

International Demand Analysis

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Data Through:

January 2025

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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:
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Global Dairy Demand Market Commentary



KEY TAKEAWAYS

- Global dairy trade in January started off the year on a positive note, gaining 4% year-over-year (+34,435 MT MSE).
- A 21% (+32,913 MT MSE) gain in global export volumes to China marked the fourth straight of improvement for the largest single country dairy importer in the world. With the exception of fluid milk and lactose, China volumes increased for all other major products. In fact, total trade to China reached the second highest volume ever for the month of January.
- Even accounting for the jump in volumes to China, most markets recorded positive figures for the month though a 15% decline in MENA (-23,883 MT MSE) demand was a notable exception (see additional notes).
- On a product basis, performance in January was mixed. Cheese and low protein whey exports led the way with both products gaining 11% YOY, accompanied by improvements in WMP (+4%), fats (butter, cream and AMF all grew) and proteins (MPC, casein and WPC80+). Conversely, NFDM/SMP (-4%), FFMP/Blends (-5%), lactose (-11%) and fluid milk (-15%) all weakened to start 2024.

Global Milk Solids Trade

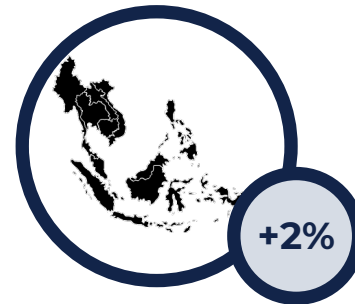
+3.7%
January YoY

+3.7%
YTD, Ending Jan.

+1.4%
Last 12-Months, Ending Jan.

-0.9%
3-Year CAGR

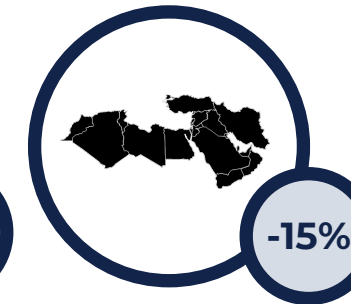
January Standout Markets



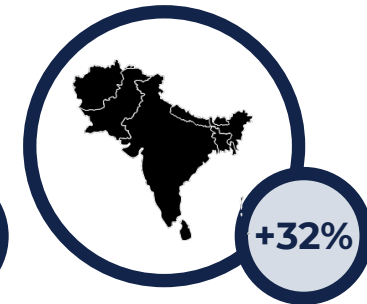
SOUTHEAST ASIA
+3,056 MT



CHINA+HK
+32,913 MT



MENA
-23,883 MT



SOUTH ASIA
+9,368 MT

ADDITIONAL NOTES

In 2022 and 2023, global dairy trade to the Middle East-North Africa region grew by 5% in consecutive years. Last year, that growth rate slowed to just 0.8% due primarily to a second half slowdown that has continued into 2025. In the last six months, global dairy trade to MENA has declined by 9% with substantially weaker imports of milk powders (WMP, SMP and FFMP) and fats (butter and AMF). By contrast, cheese (+7% over the last 12 months), low protein whey (+17% over the last 12 months) and proteins (particularly caseins) are performing comparatively well. While sales are softening to Algeria and Egypt, the major point of weakness appears to be milk powder sales to the Gulf States, particularly Saudi Arabia and the UAE. Given KSA and UAE are key regional manufacturing hubs, the slowdown suggests that demand from the rest of the Middle East-North Africa region as well as Sub-Saharan Africa could be under pressure.

Global Dairy Demand Market Commentary



LOOKING AHEAD

- As mentioned in last month's IDA, **since July 2024, global dairy trade has quietly grown at the same rate as it did in the five years preceding COVID-19.** If you asked each member on our Econ team whether this rebound will continue, you will probably get different answers in part due to today's political and economic uncertainty.
- Yet even with the diversity of opinions, we can point to several key data points that suggest global **dairy trade fundamentals are moving in a positive direction.** First, after three straight years of weighing on global markets, **China's imports are stabilizing** driven by milk production in the country slowing. Our team expects China's milk production slowdown to continue even as we readily admit the economic outlook for the country remains bearish. Still, even stagnation in China's dairy imports is positive for the market after three years of contraction. Additionally, **global dairy trade of cheese and proteins are accelerating** as middle-class consumers around the world recover economically even as whey protein prices are likely limiting some new product launches in emerging markets. These positive signals may not fully negate today's geopolitical risks, MENA's slowdown or the world's generally sluggish demand for milk powders, but they provide a badly needed influx of optimism amidst a challenged U.S. market.

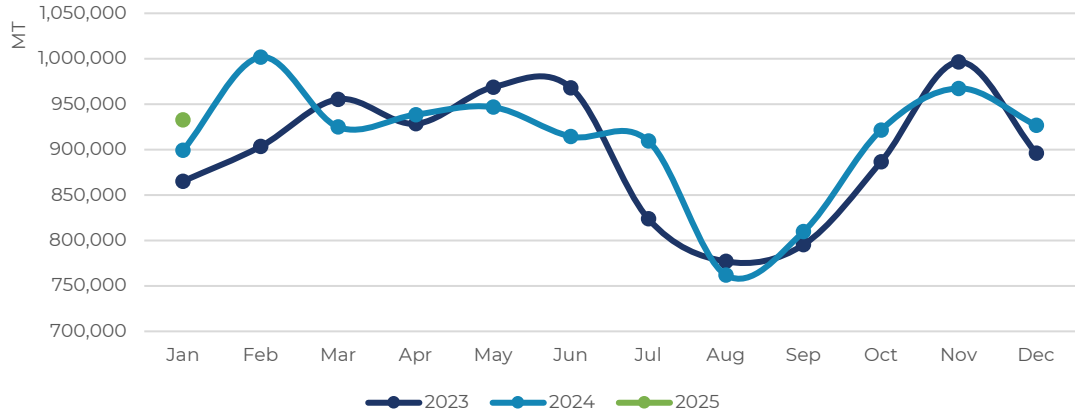
U.S. Milk Solids Exports ¹	+1.1% January YoY	+1.1% YTD, Ending Jan.	-0.3% Last 12-Months, Ending Jan.	-0.1% 3-Year CAGR
EU Milk Solids Exports	-0.7% January YoY	-0.7% YTD, Ending Jan.	-1.4% Last 12-Months, Ending Jan.	-0.5% 3-Year CAGR
NZ Milk Solids Exports	+10.3% January YoY	+10.3% YTD, Ending Jan.	+2.6% Last 12-Months, Ending Jan.	+0.9% 3-Year CAGR

Average Dairy Export Value to World, MSE

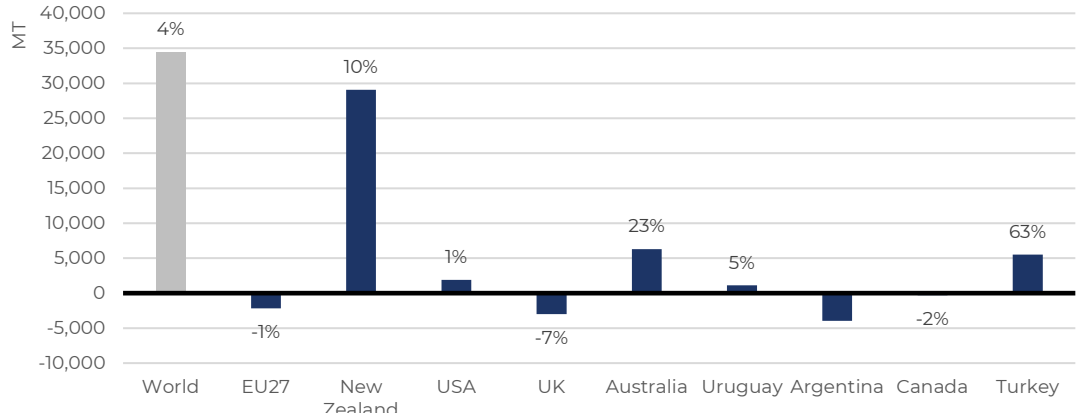


Executive Summary: January 2025

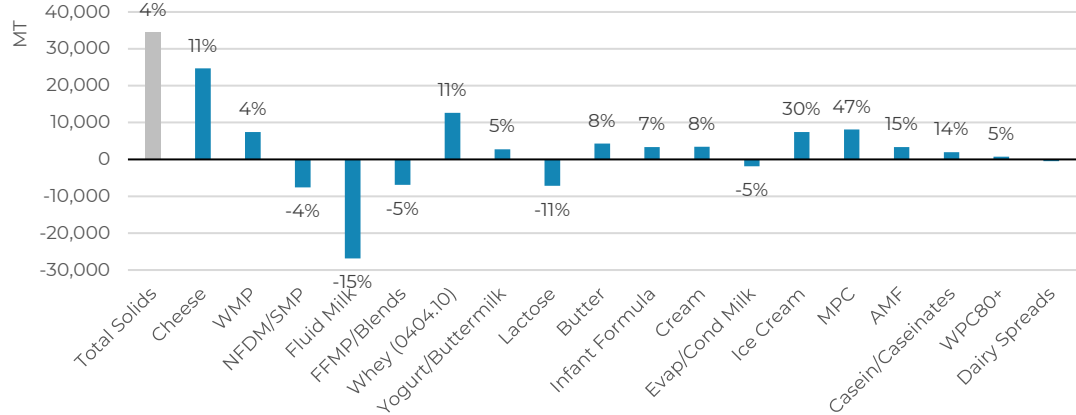
Global Total Solids Trade to World



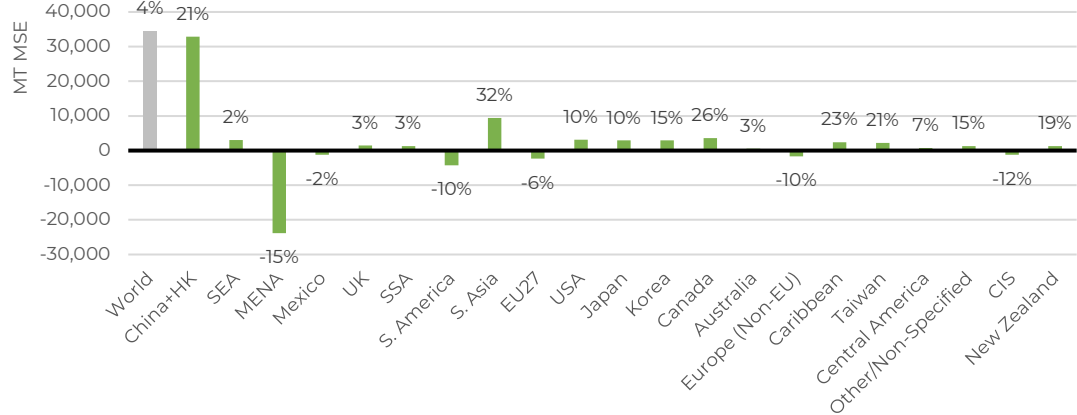
YOY Change in Global Dairy Trade to World: Month of Jan, MSE



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

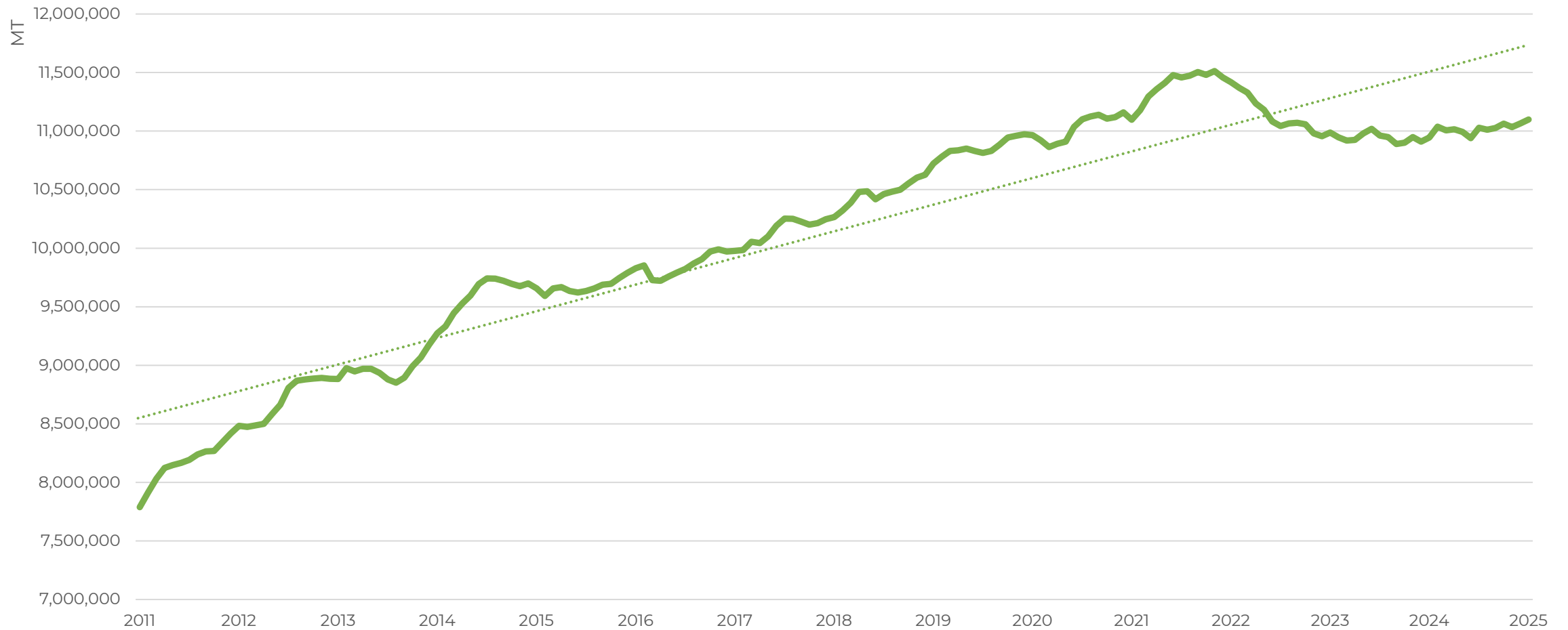


YOY Change in Global Milk Solids Trade by Destination: Month of Jan 2025

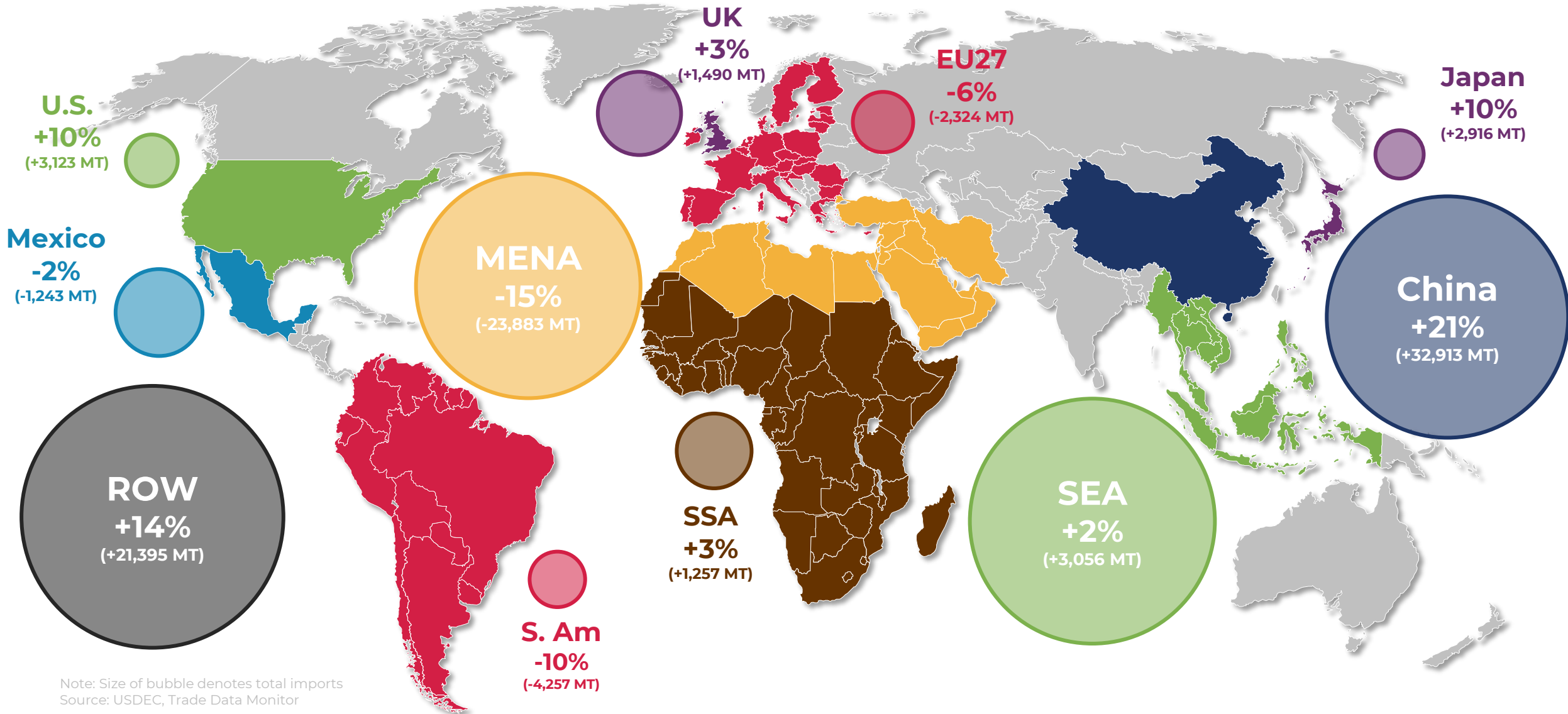


Global Dairy Trade

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

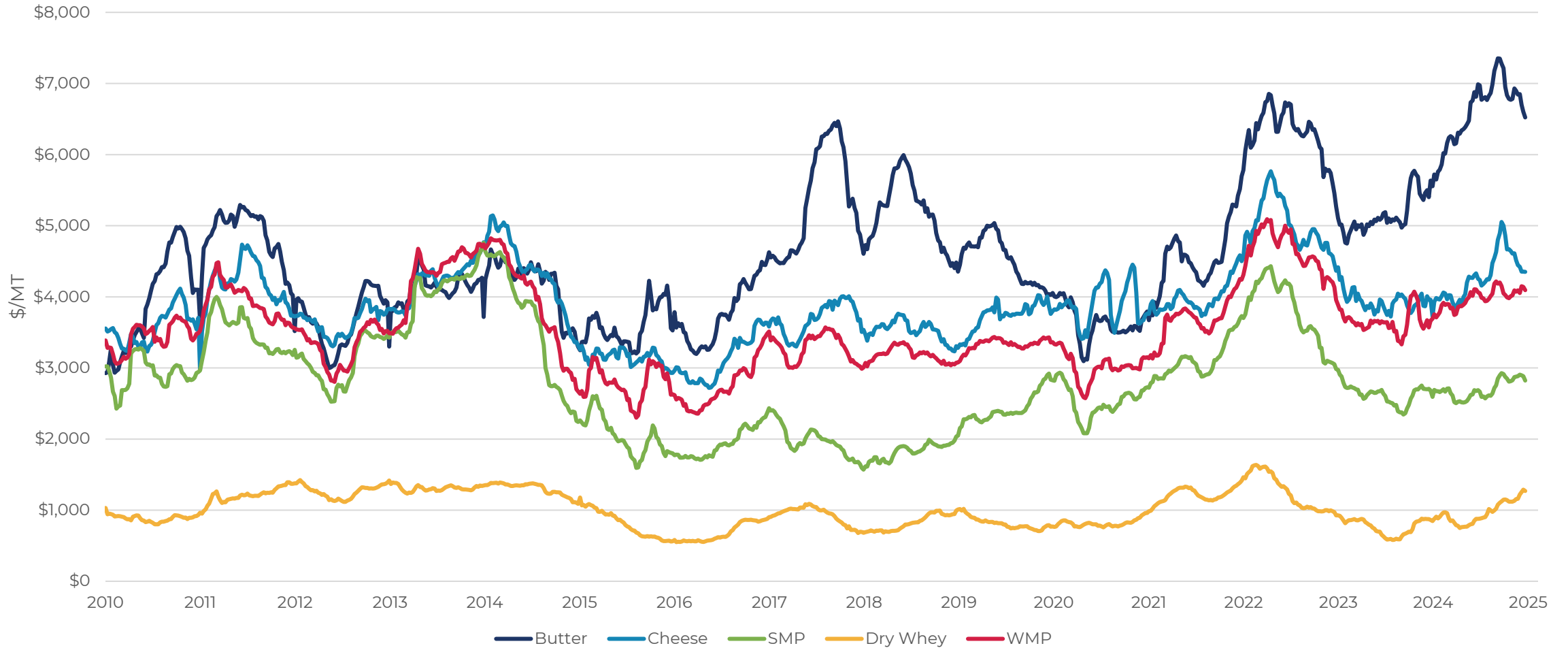


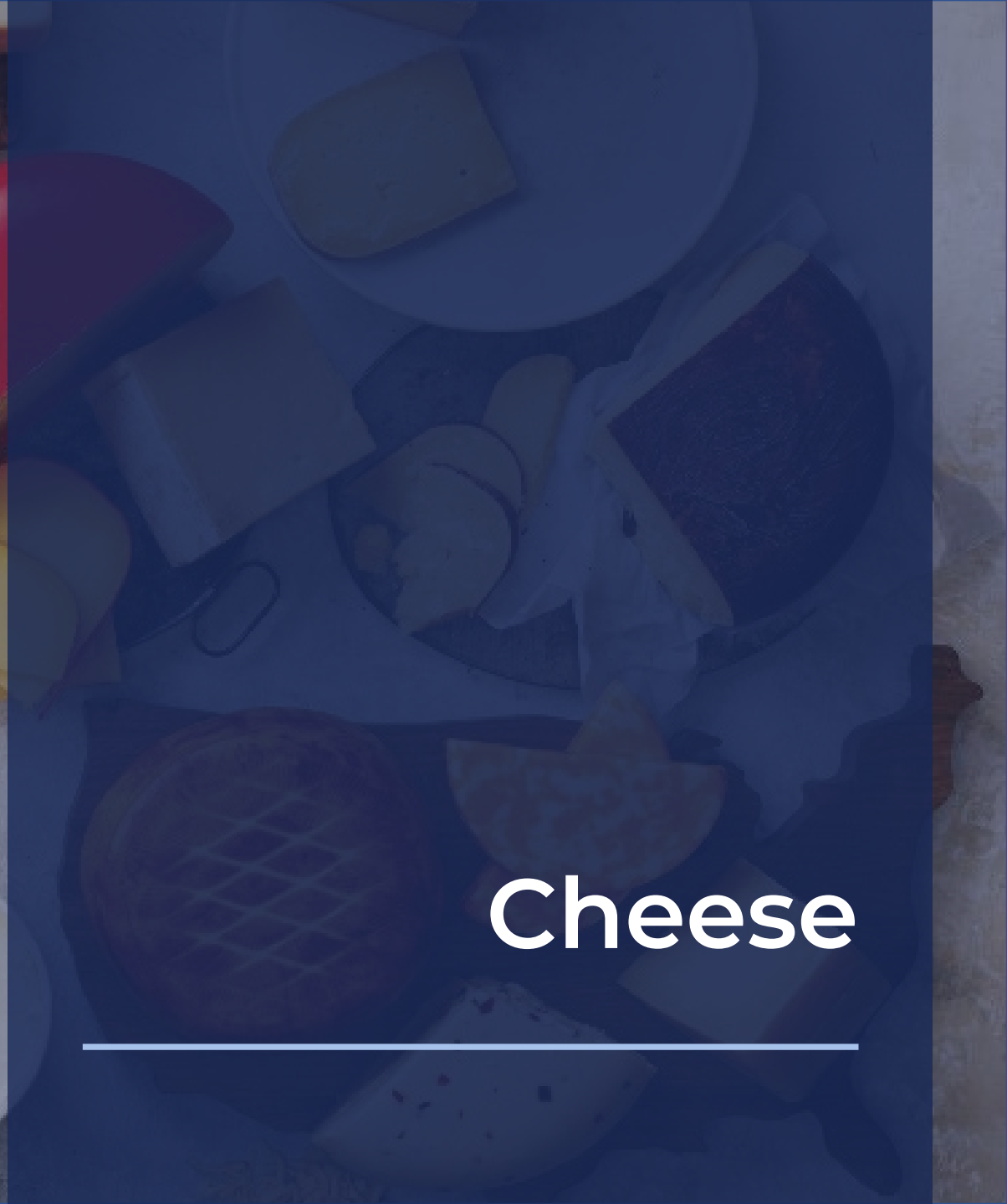
Select Markets – Month of Jan. 2025, Milk Solids Equiv.



Global Dairy Spot Prices

Average US, EU, & NZ Wholesale Prices for Select Dairy Products





Cheese

Cheese Market Commentary



KEY TAKEAWAYS

- **Global cheese trade kicked off the year with a bang – up 11%** (+24,662 MT) YOY. January's growth marked the 16th month in a row of increased YOY cheese trade.
- Continuing the trend, **growth in cheese imports was seen across many countries** with some reaching double digit growth. The UK (+14%, +4,688 MT), MENA (+13%, +3,472 MT), Japan (+29%, +5,373 MT), China (+25%, +3,391 MT) and Korea (+43%, +4,204 MT) all showed strong growth.
- Mexico, however, was a notable outlier with January imports down 4% (-541 MT). That lower volume marked the first month of YOY lower import volume for Mexico since 2020. While one month of slightly lower volume doesn't indicate a trend, very strong import volumes in 2024 along with a challenging policy environment with the U.S. make it likely we'll likely see some slowdown (or at a minimum slower growth) in cheese demand in Mexico.

**Global
Cheese
Trade**

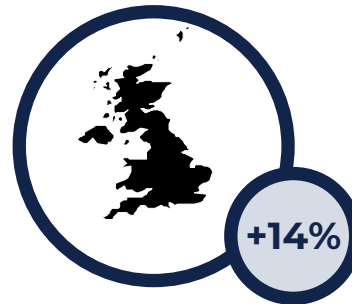
+11.4%
January YoY

+11.4%
YTD, Ending Jan.

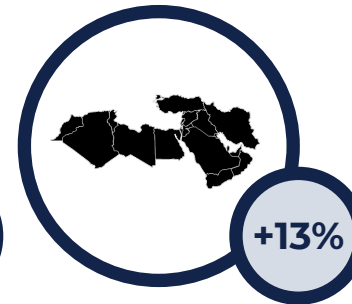
+6.2%
Last 12-Months,
Ending Jan.

+2.7%
3-Year CAGR

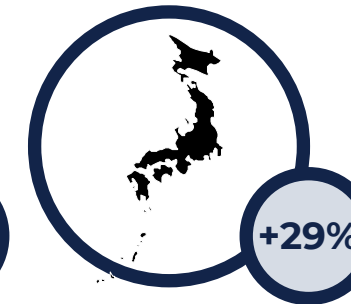
January Standout Markets



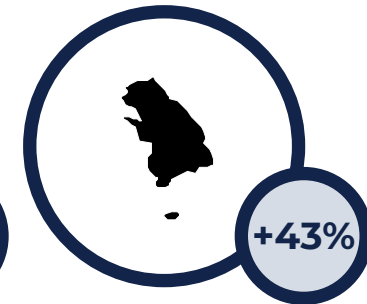
UNITED KINGDOM
+4,688 MT



MENA
+3,472 MT



JAPAN
+5,373 MT



KOREA
+4,204 MT

ADDITIONAL NOTES

Chinese cheese demand seems to tentatively be on the rebound after two months of higher YOY cheese imports. January volumes in particular were up significantly (+25%) – the highest January volume on record. I want to believe (shoutout X-Files) this is the start of a trend, but over the last five years, rebounds in Chinese demand have let us down time and again with significant periods of retreat following virtually every rally. This time 'could' be different though. Many analysts are still bearish on the Chinese economy, a few are bullish, but most have lost appetite in forecasting Chinese demand. However, in general, we seem to have tentatively hit bottom in Chinese dairy import demand and are working towards a more stable return to the international market. In addition to returning demand, cheese supplies in the region are readily available. China imports nearly two-thirds of its cheese from New Zealand and the Kiwis are having a great season of milking so far – up 2.4% during peak flush and up 2.6% in January which means plenty of product available for export. Barring significant tariff impacts on the Chinese economy which could temper demand, Chinese cheese imports in 2025 look to be in a good spot for continued growth.

Cheese Market Commentary

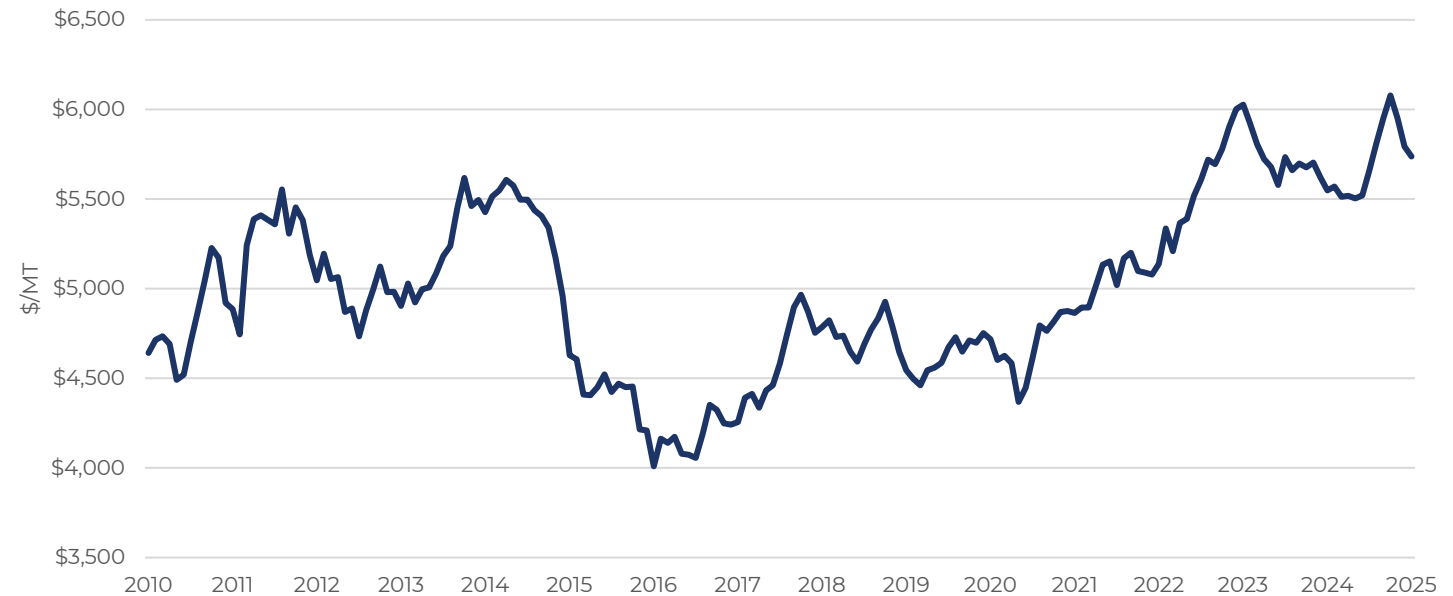


LOOKING AHEAD

- U.S. cheese today is at a roughly 25% discount to global prices.** The last time global prices experienced this large of a gap was when the food box program in the U.S. caused temporary price spikes. The reason for the gap today is driven largely by weaker U.S. domestic demand and expectations of tariff impacts which are keeping prices low in the U.S. while tighter supplies outside the U.S. are supporting a higher global price – especially in the EU. However, despite cheese prices in the EU remaining elevated domestically, the EU export value has declined in recent months along with the U.S. export value out of necessity to remain price competitive. EU exports rebounded as a result – up 6% in January after being down 1% in Q4.
- In aggregate though, global cheese prices remain elevated near record highs at just under \$6,000/MT. **Despite the high price and inflation challenges though, global demand for cheese remains strong and is a product consumers seem willing to spend money on – a trend likely to continue this year barring any significant geopolitical disruptions.**

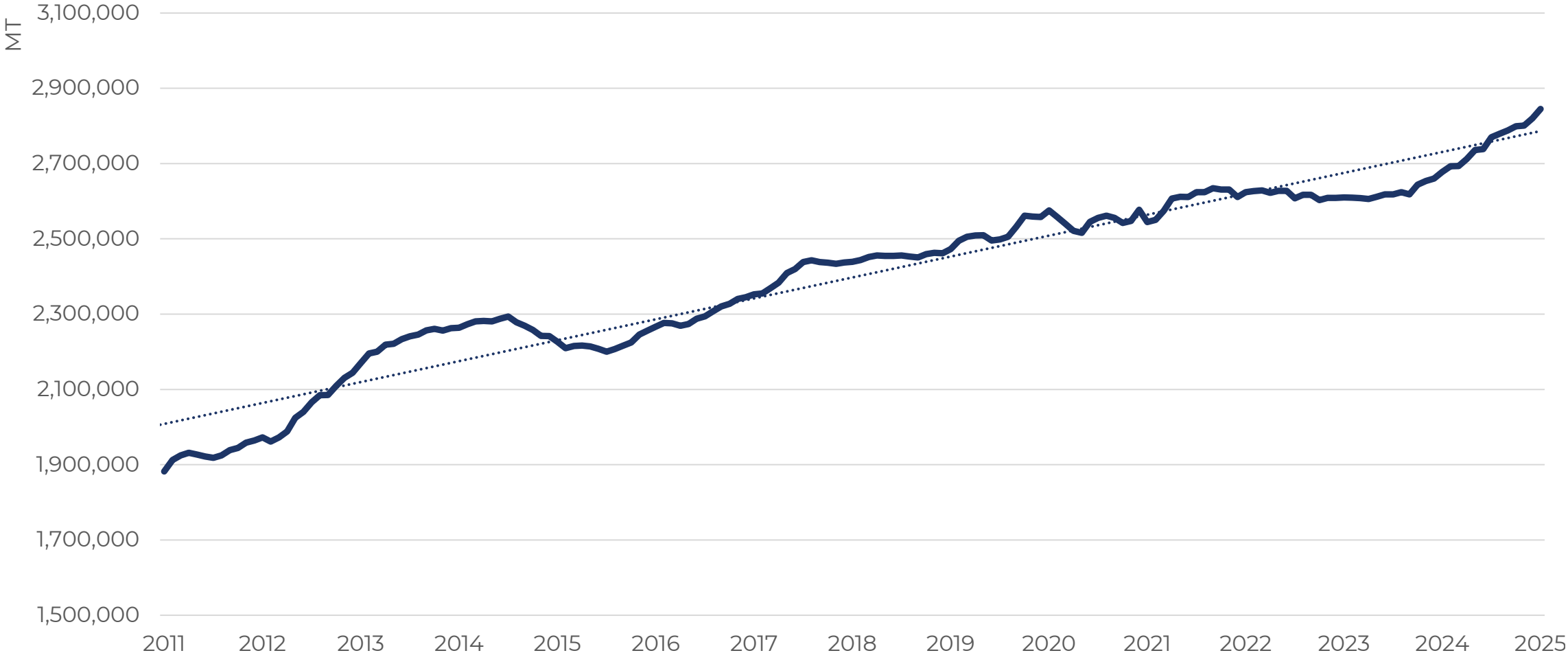
U.S. Cheese Exports	+21.9% January YoY	+21.9% YTD, Ending Jan.	+18.2% Last 12-Months, Ending Jan.	+5.7% 3-Year CAGR
EU Cheese Exports	+5.9% January YoY	+5.9% YTD, Ending Jan.	-0.02% Last 12-Months, Ending Jan.	-0.01% 3-Year CAGR
NZ Cheese Exports	+33.2% January YoY	+33.2% YTD, Ending Jan.	+6.9% Last 12-Months, Ending Jan.	+2.2% 3-Year CAGR

Average Cheese Export Value to World



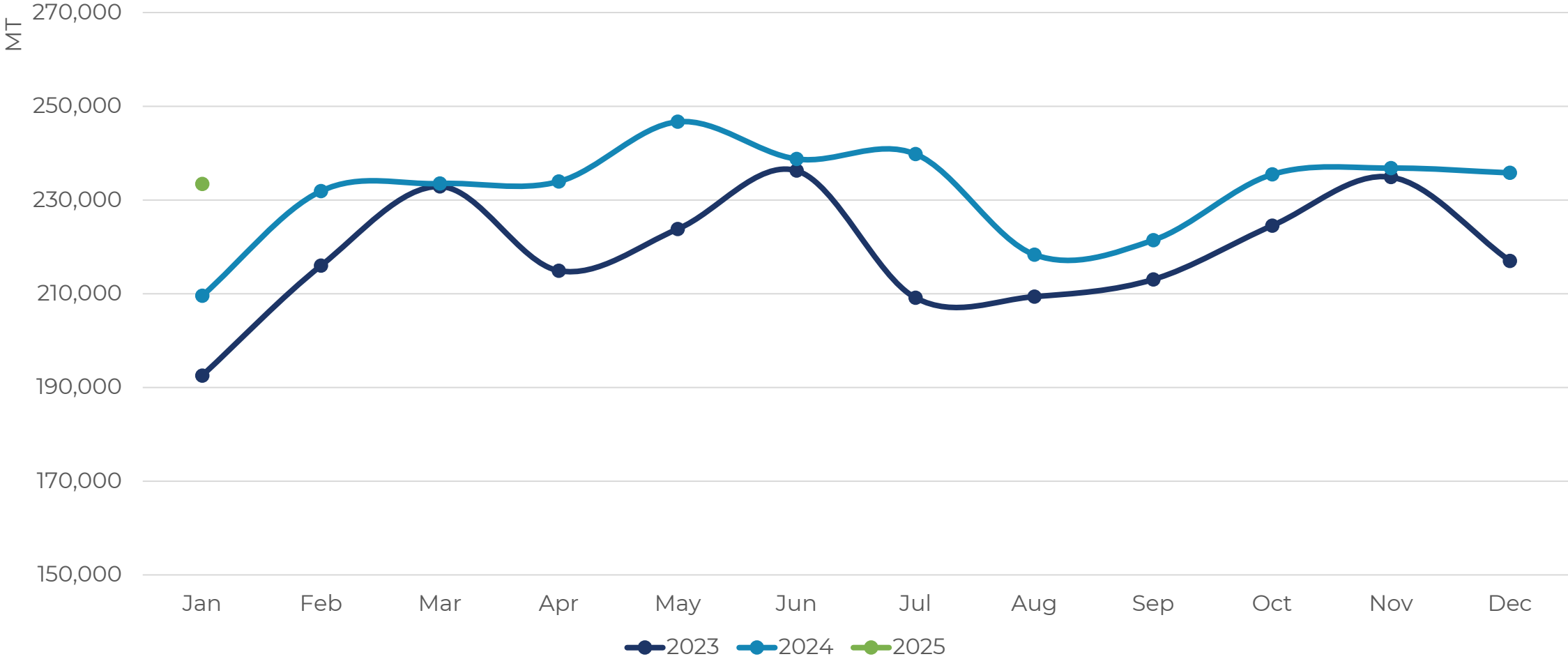
Global Overview: Cheese

Global Cheese Trade to World



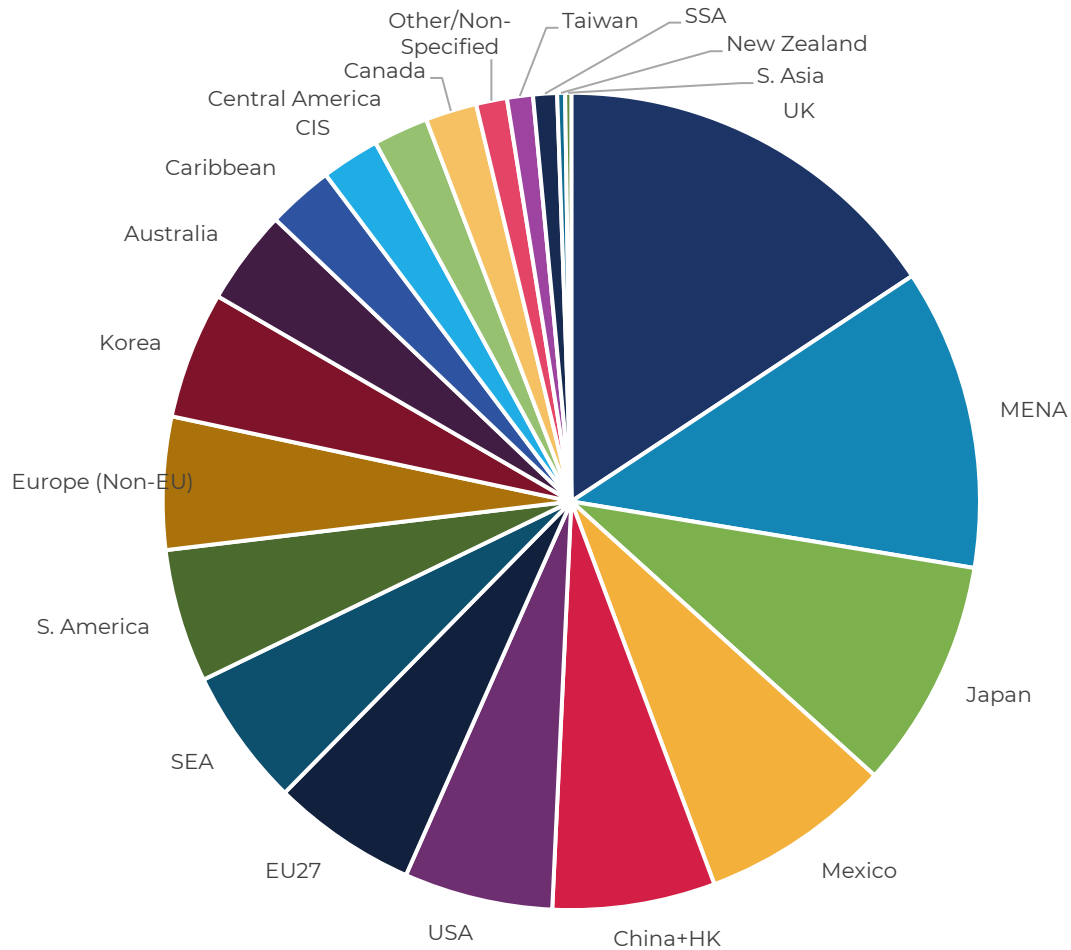
Global Overview: Cheese

Global Cheese Trade to World

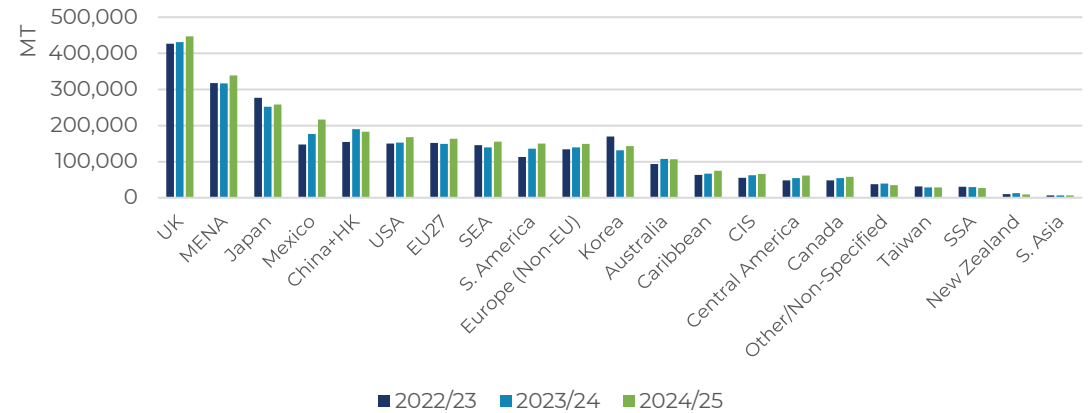


Global Overview: Cheese – Last 12 Months

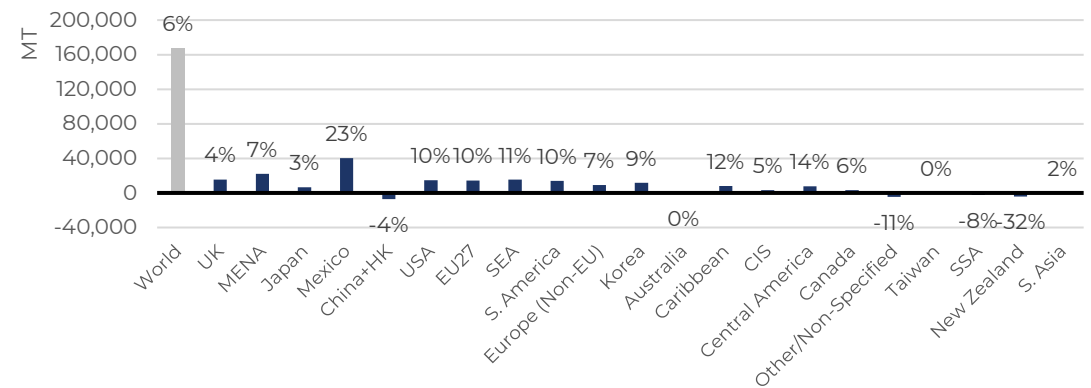
Global Cheese Trade by Destination: Last 12 Months ending Jan



Global Cheese Trade by Destination: Last 12 Months ending Jan

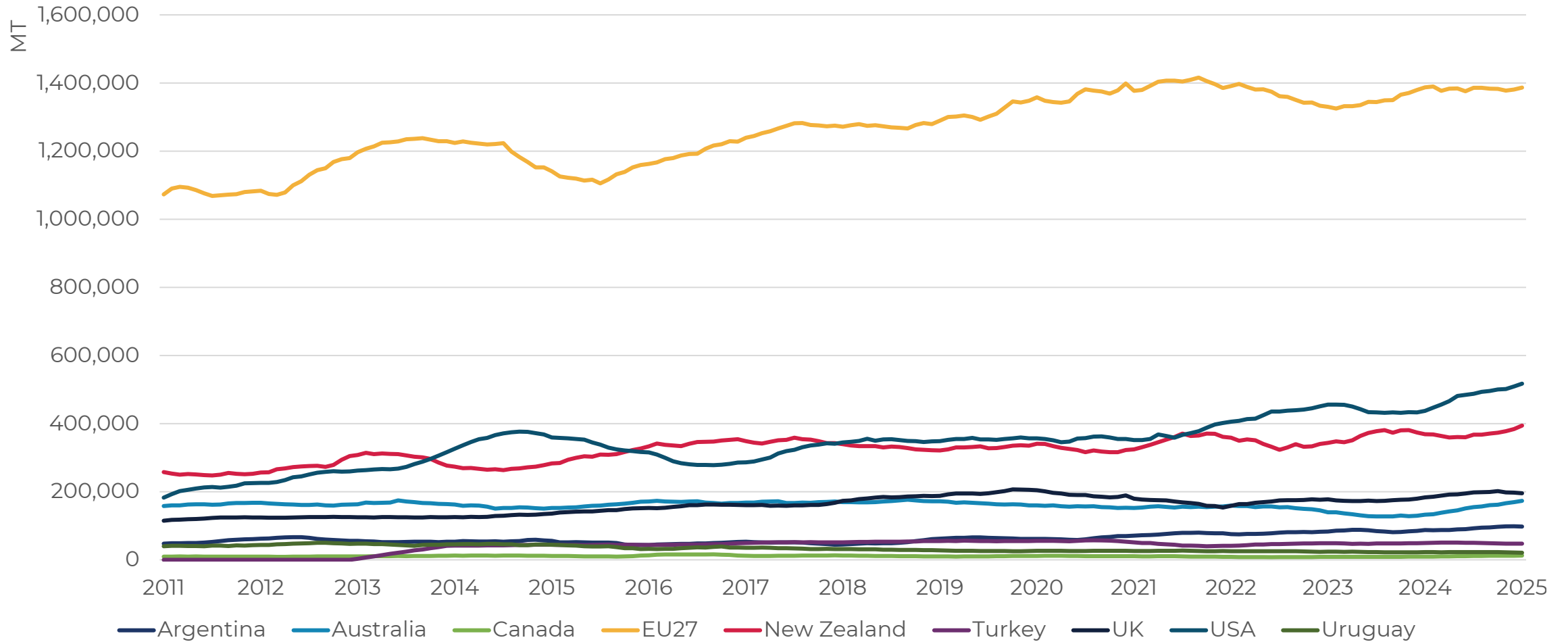


YOY Change in Global Cheese Trade by Destination: Last 12 Months ending Jan 2025



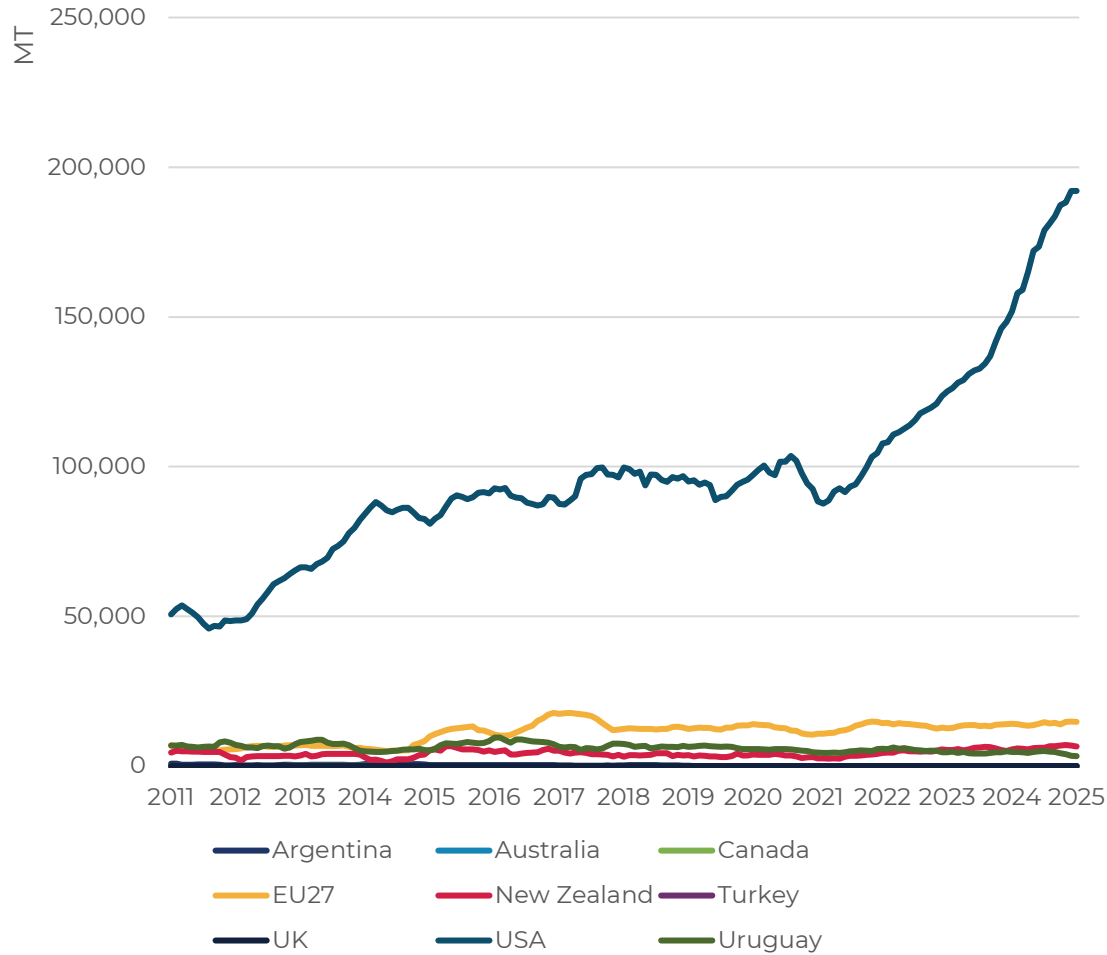
Trade Flows: Cheese

Global Cheese Trade to World

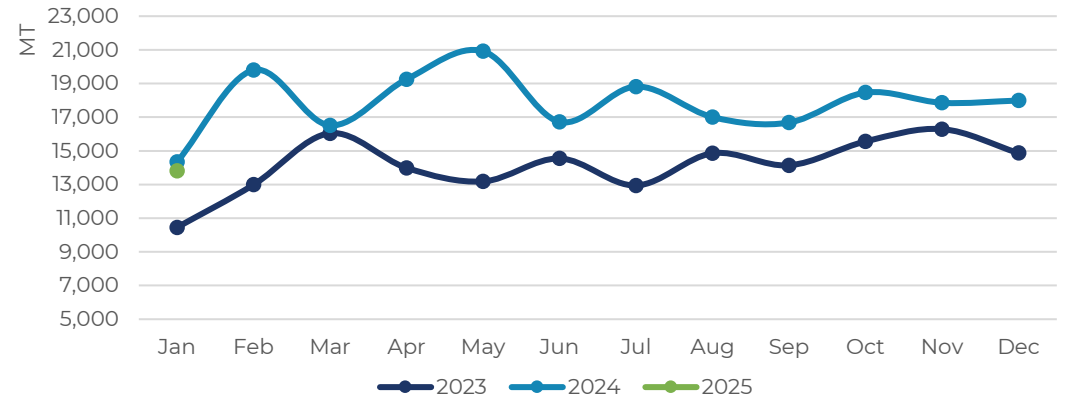


Mexico

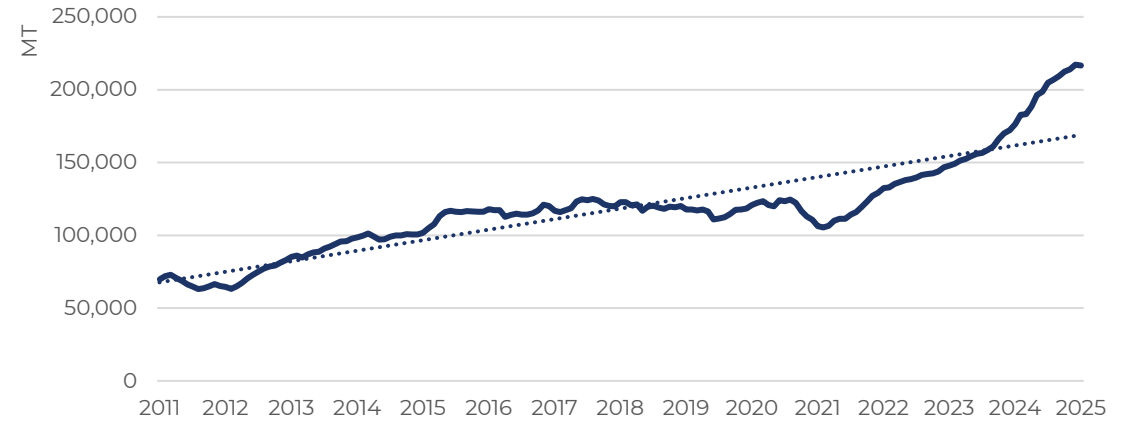
Global Cheese Trade to Mexico



Global Cheese Trade to Mexico

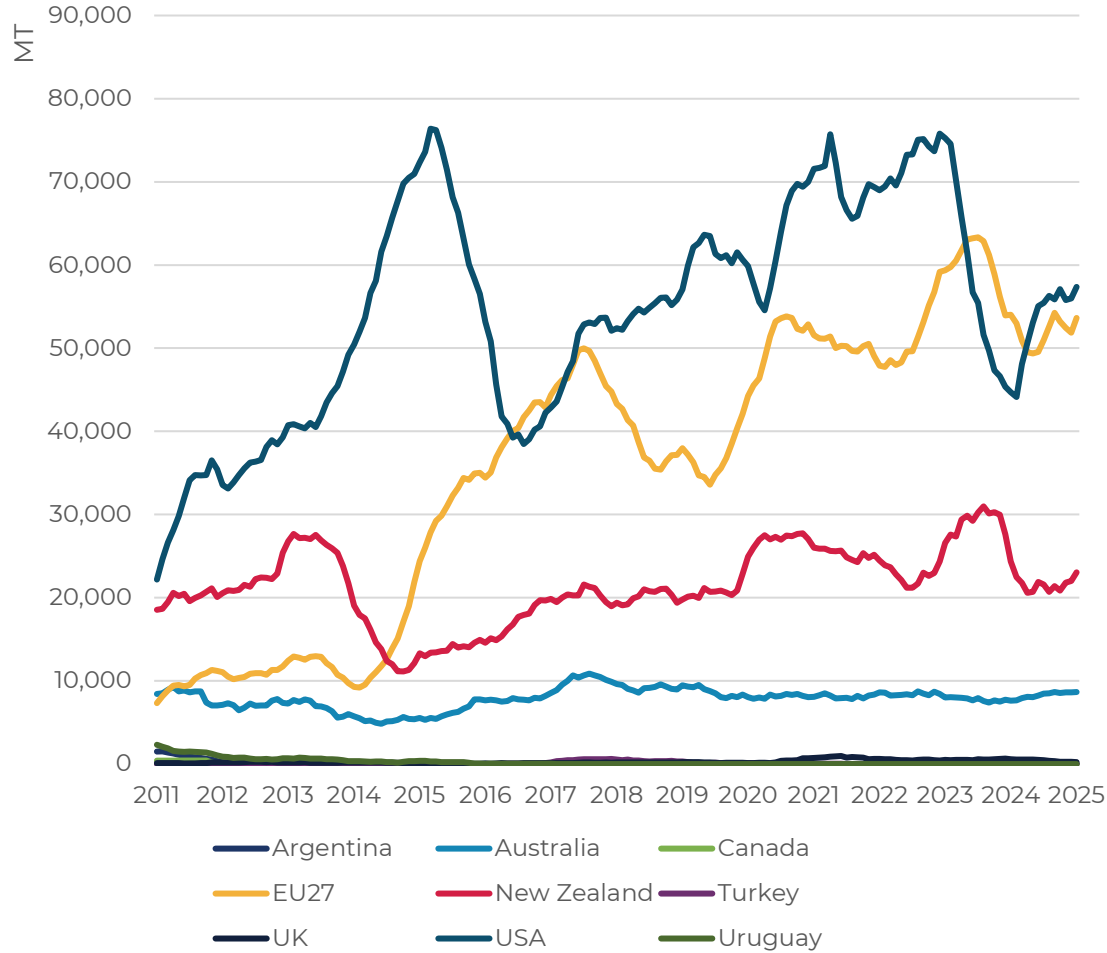


Global Cheese Trade to Mexico

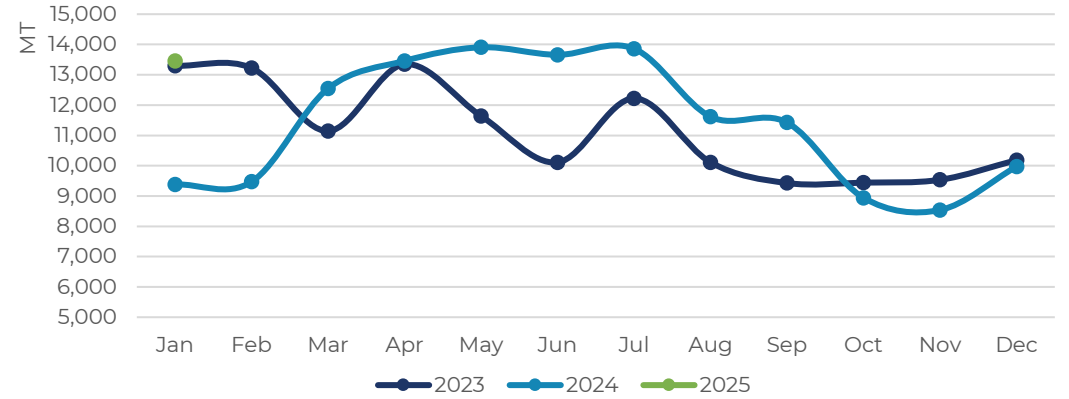


Korea

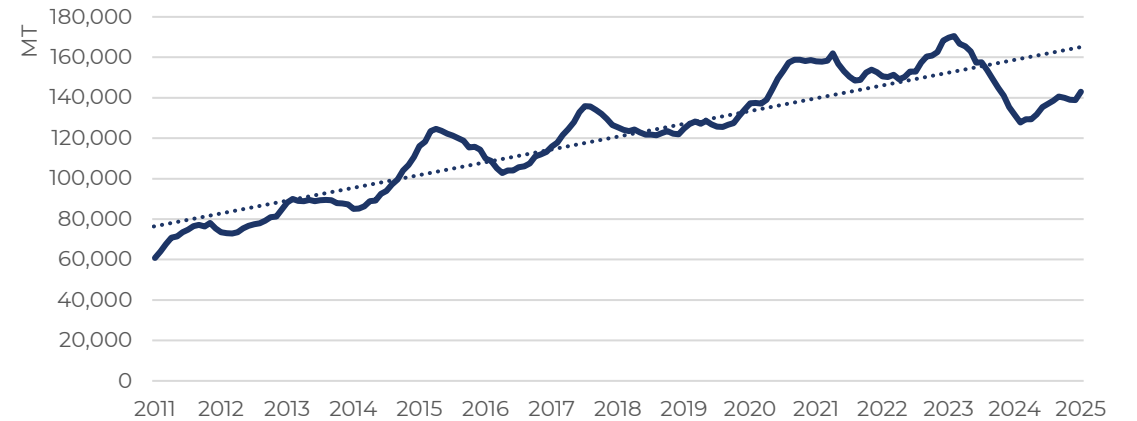
Global Cheese Trade to Korea



Global Cheese Trade to Korea

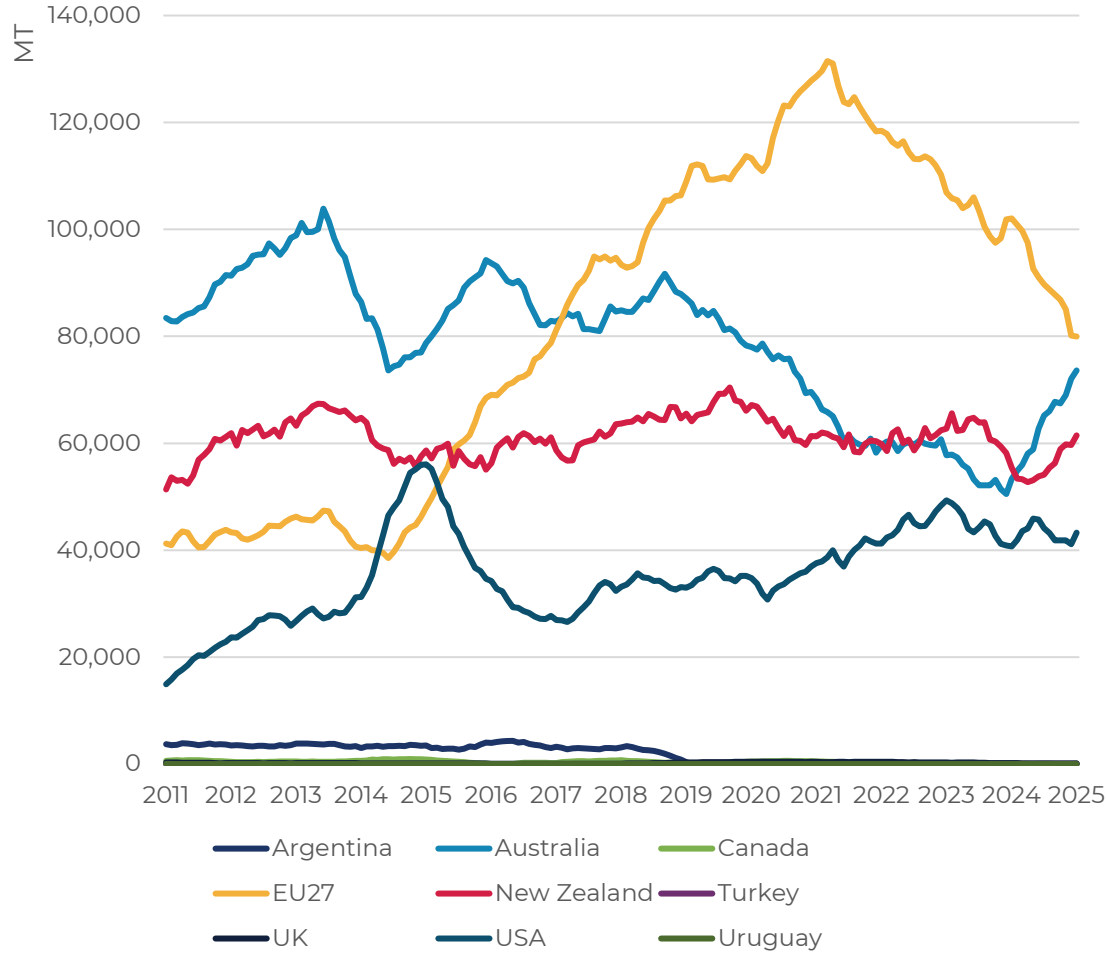


Global Cheese Trade to Korea

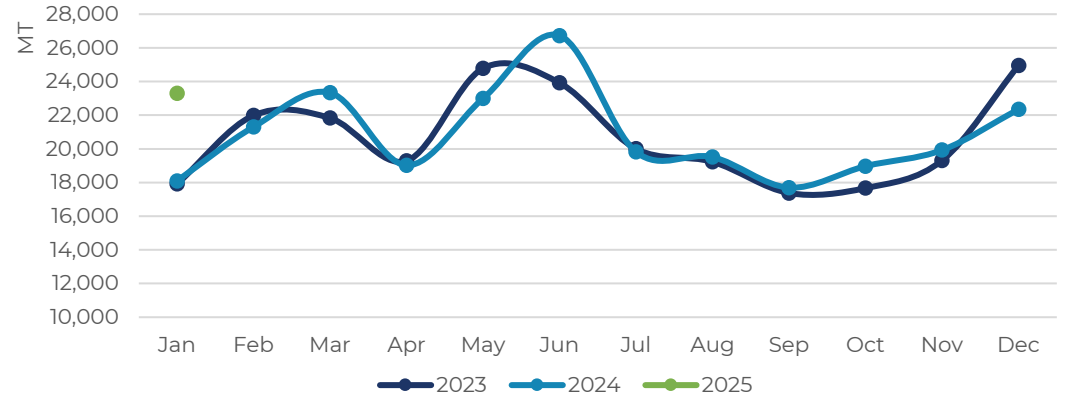


Japan

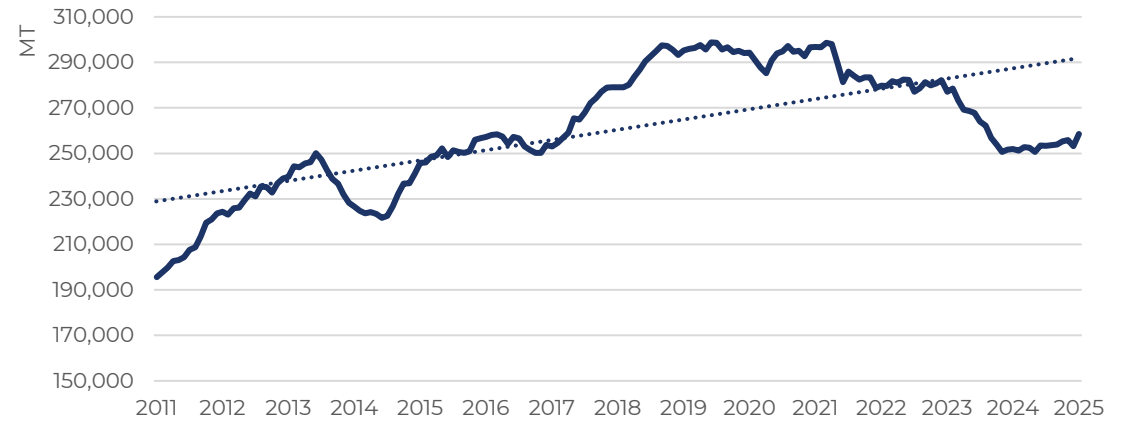
Global Cheese Trade to Japan



Global Cheese Trade to Japan

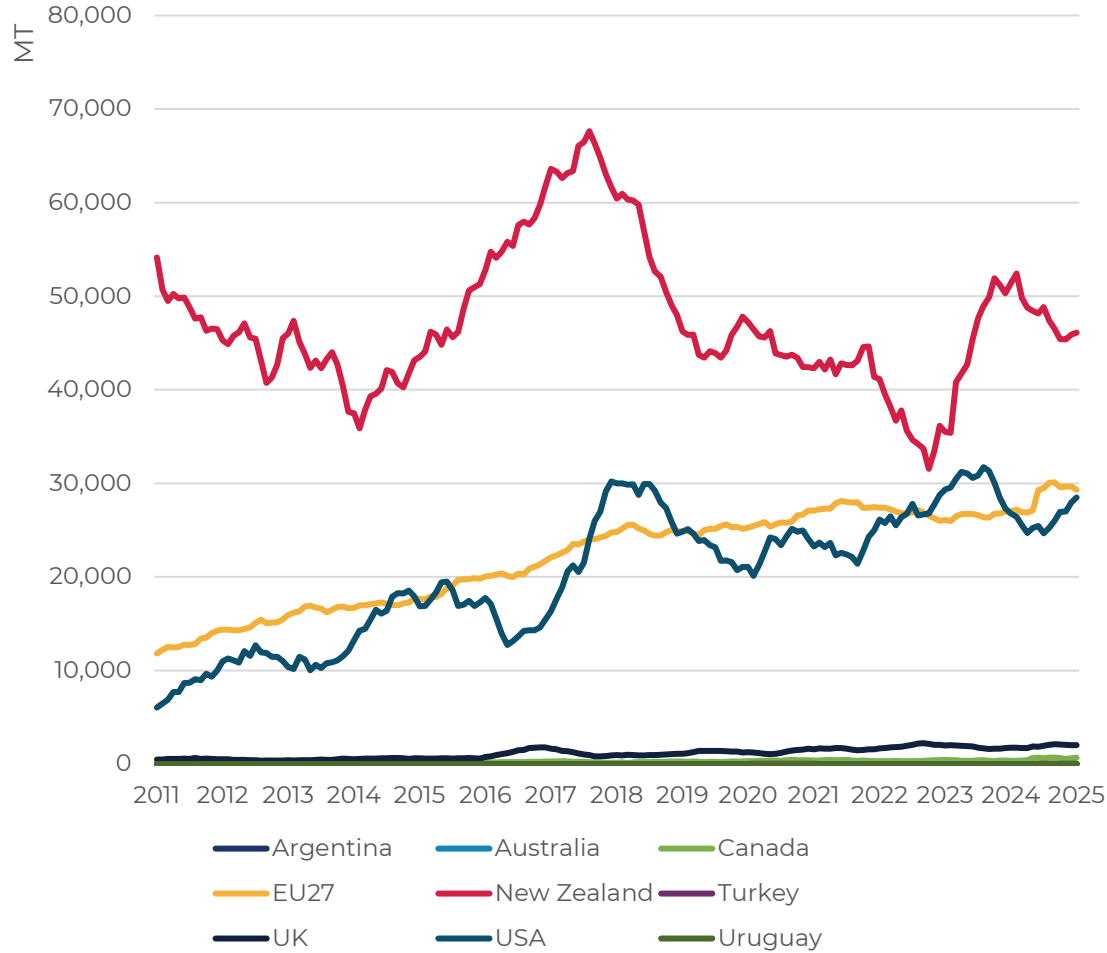


Global Cheese Trade to Japan

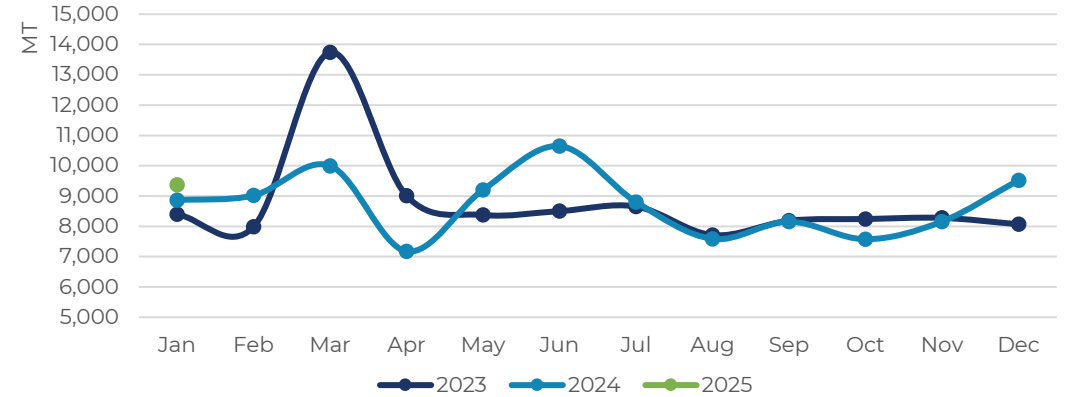


Australia

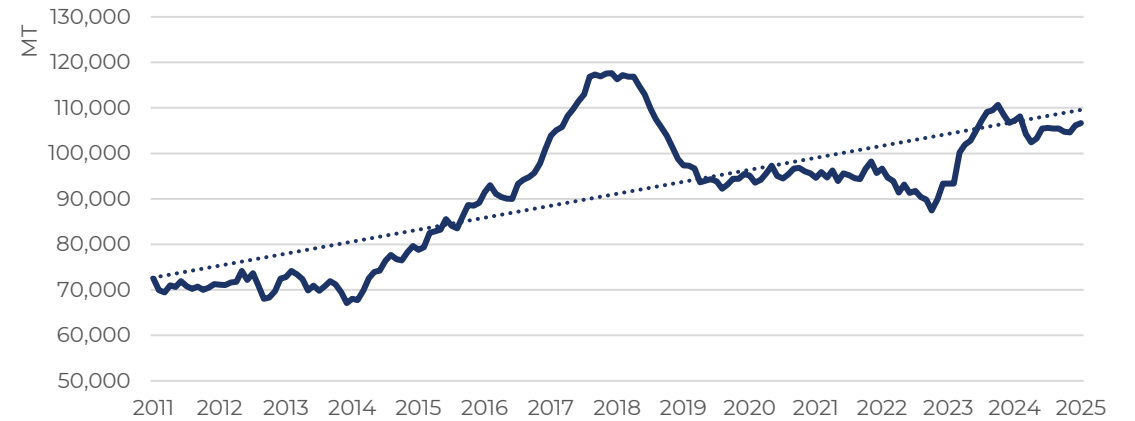
Global Cheese Trade to Australia



Global Cheese Trade to Australia

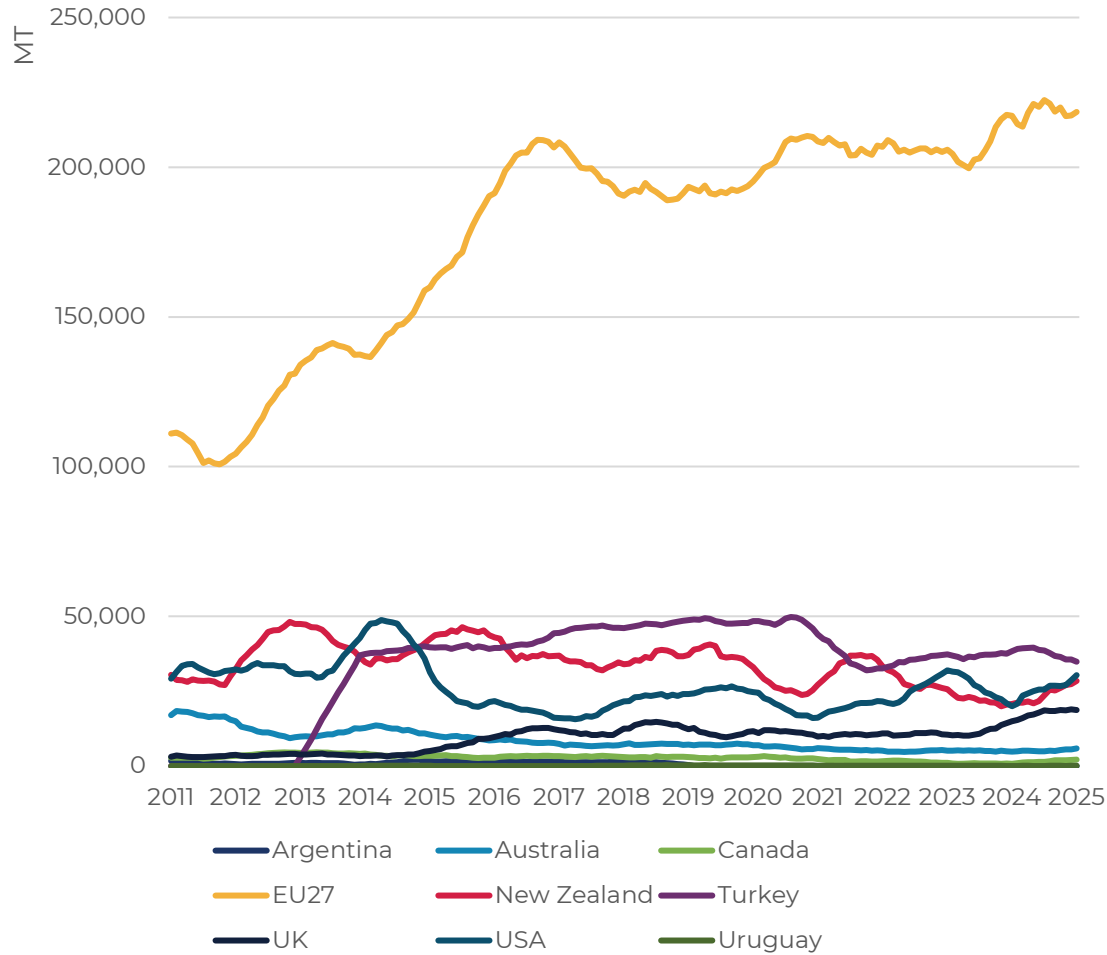


Global Cheese Trade to Australia

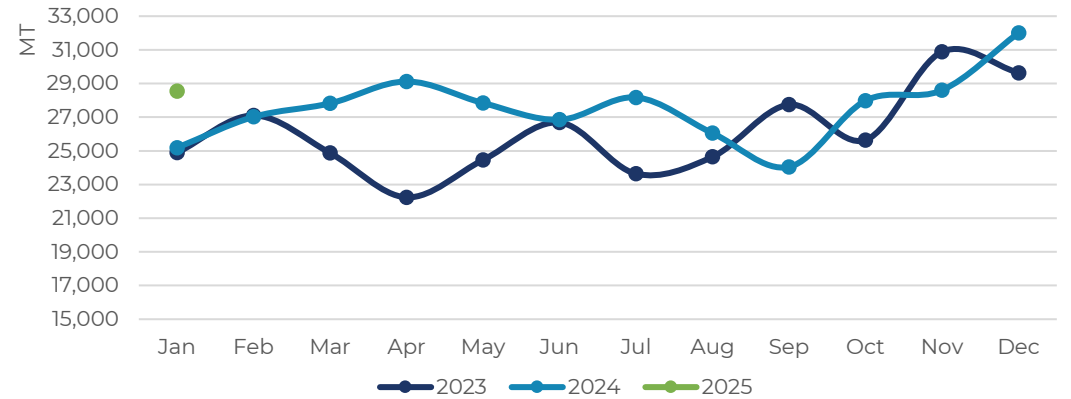


MENA

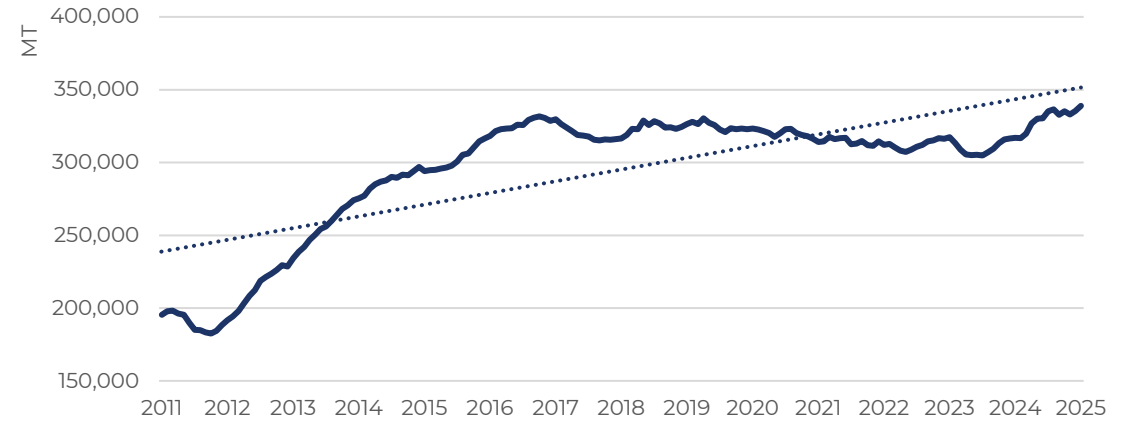
Global Cheese Trade to MENA



Global Cheese Trade to MENA

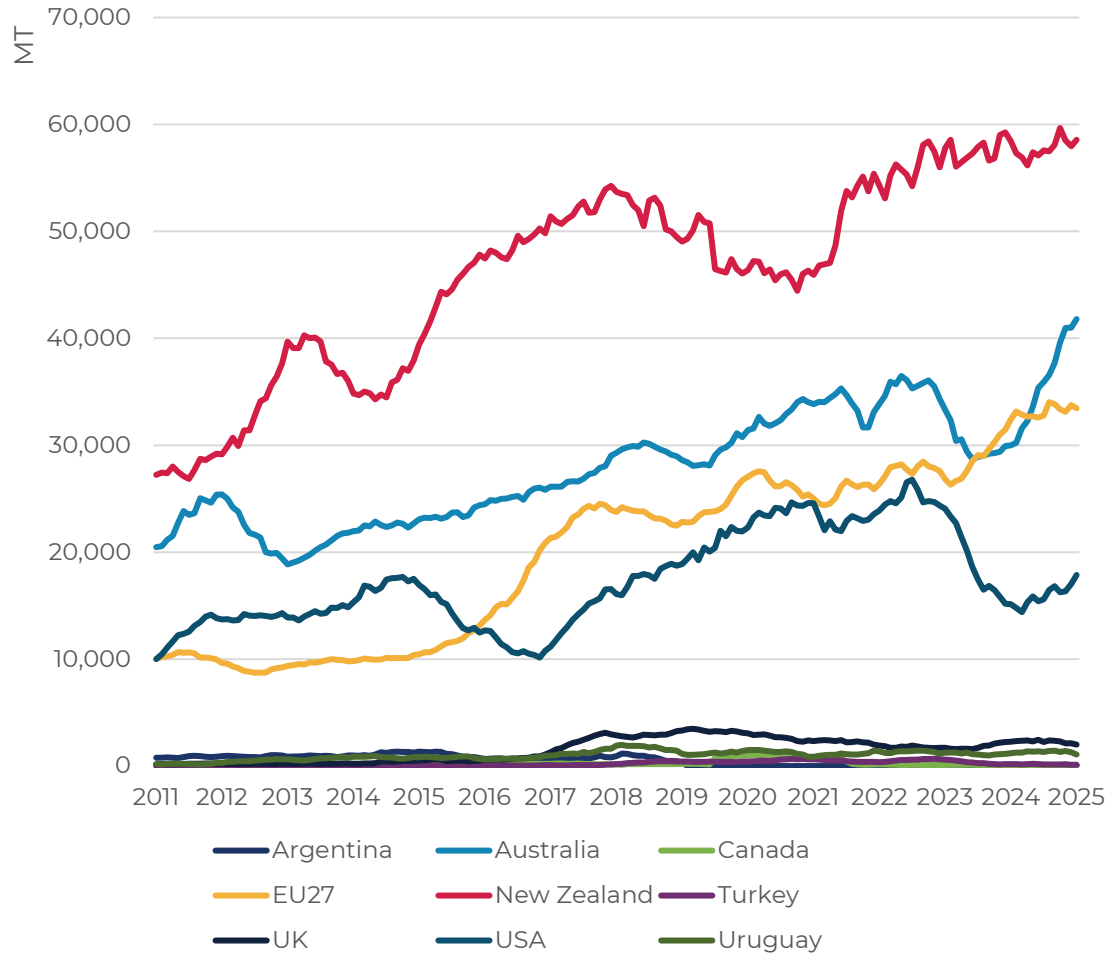


Global Cheese Trade to MENA

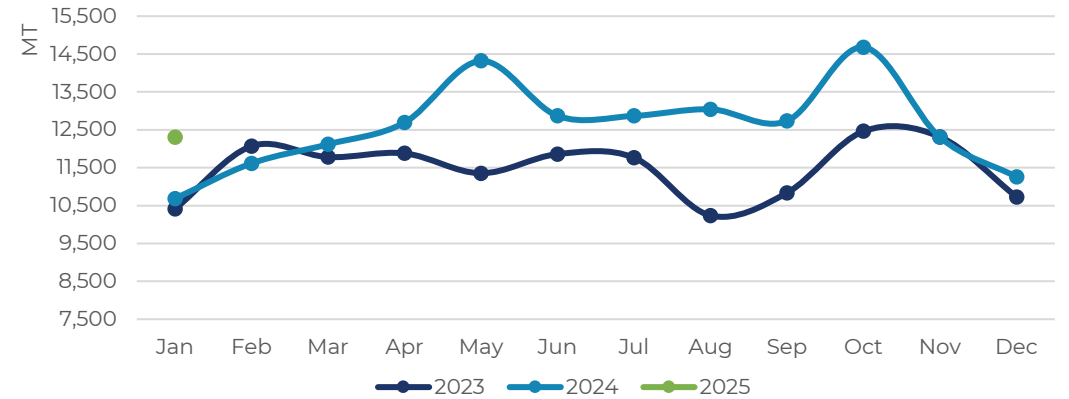


Southeast Asia

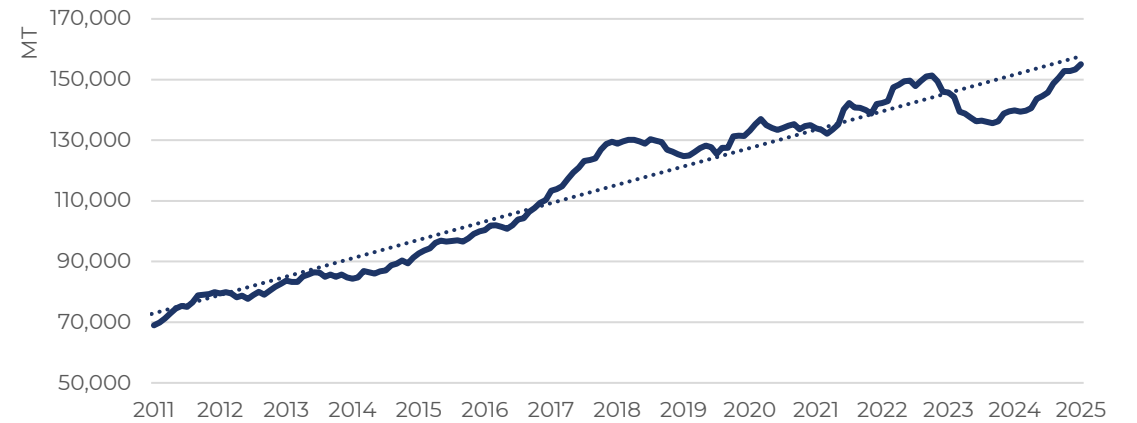
Global Cheese Trade to SEA



Global Cheese Trade to SEA

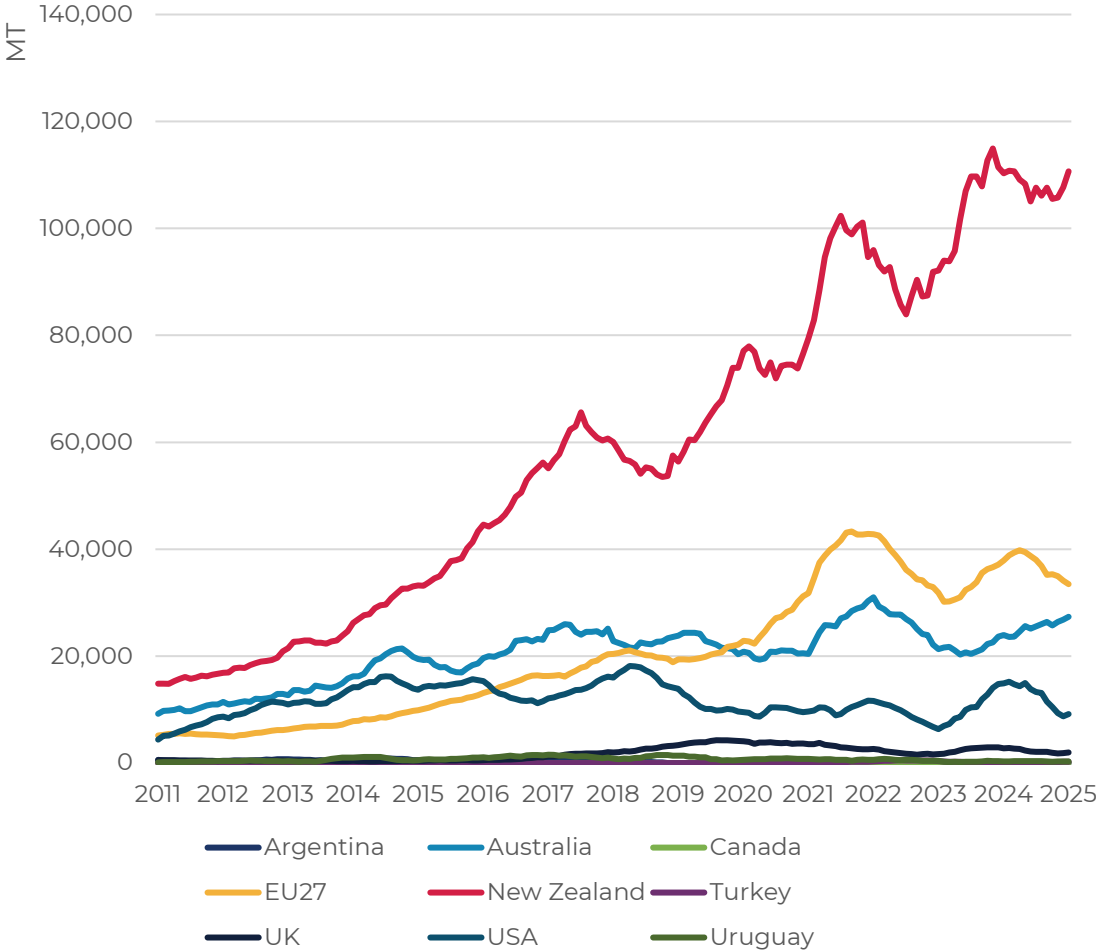


Global Cheese Trade to SEA

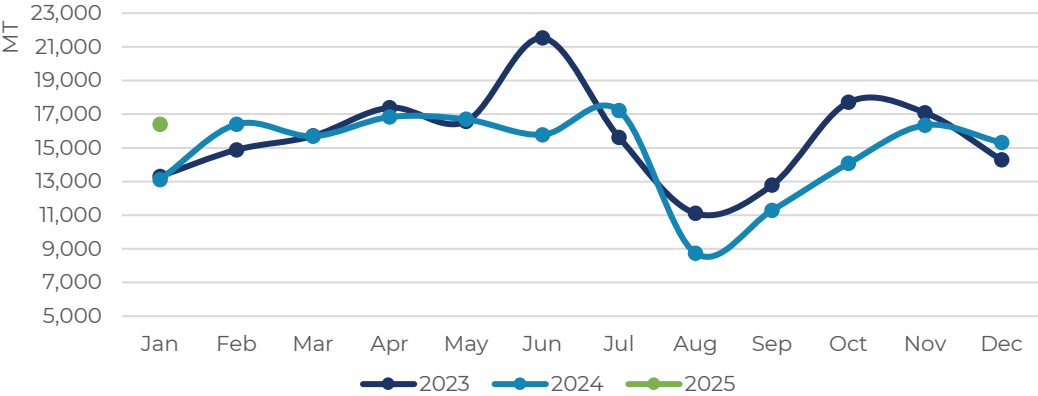


China

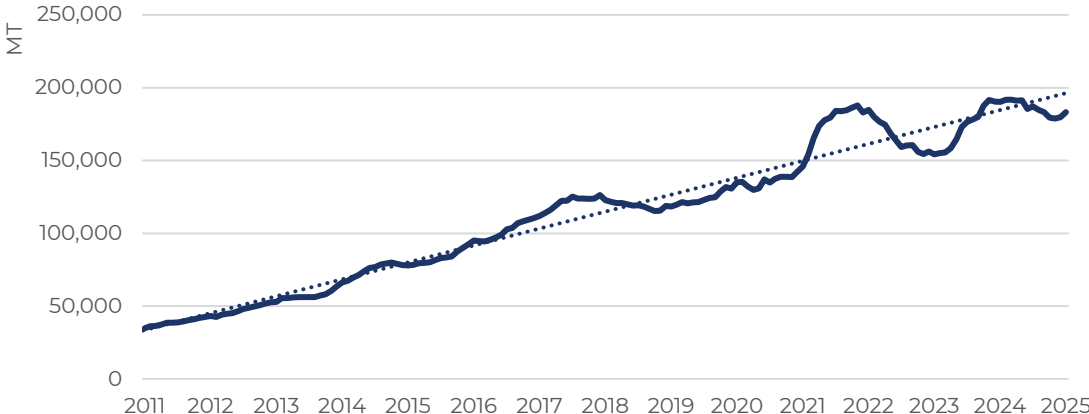
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





NFDM/SMP

NFDM/SMP Market Commentary



KEY TAKEAWAYS

- **Global NFDM/SMP demand fell again in January, marking six straight months of year-over-decline declines.**
- Oddly, that weakness came despite a 29% jump in China's NFDM/SMP purchases. Even as volumes remain well below China's highs from prior years, improvement in November, December and January is notable as those three months have historically been the most important seasonally. Unfortunately, only New Zealand appears to have benefited as volumes from the EU27, U.S. and Australia all declined despite weak comparisons.
- As briefly mentioned in the executive summary, **NFDM/SMP demand from the main blending/manufacturing hubs has softened.** In the last six months, global shipments of NFDM/SMP to Malaysia have declined by 20% (-10,696 MT); UAE volumes were 18% lower (-3,423 MT) and Saudi Arabia's purchases have fallen by an astonishing 40% (-15,001 MT). These data points when taken together, especially over an extended period, suggests demand from less developed markets in Asia, MENA and Sub-Saharan Africa has weakened, blenders are opting for alternative lower priced inputs (e.g. whey powders) and/or reducing dairy content in the finished product to try to reduce costs. **Our belief is all of the above.**

Global
NFDM/SMP
Trade

-3.9%
January YoY

-3.9%
YTD, Ending Jan.

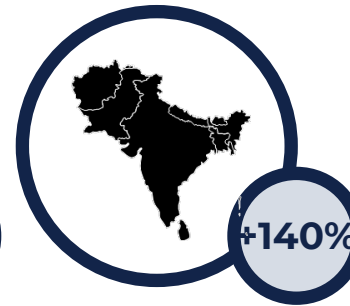
-4.2%
Last 12-Months,
Ending Jan.

-1.7%
3-Year CAGR

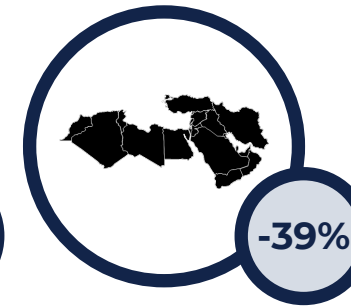
January Standout Markets



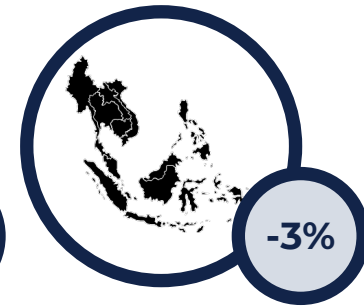
CHINA+HK
+7,591 MT



SOUTH ASIA
+3,186 MT



MENA
-16,917 MT



SOUTHEAST ASIA
-1,994 MT

ADDITIONAL NOTES

Global market share for NFDM/SMP is evolving. As the U.S. and EU have pulled back in milk powder production, export volumes have similarly struggled – falling by 17% and 9%, respectively, over the last three years on an annualized basis. New Zealand's strong 2024/25 season is prompting a modest improvement in SMP production and exports, but total volumes are still relatively comparable to 2023 (-0.8% in 2024 and +1.4% in January). Instead, the biggest shift over the last year has been emergence of Australia and Turkey. In the last 12 months, exports from Australia have improved by more than a third (+36%, +47,377 MT), while Turkish exports have more than quadrupled (+321%, +4,287 MT). January was similar and indeed an acceleration for both markets (Australia exports increased by >50%, while Turkey increased by 700%). Today, Australia's exports remain concentrated in Southeast Asia, while Turkey is focused on MENA. However, if these trends continue, we could see more Australian and Turkish milk powders ending up farther afield.

NFDM/SMP Market Commentary

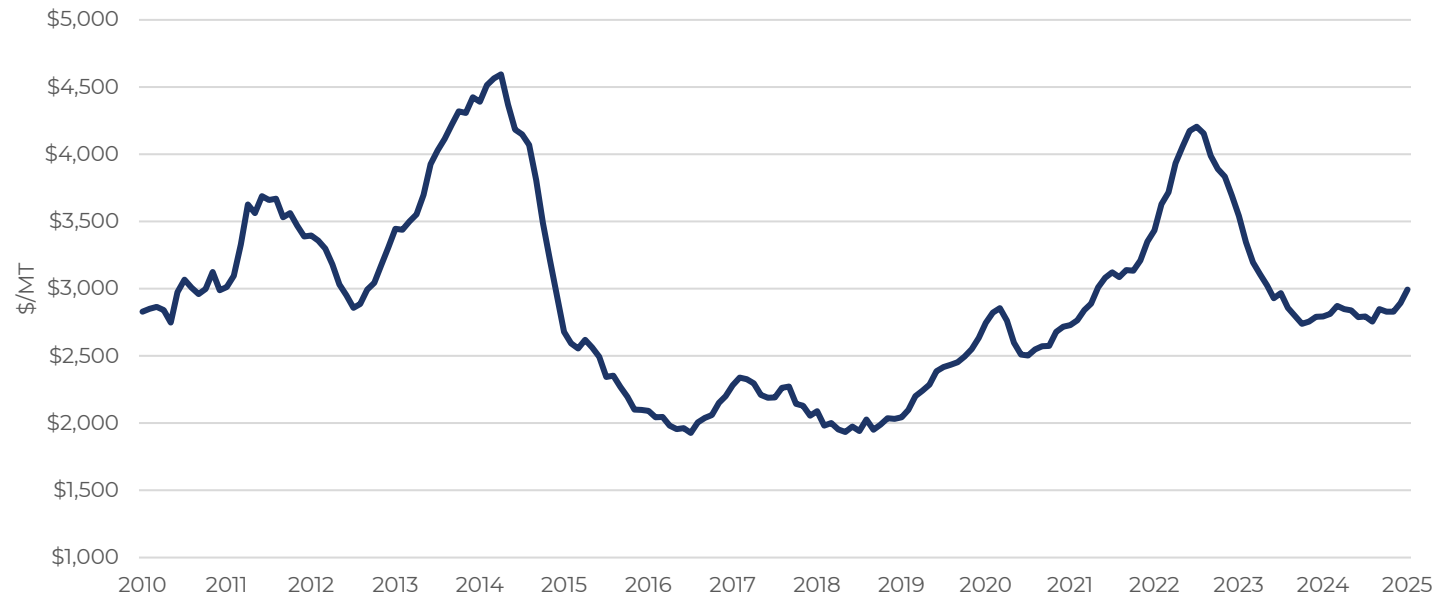


LOOKING AHEAD

- In an era of tight milk supplies and data points suggesting a stable, perhaps even rebounding, China, one would expect the NFDM/SMP market to be stronger than it is. And yet, even as new cheese plants in the U.S. start up and pull milk out of the milk powder dryer, few market analysts expect a rally. **Simply, NFDM/SMP demand is underwhelming.** Southeast Asia's rebound lost momentum late last year with imports declining 5% over the last six months. Additionally, the data suggests Middle Eastern buyers are working through their current inventories. Finally, sales to Mexico remain relatively flat.
- Still, there are three low-probability, high impact events to keep on the radar that could lift milk powder demand.** First, Indonesia's school milk program has the potential to dramatically increase that country's milk powder imports to feed an estimated 75 million students. Second, China's milk production could prove worse than expected in 2024, prompting greater imports – a risk highlighted by the fact that bovine semen imports in China fell by 40% in 2024. Finally, in the event that U.S. cheese to Mexico faces retaliatory tariffs, local manufacturers would once again be incentivized to import NFDM to boost cheese yields similar to 2018.

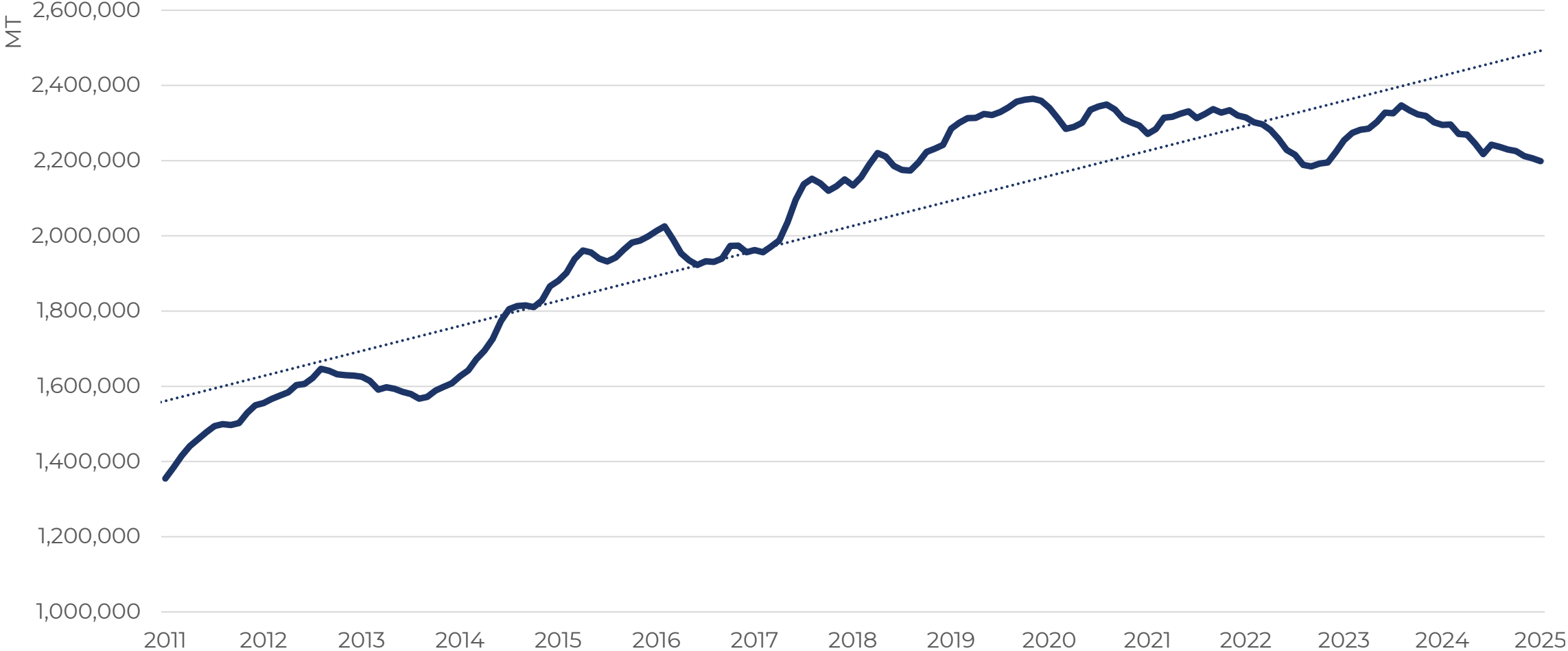
U.S. NFDM/SMP Exports	-20.2% January YoY	-20.2% YTD, Ending Jan.	-8.6% Last 12-Months, Ending Jan.	-2.9% 3-Year CAGR
EU NFDM/SMP Exports	-0.4% January YoY	-0.4% YTD, Ending Jan.	-8.1% Last 12-Months, Ending Jan.	-2.8% 3-Year CAGR
NZ NFDM/SMP Exports	+1.4% January YoY	+1.4% YTD, Ending Jan.	-2.2% Last 12-Months, Ending Jan.	-0.7% 3-Year CAGR

Average NFDM/SMP Export Value to World



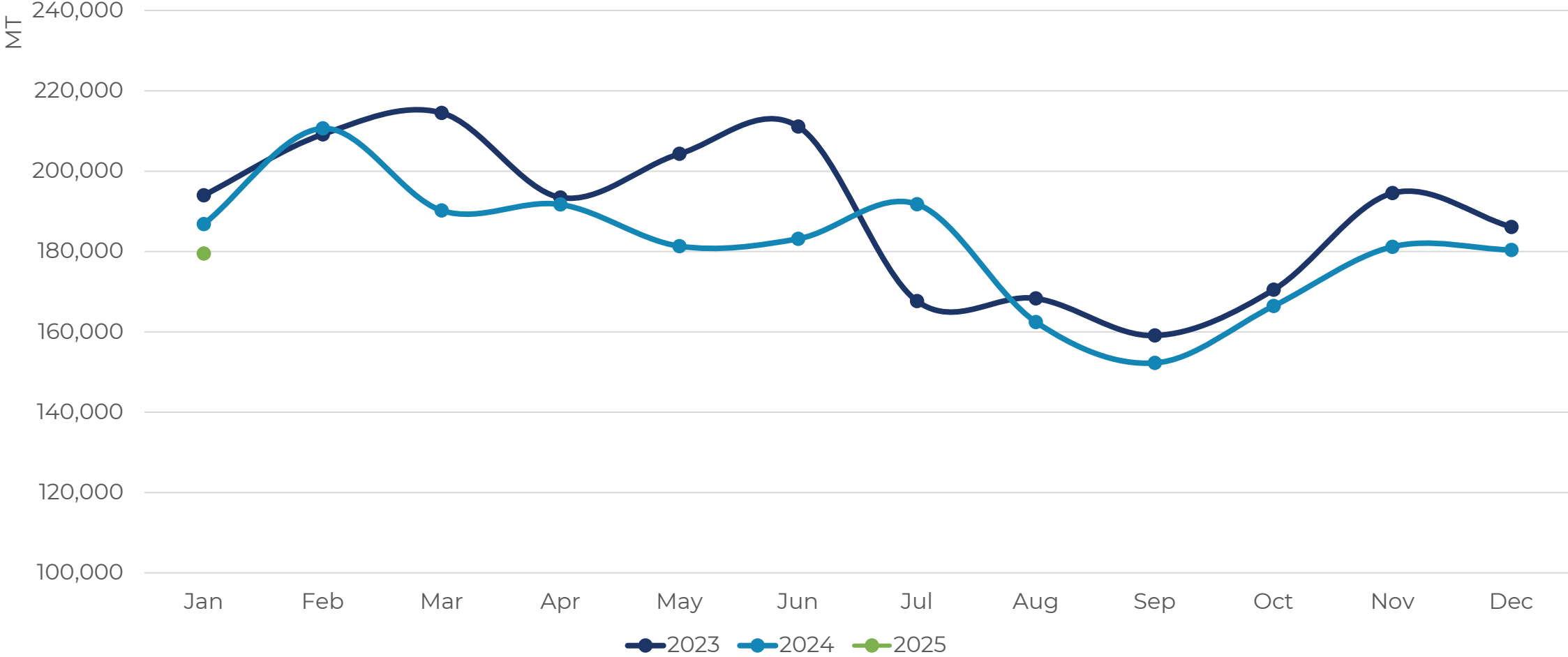
Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World



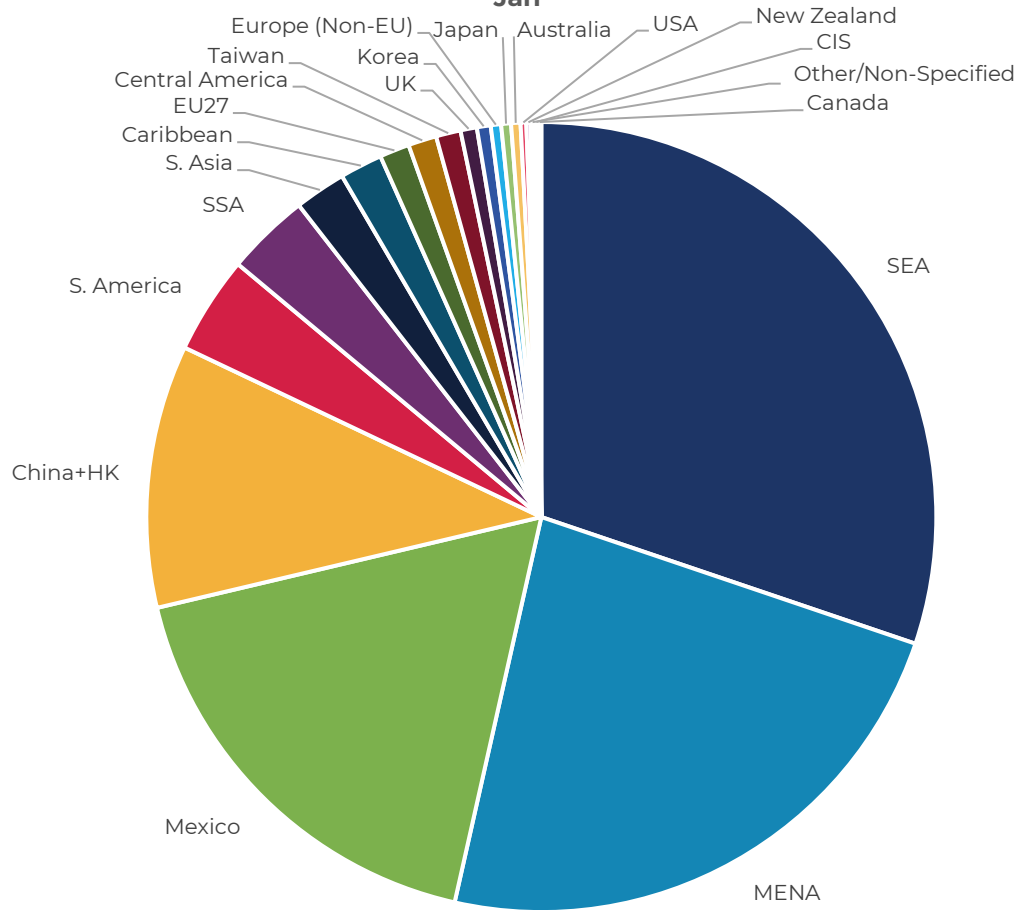
Global Overview: NFDMSMP

Global NFDMSMP Trade to World

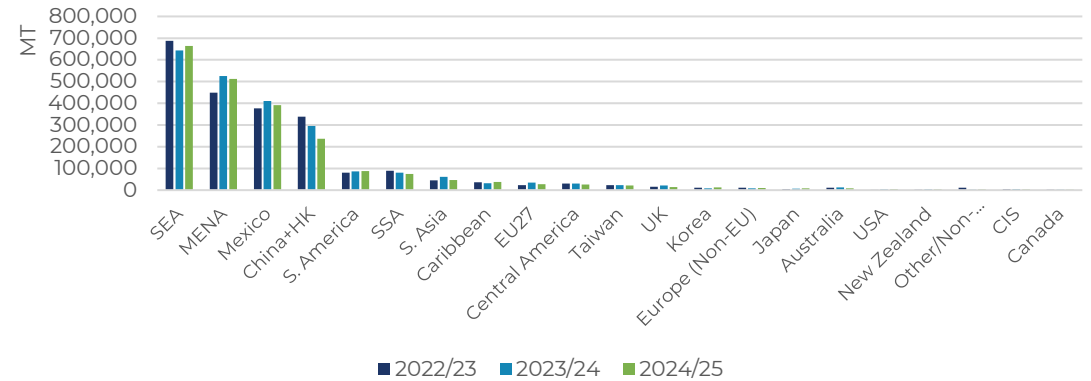


Global Overview: NFDM/SMP – Last 12 Months

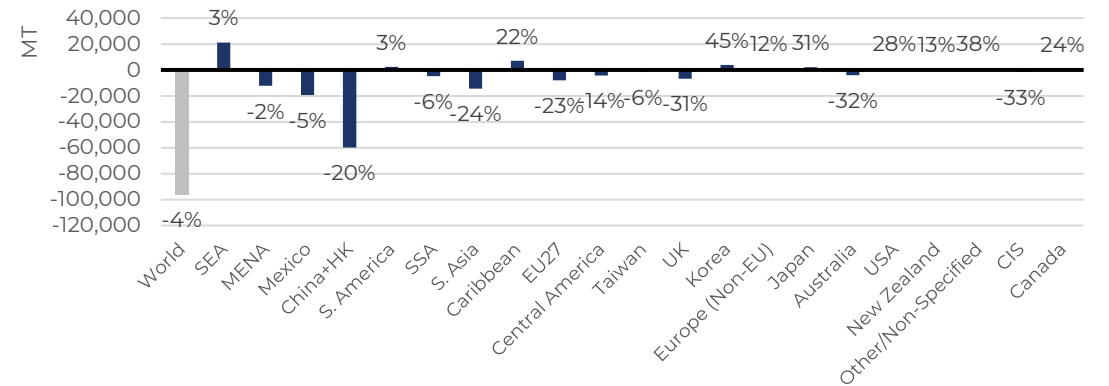
Global NFDM/SMP Trade by Destination: Last 12 Months ending Jan



Global NFDM/SMP Trade by Destination: Last 12 Months ending Jan

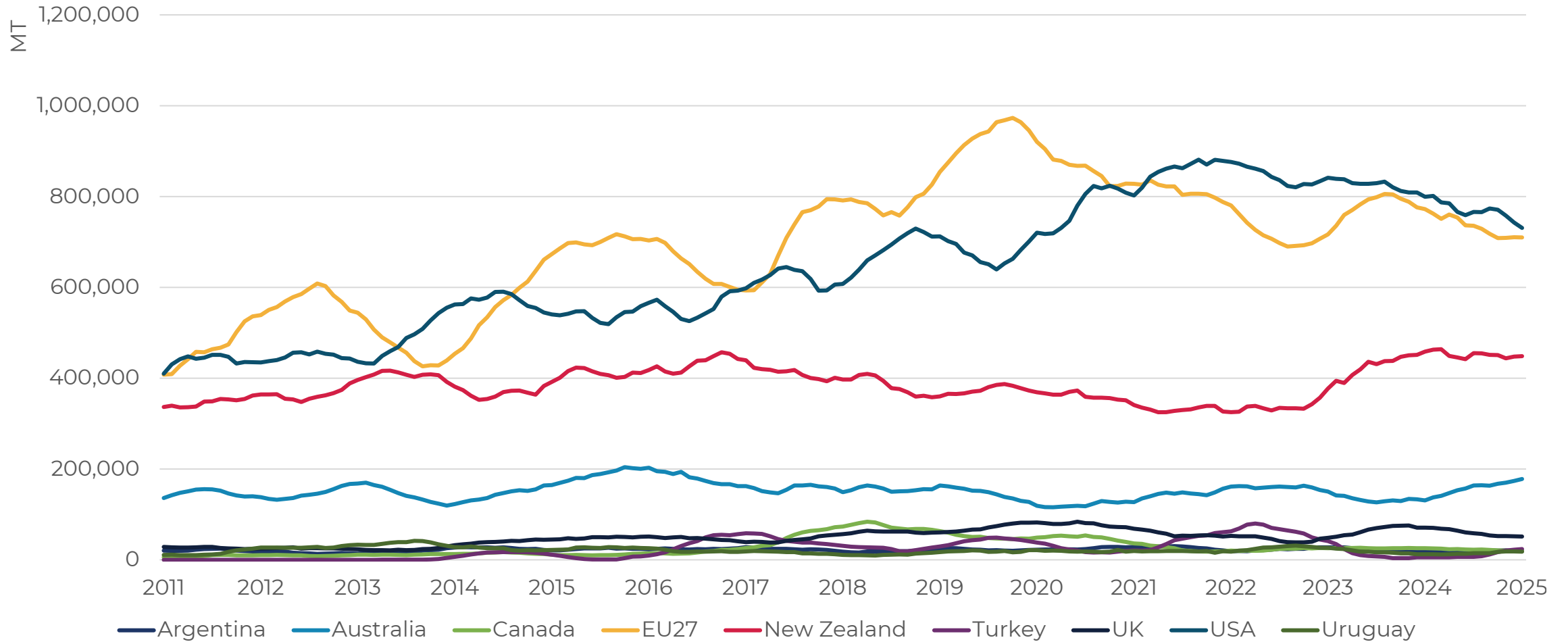


YOY Change in Global NFDM/SMP Trade by Destination: Last 12 Months ending Jan 2025



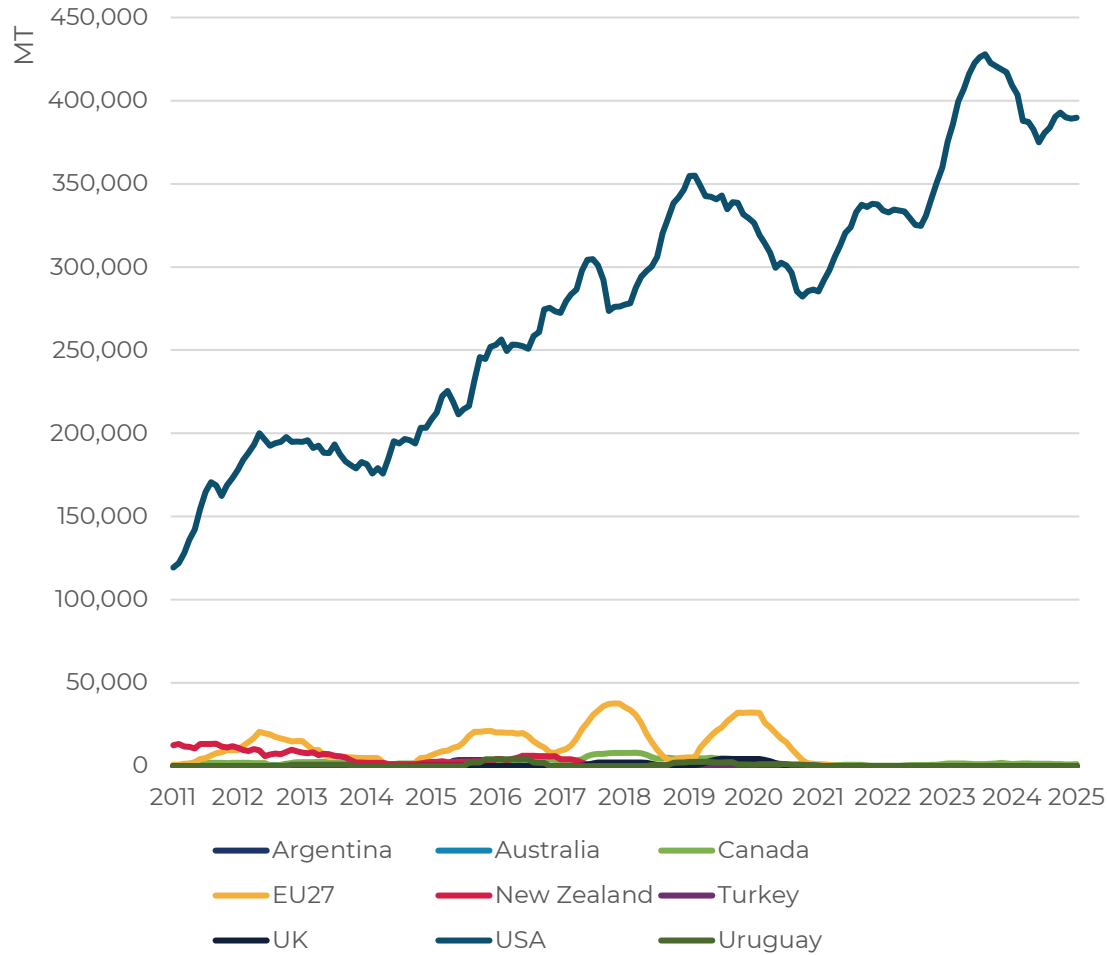
Trade Flows: NFDM/SMP

Global NFDM/SMP Trade to World

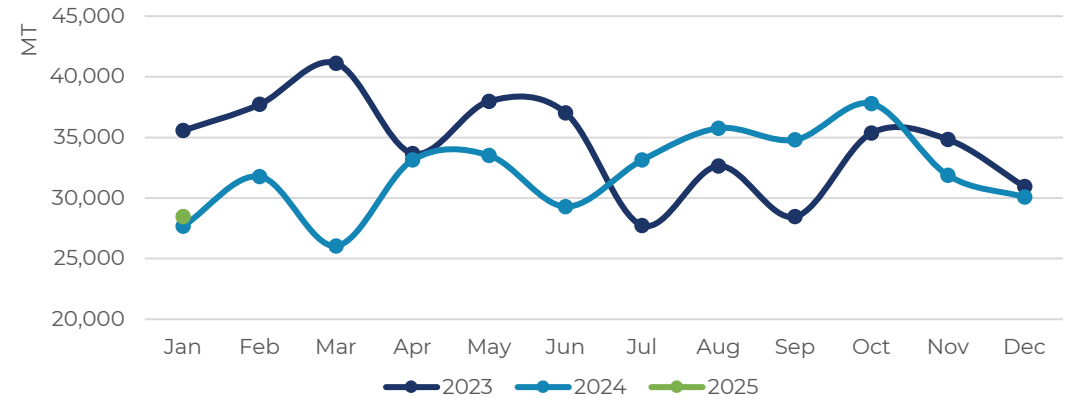


Mexico

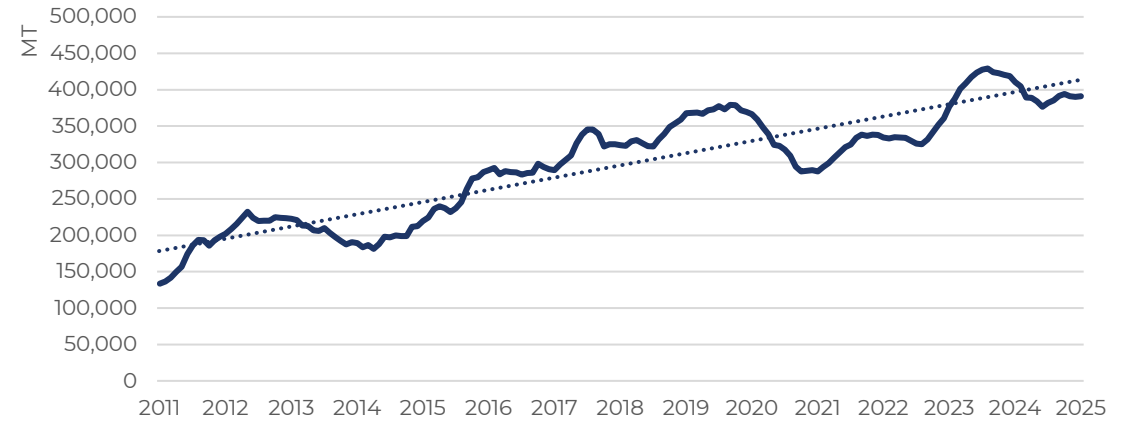
Global NFDMSMP Trade to Mexico



Global NFDMSMP Trade to Mexico

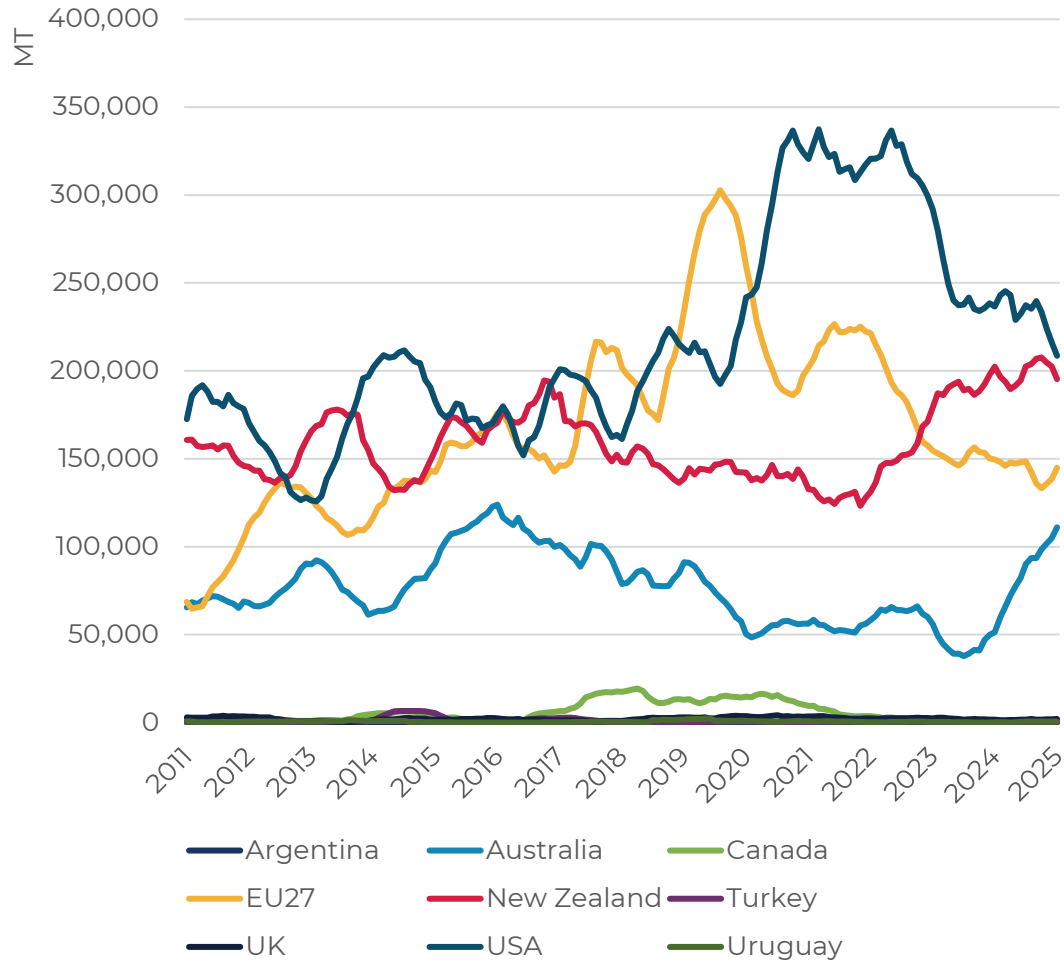


Global NFDMSMP Trade to Mexico

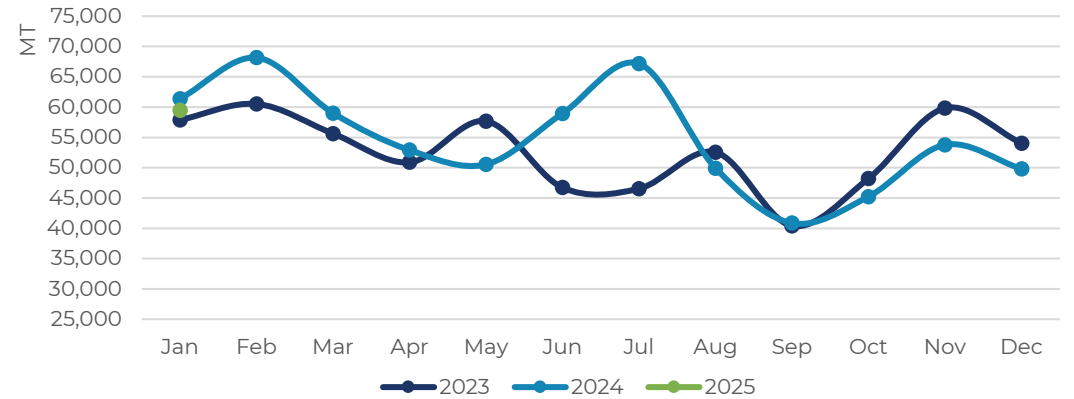


Southeast Asia

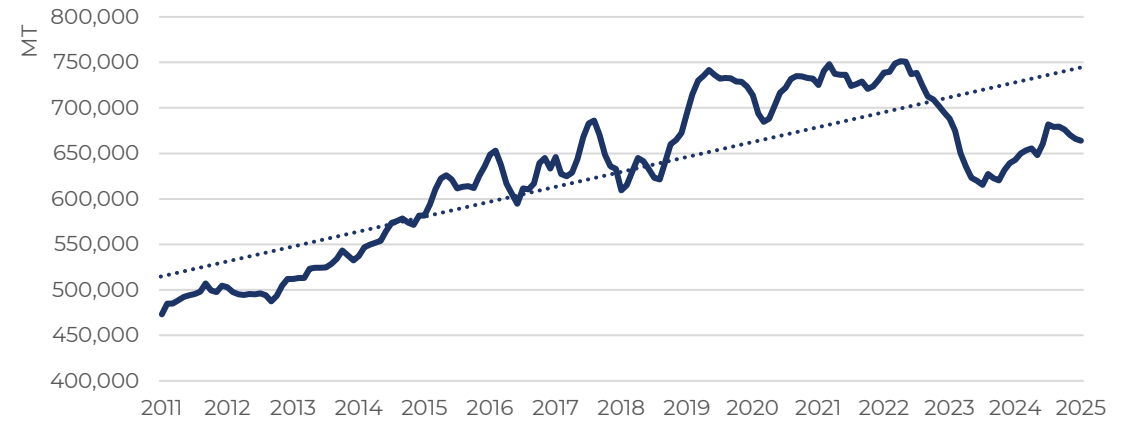
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

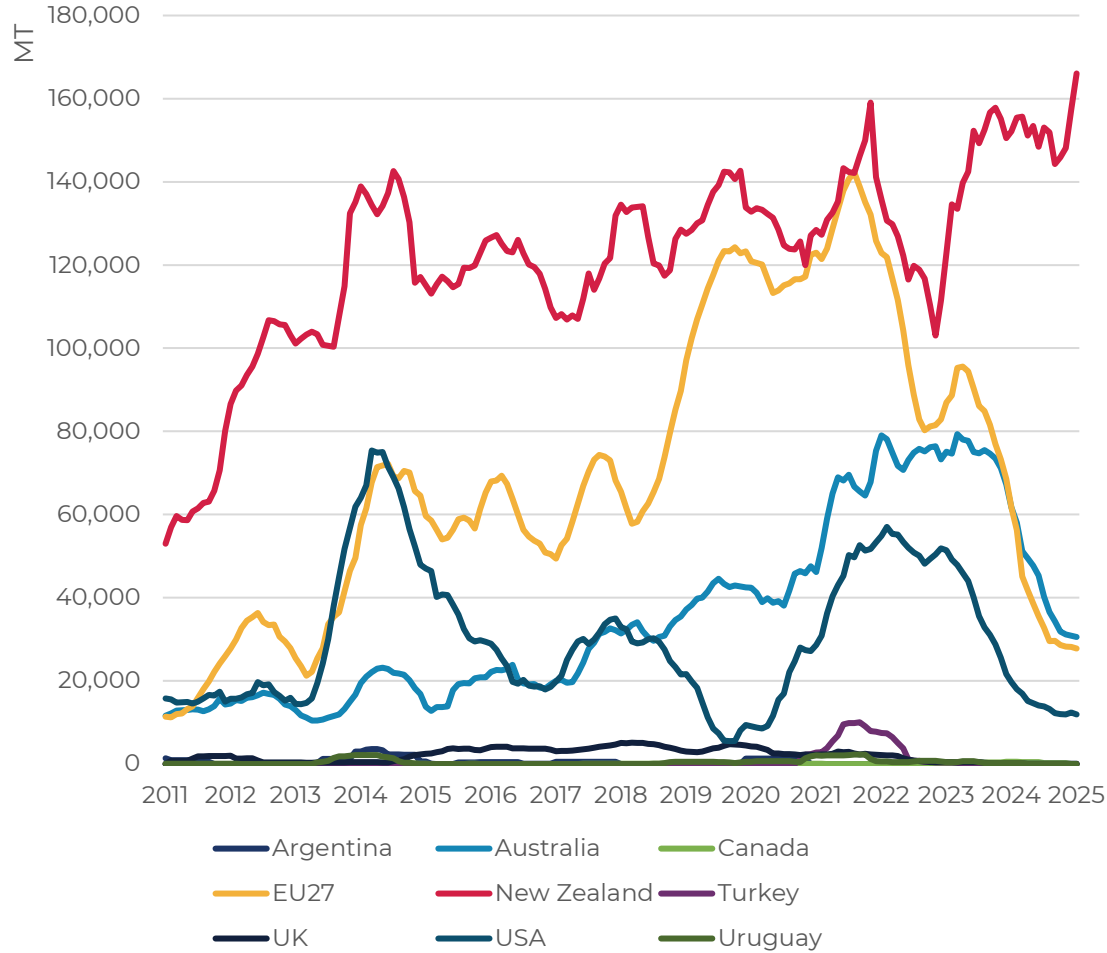


Global NFDM/SMP Trade to SEA

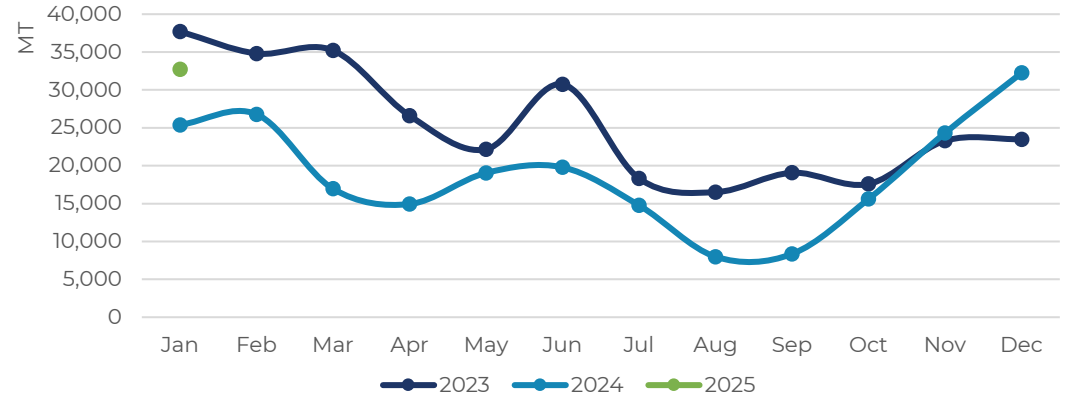


China

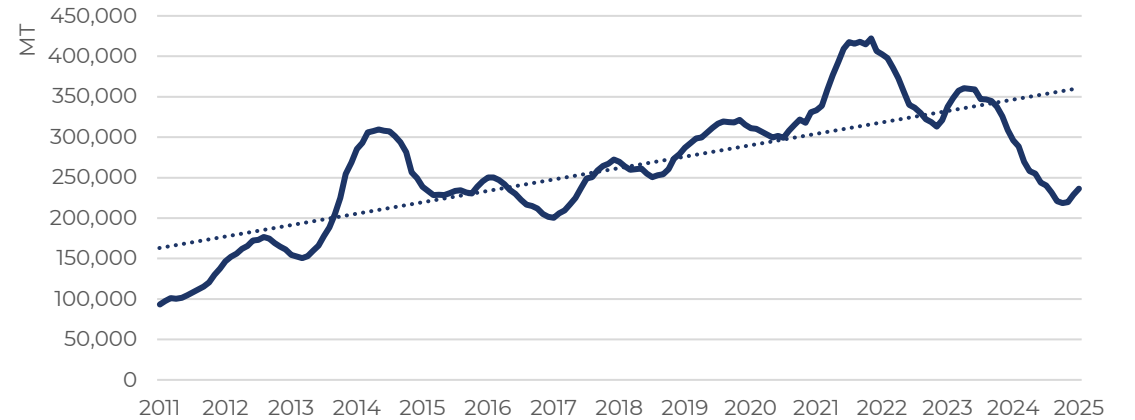
Global NFDM/SMP Trade to China+HK



Global NFDM/SMP Trade to China+HK

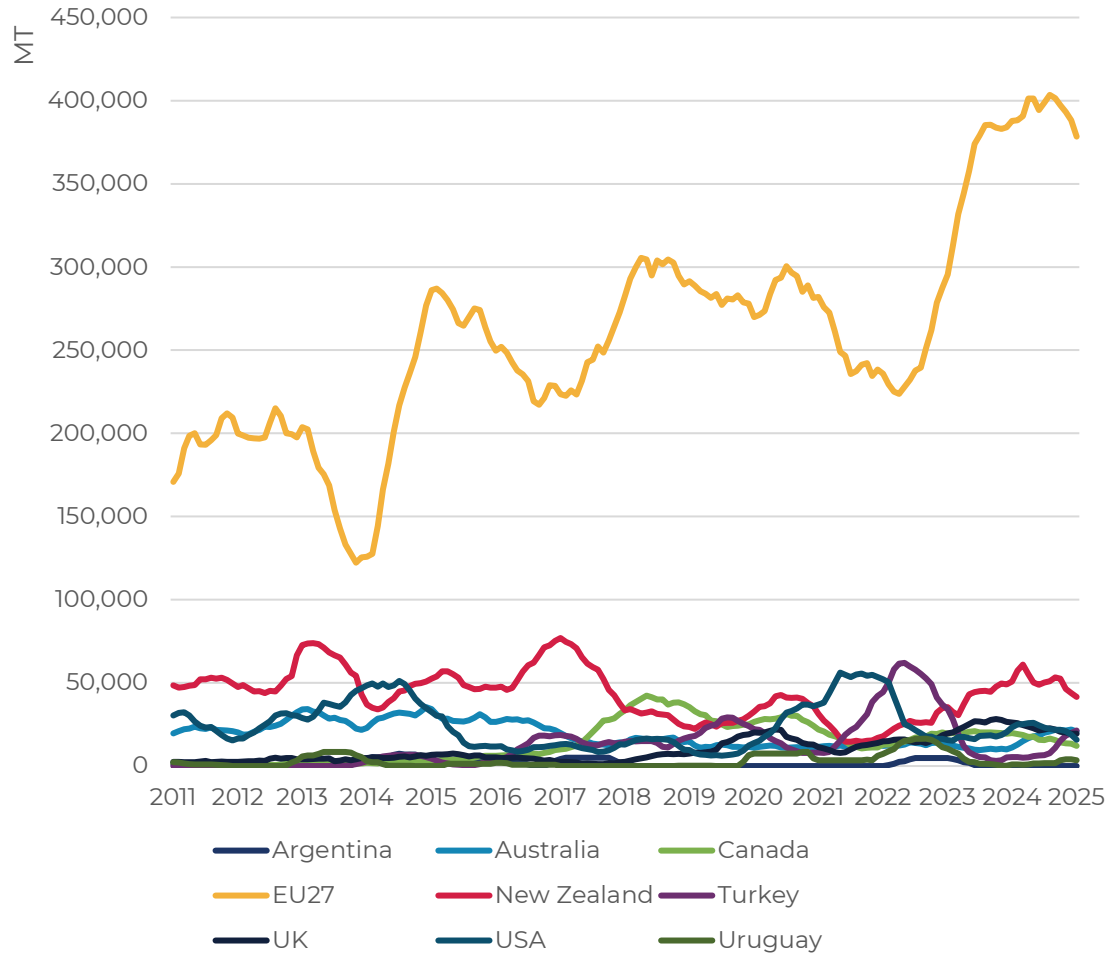


Global NFDM/SMP Trade to China+HK

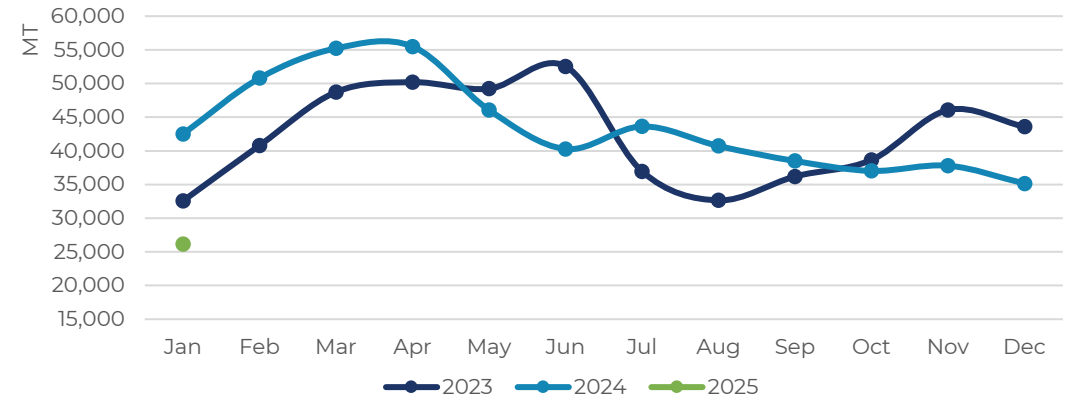


MENA

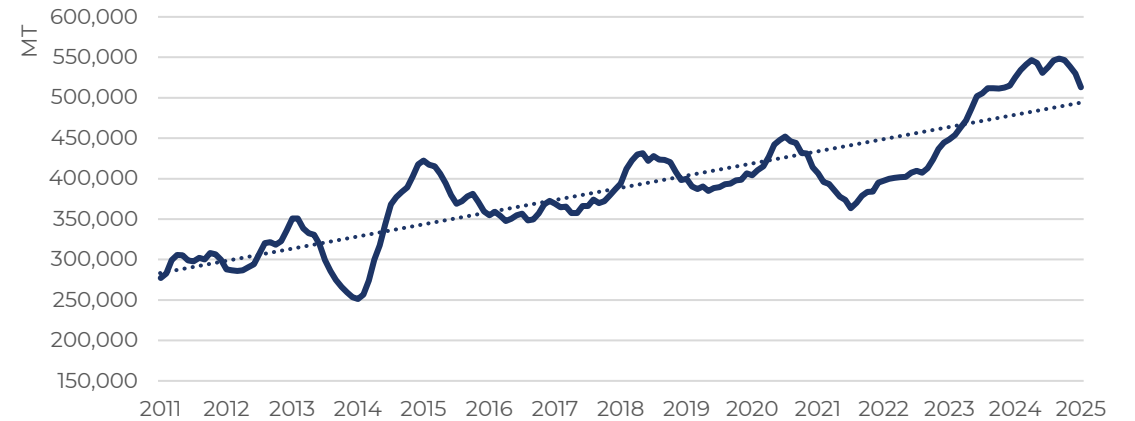
Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Whey Products (0404.10)

Whey Products (0404.10) Market Commentary



KEY TAKEAWAYS

- Low protein whey started 2025 on a high note with trade rising to nearly 128,000 MT (+11%, +12,644 MT), the second largest volume ever recorded for the month.
- Dramatically stronger demand from China was the main driver that pushed low protein whey trade upward as shipments to the country soared 53% (+16,191 MT). Note that the China volumes include product that we believe was misclassified as high protein whey. Yet even accounting for that adjustment, China's demand would still have improved by more than 14,500 MT compared to a year ago. Analysts expect that an increase in the Chinese swine herd this year is likely to put downward pressure on hog prices, discouraging the purchase of low protein whey for piglet feed. However, in an announcement in late February, the government emphasized that it would maintain tight controls on pork production to prevent prices from deteriorating too much.
- Larger shipments to China were counteracted by slowing trade to Southeast Asia (-7%, -2,536 MT – See Additional Notes) and Japan (-42%, -1,958 MT) where economic challenges continue to undermine demand.

**Global
Whey
(0404.10)
Trade**

+11.0%
January YoY

+11.0%
YTD, Ending Jan.

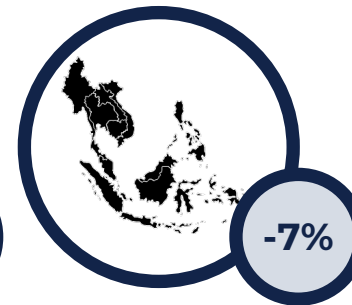
+10.1%
Last 12-Months,
Ending Jan.

+0.5%
3-Year CAGR

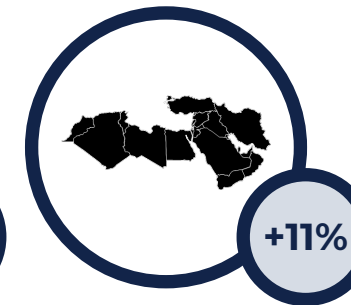
January Standout Markets



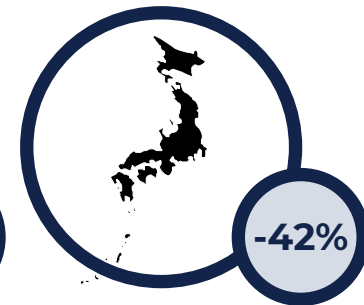
CHINA+HK
+16,191 MT



SOUTHEAST ASIA
-2,536 MT



MENA
+752 MT



JAPAN
-1,959 MT

ADDITIONAL NOTES

Following China, Southeast Asia is the second largest destination for low protein whey, accounting for 30% of global trade in 2024. And while trade led prior year levels for most of the year, volumes came under pressure in the final months of 2024 as economic headwinds intensified. This trend continued into 2025 with volumes slipping below prior year in January for the second month in a row. Performance was uneven across the region though every country except Indonesia (+4%, +368 MT) and the Philippines (+3%, +117 MT) saw volumes fall. The largest decline came from Thailand where shipments tumbled by 18% (-1,093 MT) and posted the weakest January since 2022. A weakening currency and rising inflation has weighed on demand in the country though accelerating GDP growth is expected in 2025 and could help to bolster demand for low protein whey products in the coming months.

Whey Products (0404.10) Market Commentary



LOOKING AHEAD

- Low protein whey trade over the coming year will hinge on global economic performance, especially among the world's largest low protein whey consumers in Asia. While current forecasts suggest that economic performance will improve in 2025, the outlook is rife with risks and uncertainty. Possible trade conflicts have the potential to dampen demand in key markets and could create deep challenges for U.S. exporters.
- U.S. suppliers enjoyed competitively priced product through most of 2024 and while the advantage narrowed in January, U.S. prices remain below the global weighted average. This dynamic helped to lift U.S. share of the category by a percent in January.
- However, the biggest increase in share has come from Turkey which saw its share of global trade rise to 7% in January, up 3% compared to the same month last year. The increase came at the expense of Europe and Uruguay.

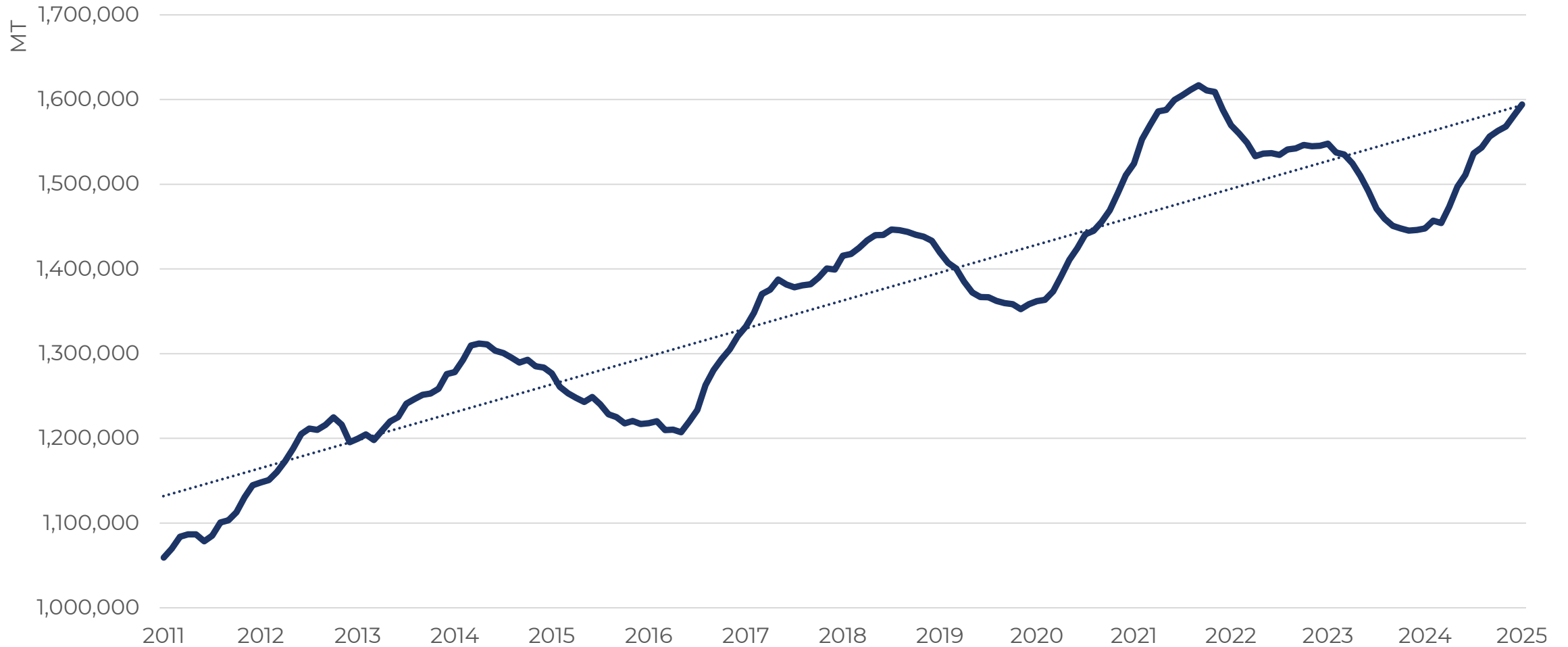
U.S. Whey (0404.10) Exports	+14.3% January YoY	+14.3% YTD, Ending Jan.	+8.6% Last 12-Months, Ending Jan.	+2.8% 3-Year CAGR
EU Whey (0404.10) Exports	+7.2% January YoY	+7.2% YTD, Ending Jan.	+6.5% Last 12-Months, Ending Jan.	+2.1% 3-Year CAGR
NZ Whey (0404.10) Exports	-56.8% January YoY	-56.8% YTD, Ending Jan.	-8.2% Last 12-Months, Ending Jan.	-2.8% 3-Year CAGR

Average Whey (0404.10) Export Value to World



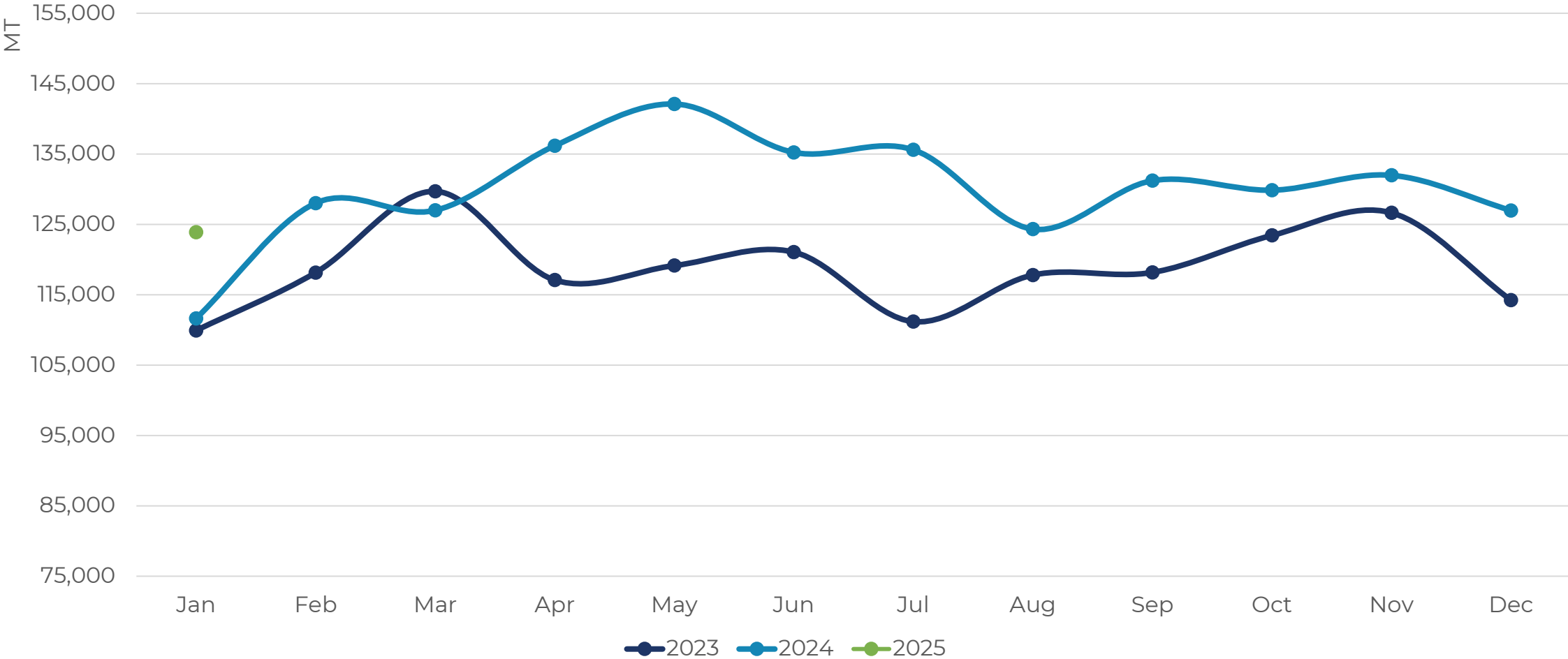
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World



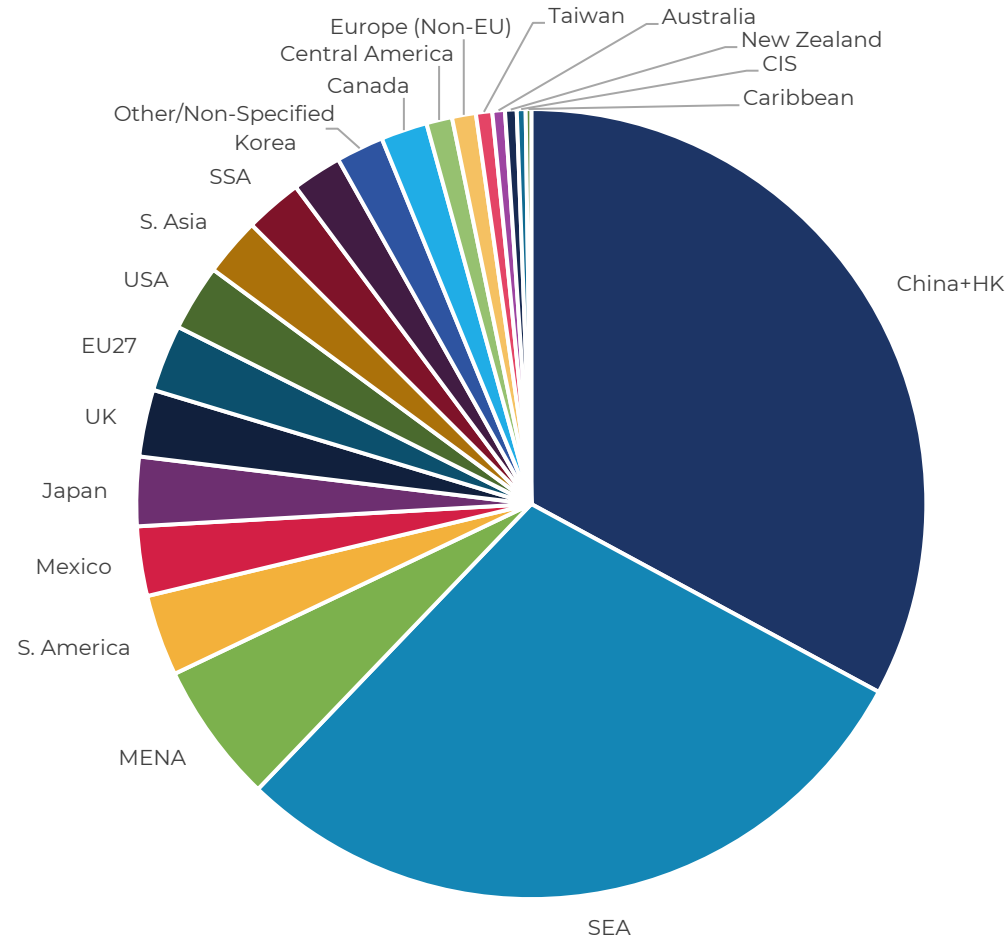
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

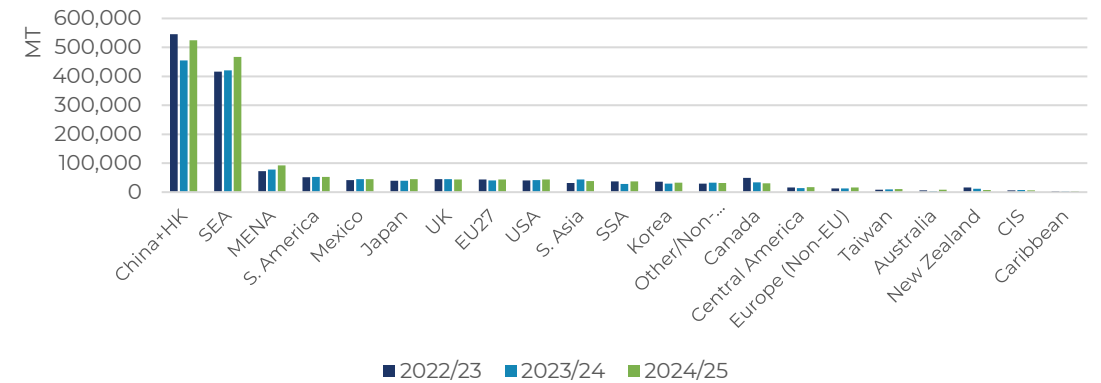


Global Overview: Whey (0404.10) – Last 12 Months

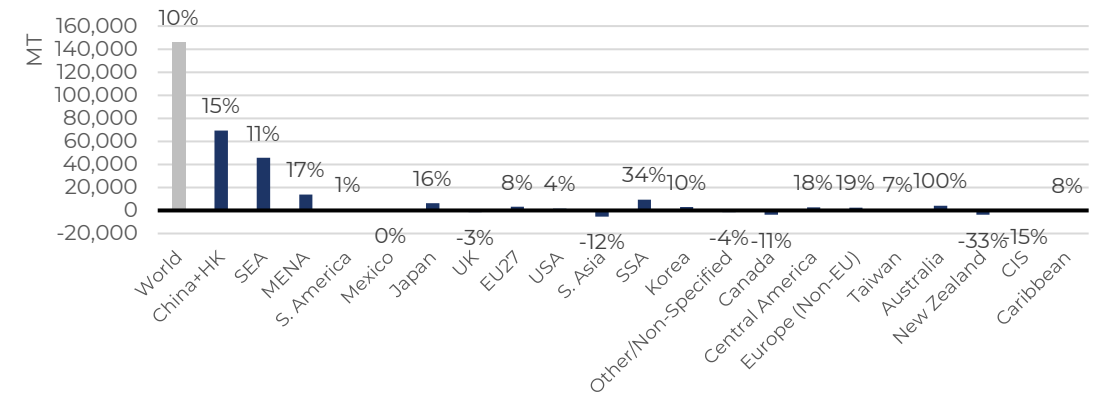
Global Whey (0404.10) Trade by Destination: Last 12 Months ending Jan



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

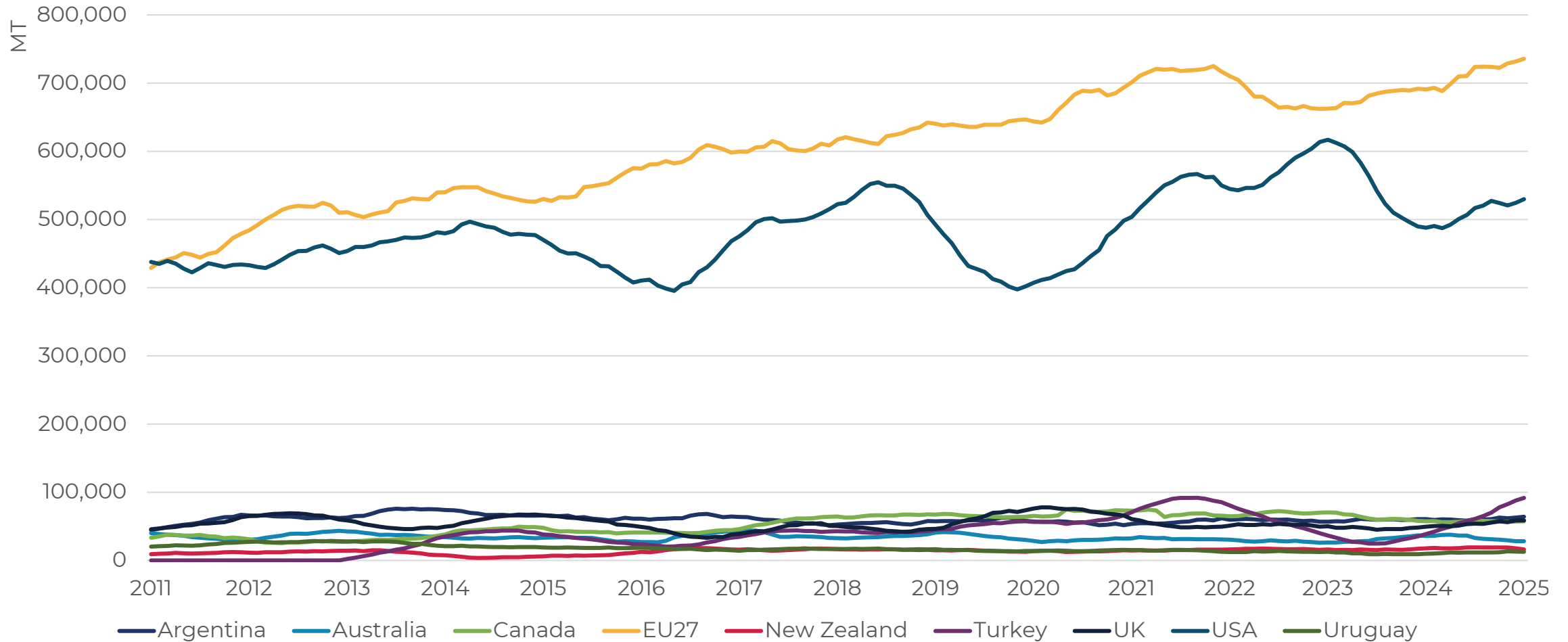


YOY Change in Global Whey (0404.10) Trade by Destination: Last 12 Months ending Jan 2025



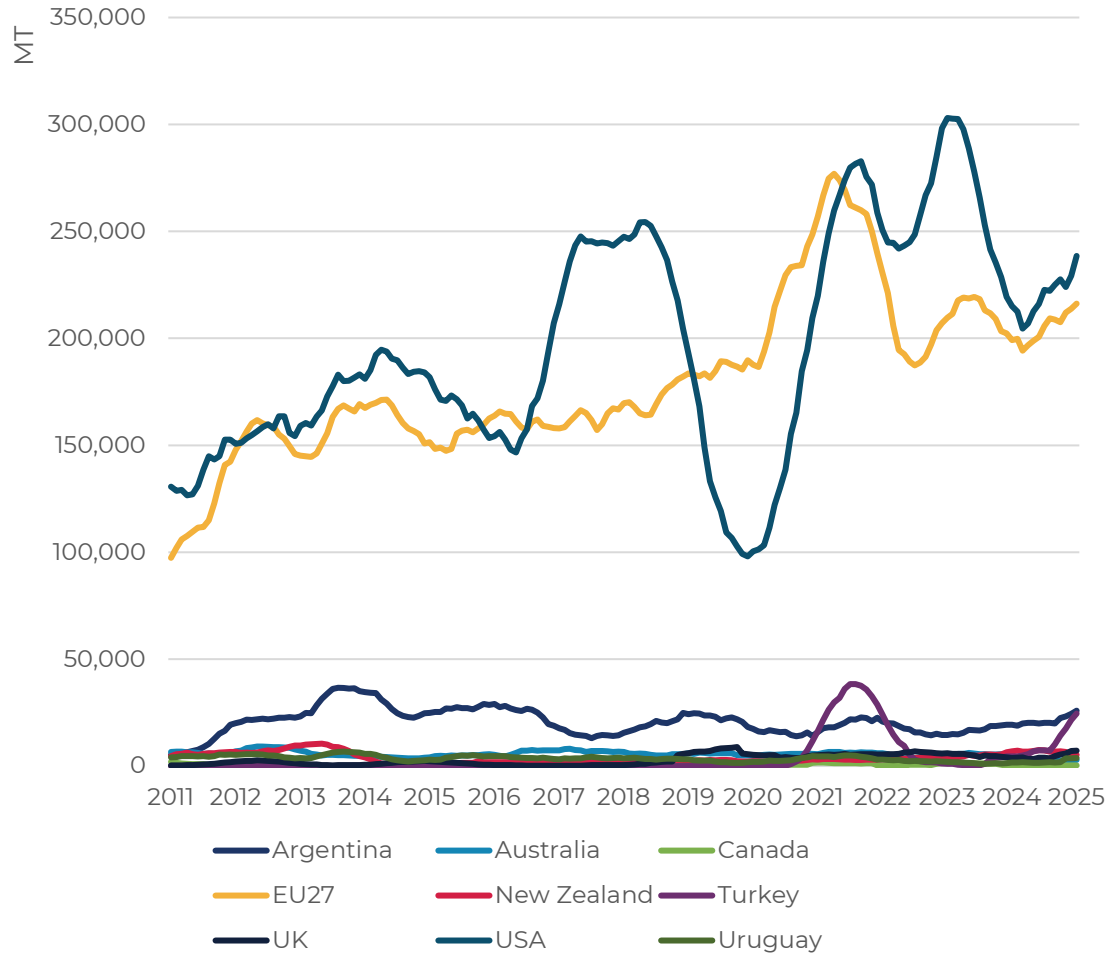
Trade Flows: Whey Products

Global Whey (0404.10) Trade to World

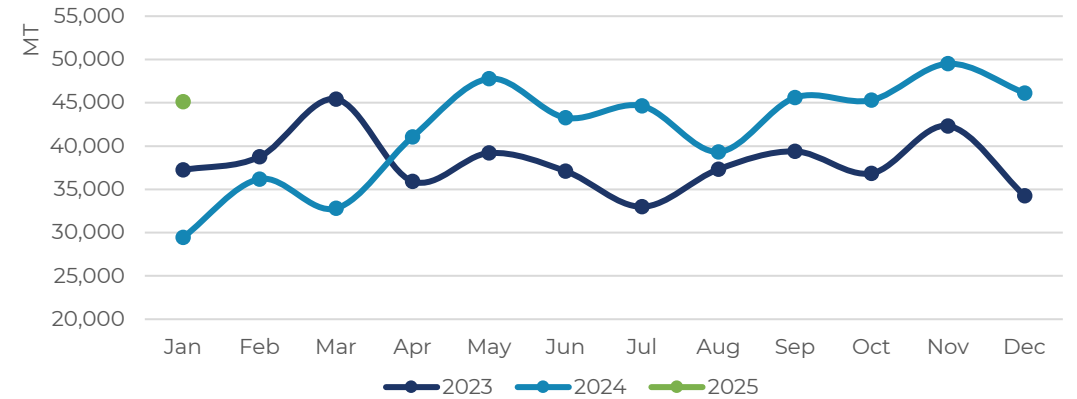


China

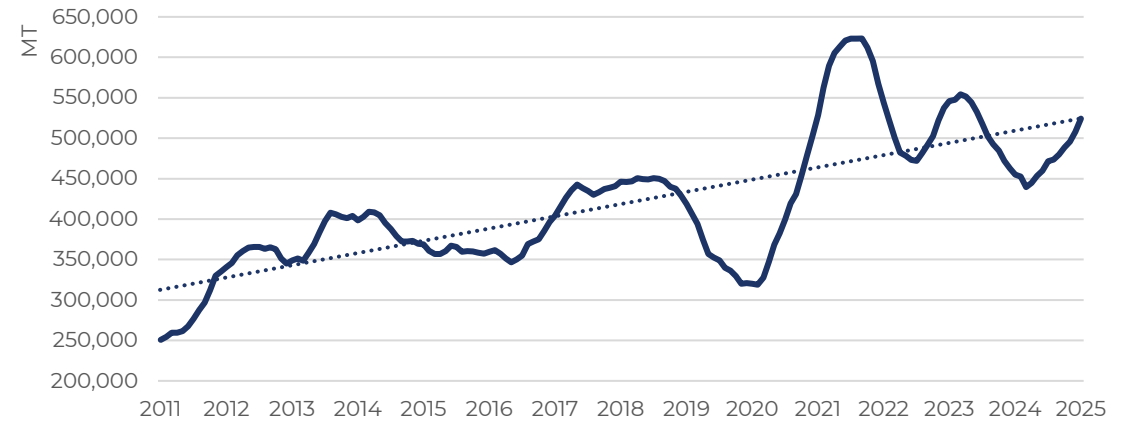
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

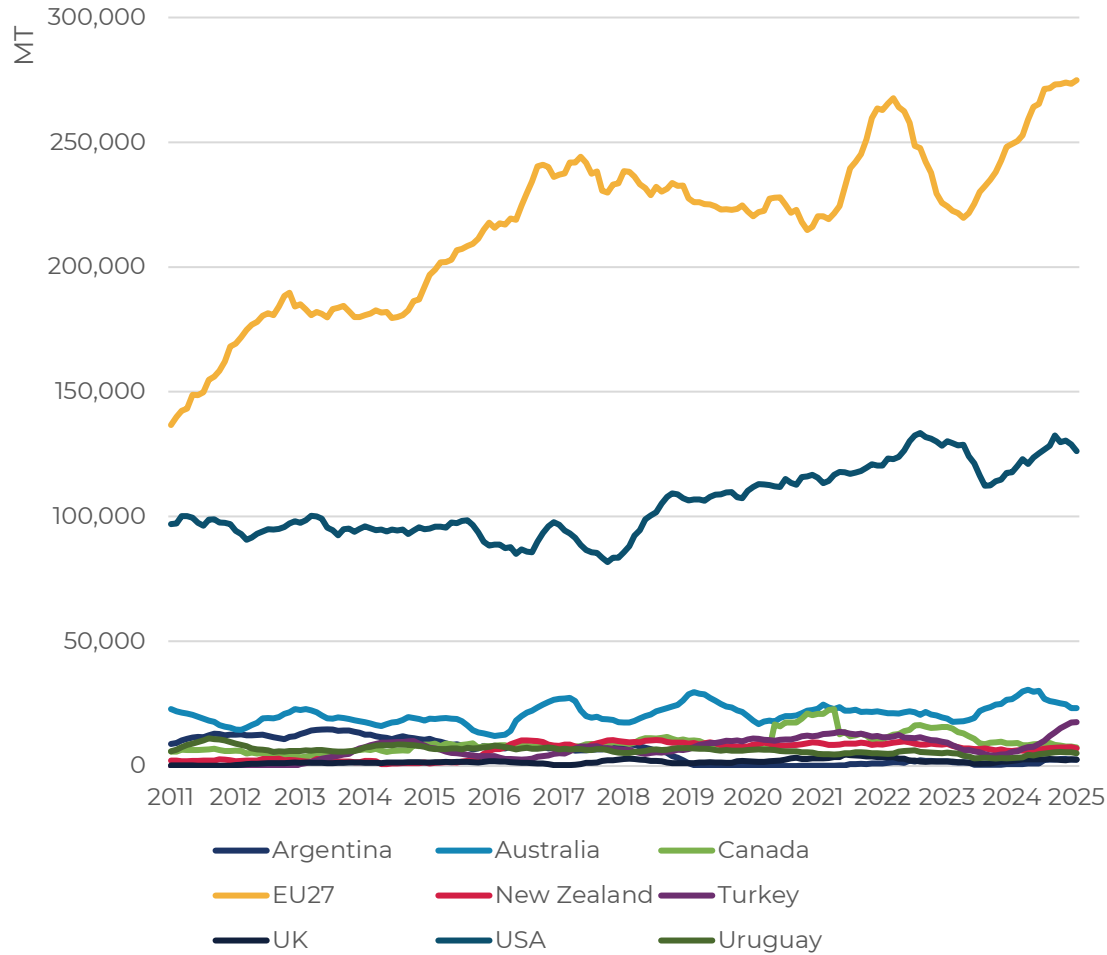


Global Whey (0404.10) Trade to China+HK

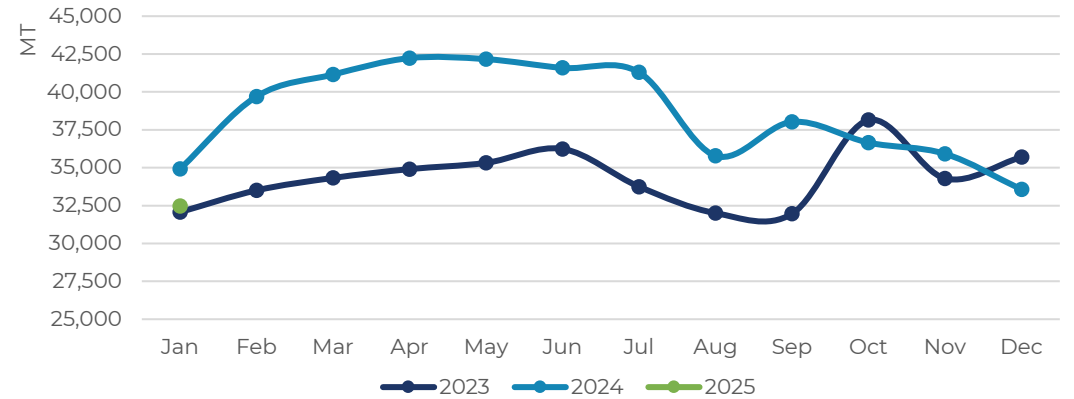


Southeast Asia

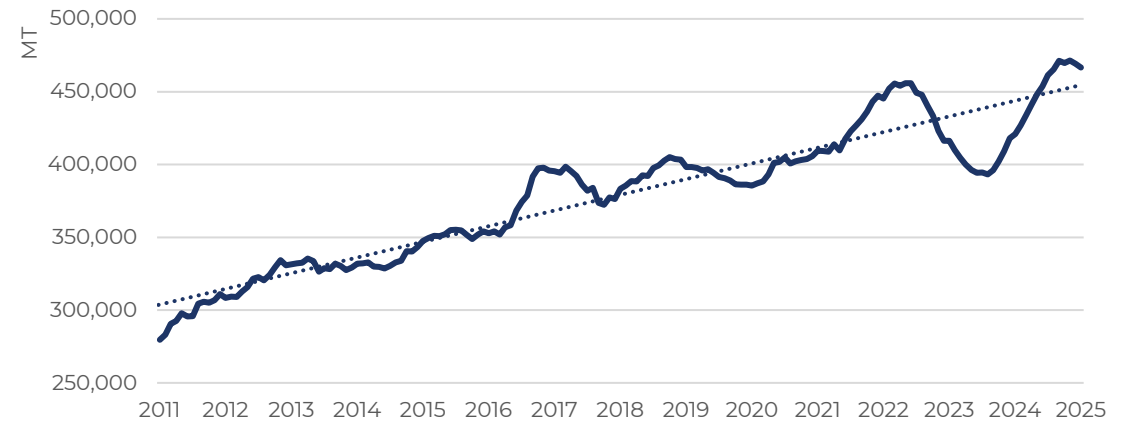
Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA





WPC80+
(3502.20)

WPC80+ (3502.20) Market Commentary



KEY TAKEAWAYS

- **Global WPC80+ exports grew by 5% (+737 MT) in January**, a notable improvement from the -3% seen over the preceding five months. Additionally, January 2024 was also a relatively strong month, so favorable comparisons were not the reason for the improvement. Rather, **a surge in demand for several key markets helped drive growth and start 2025 on a bullish note.**
- **Japan led the way** in January improving by 46% (+922 MT) and posting the third highest month ever for the country. The extraordinarily positive month was a particular surprise given WPC80+ volumes to Japan had declined for 13 out of the previous 15 months. Whether January represents the start of a new trend remains to be seen, but it is positive regardless. Similarly (albeit on smaller volumes) trade to Korea rebounded sharply (+151%, +257 MT) after two straight years of weak imports relative to their 2022 peak.
- **Beyond Japan and Korea, Canada, India, China (see additional note) all provided bullish signals for why protein demand holding even as prices remain elevated.**

**Global
WPC80+
Trade**

+5.1%

January YoY

+5.1%

YTD, Ending Jan.

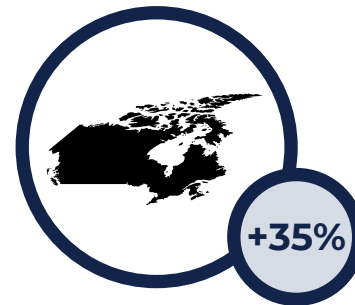
+4.5%

Last 12-Months,
Ending Jan.

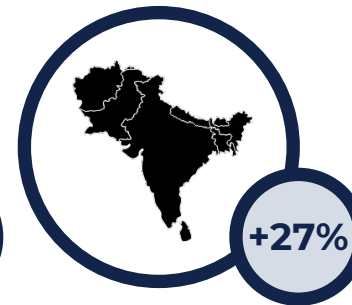
+2.5%

3-Year CAGR

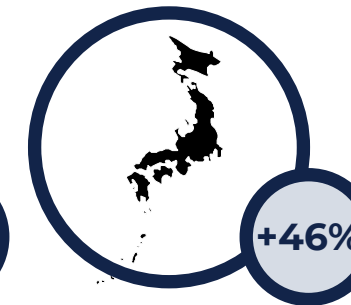
January Standout Markets



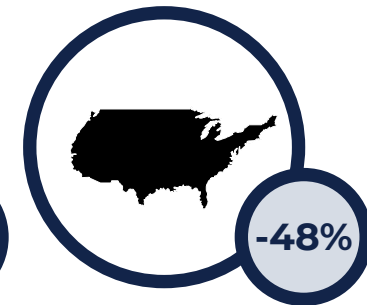
CANADA
+306 MT



SOUTH ASIA
+372 MT



JAPAN
+922 MT



USA
-514 MT

ADDITIONAL NOTES

As a reminder for readers, USDEC has been making adjustments to U.S. census data for U.S. WPC80+ exports to China given the anomalies in the growth rates and unit values suggesting misclassification. For January, our formula (which assumes U.S. WPC80+ exports to China should have a similar price relationship to Europe as in prior years and the misallocated product would have the same unit values as low protein whey) resulted in just over 1,500 MT of WPC80+ being reallocated in January (roughly 15,000 MT was reallocated in 2024). Yet even with those sizeable adjustments, demand from China is growing rapidly. Over the last 12 months, EU WPC80+ exports to the country have surged by over 50%, NZ volumes are up roughly 20%, and Australian shipments have more than doubled. With retaliatory tariffs placed on U.S. protein, other exporters are likely to focus more energy on supplying China.

WPC80+ (3502.20) Market Commentary



LOOKING AHEAD

- **Global WPC80+ trade has proven remarkably resilient over the last year despite elevated prices and limited allocation.** Particularly, positive is the fact that markets that had previously been on the sidelines – namely Japan, Korea, Southeast Asia and India – improved in January. Additionally, **with the opening of several new cheese and whey plants in the United States, greater supplies should be available to international customers** even if prices appear unlikely to soften given the seemingly insatiable demand for protein.
- Still, not all is rosy. **The exponential growth experienced by Brazil in 2023 and early 2024 is waning** even as competition heightens between the U.S. and Europe. Additionally, with the risks of tariffs being levied across the U.S., Canada and EU27, the arbitrage trade that occurs today could dramatically slow. Trade between those three markets accounts for roughly 10% of global WPC80+ exports so there is substantial risk that divergence in the prices among the three markets could become more frequent and last longer.

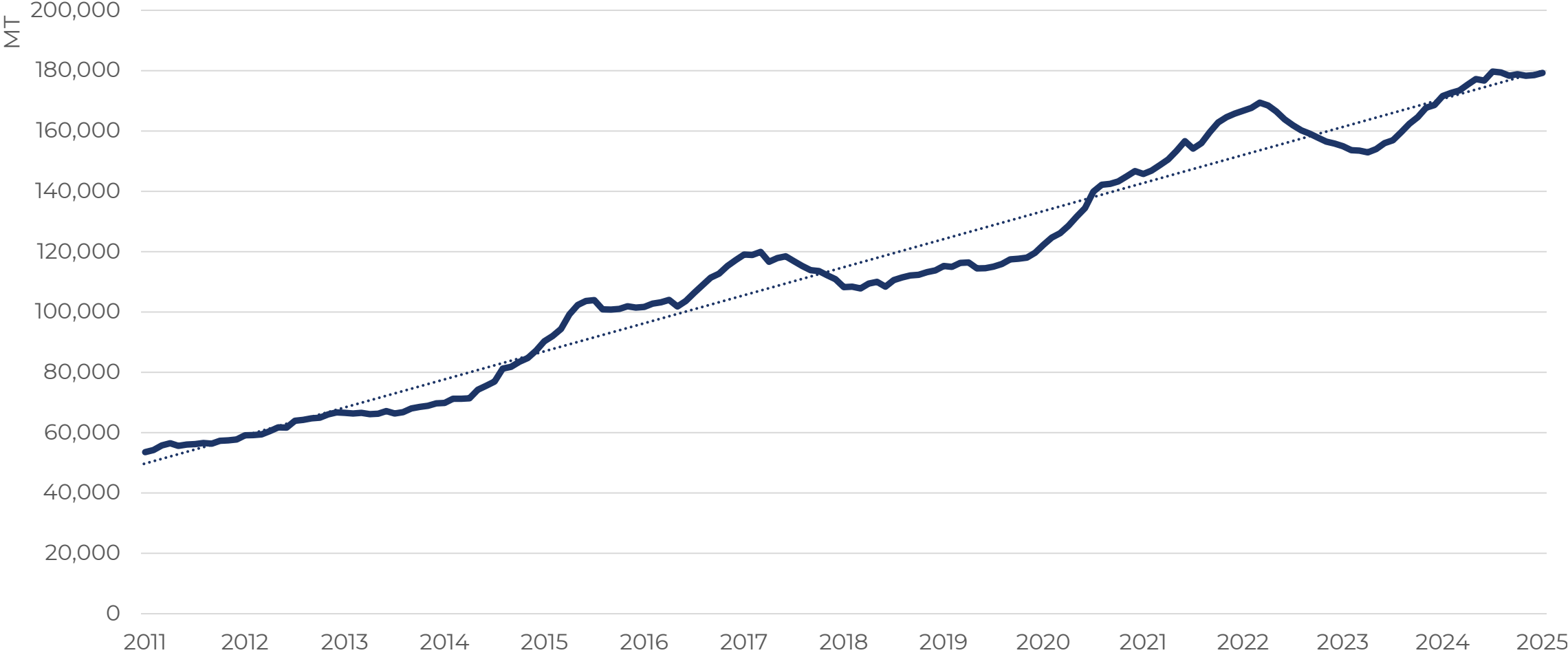
U.S. WPC80+ Exports	+18.5% January YoY	+18.5% YTD, Ending Jan.	-4.2% Last 12-Months, Ending Jan.	-1.4% 3-Year CAGR
EU WPC80+ Exports	-2.8% January YoY	-2.8% YTD, Ending Jan.	+9.0% Last 12-Months, Ending Jan.	+2.9% 3-Year CAGR
NZ WPC80+ Exports	-9.4% January YoY	-9.4% YTD, Ending Jan.	+17.9% Last 12-Months, Ending Jan.	+5.6% 3-Year CAGR

Average WPC80+ Export Value to World



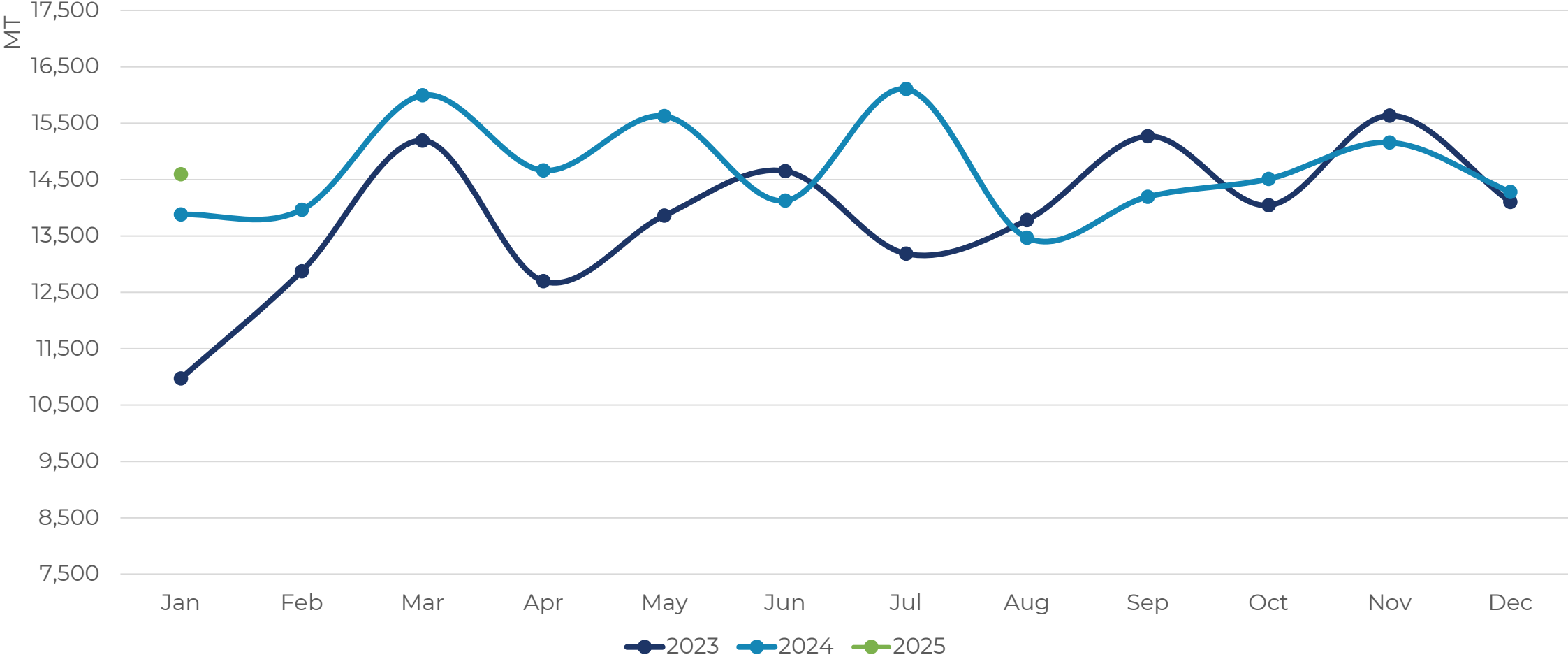
Global Overview: WPC80+

Global WPC80+ Trade to World



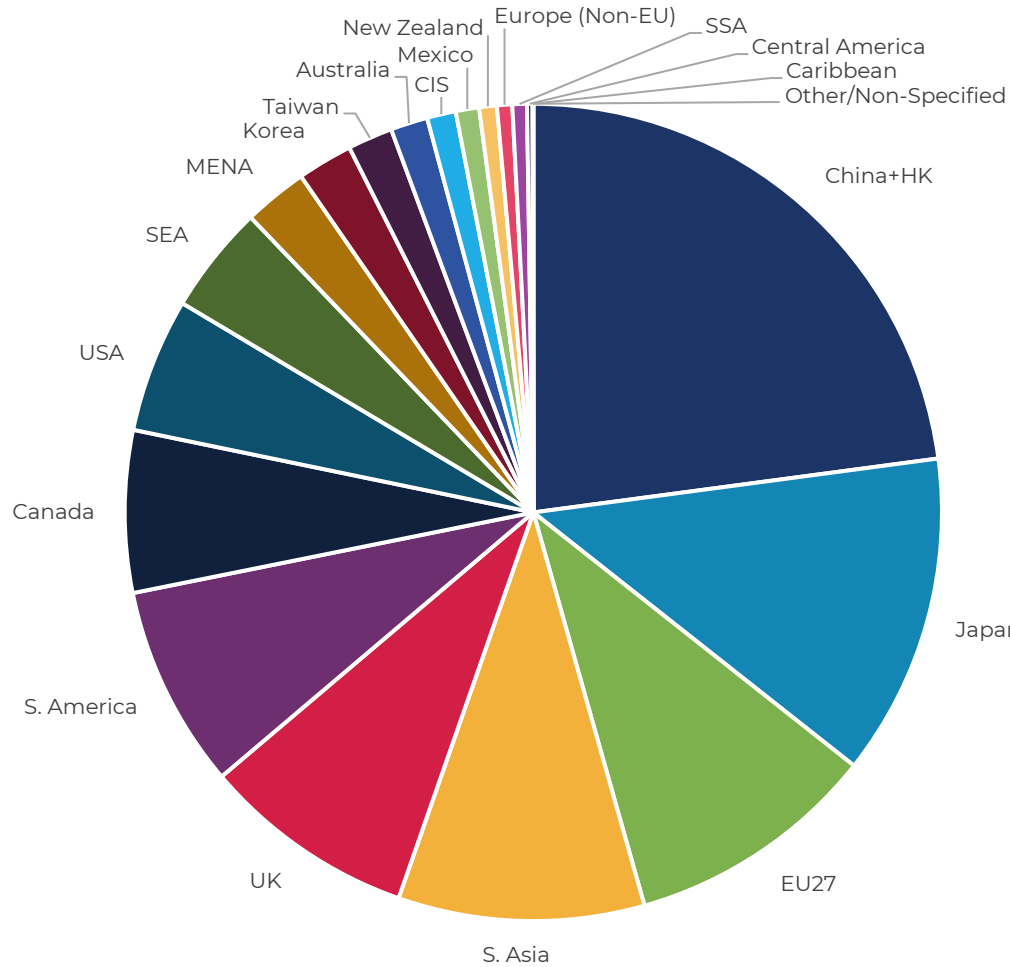
Global Overview: WPC80+

Global WPC80+ Trade to World

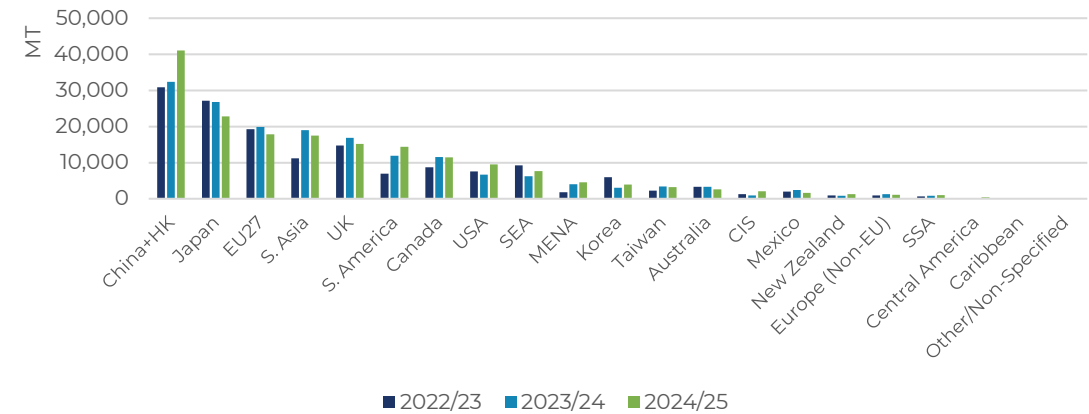


Global Overview: WPC80+ – Last 12 Months

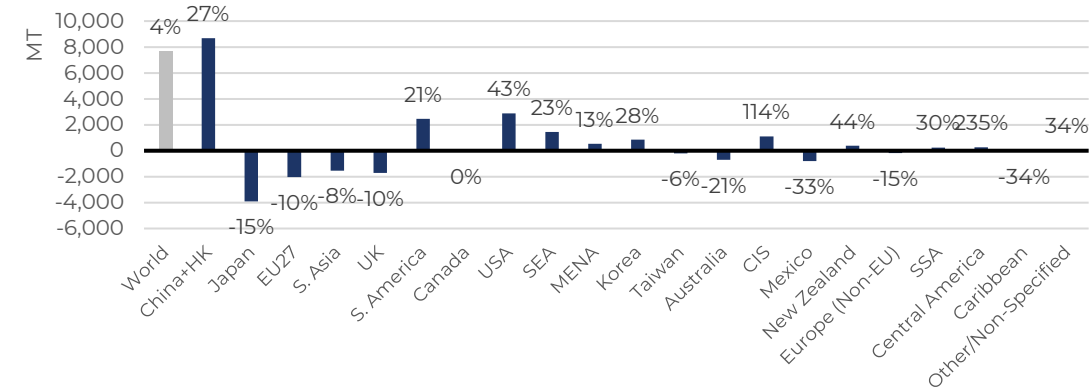
Global WPC80+ Trade by Destination: Last 12 Months ending Jan



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

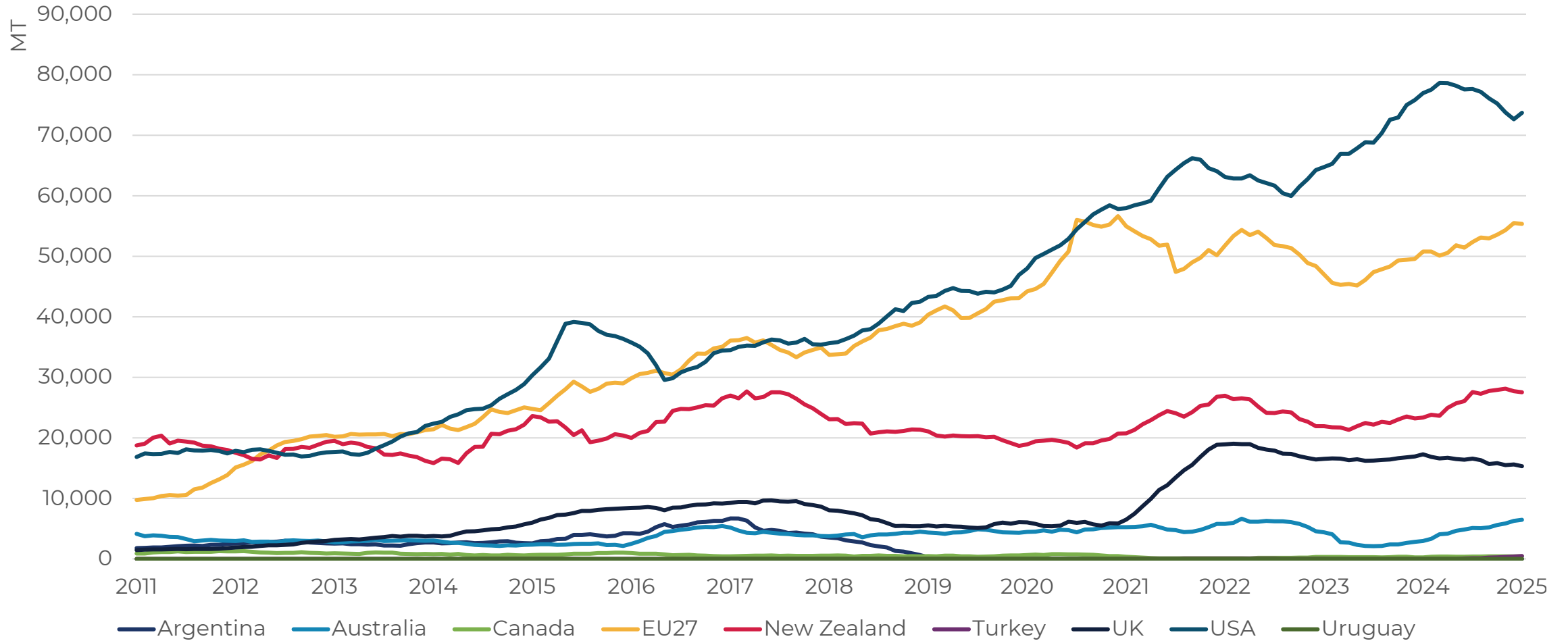


YOY Change in Global WPC80+ Trade by Destination: Last 12 Months ending Jan 2025



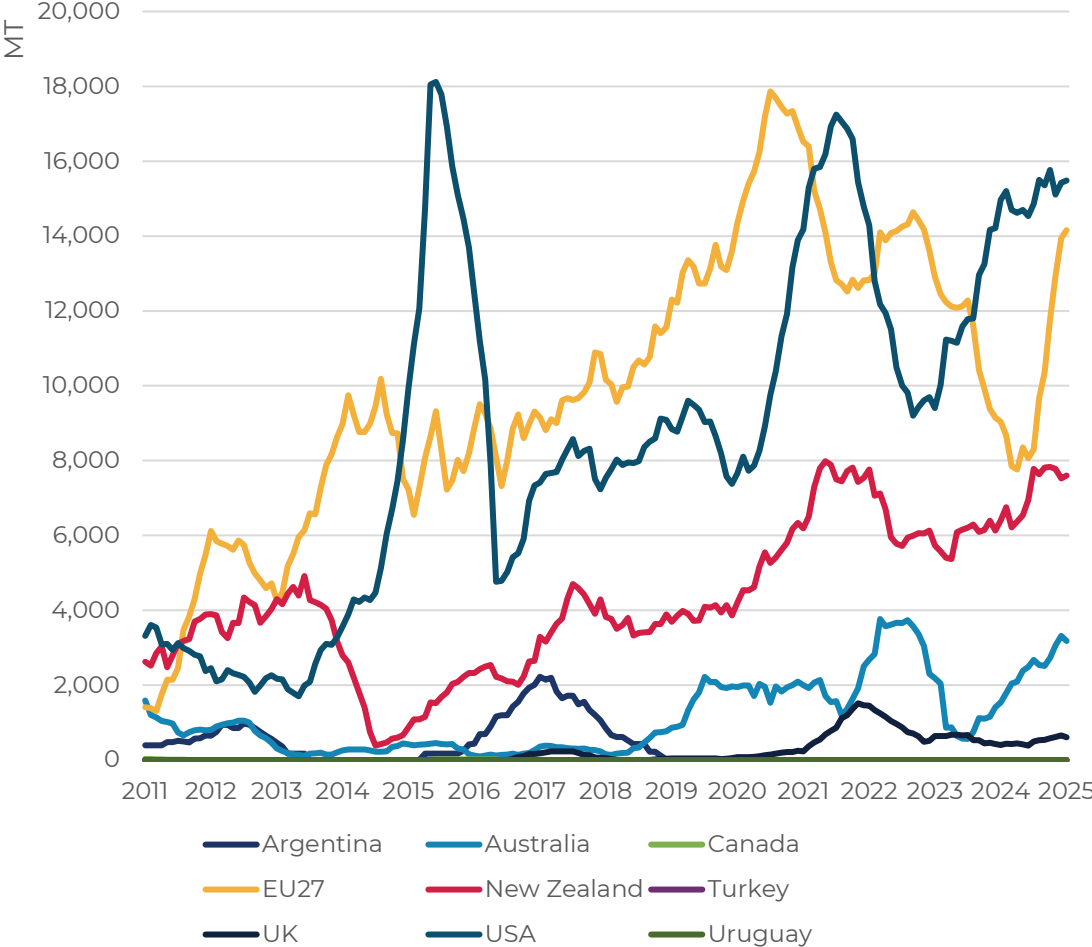
Trade Flows: WPC80+

Global WPC80+ Trade to World

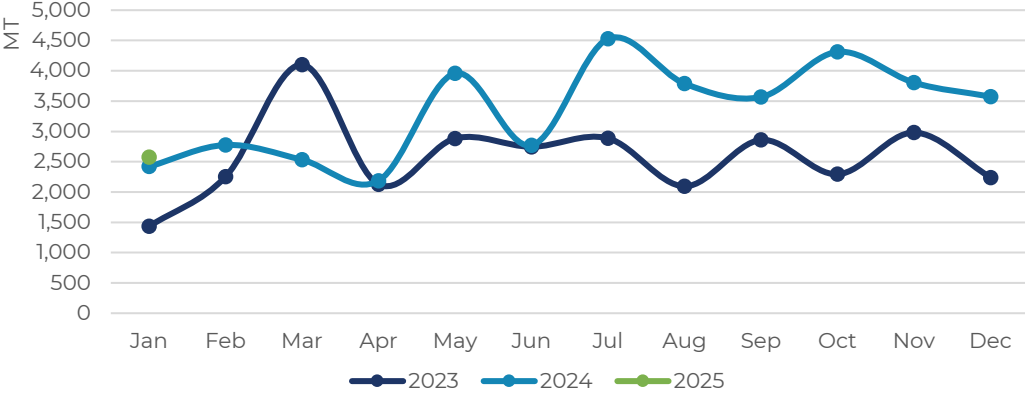


China

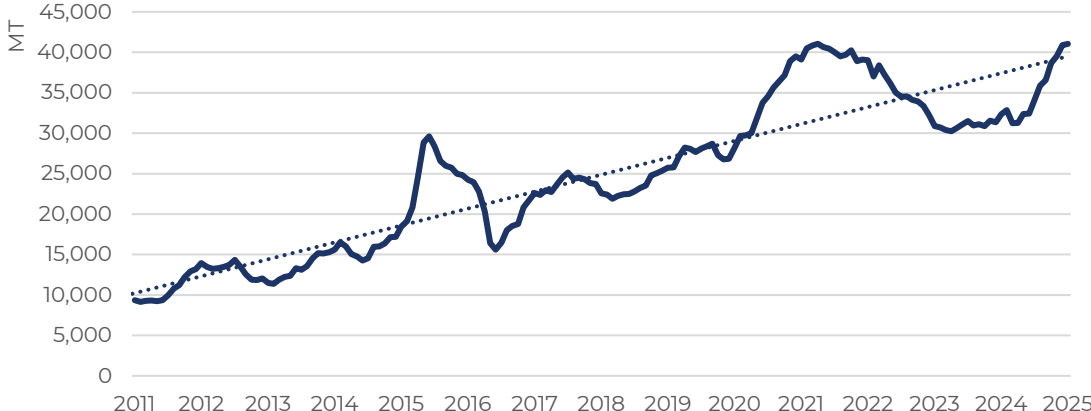
Global WPC80+ Trade to China+HK



Global WPC80+ Trade to China+HK



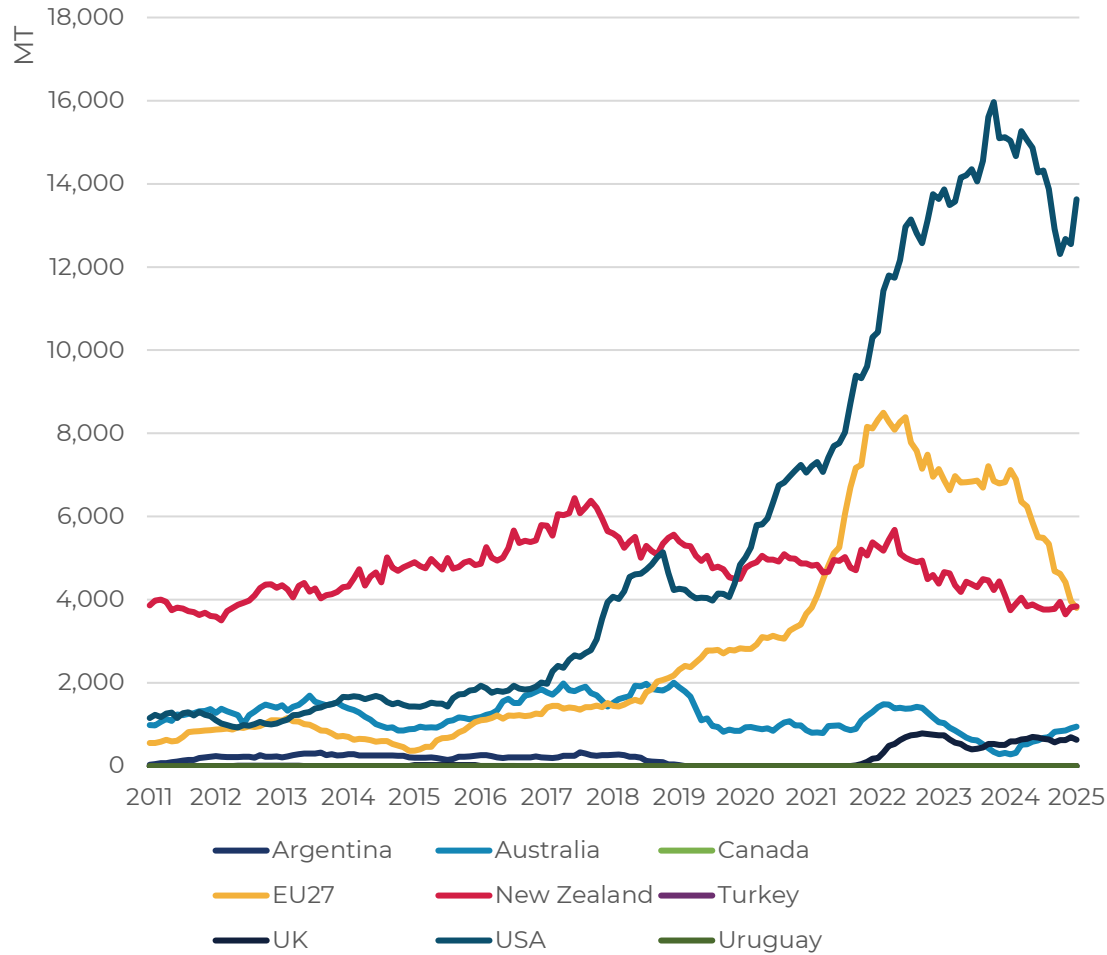
Global WPC80+ Trade to China+HK



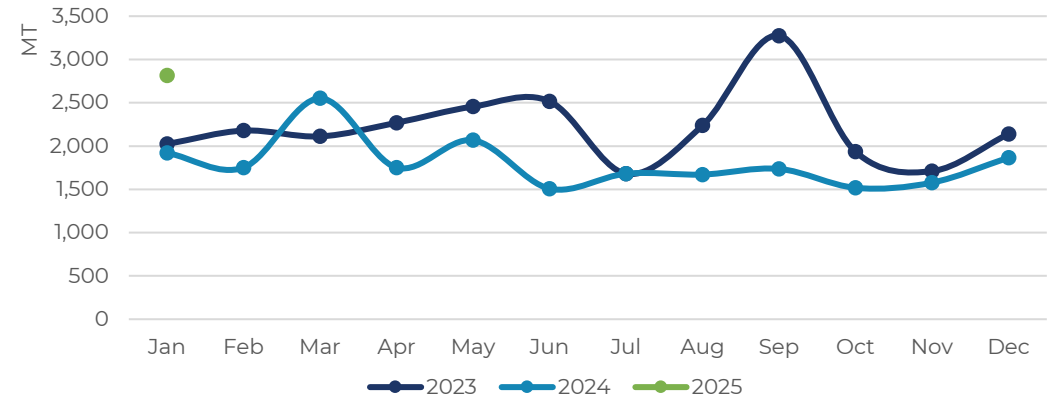
Source: NMPF/USDEC, TDM

Japan

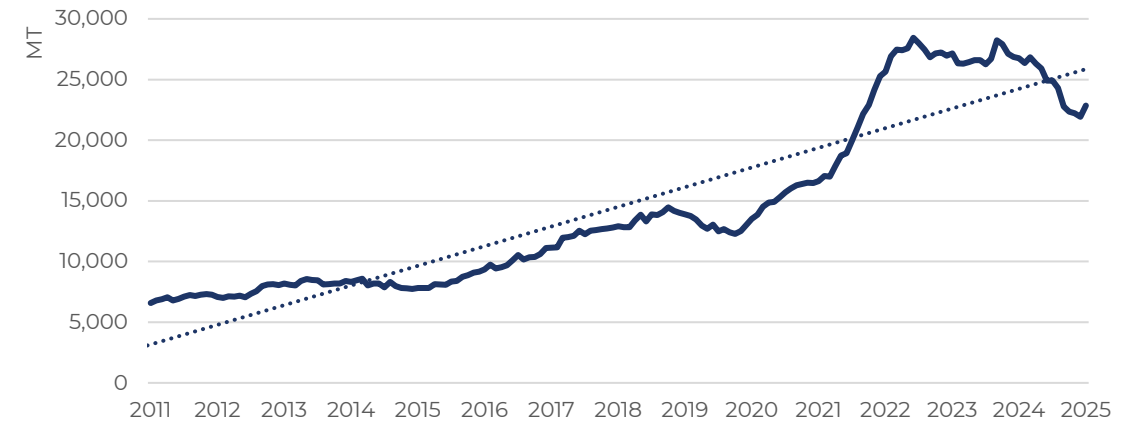
Global WPC80+ Trade to Japan



Global WPC80+ Trade to Japan

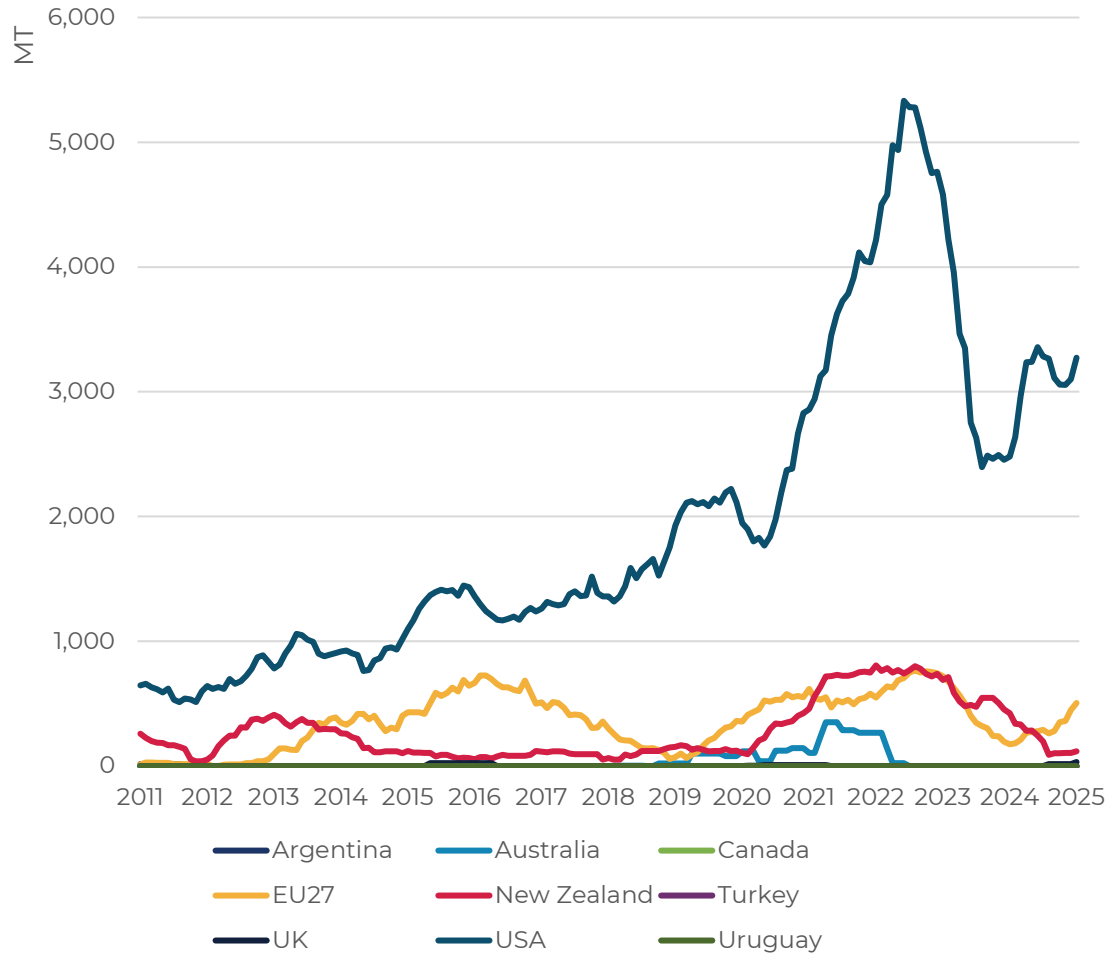


Global WPC80+ Trade to Japan

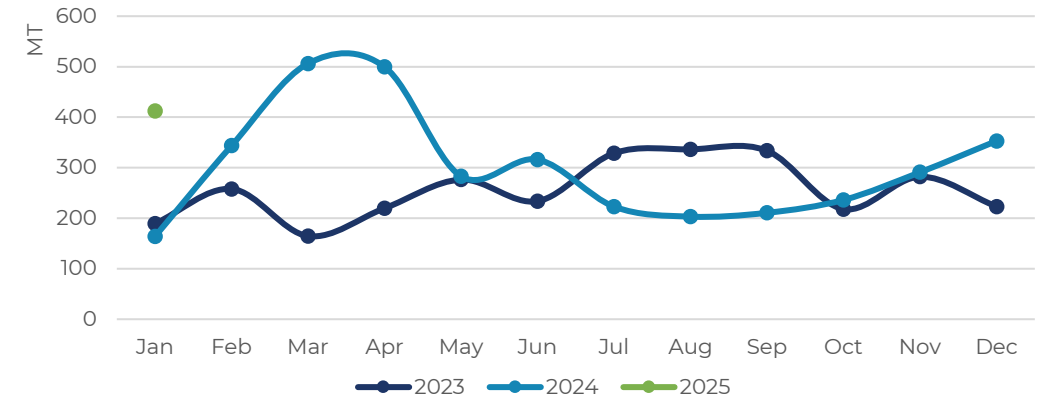


Korea

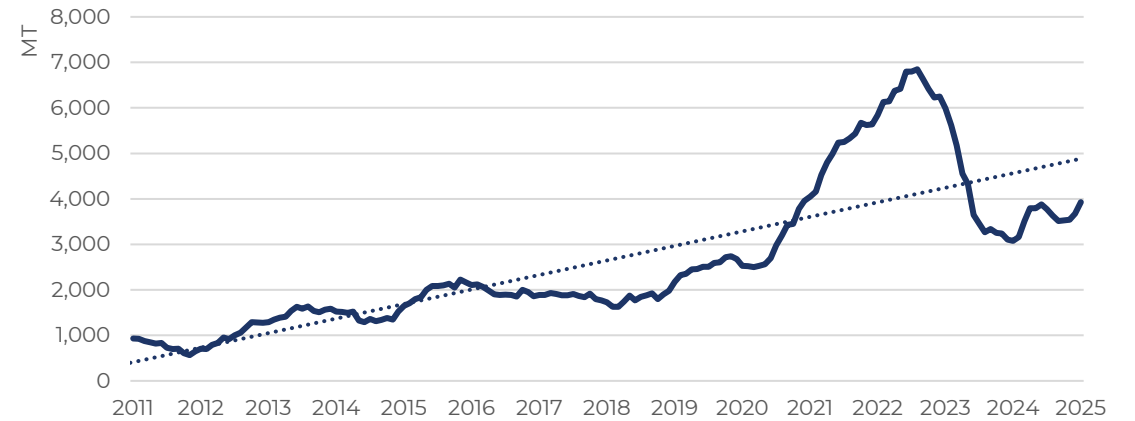
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

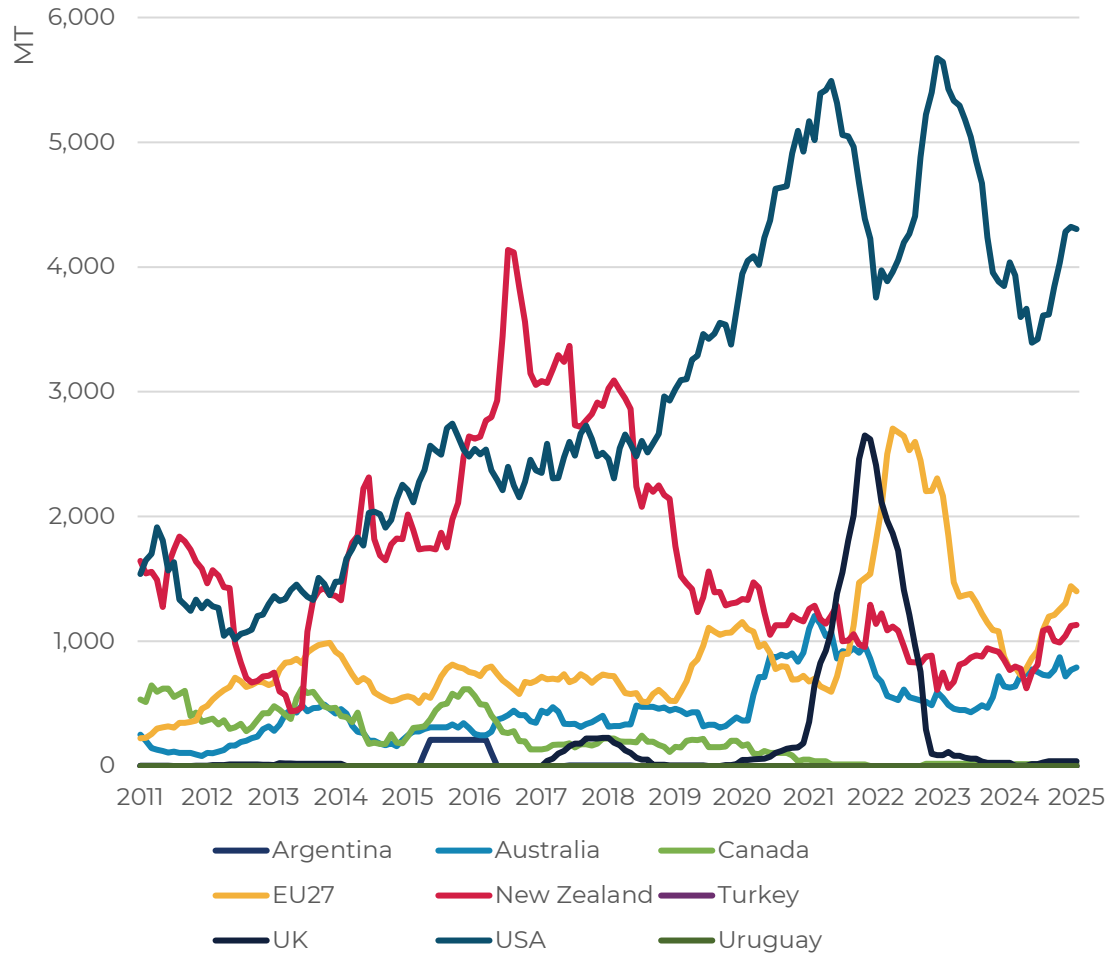


Global WPC80+ Trade to Korea

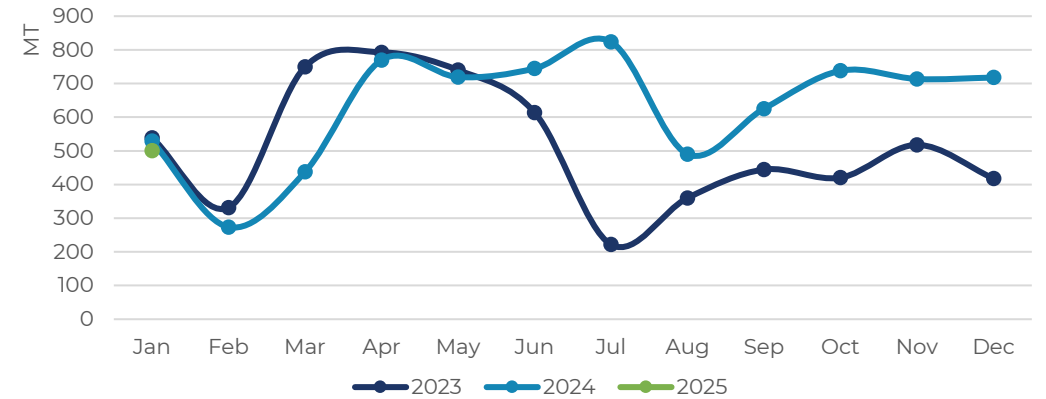


Southeast Asia

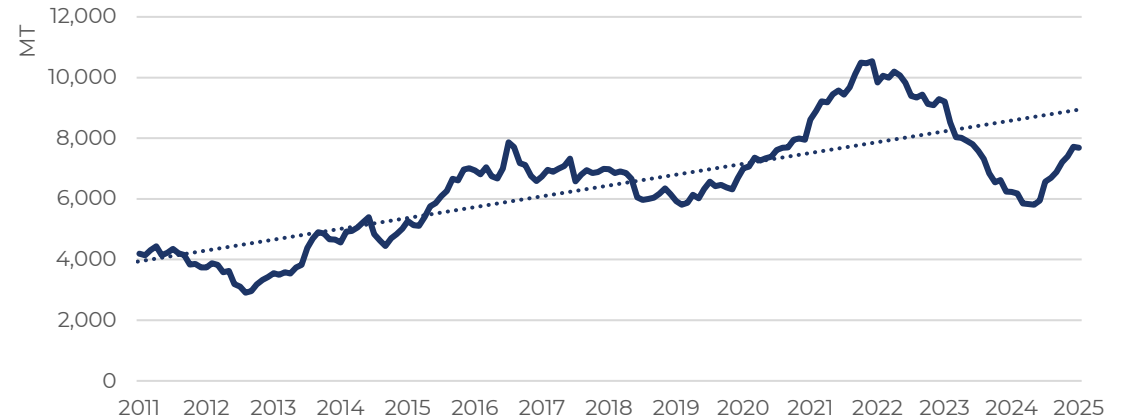
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

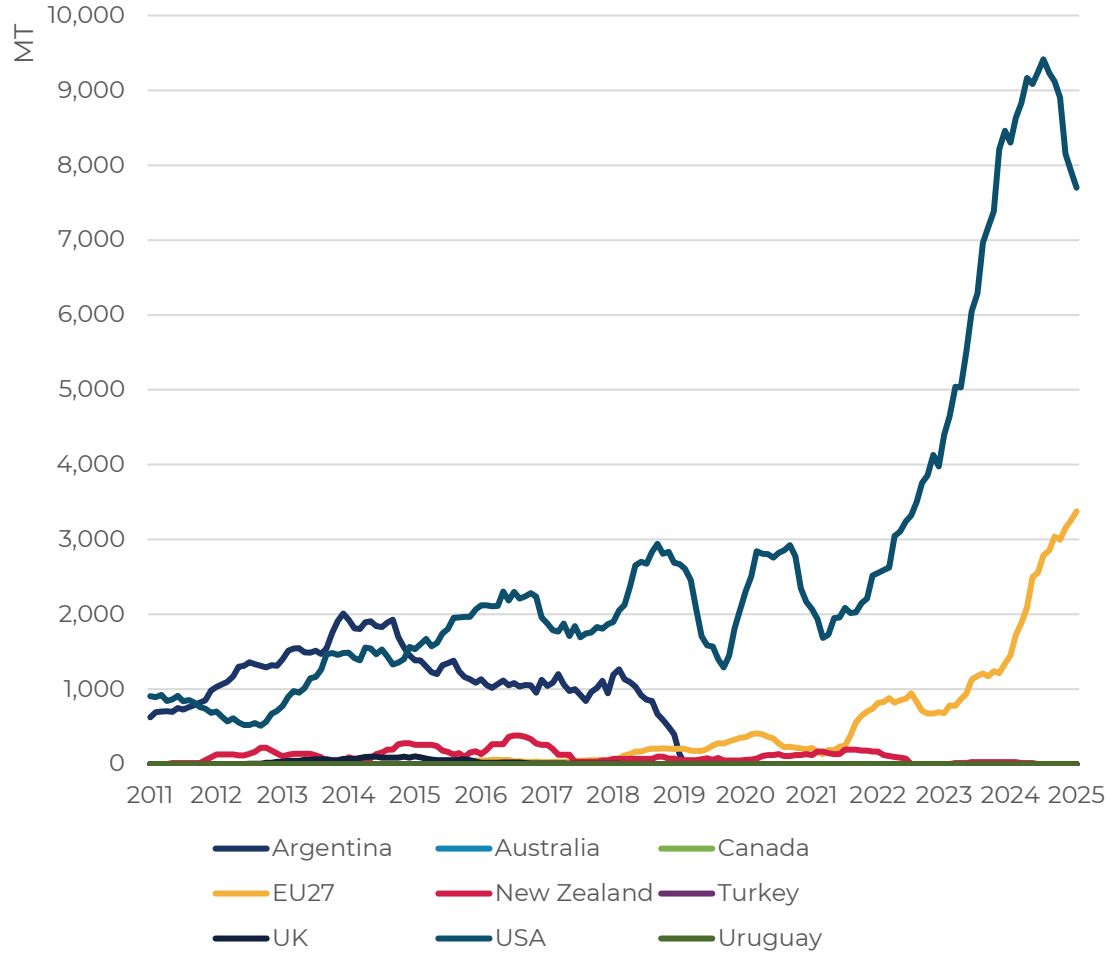


Global WPC80+ Trade to SEA

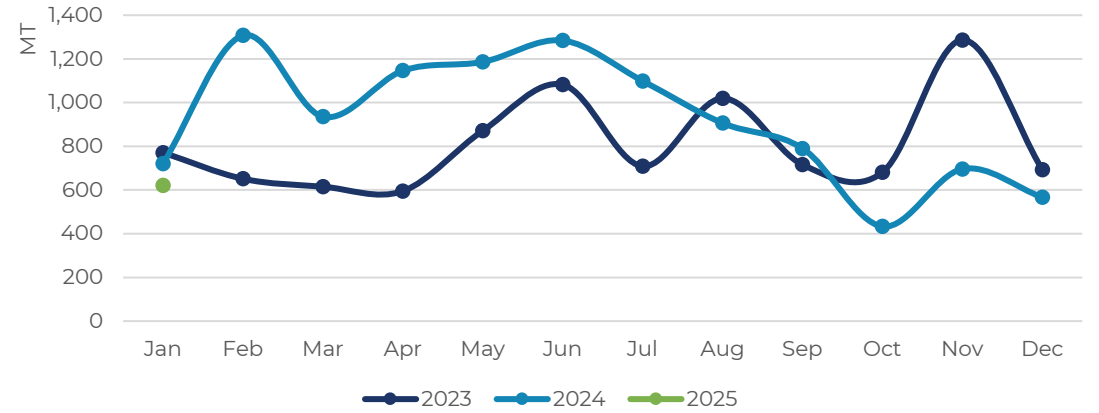


Brazil

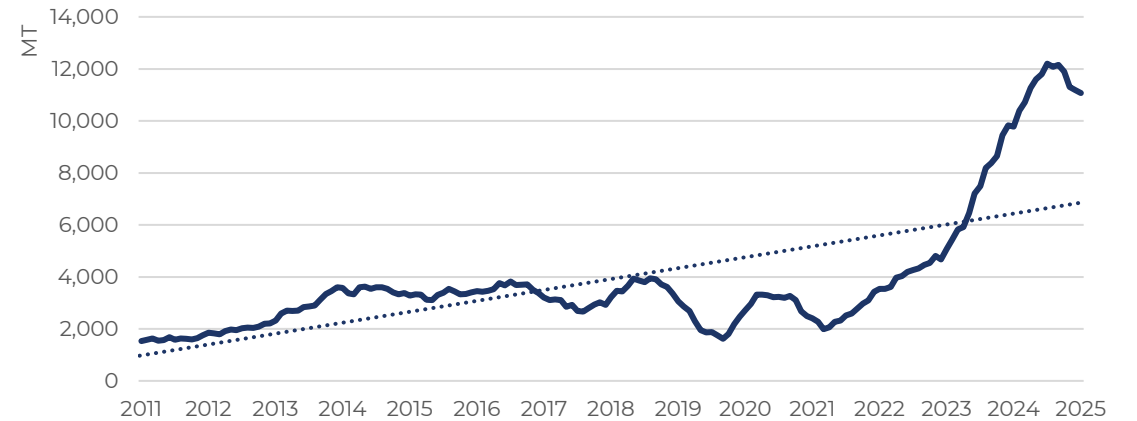
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil

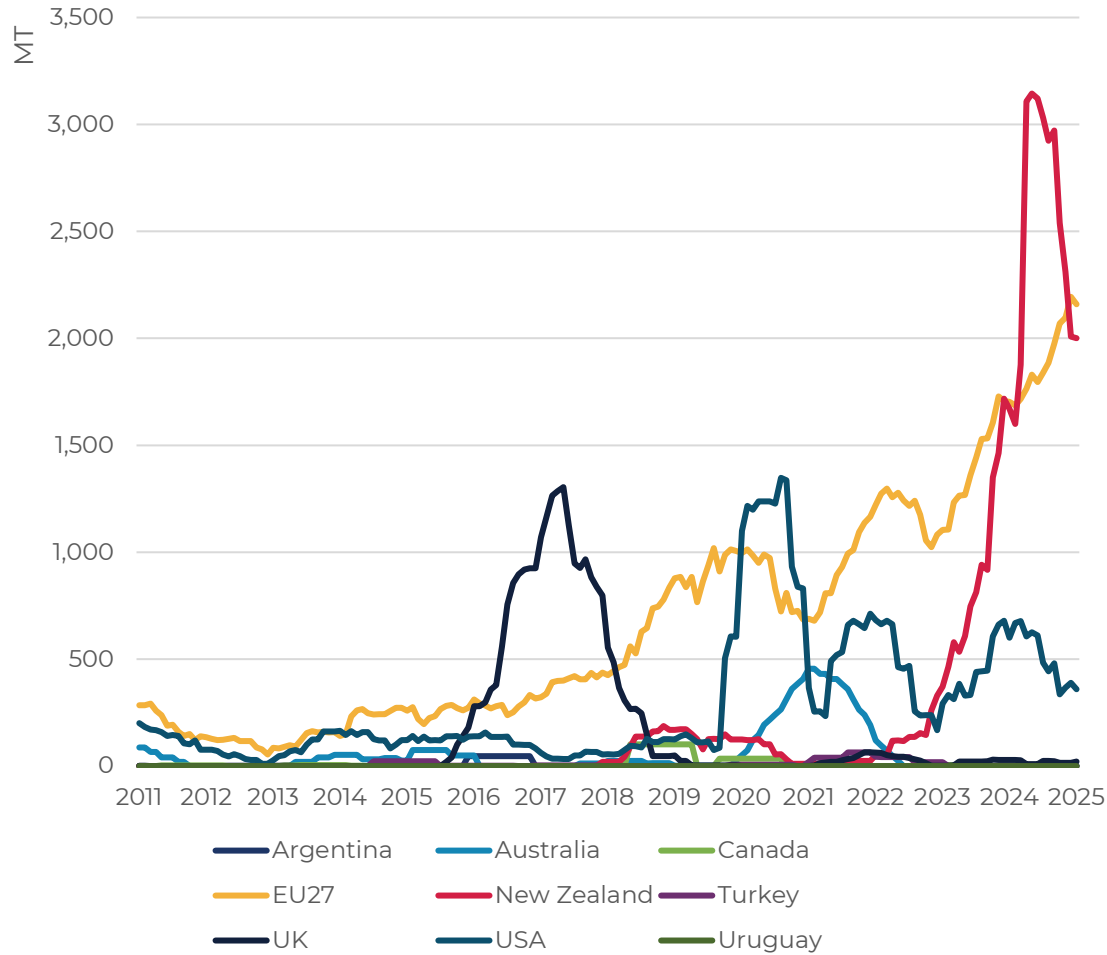


Global WPC80+ Trade to Brazil

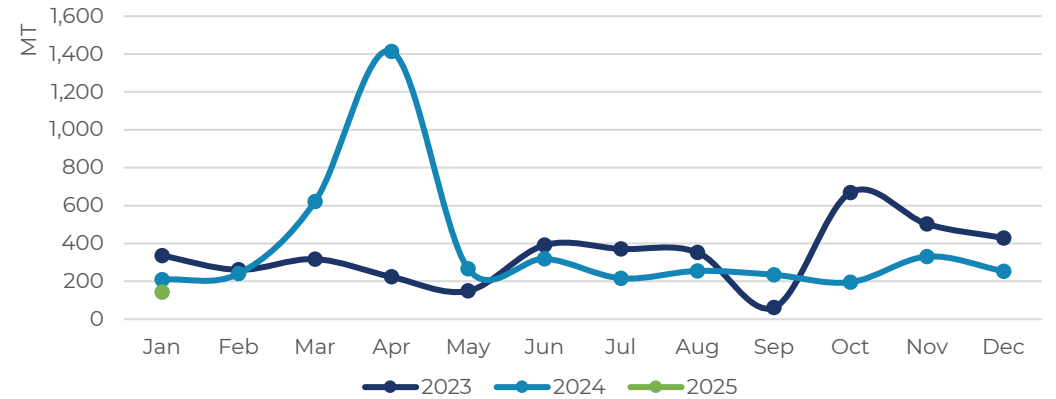


MENA

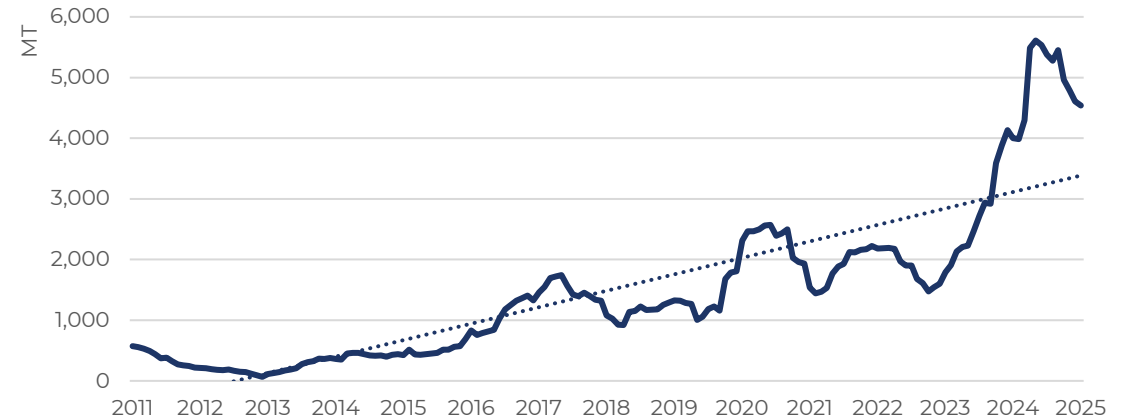
Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA





Other Dairy Products

Global Overview: Lactose



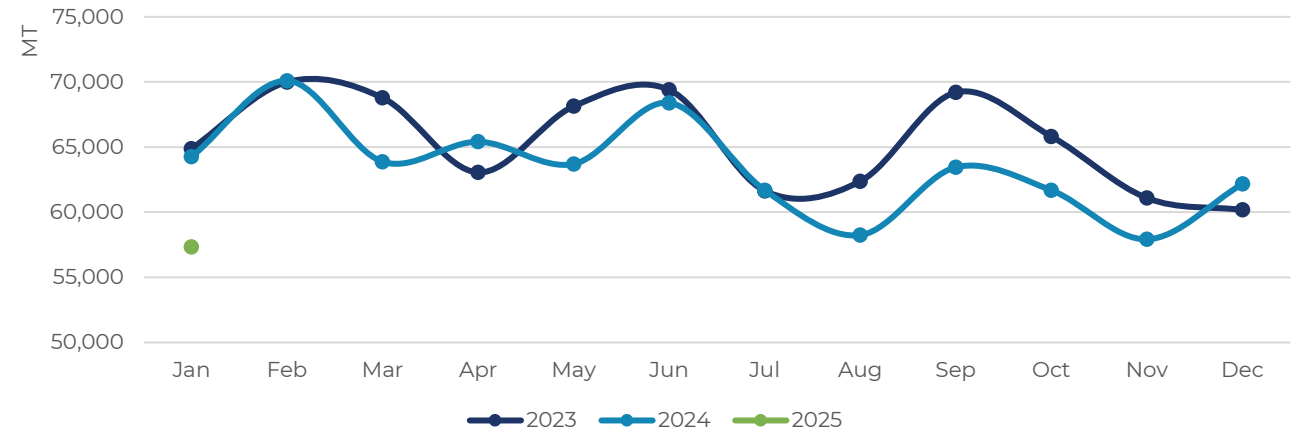
KEY TAKEAWAYS

Global Lactose Trade

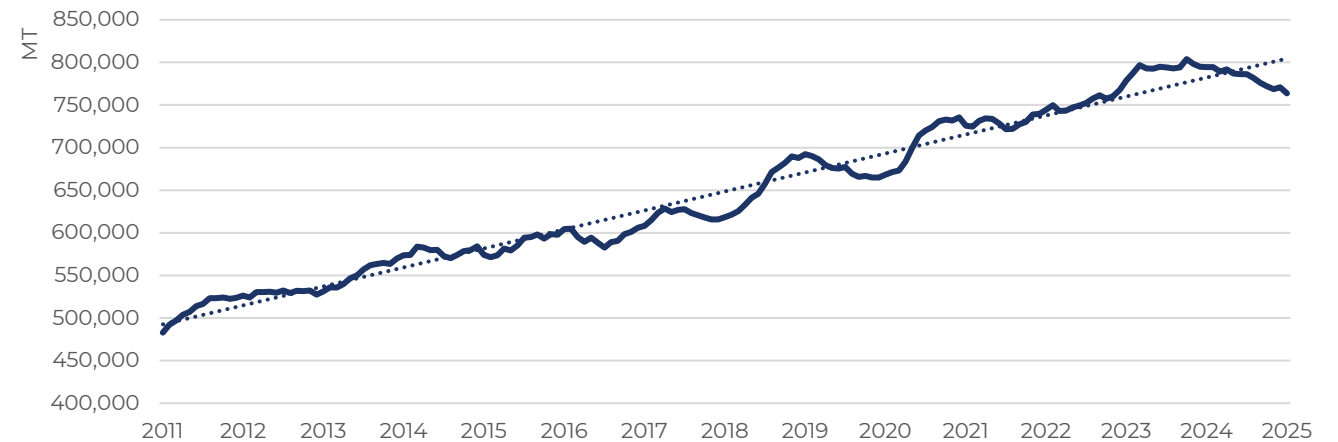
-10.8%	-10.8%	-3.9%	+0.9%
January YoY	YTD, Ending Jan.	Last 12-Months, Ending Jan.	3-Year CAGR

- China's rebound in lactose demand was short-lived; exports to the region fell in January (-6%, -870 MT) and global demand followed. The biggest drop in exports though was to South Asia (-18%, -1,592 MT), which follows the downward trend since summer of last year. Lactose trade dropped across the board in Asia with only shipments to Japan (+8%, +526 MT) growing to start the year. Aside from Japan, New Zealand (+25%, +1,357 MT) and MENA (+44%, +715 MT) were the only other regions to grow.
- Global lactose prices have recently ticked up, but are still below the elevated levels of 2022-23. With demand in China lackluster and inconsistent, lactose trade is not expected to grow significantly in the coming months.

Global Lactose Trade to World

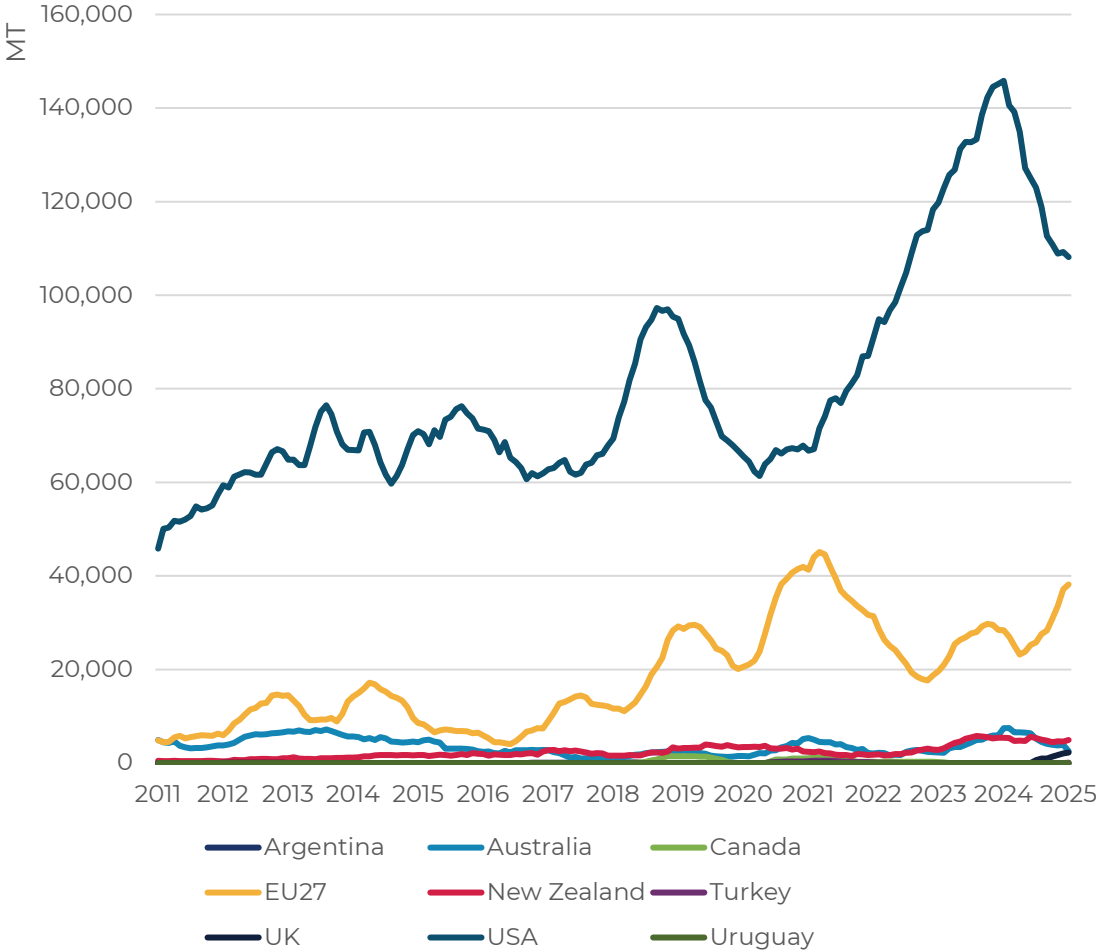


Global Lactose Trade to World

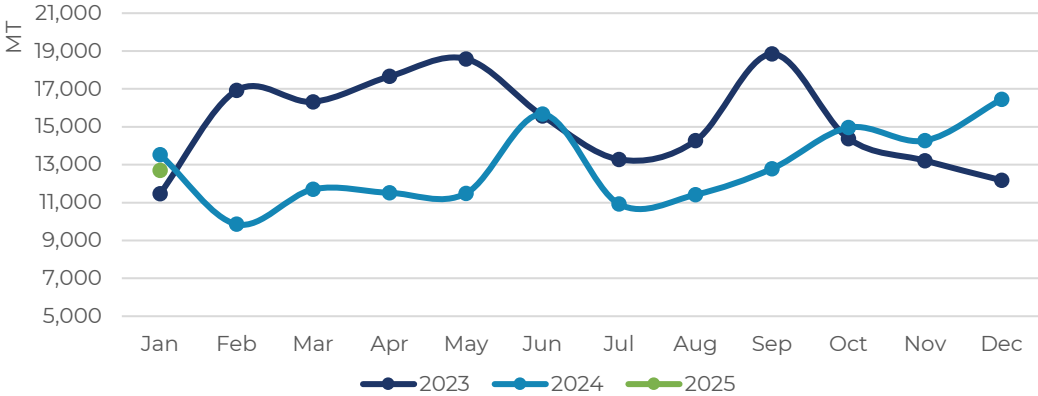


Lactose – China

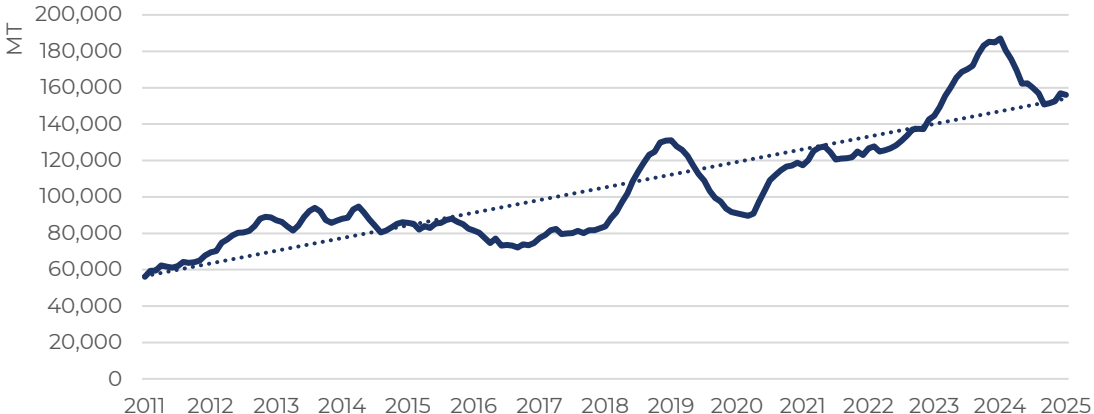
Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

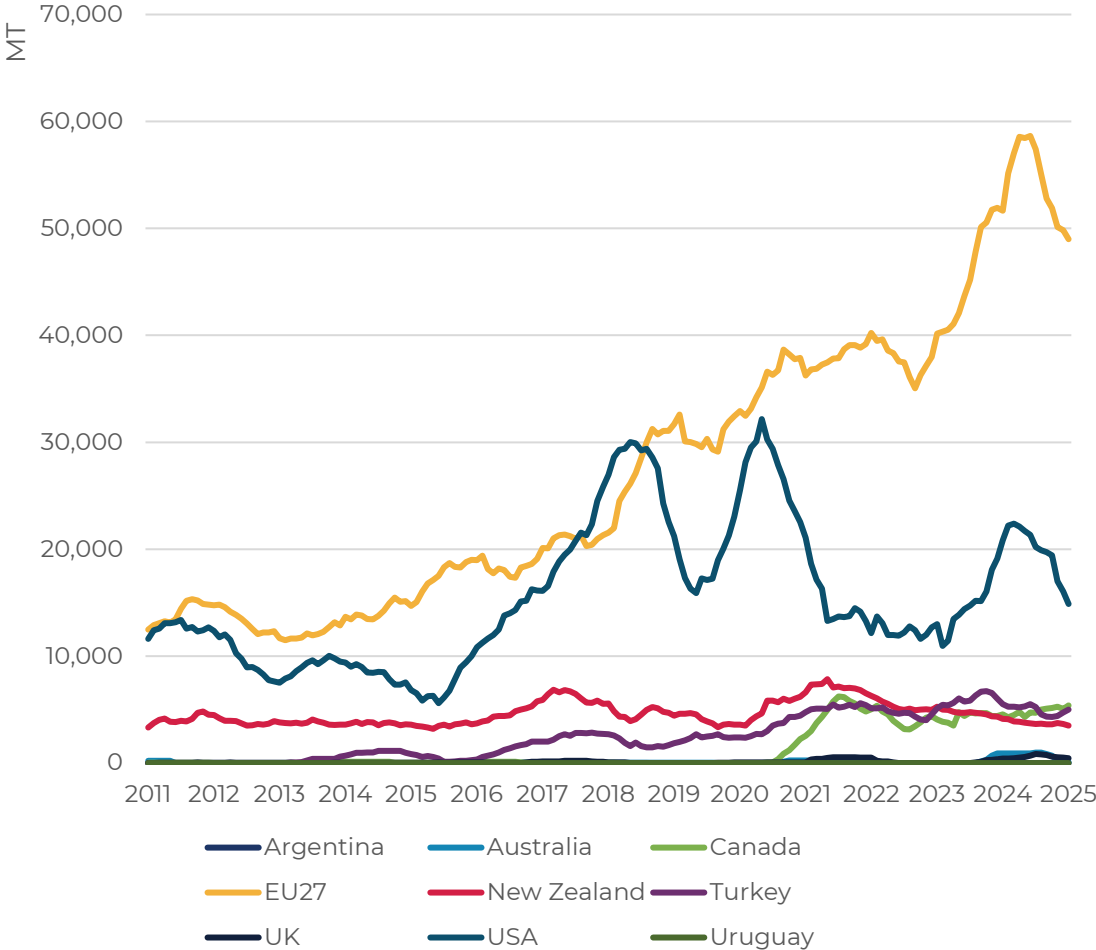


Global Lactose Trade to China+HK

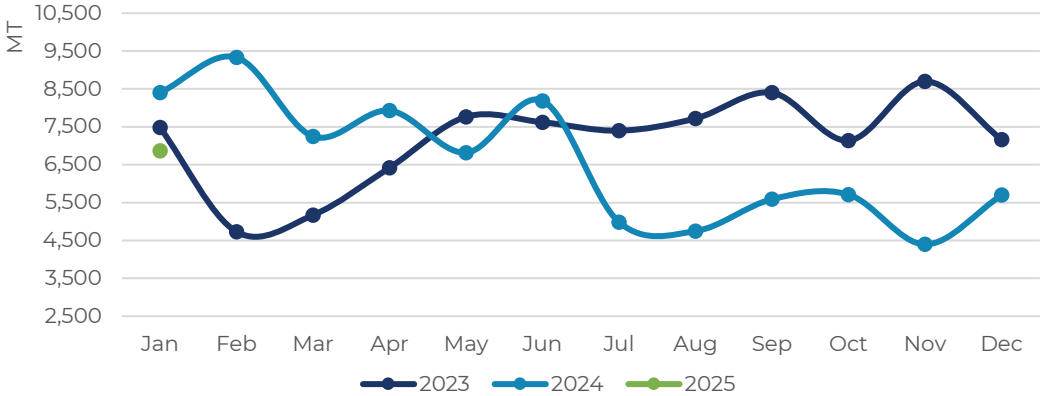


Lactose – South Asia

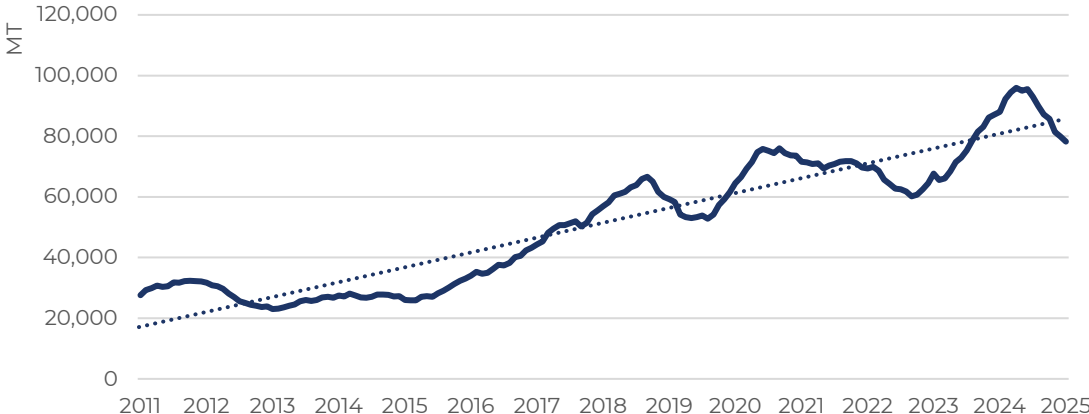
Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia



Global Overview: Butter



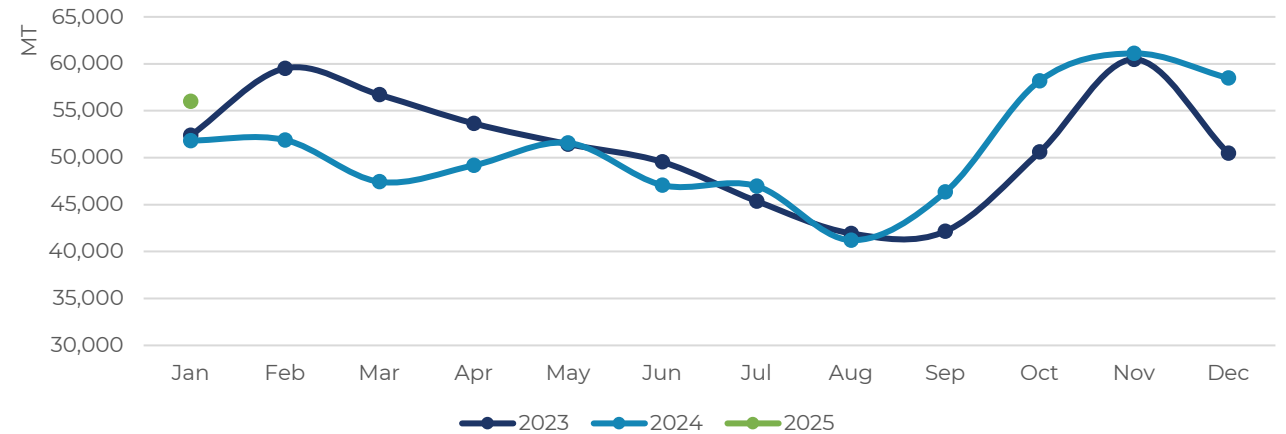
KEY TAKEAWAYS

Global Butter Trade

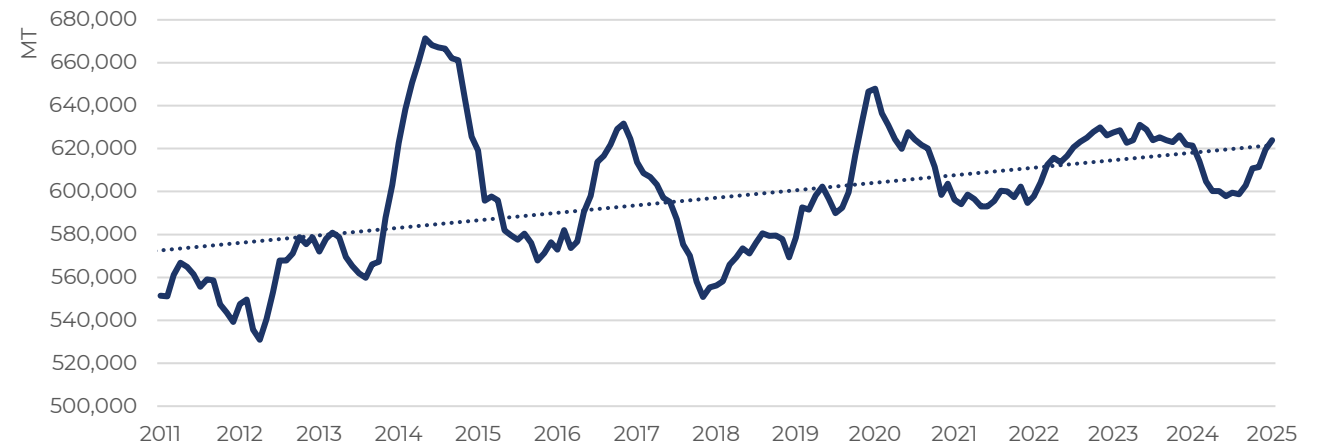
+8.1%	+8.1%	+0.4%	+1.4%
January YoY	YTD, Ending Jan.	Last 12-Months, Ending Jan.	3-Year CAGR

- Butter trade had an impressive start to the year, growing over 8% in January. Despite record high prices in the back half of 2024, global demand grew significantly compared to the prior year. Much of the growth was supplied from New Zealand given their strong 2024/25 milking season and tight supplies in Europe. Unusually, the U.S. contributed to the growth as well, which our team expects will continue given the U.S.' advantageous prices.
- Most of the New Zealand butter went to China – global shipments to the country jumped 28% (+3,102 MT). This growth counteracted the continued lack of demand in MENA (-17%, -1,581 MT).

Global Butter Trade to World

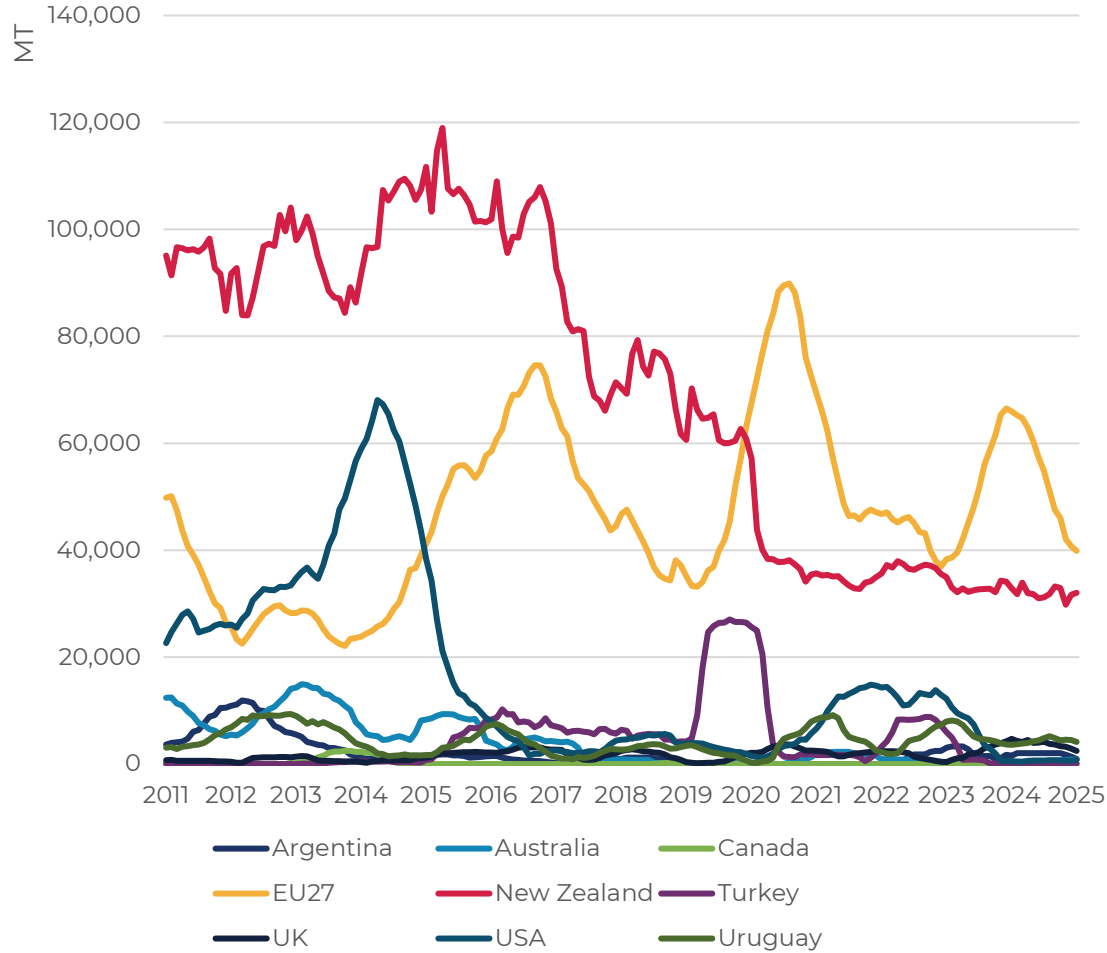


Global Butter Trade to World

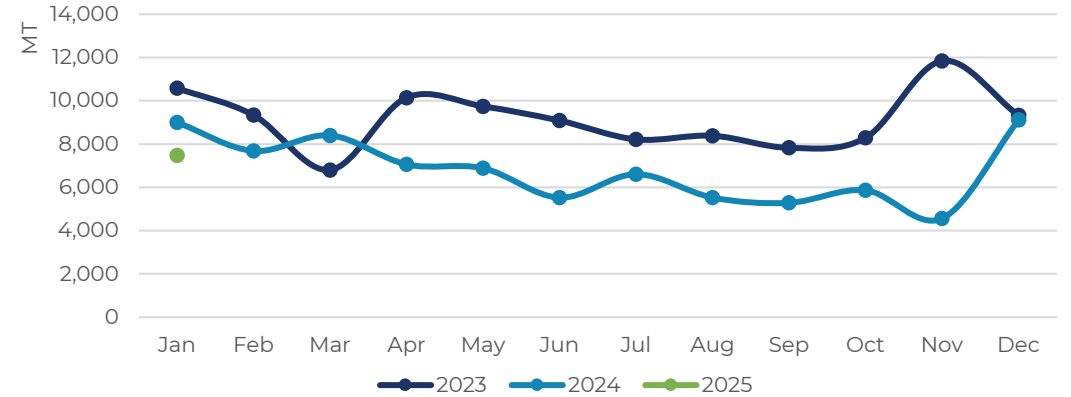


Butter – MENA

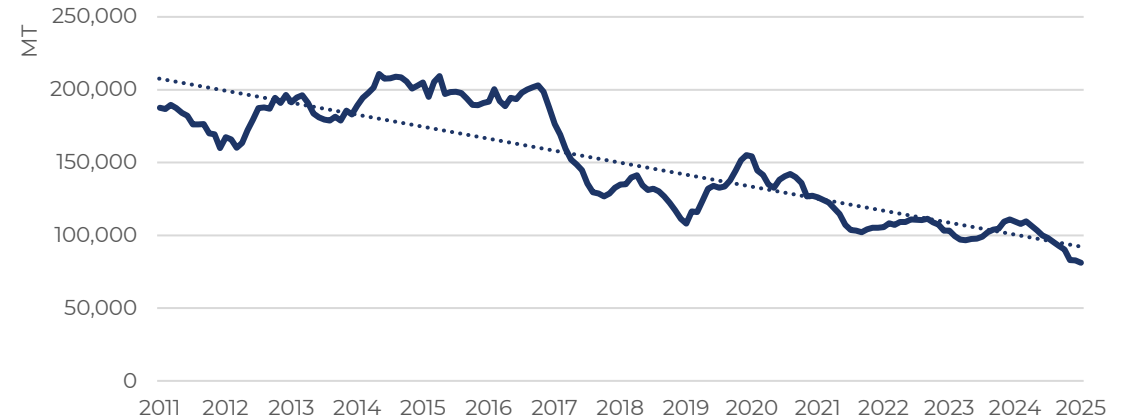
Global Butter Trade to MENA



Global Butter Trade to MENA

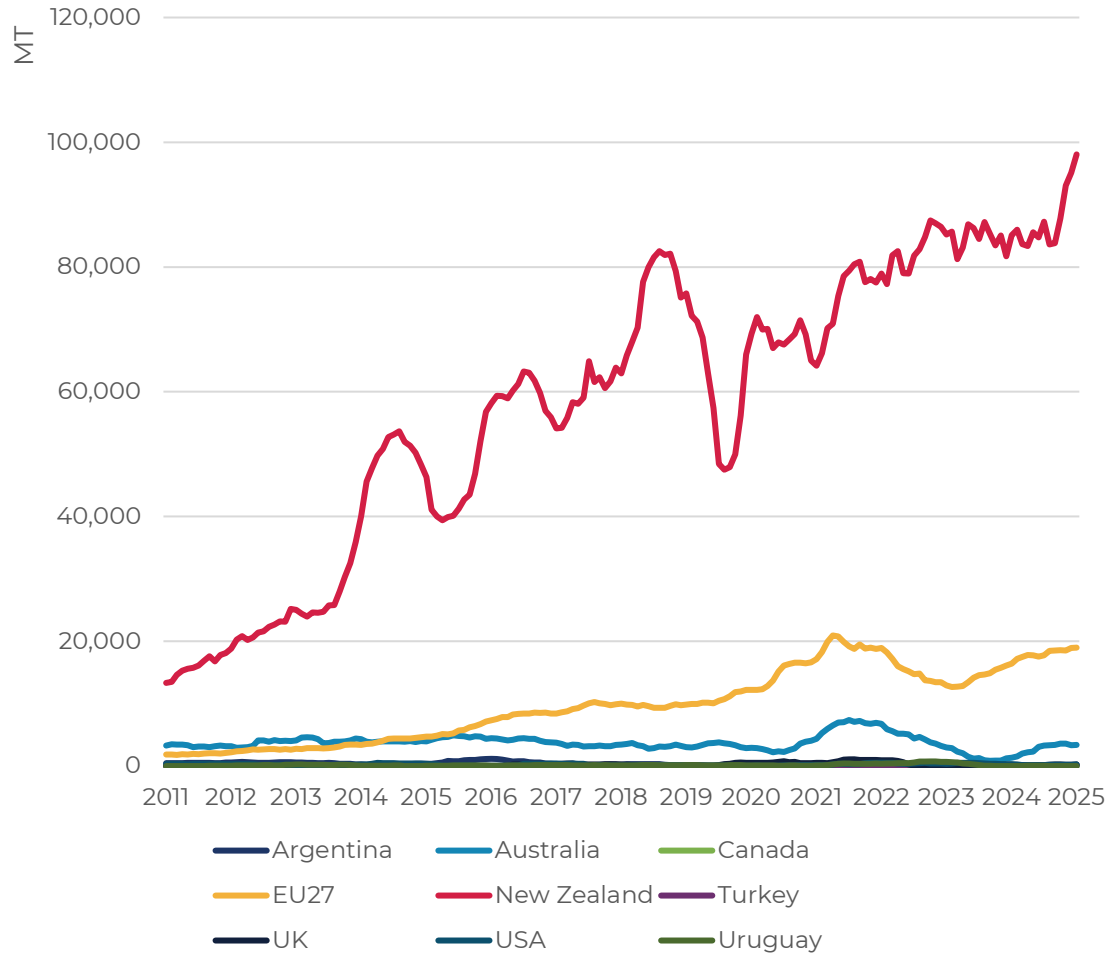


Global Butter Trade to MENA

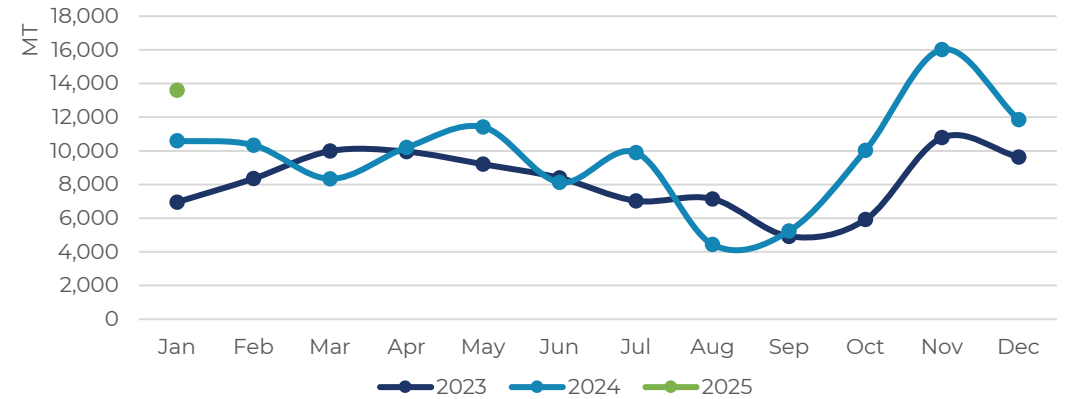


Butter – China

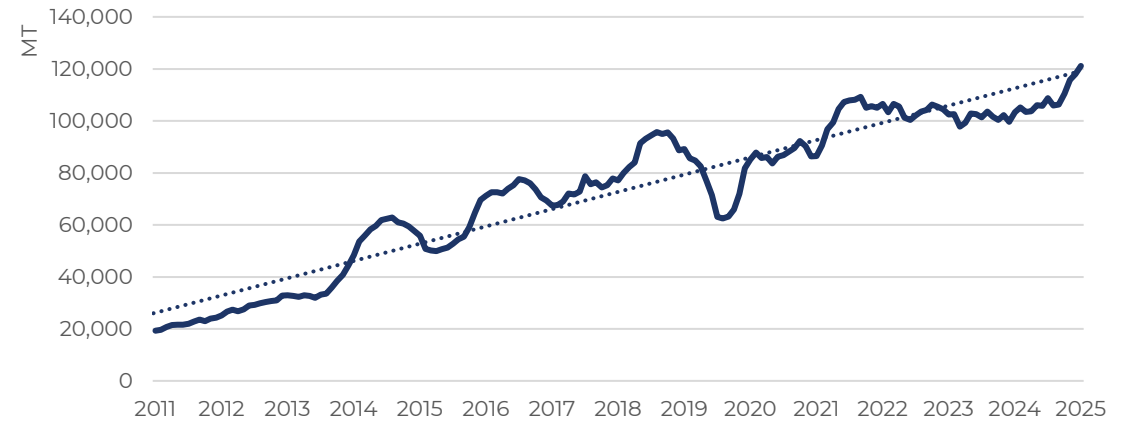
Global Butter Trade to China+HK



Global Butter Trade to China+HK



Global Butter Trade to China+HK



Global Overview: Whole Milk Powder



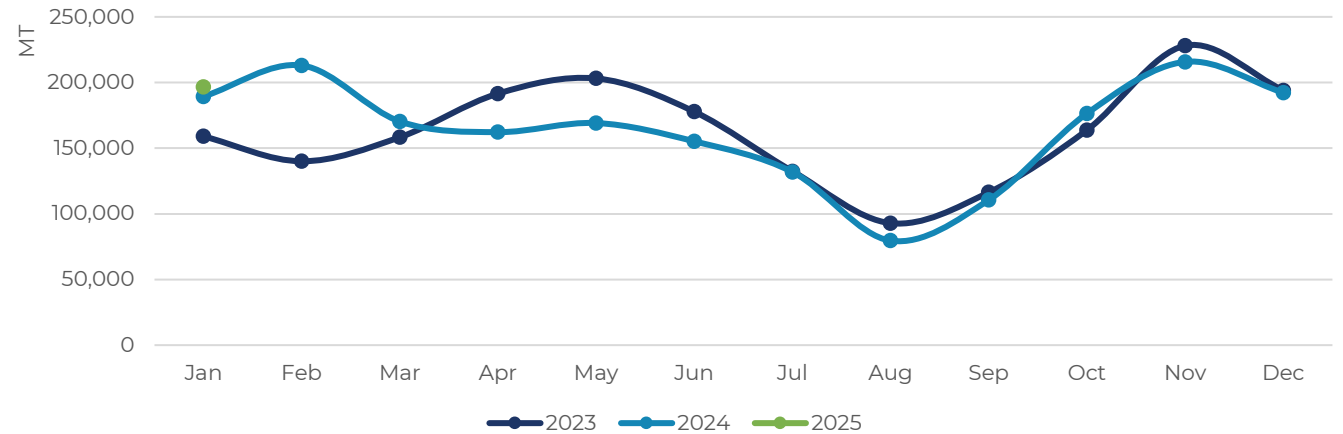
KEY TAKEAWAYS

Global WMP Trade

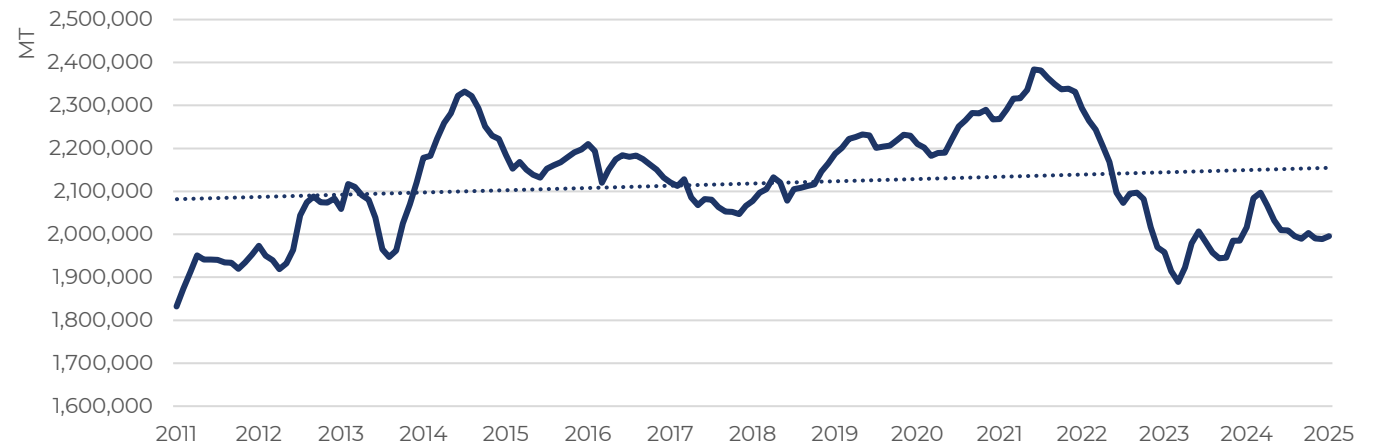
+3.8%	+3.8%	-1.0%	-4.5%
January YoY	YTD, Ending Jan.	Last 12-Months, Ending Jan.	3-Year CAGR

- With Sri Lanka's recovery from political turmoil, WMP demand in South Asia continued to heat up in January (+106%, +10,716 MT), boosting global WMP trade numbers. Southeast Asian purchases were similarly impressive, gaining +21% YOY (+7,208 MT). Perhaps most intriguingly, China's WMP demand was better than expected in January, growing 9% (+4,123 MT).
- On a global level, WMP trade has been virtually flat in the past six months. China's rebound along with positive results from South Asia and Southeast Asia could provide some lift to the WMP market. However, given weakness in MENA and softer import demand from Brazil, rapid growth appears unlikely without a meaningful reversal from China.

Global WMP Trade to World

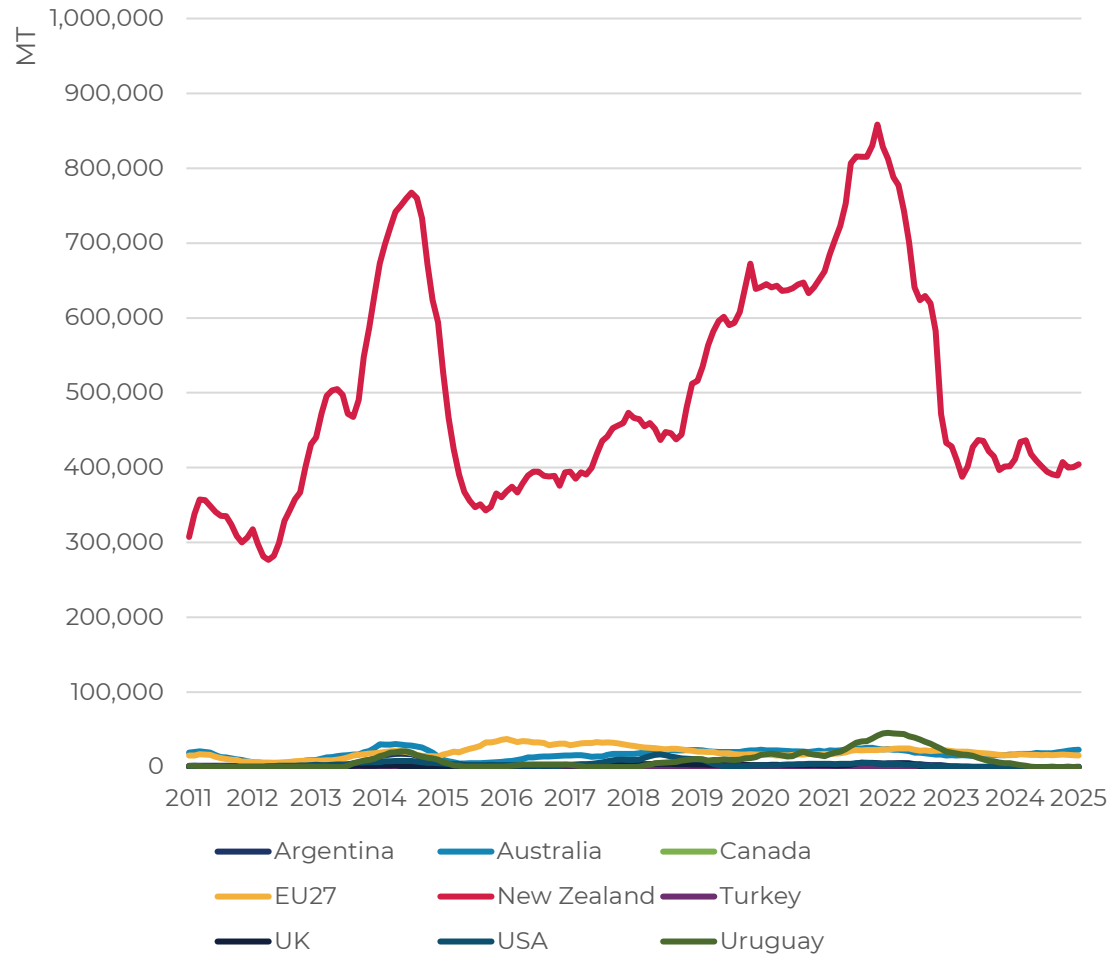


Global WMP Trade to World

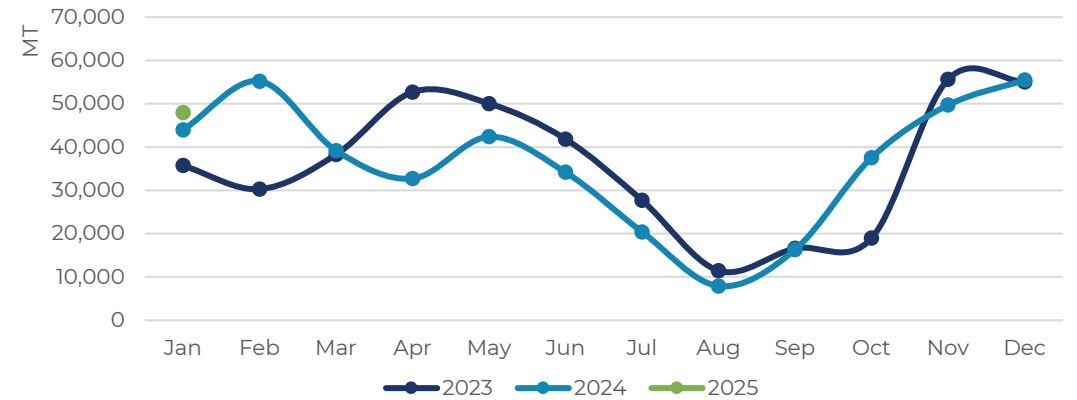


Whole Milk Powder – China

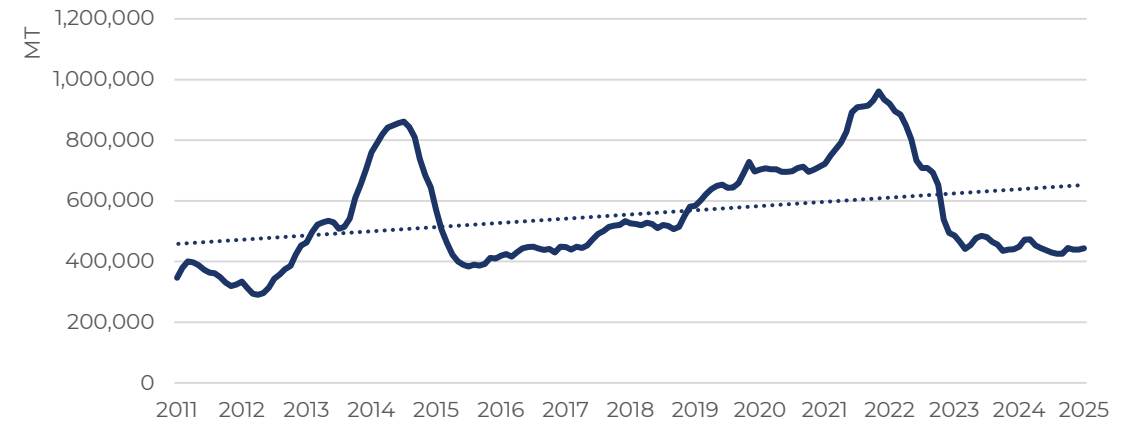
Global WMP Trade to China+HK



Global WMP Trade to China+HK

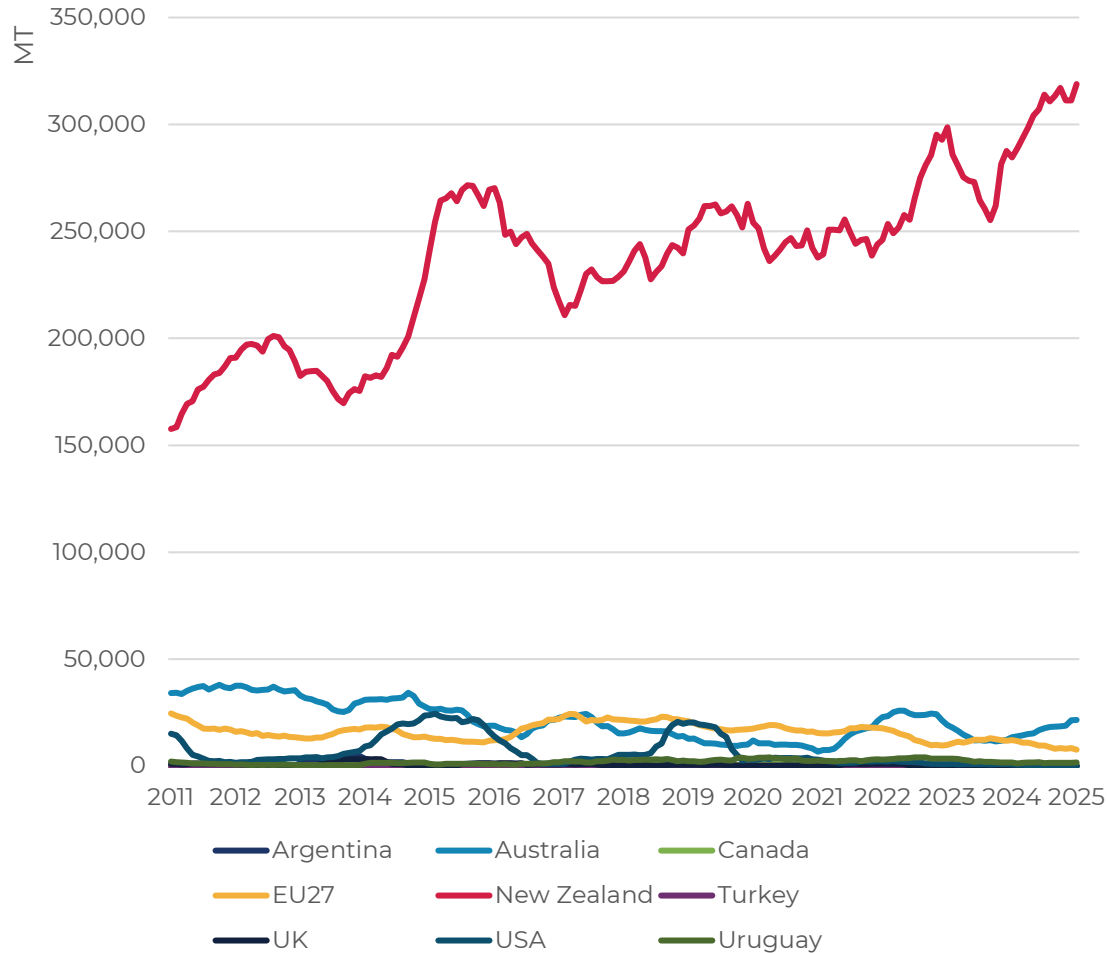


Global WMP Trade to China+HK

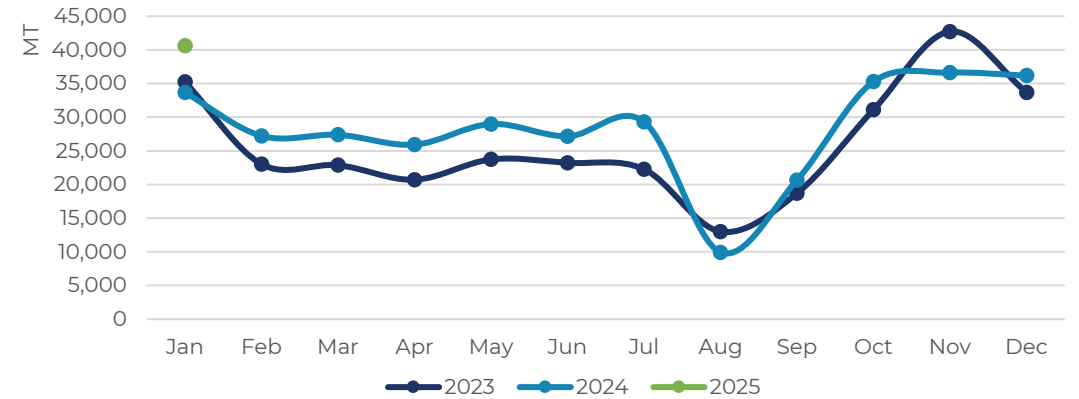


Whole Milk Powder – Southeast Asia

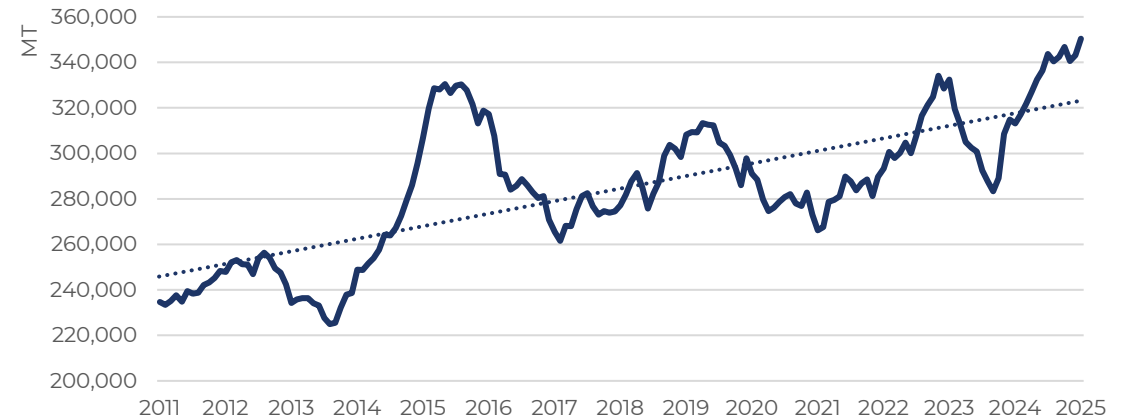
Global WMP Trade to SEA



Global WMP Trade to SEA

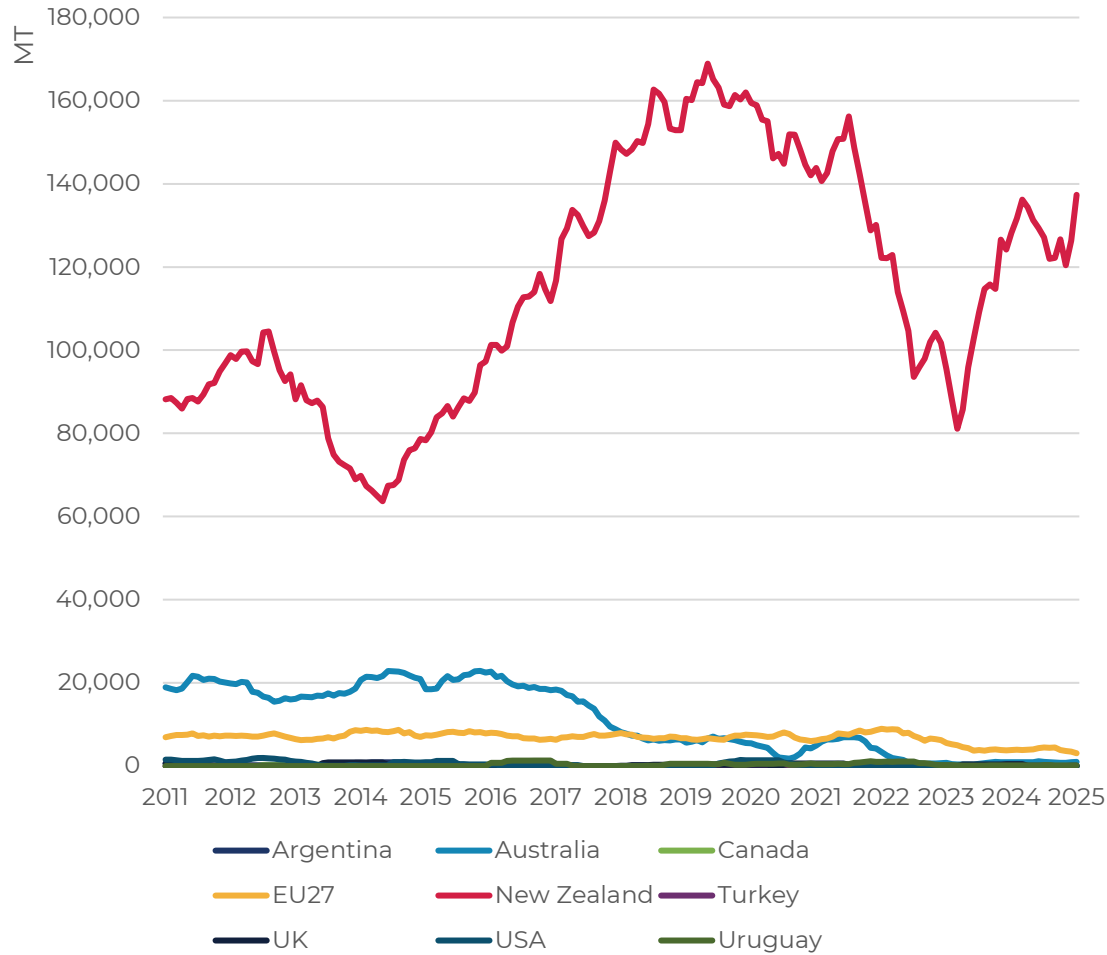


Global WMP Trade to SEA

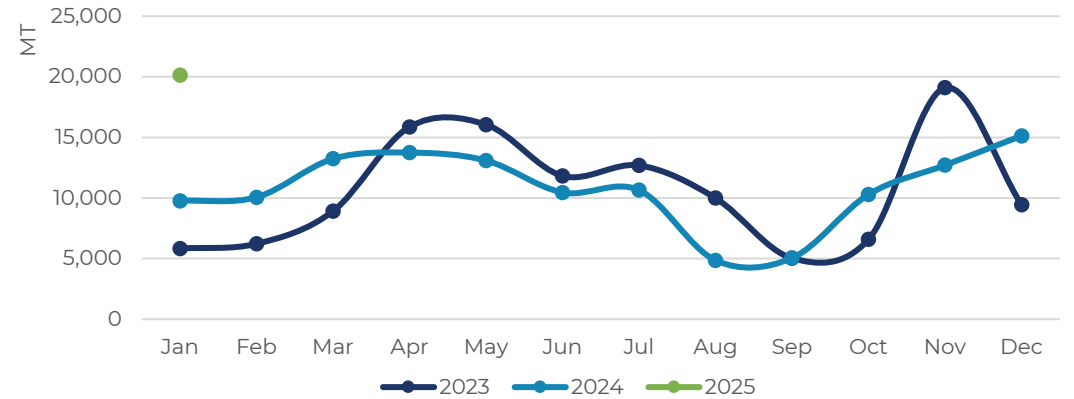


Whole Milk Powder – South Asia

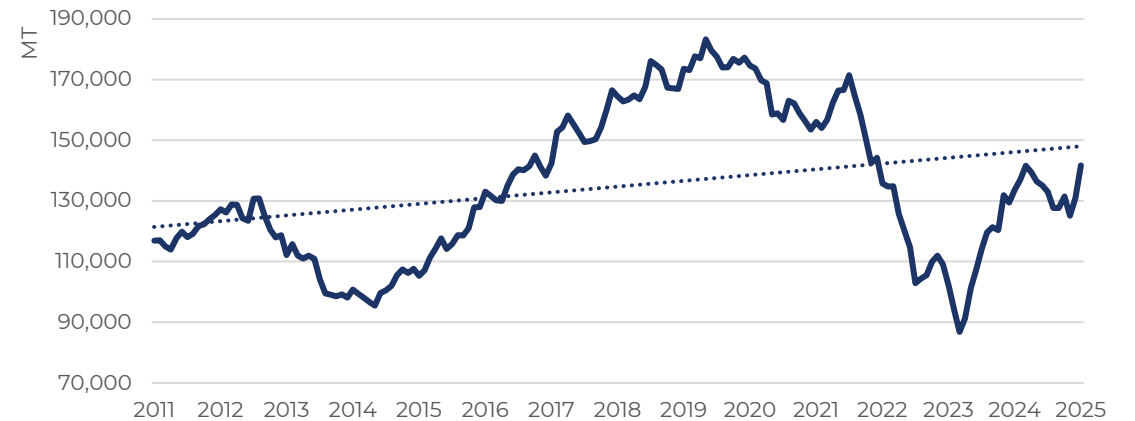
Global WMP Trade to S. Asia



Global WMP Trade to S. Asia



Global WMP Trade to S. Asia





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