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International Demand Analysis

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Data Through:

March 2025

TABLE OF CONTENTS

- I. [Executive Summary](#)
- II. [Cheese](#)
- III. [NFDM/SMP](#)
- IV. [Whey Products \(0404.10\)](#)
- V. [WPC80+ \(3502.20\)](#)
- VI. [Other Products](#)
 - I. [Lactose](#)
 - II. [Butter](#)
 - III. [WMP](#)

A Note from the Authors

- This is the **International Demand Analysis** from the Dairy Economics Team at National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC). This monthly report outlines the latest global dairy trade trends and data combined with our own commentary analyzing demand in key markets for **cheese**, **NFDM/SMP**, **whey (0404.10)** and **WPC80+**, alongside shorter summaries for **lactose**, **butterfat** and **WMP** – all with a forward-looking lens and US exporter viewpoint.
- **Data Notes**
 - All comparisons are year-over-year unless otherwise noted.
 - 3-Year CAGR is calculated from most recent 12-months and not from calendar year.
- If you have any questions, comments or suggestions on how to improve the report, send us an email at:
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Global Dairy Demand Market Commentary



KEY TAKEAWAYS

- Global dairy trade bounced back in March after an underwhelming February, gaining 4% year-over-year (+34,721 MT MSE).
- Improvement was widespread regardless of the metric. For the first time since July, **U.S., EU and New Zealand all increased their exports. 10 out of the 11 largest exported dairy product categories grew** (WMP was the lone exception falling 1.5% YOY, -2,574 MT). **Trade increased to 9 out of the 10 largest dairy markets** (though the Middle East-North Africa's 24% decline, or -41,148 MT MSE, was notable). The year-over-year data was certainly supportive of a strong March, but **even accounting for the favorable comparisons, the data was still overwhelmingly positive.**
- Trade to China posted another upbeat month in March.** Gains to the world's largest dairy market have been widespread – low-protein whey, NFDMP/SMP, cream, infant formula, cheese, lactose, butter, caseins, MPCs and high protein whey all jumped by double digits in Q1. WMP and fluid milk remain the laggards (-5% and -12% in Q1, respectively), but even fluid milk improved in March (+6%, +2,012 MT). Unfortunately, the country's economy is still under pressure, causing our team to attribute most of the recent import increase to weaker domestic milk production and some pre-tariff inventory build (in the case of whey), casting doubt on the sustainability of the Q1 surge. **Regardless, with total trade to China up 16% in Q1 (+73,627 MT MSE), it is no surprise that global trade figures are in a strong position so far in 2025.**

Global Milk Solids Trade

+3.6%

March YoY

+1.4%

YTD, Ending March

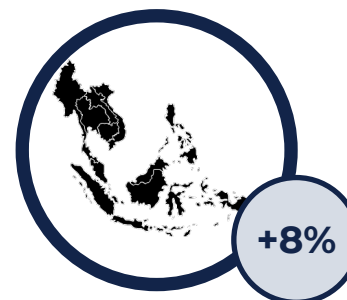
+0.9%

Last 12-Months, Ending March

-0.7%

3-Year CAGR

March Standout Markets



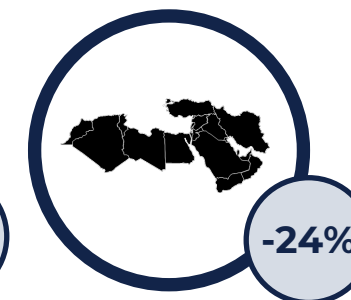
SOUTHEAST ASIA

+12,702 MT



CHINA+HK

+32,045 MT



MENA

-41,148 MT



SSA

+10,588 MT

ADDITIONAL NOTES

Overall, this will be a fairly bullish IDA, so it is perhaps worth focusing on the one region that is moving in an opposite direction to the rest of the world. More succinctly, what is going on with MENA demand? Through March, global trade to the region struggled, slipping by 20% (-101,625 MT MSE). Q1 sales to Algeria fell by more than a third (-33%, -47,144 MT MSE), while exports to Saudi Arabia have dropped by roughly a quarter (-24%, -21,087 MT MSE). Those two markets aren't alone. Indeed, dairy demand is down in the UAE, Egypt, Morocco, Bahrain, Turkey, and Tunisia. Furthermore, if you exclude all of the aforementioned markets, the aggregated mix of the rest of the region is also down 17% (-21,247 MT MSE). In short, demand is down across the region with double-digit declines in WMP, SMP and FFMP/blends. Geopolitics and a low oil price are contributing to softness, but the likeliest culprit appears to be inventory management. 2023 and H1 2024 buying suggested that milk powder inventories were heavy in the region. With China back in the market, milk powder prices firming (modestly), and limited supply available, MENA buyers are likely content to work through their existing inventories rather than bid up the market. If we are correct, and this inventory-induced downturn only lasts through the first half of the year, MENA's sharp regression should not be a major cause for concern.

Global Dairy Demand Market Commentary



LOOKING AHEAD

- Despite all of the tariff and economic uncertainty, global dairy demand is off to strong start in 2025. Cheese demand is growing at a faster rate than pre-COVID levels, improved imports from China and Southeast Asia are helping keep whey and milk powders supported, and protein concentrates are entering into new markets and expanding footholds in established ones. Furthermore, the 90-day tariff de-escalation between the U.S. and China is welcome news for dairy trade and the broader global economy, though we still anticipate declines in U.S. whey and lactose exports as a result of the additional 10-20% tariffs. Basically, **for the first time in three years, we can say that international dairy demand appears healthy.**
- Continued success is by no means guaranteed, however. **Trade policy disruption, a global economic slowdown or worsening imports as a result of China's internal shifts could all disrupt today's bullish trajectory.** Additionally, with rebounding milk production in the U.S. and around the world, firmer prices are not assured either given that supply is growing at the same time demand is recovering. Yet with demand rising again in Asia, expanded market access in Latin America with CAFTA-DR and competitively priced products, U.S. dairy exports are poised for growth in 2025 – at least in cheese and butter.

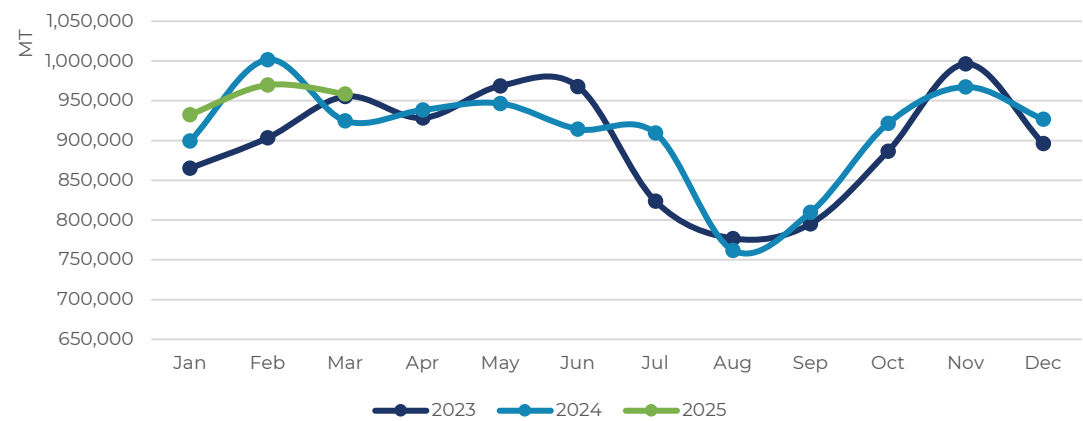
U.S. Milk Solids Exports ¹	+3.5% March YoY	-0.2% YTD, Ending March	-0.1% Last 12-Months, Ending March	-0.02% 3-Year CAGR
EU Milk Solids Exports	+2.9% March YoY	-0.7% YTD, Ending March	-0.7% Last 12-Months, Ending March	-0.2% 3-Year CAGR
NZ Milk Solids Exports	+3.8% March YoY	+3.8% YTD, Ending March	-0.7% Last 12-Months, Ending March	-0.2% 3-Year CAGR

Average Dairy Export Value to World, MSE

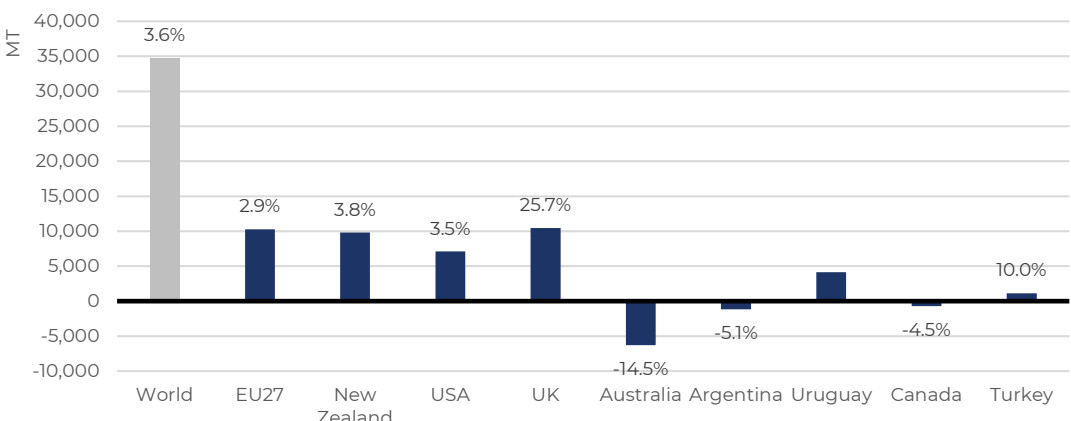


Executive Summary: March 2025

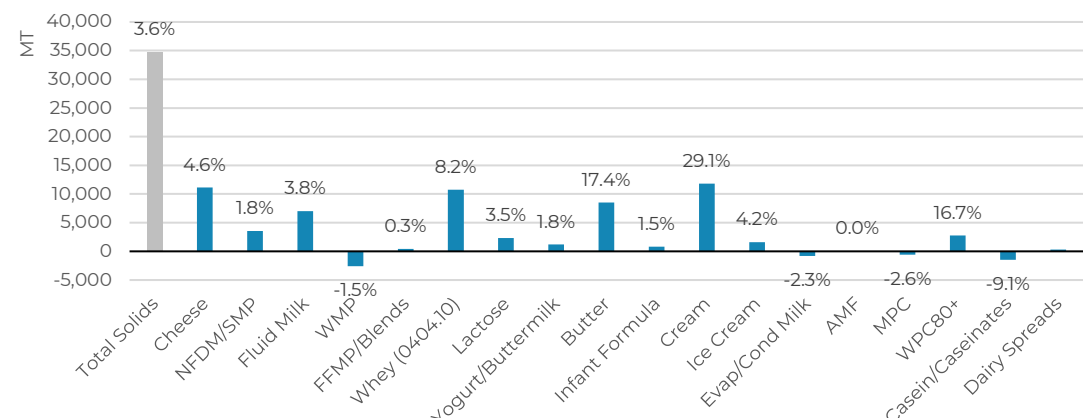
Global Total Solids Trade to World



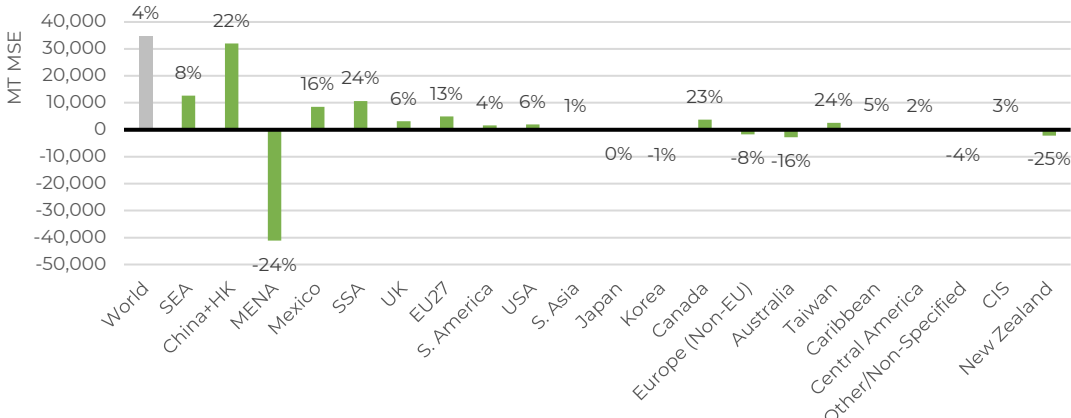
YOY Change in Global Dairy Trade to World: Month of Mar, MSE



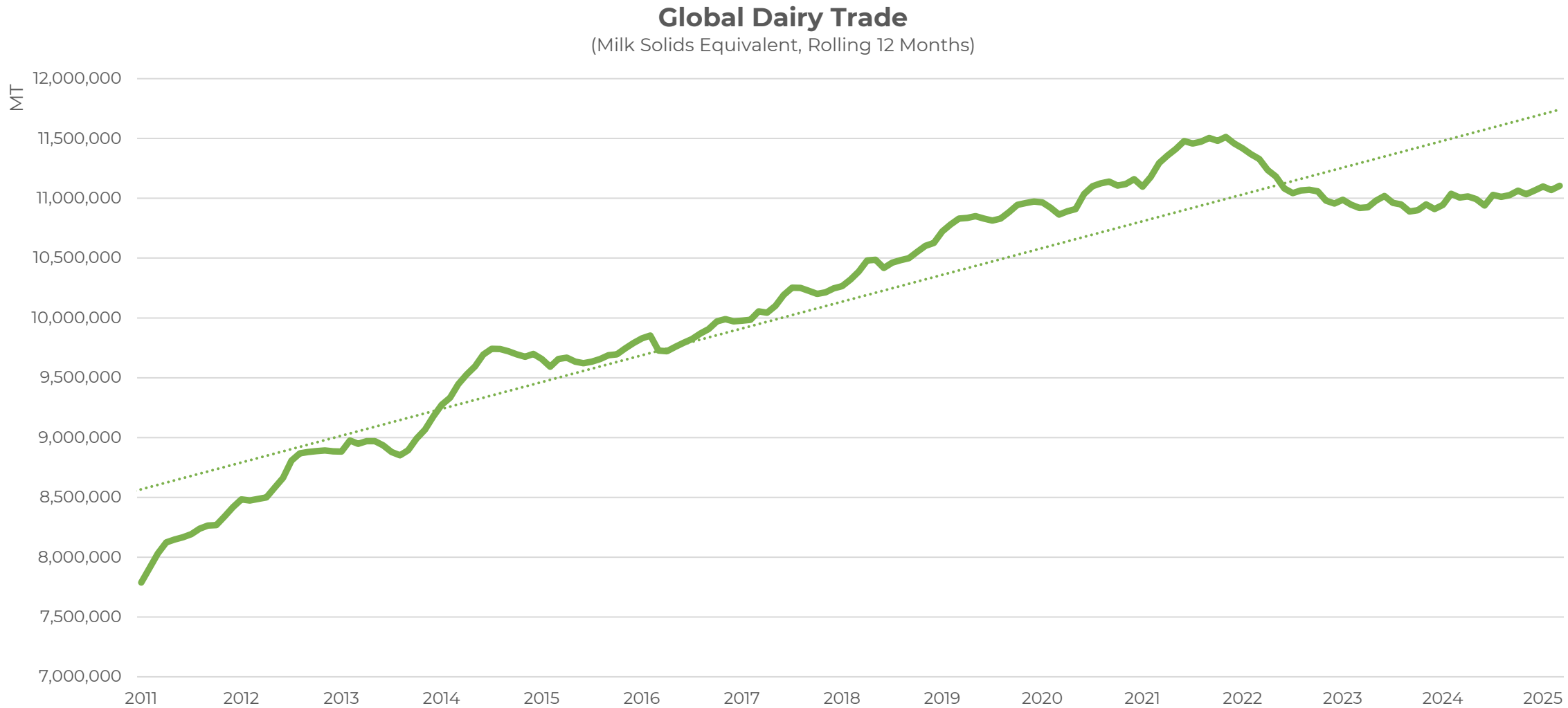
YOY Change in Global Dairy Trade to World by Product: Month of Mar



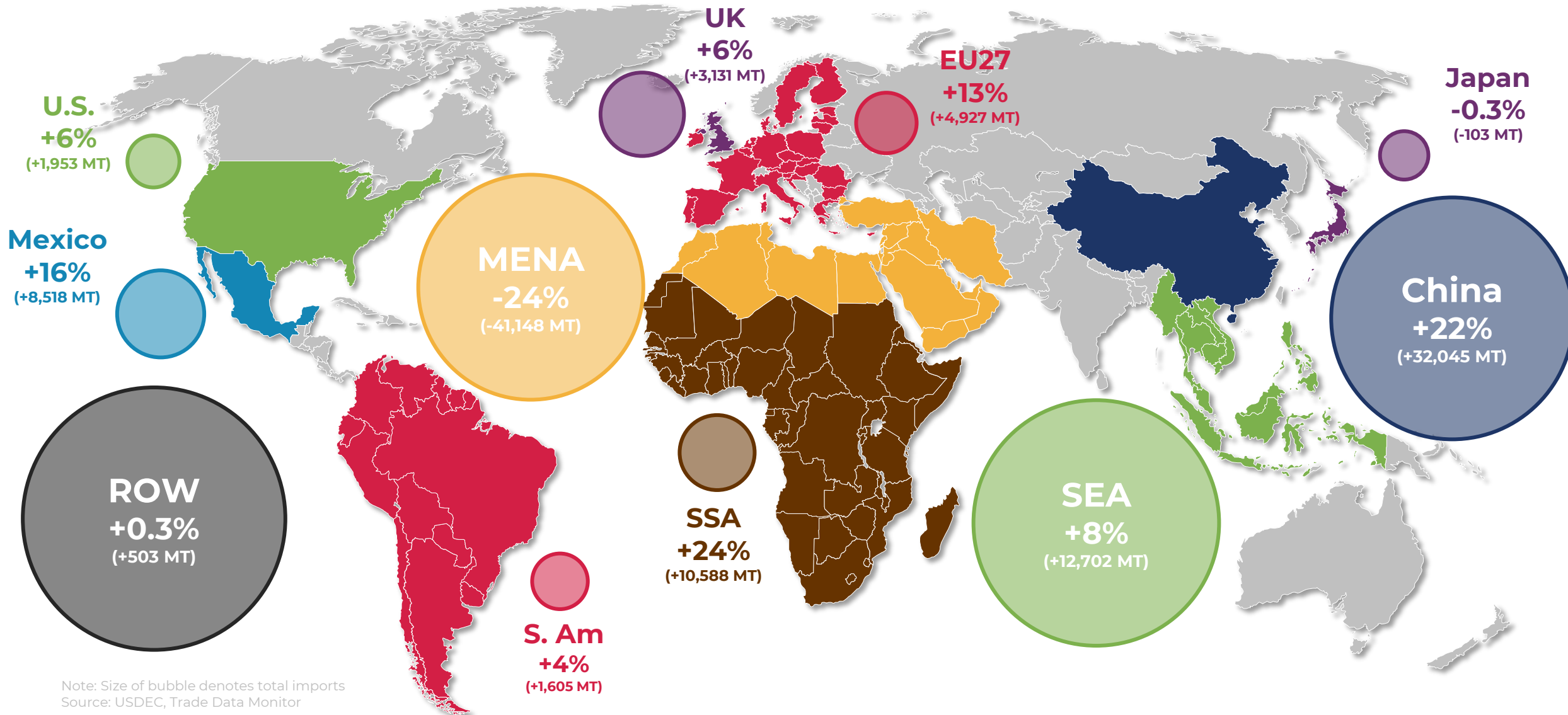
YOY Change in Global Milk Solids Trade by Destination: Month of Mar 2025



Global Dairy Trade

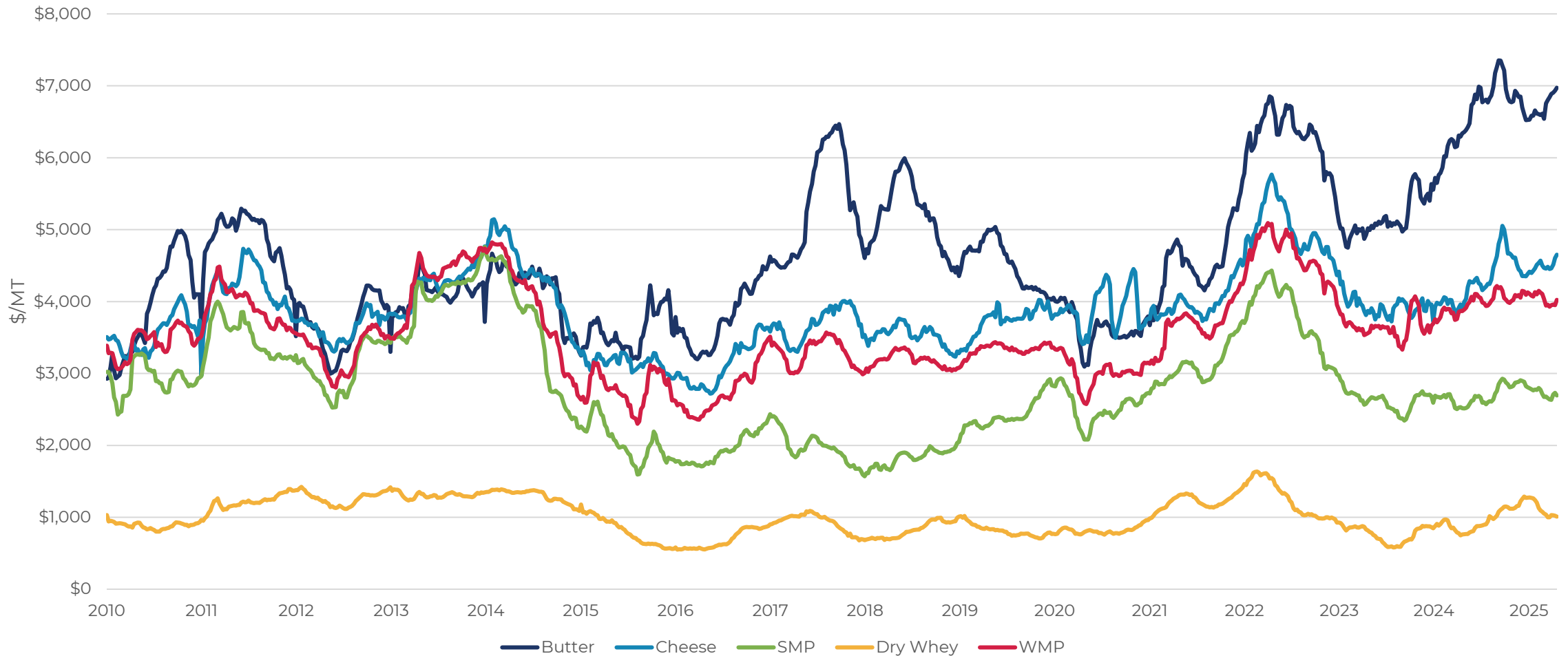


Select Markets – Month of March 2025, Milk Solids Equiv.



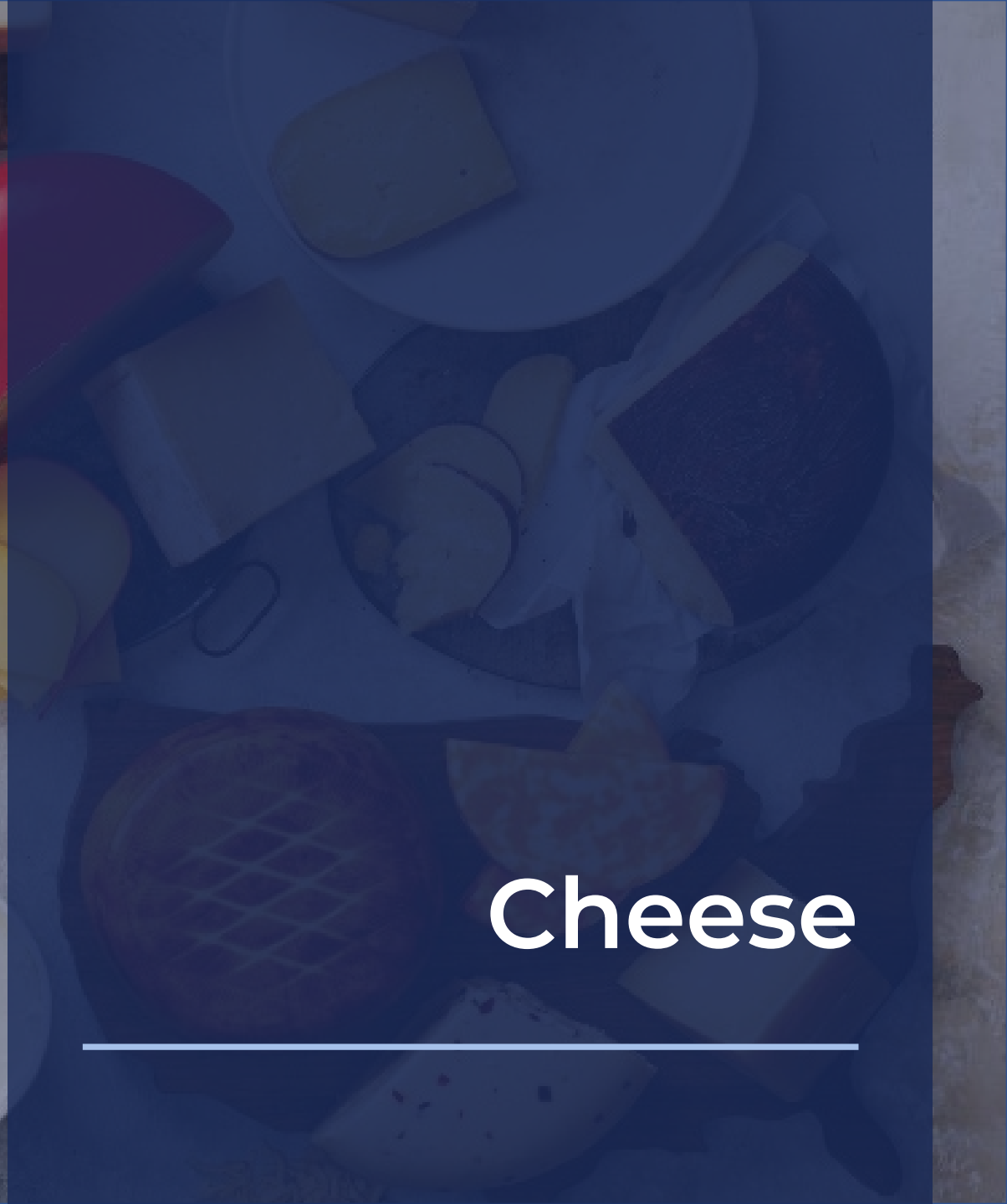
Global Dairy Spot Prices

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





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Cheese

Cheese Market Commentary



KEY TAKEAWAYS

- Global cheese trade is the star of international dairy markets. **The 5% growth in March marked the 18th straight month of year-over-year expansion.** Perhaps more impressively, over the last 12 months, global cheese has expanded at more than twice the rate of its pre-COVID 5-year average (+6.8% over the last twelve months v. +2.7% per year between 2014 and 2019).
- **No single market is driving the acceleration in cheese demand.** In the last year, 14 out of the largest 15 cheese importing markets have increased their purchases of cheese. Over the last 12 months, Mexico has led the way with 17% growth (+31,935 MT), but the U.S.' largest market has stumbled a bit so far in 2025 (-4%, -2,108 MT). Gratefully, because demand growth is widespread, other markets have been ready and able to pick up the slack. **Surprisingly, sales to Japan and Korea – two markets that struggled for much of 2023 and 2024 – have both posted bigger growth to start 2025 than any other destination** (+15%, +9,476 MT and +39%, +12,351 MT, respectively). Even MENA, where demand is struggling mightily for milk powders, still recorded a gain of 6% in March and Q1 overall.

Global Cheese Trade

+4.6%

March YoY

+8.2%

YTD, Ending March

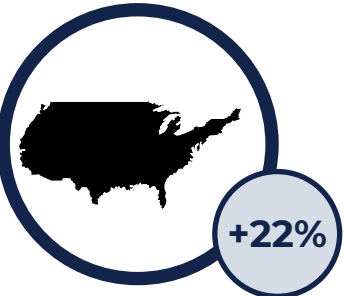
+6.8%

Last 12-Months, Ending March

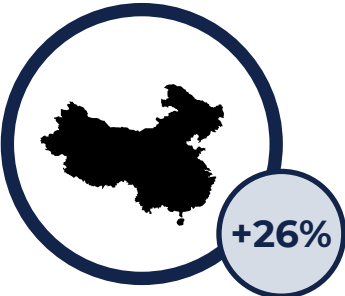
+3.0%

3-Year CAGR

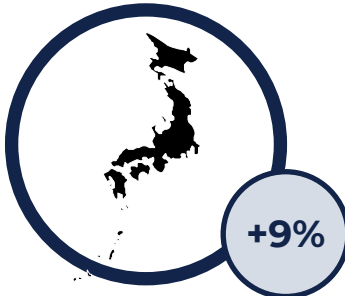
March Standout Markets



USA
+2,818 MT



CHINA+HK
+4,142 MT



JAPAN
+2,197 MT



KOREA
+2,111 MT

ADDITIONAL NOTES

Digging into the country-level HS codes, there doesn't appear to be a single cheese variety that is powering the growth as American-type, mozzarella and specialty are all experiencing some level of expansion. New Zealand exports are up across the board, led by cheddar and mozzarella. U.S. volumes are broadly positive though grated cheese is weaker than last year. That could signal soft mozz sales, but fresh cheese (made up of mozz and cream cheese) shipments have jumped 15% suggesting mozz is still moving albeit in block/loaf form. EU cheddar exports are up 10% in Q1, followed closely by mozzarella (+6%) and fresh cheese (+5%). European gouda sales are down 7%, but that is almost entirely due to softer sales to Chile. European specialty styles are more mixed but generally still positive. Grana Padano are Parmigiano Reggiano exports are up 5% collectively, brie sales have increased by 80%, but Emmental/swiss and various other catch-all specialty codes for varieties like fontina or havarti are all down by more than 1/3. Overall, cheese demand is growing across varieties and markets, which makes it difficult to be too pessimistic about global cheese demand.

Cheese Market Commentary



LOOKING AHEAD

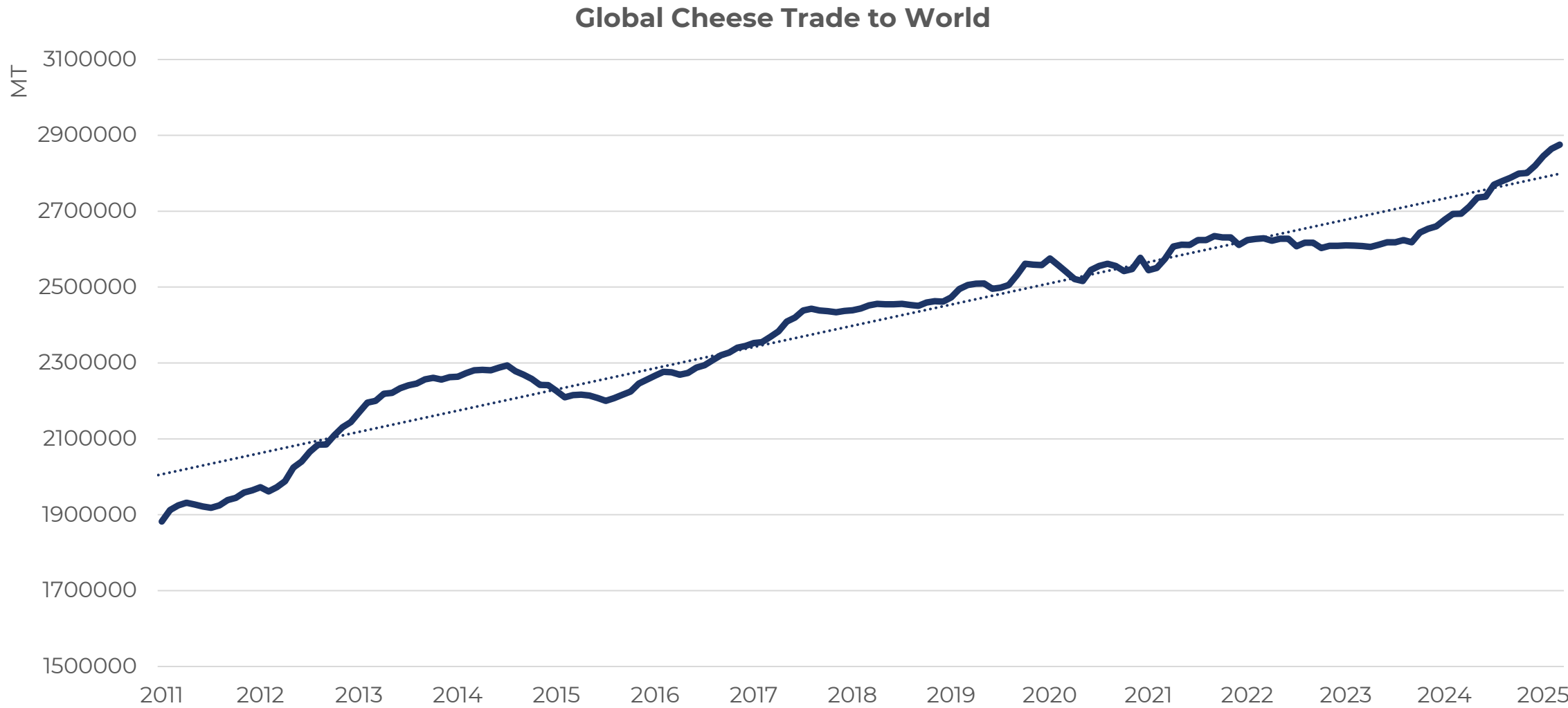
- The U.S. has benefited from rising global cheese demand growing more than any other supplier over the last 12 months (+14%, +63,646 MT), but it is far from alone. New Zealand and Australia cheese exports have both set all-time highs in the last two months. Even European cheese exports were up 4% in Q1, outpacing every other dairy product in their portfolio (most of which are declining). With more farms and processing capacity coming online in 2025, **the U.S. is expected to be the fastest growing supplier to the rising global cheese market, but competition is by no means abating.**
- Looking ahead, we anticipate Asia – namely Korea, Japan and Southeast Asia – will remain the primary battleground for market share as those markets expand and each of the major suppliers are on a relatively level playing field with regards to market access. **With the U.S. cheese competitively priced at a time when Oceania suppliers have yet to start booking the new season in earnest and EU prices are well above the rest of the world, U.S. cheese exports to Asia are expected to surge through the middle part of the year.**

U.S. Cheese Exports	-1.5% March YoY	+8.2% YTD, Ending March	+14.0% Last 12-Months, Ending March	+4.5% 3-Year CAGR
EU Cheese Exports	+3.9% March YoY	+4.4% YTD, Ending March	+1.3% Last 12-Months, Ending March	+0.4% 3-Year CAGR
NZ Cheese Exports	+36.3% March YoY	+35.3% YTD, Ending March	+14.2% Last 12-Months, Ending March	+4.5% 3-Year CAGR

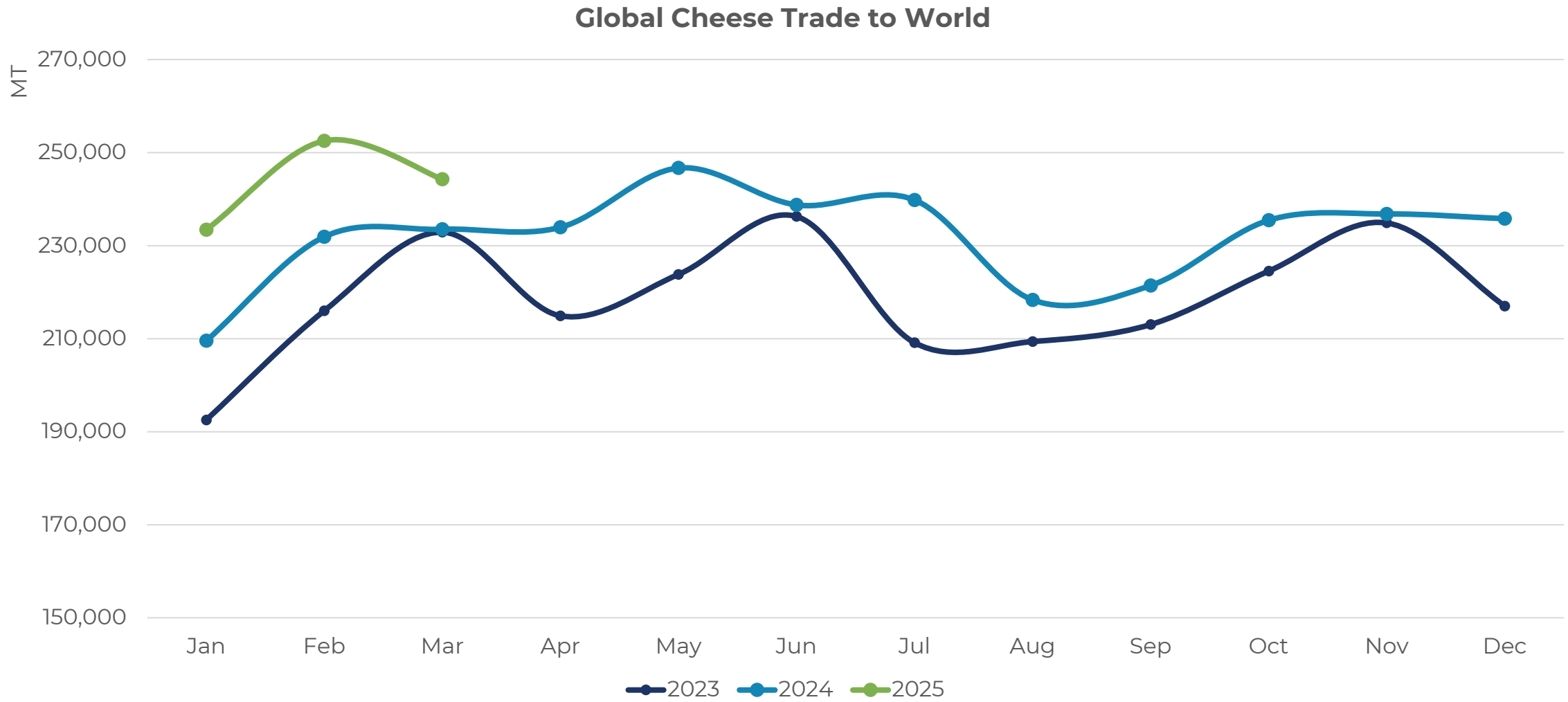
Average Cheese Export Value to World



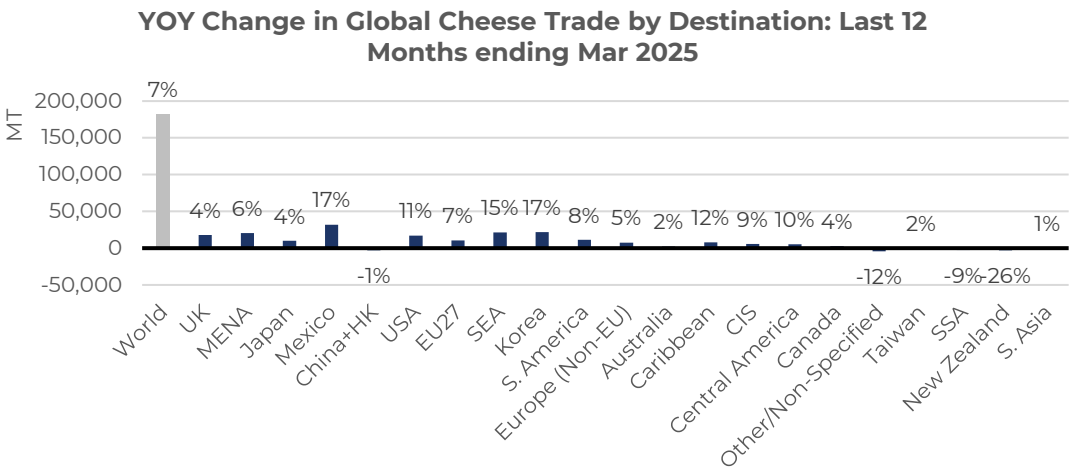
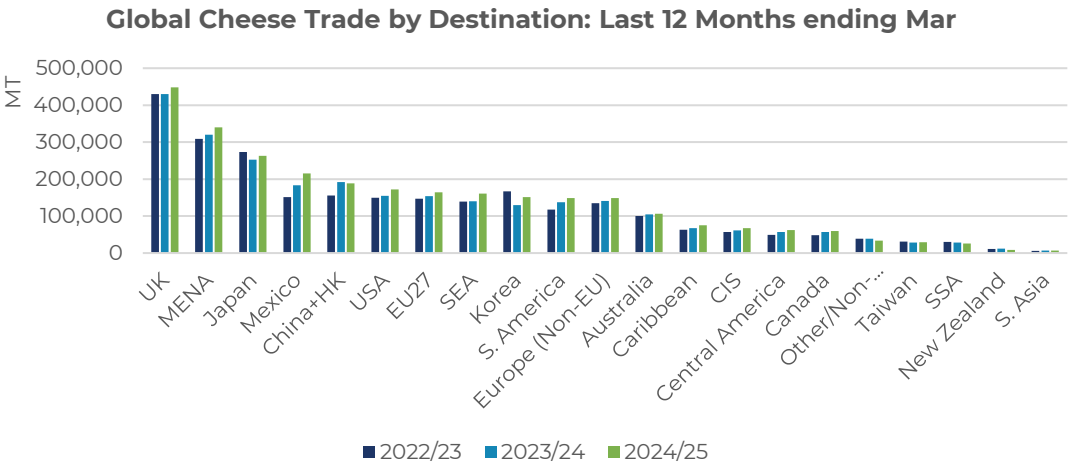
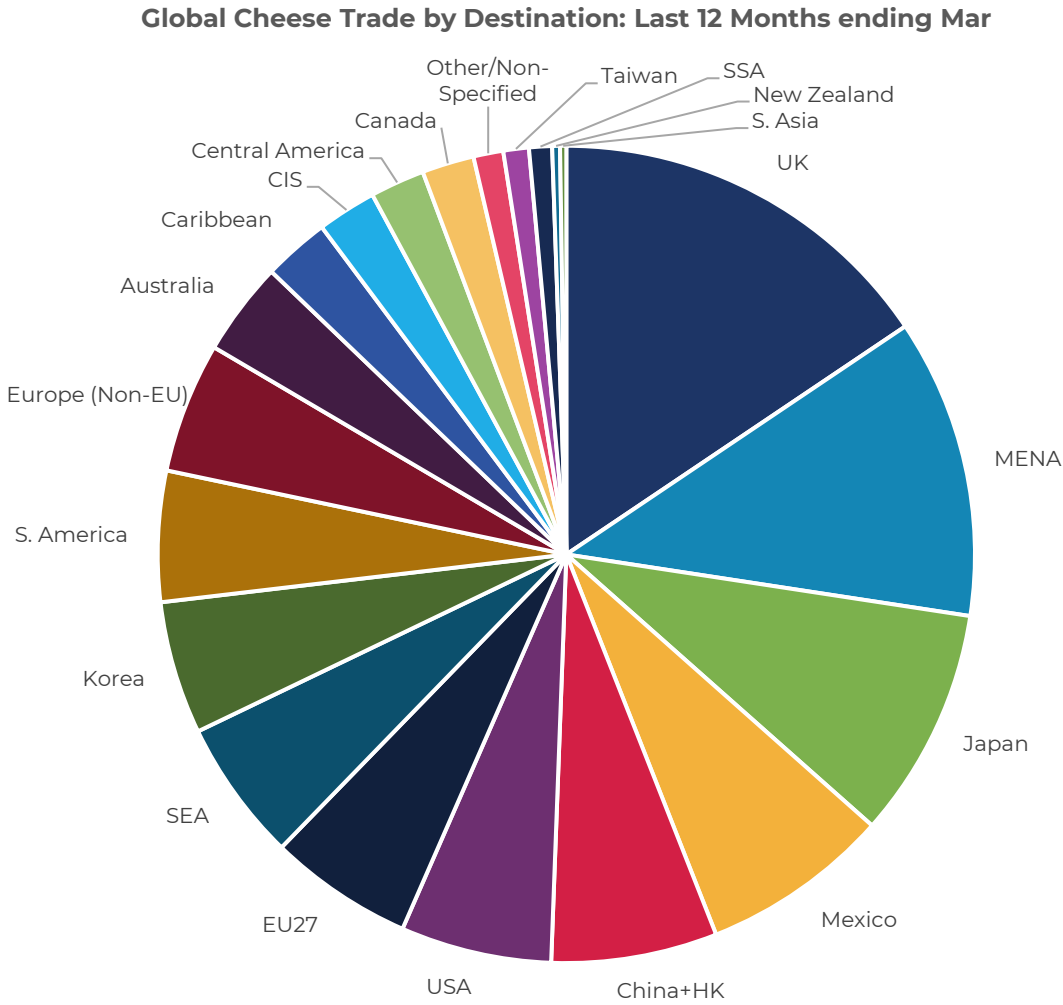
Global Overview: Cheese



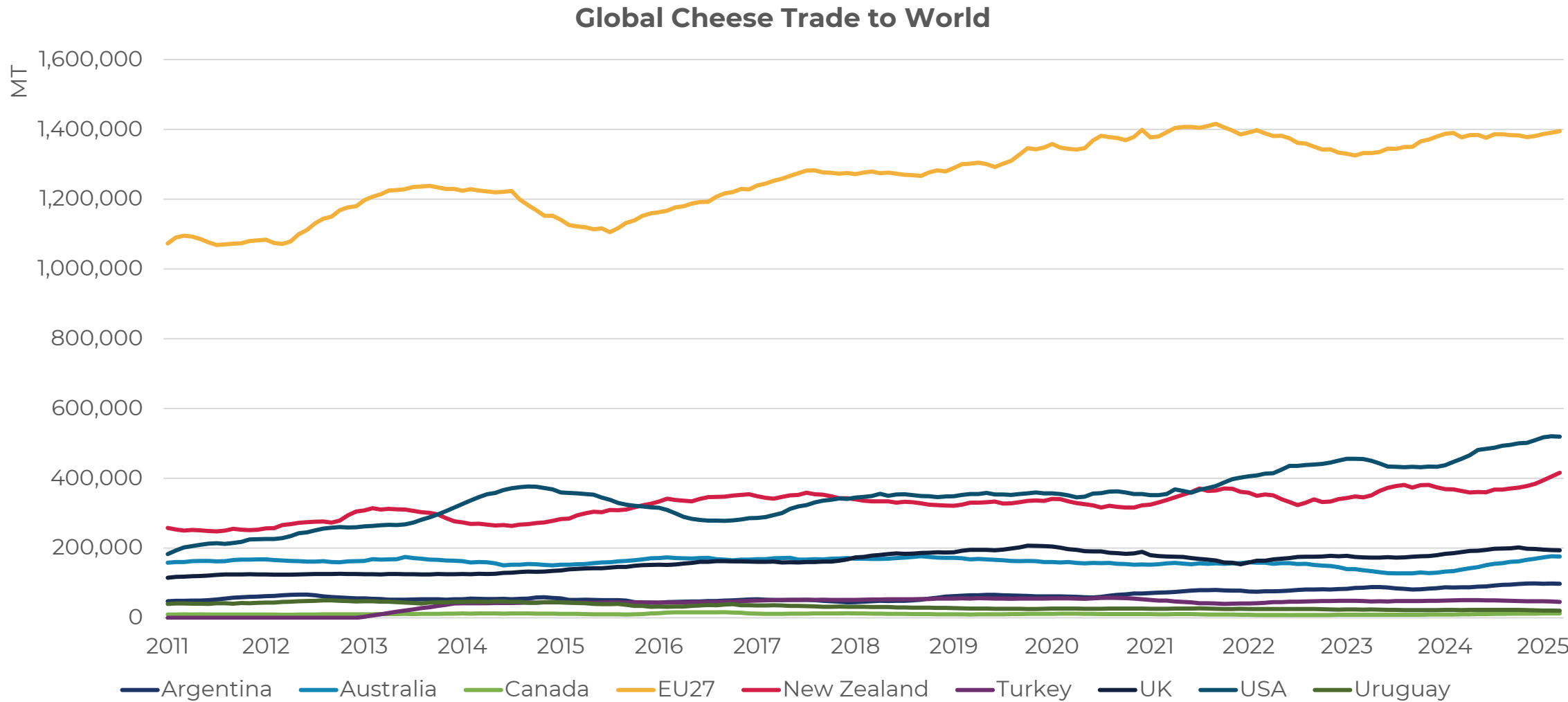
Global Overview: Cheese



Global Overview: Cheese – Last 12 Months

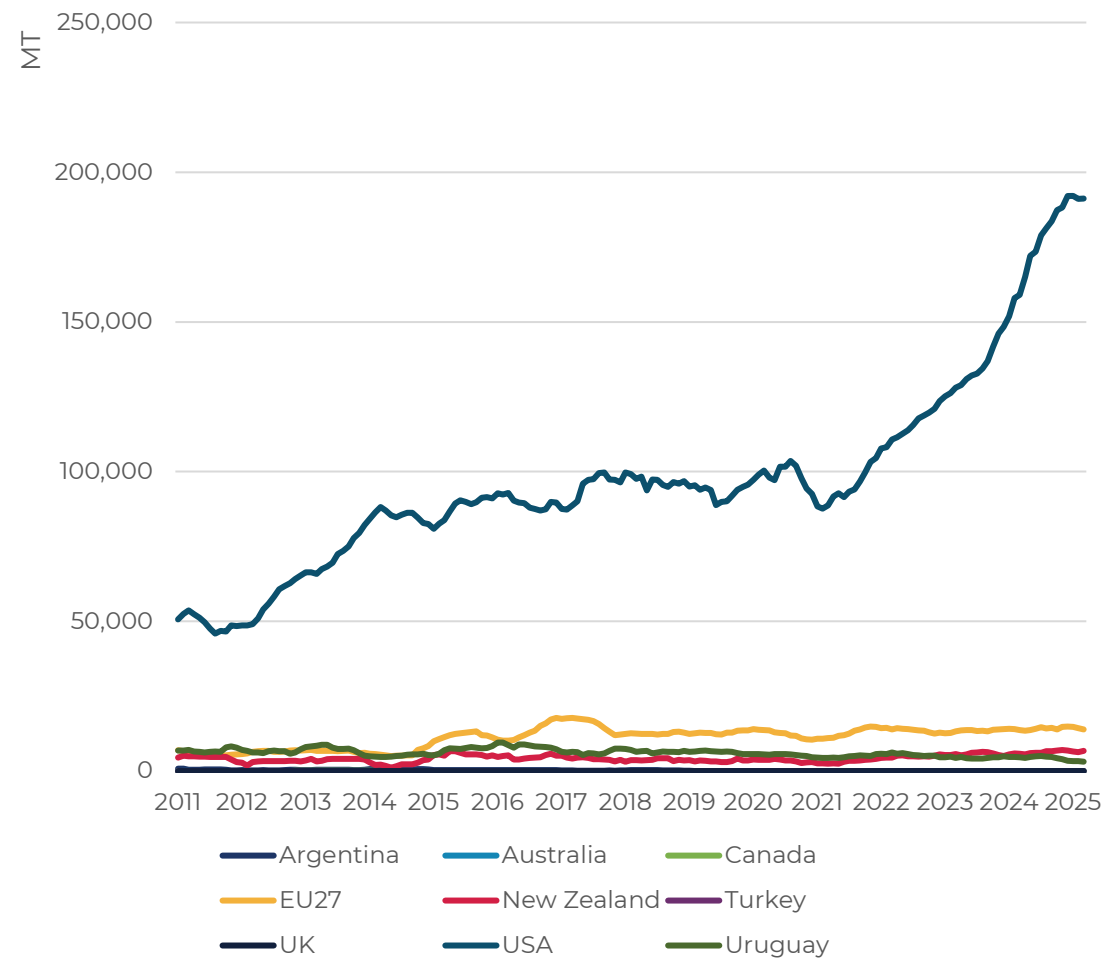


Trade Flows: Cheese

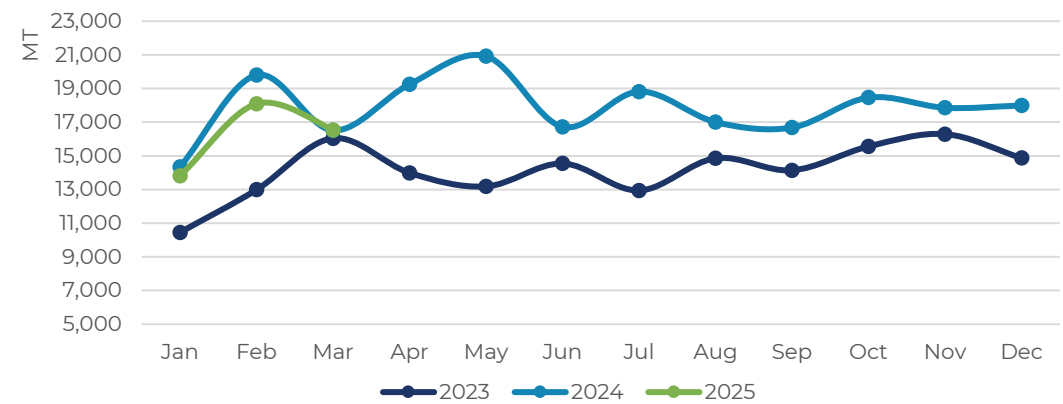


Mexico

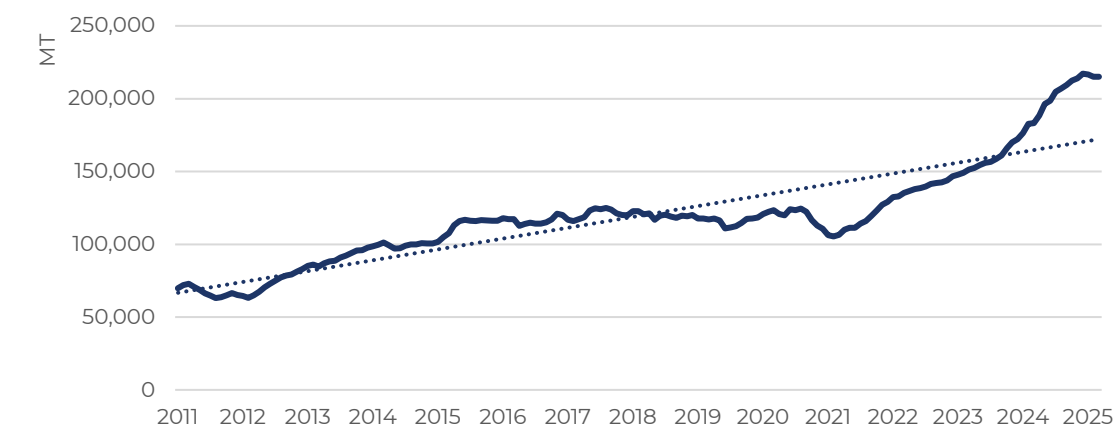
Global Cheese Trade to Mexico



Global Cheese Trade to Mexico

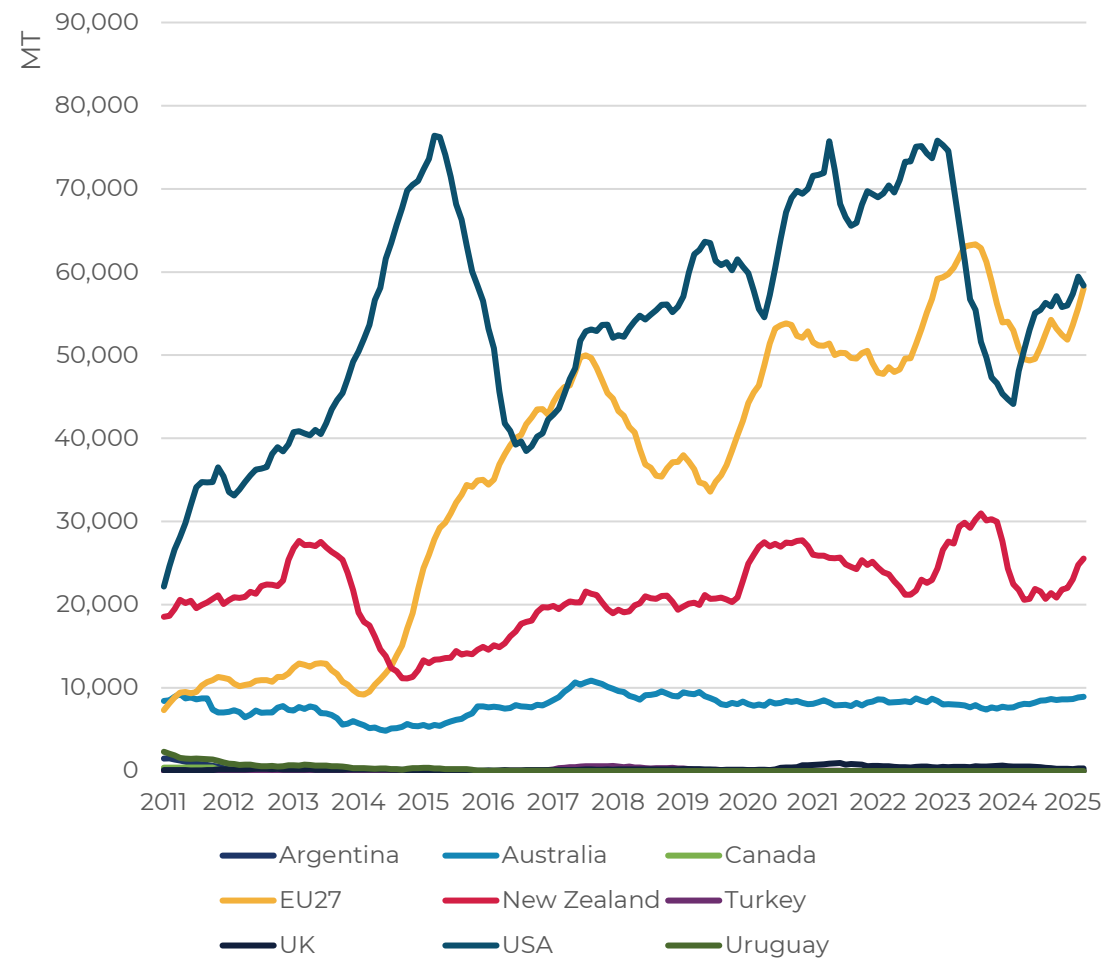


Global Cheese Trade to Mexico

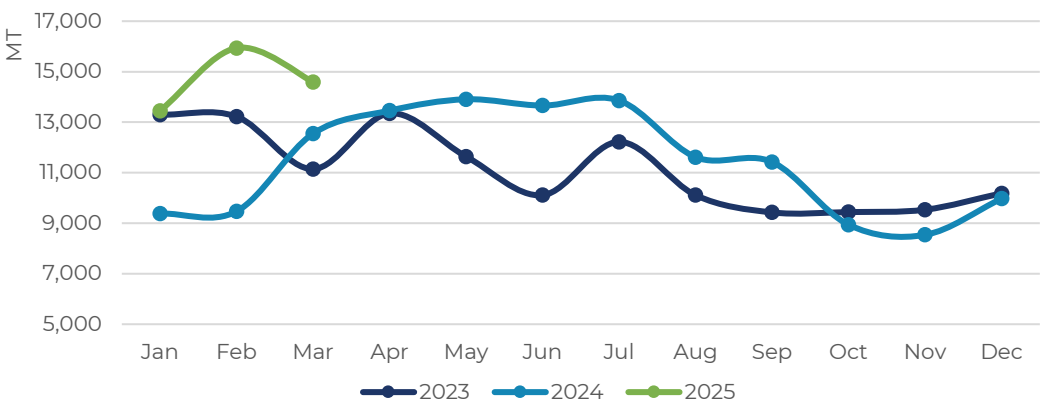


Korea

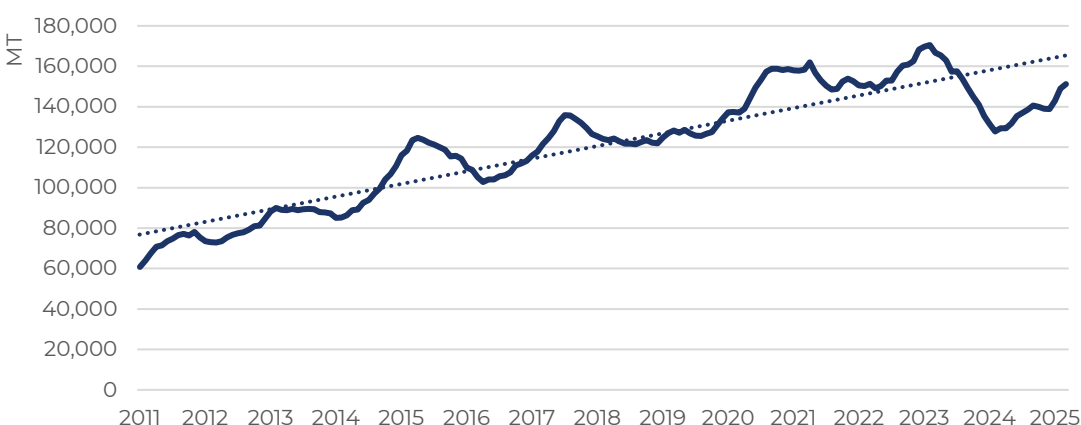
Global Cheese Trade to Korea



Global Cheese Trade to Korea

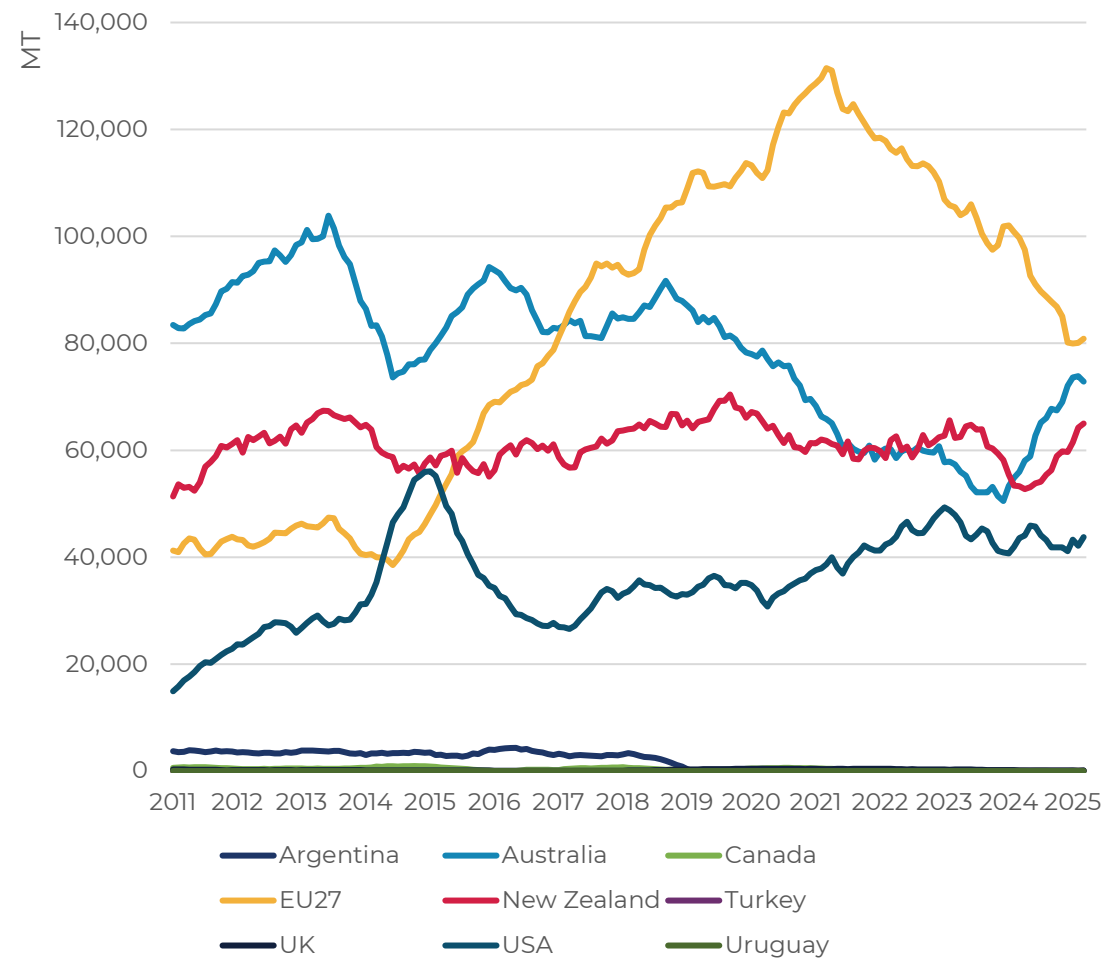


Global Cheese Trade to Korea

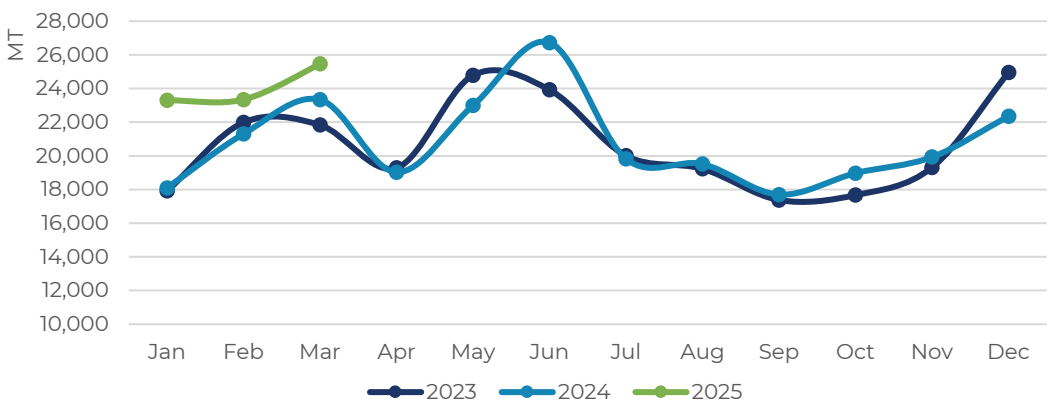


Japan

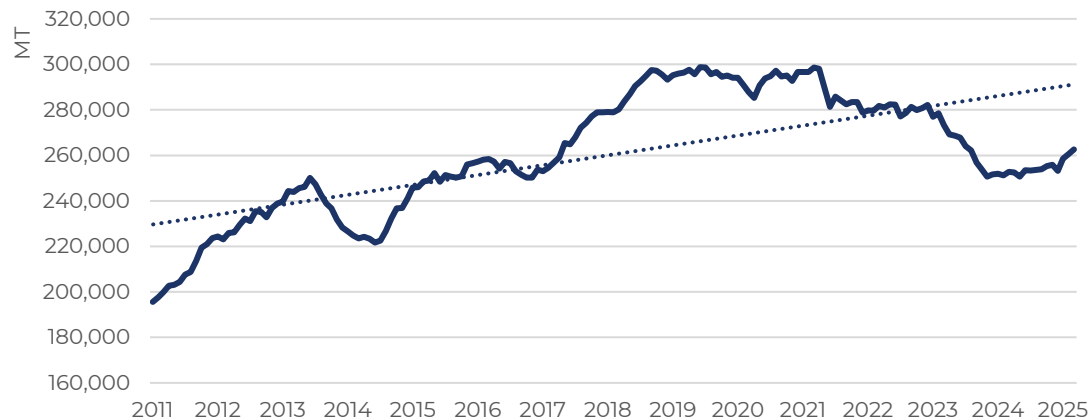
Global Cheese Trade to Japan



Global Cheese Trade to Japan

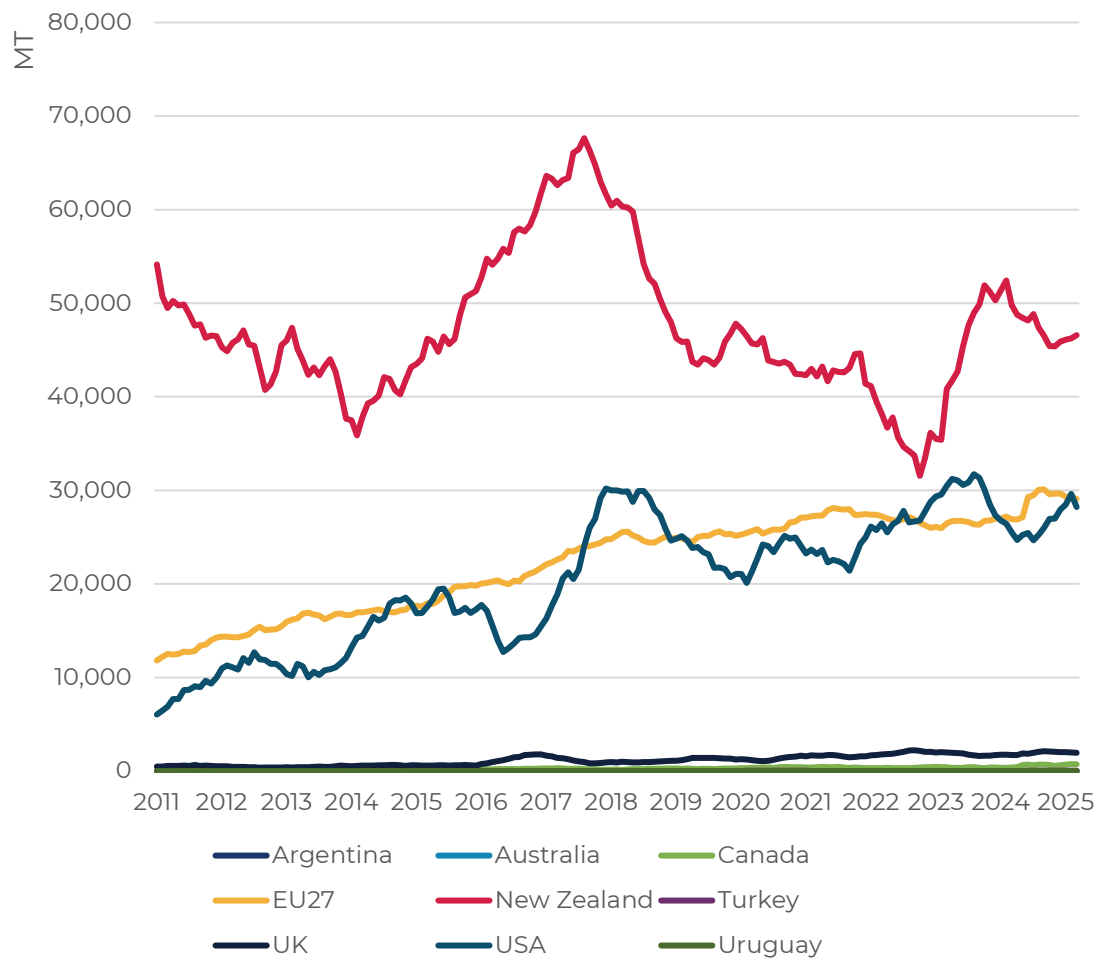


Global Cheese Trade to Japan

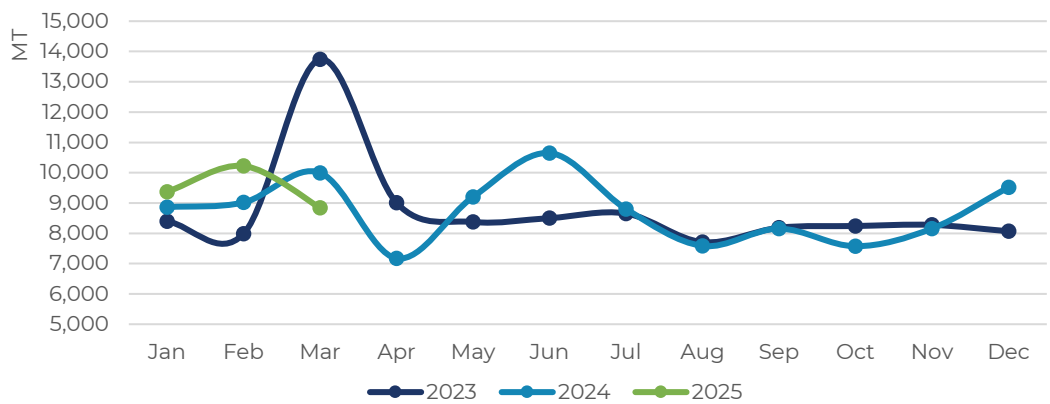


Australia

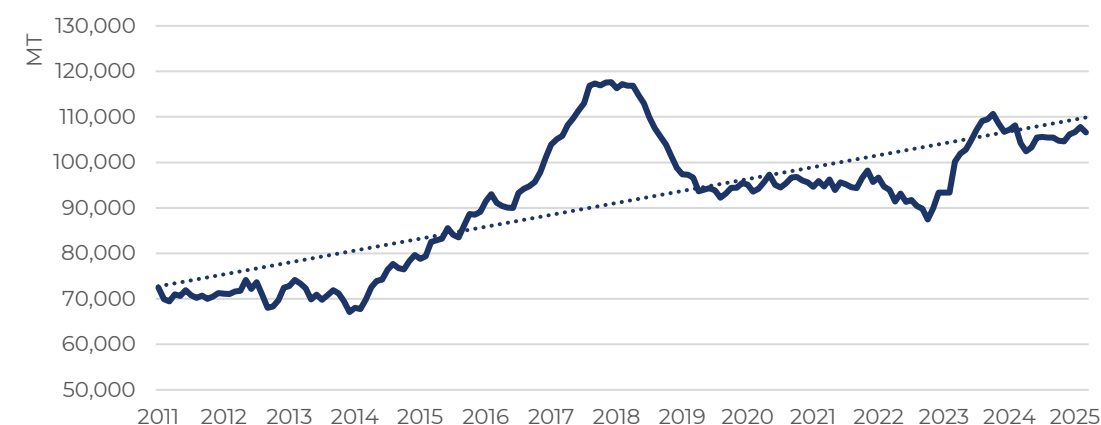
Global Cheese Trade to Australia



Global Cheese Trade to Australia

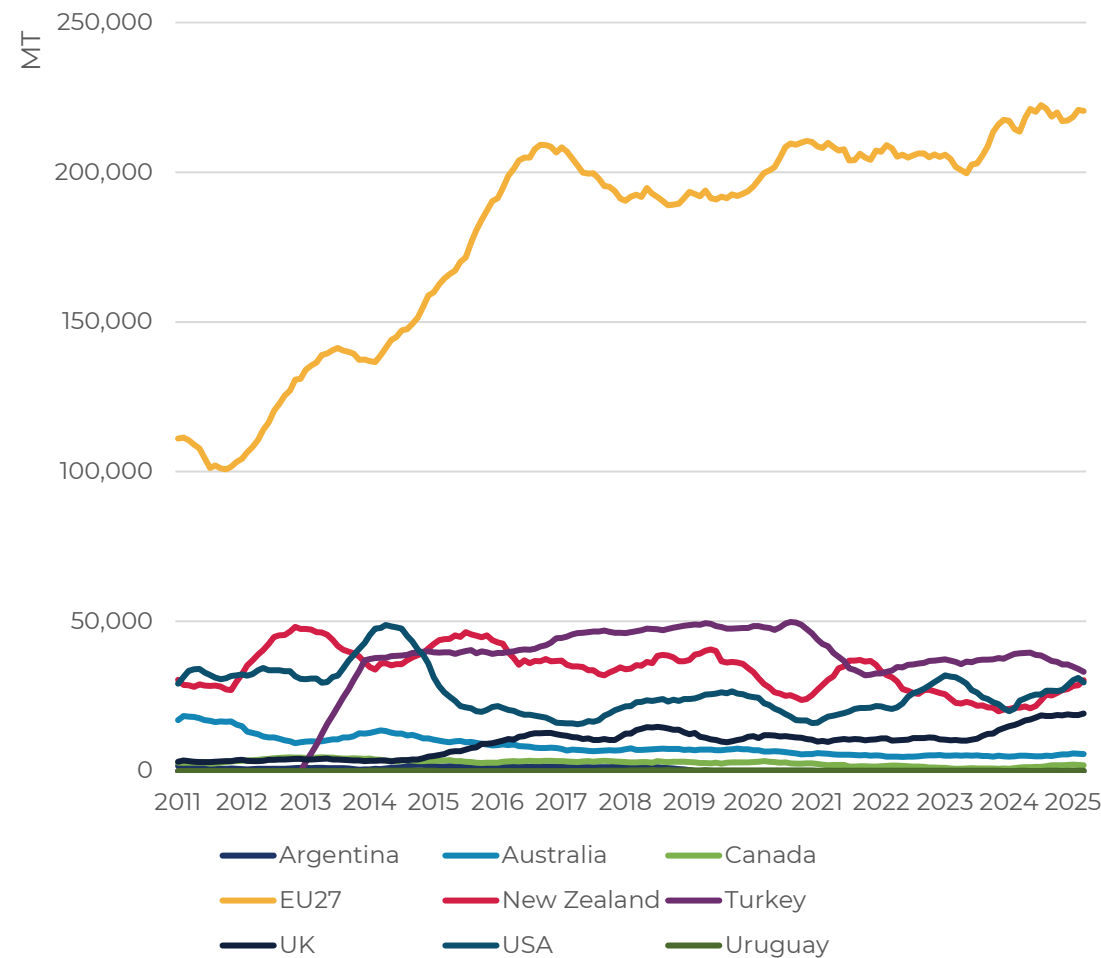


Global Cheese Trade to Australia

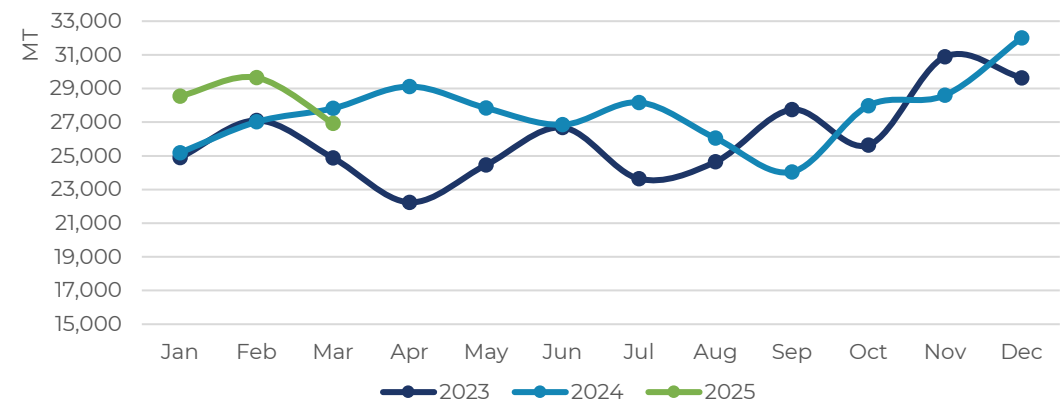


MENA

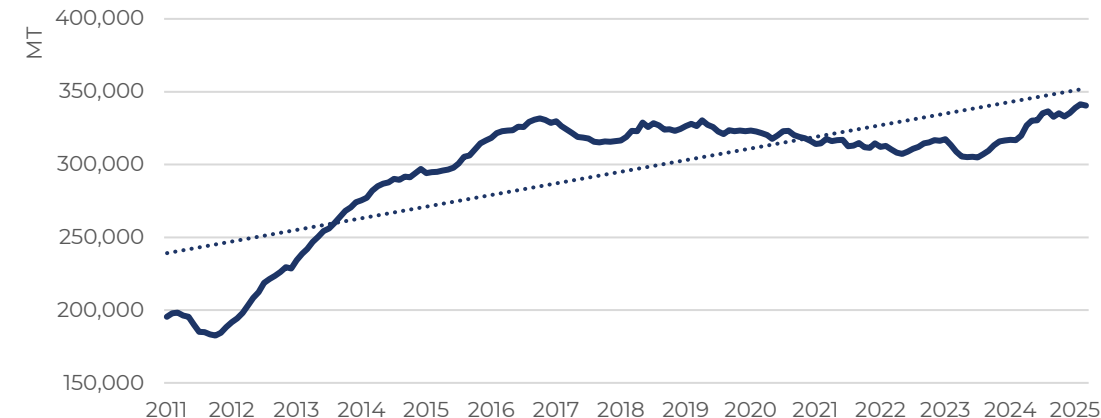
Global Cheese Trade to MENA



Global Cheese Trade to MENA

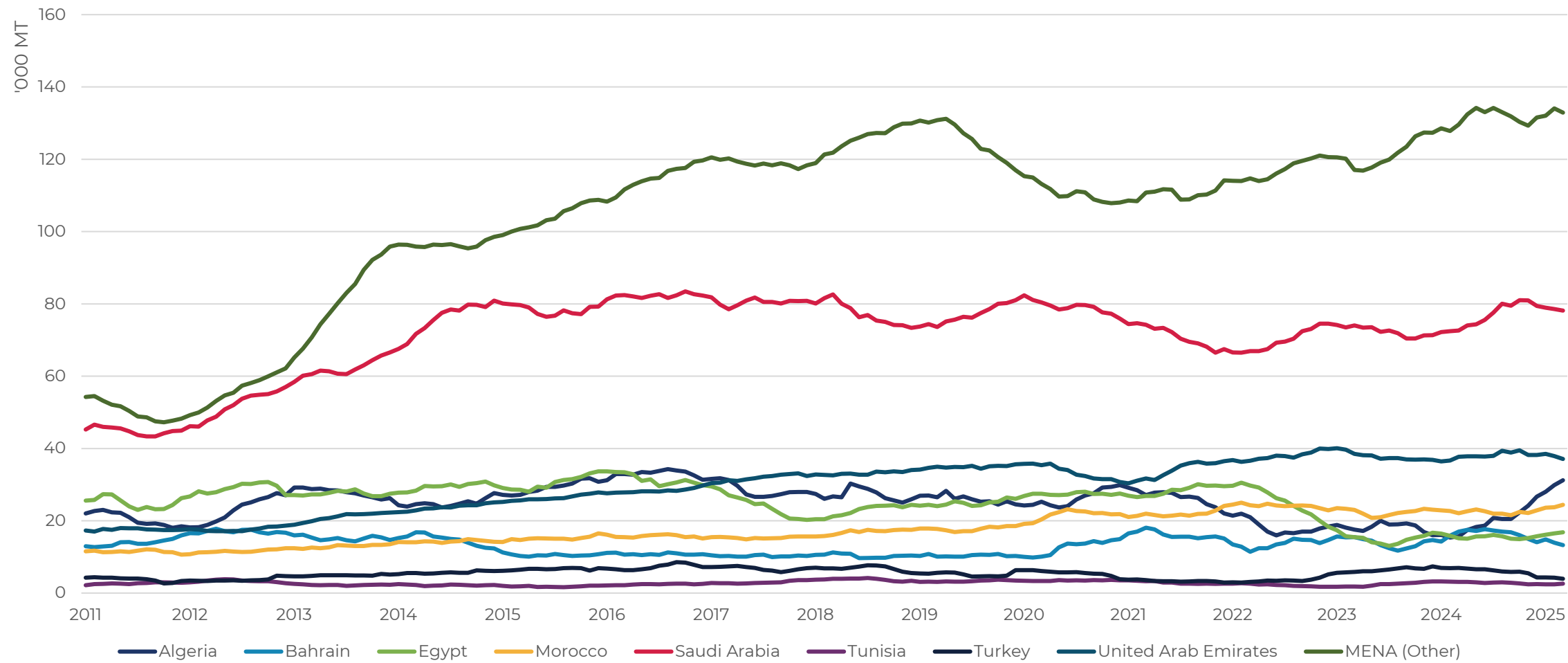


Global Cheese Trade to MENA



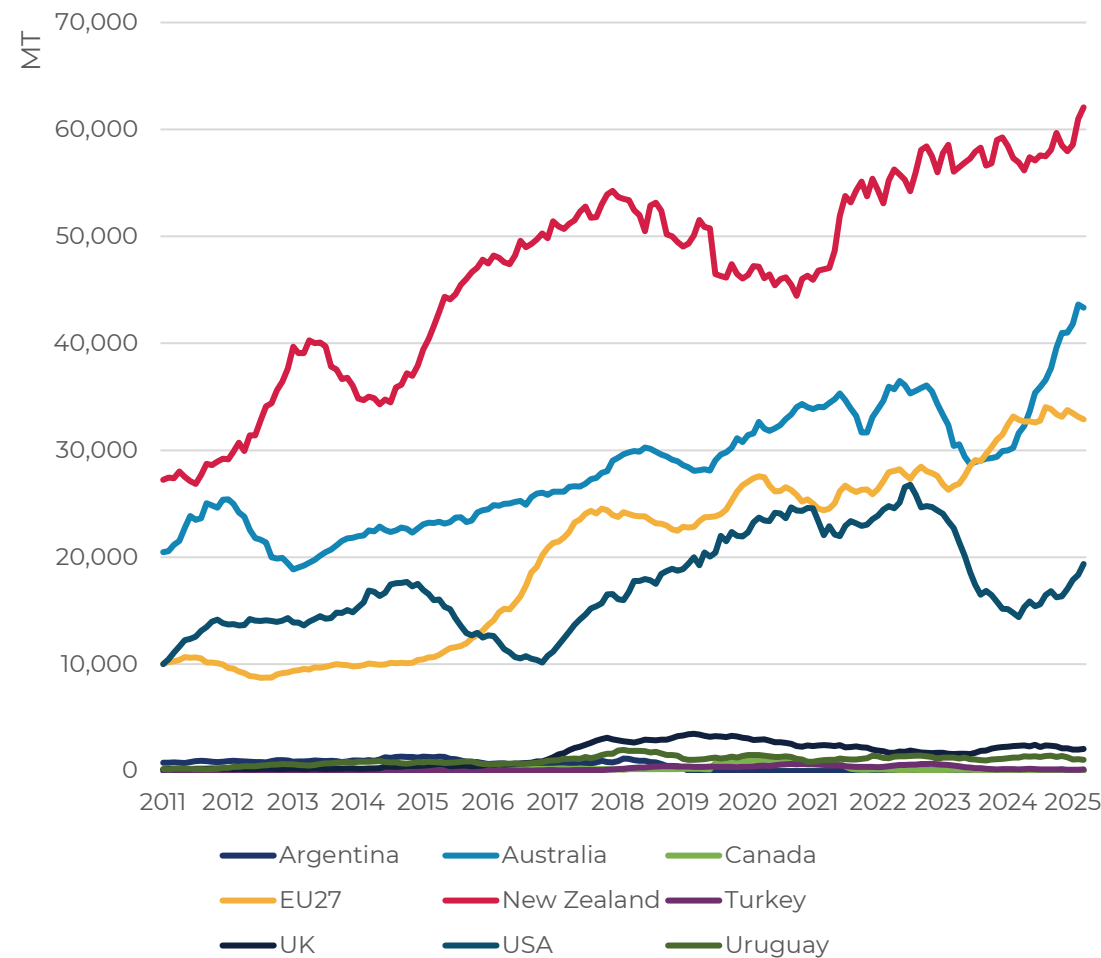
Middle East-North Africa Country Breakdown

Global Cheese Trade to MENA by Country

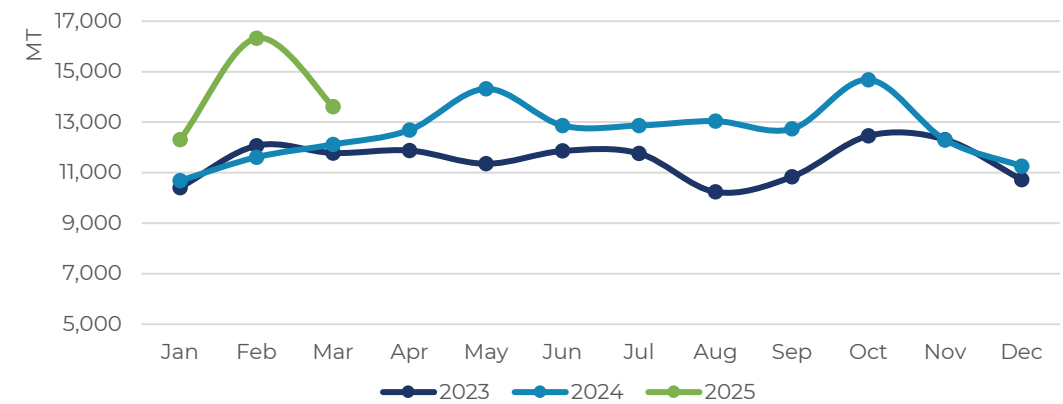


Southeast Asia

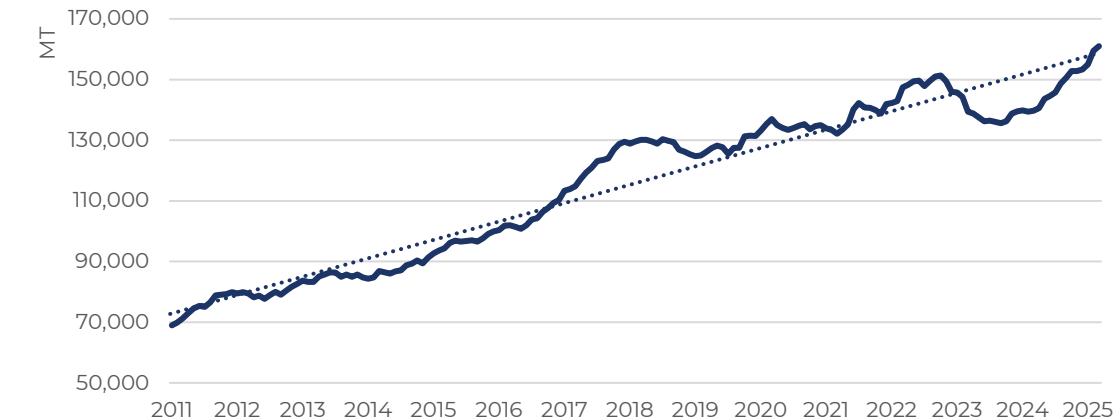
Global Cheese Trade to SEA



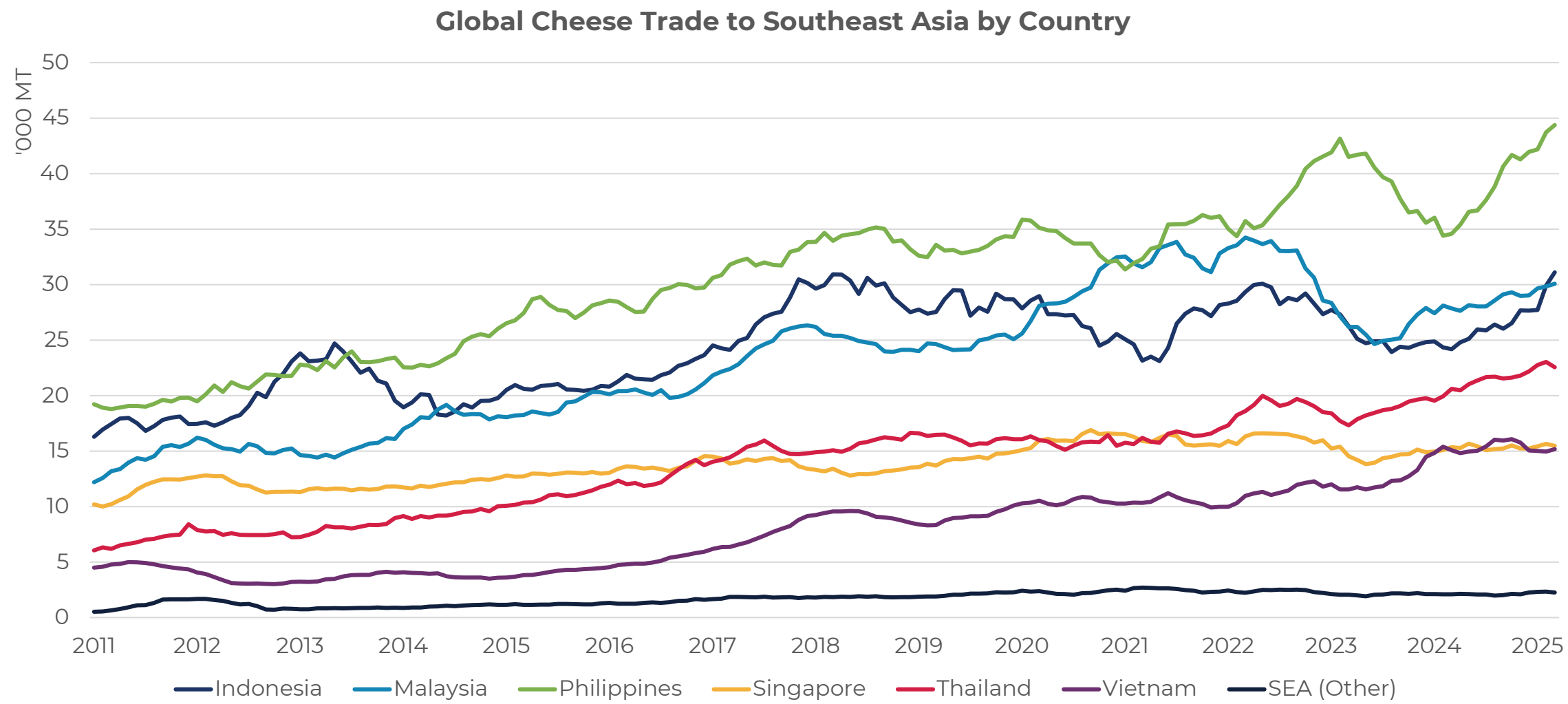
Global Cheese Trade to SEA



Global Cheese Trade to SEA

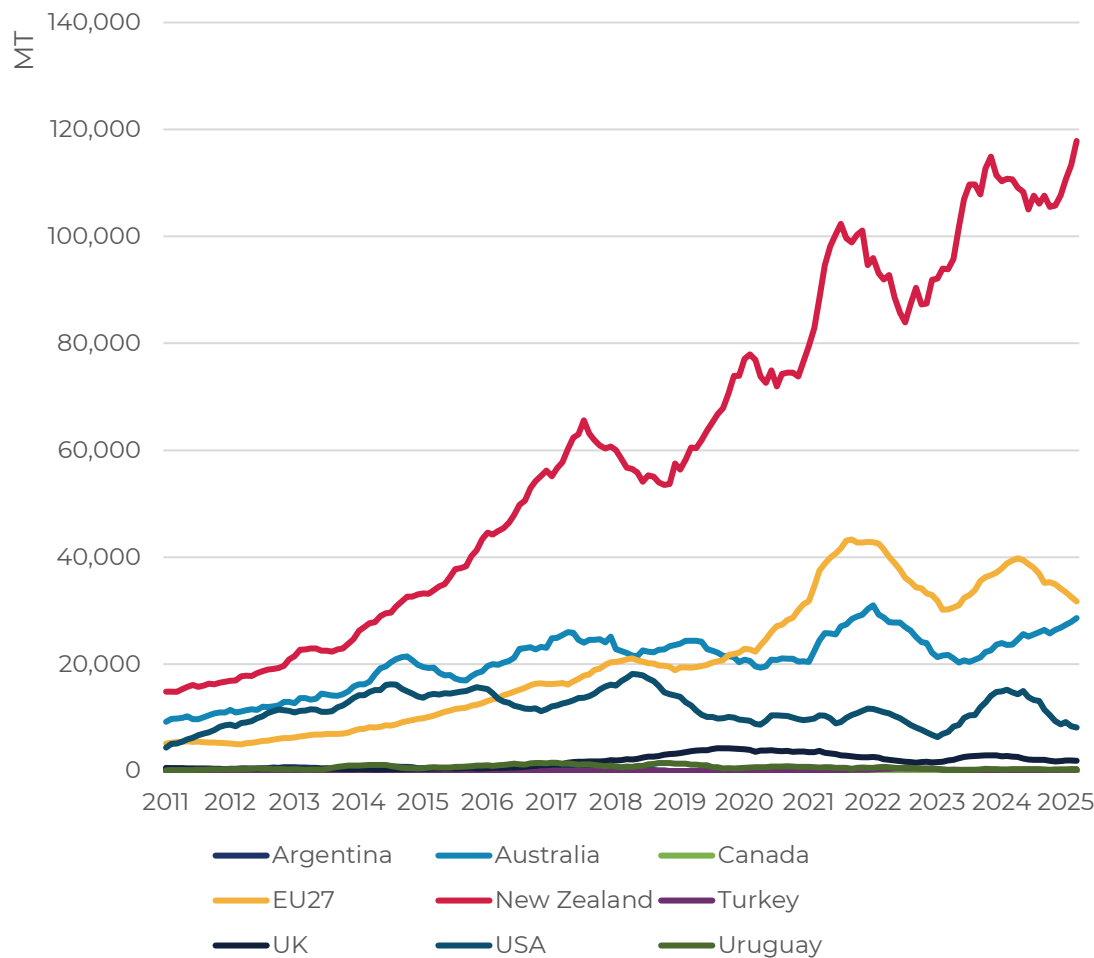


Southeast Asia Country Breakdown

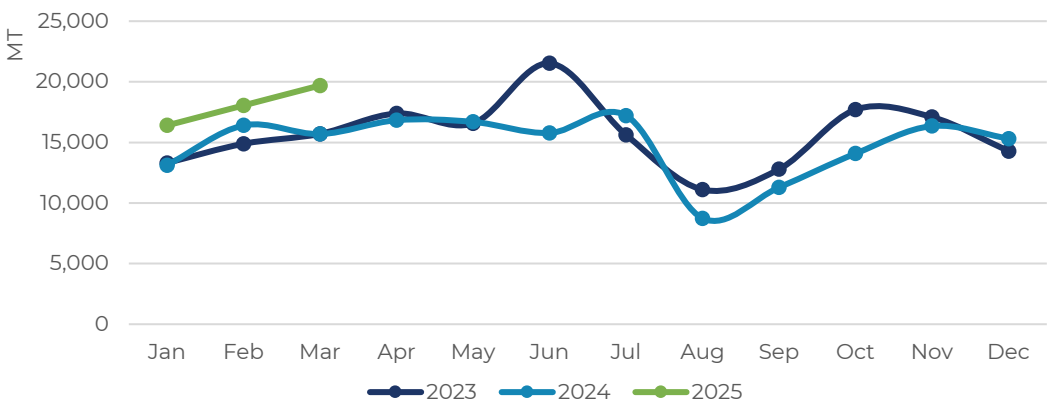


China

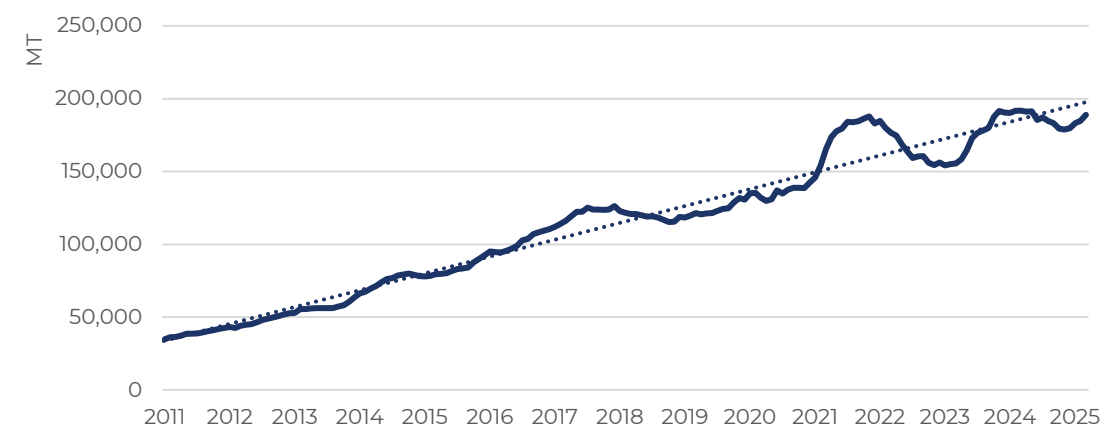
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





NFDM/SMP

NFDM/SMP Market Commentary



KEY TAKEAWAYS

- Global NFDM/SMP trade eked out a 2% gain in March (+3,566 MT), the first year-over-year improvement since last July.
- A collapse in global NFDM/SMP exports to the Middle East-North Africa (-41%, -23,170 MT) weighed down what was a generally positive month for the rest of the world. Sales to Mexico improved by 29% (+7,783 MT) in March. Southeast Asia, where demand growth had stalled the last six months, found new momentum, gaining 11% year-over-year (+6,539 MT). Sales to China were even up more than one-third (+34%, +6,010 MT). Overall, if you exclude MENA (an admittedly large caveat), March was unusually positive.
- Unsurprisingly, New Zealand is the biggest beneficiary of rebounding SMP demand in China as NZ exports to their largest customer are countering weaker sales elsewhere. In the first quarter, New Zealand SMP exports to China have jumped 39% (+19,791 MT) while sales to the rest of the world have fallen by 13% (-12,338 MT). In fact, NZ was the only supplier to see NFDM/SMP exports to China increase over the last 12 months. As a result, New Zealand's market share in China has nearly doubled in the last 2 years, going from 37% in 2023 to 72% today.

Global
NFDM/SMP
Trade

+1.8%

March YoY

-3.6%

YTD, Ending March

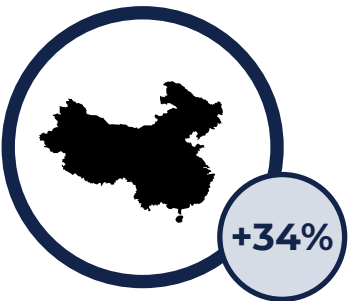
-3.8%

Last 12-Months,
Ending March

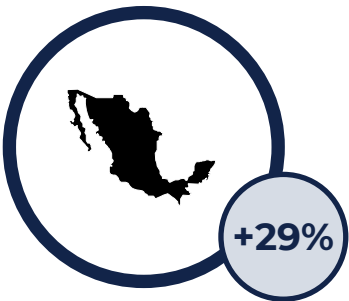
-1.6%

3-Year CAGR

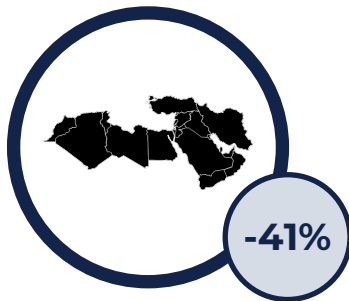
March Standout Markets



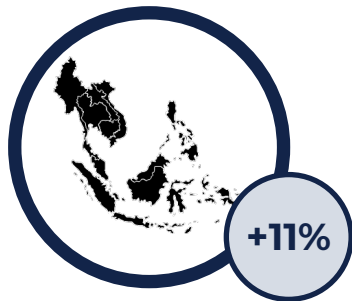
CHINA+HK
+6,010 MT



MEXICO
+7,783 MT



MENA
-23,170 MT



SOUTHEAST ASIA
+6,539 MT

ADDITIONAL NOTES

After declining 7 out of the last 8 months, Southeast Asia's SMP demand rallied in March, posting its strongest increase since July of last year. Most of the gains came from sales to the Philippines surging 54% (+6,777 MT) and shipments to Indonesia improving by 25% (+3,516 MT). Exports to Malaysia are still soft, falling 9% (-962 MT) in March and bringing down Q1 volumes to -10% (-3,483 MT). Demand improvement from the world's biggest destination for SMP is welcome news for milk powder markets, but until March's performance is shown to be sustainable, we remain cautious about declaring Southeast Asia is back on a growth trajectory. In less positive news, for the first time since February 2020, the U.S. was not the largest NFDM/SMP exporter to the region on an annualized basis as New Zealand claimed that top spot. Limited supply and elevated prices were the primary culprits behind the U.S.' regression. Optimistically, rebounding milk supplies and more competitive pricing will help turn around U.S.' fortunes in the region by midyear.

NFDM/SMP Market Commentary

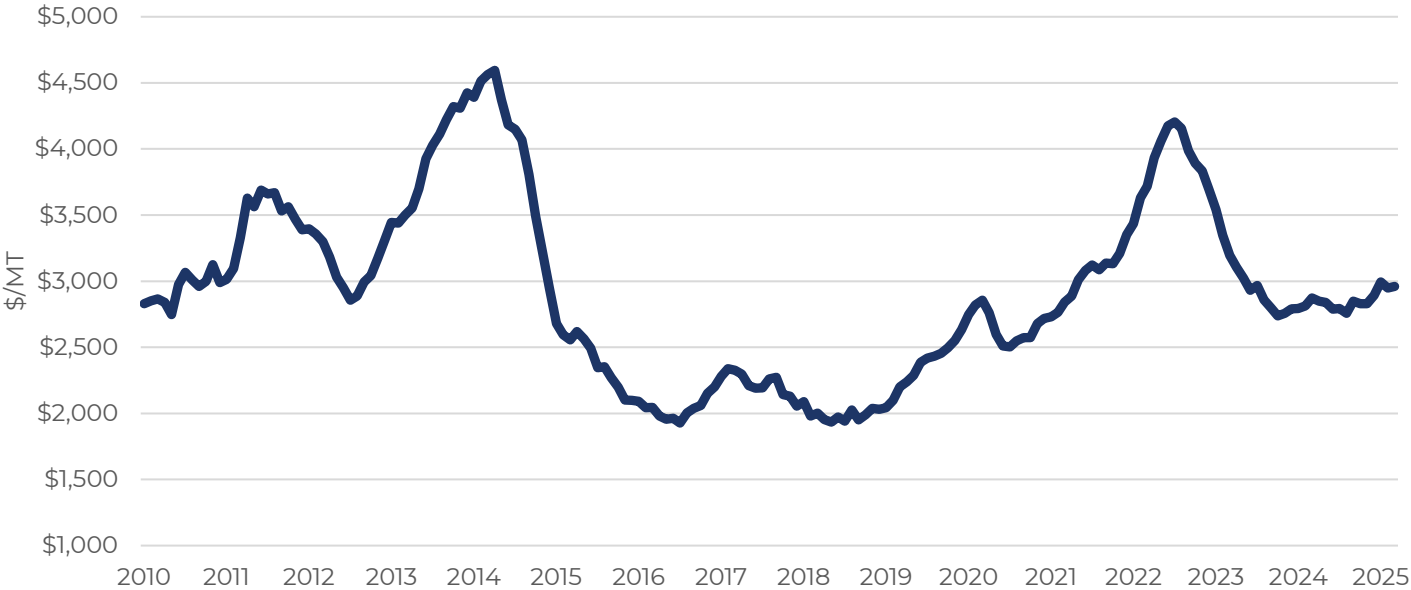


LOOKING AHEAD

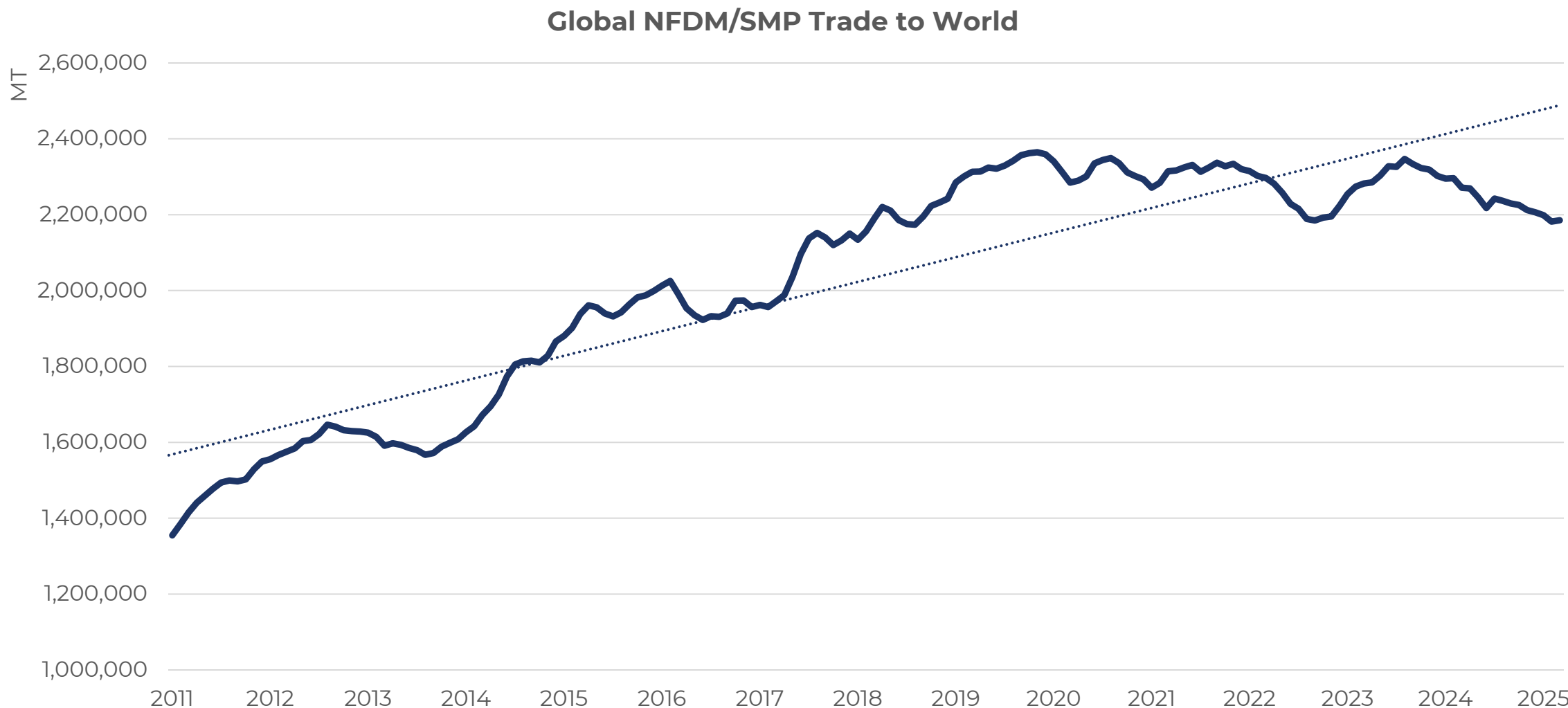
- **Global NFDM/SMP prices have firmed in recent months despite milk production rising across the major exporters, which suggests March's improvement could be a portent of expansion to come.** However, given the contraction in the Middle East-North Africa and the uncertain global economy, **forecasting that NFDM/SMP demand can find sustained momentum relies on the belief China's resurgent demand will persist.**
- Official Chinese statistics report milk production in the country is stabilizing after contracting in 2023, and raw milk prices in China are still hovering at all time lows around \$19/cwt. **Both those indicators would suggest a highly saturated market in China.** However, bovine genetics and live cattle imports into China have collapsed over the past year (which historically has correlated strongly with China's domestic milk production), suggesting that either China has found a way to produce genetics within the country and/or milk production is far less robust than officially reported. The latter of which is more likely in our opinion and could lend strength to the country's import demand provided that dairy consumption in the country is growing as well.

U.S. NFDM/SMP Exports	+1.4% March YoY	-14.8% YTD, Ending March	-9.1% Last 12-Months, Ending March	-3.1% 3-Year CAGR
EU NFDM/SMP Exports	-5.1% March YoY	-2.1% YTD, Ending March	-6.0% Last 12-Months, Ending March	-2.0% 3-Year CAGR
NZ NFDM/SMP Exports	+14.3% March YoY	+5.2% YTD, Ending March	-1.9% Last 12-Months, Ending March	-0.6% 3-Year CAGR

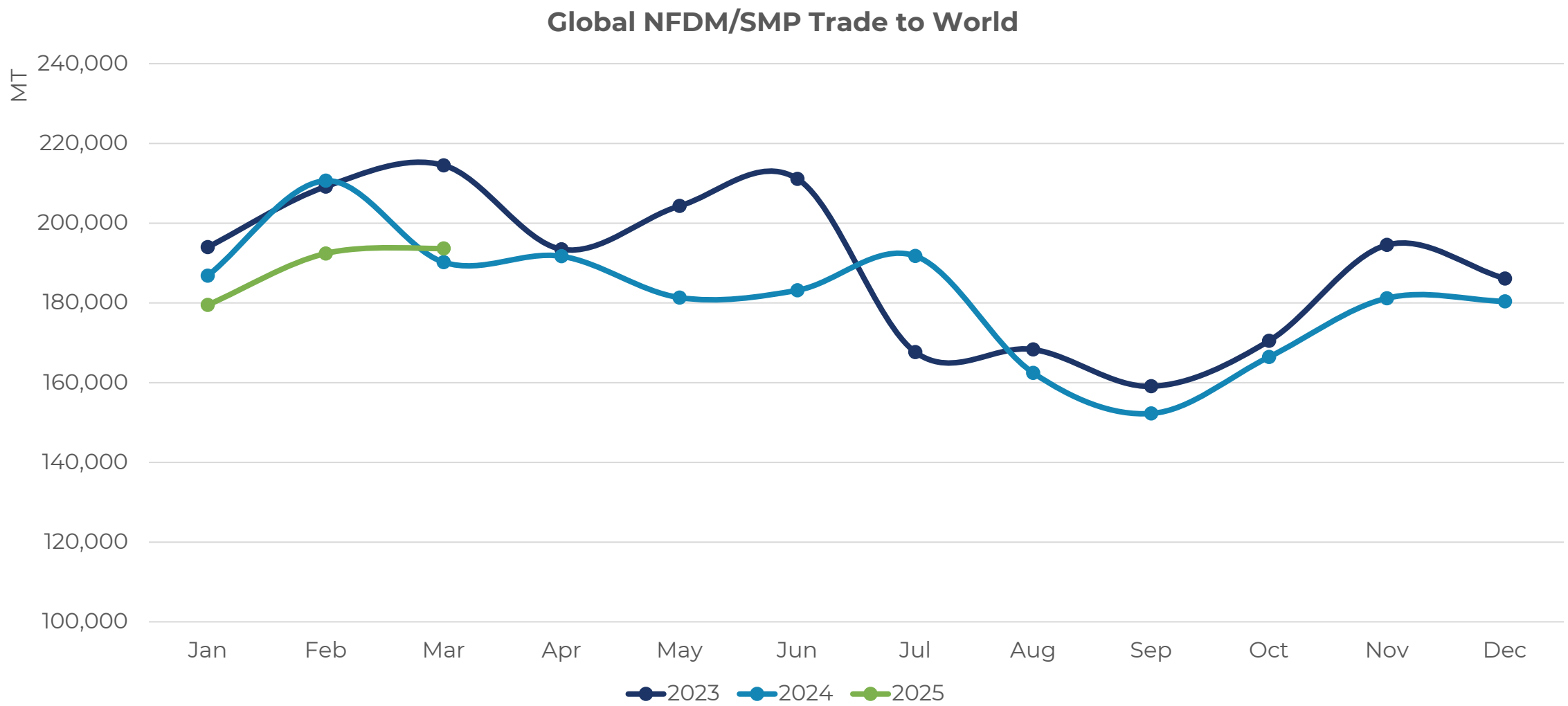
Average NFDM/SMP Export Value to World



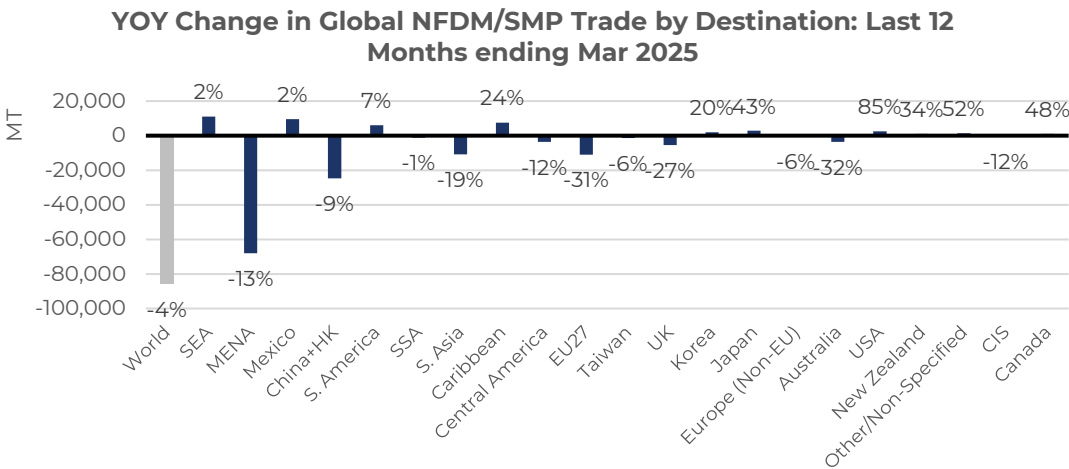
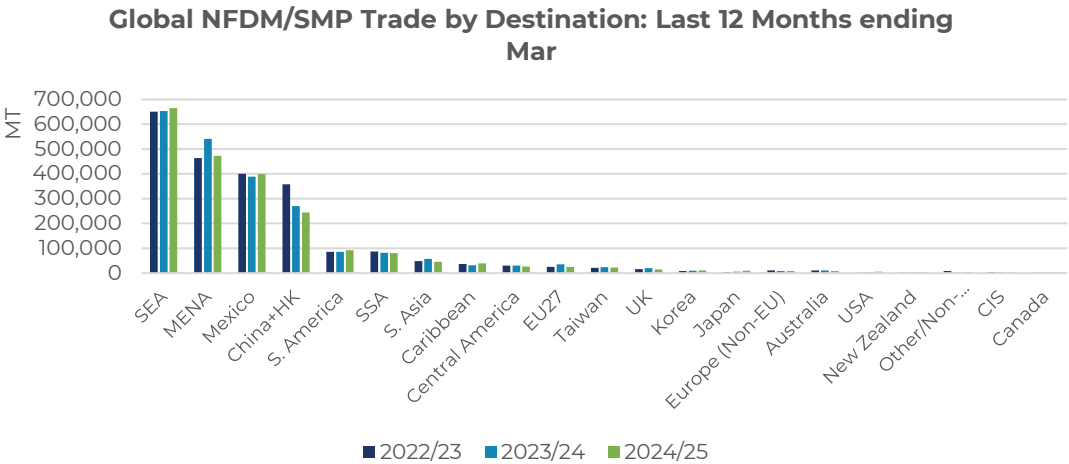
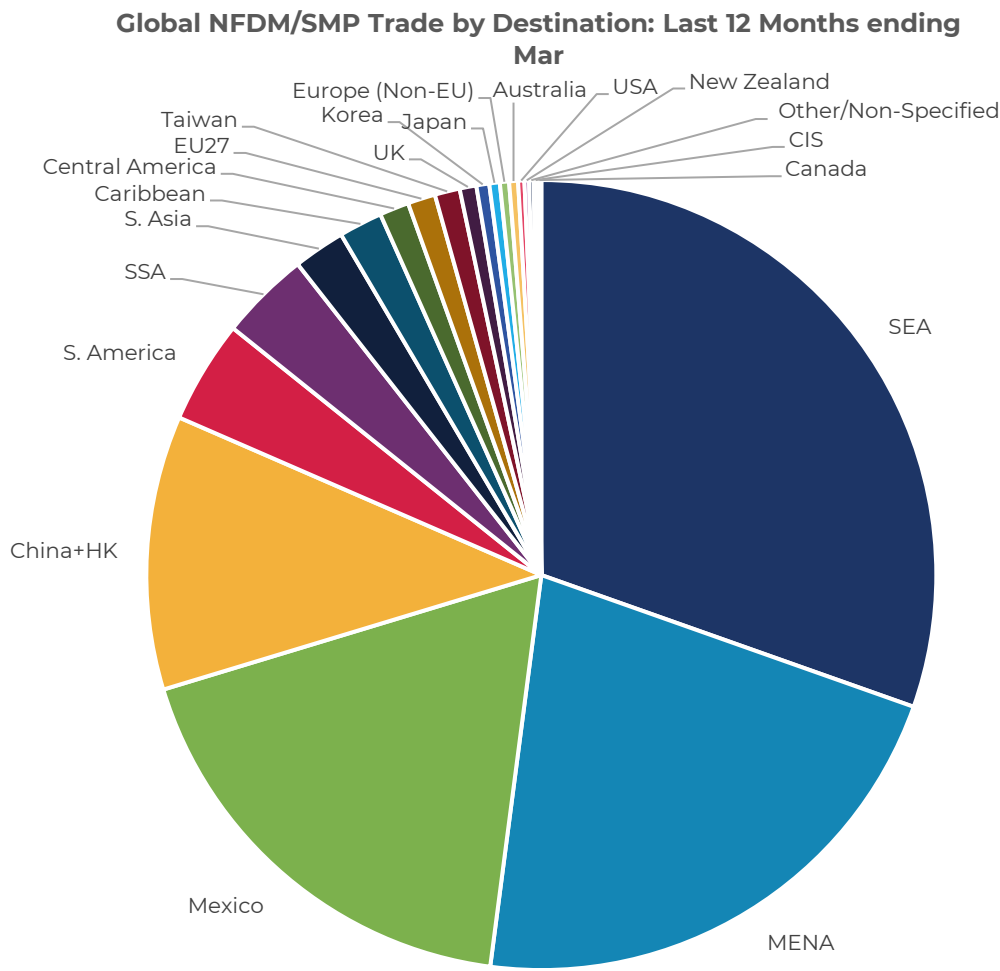
Global Overview: NFDM/SMP



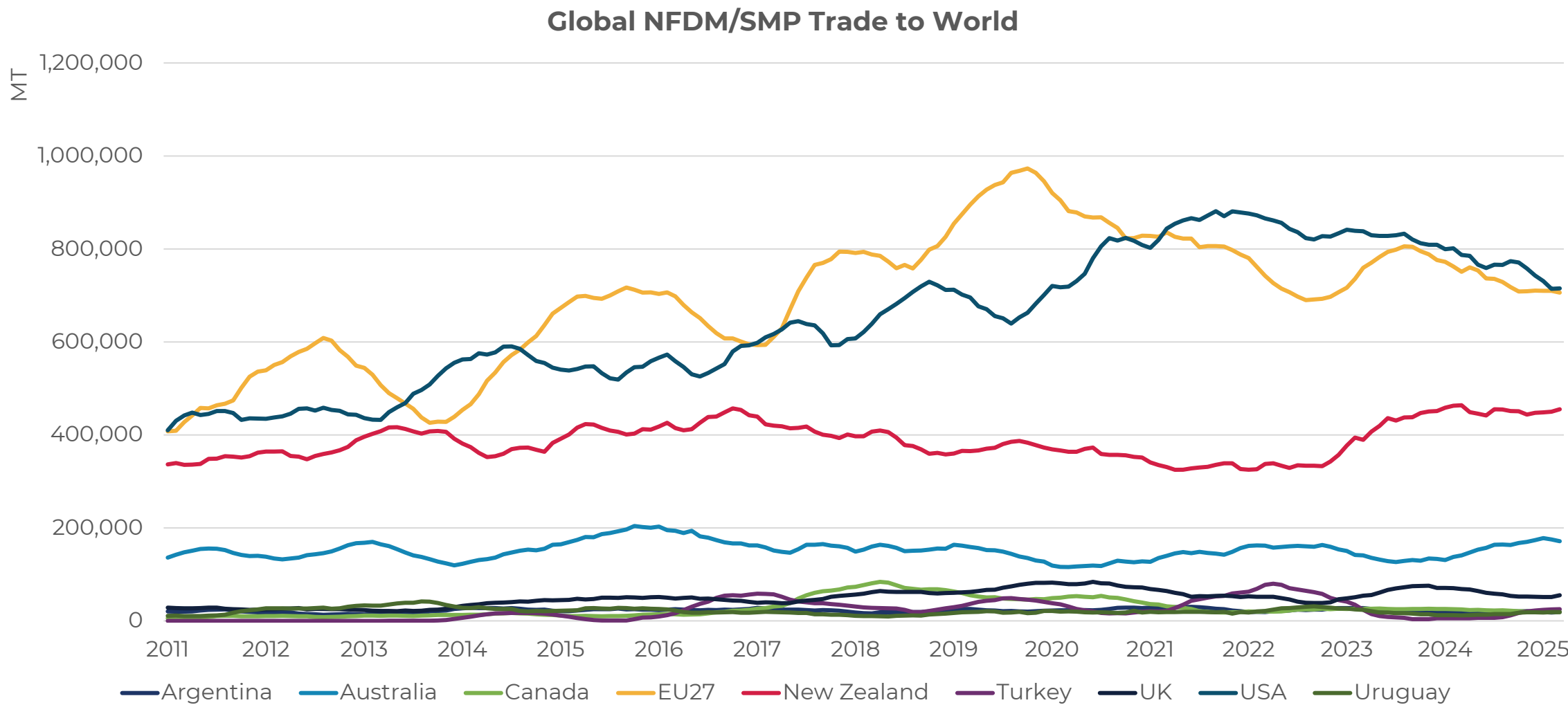
Global Overview: NFDM/SMP



Global Overview: NFDM/SMP – Last 12 Months

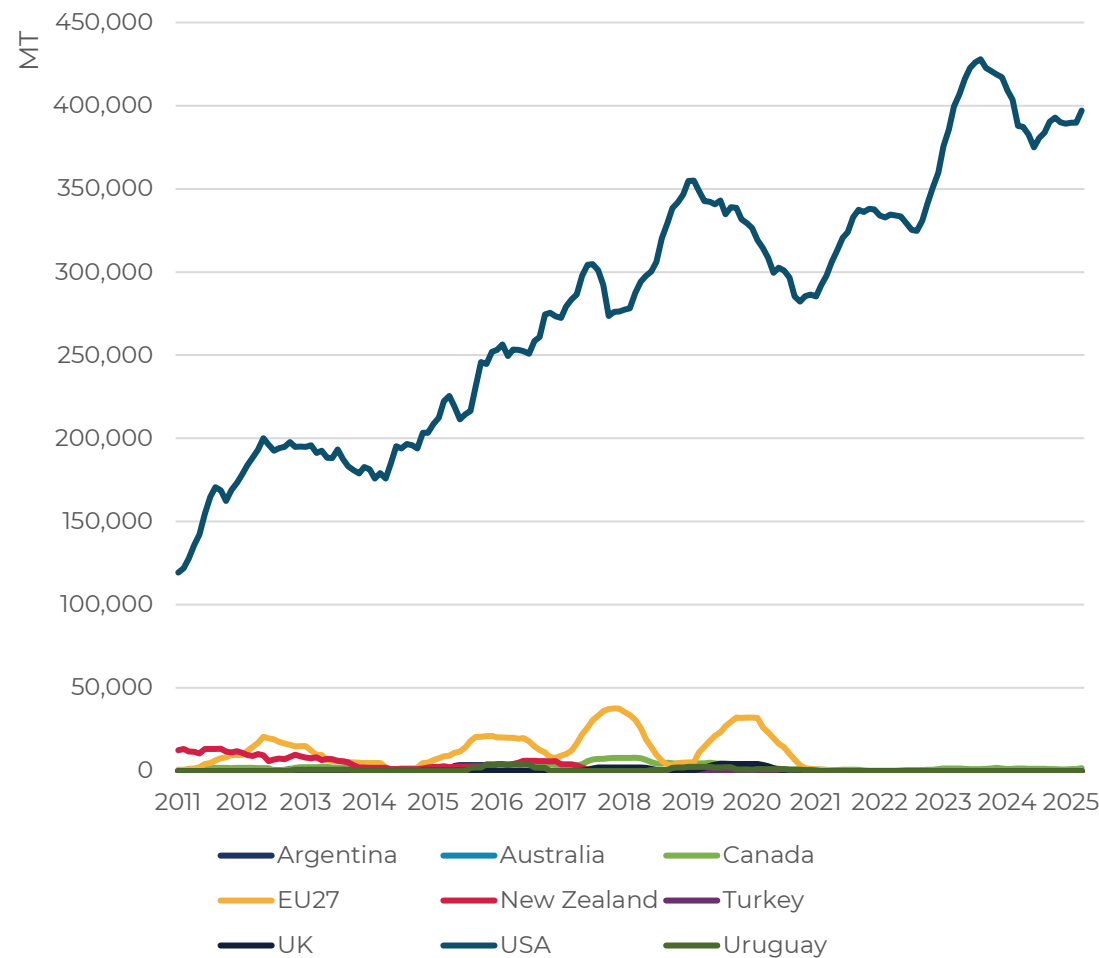


Trade Flows: NFDM/SMP

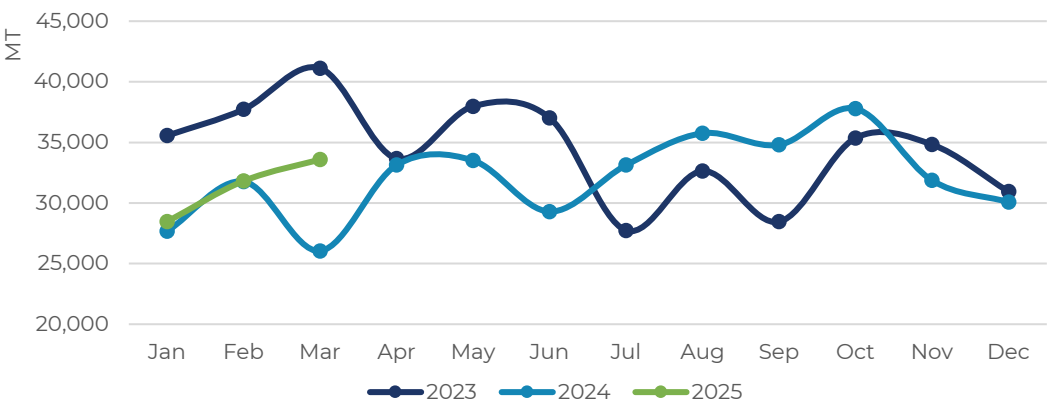


Mexico

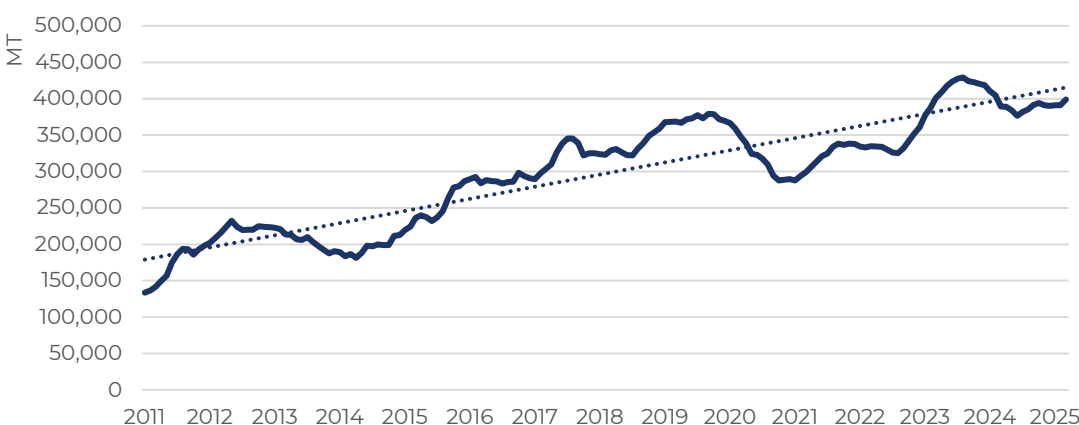
Global NFDM/SMP Trade to Mexico



Global NFDM/SMP Trade to Mexico

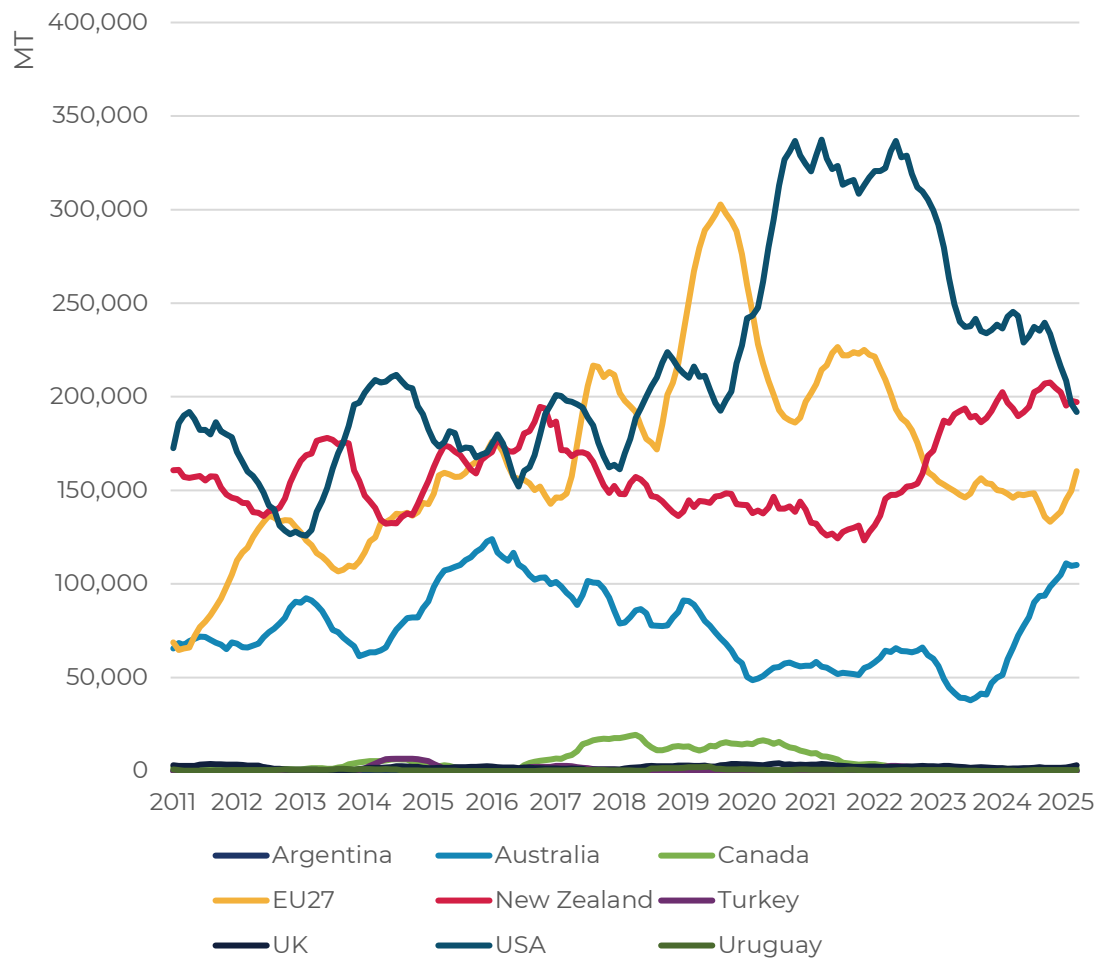


Global NFDM/SMP Trade to Mexico

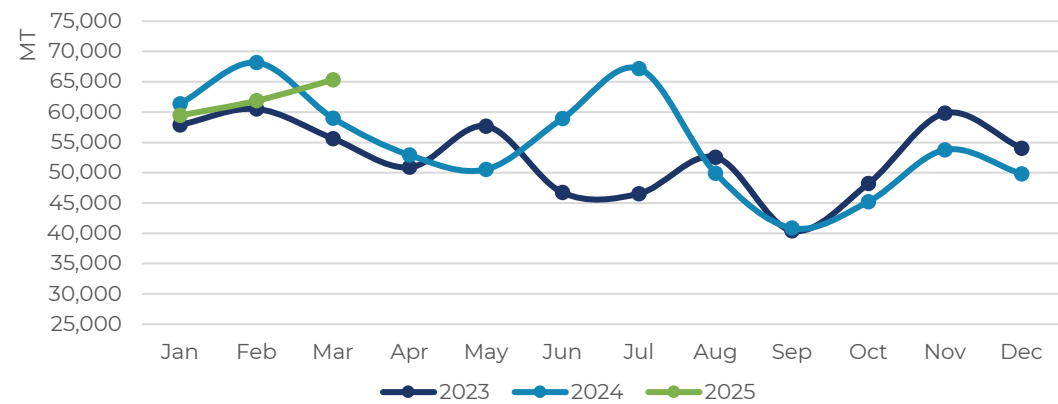


Southeast Asia

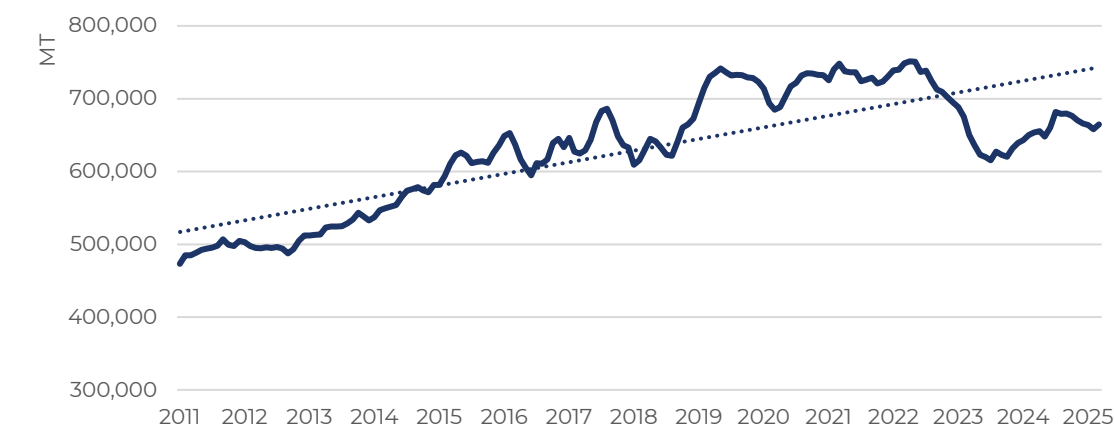
Global NFDM/SMP Trade to SEA



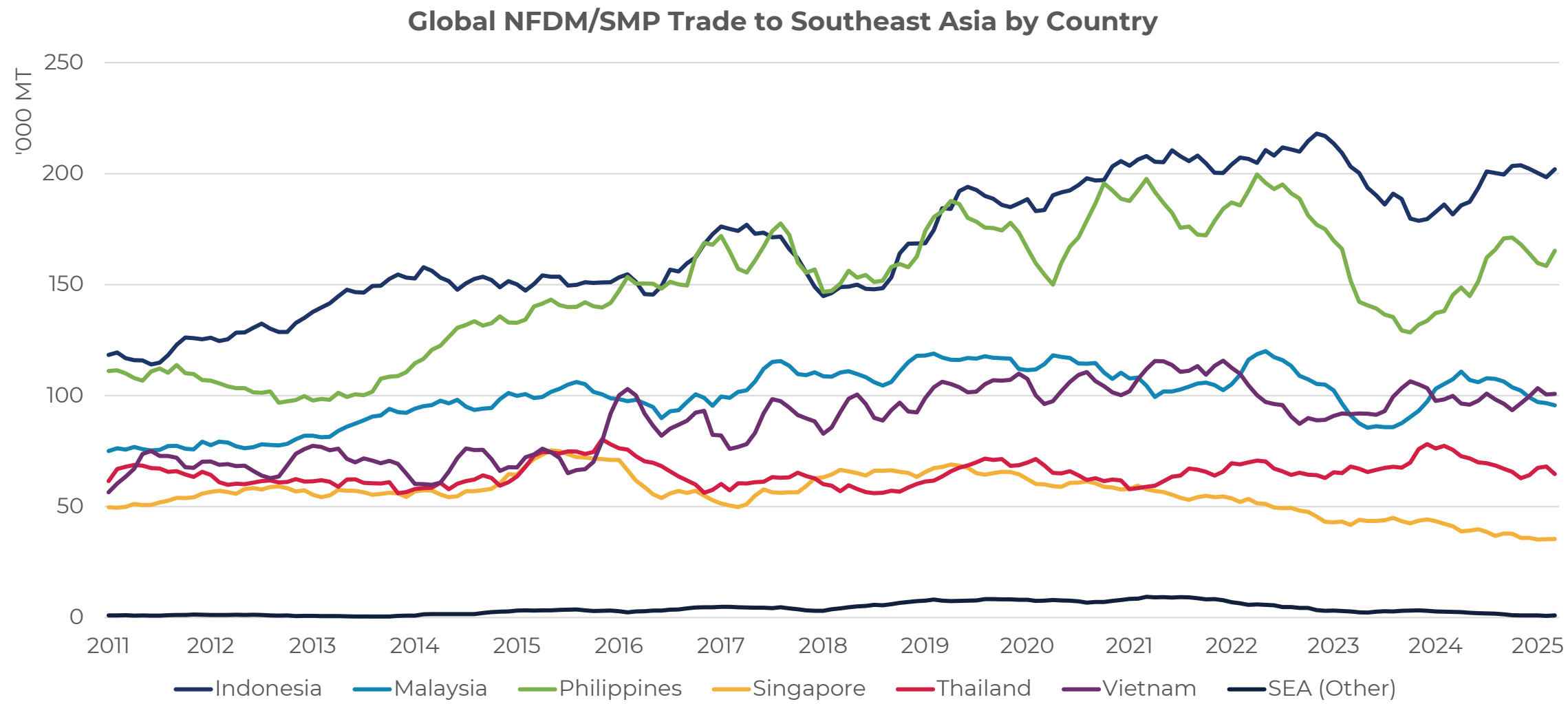
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

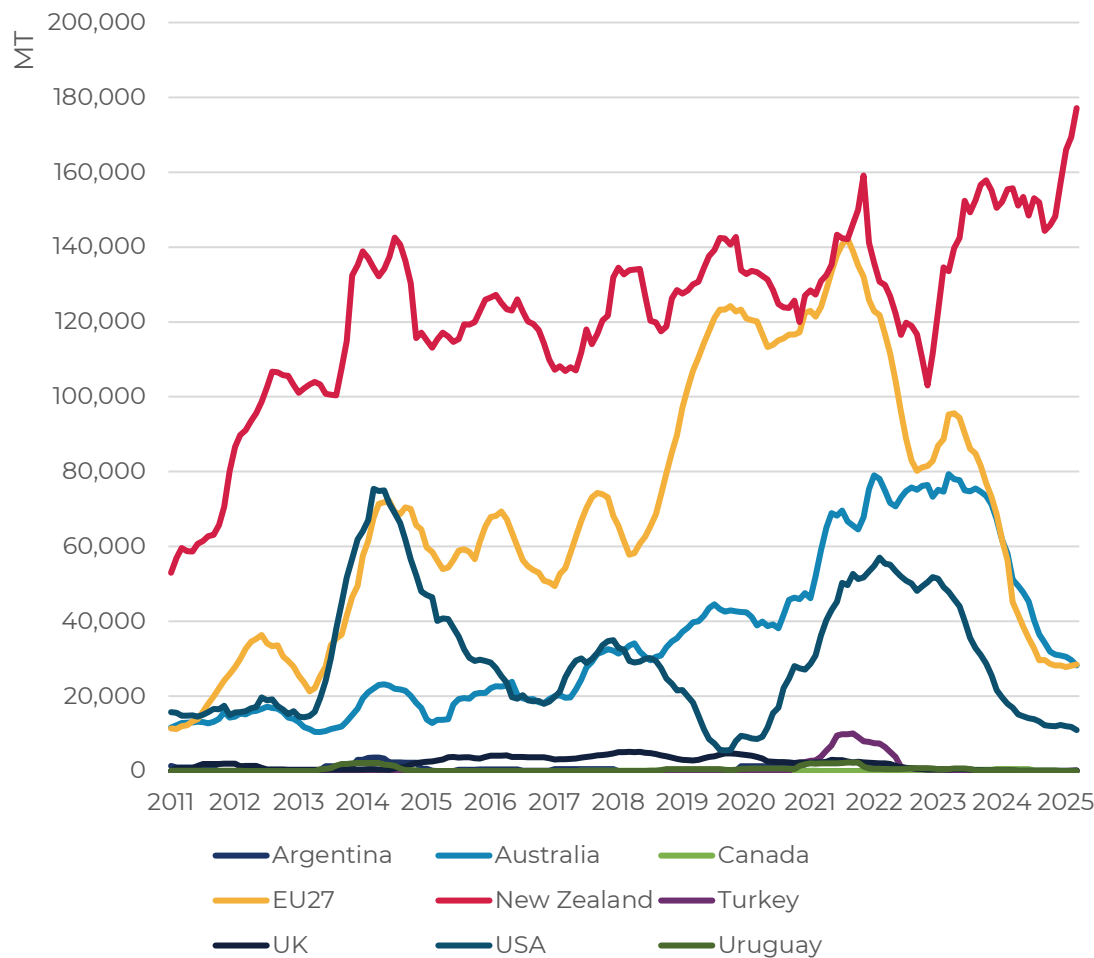


Southeast Asia Country Breakdown

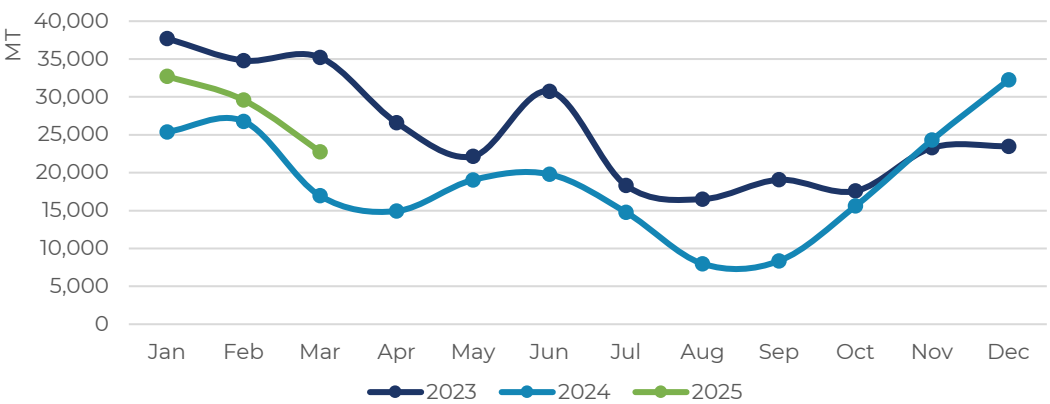


China

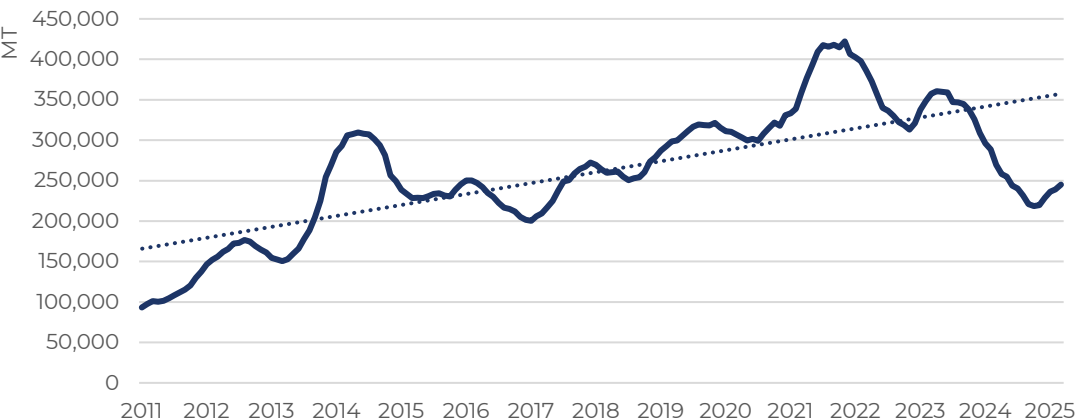
Global NFDMSMP Trade to China+HK



Global NFDMSMP Trade to China+HK

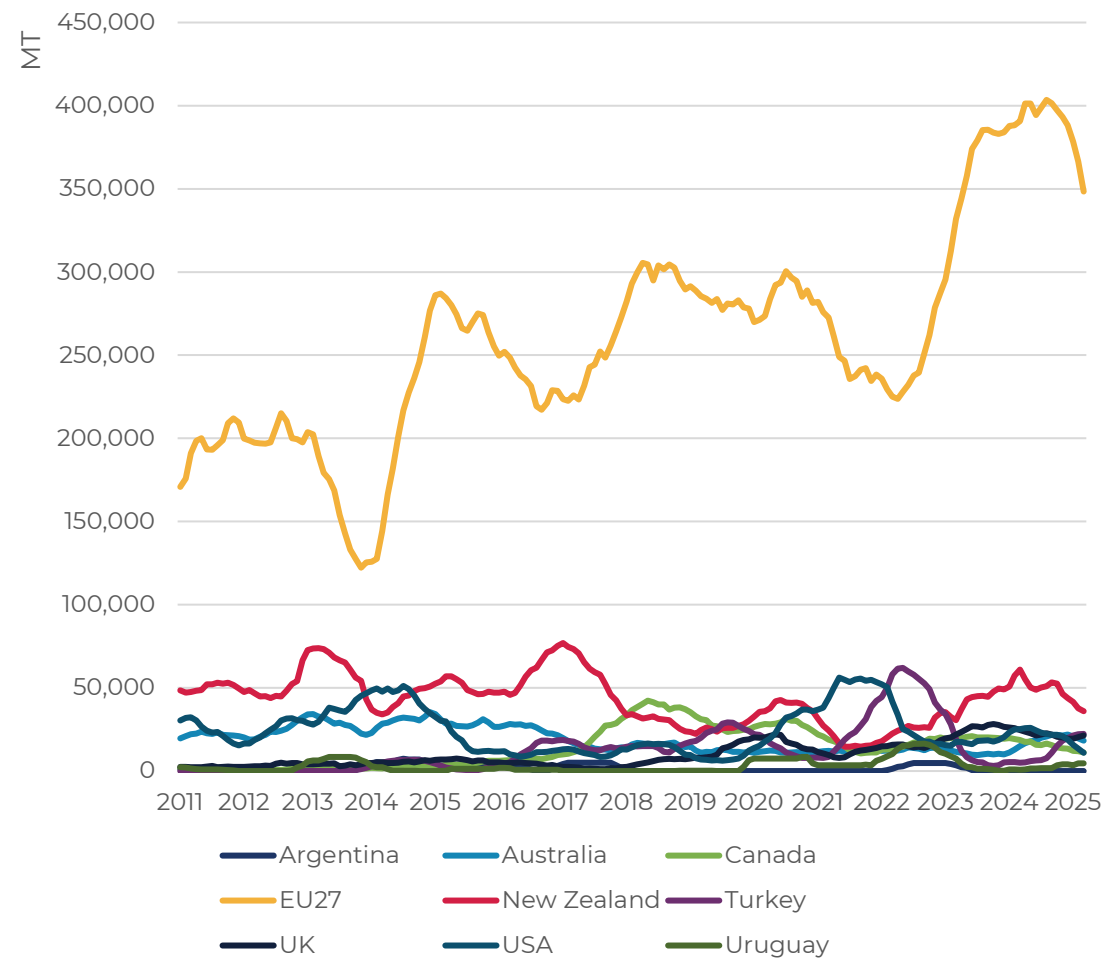


Global NFDMSMP Trade to China+HK

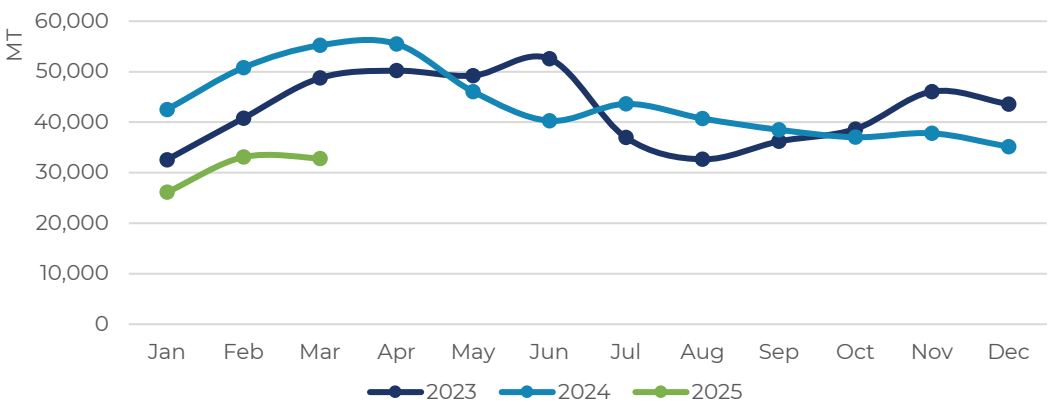


MENA

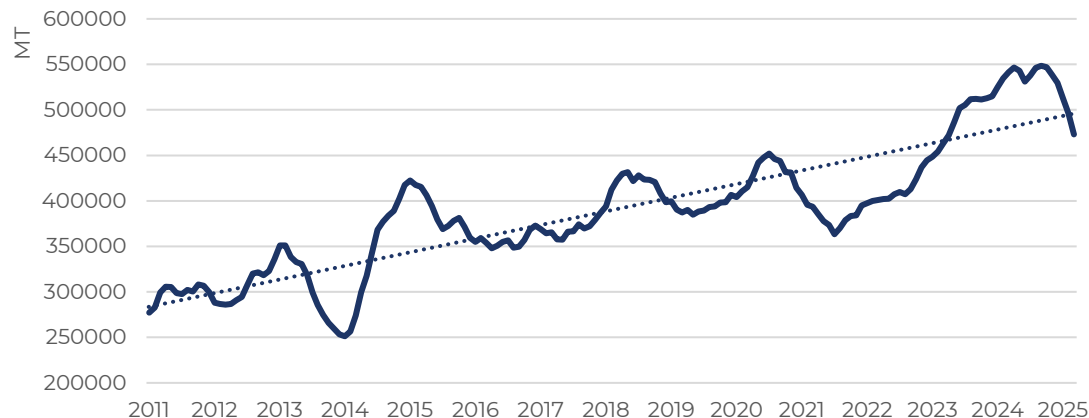
Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA

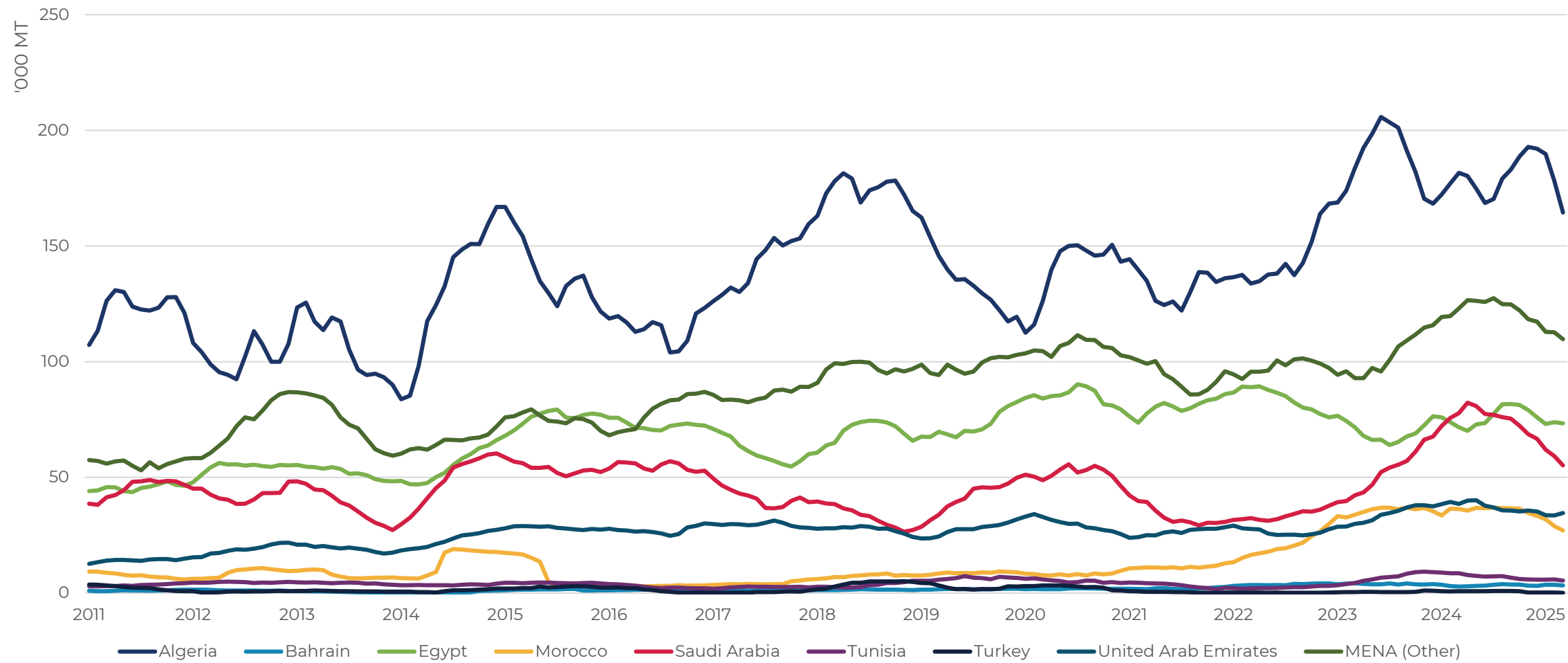


Global NFDM/SMP Trade to MENA



Middle East-North Africa Country Breakdown

Global NFDM/SMP Trade to MENA by Country



Whey Products (0404.10)

Whey Products (0404.10) Market Commentary



KEY TAKEAWAYS

- **Global low protein whey trade grew substantially in March – up 8% YOY. Robust demand from China continues to drive global expansion** with Chinese low protein whey imports jumping 24% (+103,875 MT) over the last 12 months. March was no exception (+35%, +11,730 MT). In fact, over the last 12 months, **China has accounted for 75% of the incremental growth in global low protein whey trade.**
- Unfortunately, March also demonstrated **the persistent weakness in sales to Southeast Asia** though the decline in trade to the region was relatively modest (-3%, -1,091 MT) compared to February's 19% decline (-7,134 MT). Outside of China and SEA, demand was mixed with some regions like the EU27 (+75%, +2,661 MT) and Sub-Saharan Africa (+59%, +1,637) surging while others struggled – Japan down 23% (-1,138 MT), South America down 24% (-1,188 MT) and Mexico down 16% (-641 MT).
- Notably, many of the countries with lower import volumes in March (and Q1) pulled back primarily from U.S. suppliers. For most of the last six months the U.S. was priced well above the world market. **Today, U.S. prices are back in line with other global suppliers, which should help support U.S. exports to highly competitive markets.**

Global
Whey
(0404.10)
Trade

+8.2%

March YoY

+7.1%

YTD, Ending March

+10.5%

Last 12-Months,
Ending March

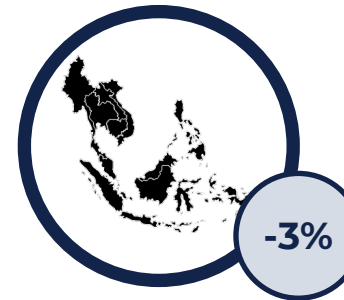
+1.2%

3-Year CAGR

March Standout Markets



CHINA+HK
+11,730 MT



SOUTHEAST ASIA
-1,091 MT



EU27
+2,661 MT



SSA
+1,637 MT

ADDITIONAL NOTES

Given the importance of China to today's whey market, let's focus on China's dramatic rebound and whether it can persist. Lower inventory coming into the year, forward shipping in anticipation of higher tariffs as well as rebounding hog prices have all likely contributed to the recent demand improvement in the country. However, as stocks are replenished and higher tariffs on U.S. whey products are passed onto customers (even if far below the 125% originally announced), we anticipate imports could ease as we move through the back half of the year. Positively, one supporting factor for improved Chinese demand is rallying piglet prices, which have climbed 20% YTD. Piglet prices are often a leading indicator for whey imports as higher piglet and pork prices send a signal to pork producers to get their animals to market weight and accelerate weaning as fast as possible. Pork prices have yet to follow piglet prices on this rally, but if they do (as they've done historically), we expect growing low protein whey demand to stay relatively firm thru the end of the year... provided tariffs don't throw a wrench in this longstanding correlation.

Whey Products (0404.10) Market Commentary



LOOKING AHEAD

- Low protein whey trade to Southeast Asia has historically been very consistent, averaging 3.4% growth per year in the decade preceding the inflationary challenges of 2022. **As we move into 2025, demand has recovered and the region is back above trend in imports, but much of the work to get there was done by Indonesia as whey imports to the most populous country in the region surged 27% (+31,748 MT) last year.** Unfortunately, Indonesian imports have slipped by 14% in Q1 (-4,697 MT) with much of that pullback at the expense of U.S. – likely driven both by higher U.S. prices and higher whey prices in general burning off demand. With U.S. back to a competitive level and European exporters likely to prioritize China, we anticipate U.S. low protein whey exports to the largest market in Southeast Asia (and second largest in the world) will improve even if overall purchases from Indonesia buyers decline further.
- Despite U.S. prices easing to align with other suppliers, **global low protein whey prices are elevated and have consistently risen since the summer of 2023 – up 71% from that time.** We may start burning off demand if this rally continues and while Chinese demand is doing a large part in supporting these higher prices, we've seen Chinese demand shift quickly in the past. **If Chinese demand does pullback – either due tariffs, full inventories, or deterioration in pork markets – low protein whey prices could see a sharp correction downward.**

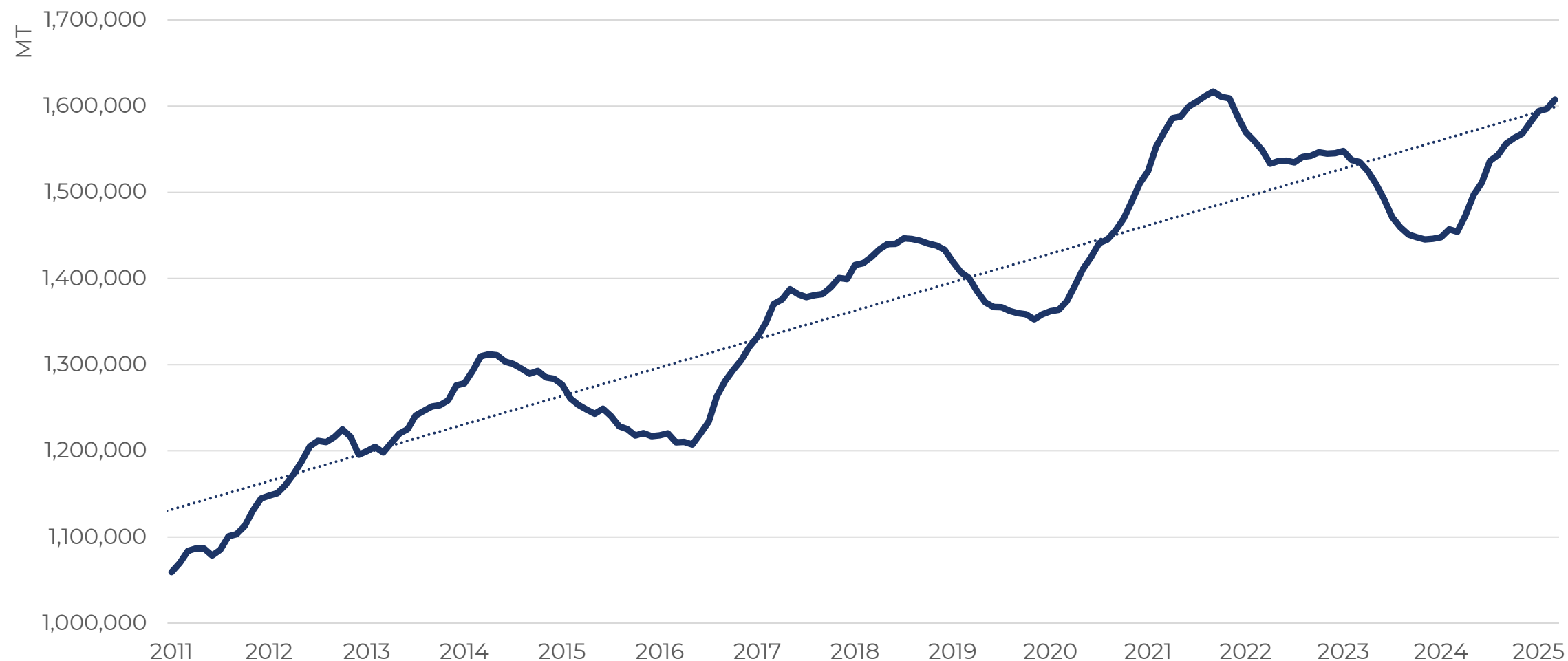
U.S. Whey (0404.10) Exports	+3.1% March YoY	+4.4% YTD, Ending March	+8.8% Last 12-Months, Ending March	+2.9% 3-Year CAGR
EU Whey (0404.10) Exports	+18.0% March YoY	+8.4% YTD, Ending March	+8.3% Last 12-Months, Ending March	+2.7% 3-Year CAGR
NZ Whey (0404.10) Exports	+102% March YoY	-15.0% YTD, Ending March	-3.6% Last 12-Months, Ending March	-1.2% 3-Year CAGR

Average Whey (0404.10) Export Value to World

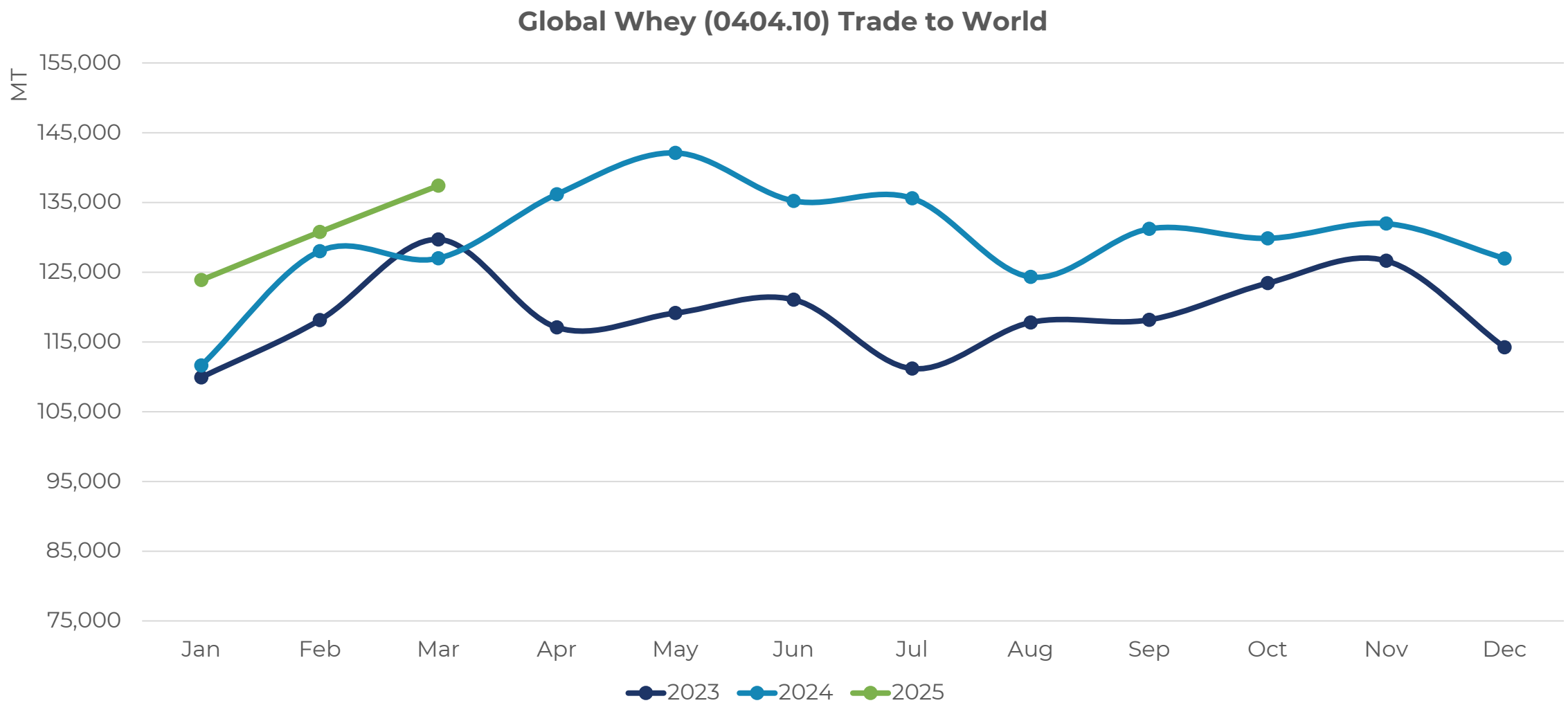


Global Overview: Whey (0404.10)

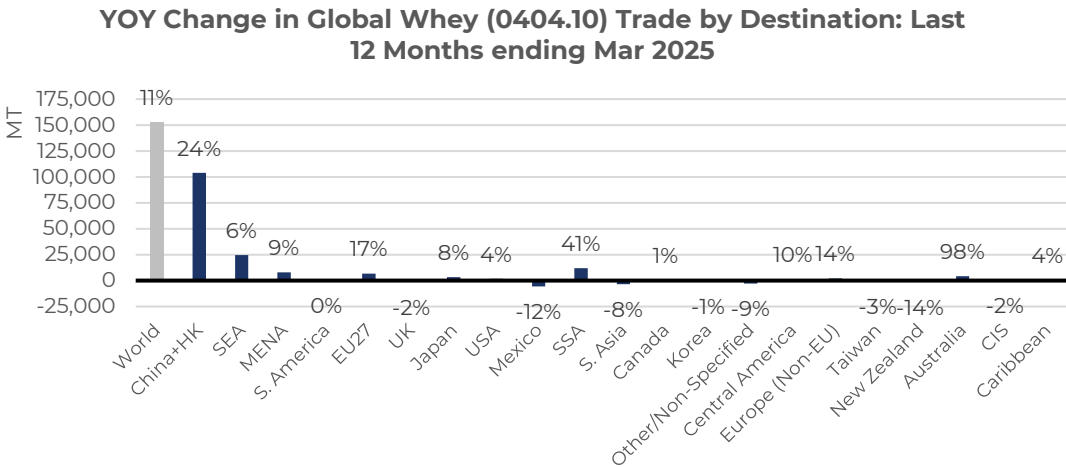
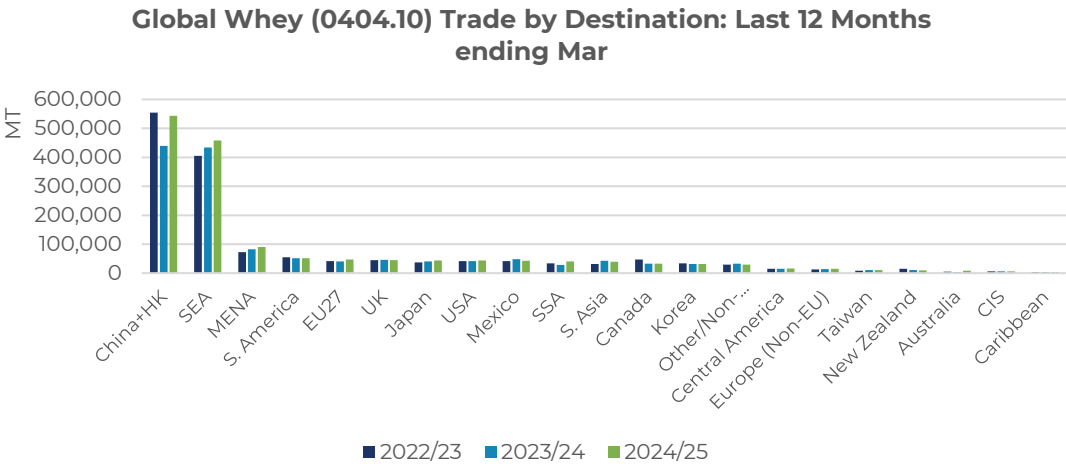
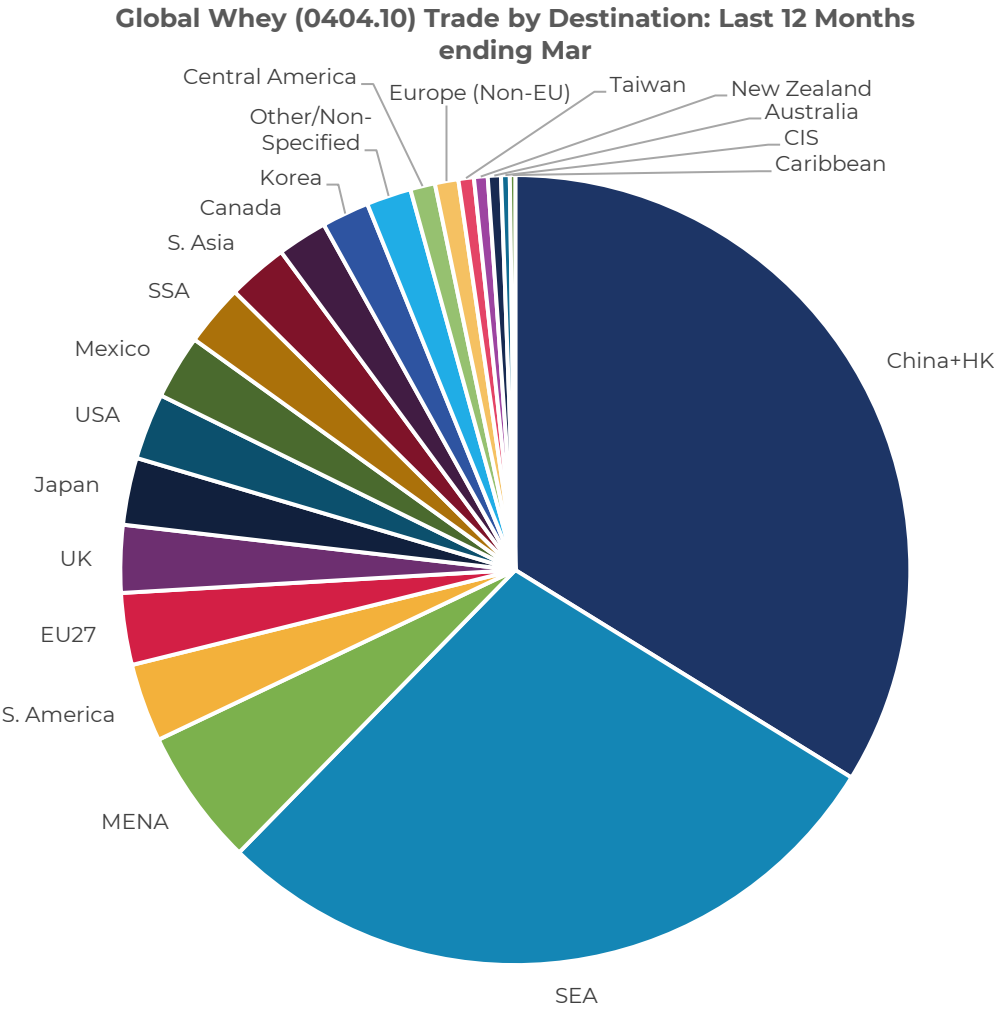
Global Whey (0404.10) Trade to World



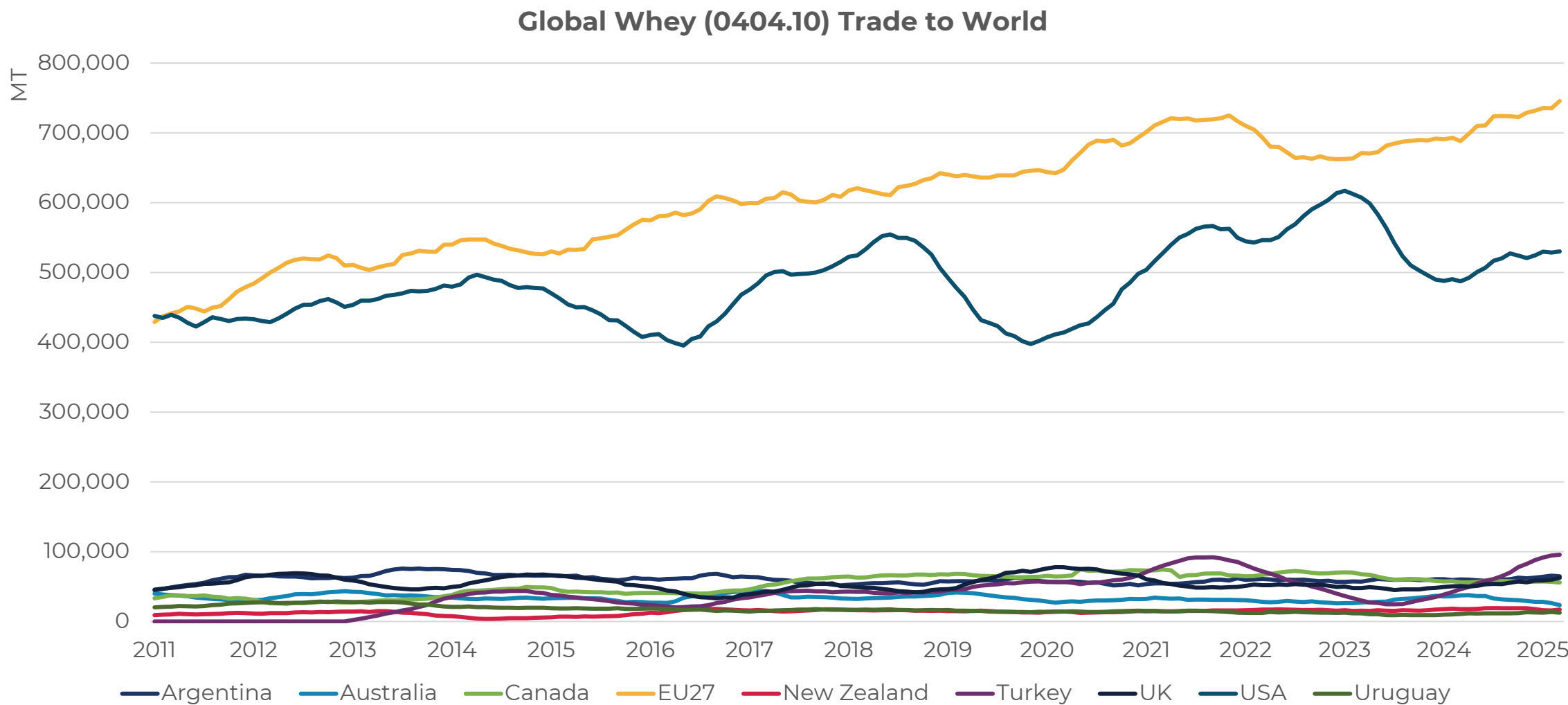
Global Overview: Whey (0404.10)



Global Overview: Whey (0404.10) – Last 12 Months

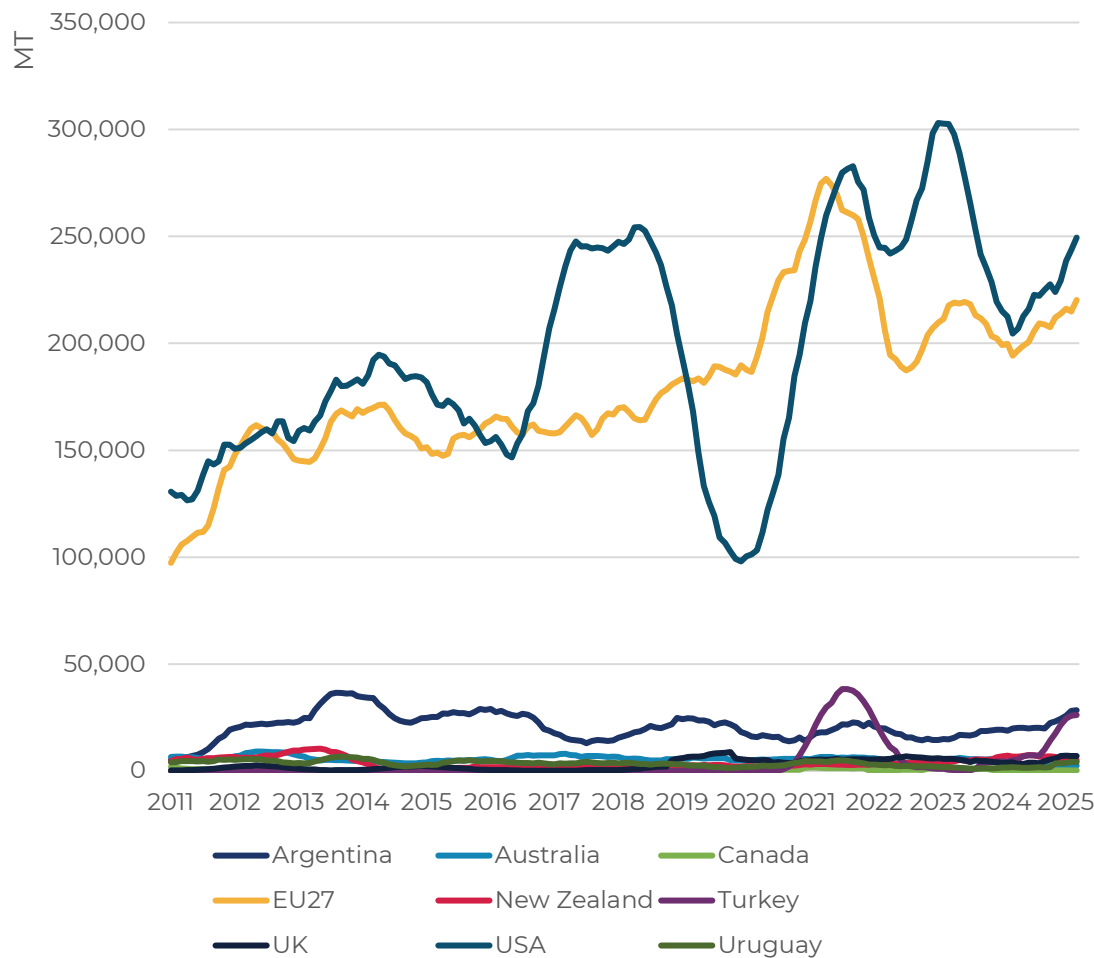


Trade Flows: Whey Products

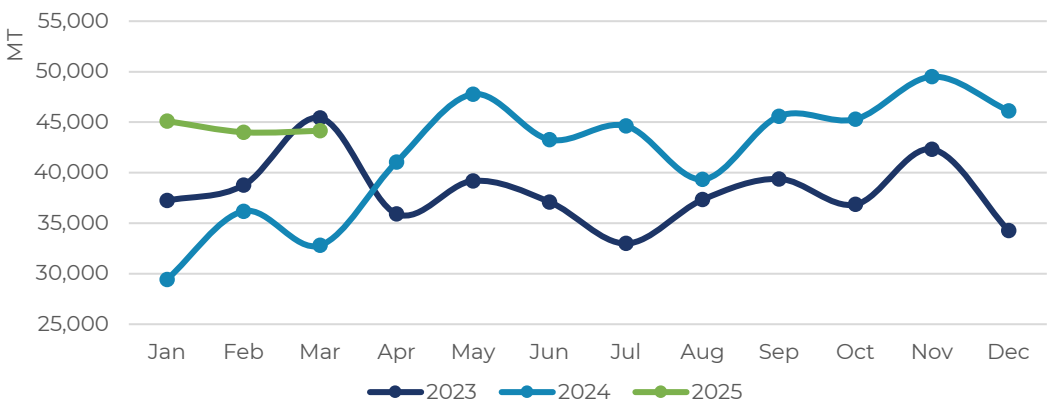


China

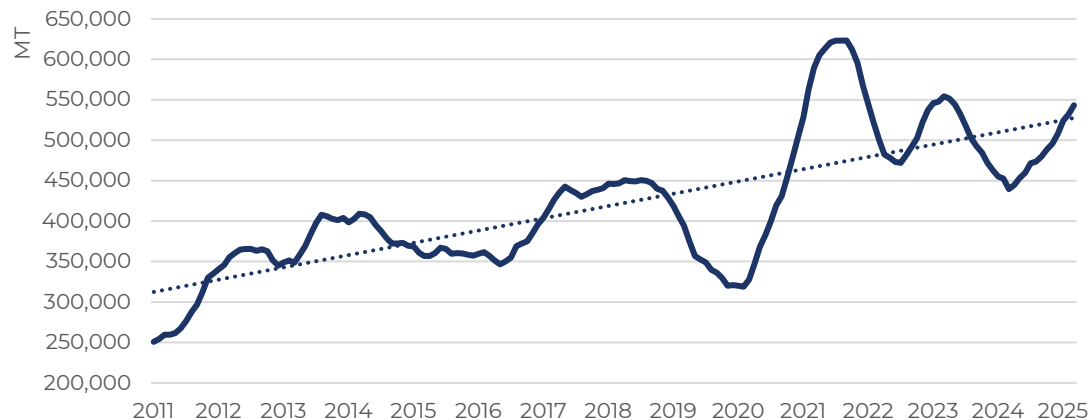
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

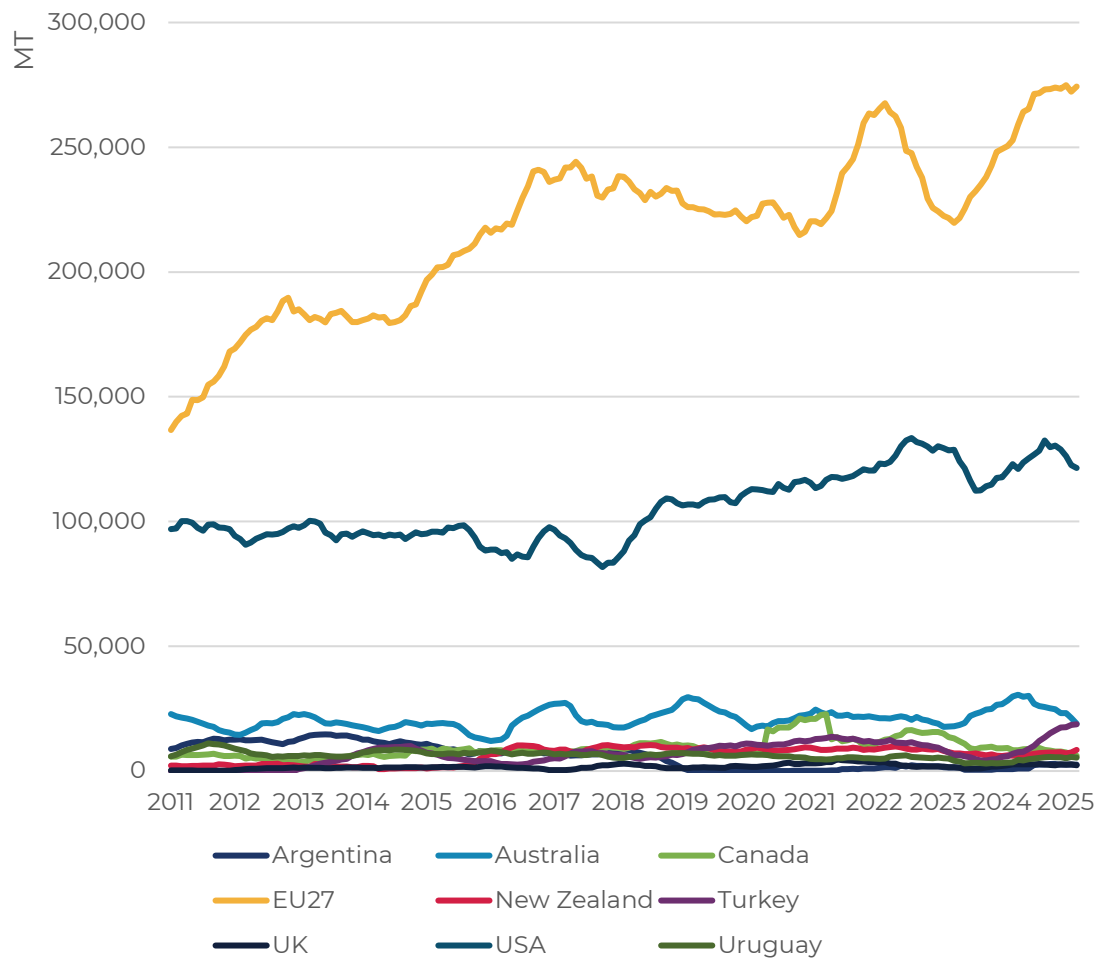


Global Whey (0404.10) Trade to China+HK

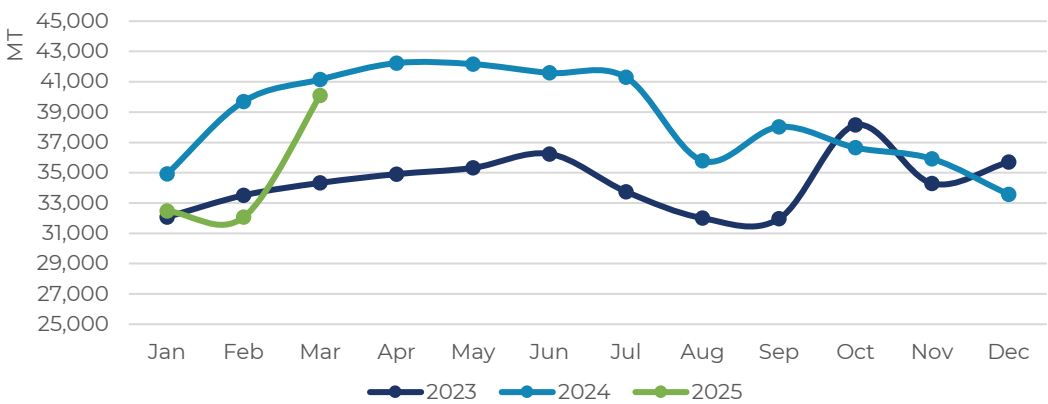


Southeast Asia

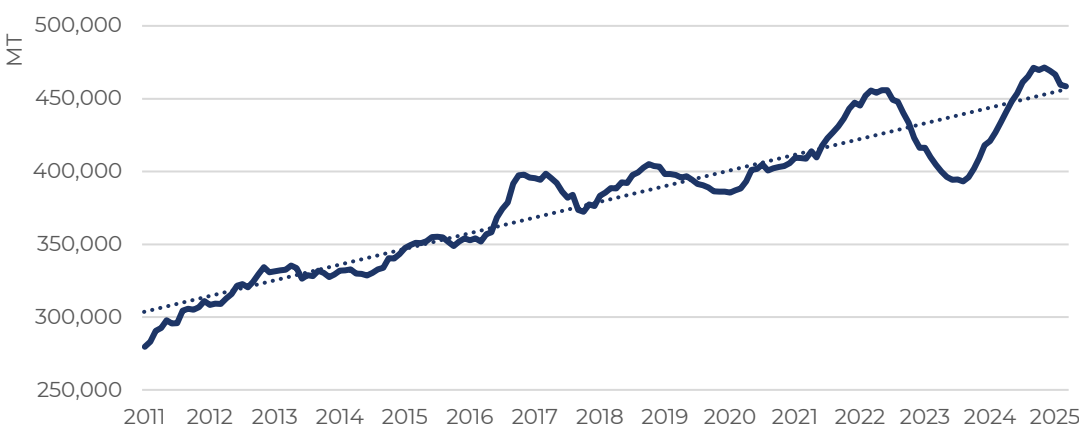
Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA

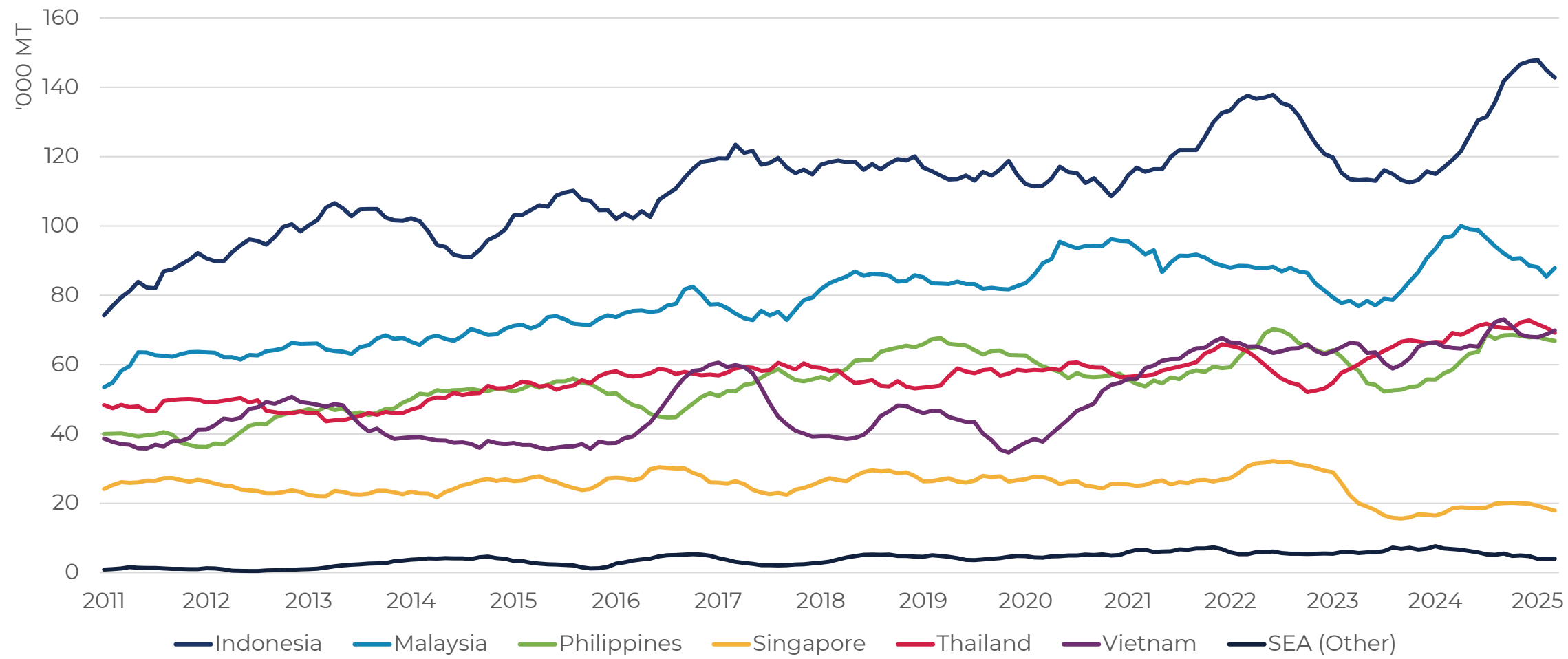


Global Whey (0404.10) Trade to SEA



Southeast Asia Country Breakdown

Global Whey (0404.10) Trade to Southeast Asia by Country





**WPC80+
(3502.20)**

WPC80+ (3502.20) Market Commentary



KEY TAKEAWAYS

- **Elevated prices have done little to dampen global consumer demand for high protein whey as shipments soared to record high levels in March.** More than 19,000 MT of product circled the globe during the month, a full 13% more than the prior record set in July 2020.
- Most destinations saw volumes rise but none so much as China where shipments returned to growth, rising 46% (+1,210 MT) YOY after slipping below prior year levels in February. **Unfortunately, almost all of that growth in Chinese demand was supplied by Europe, as EU WPC80+ shipments to the country have doubled in the last 12 months** (+101%, +7,964 MT). Elsewhere, India extended its buying spree into March with volumes rising to a record large 2,340 MT (+45%, +730 MT). Further gains were seen from Europe (See Additional Notes), Southeast Asia (+87%, +394 MT), and the U.S. (+45%, +353 MT).
- **The most significant decline in trade was seen into Canada as buyers pulled back on orders likely in response to higher tariffs (25% effective March 4).** Shipments into Canada – nearly all of which is supplied by the U.S. – fell by 43% (-596 MT) in March, pulling volumes down to the lowest level seen for the month of March in three years. With “products used in further manufacturing” now exempted from the 25% tariff, demand could rebound over the summer.

Global
WPC80+
Trade

+16.7%

March YoY

+10.5%

YTD, Ending March

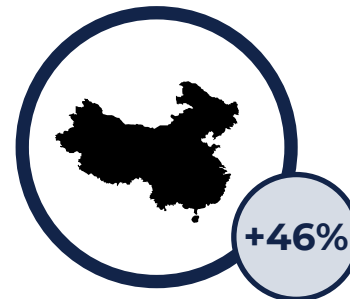
+5.6%

Last 12-Months,
Ending March

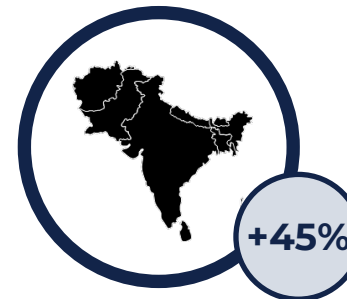
+2.6%

3-Year CAGR

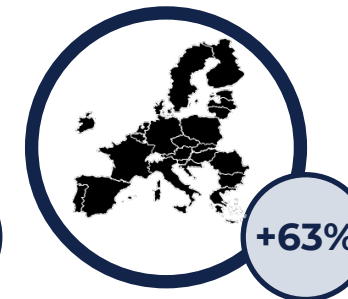
March Standout Markets



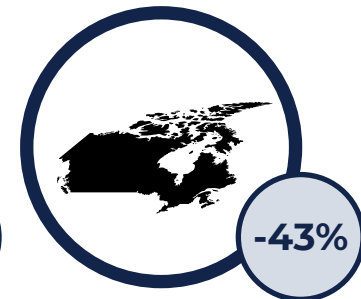
CHINA+HK
+1,210 MT



SOUTH ASIA
+731 MT



EU27
+1,135 MT



CANADA
-596 MT

ADDITIONAL NOTES

Even though the U.S. remains the largest global supplier of WPC80+, European suppliers have reaped most of the benefit of the increase in global WPC80+ trade in Q1. March shipments from the EU jumped by 53% (+2,069 MT) while the UK added another 1,069 MT (+86%) to the global total. Rising cheese production and a shift toward the production of higher value ingredients has bolstered the production and export of high protein whey from Europe, with most of the growth being sent to China, India, Japan and the U.S. The increased sales to the U.S. were almost certainly the result of traders taking advantage of the price spread between the two largest manufacturing and consuming markets for high protein whey in the world. Meanwhile, shipments from the U.S. and New Zealand fell by 2% (-167 MT) and 12% (-312 MT), respectively. Interestingly, despite growing its exports, trade of WPC80+ into the EU also grew dramatically in March, rising by 63% (+1,135 MT) relative to the same month last year, though nearly all of this product was sourced from the neighboring UK with only nominal amounts coming from the U.S. and Oceania.

WPC80+ (3502.20) Market Commentary



LOOKING AHEAD

- Global export values for WPC80+ ticked down slightly in March, though at \$12,019/MT, product remains expensive compared to historical norms. **While the industry has expressed concern that high prices may push food manufacturers to reformulate away from whey proteins, this yet to be observed in the data.** Over the first four months of the year, an estimated 2,079 new product launches that include WPC or WPI as an ingredient were reported, up 19% compared to the same period last year.
- **Even though high prices remain a risk, resilient consumer demand for protein, and especially whey proteins, continues to drive global trade of WPC80+ higher with little sign that this trend is abating.**
- As milk production recovers and cheese production rises, especially in the U.S., the resulting whey stream will likely keep whey manufacturers well supplied and should continue to support rising trade in the coming months. Trade policy remains a risk to the outlook, but with current tariff measures on pause or lowered, it seems that market fundamentals will prevail, at least in the short term.

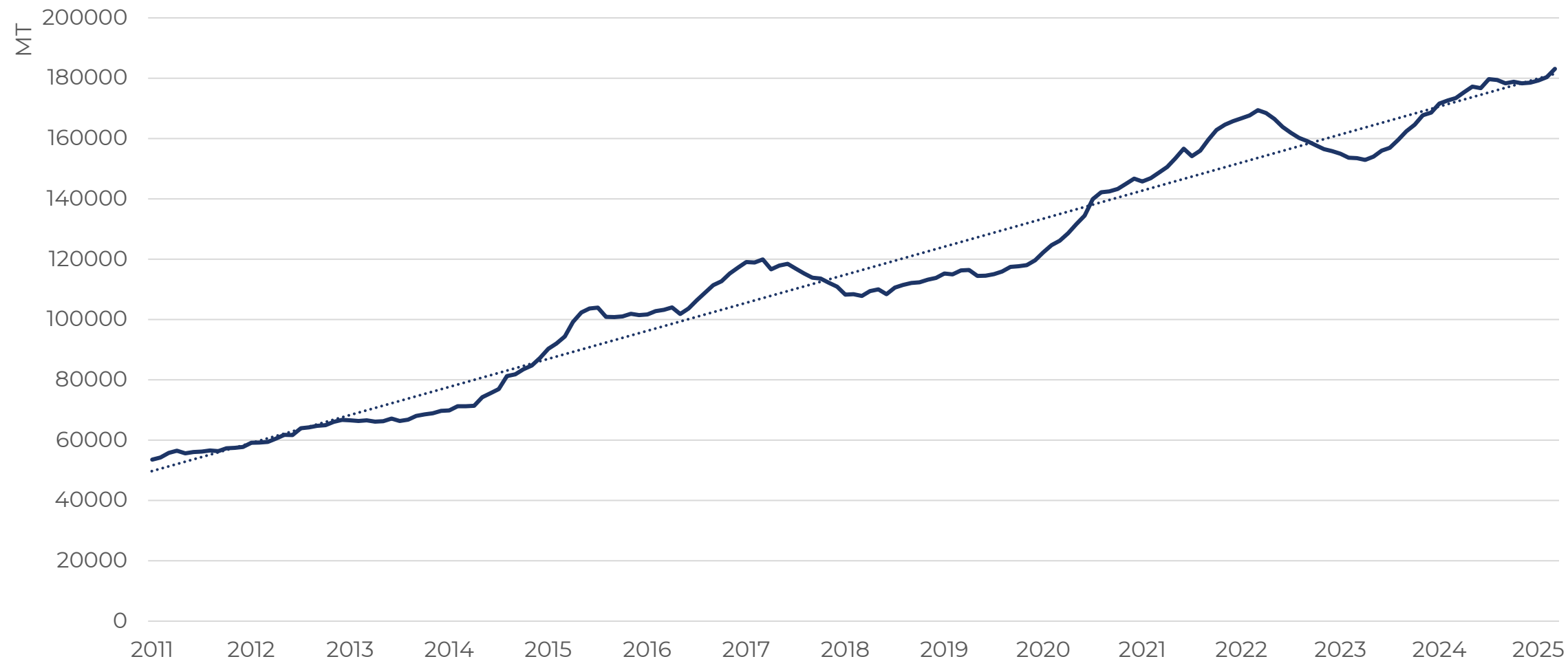
U.S. WPC80+ Exports	-2.1% March YoY	-1.1% YTD, Ending March	-7.9% Last 12-Months, Ending March	-2.7% 3-Year CAGR
EU WPC80+ Exports	+53.1% March YoY	+29.1% YTD, Ending March	+17.4% Last 12-Months, Ending March	+5.5% 3-Year CAGR
NZ WPC80+ Exports	-12.2% March YoY	-2.6% YTD, Ending March	+16.5% Last 12-Months, Ending March	+5.2% 3-Year CAGR

Average WPC80+ Export Value to World



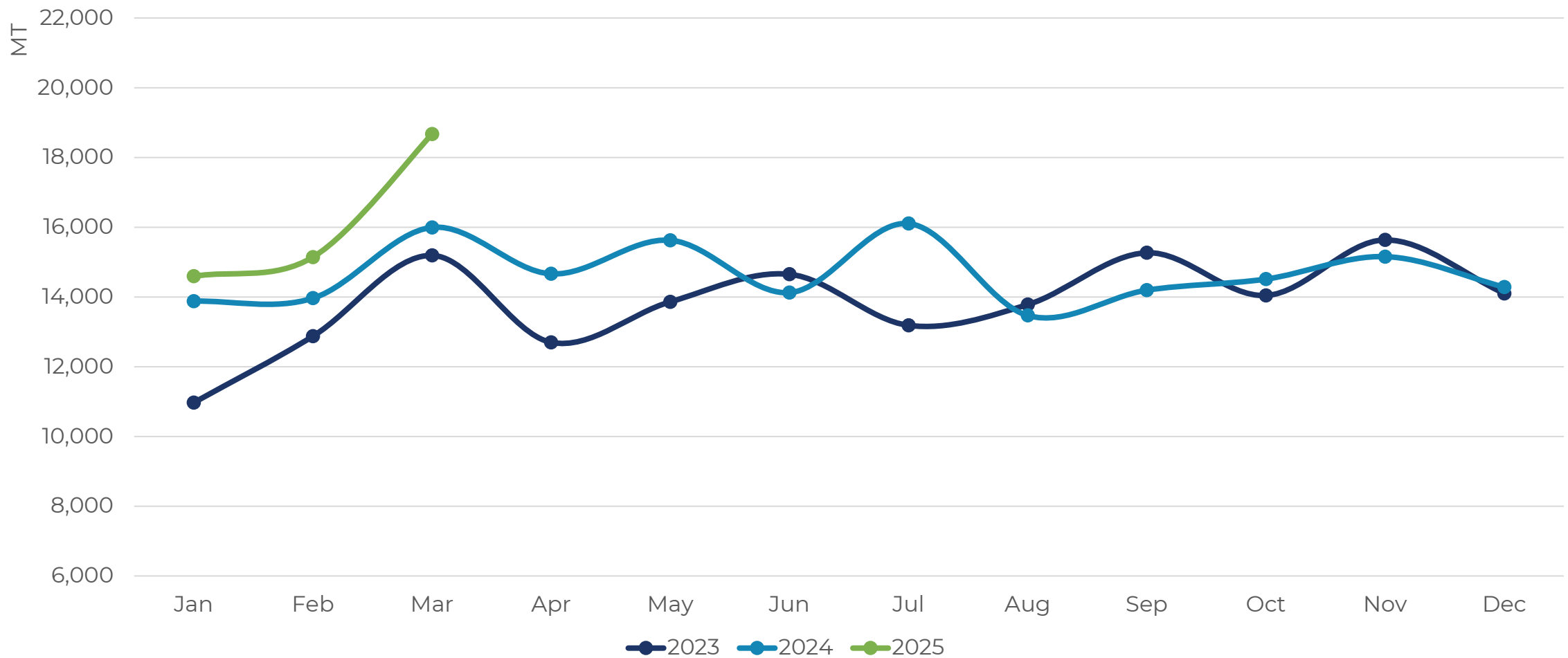
Global Overview: WPC80+

Global WPC80+ Trade to World

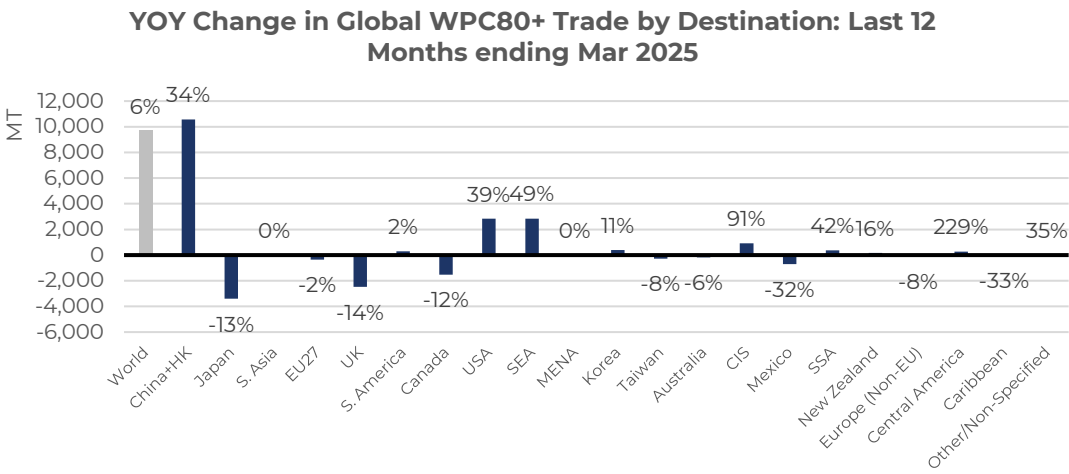
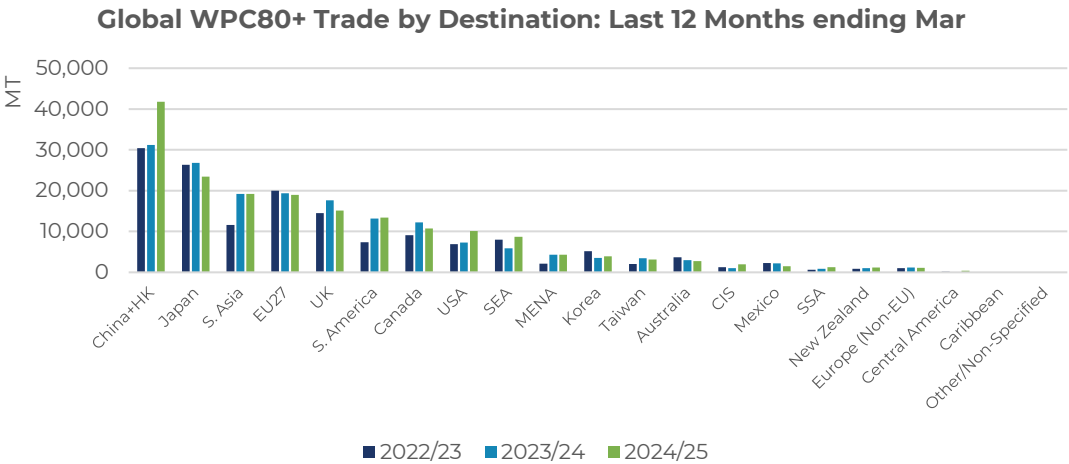
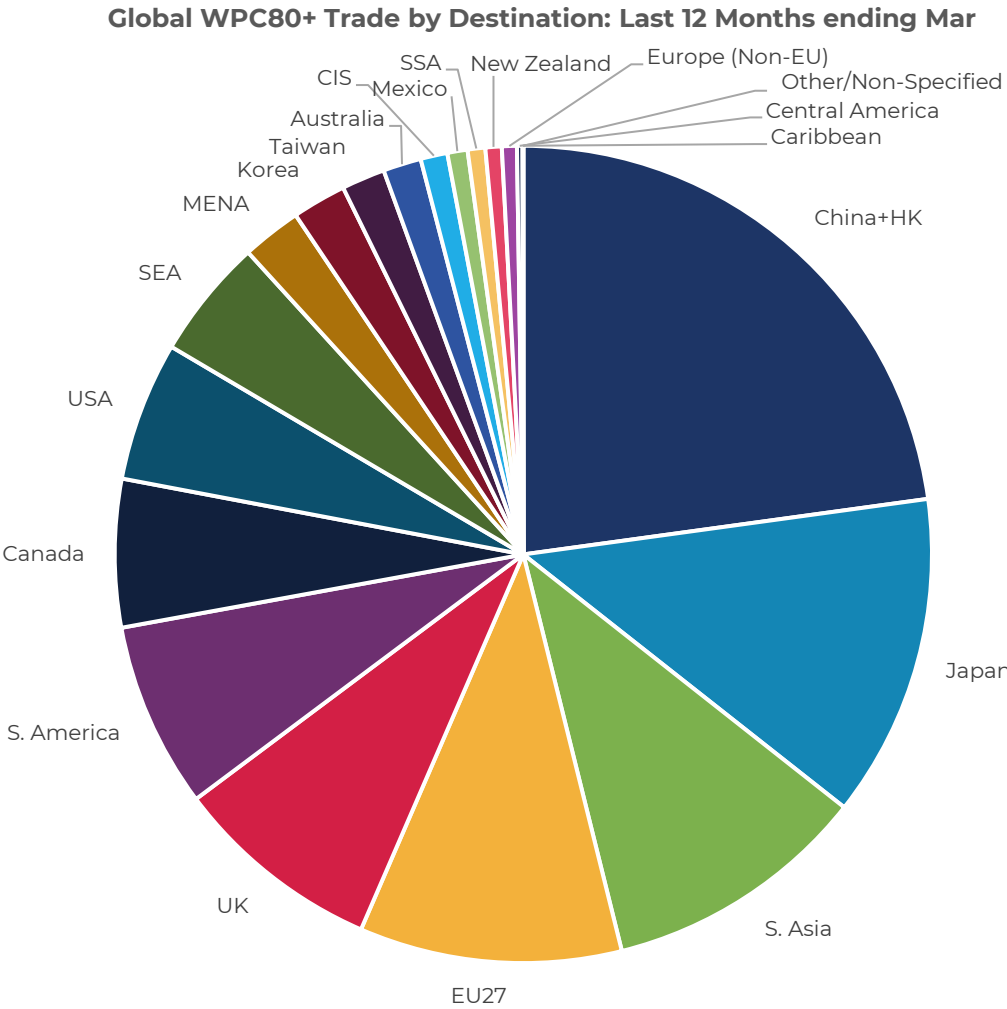


Global Overview: WPC80+

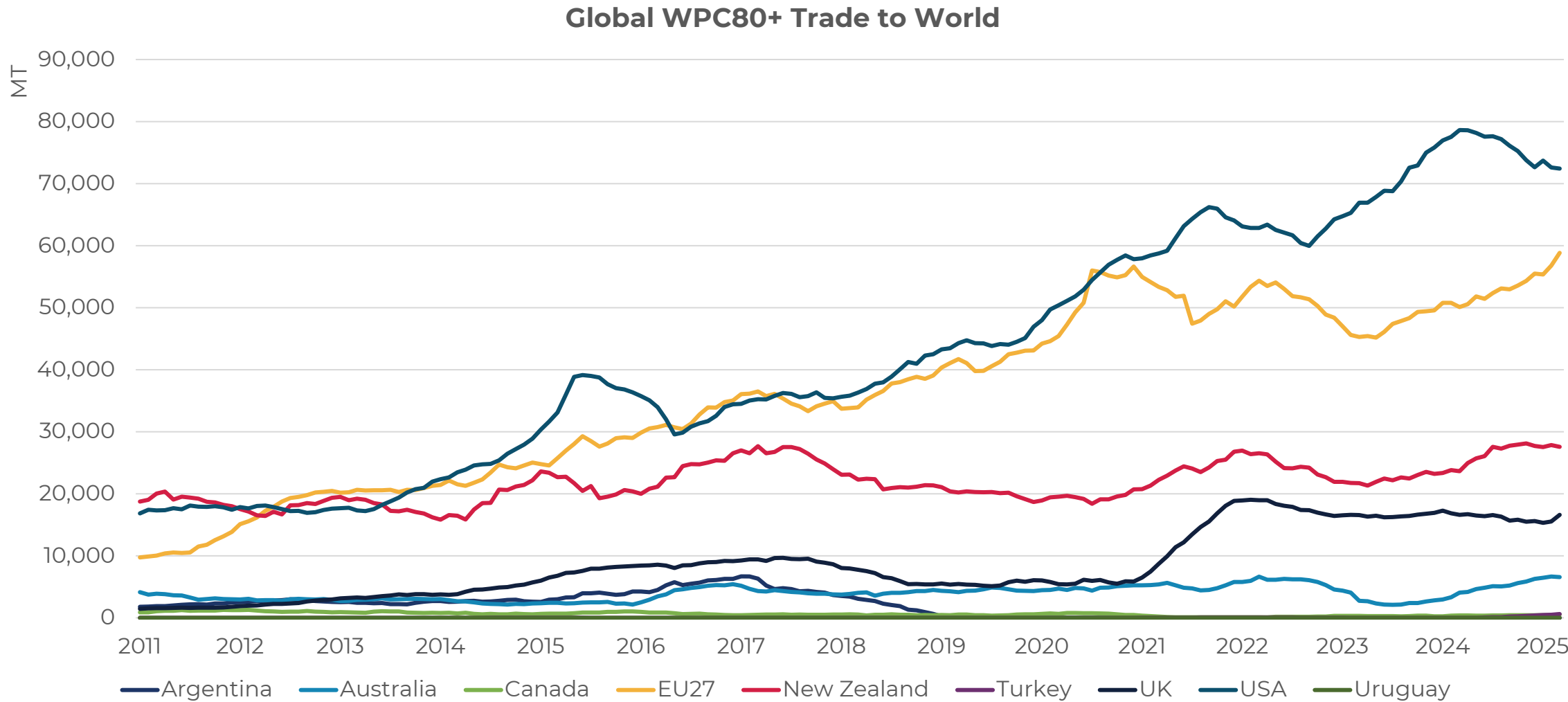
Global WPC80+ Trade to World



Global Overview: WPC80+ – Last 12 Months

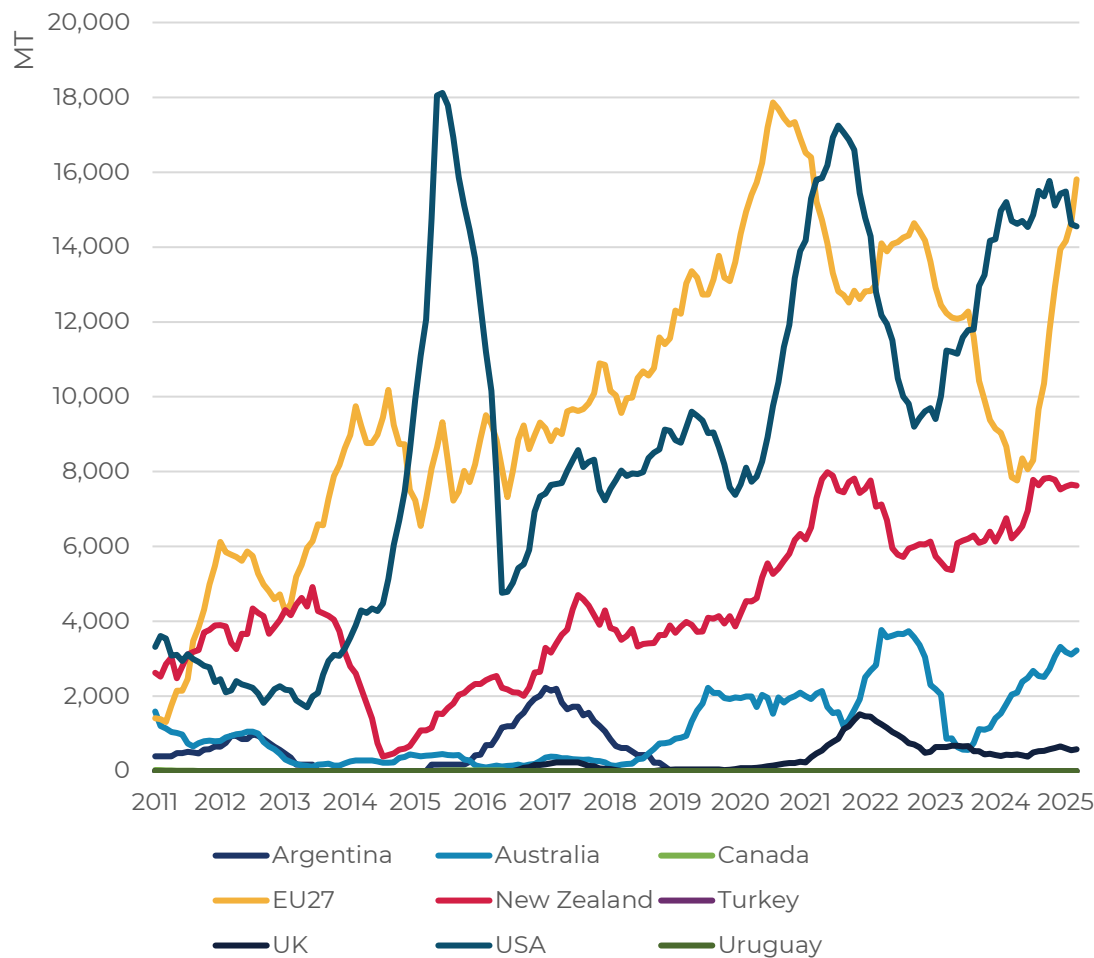


Trade Flows: WPC80+

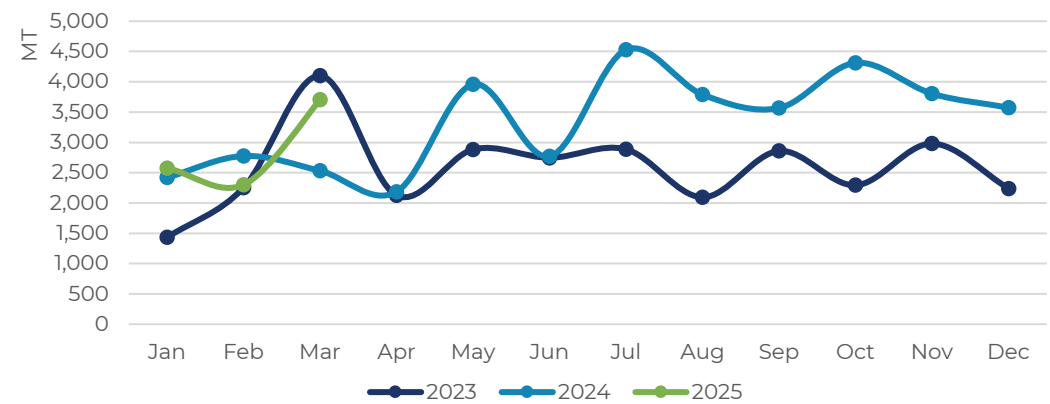


China

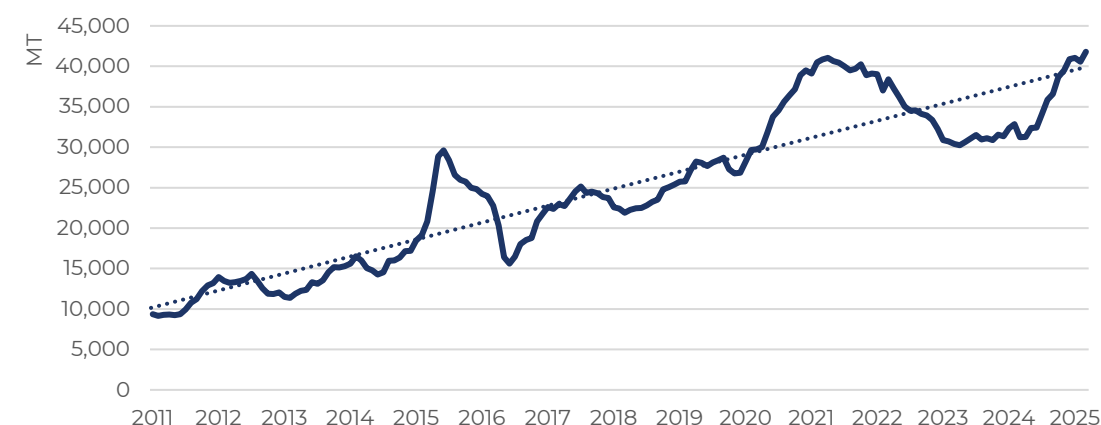
Global WPC80+ Trade to China+HK



Global WPC80+ Trade to China+HK

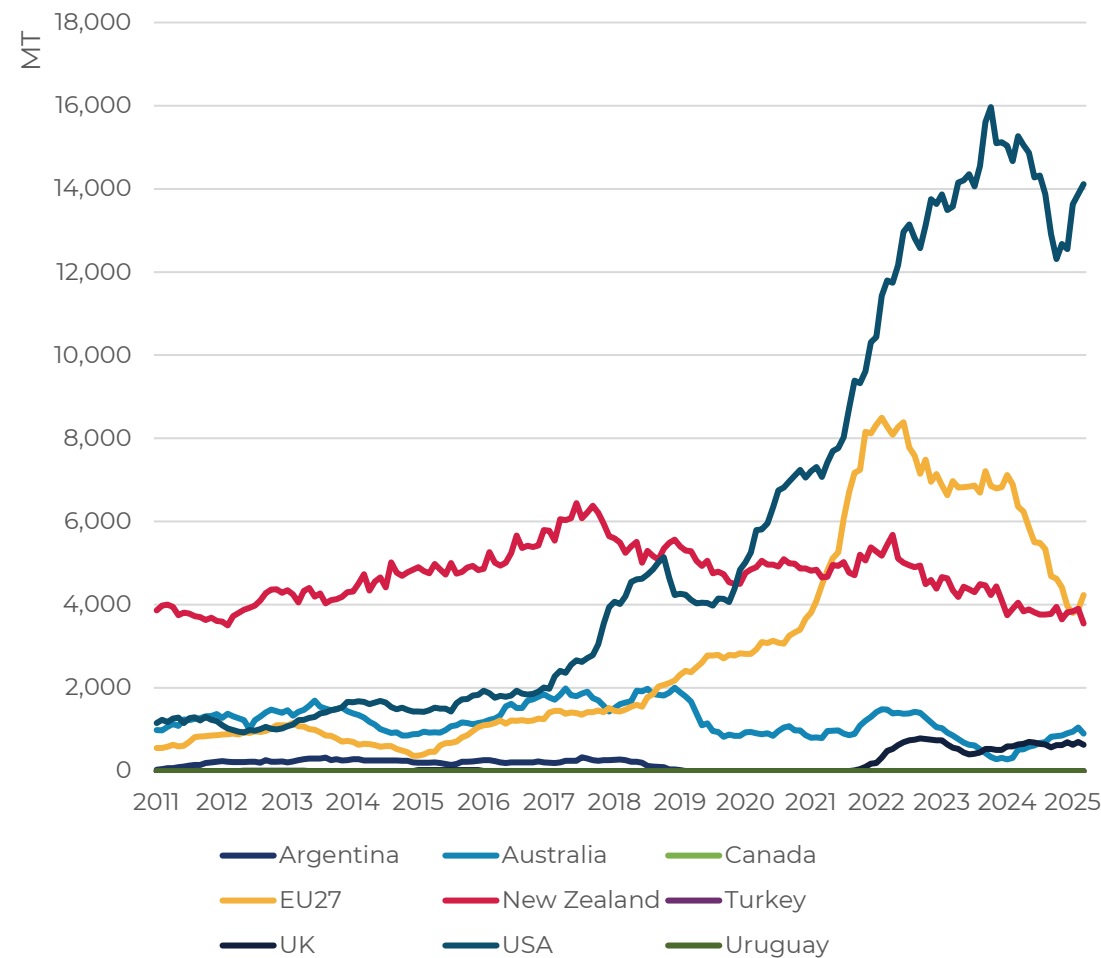


Global WPC80+ Trade to China+HK

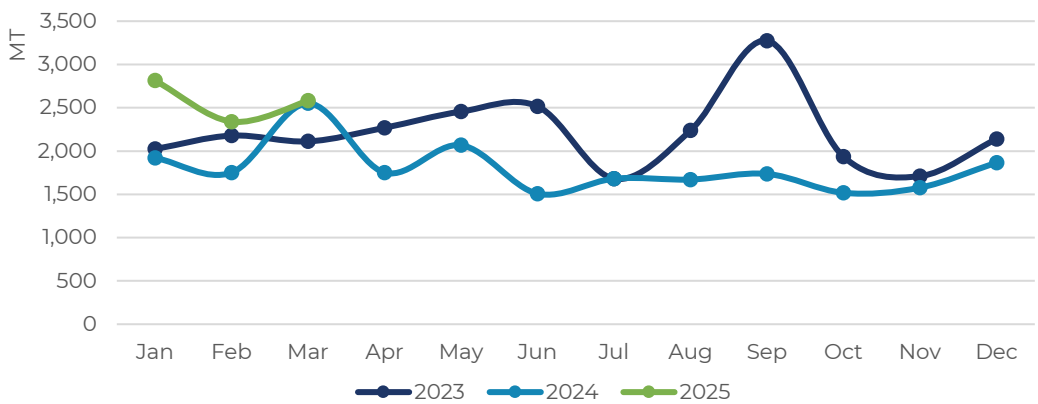


Japan

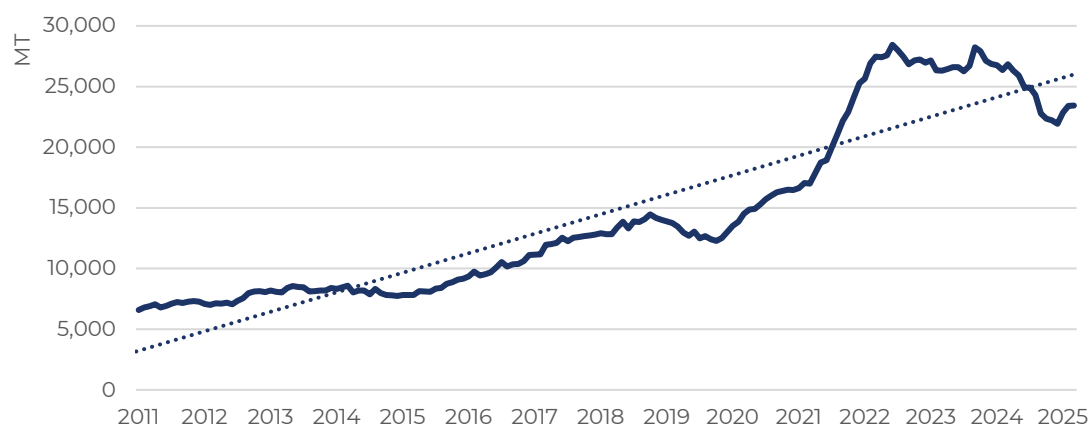
Global WPC80+ Trade to Japan



Global WPC80+ Trade to Japan

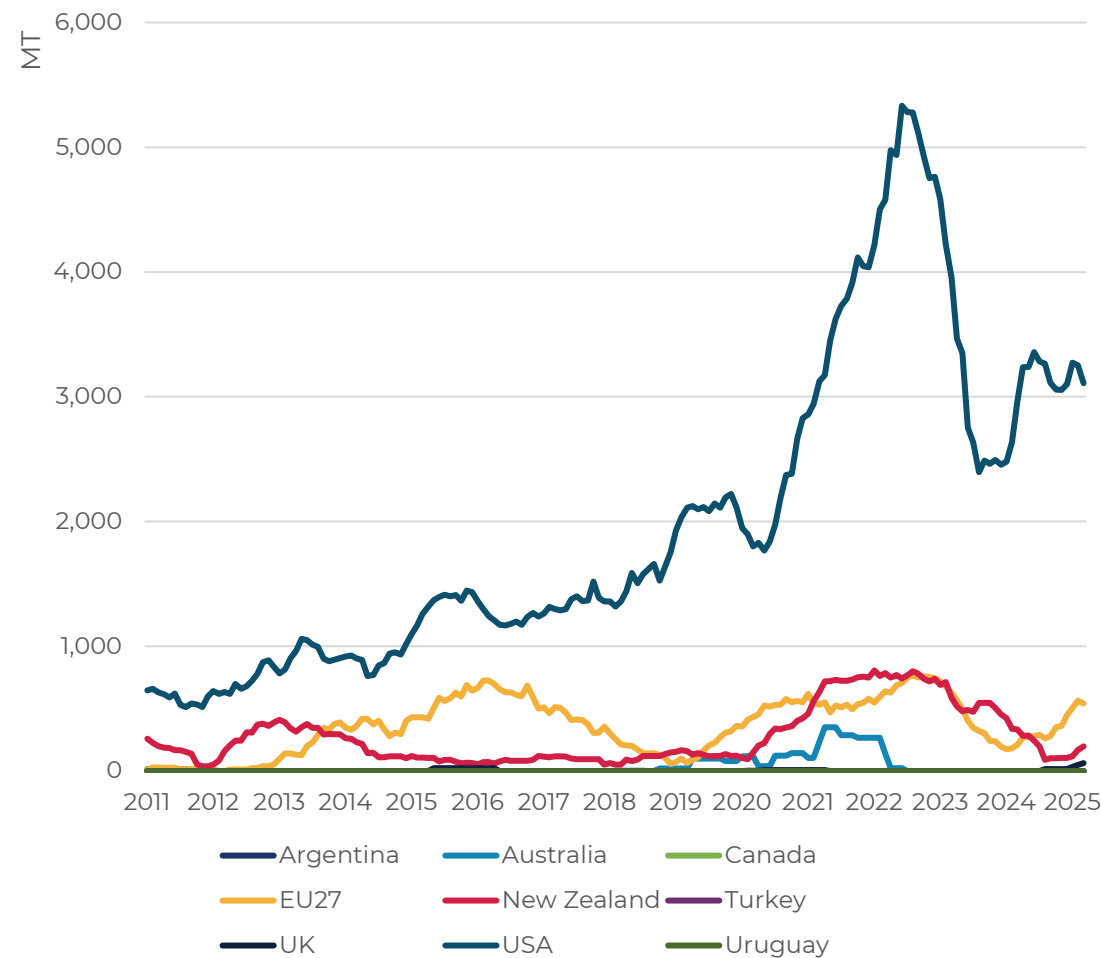


Global WPC80+ Trade to Japan

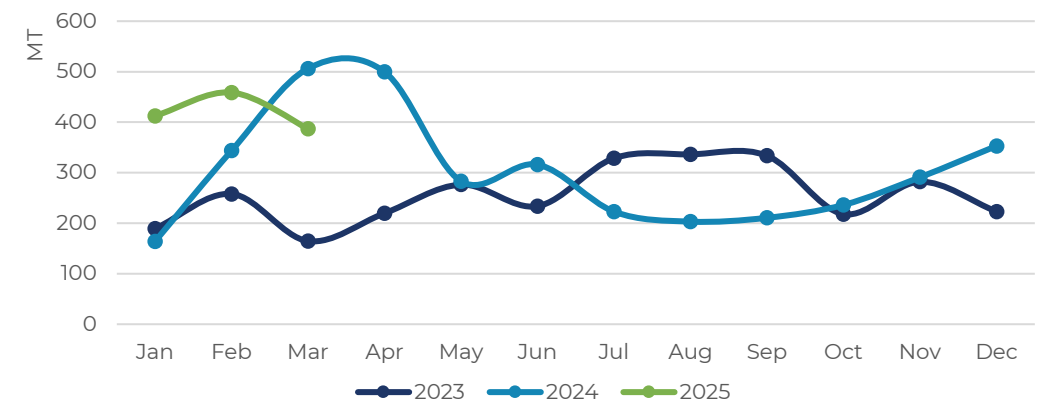


Korea

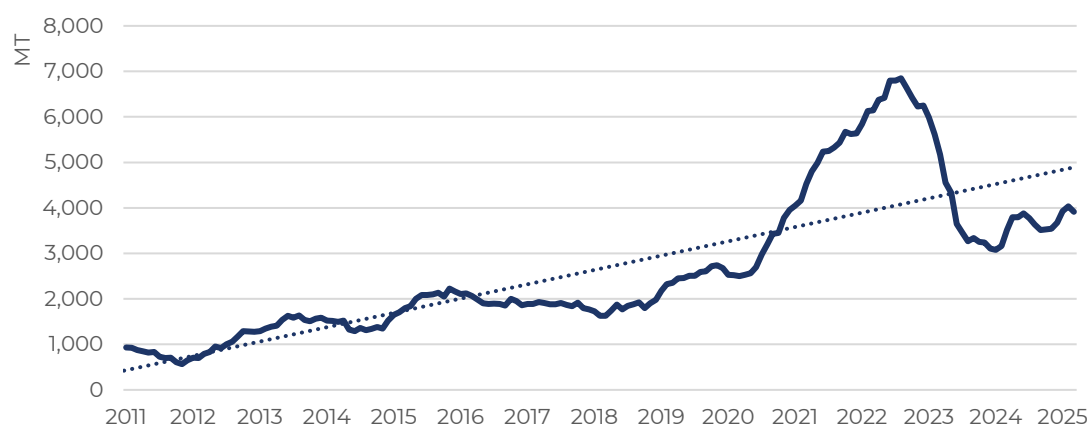
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

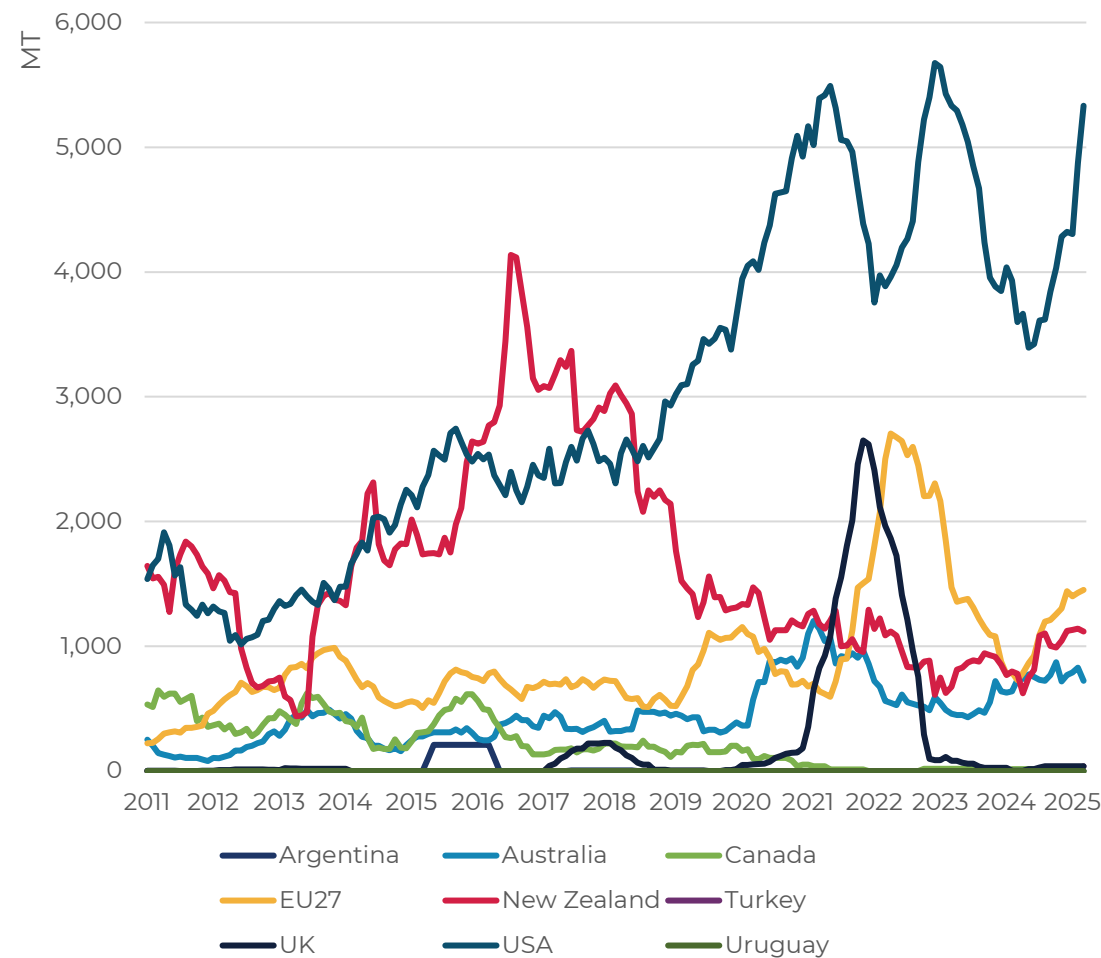


Global WPC80+ Trade to Korea

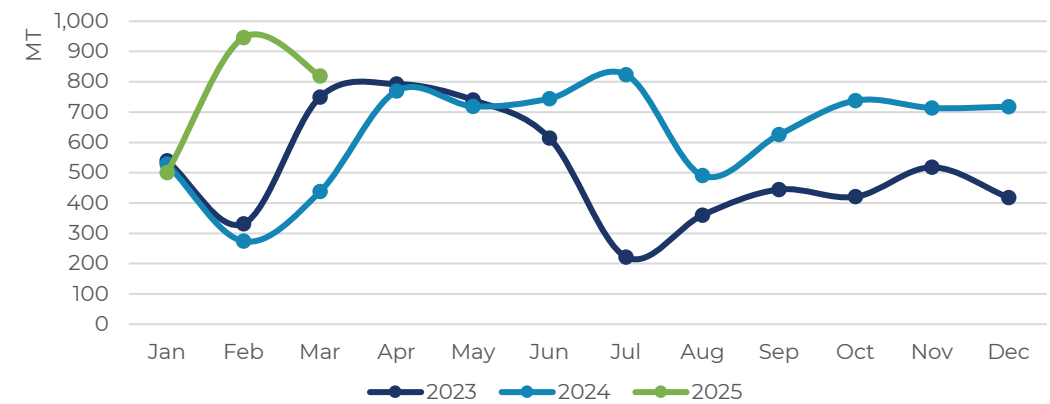


Southeast Asia

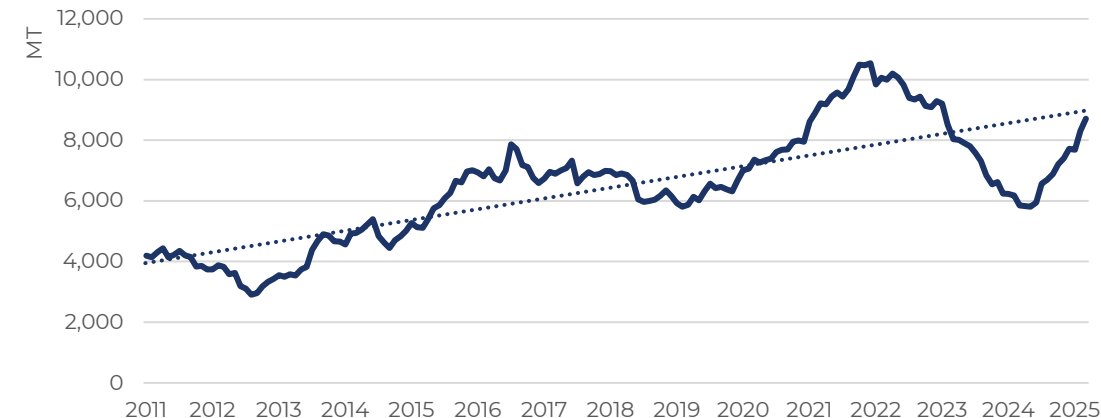
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

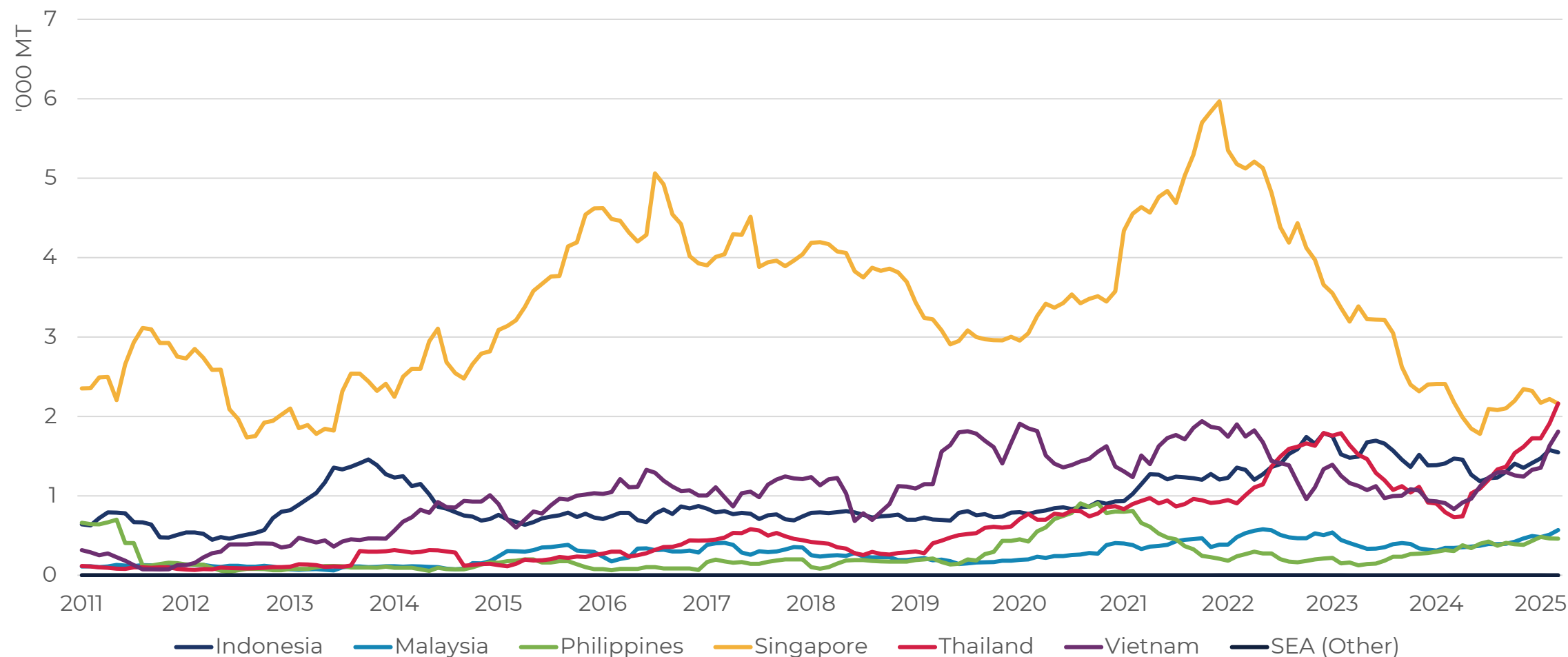


Global WPC80+ Trade to SEA



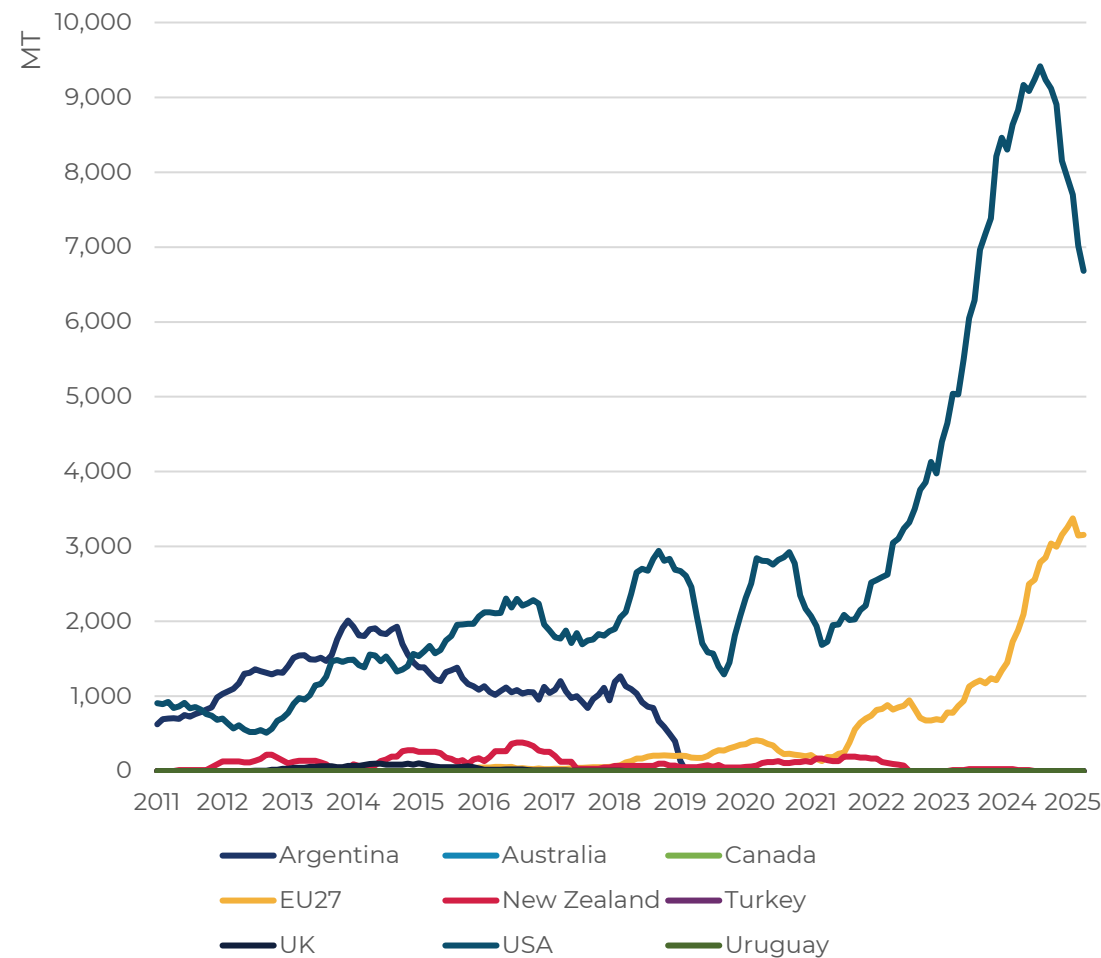
Southeast Asia Country Breakdown

Global WPC80+ Trade to Southeast Asia by Country

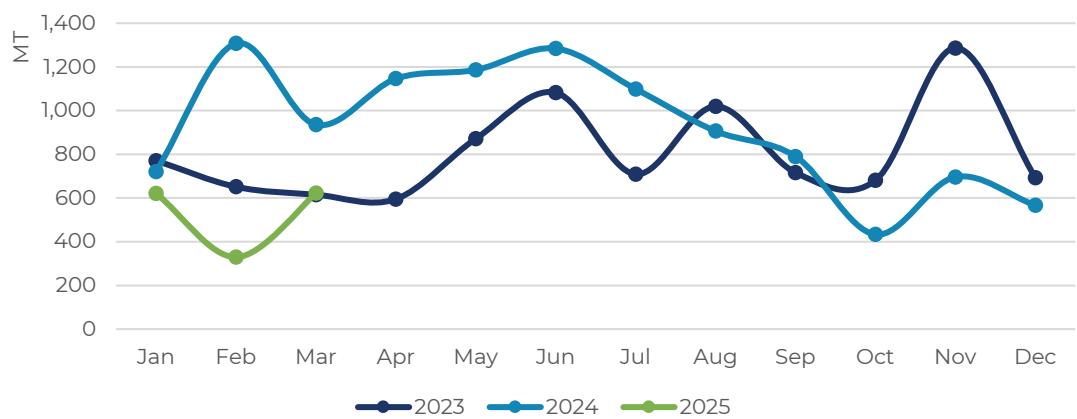


Brazil

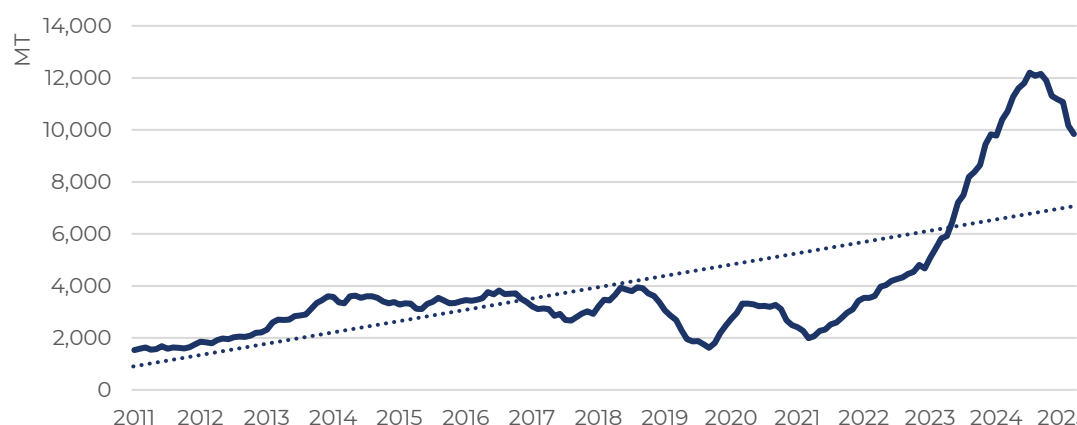
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil

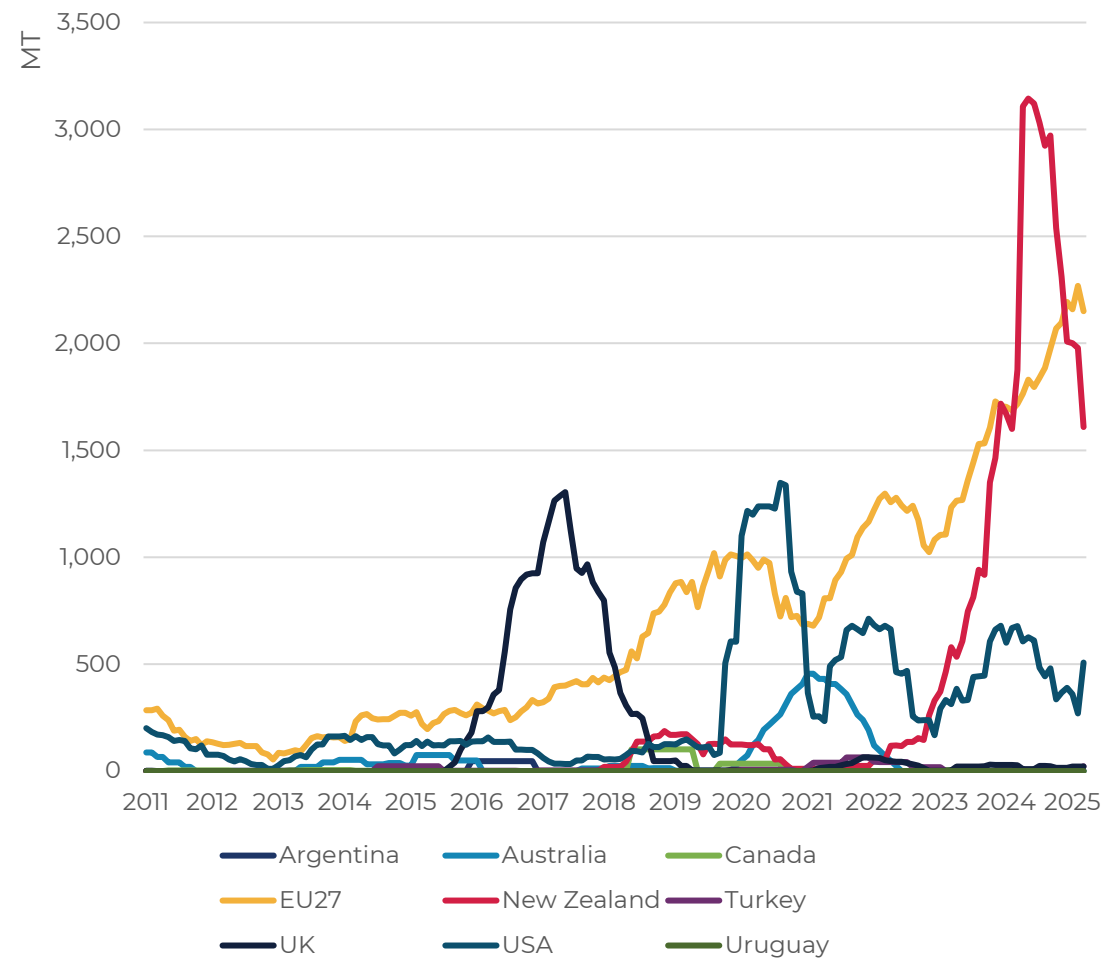


Global WPC80+ Trade to Brazil

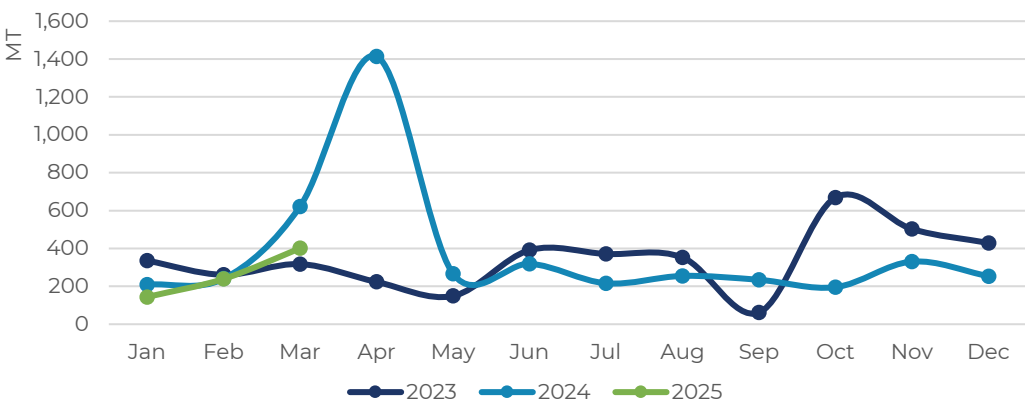


MENA

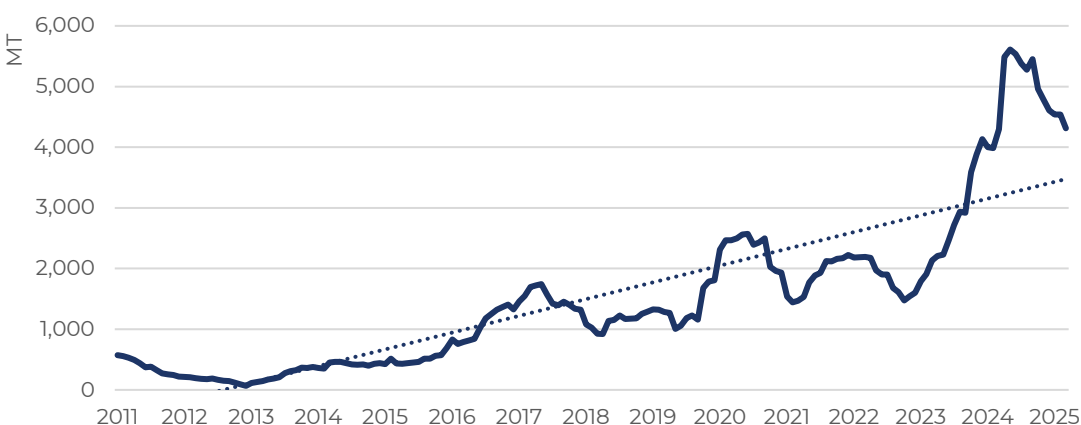
Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA





NMPF | USDEC
DAIRY
ECONOMICS

The background of the slide is a dark, textured image showing various dairy products. In the upper left, there is a metal scoop filled with white powder. Below it, there is a glass of milk and a jar of butter. The right side of the slide is a solid dark blue color with the title text.

Other Dairy Products

Global Overview: Lactose



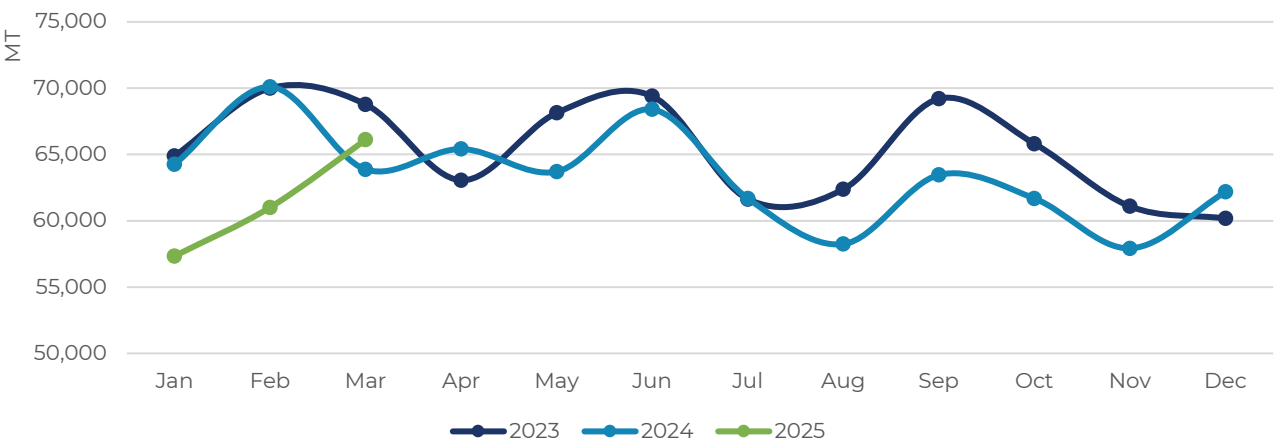
KEY TAKEAWAYS

Global Lactose Trade

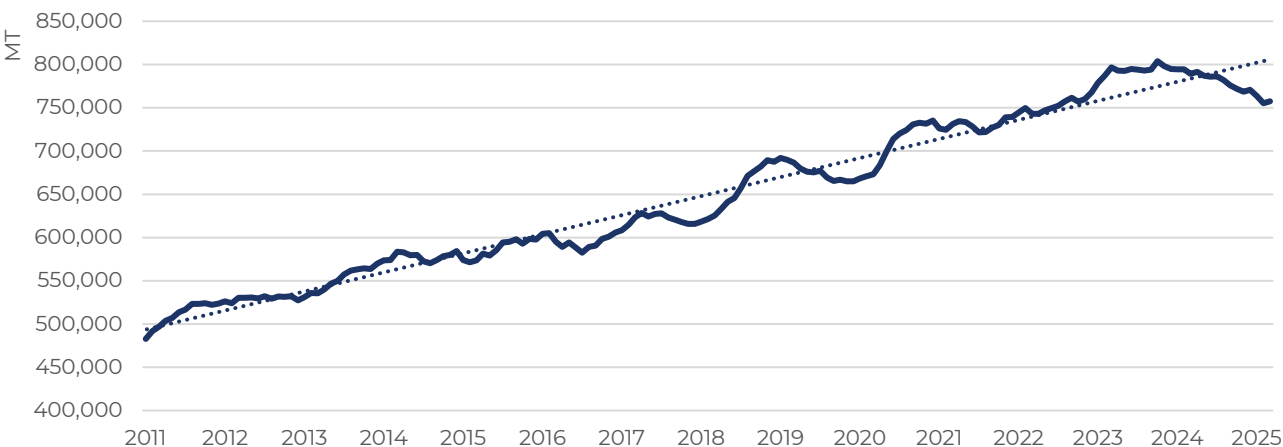
+3.5%	-6.7%	-4.0%	+0.6%
March YoY	YTD, Ending March	Last 12-Months, Ending March	3-Year CAGR

- **Though lactose exports experienced a bump in March, trade in the first quarter was down overall.** The March increase can be primarily attributed to year-over-year growth in Chinese demand (+57%, +6,918 MT), though China was lapping weak comparisons for the second month in a row and likely buying ahead in anticipation of higher tariffs. A delay between product being booked and shipped means that the effects of tariffs imposed in January have yet to show up in the trade data. Yet even accounting for those facts, **China's demand in March was still the second highest for any month on record.**
- Beyond China, New Zealand (-38%, -2,626 MT) and South America (-43%, -2,138 MT) were the other major market movers in March, though these declines were not enough to dim the surprise expansion from China.

Global Lactose Trade to World

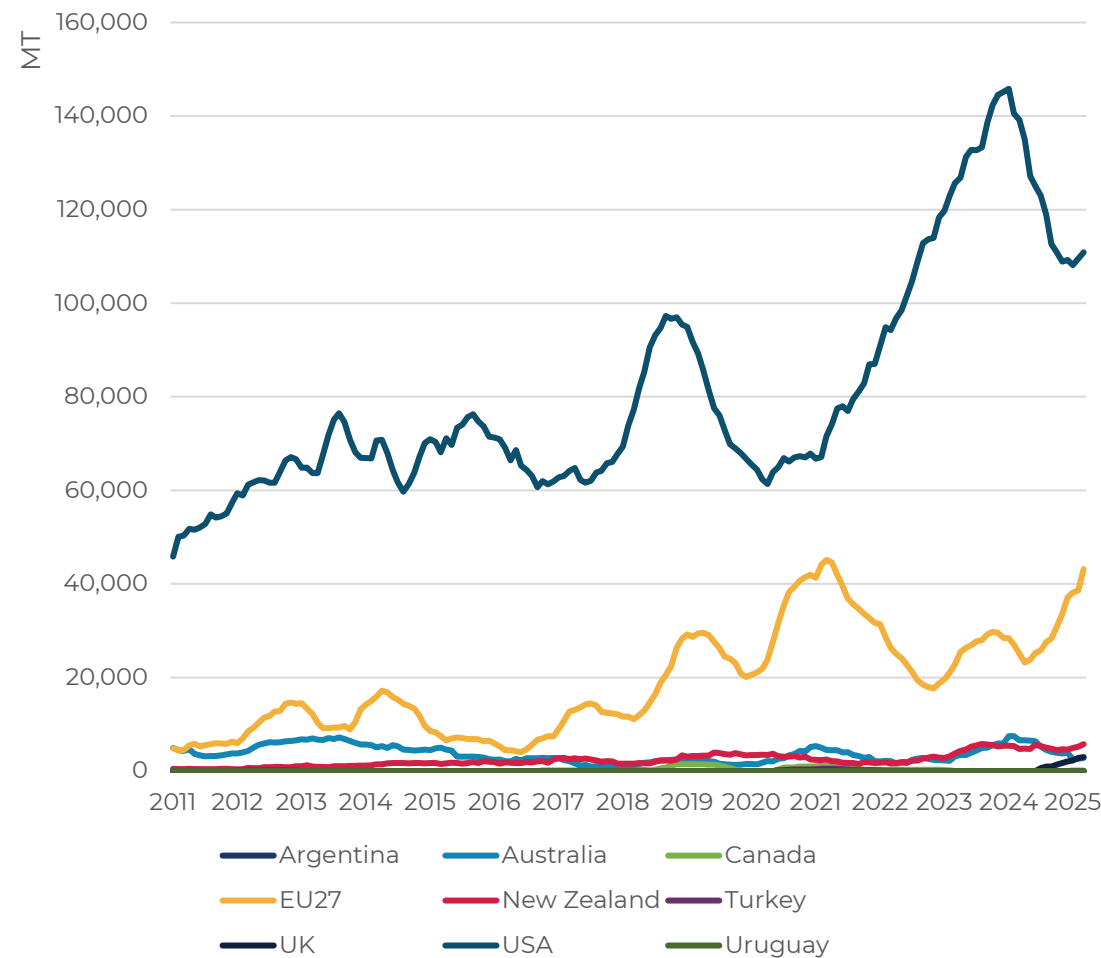


Global Lactose Trade to World

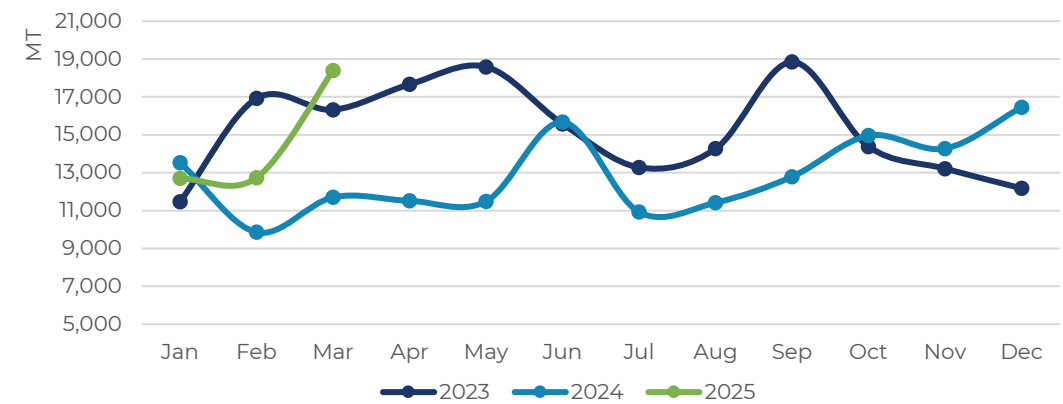


Lactose – China

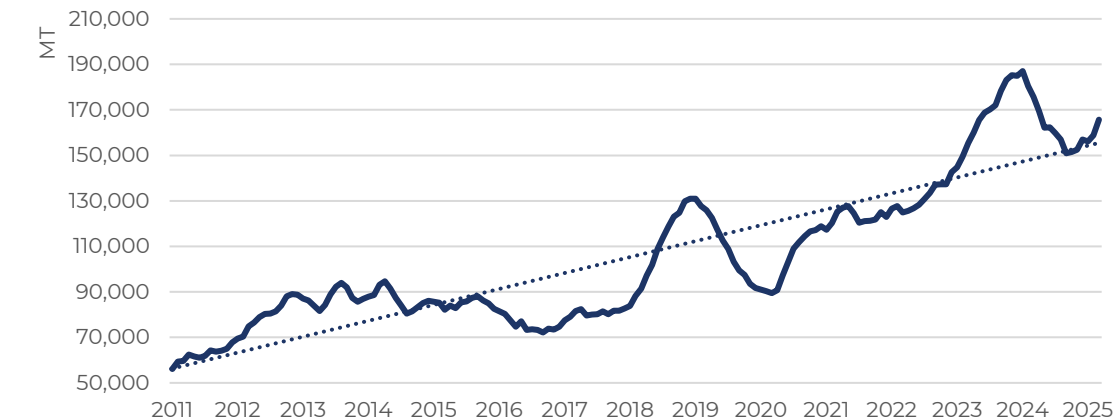
Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

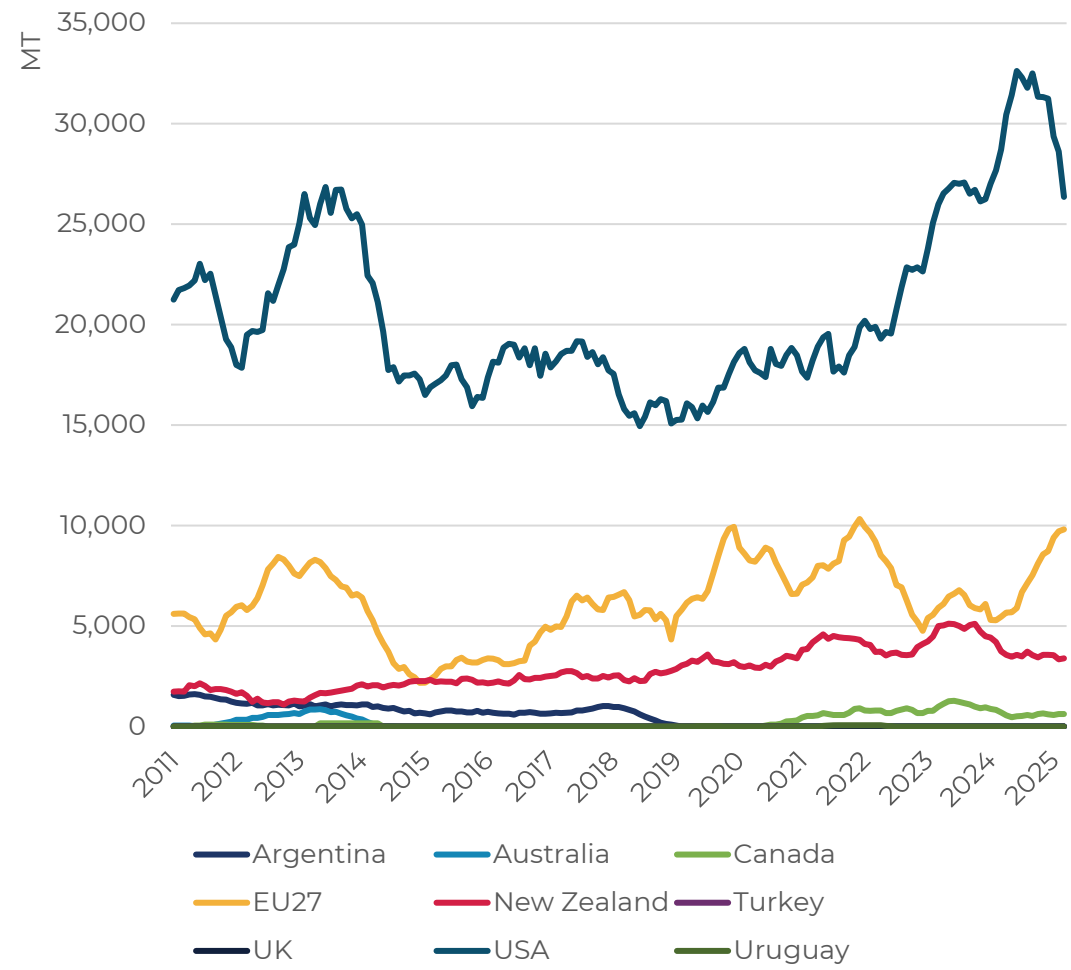


Global Lactose Trade to China+HK

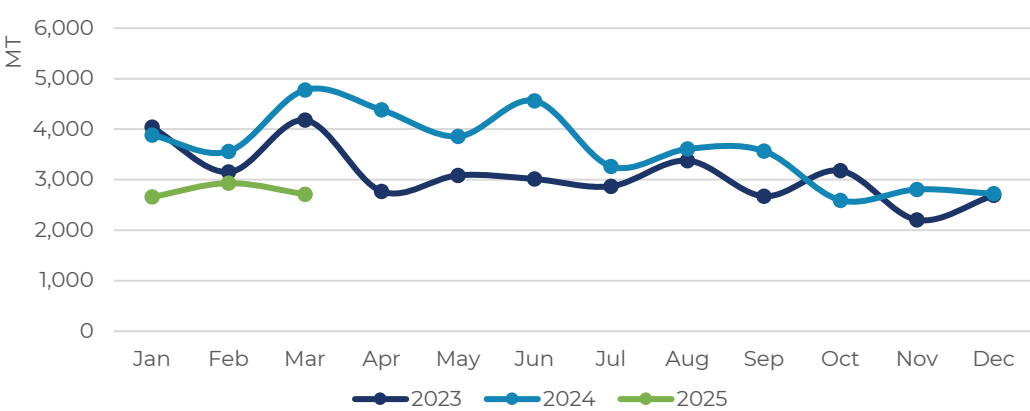


Lactose – South America

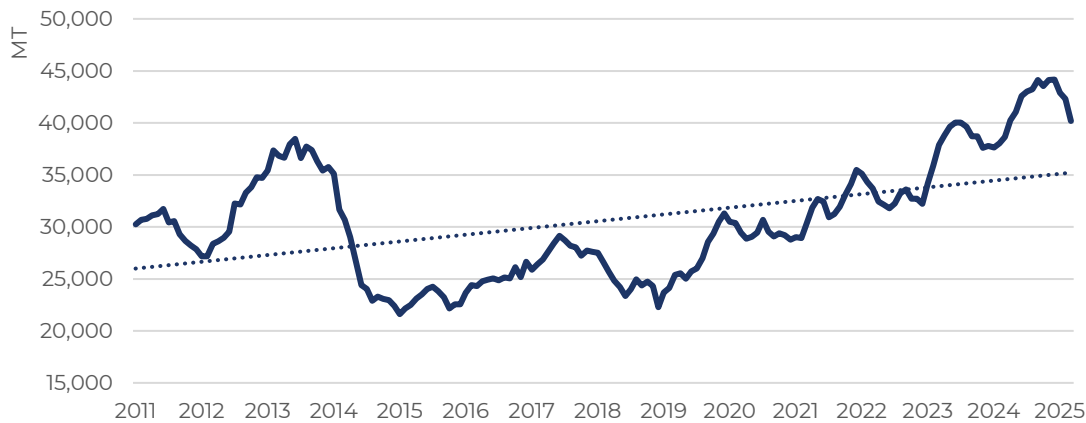
Global Lactose Trade to S. America



Global Lactose Trade to S. America



Global Lactose Trade to S. America



Global Overview: Butter



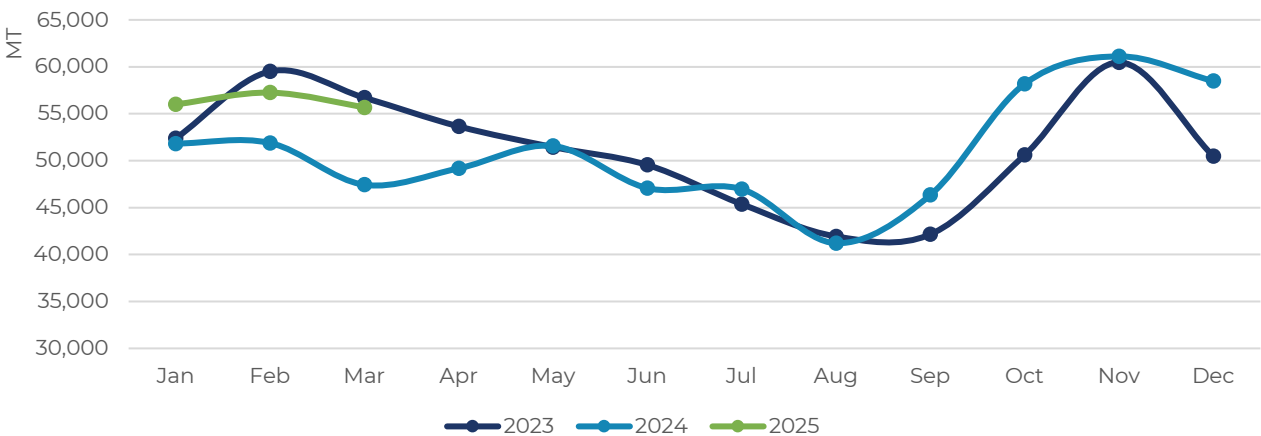
KEY TAKEAWAYS

Global Butter Trade

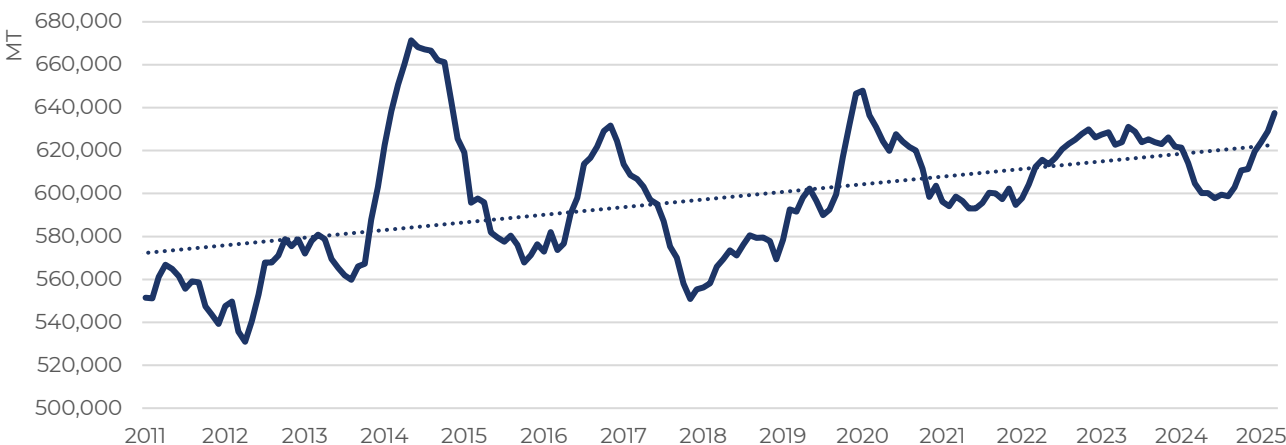
+17.4%	+11.8%	+5.4%	+1.3%
March YoY	YTD, Ending March	Last 12-Months, Ending March	3-Year CAGR

- **Soaring global demand for butter shows no signs of cooling.** Butter exports from the U.S. and New Zealand grew significantly as buyers capitalized on the widening price gap between the EU and the rest of the world. The EU's tight milkfat supply is translating into higher prices while an abundance of cream in the U.S. and a greater focus on butter/skim from New Zealand puts both regions in a position to grab a greater share of the global butterfat market.
- China is still the fastest growing butter importer buyer in the world, gaining 38% (+3,284 MT) sourced primarily from New Zealand. However, China wasn't alone in March. Tight supplies and increased quota access for NZ is leading to greater exports to the EU27 from NZ (+129%, +497 MT) as well as a suddenly resurgent UK (+91%, +1,455 MT). U.S. imports were also elevated (+39%, +1,774 MT) as third countries pushed in premium butters ahead of higher import tariffs.

Global Butter Trade to World

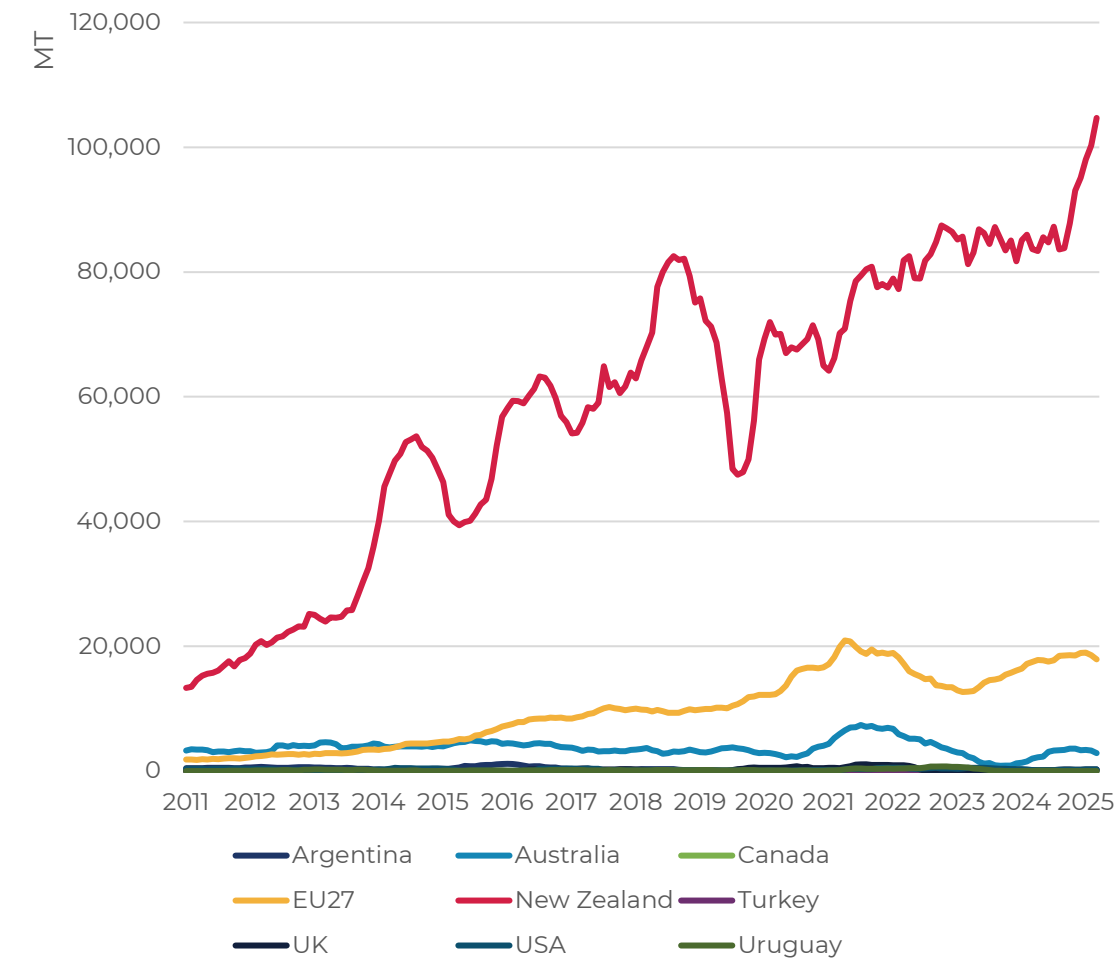


Global Butter Trade to World

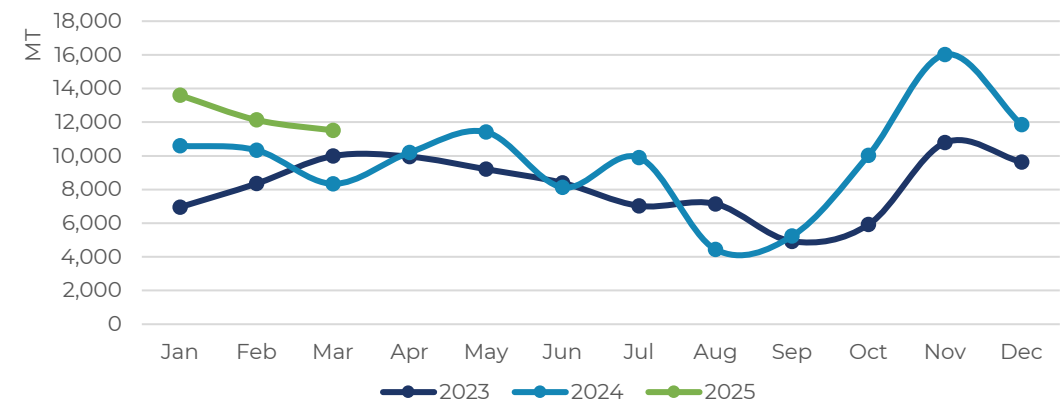


Butter – China

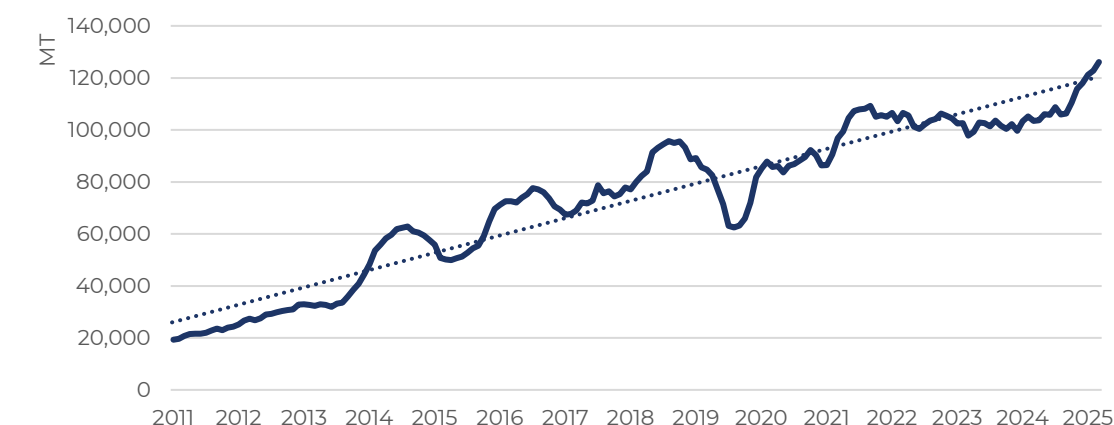
Global Butter Trade to China+HK



Global Butter Trade to China+HK

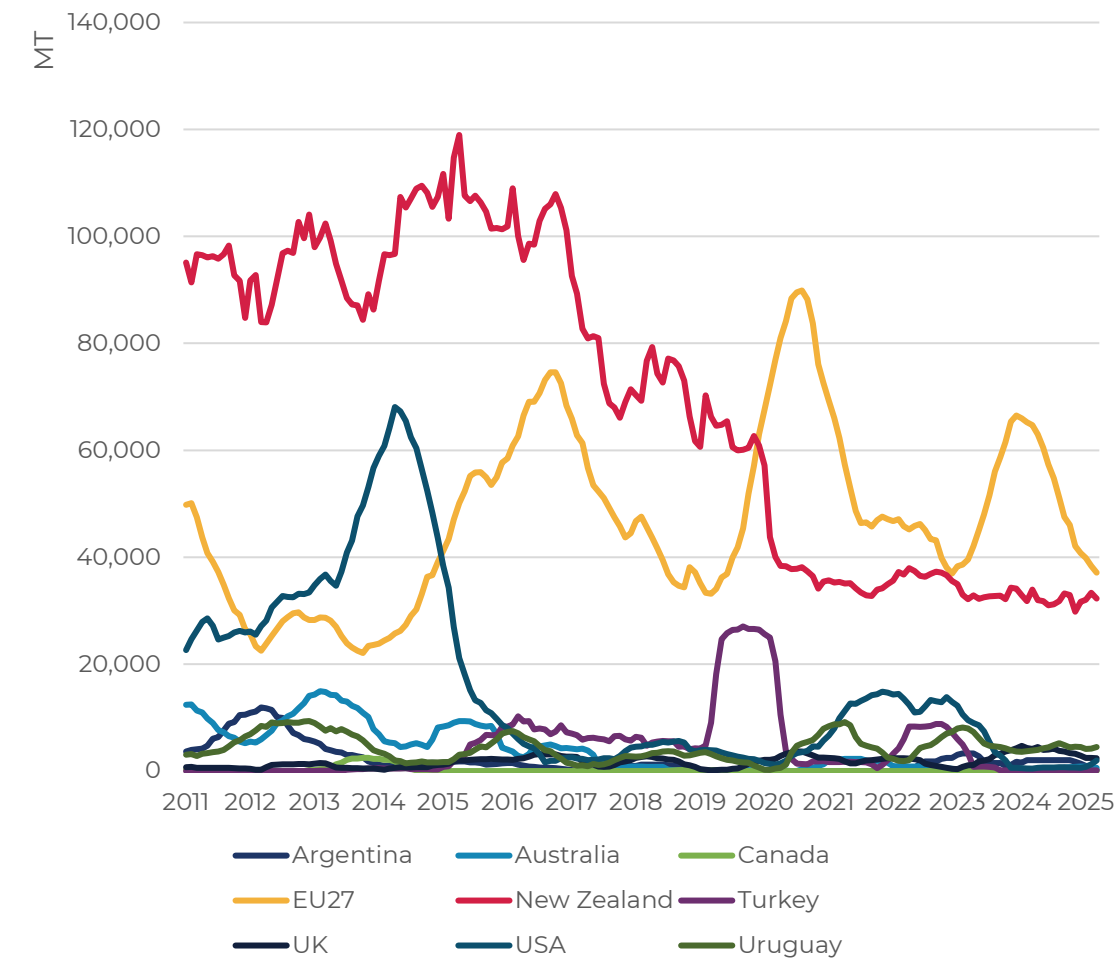


Global Butter Trade to China+HK

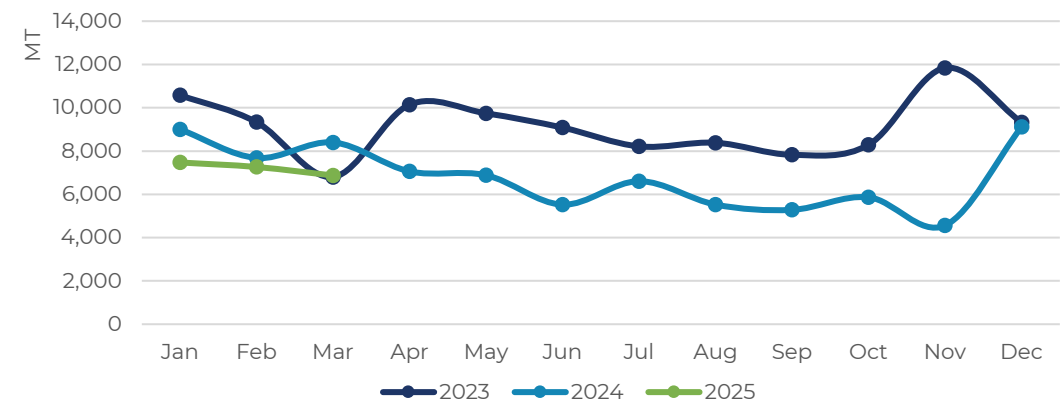


Butter – MENA

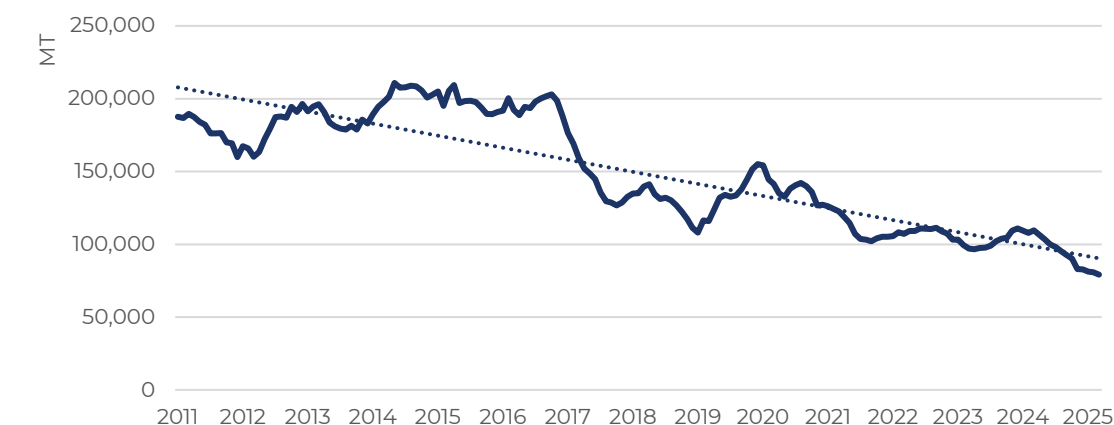
Global Butter Trade to MENA



Global Butter Trade to MENA



Global Butter Trade to MENA



Global Overview: Whole Milk Powder



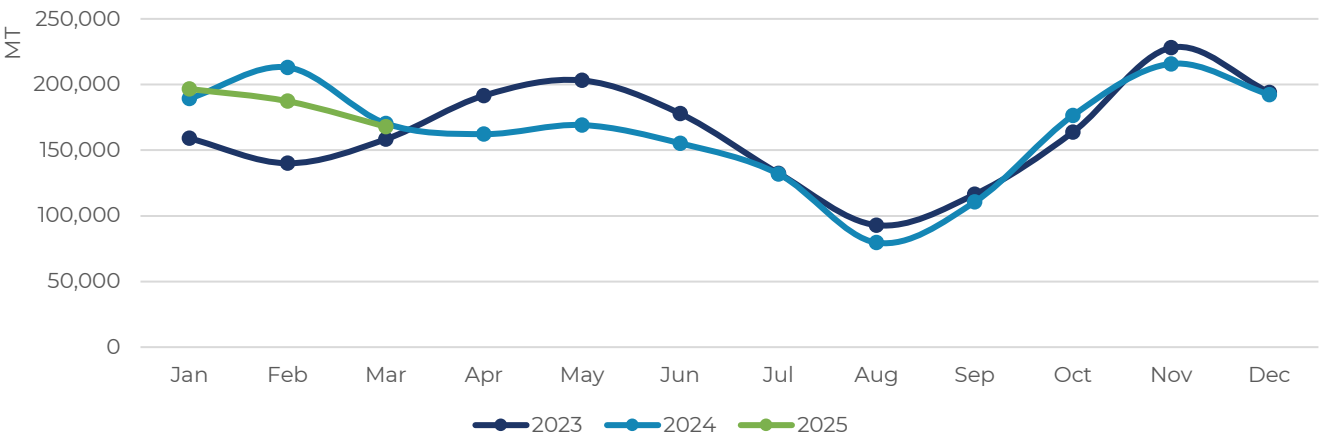
KEY TAKEAWAYS

Global WMP Trade

-1.5%	-3.4%	-6.1%	-4.3%
March YoY	YTD, Ending March	Last 12-Months, Ending March	3-Year CAGR

- The decline in WMP demand slowed in March, marking a return to the trend of minimal year-over-year movement. Exports to MENA continued to decline dramatically (-24%, -12,521 MT) and exports to China were also lackluster (-2%, -2,932 MT). Global prices have started to tick up recently, suggesting potentially more buying from China. However, given that the rise has come with limited volumes available due to NZ's seasonality, a rebound is by no means a foregone conclusion.
- Gratefully, a jump in sales to Southeast Asia (+31%, +8,839 MT) helped keep trade largely balanced, buoyed further by growing shipments to South America (+21%, +2,146 MT) and Taiwan (+81%, +1,751 MT).

Global WMP Trade to World

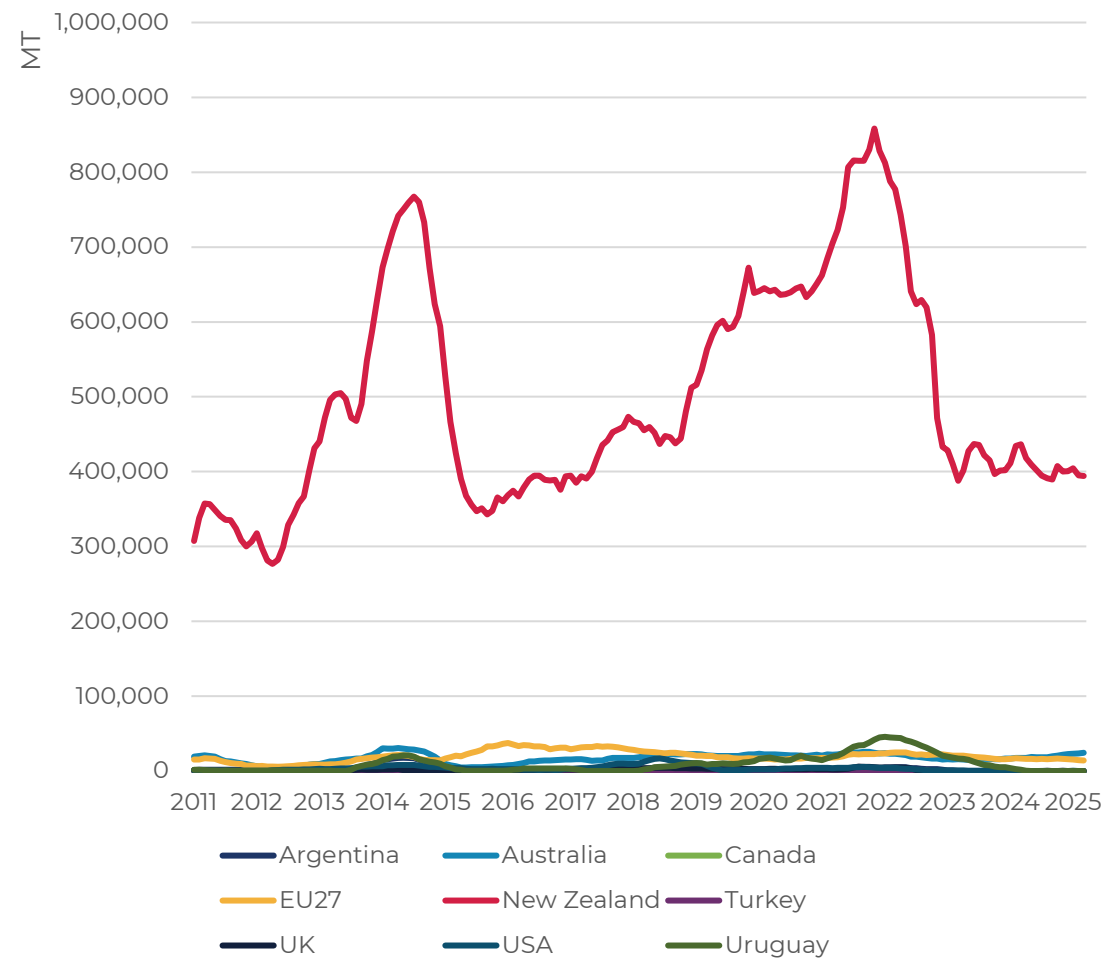


Global WMP Trade to World

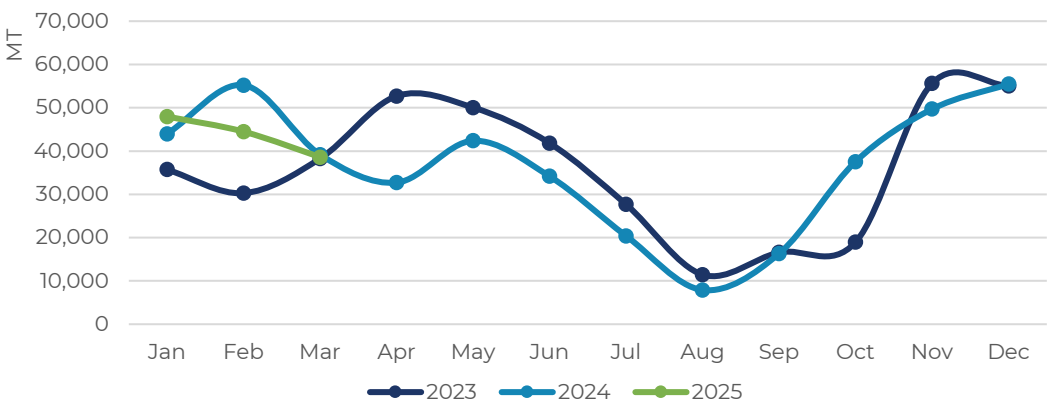


Whole Milk Powder – China

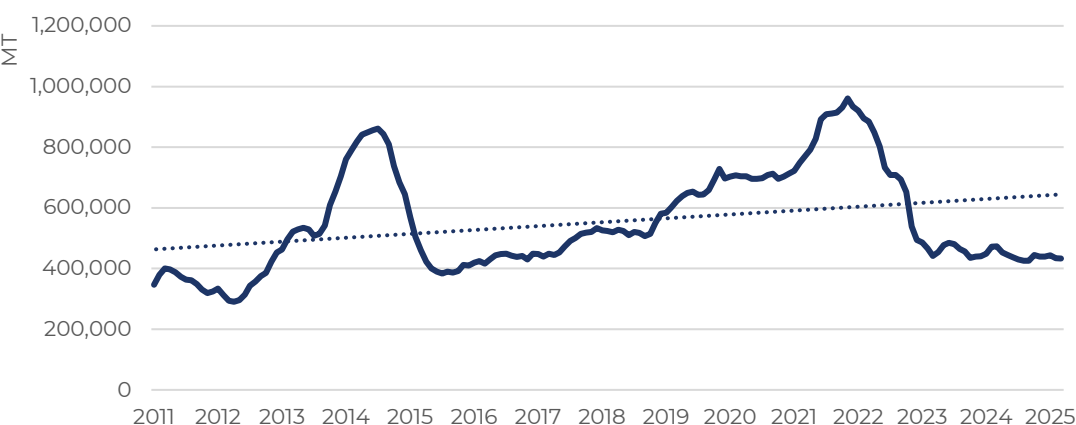
Global WMP Trade to China+HK



Global WMP Trade to China+HK

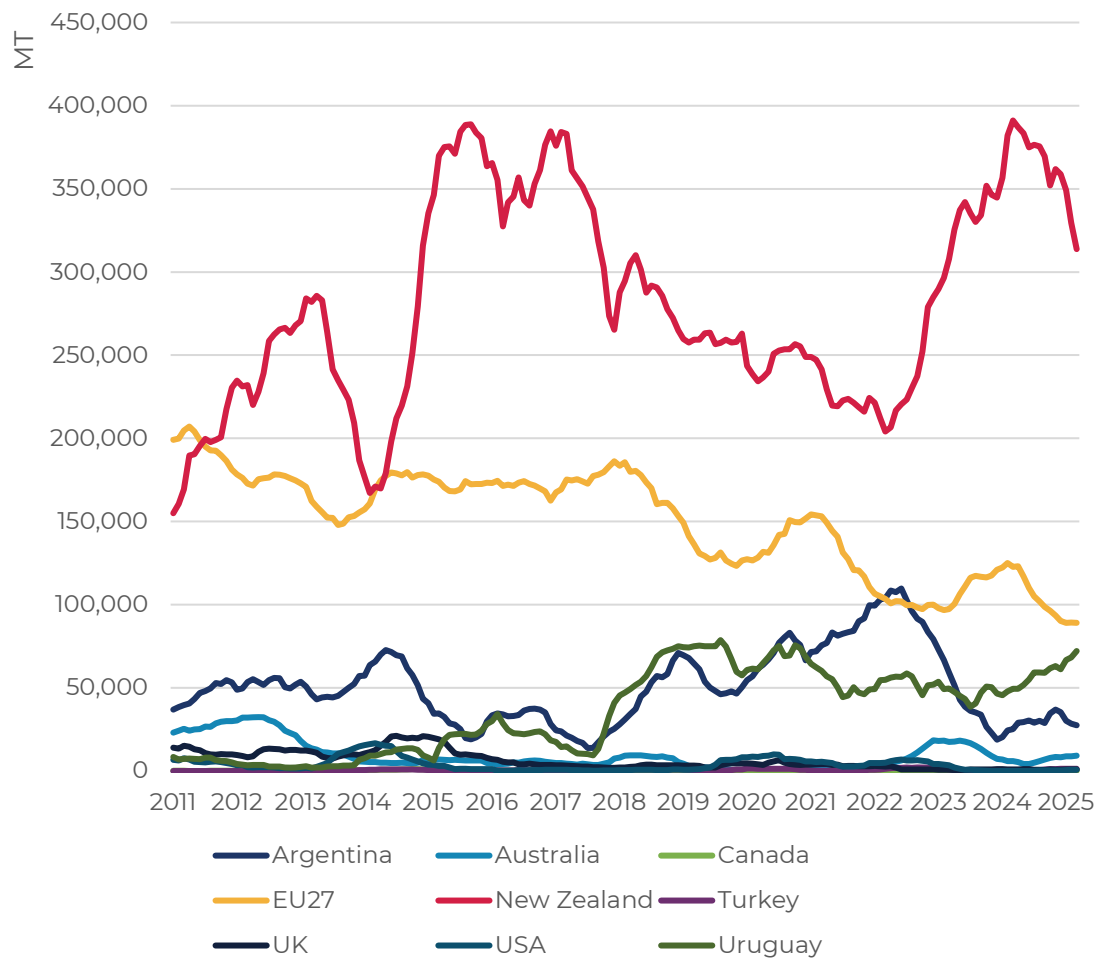


Global WMP Trade to China+HK

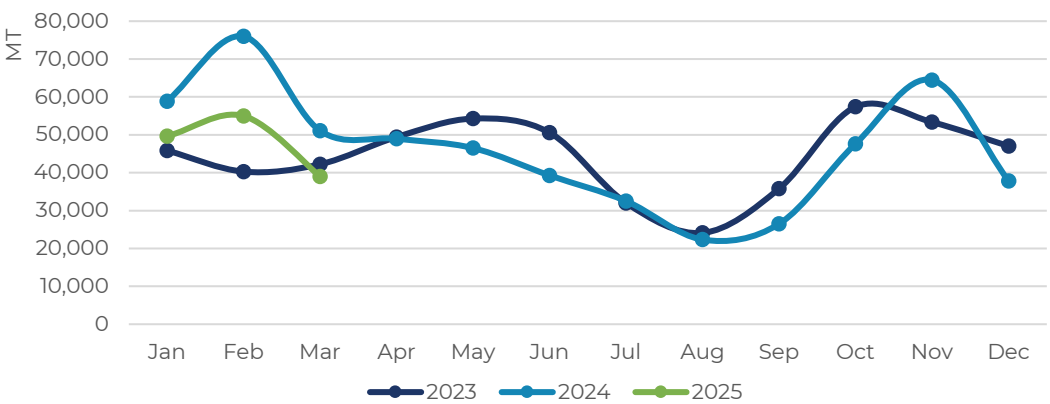


Whole Milk Powder – MENA

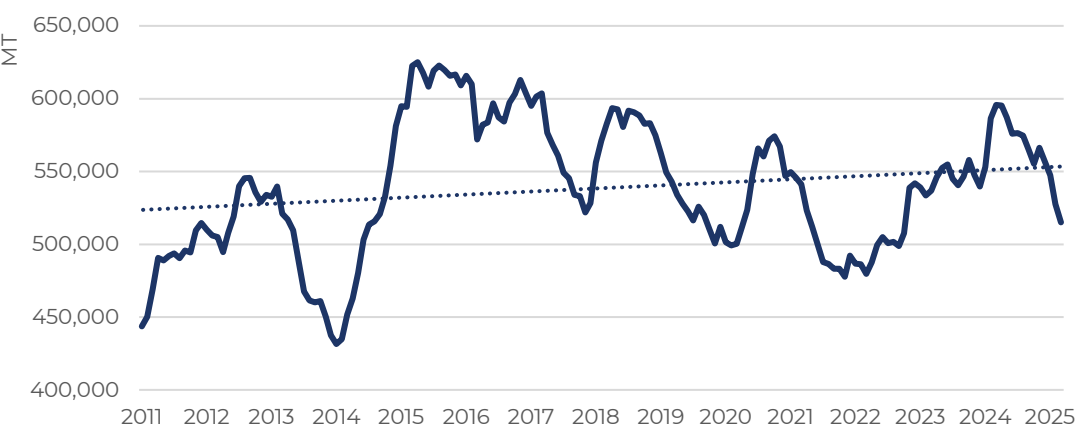
Global WMP Trade to MENA



Global WMP Trade to MENA

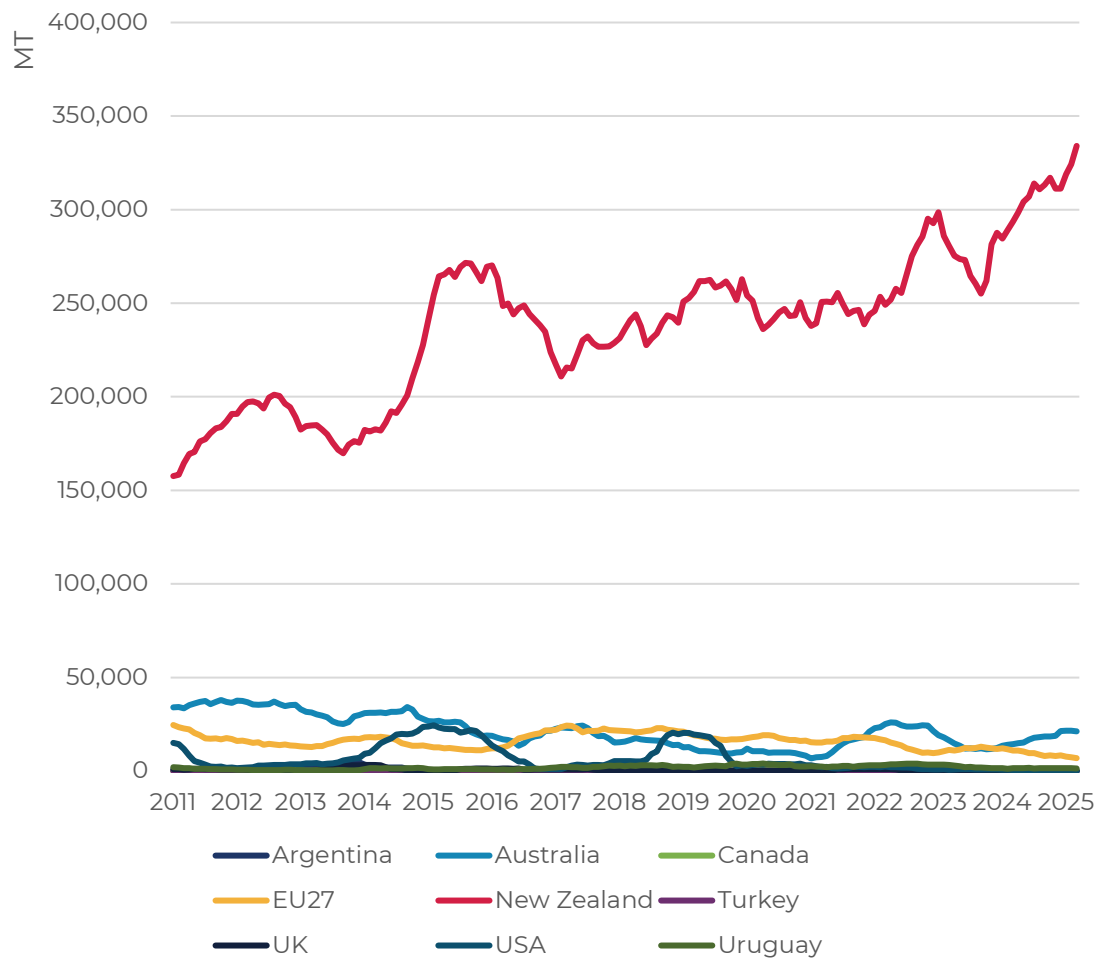


Global WMP Trade to MENA

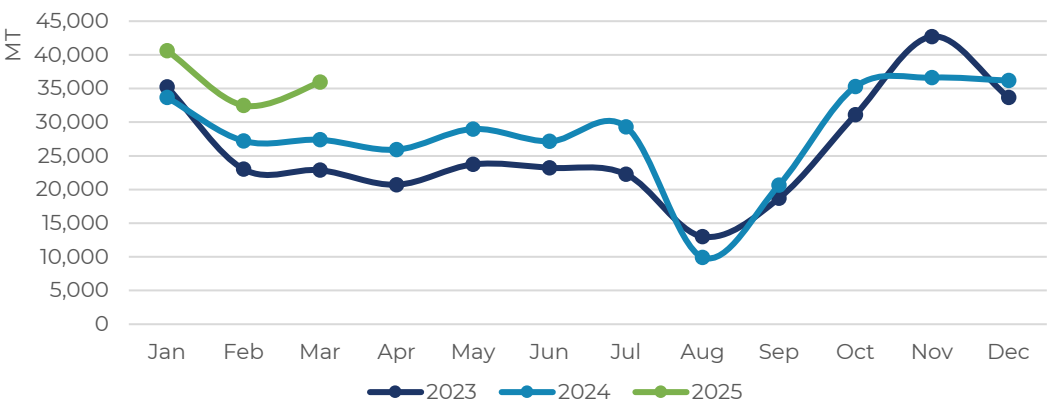


Whole Milk Powder – Southeast Asia

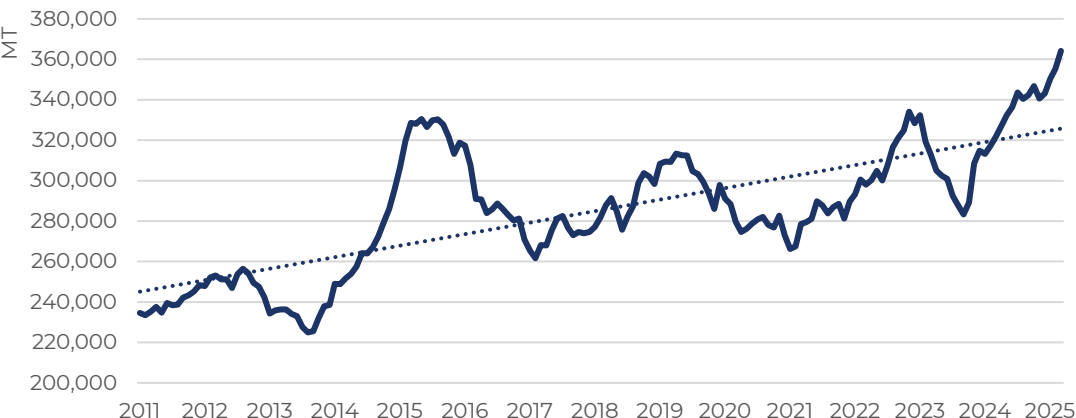
Global WMP Trade to SEA



Global WMP Trade to SEA



Global WMP Trade to SEA





Reach Out for Questions or Comments

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