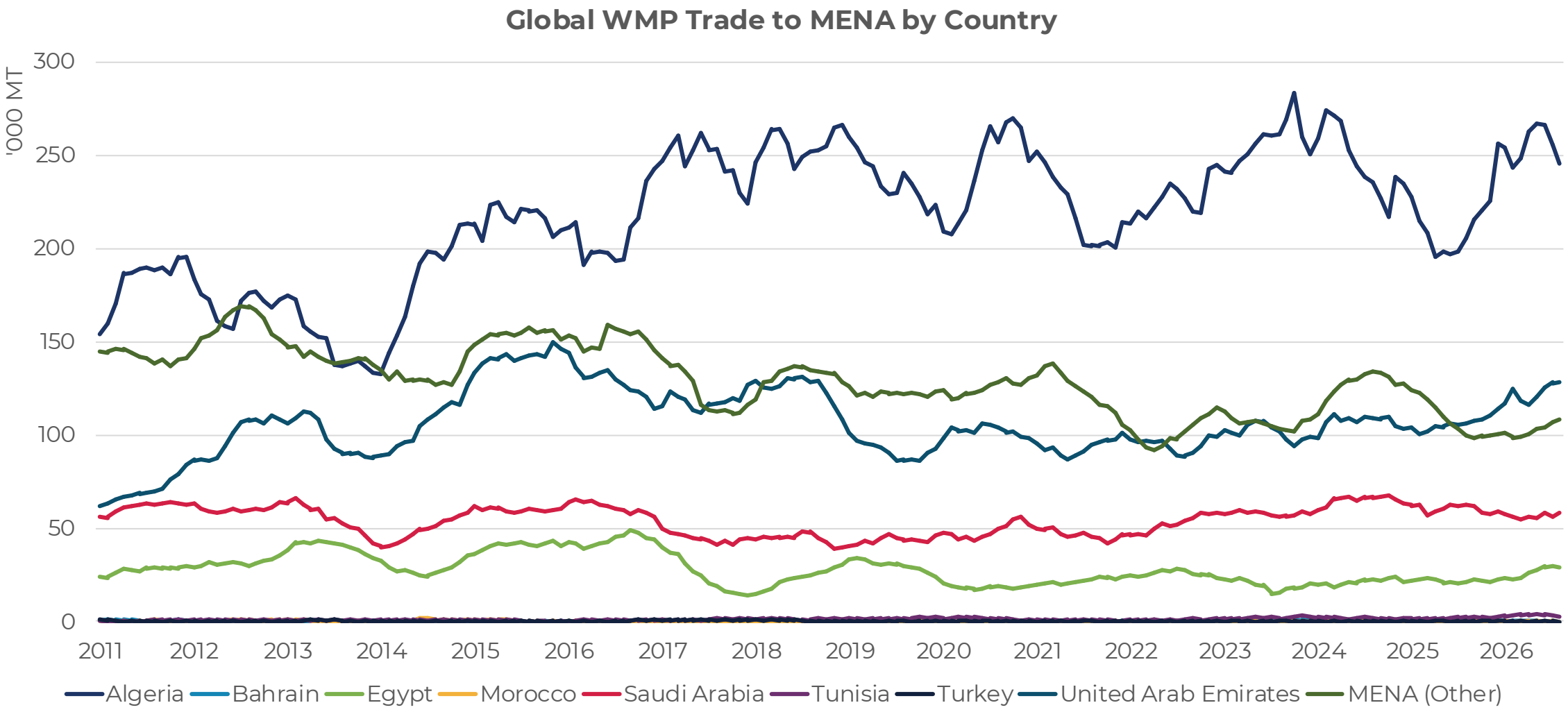
Whole Milk Powder – MENA





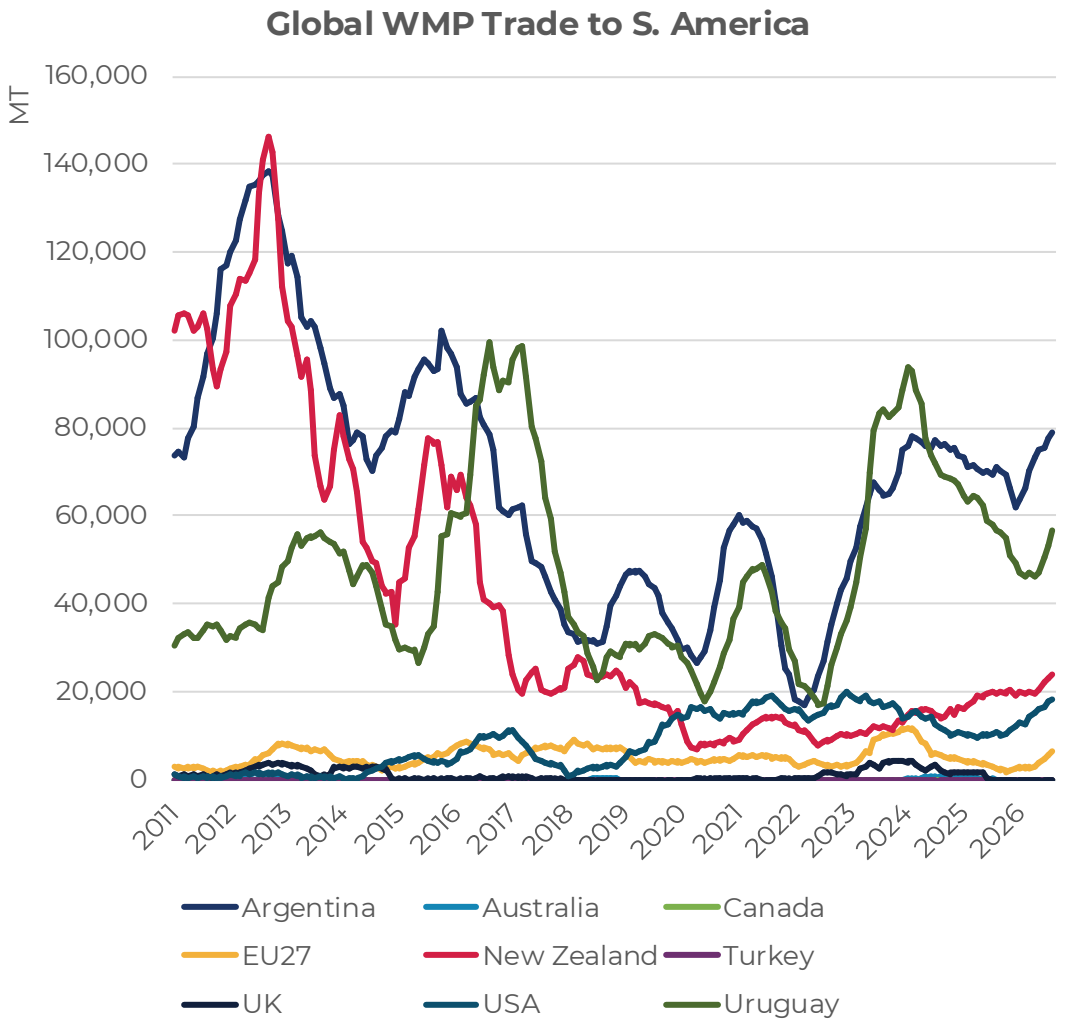


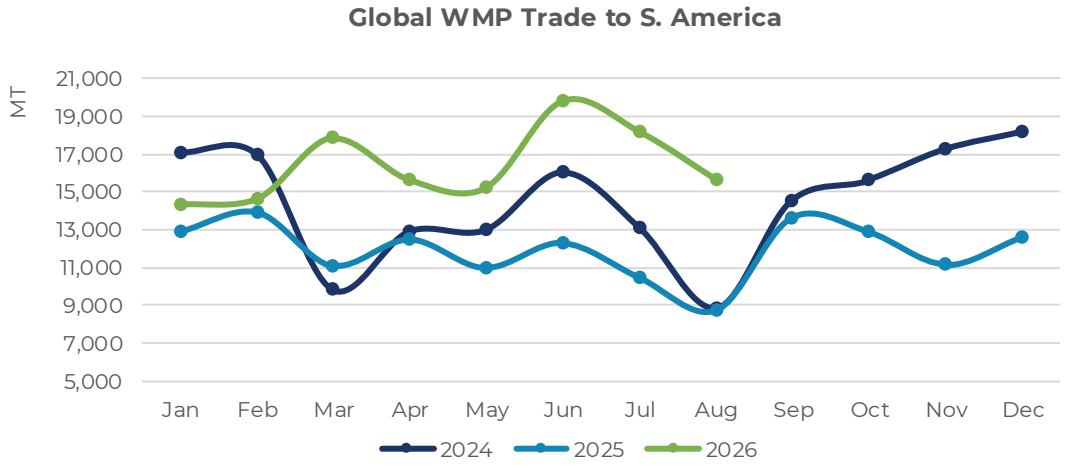
Middle East-North Africa Country Breakdown

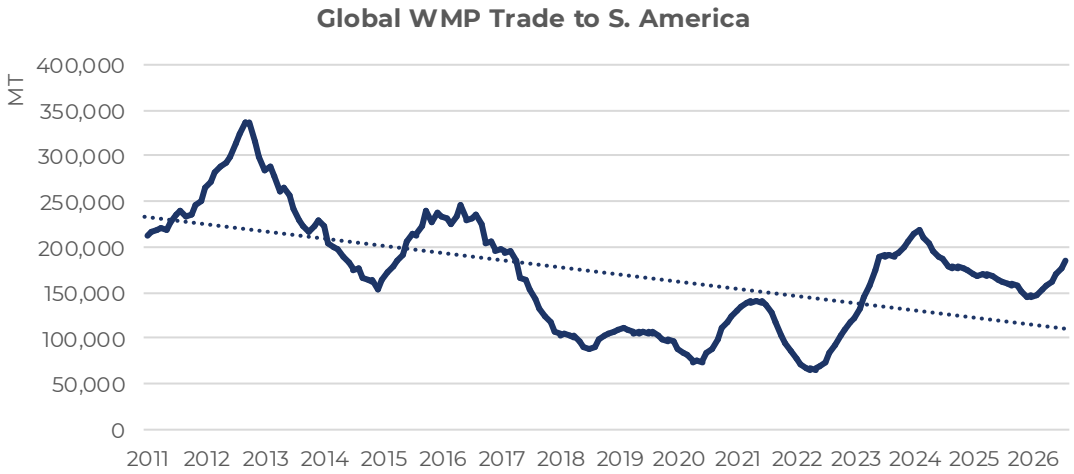


Source: NMPF/USDEC, TDM

Whole Milk Powder – South America







Source: NMPF/USDEC, TDM

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DAIRY ECONOMICS

Reach Out for Questions or Comments

William Loux: SVP, Global Economic Affairs, wloux@usdec.org
Stephen Cain: VP, Economic Policy & Market Analysis, scain@nmpf.org
Monica Ganley: VP, Global Trade Analysis, mganley@usdec.org
Allison Wilton: Market Analyst, awilton@nmpf.org

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