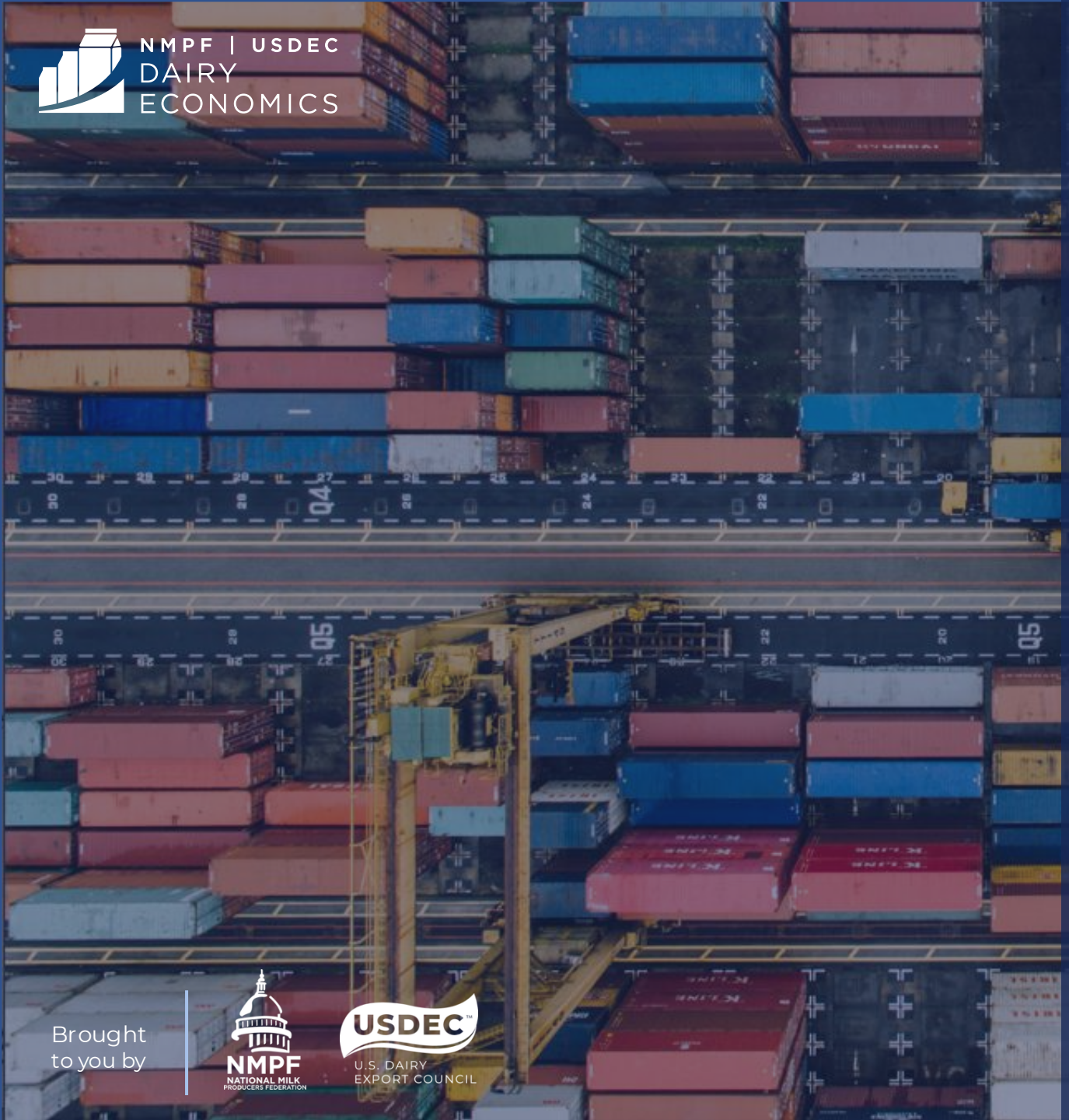

NMPF | USDEC
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ECONOMICS

International Demand Analysis

Data Through:
July 2026

Brought to you by

NMPF
NATIONAL MILK PRODUCERS FEDERATION

USDEC
U.S. DAIRY EXPORT COUNCIL

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A Note from the Authors

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

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

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

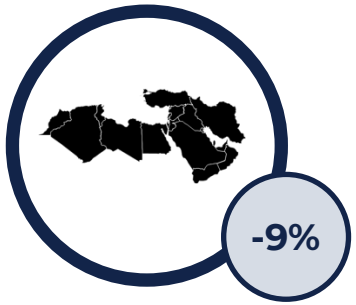
Global Dairy Demand Market Commentary

KEY TAKEAWAYS

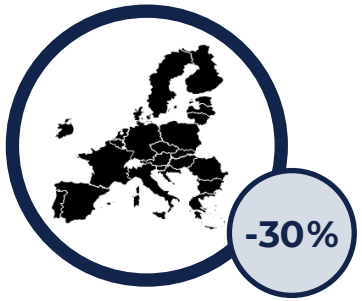
- **Global dairy trade continued to improve in July though the rate of increase slowed meaningfully compared to recent months**. In milk solids terms, a total of 968,501 MT of dairy products circled the globe during the month, 2% more (+22,464 MT MSE) than during the same month last year. Cumulative dairy trade between January and July was up 6% (+420,897 MT MSE) and trade looks solidly on track to set a record this year. **In fact, cumulative dairy trade could actually shrink by 5% over the remaining 5 months of the year and still best the current record set in 2021.**
- Southeast Asia was a major contributor to July's increase (+11%, +17,767 MT MSE) as shipments of milk powders and low protein whey to the region grew. But interestingly, **no destination saw as much growth as South America** where trade soared by 48% (+18,125 MT MSE). A bump in Brazilian demand for WMP and cheese combined with a strong Peruvian appetite for NFDM/SMP pushed trade to the region to its highest levels since 2013.
- Meanwhile, volumes slipped to MENA though curiously not necessarily to the Gulf States (see Additional Notes). These losses were further compounded by slower sales to the EU (-30%, -13,955 MT MSE) and China (-7%, -10,217 MT MSE).

Global Milk Solids Trade	+2.4%	+6.4%	+5.9%	+2.1%
	Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

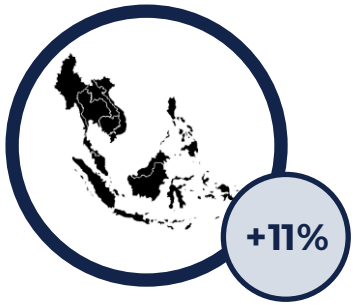
July Standout Markets



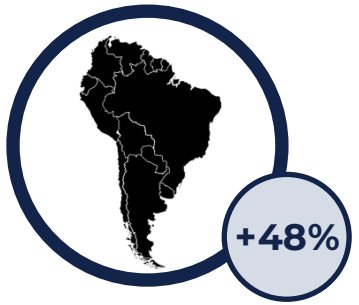
MENA
-13,582 MT



EU27
-13,955 MT



SOUTHEAST ASIA
+17,767 MT



SOUTH AMERICA
+18,125 MT

ADDITIONAL NOTES

The MENA region has been one of the most curious components of global dairy trade this year. Despite severe conflict that has afflicted the Gulf States since the end of February, and which has caused significant disruptions to regional logistics, dairy trade to the region has flourished. Year to date dairy trade to MENA is up 10% (+94,394 MT MSE) and the region has been one of the primary propellors of growth in global dairy trade. In July, however, trade to the region took a downward turn with volumes falling by 9% (-13,582 MT MSE). It would be natural to conclude that perhaps the conflict and its commensurate impacts are finally slowing volumes into the Middle East. However, a closer review of the data shows that it is in fact North Africa that is weighing on trade to the region. A significant slowdown in trade to Algeria (-68%, -19,817 MT MSE) was the primary culprit of the decline, especially due to weaker milk powder imports. Meanwhile, cheese and butter shipments to the region continued to excel, somewhat offsetting the milk powder losses.

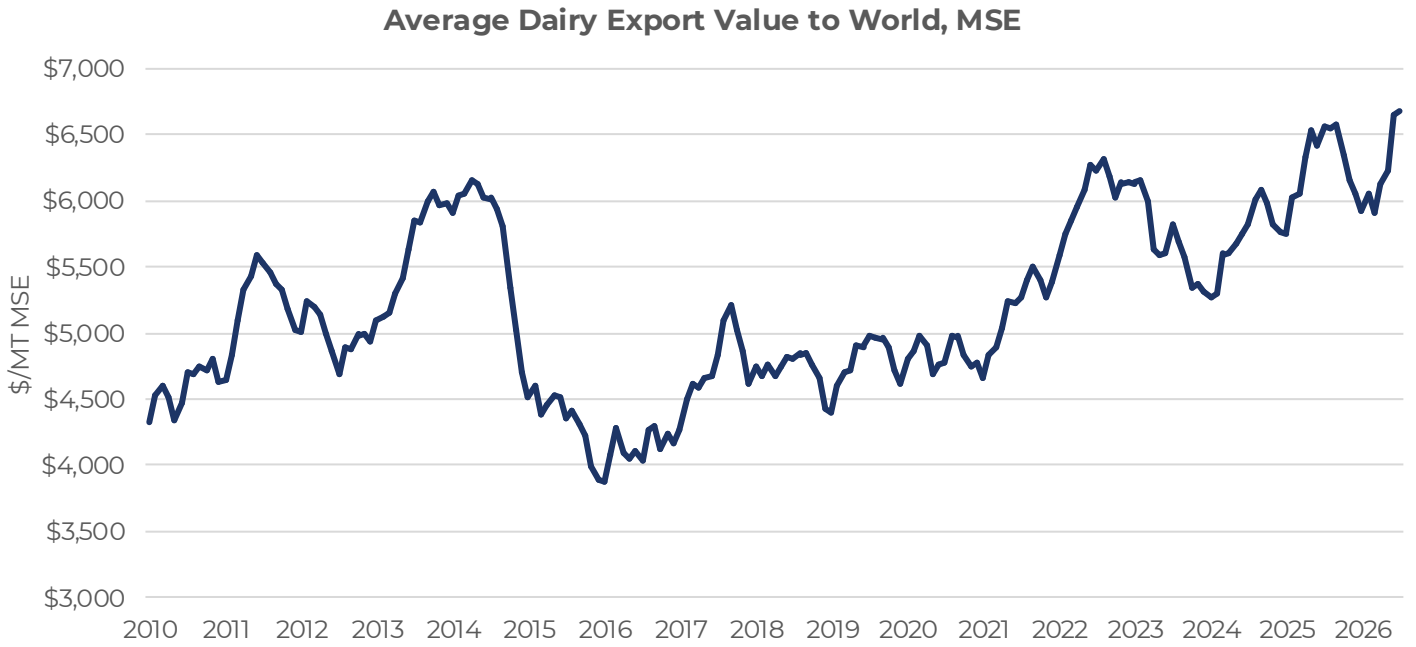
Source: NMPF/USDEC, TDM

Global Dairy Demand Market Commentary

LOOKING AHEAD

- Global dairy demand has performed well this year, overcoming numerous barriers and challenges to continue expanding. **With five months of data outstanding, we expect that trade will continue to grow, albeit perhaps at a more modest tempo than what has been witnessed so far this year**.
- Despite dealing with rising costs in many facets of their lives, consumers across the world have continued to engage with dairy products. However, if inflation continues to creep upward, these economic challenges are expected to compound and could weigh on consumption in the coming months. Many dairy products continue to offer unrivaled value for consumers, providing a strong nutritional profile at a reasonable price. But as prices for key products, especially NFDM/SMP and WPC80+ remain elevated, buyers may be forced to rationalize their consumption.
- Milk production continues to expand across the globe, even if the year-to-year gains have slowed somewhat compared to last year. This trend suggests that **we will have strong availability of most products and that many suppliers will be keen to capitalize on strong global demand, intensifying competition in the global dairy markets.**

U.S. Milk Solids Exports[1]	**-2.7%** Jul YoY	**+6.6%** YTD, Ending Jul	**+6.3%** Last 12-Months, Ending Jul	**+0.9%** 3-Year CAGR
EU Milk Solids Exports	**+7.4%** Jul YoY	**+6.0%** YTD, Ending Jul	**+6.1%** Last 12-Months, Ending Jul	**+1.5%** 3-Year CAGR
NZ Milk Solids Exports	**+6.8%** Jul YoY	**+10.8%** YTD, Ending Jul	**+7.0%** Last 12-Months, Ending Jul	**+2.5%** 3-Year CAGR

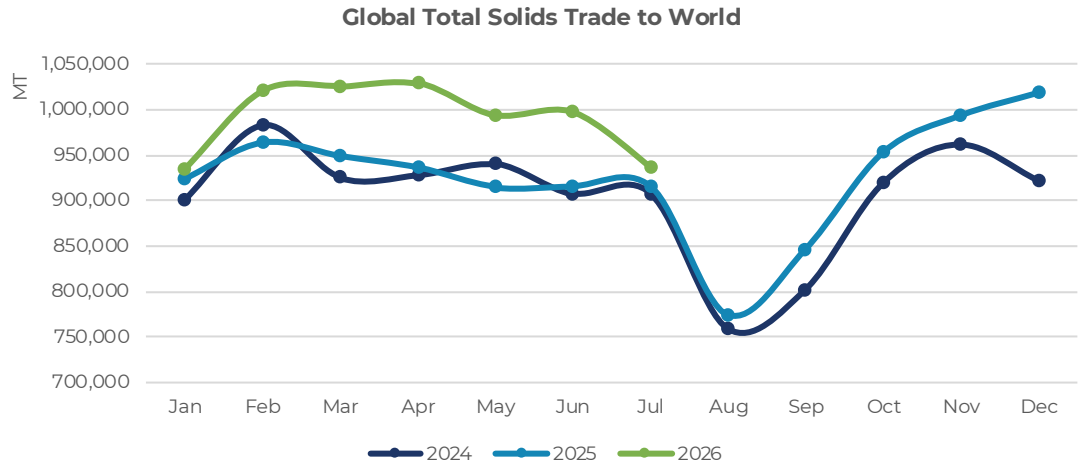


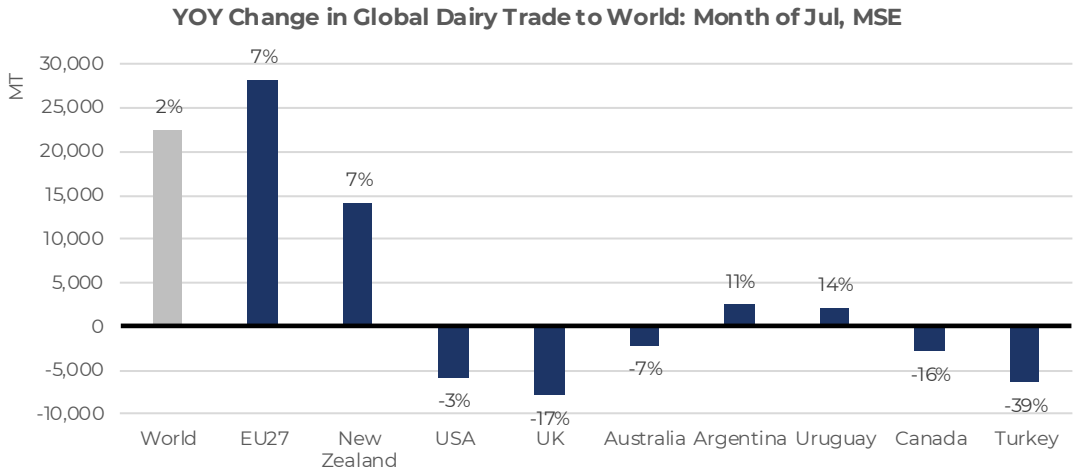
NMPF | USDEC DAIRY ECONOMICS

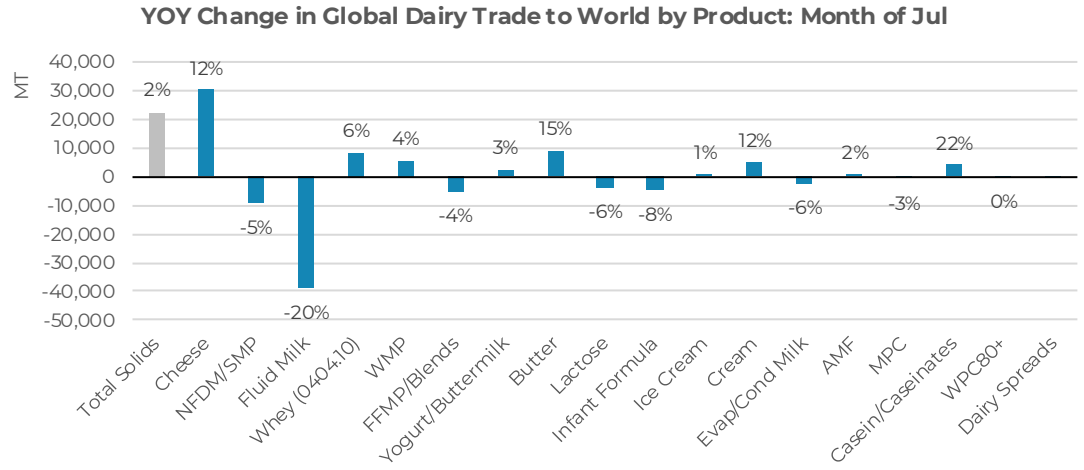
Source: NMPF/USDEC, TDM

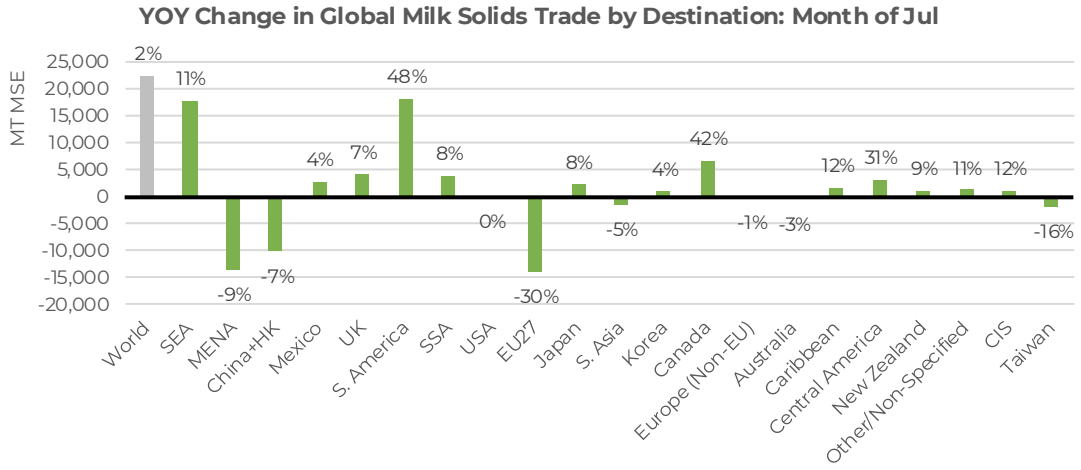
[1]U.S. Milk Solids Exports reflect trade data aggregated from 6-digit HS codes (global HS codes are harmonized at the 6-digit level). This number will differ slightly from U.S. Milk Solids Exports reported in our U.S. Trade Data Release which takes a more granular look at U.S. specific, 10-digit HS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

Executive Summary: July 2026



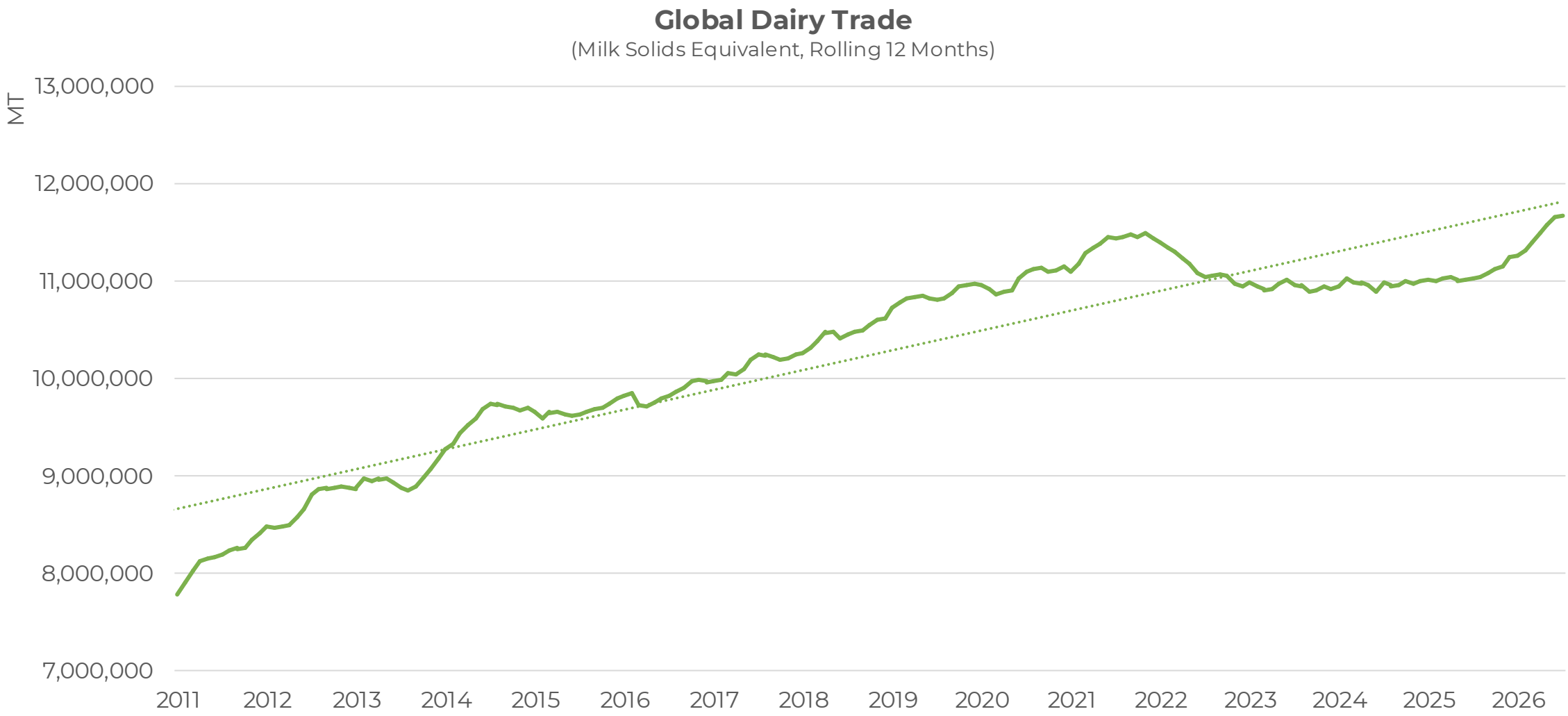






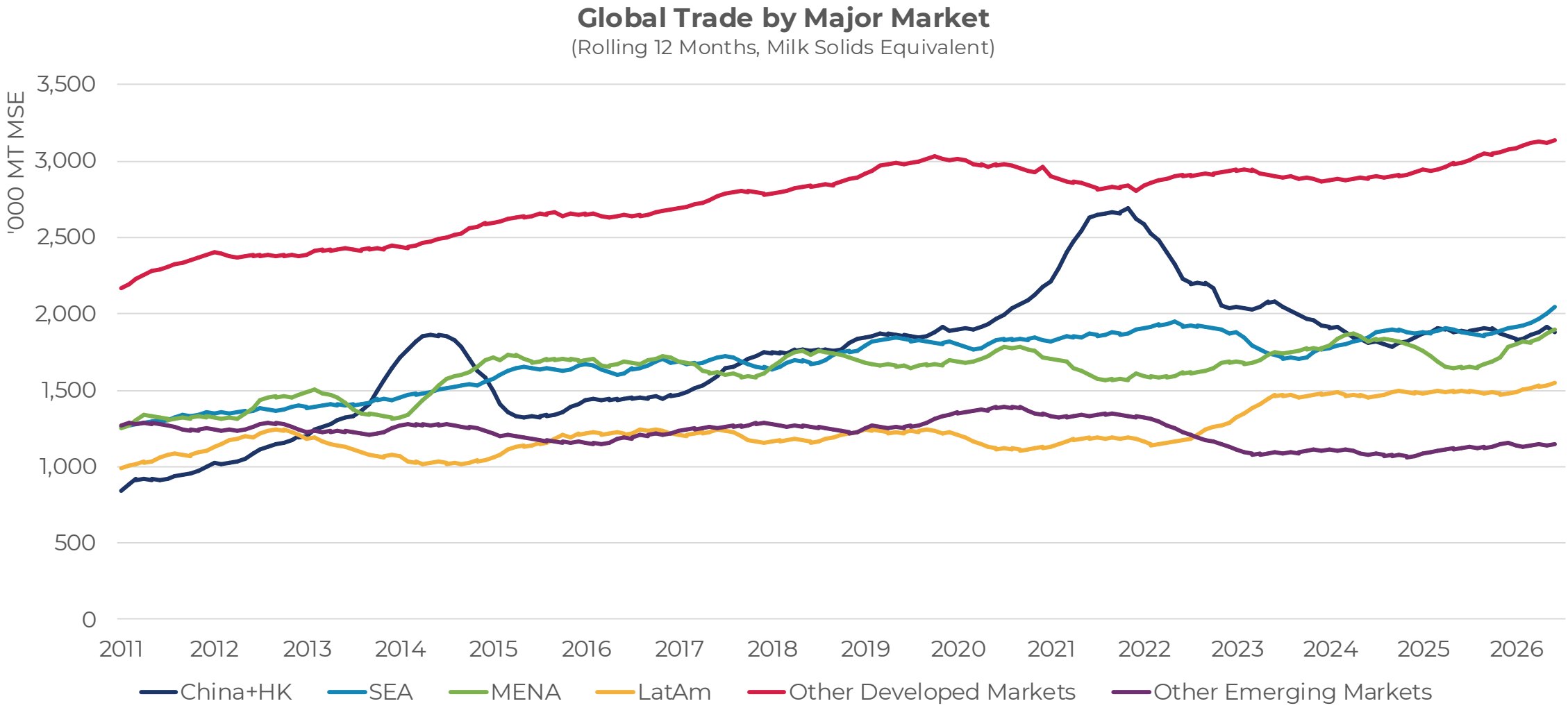
Source: NMPF/USDEC, TDM

Global Dairy Trade



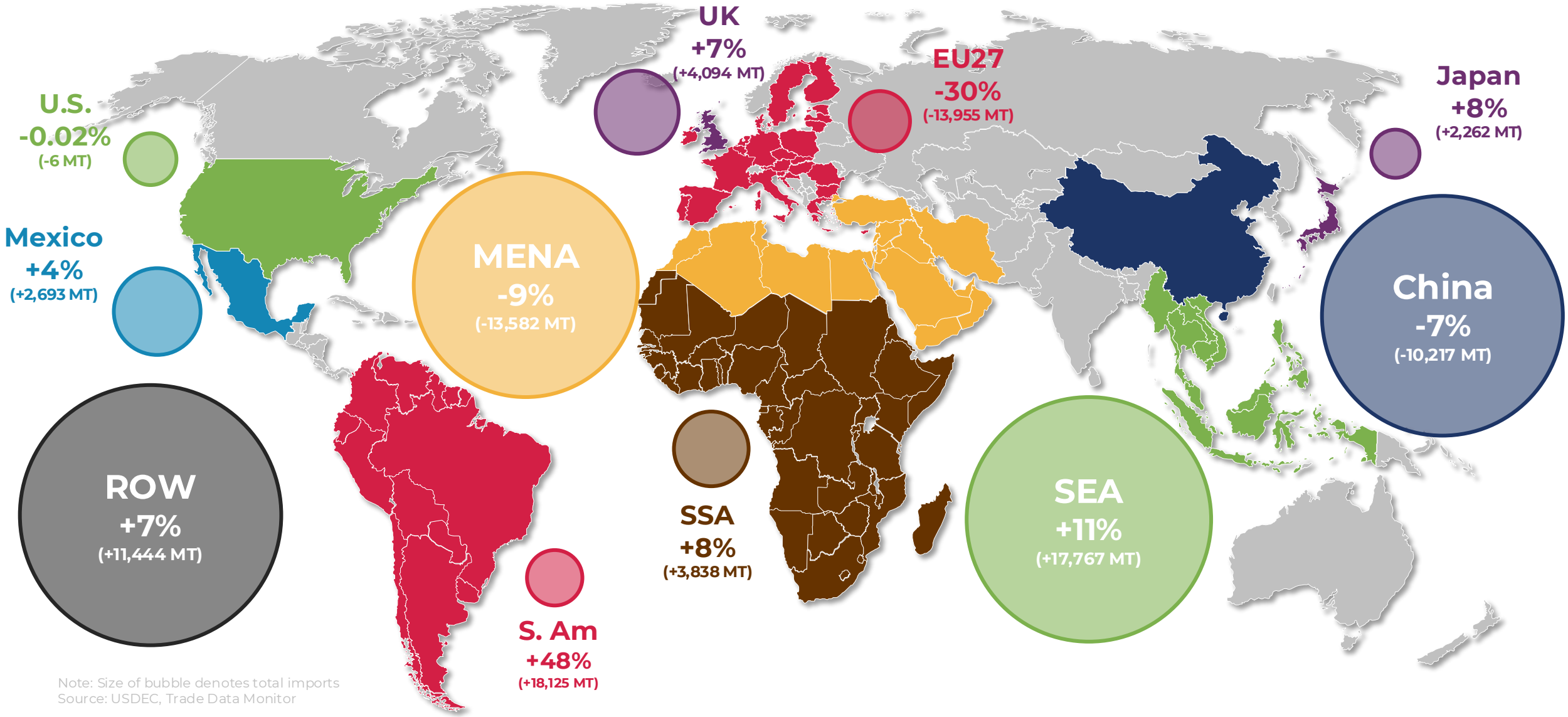
Source: NMPF/USDEC, TDM

Global Dairy Trade



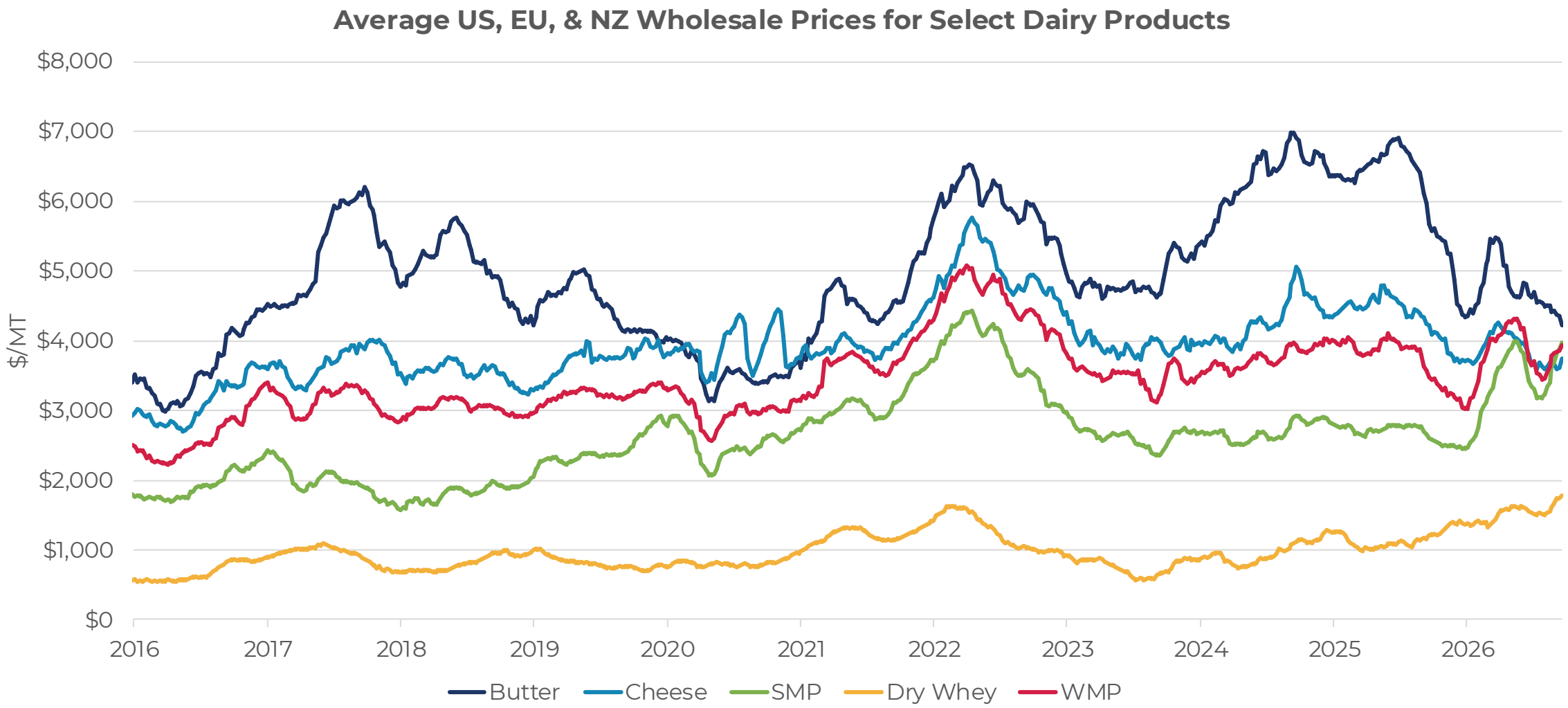
Source: NMPF/USDEC, TDM

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



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

Global Dairy Spot Prices



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Cheese

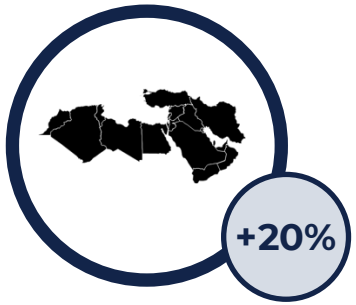
Cheese Market Commentary

KEY TAKEAWAYS

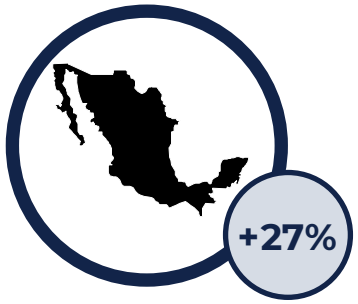
- **Global cheese trade posted yet another stellar month in July as volumes leapt 12% (+30,001 MT) against prior year levels. It is virtually certain that 2026 will be a record setting year for global cheese trade**. Between January and July an astonishing 1.9 million MT of cheese circled the globe, 9% (+158,488 MT) more than during the same period last year, the current record holder.
- **Consumers in nearly every corner of the globe are shouting for more cheese as a broad cross section of geographies continues to drive the gains**. Stronger demand from the usual suspects, MENA (+20%, +5,564 MT), Mexico (+27%, +5,279 MT), and Japan (+24%, +5,068 MT) provided a boost to the total figure while dark horse South America (+41%, +4,594 MT) also found its way into the mix (See Additional Notes).
- A smattering of destinations saw cheese trade dip, though not with enough force to threaten overall growth of the category. Cheese trade to Sub-Saharan Africa slipped 42% (-1,660 MT) while volumes to the U.S. dipped 5% (-749 MT), reflecting tepid domestic demand here at home.

Global Cheese Trade				
	+11.7% Jul YoY	**+9.1%** YTD, Ending Jul	**+8.9%** Last 12-Months, Ending Jul	**+6.4%** 3-Year CAGR

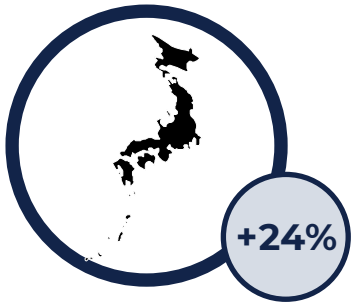
July Standout Markets



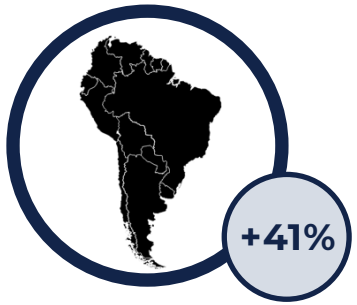
MENA
+5,564 MT



MEXICO
+5,279 MT



JAPAN
+5,068 MT



SOUTH AMERICA
+4,594 MT

ADDITIONAL NOTES

Cheese is commonly consumed in South America, whether on pizza or as a component of many traditional meals. But while common across the region, many countries depend heavily on domestic production to meet their cheese needs. As a result, South America only accounted for just 5% of global cheese trade in 2025. Nevertheless, shipments to the region have been growing this year, up by 27% (+20,964 MT) over the first seven months of 2026. In July, trade to the region grew by a dramatic 41% (+4,594 MT), an increase underpinned both by an uptick in demand as well as a generous year over year comparable. Stronger demand from Brazil accounted for more than half of the July gain (+58%, +2,640 MT) reflecting resilient economic performance in the country in the lead up to next month's presidential elections. Not to be left behind, Colombia (+139%, +980 MT) and Peru (+33%, +285 MT) contributed, as well.

Source: NMPF/USDEC, TDM

Cheese Market Commentary

LOOKING AHEAD

- **All signs point to continued strength in global cheese trade**. The fundamentals remain positive for trade as the trends of a larger population, rising incomes, and a proliferation of cheese-laden western diets are expected to persist.
- **On the supply side, cheese production is also expected to remain plentiful with rising milk production providing the necessary inputs to keep cheese vats filled**. Though milk production may be showing the first signs of slowing in some markets, volumes continue to expand, compounding last year's gains, and cheese production is expected to remain a priority as the appetite for whey remains insatiable.
- The U.S. continues to be the largest beneficiary of the growth in global cheese trade, accounting for 44% of July's year over year gains. **While continued demand strength will create opportunities for many suppliers, none is expected to capitalize on the opportunity as much as the U.S., especially considering lethargic domestic demand and competitive prices.**

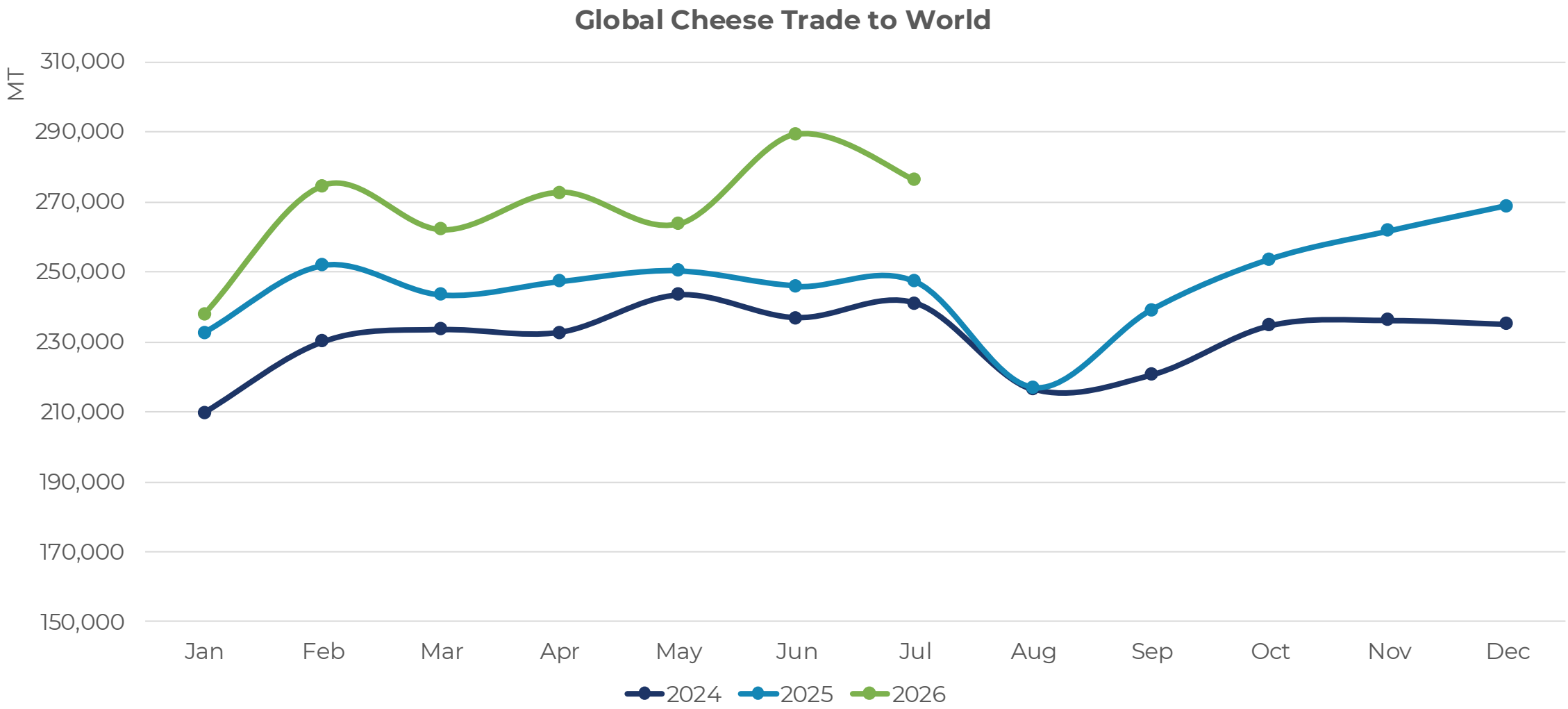
U.S. Cheese Exports	**+25.0%** Jul YoY	**+23.9%** YTD, Ending Jul	**+26.1%** Last 12-Months, Ending Jul	**+17.1%** 3-Year CAGR
EU Cheese Exports	**+7.0%** Jul YoY	**+6.1%** YTD, Ending Jul	**+5.1%** Last 12-Months, Ending Jul	**+2.9%** 3-Year CAGR
NZ Cheese Exports	**+13.0%** Jul YoY	**+3.7%** YTD, Ending Jul	**+2.6%** Last 12-Months, Ending Jul	**+4.0%** 3-Year CAGR

Source: NMPF/USDEC, TDM

Global Overview: Cheese

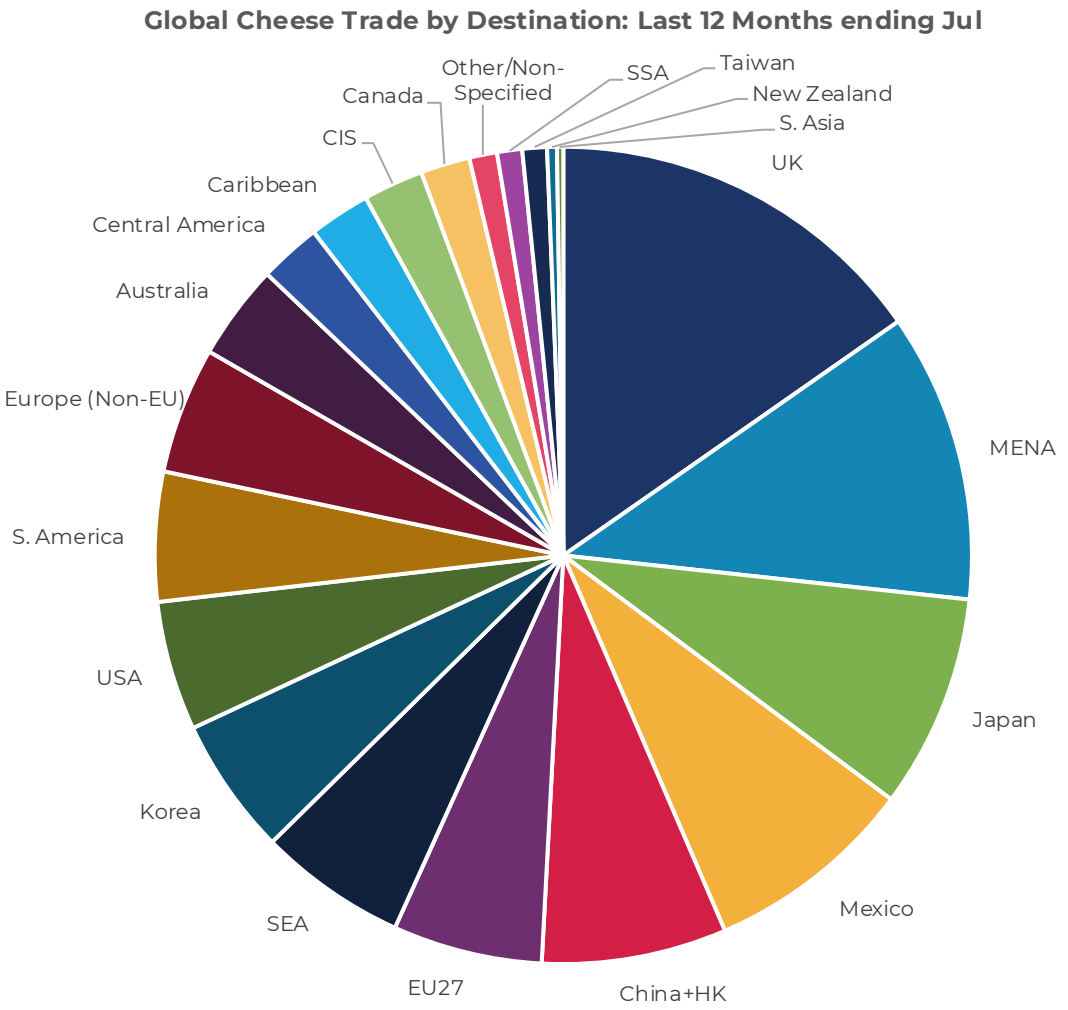
Source: NMPF/USDEC, TDM

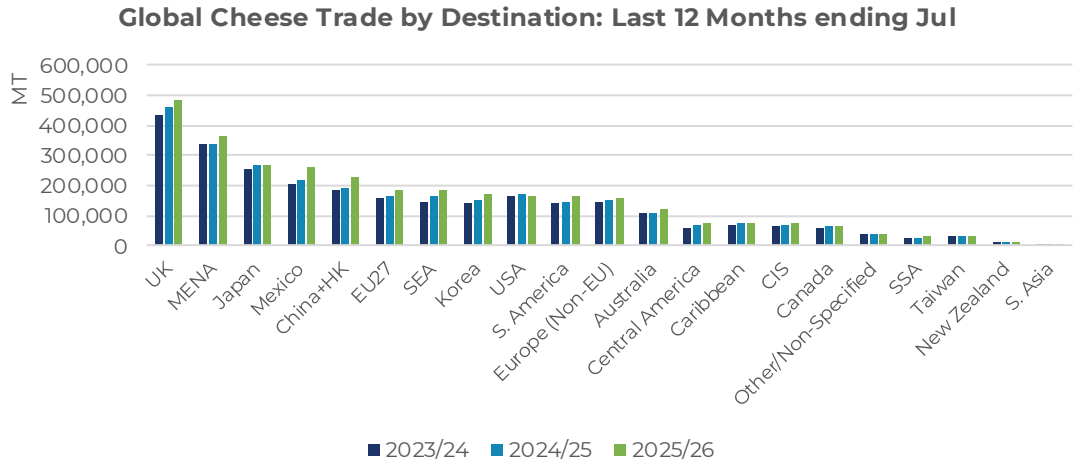
Global Overview: Cheese

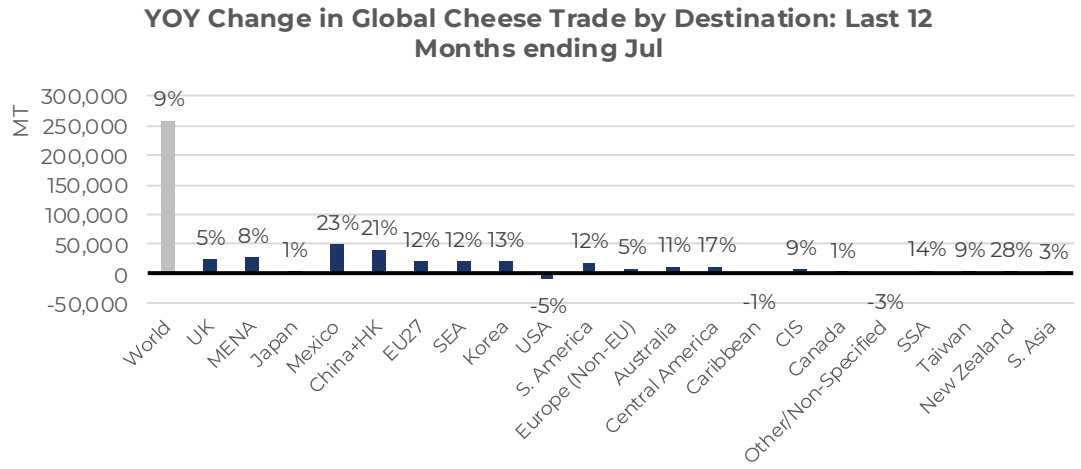


Source: NMPF/USDEC, TDM

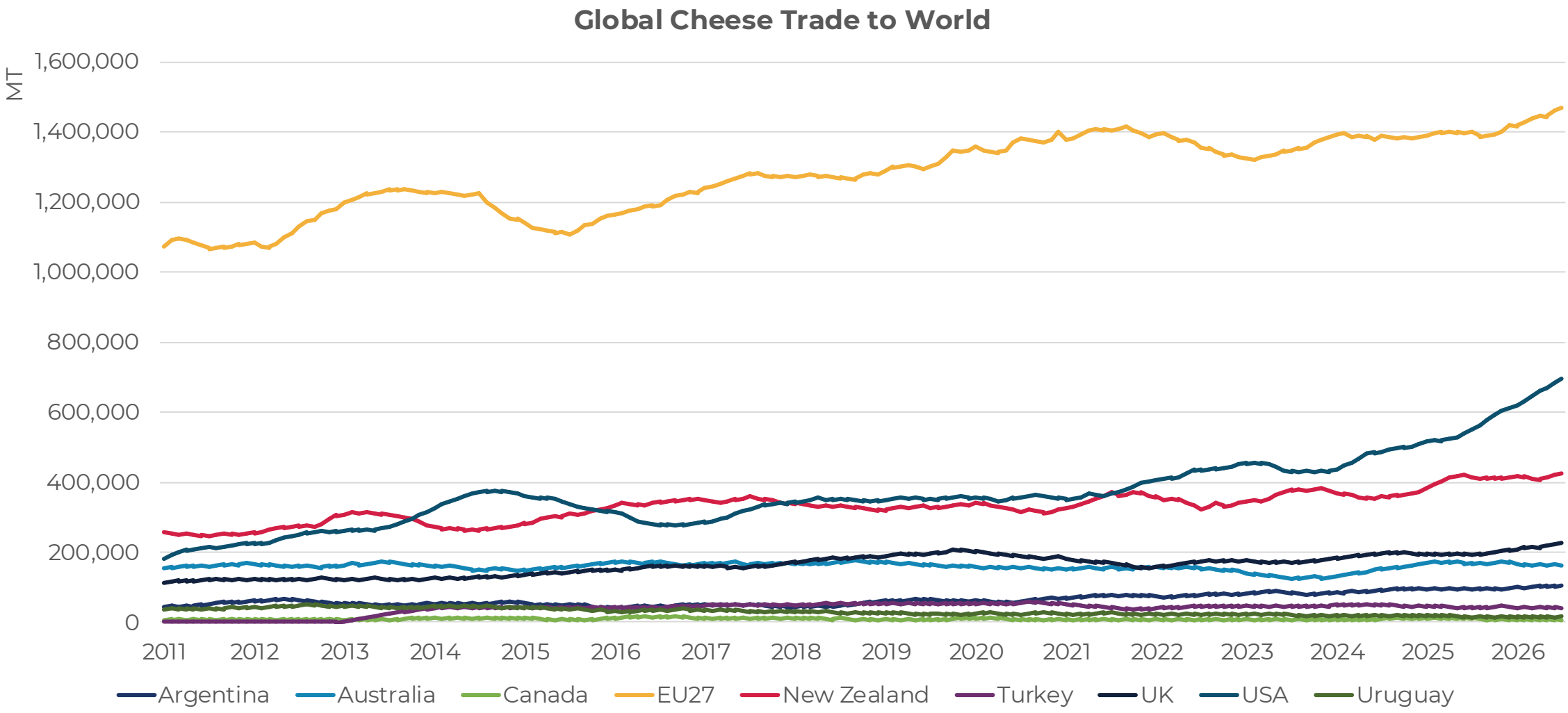
Global Overview: Cheese – Last 12 Months



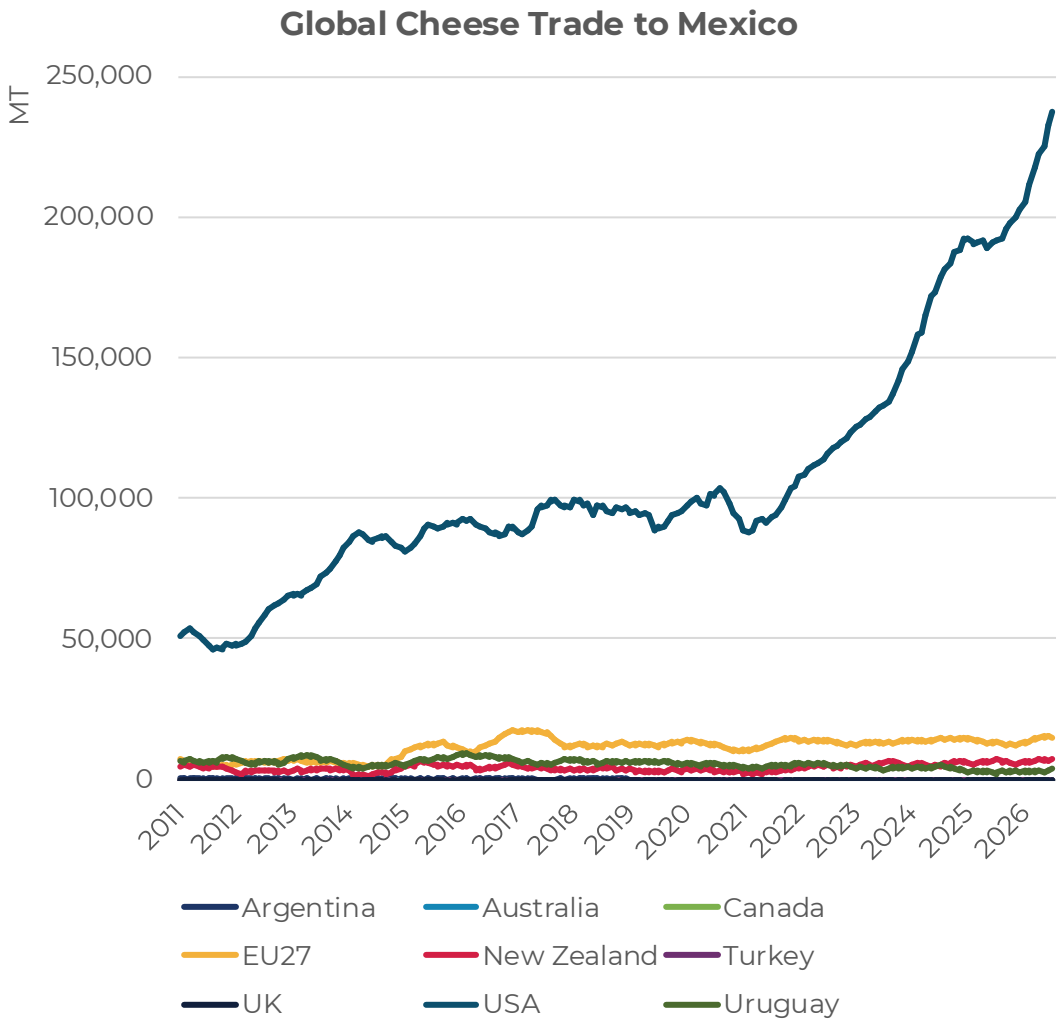




Trade Flows: Cheese

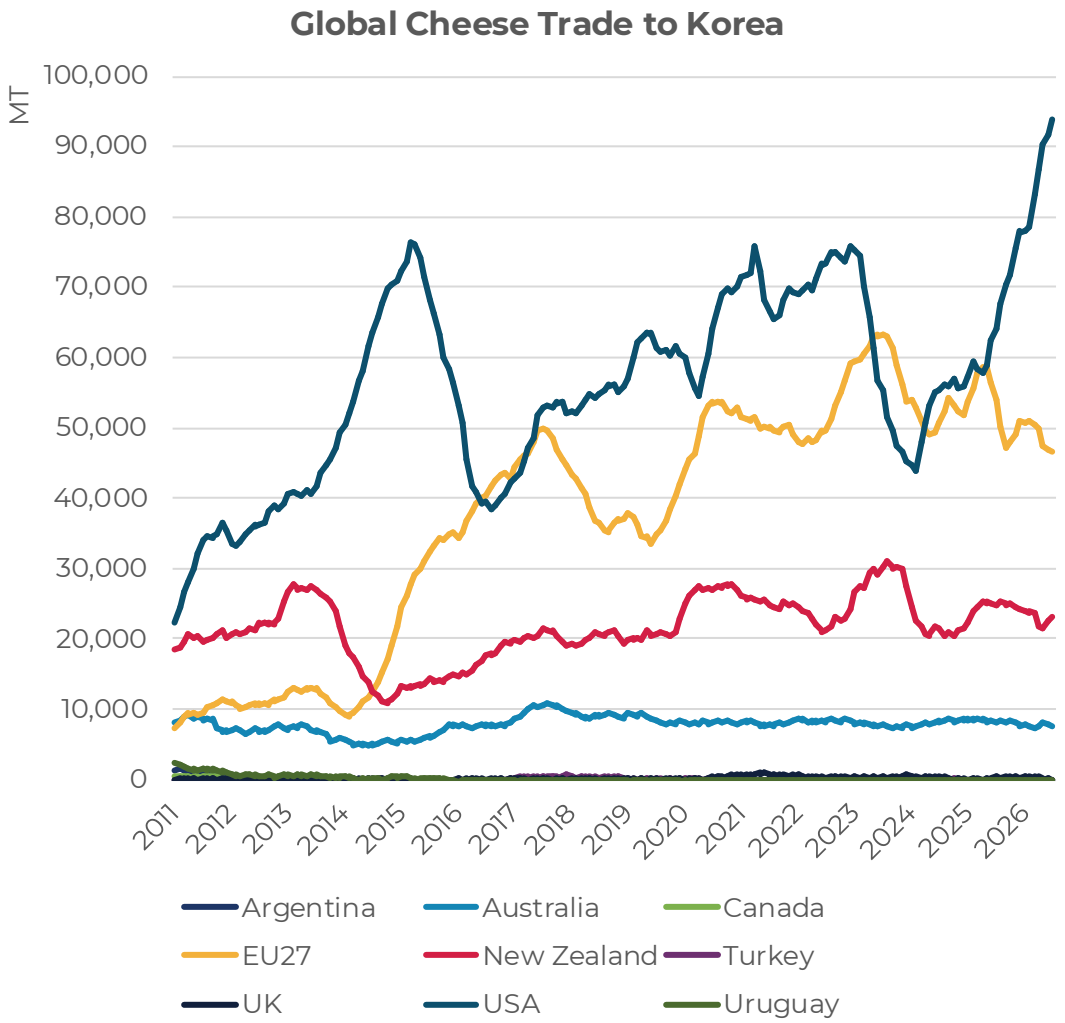


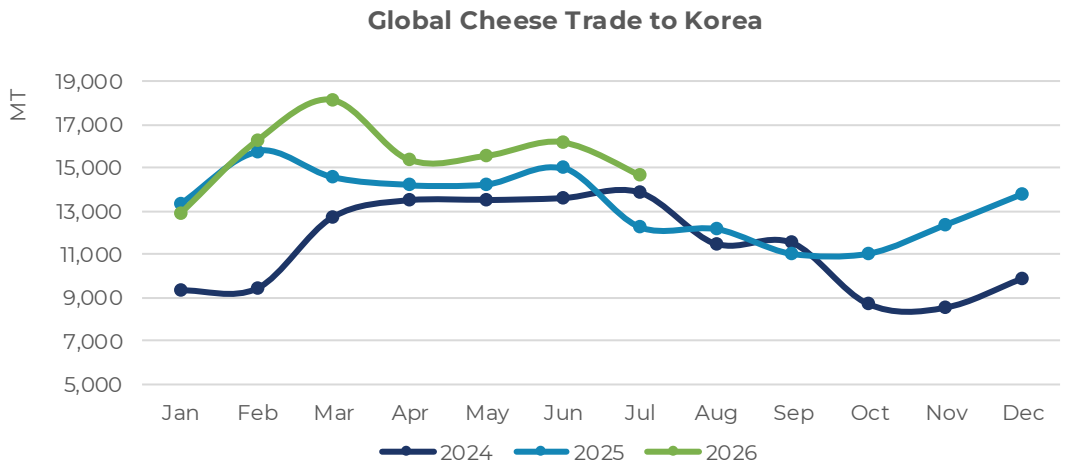
Mexico



Source: NMPF/USDEC, TDM

Korea


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


Global Cheese Trade to Korea
MT
19,000
17,000
15,000
13,000
11,000
9,000
7,000
5,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024
2025
2026

Global Cheese Trade to Korea
MT
190,000
170,000
150,000
130,000
110,000
90,000
70,000
50,000
2011
2012
2013
2014
2015
2016
2017
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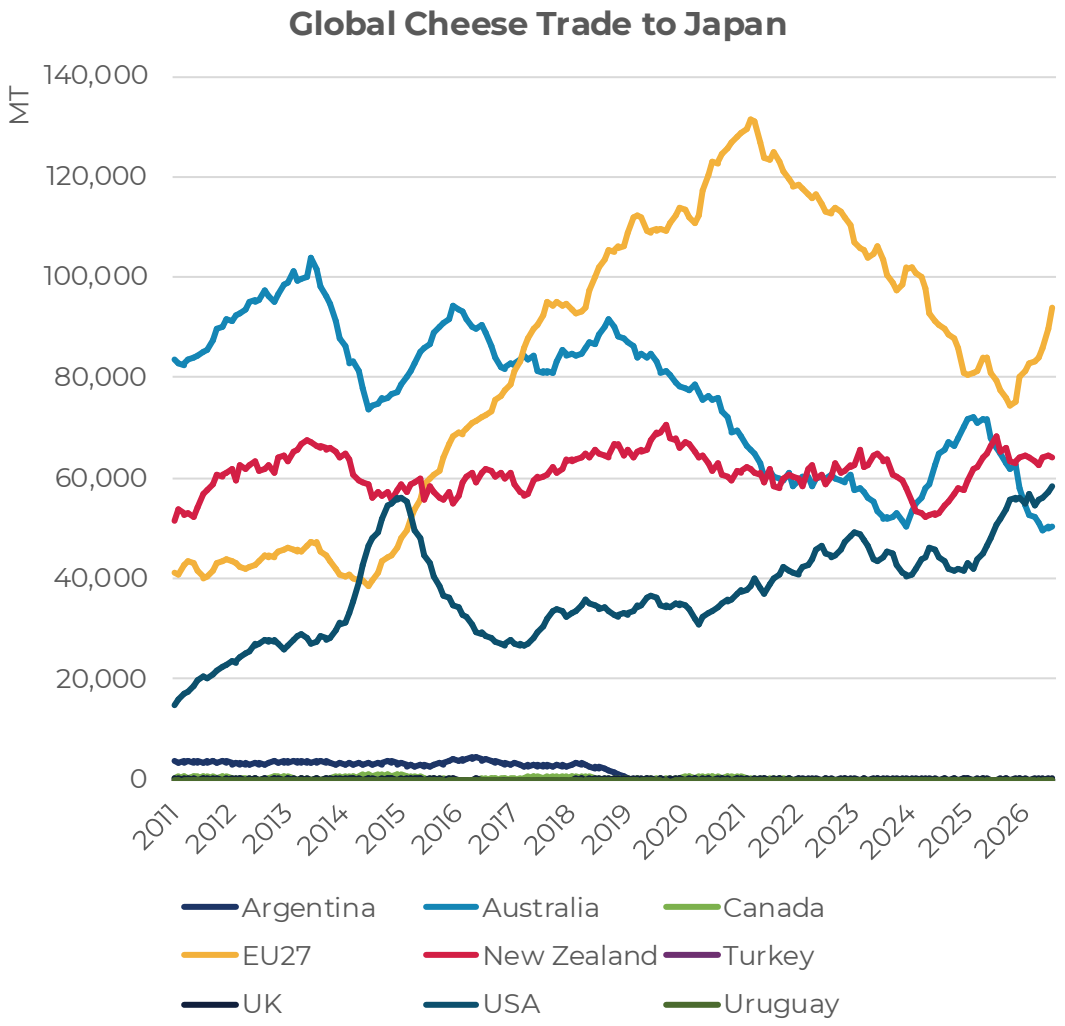
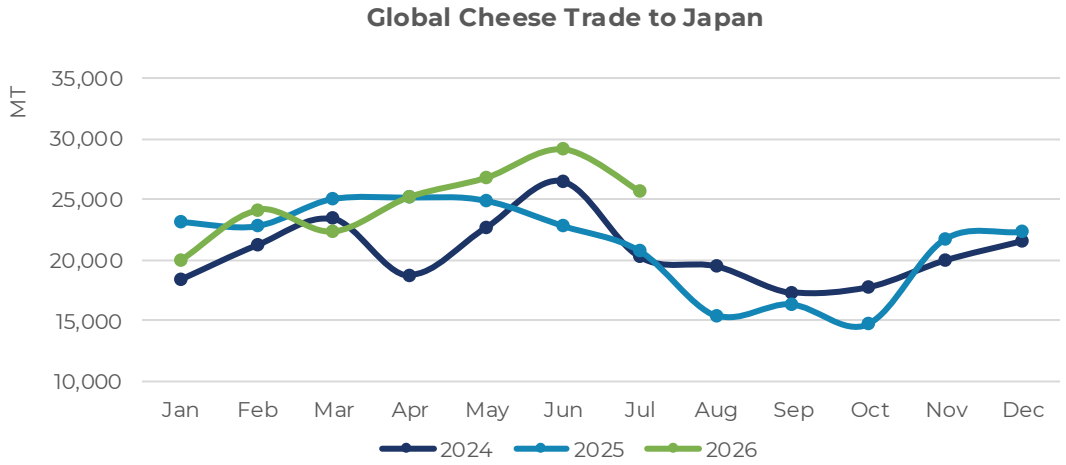
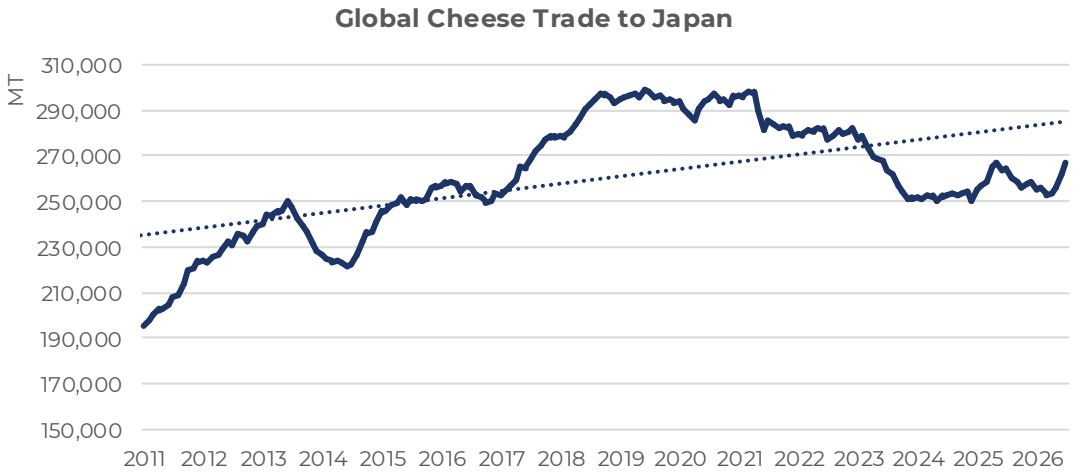
2020
2021
2022
2023
2024
2025
2026

Japan

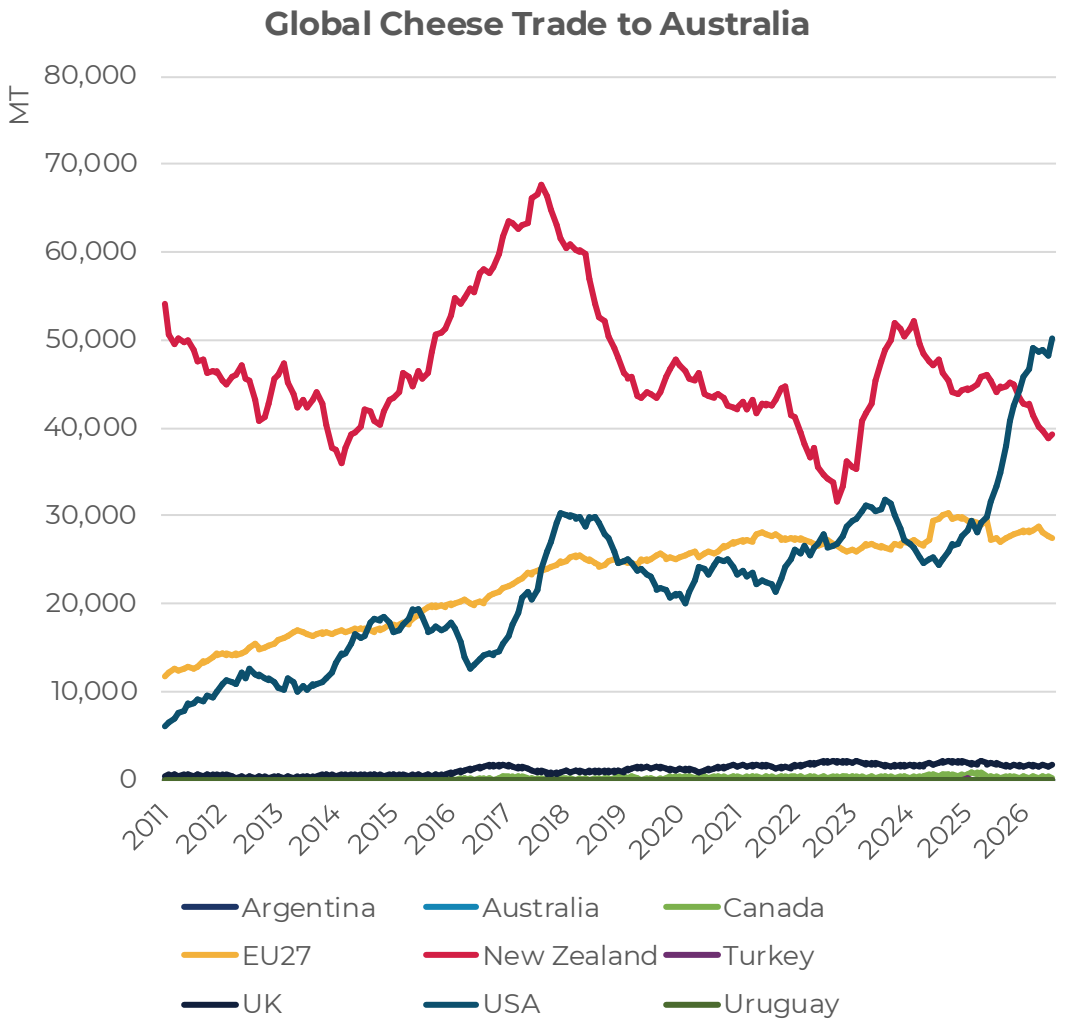


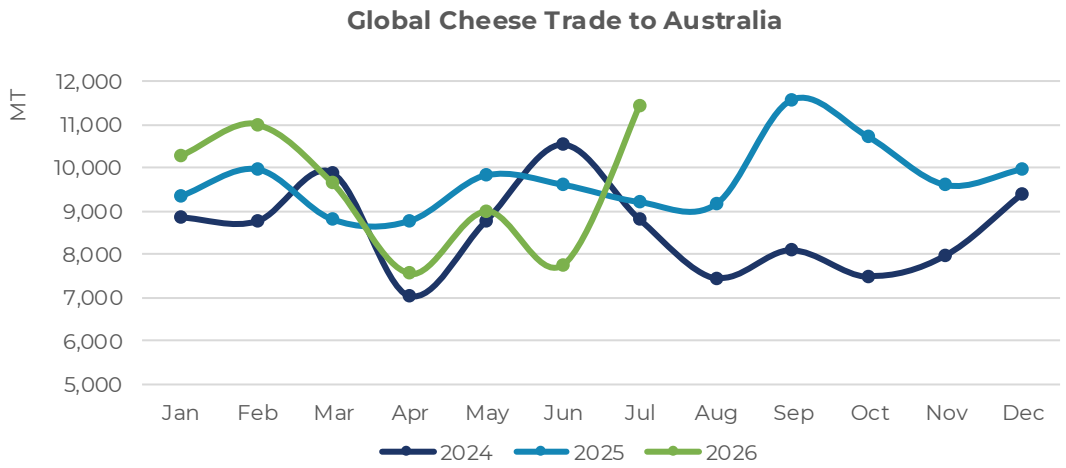


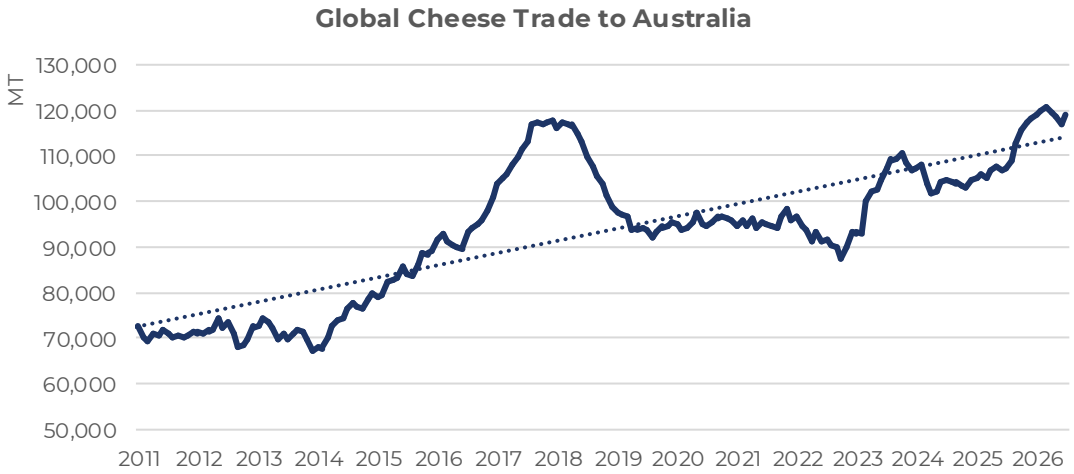


Source: NMPF/USDEC, TDM

Australia

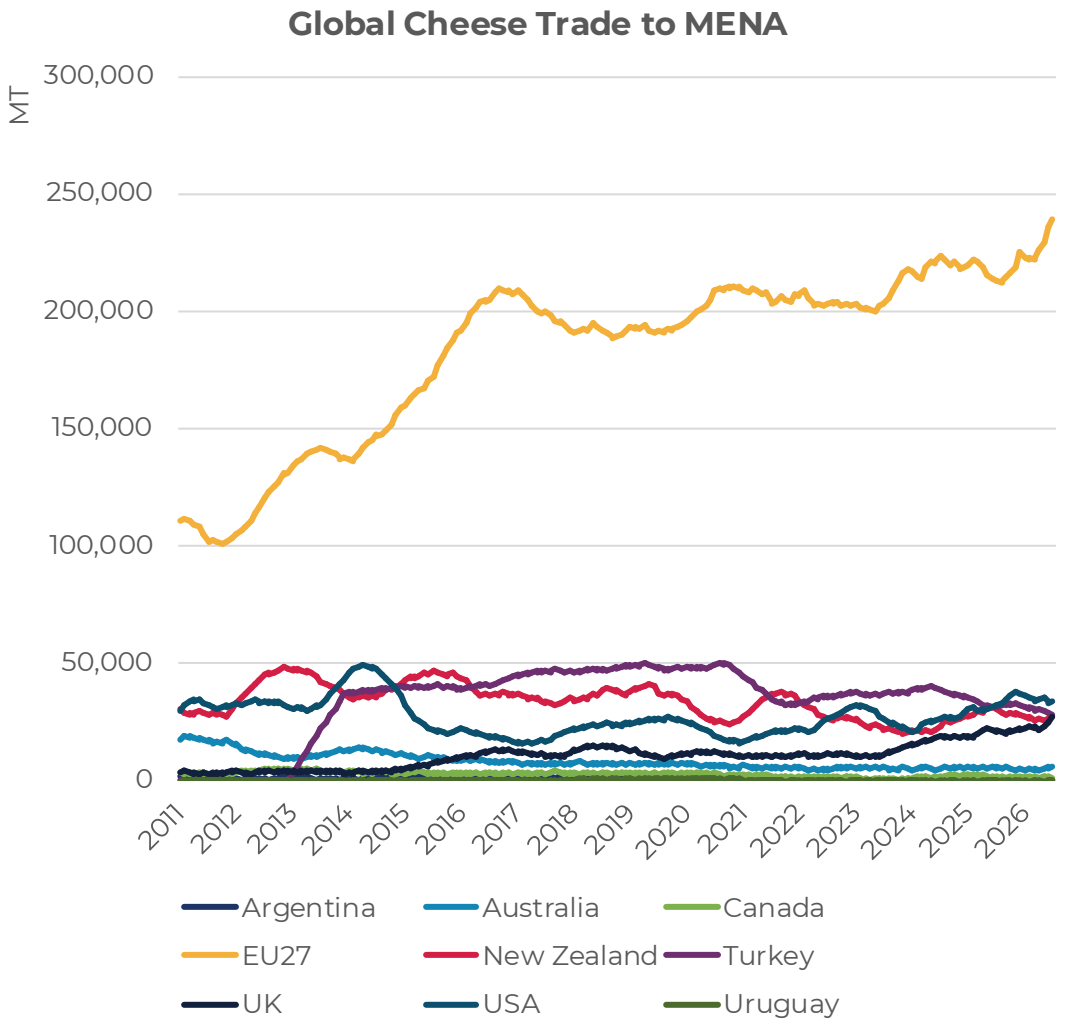


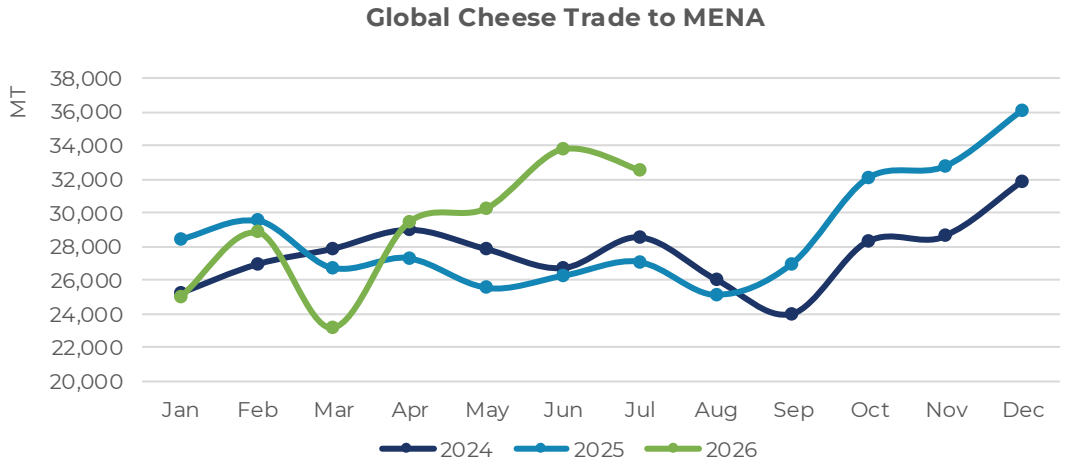


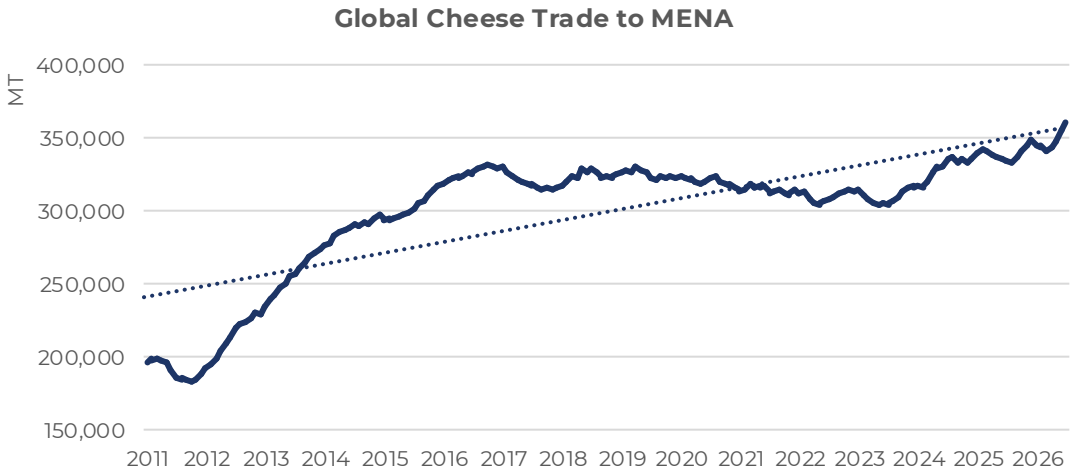


Source: NMPF/USDEC, TDM

MENA

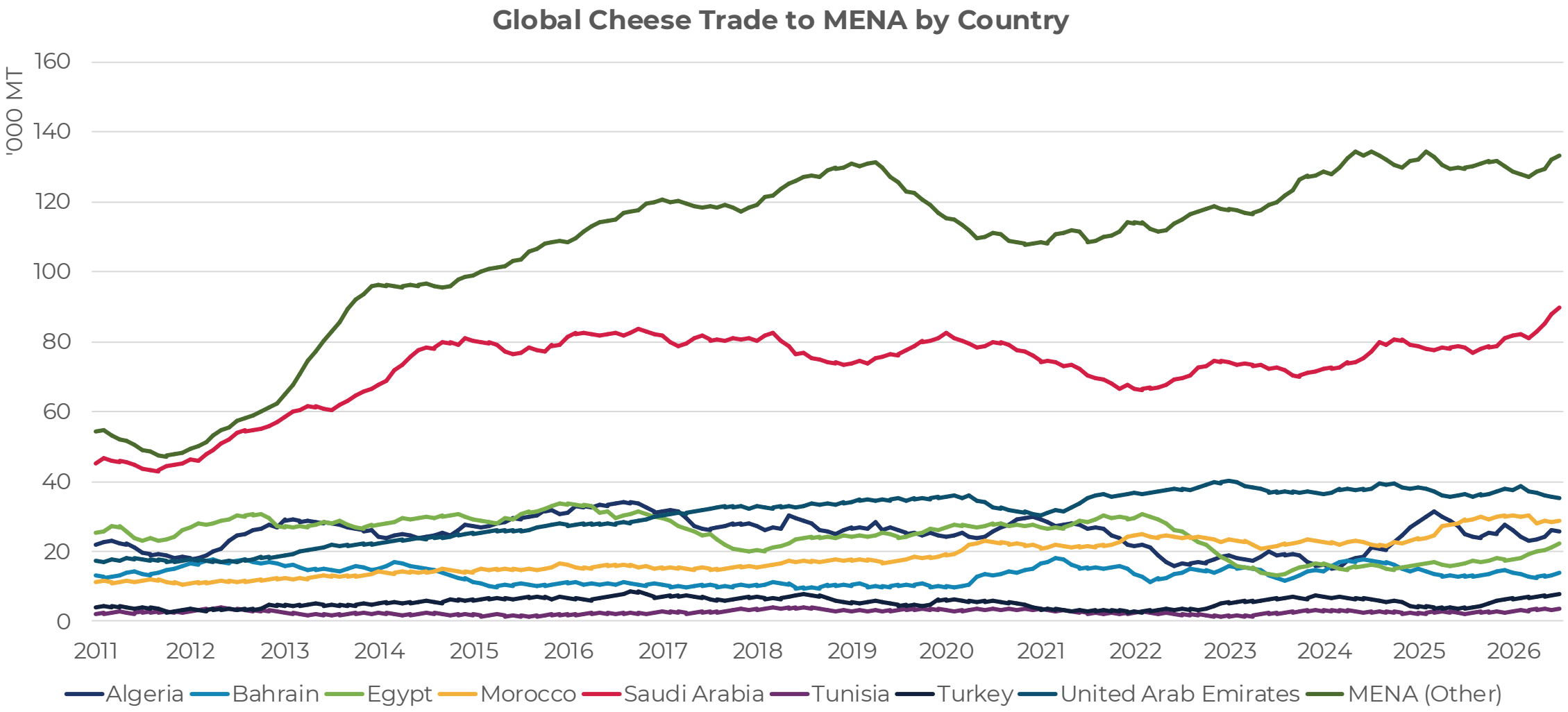




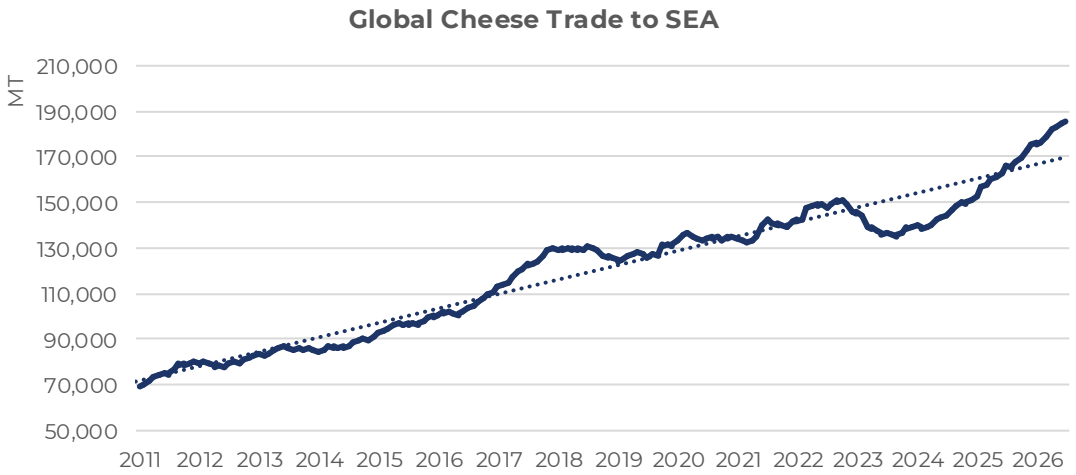


Source: NMPF/USDEC, TDM

Middle East-North Africa Country Breakdown

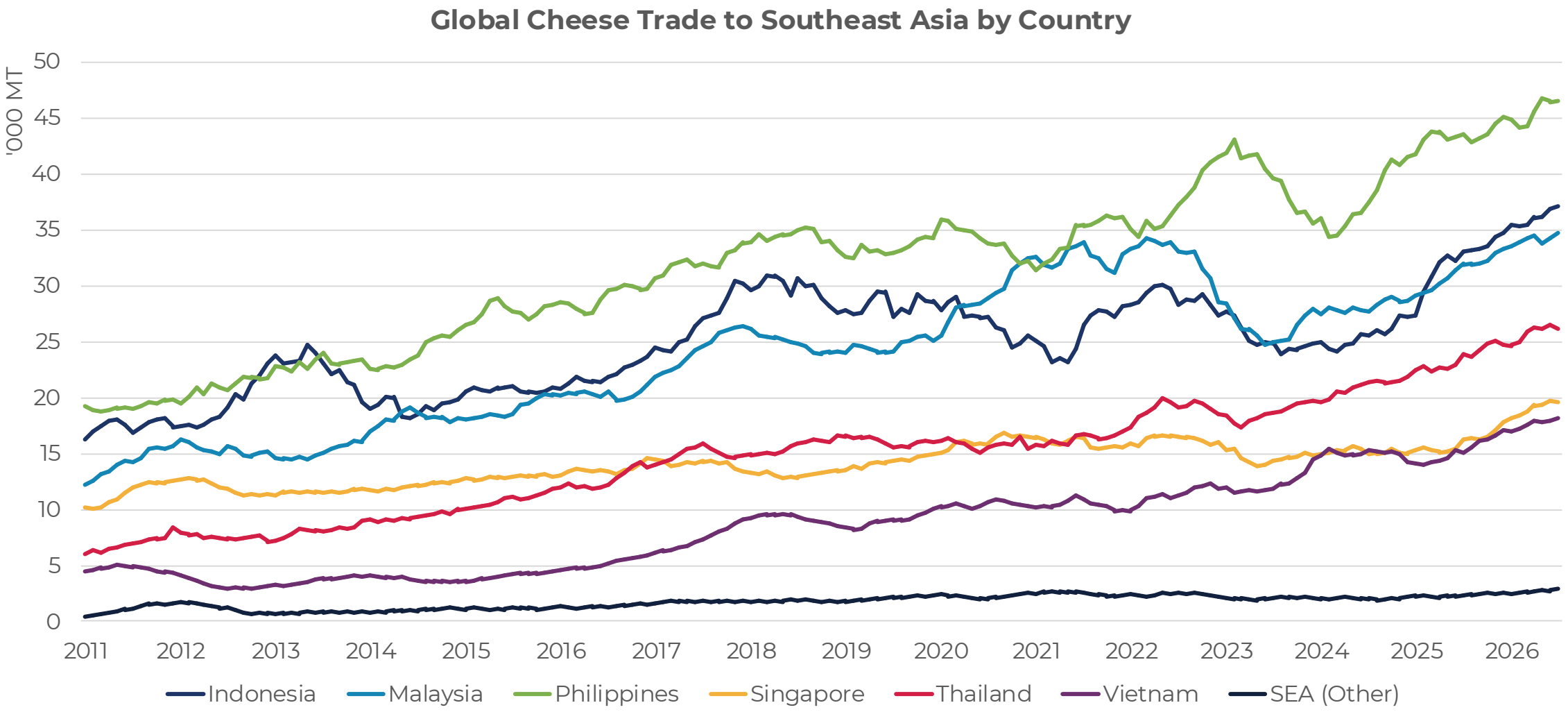


Southeast Asia



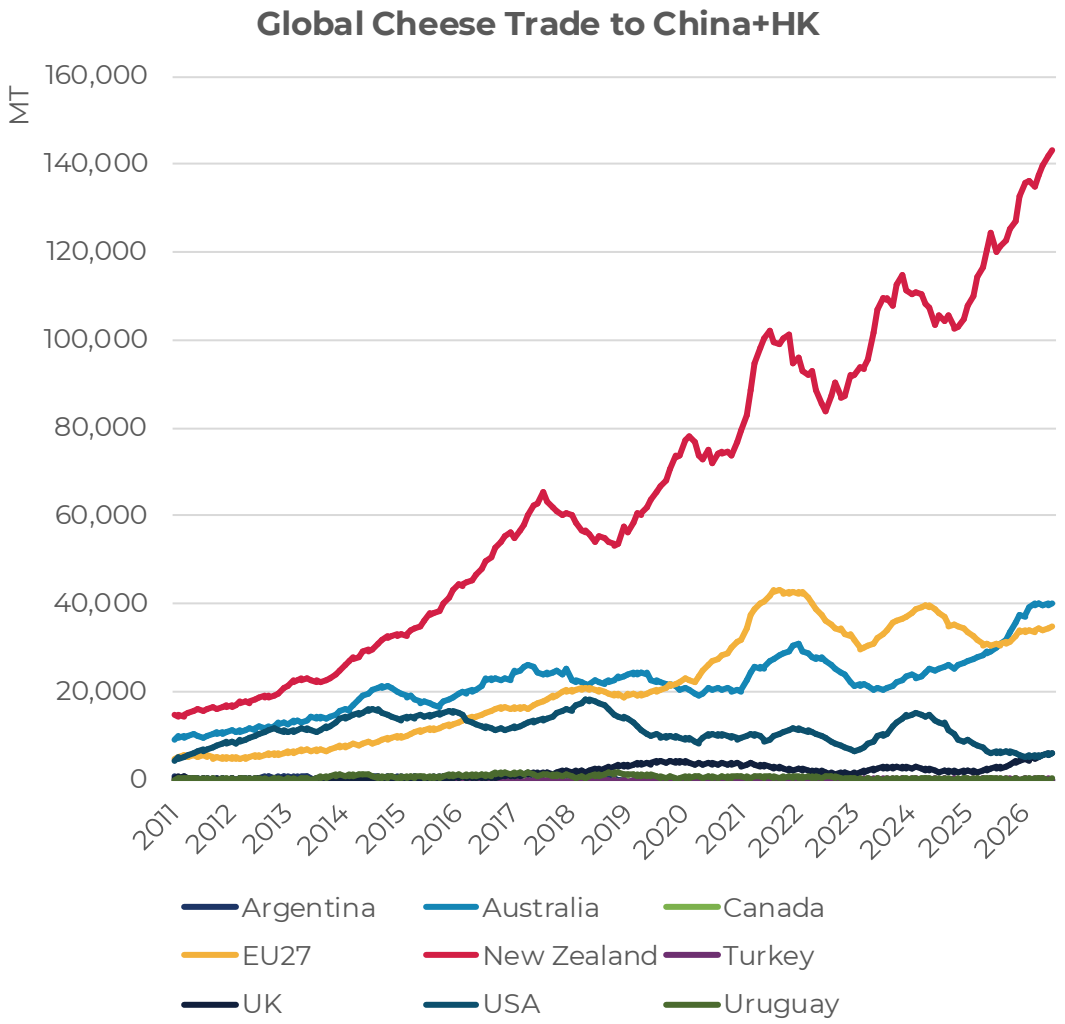
Source: NMPF/USDEC, TDM

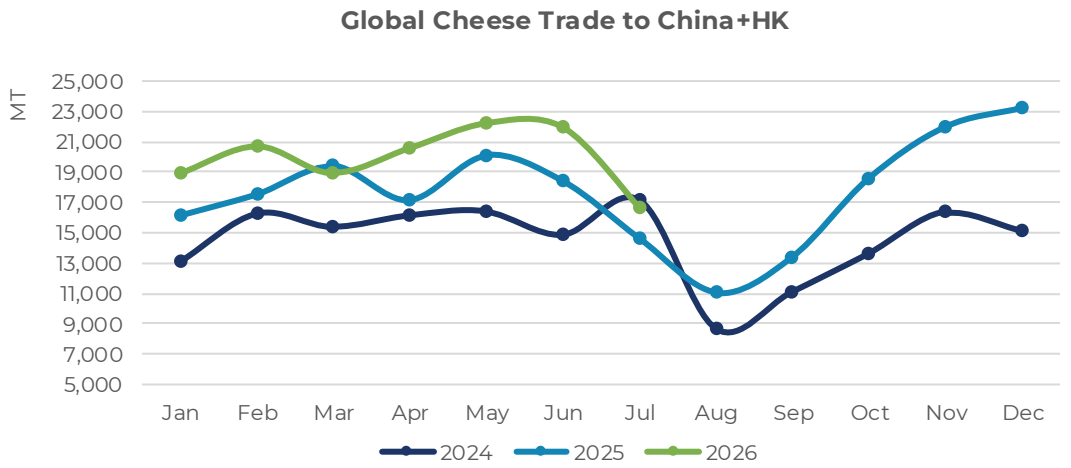
Southeast Asia Country Breakdown



Source: NMPF/USDEC, TDM

China





Source: NMPF/USDEC, TDM

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NFDM/SMP

NFDM/SMP Market Commentary

KEY TAKEAWAYS

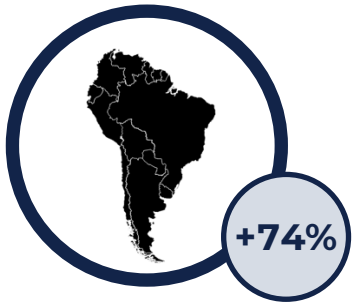
- **Chaos has dominated the global milk powder markets in recent weeks with dramatic price fluctuations taking a toll on buyer attitudes.** This unsettled tone was evident in July as global NFDM/SMP trade slowed by 5% (-9,055 MT) against prior year levels. Notably, **this was the first year over year decline since August 2025 but could foreshadow further complications on the horizon.**

- **Performance was mixed across suppliers though the U.S. saw the biggest loss** (-23%, -13,979 MT). In terms of destinations, MENA took the biggest hit with volumes slipping 27% (-12,576 MT) due especially to slower shipments to Algeria (-65%, -9,998 MT) and Egypt (-61%, -4,493 MT). Notably, however, powder trade to the region is still up 5% (+12,429 MT) year to date. Chinese purchases also dove 45% (-6,136 MT), while volumes to Mexico dropped 7% (-2,503 MT), likely due to challenging pricing form the U.S.

- Not all the news was bad, however. NFDM/SMP trade to Southeast Asia continues to shine with volumes up 10% (+6,241 MT) YOY in July due especially to stronger buying from Indonesia (+43%, +7,711 MT). Upbeat buying from Peru (+322%, +4,072 MT) also drove trade to South America to a 74% (+5,787 MT) increase for the month.

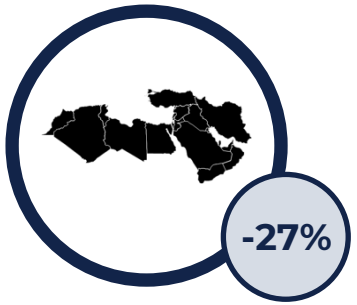
Global NFDM/SMP Trade				
	-4.7%	**+4.4%**	**+5.0%**	**-0.8%**
	Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

July Standout Markets

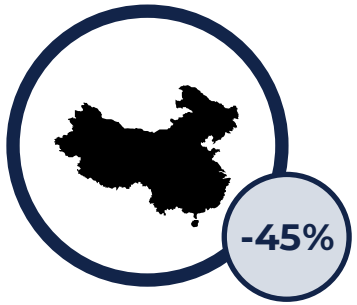


SOUTH AMERICA
+5,787 MT

SOUTHEAST ASIA
+6,241 MT



MENA
-12,576 MT



CHINA+HK
-6,136 MT

ADDITIONAL NOTES

Dramatically slower exports from the U.S. (-23%, -13,979 MT) were the central driver of weaker milk powder trade during July, reflecting the uncompetitive level of U.S. prices. U.S. spot prices for NFDM climbed to a record high $2.295/lb. ($5,060/MT) in early May. Due to operational timelines, it takes a few weeks for these price movements to manifest in the data, but they have recently become evident as average export price of U.S. NFDM/SMP climbed to $3,979/MT in June before descending slightly to $3,842/MT in July. In July, U.S. milk powder exports carried a 9% premium to the average world export price and were up 36% versus a year prior. While many suppliers outside the U.S. have capitalized on the current market conditions to raise their prices, U.S. prices remain uncompetitive with global suppliers. Furthermore, the CME spot price has rallied anew, once again climbing above the $2/lb. mark. This will significantly challenge the ability of U.S. suppliers to ink new business contracts and will likely drive continued weakness for U.S. milk powder exports.

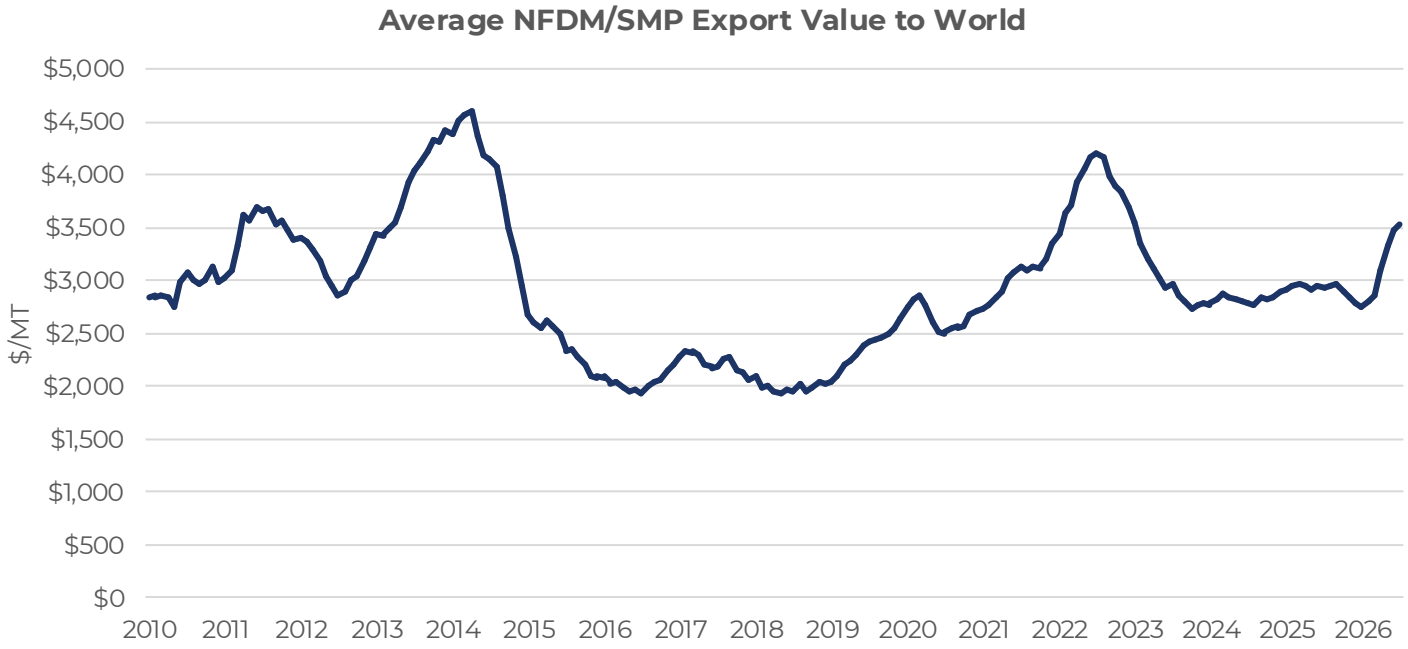
Source: NMPF/USDEC, TDM

NFDM/SMP Market Commentary

LOOKING AHEAD

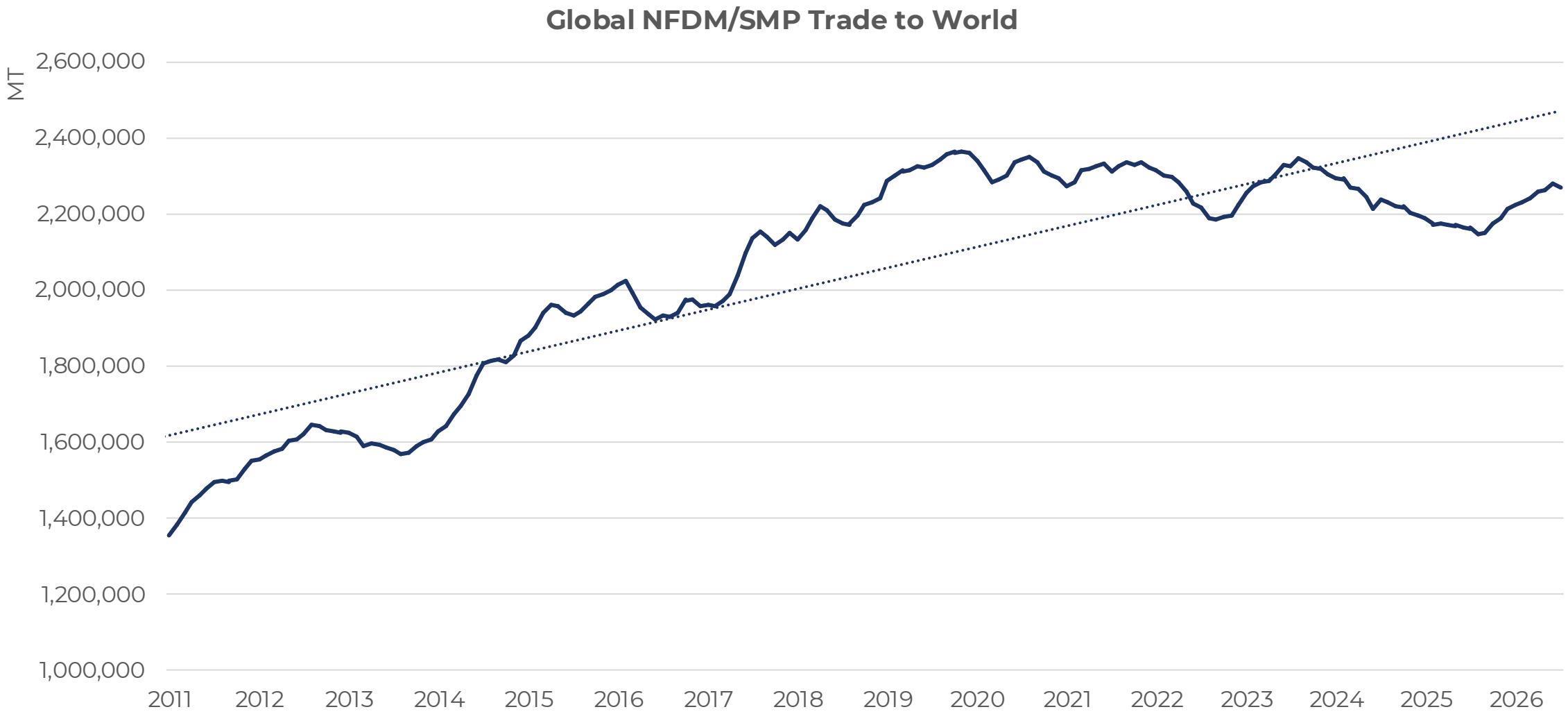
- **Global milk powder trade is likely to remain volatile in the coming months, due especially to elevated prices. Supply volumes from the U.S. are expected to remain weak as prices at home continue to outpace those of other suppliers.** Alternative suppliers, particularly in Europe and the Southern Hemisphere are likely to see NFDM/SMP exports expand as they try to absorb the share ceded by the U.S. However, there are also likely to be practical limitations for how much additional volume they will have available to share with global buyers.
- The continued strength in buying from SEA is encouraging and should continue over the balance of the year. Risks to the outlook certainly persist, especially due to macroeconomic issues like inflation. However, demand has proven resilient and SEA will likely continue to be a key driver of the NFDM/SMP market into the future.
- July's dip in milk powder volumes to MENA is somewhat worrisome, especially considering that there has been little progress toward resolving the conflict in the region. On closer review, however, that the weakness has come largely from North Africa suggests that buying in the Gulf States has remained surprisingly upbeat.

U.S. NFDM/SMP Exports	**-23.3%** Jun YoY	**-6.3%** YTD, Ending Jun	**-5.6%** Last 12-Months, Ending Jun	**-7.8%** 3-Year CAGR
EU NFDM/SMP Exports	**+15.3%** Jul YoY	**+14.2%** YTD, Ending Jul	**+17.3%** Last 12-Months, Ending Jul	**+2.6%** 3-Year CAGR
NZ NFDM/SMP Exports	**+2.8%** Jul YoY	**+10.2%** YTD, Ending Jul	**+3.2%** Last 12-Months, Ending Jul	**+0.3%** 3-Year CAGR



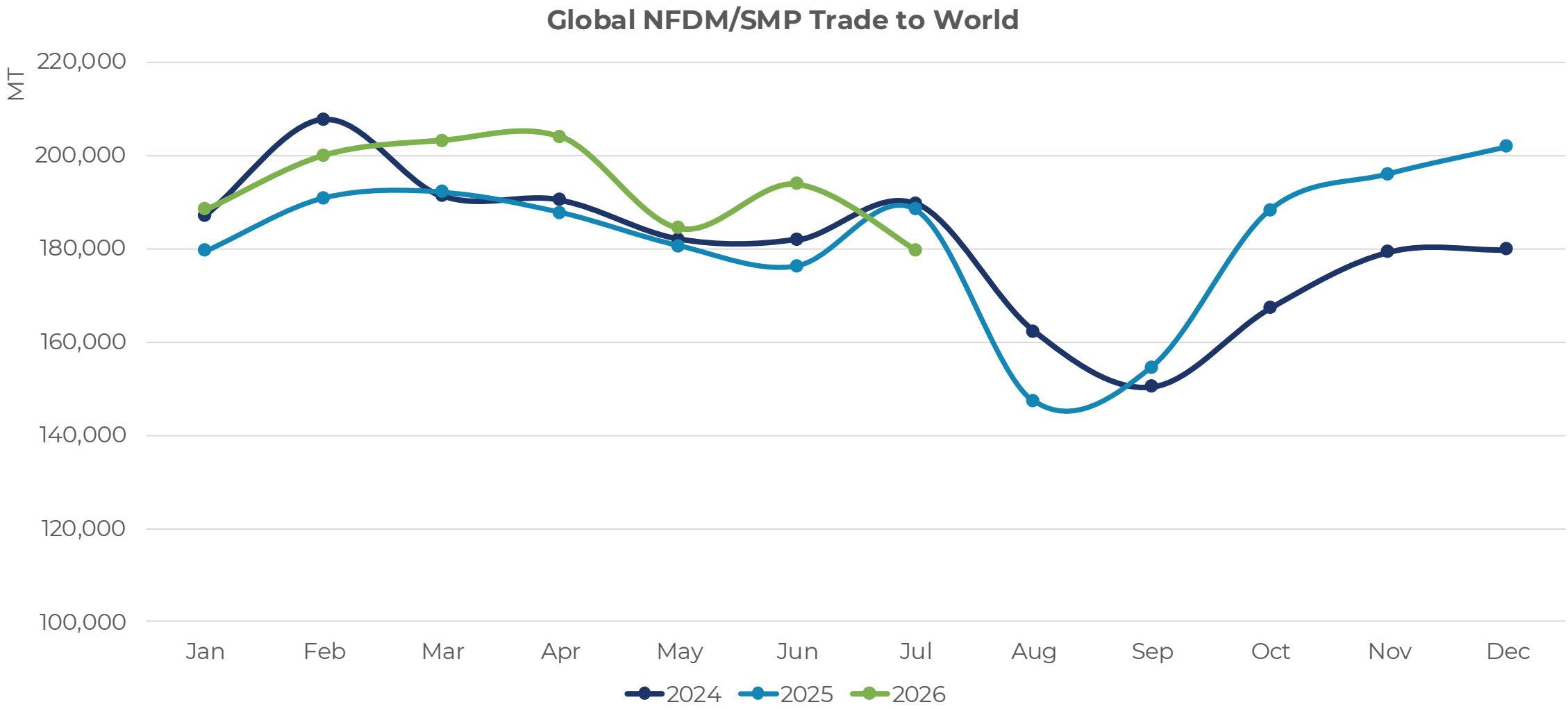
Source: NMPF/USDEC, TDM

Global Overview: NFDM/SMP

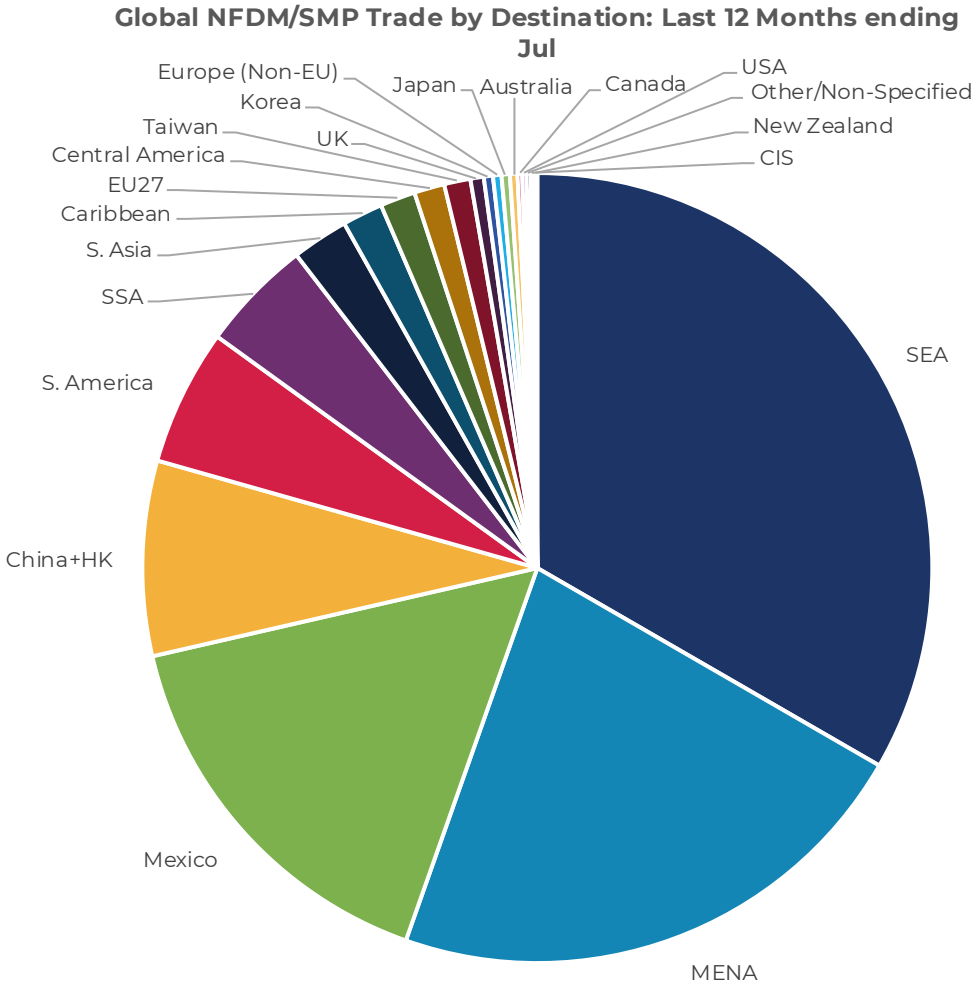


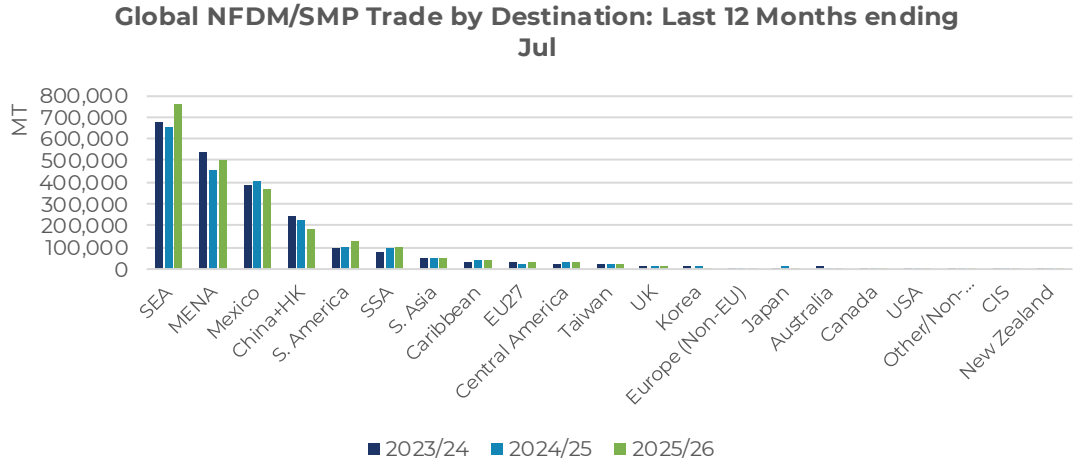
Source: NMPF/USDEC, TDM

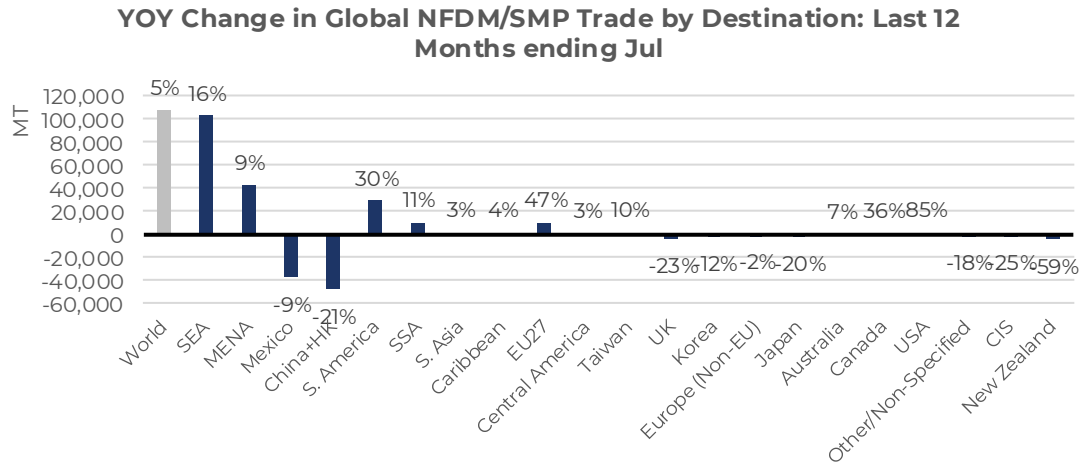
Global Overview: NFDM/SMP



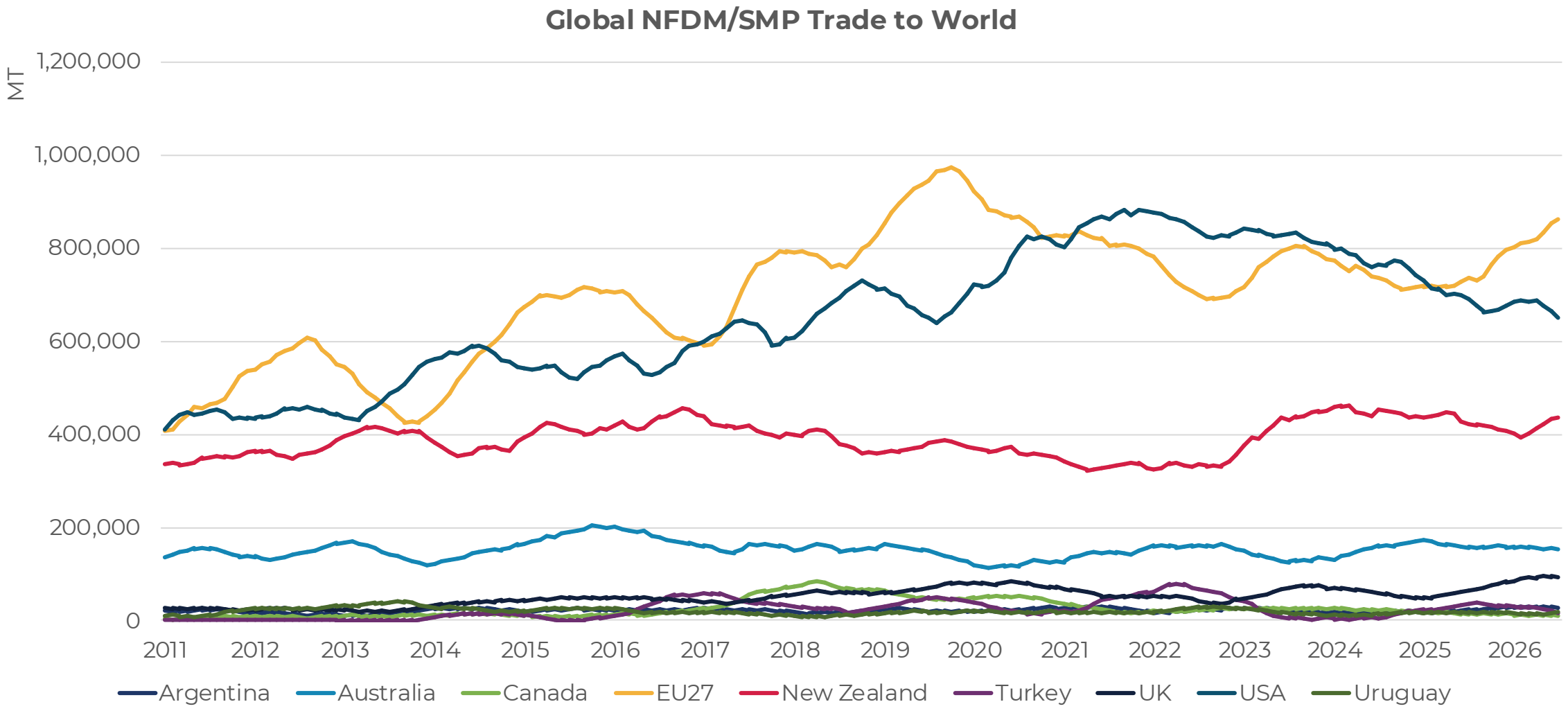
Global Overview: NFDM/SMP – Last 12 Months



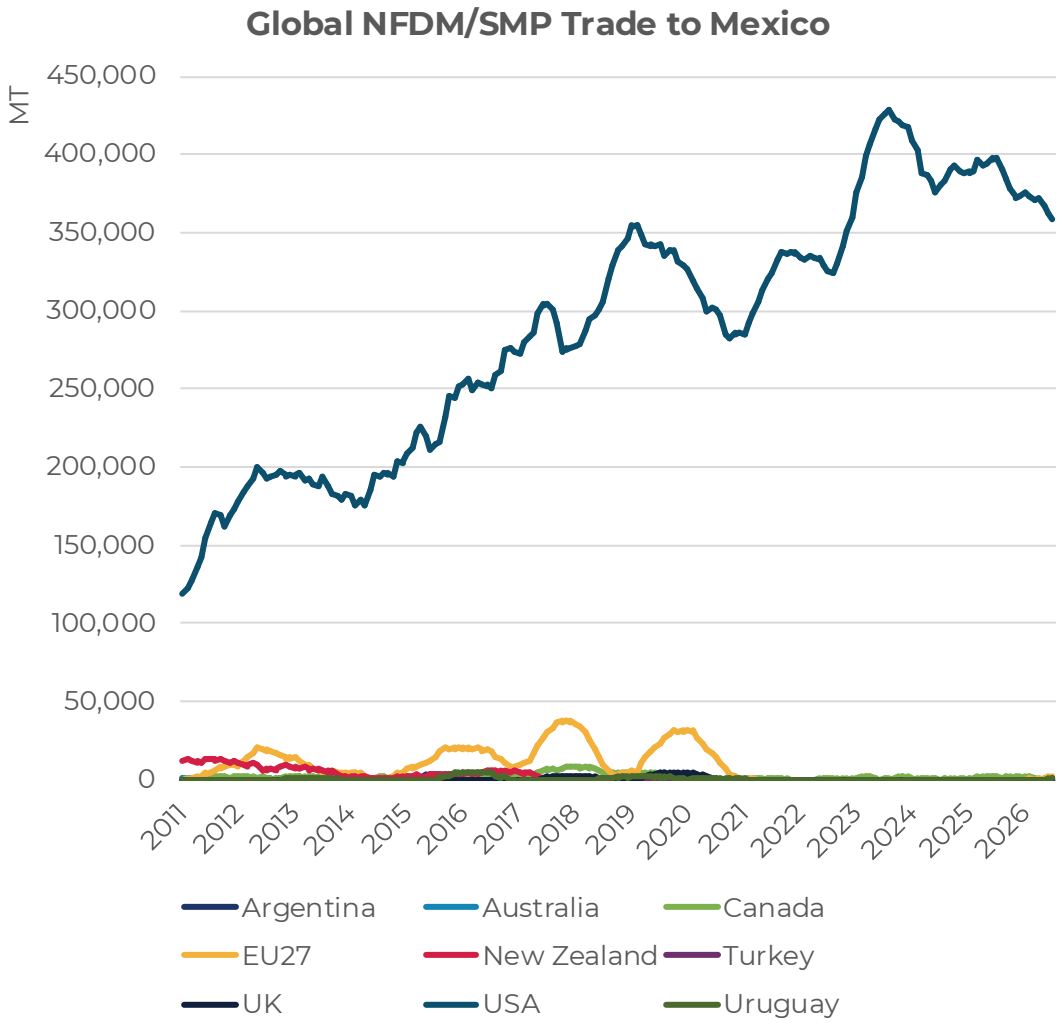


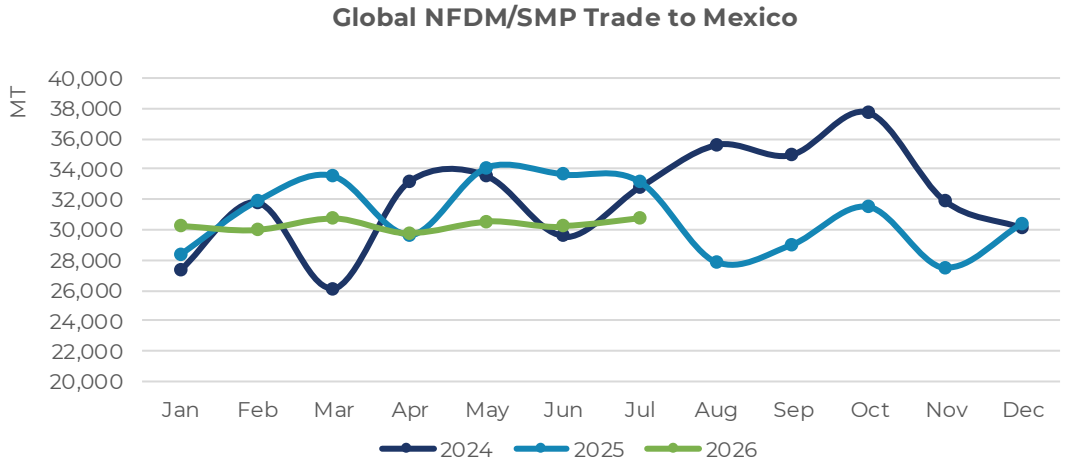


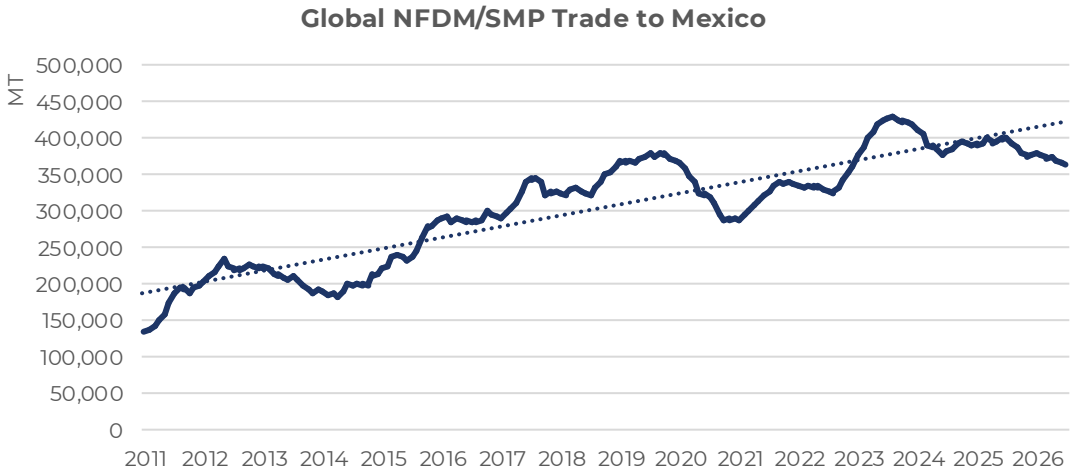
Trade Flows: NFDM/SMP



Mexico

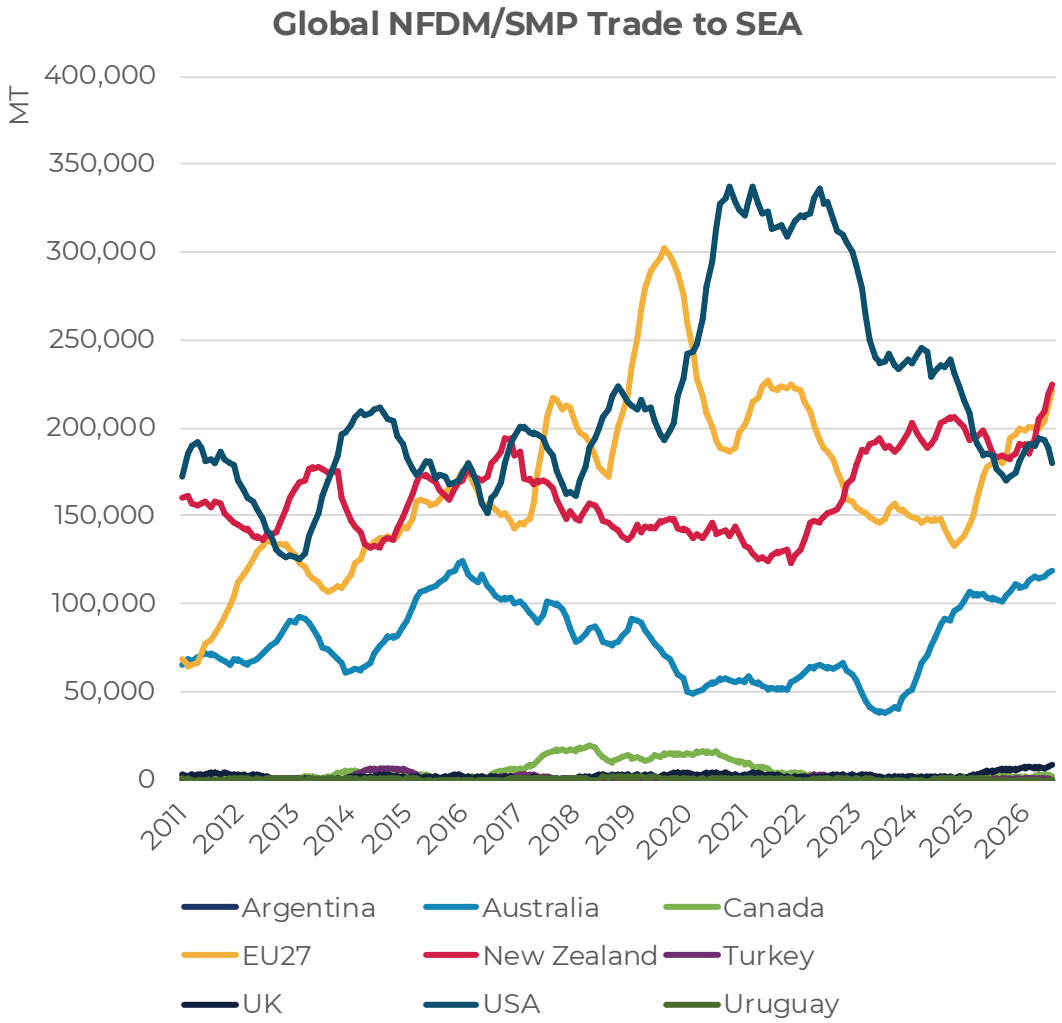


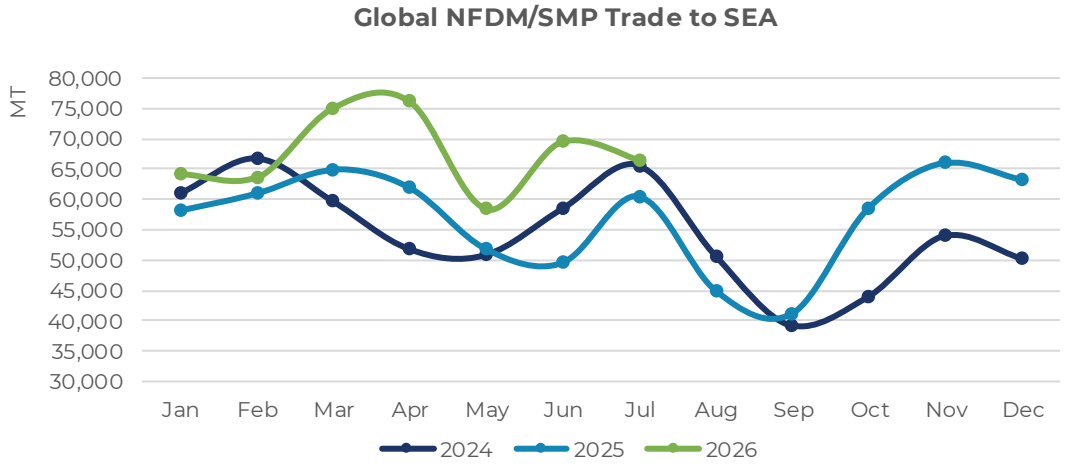


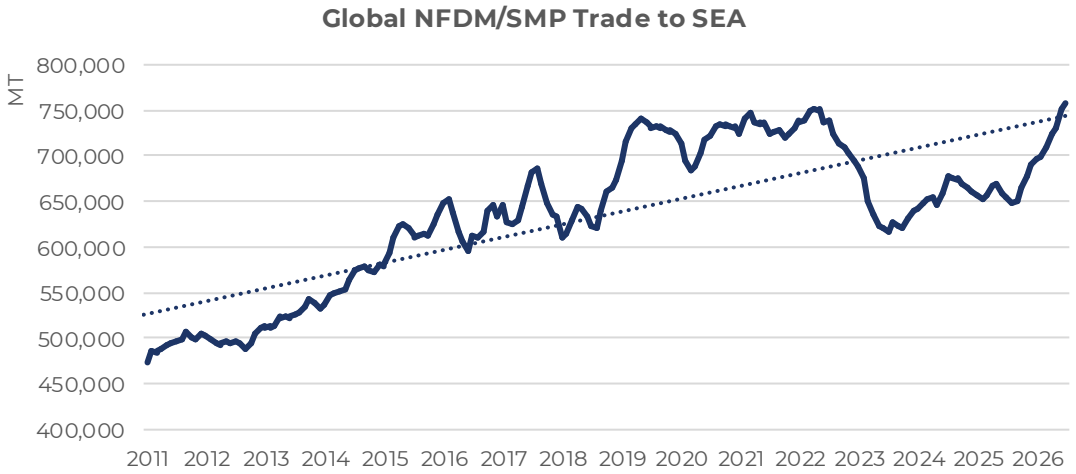


Source: NMPF/USDEC, TDM

Southeast Asia

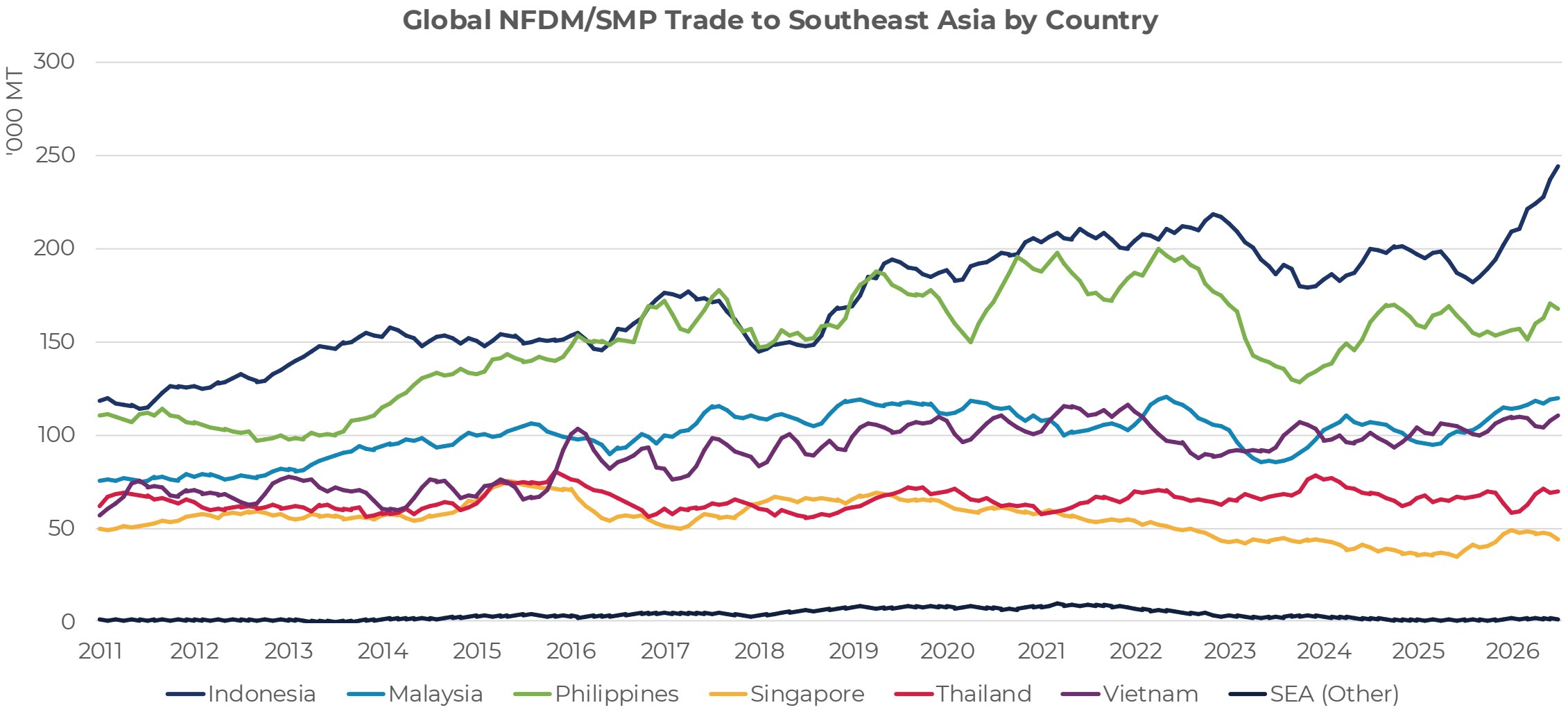






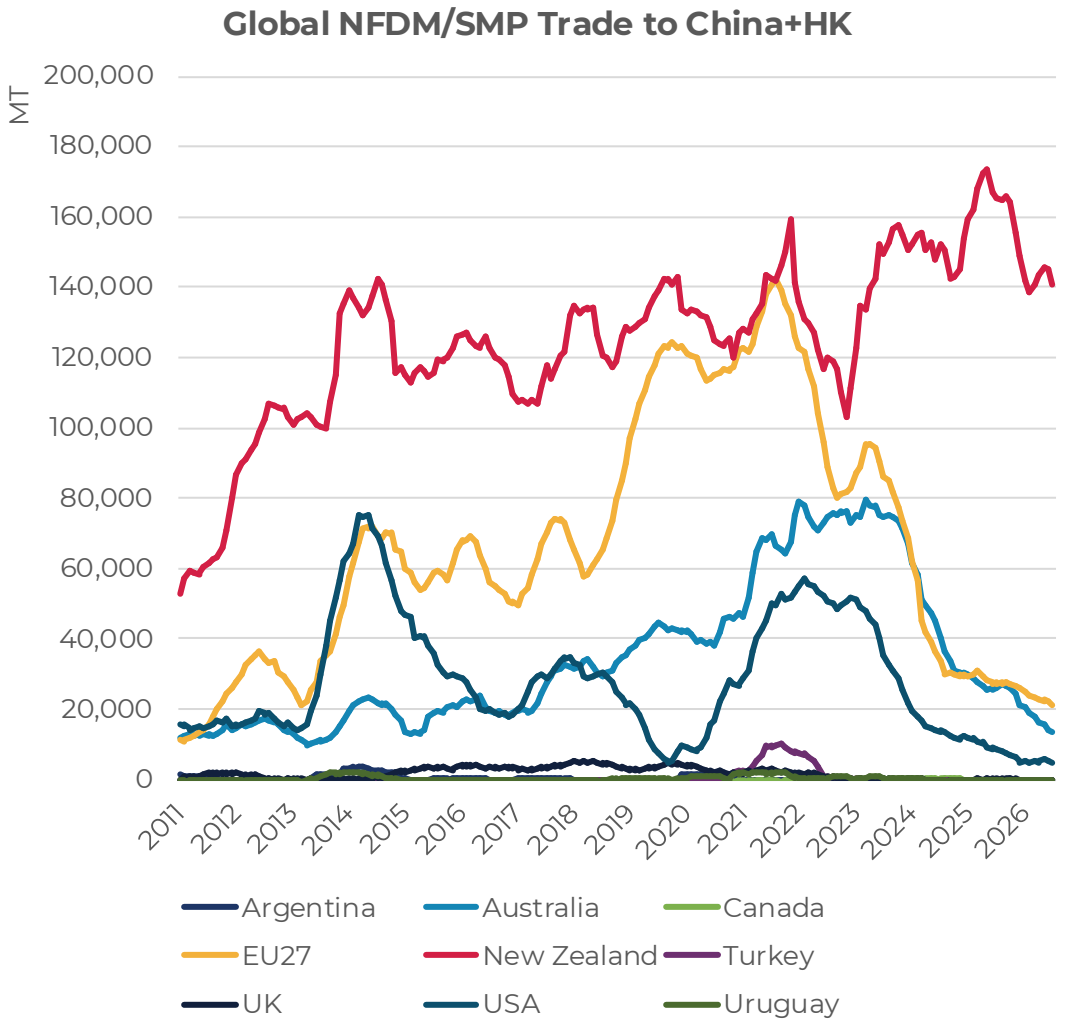
Source: NMPF/USDEC, TDM

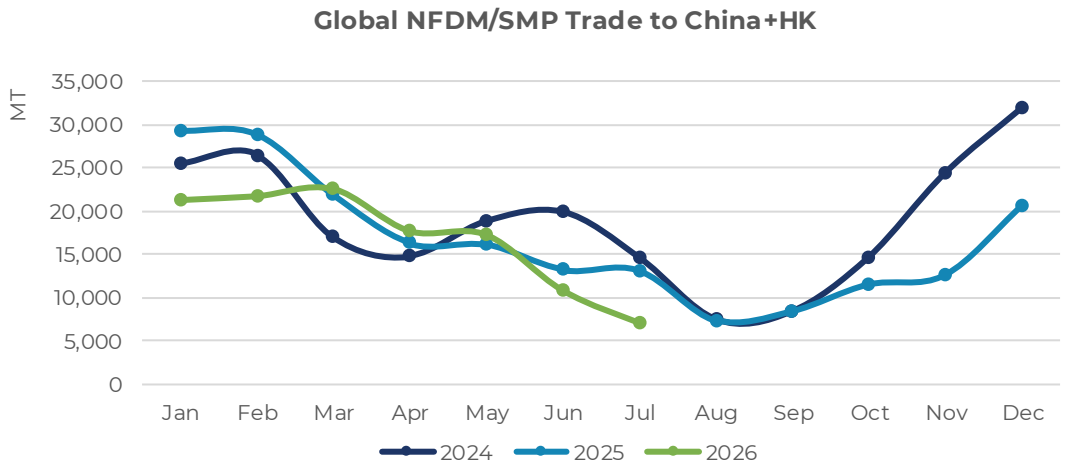
Southeast Asia Country Breakdown

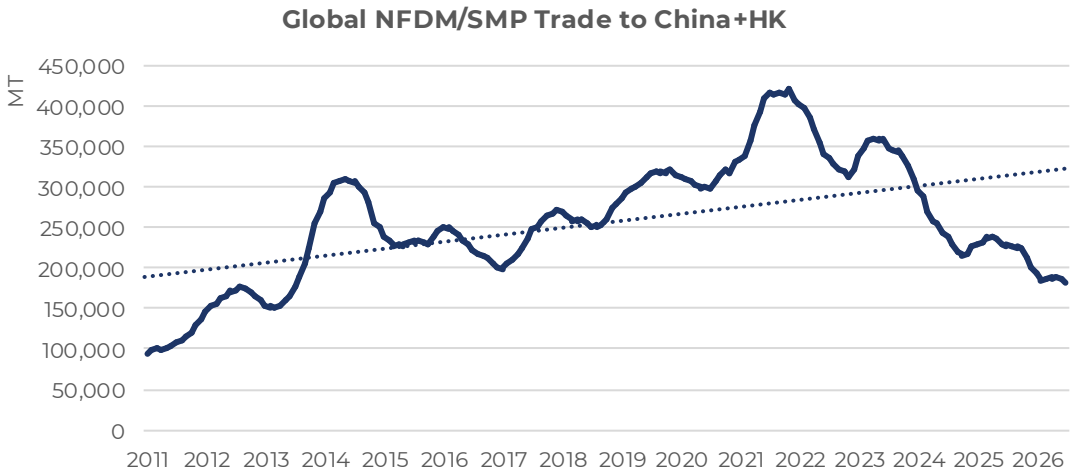


Source: NMPF/USDEC, TDM

China







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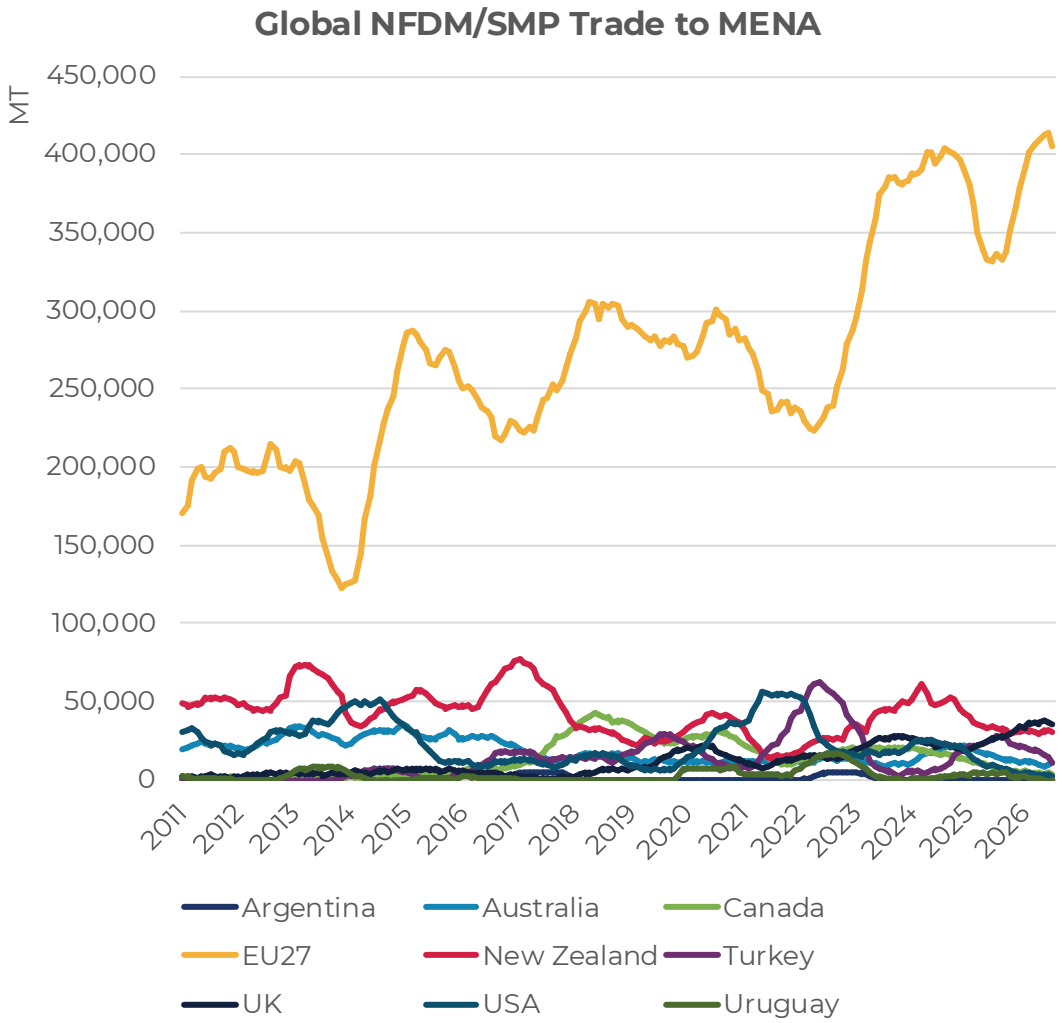
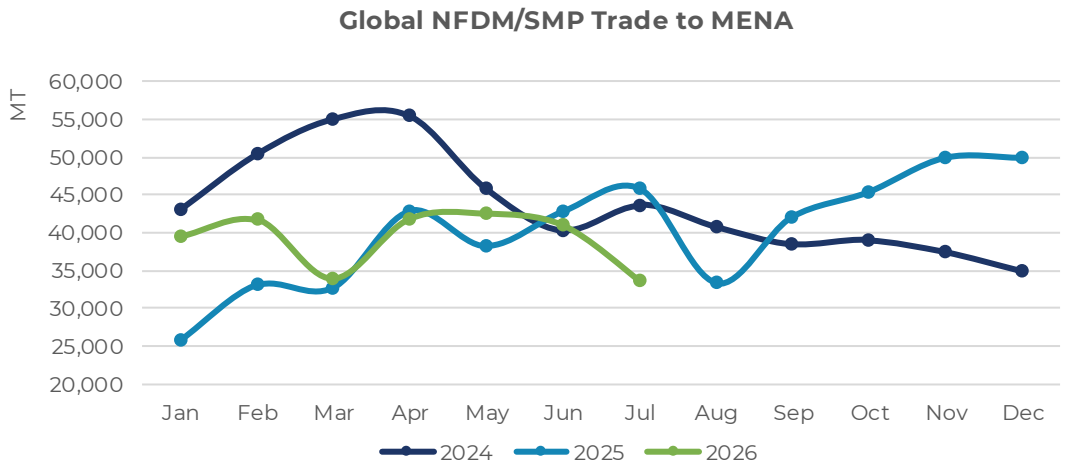
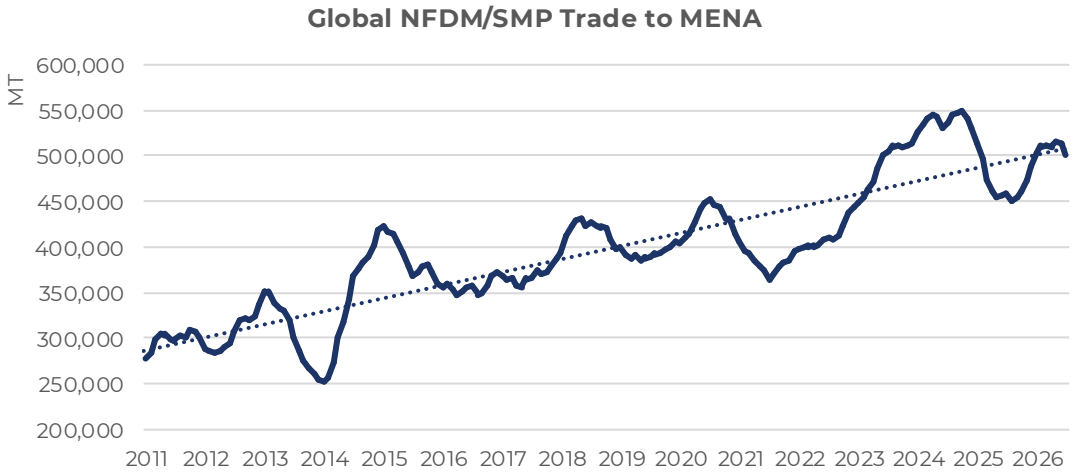
MENA

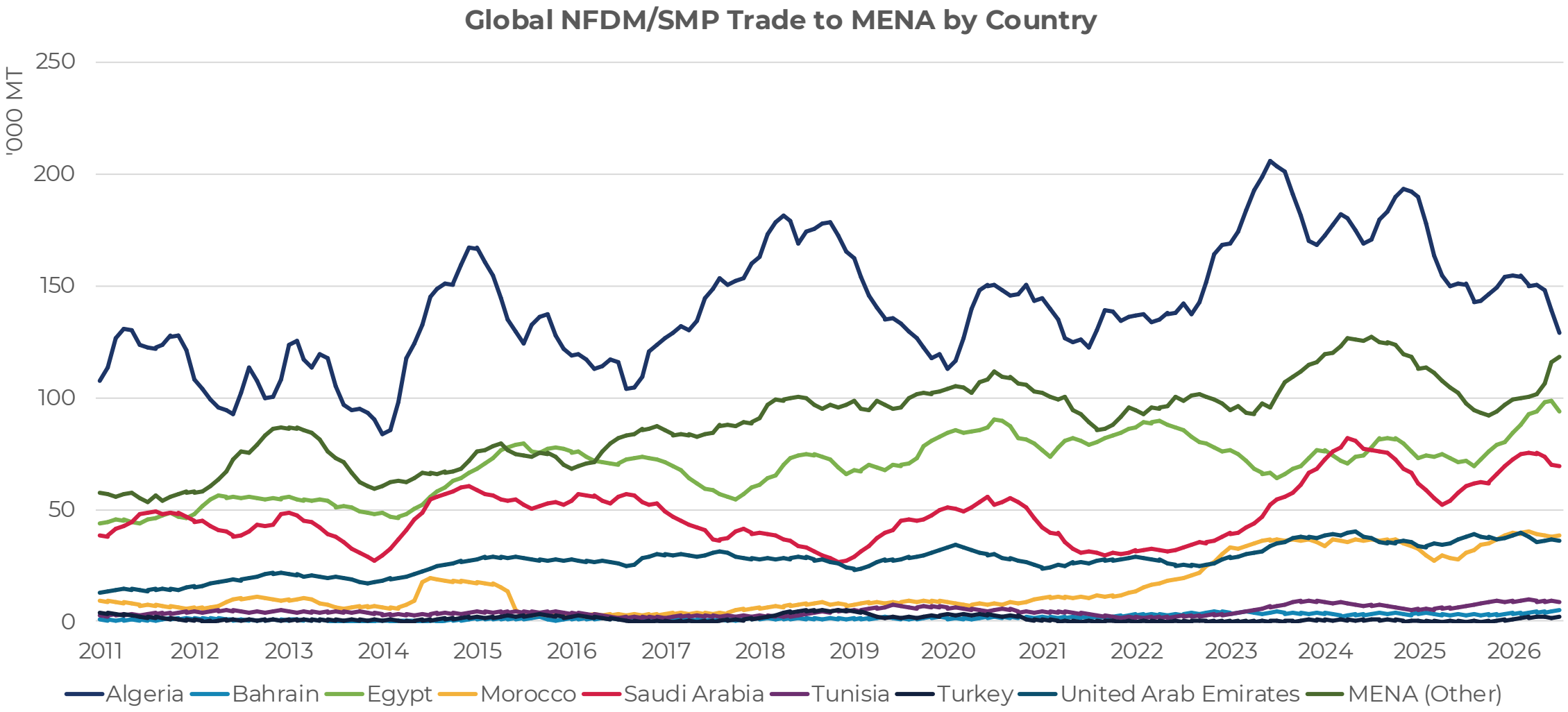






Source: NMPF/USDEC, TDM

Middle East-North Africa Country Breakdown



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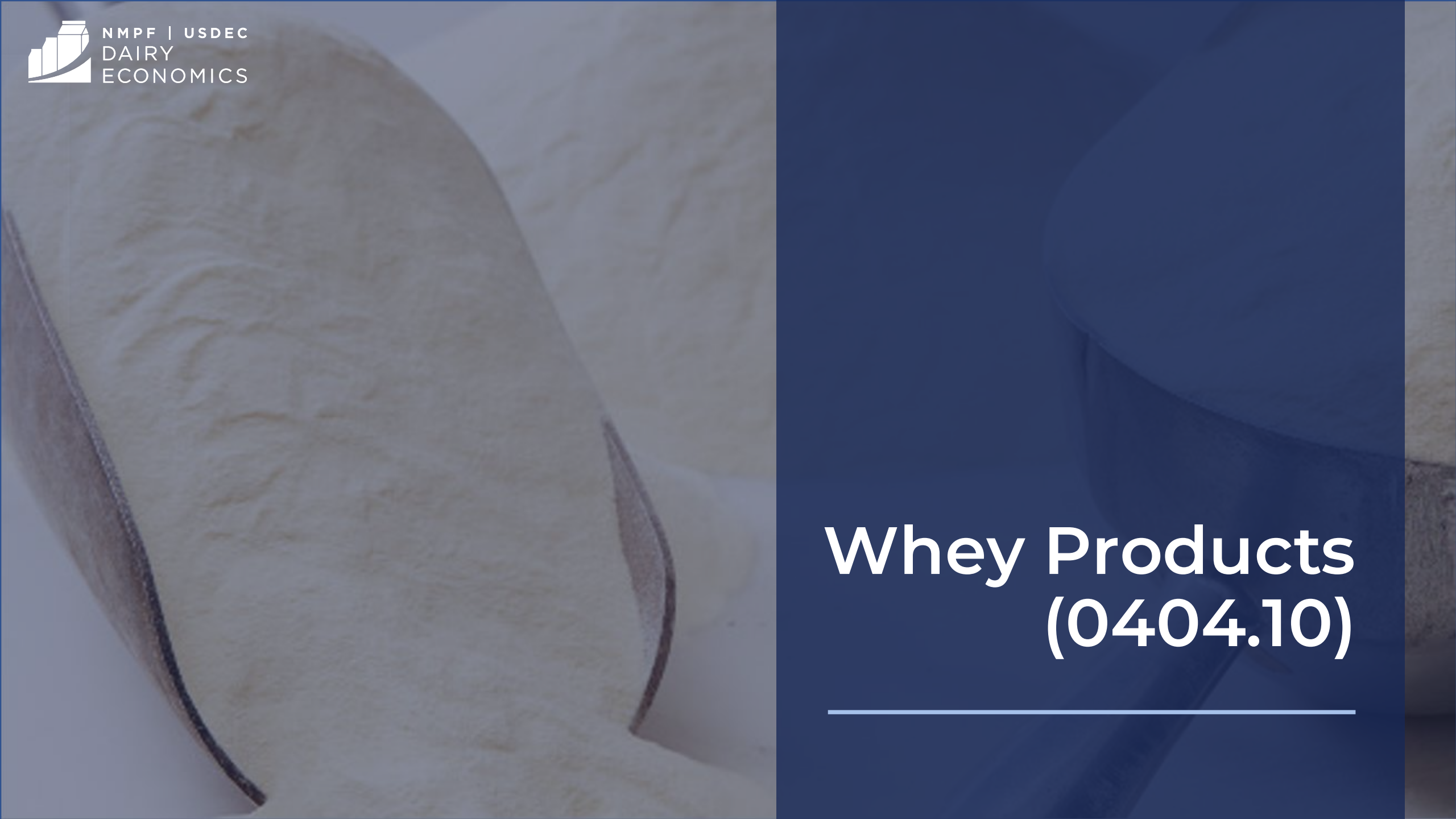


Whey Products (0404.10)

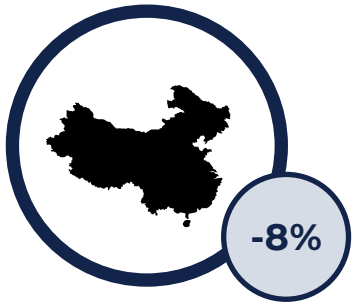
Whey Products (0404.10) Market Commentary

KEY TAKEAWAYS

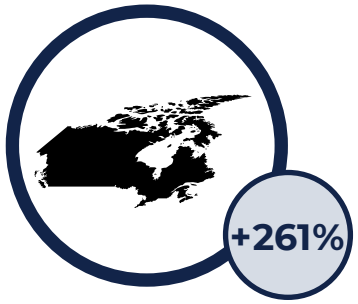
- **July marked the second month in a row of YOY growth in low protein whey trade (+6%).** Global trade of low protein whey this year has been lackluster overall, but the last two months of growth boosted total trade so far this year to up 3% (+25,685 MT).
- **China continues to be a major drag on the complex.** Low protein whey exports to the country were down 8% (-3,485 MT) in July (see Additional Notes). Exports to the U.S. were also down substantially (-29%), but the decline in Mexico was a major drag on the market with exports to the country falling 46% (-3,023 MT). Still, one should be cautious as elevated volumes in July the year prior made for a tough YOY comparison to match.
- **Postively, exports to Southeast Asia continue to rebound – up 14% (+5,781 MT) in July.** With Southeast Asia representing nearly 30% of global low protein whey trade, the **continued strength in the region led by Indonesia (+48%, +4,645 MT) and Vietnam (+52%, +3,220 MT) is keeping global low protein whey trade positive** despite softness in China. Exports to Canada boomed in July as well, growing 261% (+5,417 MT).

Global Whey (0404.10) Trade	+6.1%	+2.7%	+2.2%	+3.7%
	Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

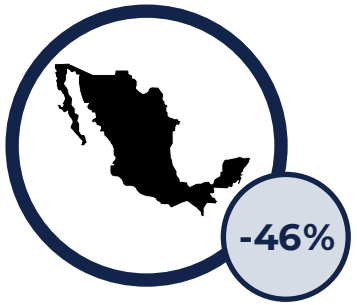
July Standout Markets



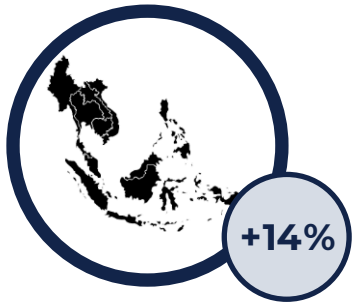
CHINA+HK
-3,481 MT



CANADA
+5,417 MT



MEXICO
-3,023 MT



SOUTHEAST ASIA
+5,781 MT

ADDITIONAL NOTES

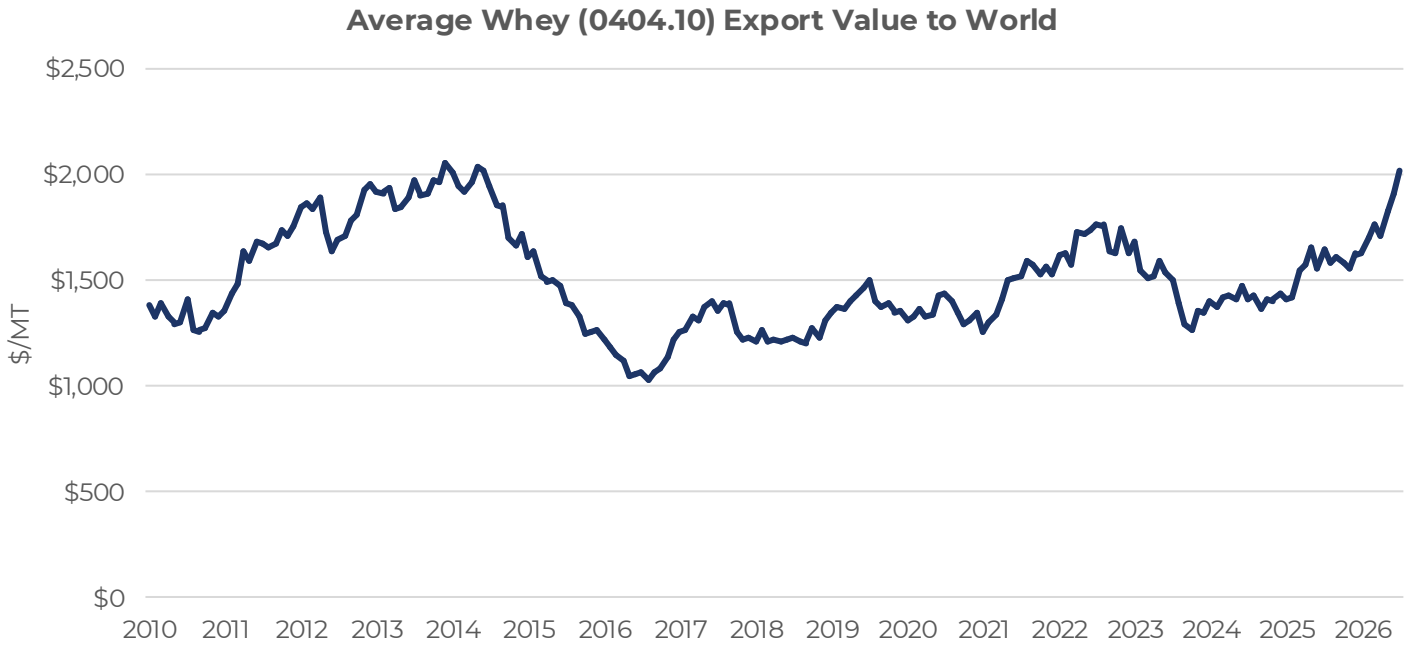
Exports to China of low protein whey continue to languish with weakness in the hog sector being the primary cause. The hog sector in China is a large user of whey in piglet feed applications and the sector is struggling. Piglet prices, which tend to correlate well with Chinese whey imports, are the lowest they've been in a decade. Pork prices are also suffering and recently hit the lowest level since 2018. With little economic incentive from pork prices to drive expansion in the sector, there is less demand for whey on the piglet side. As a result, Chinese whey import demand has softened – down 8% so far this year. At the moment it seems China's hog sector is well-supplied. And given that fact, along with low protein whey prices that have steadily crept higher, there is little expectation for any significant rebound in Chinese whey imports in the coming months.

Whey Products (0404.10) Market Commentary

LOOKING AHEAD

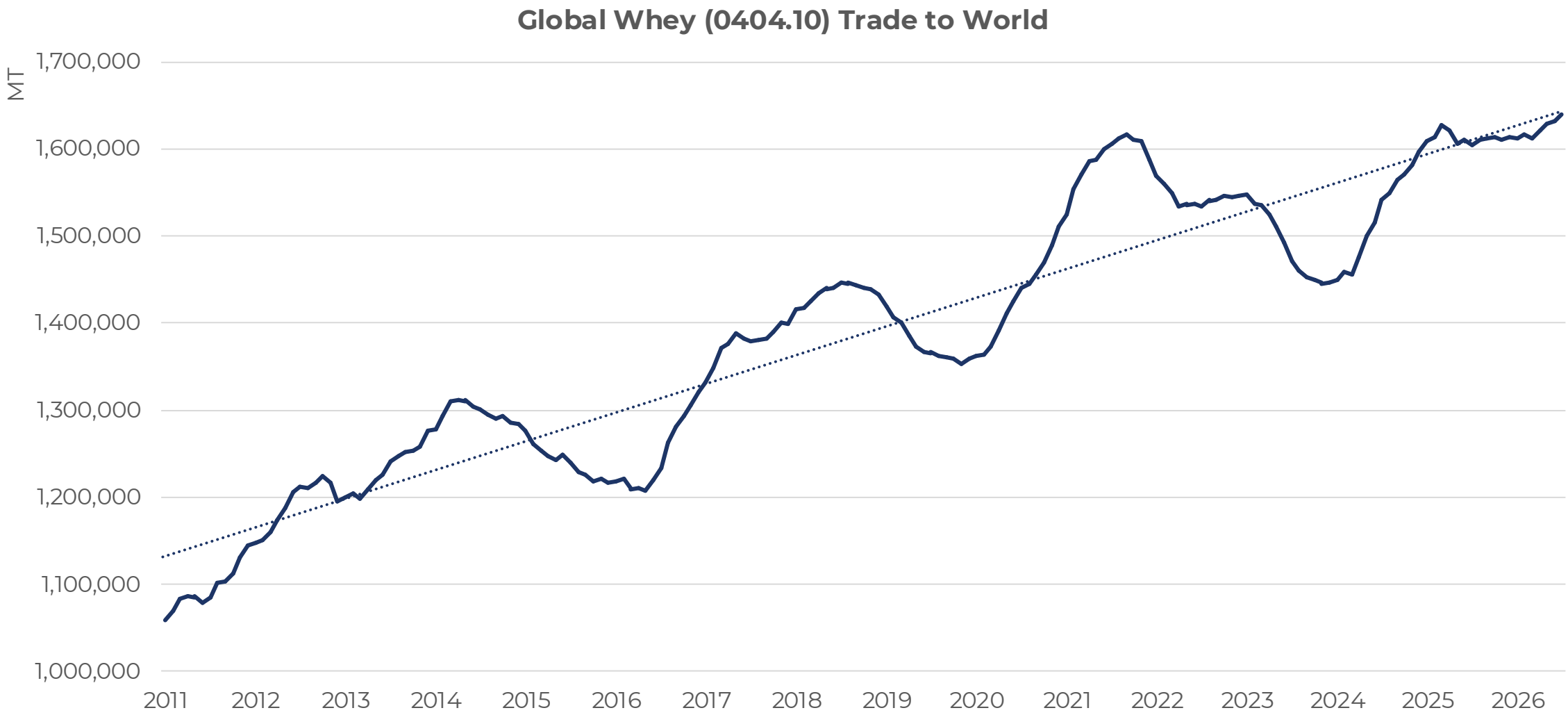
- The **global average export value of low protein whey is once again testing the upper limit of buyers' willingness to pay** as prices approach levels not seen since 2014 when global dairy prices were at record highs.
- Global demand for low protein whey is decent (+3% YTD), but one of **the primary drivers for the price rally we've seen this year is more driven by supply tightness rather than booming demand**. High protein whey prices are at record levels incentivizing manufactures to make high protein whey over low protein whey. In the U.S. more than 75% of all whey protein processed is now destined for WPC80 or WPI. That pull of whey solids out of other uses into high protein whey is keeping the market tight.
- As prices climb though, we are seeing a divergence in prices amongst suppliers – notably **EU export values have topped $2,500 MT while the U.S. is around $1,500 MT, though that mostly reflects a change in mix**. The U.S.' low-protein whey portfolio is increasingly geared towards permeate, while the EU remains heavily sweet whey (for now). Combined, the EU and the U.S. supply roughly 80% of globally traded low protein whey. In concert with elevated sweet whey prices, EU low protein whey exports are down 5% (-20,963 MT) so far this year while U.S. exports are up 18% (+54,023 MT) – capturing both lost EU exports and growing global demand. **This price gap is incentivizing more buyers to turn to the U.S. – especially as European futures point to even higher whey prices over the next six months.**

U.S. Whey (0404.10) Exports	**+13.5%** Jul YoY	**+17.7%** YTD, Ending Jul	**+10.6%** Last 12-Months, Ending Jul	**+2.2%** 3-Year CAGR
EU Whey (0404.10) Exports	**-1.3%** Jul YoY	**-4.8%** YTD, Ending Jul	**-0.1%** Last 12-Months, Ending Jul	**+2.7%** 3-Year CAGR
NZ Whey (0404.10) Exports	**+372.9%** Jul YoY	**+47.4%** YTD, Ending Jul	**+17.4%** Last 12-Months, Ending Jul	**+2.0%** 3-Year CAGR



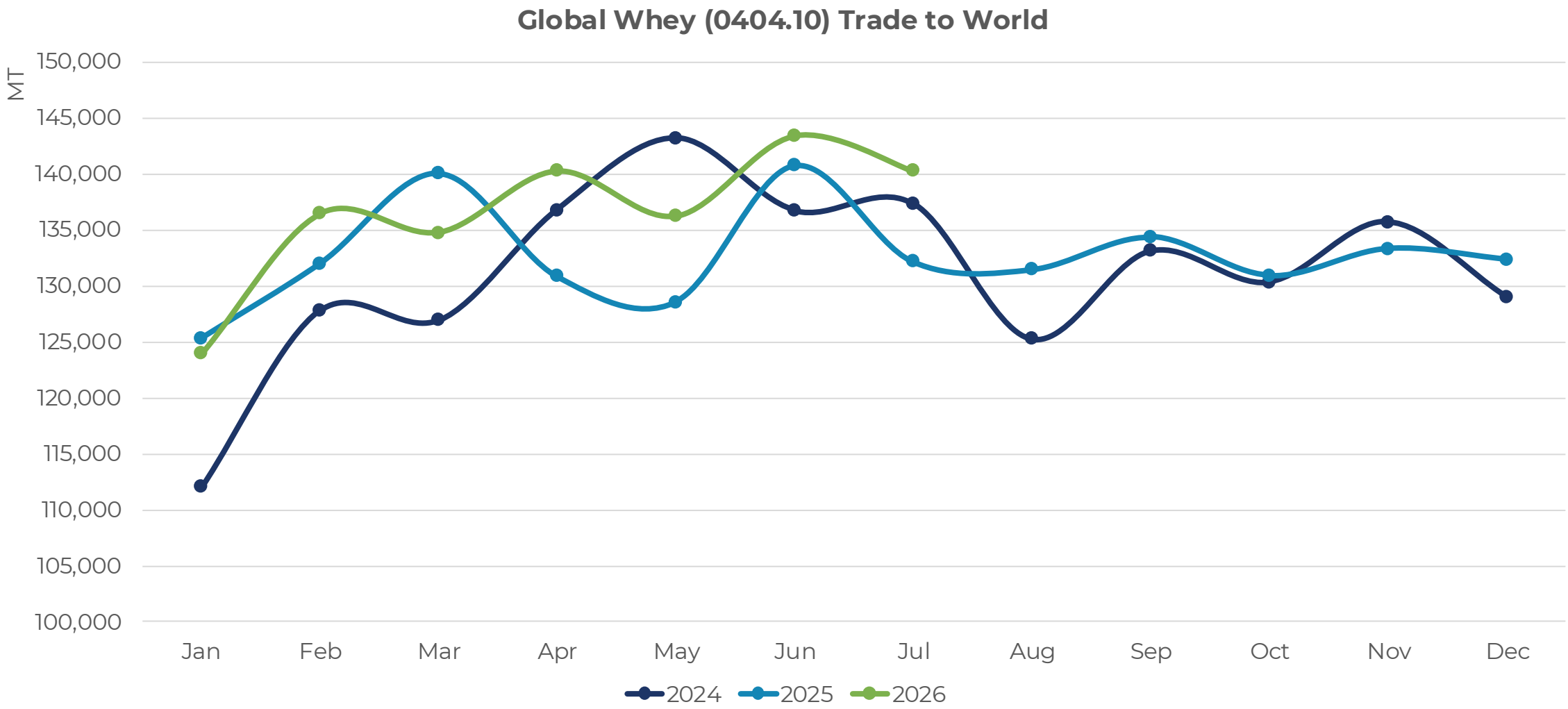
Source: NMPF/USDEC, TDM

Global Overview: Whey (0404.10)

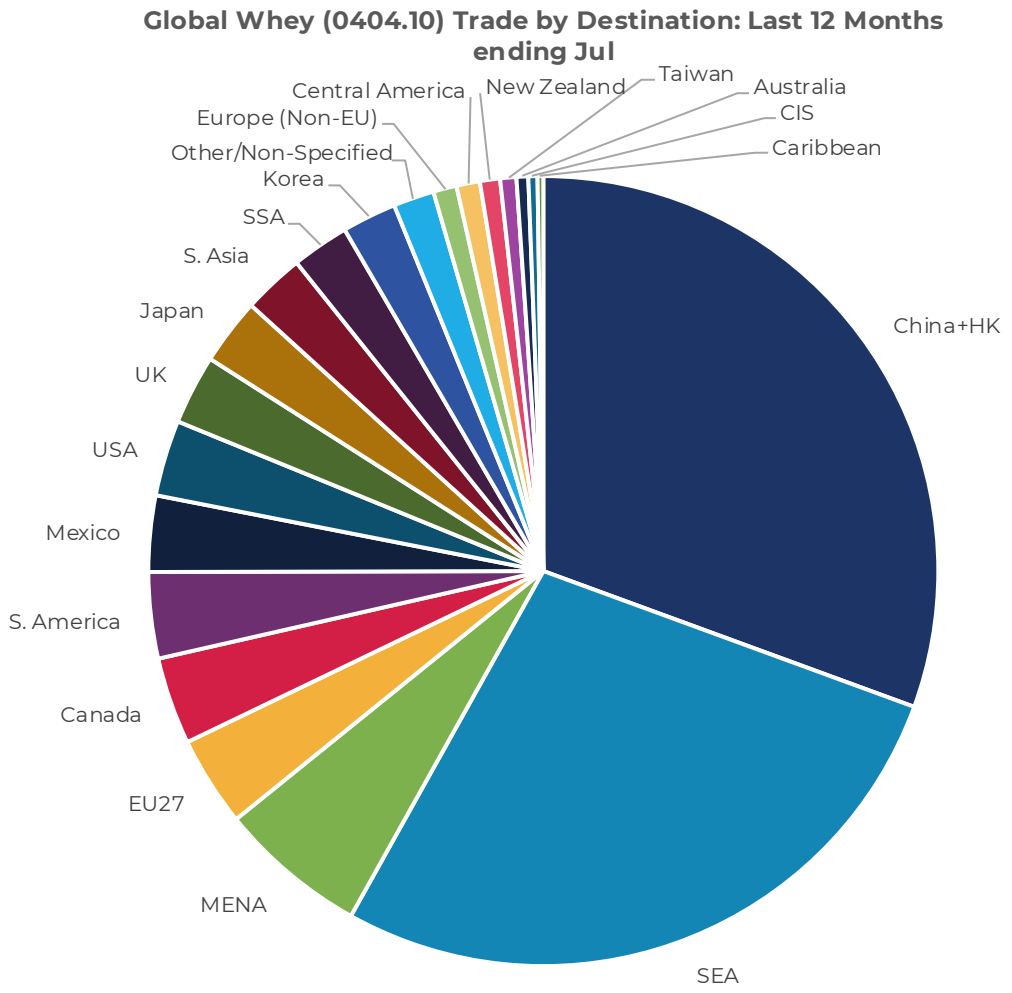


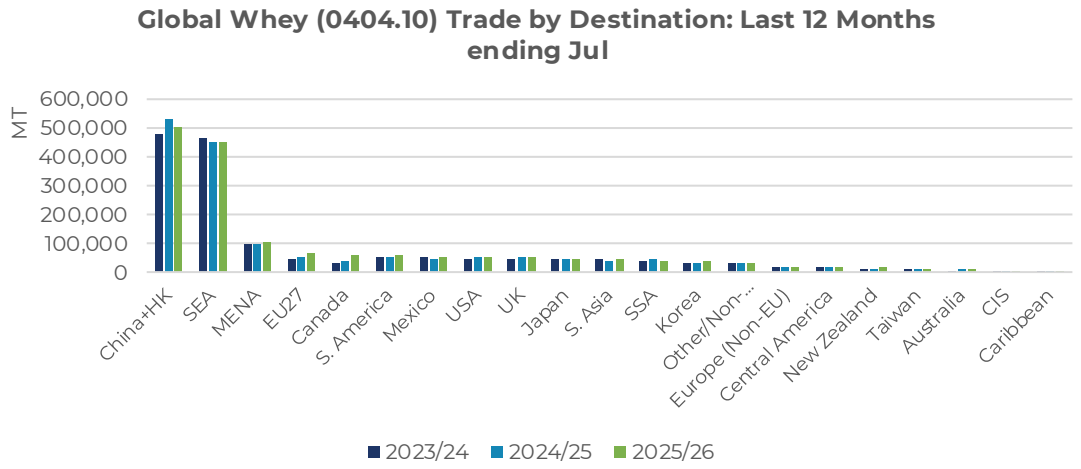
Source: NMPF/USDEC, TDM

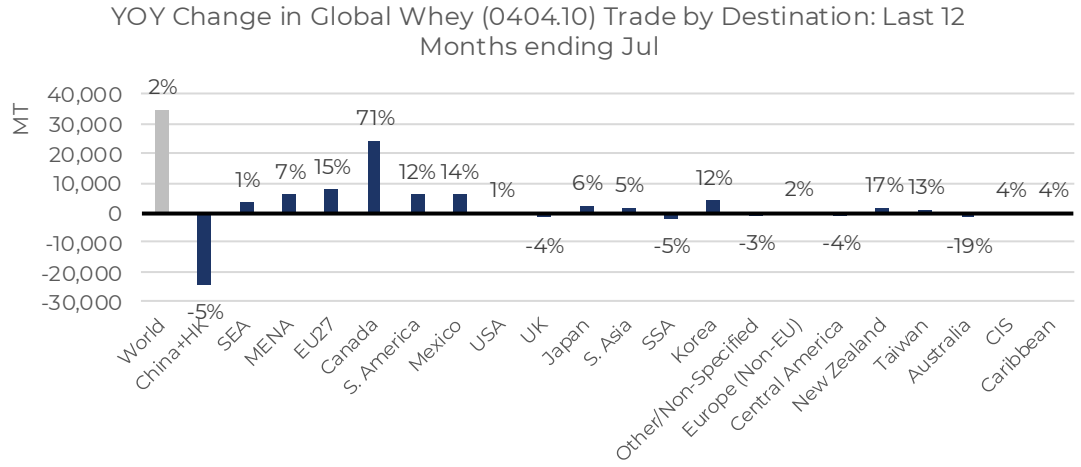
Global Overview: Whey (0404.10)



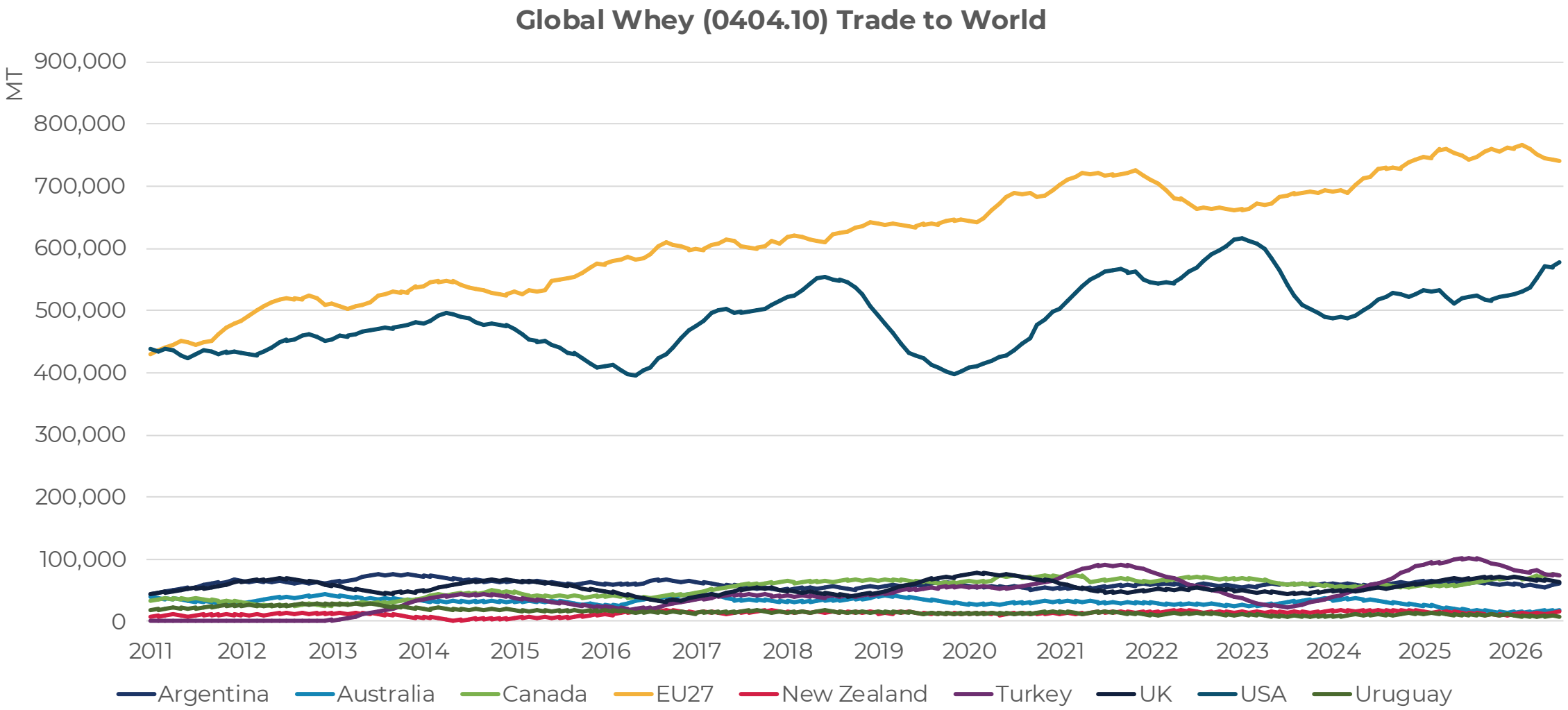
Global Overview: Whey (0404.10) – Last 12 Months



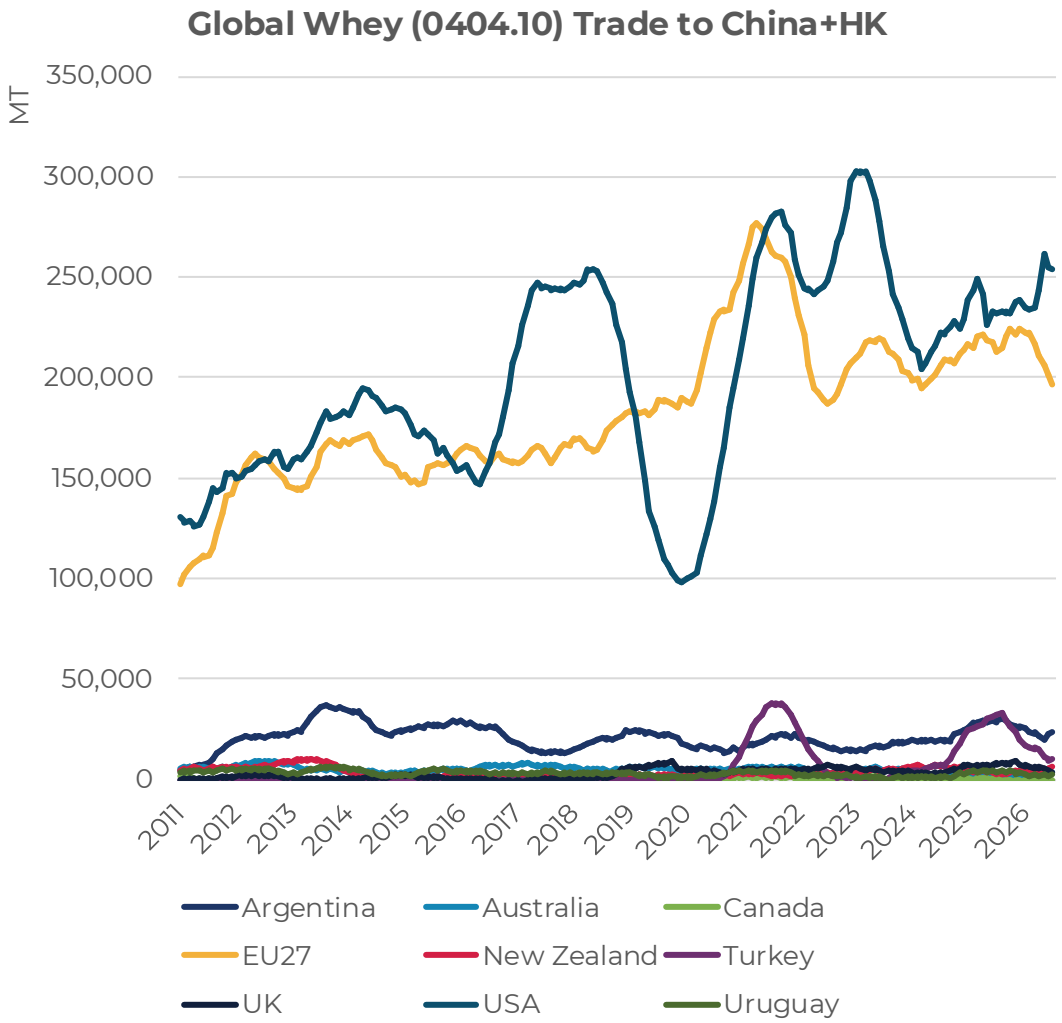


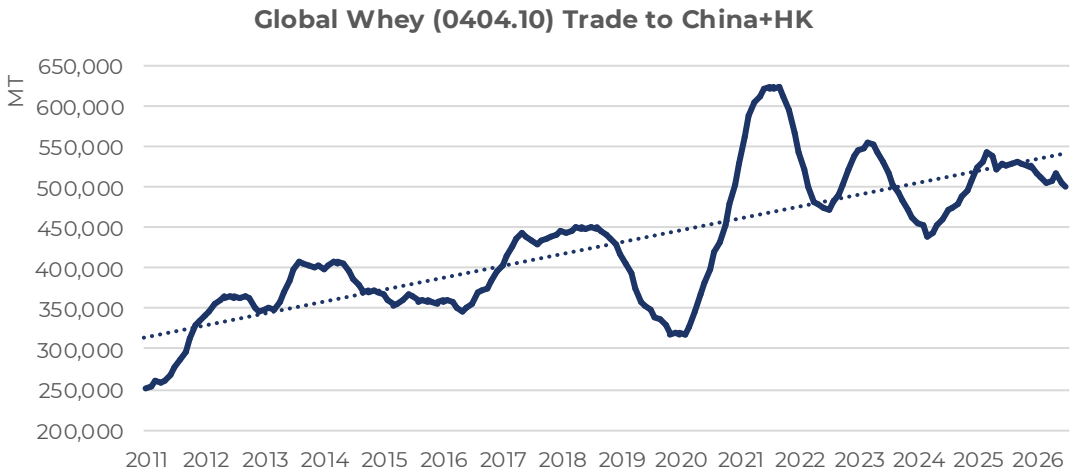


Trade Flows: Whey Products



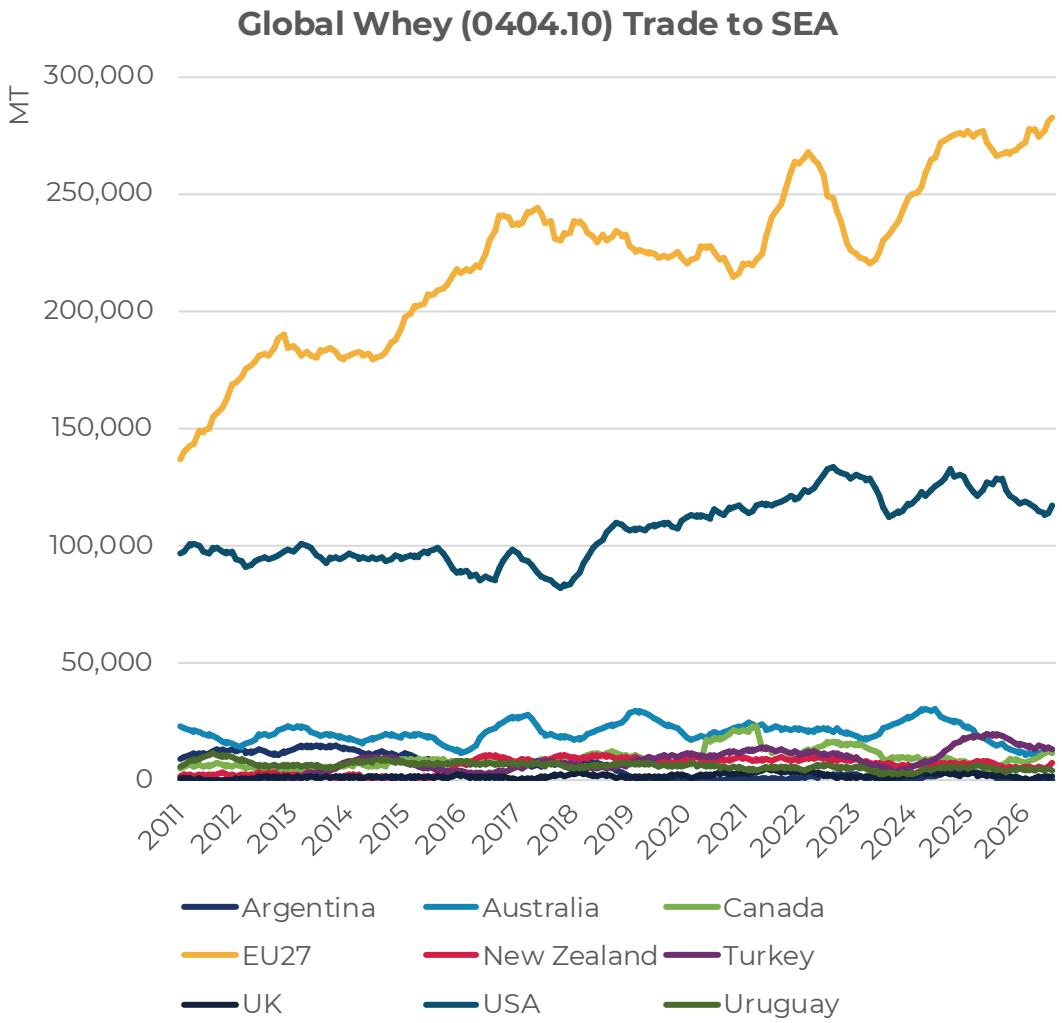
China

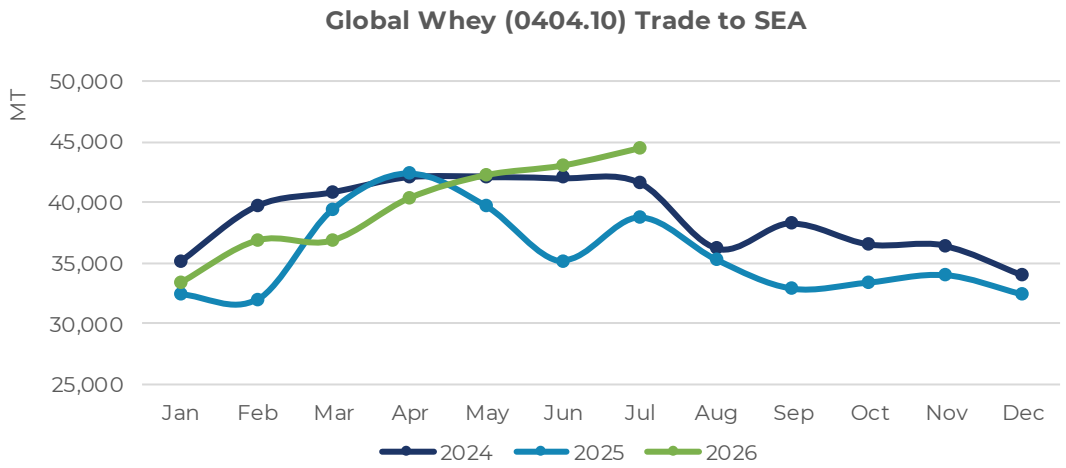


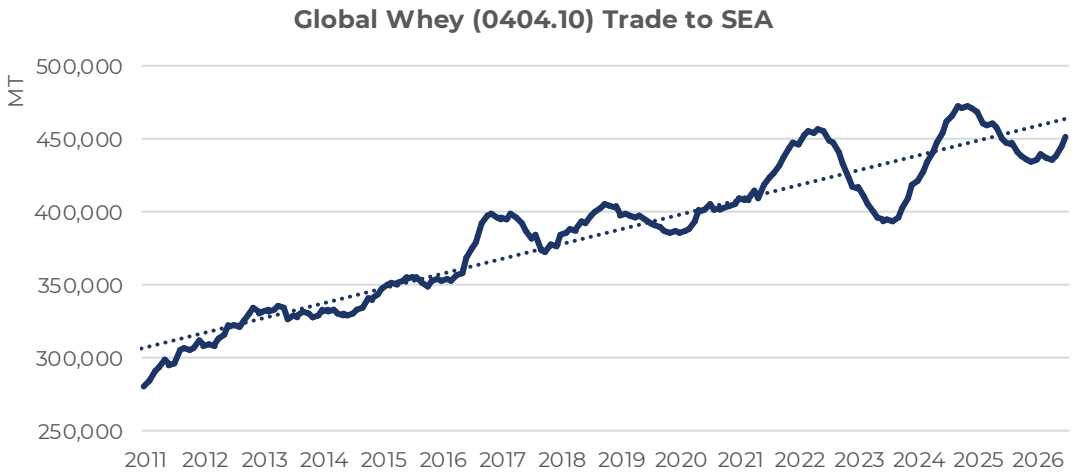


Source: NMPF/USDEC, TDM

Southeast Asia

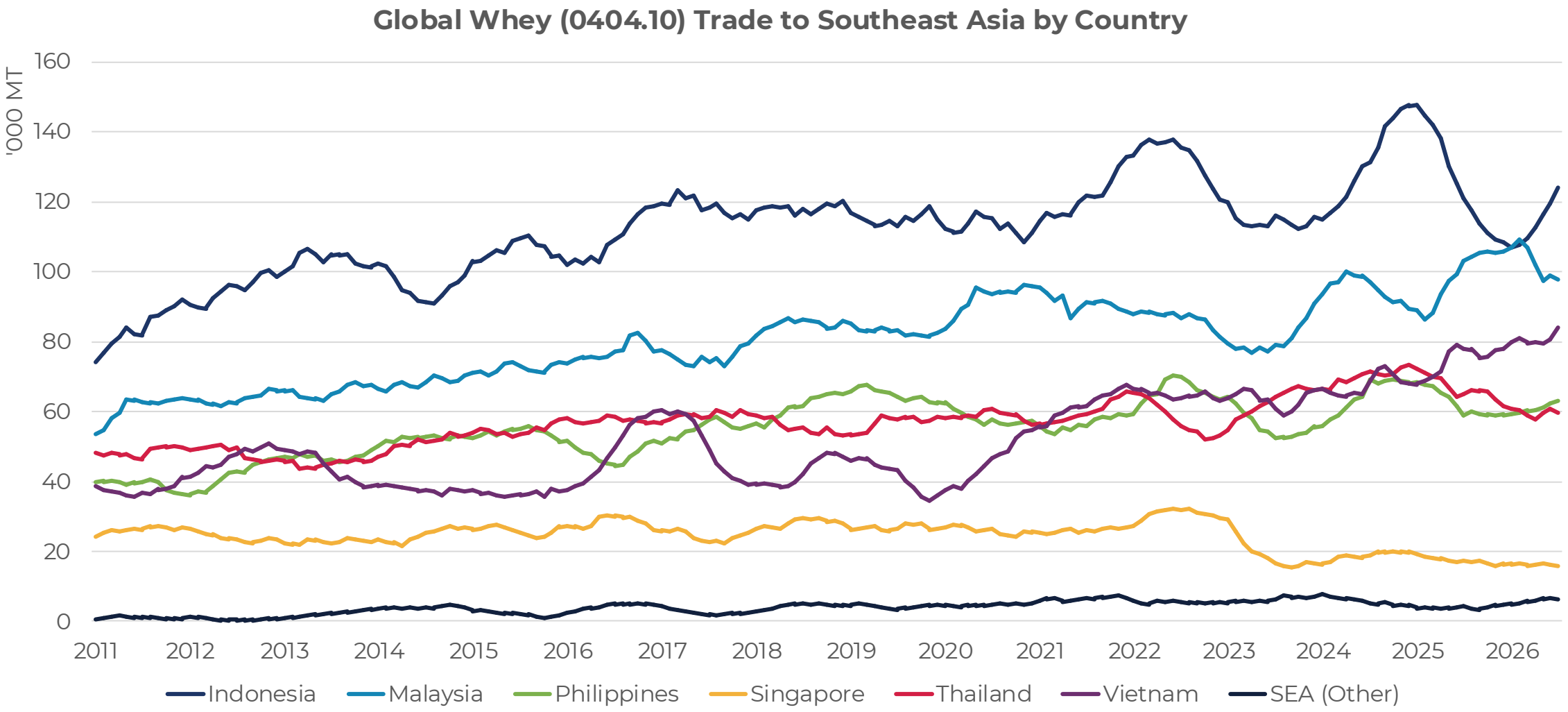






Source: NMPF/USDEC, TDM

Southeast Asia Country Breakdown



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WPC80+ (3502.20)

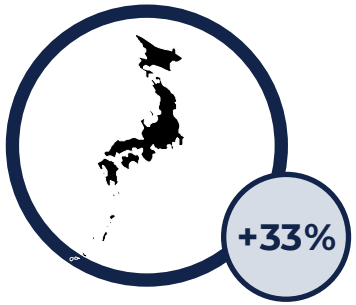
WPC80+ (3502.20) Market Commentary

KEY TAKEAWAYS

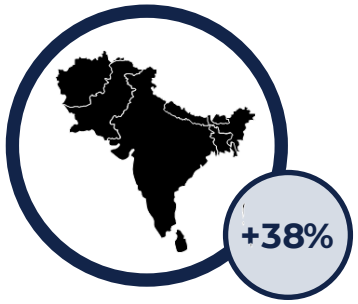
- Global trade of high protein whey products was virtually unchanged versus prior year levels in July, falling by a mere 55 MT. **July's result was the latest chapter in a story of mixed performance for the commodity as suppliers attempt to balance domestic demand with the needs of international buyers**. On a cumulative basis, shipments of WPC80+ continue to run behind prior year levels (-4%, -4,126 MT) over the first seven months of the year.
- While the overall result was stable, there was significant movement across both suppliers and destinations. July featured significantly stronger purchases by Japan (+33%, +590 MT - See Additional Notes), South Asia (+38%, +511 MT), and SEA (+140%, +503 MT). Meanwhile, volumes tumbled to China (-32%, -970 MT) and the EU (-20%, -547 MT).
- **Average export prices set a new record in July** at an eye watering $22,235/MT, up 9% from prior month. **Despite market chatter that WPC80 prices have begun to soften, this trend has yet to appear in the export data. Significant concerns continue to swirl around potential damage to demand stemming from these elevated price levels.**

Global WPC80+ Trade	-0.4%	-3.7%	-2.3%	+4.4%
	Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

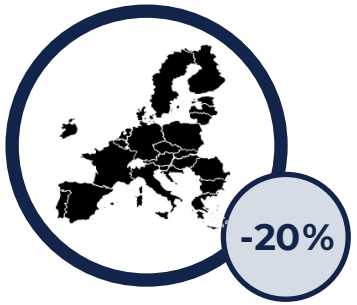
July Standout Markets



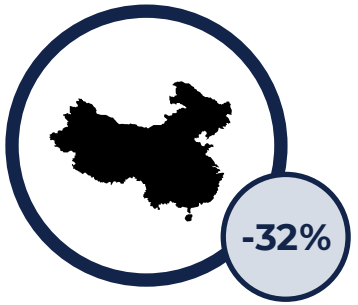
JAPAN
+590 MT



SOUTH ASIA
+511 MT



EU27
-547 MT



CHINA+HK
-970 MT

ADDITIONAL NOTES

After posting mixed performance early in the year, WPC80+ trade to Japan has turned decidedly positive in recent months with shipments up 40% in June and another 33% in July. Including these gains, year to date shipments are up 2% (319 MT). Japan is the world's largest destination for high protein whey, accounting for 14% of global trade in 2025. However, elevated prices and lack of availability have created challenges for the stalwart buyer. While prices have yet to show relief – the average export prices to Japan lurched up to $25,020/MT in July – supply appears to have loosened up somewhat. The EU has reaped the largest benefit of serving Japan in recent months as year-to-date shipments have risen 95% (+2,328 MT) and lifted the EU share to 28%, up from 18% in 2024. This gain has largely come at the expense of the U.S. who has witnessed volumes fall as supply availability remains constrained.

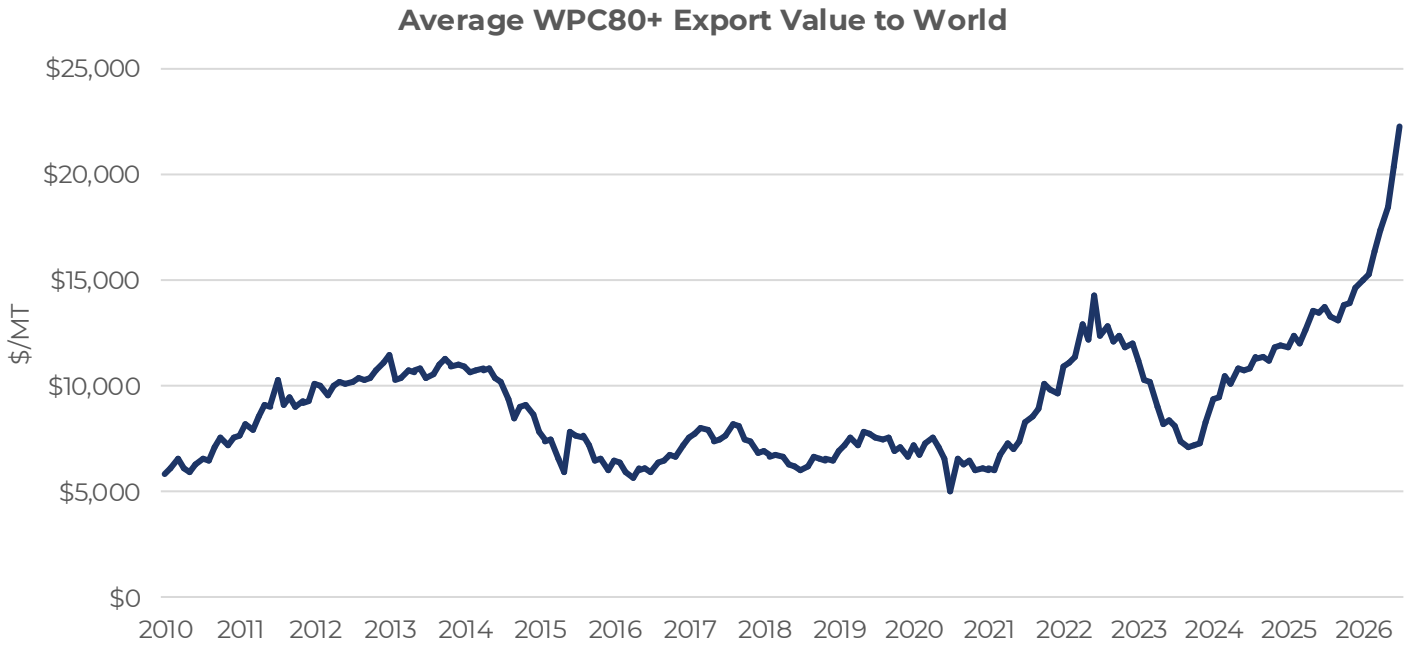
WPC80+ (3502.20) Market Commentary

LOOKING AHEAD

- **The global push for protein remains exceedingly strong and dairy products remain well positioned to capitalize on this trend. Thus, there are strong fundamentals that should continue to carry WPC80+ trade into the future.** The market is not without its challenges, however, especially as prices remain stubbornly elevated. If the price relief that is currently being witnessed for WPC80 indeed makes its way into export sales, this could help to discourage buyers from pivoting to alternative protein sources.

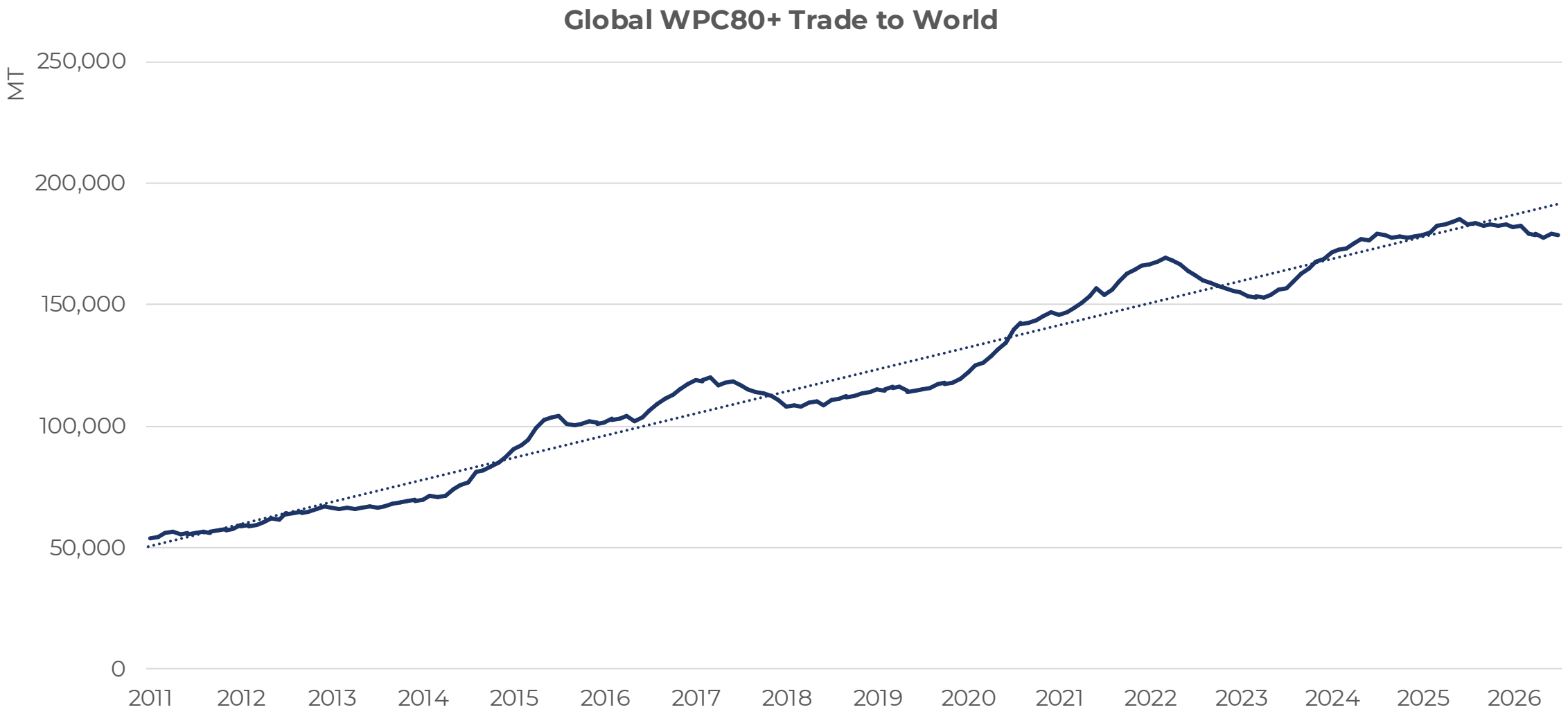
- While demand remains robust, supply availability remains a major concern, particularly for the U.S. Shipments of WPC80+ from the U.S. are down 20% (-9,160 MT) this year, including an 11% (-679 MT) dip in July. The EU has been the primary beneficiary of the U.S.' contraction, though volumes are also up from more minor suppliers like Australia and Canada. **Though U.S. production of WPC80 and WPI continues to expand, explosive growth of domestic demand suggests that the volumes available for the export market will remain limited in the near future, which is likely to create additional opportunities to alternative suppliers.**

U.S. WPC80+ Exports	**-10.8%** Jul YoY	**-19.5%** YTD, Ending Jul	**-10.6%** Last 12-Months, Ending Jul	**+2.2%** 3-Year CAGR
EU WPC80+ Exports	**+15.7%** Jul YoY	**+7.3%** YTD, Ending Jul	**+1.3%** Last 12-Months, Ending Jul	**+7.1%** 3-Year CAGR
NZ WPC80+ Exports	**-11.9%** Jul YoY	**+6.3%** YTD, Ending Jul	**-1.3%** Last 12-Months, Ending Jul	**+1.8%** 3-Year CAGR



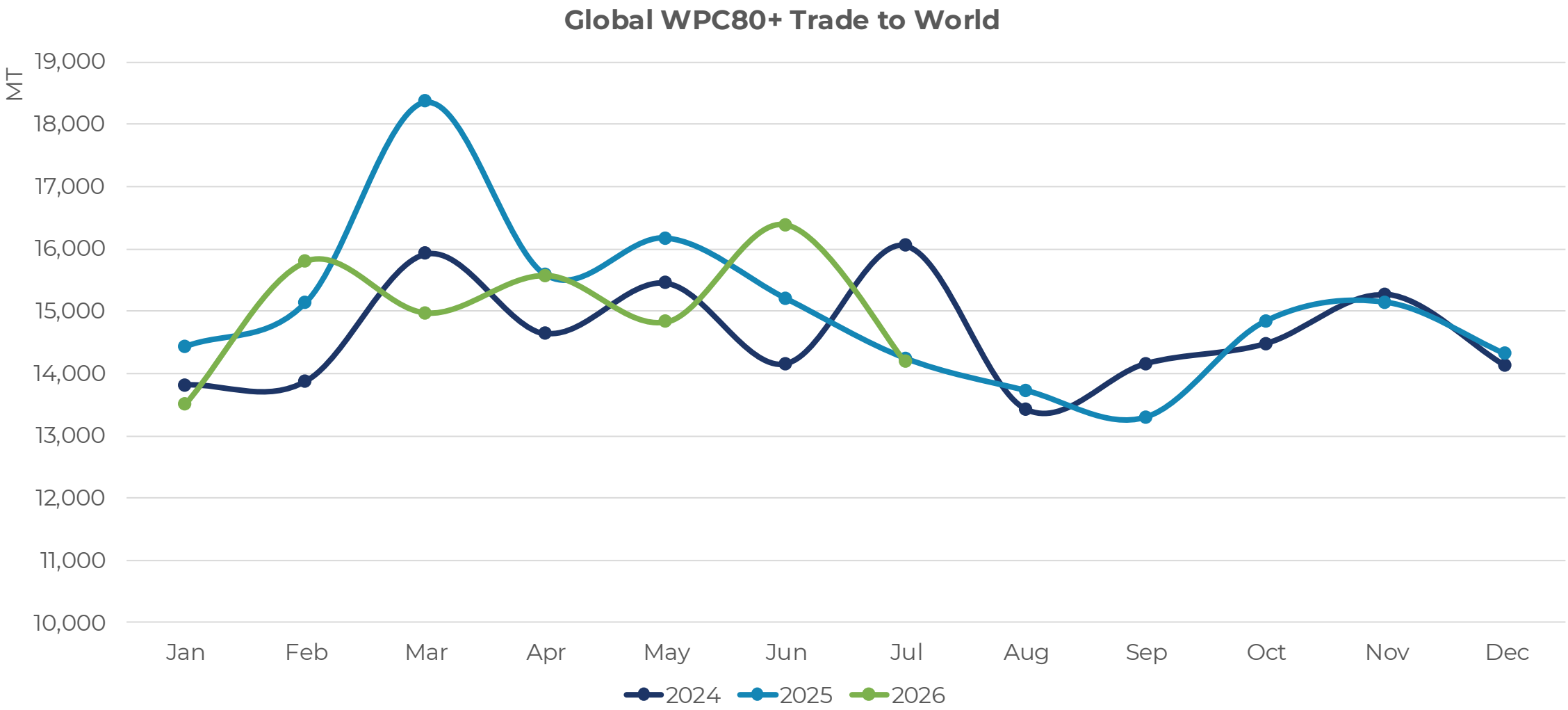
Source: NMPF/USDEC, TDM

Global Overview: WPC80+



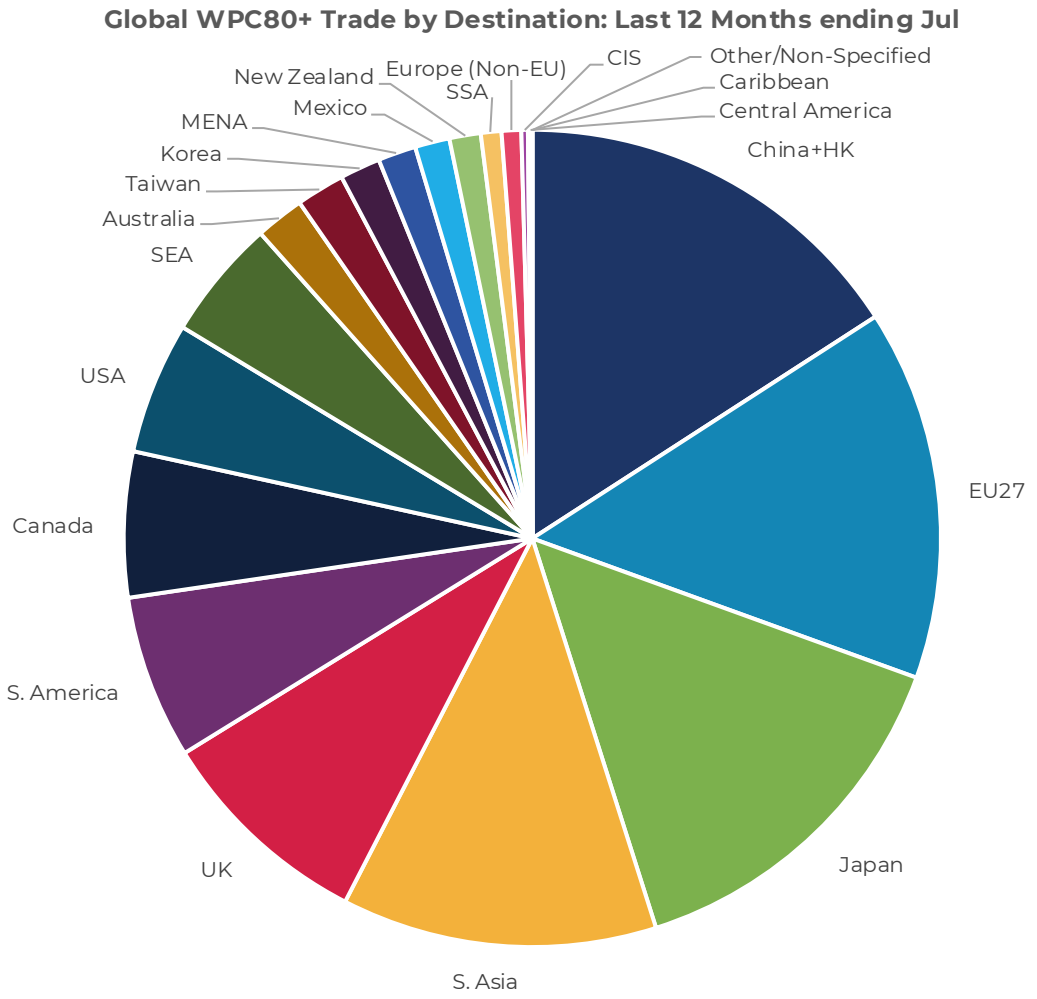
Source: NMPF/USDEC, TDM

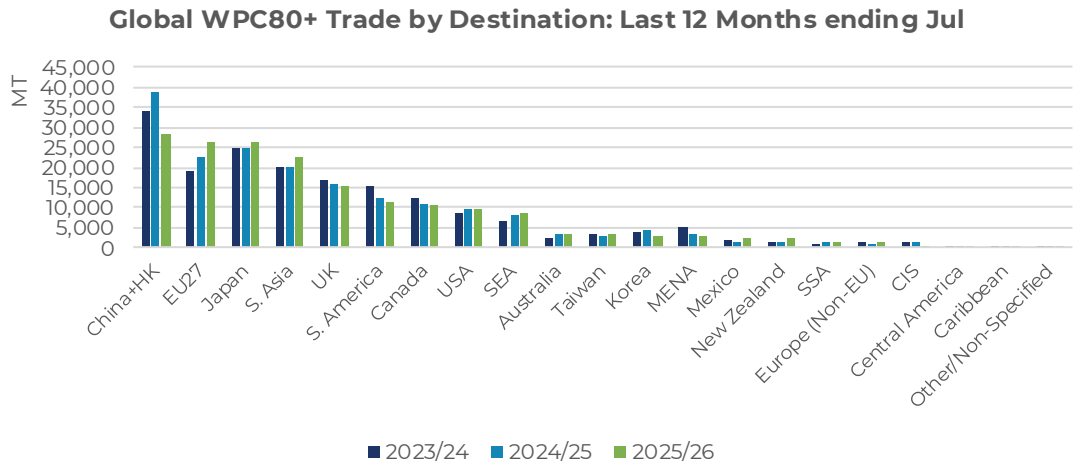
Global Overview: WPC80+

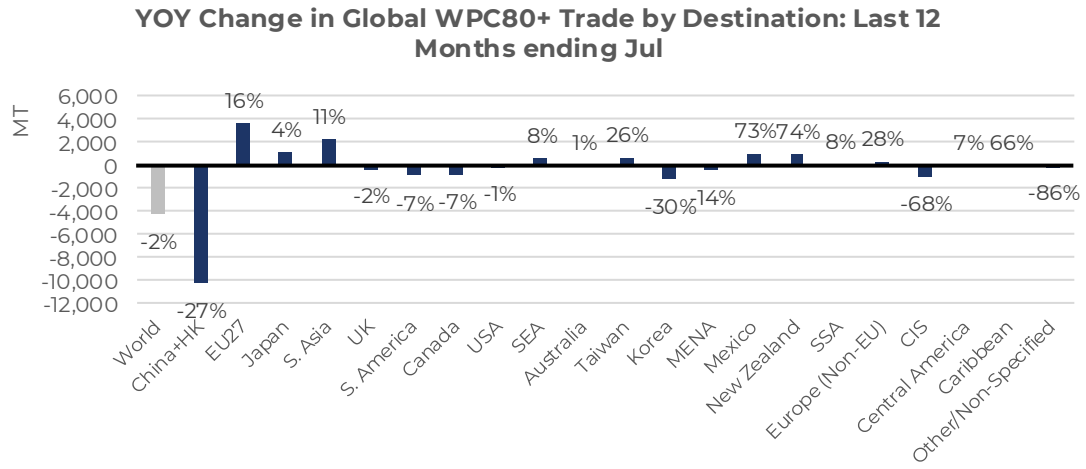


Source: NMPF/USDEC, TDM

Global Overview: WPC80+ – Last 12 Months

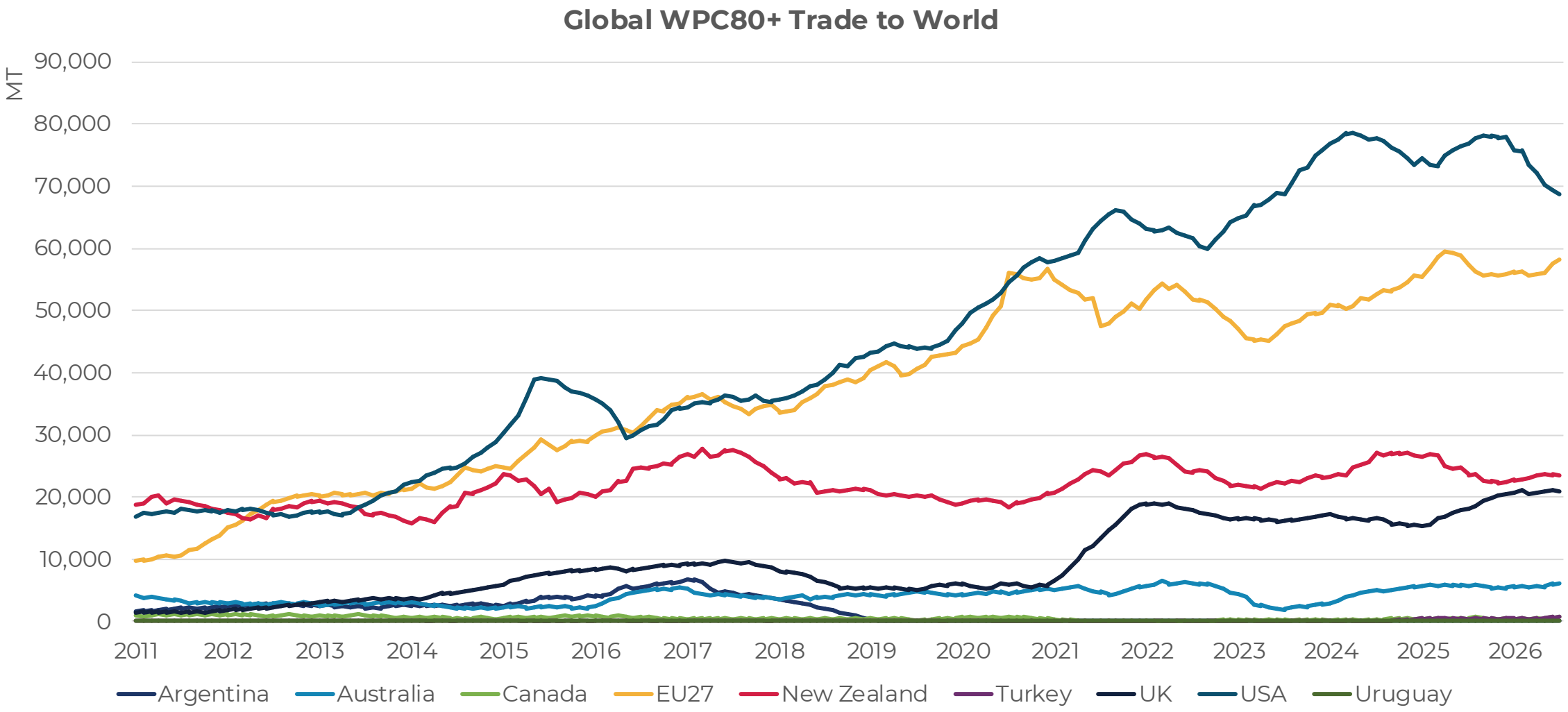




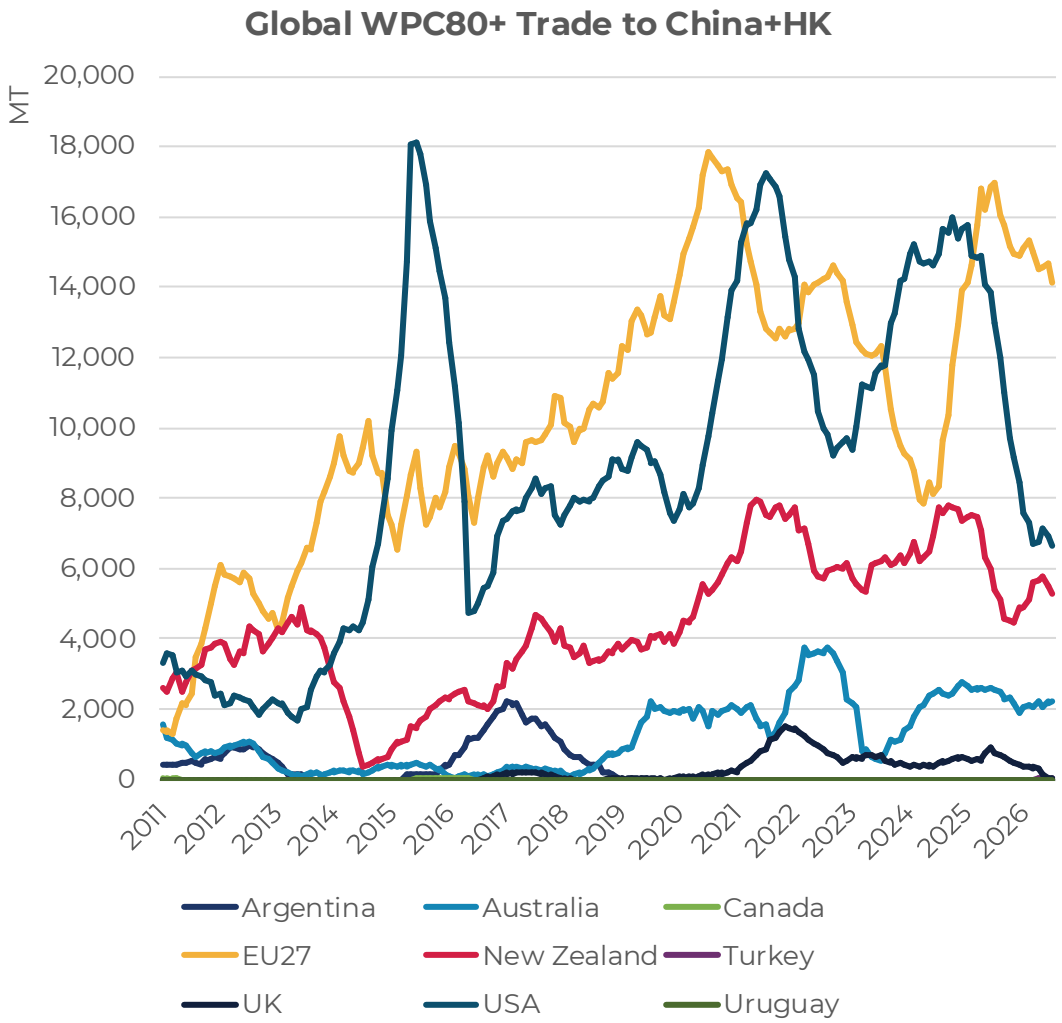


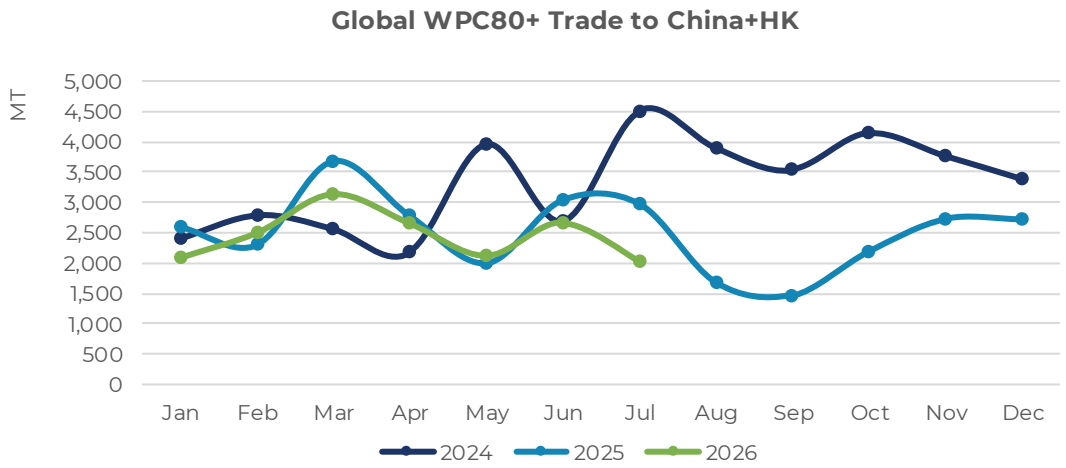
Source: NMPF/USDEC, TDM

Trade Flows: WPC80+



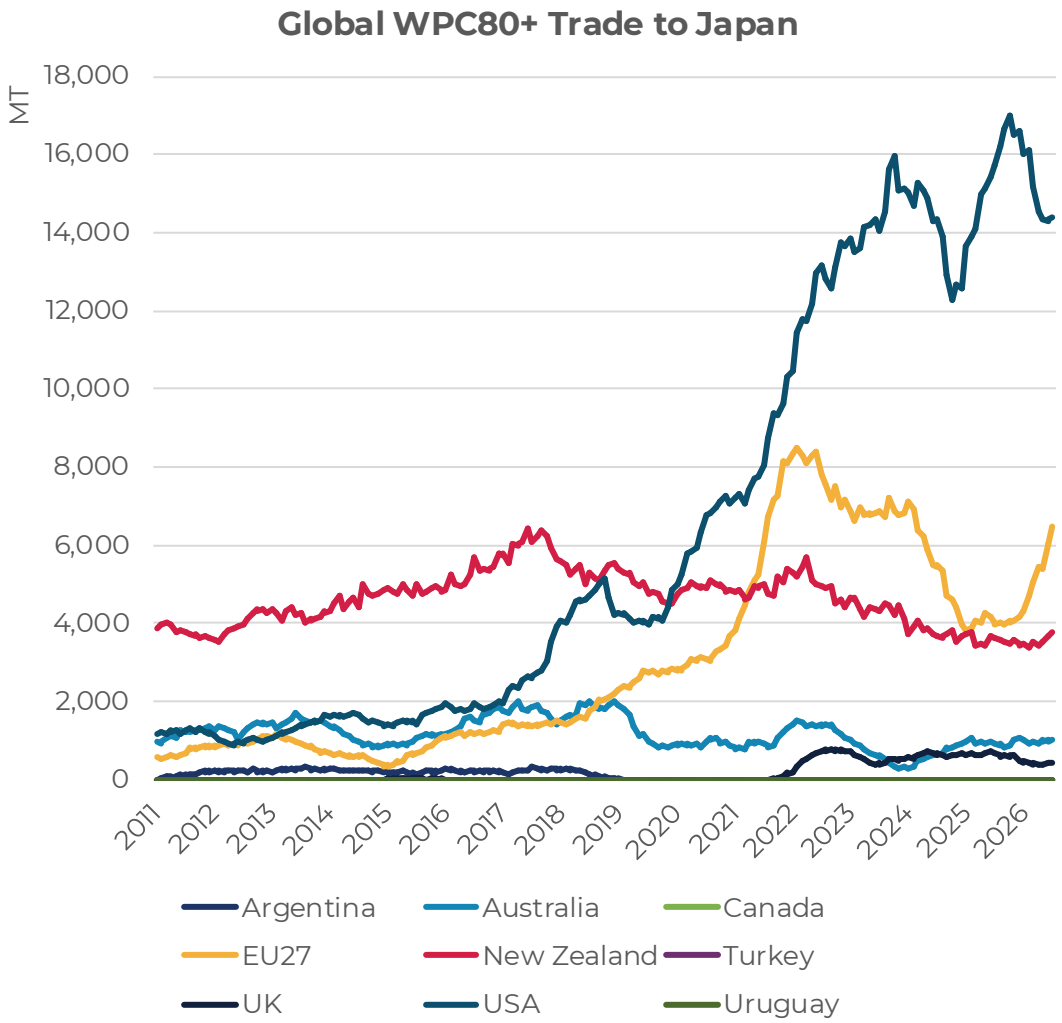
China

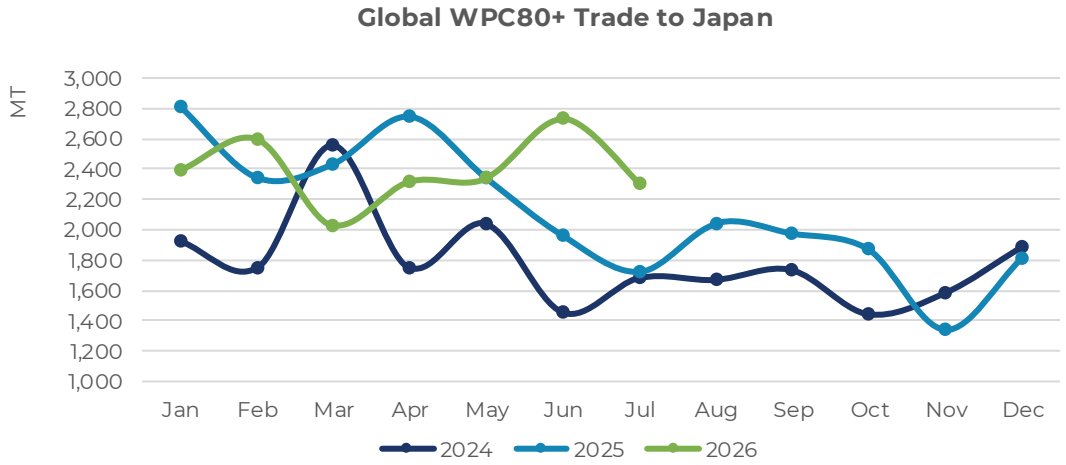


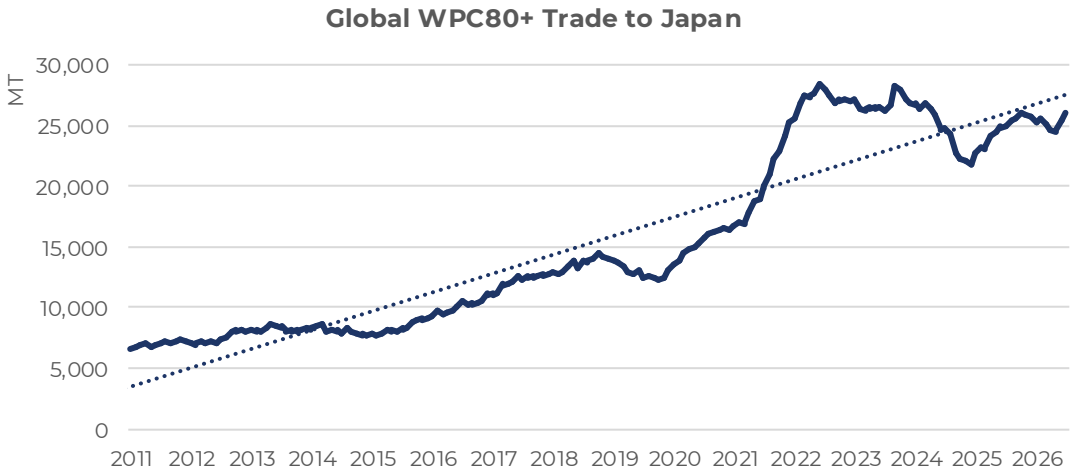


Source: NMPF/USDEC, TDM

Japan

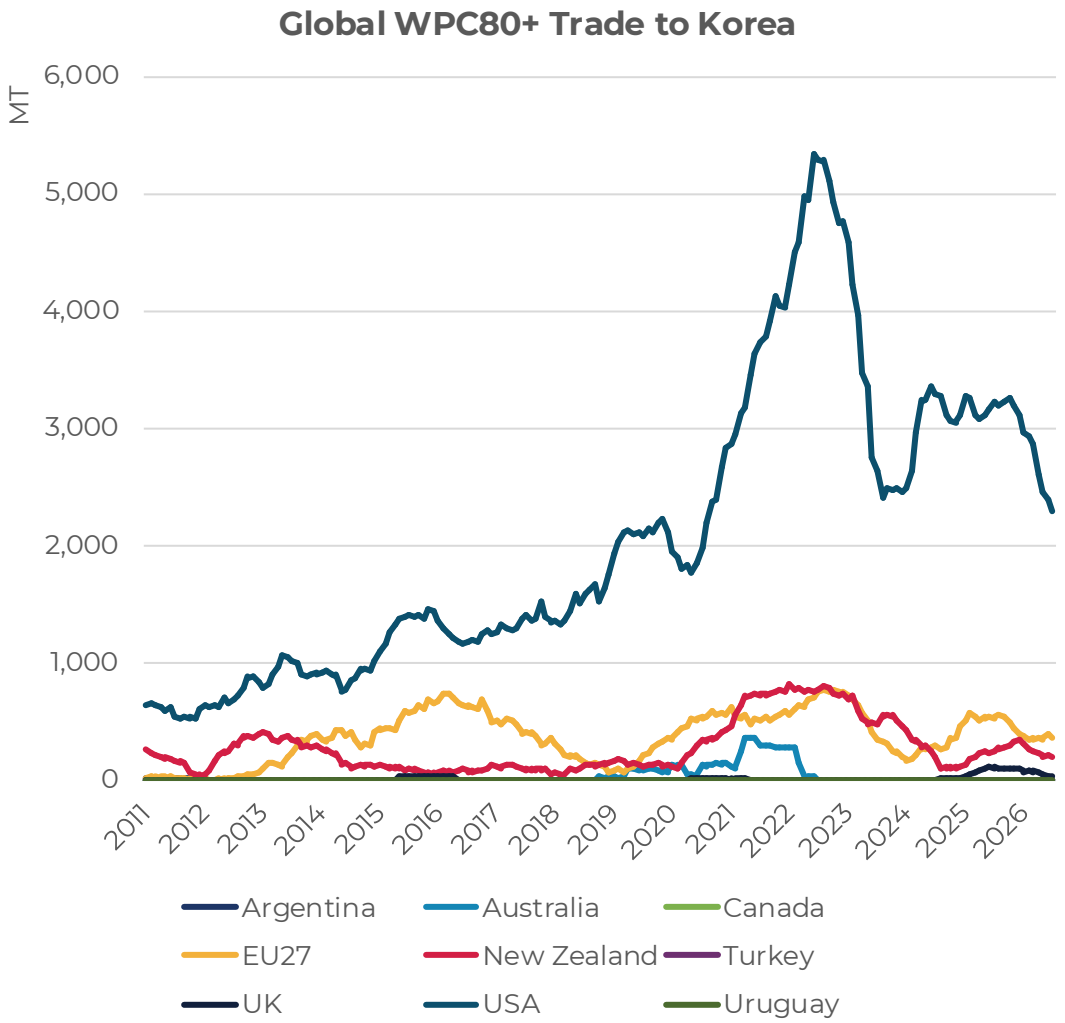


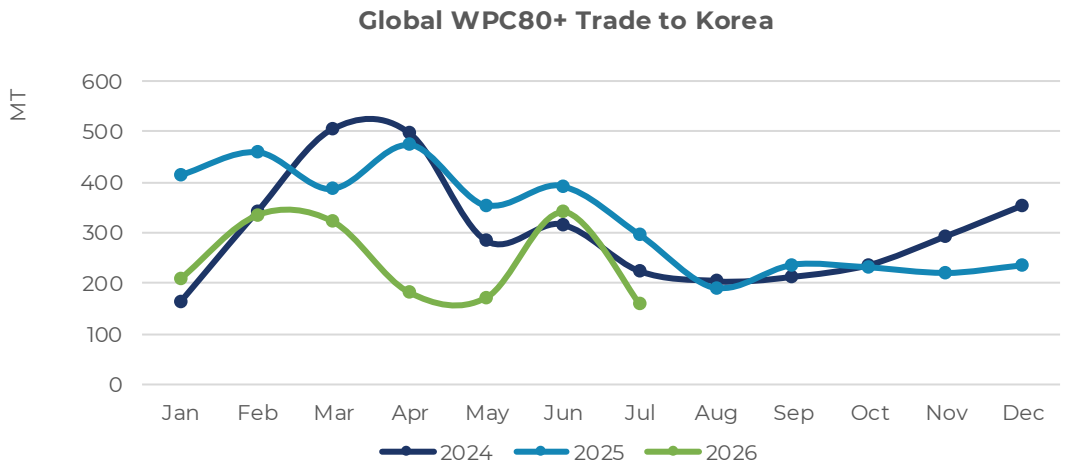




Source: NMPF/USDEC, TDM

Korea





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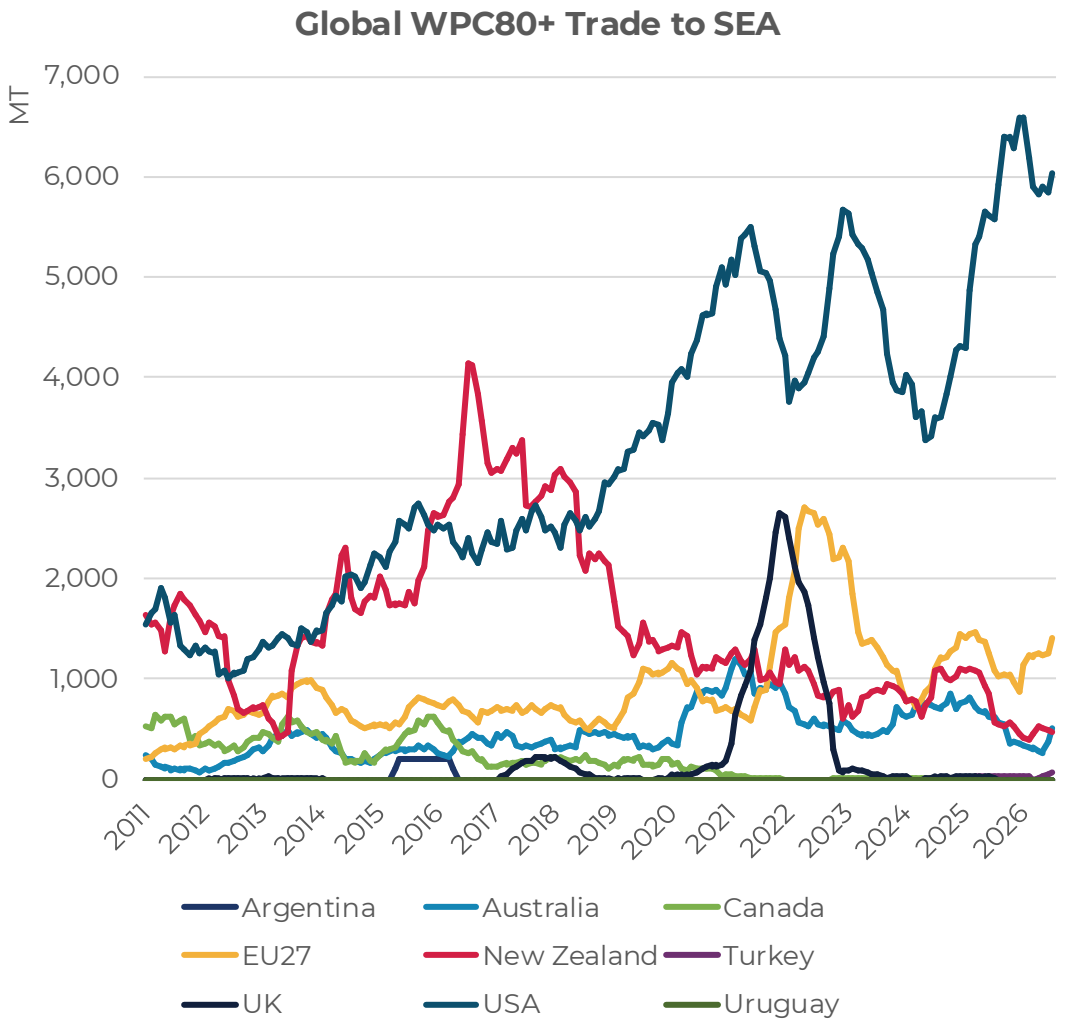
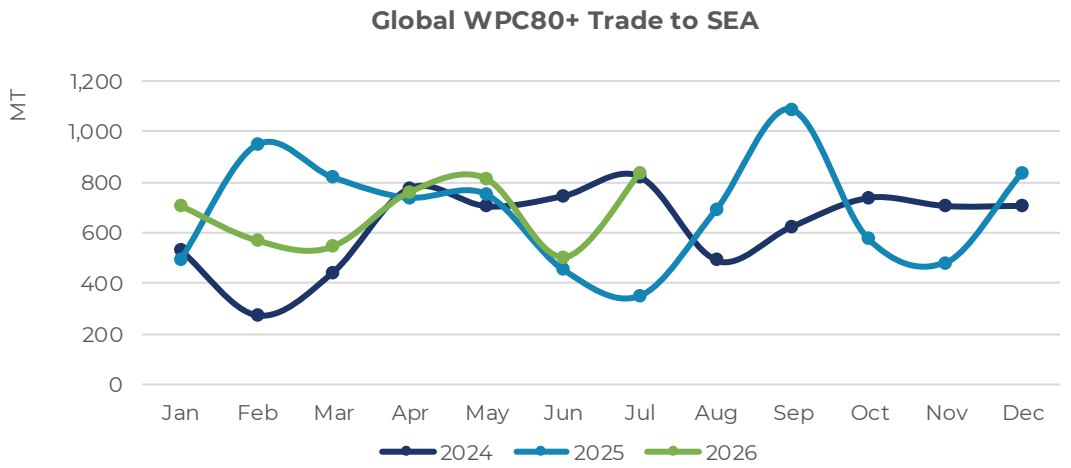
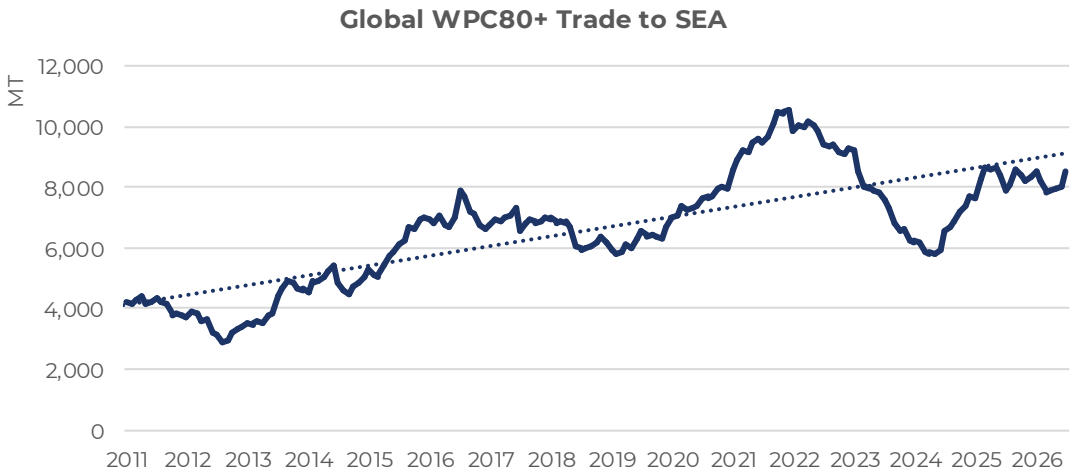
Southeast Asia

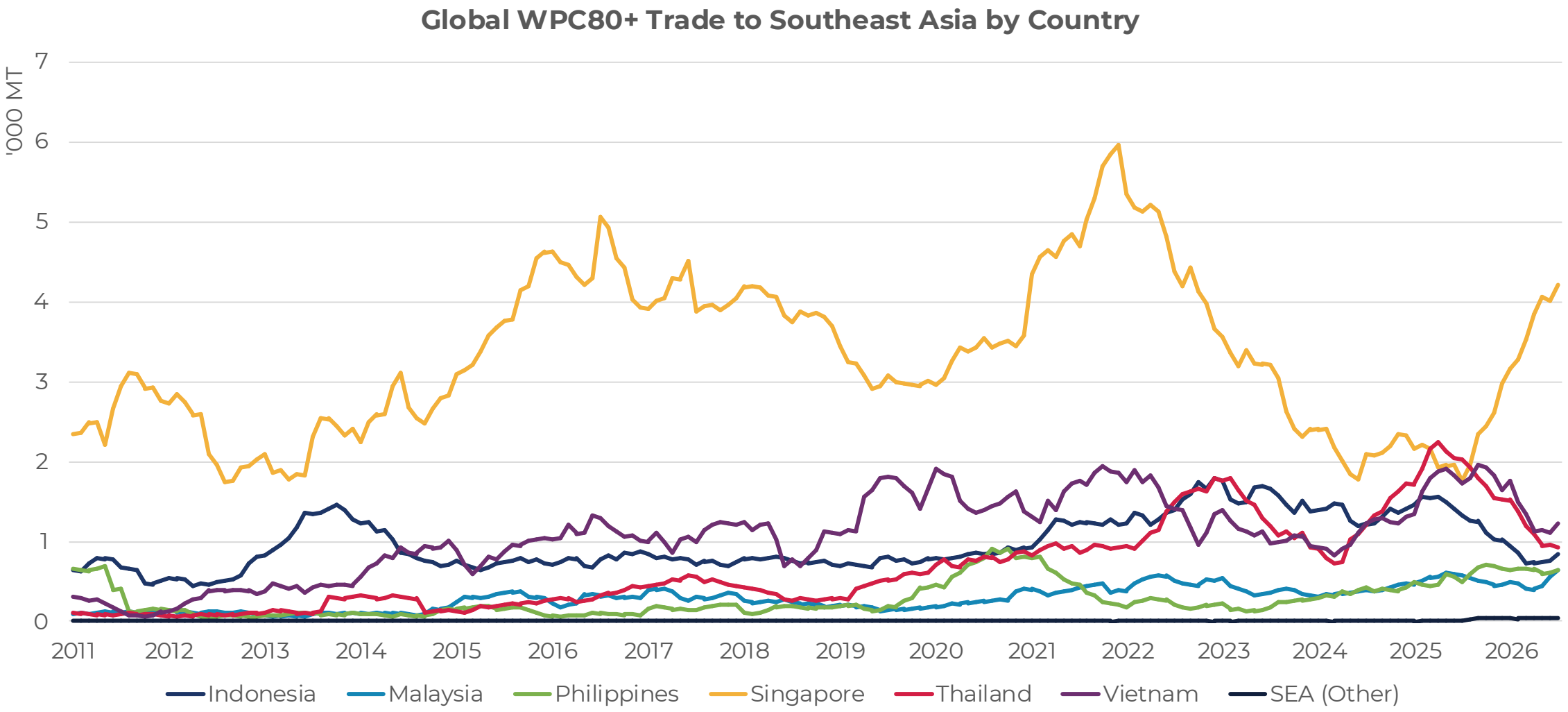






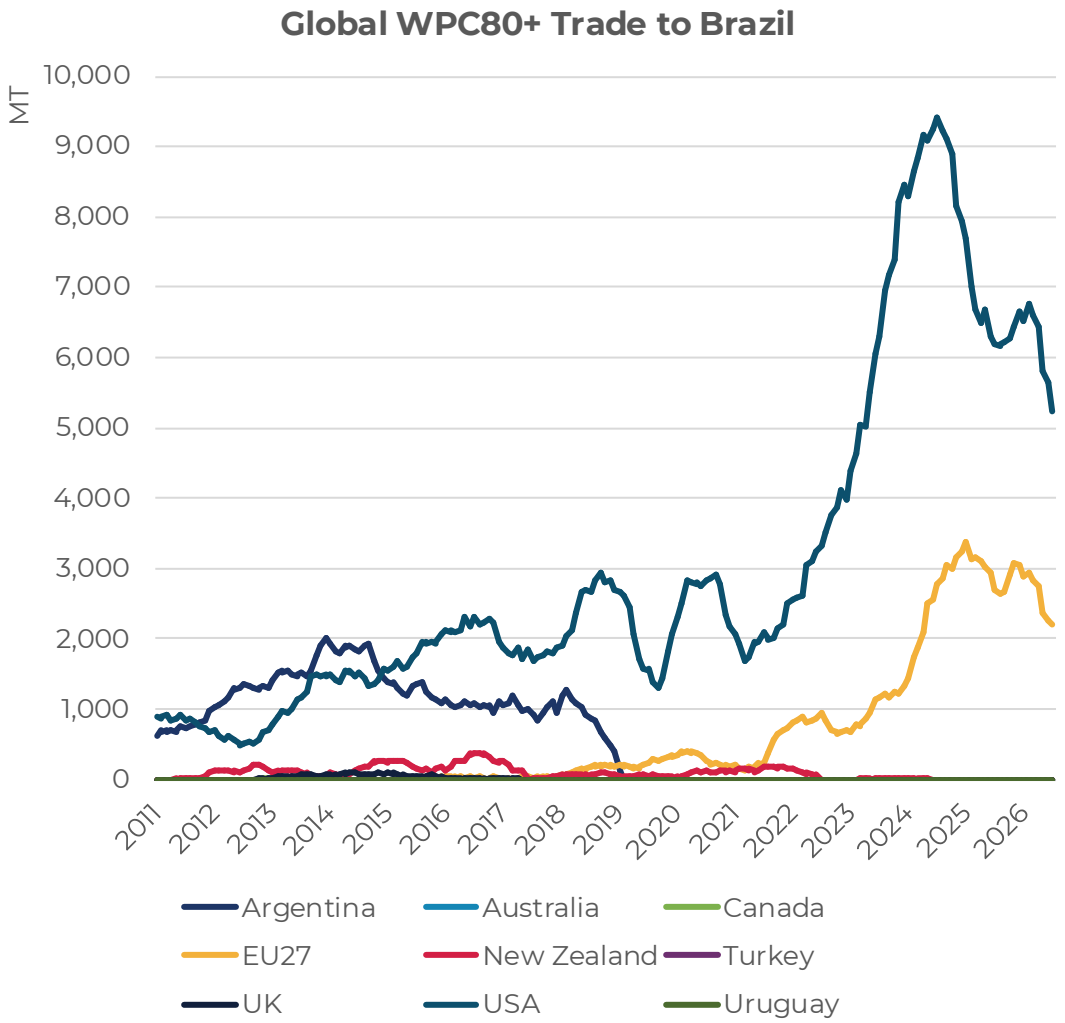
Source: NMPF/USDEC, TDM

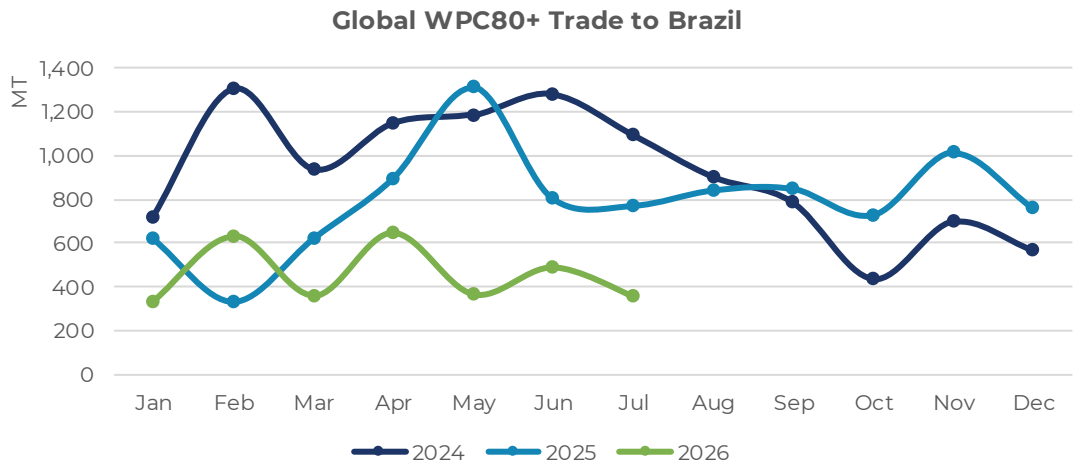
Southeast Asia Country Breakdown

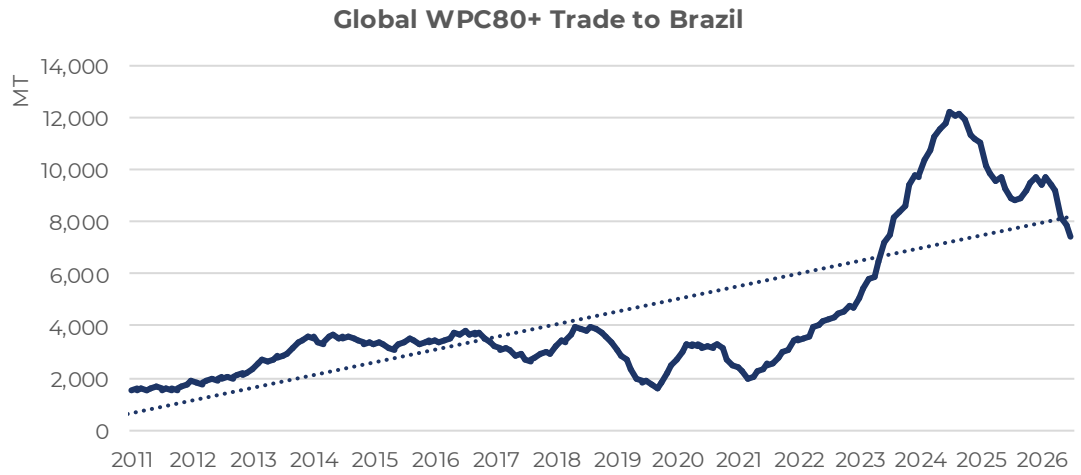


Source: NMPF/USDEC, TDM

Brazil

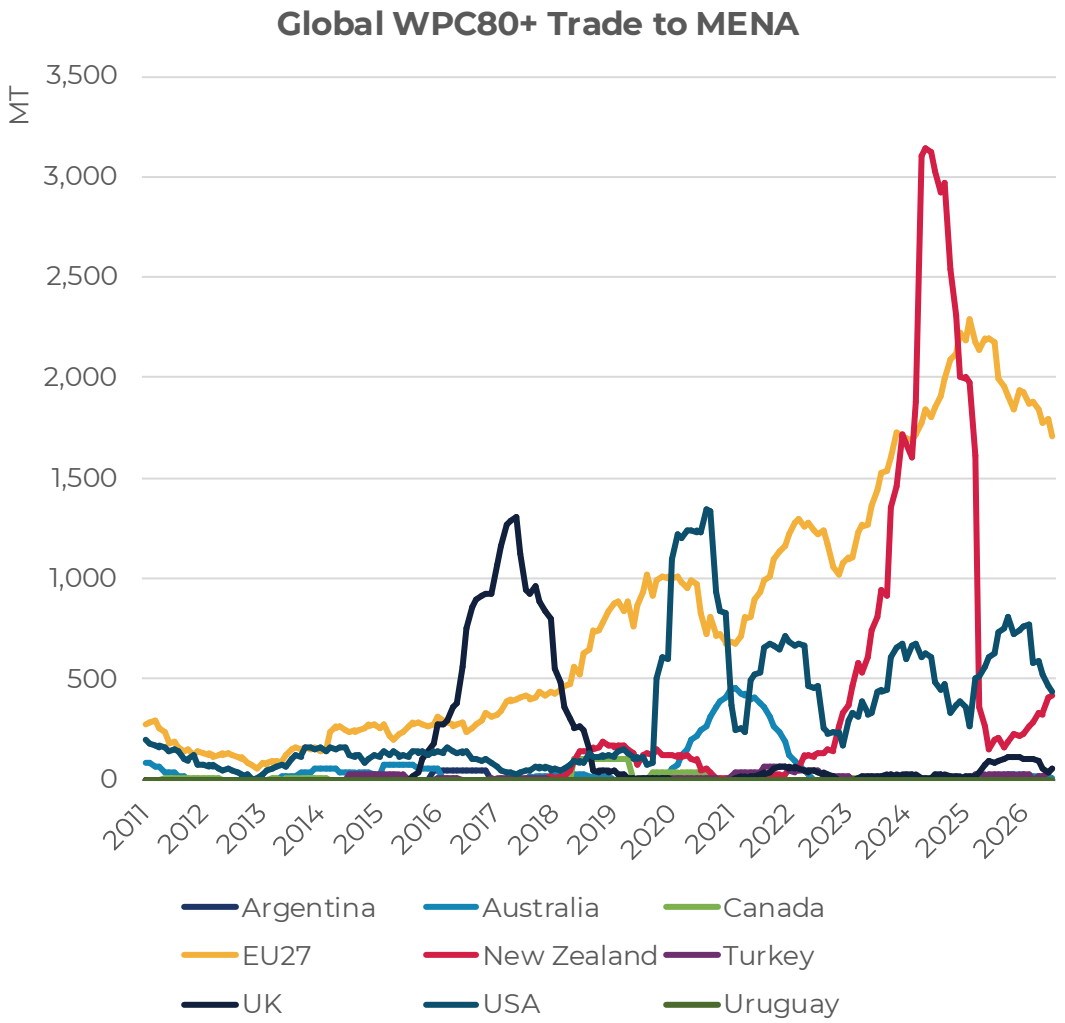


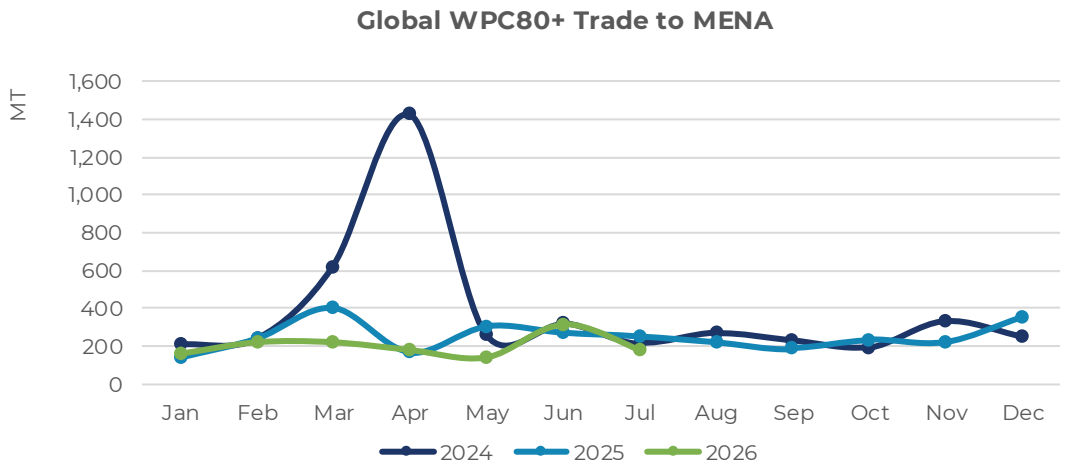


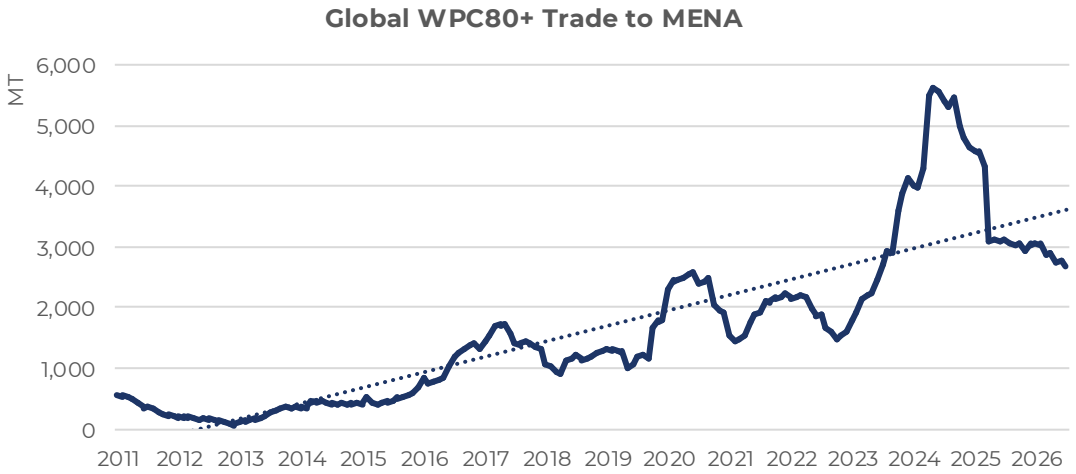


Source: NMPF/USDEC, TDM

MENA

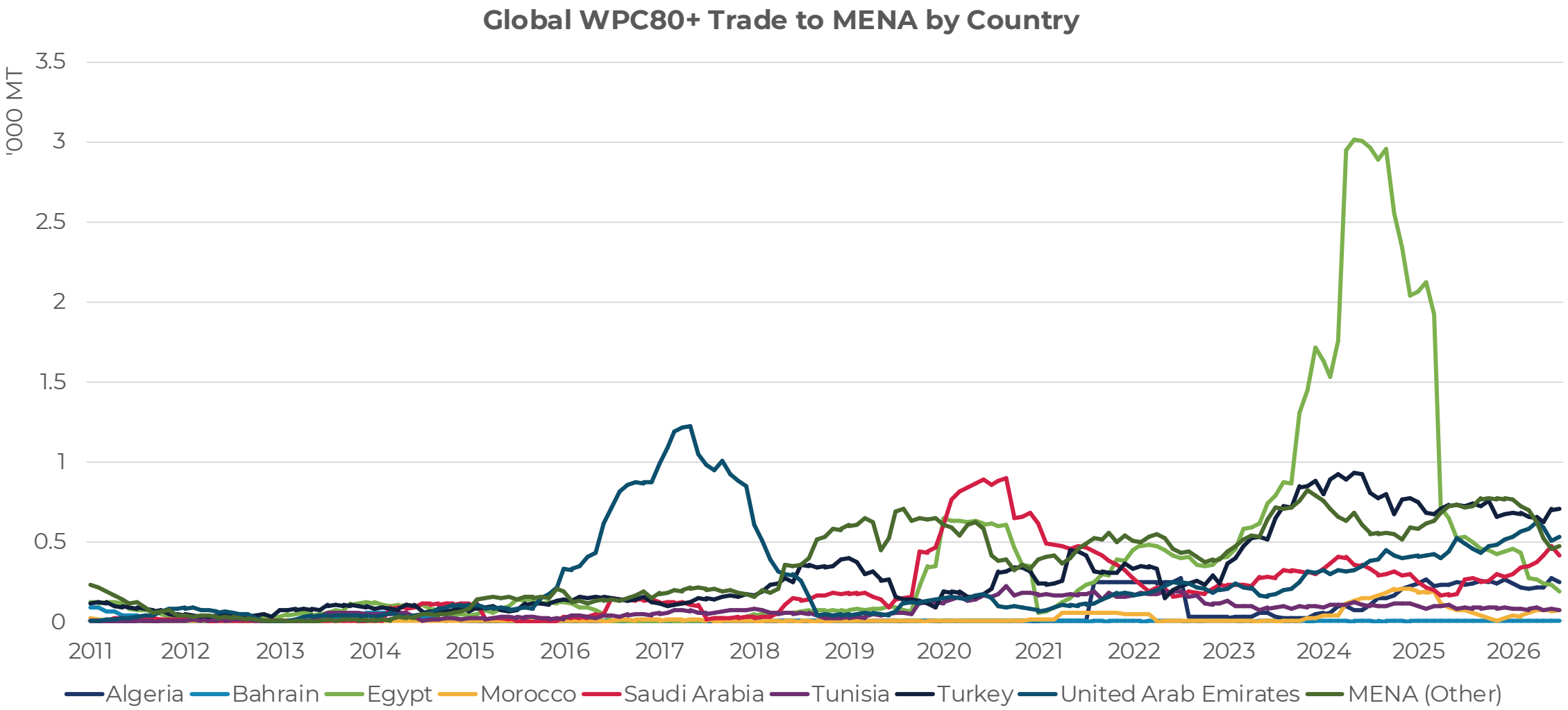






Source: NMPF/USDEC, TDM

Middle East-North Africa Country Breakdown



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Other Dairy Products

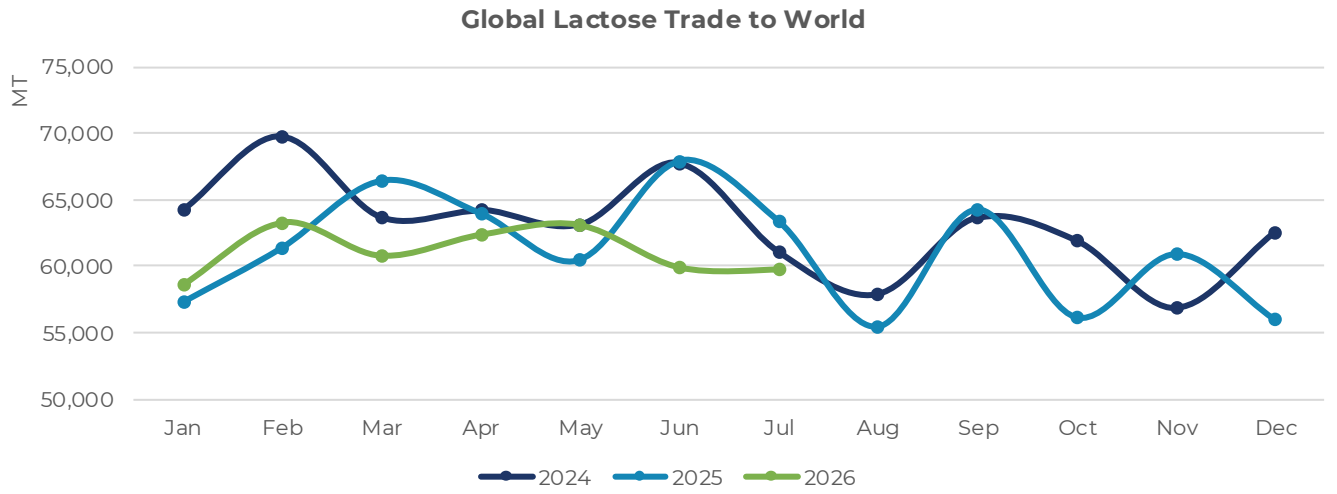
Global Overview: Lactose

KEY TAKEAWAYS

Global Lactose Trade

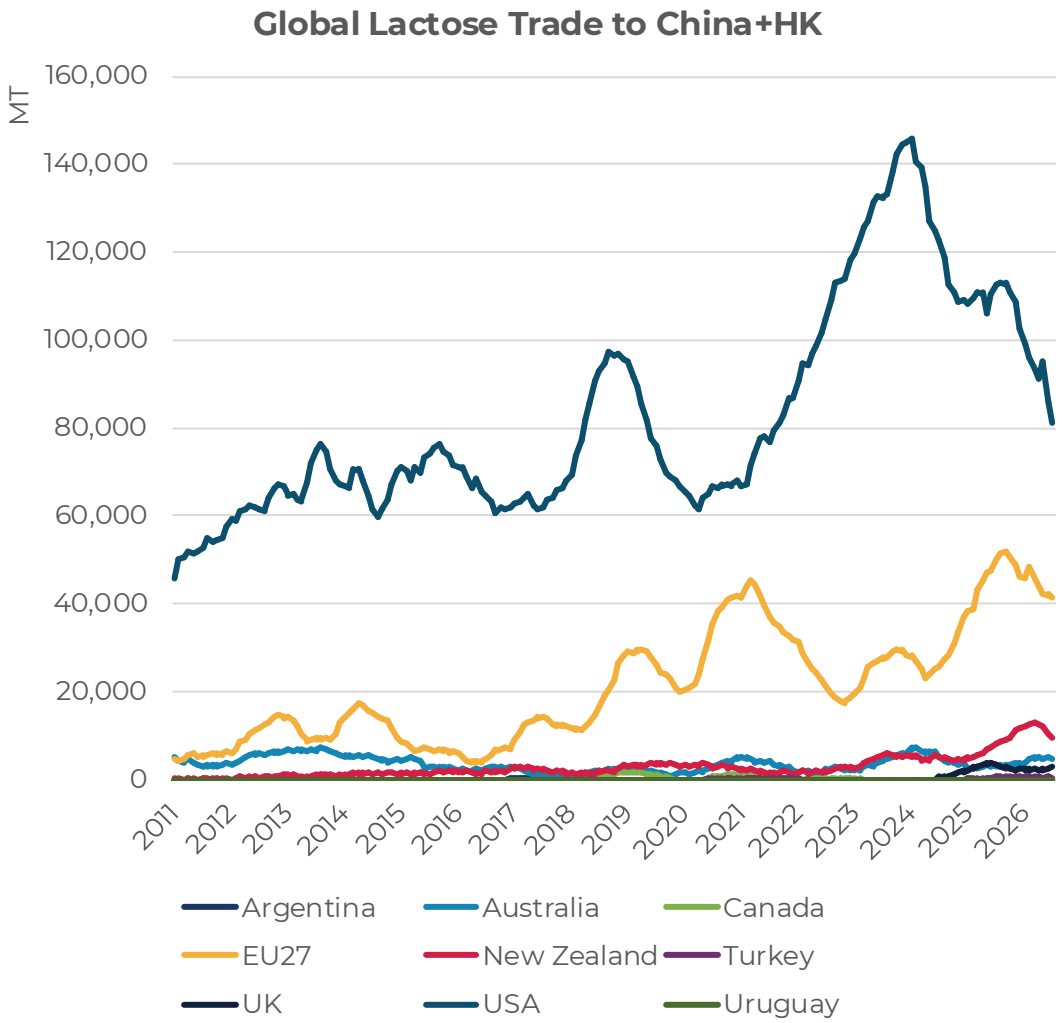
-5.7%	-3.0%	-3.2%	-2.8%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

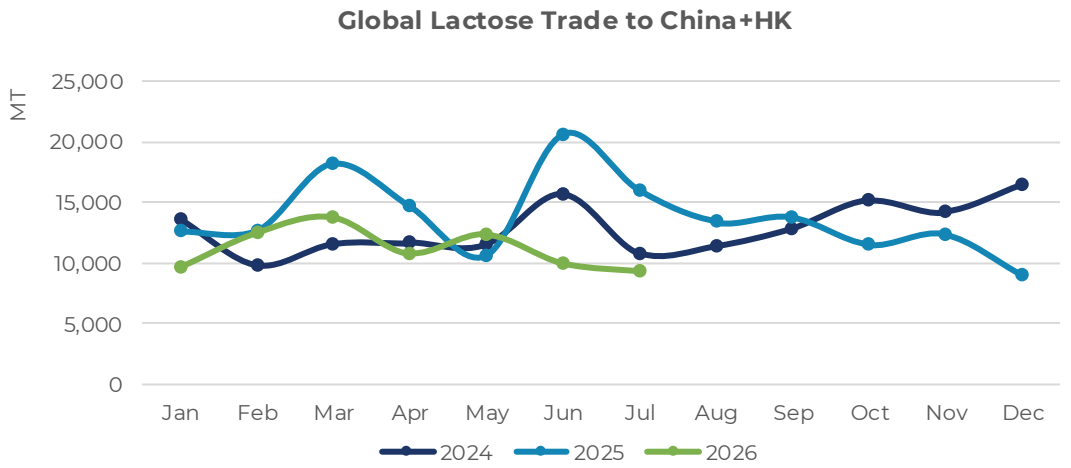
- With China's continued absence from the market, global lactose trade continues to struggle (even as prices stay elevated). Though several other regions posted growth in July, it was not enough to counter the significant loss of exports to one of the biggest lactose markets. Exports to Southeast Asia, another major buyer, were also lackluster (-15%, -1,490 MT), compounding the downturn.
- On the flip side, several markets saw modest gains in demand for lactose. The most notable growth was to New Zealand (+30%, +2,506 MT), but South Asia (+25%, +1,434 MT) and MENA (+63%, +1,033 MT) also saw volumes tick up to start H2.
- Despite the surge in high protein production, lactose production has not followed suit. As a result, lactose prices remain historically strong and show few signs of softening.



Source: NMPF/USDEC, TDM

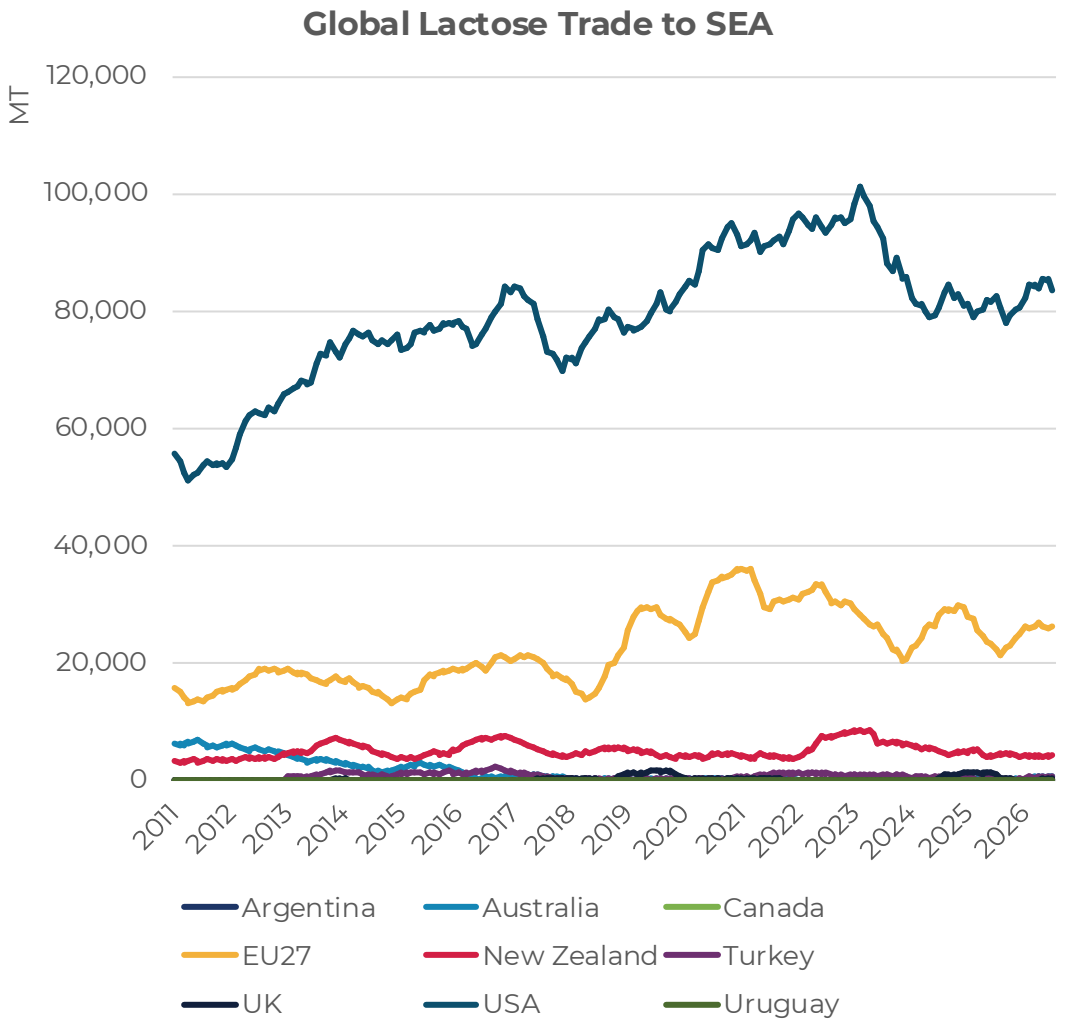
Lactose – China

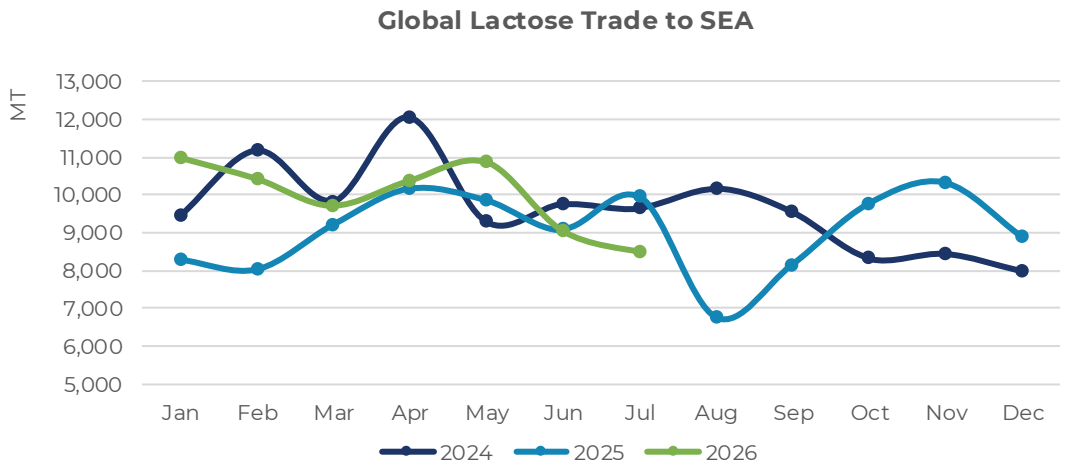


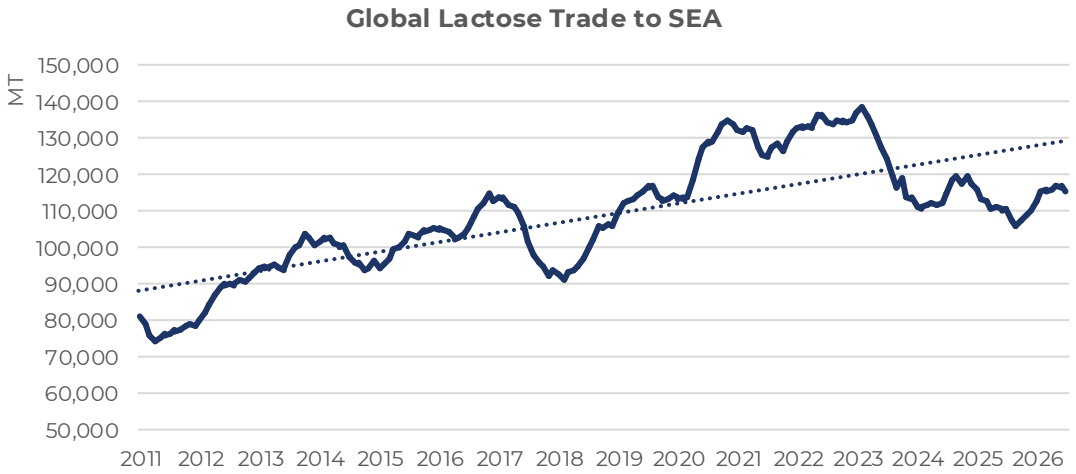


Source: NMPF/USDEC, TDM

Lactose – Southeast Asia

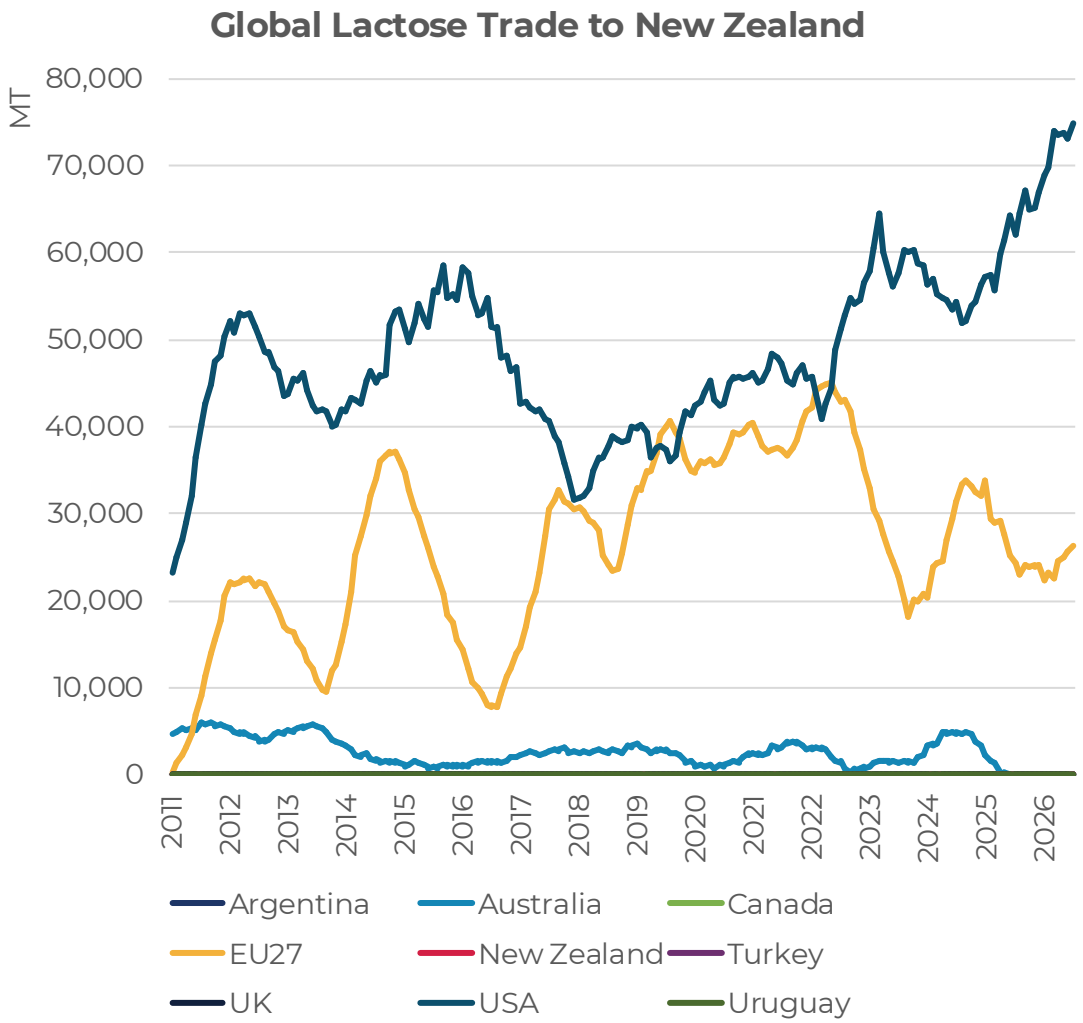


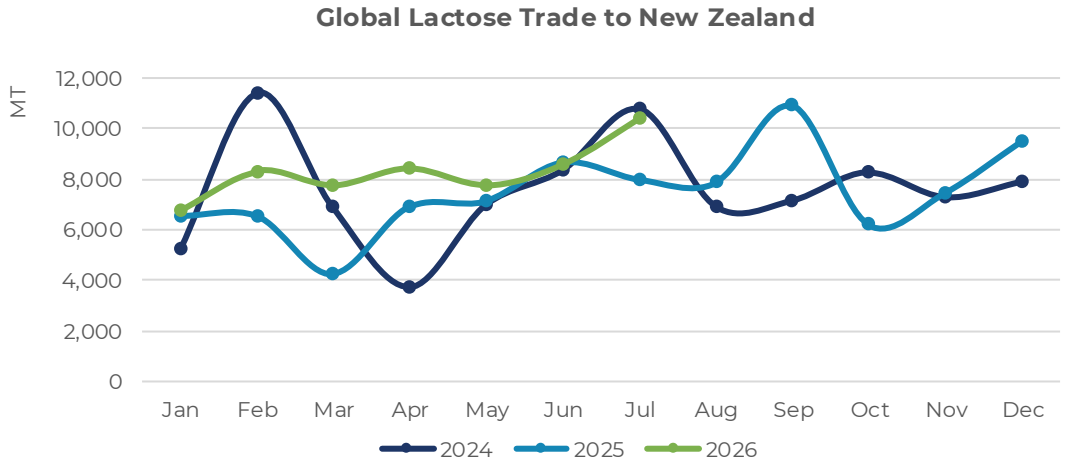


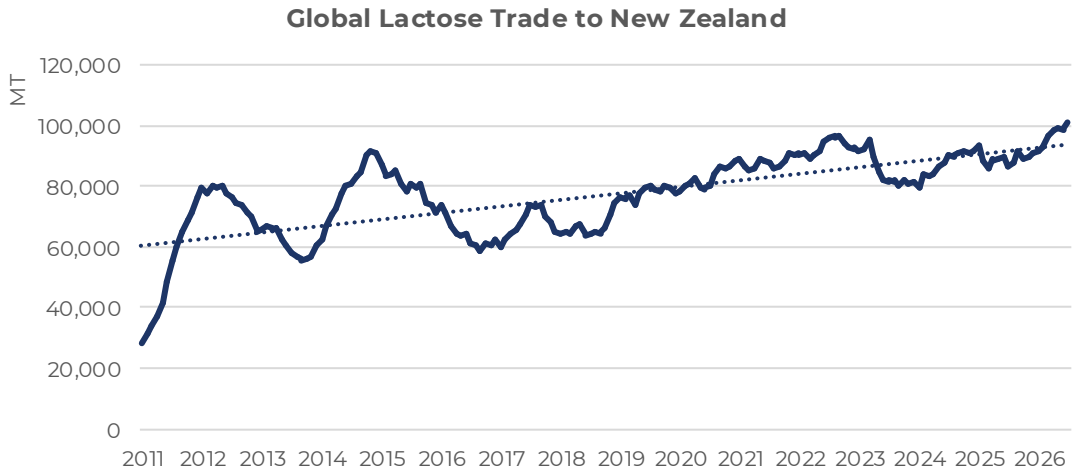


Source: NMPF/USDEC, TDM

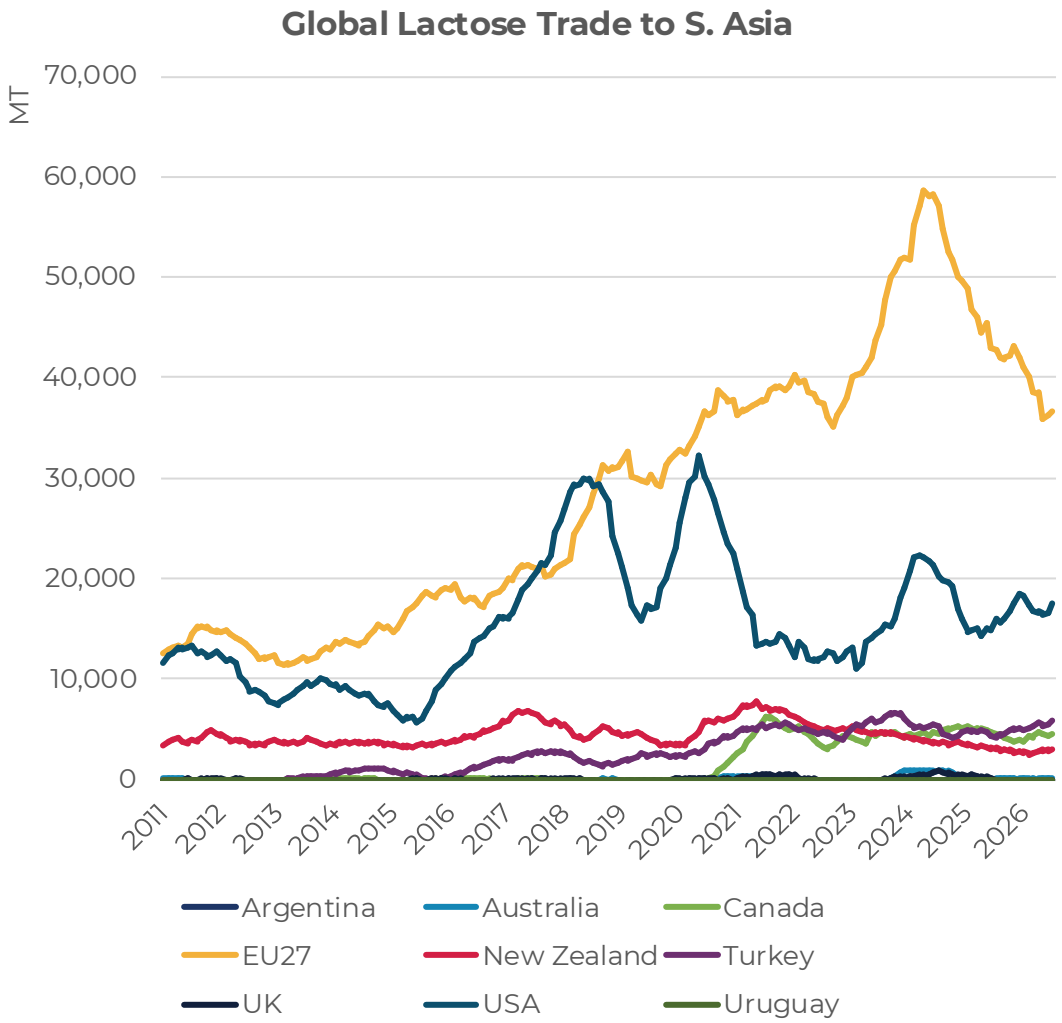
Lactose – New Zealand

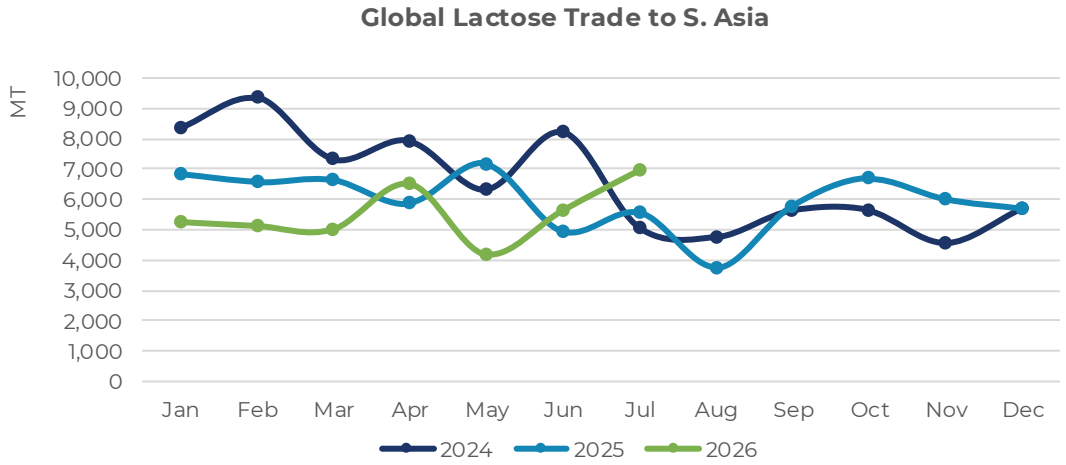


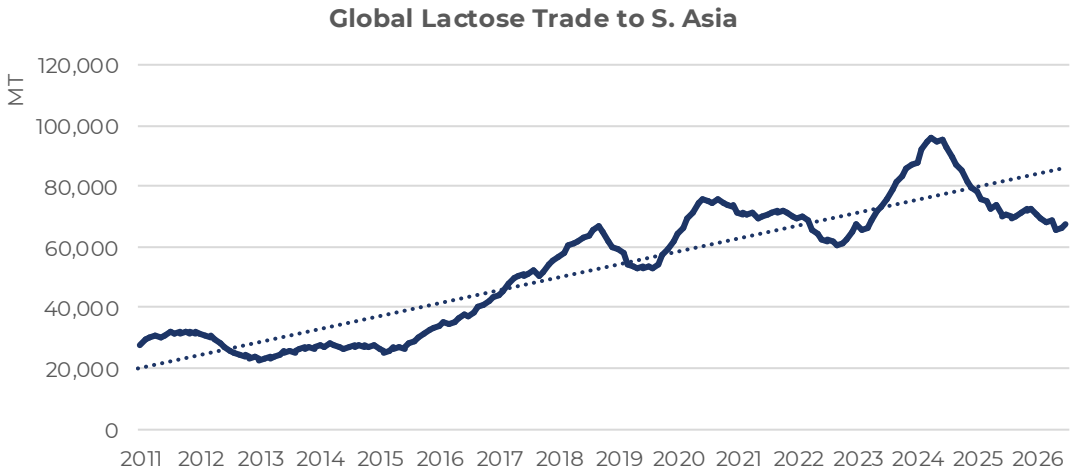




Lactose – South Asia







Source: NMPF/USDEC, TDM

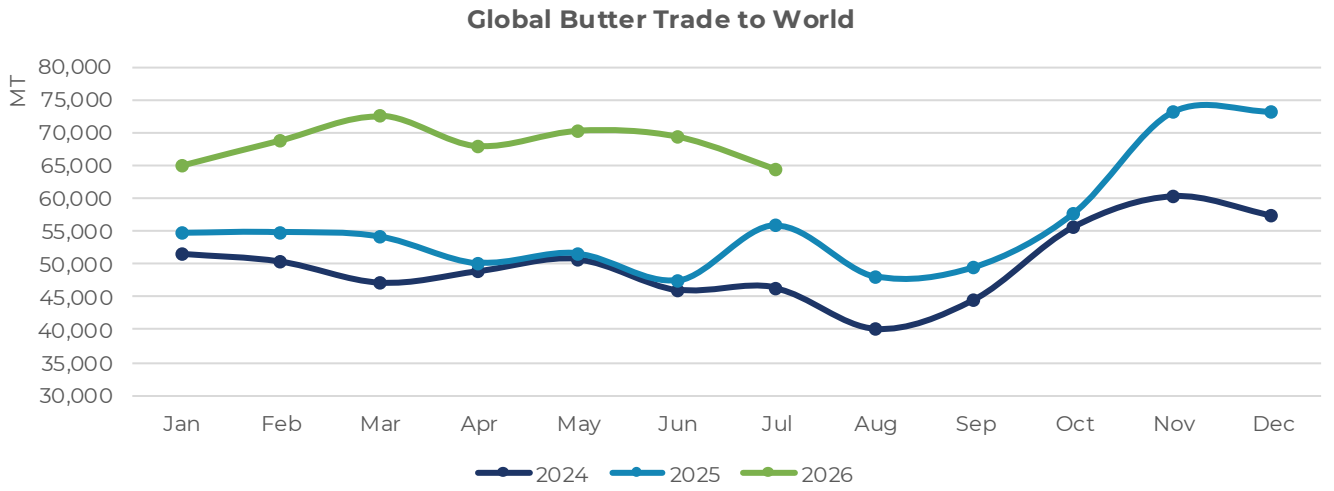
Global Overview: Butter

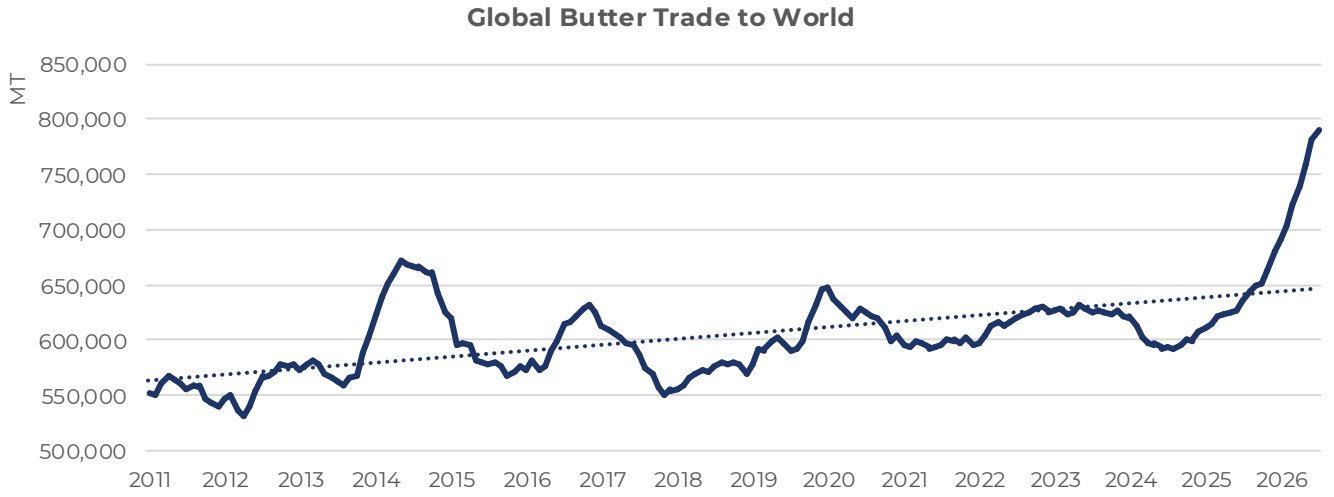
KEY TAKEAWAYS

Global Butter Trade

+15.3%	+29.6%	+24.2%	+8.2%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

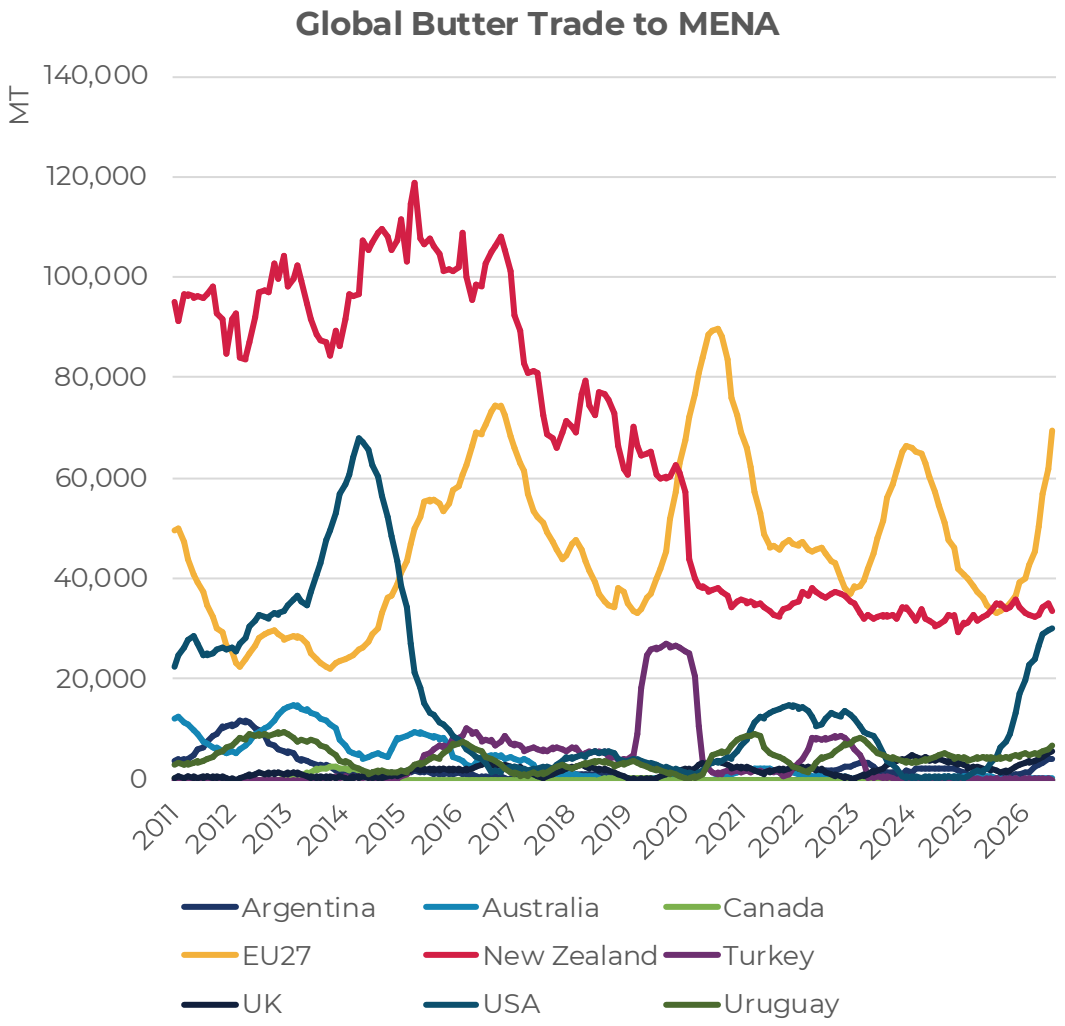
- Butter trade continues to move at an impressive pace, though the comparisons will start to look weaker through the end of the year as shipments lap strong 2025 volumes. With plenty of milkfat available across the major exporters, prices remain soft, encouraging buyers to stock up while they can at these price levels.
- Similar to previous months, MENA is still the fastest growing market for butter (+92%, +7,777 MT). Export data shows shipments headed to almost all countries in the region except Saudia Arabia grew in July, hinting that trade routes were shifting. However, with continued volatility in the region, it is not assured that exports made it to their final destinations.
- Interestingly, one of the major moves in July was the sharp downturn in exports to the EU27 (-83%, -4,007 MT). July 2025 exports to the region jumped significantly as U.S. and NZ butter were pulled into the Customs Union, so the year-over-year comparison is particularly stark. Growing milk and cream production in the EU combined with a narrower price gap has lessened the need for imports, contributing to the slowdown in buying.

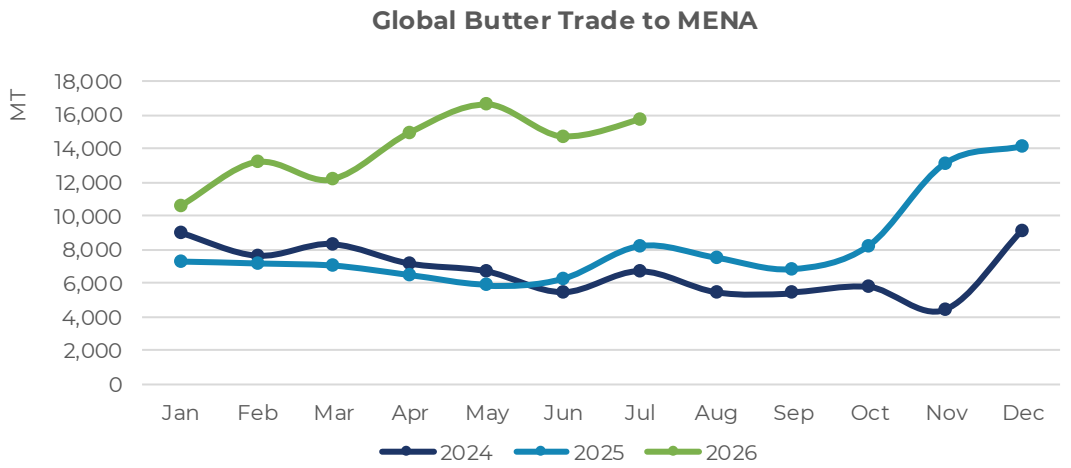


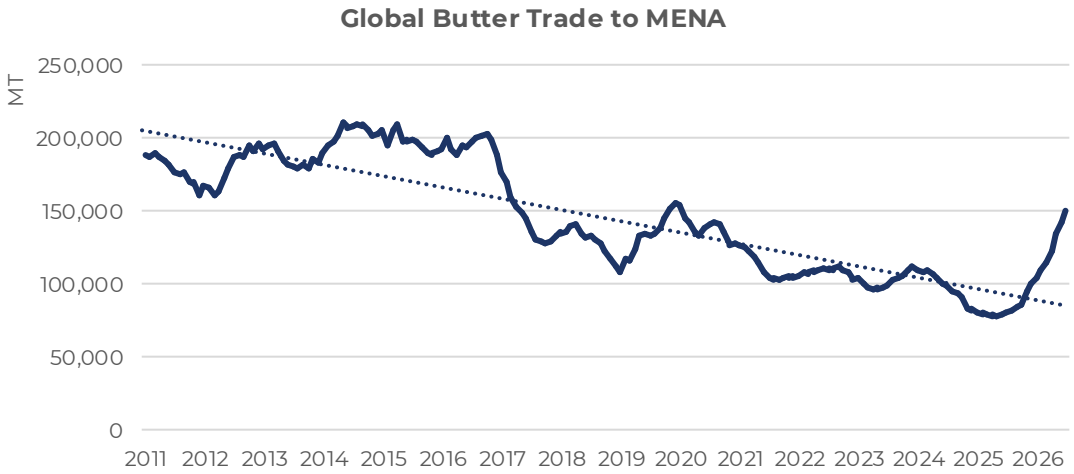


Source: NMPF/USDEC, TDM

Butter – MENA

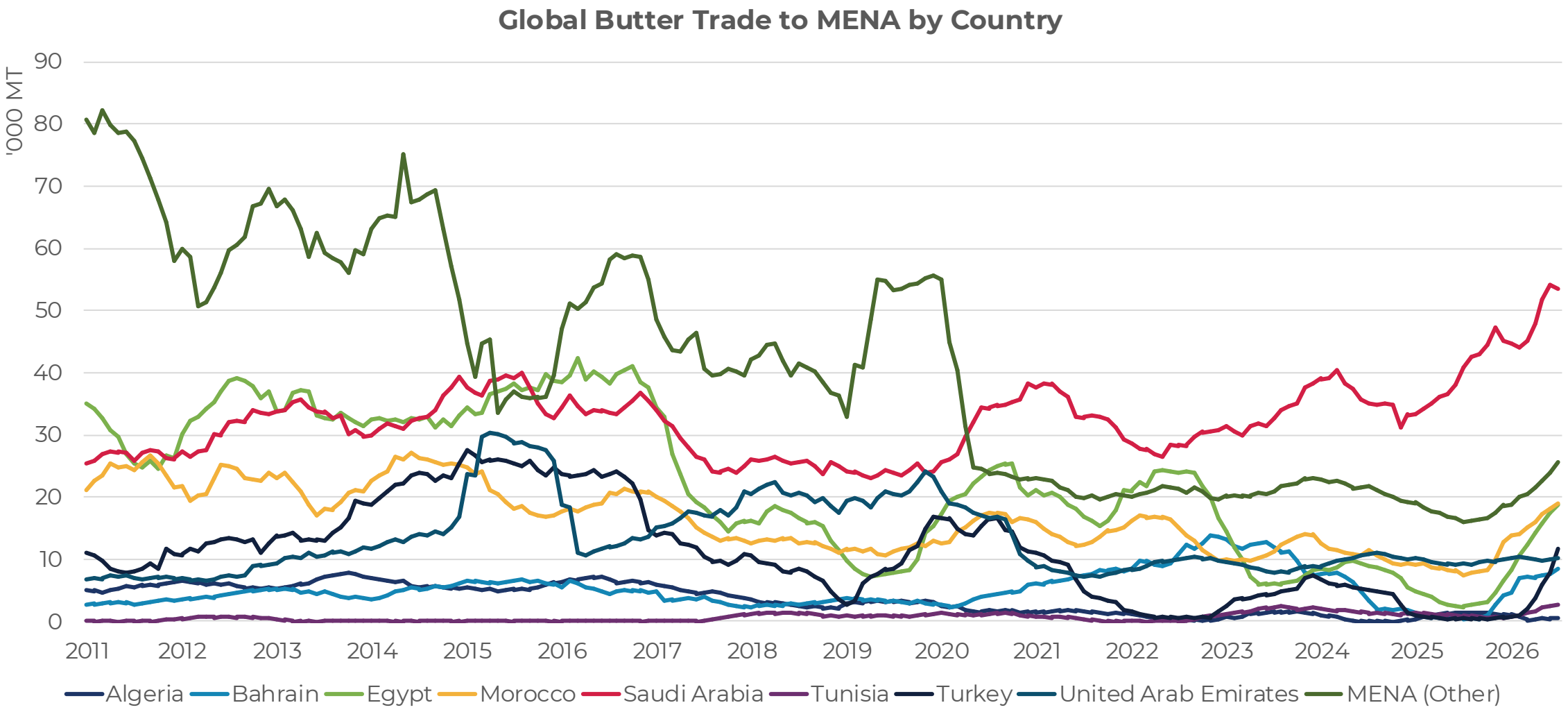






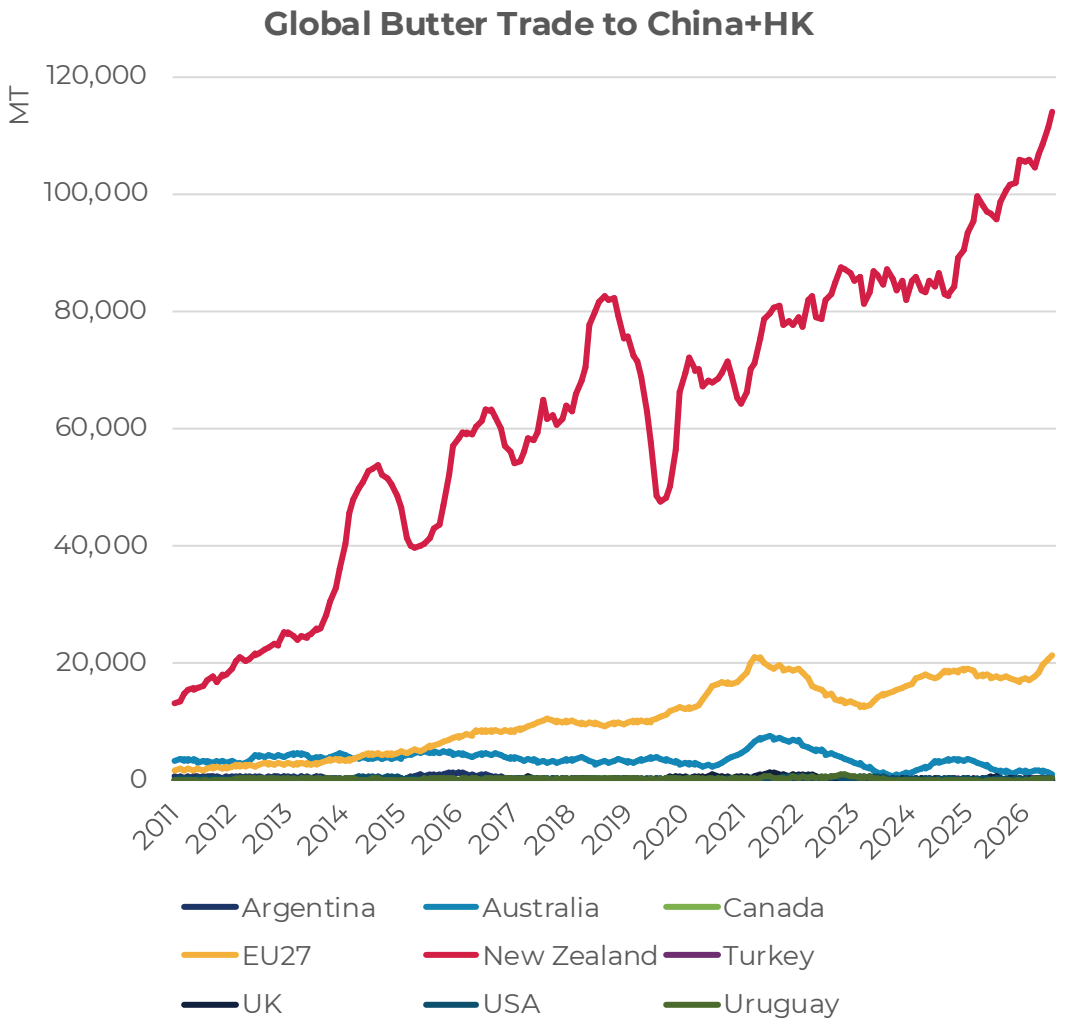
Source: NMPF/USDEC, TDM

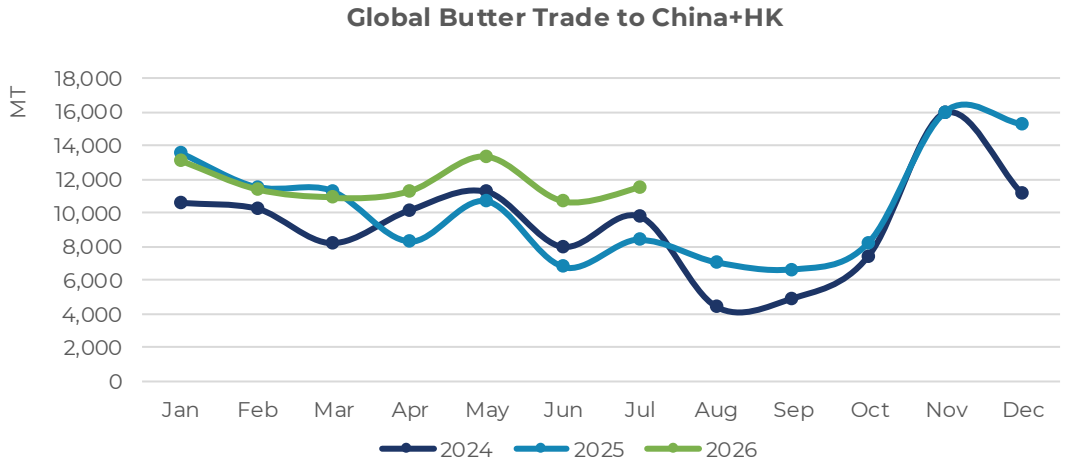
Middle East-North Africa Country Breakdown



Source: NMPF/USDEC, TDM

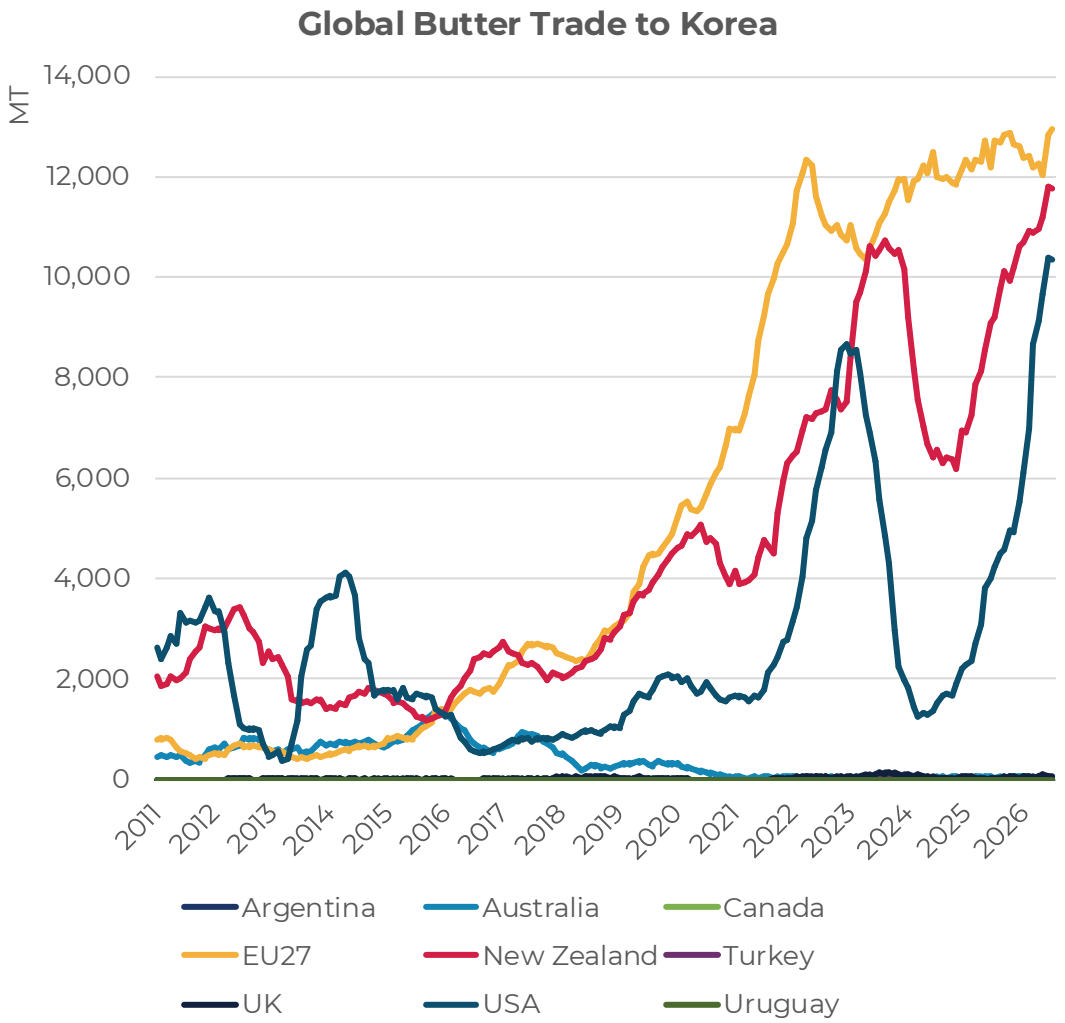
Butter – China

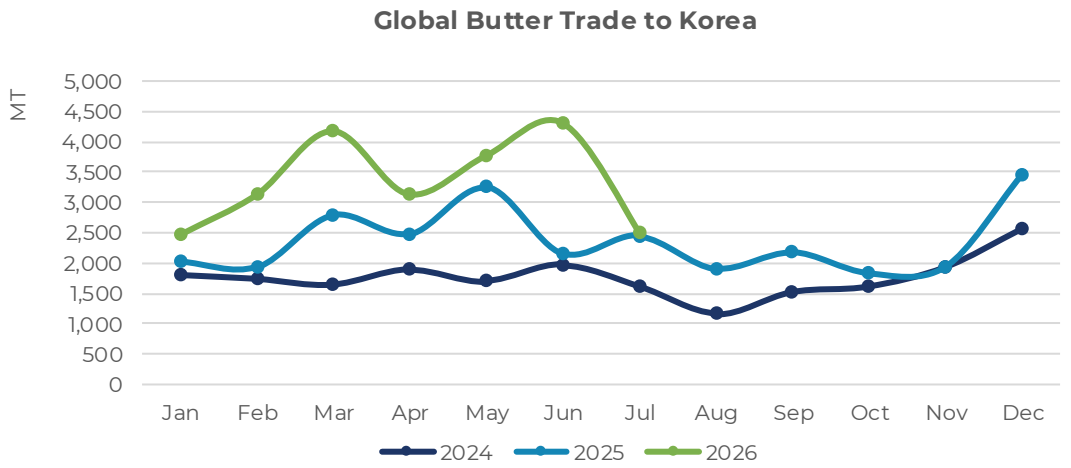


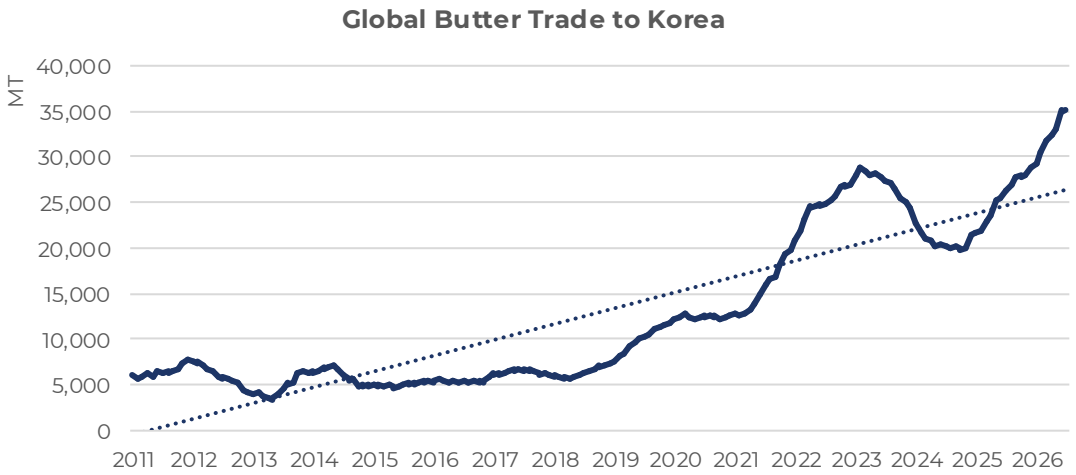


Source: NMPF/USDEC, TDM

Butter – South Korea

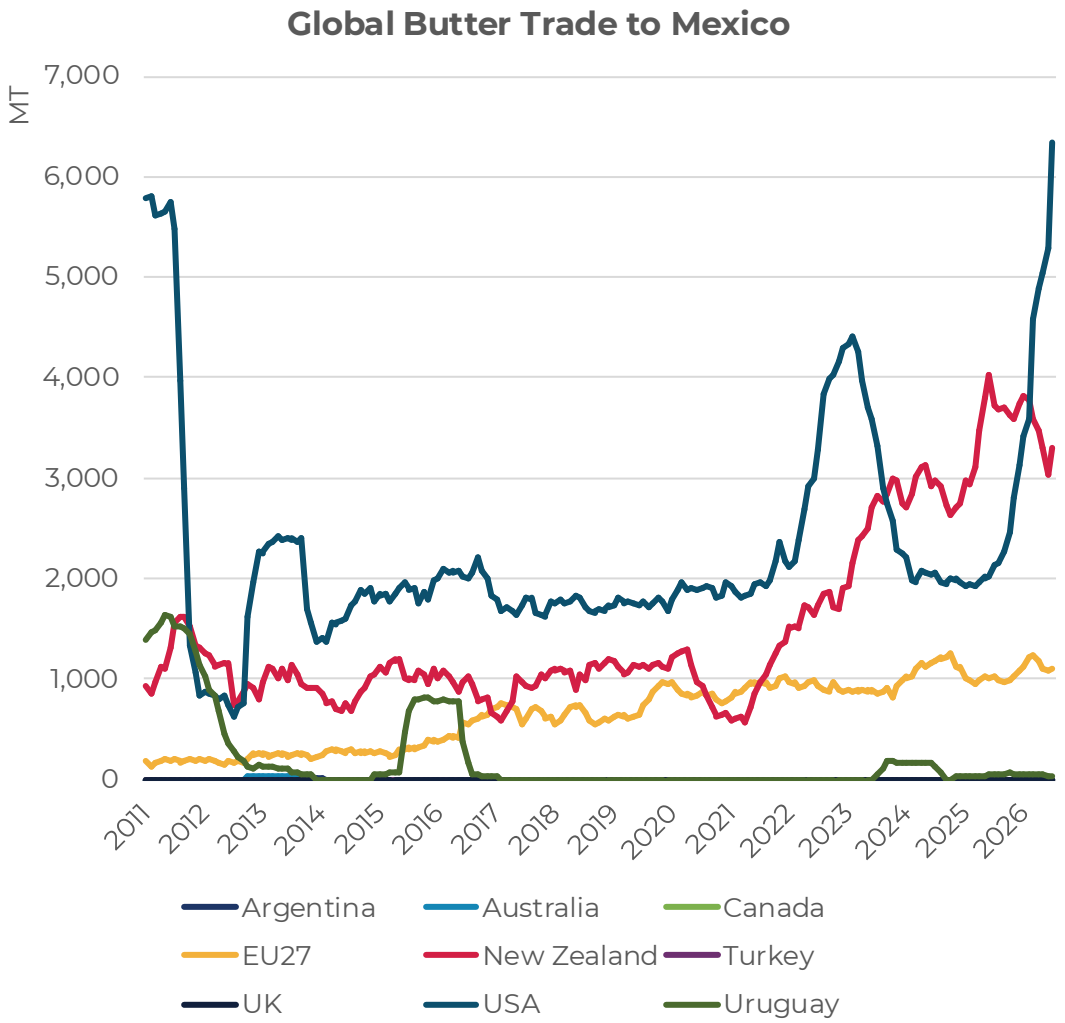


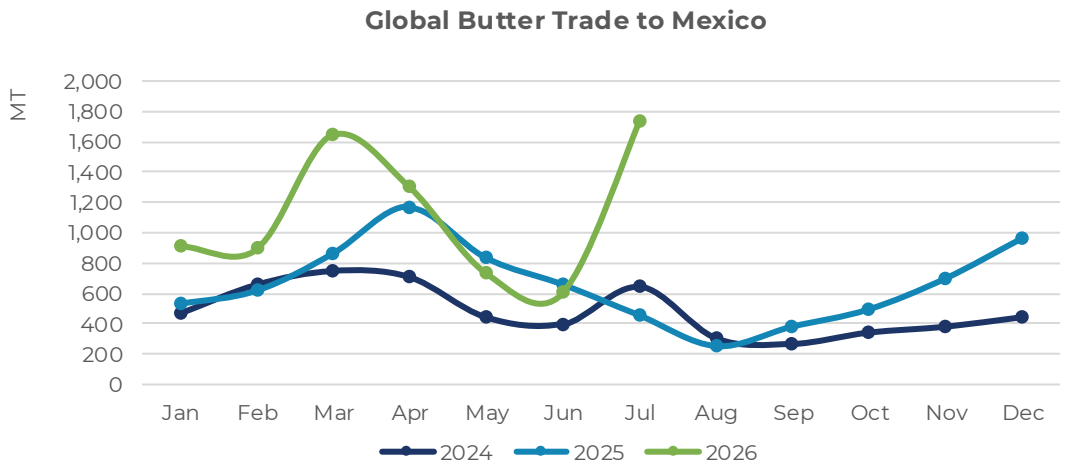


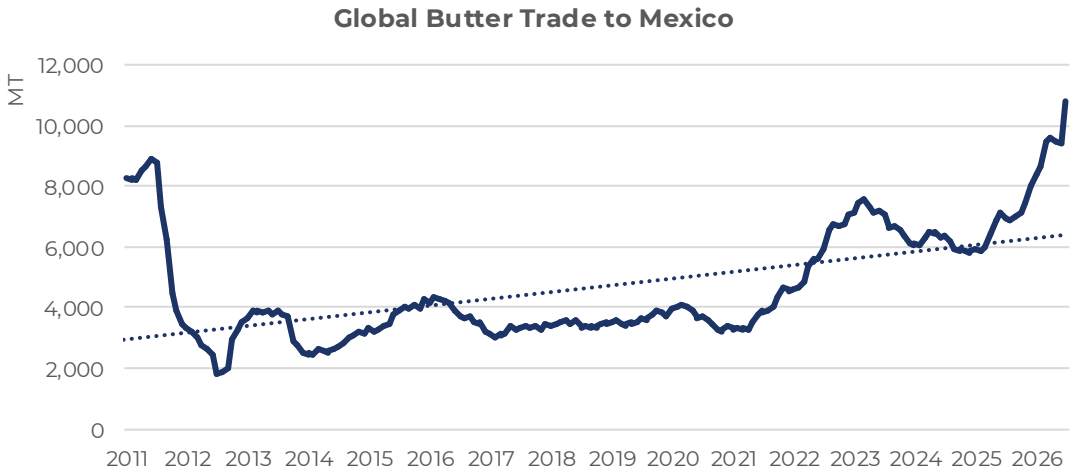


Source: NMPF/USDEC, TDM

Butter – Mexico

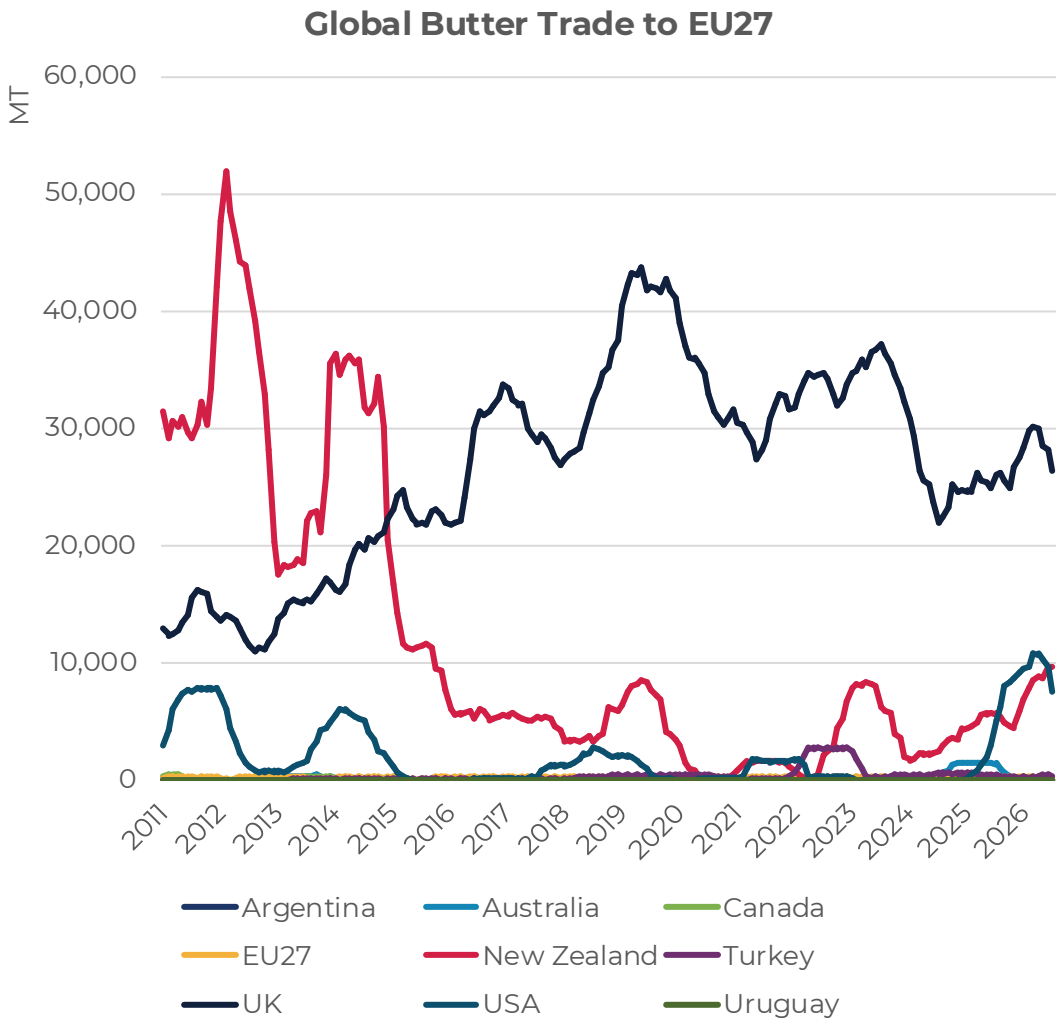


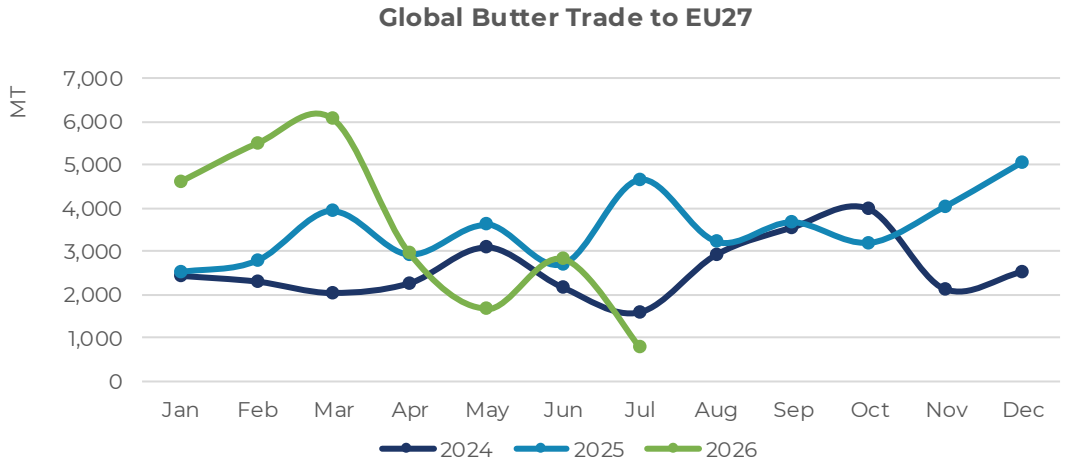


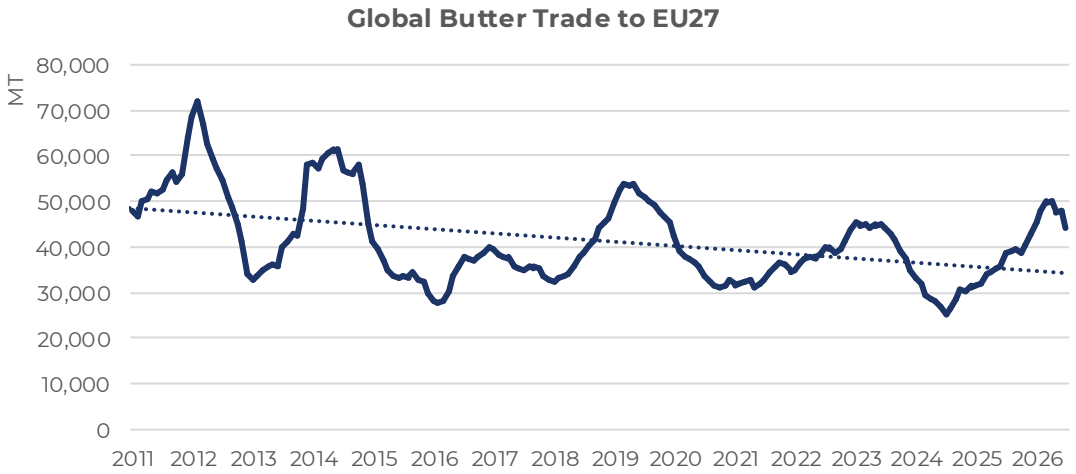


Source: NMPF/USDEC, TDM

Butter – EU27


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


Global Butter Trade to EU27
MT
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024
2025
2026


Global Butter Trade to EU27
MT
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

Global Overview: Whole Milk Powder

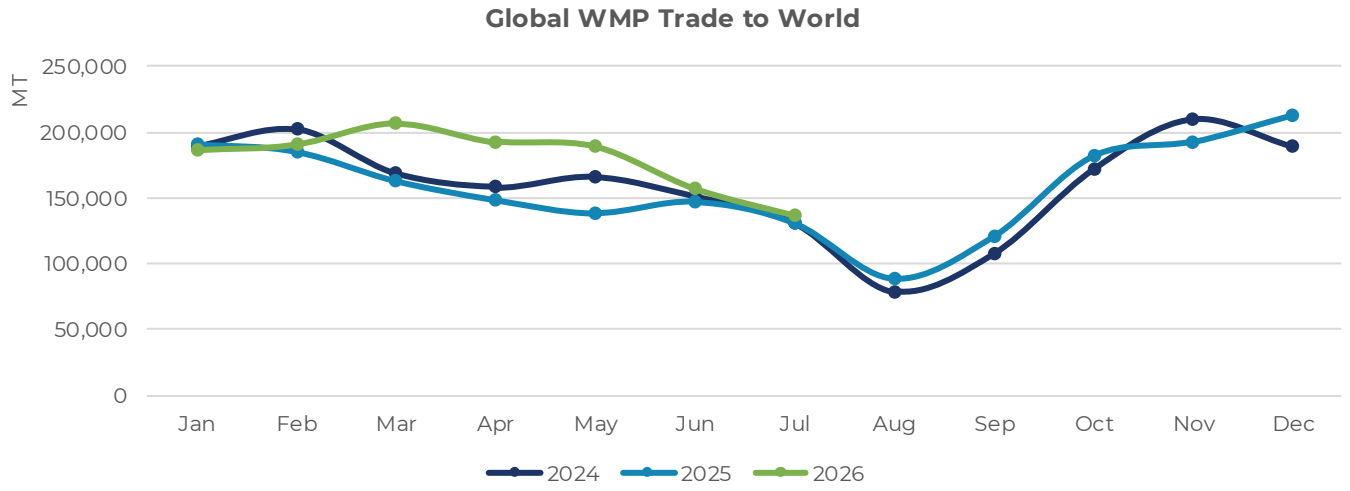
KEY TAKEAWAYS

Global WMP Trade

+4.2%	+14.3%	+10.6%	+1.6%
Jul YoY	YTD, Ending Jul	Last 12-Months, Ending Jul	3-Year CAGR

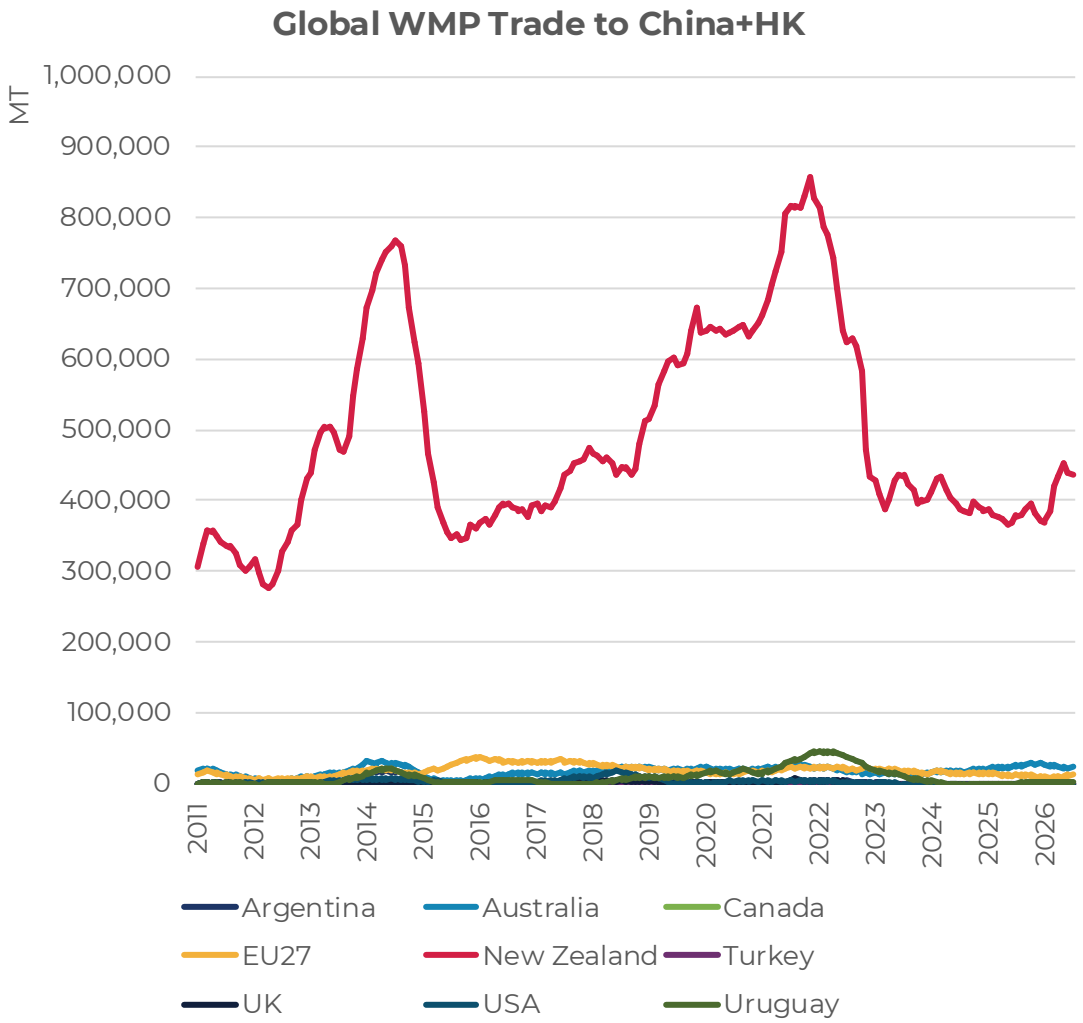
- WMP trade grew again in July with strong New Zealand production moving offshore. However, volumes moved closer to prior-year levels as the growth rate decelerated for a second consecutive month. Despite this slowdown, WMP shipments are still expected to grow through the remainder of the year as the new season is ramping up in New Zealand with strong expectations and additional exports become available from other suppliers like the EU27 and South American exporters.

- Even though global exports continued upward, demand was mixed across regions. Shipments to South America (+73%, +7,944 MT) and Southeast Asia (+24%, +5,555 MT) bolstered the global total, whereas exports to MENA (-22%, -7,229 MT) and China (-10%, -3,458 MT) dipped significantly, weighing on trade. If demand in those two essential markets remains mediocre, WMP trade will struggle to grow significantly.



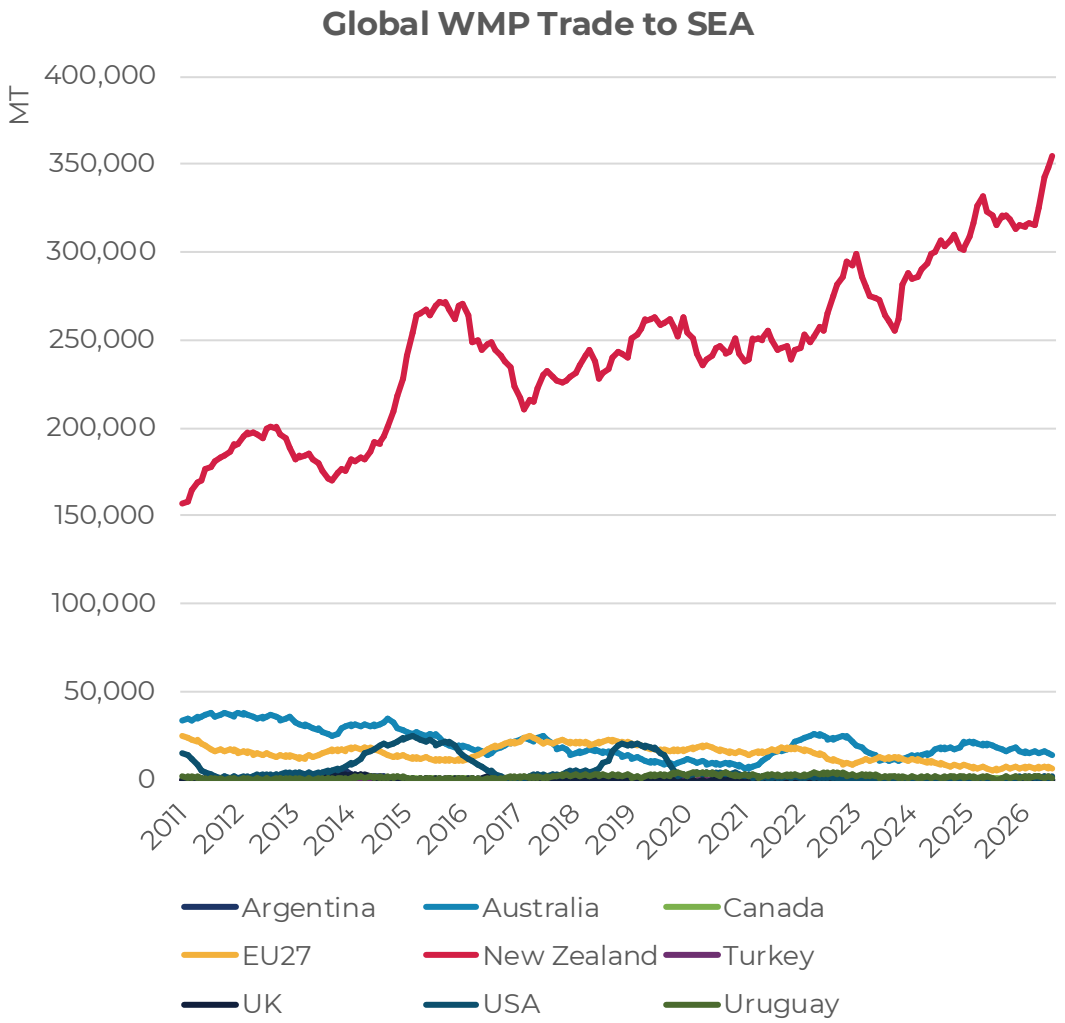
Source: NMPF/USDEC, TDM

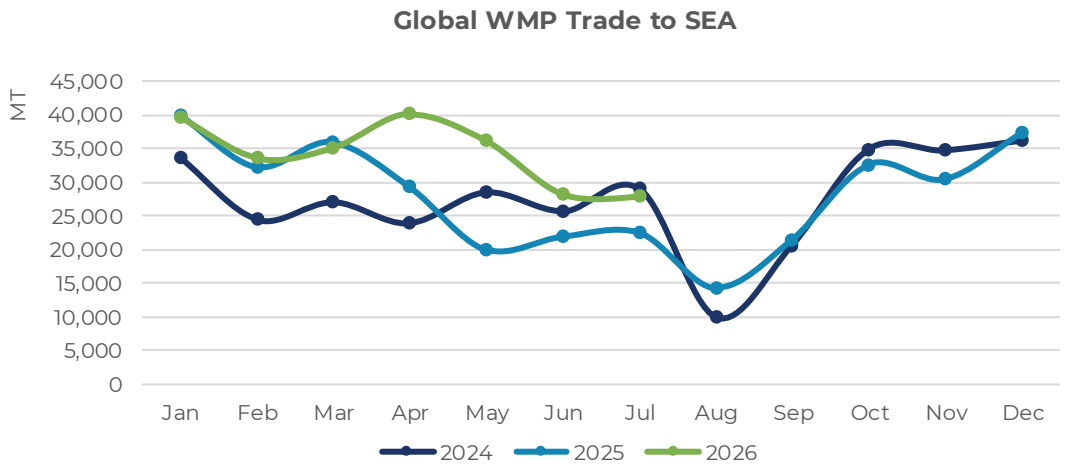
Whole Milk Powder – China

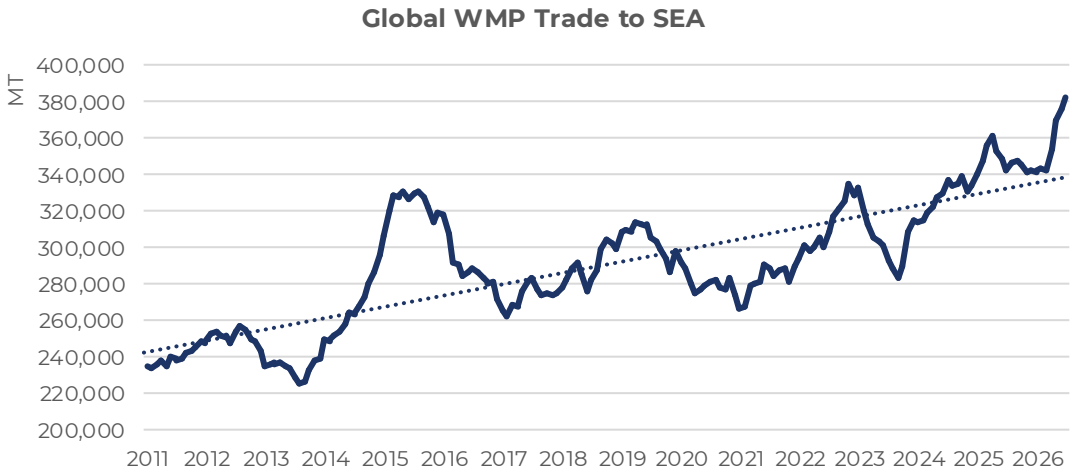


Source: NMPF/USDEC, TDM

Whole Milk Powder – Southeast Asia

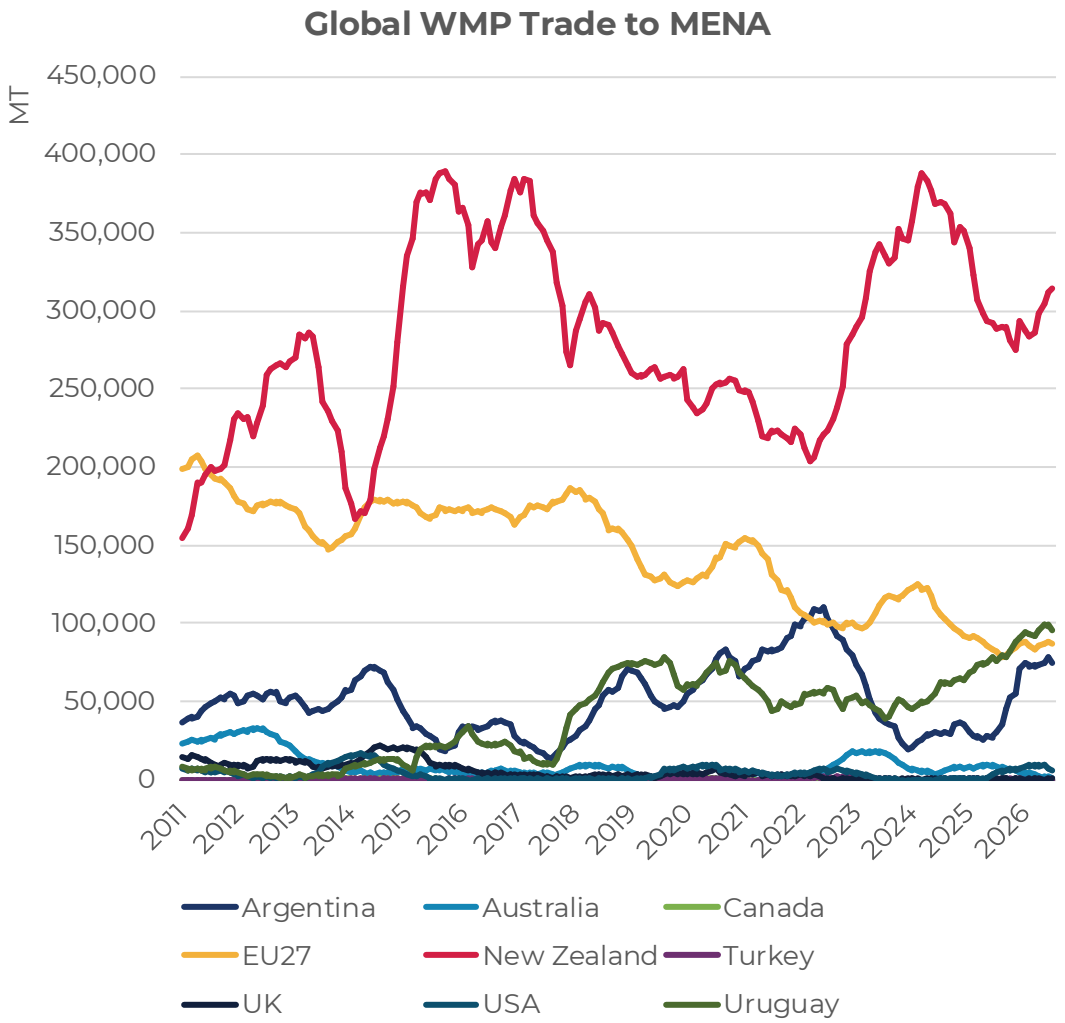


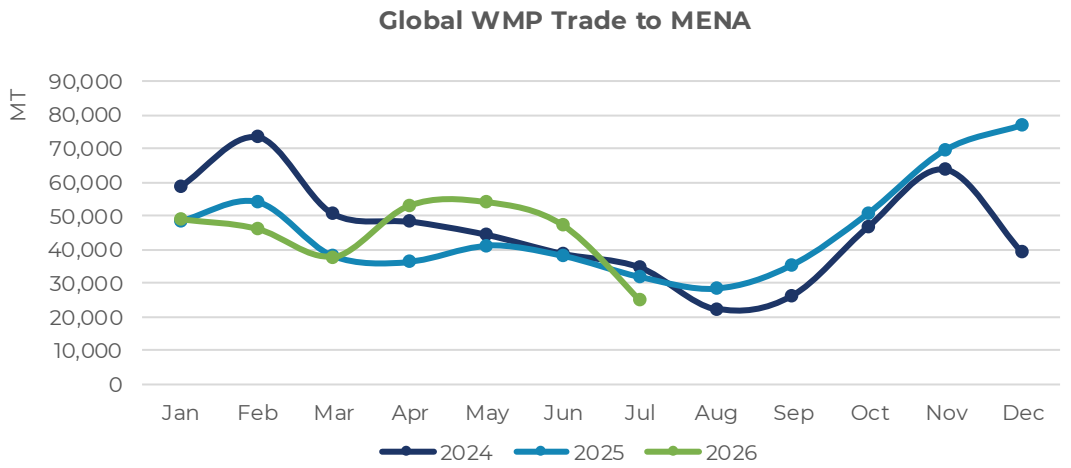


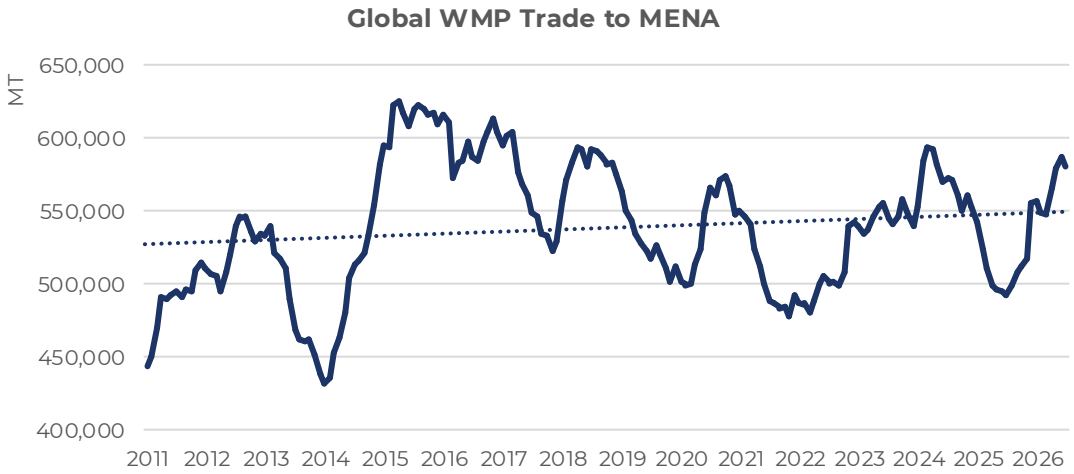


Source: NMPF/USDEC, TDM

Whole Milk Powder – MENA

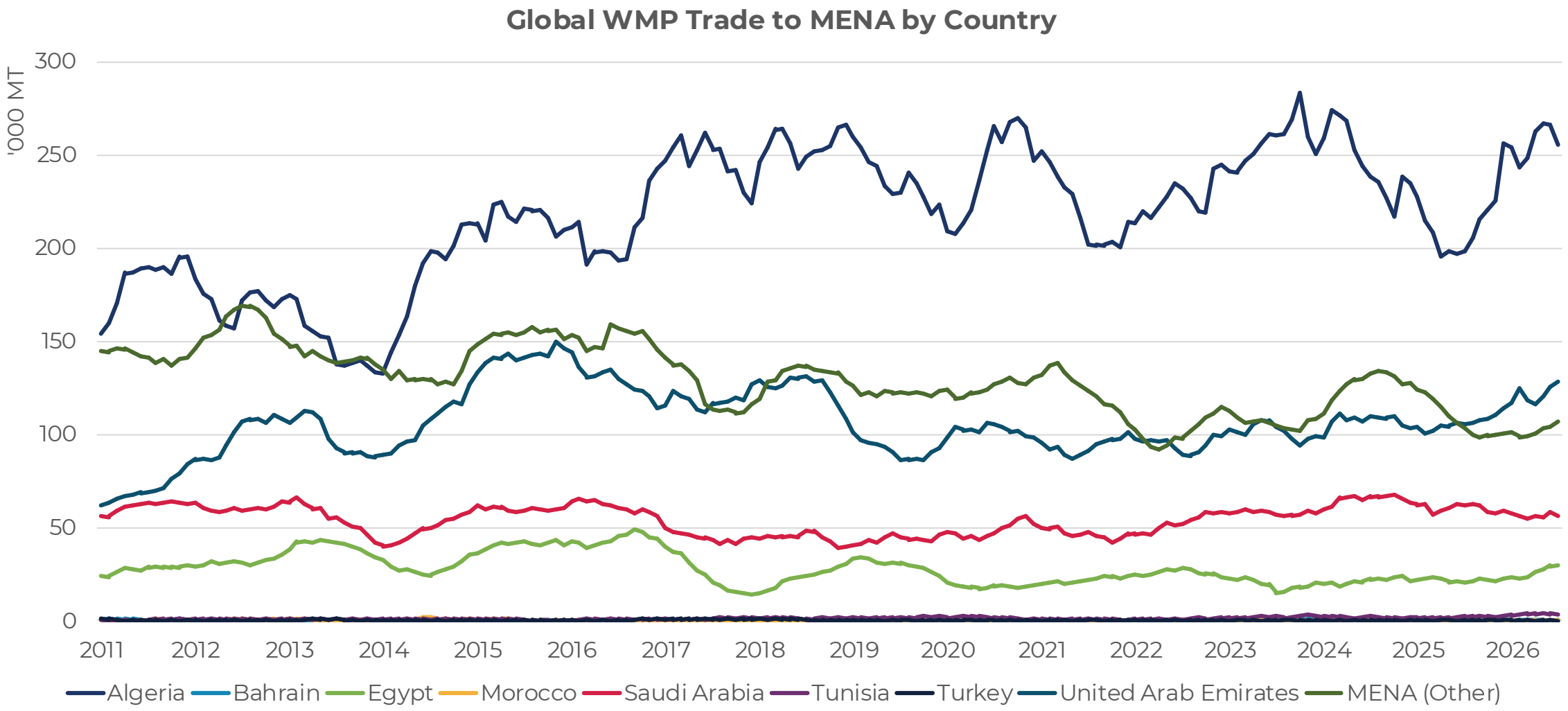




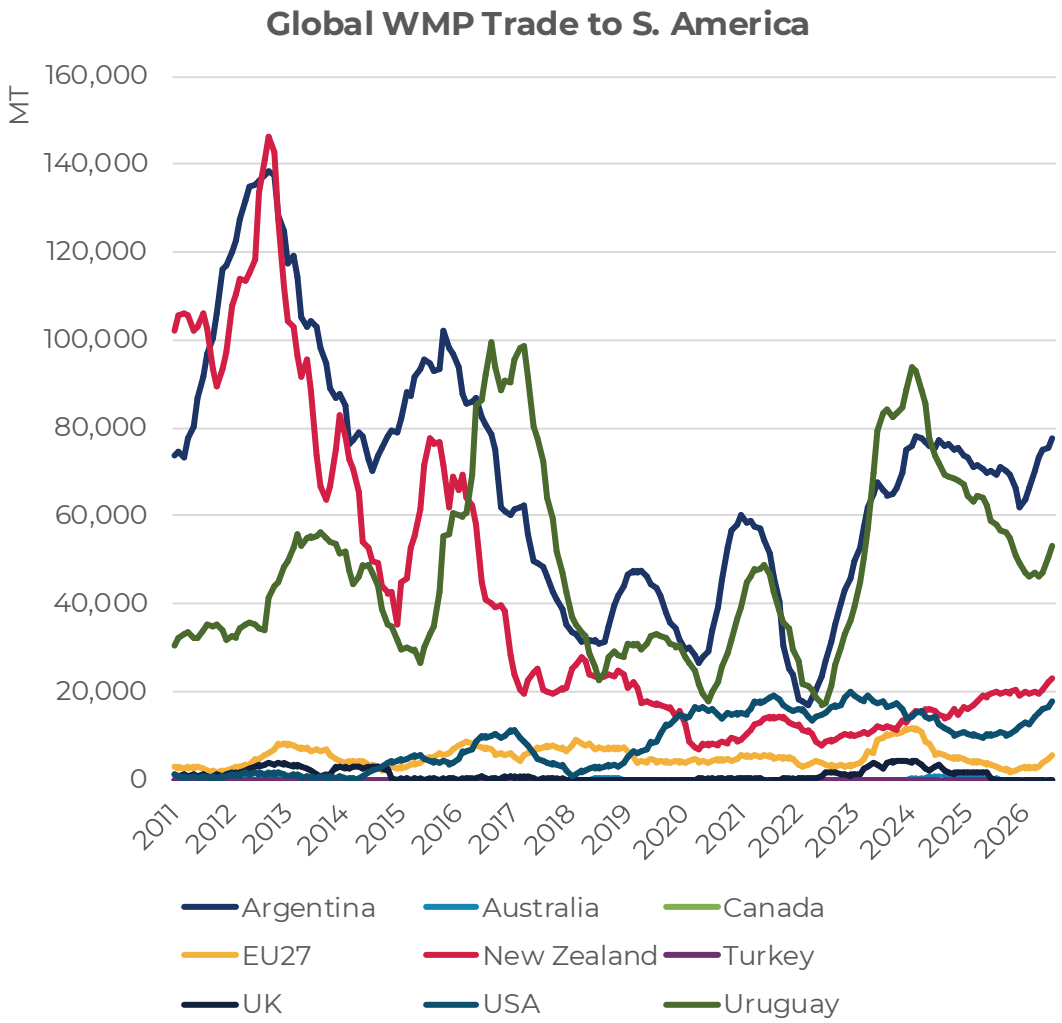


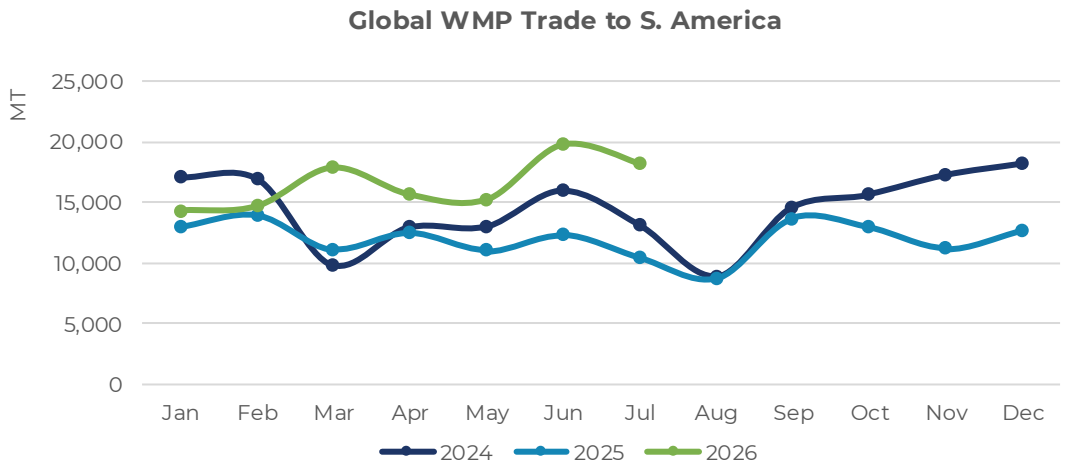
Source: NMPF/USDEC, TDM

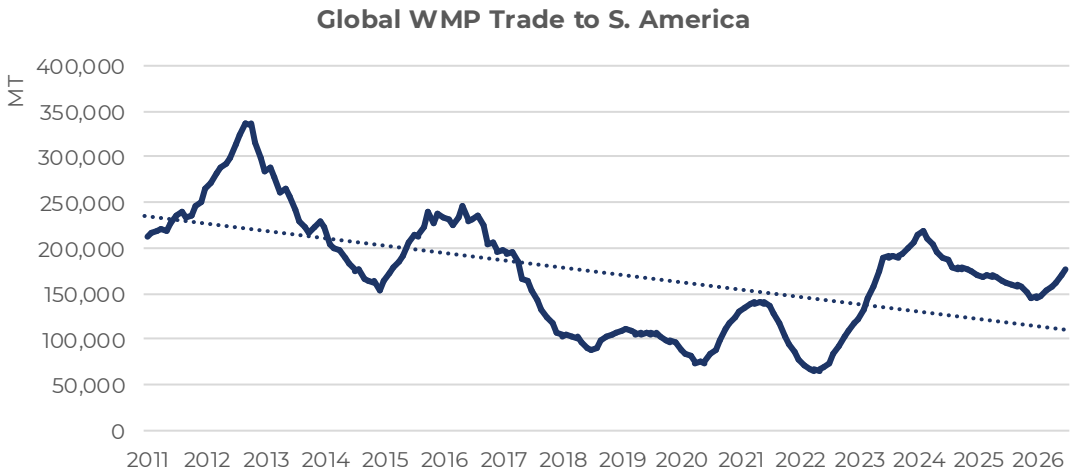
Middle East-North Africa Country Breakdown



Whole Milk Powder – South America







Source: NMPF/USDEC, TDM

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DAIRY ECONOMICS

Reach Out for Questions or Comments

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