

International Demand Analysis

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Data Through:
July 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.
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Global Dairy Demand Market Commentary



KEY TAKEAWAYS

- **Global dairy trade continued on a pace of slow but steady improvement in July, growing 1.2% (+11,537 MT MSE) YOY.**
- **Shockingly, the biggest growth market for imports in July was the European Union (+32%, +11,105 MT MSE)** as butter from the U.S. moved into a market that was starved for milkfat earlier in the year. Butter, cheese and fluid milk also flowed across English Channel as UK milk production has outpaced the rest of Europe so far in 2025. Conversely, EU exports cooled by 1.8% (-6,947 MT MSE) in July.
- Outside of the EU, **most markets reported modest improvement** though no other destination grew by more than 2,300 MT MSE. Small wins across the board would normally set up July for a strong growth figure, but a sharp decline in sales in Southeast Asia (-5%, -9,643 MT MSE) and South America (-10%, -4,076 MT MSE) weighed on the aggregate trade figure.
- Looking at the product breakdown, **cheese, fats and proteins have become the stars of the show in 2025 with milk powders and low-protein whey underwhelming.**

Global Milk Solids Trade

+1.2%

Jul YoY

+1.2%

YTD, Ending Jul

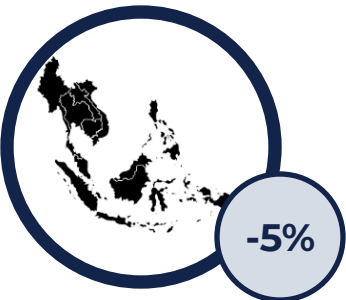
+0.8%

Last 12-Months, Ending Jul

+0.1%

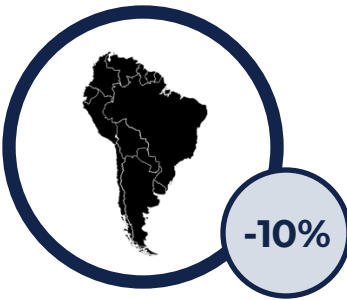
3-Year CAGR

July Standout Markets



SOUTHEAST ASIA

-9,643 MT



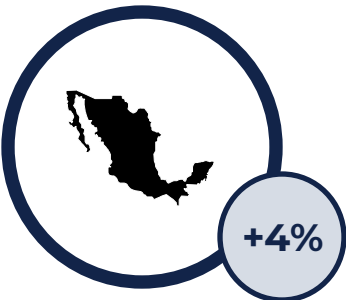
SOUTH AMERICA

-4,076 MT



EU27

+11,105 MT



MEXICO

+2,299 MT

ADDITIONAL NOTES

Digging into Southeast Asia, we see a region that is generally trending positive but has fallen short of being the clear-cut driver of import demand growth that many (including our econ team) had hoped coming into the year. Despite positive fundamentals of stable inflation rates, a weaker dollar, population growth, and improvement in ASEAN economies, trade to the region is effectively flat (-0.4%, -5,108 MT MSE) through the first seven months of the year. Sales to Vietnam (+18%, +24,734 MT MSE) and Malaysia (+9%, +17,290 MT MSE) have been impressive, but regression from Indonesia (-10%, -29,966 MT MSE), the Philippines (-8%, -17,343 MT MSE), and Thailand (-5,654 MT MSE) has held back overall demand improvement. Most of the pullback in 2025 has come from whey and NFDM/SMP, while cheese, fats and proteins have been remarkably resilient. Looking ahead, our expectations remain that Southeast Asia will be a critical growth driver, but is unlikely to be sufficient in the near term to replace stagnant demand in China.

Global Dairy Demand Market Commentary



LOOKING AHEAD

- In the last few months, **global dairy markets have undergone a significant transformation, moving from being a balanced(ish) market to an oversupplied one.** Growth in milk solids production in the U.S., expectations of a strong start to the 2025/26 milking season in New Zealand, and limited supply impact of animal diseases in Europe has shifted market sentiment and led to a significant decline in prices. The challenge has been that demand has failed to keep pace.
- The good news is that global dairy demand is in a stronger position in 2025 than at this point in 2024. Unfortunately, 1-1.5% demand growth is less than today's supply expansion (with whey proteins a notable exception).** Lower dairy product prices are likely to encourage international buyers to jump in, particularly in the Middle East-North Africa and perhaps Southeast Asia. Unfortunately, raw milk prices in China would suggest demand in the biggest dairy importing country is still struggling. As such, **to return to a balanced market environment, supply will either need to slow or imports from the rest of the world will need to accelerate. Per usual, the answer is probably a little bit of both.**

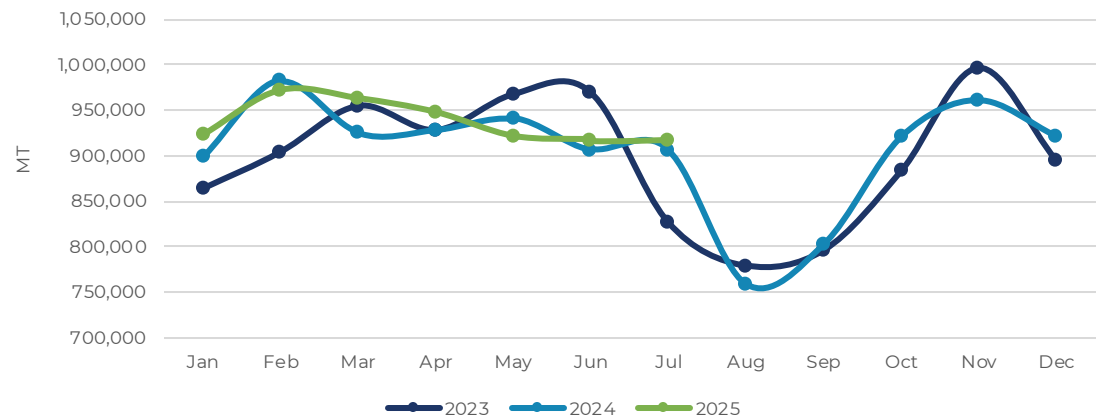
U.S. Milk Solids Exports ¹	+6.4% Jul YoY	+1.8% YTD, Ending Jul	+1.0% Last 12-Months, Ending Jul	+0.3% 3-Year CAGR
EU Milk Solids Exports	-1.8% Jul YoY	-1.2% YTD, Ending Jul	-1.2% Last 12-Months, Ending Jul	-0.4% 3-Year CAGR
NZ Milk Solids Exports	+0.6% Jul YoY	+2.7% YTD, Ending Jul	+0.4% Last 12-Months, Ending Jul	+0.1% 3-Year CAGR

Average Dairy Export Value to World, MSE

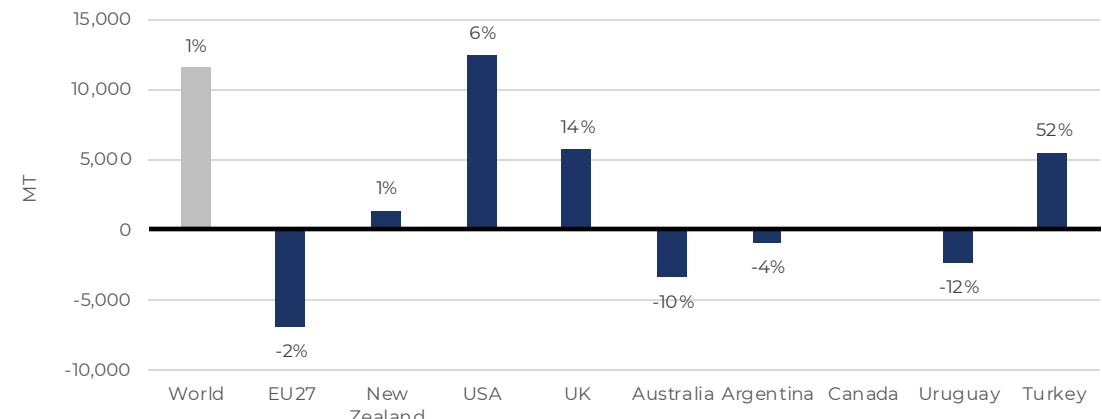


Executive Summary: July 2025

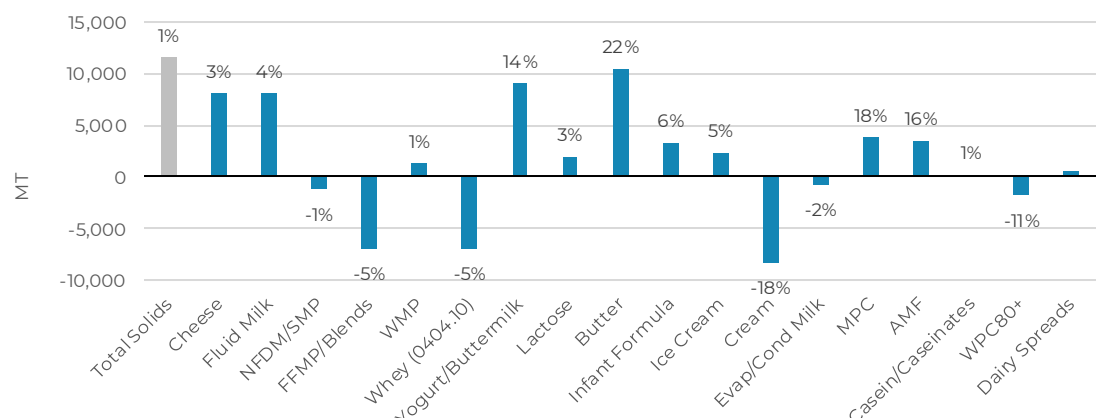
Global Total Solids Trade to World



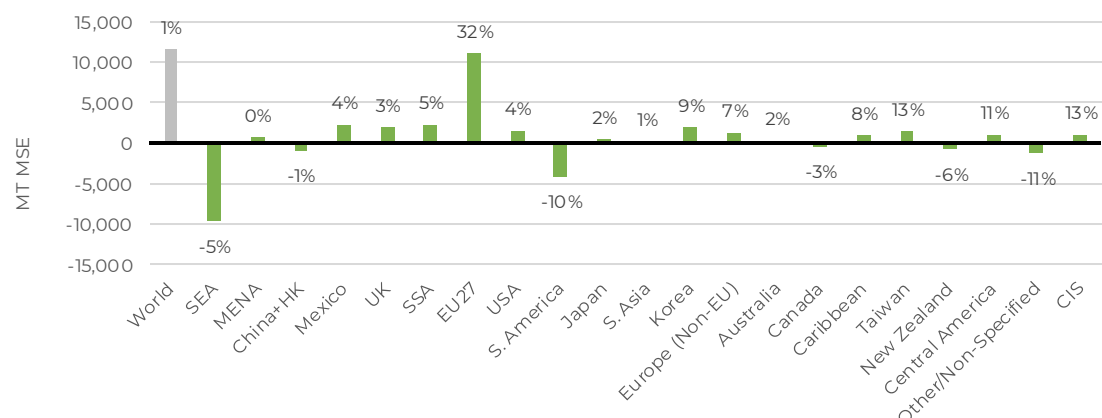
YOY Change in Global Dairy Trade to World: Month of Jul, MSE



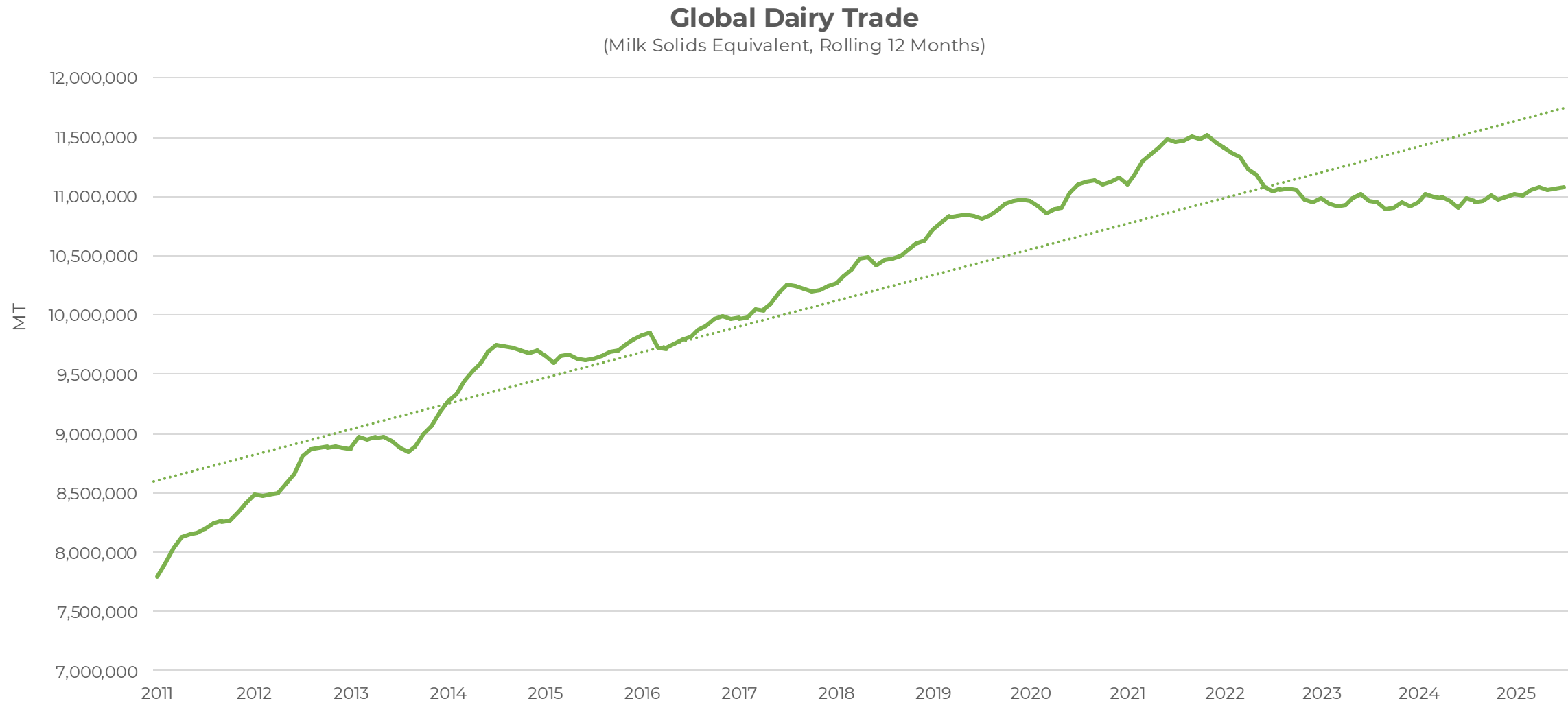
YOY Change in Global Dairy Trade to World by Product: Month of Jul



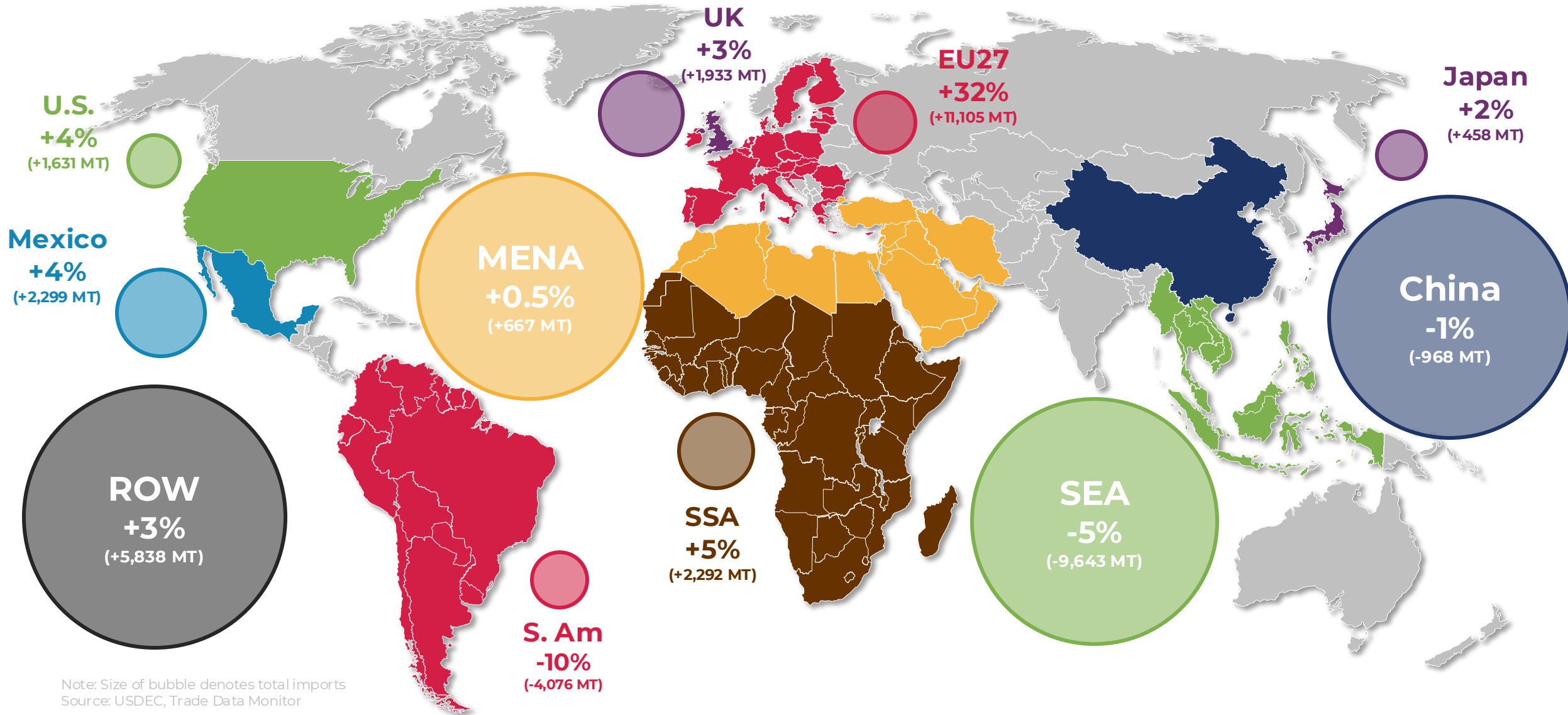
YOY Change in Global Milk Solids Trade by Destination: Month of Jul 2025



Global Dairy Trade

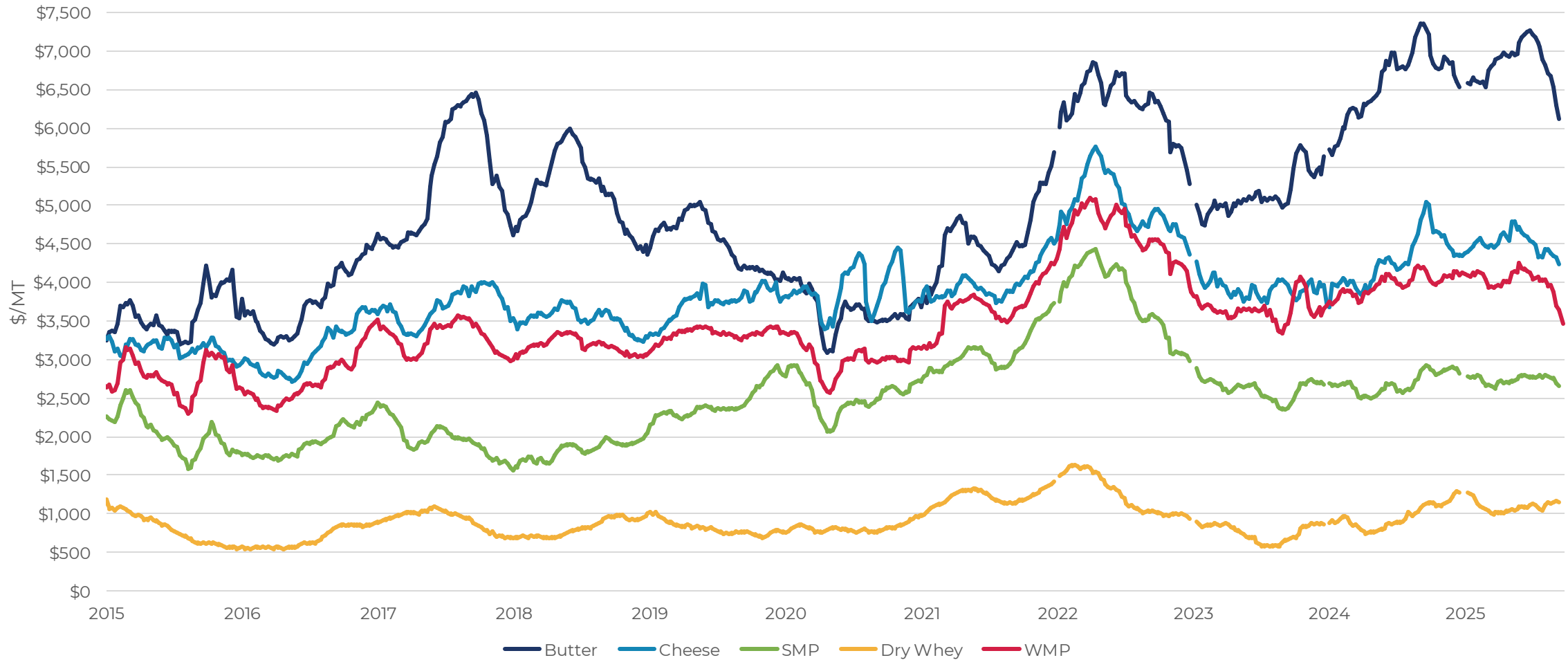


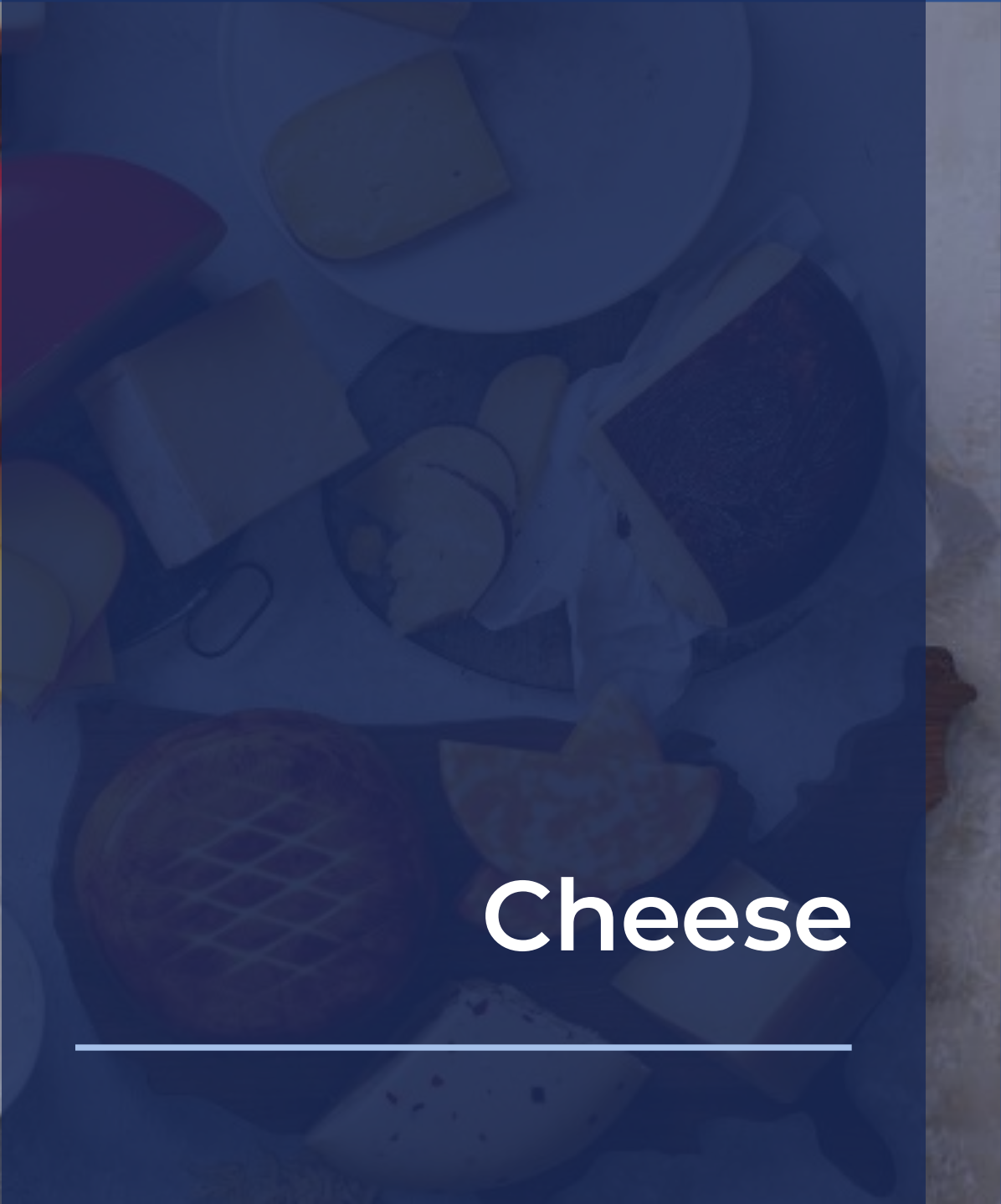
Select Markets – Month of July 2025, Milk Solids Equiv.



Global Dairy Spot Prices

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





Cheese

Cheese Market Commentary



KEY TAKEAWAYS

- **Global cheese trade continued to impress through July, though the rate of growth has slowed somewhat.** Just over 257,000 MT of cheese moved across the world in July, 3% (+8,068 MT) more than in the same month last year. While this pales in comparison to the double-digit growth seen at the start of the year, July's volumes were almost the largest ever recorded, second only to May's result.
- Cheese demand remains robust across a broad swath of destinations including Southeast Asia (+26%, +3,446 MT), the UK (+7%, +2,646 MT) and Central America (+49%, +2,216 MT, See Additional Notes). Despite economic uncertainty and trade policy hiccups, the appetite for cheese in much of the world remains seemingly insatiable.
- However, some cracks appeared in the veneer as volumes into South America (-21%, -2,986 MT) continued to slide, due especially to weaker demand from Brazil (-28%, -1,788 MT) where a dramatic increase in domestic milk production is reducing the need for imported product. Shipments to China (-12%, -2,094 MT) also tumbled in July as economic malaise continued to weigh on the country's dairy demand.

Global Cheese Trade

+3.2%

Jul YoY

+6.0%

YTD, Ending Jul

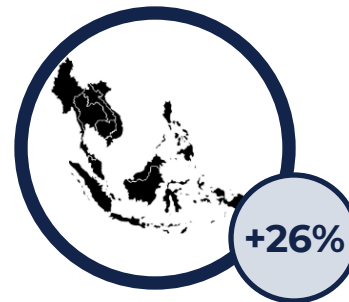
+5.2%

Last 12-Months,
Ending Jul

+3.8%

3-Year CAGR

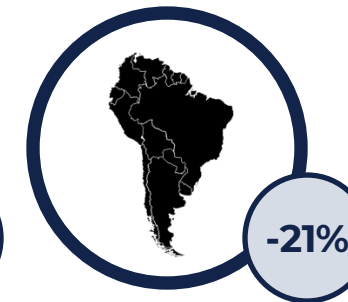
July Standout Markets



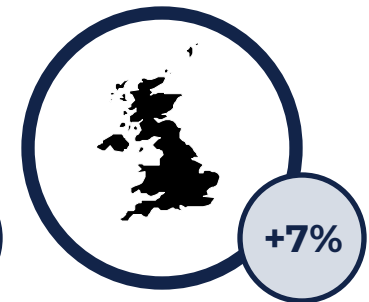
SOUTHEAST ASIA
+3,446 MT



CHINA+HK
-2,094 MT



SOUTH AMERICA
-2,986 MT



UK
+2,646 MT

ADDITIONAL NOTES

Central American cheese demand has exploded in recent years. Over the first seven months of 2025, importers in the region received 40,762 MT of cheese. This represents an increase of 16% (+5,557 MT) against last year and more than twice (+21,433 MT) the volumes seen five years ago. Regional fundamentals remain strong as the population grows, and per capita GDP rises, boosting demand even during a period of shifting geopolitics in the region. While nearly every country in the region has seen stronger cheese trade, a few countries stand out. Demand in El Salvador has surged 33% YTD (+2,391 MT) while Guatemala has seen a 14% (+2,051 MT) bump though the latter is often used as a reexport hub with product being further redirected across the region. Costa Rica has also seen a considerable (+33%, +1,702 MT) increase in its cheese demand this year. Growth in Central America has been to the particular benefit of the U.S. which holds more than a 90% share in the region and will continue to enjoy tariff benefits as CAFTA comes to maturity.

Cheese Market Commentary



LOOKING AHEAD

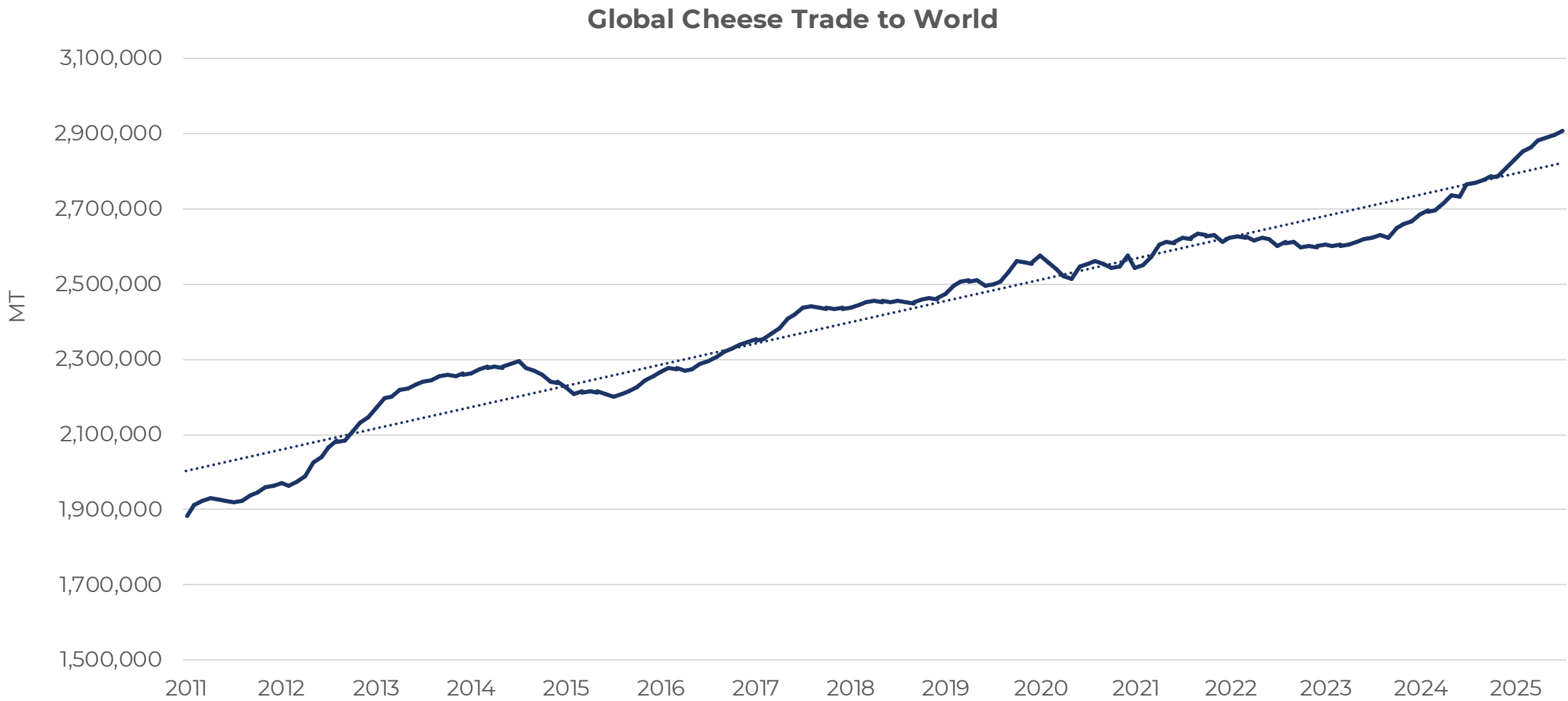
- **Cheese trade is expected to remain upbeat in the coming months for several reasons. First, consumer demand for cheese has remained robust**, even during uncertain economic times, and there is no reason to expect a dramatic reversal in this trend.
- Secondly, **cheese is plentiful**. Rising global milk production is expected to flow through to more aggressive cheese output. This increase will be more evident in certain countries, namely the U.S., where long awaited capacity has largely been activated. However other key exporting regions are also likely to increase their cheese production as they seek to route milk toward the most profitable opportunities.
- Thirdly, cheese prices are falling, which is likely to generate additional demand. These plentiful supplies and overarching bearish market tones have caused cheese prices to fall across the world in recent weeks. While buyers may initially be reticent to step in and book product before markets find their bottom, **lower cheese prices should ultimately encourage consumption and prop up trade volumes**.

U.S. Cheese Exports	+29.3% Jul YoY	+14.1% YTD, Ending Jul	+13.1% Last 12-Months, Ending Jul	+4.2% 3-Year CAGR
EU Cheese Exports	+2.6% Jul YoY	+1.9% YTD, Ending Jul	+0.7% Last 12-Months, Ending Jul	+0.2% 3-Year CAGR
NZ Cheese Exports	-11.7% Jul YoY	+21% YTD, Ending Jul	+16.7% Last 12-Months, Ending Jul	+5.3% 3-Year CAGR

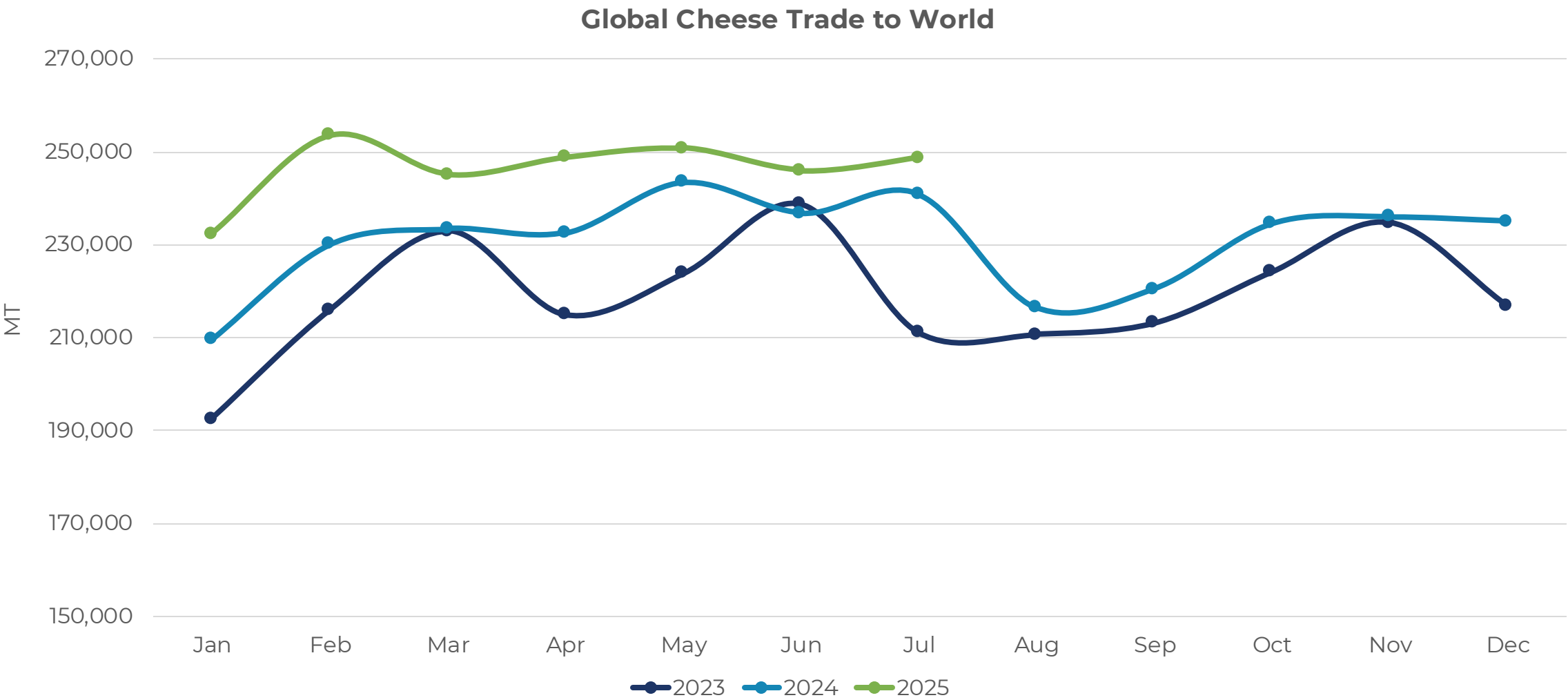
Average Cheese Export Value to World



Global Overview: Cheese

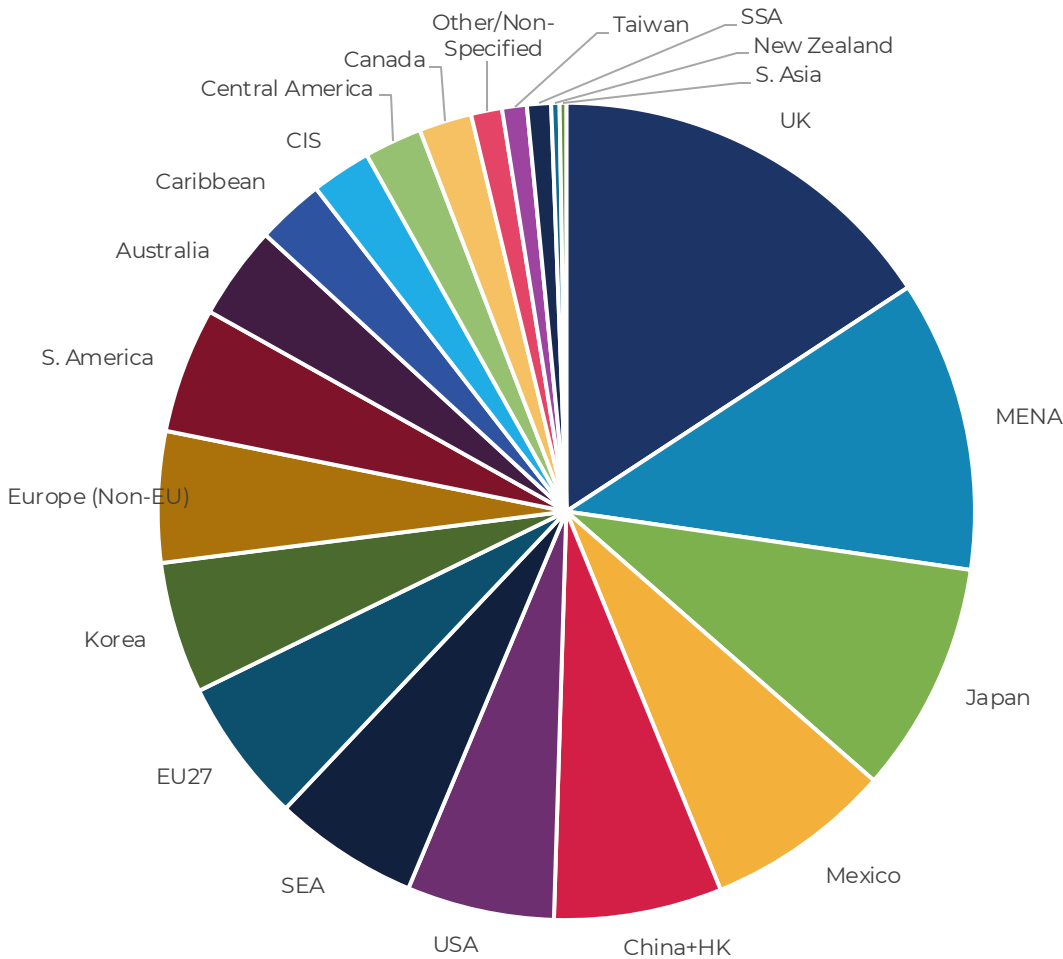


Global Overview: Cheese

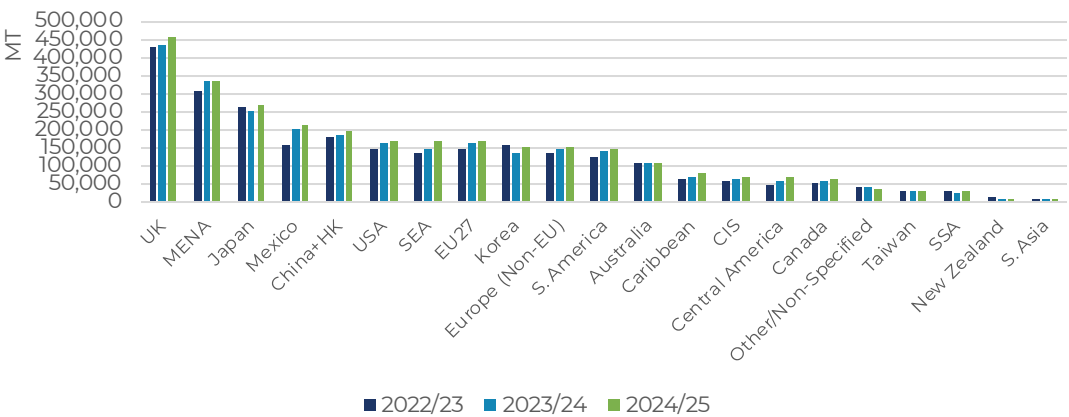


Global Overview: Cheese – Last 12 Months

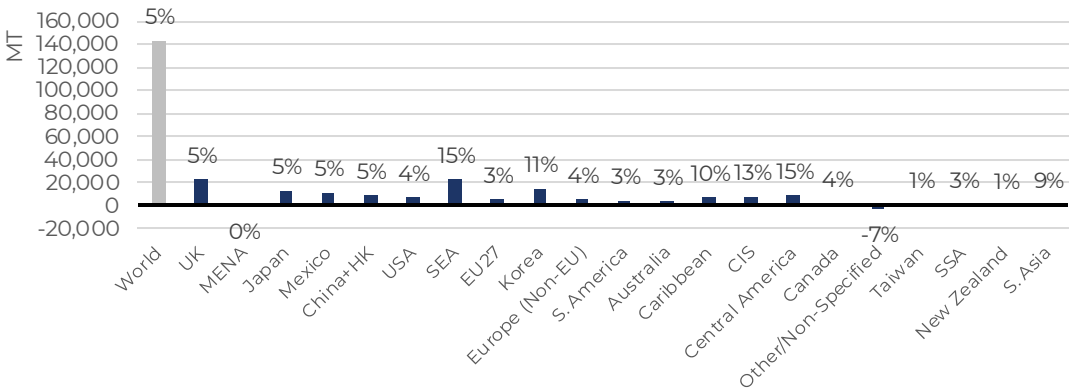
Global Cheese Trade by Destination: Last 12 Months ending Jul



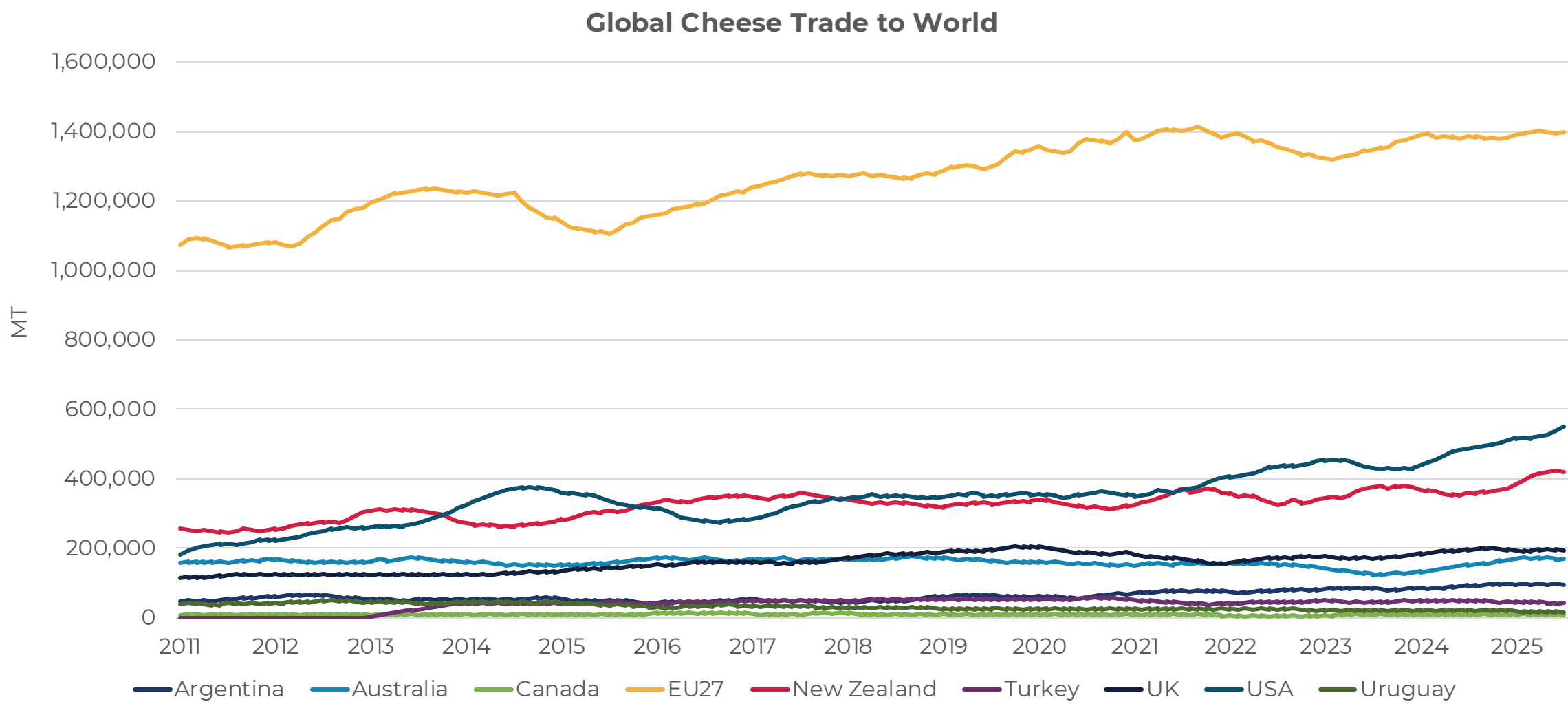
Global Cheese Trade by Destination: Last 12 Months ending Jul



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

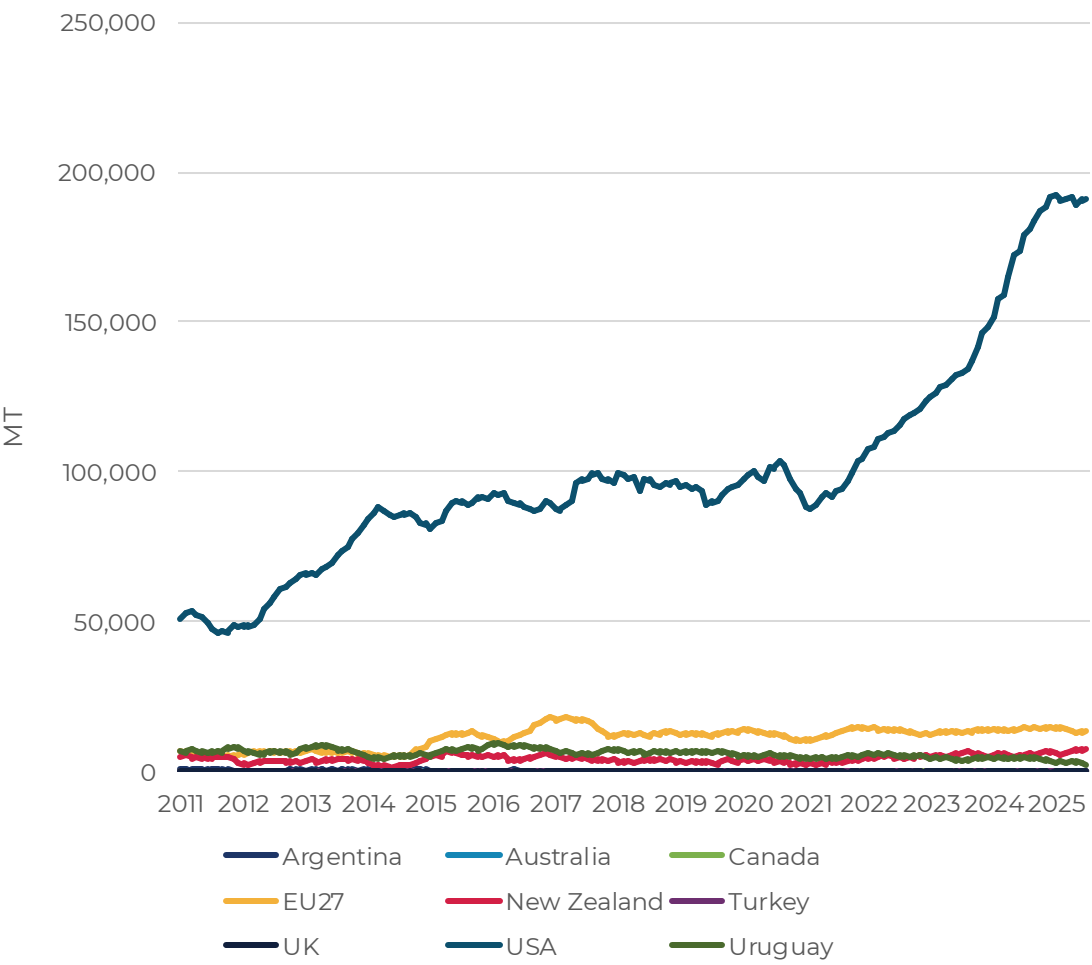


Trade Flows: Cheese

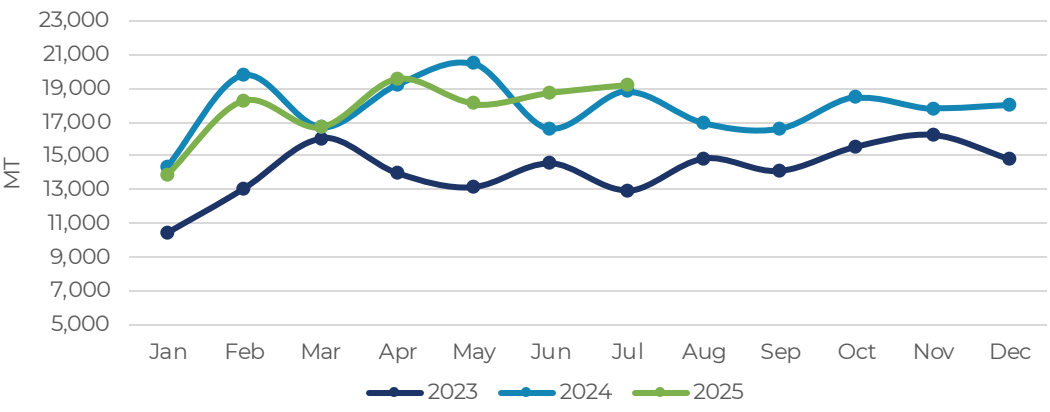


Mexico

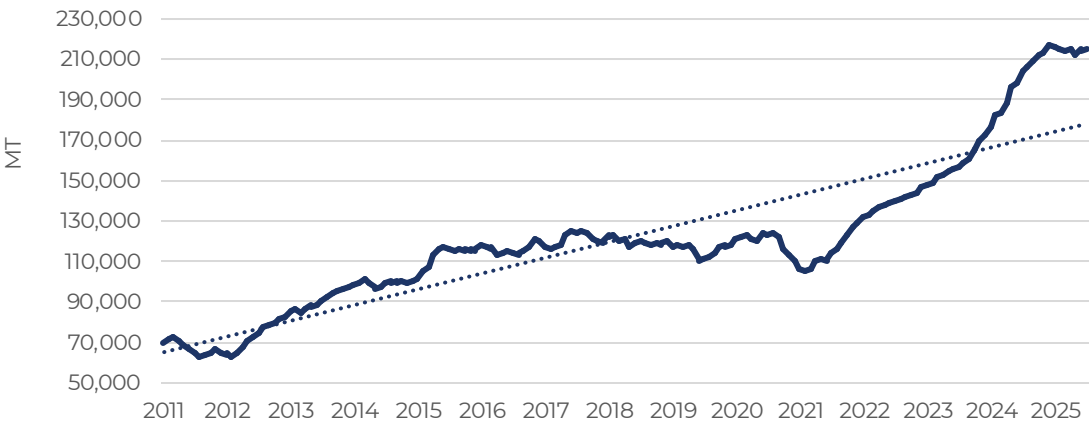
Global Cheese Trade to Mexico



Global Cheese Trade to Mexico

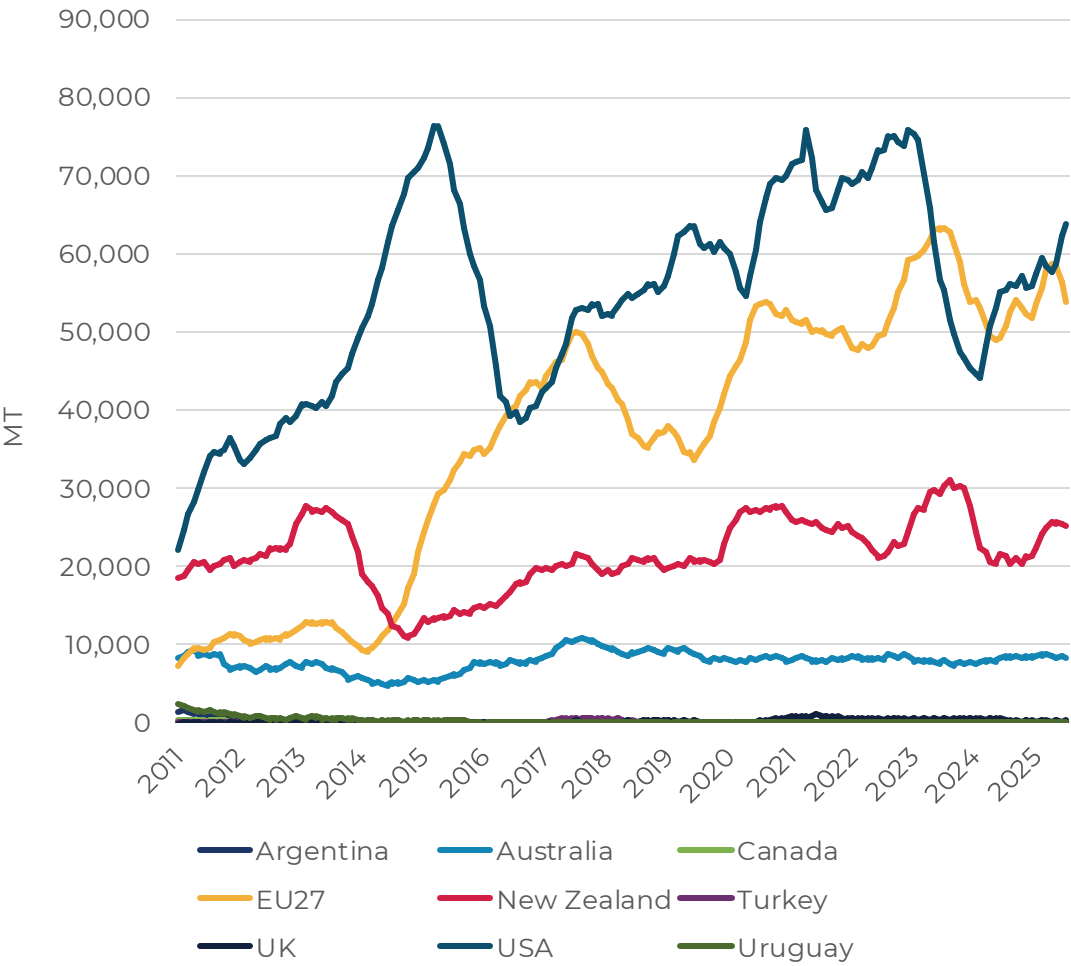


Global Cheese Trade to Mexico

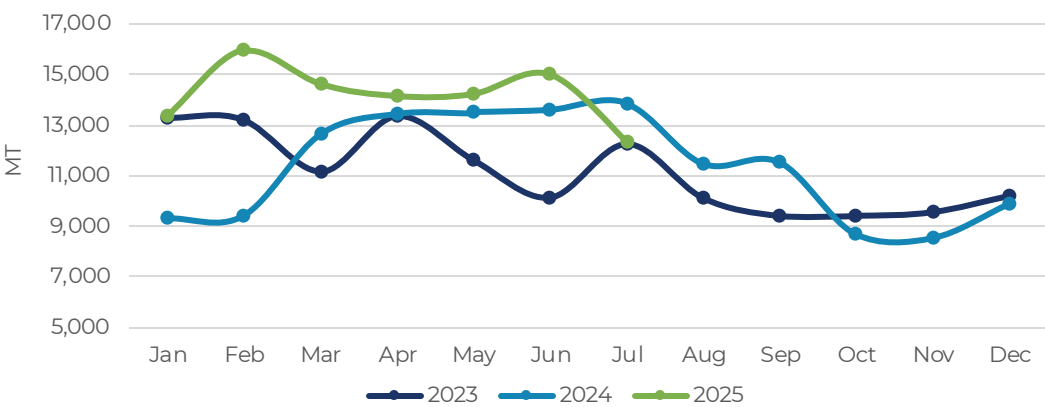


Korea

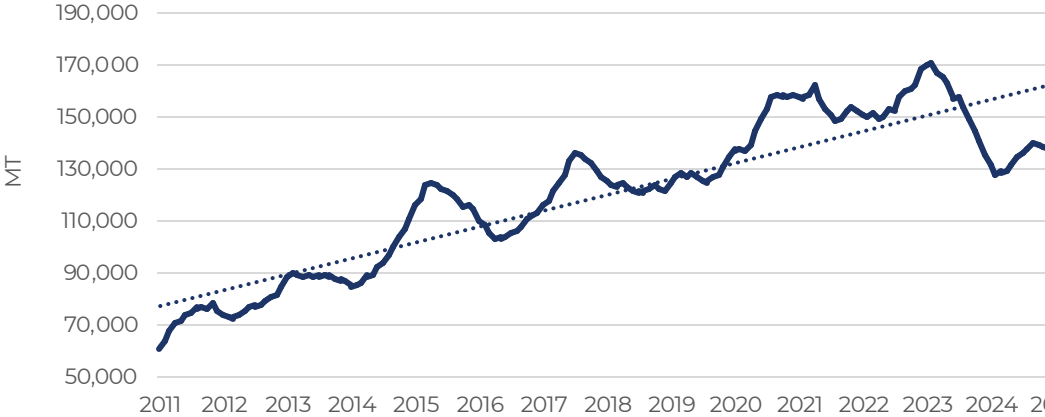
Global Cheese Trade to Korea



Global Cheese Trade to Korea

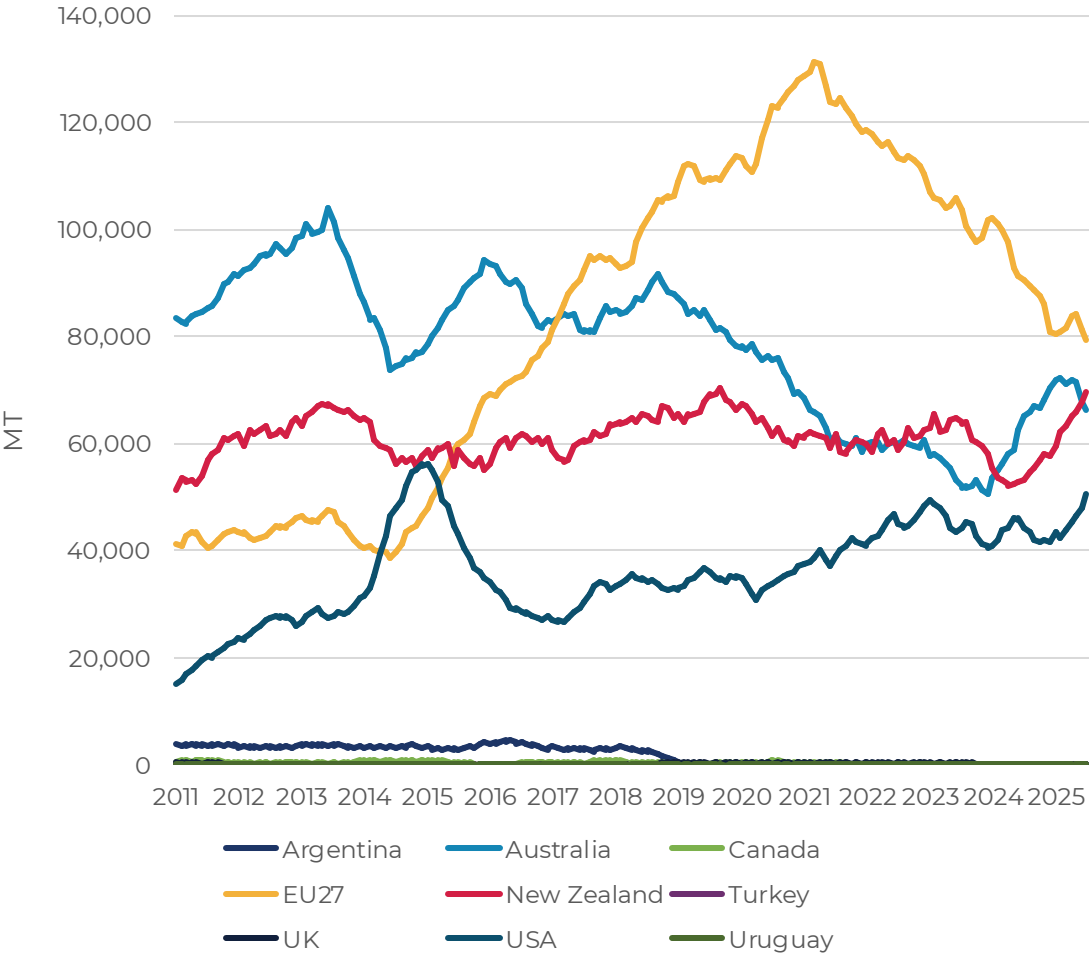


Global Cheese Trade to Korea

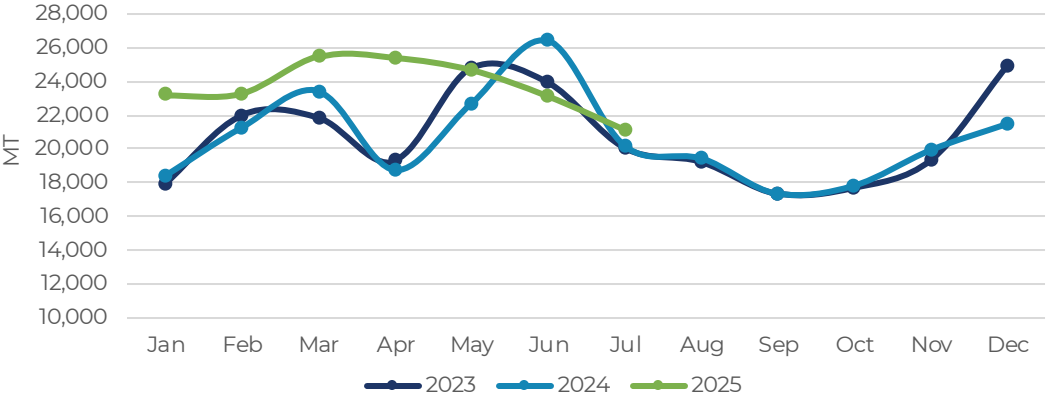


Japan

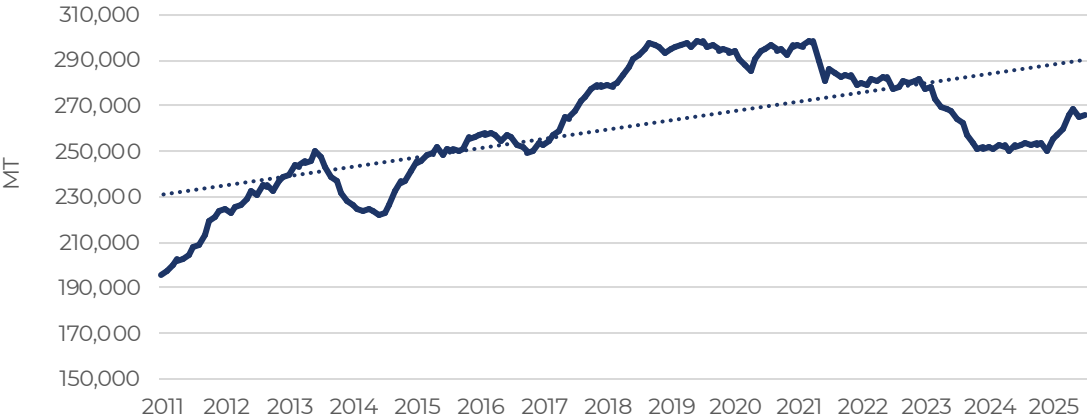
Global Cheese Trade to Japan



Global Cheese Trade to Japan

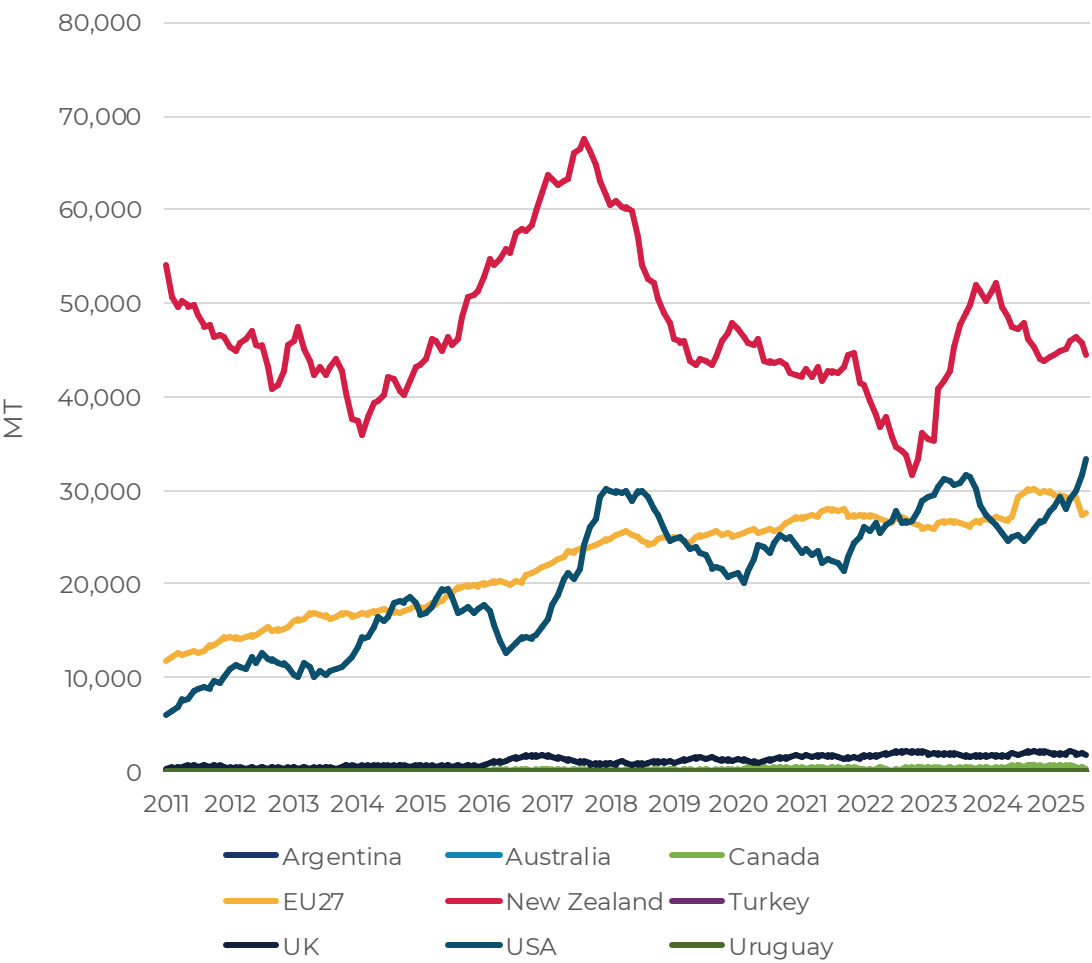


Global Cheese Trade to Japan

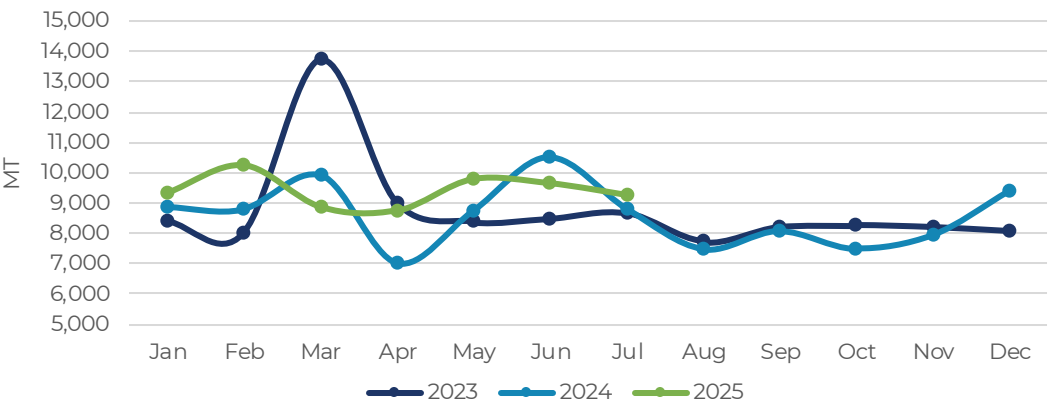


Australia

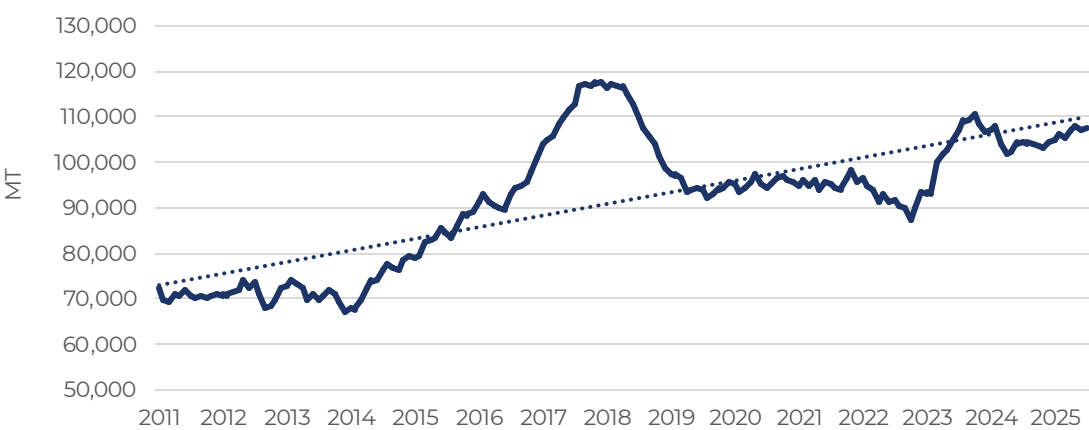
Global Cheese Trade to Australia



Global Cheese Trade to Australia

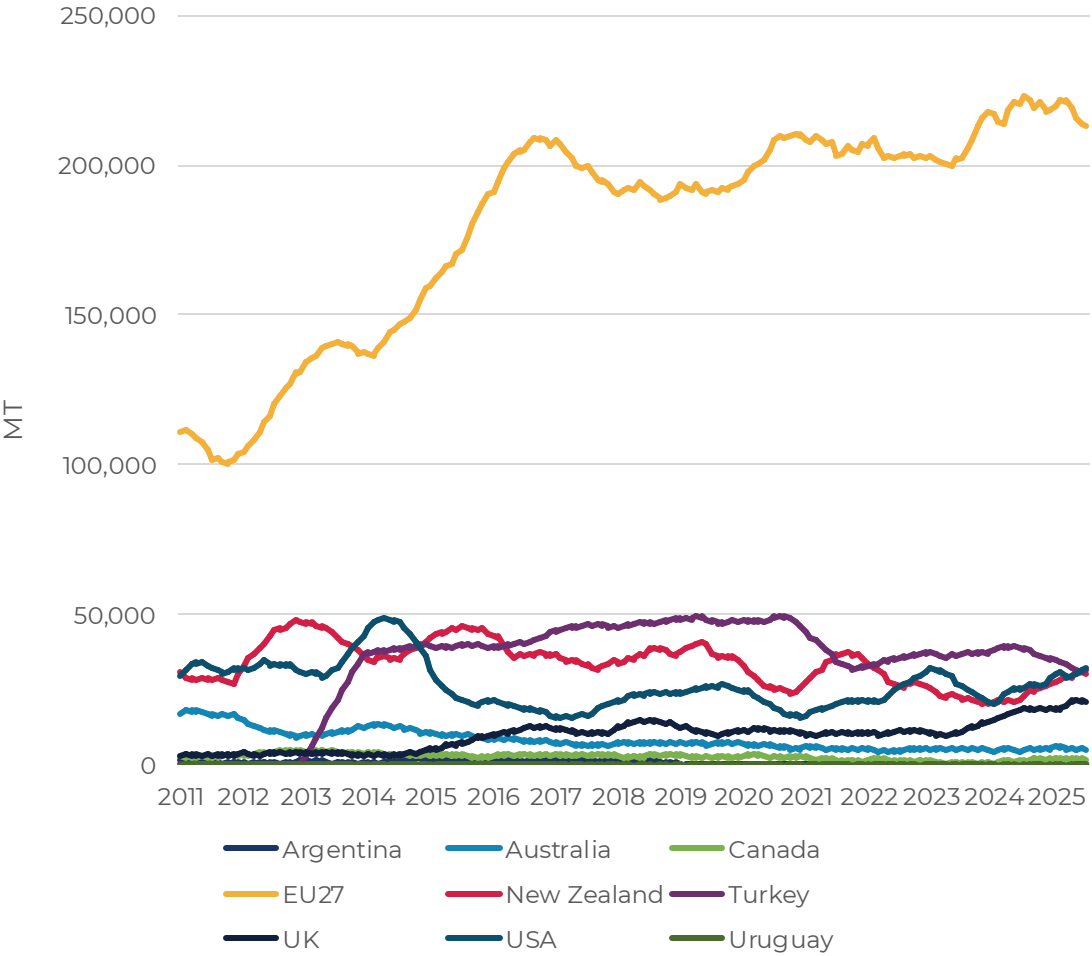


Global Cheese Trade to Australia

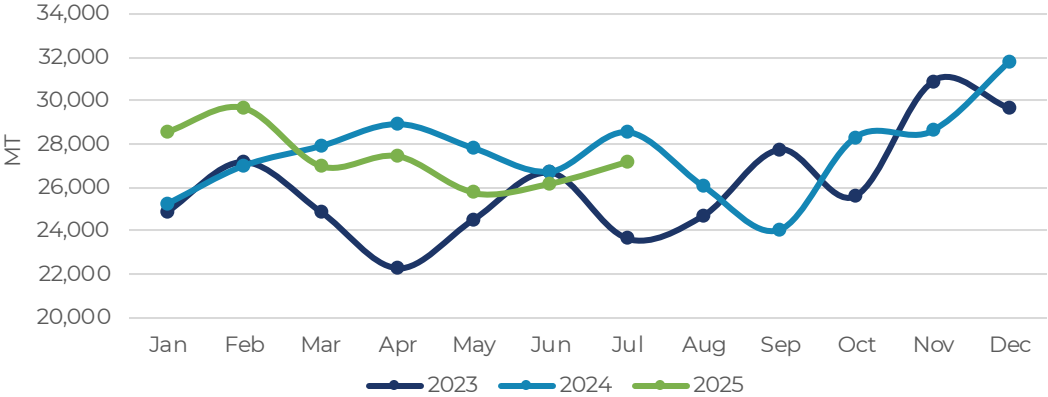


MENA

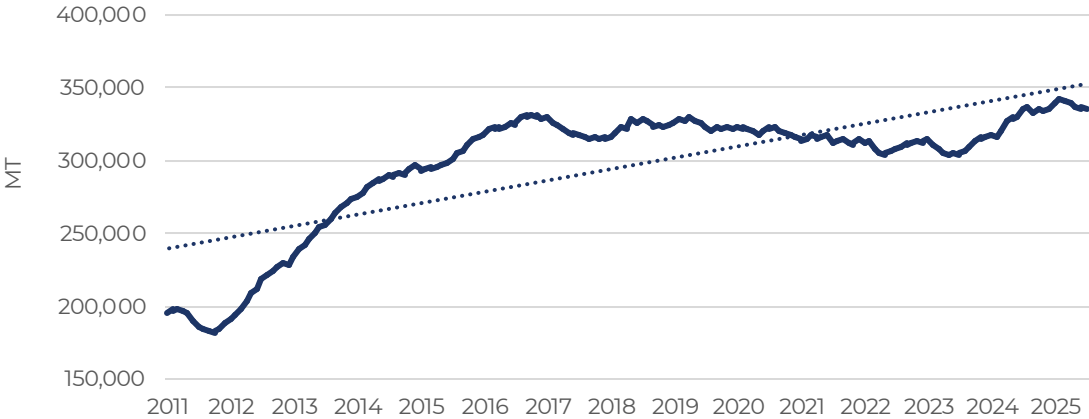
Global Cheese Trade to MENA



Global Cheese Trade to MENA

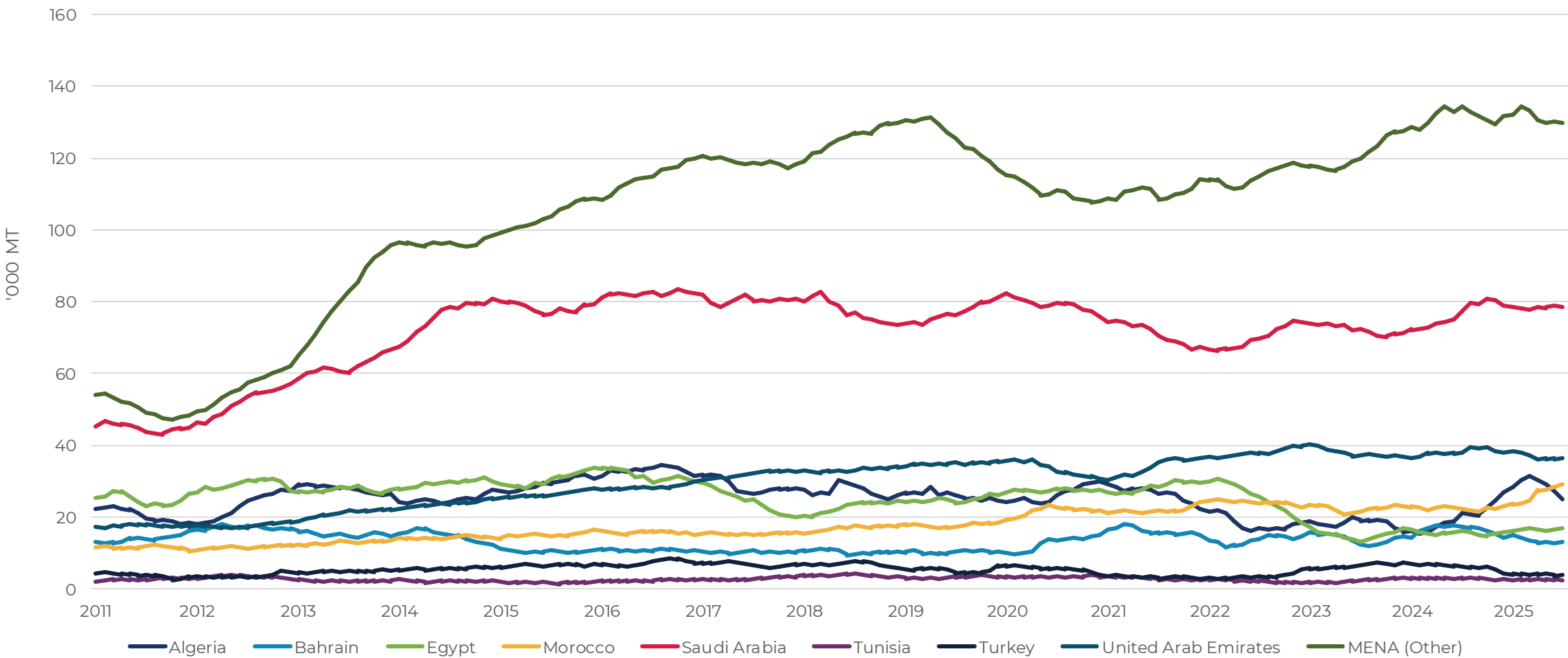


Global Cheese Trade to MENA



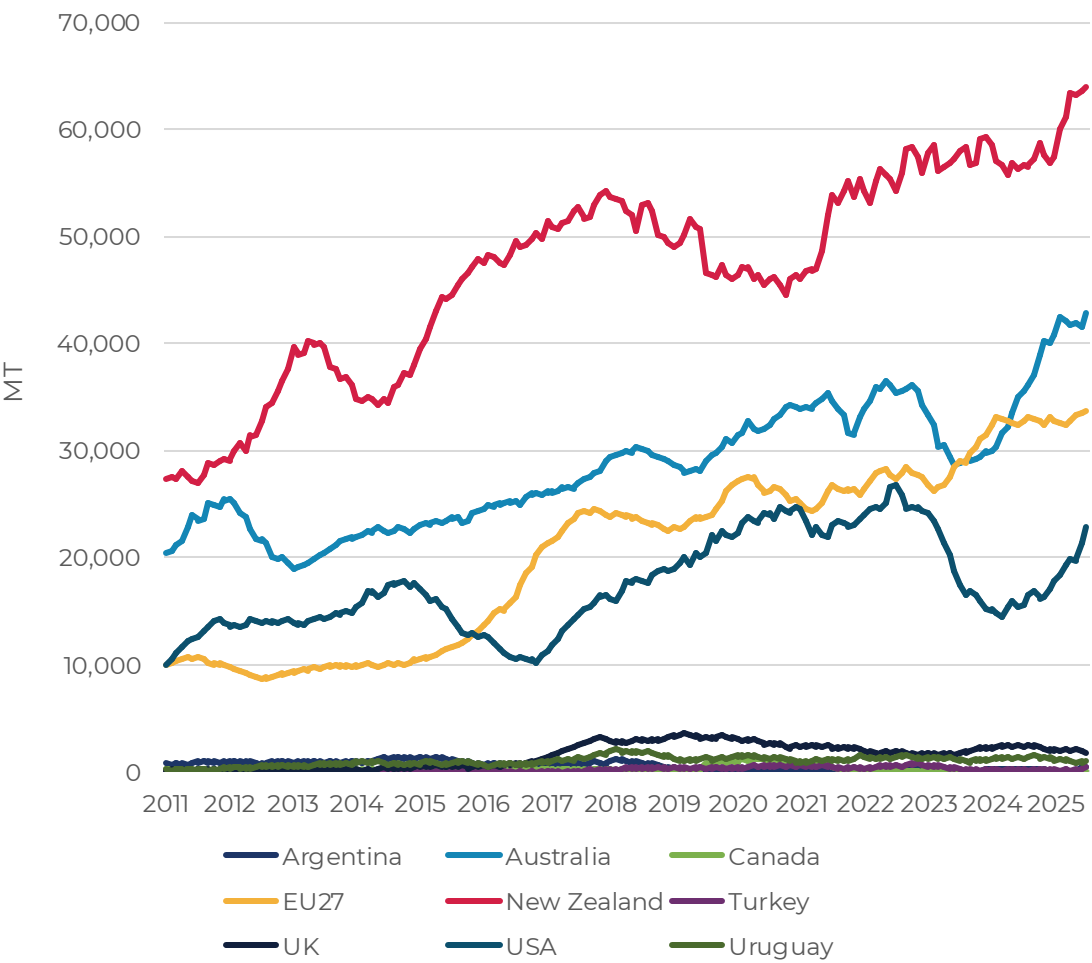
Middle East-North Africa Country Breakdown

Global Cheese Trade to MENA by Country

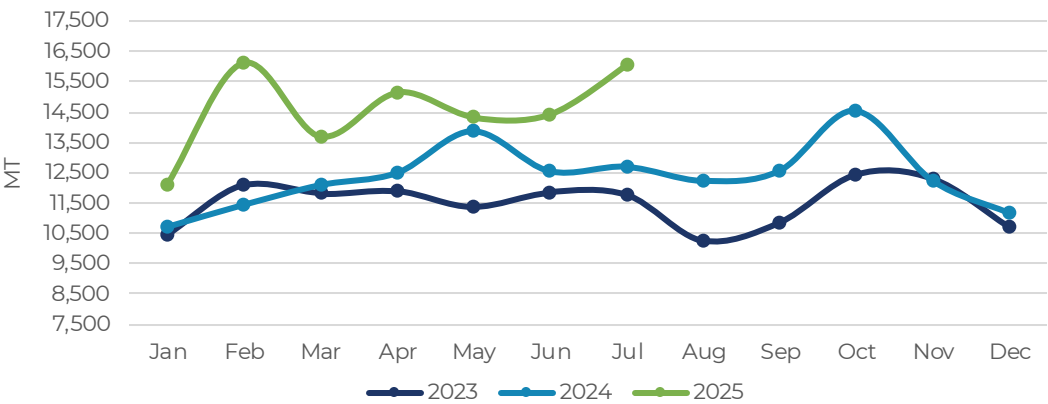


Southeast Asia

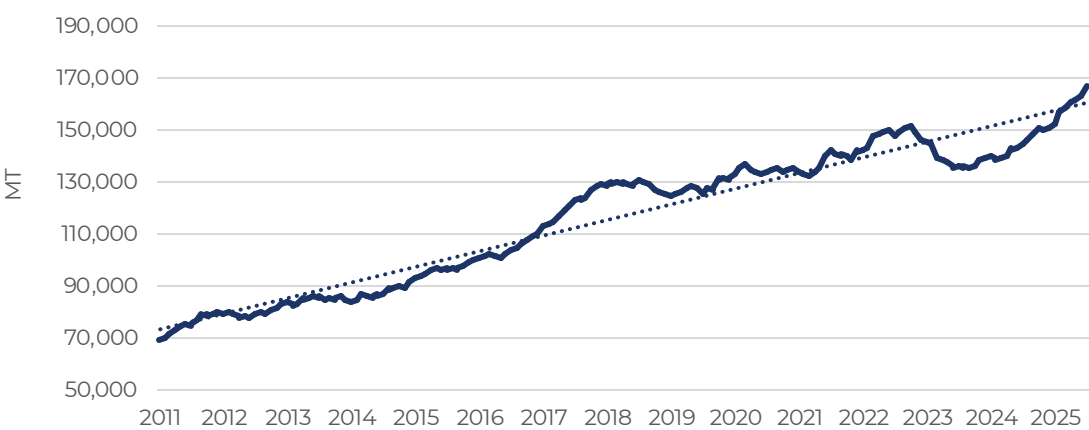
Global Cheese Trade to SEA



Global Cheese Trade to SEA

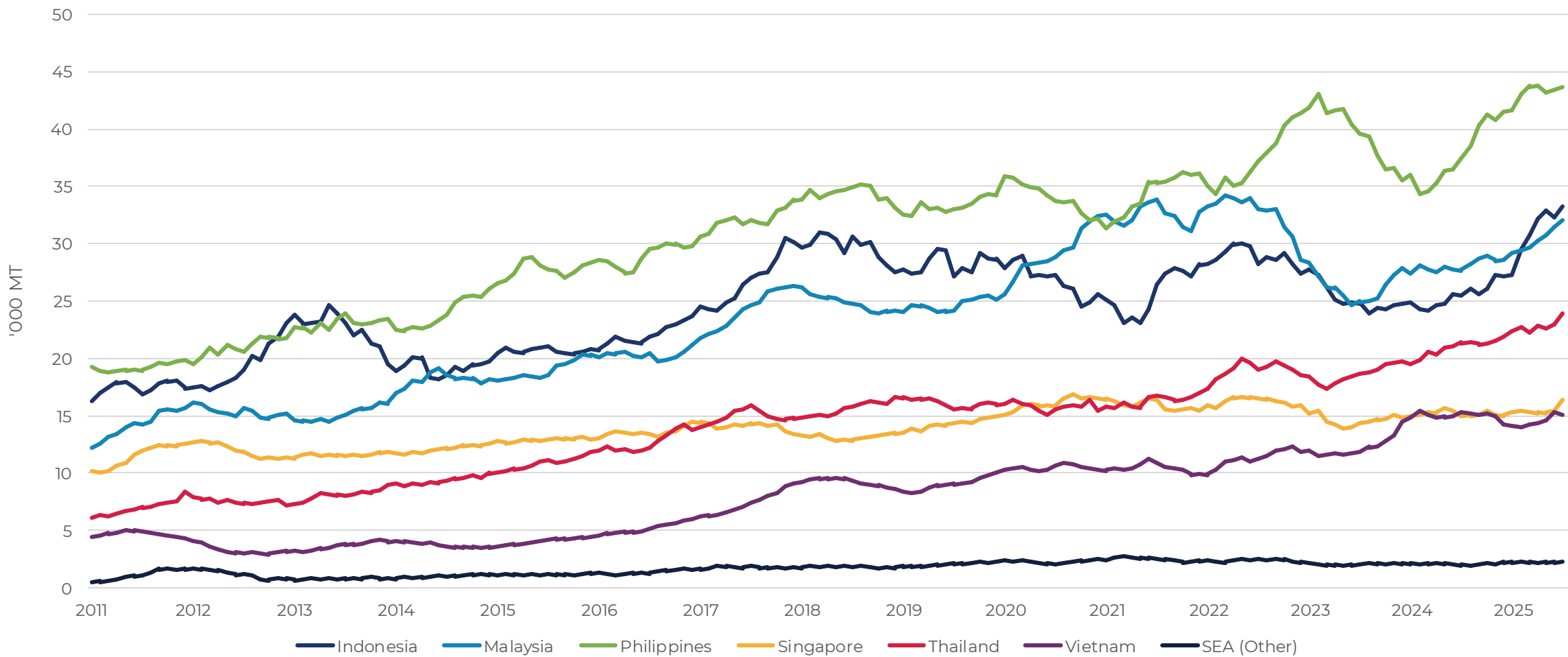


Global Cheese Trade to SEA



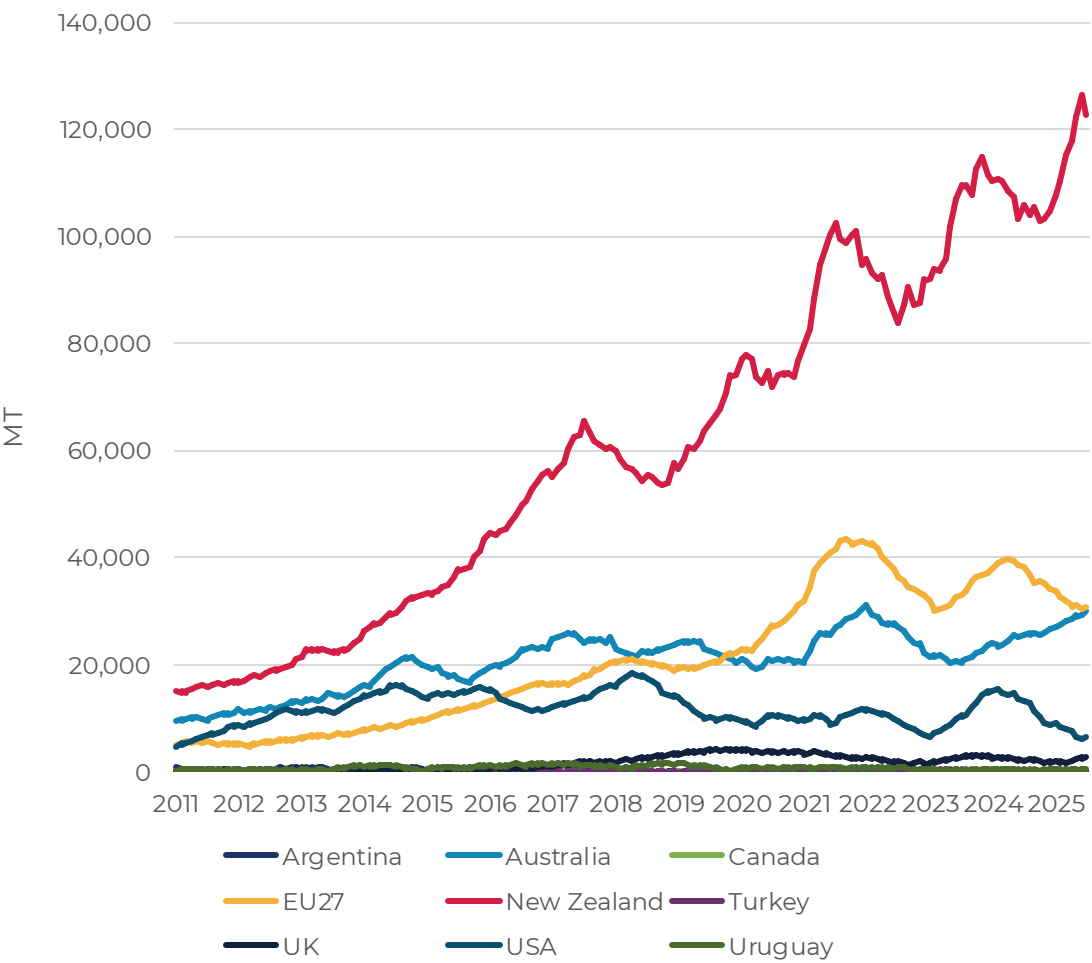
Southeast Asia Country Breakdown

Global Cheese Trade to Southeast Asia by Country

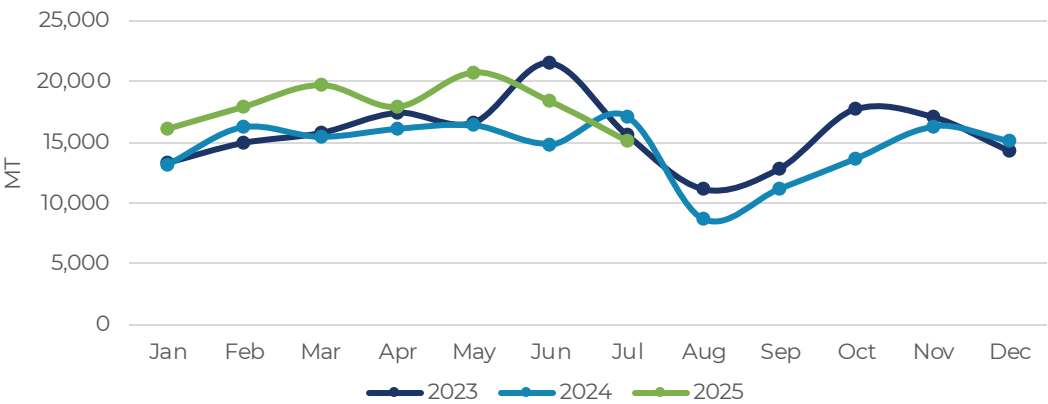


China

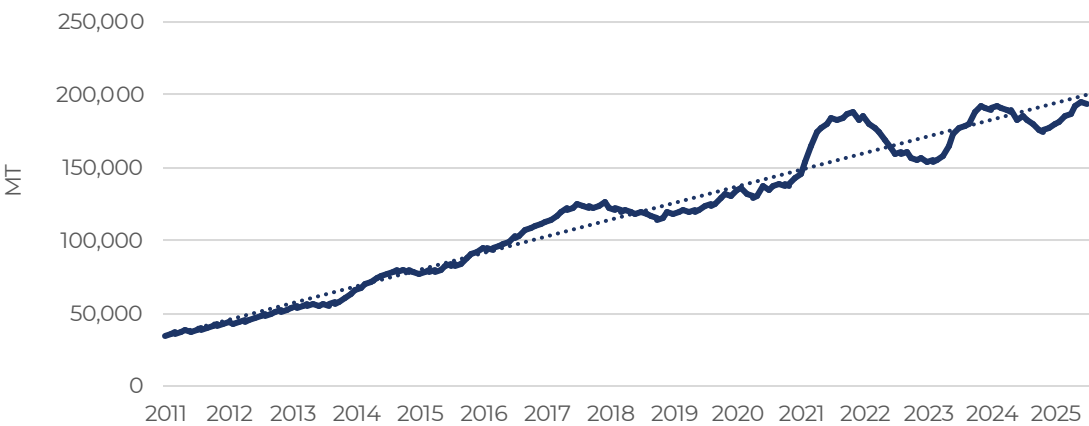
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





NFDM/SMP

NFDM/SMP Market Commentary



KEY TAKEAWAYS

- **The global milk powder trade continues to run sideways as both supply and demand remain uninspired.** July's volumes were just a hair shy of last year (-0.6%, -1,185 MT) but remain much lower than the 2021 heyday of NFDM/SMP trade. While July's result was less negative than some of the declines posted earlier this year, cumulative trade over the first seven months of 2025 trails prior year by 2% (-26,369 MT).
- Dramatically weaker demand from Southeast Asia (-7%, -5,052 MT) was the primary culprit for the monthly decline, reflecting persistent economic lethargy in the region. The appetite for milk powder in July was especially anemic in the Philippines (-20%, -4,128 MT), Vietnam (-21%, -2,162 MT), and Indonesia (-10%, -2,003 MT) though volumes to Singapore more than doubled (+3,503 MT). Shipments to China also fell 14% (-2,060 MT) for the month.
- Not all the news was bad, however, as volumes rose to MENA (See Additional Notes), Sub Saharan Africa (+31%, +2,232 MT), and South Asia (+27%, 1,033 MT).

Global
NFDM/SMP
Trade

-0.6%

Jul YoY

-2.0%

YTD, Ending Jul

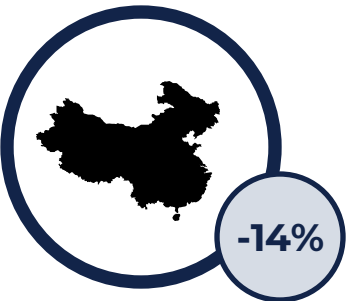
-3.0%

Last 12-Months,
Ending Jul

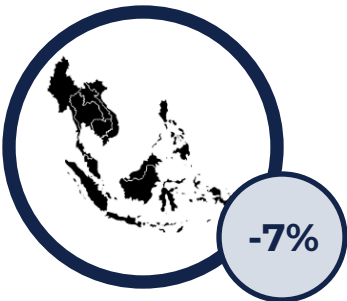
-0.7%

3-Year CAGR

July Standout Markets



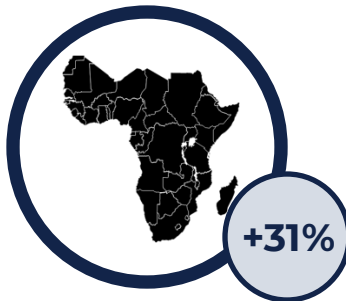
CHINA+HK
-2,060 MT



SOUTHEAST ASIA
-5,025 MT



MENA
+2,454 MT



SSA
+2,232 MT

ADDITIONAL NOTES

After a very slow start to the year, milk powder demand in the Middle East and North Africa is starting to perk up. Between January and May, NFDM/SMP volumes into the region were running 31% behind prior year levels. But the 5% YOY increase seen in June was replicated in July (+2,454 MT), suggesting that the tide may be turning. Improved demand from Saudi Arabia (+48%, +2,890 MT) and Morocco (+270%, +2,838 MT) helped to boost the regional total in July while the UAE (+68%, +1,369 MT) and Egypt (+9%, +623 MT) posted more modest gains. While geopolitical uncertainty in the region remains rife, oil prices have stabilized and may be helping to prop up the purchasing power of countries in the region. Furthermore, MENA has shown an incredible ability in recent years to build milk powder inventories when prices are low. Average export values to the region have been remarkably stable in recent months but the uptick in buying could persist as dairy commodity prices, including for milk powder, fall.

NFDM/SMP Market Commentary



LOOKING AHEAD

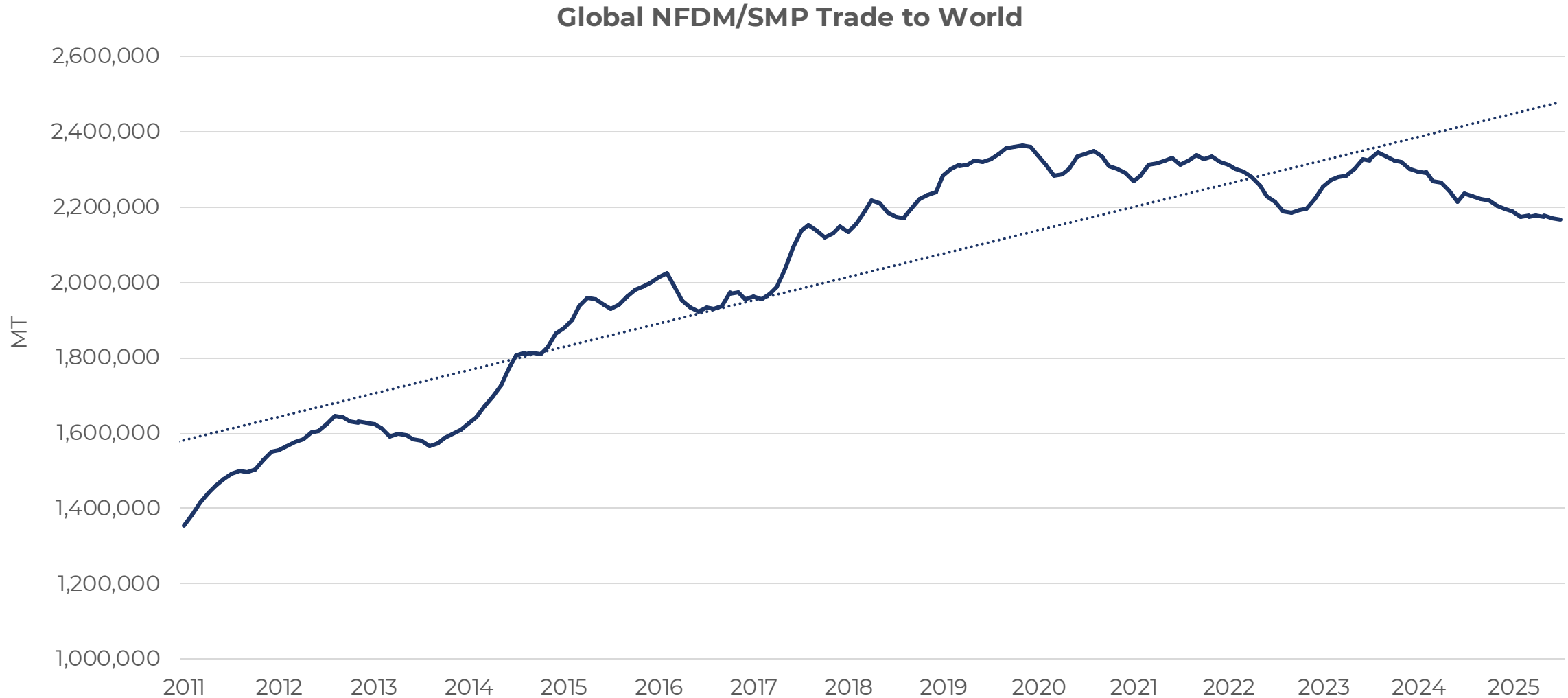
- **There is little evidence to suggest that global milk powder trade will change dramatically in the coming months.** Particularly as NFDM/SMP demand remains subdued among the world's largest importers, it is likely that volumes will run sideways until we see a shift in either supply and demand.
- While milk powder prices have shown more staying power than their cheese and butter counterparts, an overall depreciation in the dairy complex is likely to pull prices lower. This may help to encourage additional opportunistic buying around the edges, but pricing hasn't seemed to be the key impediment to the milk powder trade.
- Rather, **understated trade appears to be a function of lackluster demand combined with lower supplies.** With alternative products, such as milk protein concentrates, increasingly grabbing the attention of both buyers and sellers, lateral momentum may be the best we can hope for in the near term for milk powder trade.

U.S. NFDM/SMP Exports	-15.7% Jul YoY	-11.8% YTD, Ending Jul	-9.9% Last 12-Months, Ending Jul	-3.4% 3-Year CAGR
EU NFDM/SMP Exports	+13.9% Jul YoY	+4.4% YTD, Ending Jul	-0.2% Last 12-Months, Ending Jul	-0.1% 3-Year CAGR
NZ NFDM/SMP Exports	-15.0% Jul YoY	-4.6% YTD, Ending Jul	-5.5% Last 12-Months, Ending Jul	-0.9% 3-Year CAGR

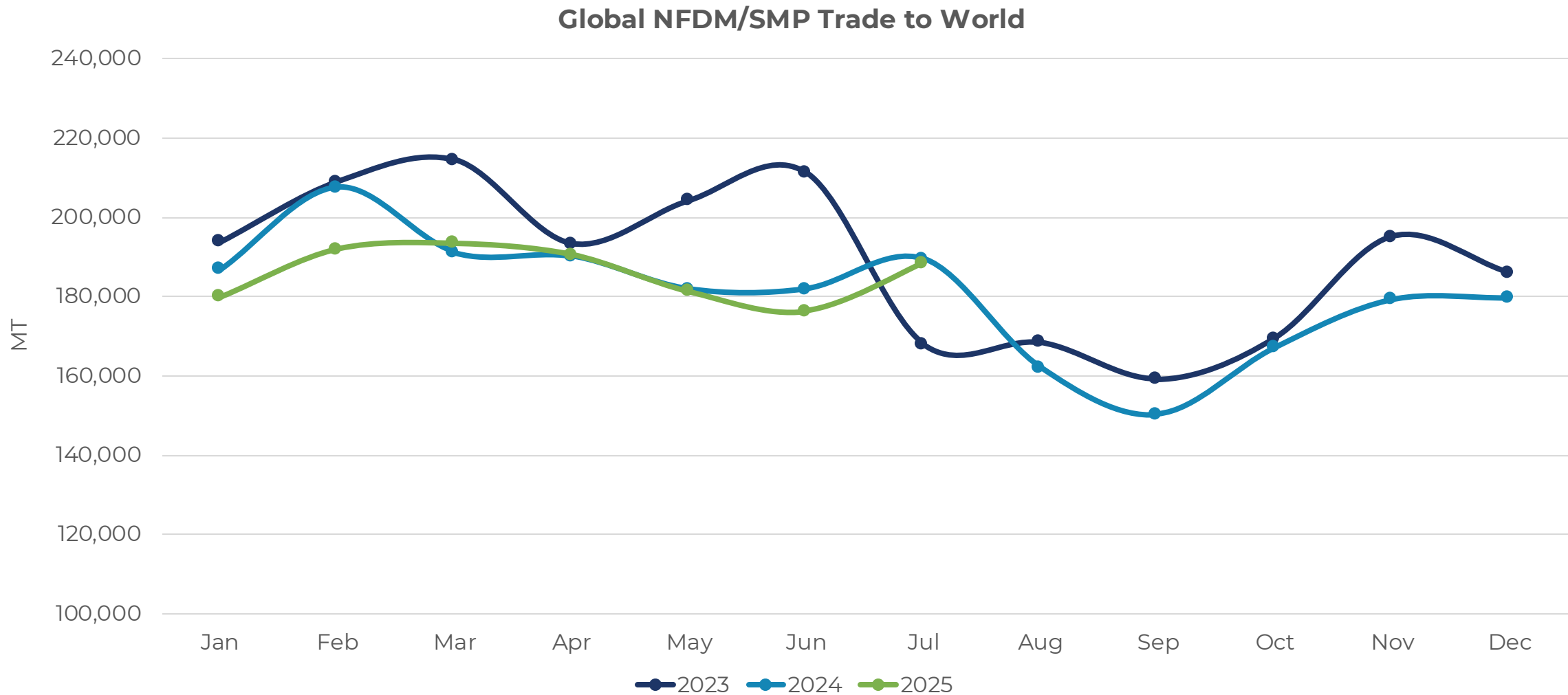
Average NFDM/SMP Export Value to World



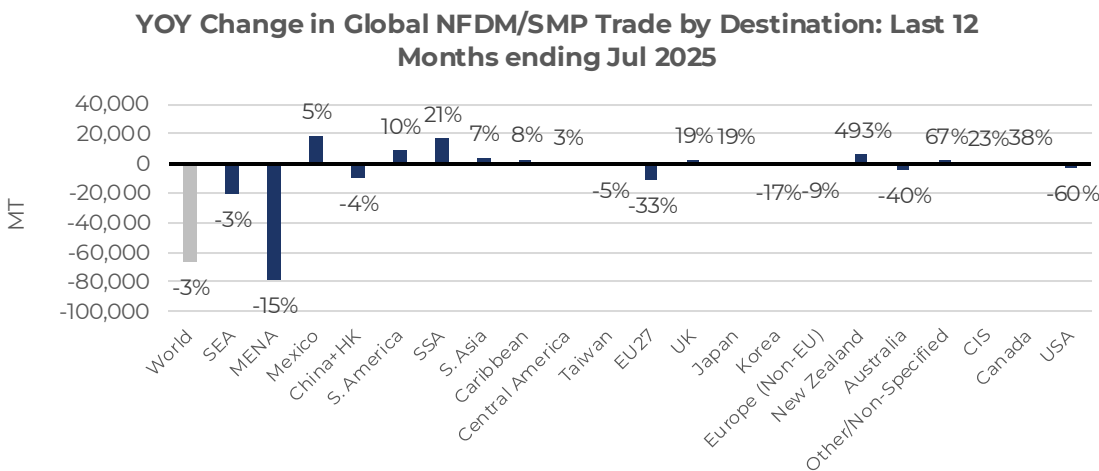
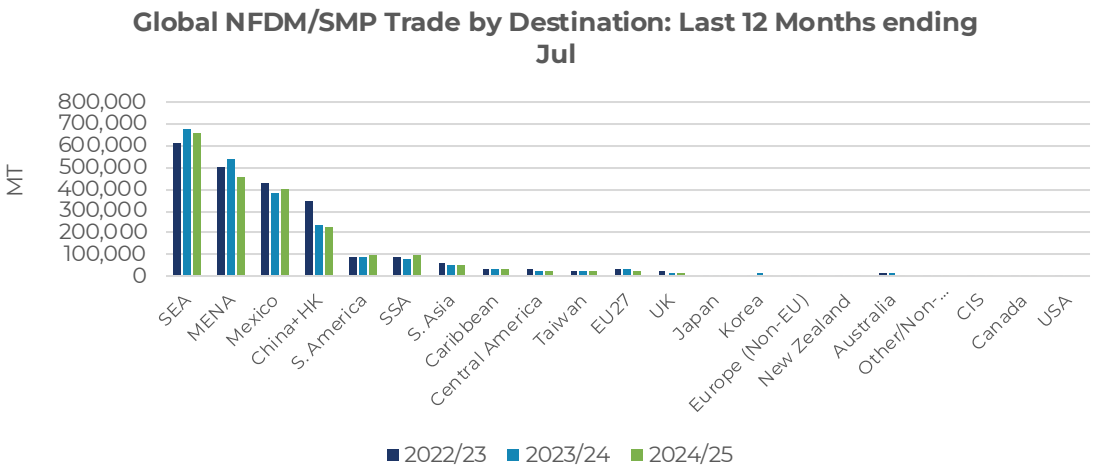
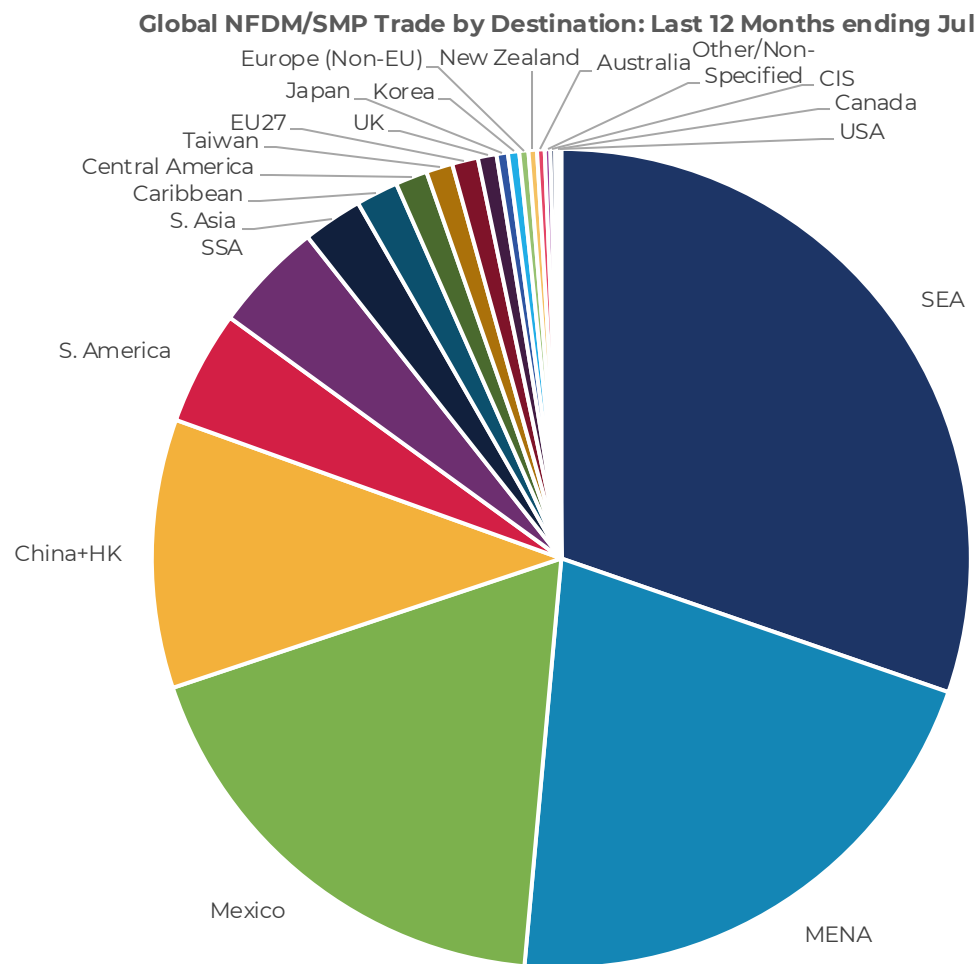
Global Overview: NFDM/SMP



Global Overview: NFDM/SMP

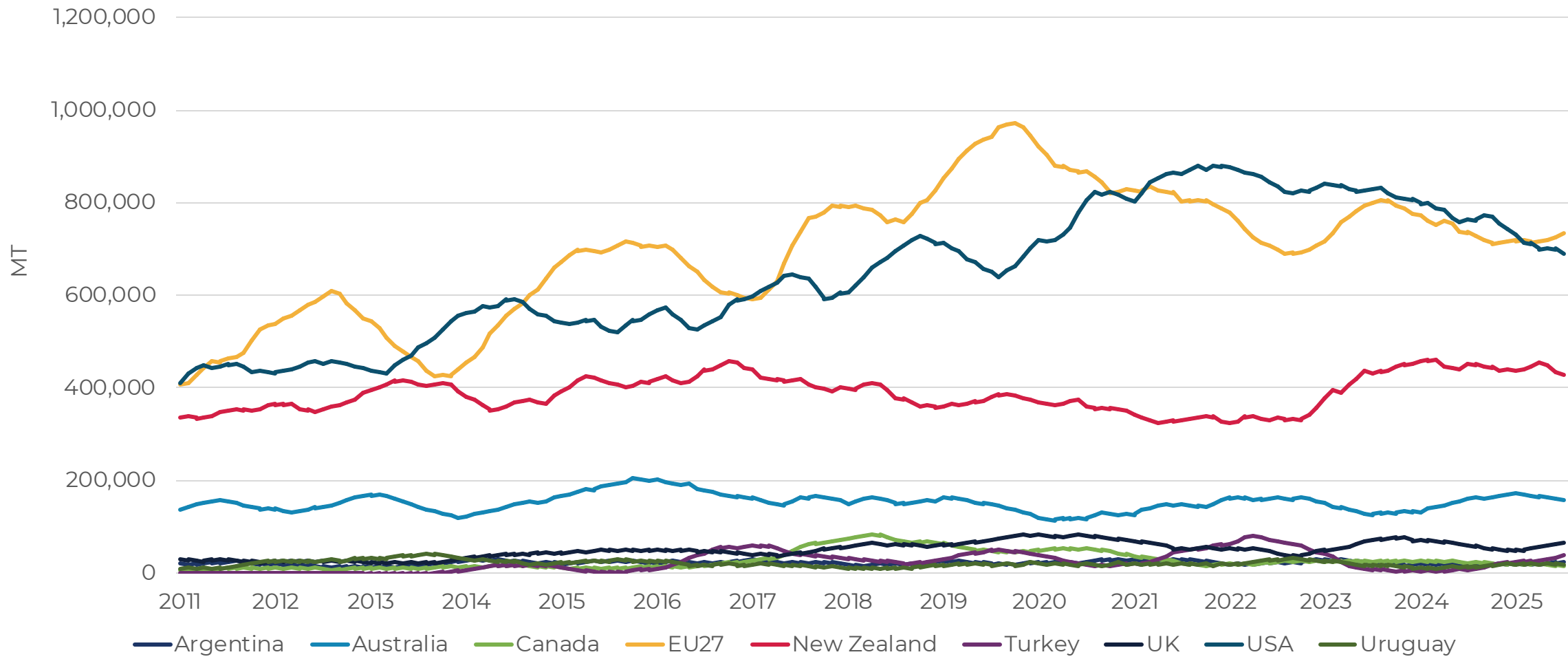


Global Overview: NFDM/SMP – Last 12 Months



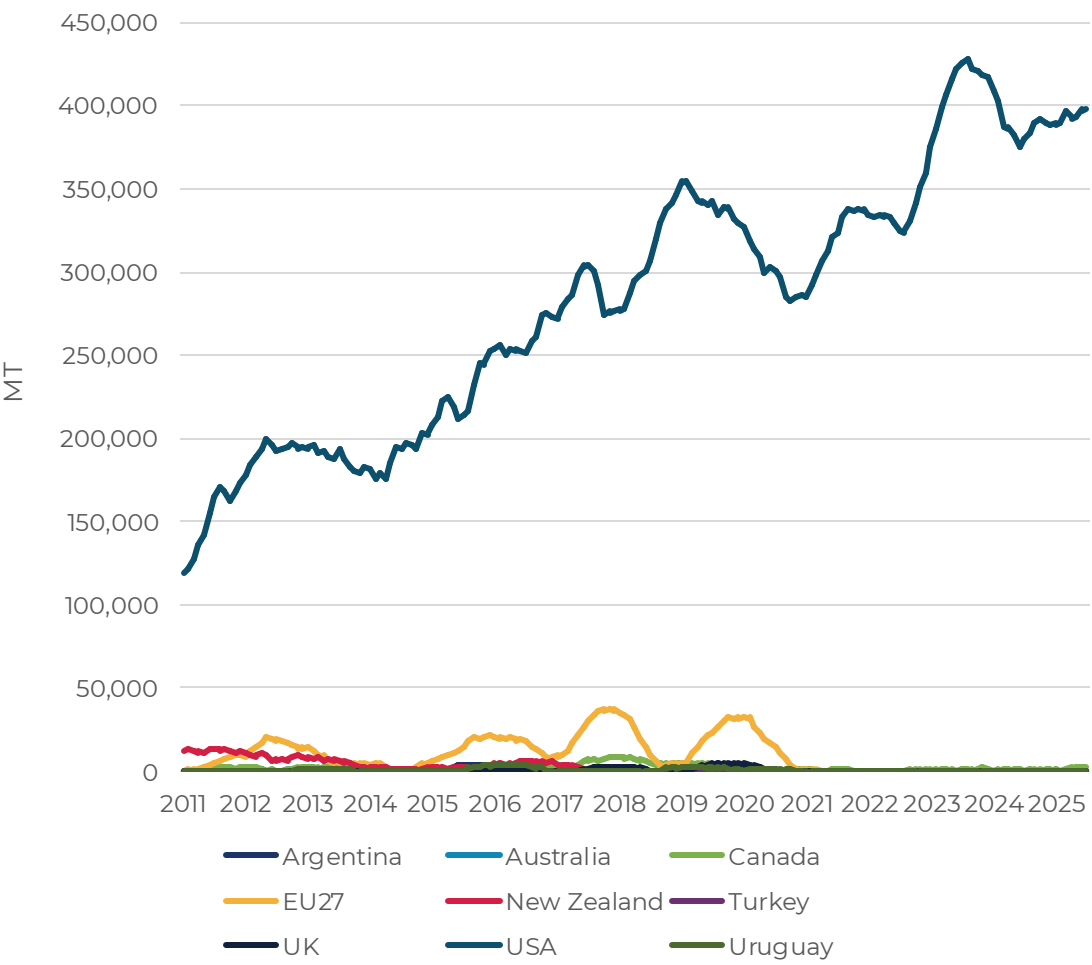
Trade Flows: NFDM/SMP

Global NFDM/SMP Trade to World

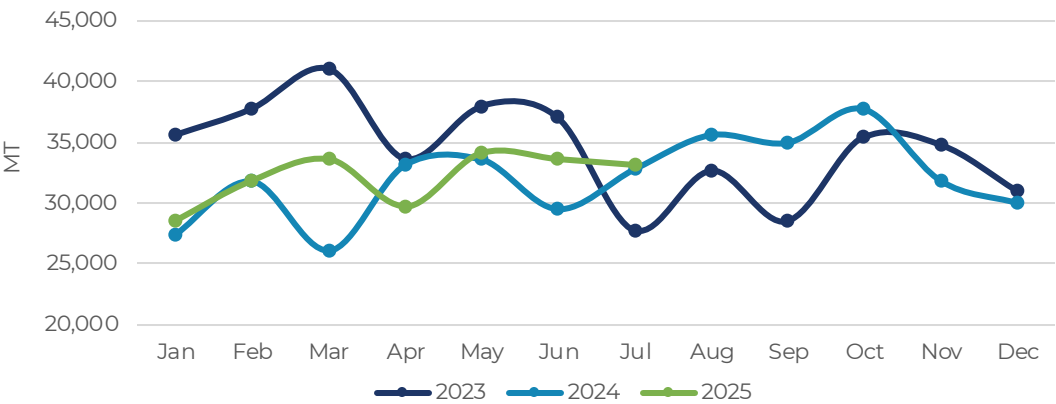


Mexico

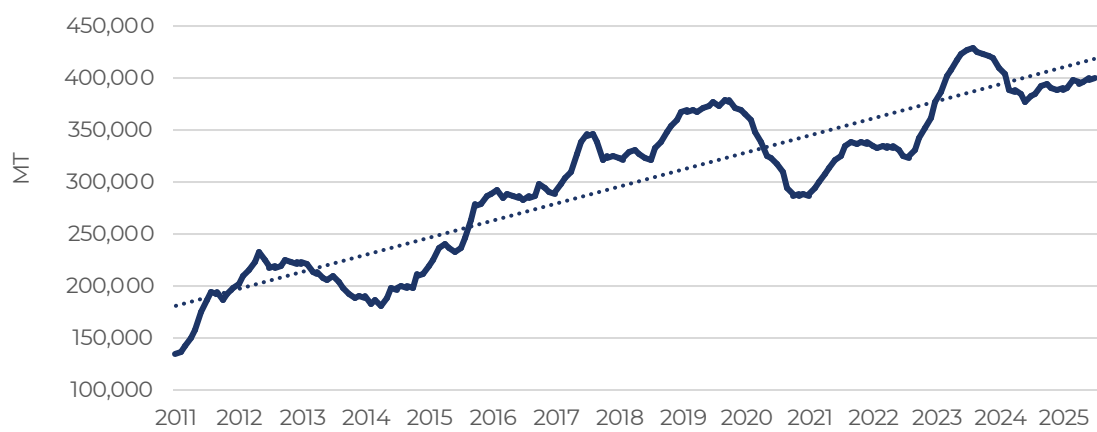
Global NFDM/SMP Trade to Mexico



Global NFDM/SMP Trade to Mexico

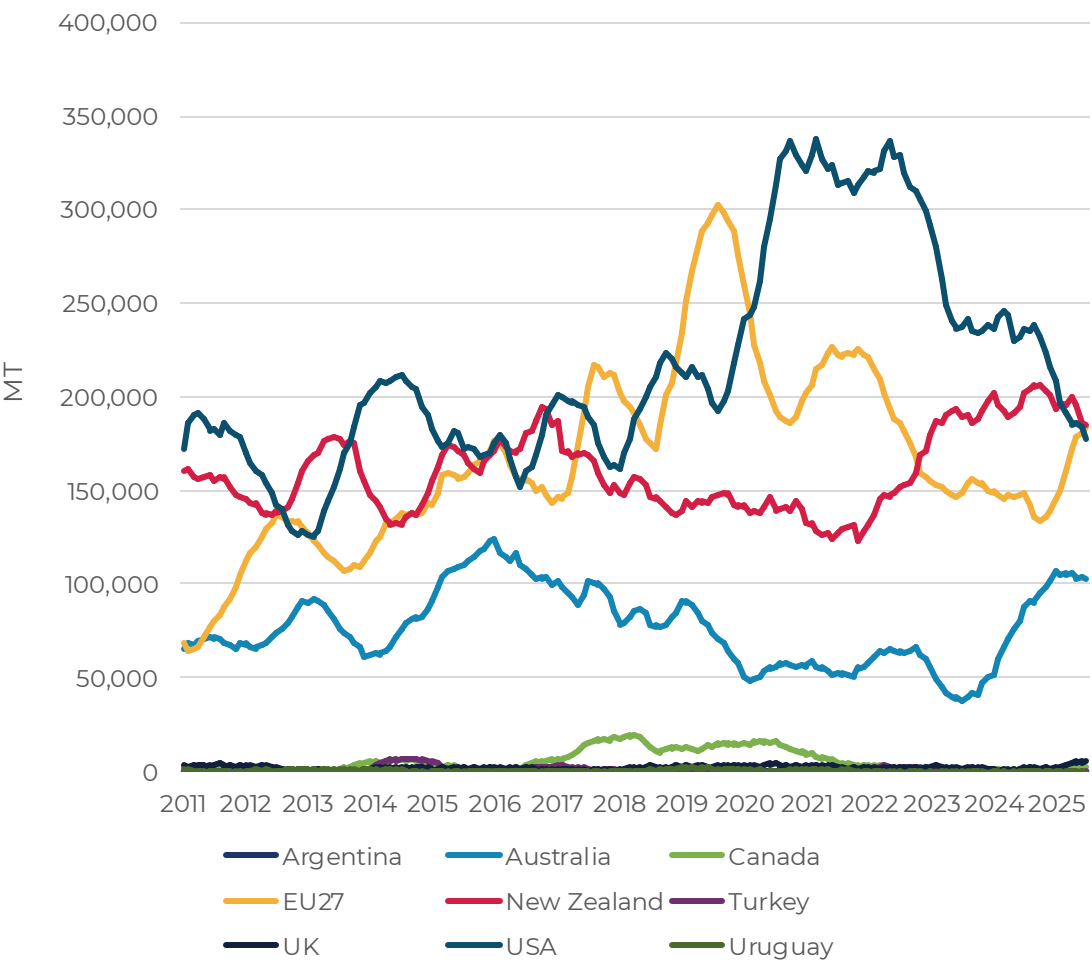


Global NFDM/SMP Trade to Mexico

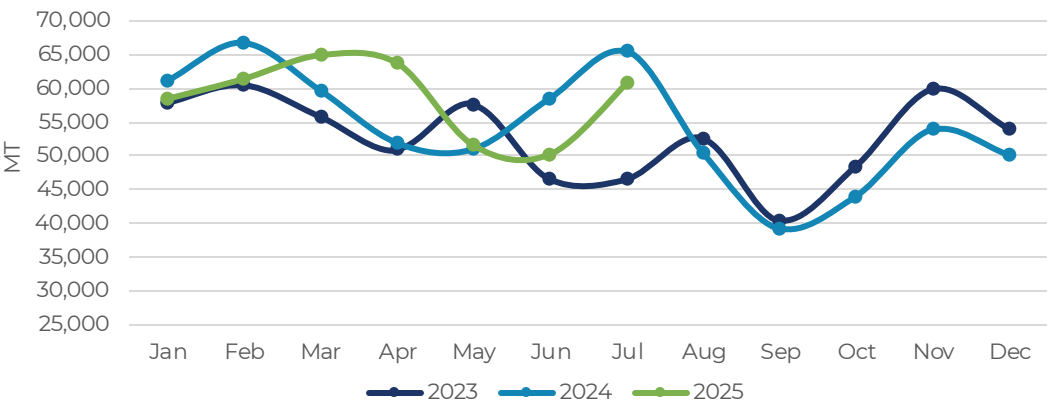


Southeast Asia

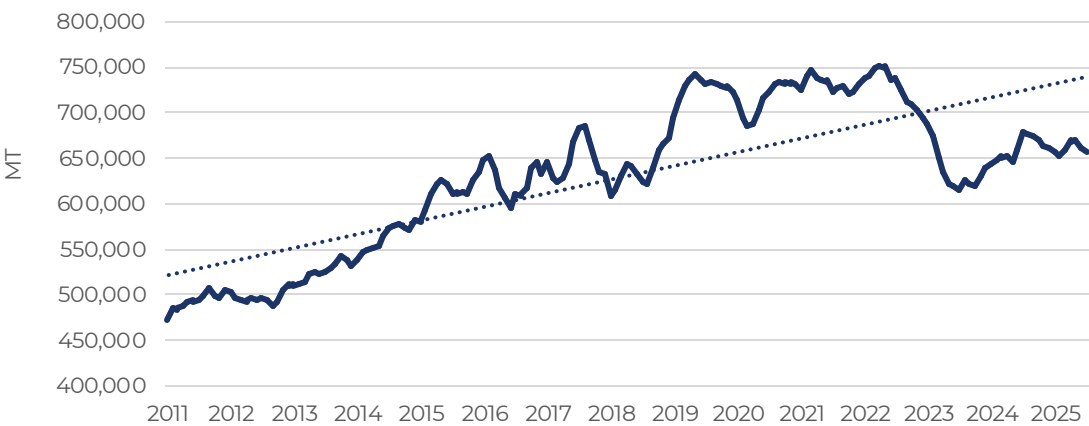
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

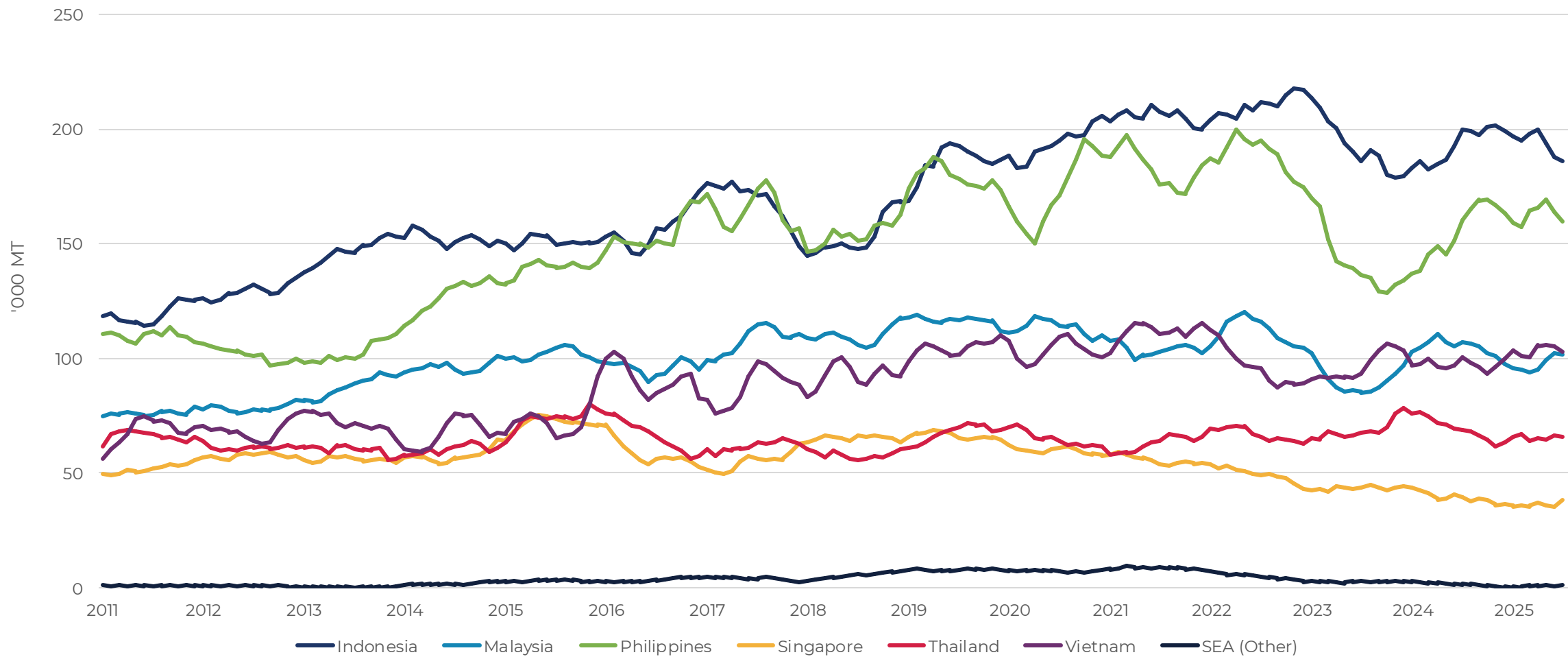


Global NFDM/SMP Trade to SEA



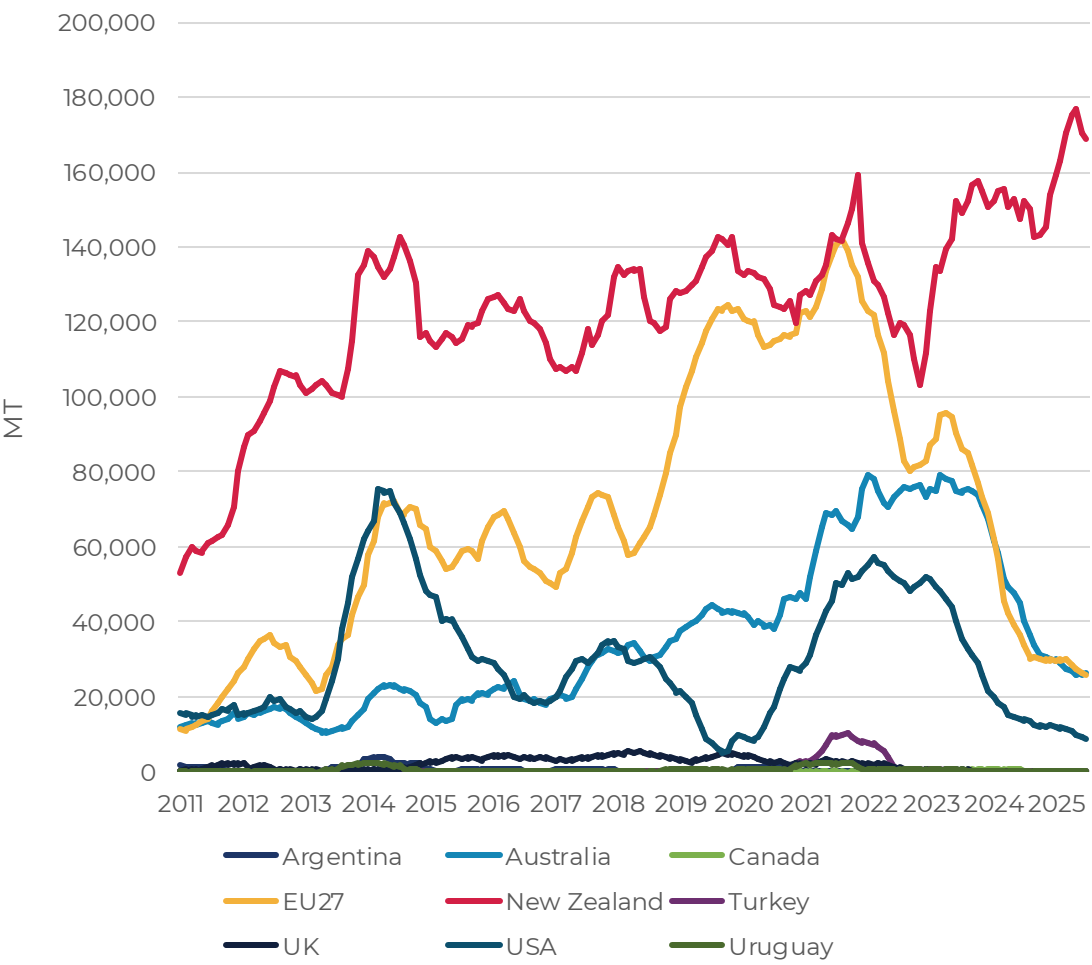
Southeast Asia Country Breakdown

Global NFDM/SMP Trade to Southeast Asia by Country

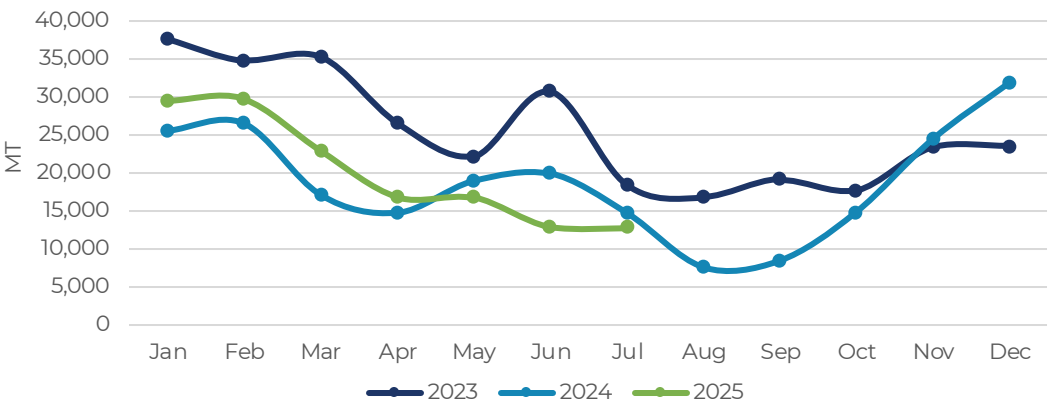


China

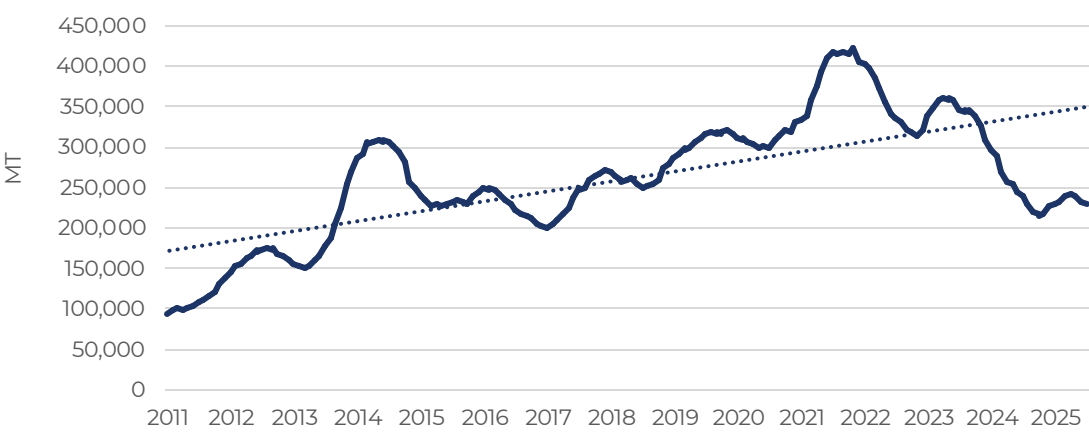
Global NFDM/SMP Trade to China+HK



Global NFDM/SMP Trade to China+HK

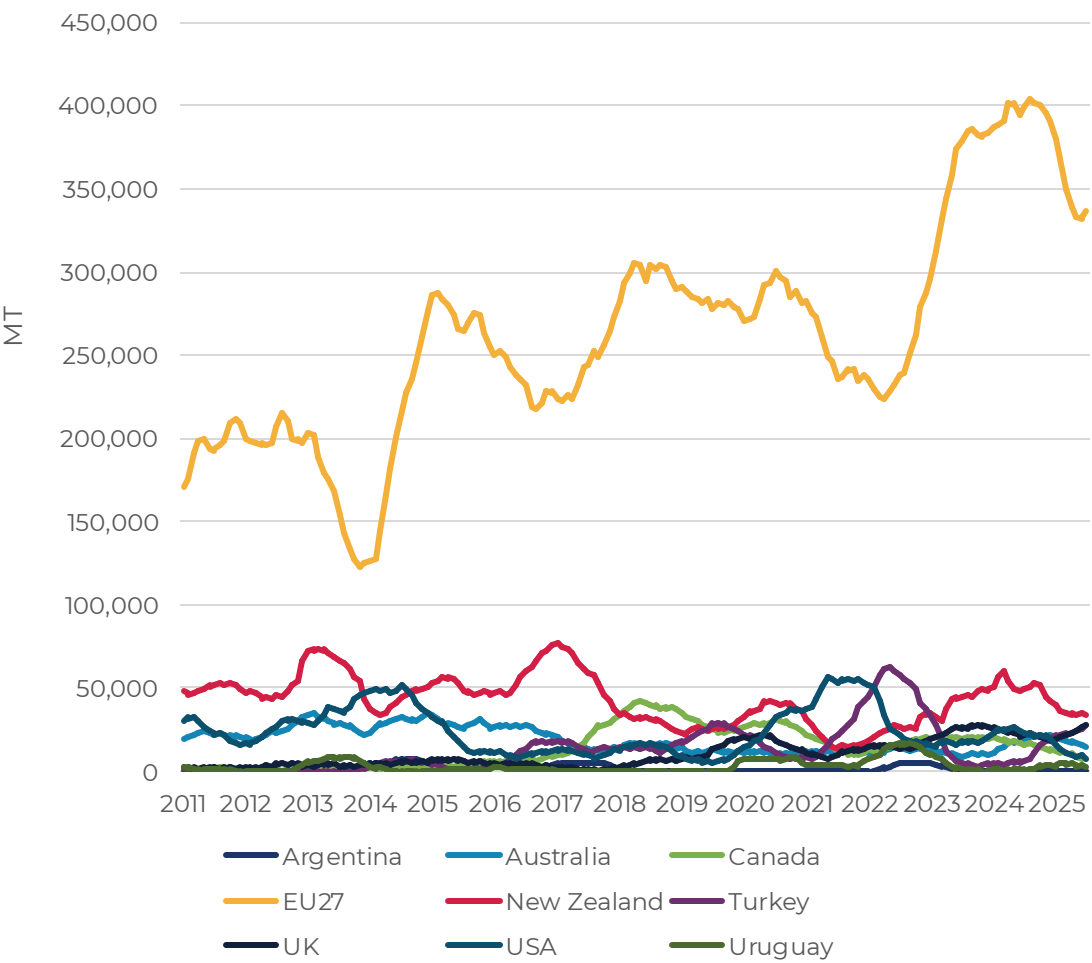


Global NFDM/SMP Trade to China+HK

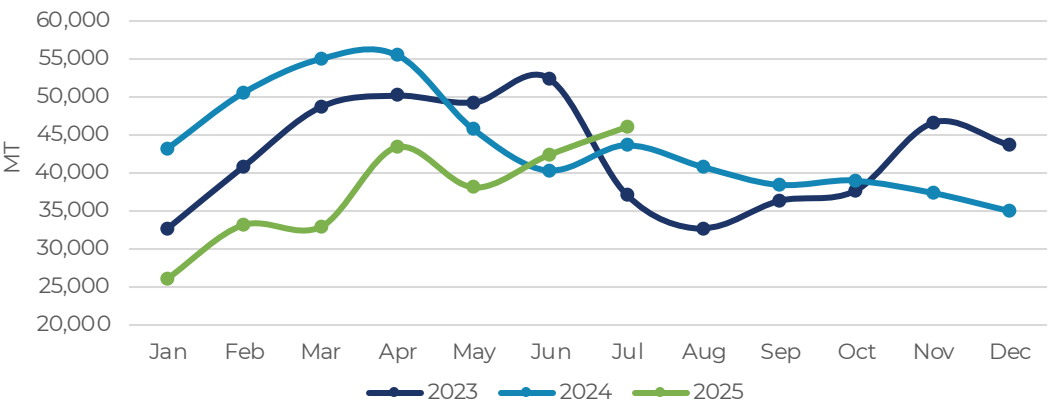


MENA

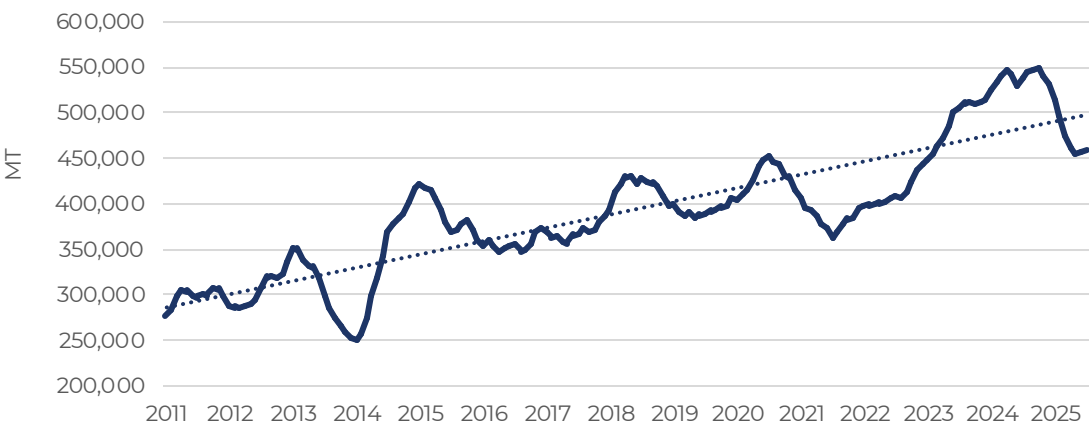
Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA

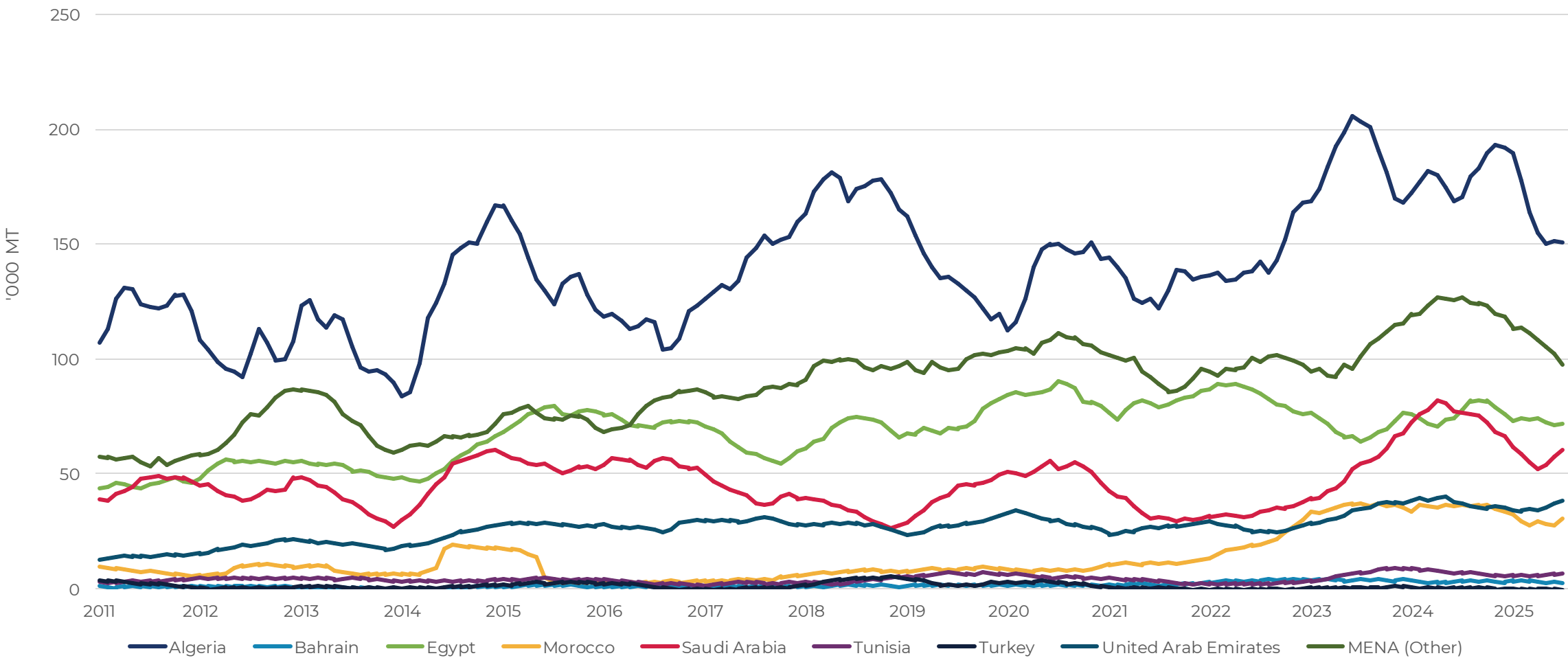


Global NFDM/SMP Trade to MENA



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

- July marked another month of choppy trade for low protein whey products. Total trade for the category fell 5% (-6,914 MT) versus last year's volumes as shipments fell to several key destinations.
- Most notably, volumes to China slumped 9% (-4,327 MT) for the month after staging a recovery in June. Buyers have been very sensitive to the volatile trade policy environment, and it is likely that shipments slowed after the initial jump following the tariff de-escalation between the U.S. and China. With the tariff deadline extended to mid-November, we could see trade figures improve in the next few months of data given the mix of short-term stability but long-term uncertainty.
- China wasn't the only culprit behind the category decline, however. Shipments to SEA continued to tumble, down 7% (-3,011 MT) YOY in July albeit against near-record strong volumes last year. MENA also dialed back its demand for low protein whey products by 22% (-1,878 MT). On the other hand, however, low protein whey exports to Mexico doubled in July (+107%, +3,409 MT).

Global
Whey
(0404.10)
Trade

-4.9%

Jul YoY

-0.2%

YTD, Ending Jul

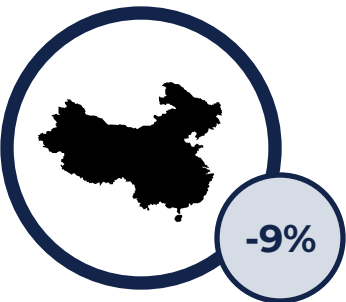
+3.4%

Last 12-Months,
Ending Jul

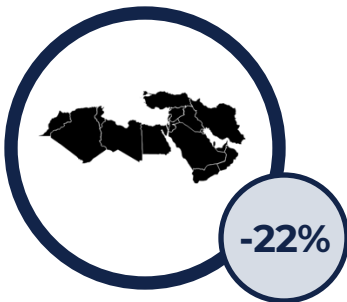
+1.3%

3-Year CAGR

July Standout Markets



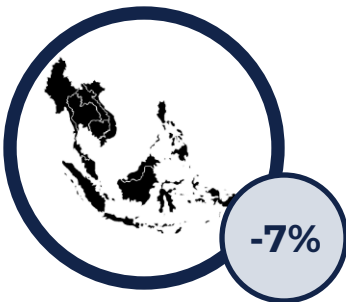
CHINA+HK
-4,327 MT



MENA
-1,878 MT



MEXICO
+3,409 MT



SOUTHEAST ASIA
-3,011 MT

ADDITIONAL NOTES

The fluctuation across low protein whey trade this year has had uneven implications for different suppliers. On the one hand, year to date volumes from the U.S. have fallen 2% (-6,369 MT) though July's performance was a decidedly improved 8% (+3,666 MT), due to the pop in Mexican demand. However, the U.S. isn't the only supplier to experience lower volumes as YTD shipments were also down from the EU (-1%, -4,496 MT), NZ (-28%, -3,159 MT), and most dramatically, Australia (-48%, -8,834 MT). But if global trade is only down 0.2% (-1,493 MT), who has been making up the difference? Turkey continues to amplify its role as a supplier of low protein whey products to the global market with their YTD shipments up 37% (+14,392 MT) and cementing their place as the third largest global supplier. Turkish product is very competitively priced with export values boasting a 45% average discount to global values. And while it may not comply with rigorous quality specifications, it remains an affordable and intriguing alternative for less sensitive applications.

Whey Products (0404.10) Market Commentary



LOOKING AHEAD

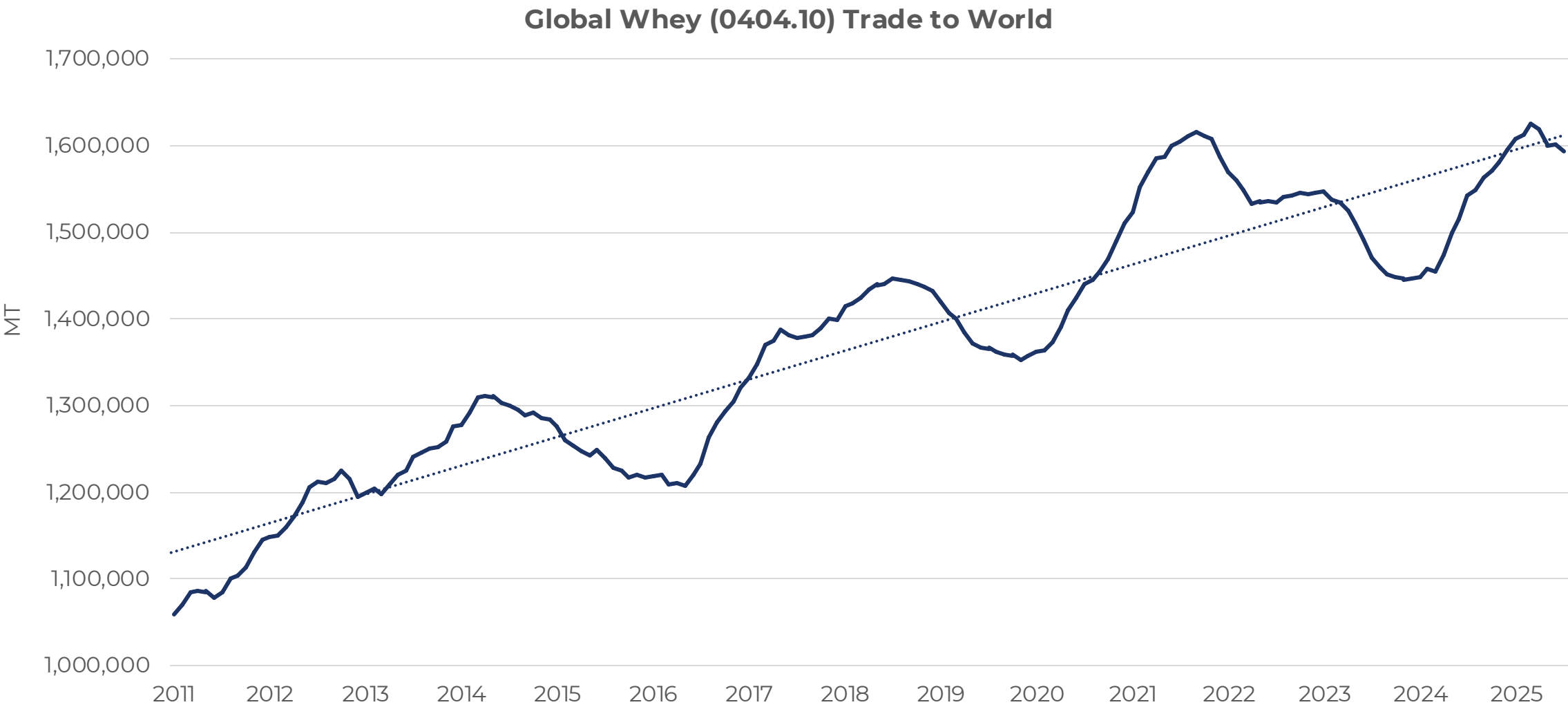
- **The future of the low protein whey trade will likely largely remain predicated on the trajectory of trade policy and China's appetite in response to these developments.** While there has been some reprieve from the tension for now, the next deadline is rapidly approaching, and further developments could have a dramatic impact on the shape of low protein whey trade over the balance of 2025.
- Outside of China, while a sweeping global appetite for protein and plentiful supplies are likely to ultimately have a positive effect on low protein whey trade, economic developments are poised to serve as a more fundamental driver of the sector. For the moment, economic uncertainty still seems to rule, which doesn't bode particularly well for a rebound in regions like SEA or MENA. But if the tables turn and GDP begins to improve in earnest, low protein whey trade will likely improve as a result.
- Despite the overall bearish tones of dairy markets in recent weeks, whey prices have remained resilient. It seems unlikely that prices will deteriorate in the coming weeks and thus, the industry shouldn't expect to glean additional sales from lower prices.

U.S. Whey (0404.10) Exports	+8.4% Jul YoY	-2.1% YTD, Ending Jul	+0.6% Last 12-Months, Ending Jul	+0.2% 3-Year CAGR
EU Whey (0404.10) Exports	-12.2% Jul YoY	-1.0% YTD, Ending Jul	+1.3% Last 12-Months, Ending Jul	+0.4% 3-Year CAGR
NZ Whey (0404.10) Exports	-70.5% Jul YoY	-27.9% YTD, Ending Jul	-24.8% Last 12-Months, Ending Jul	-9.1% 3-Year CAGR

Average Whey (0404.10) Export Value to World

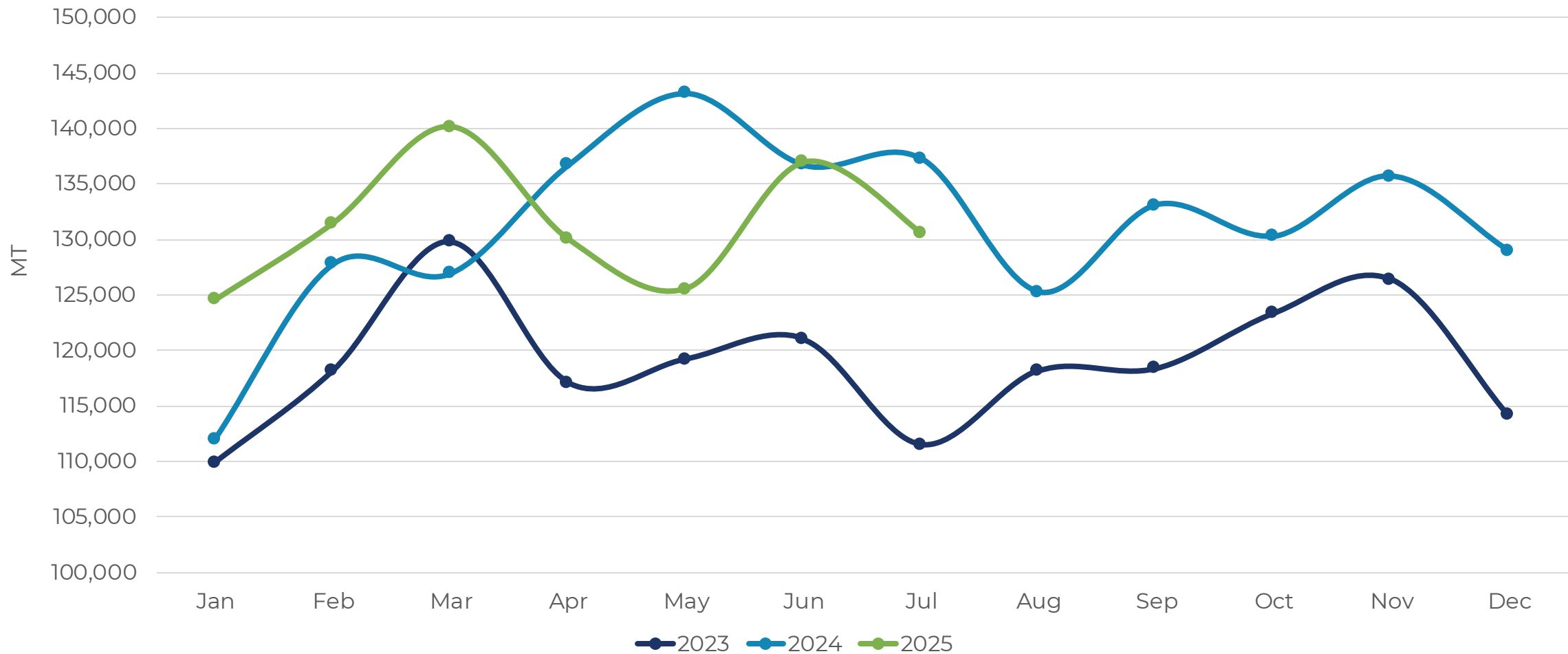


Global Overview: Whey (0404.10)

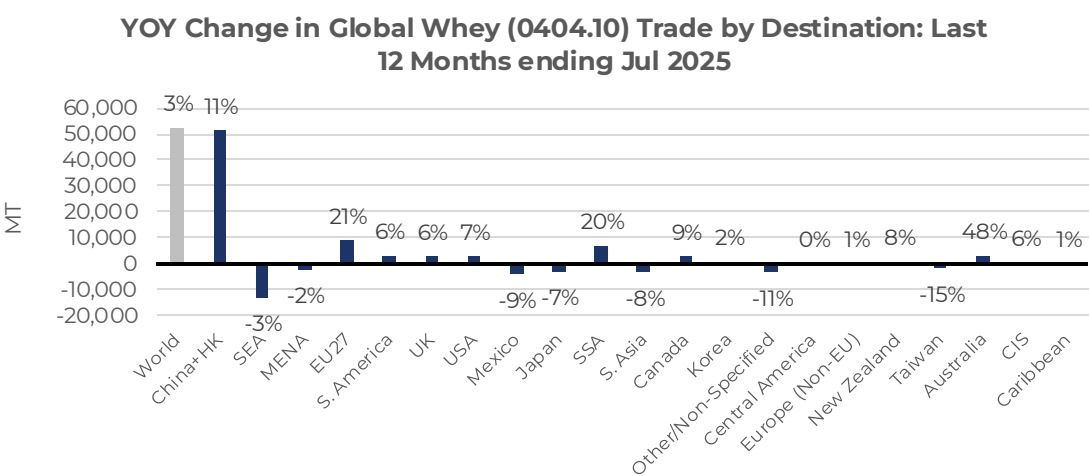
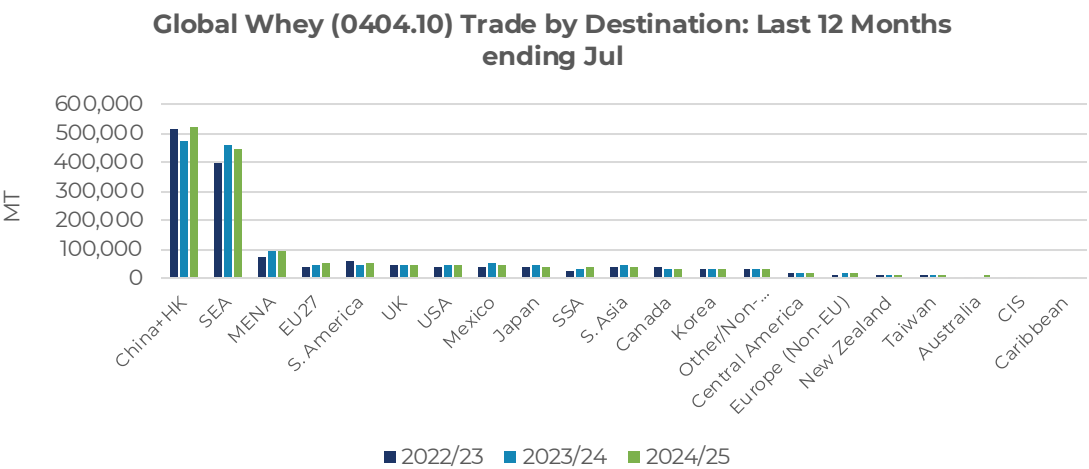
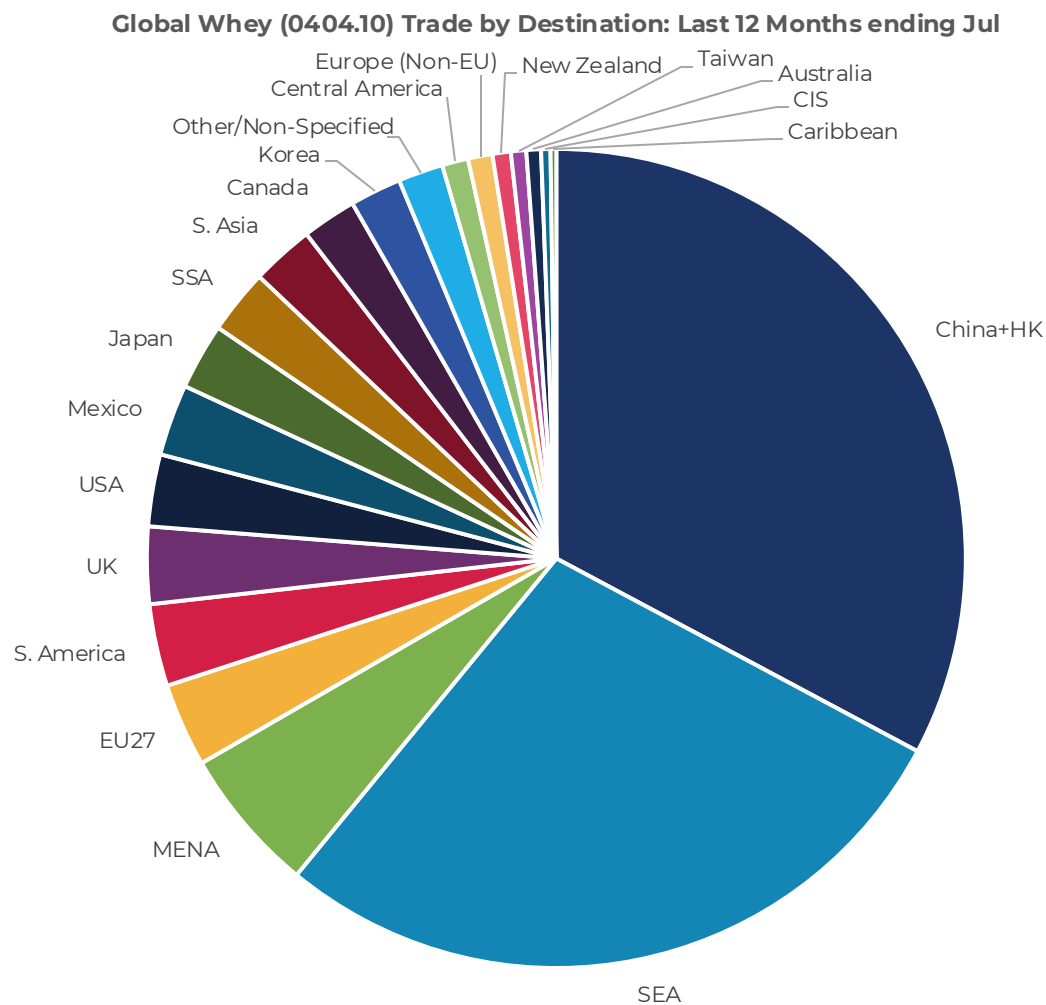


Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

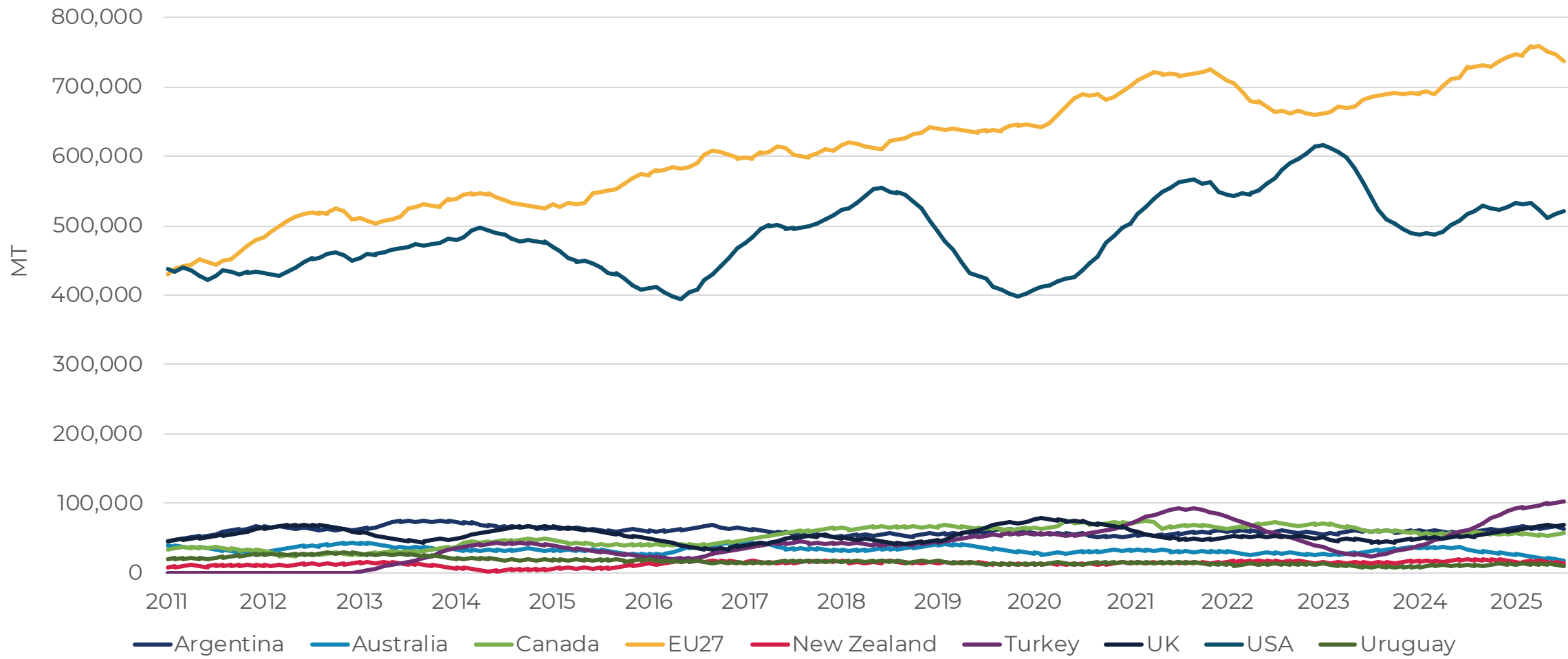


Global Overview: Whey (0404.10) – Last 12 Months



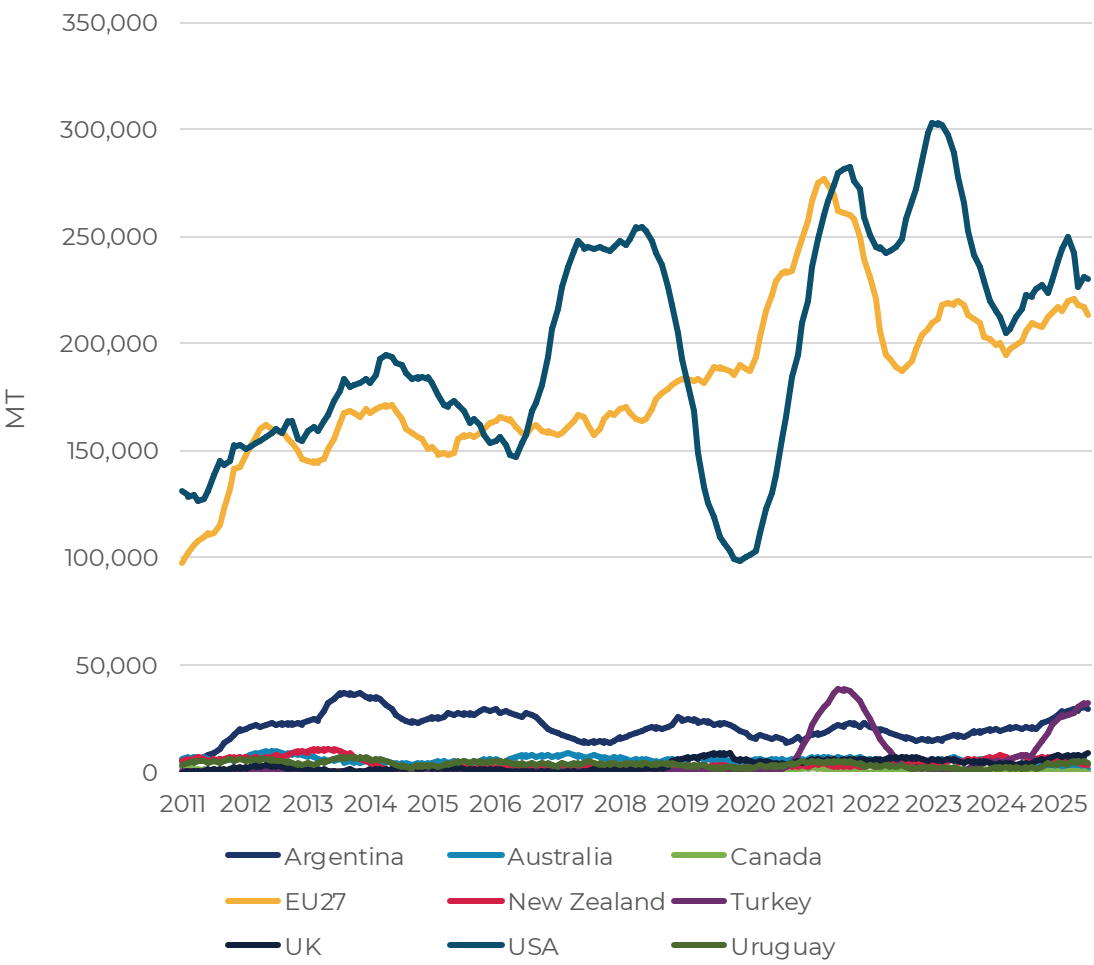
Trade Flows: Whey Products

Global Whey (0404.10) Trade to World

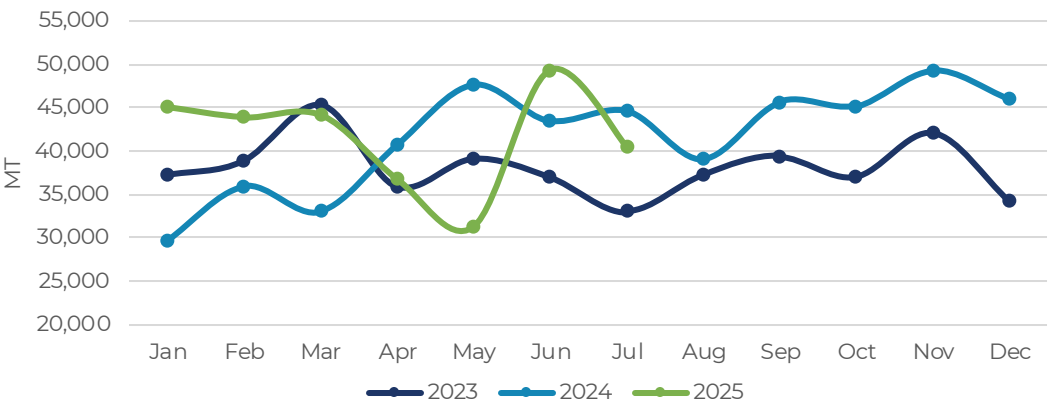


China

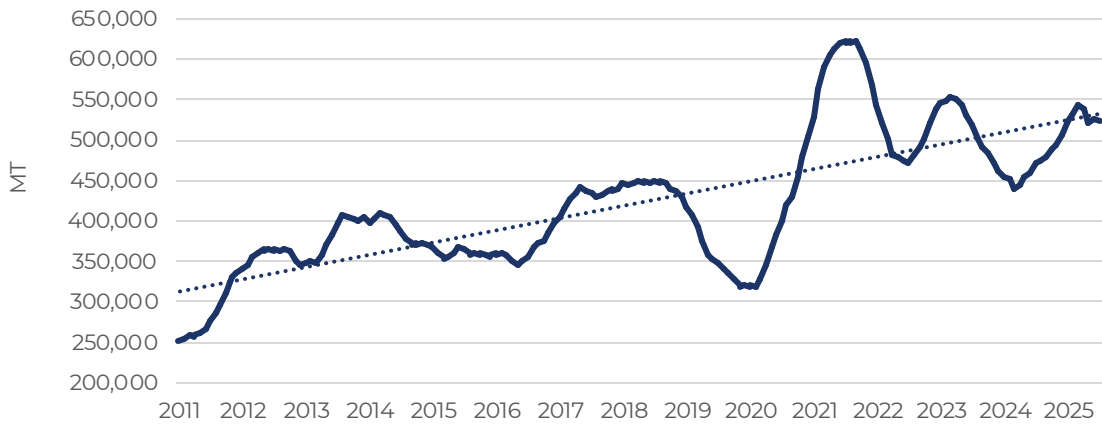
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

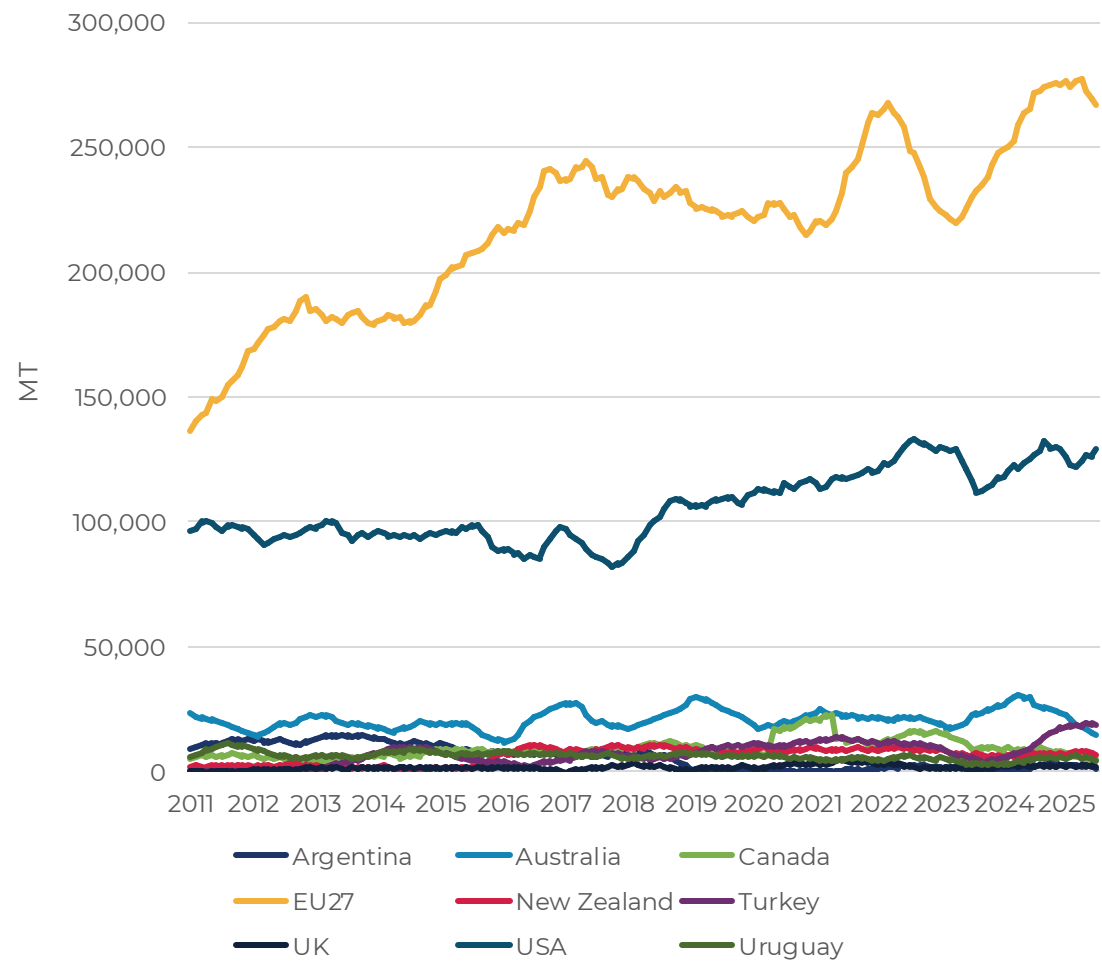


Global Whey (0404.10) Trade to China+HK

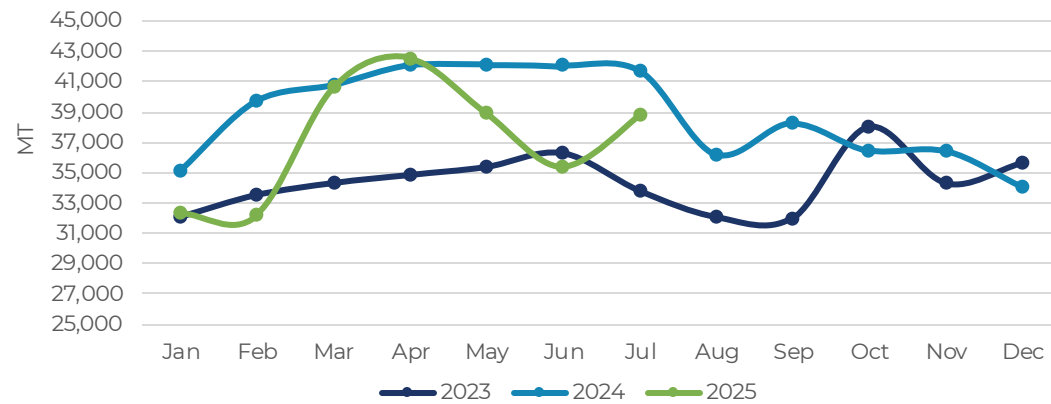


Southeast Asia

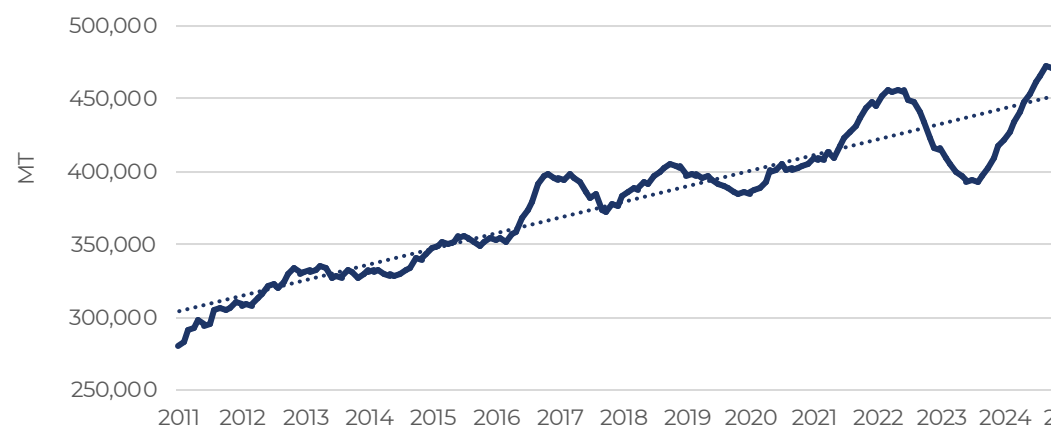
Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA

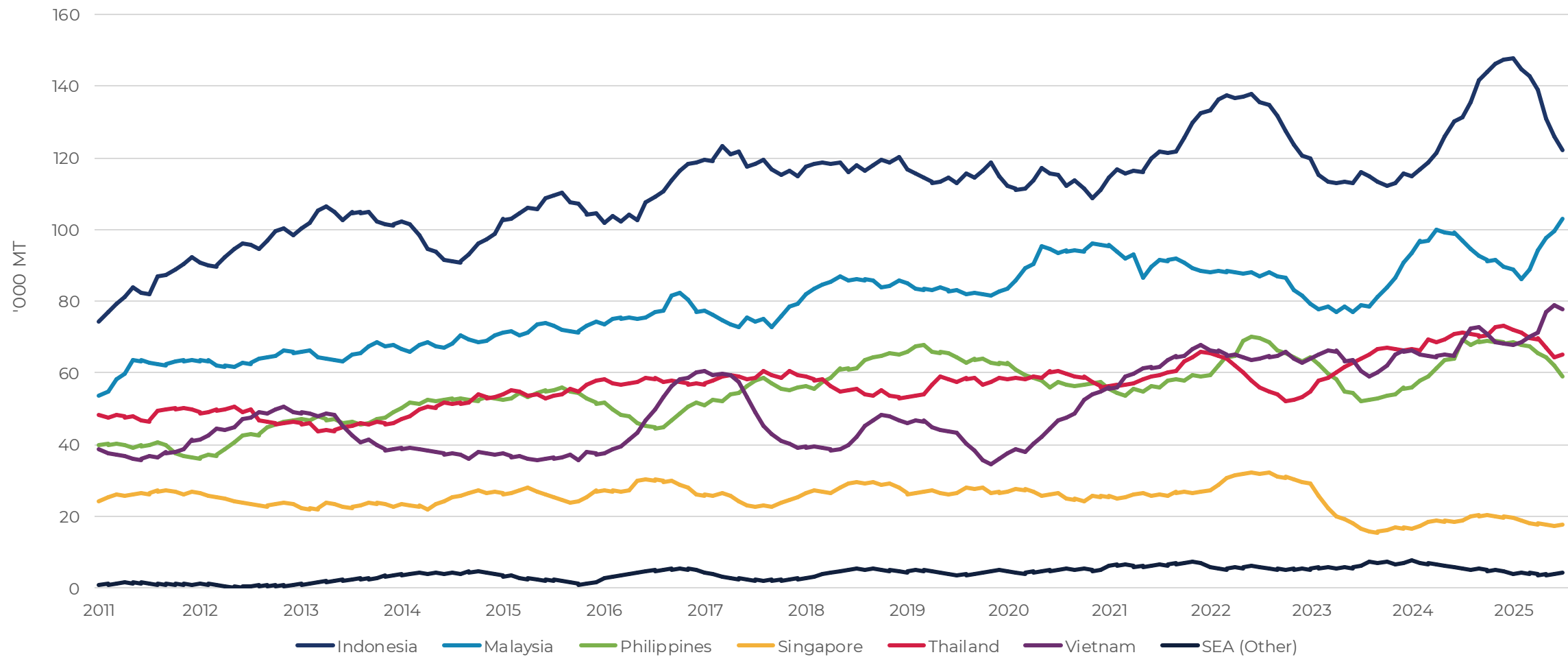


Global Whey (0404.10) Trade to SEA



Southeast Asia Country Breakdown

Global Whey (0404.10) Trade to Southeast Asia by Country





**WPC80+
(3502.20)**

WPC80+ (3502.20) Market Commentary



KEY TAKEAWAYS

- For the first time this year, global trade of high protein whey products was lower in July than during the same month last year. While the 11% (-1,826 MT) decline seen for the month feels like a radical departure from the recent trend, it is worth noting that the decline comes against the largest volume seen in 2024 and that by historical standards, global WPC80+ trade remains robust. Despite July's performance, cumulative volumes still lead prior year by 6% (+5,853 MT).
- The largest decline in WPC80+ trade was seen by China where volumes tumbled by 34% (-1,564 MT) during the month. Echoing the trend seen for low protein whey, uncertainty around tariff rates as a key deadline approached likely played a key role in driving volumes down though weak economic performance could be contributing, as well.
- Shipments into the EU more than doubled in July (+120% +1,518 MT), but this was insufficient to compensate for slower sales into China. The 2,786 MT of WPC80+ sent to the EU in July was the second largest ever recorded, behind only March of this year, and is a testament to unflagging protein demand in the region.

Global
WPC80+
Trade

-11.0%

Jul YoY

+5.6%

YTD, Ending Jul

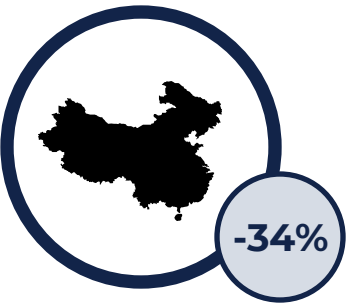
+2.5%

Last 12-Months,
Ending Jul

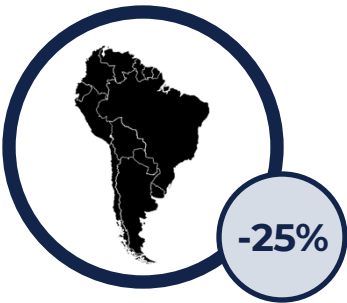
+4.3%

3-Year CAGR

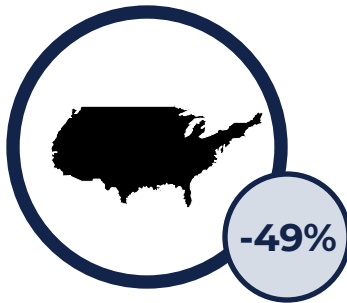
July Standout Markets



CHINA+HK
-1,564 MT



SOUTH AMERICA
-366 MT



USA
-589 MT



EU27
+1,518 MT

ADDITIONAL NOTES

Outside of China and the EU, which had an outsized influence on WPC80+ trade during the month, the tone of high protein whey trade leaned negative in July. Trade to the U.S. declined 49% (-589 MT) in July, reflecting rising domestic production and a more challenging tariff environment. Yet, despite July's weak performance, YTD trade to the U.S. remains 2% (+124 MT) above last year as protein-fortified everything takes up more space on grocery store shelves. Several other destinations also saw volumes fall meaningfully, likely in response to stubbornly lofty prices. SEA, which has been a burgeoning destination for WPC80+ trade saw volumes dip 58% (-493 MT), a further symptom of blasé economic performance. Trade to South America fell 25% (-366 MT) as Brazilian demand slumped. South Asia (-16%, -262 MT), Canada (-17%, -167 MT) also posted weaker performance in July.

WPC80+ (3502.20) Market Commentary



LOOKING AHEAD

- Even acknowledging July's stumble, **the underlying fundamentals of high protein whey trade remain supportive and 2025 is poised to be a banner year for the product category.** Consumers still can't get enough protein. In addition to those who choose protein-rich diets for personal preference, an increasing number of people that are subscribed GLP-1s are also likely to spur protein demand upward.
- Throughout this year, we have often cited concerns that towering prices for protein products could ultimately dampen buying enthusiasm and force a reformulation away from dairy proteins. This remains a major risk to the outlook as average export values have increased for four consecutive months, coming in at \$13,786/MT in July. In 2022, the last time prices surged, they reached as high as \$14,265/MT before retreating. **Demand has shown remarkable resilience in the face of higher prices but at some point, consumers are going to be forced to cut consumption or find less expensive alternatives.** To that end, economic performance across the world, and especially in more price sensitive regions, will also continue to have an important influence on the high protein whey trade.

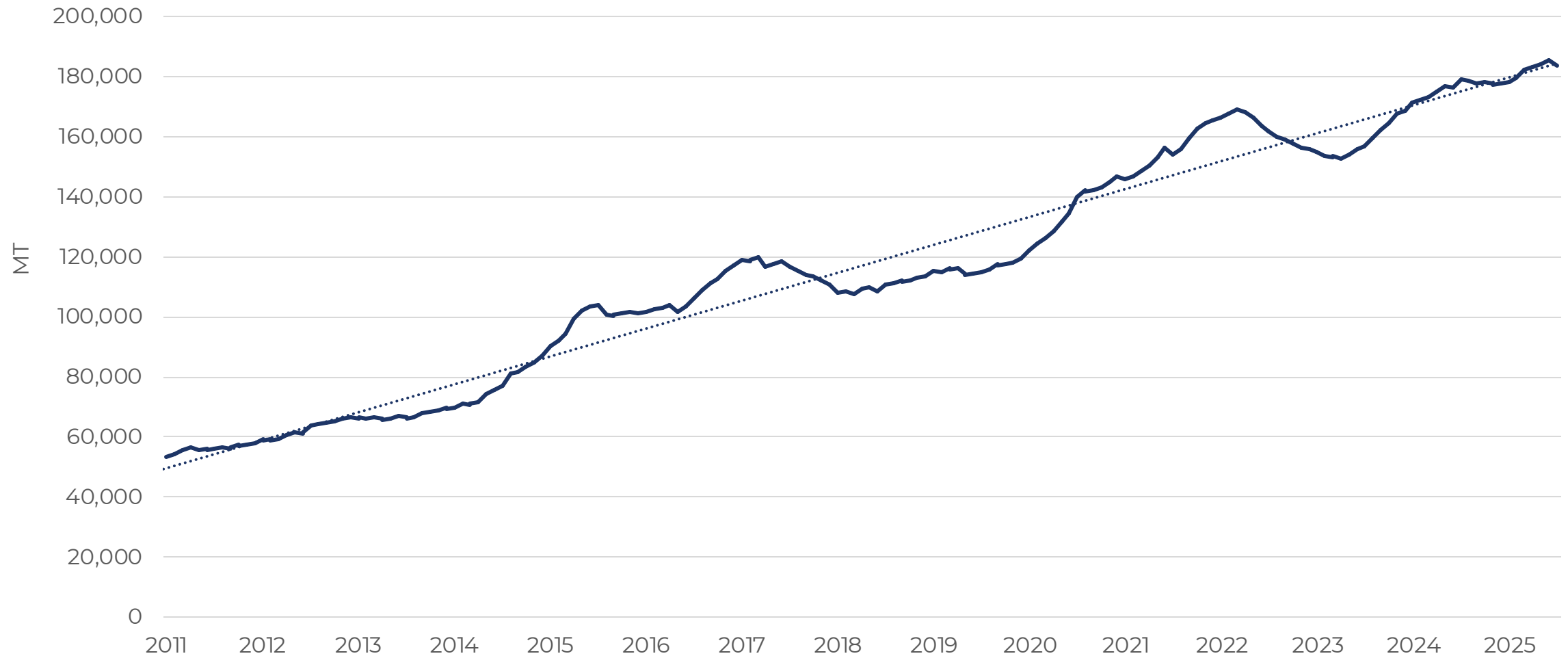
U.S. WPC80+ Exports	+9.1% Jul YoY	+7.8% YTD, Ending Jul	-1.1% Last 12-Months, Ending Jul	-0.4% 3-Year CAGR
EU WPC80+ Exports	-25.3% Jul YoY	+6.3% YTD, Ending Jul	+9.7% Last 12-Months, Ending Jul	+3.1% 3-Year CAGR
NZ WPC80+ Exports	-32.9% Jul YoY	-14.4% YTD, Ending Jul	-10.7% Last 12-Months, Ending Jul	-3.7% 3-Year CAGR

Average WPC80+ Export Value to World

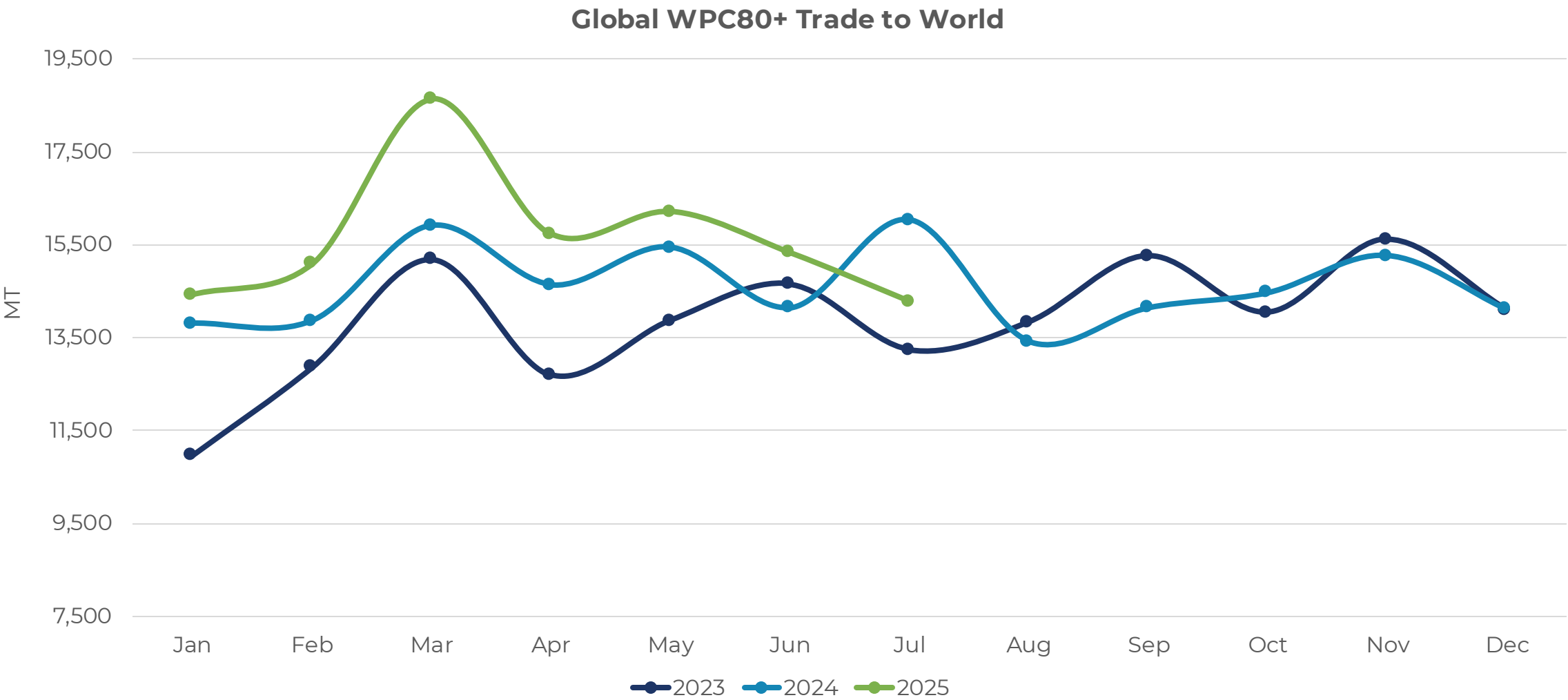


Global Overview: WPC80+

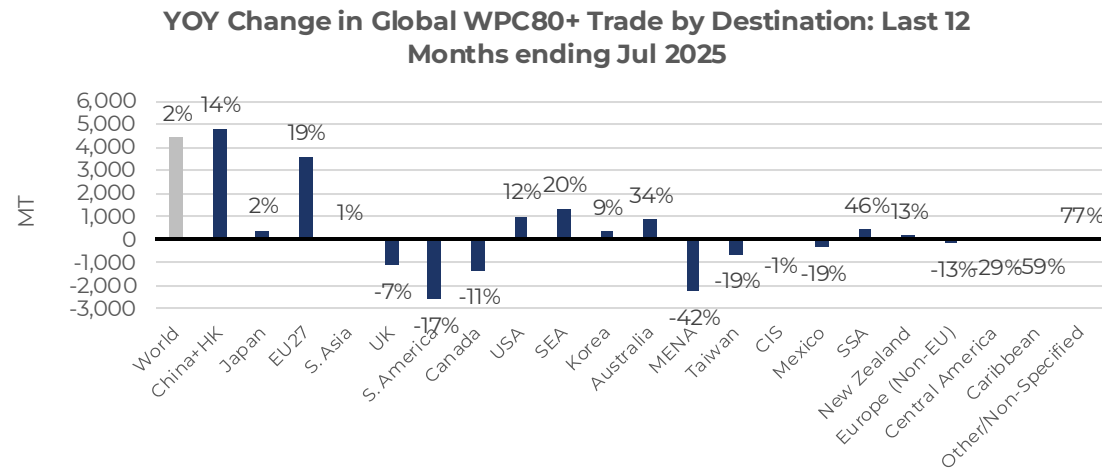
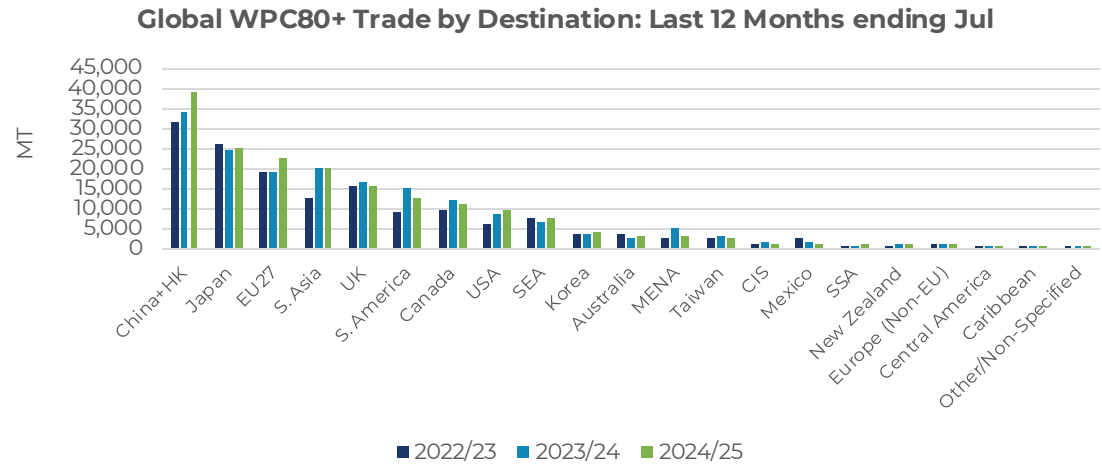
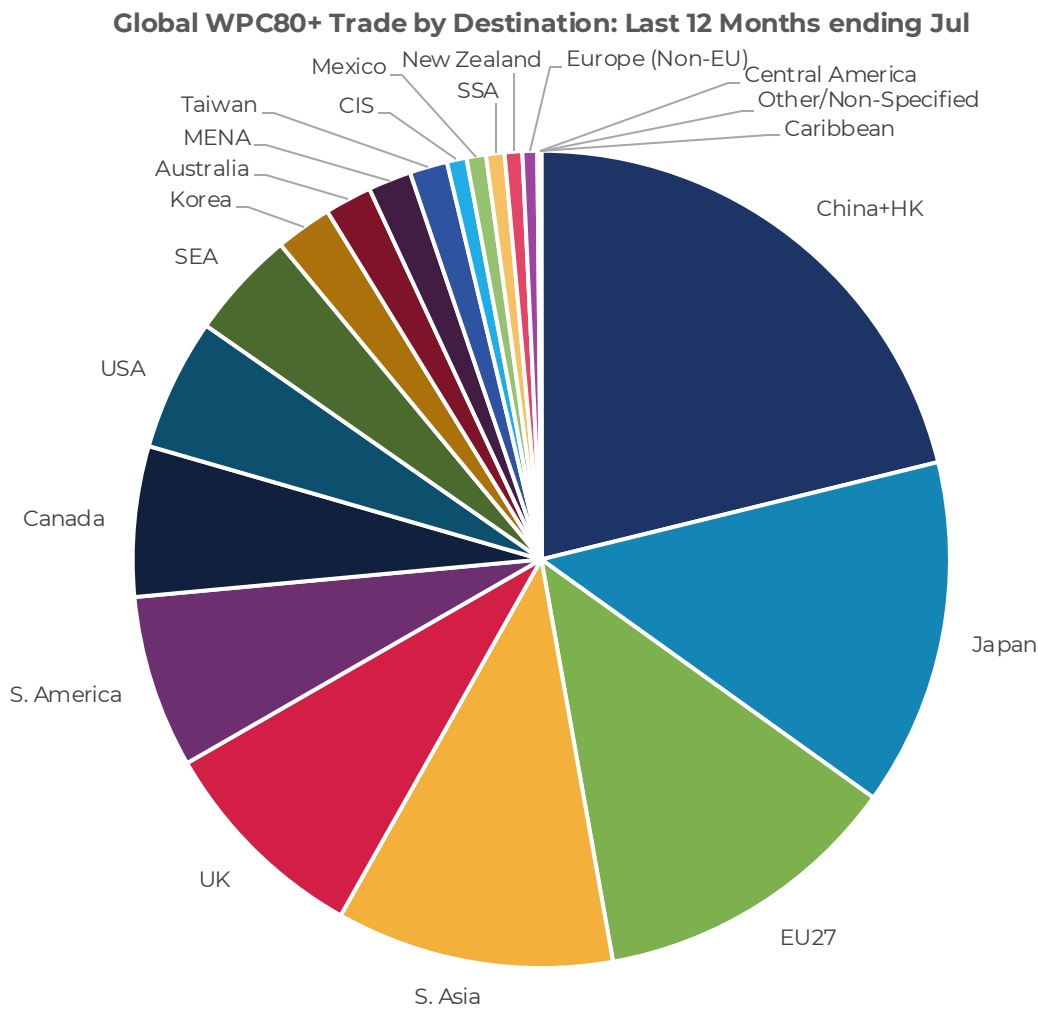
Global WPC80+ Trade to World



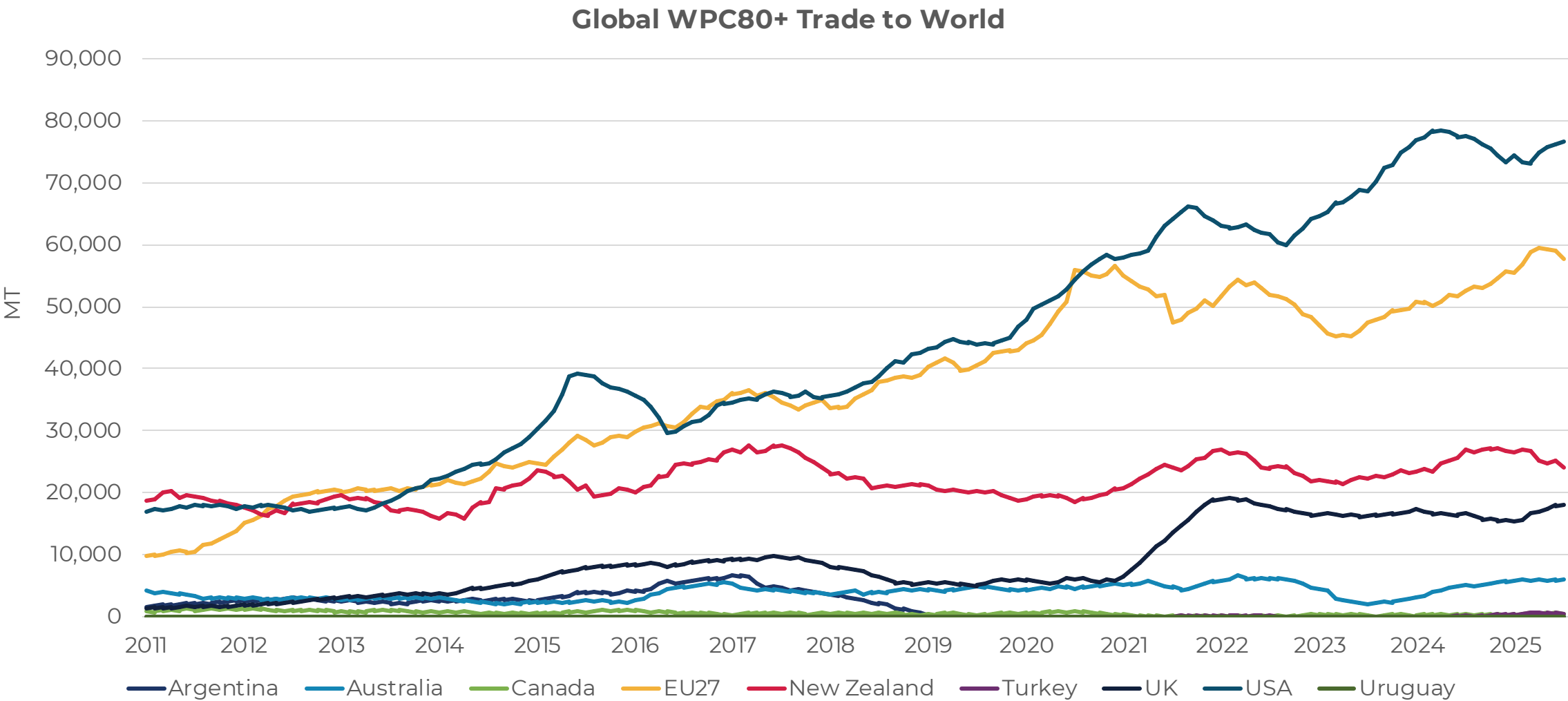
Global Overview: WPC80+



Global Overview: WPC80+ – Last 12 Months

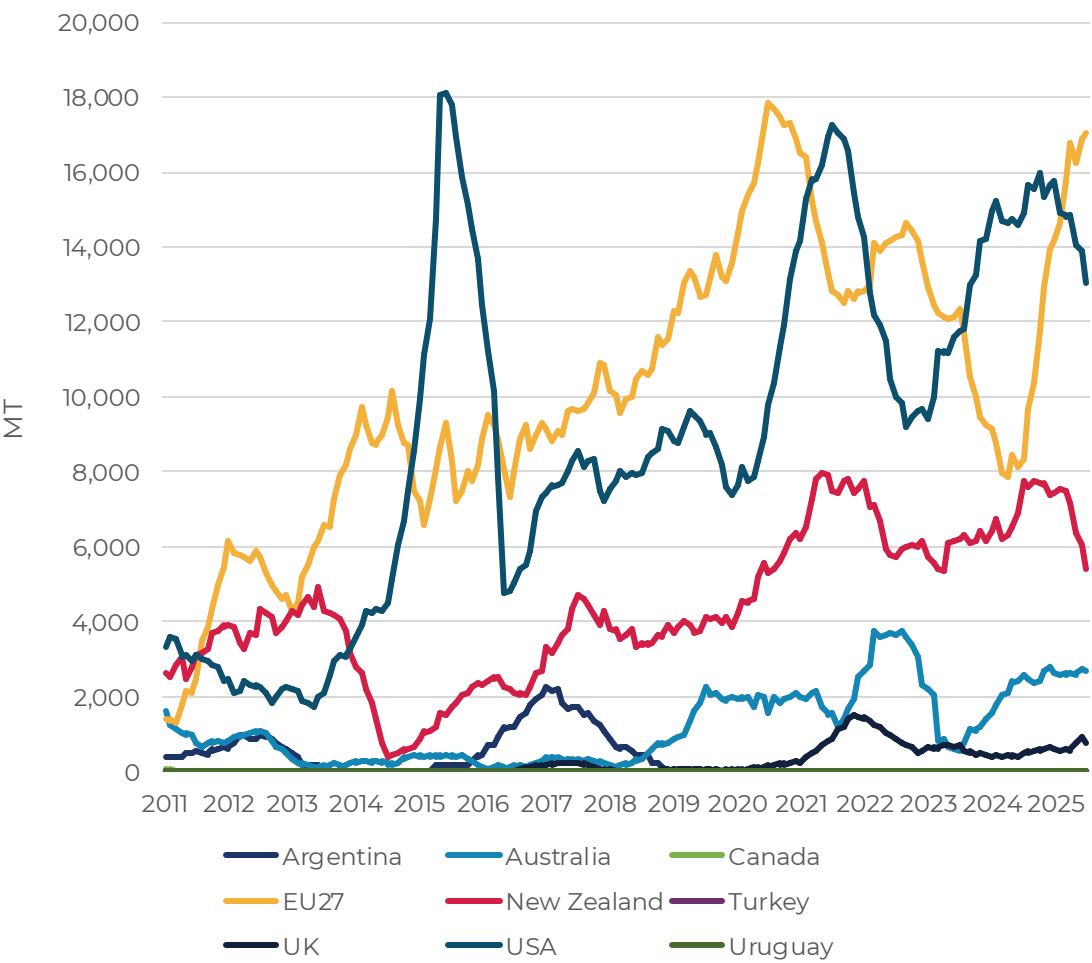


Trade Flows: WPC80+

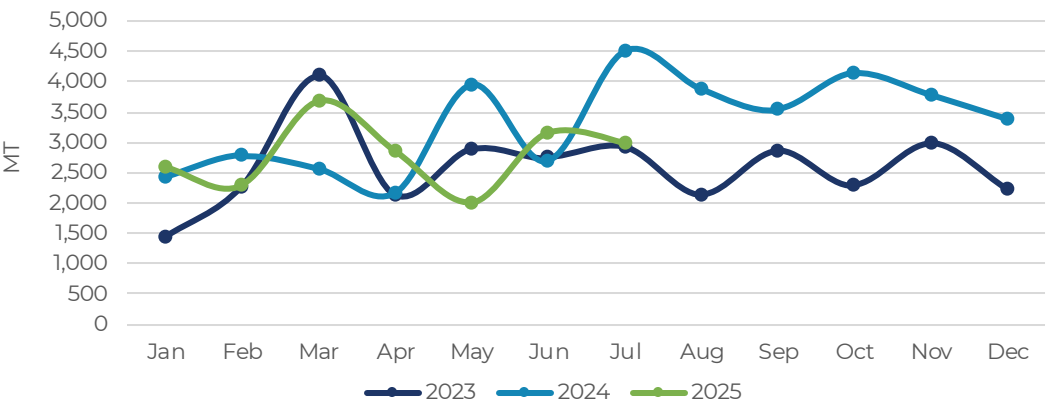


China

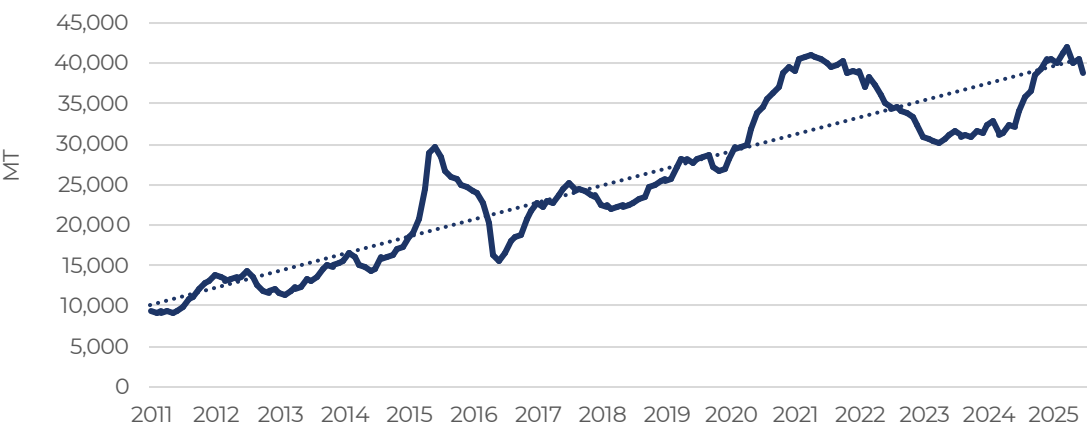
Global WPC80+ Trade to China+HK



Global WPC80+ Trade to China+HK

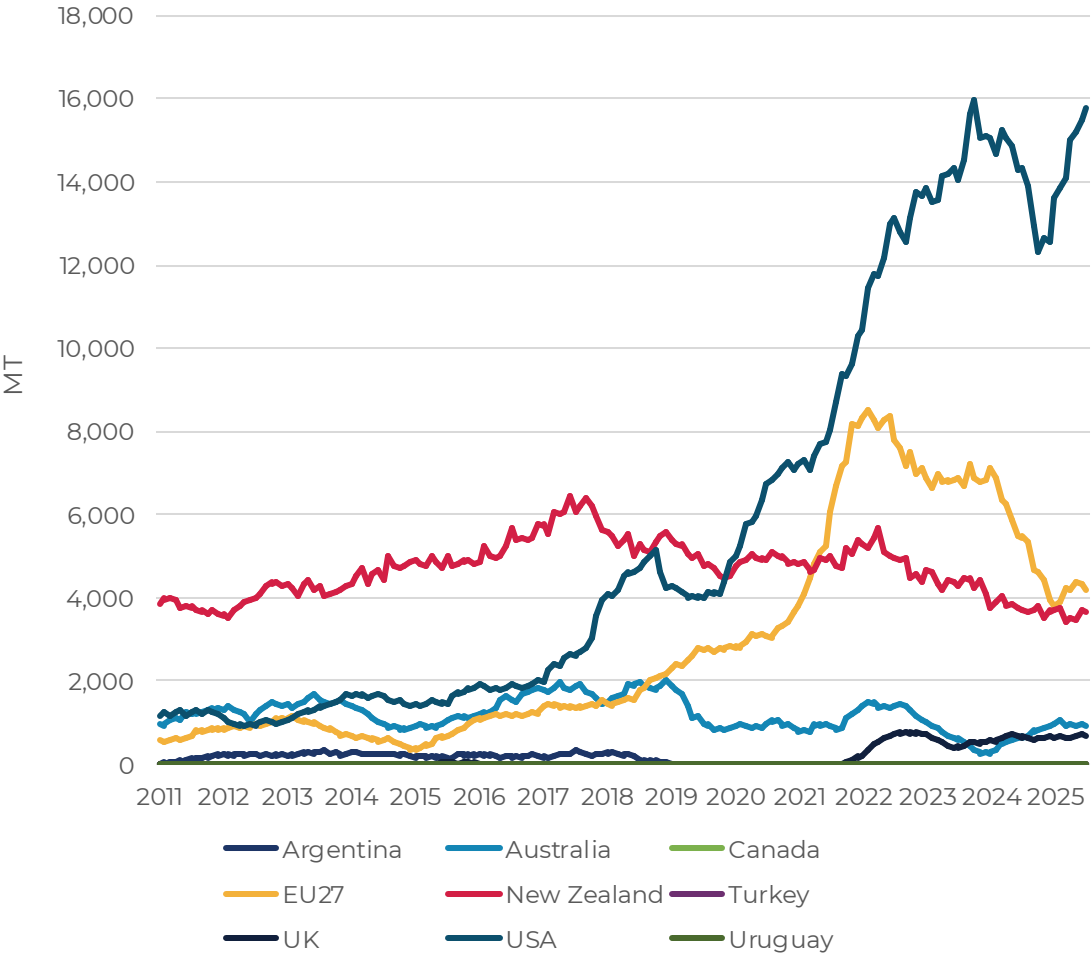


Global WPC80+ Trade to China+HK

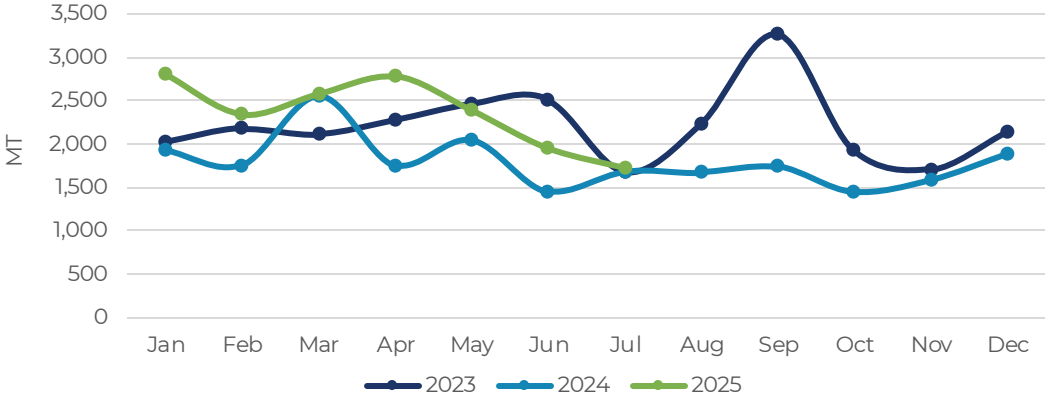


Japan

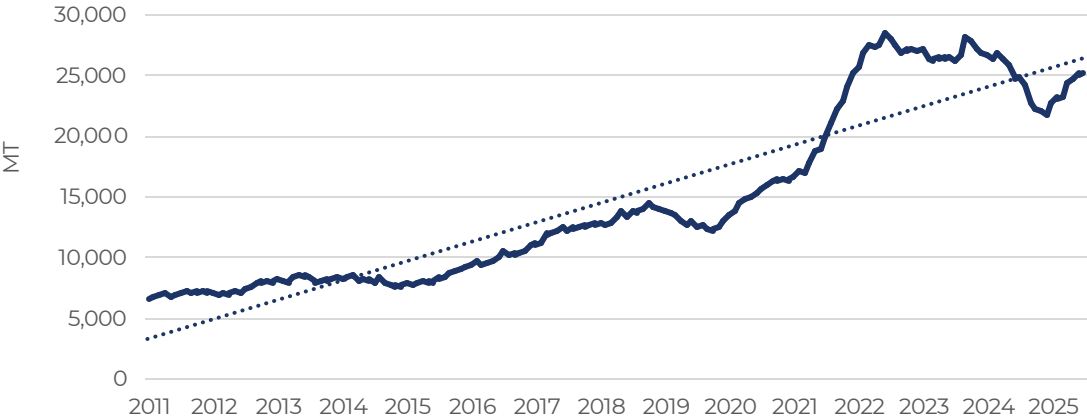
Global WPC80+ Trade to Japan



Global WPC80+ Trade to Japan

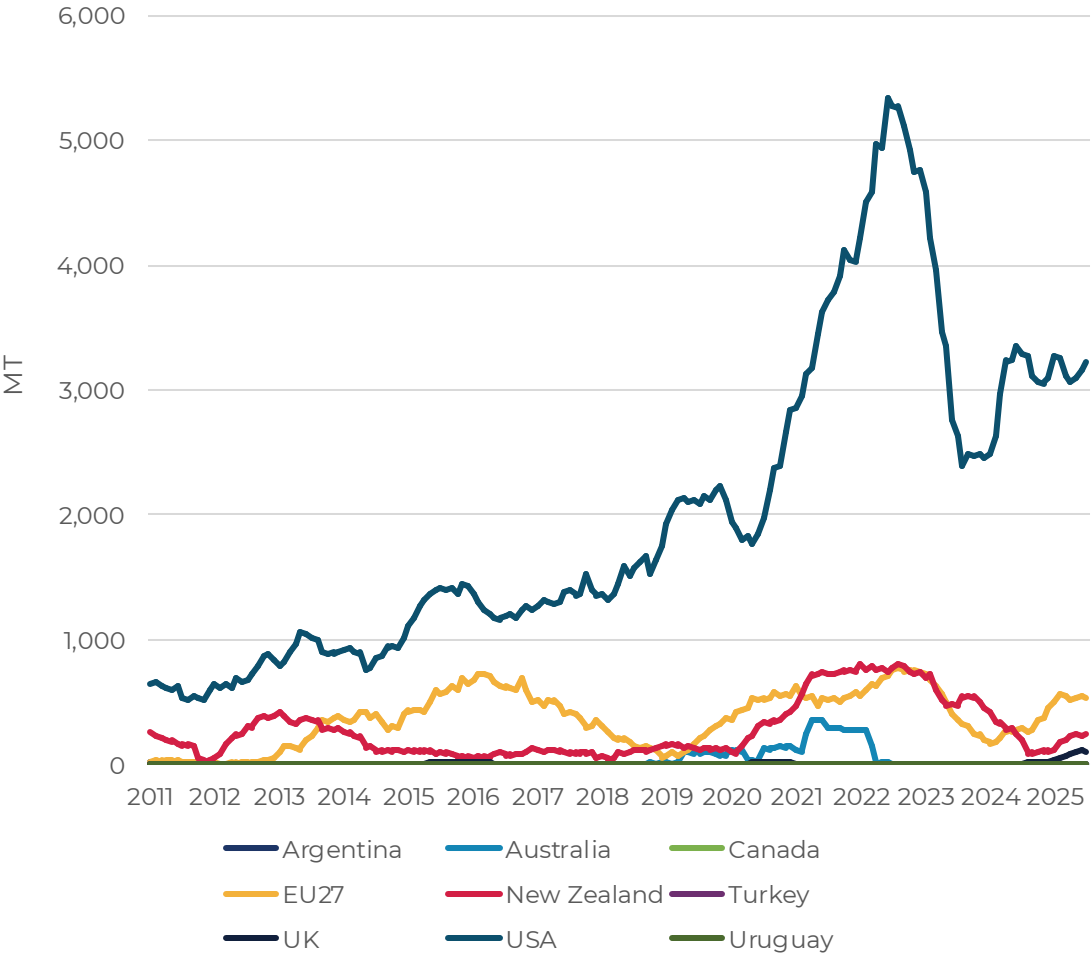


Global WPC80+ Trade to Japan

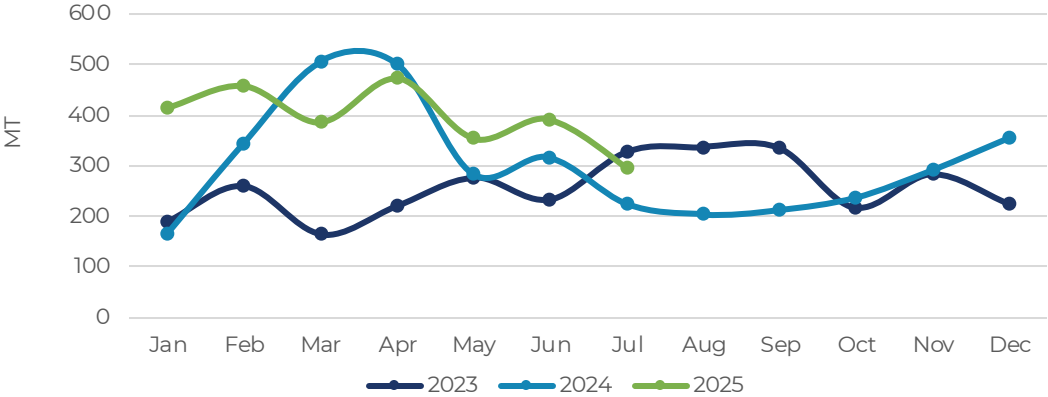


Korea

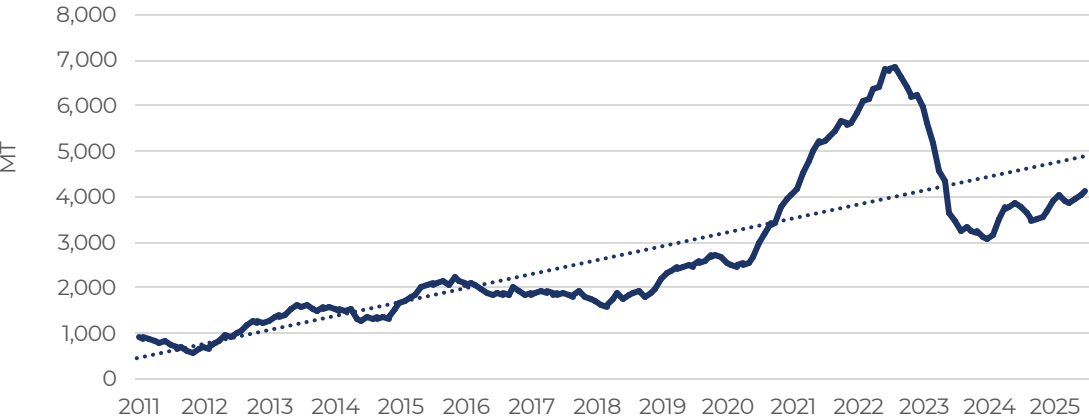
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

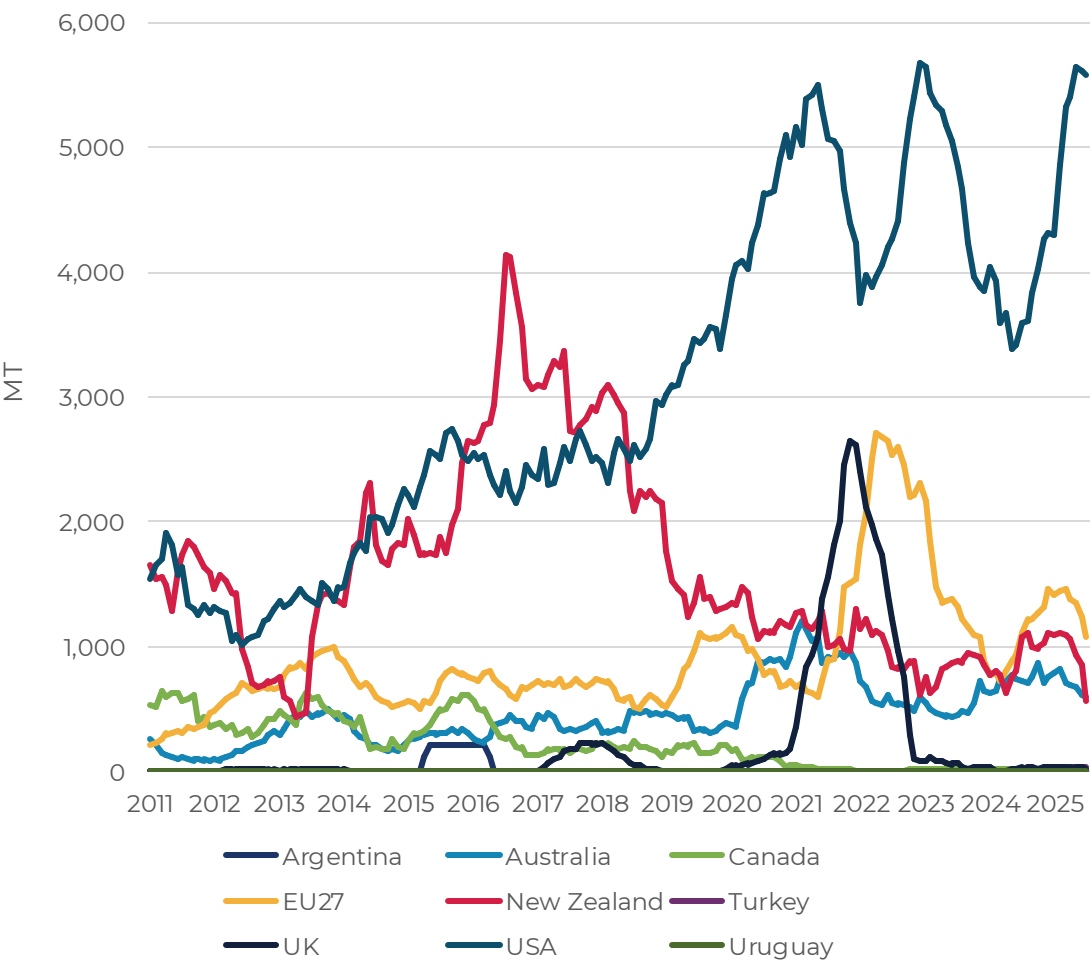


Global WPC80+ Trade to Korea

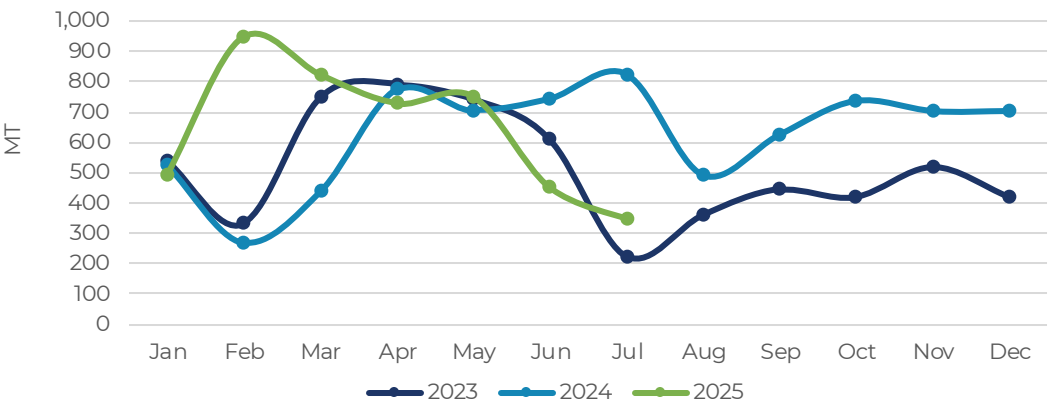


Southeast Asia

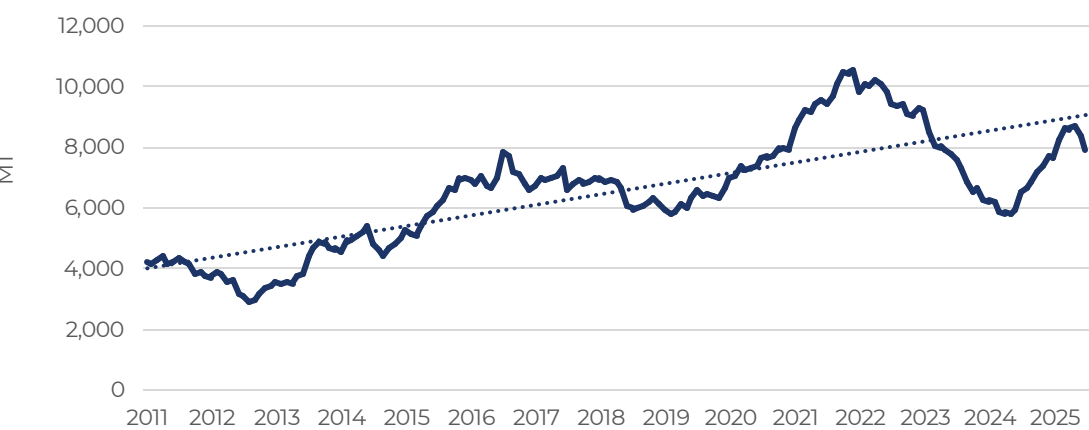
Global WPC80+ Trade to SEA



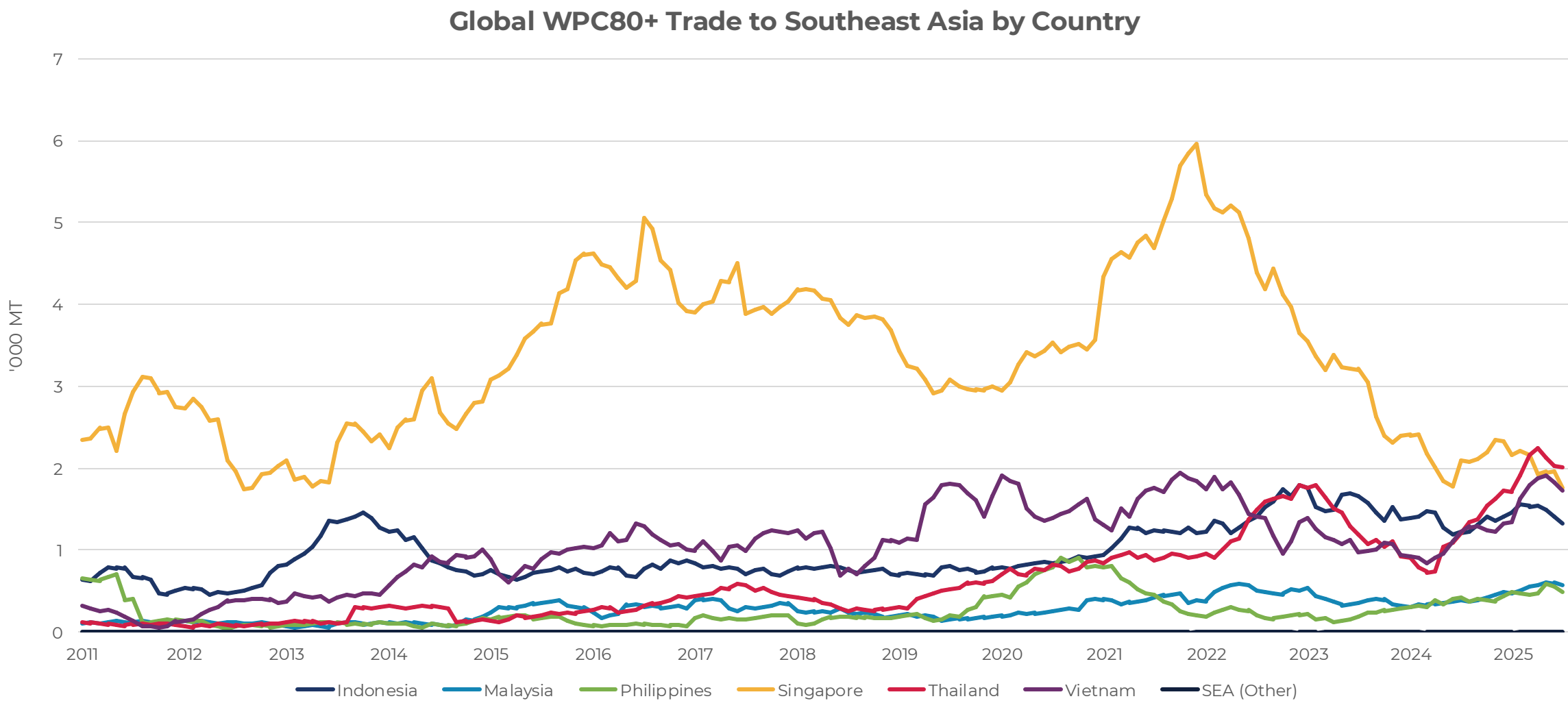
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

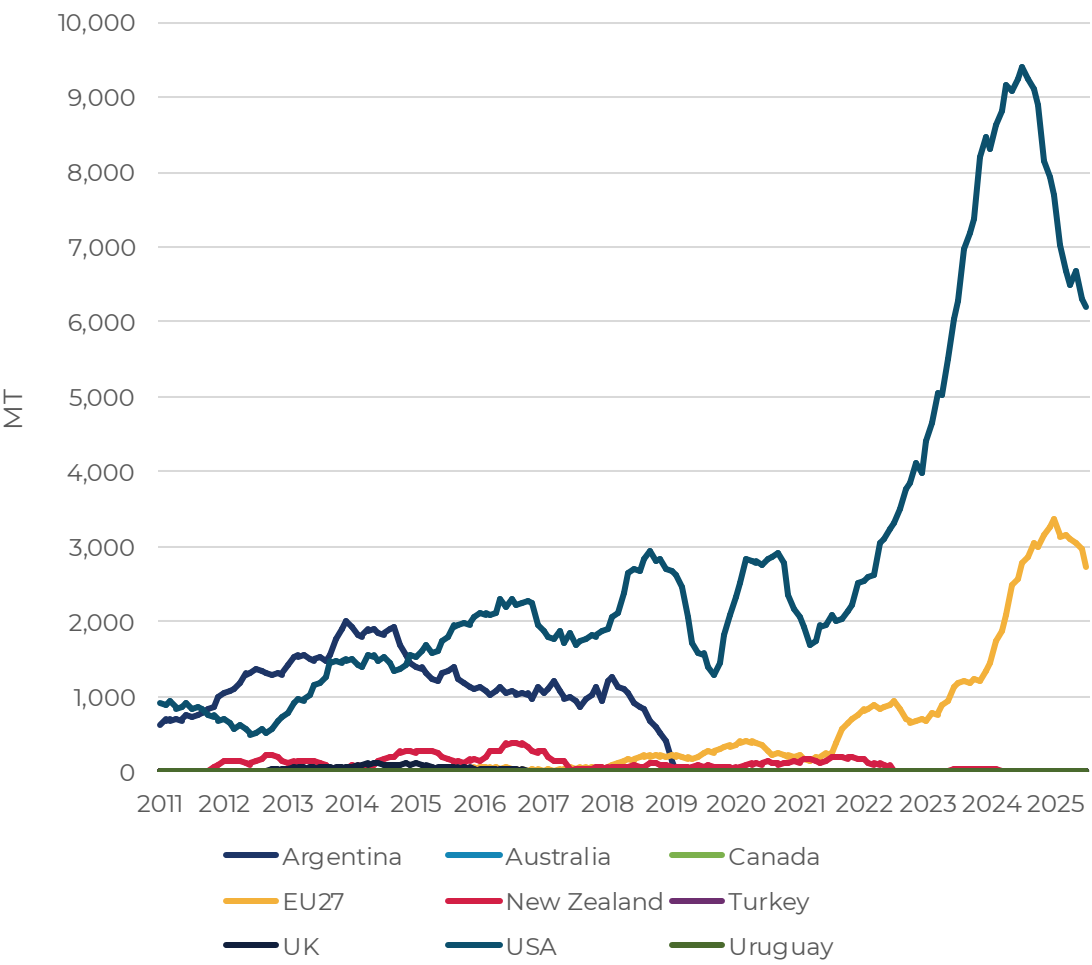


Southeast Asia Country Breakdown

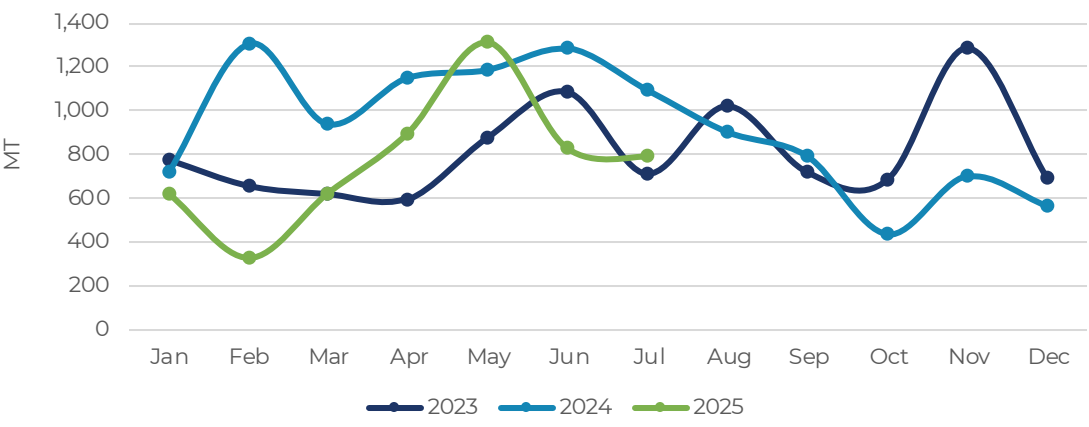


Brazil

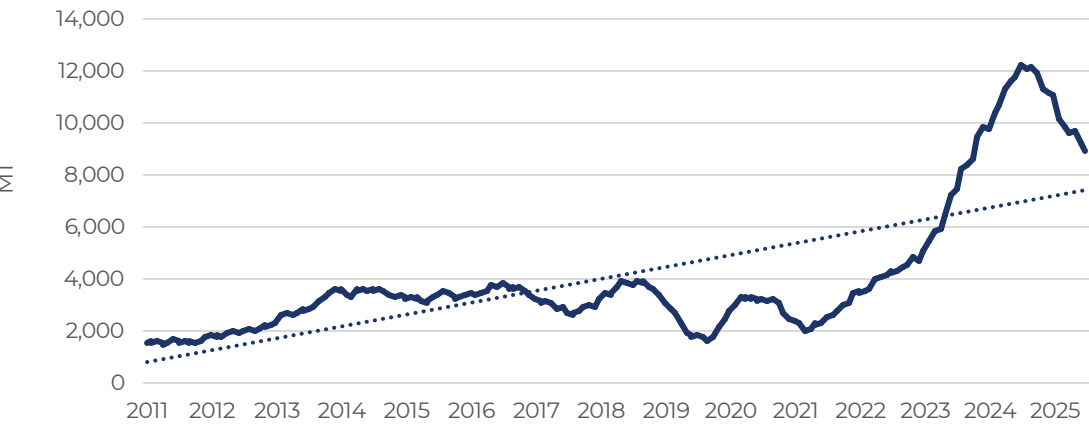
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil

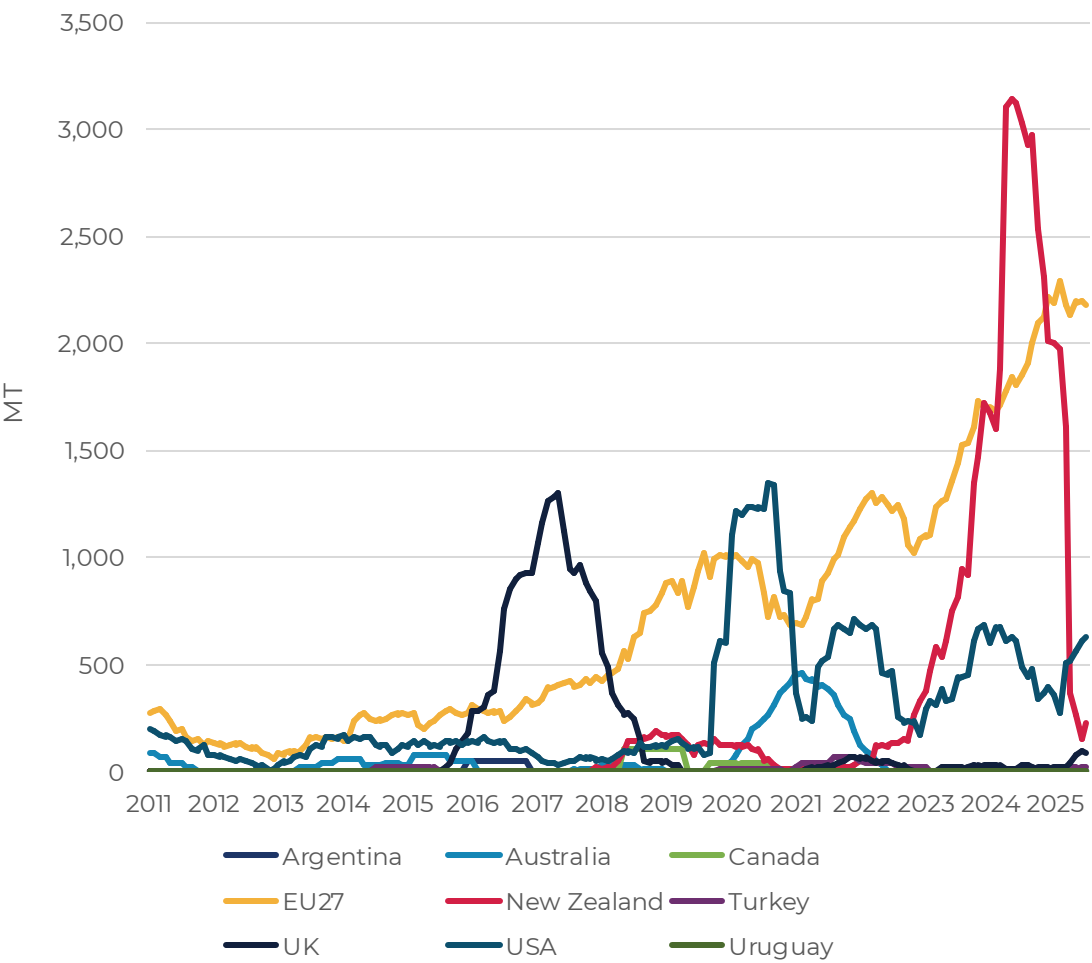


Global WPC80+ Trade to Brazil

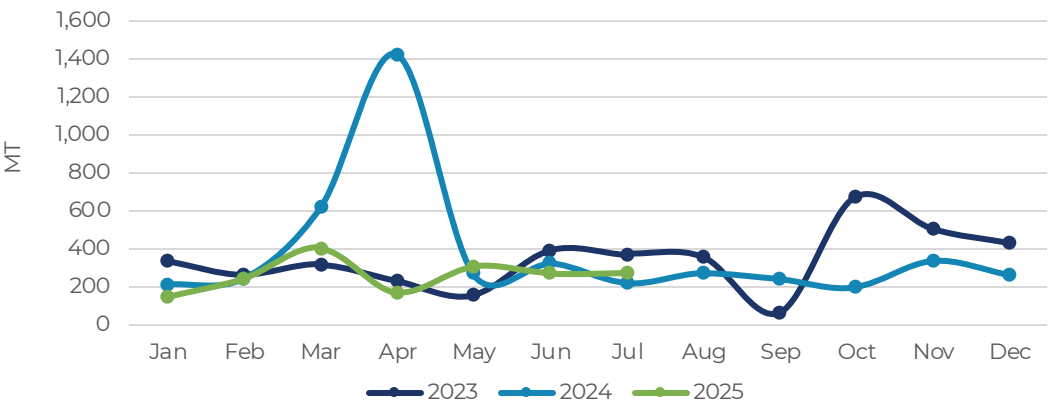


MENA

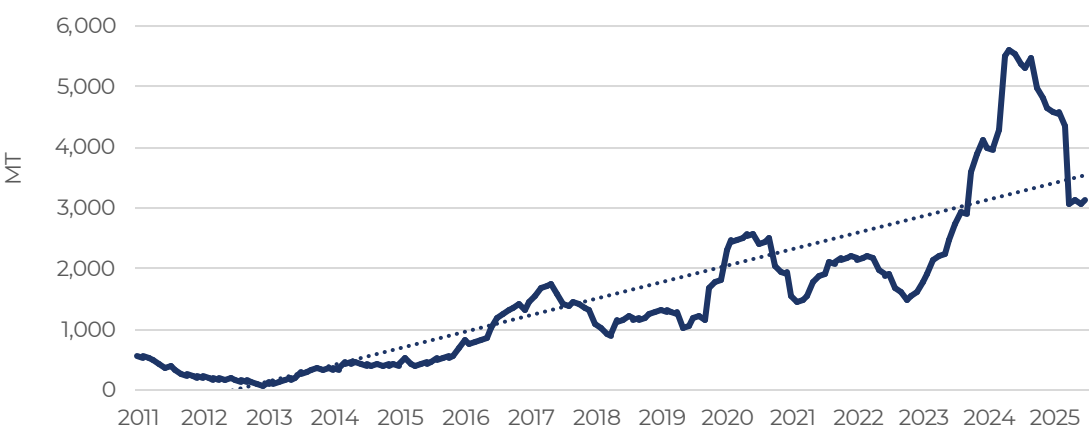
Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA





NMPF | USDEC
DAIRY
ECONOMICS

Other Dairy Products

Global Overview: Lactose



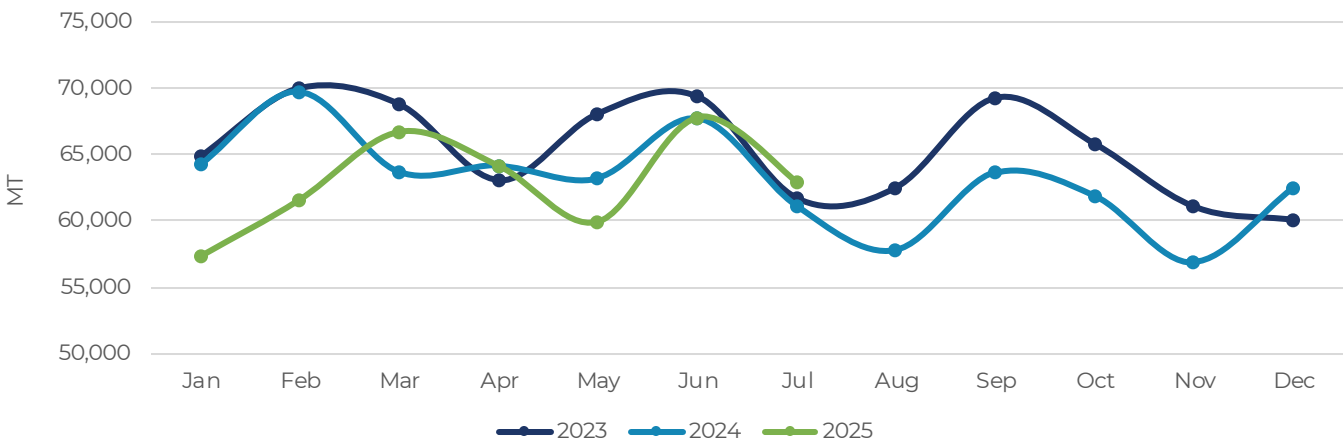
KEY TAKEAWAYS

Global Lactose Trade

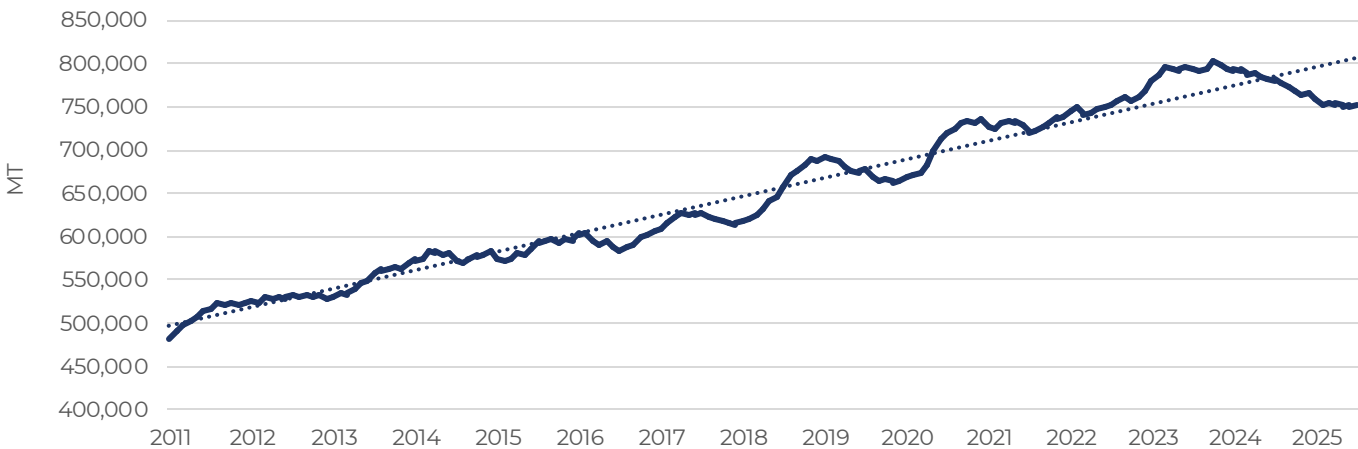
+3.1%	-2.9%	-3.8%	+0.04%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

- Global lactose trade turned positive in July as demand from China continued to grow (+48%, +5,310 MT). Most of that product was sourced from the U.S. as prices were more competitive and tariff negotiations were on pause. However, that could change in the coming months, with significant impacts on the broader market since global lactose trade is driven primarily by Chinese demand. Growing whey protein production could provide lift to lactose exports, provided the price signals are such to incentive the manufacturing of lactose.
- Elsewhere, South Asia's demand for lactose grew in July (+9%, +493 MT) following months of lackluster exports. In contrast, lactose shipments to New Zealand dipped (-26%, -2,886 MT), weighing on global trade as they appear well stocked for this season after months of aggressive buying.

Global Lactose Trade to World

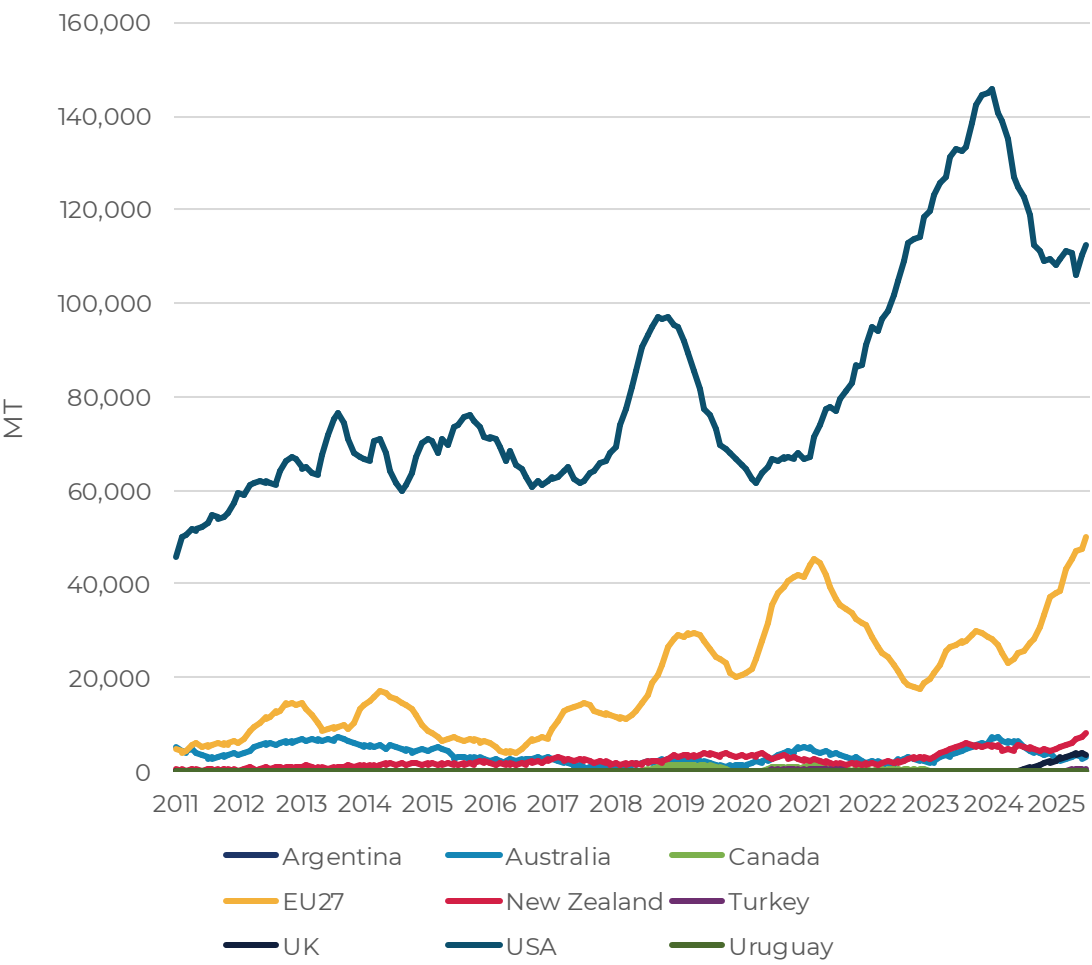


Global Lactose Trade to World

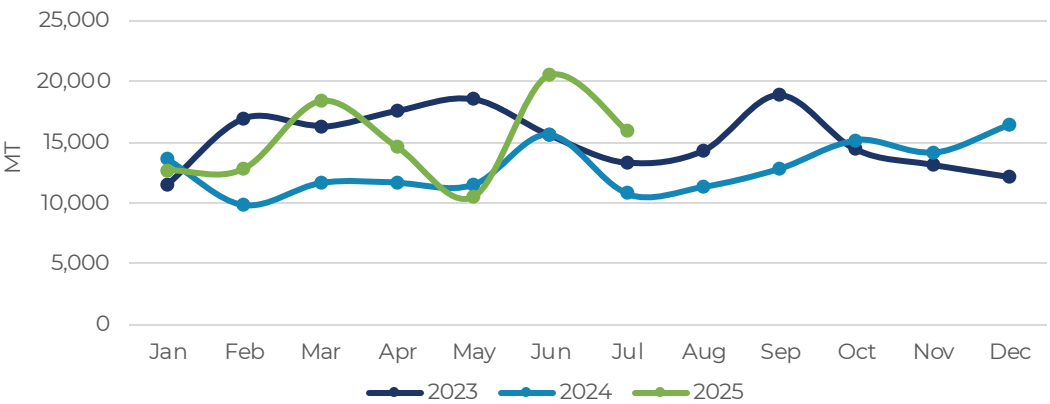


Lactose – China

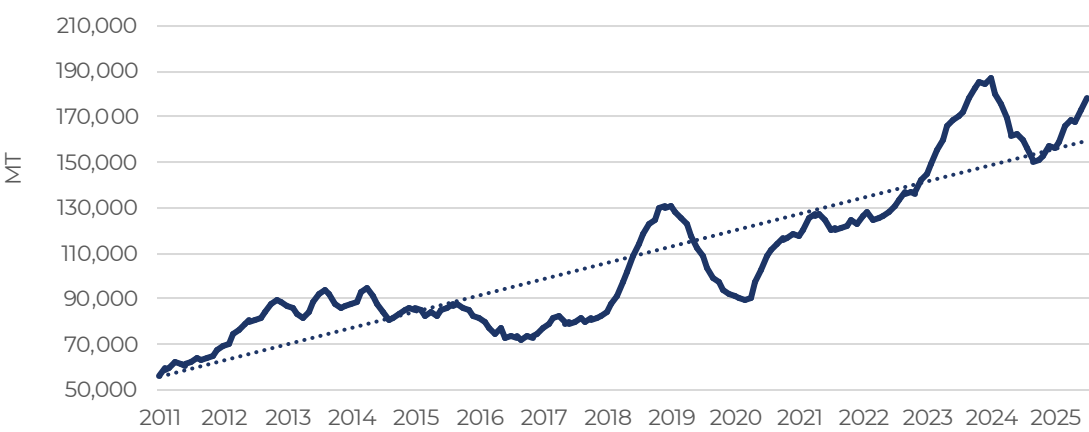
Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

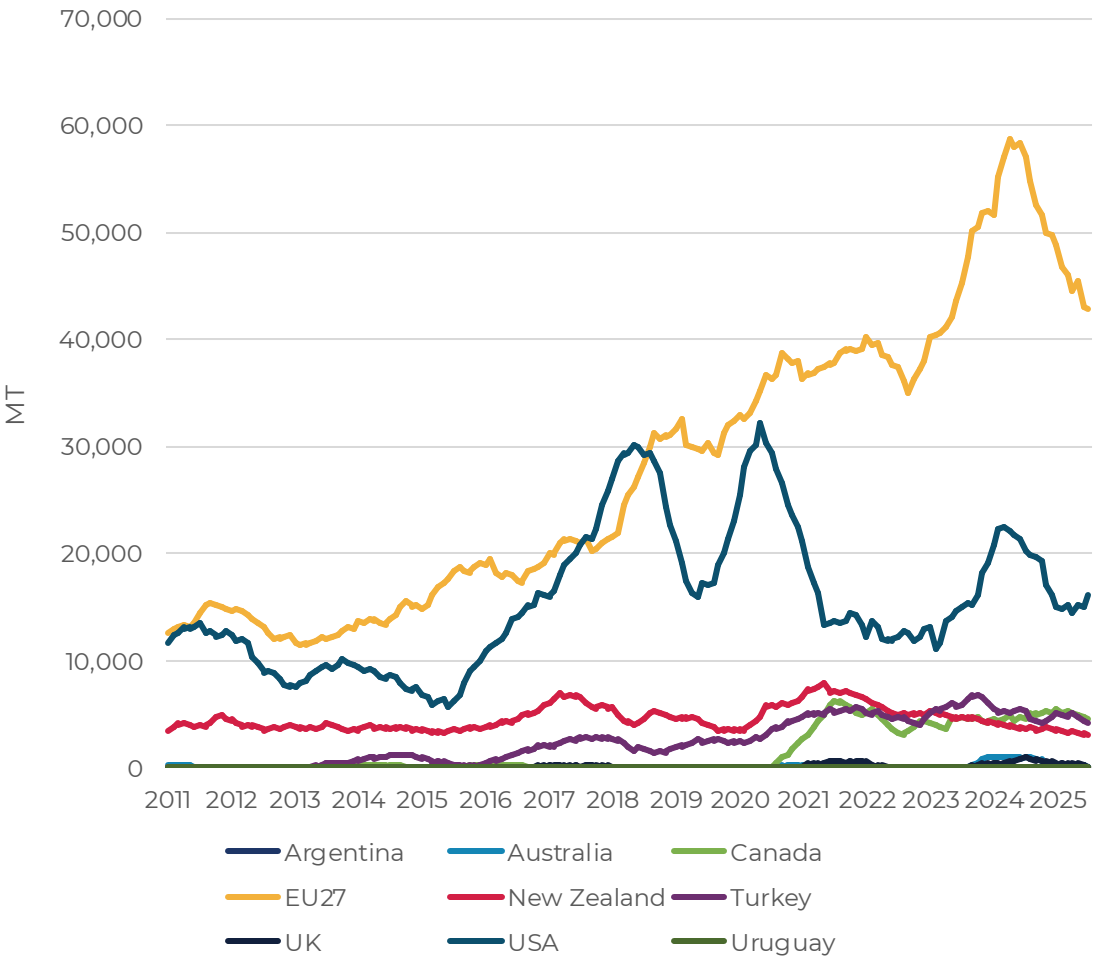


Global Lactose Trade to China+HK

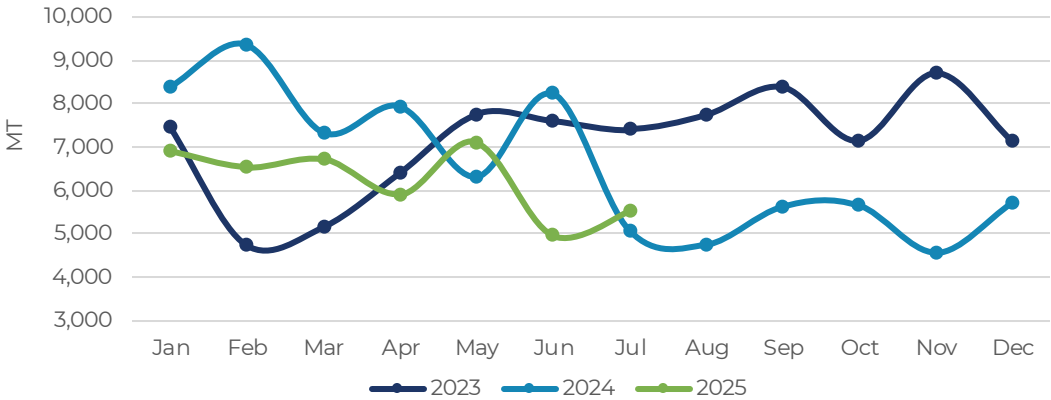


Lactose – South Asia

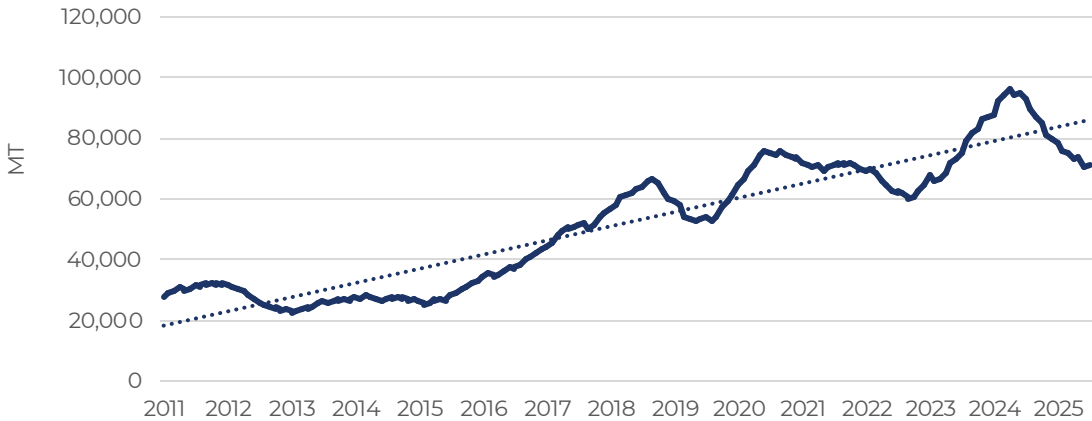
Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia

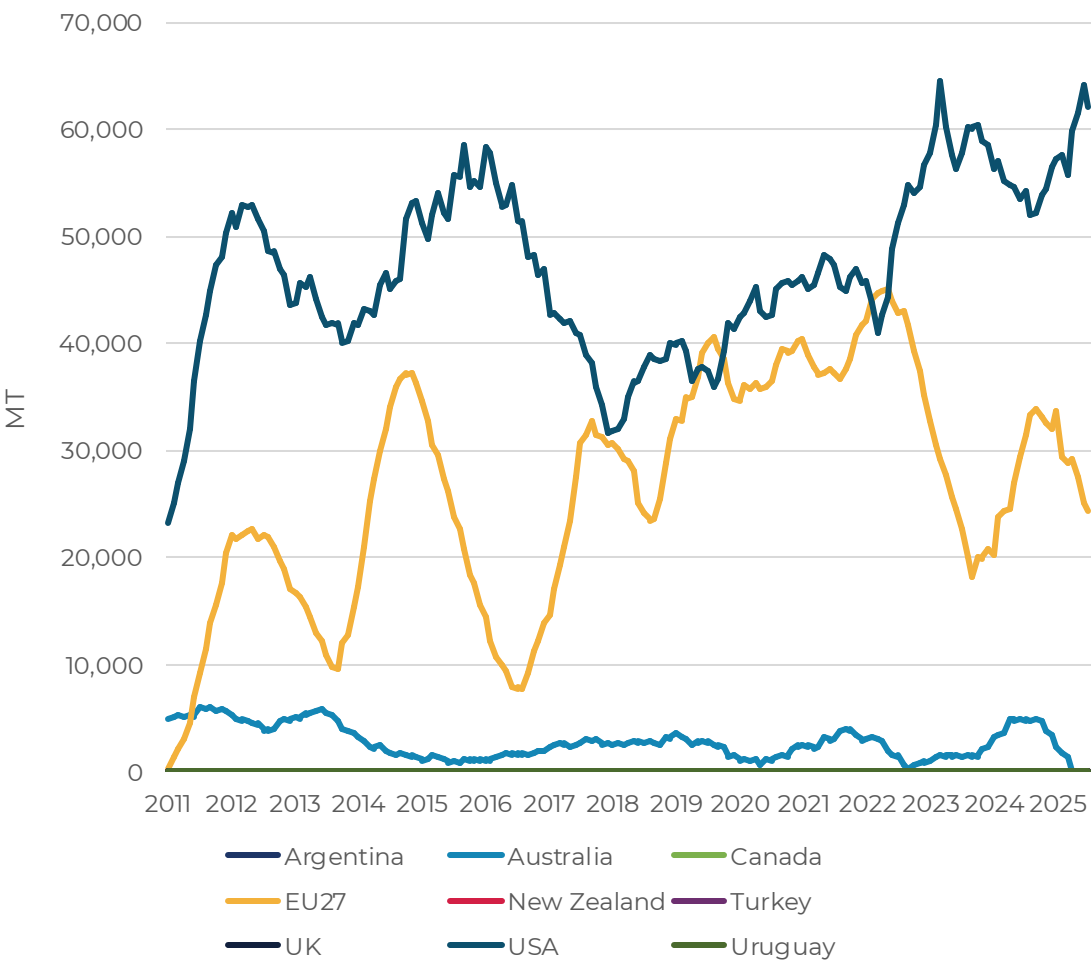


Global Lactose Trade to S. Asia

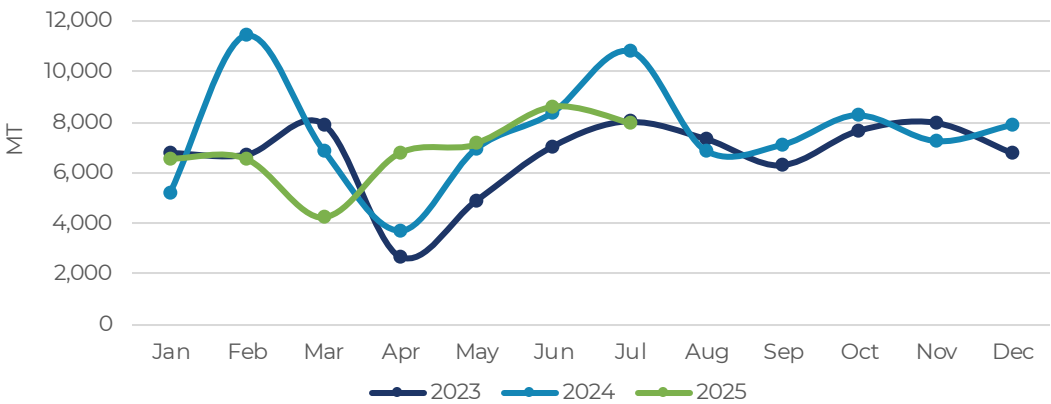


Lactose – New Zealand

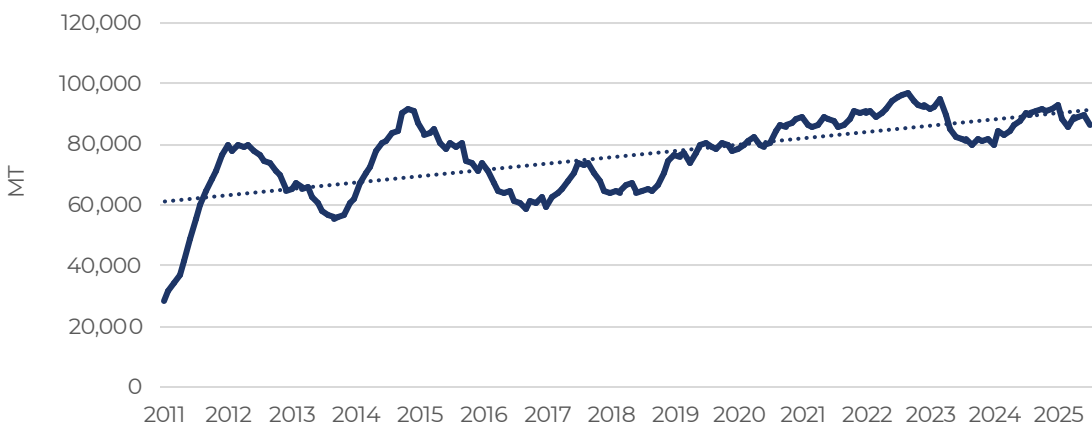
Global Lactose Trade to New Zealand



Global Lactose Trade to New Zealand



Global Lactose Trade to New Zealand



Global Overview: Butter



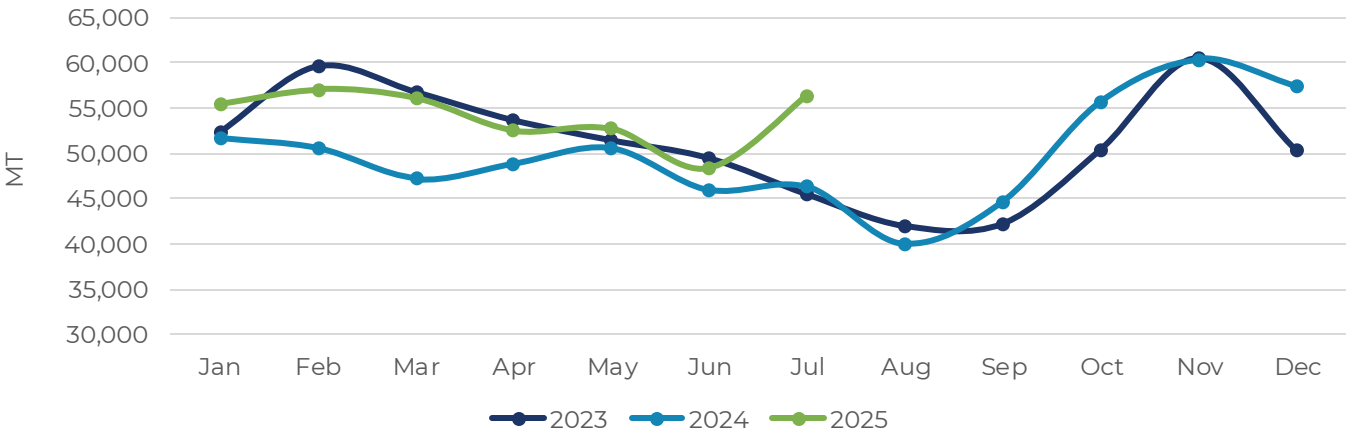
KEY TAKEAWAYS

Global Butter Trade

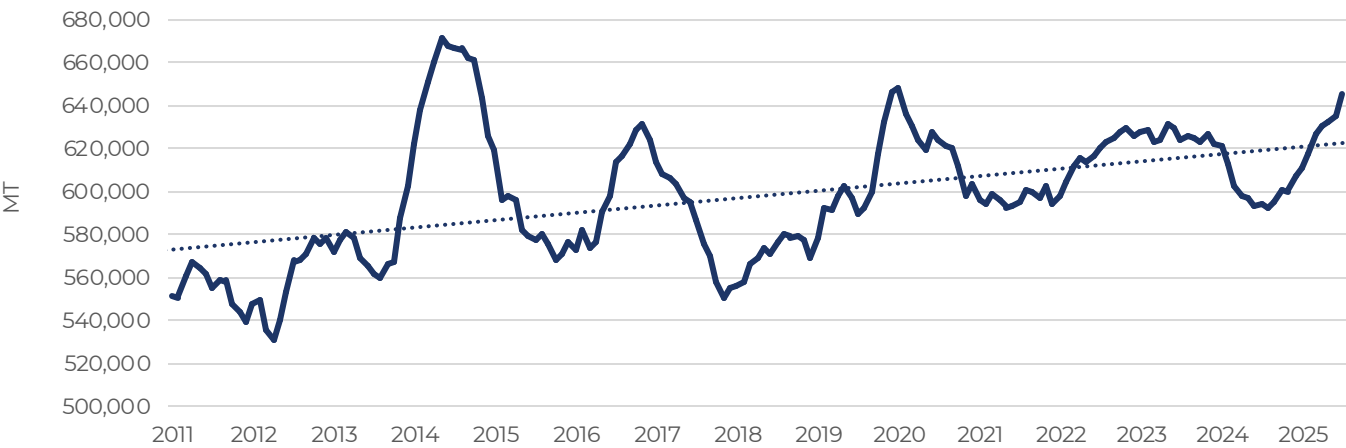
+21.8%	+11%	+8.6%	+1.3%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

- Global butter demand surged in July after an already impressive first half of the year. With competitive prices, the U.S. has become the new player on the block. With expanding milkfat supplies in the U.S. (and globally) keeping prices low, we anticipate strong growth to continue given butter trade has historically been highly price elastic.
- Demand for butter in the EU grew in July (+191%, +3,159 MT) as buyers took advantage of product affordability from the U.S. With the collapse in European markets, it is doubtful this volume will continue for long. Elsewhere, global exports to MENA (+22%, +1,521 MT) jumped, and shipments destined for Southeast Asia (+48%, +2,005 MT) improved. Alas, butter demand in China remains lackluster (-12%, -1,200MT), but not enough to dampen global numbers.

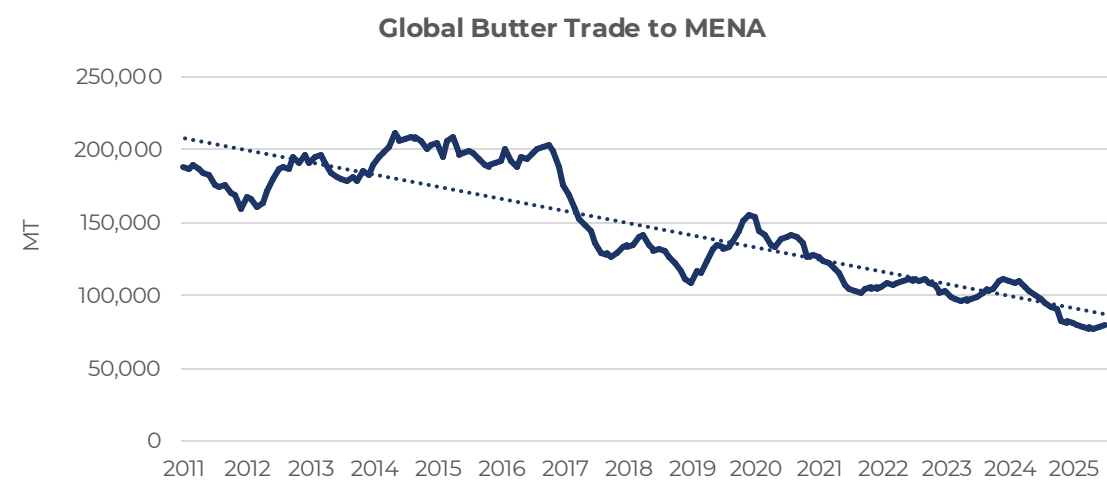
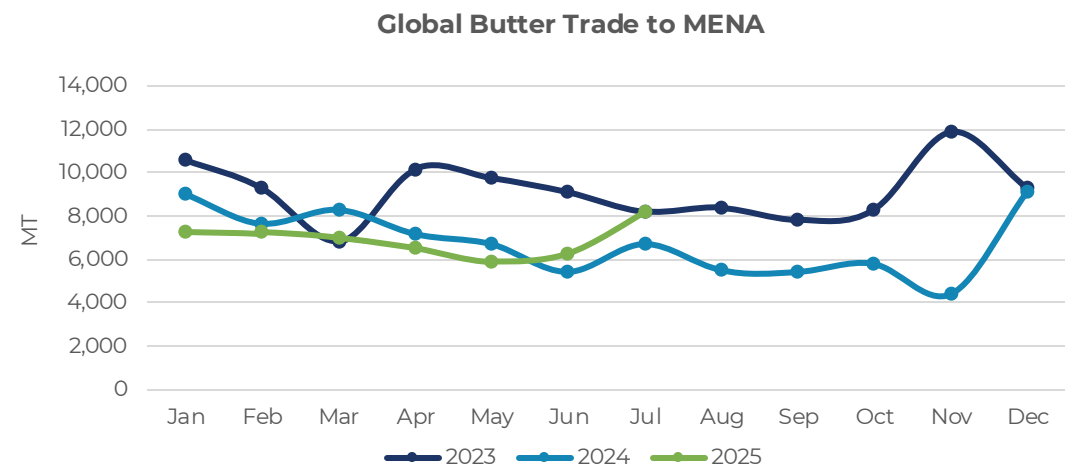
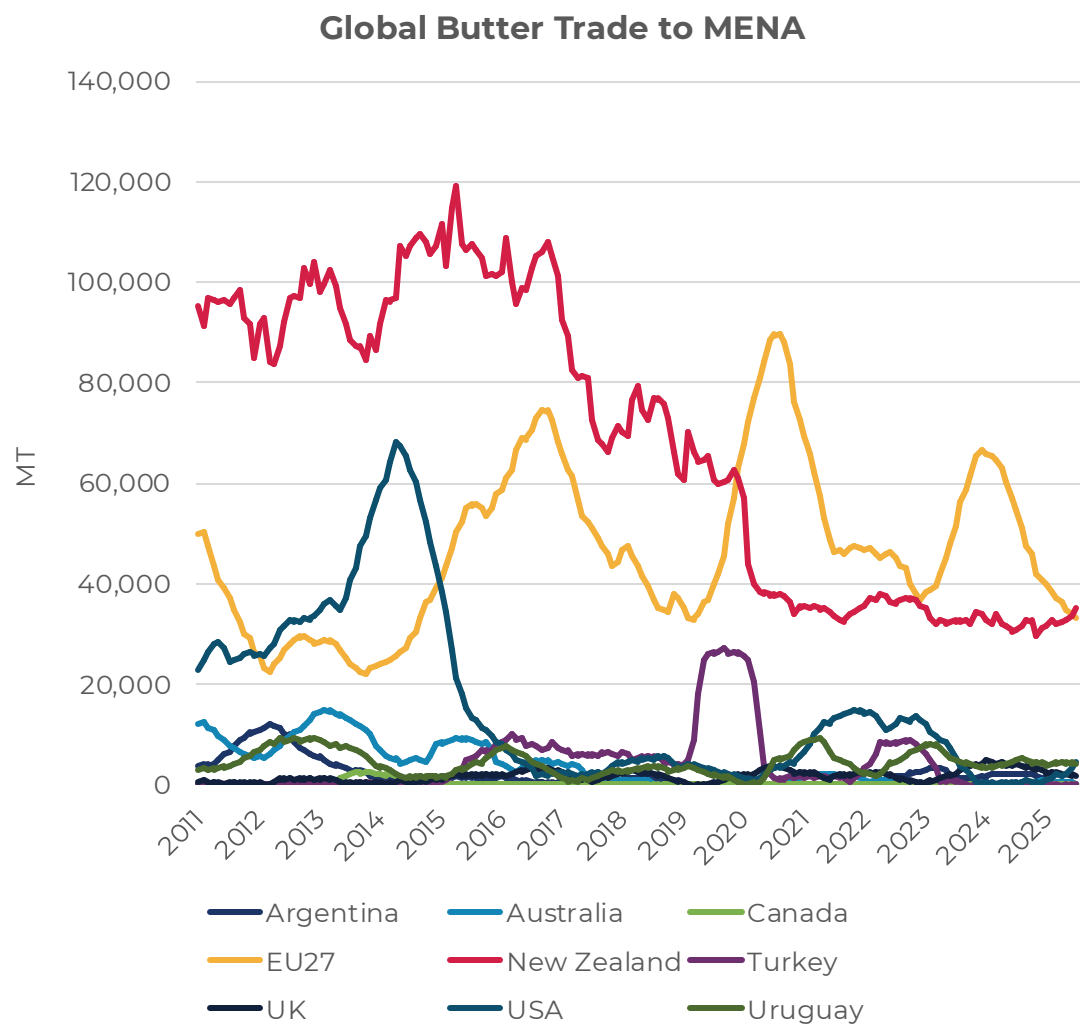
Global Butter Trade to World



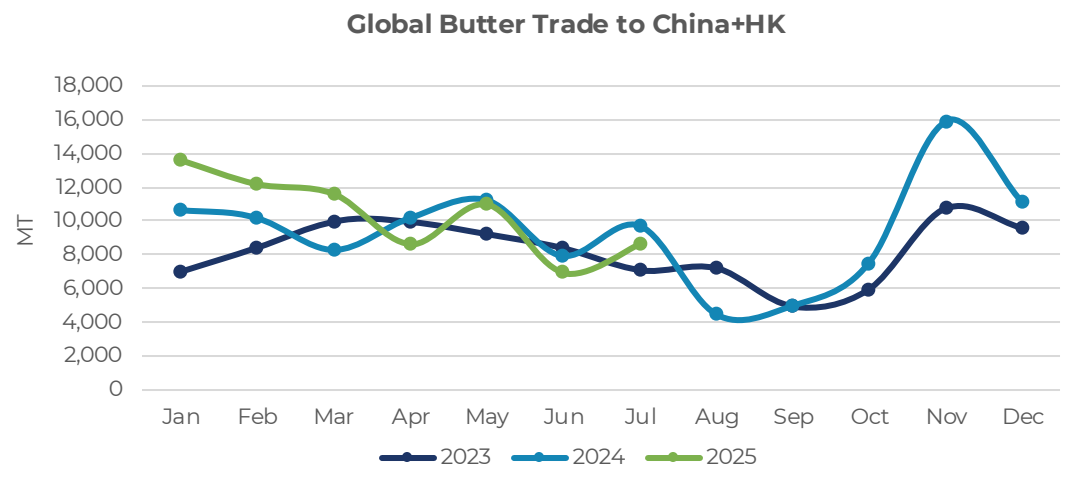
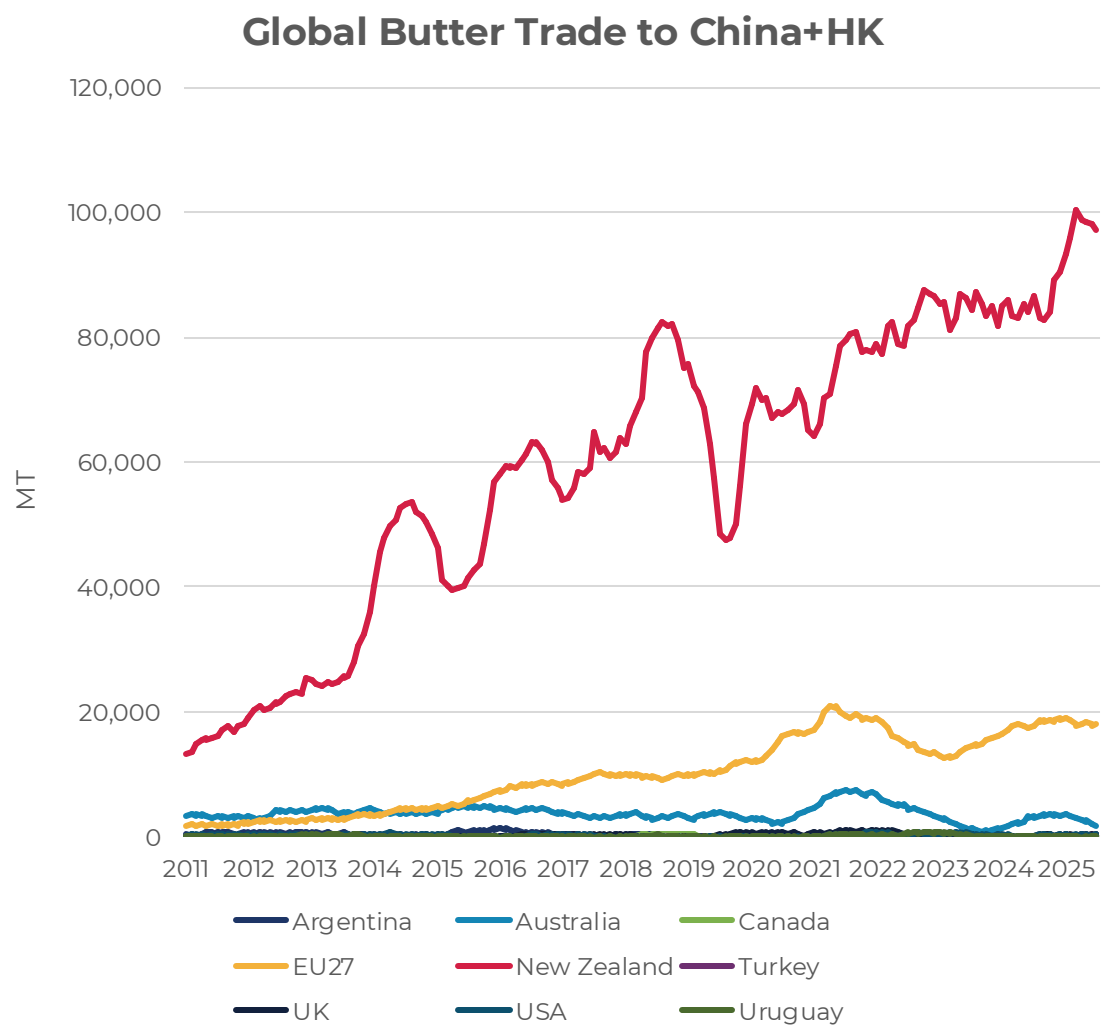
Global Butter Trade to World



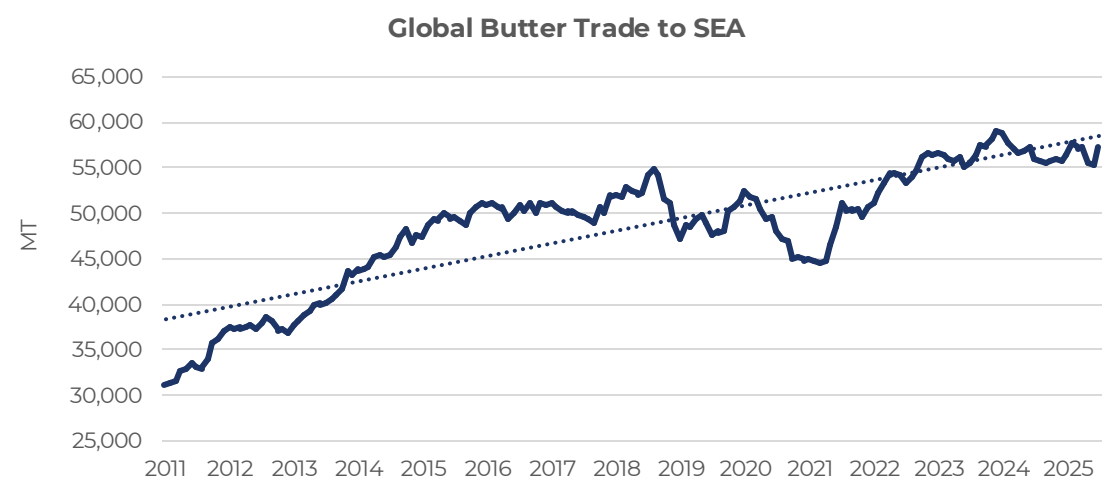
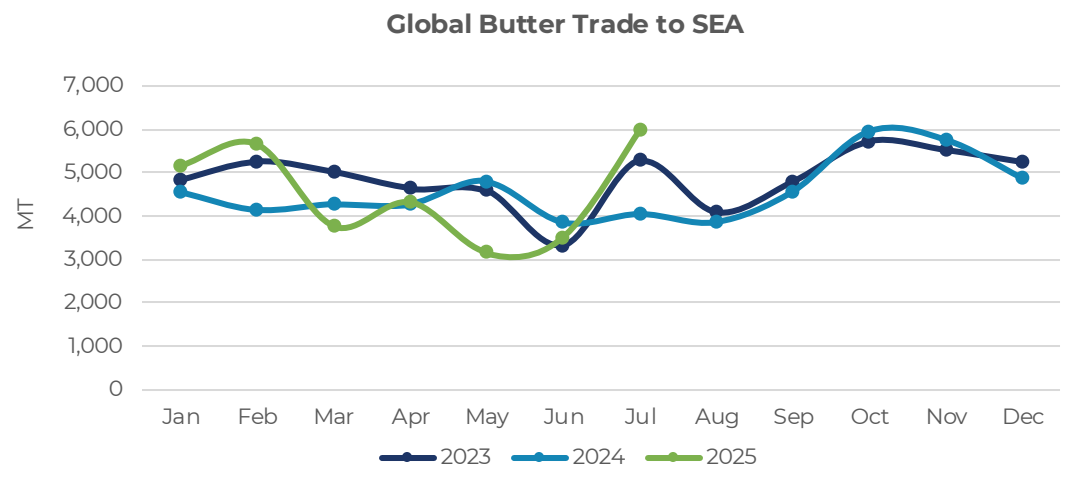
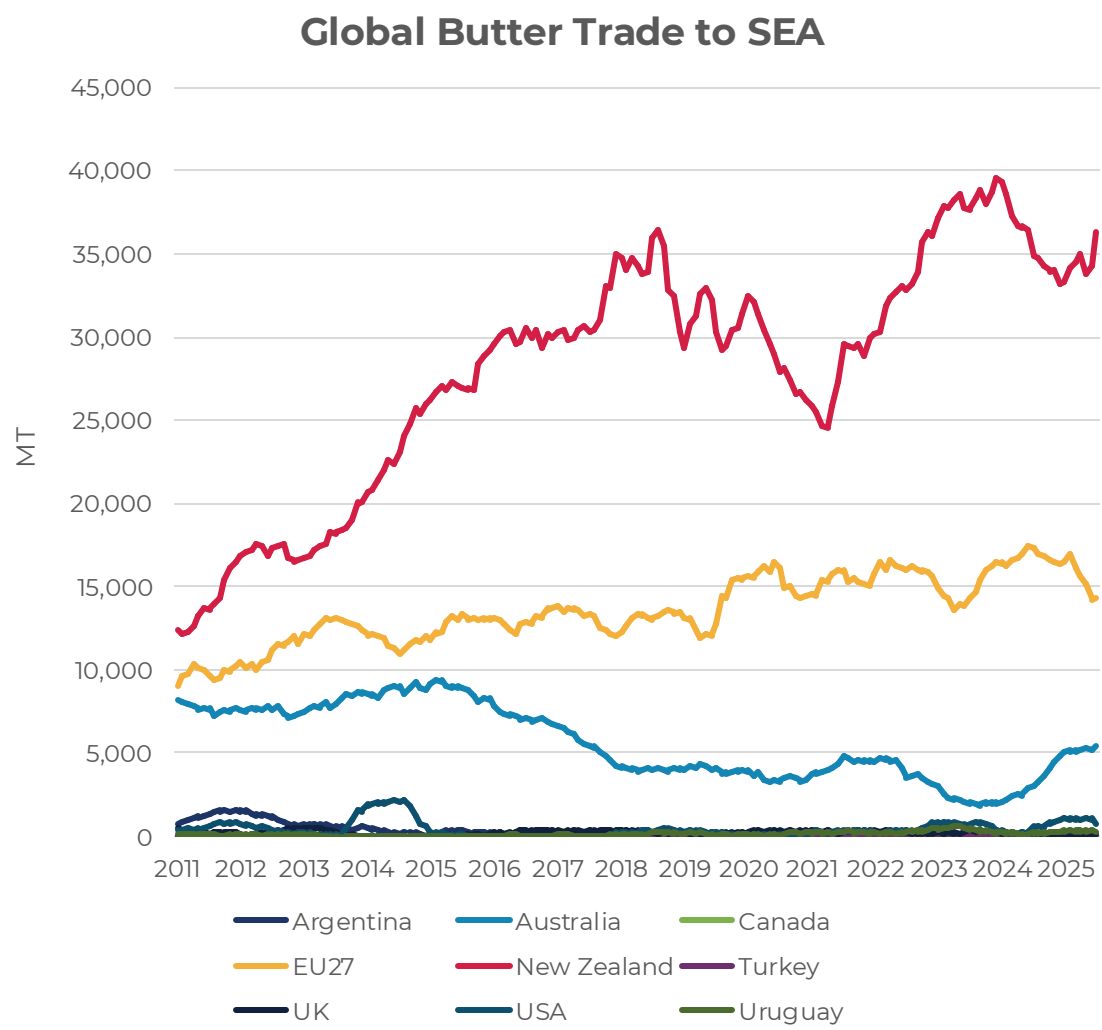
Butter – MENA



Butter – China



Butter – Southeast Asia



Global Overview: Whole Milk Powder



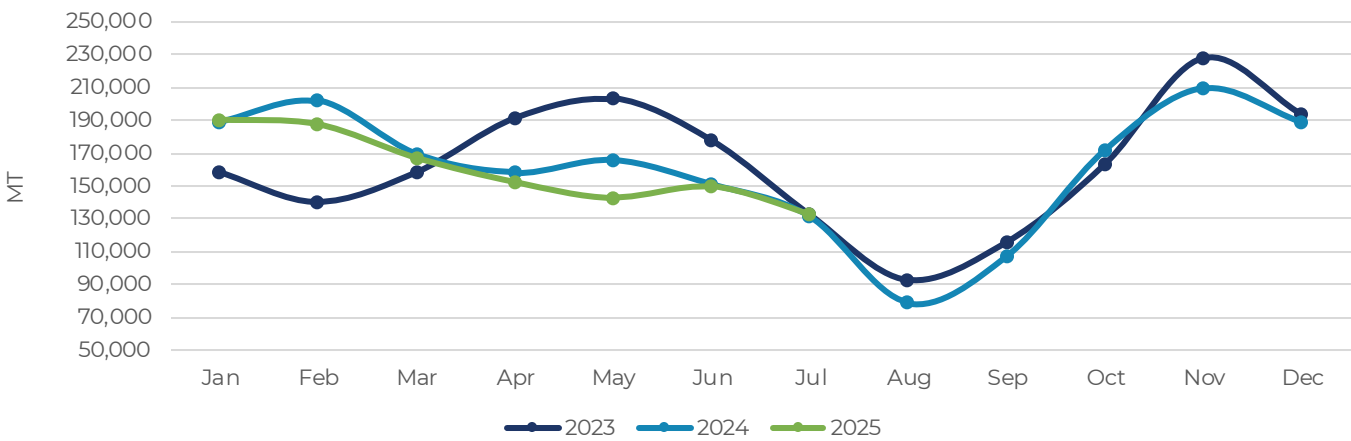
KEY TAKEAWAYS

Global WMP Trade

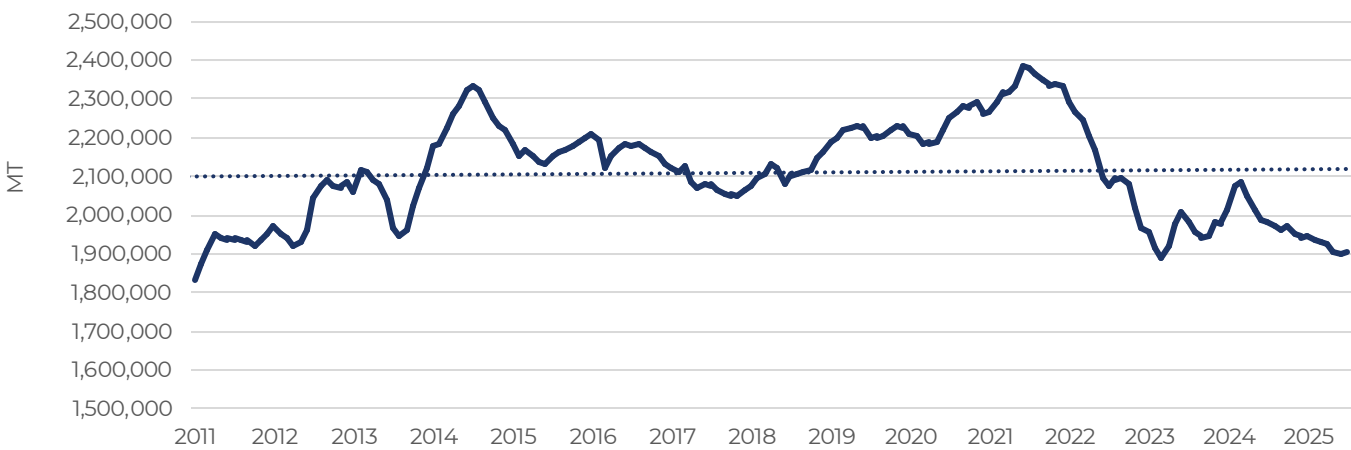
+0.9%	-3.6%	-4.1%	-2.8%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

- Global demand for WMP largely continues to keep pace with year-ago levels, with some lift provided by atypical demand growth in China (+62%, +12,633 MT). Though July marked a second consecutive month of strong demand in the region, will that demand persist as New Zealand's season picks up?
- Despite the improvement in shipments to China, lackluster demand in other regions tempered global trade. Exports to Southeast Asia fell (-21%, -6,395 MT). Looking ahead, New Zealand's milk production season is likely to play a major role in WMP trade (as always), but they are unexpectedly being joined by a resurgent Argentina and Uruguay as well.

Global WMP Trade to World

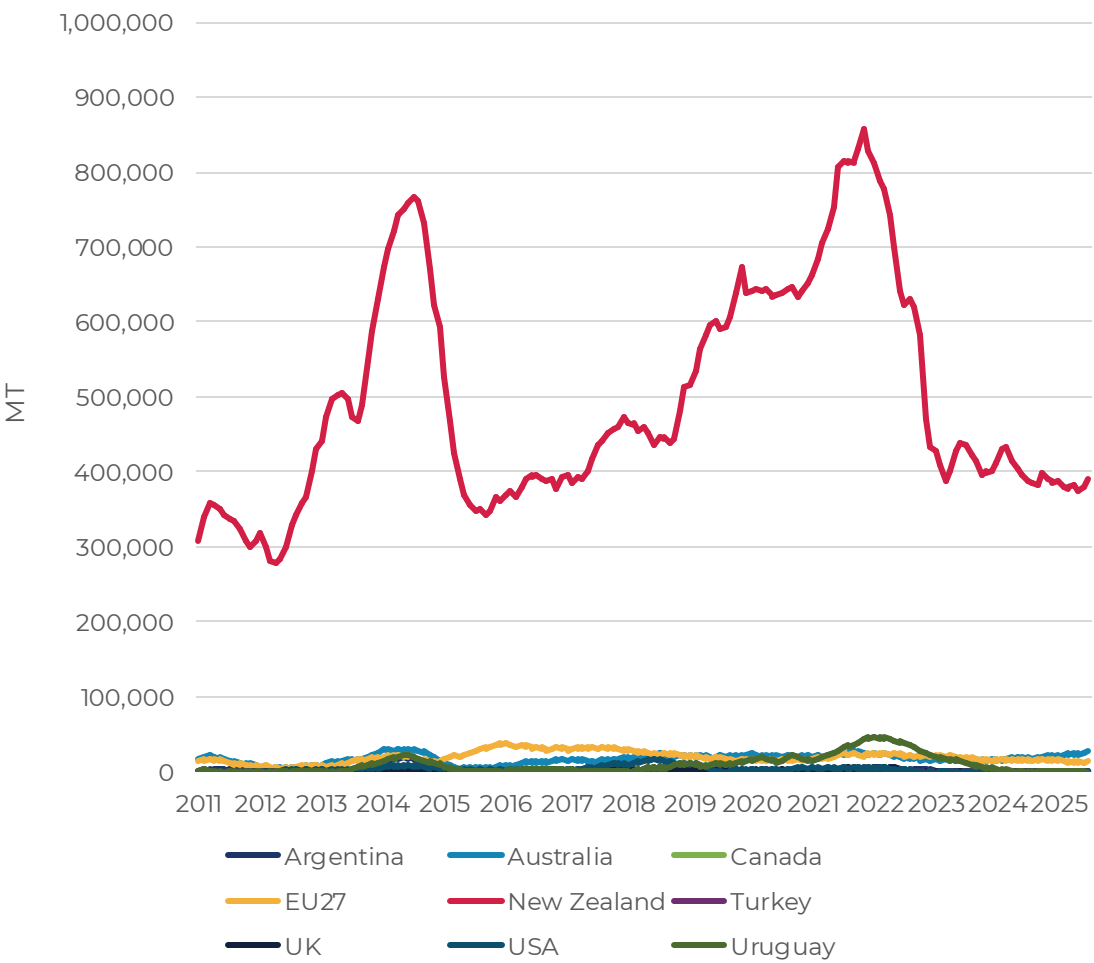


Global WMP Trade to World

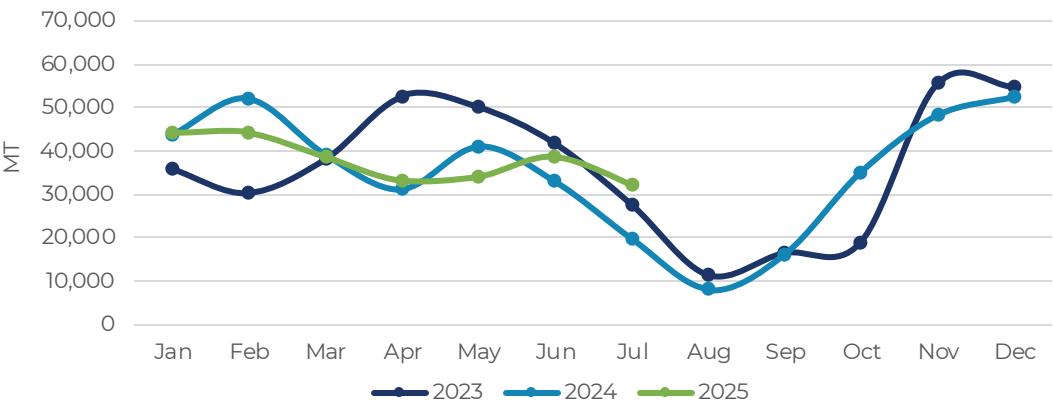


Whole Milk Powder – China

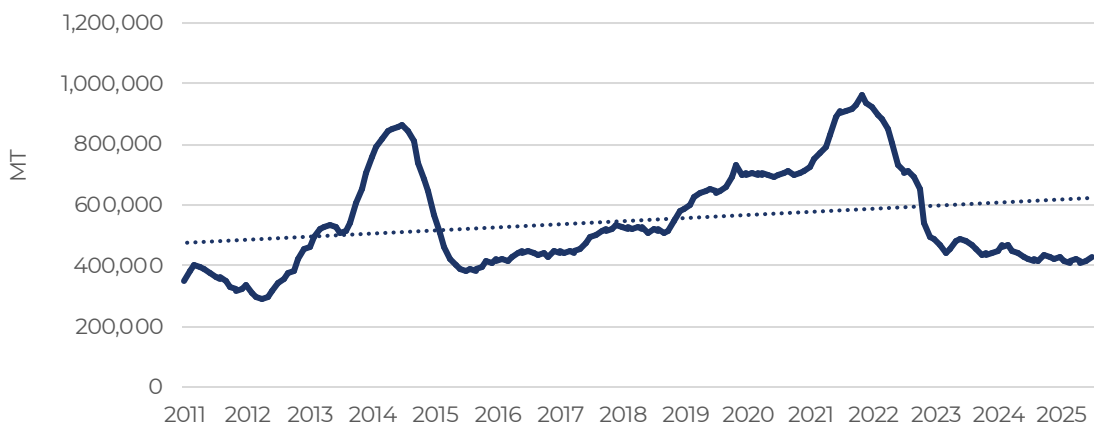
Global WMP Trade to China+HK



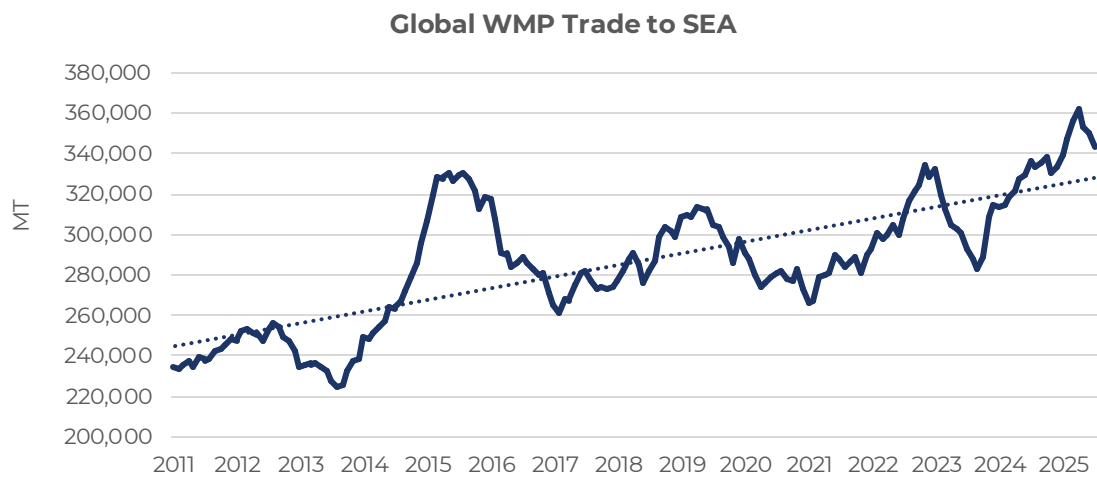
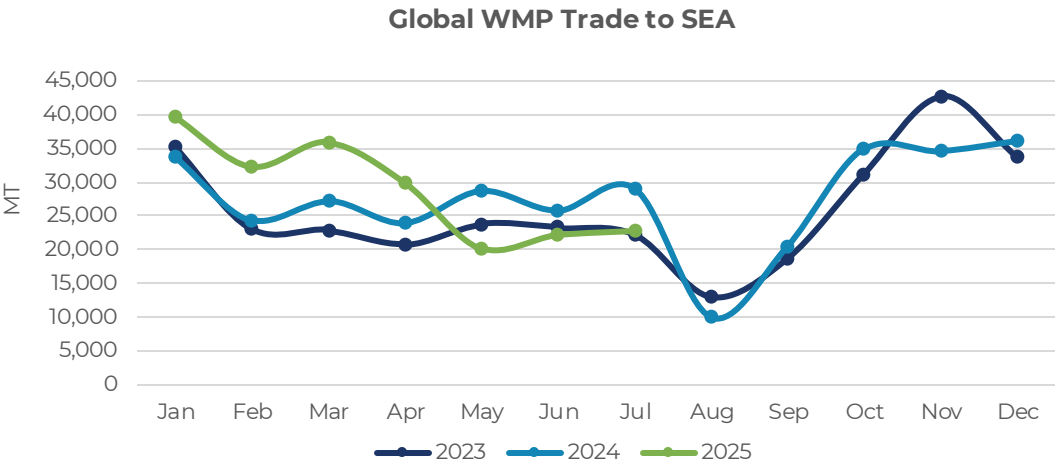
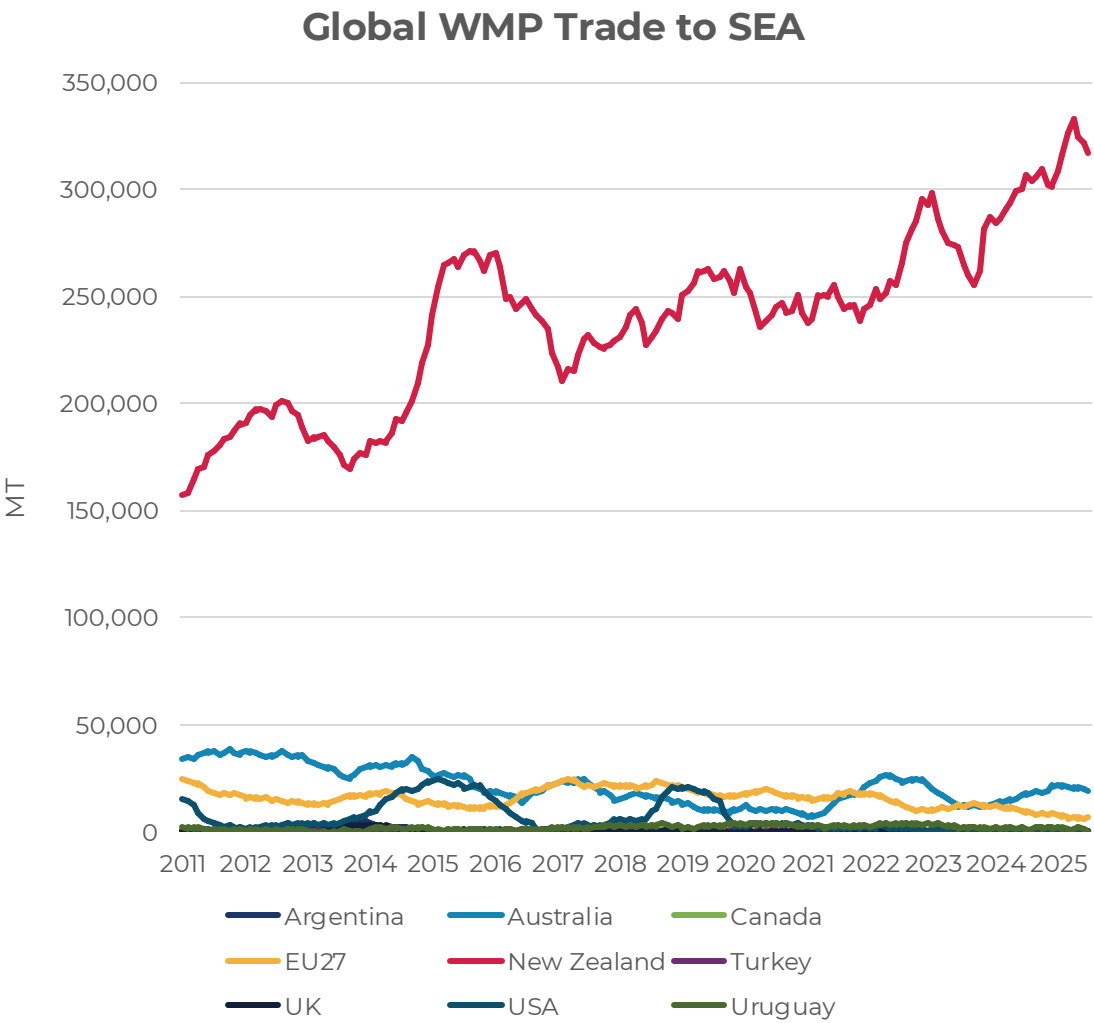
Global WMP Trade to China+HK



Global WMP Trade to China+HK



Whole Milk Powder – Southeast Asia





Reach Out for Questions or Comments

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