International Demand Analysis

Data Through: April 2024
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:
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- scain@usdec.org
- mganley@usdec.org
Global Dairy Demand Market Commentary

KEY TAKEAWAYS

- Global dairy trade eked out a small gain in April, climbing just 1% (+10,108 MT MSE), even as China’s dairy import demand continues to move in the wrong direction.

- The 16% drop in April, the ninth decline in ten months, pulled dairy purchase for the world’s largest dairy importer to the lowest annualized volume since August 2019. The overall decline in China came despite the first month of growth for low-protein whey in over a year as whole milk powder (-38%), NFDM/SMP (-44%) and fluid milk (-17%) all fell sharply lower – likely driven by the relative oversupply of local fresh milk.

- Outside of the China, the demand picture was relatively robust. Trade to the Middle East-North Africa impressed, climbing 6% even against strong prior year comparisons. Southeast Asia’s rebound maintained momentum thanks to an acceleration in the region’s low-protein whey demand. Mexico bounced back as well after a down March to climb 15% in April with gains nearly across the board for all dairy products except NFDM/SMP which declined only modestly (-2%).

Global Milk Solids Trade

<table>
<thead>
<tr>
<th>Global Milk Solids Trade</th>
<th>+1.1%</th>
<th>+2.9%</th>
<th>+0.8%</th>
<th>-1.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>April YoY</td>
<td></td>
<td></td>
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<tr>
<td>YTD, Ending April</td>
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<tr>
<td>Last 12-Months, Ending April</td>
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<tr>
<td>3-Year CAGR</td>
<td></td>
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</table>

April Standout Markets

<table>
<thead>
<tr>
<th>SOUTHEAST ASIA</th>
<th>CHINA+HK</th>
<th>MENA</th>
<th>MEXICO</th>
</tr>
</thead>
<tbody>
<tr>
<td>+17,252 MT</td>
<td>-28,863 MT</td>
<td>+9,671 MT</td>
<td>+8,163 MT</td>
</tr>
</tbody>
</table>

ADDITIONAL NOTES

With China’s demand struggling, the Middle East-North Africa has been the leading market for demand growth over the past year (+10%, +174,528 MT MSE since May 2023). In fact, MENA purchased more dairy solids than China in the last 12 months (1.873 million MT MSE to MENA v. 1.852 million MT MSE to China+HK). While growth to the region hasn’t been uniform, it has relatively widespread with Saudi Arabia (+27%, +87,838 MT MSE) and UAE (+11%, +25,590 MT MSE) leading the way. Beyond the Gulf States, Algeria has garnered most of the attention as NZ shipments to the country have picked up with China’s lackluster buying. Unfortunately, Algerian demand has levelled off recently, growing just 1% (+2,868 MT MSE) since May 2023. Additionally, Egypt, with its currency and economic woes, is still struggling (-28%, -61,226 MT MSE compared to two years ago). Overall, even with Algeria’s demand cooling and Egypt’s imports depressed, demand in the region has proven more robust than forecast, but the market’s cyclical buying pattern still suggests regression is possible.
Global Dairy Demand Market Commentary

LOOKING AHEAD

• To quote our report last month: “China’s demand remains weak, SEA is recovering, and MENA keeps buying even as we continue to wonder about inventory levels in the region.” Those conclusions still hold true, but China’s demand has proven even worse than anticipated, impacting not just WMP and fluid milk, but SMP as well. The raw milk price within China has dropped to the lowest levels in over a decade, China is now looking to export WMP (though volumes remain low for now), and the economy continues to underperform. All of this suggests, improvement in China’s import demand in the near term, outside of specialty ingredients and low-protein whey, looks increasingly unlikely.

• Gratefully, the rest of world besides China is showing consistent growth. Excluding trade to China, global trade has increased seven out of the last eight months and is up 3.1% (+284,109 MT MSE) over the last 12 months. That figure is actually slightly ahead of the pre-COVID growth rate, as global trade to markets other than China increased by 2.8% per year on average from 2010 to 2020. We anticipate the divergence between China and the rest of world to continue in the months to come. Ultimately, with economic challenges persisting, the rest of world’s demand expansion will remain insufficient to pull global demand growth to pre-COVID rates so long as China’s struggles continue.

U.S. Milk Solids Exports

<table>
<thead>
<tr>
<th></th>
<th>April YoY</th>
<th>YTD, Ending April</th>
<th>Last 12-Months, Ending April</th>
<th>3-Year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Milk Solids Exports 1</td>
<td>+2.6%</td>
<td>-1.8%</td>
<td>-7.4%</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>

EU Milk Solids Exports

<table>
<thead>
<tr>
<th></th>
<th>April YoY</th>
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<th>3-Year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU Milk Solids Exports</td>
<td>+8.0%</td>
<td>-0.2%</td>
<td>+1.5%</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>

NZ Milk Solids Exports

<table>
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<tr>
<th></th>
<th>April YoY</th>
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<th>3-Year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZ Milk Solids Exports</td>
<td>-13.3%</td>
<td>+9.1%</td>
<td>+8.3%</td>
<td>+2.7%</td>
</tr>
</tbody>
</table>

ADDITIONAL NOTES

As expected, New Zealand’s exports tailed off in April after a frontloading a large portion of their shipments earlier in their 2023/24 milk production season. The 13% drop the Oceania supplier’s exports was felt across the country’s core products: WMP exports fell 16% (-21,727 MT), NFDM/SMP dropped 35% (14,802 MT), butter lost 19% (-4,851 MT), and cheese declined 14% (-4,839 MT). Exports from New Zealand on a solids basis are likely to decline through the mid-2024 with the back half of the year and 2025 volumes subject to weather conditions in the new season. More importantly for global markets, the country’s product mix continues to reflect the weakness in China’s demand. Milk solids are moving into butter/skim and cheese/whey while eschewing WMP whenever possible. Similarly, NZ exporters are putting a greater emphasis on MENA and SEA, increasing competition in those markets.

1U.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.

Source: NMPF/USDEC, TDM
Executive Summary: April 2024

Global Total Solids Trade to World

Source: NMPF/USDEC, TDM

YOY Change in Global Dairy Trade to World: Month of Apr, MSE

YOY Change in Global Milk Solids Trade by Destination: Month of Apr

YOY Change in Global Dairy Trade to World by Product: Month of Apr

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Global Dairy Trade

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

Source: NMPF/USDEC, TDM
Select Markets – Month of April 2024, Milk Solids Equiv.

- **MENA**: +6% (+9,670 MT)
- **China**: -16% (-28,863 MT)
- **SEA**: +12% (+17,252 MT)
- **ROW**: +2% (+3,020 MT)
- **EU27**: +4% (+1,601 MT)
- **UK**: -0.4% (-209 MT)
- **Japan**: +4% (+1,054 MT)
- **S. Am**: -7% (-2,828 MT)
- **SSA**: -8% (-3,396 MT)
- **U.S.**: +16% (+4,643 MT)
- **Mexico**: +15% (+8,163 MT)

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

International Demand Analysis
Cheese Market Commentary

KEY TAKEAWAYS

• Global cheese trade set a new monthly record in April as nearly 234,000 MT of product circled the world during the month. This represented an increase of 9% (+19,021 MT) compared to last year and the largest year over year gain since October 2023.

• Continued improvement in the global economy, renewed consumer interest in foodservice, and competitive pricing boosted cheese trade during the month and helped to place activity back on a growth trajectory after volumes plateaued in March.

• In absolute terms, the largest contributor to increased trade was MENA (See Additional Notes), further bolstered by Mexico’s insatiable appetite for cheese (+38%, +5,263 MT). Unfortunately, after showing some promise of a rebound in March, growth stalled in Korea (+1%, +109 MT) and Japan (-1%, -263 MT). Meanwhile, strong domestic supplies and persistent economic challenges in Australia reduced demand for imported cheese (-20%, -1,834 MT), albeit by a lower margin than in the previous month.

Global Cheese Trade

<table>
<thead>
<tr>
<th></th>
<th>April YoY</th>
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<th>3-Year CAGR</th>
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</thead>
<tbody>
<tr>
<td>+8.9%</td>
<td>+6.1%</td>
<td>+4.1%</td>
<td>+1.3%</td>
<td></td>
</tr>
</tbody>
</table>

April Standout Markets

- MENA: +6,880 MT (+31%)
- EU27: +1,919 MT (+17%)
- MEXICO: +5,263 MT (+38%)
- AUSTRALIA: -1,834 MT (-20%)

ADDITIONAL NOTES

Cheese demand from the Middle East and North Africa soared in April, rising 31% (+6,880 MT) versus the same month last year. Admittedly, a weak comparable boosted the YoY gains but even so, volumes during the month were the largest seen so far this year and represented the strongest April result since 2020. Most destinations saw demand increase though the bulk of the gains were borne by Algeria (+309%, +1,798 MT) and Saudi Arabia (+29%, +1,467 MT) as rising oil prices and diversification initiatives have boosted economic performance. However, demand continues to flounder in Egypt (-7%, -90 MT) where the weight of persistent economic challenges and a depressed currency has pushed cheese demand to the lowest levels seen in nearly two decades. Incremental cheese trade to the region has been shared across suppliers as every major exporter has seen volumes rise.

Source: NMPF/USDEC, TDM
Cheese Market Commentary

LOOKING AHEAD

• Continued improvement in the global economy should continue to boost cheese trade over the balance of the year. However, rising prices could create some headwinds and dampen buyers’ enthusiasm in the short-term. The global average cheese export price has largely been trending downward since January of last year when the price hit an all-time high of $6,027/MT. In April, however, prices stabilized at $5,518/MT and rising cheese values in the U.S. and in Europe suggest that higher export values could be on the horizon.

• Regional differences are also likely to exert an influence on trade performance in the future. A dramatic devaluation of the Mexican peso following recent elections will render imported cheese more expensive for Mexican buyers. This dynamic, combined with recent rally in the U.S. cheese price could push Mexican buyers away from cheese and toward purchases of nonfat dry milk that will be used to fortify their own cheese vats.

U.S. Cheese Exports

+27.2% April YoY
+22.7% YTD, Ending April
+3.5% Last 12-Months, Ending April
+1.1% 3-Year CAGR

EU Cheese Exports

+5.9% April YoY
+0.9% YTD, Ending April
+3.9% Last 12-Months, Ending April
+1.3% 3-Year CAGR

NZ Cheese Exports

-13.7% April YoY
-11.1% YTD, Ending April
+2.4% Last 12-Months, Ending April
+0.8% 3-Year CAGR

ADDITIONAL NOTES

The U.S. has benefited disproportionately from the recent growth in global cheese trade. While global cheese trade has cumulatively risen 6% so far this year, U.S. exports have soared by 23%. This has partly been driven by strong performance in markets where the U.S. is dominant, such as Mexico and Central America. But U.S. suppliers have also made critical inroads in less traditional markets that have seen important growth, likely due to more competitive prices. For example, U.S. cheese exports to MENA have jumped by 39% in the first four months of 2024. Lower prices have also enabled U.S. suppliers to recapture share in critical markets like Korea, where U.S. exports are up 33% despite total cheese demand falling by 12%. With new cheese capacity coming online soon, the U.S. is well positioned to continue expanding cheese trade through these three avenues.

Source: NMPF/USDEC, TDM
Global Overview: Cheese

Global Cheese Trade to World

Source: NMPF/USDEC, TDM
Global Overview: Cheese

Global Cheese Trade to World

Source: NMPF/USDEC, TDM
Global Overview: Cheese – Last 12 Months

Global Cheese Trade by Destination: Last 12 Months ending Apr 2021/22

- Japan: 21%
- China+HK: 13%
- S. Asia: 12%
- S. America: 10%
- Korea: 7%
- Other/Non-Specified: 6%
- SEA: 6%
- EU27: 6%
- USA: 4%
- Mexico: 2%
- Canada: 2%
- CIS: 2%
- Australia: 2%
- Caribbean: 2%
- EU (Non-EU): 1%
- SSA: 1%
- New Zealand: 1%
- Taiwan: 0%
- MENA: 0%
- UK: -60,000 MT
- SSA: -40,000 MT
- S. Asia: -20,000 MT
- Other/Non-Specified: 0 MT
- SEA: 0 MT
- EU27: 0 MT
- USA: 0 MT
- Mexico: 0 MT
- Canada: 0 MT
- CIS: 0 MT
- Australia: 0 MT
- Caribbean: 0 MT
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- Taiwan: 0 MT
- MENA: 0 MT
- UK: 0 MT

YOY Change in Global Cheese Trade by Destination: Last 12 Months ending Apr 2021/22

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- Australia: 2%
- Caribbean: 2%
- EU (Non-EU): 1%
- SSA: 1%
- New Zealand: 1%
- Taiwan: 0%
- MENA: 0%
- UK: -6%
- SSA: -6%
- S. Asia: -8%
- Other/Non-Specified: 0%
- SEA: 0%
- EU27: 0%
- USA: 0%
- Mexico: 0%
- Canada: 0%
- CIS: 0%
- Australia: 0%
- Caribbean: 0%
- EU (Non-EU): 0%
- SSA: 0%
- New Zealand: 0%
- Taiwan: 0%
- MENA: 0%
- UK: 0%

Source: NMPF/USDEC, TDM
Trade Flows: Cheese

Global Cheese Trade to World

Source: NMPF/USDEC, TDM
Global Cheese Trade to Mexico

Source: NMPF/USDEC, TDM
Korea

Global Cheese Trade to Korea

Source: NMPF/USDEC, TDM
Global Cheese Trade to Australia

Source: NMPF/USDEC, TDM
Southeast Asia

Global Cheese Trade to SEA

Source: NMPF/USDEC, TDM
China

Global Cheese Trade to China+HK

Source: NMPF/USDEC, TDM
NFDM/SMP
**NFDM/SMP Market Commentary**

**KEY TAKEAWAYS**

- Global trade of NFDM/SMP dropped slightly in April (-1%, -1,747 MT), which was a meaningful improvement from March’s sharp pullback (-11%, -25,018 MT).

- Notably, Mexico’s milk powder demand was much more positive in April. While NFDM/SMP exports to Mexico were still down 2% in April (-541 MT), it is a stark recovery over Q1 exports which fell 26% (-29,275 MT). While an improvement, it is doubtful that April is the start of a significant rebound. The Mexican peso, which until recently had been a critical tailwind supporting growth in Mexican imports, has deteriorated significantly in recent weeks – falling roughly 12% versus the U.S. dollar. As such, buyers are likely to be cautious in making new orders, preferring to wait to see if the peso recovers.

- Elsewhere, demand in MENA continued its surprise run despite robust year-over-year comparisons. Exports to the region jumped 11% (+5,294 MT) in April, bringing YTD exports to +18% (+31,579 MT).

**Global NFDM/SMP Trade**

- April YoY: -0.9%
- YTD, Ending April: -4.1%
- Last 12-Months, Ending April: -0.7%
- 3-Year CAGR: -0.7%

**April Standout Markets**

- **CHINA+HK**
  - April: -44%
  - YTD: -11,668 MT

- **SOUTH AMERICA**
  - April: +52%
  - YTD: +3,153 MT

- **MENA**
  - April: +11%
  - YTD: +5,294 MT

- **SOUTHEAST ASIA**
  - April: +4%
  - YTD: +2,017 MT

**ADDITIONAL NOTES**

Despite the overall decline in Chinese NFDM/SMP import volume, New Zealand NFDM/SMP exports to China have been resilient – up 1% YTD while U.S and EU NFDM/SMP exports to China are down 63% and 73% respectively. Part of the resiliency appears to be related to price. New Zealand NFDM/SMP to China is being exported at roughly $500/MT below other origins. That steep discount combined with tariff-free access has allowed New Zealand to take significant market share over the last year – increasing from 39% a year ago to 59% today. With declining Chinese NFDM/SMP demand, it is unlikely New Zealand can maintain growth in exports to China, which will push the increased NFDM/SMP production in New Zealand into other markets, further increasing competition in neighboring SEA where demand is starting to rebound.
LOOKING AHEAD

• SEA demand is still moving in the right direction, with exports to the region in April up 4% (+2,017 MT), but the rate of growth is not particularly remarkable. Even as April marked the 6th straight month of higher YOY import volumes, it was the lowest YOY growth in over that stretch. The sluggish recovery is in part due to demand growth is mixed across countries in the region. The Philippines and Malaysia are driving much of the recent growth with YTD exports to the two countries up 40% (+15,016 MT) and 45% (+13,532 MT) respectively. Indonesia has also improved 9% YTD (+6,150 MT), but Vietnam, one of the largest importers in the region, is starting the year off slow with volumes to the country down 17% (-6,949 MT) YTD.

• Weakness in China is expected to remain an anchor to milk powder markets. April exports to China fell a staggering 44% (-11,668 MT) as local milk is moving into more SMP applications and economic struggles dampen consumer spending. Overall, demand in the country shows little sign of turning around with April marking the 12th consecutive month of lower YOY volumes.

U.S. NFDM/SMP Exports
-2.3%
-8.5%
-5.3%
-1.8%
April YoY
YTD, Ending April
Last 12-Months, Ending April
3-Year CAGR

EU NFDM/SMP Exports
+13.6%
-5.8%
-1.3%
-0.4%
April YoY
YTD, Ending April
Last 12-Months, Ending April
3-Year CAGR

NZ NFDM/SMP Exports
-35.0%
-1.3%
+10.3%
+3.3%
April YoY
YTD, Ending April
Last 12-Months, Ending April
3-Year CAGR

ADDITIONAL NOTES

Malaysian demand may be poised for a pullback. Malaysian SMP purchases are up 45% thru April (+13,531 MT) with imports from the U.S. up 81% over the same period. Despite rising imports, the Malaysian ringgit has steadily depreciated against the U.S. dollar and is at its weakest level in decades. Part of the surprising strength could be tied to the fact that Malaysian FFMP exports boomed in 2023, where a weak currency would be beneficial. Malaysia is a major blender of FFMP – importing whey or SMP and adding in fat before exporting FFMP to other countries. Malaysian FFMP exports boomed in 2023 (+28%), but FFMP exports in recent months have wavered – down 5% (-4,502 MT) over March and April. If demand for Malaysian FFMP continues to soften, there may be less need for imported whey and SMP for FFMP production in Malaysia.
Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World

Source: NMPF/USDEC, TDM
Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World

Source: NMPF/USDEC, TDM
Global Overview: NFDM/SMP – Last 12 Months

Source: NMPF/USDEC, TDM
Global NFDM/SMP Trade to World

Source: NMPF/USDEC, TDM
Southeast Asia

Global NFDM/SMP Trade to SEA

Source: NMPF/USDEC, TDM
China

Global NFDM/SMP Trade to China+HK

Source: NMPF/USDEC, TDM
Global NFDM/SMP Trade to MENA

Source: NMPF/USDEC, TDM
Whey Products
(0404.10)
Whey Products (0404.10) Market Commentary

**KEY TAKEAWAYS**

- **After dipping in March, global low protein trade returned to growth in April with activity up 15% (+17,606 MT) against an admittedly low comparable last year. Even with that caveat, April’s result notched the strongest result ever seen for the month and the largest volume since July 2022.**
- **For the first time in over a year, low-protein whey trade to China increased** (see additional notes for more details). Importantly, the rebound in China was further bolstered by several other markets. Demand from Southeast Asia continued to soar with volumes climbing 21% (+7,327 MT) in April, pulling YTD purchases up by 17% (+23,101 MT). Most of the regional gains have been driven by Malaysia, Indonesia, and the Philippines, suggesting that sustained demand from blenders and local food applications supported the region’s recovery.
- **Multiple smaller markets also posted substantial growth,** including Mexico (+81%, 2,199 MT), MENA (+31%, +2,114 MT), and Sub-Saharan Africa (+68%, +1,613 MT). Of the major markets, South America was the lone laggard, (-25%, -1,166 MT).

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**Global Whey (0404.10) Trade**

<table>
<thead>
<tr>
<th>Metric</th>
<th>April YoY</th>
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<th>Last 12-Months, Ending April</th>
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</thead>
<tbody>
<tr>
<td>+15.0%</td>
<td>+5.2%</td>
<td>-3.5%</td>
<td>-2.6%</td>
<td></td>
</tr>
</tbody>
</table>

**April Standout Markets**

- **China+HK**
  - 10% increase
  - +3,661 MT

- **Southeast Asia**
  - 21% increase
  - +7,327 MT

- **Mexico**
  - 81% increase
  - +2,199 MT

- **MENA**
  - 31% increase
  - +2,114 MT

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**ADDITIONAL NOTES**

Chinese low protein whey demand improved notably in April and provided an important boost to the global monthly figure. Whey trade to the country jumped 10% (+3,661 MT) during the month. While the April gain marks an important reversal, it was insufficient to compensate for losses earlier in the year. YTD Chinese whey demand trailed last year by 13% (-20,873 MT). Nevertheless, the improvement in demand in April suggests that the Chinese hog market could be showing some improvement. After spending months in the doldrums, Chinese hog prices have started to tick upward as culling has hampered new supply. The government even lowered its target for breeding sows from 41 million to 39 million. Further price increases could be on the horizon if China restricts pork imports from the EU following the recently filed anti-dumping probe, which may bolster China’s whey recovery.

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Source: NMPF/USDEC, TDM
## Looking Ahead

- Broadly speaking, low protein whey trade is moving in the right direction for many markets. However, the performance of individual regions will likely vary significantly over the coming months with a high degree of month-to-month volatility.

- China’s increased whey demand in April is encouraging, but it remains a single positive data point in a year of otherwise disappointing figures. Additional clarity will be required on the direction of the country’s pork industry before we can draw definitive conclusions about substantive recovery in whey demand.

- Globally, whey prices have begun to tick upward, but they remain below prior year levels. While higher prices could discourage demand around the margins, low protein whey prices remain reasonable and forecasted production increases suggest that supply should remain plentiful over the near term. That said, it will be important to monitor the tradeoff between output of low and high protein whey products, which could occasionally create a squeeze on availability of sweet whey even as permeate production grows in conjunction with high protein whey.

## U.S. Whey (0404.10) Exports

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>+8.7%</td>
<td>+0.1%</td>
<td>-18.2%</td>
<td>-6.5%</td>
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</tbody>
</table>

## EU Whey (0404.10) Exports

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>EU</td>
<td>+19.4%</td>
<td>+3.2%</td>
<td>+4.2%</td>
<td>+1.4%</td>
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## NZ Whey (0404.10) Exports

<table>
<thead>
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<tr>
<td>NZ</td>
<td>-2.4%</td>
<td>+11.3%</td>
<td>+14.9%</td>
<td>+4.7%</td>
</tr>
</tbody>
</table>

## Additional Notes

The EU was the greatest beneficiary of increased global low protein whey trade in April, as shipments from the bloc increased 19% (+10,495 MT) during the month. Robust activity in SEA underpinned the increase as the EU provided 86% of the incremental product that moved into the region during April. The U.S. lost share in SEA during April but compensated by expanding shipments into Mexico (+718%, +2101 MT) and Sub-Saharan Africa (+1,143 MT). YTD exports of low protein whey from the U.S. are effectively flat so far this year. Surprisingly, cumulative whey exports from Turkey in 2024 have increased by a factor of three (+4,285 MT), demonstrating a return to historically typical volumes after an exceptionally weak 2023. Increased demand from within the Middle East boosted Turkey’s exports as the country has increased trade within the region by 282% (+6,752 MT) so far this year.
Global Overview: Whey (0404.10)

Source: NMPF/USDEC, TDM
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

MT

Source: NMPF/USDEC, TDM

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Global Overview: Whey (0404.10) – Last 12 Months

Global Whey (0404.10) Trade by Destination: Last 12 Months ending Apr

Source: NMPF/USDEC, TDM
Trade Flows: Whey Products

Global Whey (0404.10) Trade to World

Source: NMPF/USDEC, TDM
China

Global Whey (0404.10) Trade to China+HK

Source: NMPF/USDEC, TDM
Southeast Asia

Global Whey (0404.10) Trade to SEA

Source: NMPF/USDEC, TDM
WPC80+ (3502.20)
KEY TAKEAWAYS

- Global trade of high protein whey has been on a tear, and April was no exception as volumes soared 27% (+3,449 MT) year over year. The monthly total of 16,146 MT was the third highest volume of any month and handily bested the previous April record set in 2021 by 1,894 MT.

- Moderating prices likely helped boost shipments as export values for every major supplier declined from March to April. Overall, average export prices are the lowest they have been so far this year, but they remain well above levels seen late in 2023, which suggests demand is able to manage modestly higher prices.

- Whey protein demand from Brazil continued its meteoric rise in April (+93%, +551 MT). Excitingly, Brazil was joined by several other (and less expected) markets driving the bulk of the growth in global high protein whey trade. Despite plenty of weakness in China’s buying in the rest of dairy complex, shipments of WPC80+ to the country jumped sharply higher in April (see additional notes). Even more surprisingly, April volumes to MENA were more than six times greater than in the same month last year (+533%, +1,190 MT). Though March activity to MENA was also elevated, it remains to be seen if April’s result was an outlier or indicative of a new trend.

- China’s demand for high protein whey bounded upward in April, rising 73% (+1,545 MT) versus last year’s result. Despite the strong performance, weaker shipments in March mean that year to date high protein whey trade to China is running ahead of 2023 by a more tempered, but still impressive, 25% (+2,467 MT). While much of the attention has focused on disappointing economic performance in China, the country’s GDP is still expanding, and the current processing footprint means that the country will likely depend on imports for its high protein whey needs through the near future. U.S. suppliers have increased their share of Chinese WPC80+ demand this year. During the first four months of 2024, the U.S. boasted a 59% market share compared to 44% over the same period last year, an increase which mostly came at the expense of the EU.

Source: NMPF/USDEC, TDM

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WPC80+ (3502.20) Market Commentary

<table>
<thead>
<tr>
<th>Global WPC80+ Trade</th>
<th>April YoY</th>
<th>YTD, Ending April</th>
<th>Last 12-Months, Ending April</th>
<th>3-Year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+27.2%</td>
<td>+18.0%</td>
<td>+16.4%</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

April Standout Markets

<table>
<thead>
<tr>
<th>CHINA+HK</th>
<th>MENA</th>
<th>SOUTH AMERICA</th>
<th>JAPAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1,545 MT</td>
<td>+1,190 MT</td>
<td>+691 MT</td>
<td>-518 MT</td>
</tr>
</tbody>
</table>

ADDITIONAL NOTES

China’s demand for high protein whey bounded upward in April, rising 73% (+1,545 MT) versus last year’s result. Despite the strong performance, weaker shipments in March mean that year to date high protein whey trade to China is running ahead of 2023 by a more tempered, but still impressive, 25% (+2,467 MT). While much of the attention has focused on disappointing economic performance in China, the country’s GDP is still expanding, and the current processing footprint means that the country will likely depend on imports for its high protein whey needs through the near future. U.S. suppliers have increased their share of Chinese WPC80+ demand this year. During the first four months of 2024, the U.S. boasted a 59% market share compared to 44% over the same period last year, an increase which mostly came at the expense of the EU.
The fundamentals remain strong for high protein whey trade and should continue to promote robust volumes in the coming months. Fundamentally, whey protein is being used in a wider array of applications and gaining footholds in new markets.

The emergence of new demand centers, such as MENA, is encouraging as MENA had traditionally imported smaller volumes finished sports nutrition products shipped direct to retail rather than purchasing ingredients for local manufacturing and wider distribution. Within MENA, Egypt and Turkey are the markets driving the recent growth in WPC80+ as opposed to the Gulf States, which have been the traditional market for finished retail-ready products and more active on other ingredients. Regardless, for MENA and other markets, it will be critical that economic performance in these markets continues to support the consumption of high-quality whey proteins.

Diversified destinations will also help to alleviate the weight of markets with weaker performance. In particular, Japan, which had been one of the more reliable countries for WPC80+ demand in recent years, has seen volumes lag as the country manages a weak currency and underwhelming economic performance.

<table>
<thead>
<tr>
<th>U.S. WPC80+ Exports</th>
<th>EU WPC80+ Exports</th>
<th>NZ WPC80+ Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>+26.1% April YoY</td>
<td>+12.1% April YoY</td>
<td>+63.0% April YoY</td>
</tr>
<tr>
<td>+23.4% YTD, Ending April</td>
<td>+6.8% YTD, Ending April</td>
<td>+21.5% YTD, Ending April</td>
</tr>
<tr>
<td>+21.2% Last 12-Months, April</td>
<td>+11.3% Last 12-Months, Ending April</td>
<td>+17.1% Last 12-Months, Ending April</td>
</tr>
<tr>
<td>+6.6% 3-Year CAGR</td>
<td>+3.6% 3-Year CAGR</td>
<td>+5.4% 3-Year CAGR</td>
</tr>
</tbody>
</table>

The U.S. continues to solidify its position as the leading supplier of high protein whey to the global market, with a share of about 45% in both April and year to date. Furthermore, about 57% (+5,330 MT) of the incremental volume of WPC80+ in the world market this year has come from the U.S. But, just as a rising tide lifts all ships, rapidly expanding growth in the high protein whey market has provided opportunities for other suppliers to grow volumes, as well. During the first third of the year, New Zealand exports have risen by 21% (+1,765 MT) while the EU has increased WPC80+ shipments by 7% (+1,002 MT). Of the key suppliers, only the UK has lost ground with shipments down 4% year to date. Looking ahead, increased whey production resulting from higher cheese output will likely further galvanize the U.S. as a major contributor to high protein whey trade.
Global Overview: WPC80+

Source: NMPF/USDEC, TDM
Global Overview: WPC80+

Global WPC80+ Trade to World

Source: NMPF/USDEC, TDM

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Global Overview: WPC80+ – Last 12 Months

Global WPC80+ Trade by Destination: Last 12 Months ending Apr

Source: NMPF/USDEC, TDM

International Demand Analysis
Korea

Global WPC80+ Trade to Korea

Source: NMPF/USDEC, TDM
Other Dairy Products
Global Overview: Lactose

**KEY TAKEAWAYS**

<table>
<thead>
<tr>
<th>Global Lactose Trade</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>April YoY</td>
<td>+3.7%</td>
</tr>
<tr>
<td>YTD, Ending April</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Last 12-Months, Ending April</td>
<td>-0.2%</td>
</tr>
<tr>
<td>3-Year CAGR</td>
<td>+2.5%</td>
</tr>
</tbody>
</table>

- Lactose trade turned positive in April despite China pulling back (-35%, -6,144 MT). Favorable comparisons and robust demand from markets other than China pulled up global trade to +4% (+2,351 MT).
- Demand for lactose in South Asia (+23%, +1,507 MT) and South America (+58%, +1,612 MT) continued to their improvement, but those markets were also joined by rising demand from MENA (+37%, +738 MT) and Japan (+20%, +1,034 MT), which grew for the first time in several months.

**Source:** NMPF/USDEC, TDM
Lactose – China

Global Lactose Trade to China+HK

Source: NMPF/USDEC, TDM
Lactose – South Asia

Global Lactose Trade to S. Asia

Source: NMPF/USDEC, TDM
Global Lactose Trade to SEA

Source: NMPF/USDEC, TDM
Global Overview: Butter

KEY TAKEAWAYS

- **Global Butter Trade**

  -8.3%  -9.8%  -3.0%  +0.2%
  
  April YoY  YTD, Ending April  Last 12-Months, Ending April  3-Year CAGR

- Butter trade continued to tumble in April as prices hit the highest levels since 2022. Given those prices and economic headwinds, it is no surprise that demand in several regions dropped as buyers look for alternative fat sources. Though exports grew to MENA in March, that pace was not sustained in April (-30%, -3,084 MT), dragging on global trade, as well.

- On the growth side of the ledger, U.S. butter imports grew as butter prices set seasonal records and imported brands gained market share (+23%, +1,209 MT). Elsewhere, China also saw a slight bump in butter demand (+2%, +247 MT). However, for the rest of the world, limited milkfat availability is taking a toll on butter trade.

Source: NMPF/USDEC, TDM
Butter – MENA

Global Butter Trade to MENA

Source: NMPF/USDEC, TDM
Butter – China

Global Butter Trade to China+HK

Source: NMPF/USDEC, TDM
Global Overview: Whole Milk Powder

Despite a strong start to the year, whole milk powder demand hit another snag in April. Shipments to China dropped off sharply (−38%, -19,983 MT) as New Zealand’s milk flush came to a close and much of the 2023/24 season’s production had already cleared into the global market in prior months.

Even as the world watches China, that was not the only market to struggle. Sub-Saharan Africa purchases fell by nearly half (−45%, -6,005 MT), joined by regressions in South Asia (−13%, -2,119 MT) and South America (−35%, -6,897 MT). The lone bright spot, Southeast Asia, did post another month of growth however (+25%, +5,206 MT). With demand headwinds, WMP trade is expected to struggle at least through Q2.

KEY TAKEAWAYS

Global WMP Trade

<table>
<thead>
<tr>
<th>April YoY</th>
<th>YTD, Ending April</th>
<th>Last 12-Months, Ending April</th>
<th>3-Year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>−15.3%</td>
<td>+12.7%</td>
<td>+7.5%</td>
<td>−3.7%</td>
</tr>
</tbody>
</table>

Global WMP Trade to World

Source: NMPF/USDEC, TDM
Whole Milk Powder – China

Source: NMPF/USDEC, TDM

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Whole Milk Powder – Southeast Asia

Global WMP Trade to SEA

Source: NMPF/USDEC, TDM
Reach Out for Questions or Comments

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