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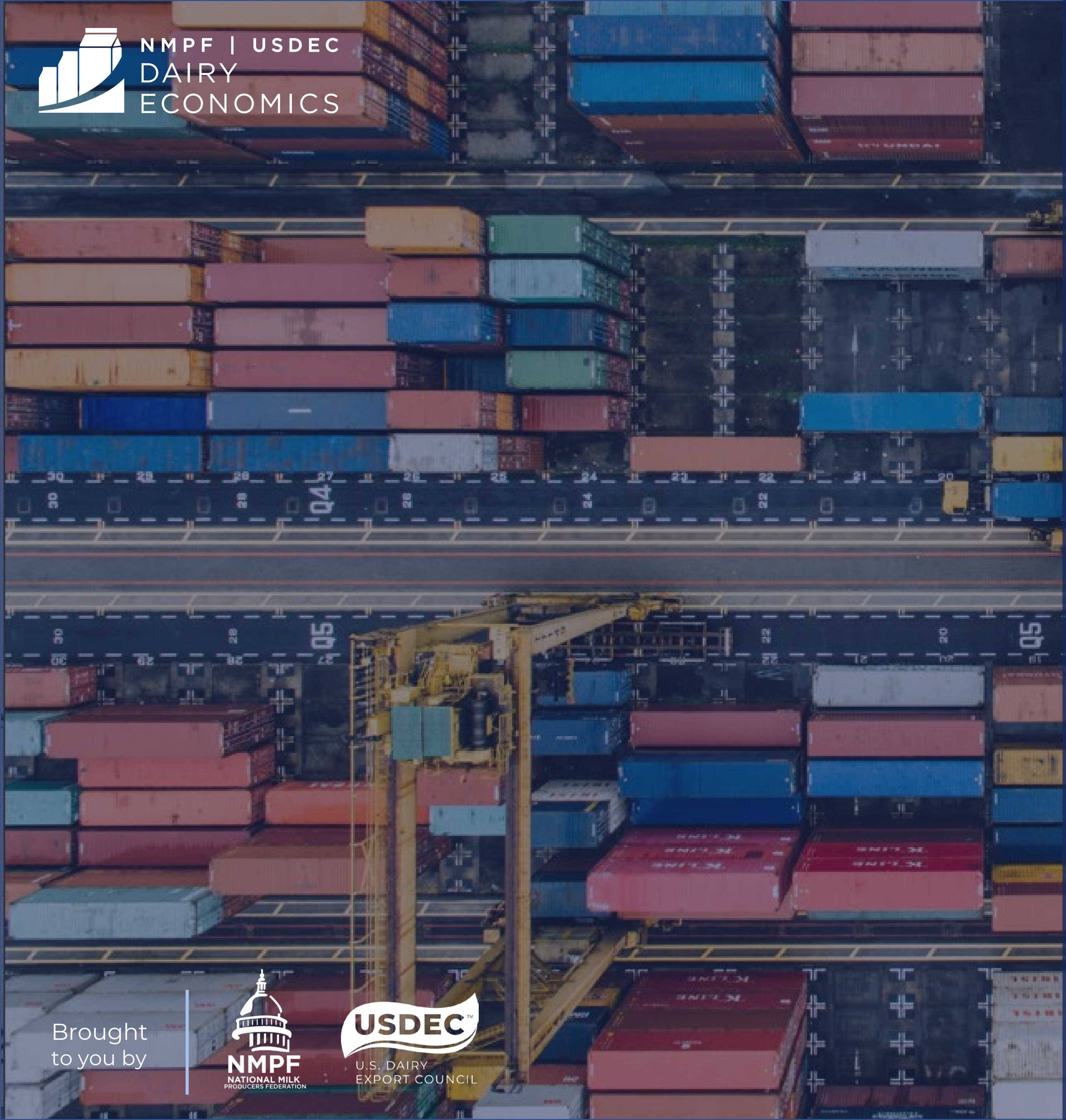

International Demand Analysis

Data Through:
June 2025

Brought to you by

NMPF
NATIONAL MILK PRODUCERS FEDERATION

USDEC
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A Note from the Authors

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

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

- If you have any questions, comments or suggestions on how to improve the report, send us an email at:

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Global Dairy Demand Market Commentary

KEY TAKEAWAYS

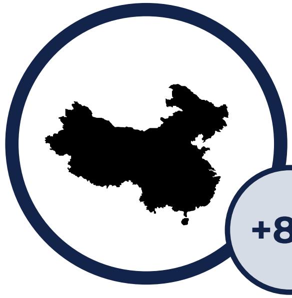
- Global dairy trade finished the first half of the year on a positive note gaining 1.1% (+10,254 MT MSE). **Much like the first half of 2025 as a whole – which mirrored the monthly figure at +1.2% growth – demand in June moved in the right direction but was far from convincing.** For June specifically, solid gains to China, MENA and Mexico were hampered by a sharp fall in Southeast Asian buying.
- There remains a large divergence in the type of products in demand around the world today. Cheese, fats and proteins are performing relatively well while skim milk powder, low protein whey and lactose remain under pressure. In fact, **global trade of milkfat (in all products) jumped 6% in the first half of the year, while global trade of dairy protein has only increased by one percent and other skim solids has actually fallen by 1%.**
- Positively, **the big winner from June's trade data was the United States** given that the U.S.' double-digit growth in exports (the first in a year and a half) juxtaposed declines by Europe, New Zealand and Australia.

Global Milk Solids Trade	+1.1%	+1.2%	+1.5%	-0.05%
	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

June Standout Markets

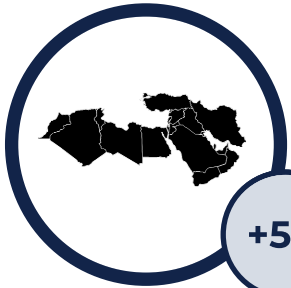
-12%

SOUTHEAST ASIA
-18,999 MT



+8%

CHINA+HK
+12,296 MT



+5%

MENA
+5,996 MT

+11%

MEXICO
+5,774 MT

ADDITIONAL NOTES

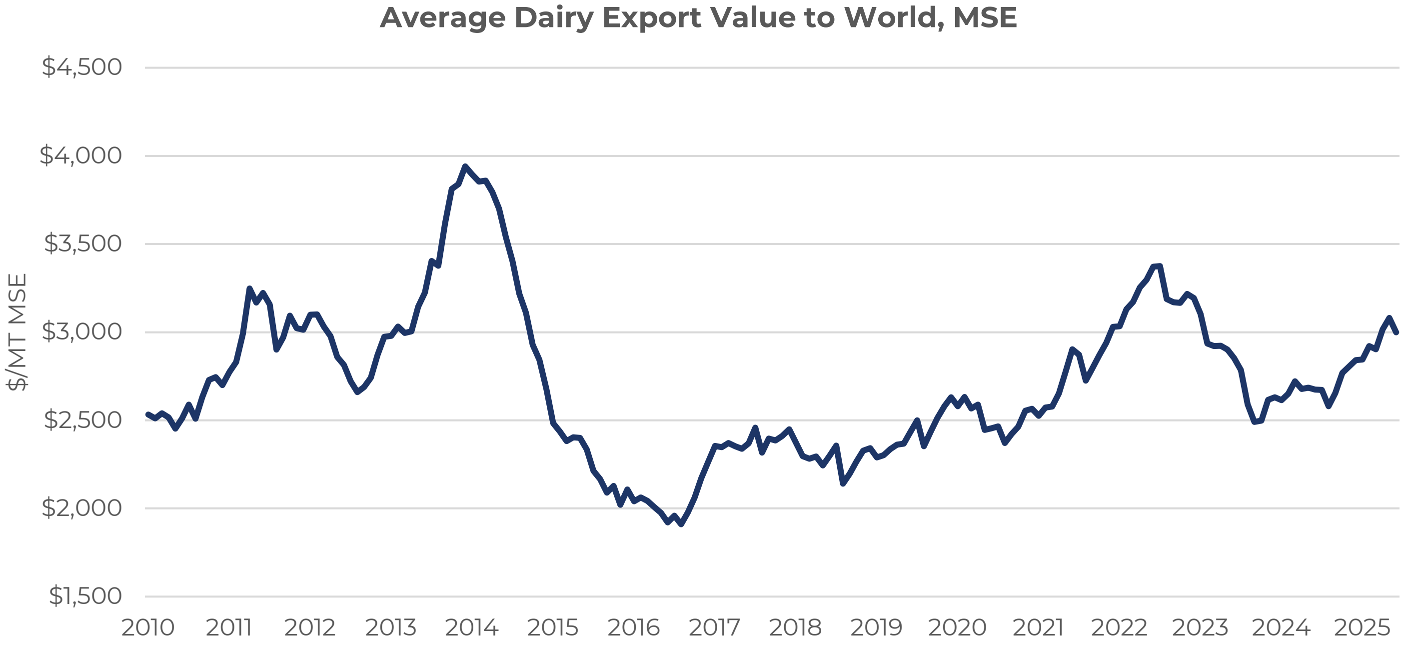
After the de-escalation of trade tensions between the U.S. and China, resulting in dairy tariffs returning to more manageable levels, U.S. exports of whey, lactose and proteins to China rebounded sharply from their low ebbs in April and May. A large portion of this volume undoubtedly reflects exporters and importers taking advantage of what could prove a temporary reprieve and getting product on the water as fast as possible. With the original 90-day negotiation period extended for another 90 days, the question remains whether Chinese customers will be incentivized to buy as much as possible while the lower tariffs remain in effect as a hedge against future disruption later in the year or into 2026. Interestingly, China did not slow its purchases of whey, lactose or WPC80+ from other suppliers in June – in fact, they continued to accelerate. This would suggest Chinese importers may be willing to return to a "just-in-case" inventory strategy until the current tariff policy is solidified. While this would be good news in the short-term for whey markets, the buildup in inventory could result in more pain down the road, especially if astronomically high tariffs return.

Global Dairy Demand Market Commentary

LOOKING AHEAD

- The path ahead for global dairy markets is far from assured as we near September. Outside of a few select products, China's imports remain under water with a low milk price in the country suggesting no major buying spree is on the horizon. Southeast Asia's imports have been quieter than expected, but the region still possesses strong economic fundamentals – hopefully portending a second half surge. Meanwhile, demand in MENA is down across all the major countries besides KSA and UAE. With a stabilization in geopolitical tensions and a new Algerian tender announced, optimistically, we should see imports rebound in the back half of the year.
- **An improved milk supply outlook across the major exporters should provide a boost to global trade,** but without stronger consumption across a combination of major markets, a sudden acceleration in export volumes is by no means certain.
- **Overall, we expect global dairy demand in the second half of 2025 to look much like the first half – moving in a positive direction, but not at an overwhelmingly impressive pace.**

U.S. Milk Solids Exports[1]	**+13.1%** Jun YoY	**+1.1%** YTD, Ending Jun	**+1.1%** Last 12-Months, Ending Jun	**+0.4%** 3-Year CAGR
EU Milk Solids Exports	**-3.0%** Jun YoY	**-1.1%** YTD, Ending Jun	**-0.2%** Last 12-Months, Ending Jun	**-0.1%** 3-Year CAGR
NZ Milk Solids Exports	**-1.6%** Jun YoY	**+3.0%** YTD, Ending Jun	**+0.8%** Last 12-Months, Ending Jun	**+0.3%** 3-Year CAGR

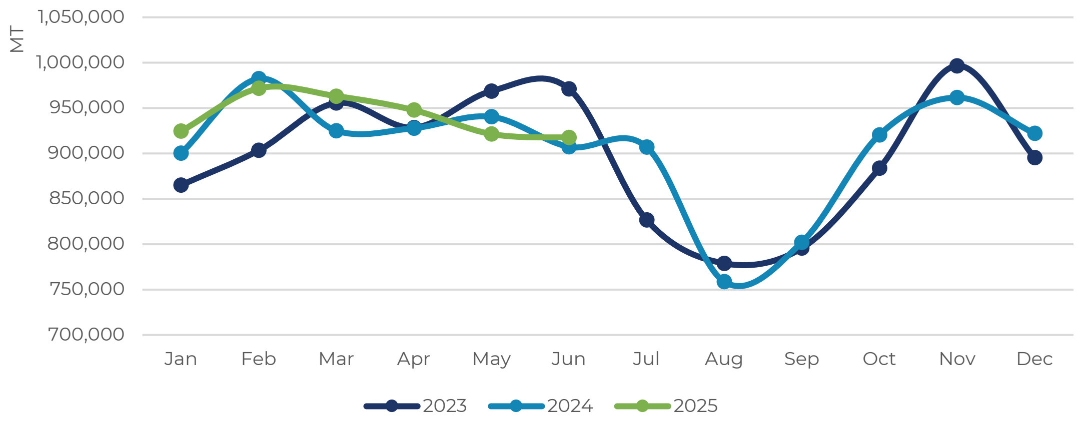


Source: NMPF/USDEC, TDM

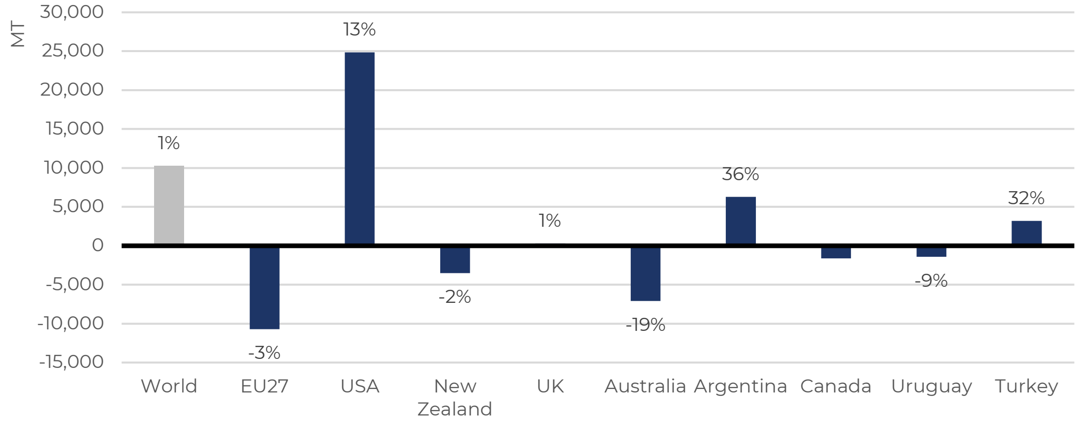
[1]U.S. Milk Solids Exports reflect trade data aggregated from 6-digit HS codes (global HS codes are harmonized at the 6-digit level). This number will differ slightly from U.S. Milk Solids Exports reported in our U.S. Trade Data Release which takes a more granular look at U.S. specific, 10-digit HS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

Executive Summary: June 2025

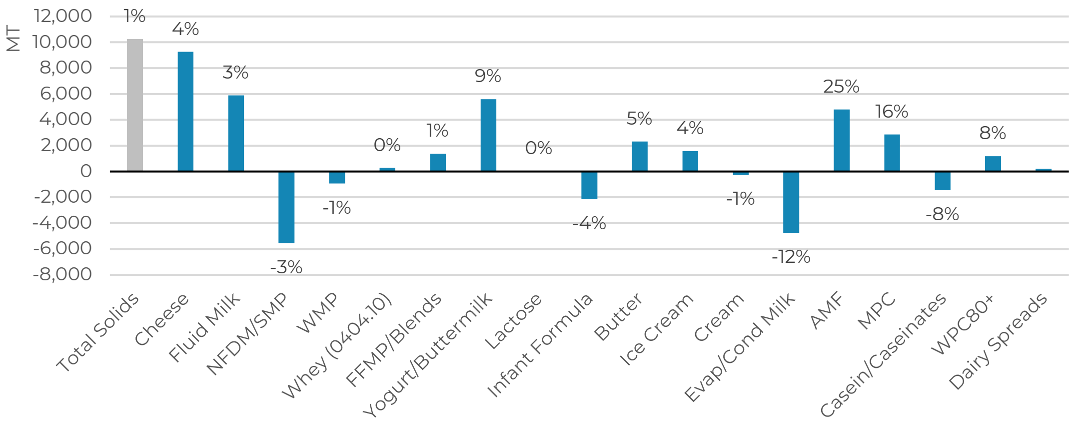
Global Total Solids Trade to World



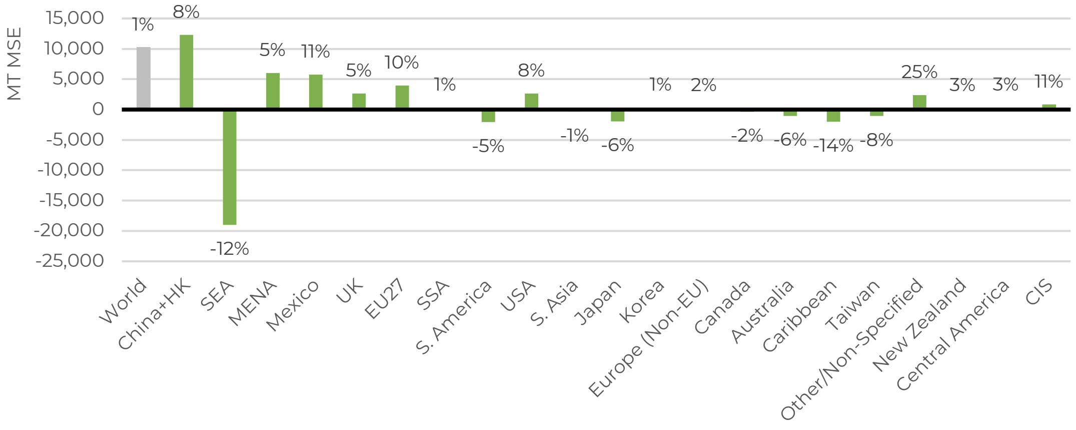
YOY Change in Global Dairy Trade to World: Month of Jun, MSE



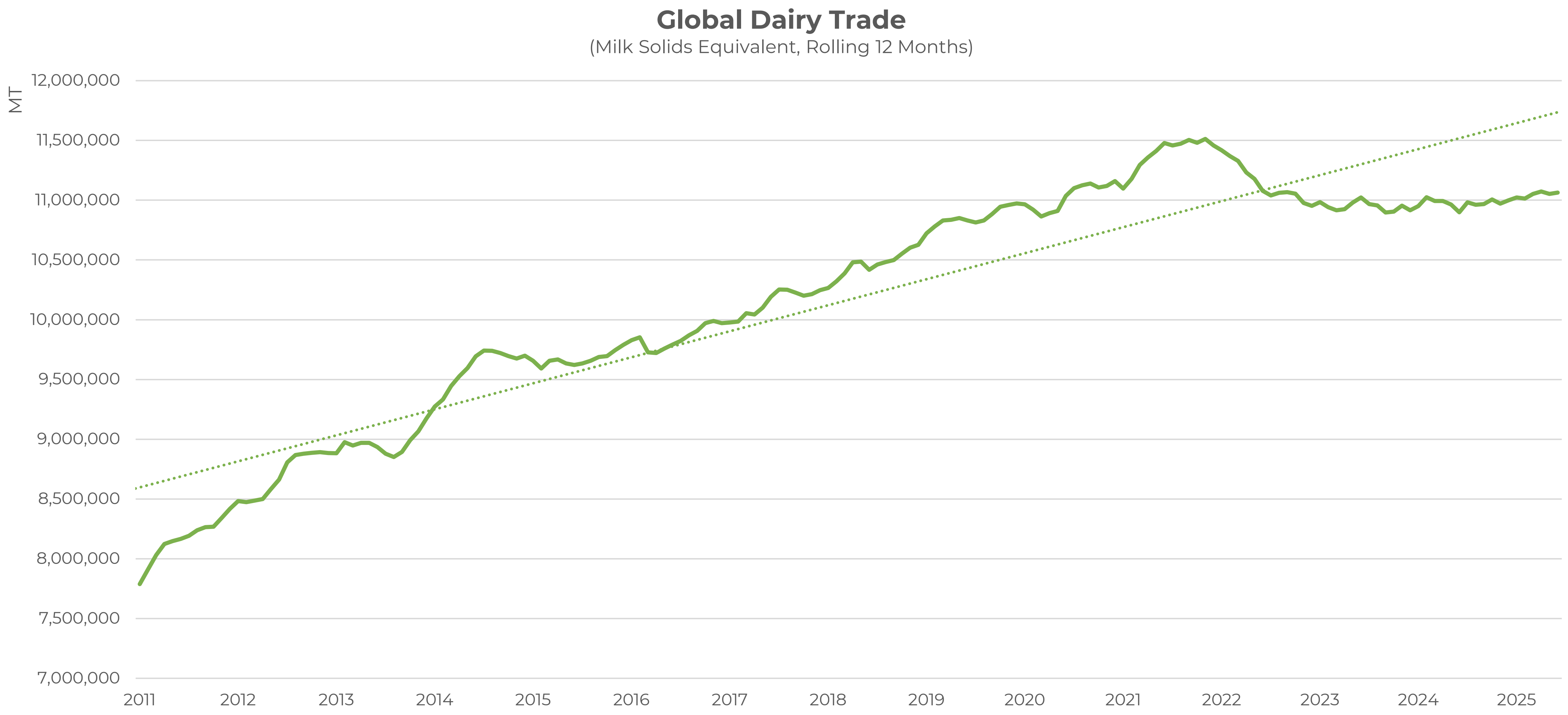
YOY Change in Global Dairy Trade to World by Product: Month of Jun



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



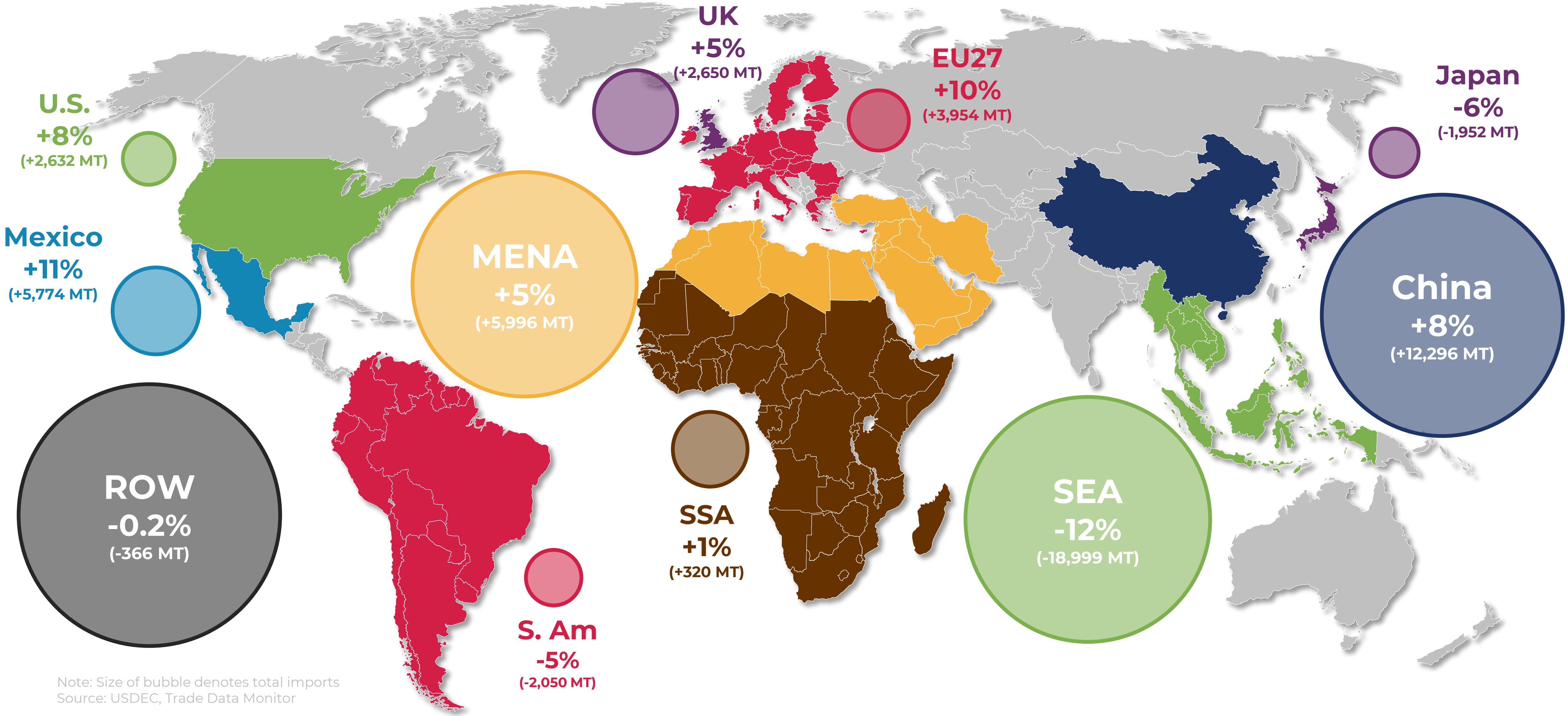
Global Dairy Trade



NMPF | USDEC DAIRY ECONOMICS

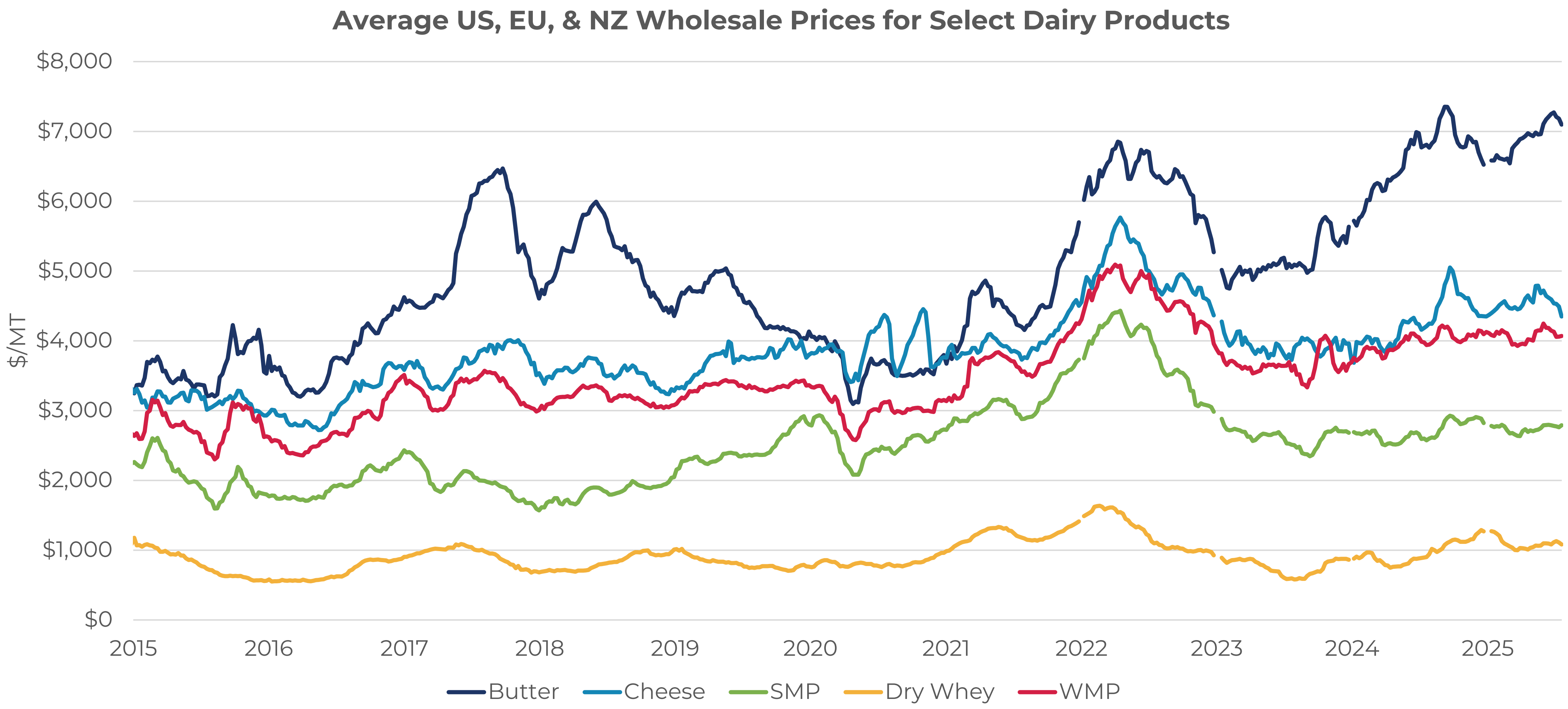
Source: NMPF/USDEC, TDM

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



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

Global Dairy Spot Prices



Source: NMPF-USDEC, CME, NDPSR, Eurostat, EEX, GDT

Cheese

Cheese Market Commentary

KEY TAKEAWAYS

- Global cheese trade extended its streak of year-over-year growth to 12 months after gaining 4% in June (+9,265 MT). As has been the story for the last couple years, **most major importing markets were on the positive side of the ledger though there were two notable regressions in June: Japan and Australia.**
- Global cheese exports to Japan fell by 12% after growing by 9% or more every other month thus far this year. Optimistically, the decline was primarily the result of challenging year-over-year comparisons (June was the country's buying apex in 2024). Similarly, sales to Australia also fell behind strong year-over-year comparisons by 8% (-889 MT) even as U.S. cheese exports to the country are approaching record highs.
- One month is too little data to declare a new trend. Still, given the size and competitive nature of both markets, the notable regression is worth highlighting. For both Japan and Australia, we'll be watching July's data closely as comparisons become more favorable to gauge whether June was a one-month aberration or something to keep an eye on moving forward.

Global Cheese Trade	+3.9%	+6.5%	+6.1%	+3.4%
	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

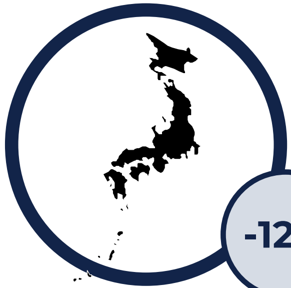
June Standout Markets

+12%

MEXICO
+2,080 MT

+25%

CHINA+HK
+3,641 MT



-12%

JAPAN
-3,285 MT

+10%

UK
+3,536 MT

ADDITIONAL NOTES

Digging into the varietal data, European specialty cheese sales held up fairly well in first half of the year despite weaker second quarter sales to the United States as tariffs dampened import demand. However, with the wide spread between European cheese prices and other global competitors, the export staples suffered as sales of EU gouda fell sharply (-9%, -5,644 MT) along with weaker shipments of emmental/swiss (-14%, -1,727 MT). Surprisingly, cheddar (-0.4%, -171 MT) and mozzarella (-0.5%, -581 MT) held steady despite European prices being well above global levels thanks to strong cheddar exports to the UK and US and a sharp rebound in mozzarella to Korea. In contrast, all the major cheese varieties saw gains out of the U.S. and New Zealand, though that should be little surprise given the surge cheese exports in the first half of the year from those two major exporters. However, cheddar was the star for both suppliers with both U.S. and New Zealand cheddar sales gaining by more than a third through the first half of 2025.

Source: NMPF/USDEC, TDM

Cheese Market Commentary

LOOKING AHEAD

- International cheese demand continues to hold up remarkably well, growing at or even faster than its pre-COVID average. The long-awaited boost in U.S. cheese supply has largely hit the market, helping power U.S. cheese exports to set new records virtually every month. New Zealand, too, has managed to grow its cheese exports by more than 20% over the past year as stream returns incentivized a move towards the cheese vat. Perhaps most astonishingly, **the steady gains in cheese demand has occurred even as the average export prices for cheese across all suppliers are also at record highs.**

- As we look ahead, **there seems to be little to slow down the growth of global cheese demand** (which may be the most optimistic thing we've written this year…). Demand is spread across a mix of geographies and varieties with an ample supply outlook for the foreseeable future driven primarily by growth out of the United States. **The question is less whether demand will grow, but more about how quickly demand will expand and whether will it be sufficiently voracious to support global prices,** particularly given that milk production from the major exporters has entered an expansionary period.

	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR
U.S. Cheese Exports	+34.4%	+11.7%	+11.5%	+3.7%
EU Cheese Exports	-3.7%	+1.8%	+1.2%	+0.4%
NZ Cheese Exports	+14.1%	+28.2%	+20.6%	+6.4%

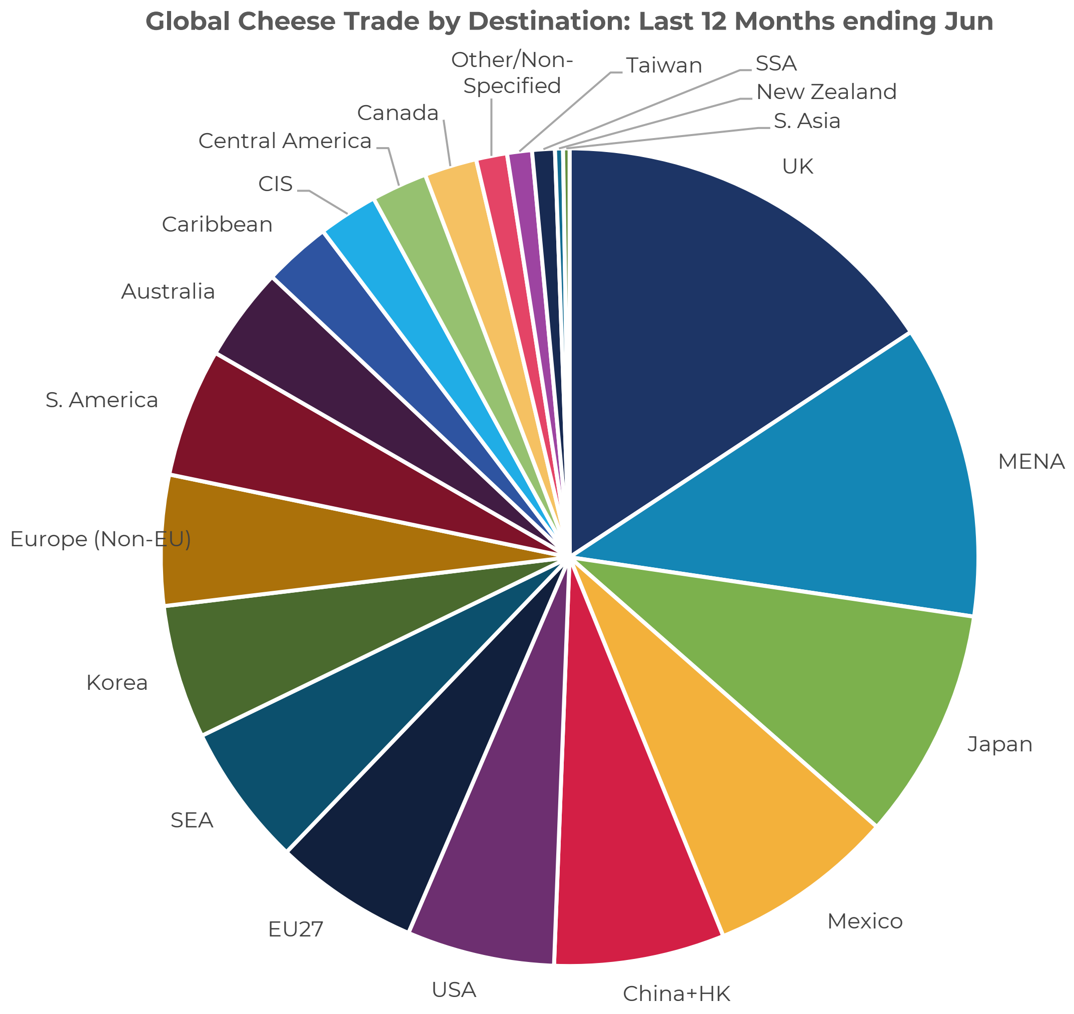
Global Overview: Cheese

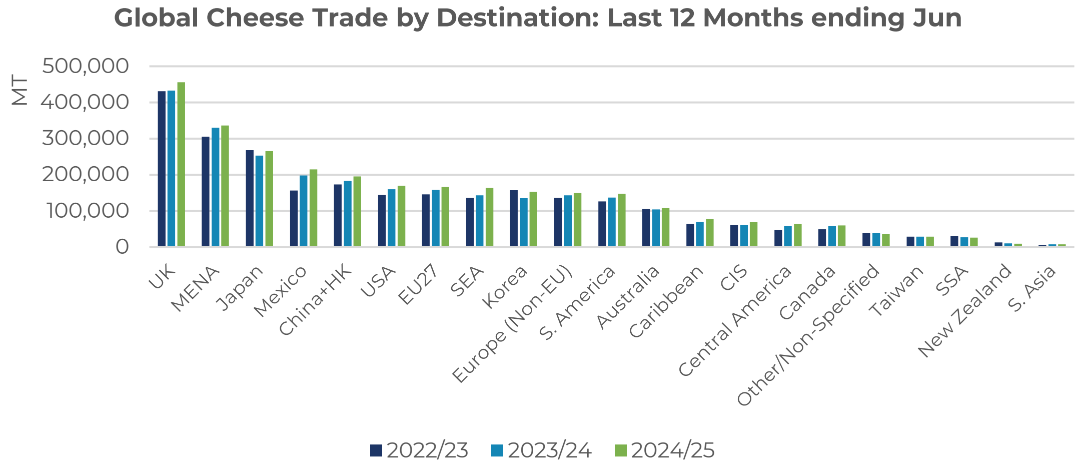
Source: NMPF/USDEC, TDM

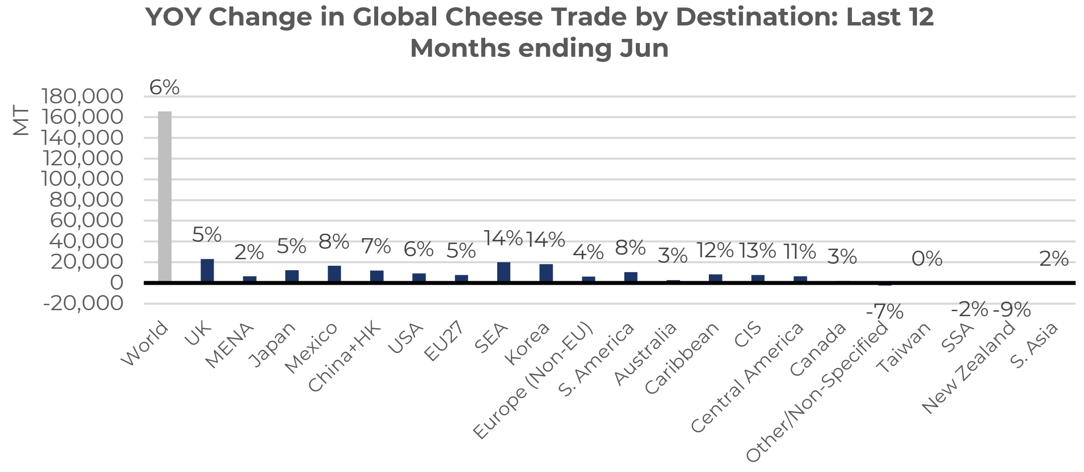
Global Overview: Cheese

Source: NMPF/USDEC, TDM

Global Overview: Cheese – Last 12 Months

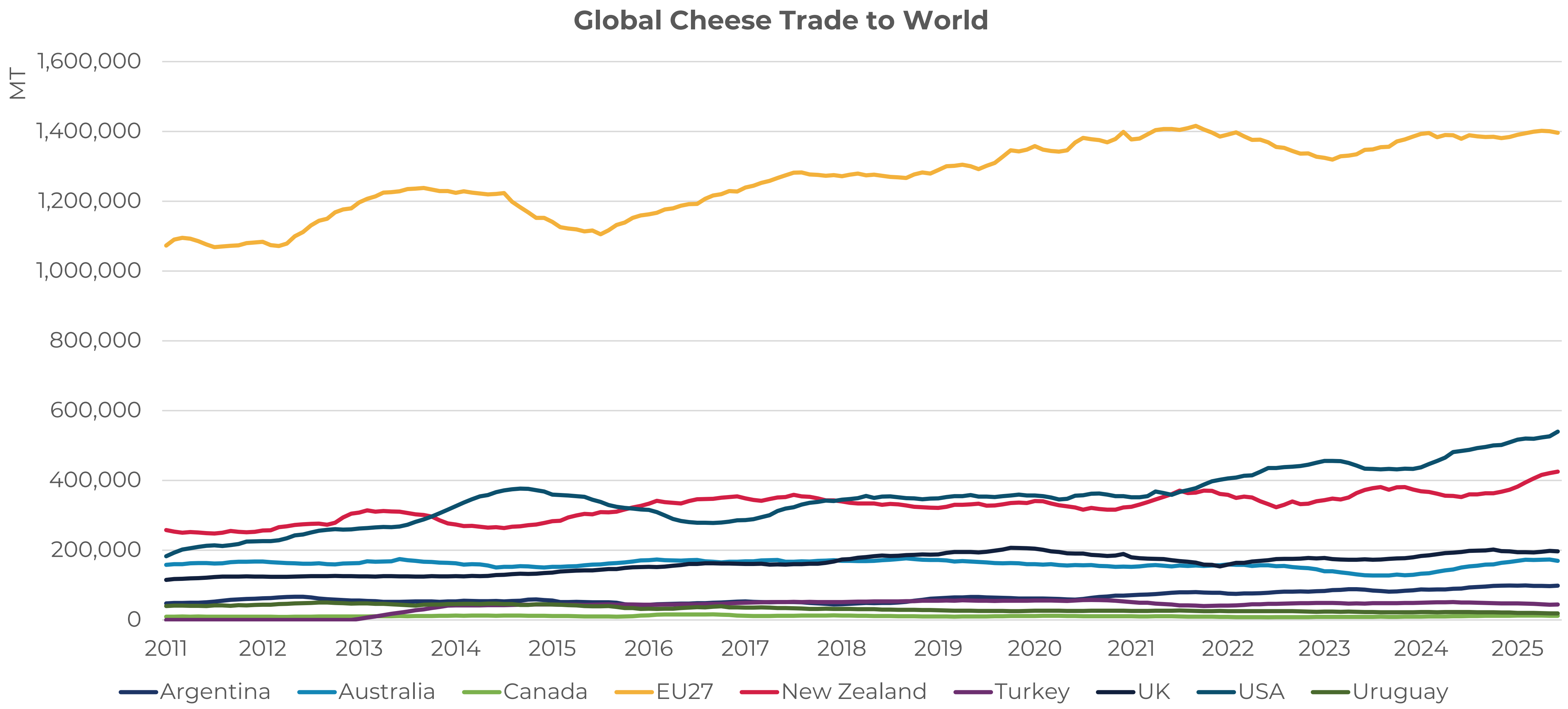






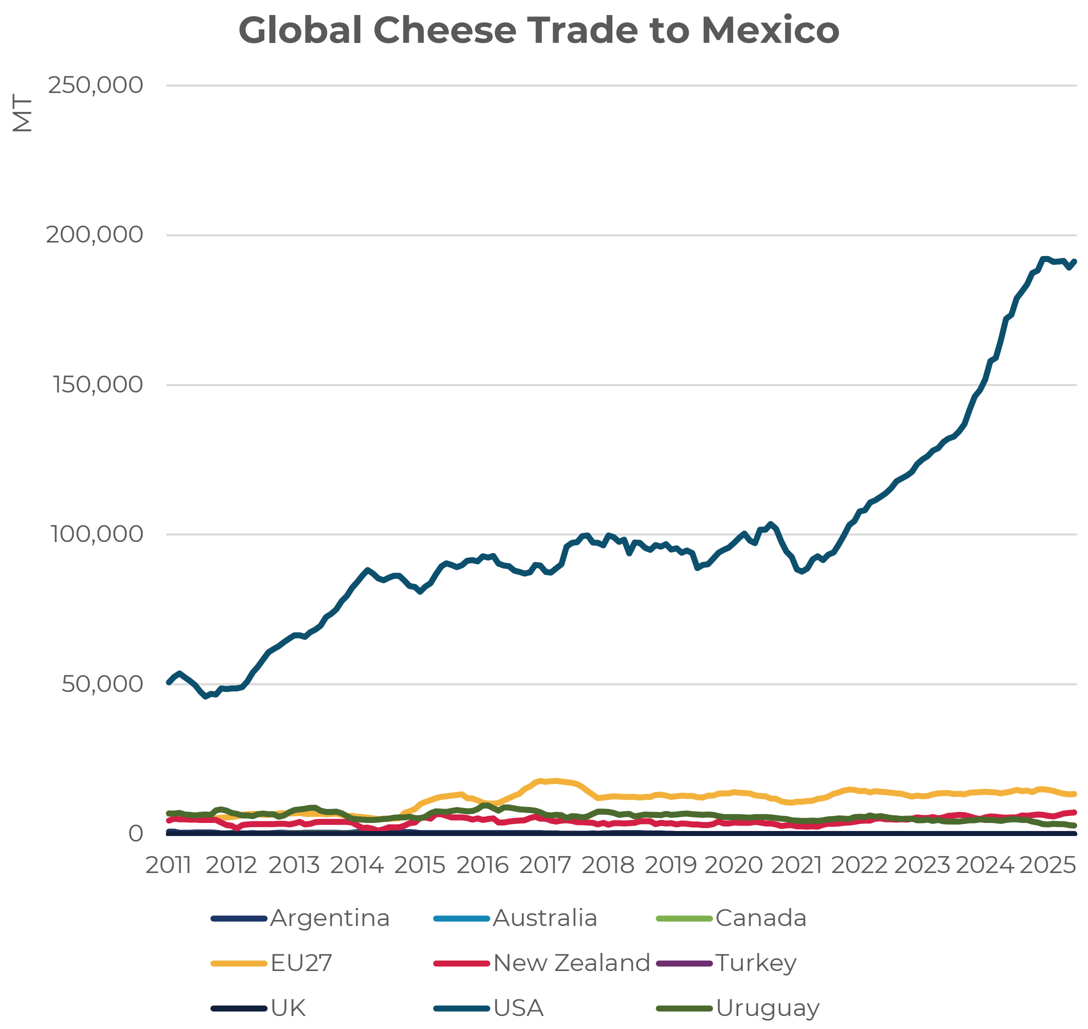
Source: NMPF/USDEC, TDM

Trade Flows: Cheese



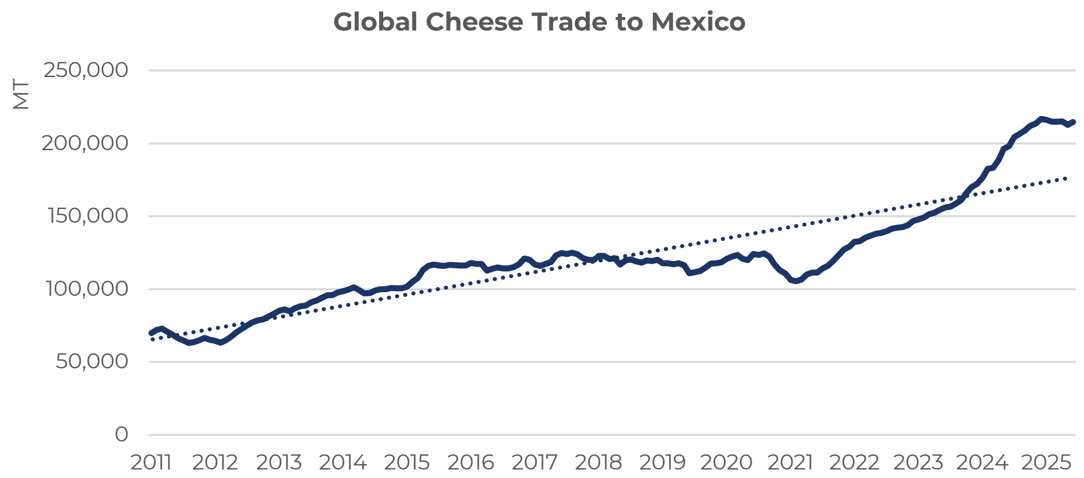
Source: NMPF/USDEC, TDM

Mexico



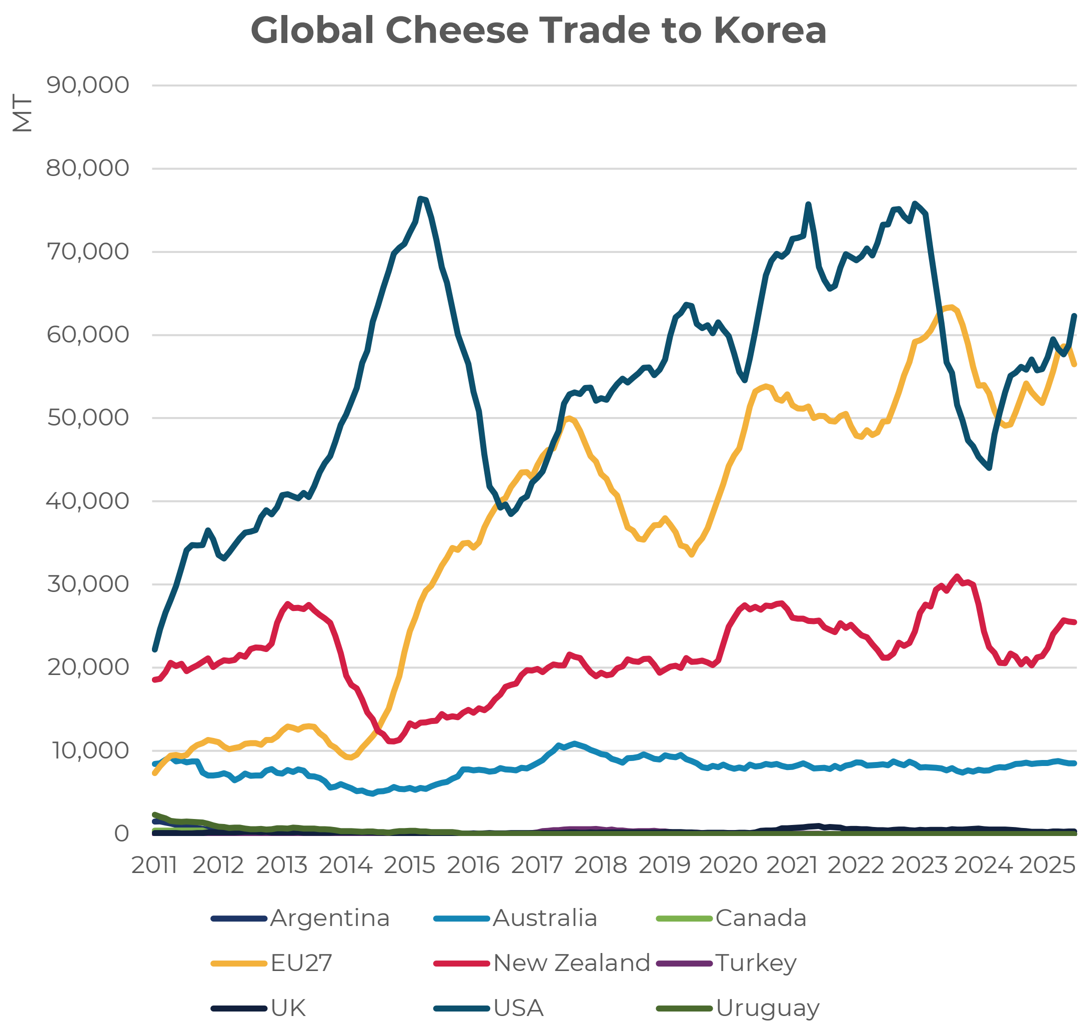
Global Cheese Trade to Mexico
MT
250,000
200,000
150,000
100,000
50,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay

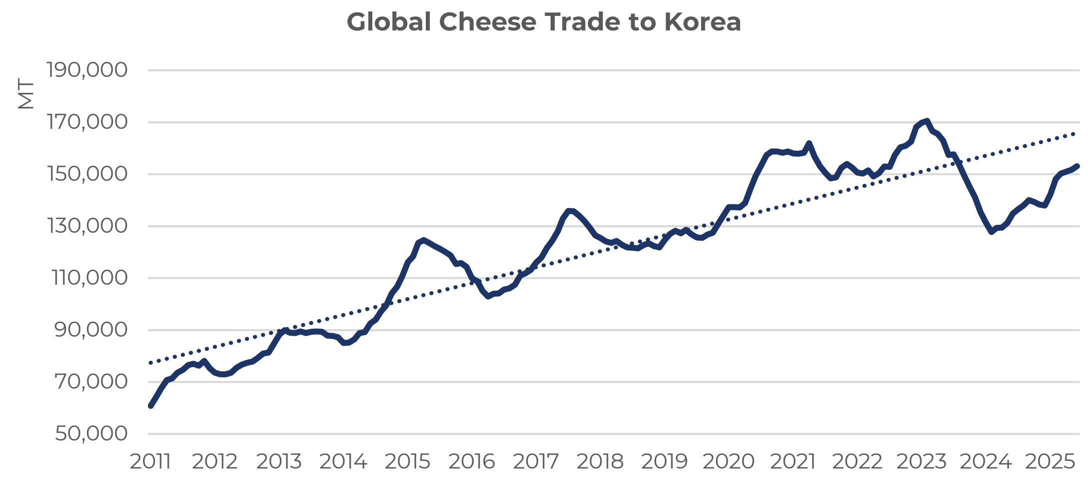
Global Cheese Trade to Mexico
MT
23,000
21,000
19,000
17,000
15,000
13,000
11,000
9,000
7,000
5,000
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2023
2024
2025



Global Cheese Trade to Mexico
MT
250,000
200,000
150,000
100,000
50,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

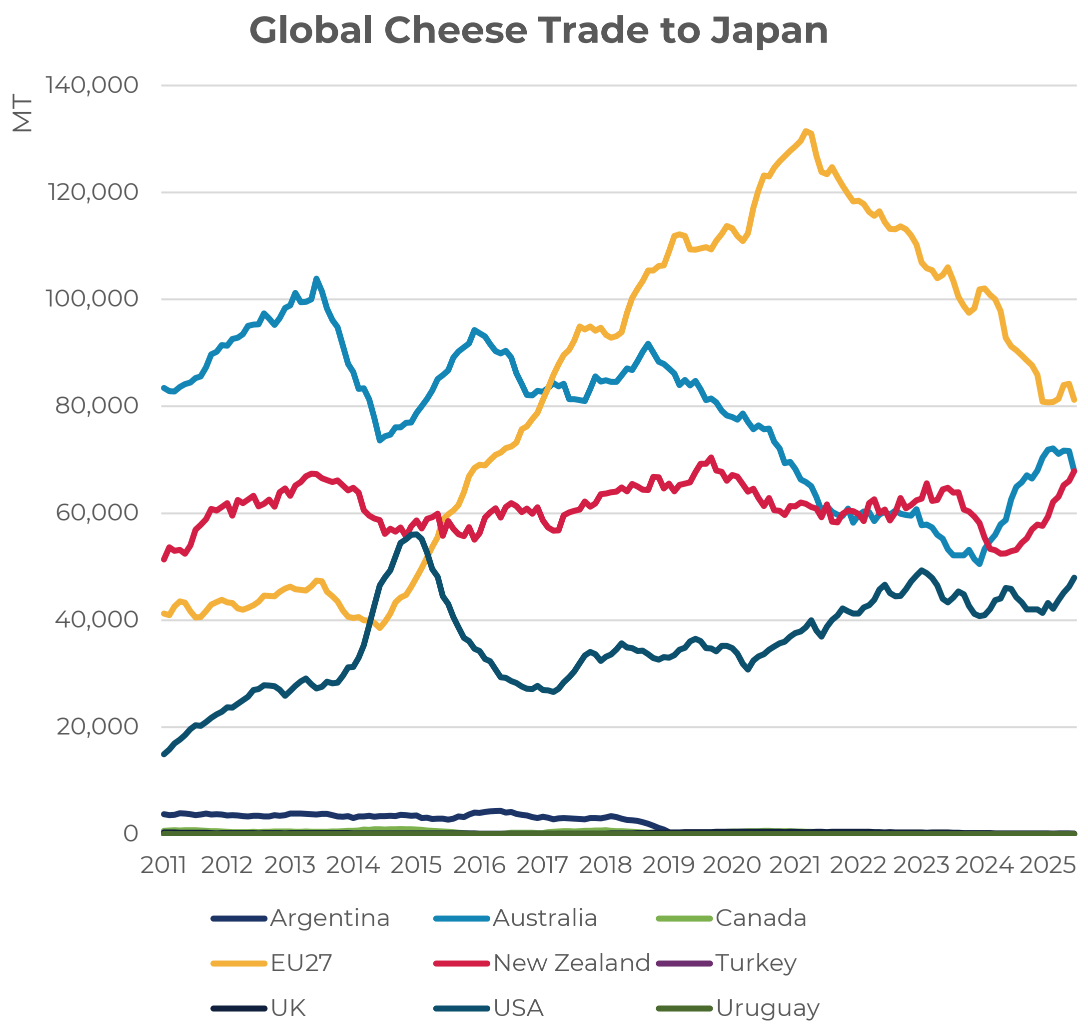
Korea

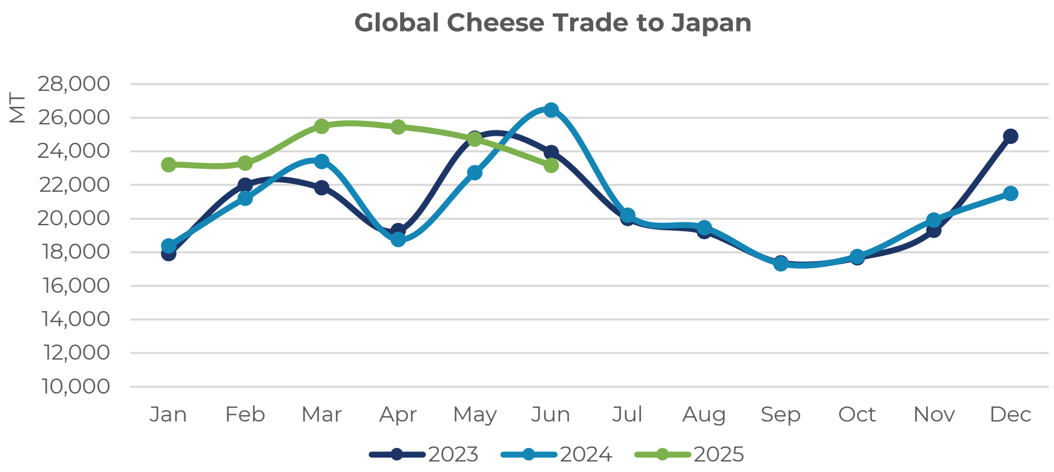


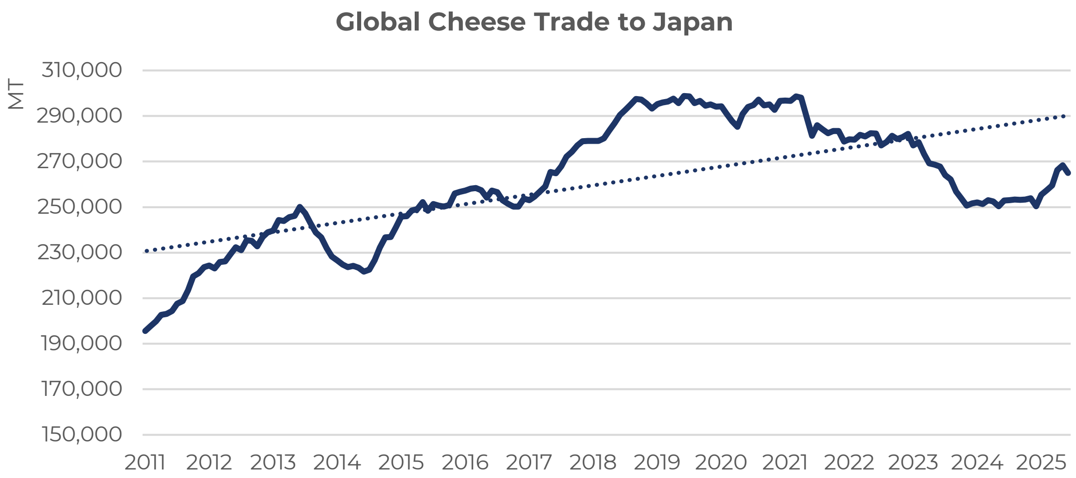


Source: NMPF/USDEC, TDM

Japan

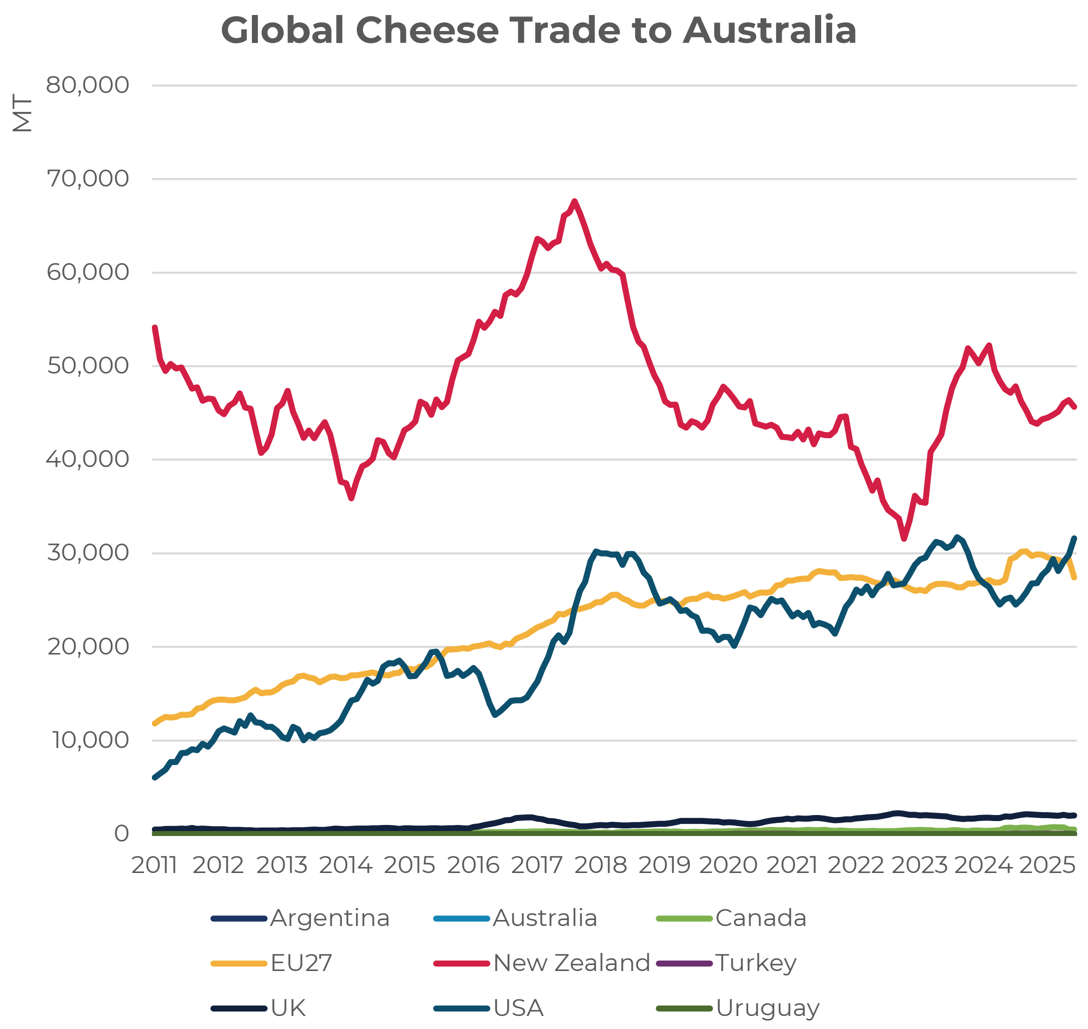


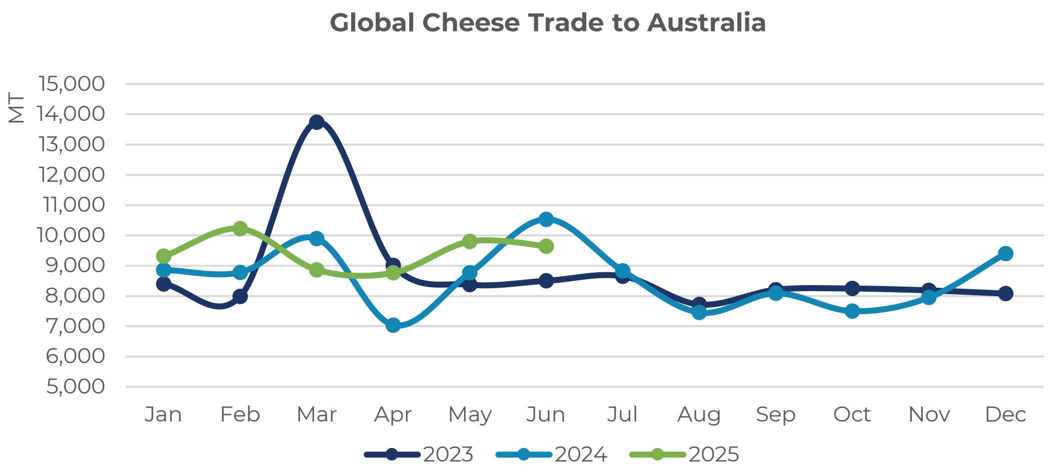


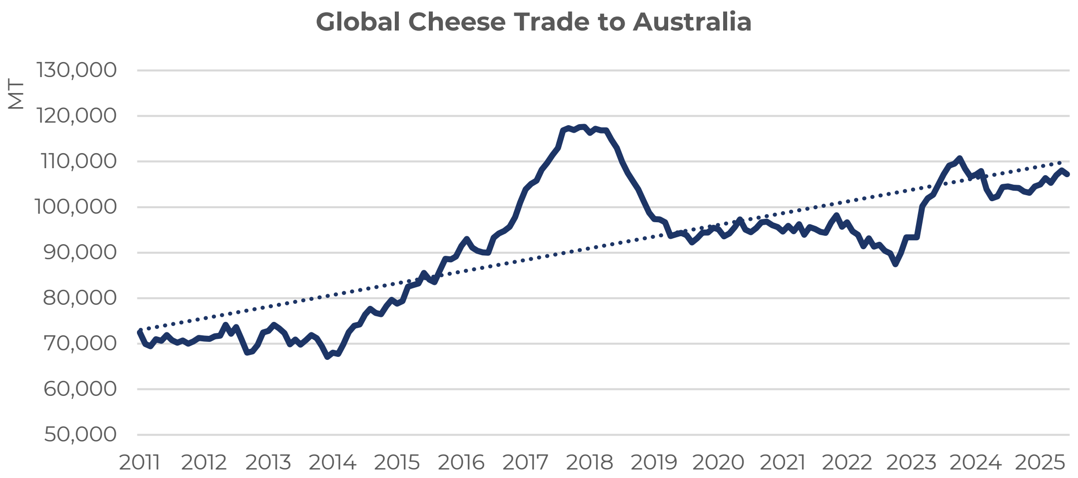


Source: NMPF/USDEC, TDM

Australia

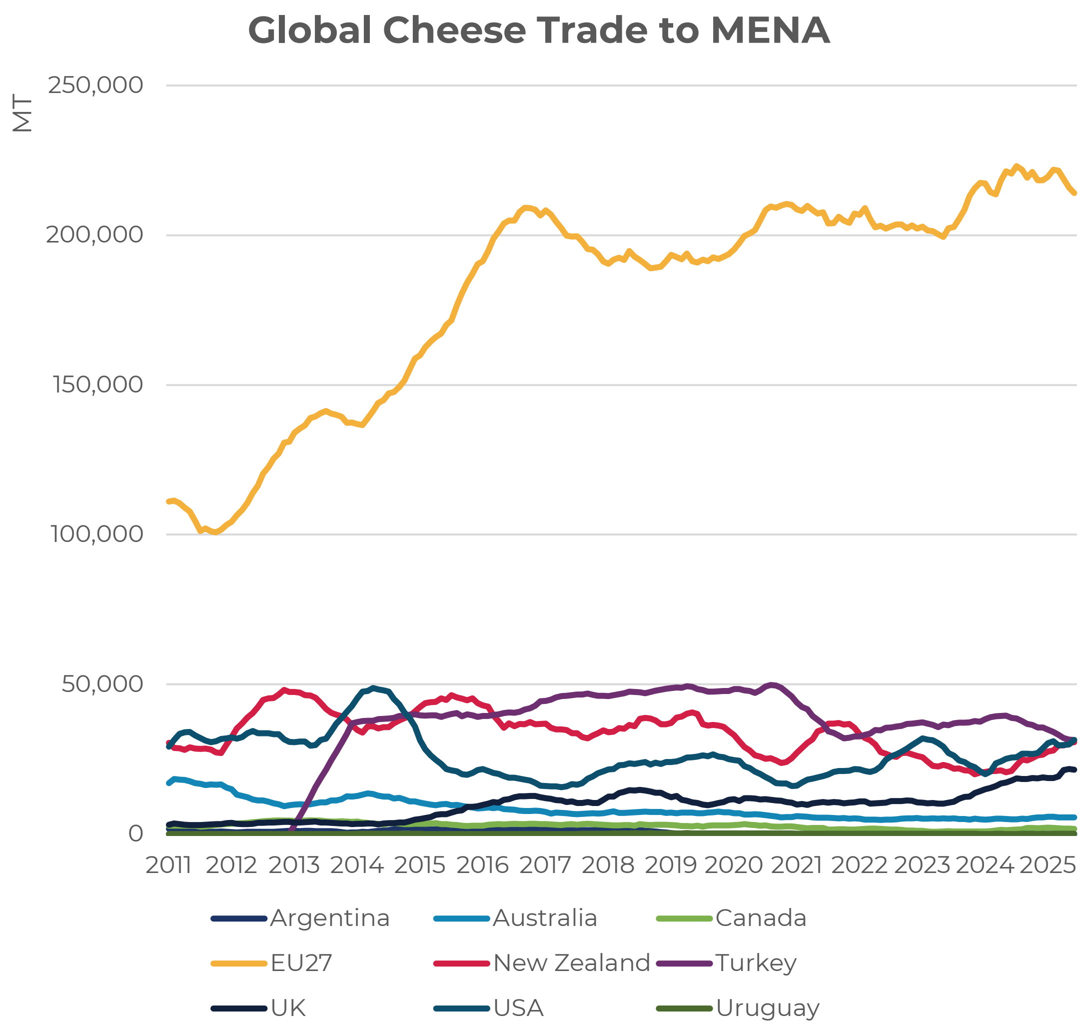


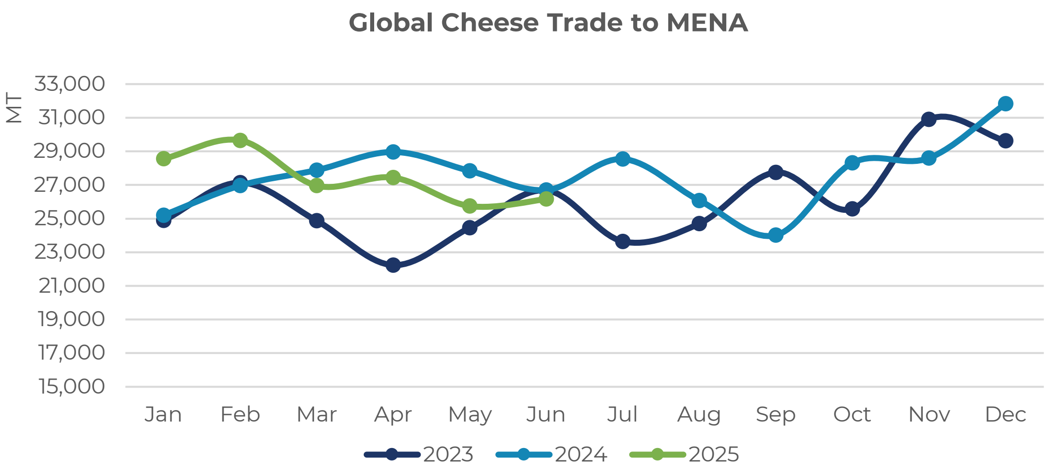


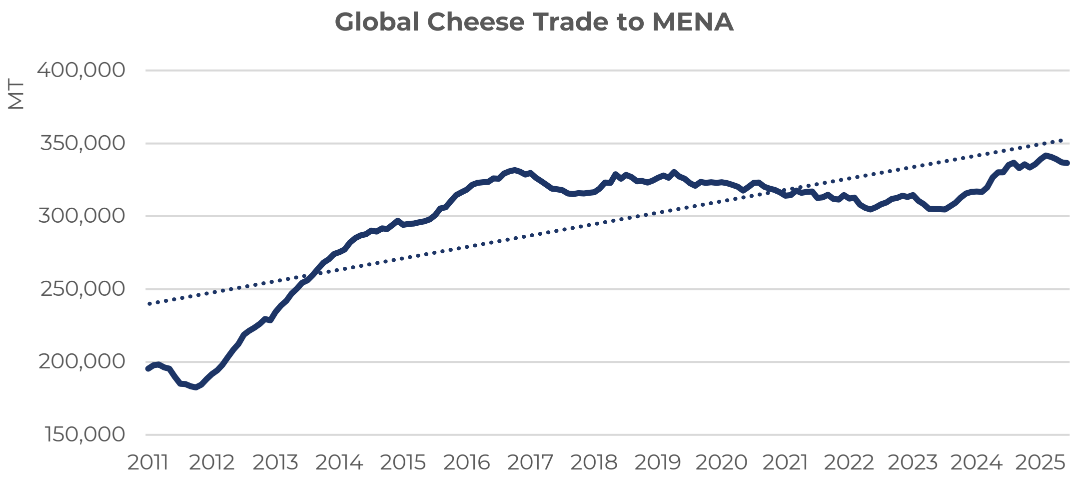


Source: NMPF/USDEC, TDM

MENA

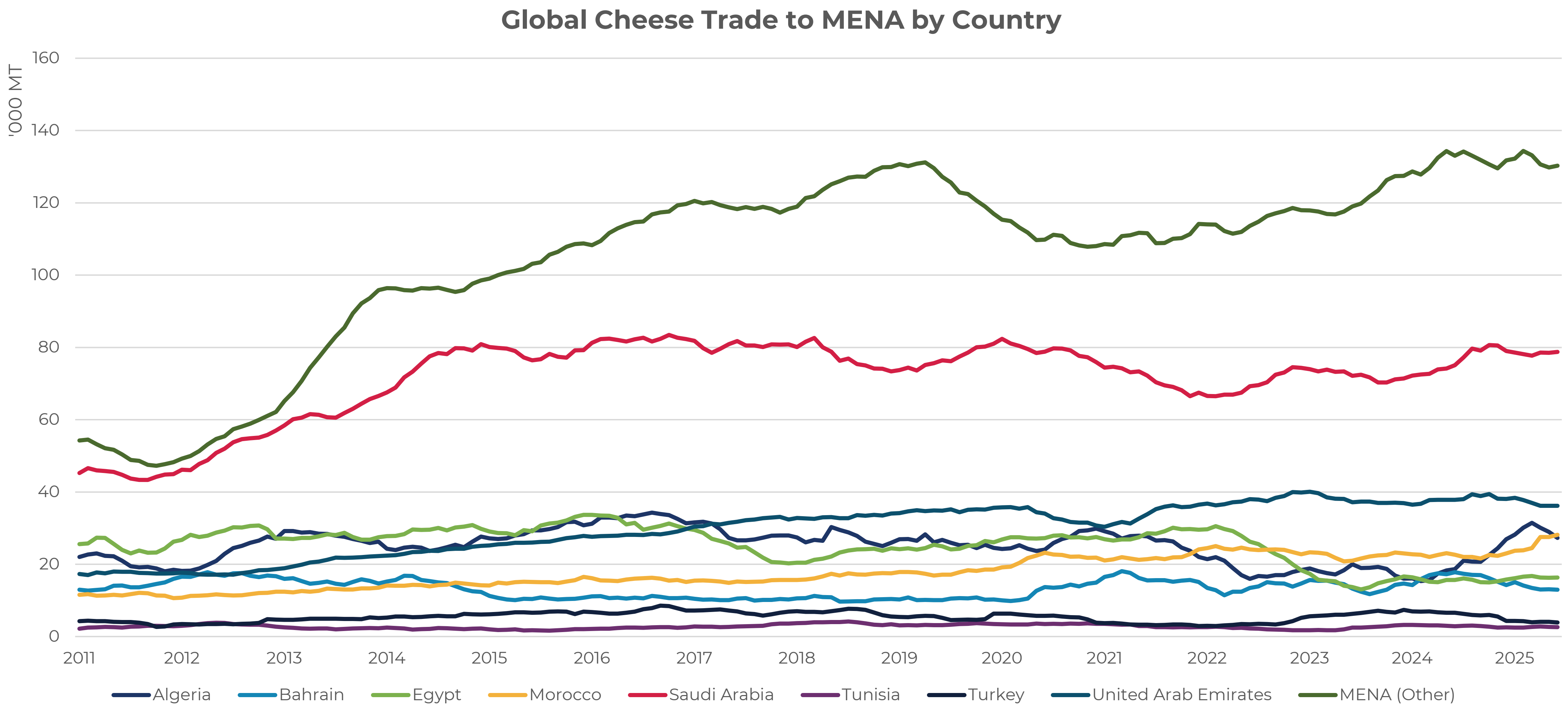






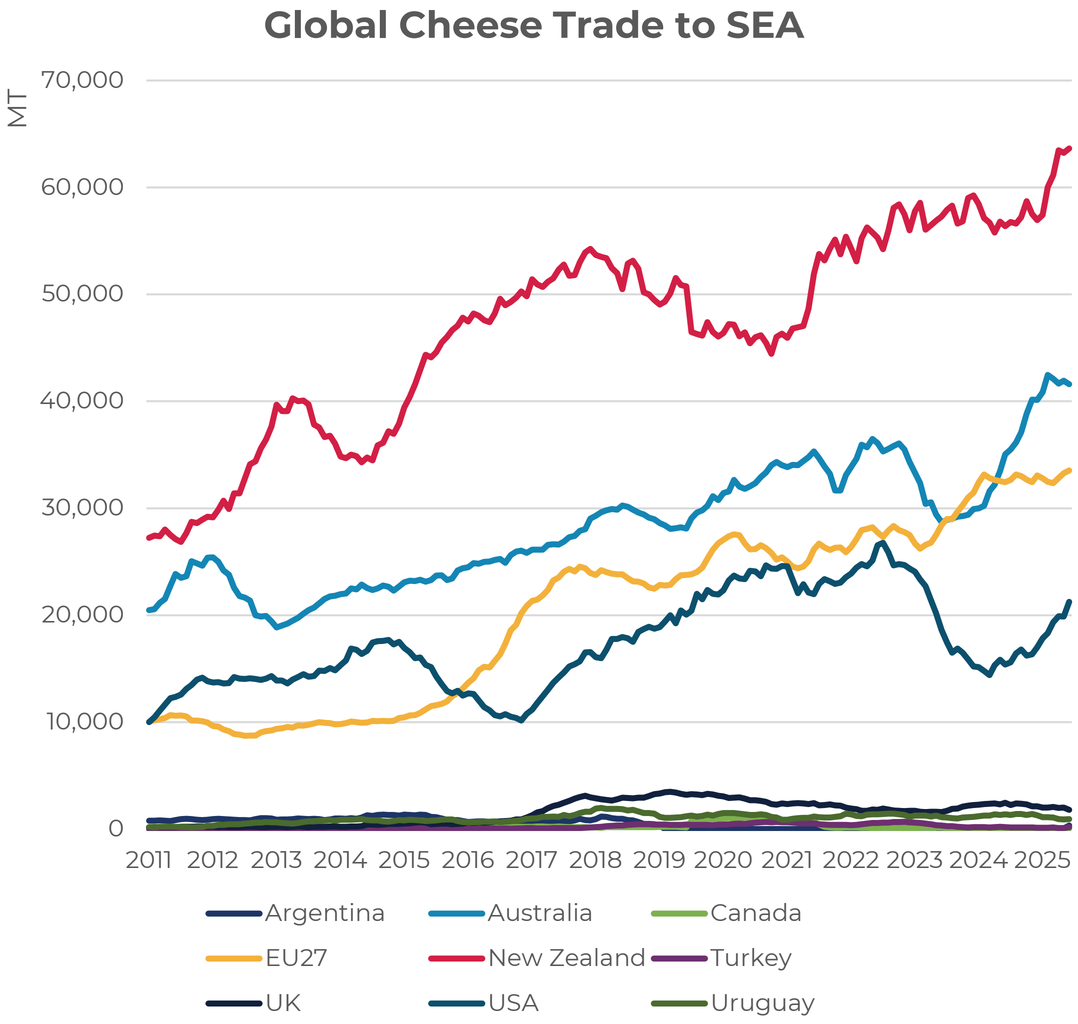
Source: NMPF/USDEC, TDM

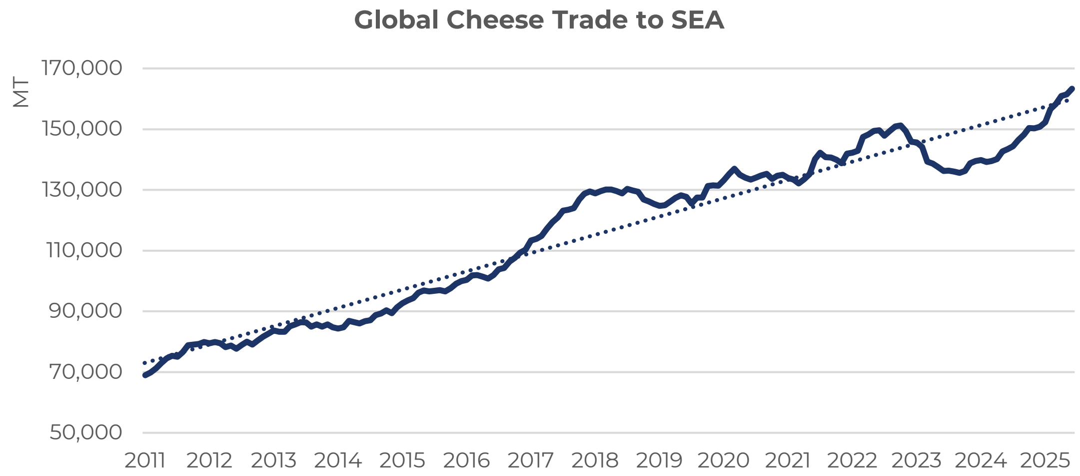
Middle East-North Africa Country Breakdown



Source: NMPF/USDEC, TDM

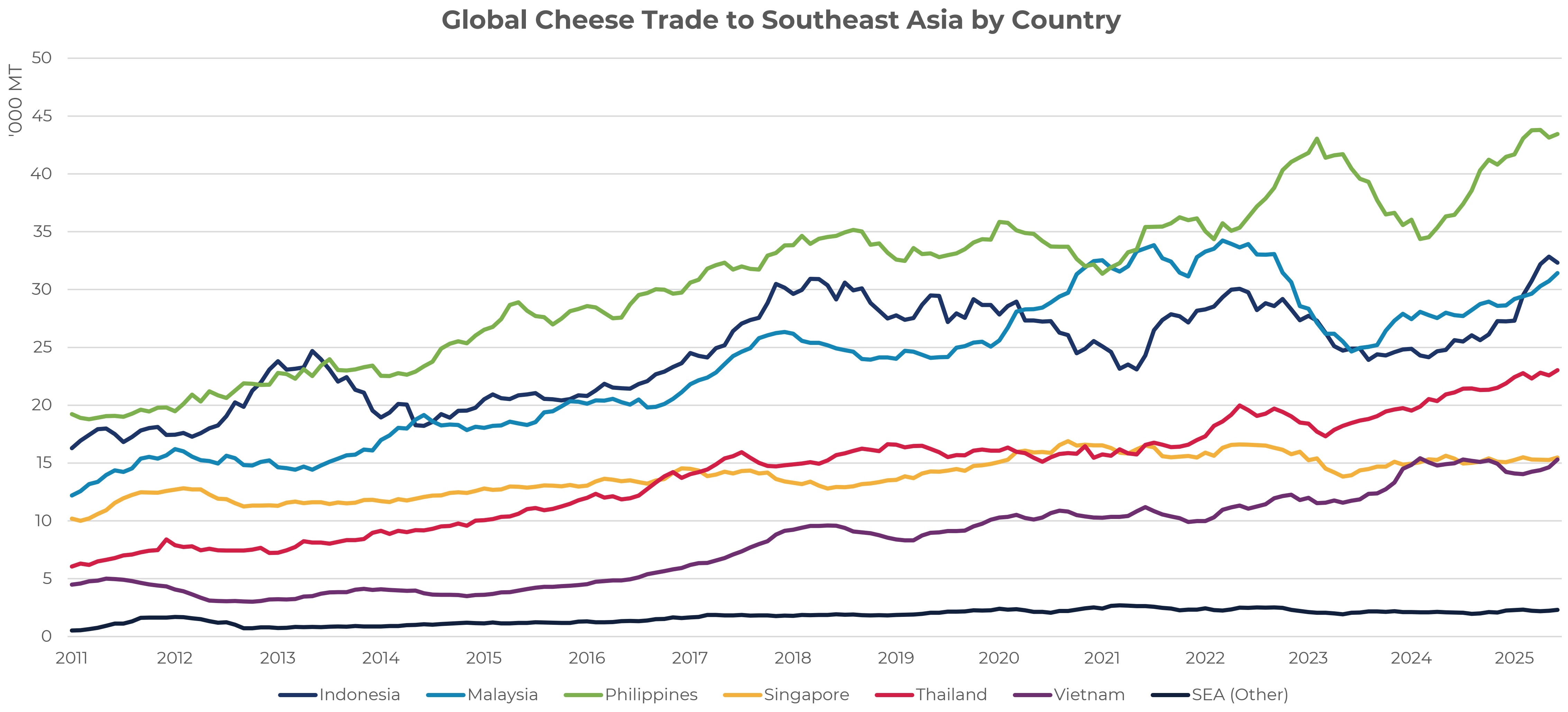
Southeast Asia



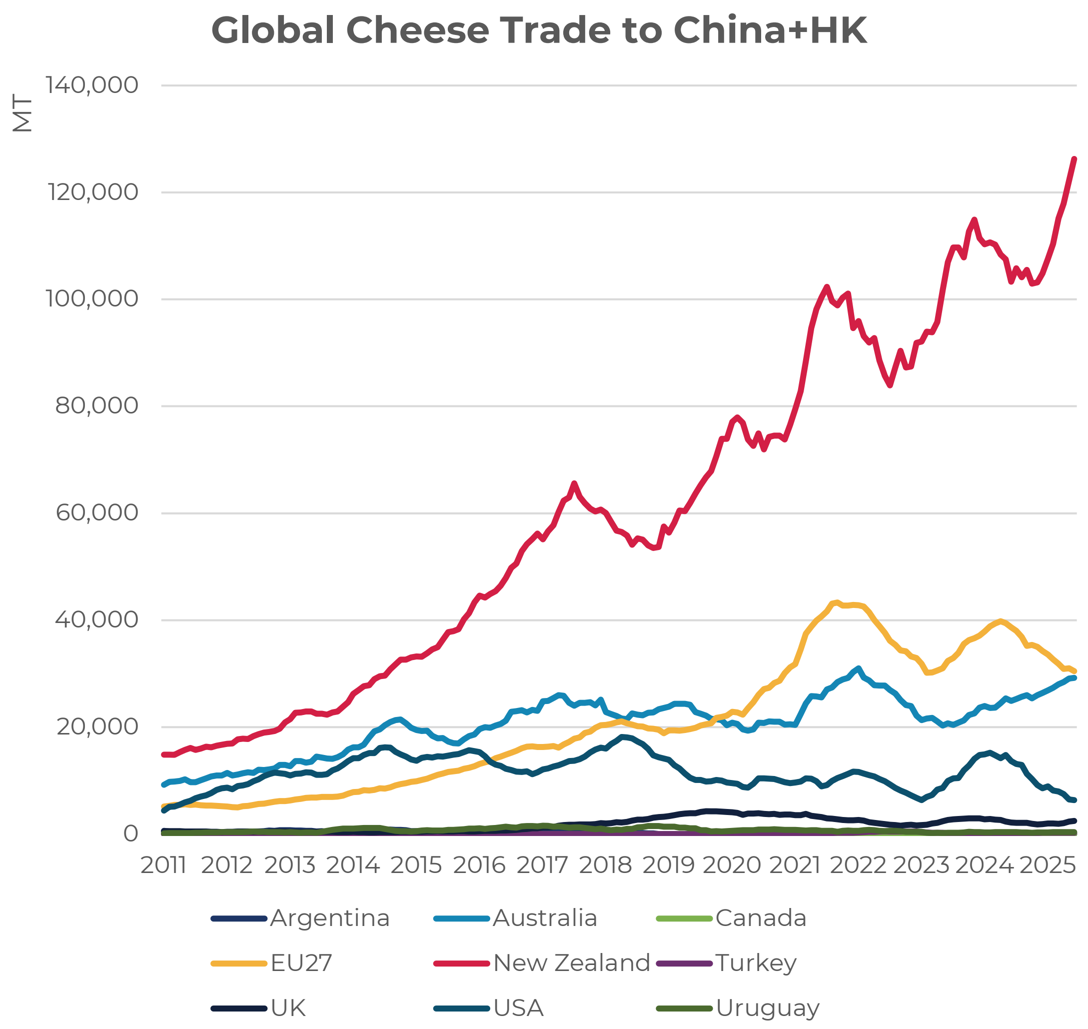


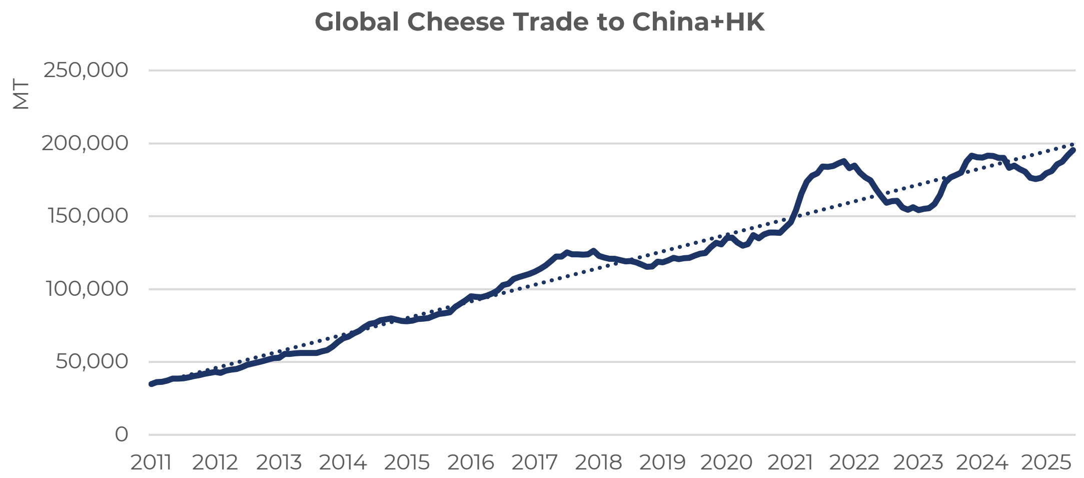
Source: NMPF/USDEC, TDM

Southeast Asia Country Breakdown



China





Source: NMPF/USDEC, TDM

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NFDM/SMP

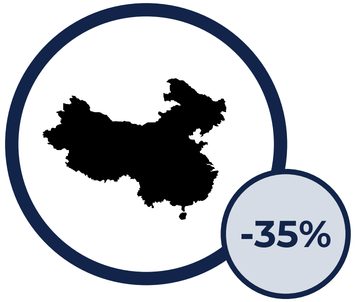
NFDM/SMP Market Commentary

KEY TAKEAWAYS

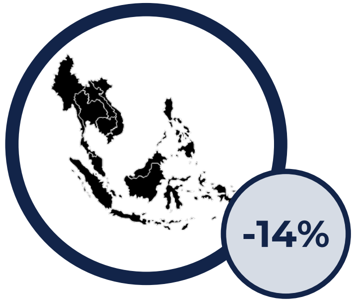
- **Another weak month in June weighed further on global milk powder trade during the first half of the year.** At just 176,303 MT, June's shipments of NFDM/SMP in June were 3% (-5,545 MT) less than last year and represented the lowest volume in any month since October of last year. Year to date movement of NFDM/SMP during the first half of 2025 trailed the same period last year by 2% (-25,183 MT) with H1 volumes the lowest in any year since 2018.
- **Two destinations drove the bulk of June's decline**. Shipments to SEA slipped by a disappointing 14% (-8,461 MT) as Indonesian (-32%, -6,007 MT) and Philippine (-32%, -5,204 MT) demand slowed dramatically. Meanwhile Chinese demand tumbled by 35% in June as broader economic weakness continued to dampen buyers' enthusiasm.
- Meanwhile **MENA, which has been the main culprit of lower NFDM/SMP volumes this year, posted an encouraging 5% (+2,083 MT) increase in June**, the first increase in seven months. Other key destinations such as Mexico (+14%, +4,057 MT) and South America (+46%, +8,787 MT) also posted increases.

Global NFDM/SMP Trade	-3.0%	-2.2%	-1.9%	-0.9%
	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

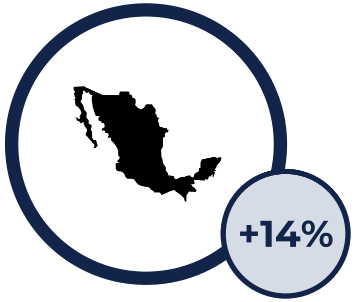
June Standout Markets



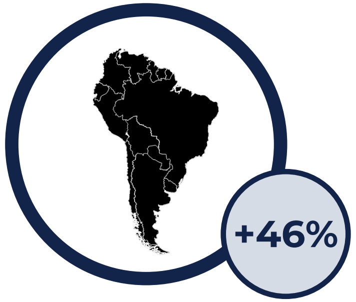
CHINA+HK
-6,979 MT



SOUTHEAST ASIA
-8,461 MT



MEXICO
+4,057 MT



SOUTH AMERICA
+2,781 MT

ADDITIONAL NOTES

Southeast Asia is the largest international destination for NFDM/SMP, accounting for 30% of global trade of the commodity last year. And while 2025 was initially expected to be a year of improved demand in the region as inflation moderated and economic growth recovered, this has failed to come to fruition. Pervasive global economic uncertainty has taken a toll on many of the countries in the region and caused GDP growth to slow. This has, in turn, stymied demand for milk powder. Global trade of NFDM/SMP to the region totaled 351,933 MT during the first half of the year, a mere 1% (+1,934 MT) more than in the same month last year and well below the volumes in excess of 395,000 MT that were achieved between 2019 and 2022. But despite tepid demand in the region, competition remains fierce as exporters vie for market share.

NFDM/SMP Market Commentary

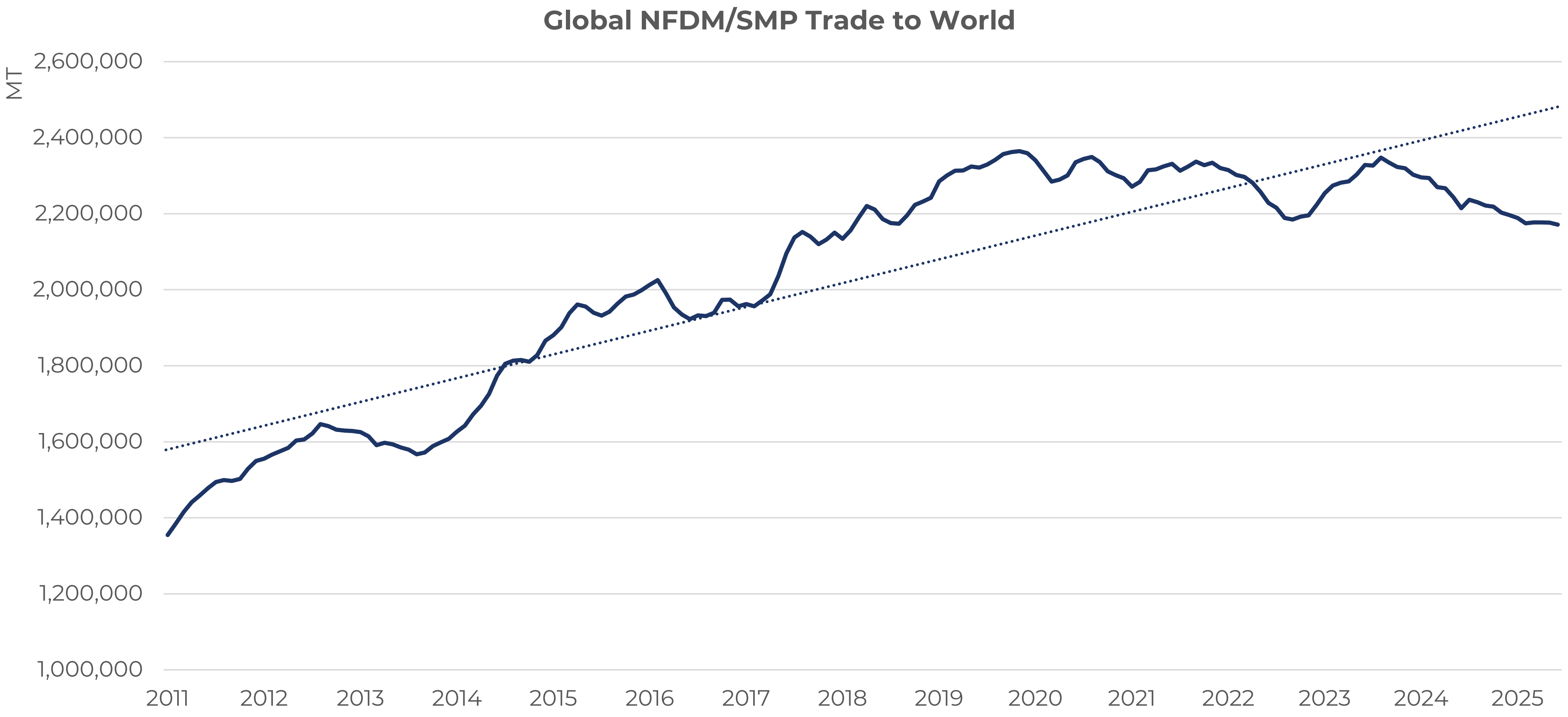
LOOKING AHEAD

- What will it take to get global milk powder trade back on track? Sustained economic improvement across key destinations such as MENA, SEA, and Mexico would undoubtedly help to improve buyers' appetites and promote stronger trade volumes.
- Lower prices may also help to stimulate interest. The average global price for NFDM/SMP has sat above $2,900/MT for six months in a row and while not exorbitantly expensive by historical standards, prices are higher than between 2015 and 2021. Price-sensitive developing economies are especially likely to capitalized on lower prices to increase buying.
- But while these factors may provide a short-term boost, it is becoming increasingly apparent that the shape of global milk powder trade may have fundamentally shifted. With a China that depends less on the global market for supply and exporters moving away from NFDM/SMP toward other utilizations of skim milk, **global trade of NFDM/SMP seems poised to remain relatively stagnant in the near future**. And if this scenario occurs, competing for share will become increasingly critical.

U.S. NFDM/SMP Exports	**-1.7%** Jun YoY	**-11.1%** YTD, Ending Jun	**-7.7%** Last 12-Months, Ending Jun	**-2.7%** 3-Year CAGR
EU NFDM/SMP Exports	**+9.7%** Jun YoY	**+2.9%** YTD, Ending Jun	**-1.5%** Last 12-Months, Ending Jun	**-0.5%** 3-Year CAGR
NZ NFDM/SMP Exports	**-43.4%** Jun YoY	**-3.1%** YTD, Ending Jun	**-1.5%** Last 12-Months, Ending Jun	**-0.5%** 3-Year CAGR

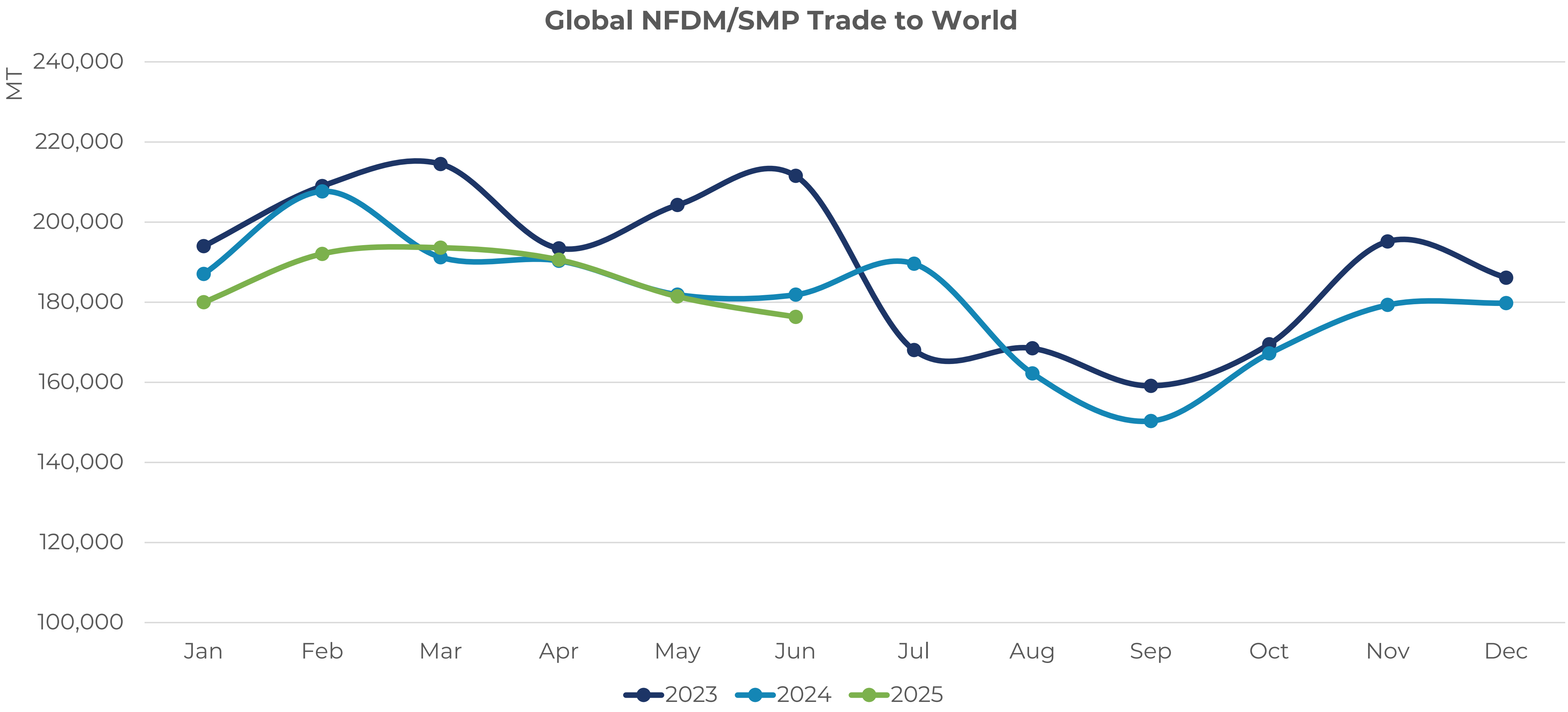
Average NFDM/SMP Export Value to World

Global Overview: NFDM/SMP



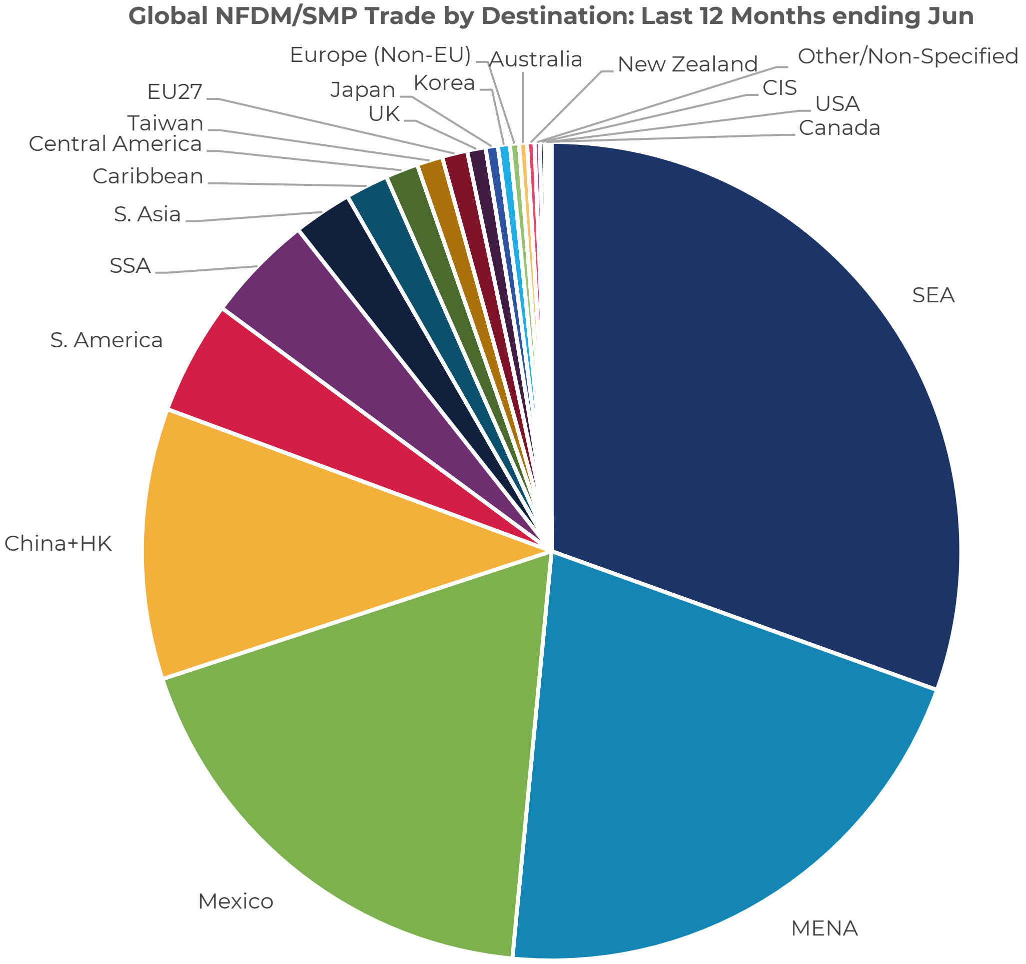
Source: NMPF/USDEC, TDM

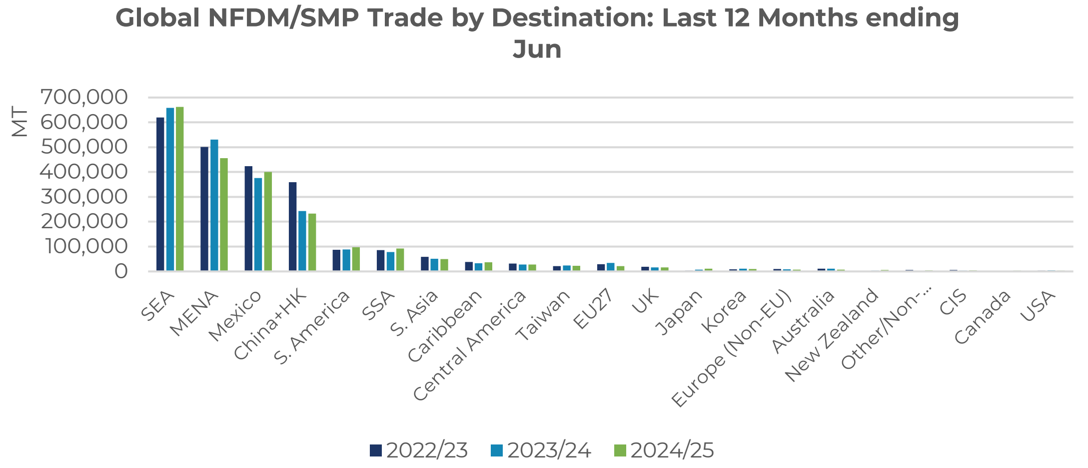
Global Overview: NFDM/SMP

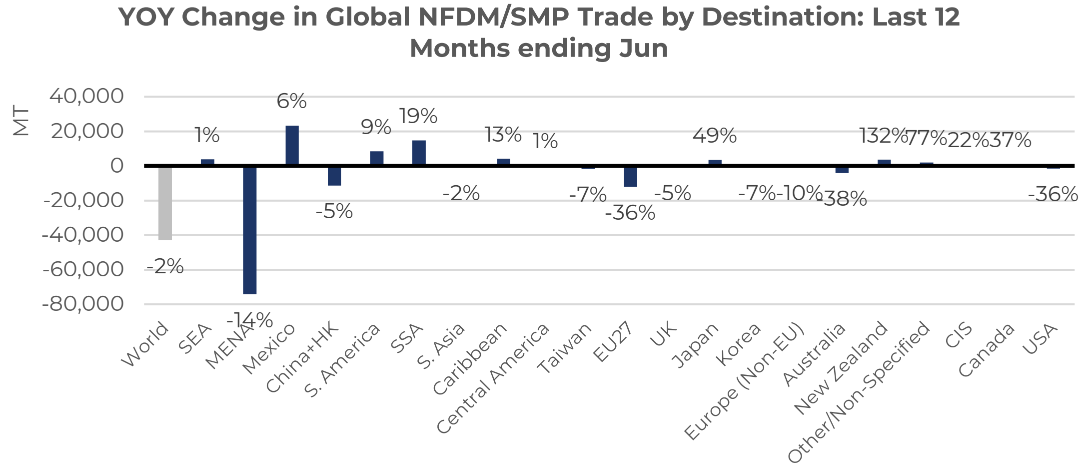


Source: NMPF/USDEC, TDM

Global Overview: NFDM/SMP – Last 12 Months

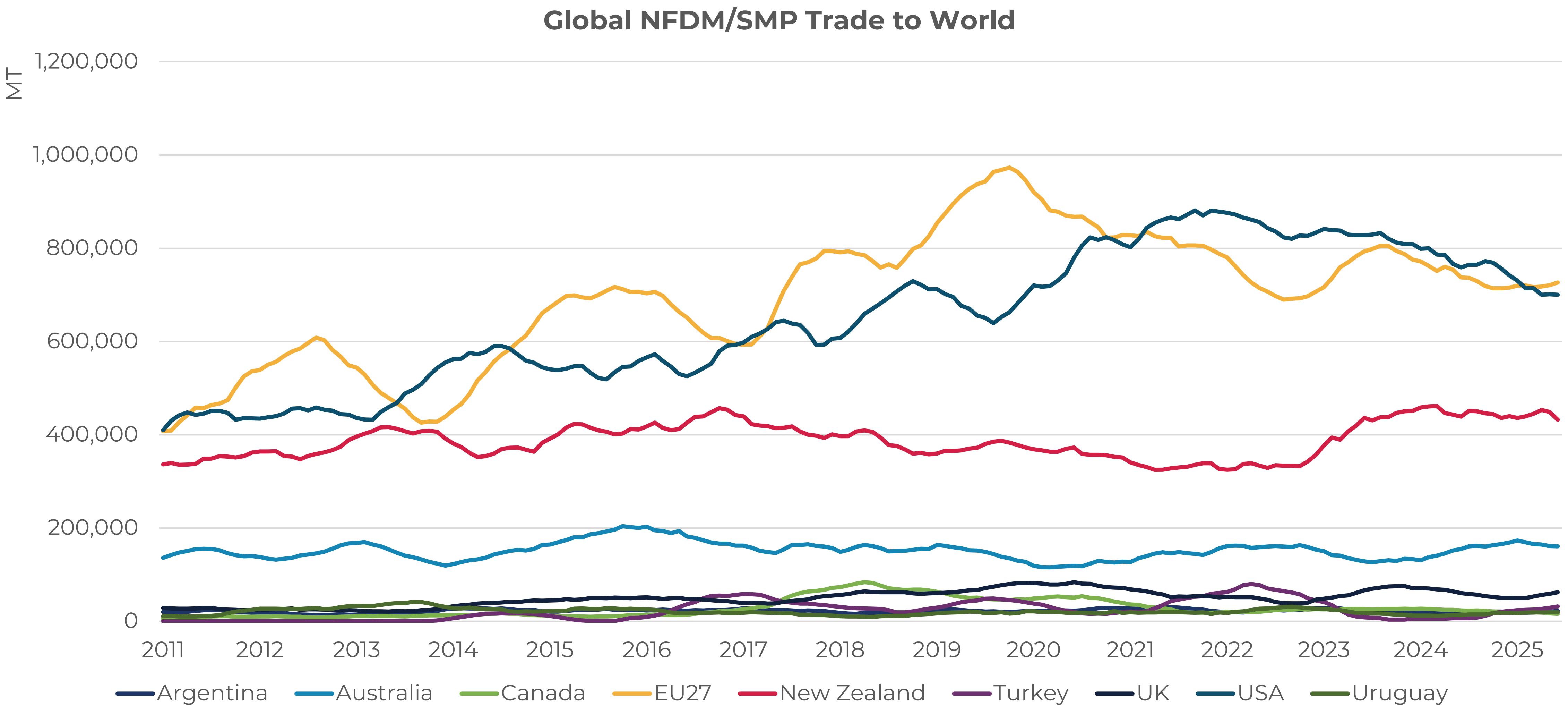






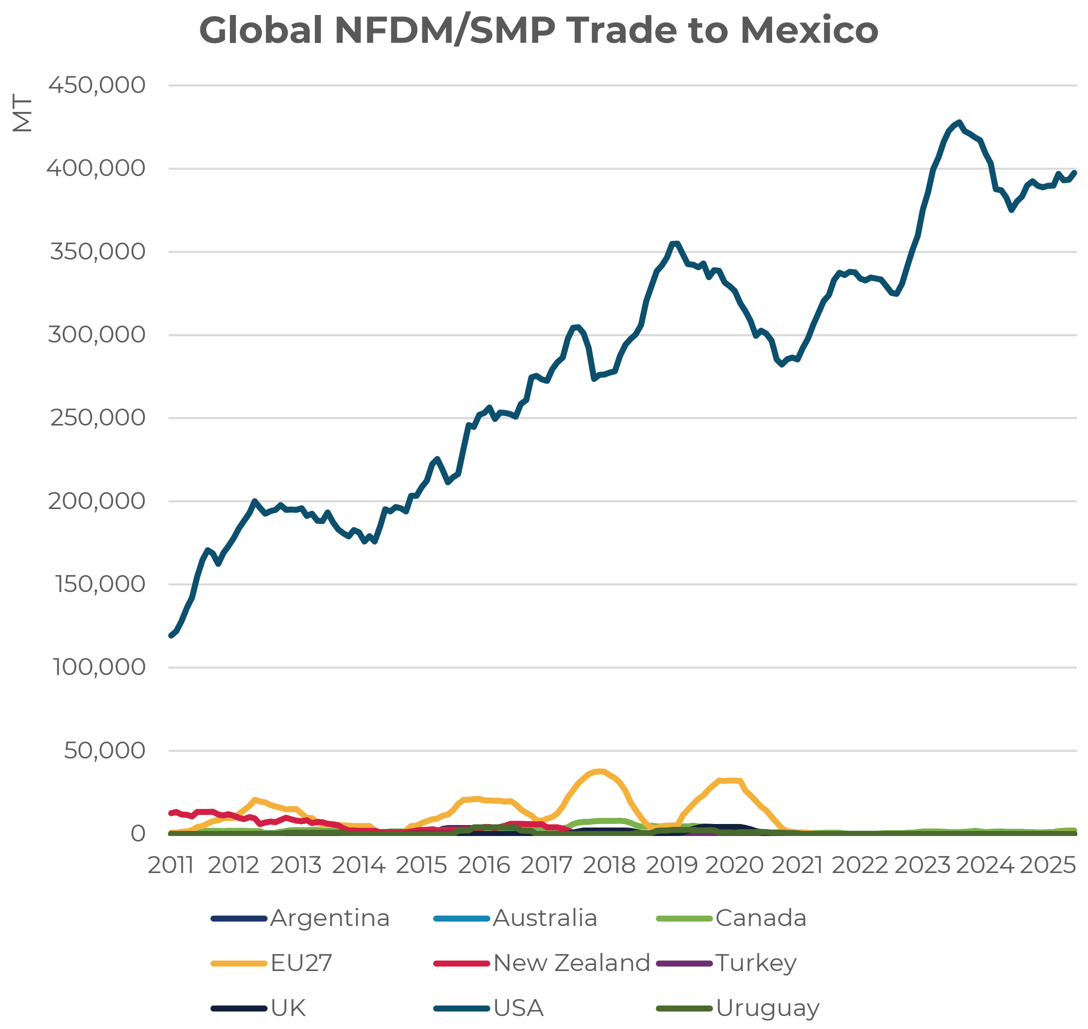
Source: NMPF/USDEC, TDM

Trade Flows: NFDM/SMP

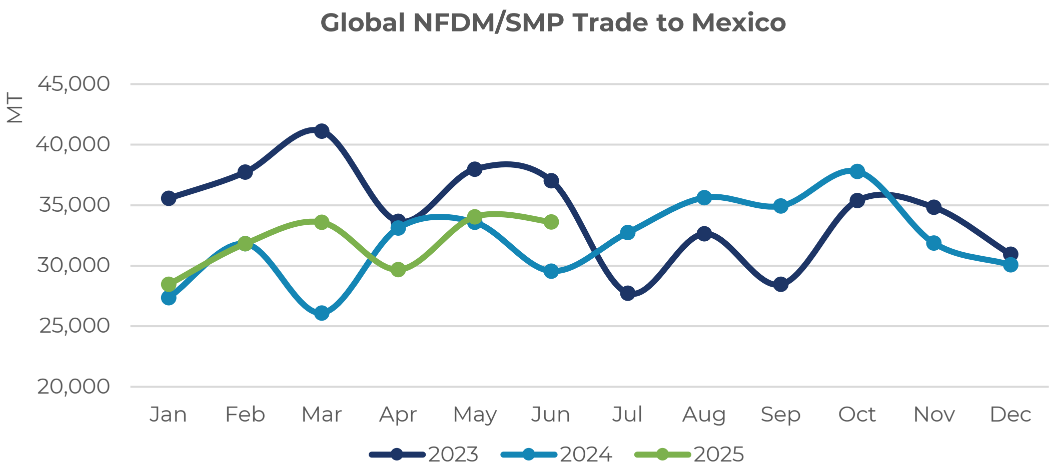


Source: NMPF/USDEC, TDM

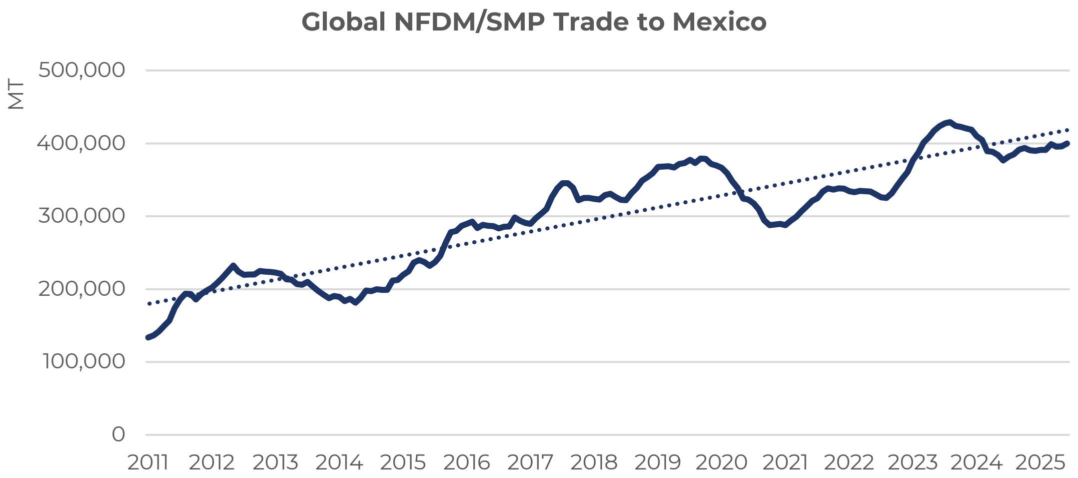
Mexico



Global NFDM/SMP Trade to Mexico
MT
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay

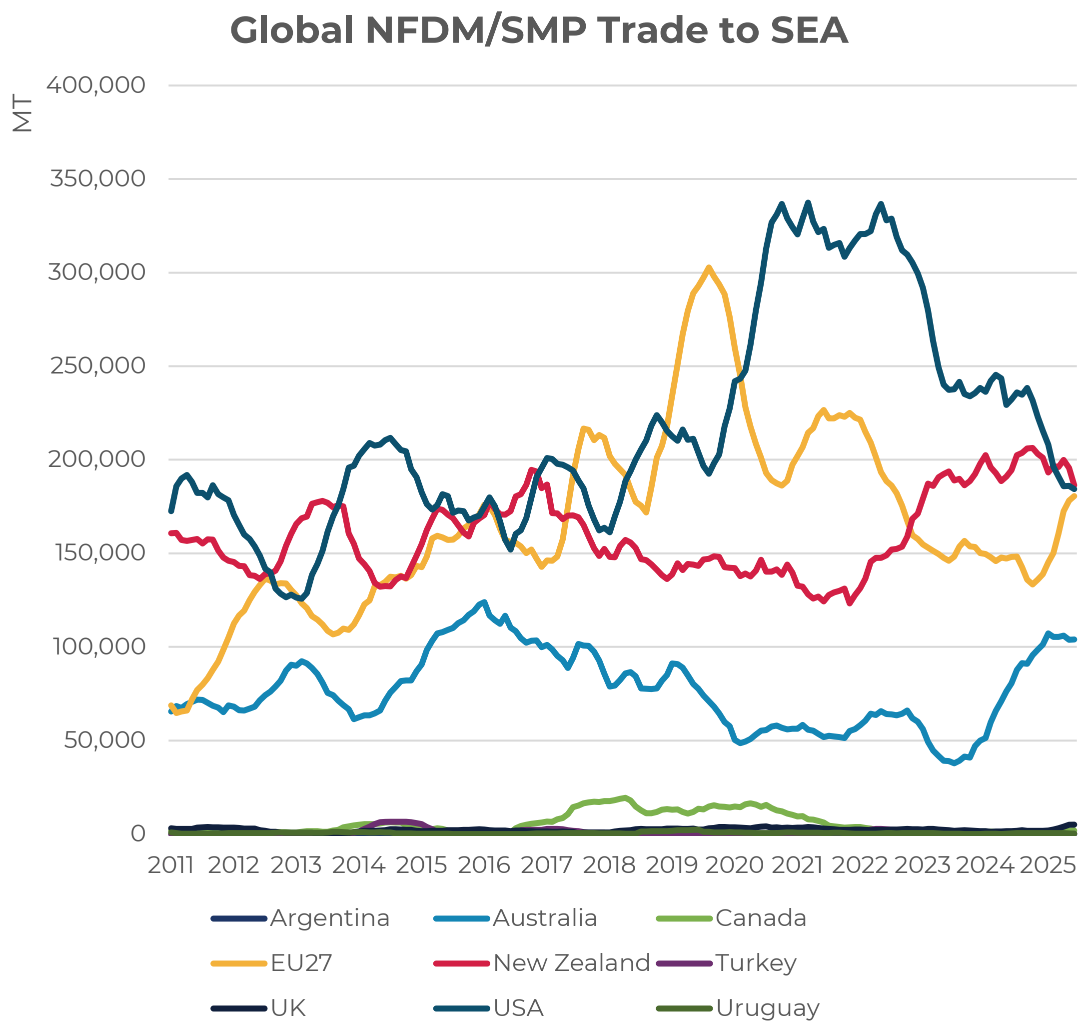


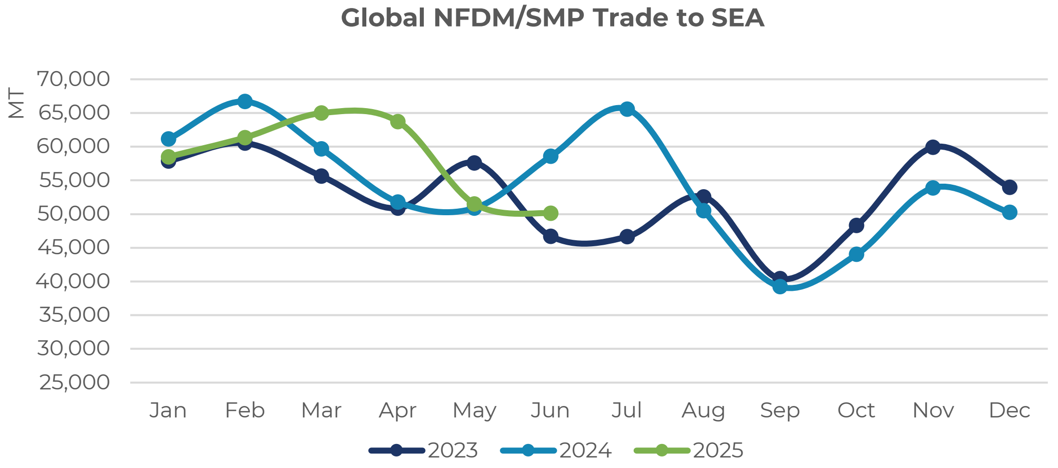
Global NFDM/SMP Trade to Mexico
MT
45,000
40,000
35,000
30,000
25,000
20,000
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2023
2024
2025

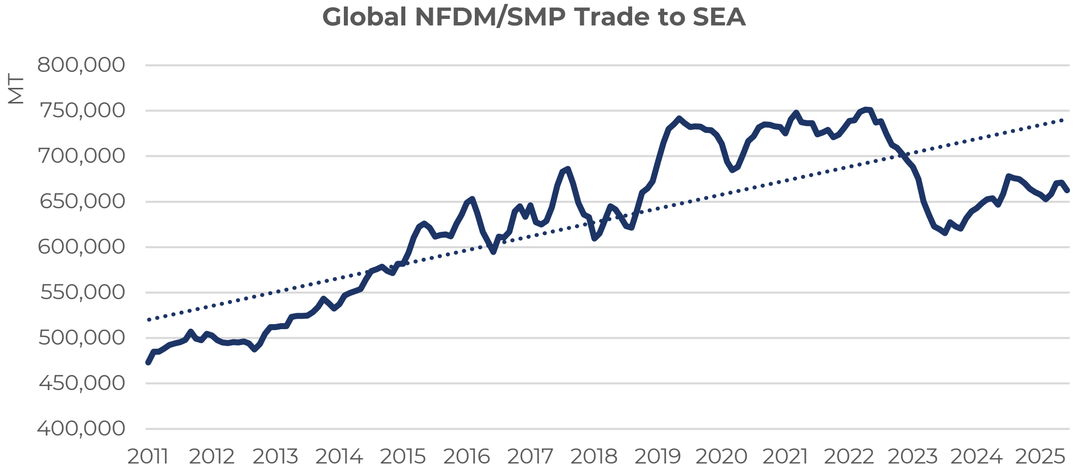


Global NFDM/SMP Trade to Mexico
MT
500,000
400,000
300,000
200,000
100,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

Southeast Asia

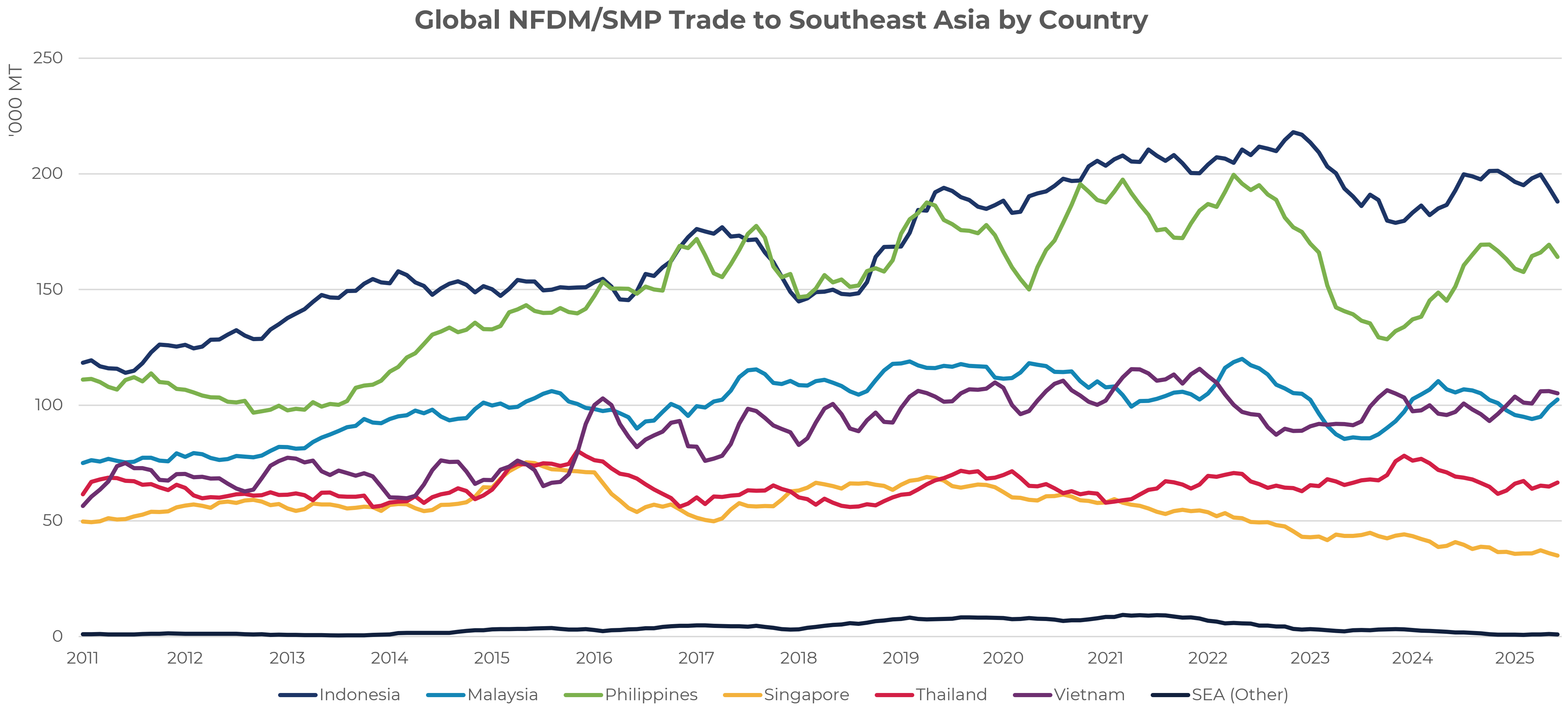






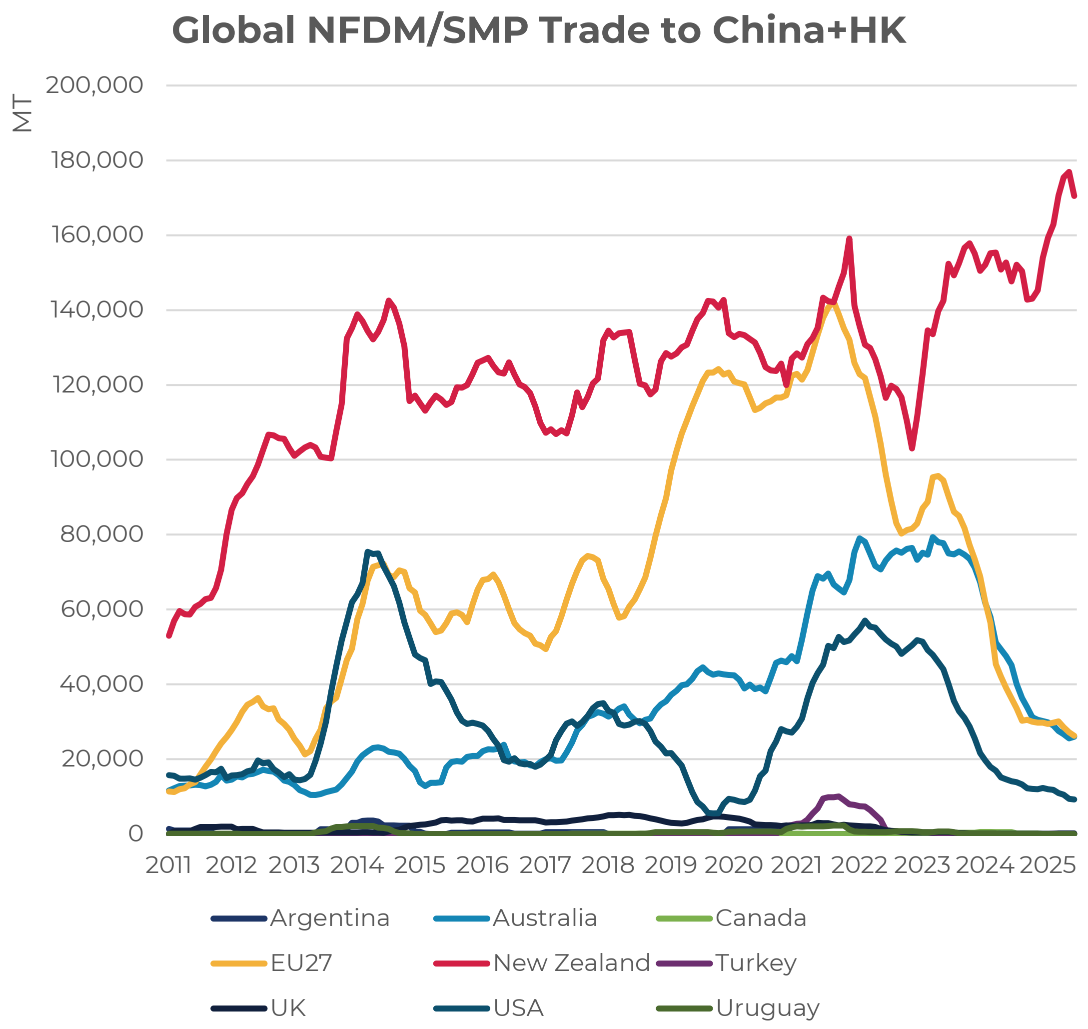
Source: NMPF/USDEC, TDM

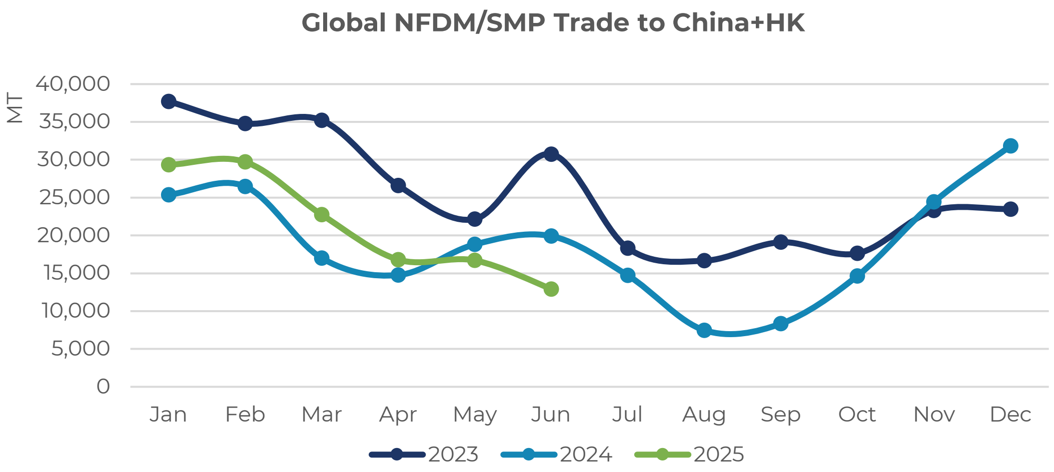
Southeast Asia Country Breakdown

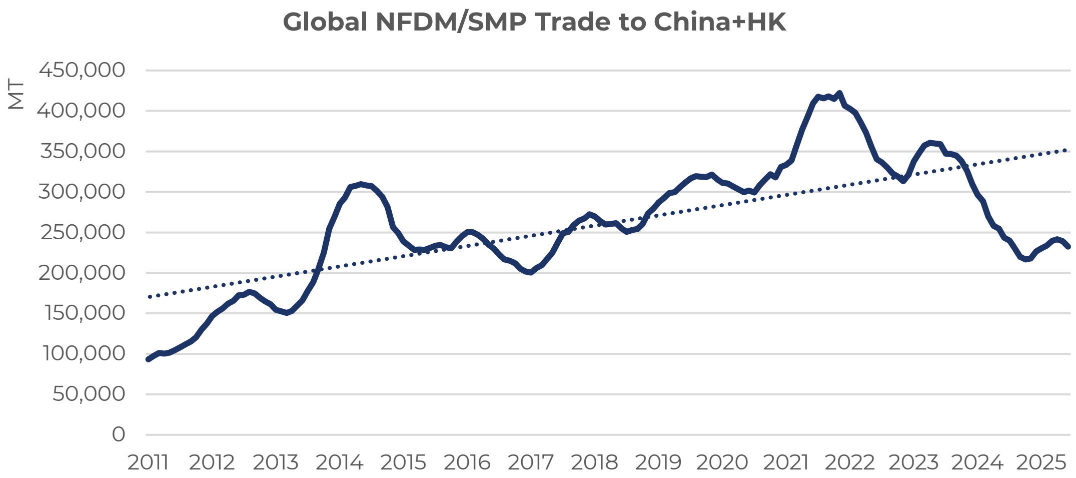


Source: NMPF/USDEC, TDM

China

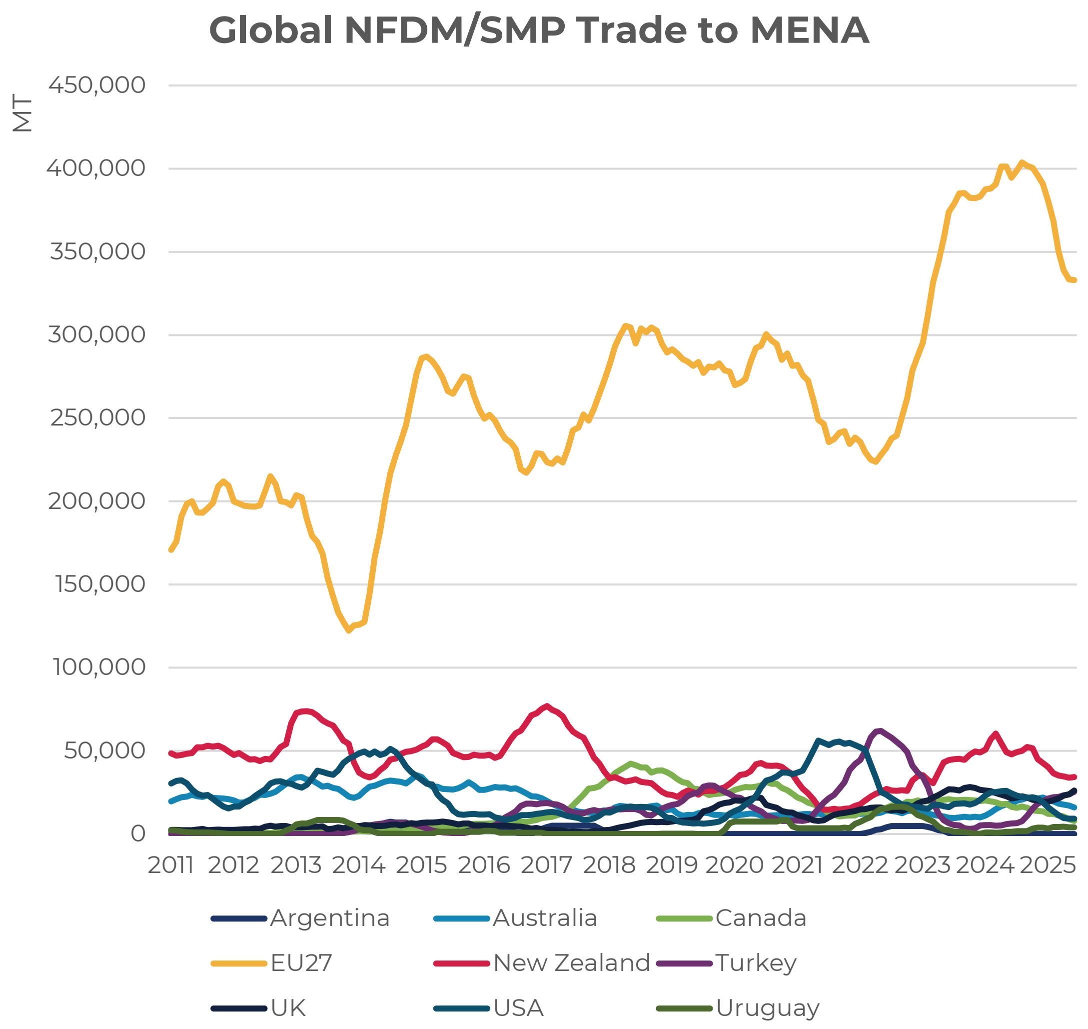


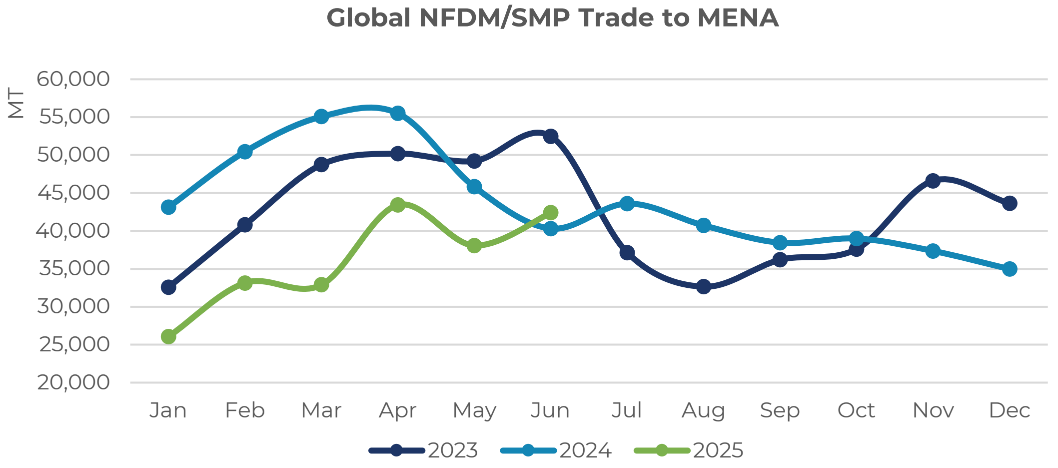


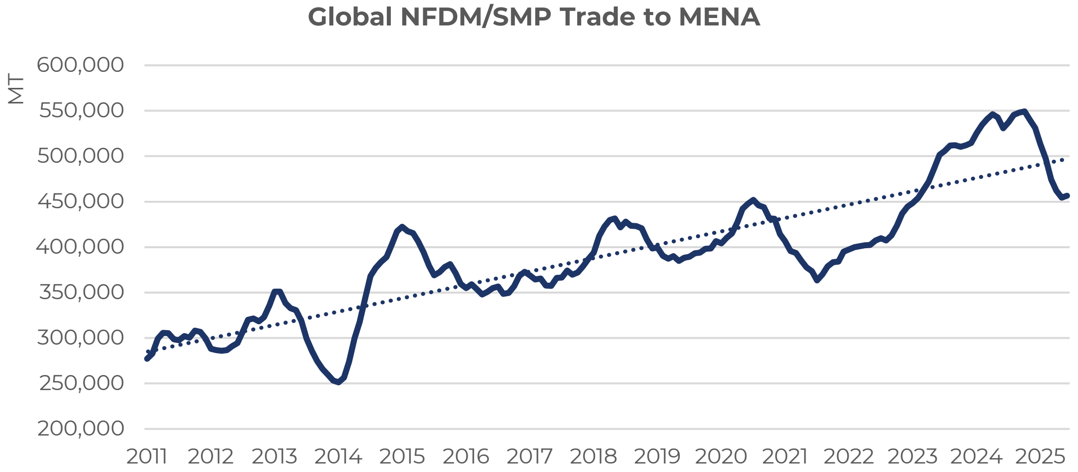


Source: NMPF/USDEC, TDM

MENA

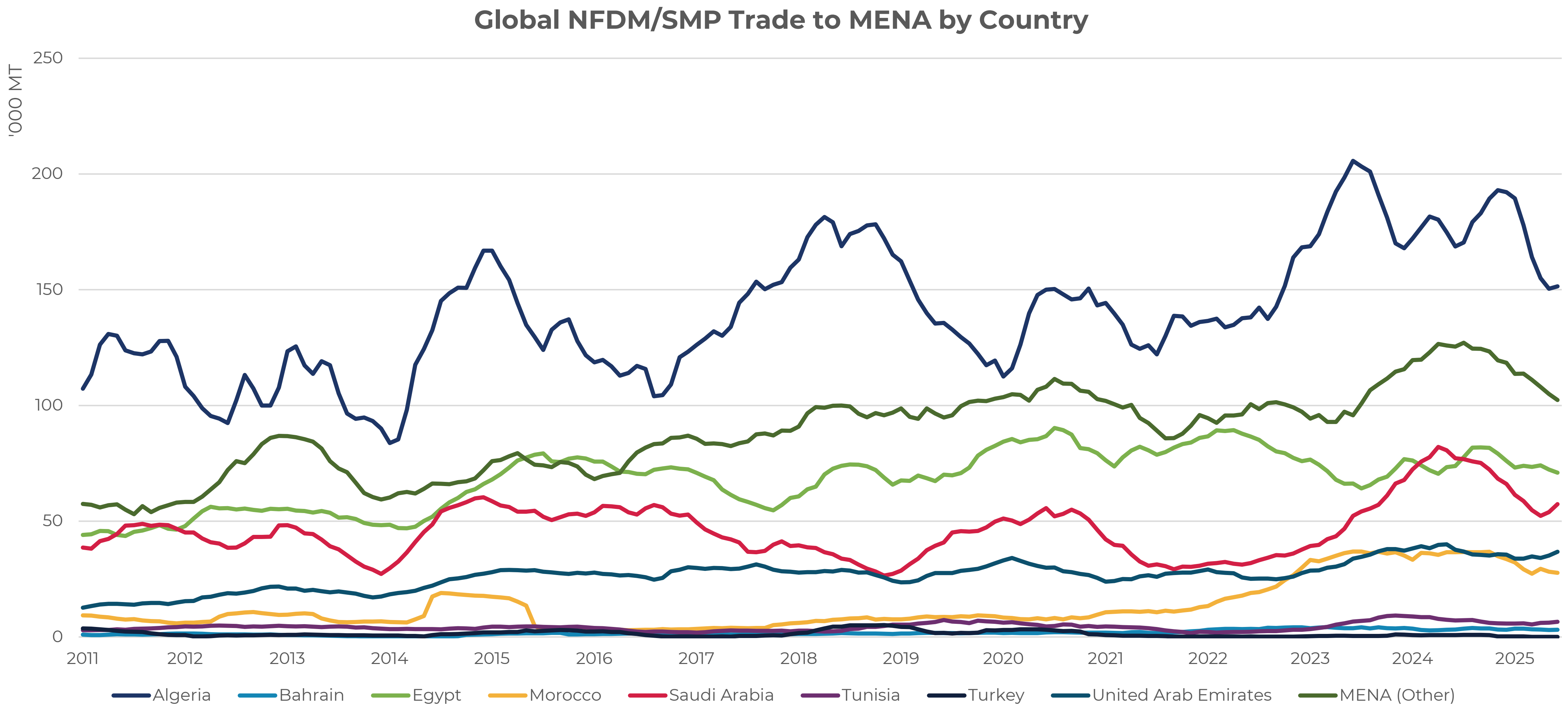






Source: NMPF/USDEC, TDM

Middle East-North Africa Country Breakdown



NMPF | USDEC DAIRY ECONOMICS

Source: NMPF/USDEC, TDM

NMPF | USDEC DAIRY ECONOMICS

Whey Products (0404.10)

Whey Products (0404.10) Market Commentary

KEY TAKEAWAYS

- The low-protein whey trade rollercoaster carried over into June. **Volumes improved markedly from last month and were effectively even with prior year levels as the trade conflict between the U.S. and China eased and shipments resumed**. Despite the volatility, low protein whey trade during the first half of 2025 ran 1% ahead of last year (+5,421 MT), delivering the second highest volume for the period, though trade remains 4% (-30,556 MT) shy of the peak reached in 2021.
- **A dramatic increase in Chinese buying (+13%, +5,813 MT) bolstered trade** for the dairy products captured in the low-protein whey HS code. However, many other destinations including MENA (+19%, +1,225 MT, See Additional Notes), Mexico (+35%, +1,063 MT), and South Korea (+45%, +899 MT) made further positive contributions to the trade figures.
- On the other side of the ledger, however, **a 16% decline (-6,652 MT) in low-protein whey volumes into Southeast Asia effectively wiped out those gains.** Significantly lower demand from Indonesia (-35%, -4,959 MT) accounted for the majority of the region's contraction though volumes were also down to Thailand (-38%, -2,747 MT) and the Philippines (-35%, -2,491 MT).

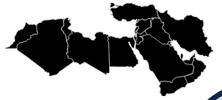
Global Whey (0404.10) Trade

+0.2%	+0.7%	+5.7%	+1.4%
Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

June Standout Markets

+13%

CHINA+HK
+5,813 MT



+19%

MENA
+1,225 MT

+35%

MEXICO
+1,063 MT

-16%

SOUTHEAST ASIA
-6,652 MT

ADDITIONAL NOTES

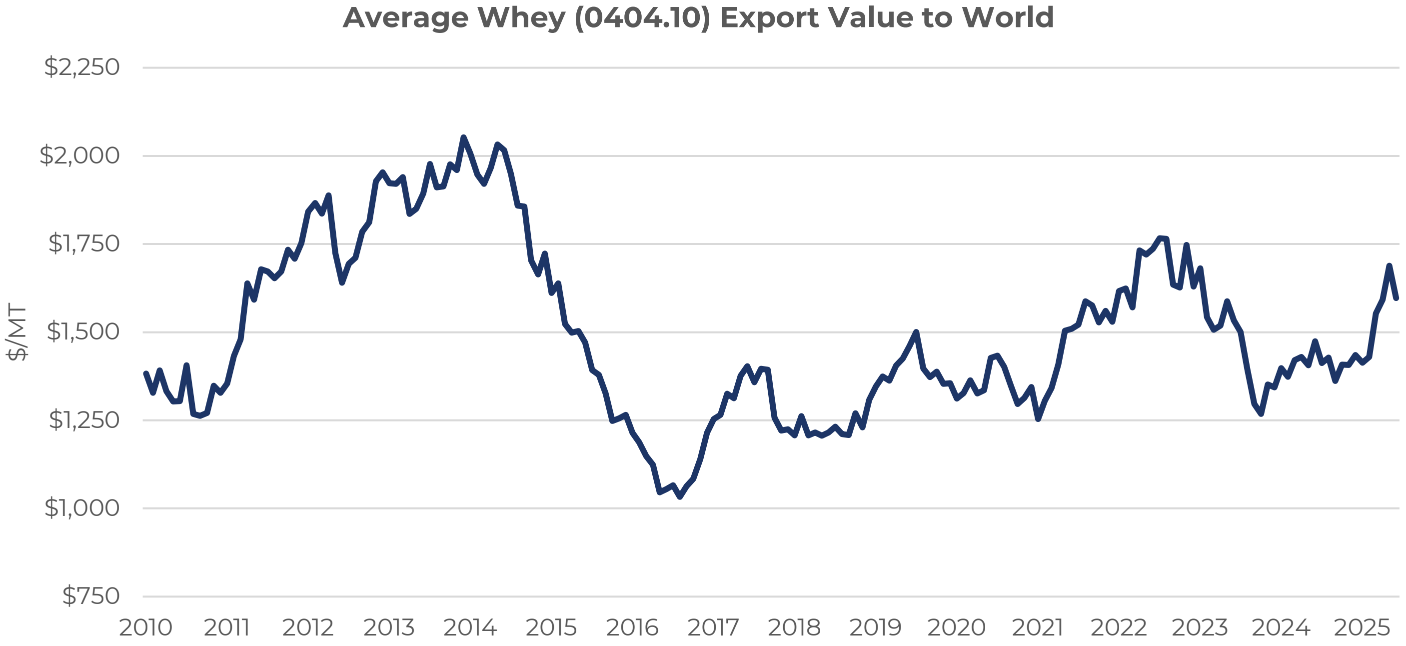
Echoing the performance seen across other products, MENA's imports of low protein whey improved meaningfully in June after a tough start to the year. The trajectory has been choppy and cumulative low protein whey imports over the first six months of 2025 are down 7% (-3,439 MT) compared to last year. However, volumes remain strong by historical standards. Last year's H1 volume was the largest ever recorded for the period, and the 47,791 MT that have entered the region so far this year represent a 22% increase compared to 2022, the next largest year. Despite persistent geopolitical conflict, wavering international demand has caused crude oil prices to soften somewhat this year. Because oil production and exports fuel MENA's economy, lower crude prices are likely to have a dampening effect on demand, including for low-protein whey products. Thus, a sustained recovery in whey demand, or an extension of the improvement seen in June, will likely be predicated on higher oil prices.

Whey Products (0404.10) Market Commentary

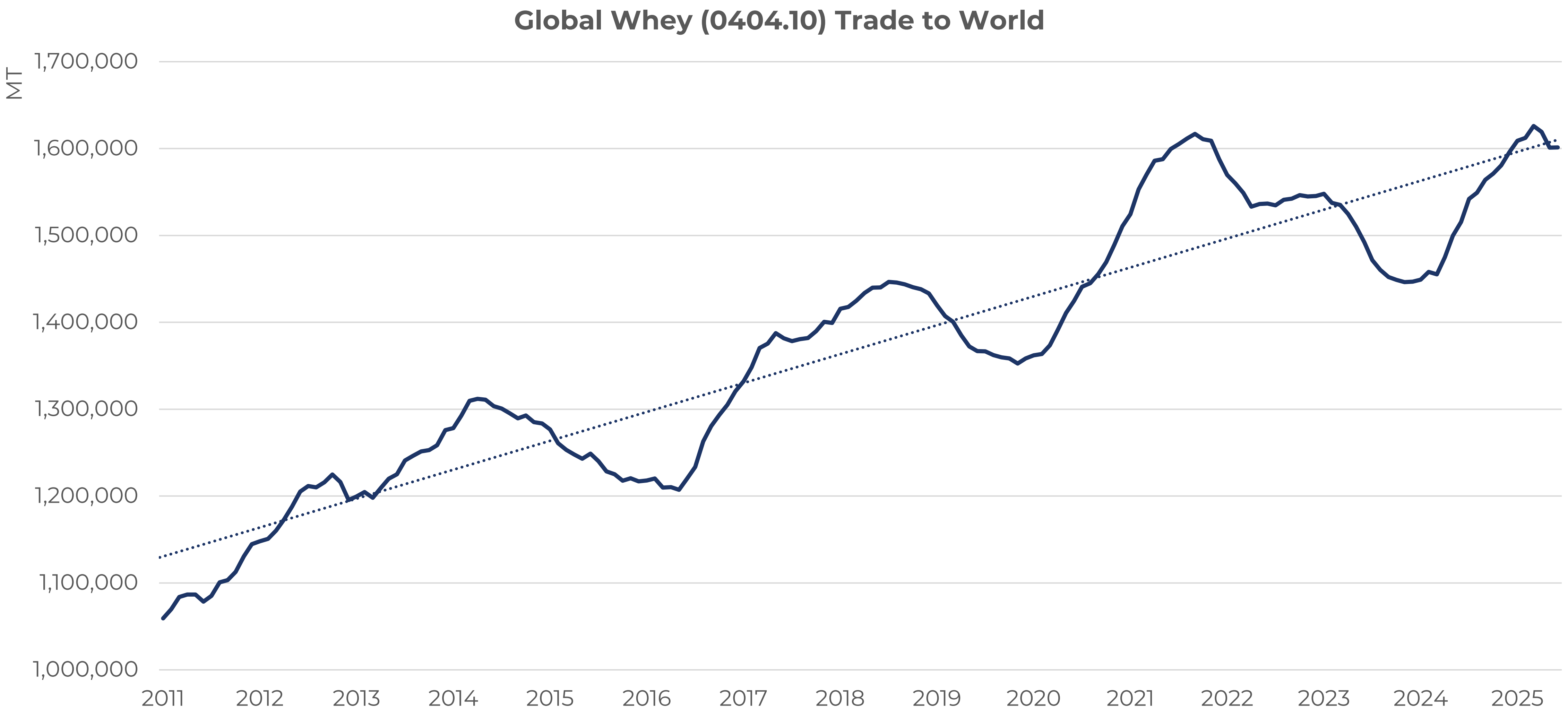
LOOKING AHEAD

- **Low-protein whey products are well positioned to see trade volumes rise over the coming months and years.** From the supply perspective, rising milk production and ample cheese output in most corners of the globe are likely to result in a plentiful whey stream. While the future of demand appears a little less certain, long supplies are likely to keep export values contained at a level that will continue to attract international interest, which could result in less whey permeate being dried and exported.
- But despite an optimistic expectation over the long term, significant risks persist. The relationship between the U.S. and China remains tenuous and although another tariff extension has been granted, the situation could change rapidly at any time. Should relations between the two countries deteriorate, global low-protein trade volumes are likely to slip substantially as they did in May. **China continues to seek alternative suppliers for its whey needs but with no other country able to completely supplant U.S. volumes, global low protein whey trade will likely remain at least partially contingent on the evolution of trade policy.**

	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR
U.S. Whey (0404.10) Exports	+12.6%	-3.8%	+1.9%	+0.6%
EU Whey (0404.10) Exports	-6.3%	+1.2%	+4.6%	+1.5%
NZ Whey (0404.10) Exports	-34.4%	-20.2%	-17.3%	-6.1%

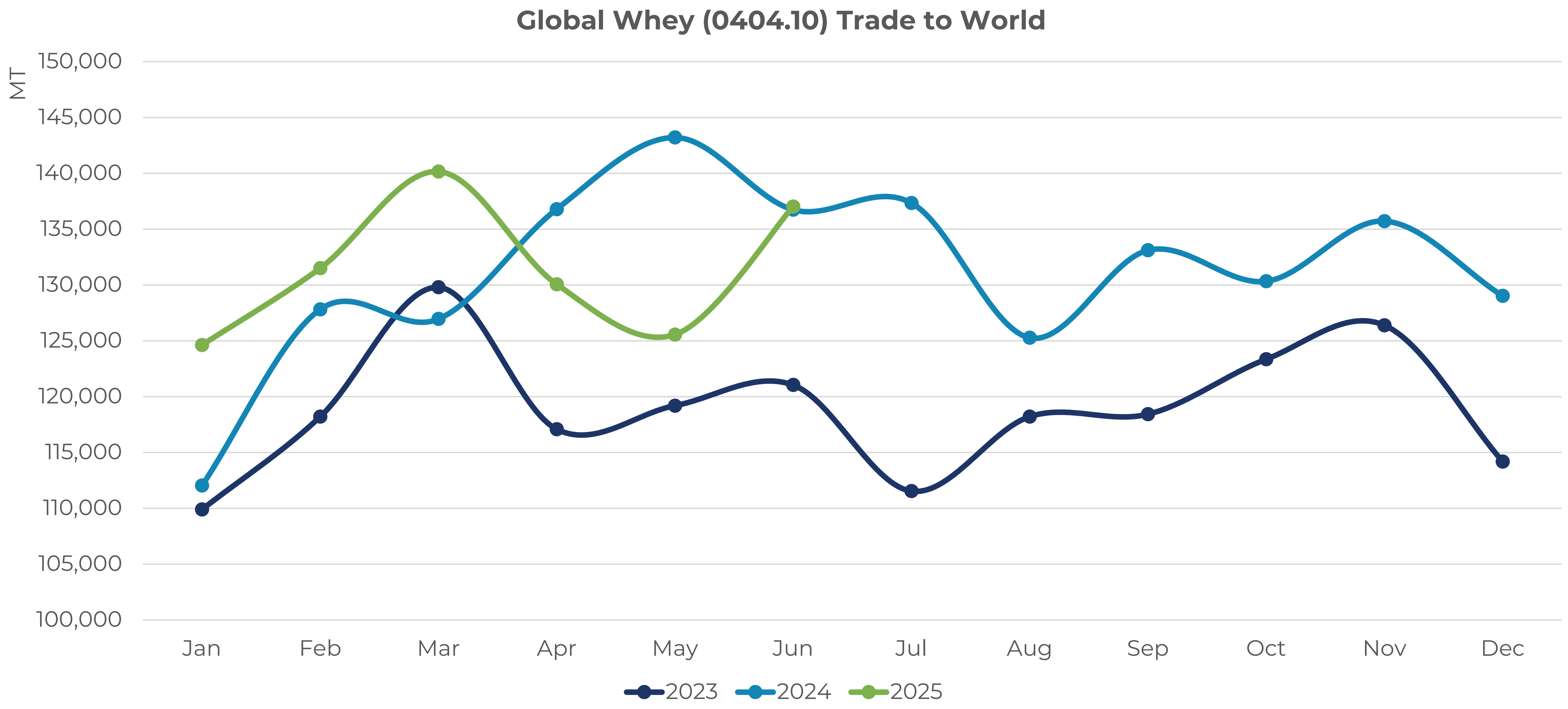


Global Overview: Whey (0404.10)



Source: NMPF/USDEC, TDM

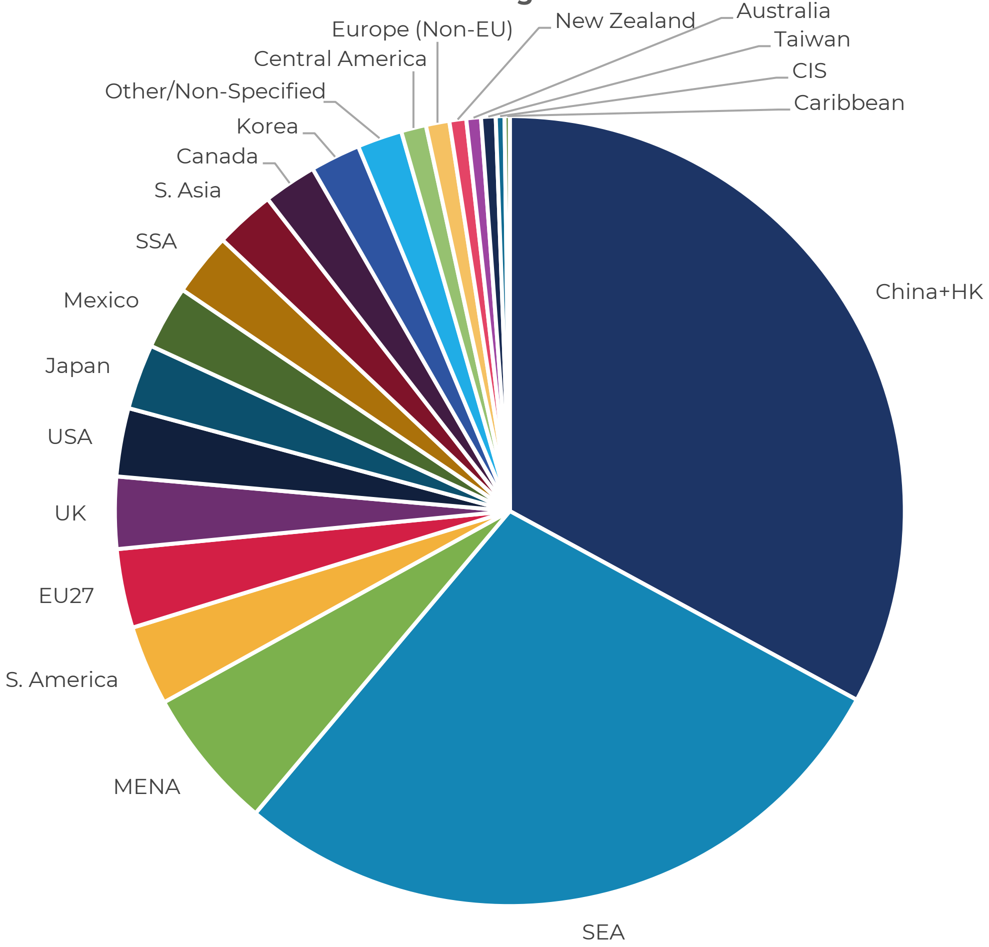
Global Overview: Whey (0404.10)



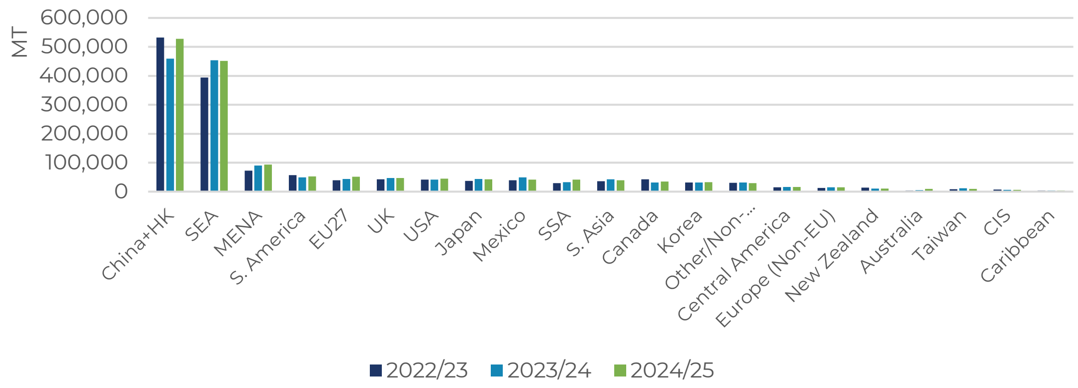
Source: NMPF/USDEC, TDM

Global Overview: Whey (0404.10) – Last 12 Months

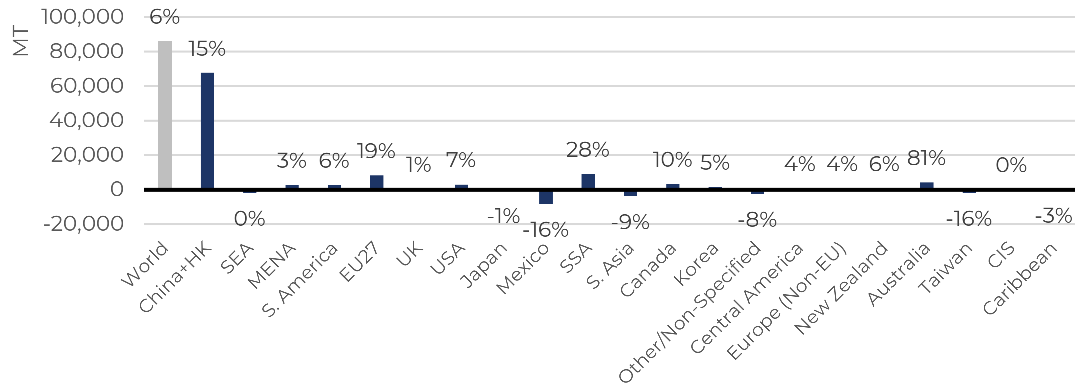
Global Whey (0404.10) Trade by Destination: Last 12 Months ending Jun



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

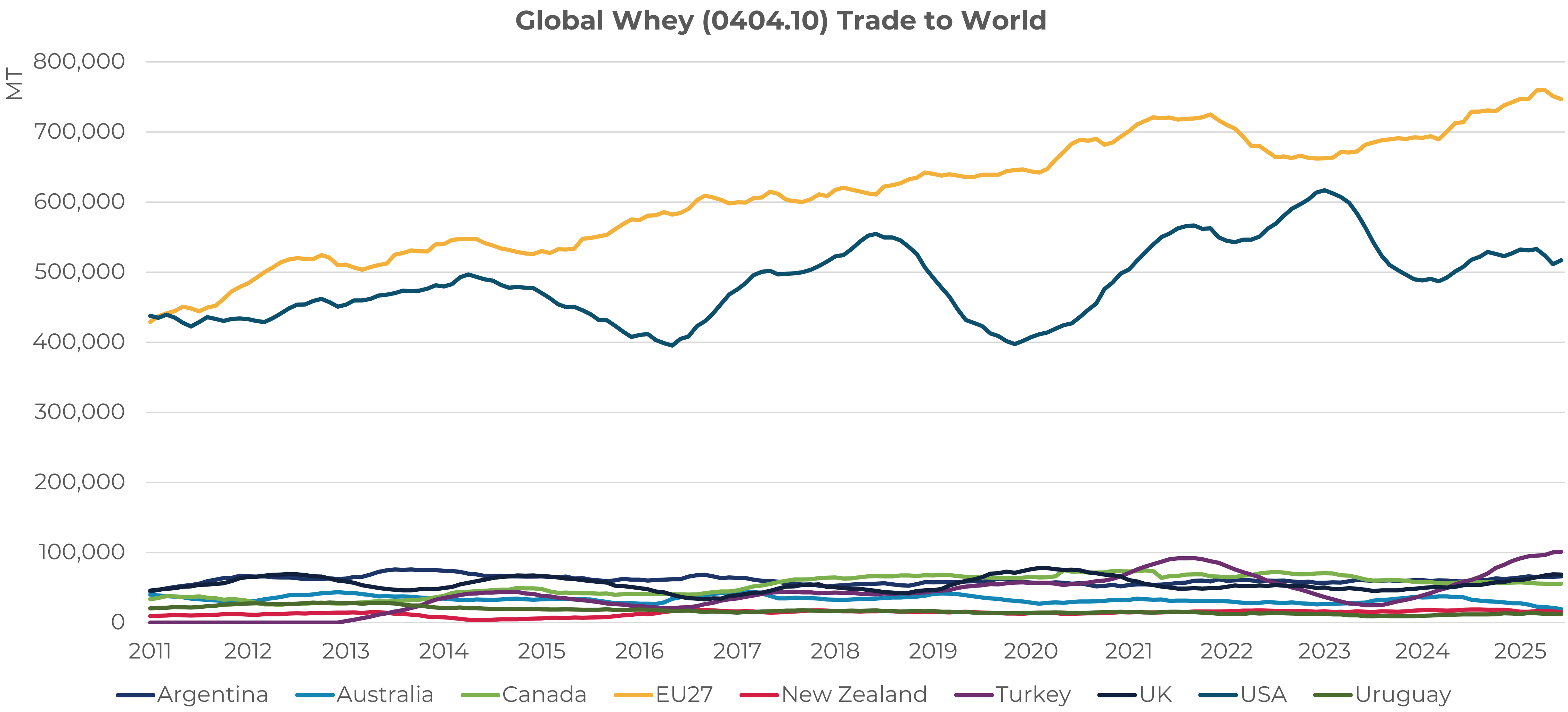


YOY Change in Global Whey (0404.10) Trade by Destination: Last 12 Months ending Jun

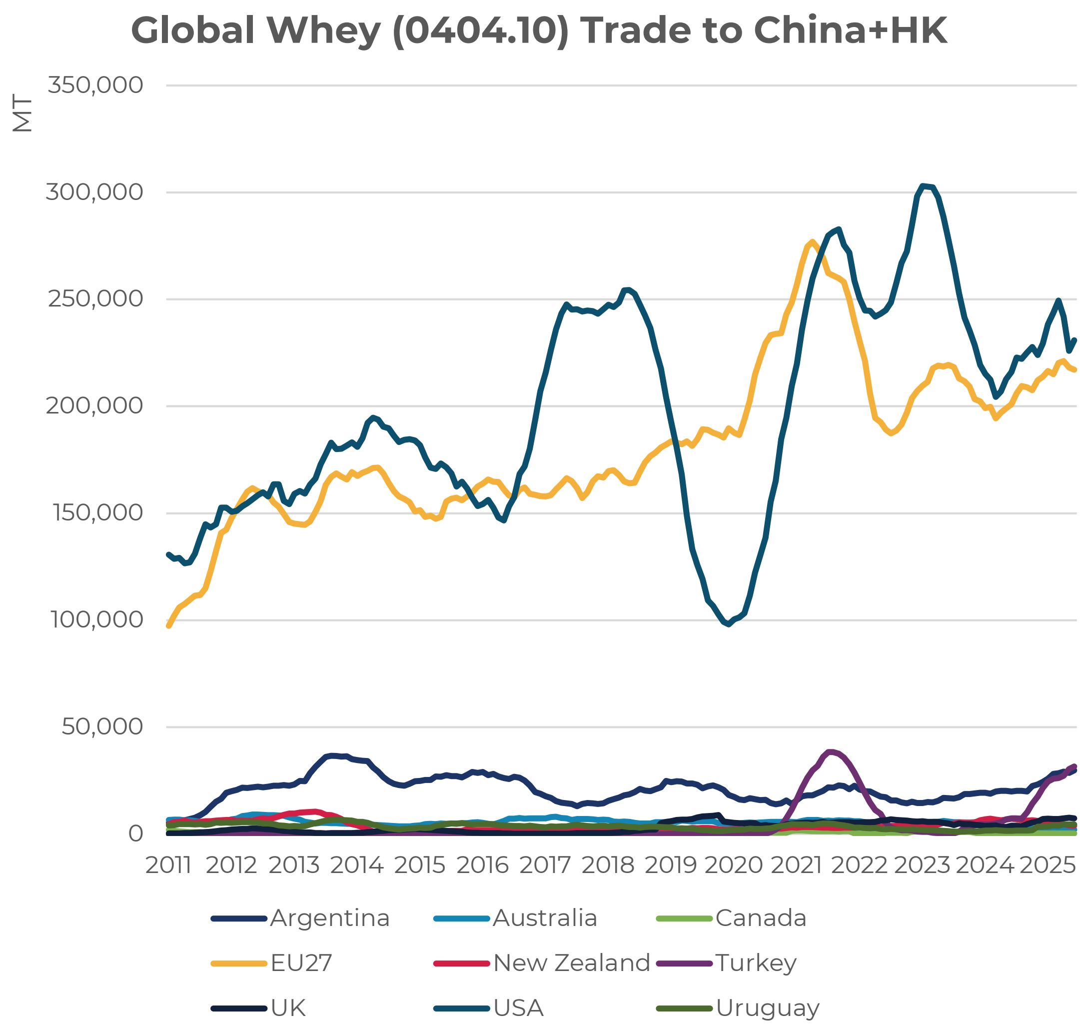


Source: NMPF/USDEC, TDM

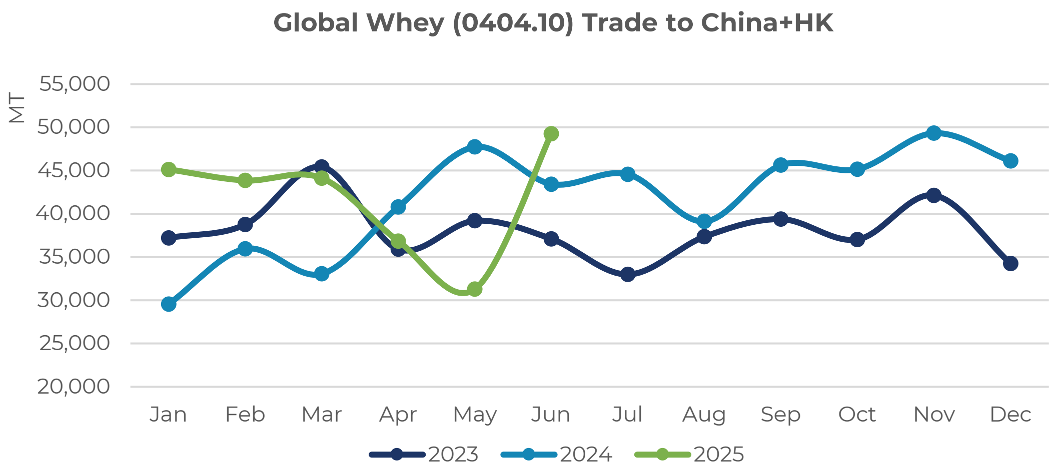
Trade Flows: Whey Products



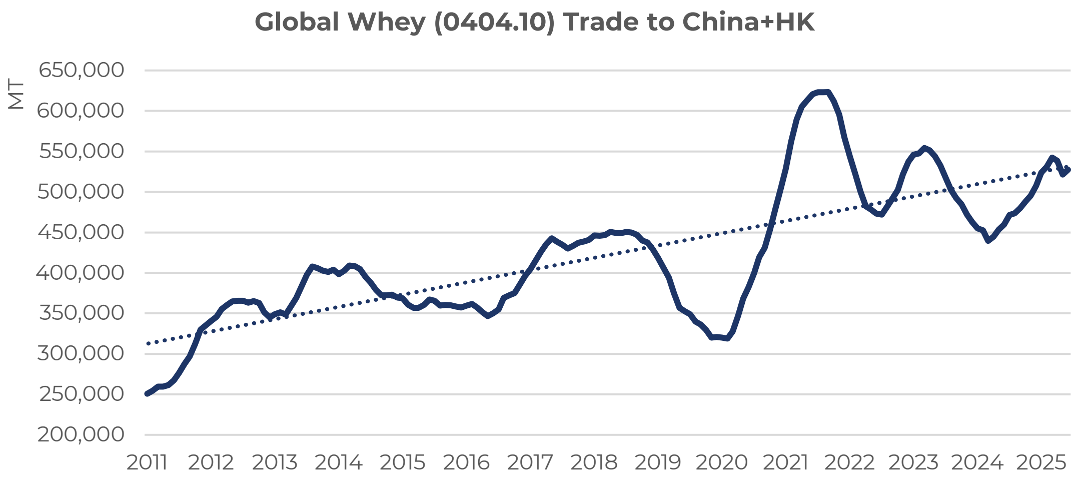
China



Global Whey (0404.10) Trade to China+HK
MT
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Argentina
Australia
Canada
EU27
New Zealand
Turkey
UK
USA
Uruguay

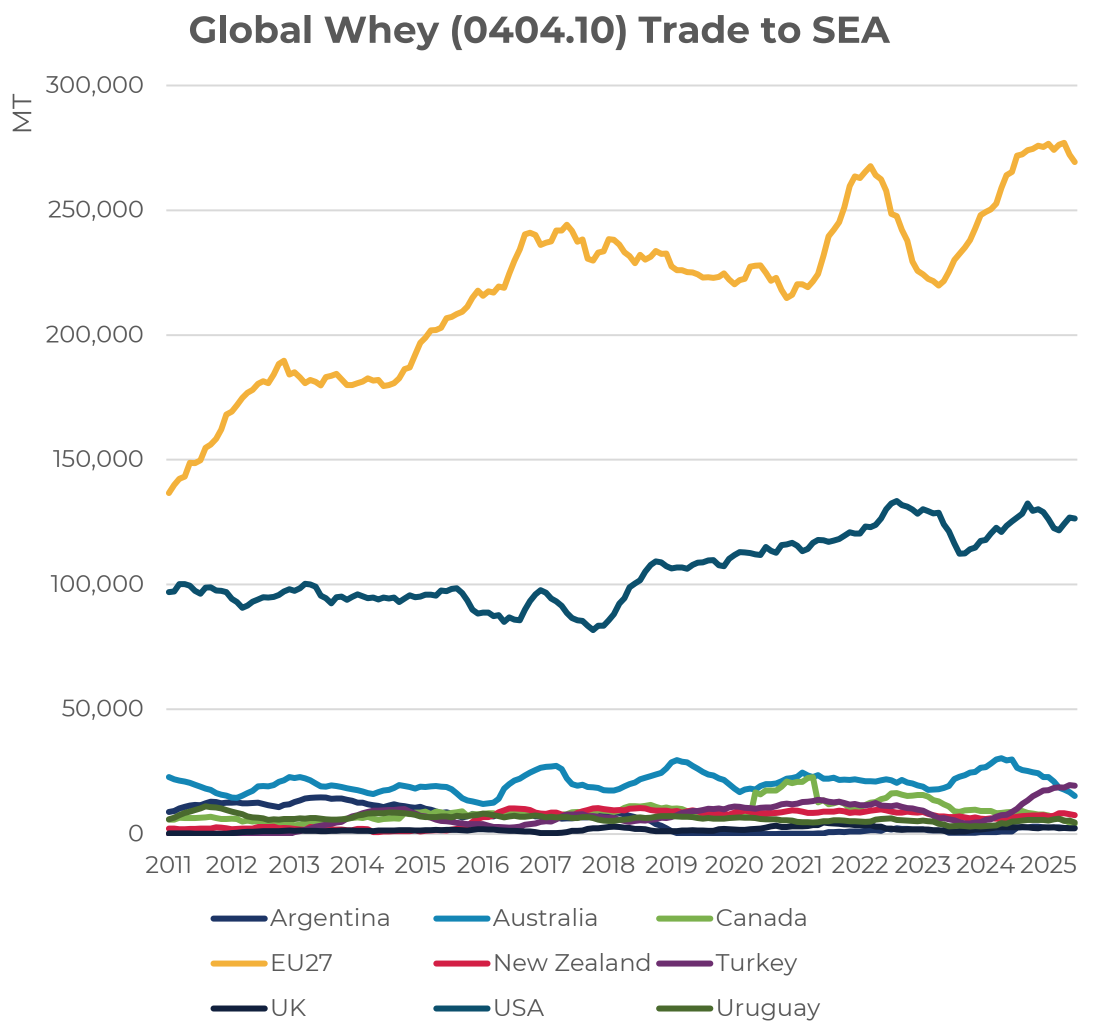


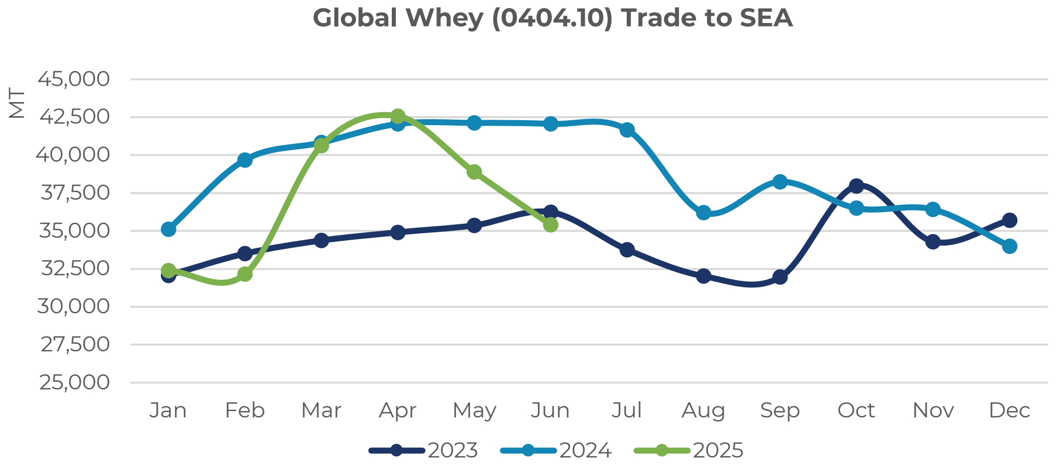
Global Whey (0404.10) Trade to China+HK
MT
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2023
2024
2025

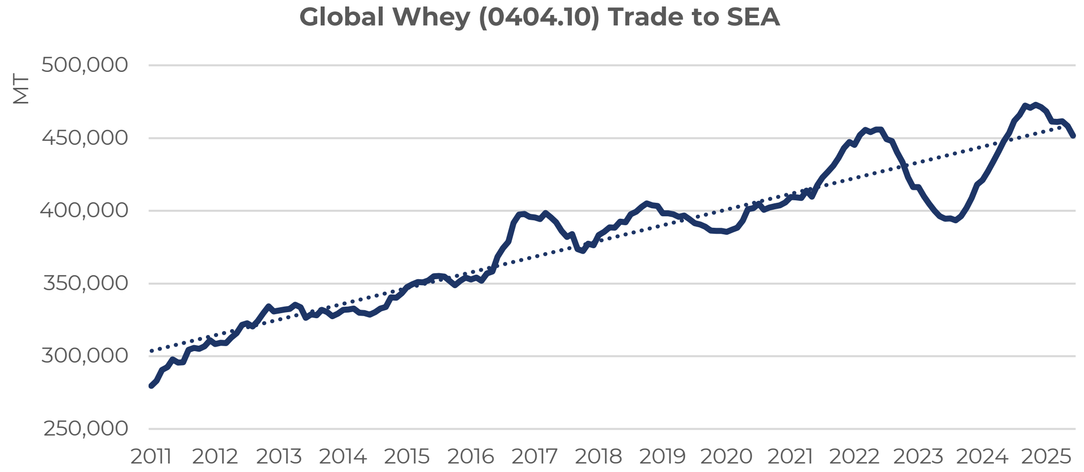


Global Whey (0404.10) Trade to China+HK
MT
650,000
600,000
550,000
500,000
450,000
400,000
350,000
300,000
250,000
200,000
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

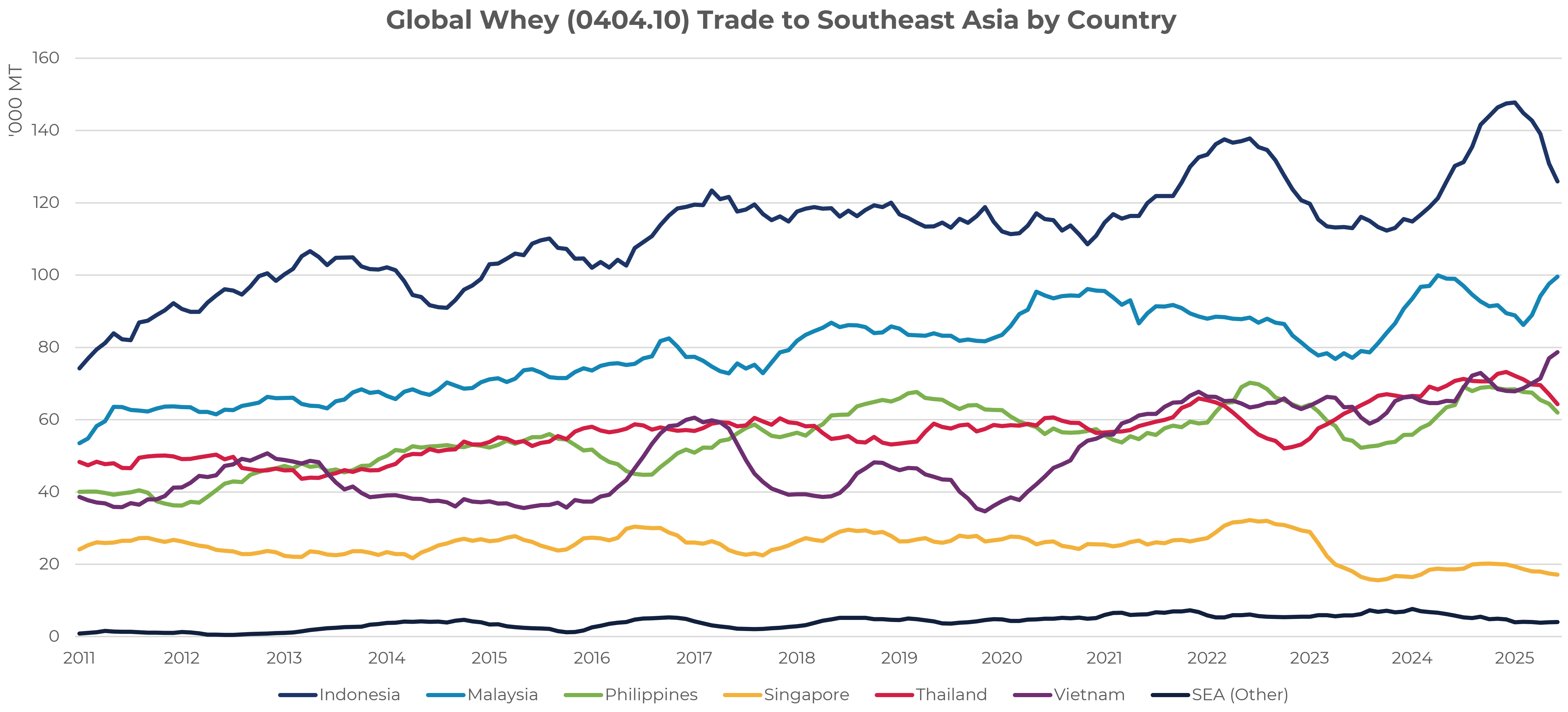
Southeast Asia







Southeast Asia Country Breakdown



WPC80+ (3502.20)

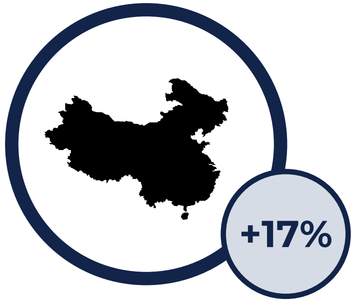
WPC80+ (3502.20) Market Commentary

KEY TAKEAWAYS

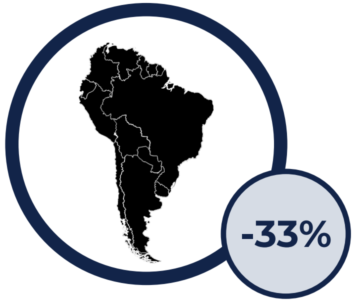
- **High protein whey trade continued its growth streak with global exports up 8% (+1,188 MT) in June** marking the seventh month straight of higher YOY volumes. Widespread demand across many countries supported the strong growth and contributed to the firm prices in the market today.
- **The top importers of high protein whey saw tremendous growth in June with most seeing double digit growth.** Trade to the EU was up a staggering 73% (+934 MT) along with Japan climbing 34% (+499 MT), the UK improving by 11% (+128 MT) and the U.S. surging by 46% (+367 MT).
- Encouragingly, exports to China were also positive, up 17% (+449 MT) for the month. **While the June figures for China were impressive, trade in the back half of the year will likely be challenged given last year's figures** were particularly robust, and the ongoing tariff uncertainty with the U.S. could hinder volumes from the U.S. if the current détente proves temporary. Oddly though, the current environment under the 90-day tariff pause is likely to temporarily accelerate demand.

Global WPC80+ Trade				
	+8.4%	**+8.7%**	**+5.2%**	**+4.2%**
	Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

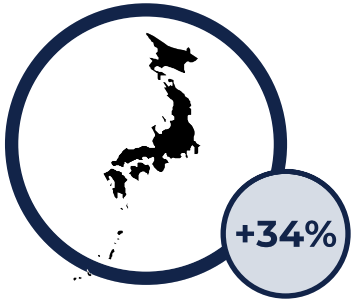
June Standout Markets



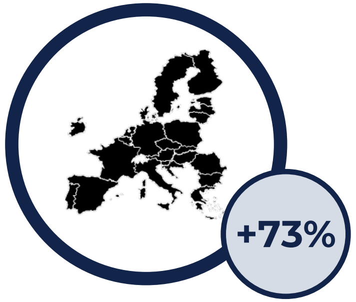
CHINA+HK
+449 MT



SOUTH AMERICA
-533 MT



JAPAN
+499 MT



EU27
+934 MT

ADDITIONAL NOTES

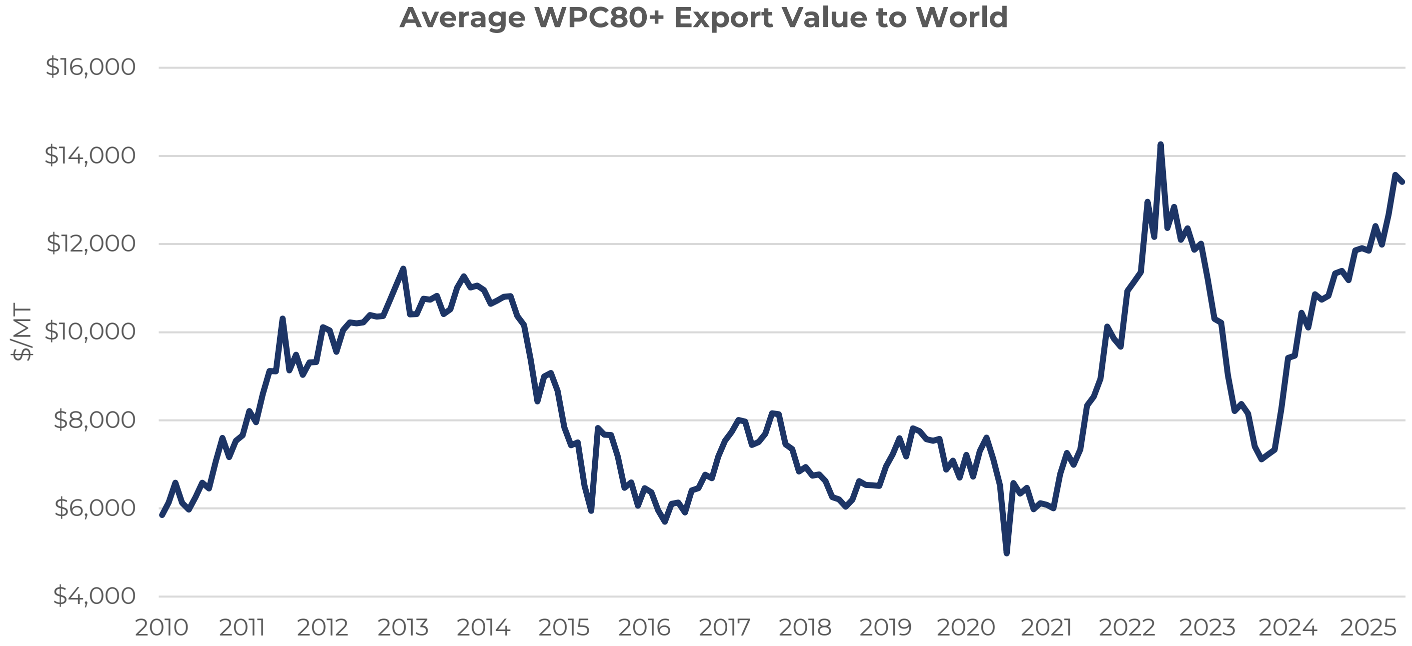
High protein whey prices continue to rally in 2025 as global consumers demand more and more protein – especially in the form of dairy protein. Average global WPC80 prices just surpassed the inflation-driven, record high prices we saw in 2022 at roughly $12,700/MT (market price – not export value). While international demand was strong in 2022, it wasn't strong enough to outcompete domestic customers for limited supplies at that high of a price. Global trade of WPC80+ declined roughly 10% in the year that followed as the market recalibrated. Since then, demand has rebounded, and we find ourselves once again at record breaking prices. Gratefully, international demand appears more price inelastic today as more customers embed whey protein in their formulations, which should allow global trade to weather these high prices better this time around. Still, there will be a price threshold which global consumers are unwilling to cross, but we haven't hit it yet, which is bullish for continued demand growth in high protein whey trade in the coming months.

WPC80+ (3502.20) Market Commentary

LOOKING AHEAD

- **While the average global price of WPC80 is at an all-time high, there is growing price divergence between the two leading suppliers – the EU and U.S.** In recent years, EU and U.S. WPC80 prices tracked closely together – averaging a price spread of just $450/MT between 2021 and 2024. However, that spread has widened considerably this year and currently sits at nearly $3,000/MT with the EU at roughly $14,200/MT and the U.S. at $11,250/MT.
- To be clear, these are reported market prices and not export values. Export values between the two exporters are tracking more closely. Through this year, EU global export value for WPC80+ is roughly $13,275/MT with the U.S. at $12,250/MT – a spread of roughly $1,000/MT.
- Given the limited availability for market price data, it could be that EU reported market prices may be overstated, but it does appear that the EU is exporting at a discount to remain competitive with the U.S. This can continue for a time, but **the growing price spread may push more buyers to source from the U.S. in the coming months.**

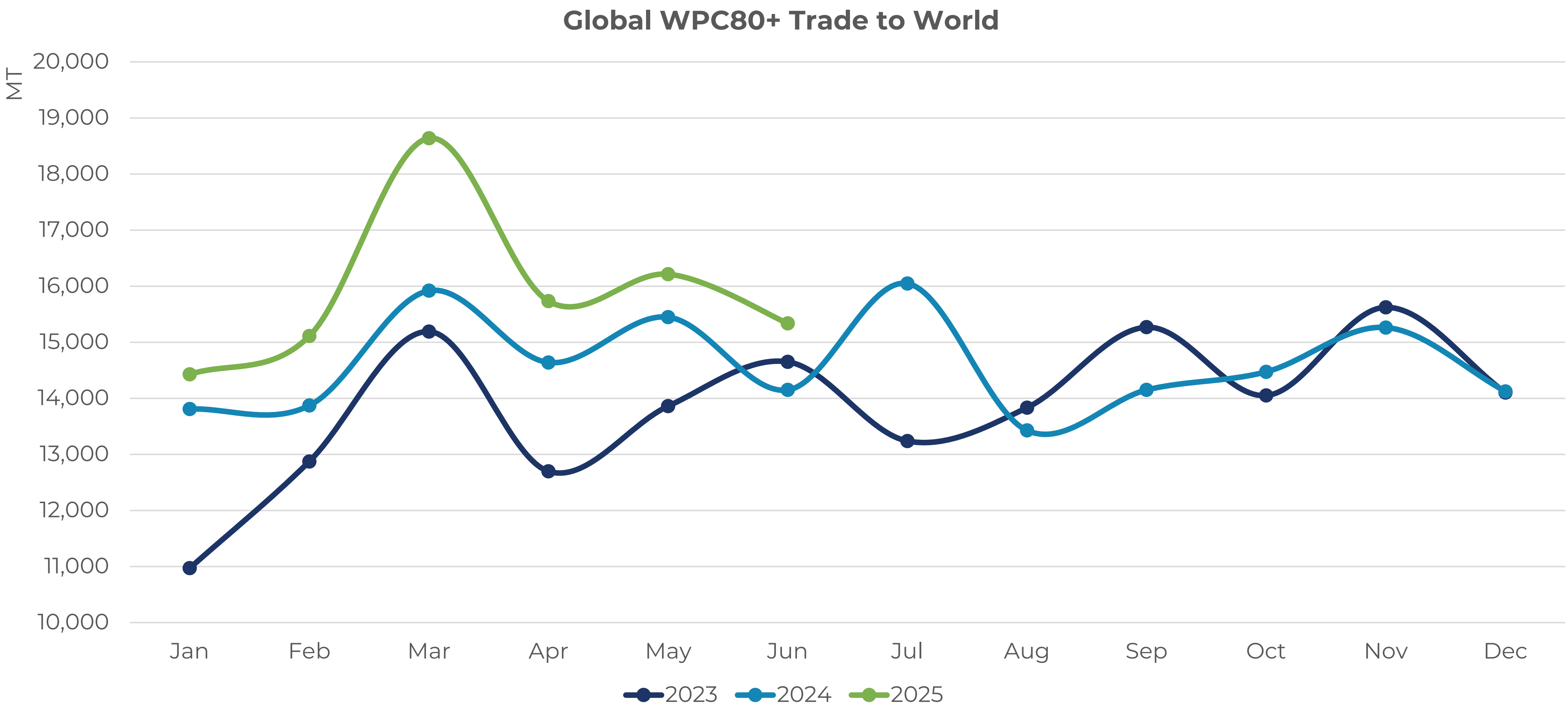
U.S. WPC80+ Exports	**+8.4%** Jun YoY	**+7.6%** YTD, Ending Jun	**-1.6%** Last 12-Months, Ending Jun	**-10.6** 3-Year CAGR
EU WPC80+ Exports	**-5.4%** Jun YoY	**+13.7%** YTD, Ending Jun	**+14.3%** Last 12-Months, Ending Jun	**+4.6%** 3-Year CAGR
NZ WPC80+ Exports	**+15.2%** Jun YoY	**-10.6%** YTD, Ending Jun	**-1.8%** Last 12-Months, Ending Jun	**-0.6%** 3-Year CAGR



Global Overview: WPC80+

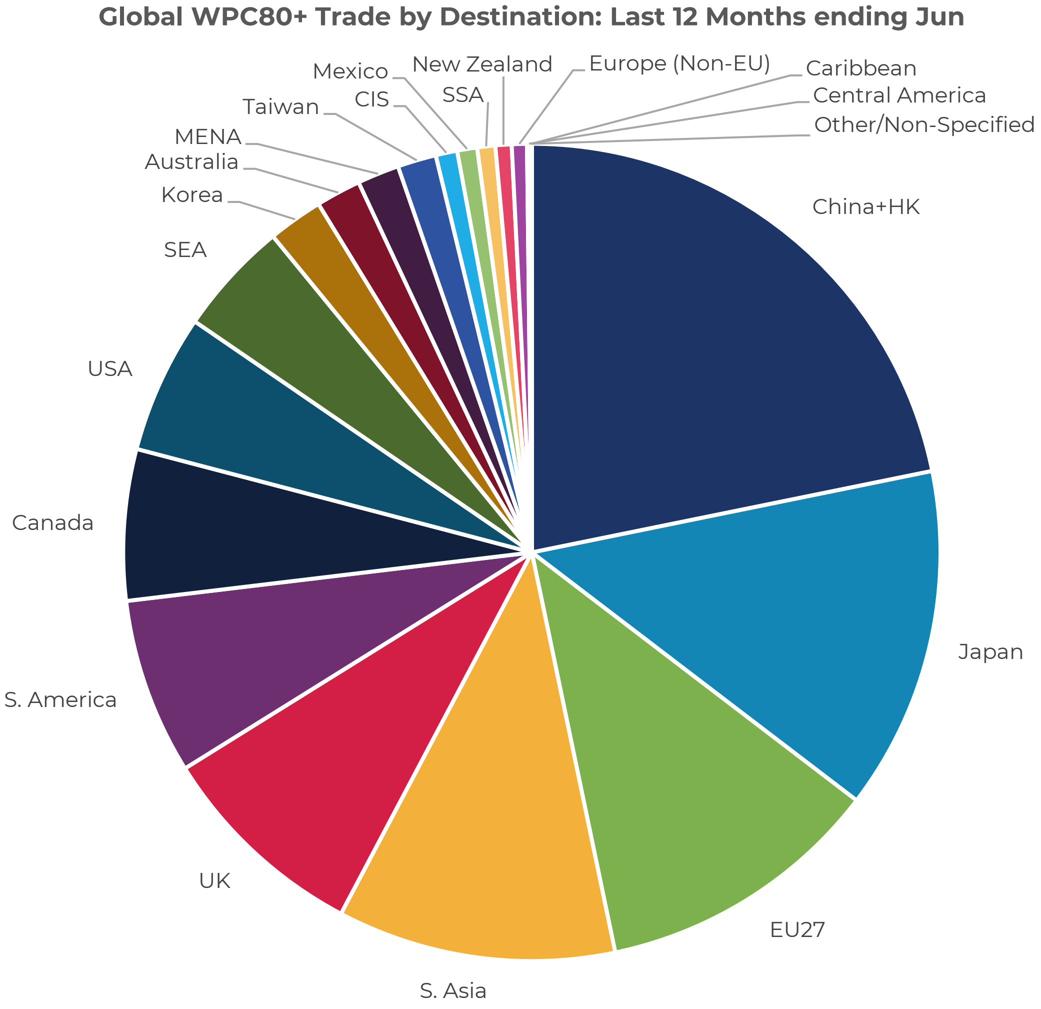
Source: NMPF/USDEC, TDM

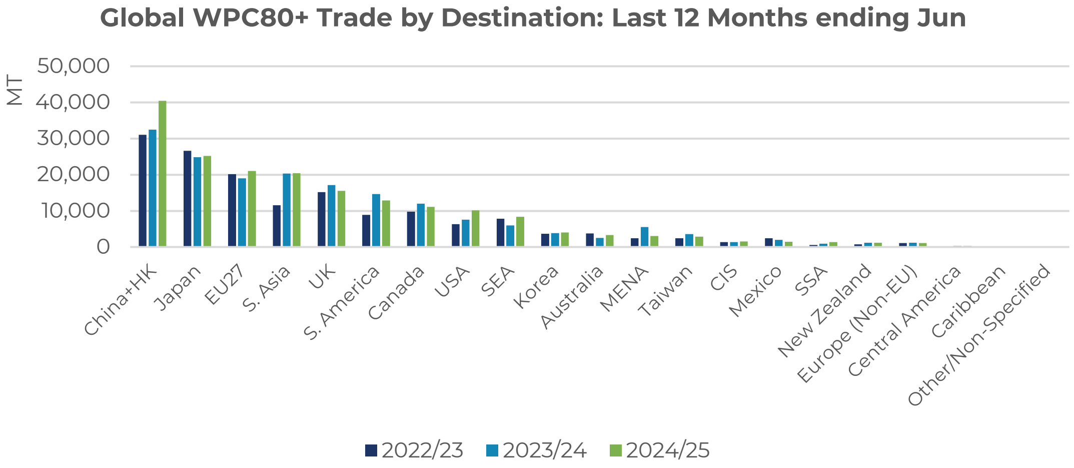
Global Overview: WPC80+

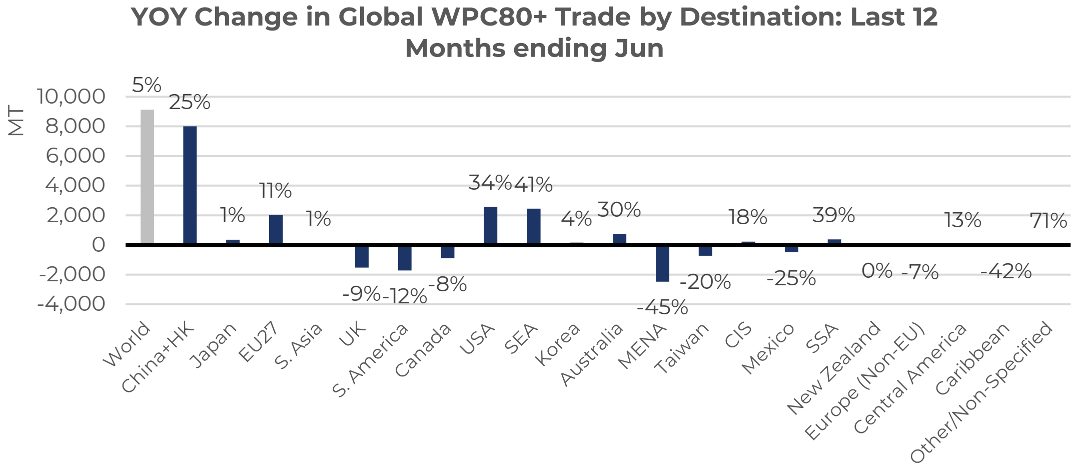


Source: NMPF/USDEC, TDM

Global Overview: WPC80+ – Last 12 Months

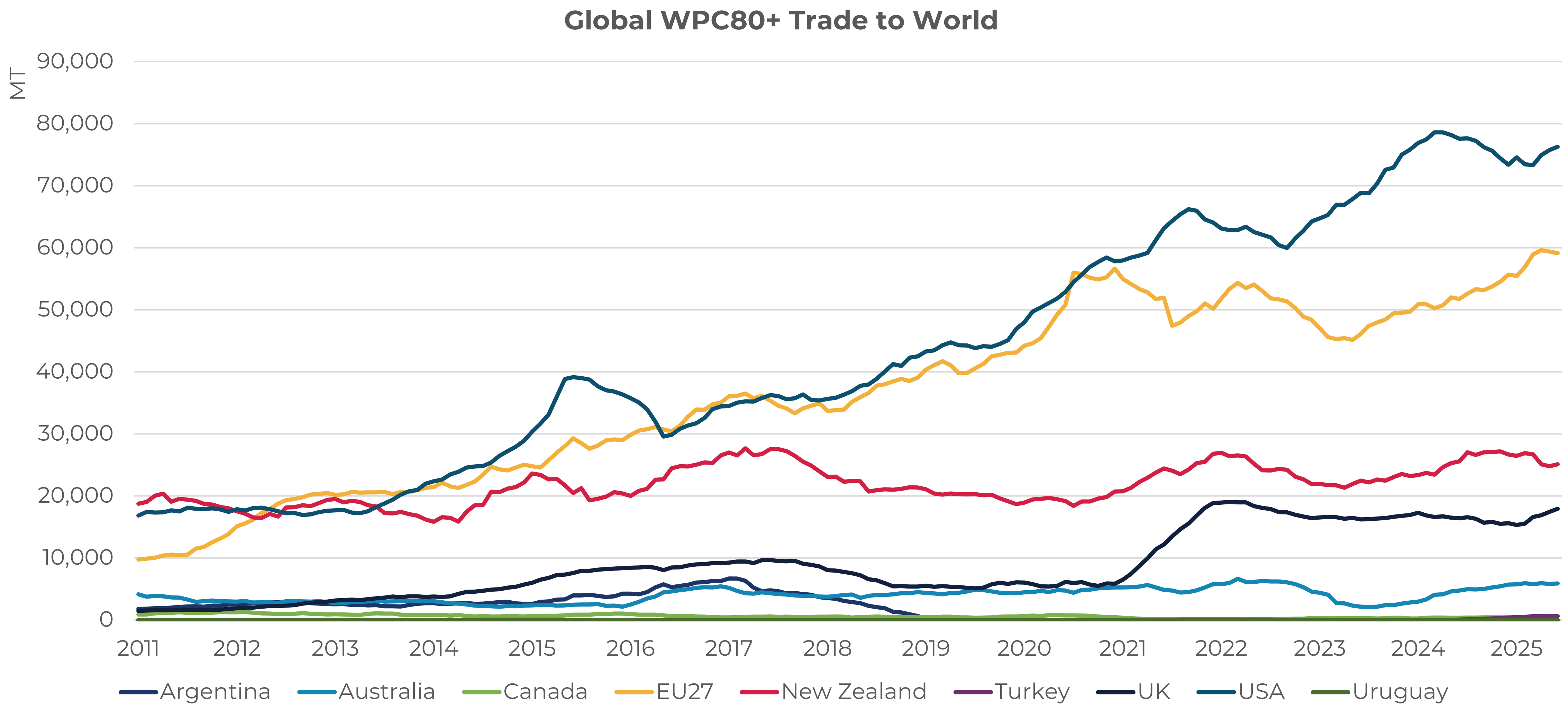






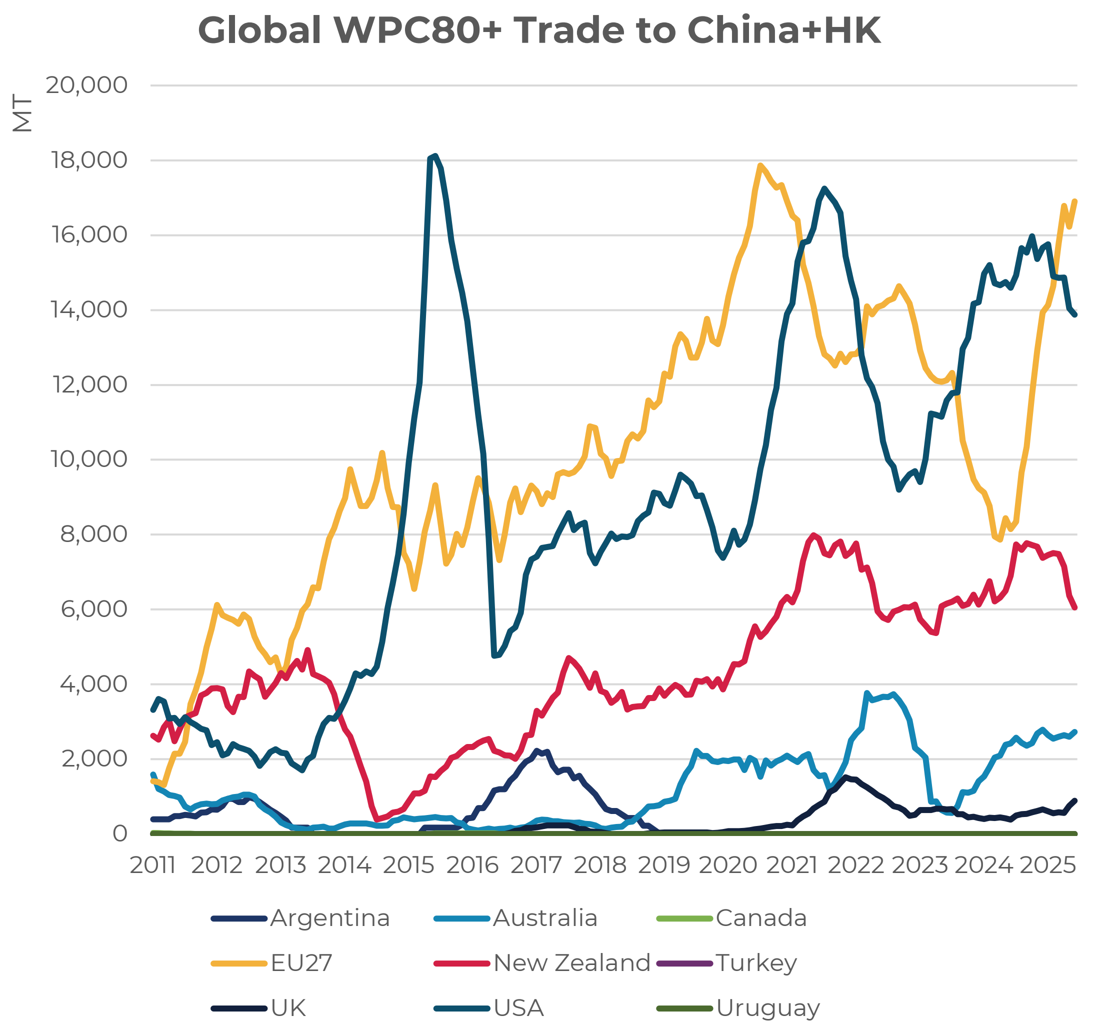
Source: NMPF/USDEC, TDM

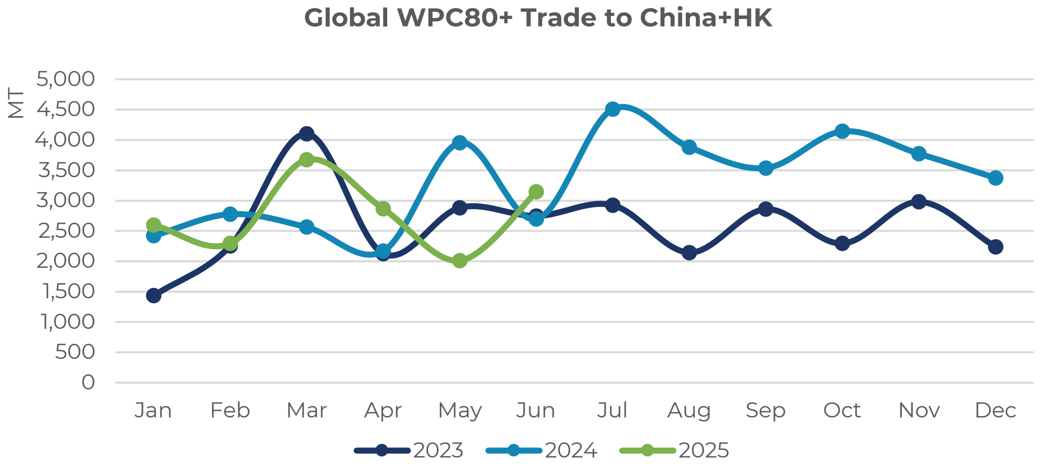
Trade Flows: WPC80+



Source: NMPF/USDEC, TDM

China





Source: NMPF/USDEC, TDM

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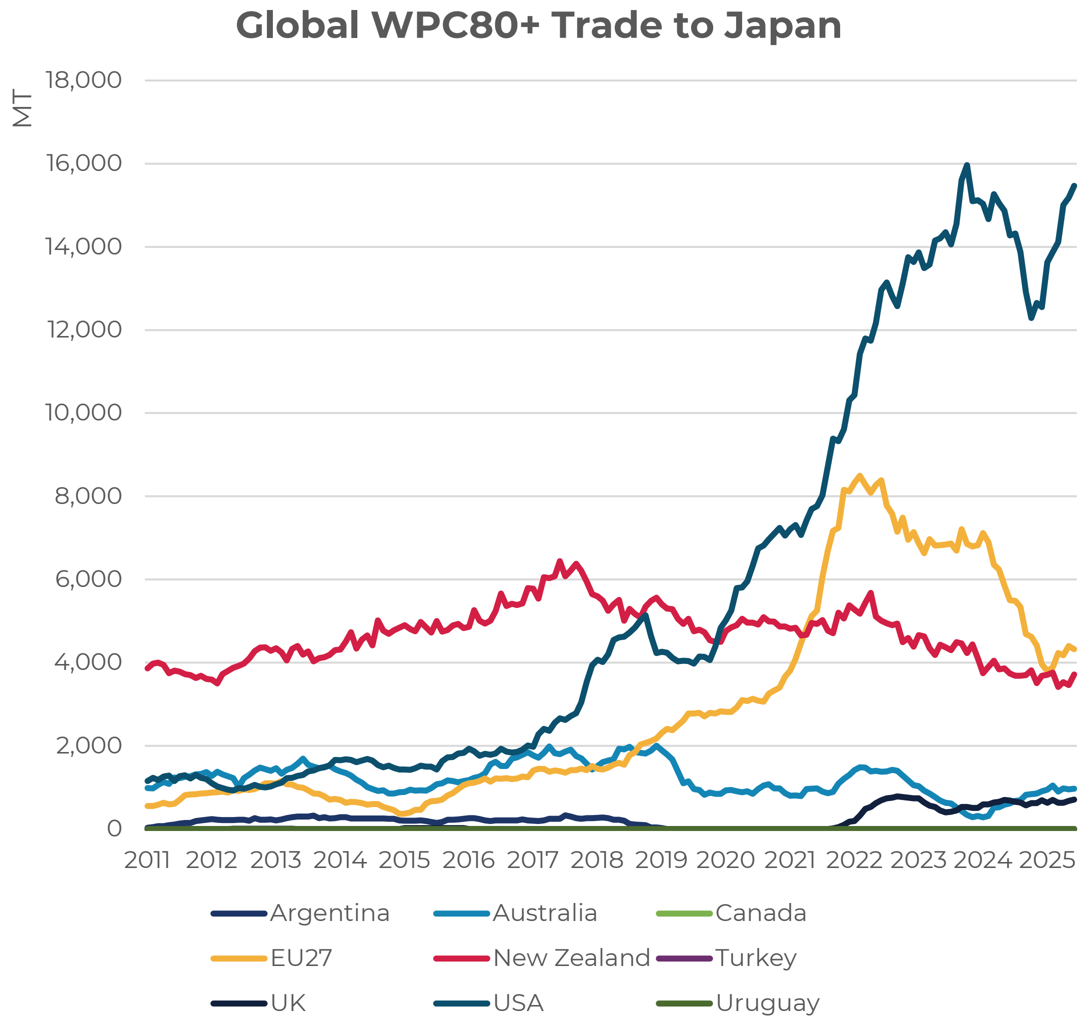
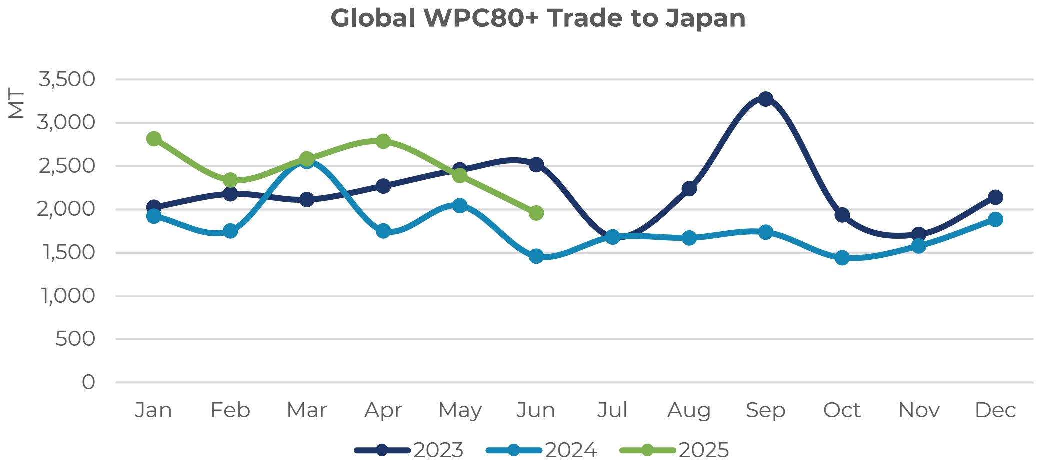
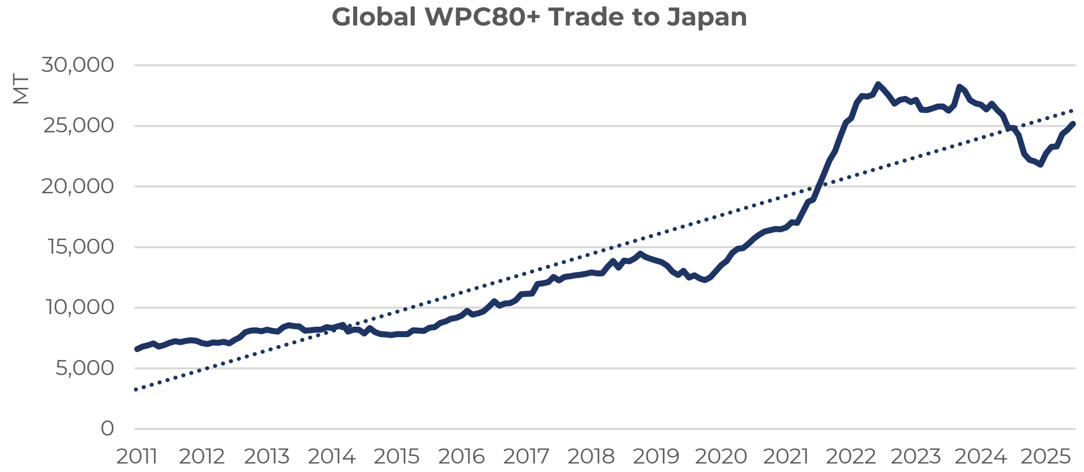
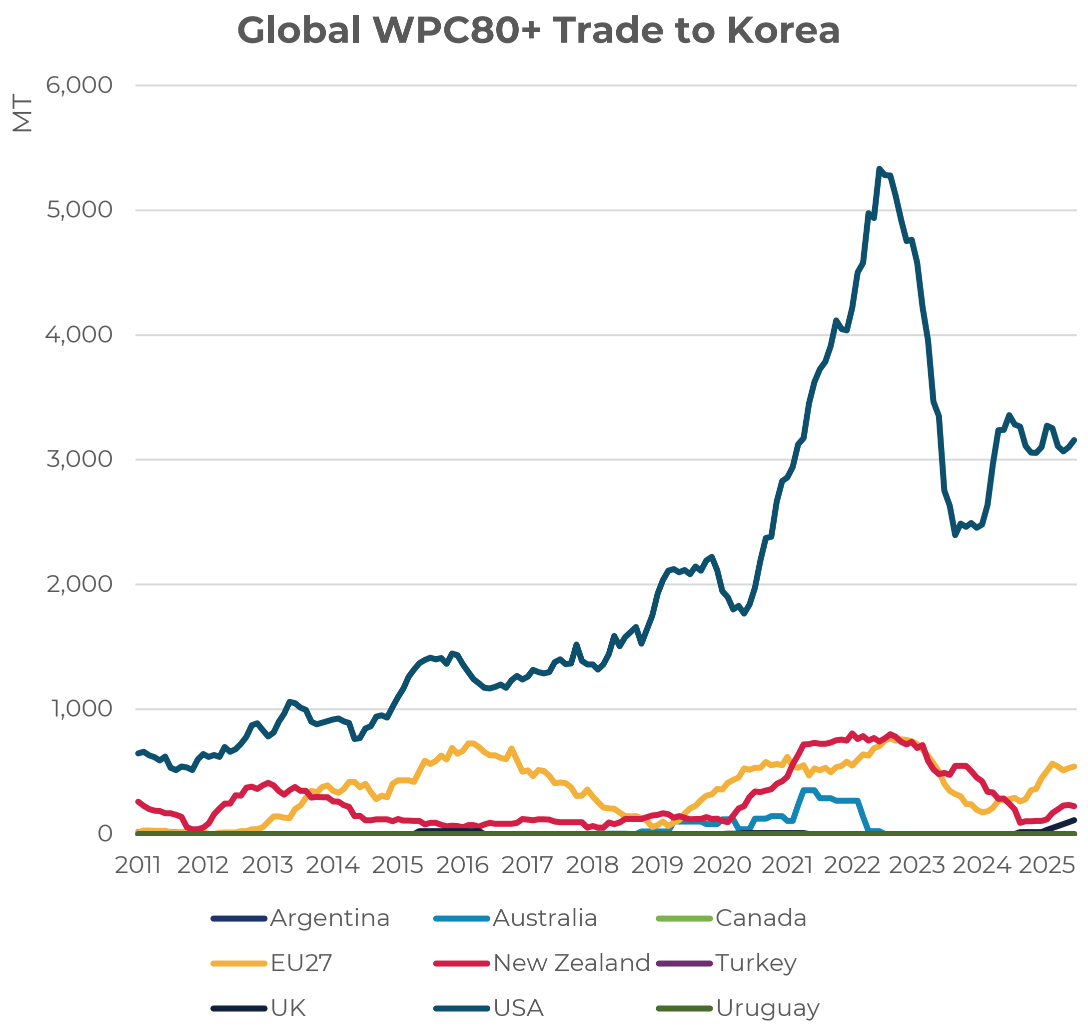


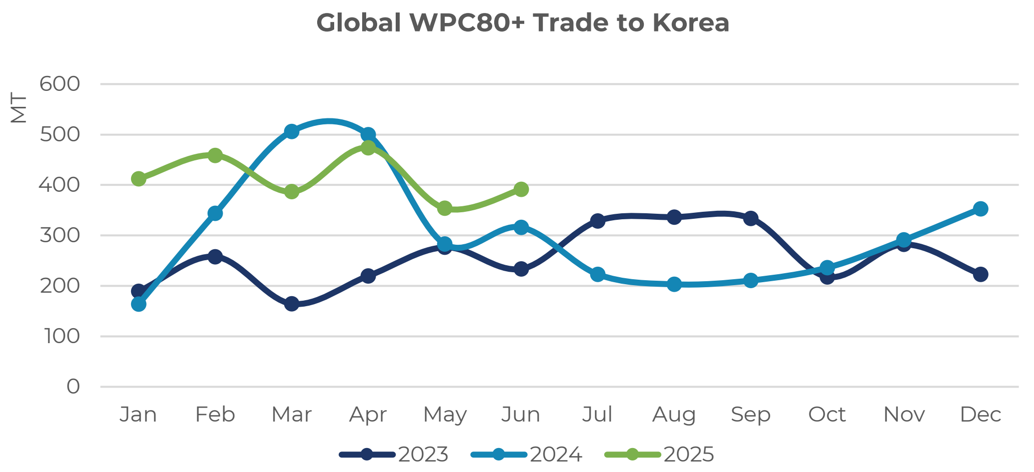


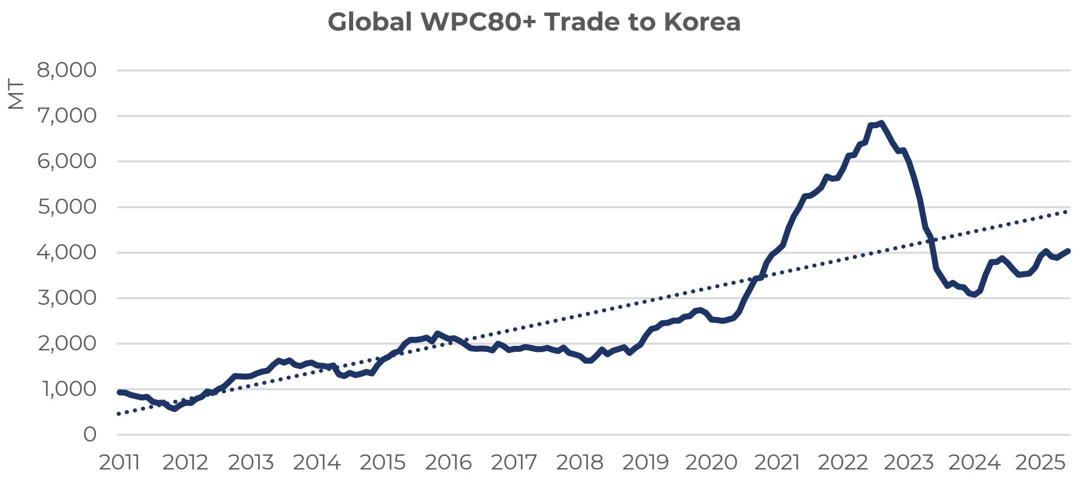


Source: NMPF/USDEC, TDM

Korea

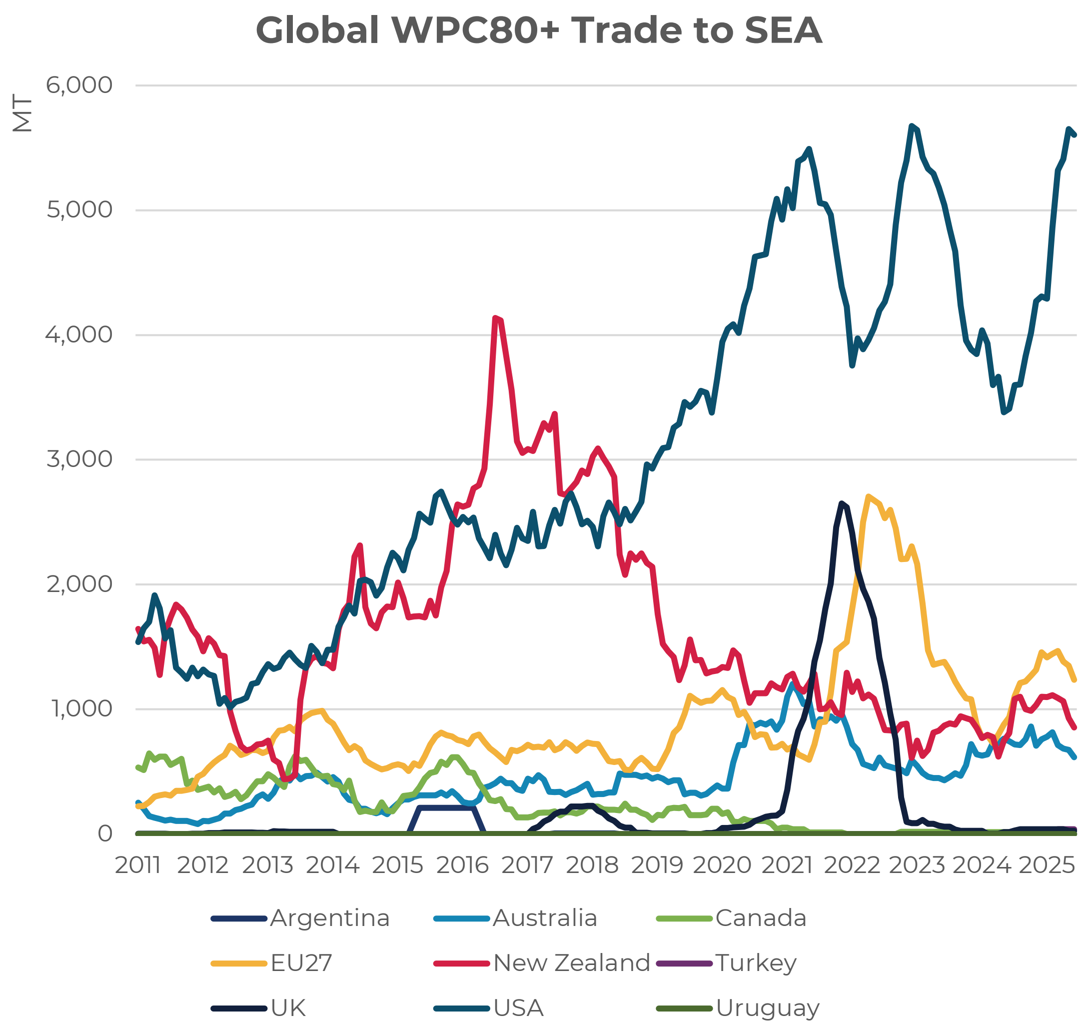


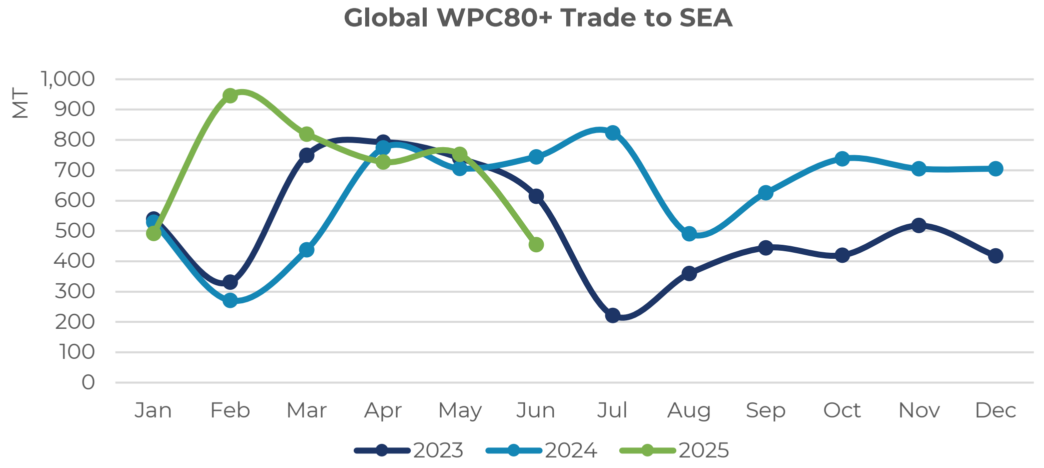


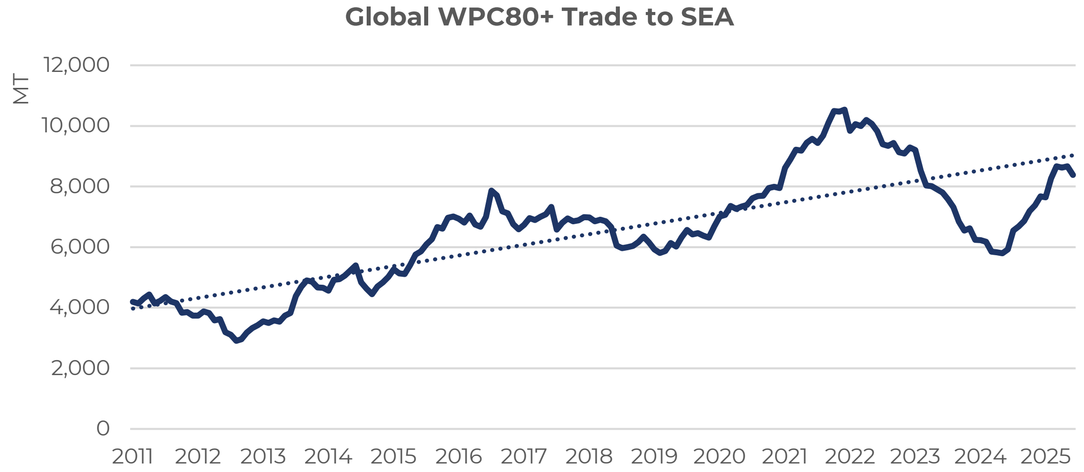


Source: NMPF/USDEC, TDM

Southeast Asia

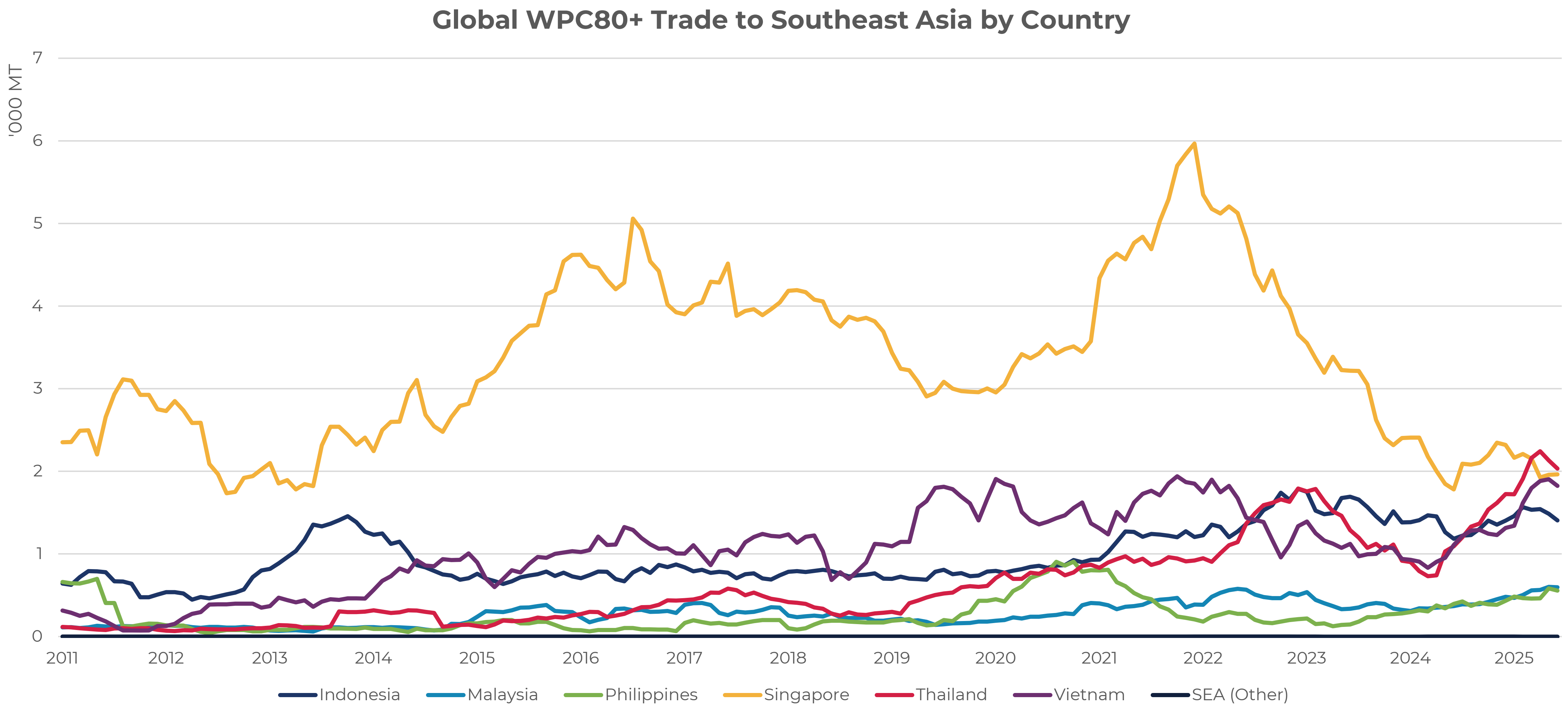






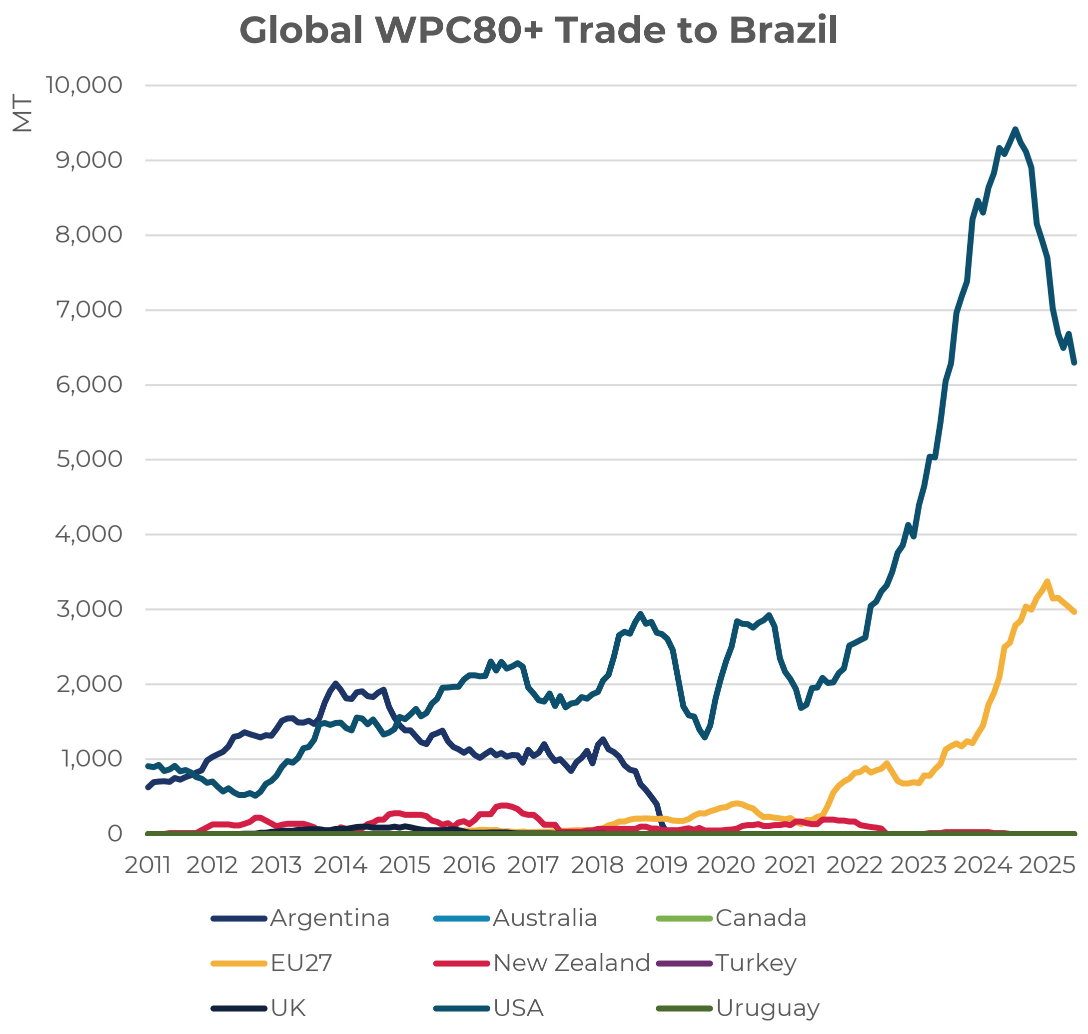
Source: NMPF/USDEC, TDM

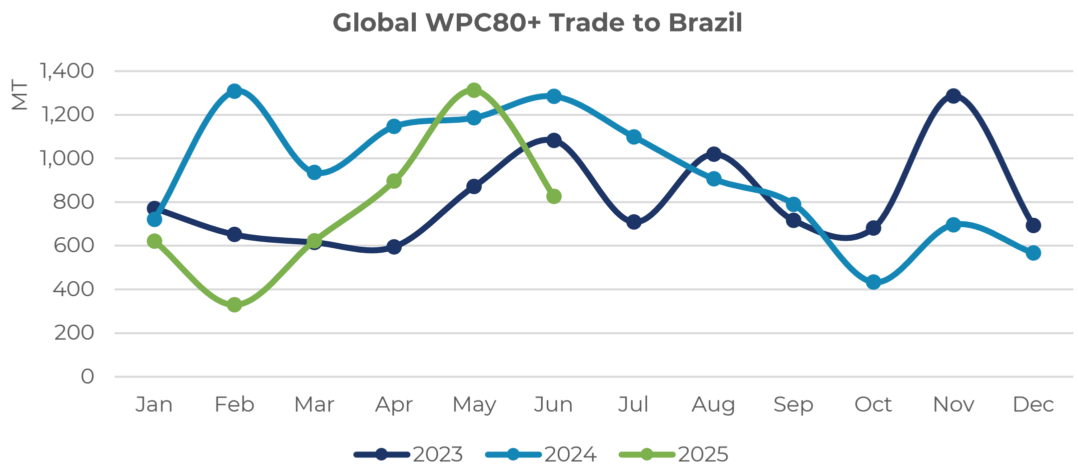
Southeast Asia Country Breakdown

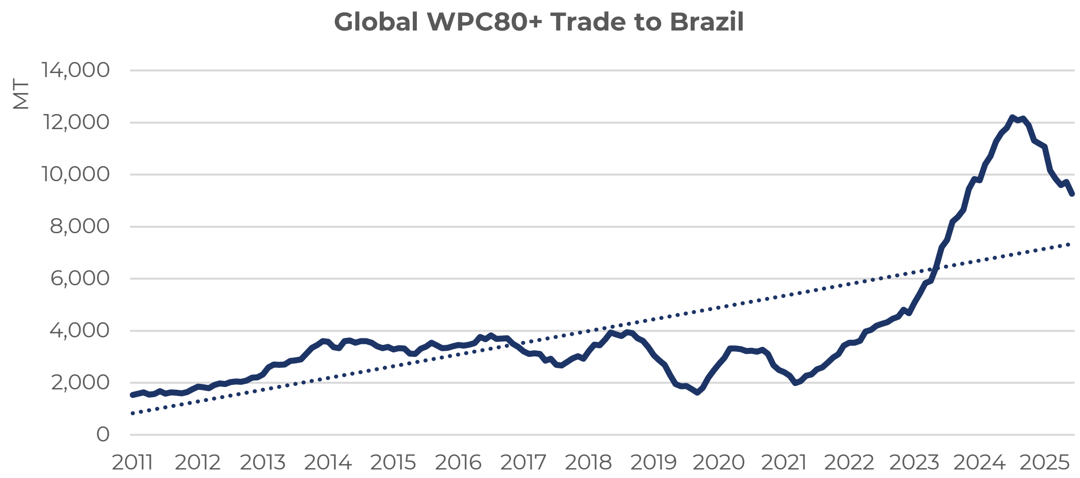


Source: NMPF/USDEC, TDM

Brazil

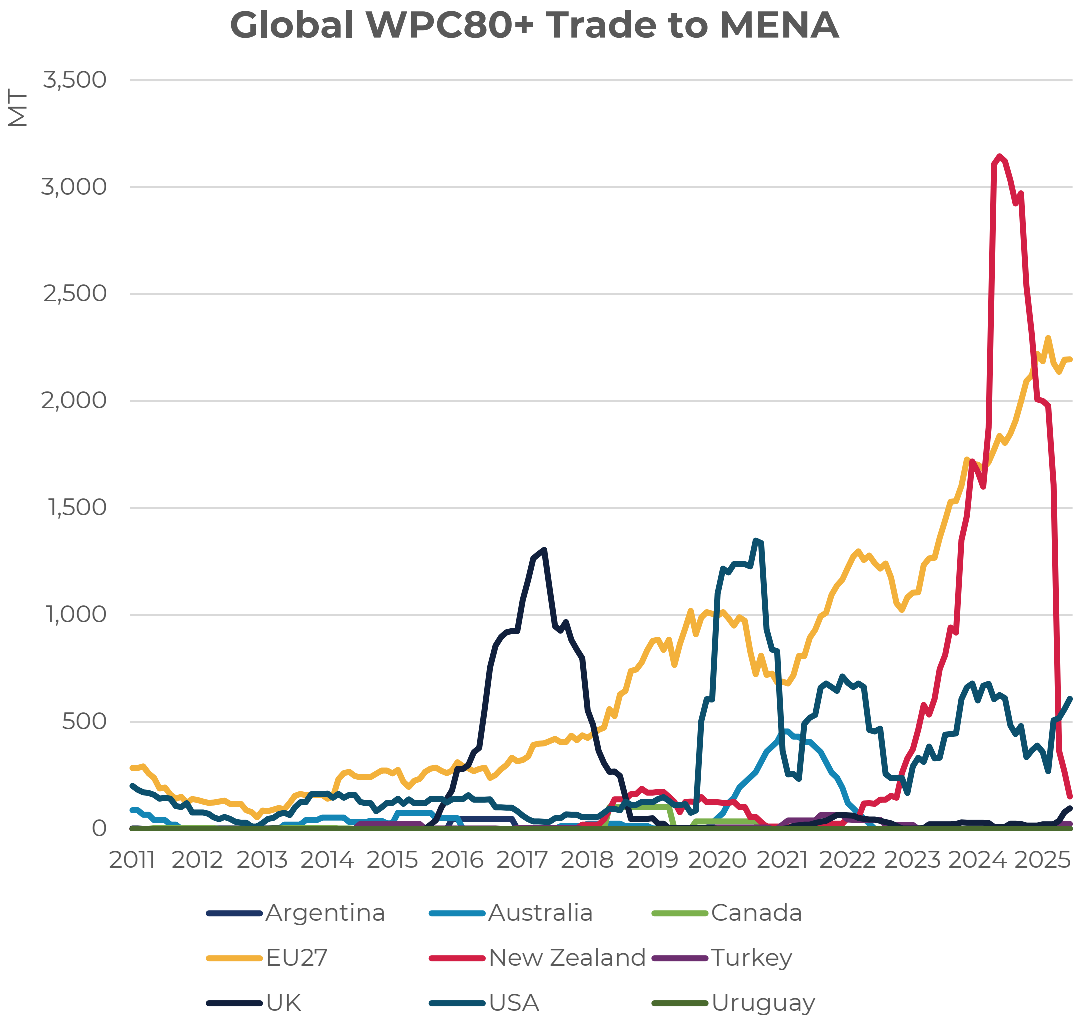


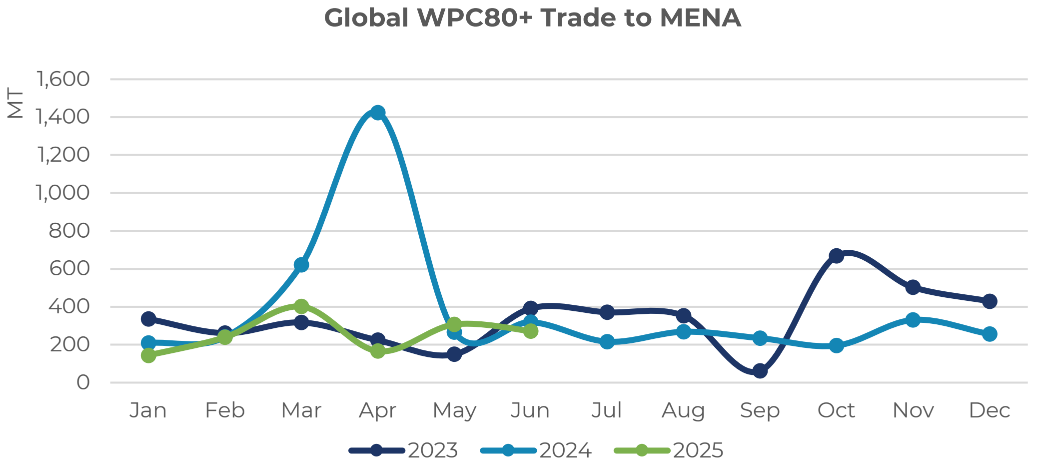


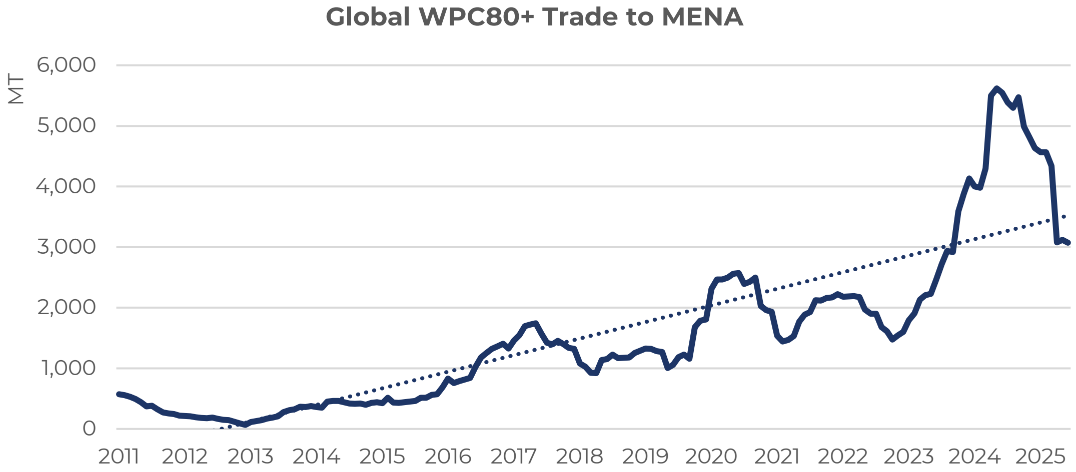


Source: NMPF/USDEC, TDM

MENA







Source: NMPF/USDEC, TDM

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DAIRY ECONOMICS

Other Dairy Products

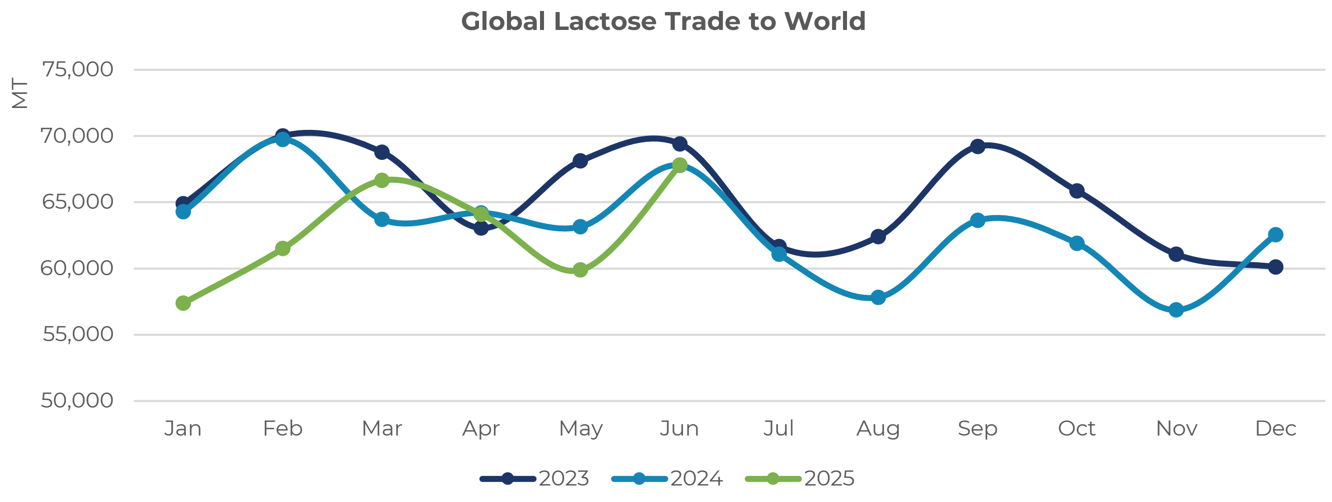
Global Overview: Lactose

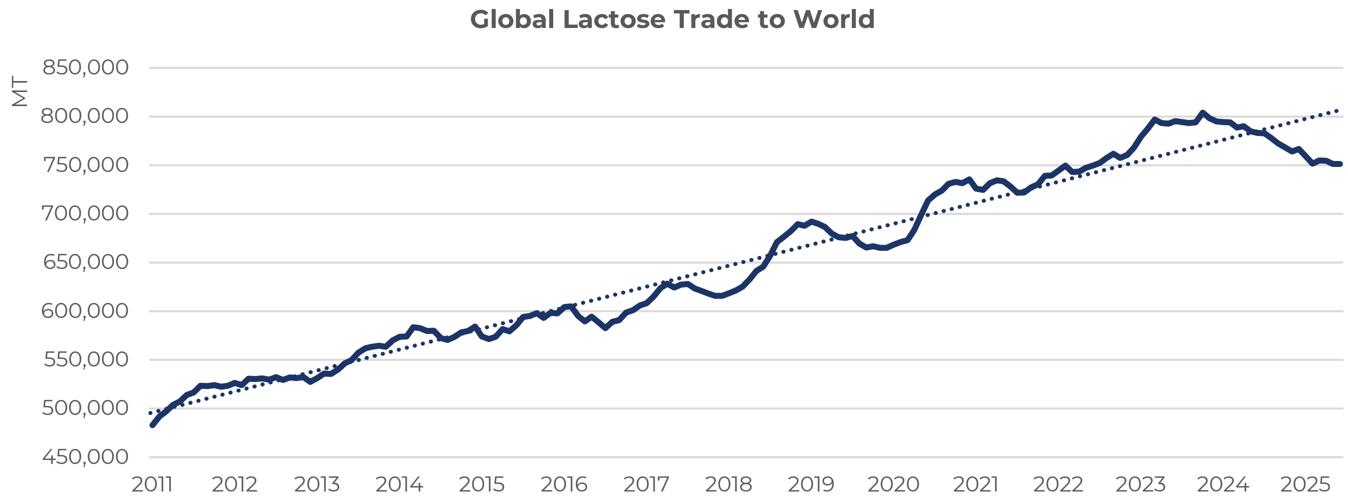
KEY TAKEAWAYS

Global Lactose Trade			
+0.03%	**-3.9%**	**-4.1%**	**+0.1%**
Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

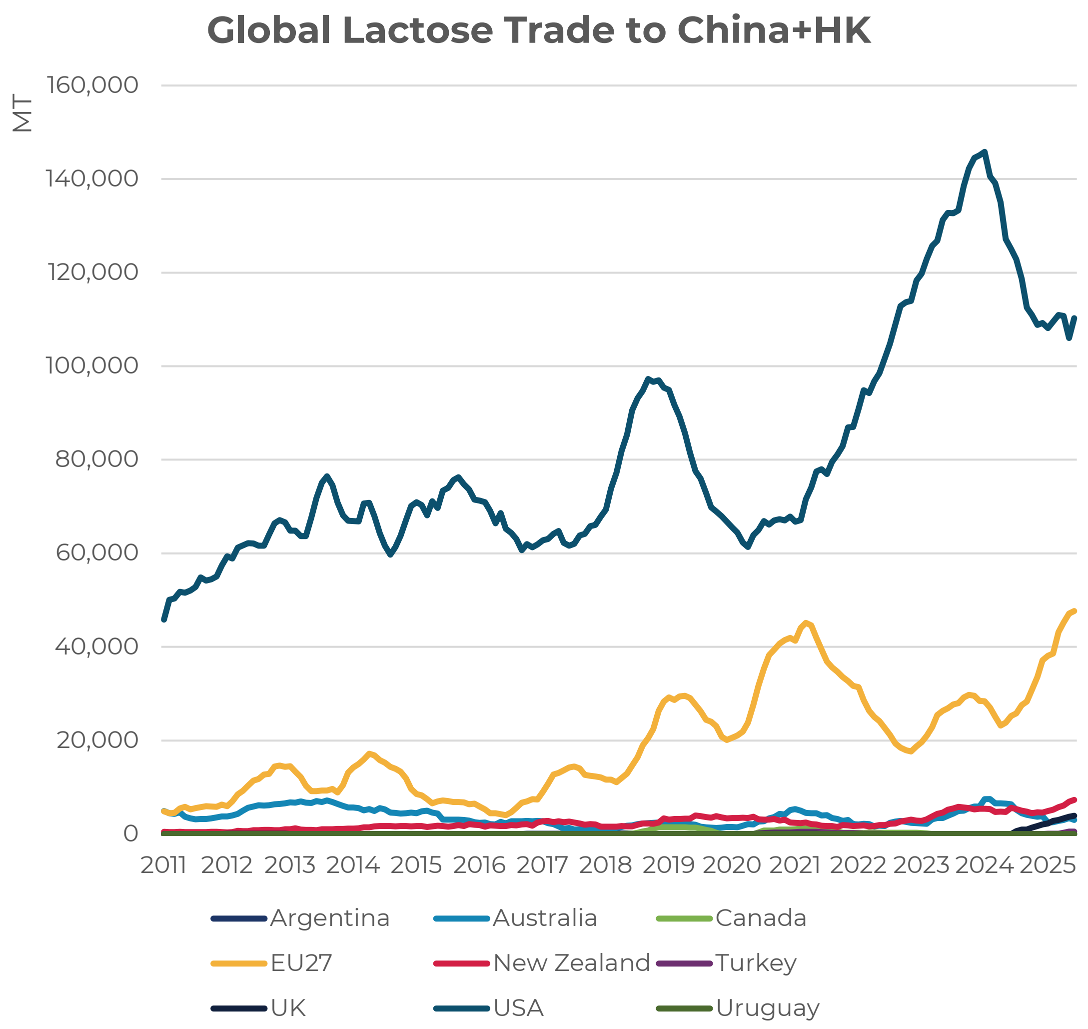
- Global demand for lactose was almost perfectly compared to last year. With the exception of China (+31%, +4,912 MT), the largest global importer of lactose, demand struggled to the other major markets. The extension of the 90-day tariff pause should keep product flowing to China for the next several months. Additionally, with New Zealand's 2025/26 milk production to get off to a strong start, lactose trade and prices is likely to find support in the coming months.

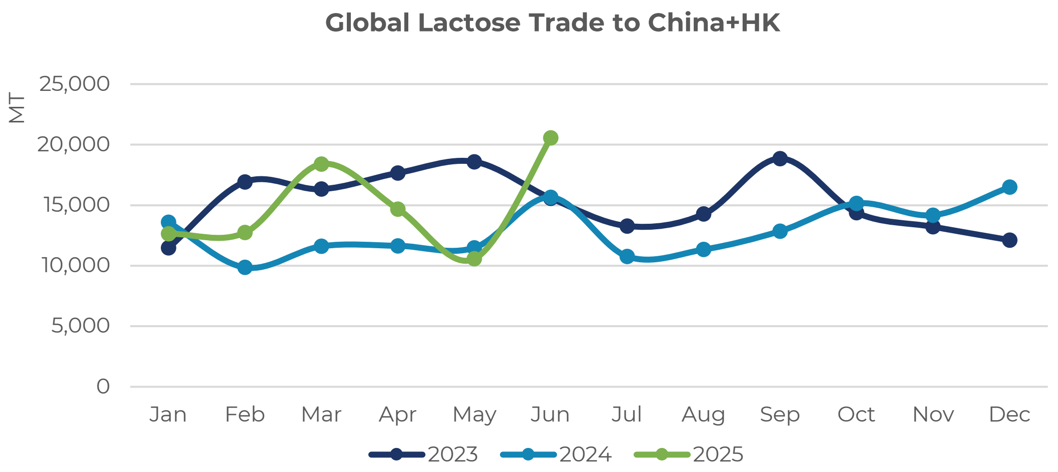
- Unfortunately, in a reversal of the prior month, exports to South Asia tumbled (-40%, -3,285 MT), and the downward slide in demand continued in Mexico (-34%, -1,562 MT). This lackluster demand has been the theme of H1 2025, and may persist with uncertainty around trade policy and economic headwinds.





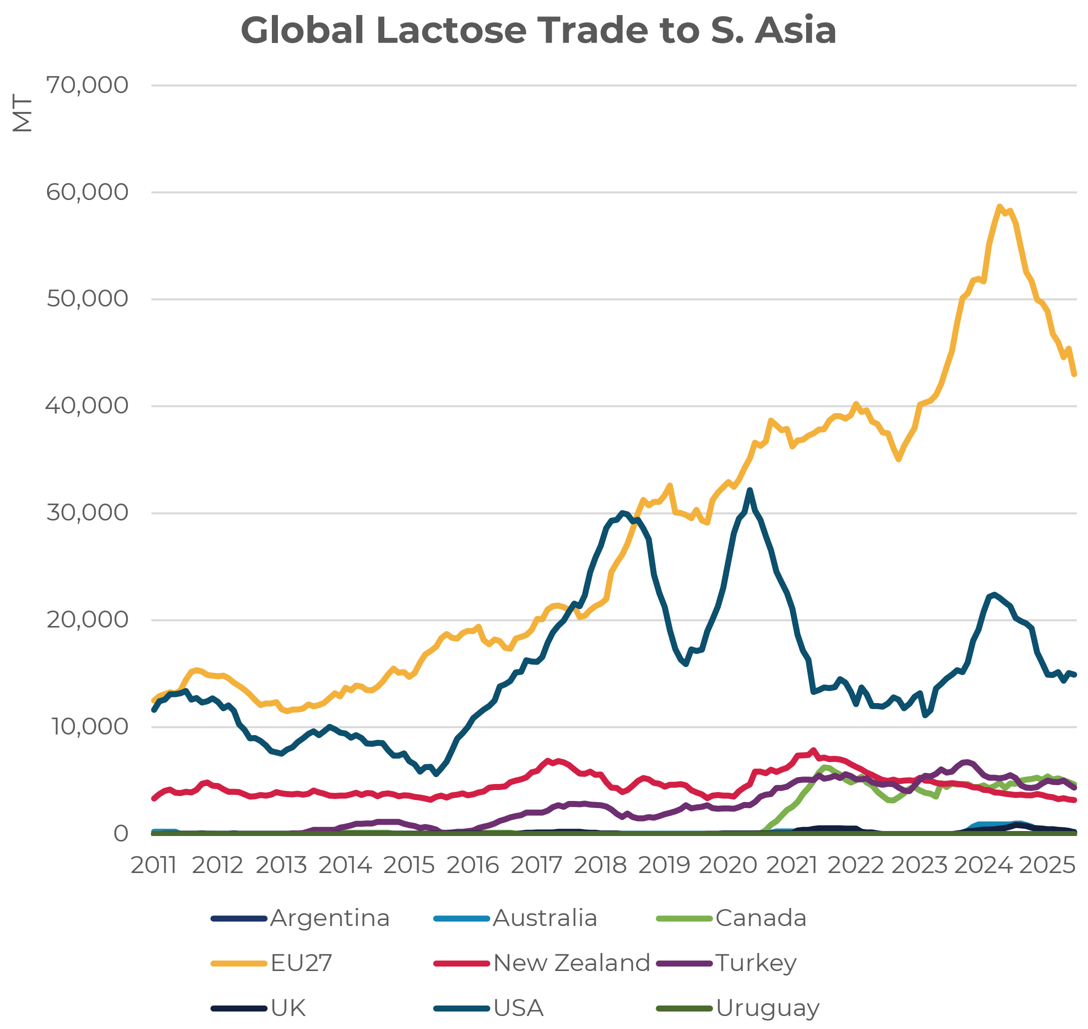
Lactose – China

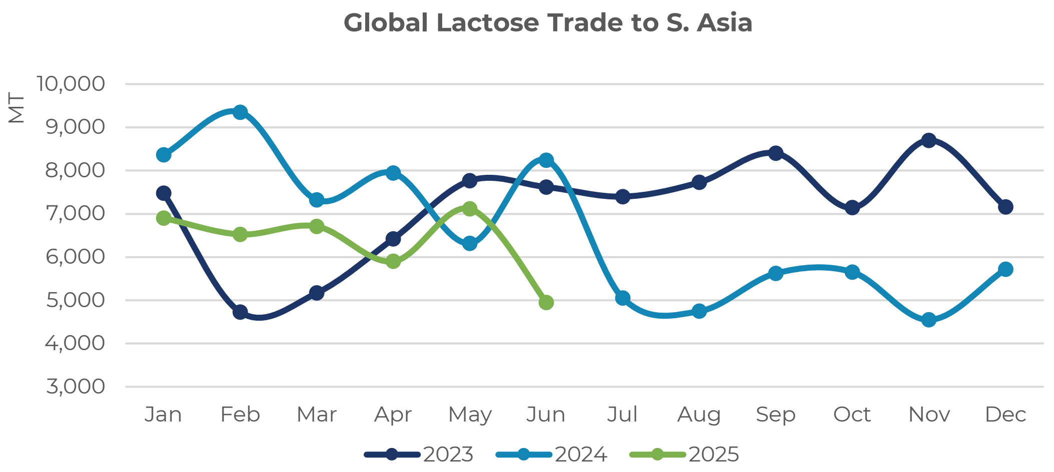


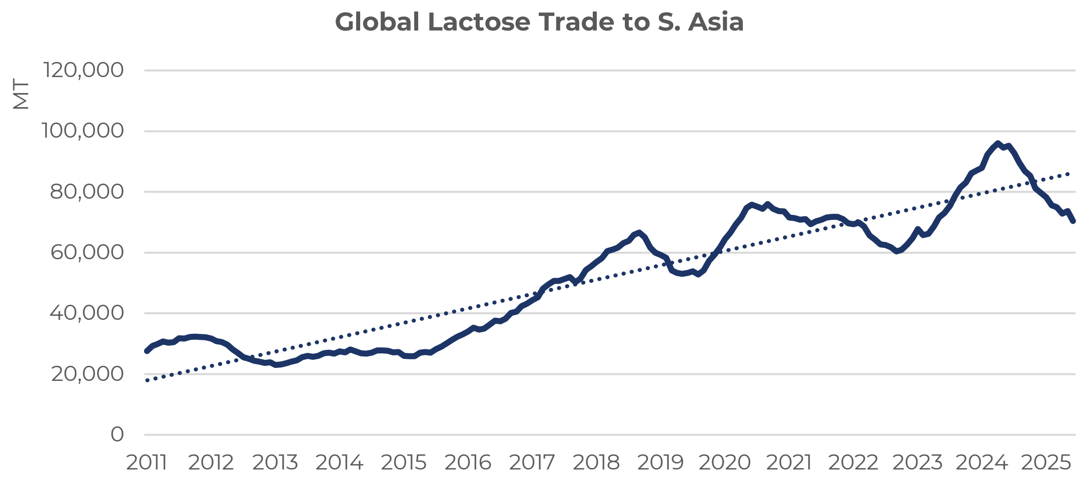


Source: NMPF/USDEC, TDM

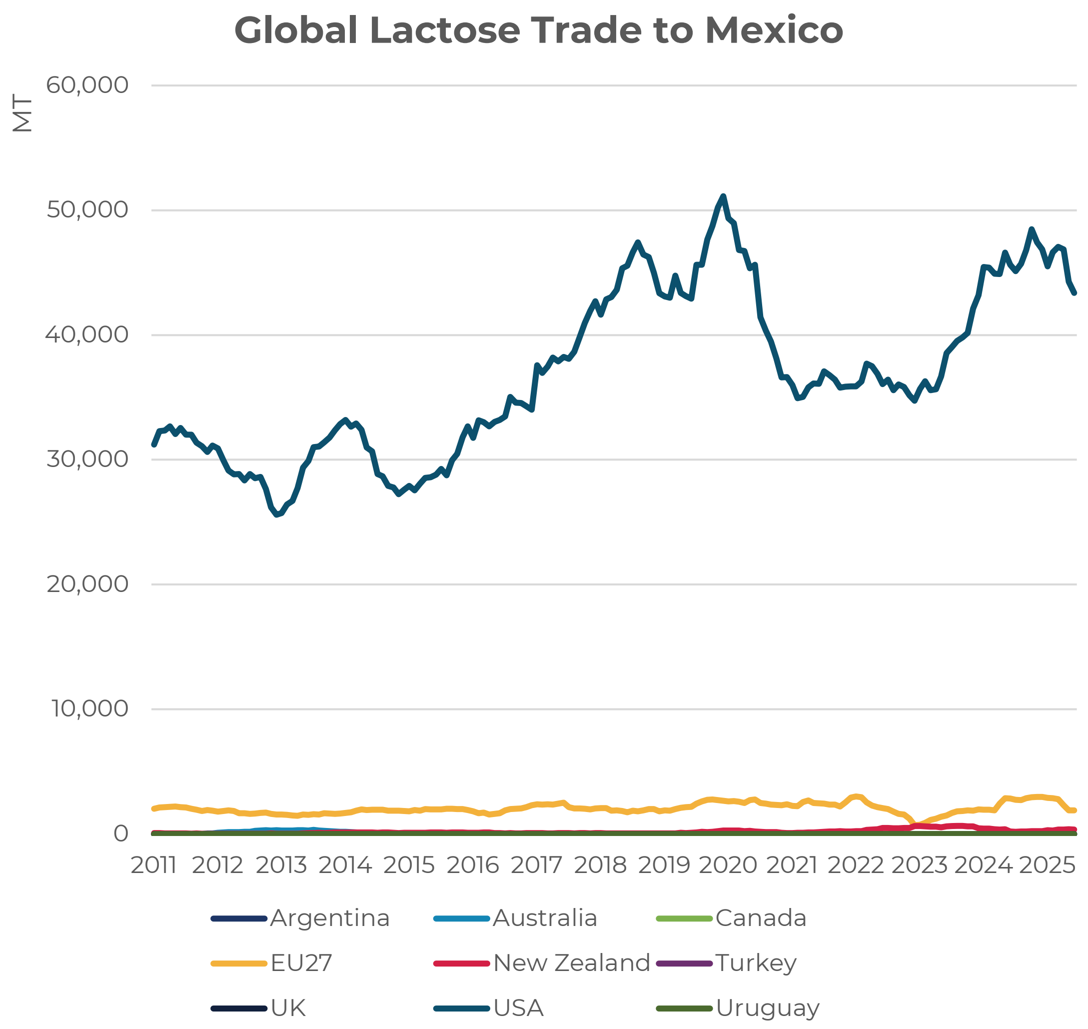
Lactose – South Asia

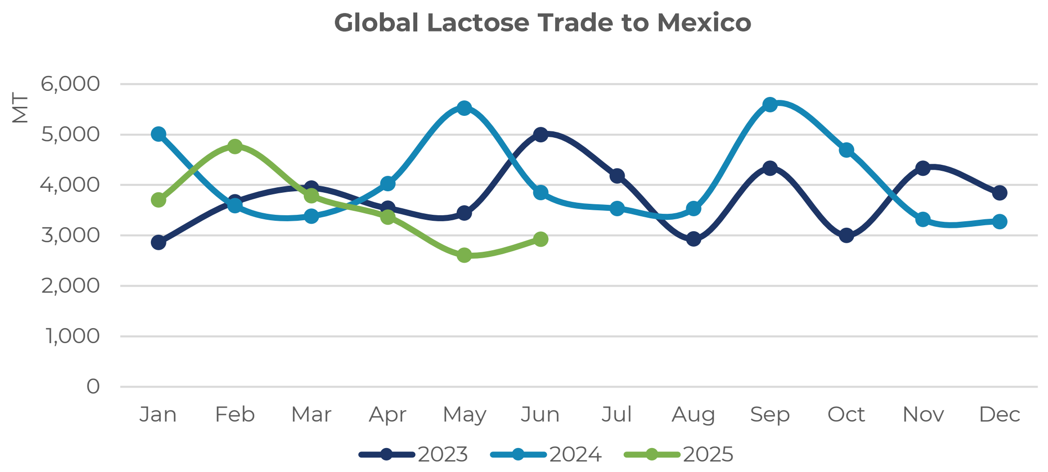






Lactose – Mexico





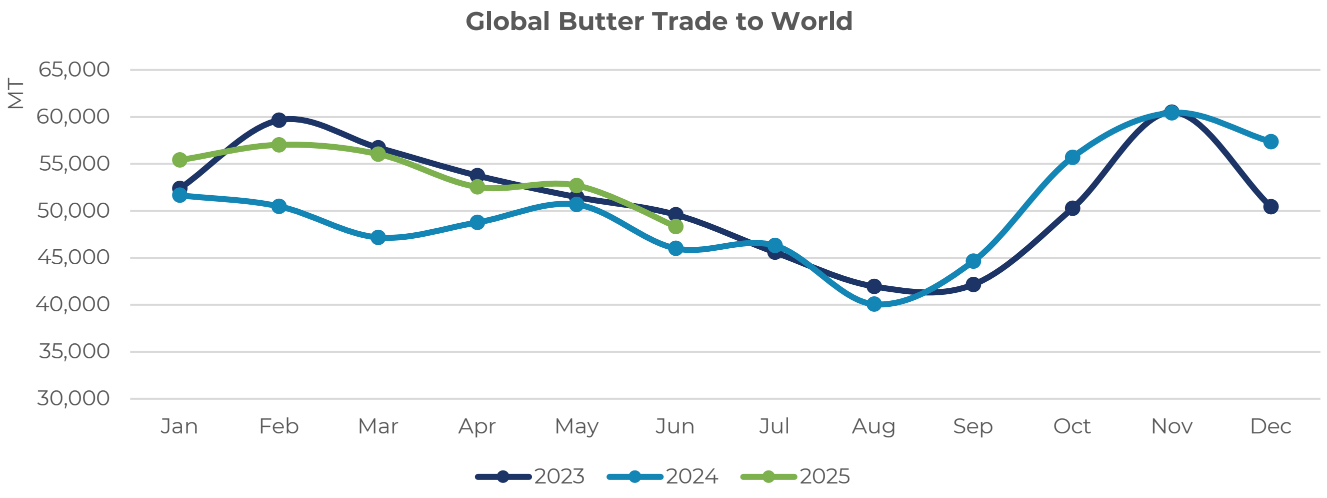
Source: NMPF/USDEC, TDM

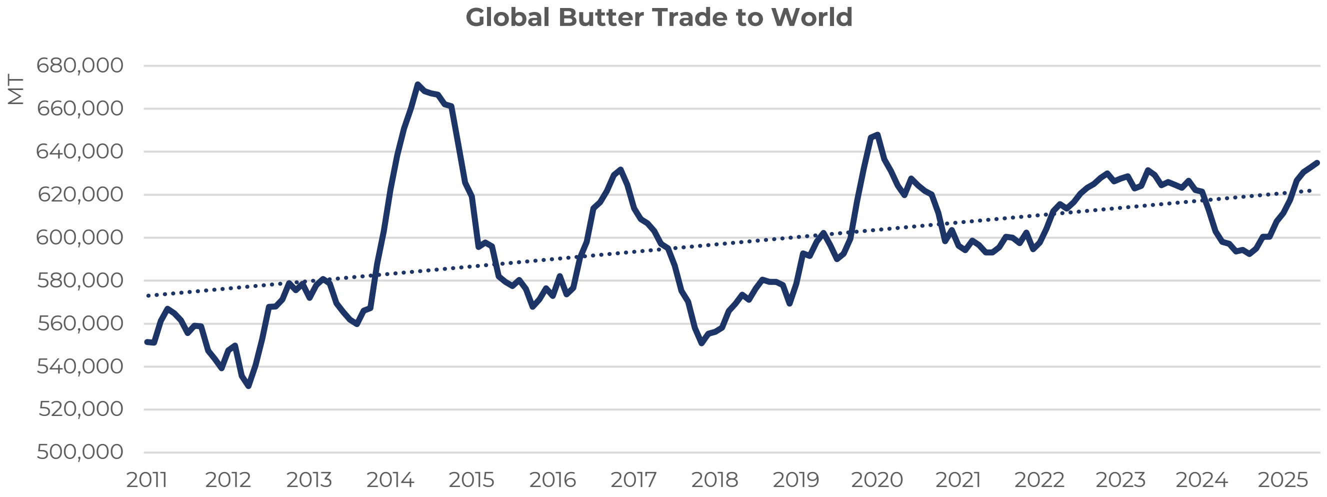
Global Overview: Butter

KEY TAKEAWAYS

Global Butter Trade			
+5.0%	+9.2%	+7.0%	+1.0%
Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

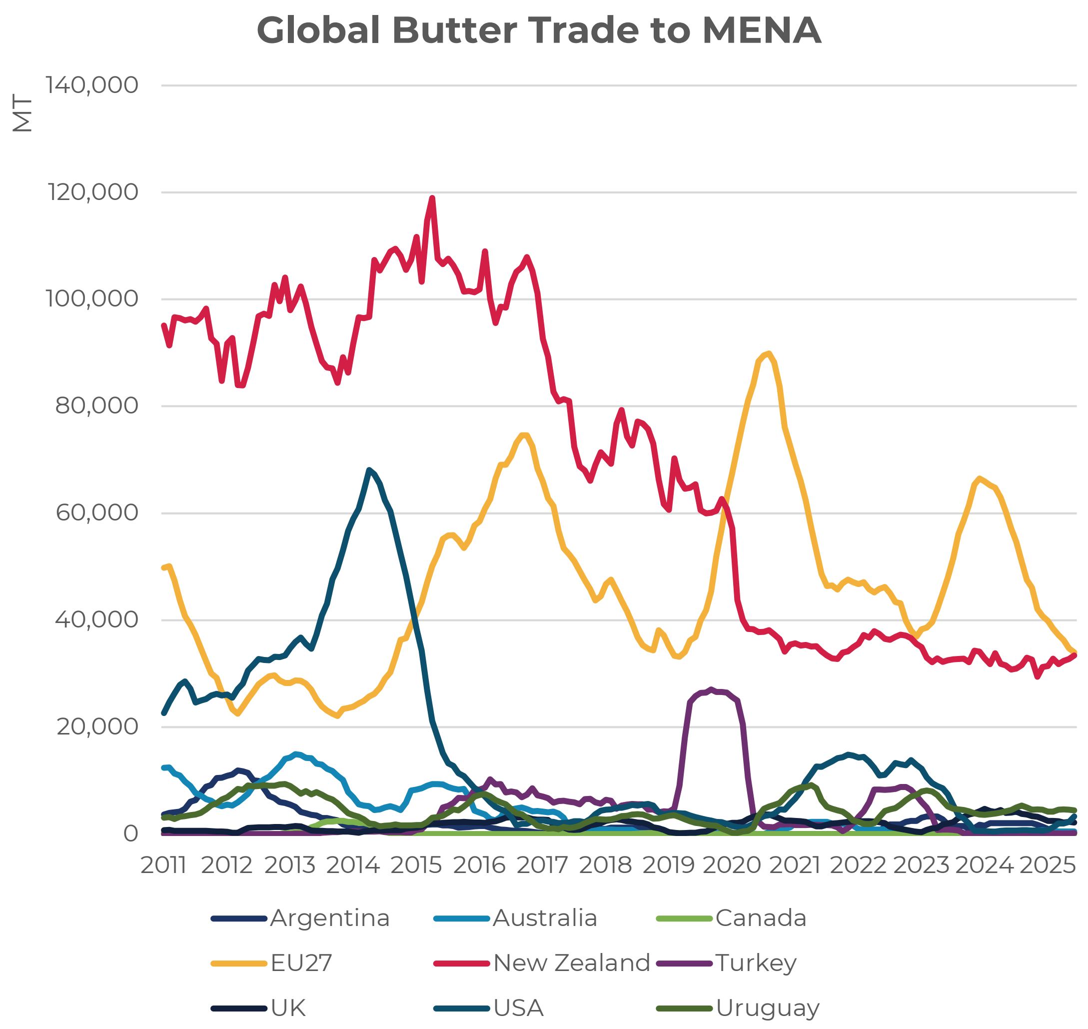
- Butter demand ran hot for the first half of 2025, punctuated by another strong month of exports in June. Several buyers took advantage of affordable U.S. butter prices in the first part of the year, though most of the volume remains constrained to North America. Yet, the U.S. has managed to make gains to the Middle East, Korea and – astonishingly – the EU. Butter exports to the United States are still booming as Irish butter remains exceptionally popular with U.S. consumers despite a significant price premium.
- Elsewhere, China took a step back in June (-13%, -1,046 MT), but milkfat demand in the form of AMF and cream is still holding up fairly well. MENA even had a positive month after 14 straight months of weaker imports (+15%, +806 MT).

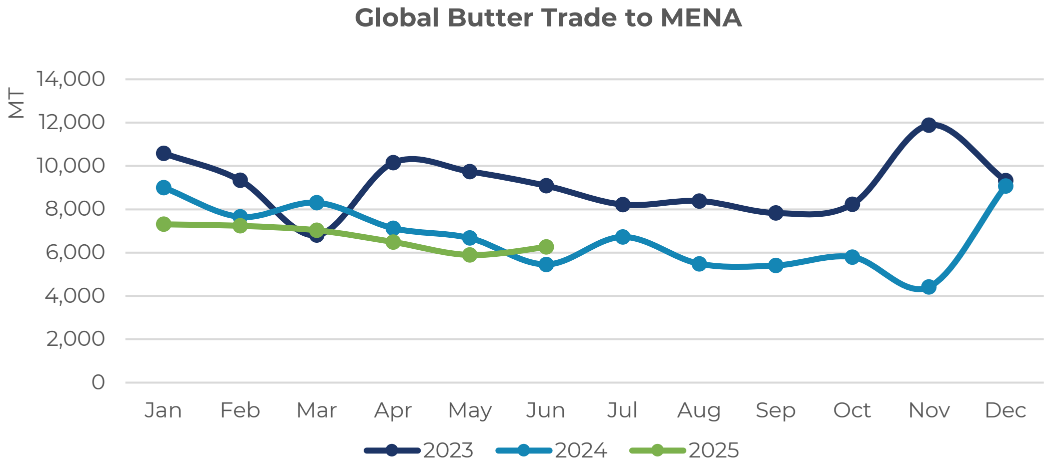


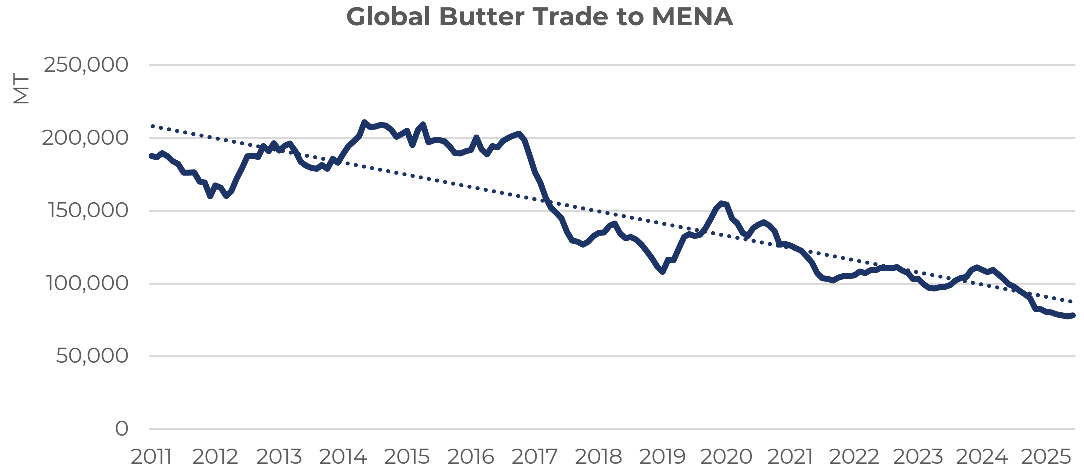


Source: NMPF/USDEC, TDM

Butter – MENA



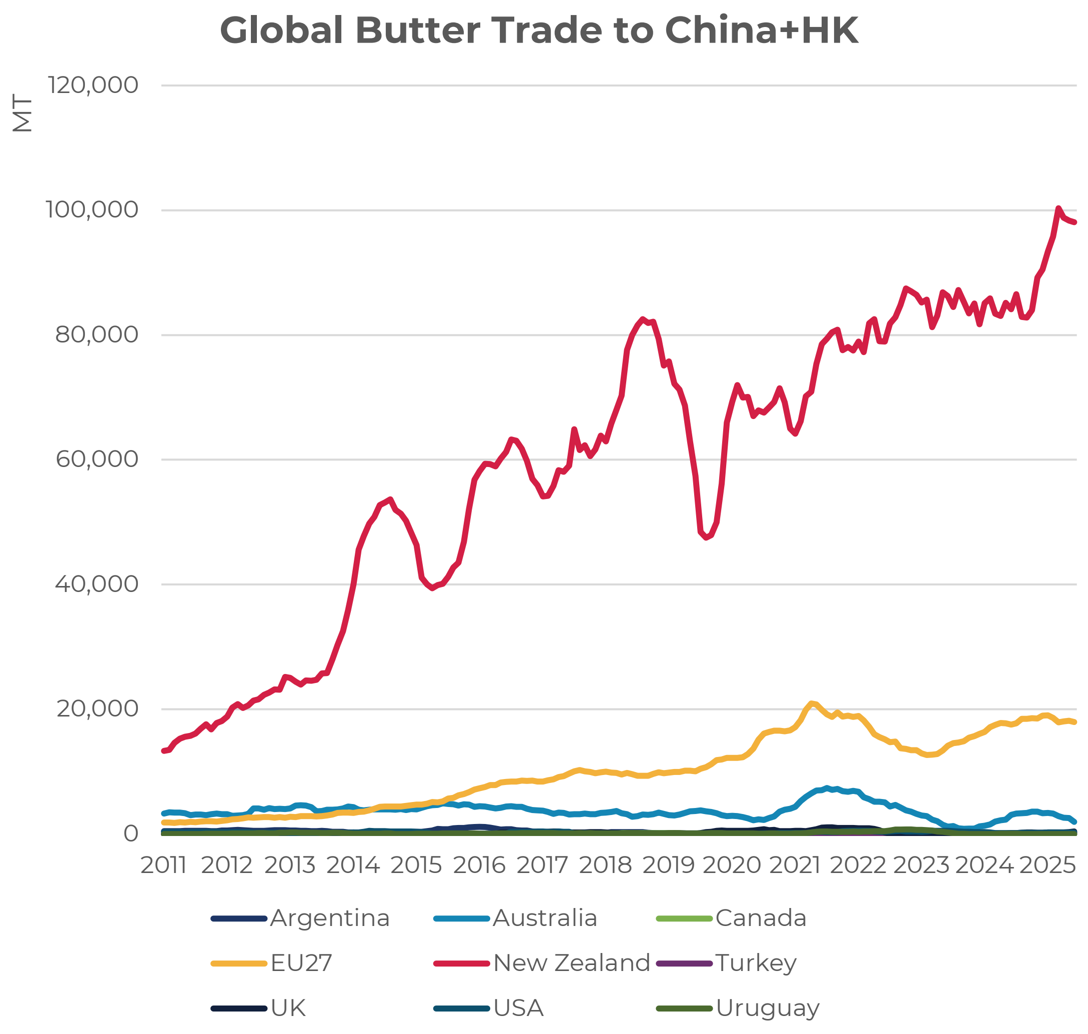


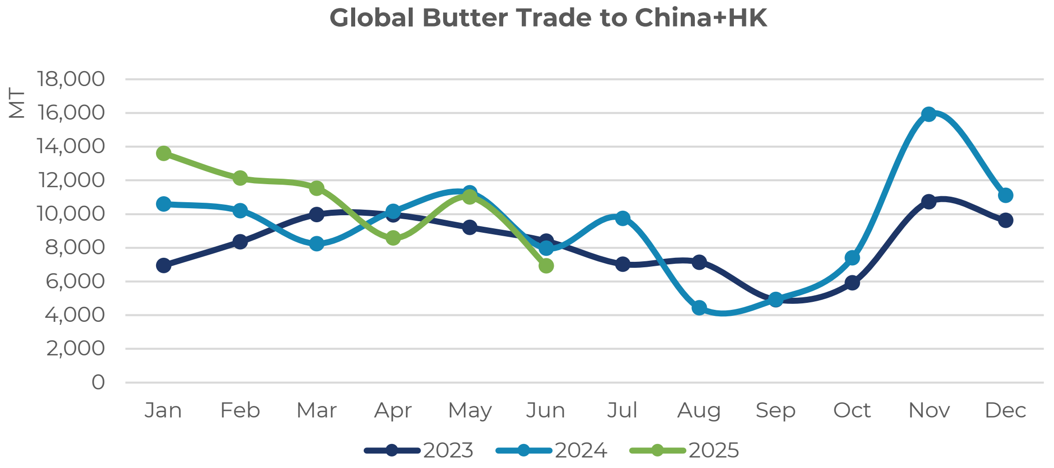


NMPF | USDEC DAIRY ECONOMICS

Source: NMPF/USDEC, TDM

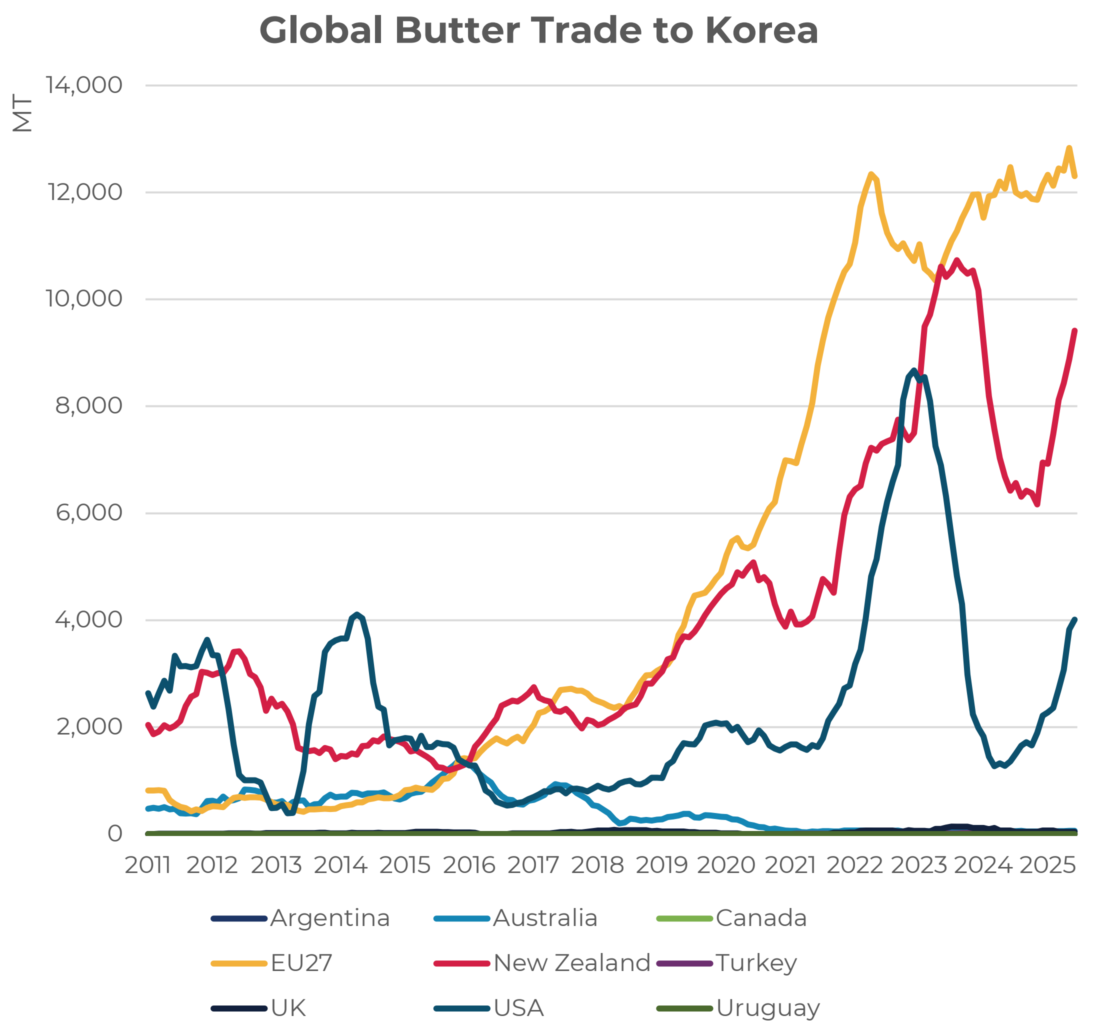
Butter – China

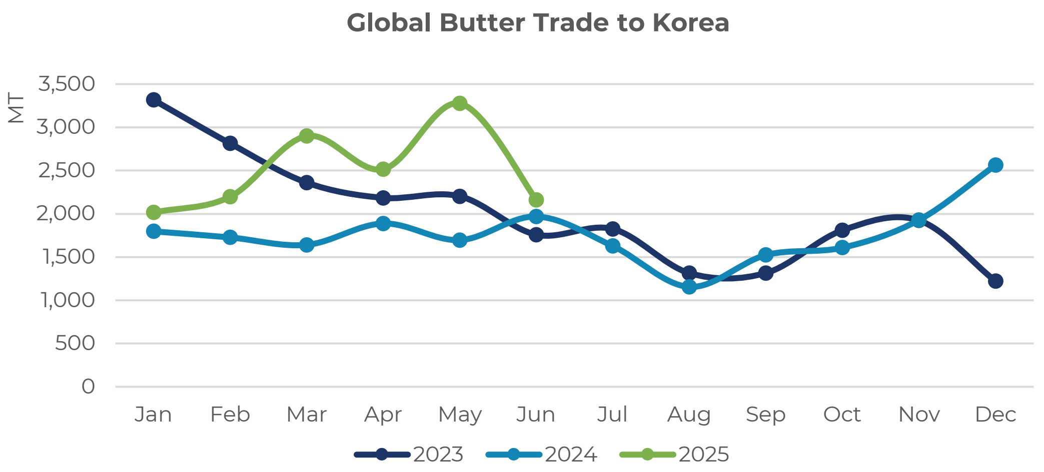


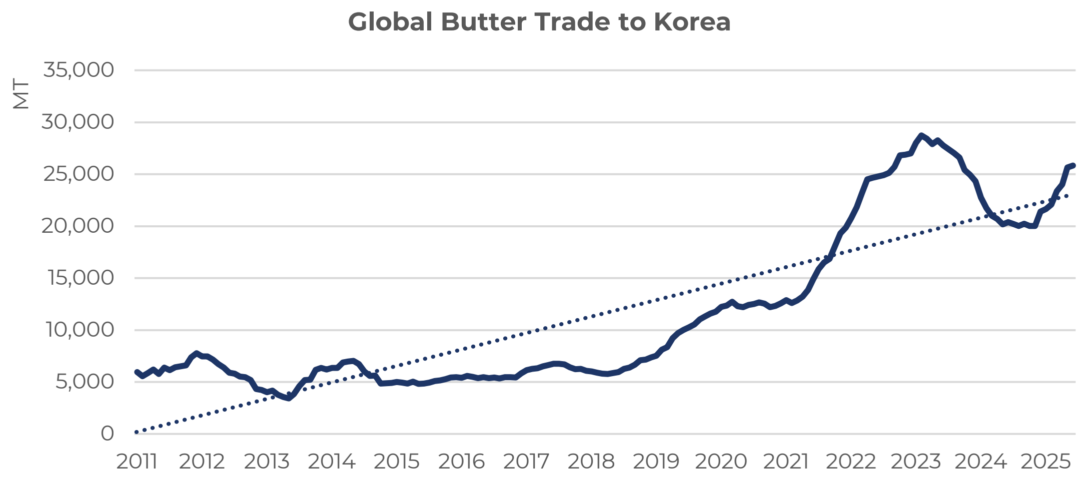


Source: NMPF/USDEC, TDM

Butter – Korea







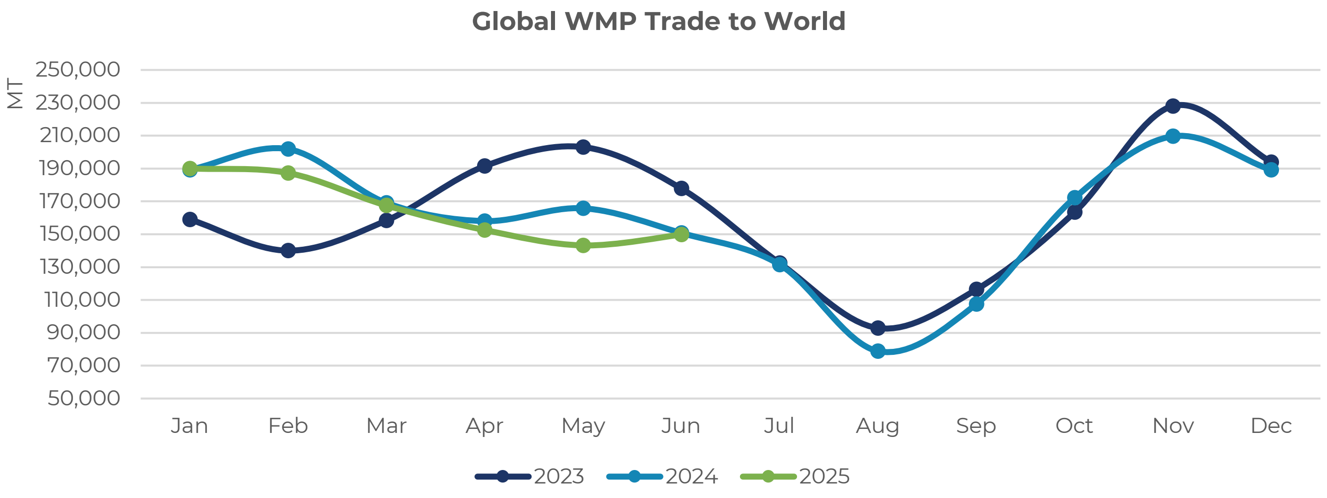
Source: NMPF/USDEC, TDM

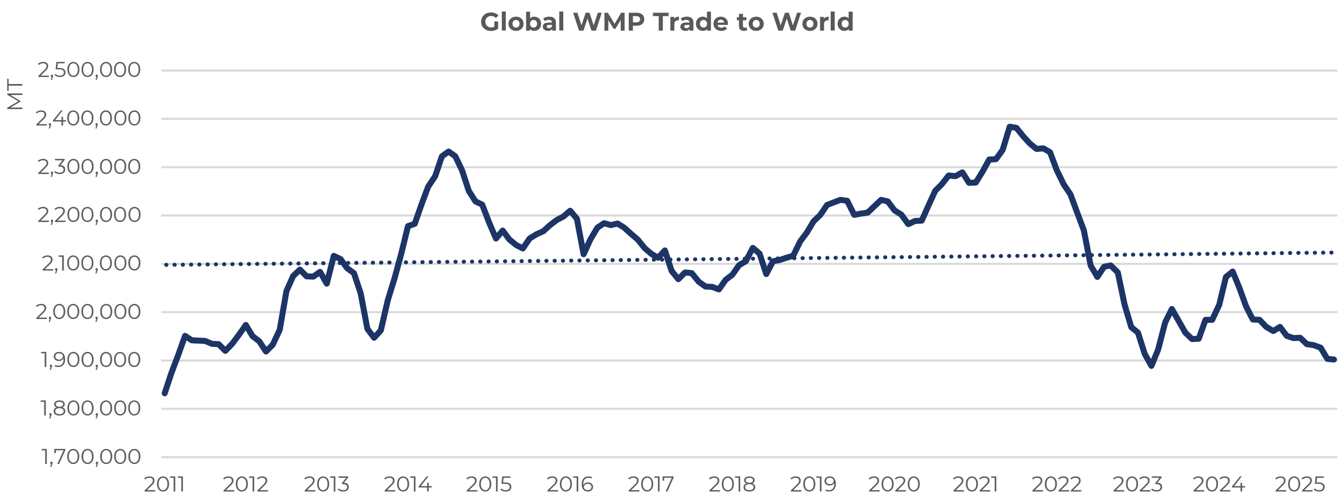
Global Overview: Whole Milk Powder

KEY TAKEAWAYS

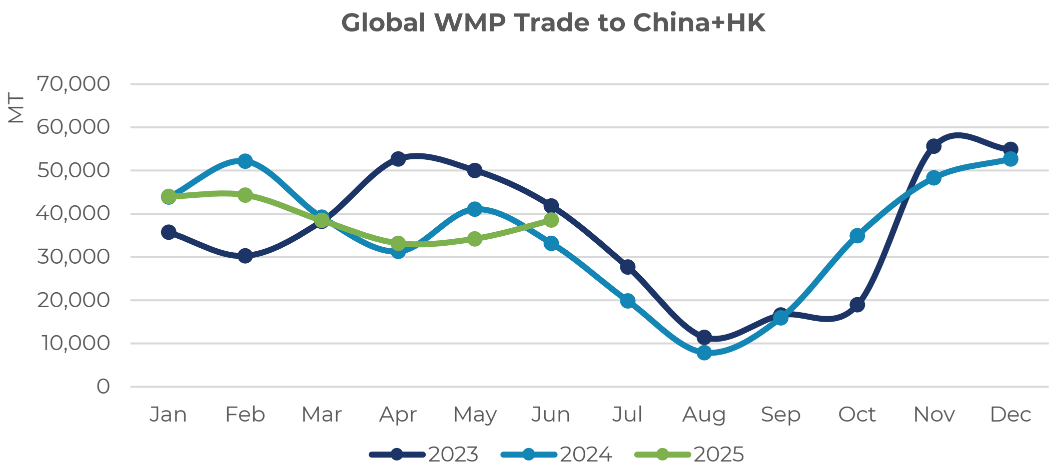
Global WMP Trade			
-0.6%	-4.2%	-4.2%	-3.2%
Jun YoY	YTD, Ending Jun	Last 12-Months, Ending Jun	3-Year CAGR

- Global demand for WMP was a mixed bag in June as exports moved sideways. Exports to China grew counter-seasonally (+16%, +5,330 MT); typically, China's WMP buying patterns follow the New Zealand milk season, meaning a draw-down in the summer months. Whether this portends a second half improvement remains to be seen. However, declines in shipments to Southeast Asia (-14%, -3,674 MT), South America (-25%, -4,017 MT) effectively cancelled out that growth.
- Overall, WMP is still moving sideways with little expectations of a rally without a resurgence from China. Still, the U.S. could start to play more in this market given a convergence between U.S. offerings and international prices. The question is whether U.S. WMP can branch out beyond the Americas and into Asia.



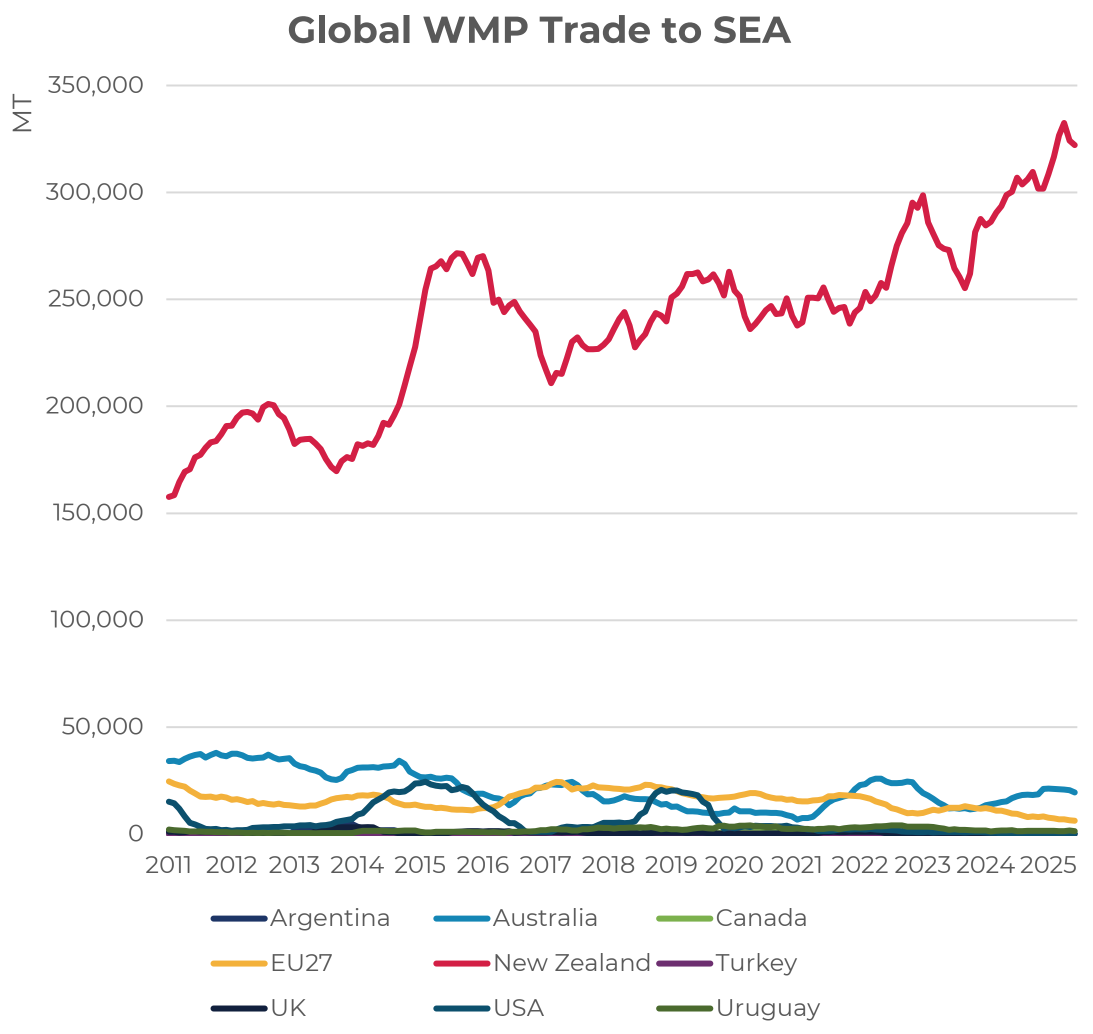


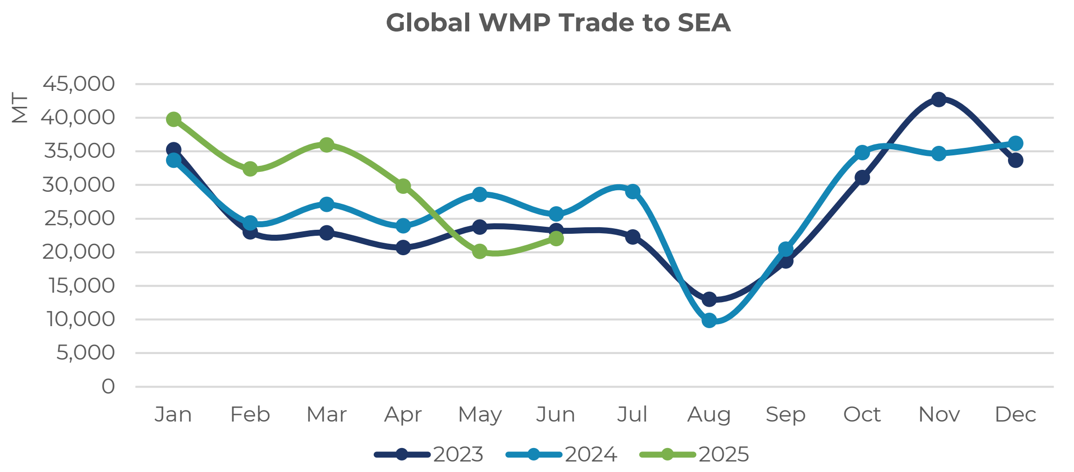
Whole Milk Powder – China

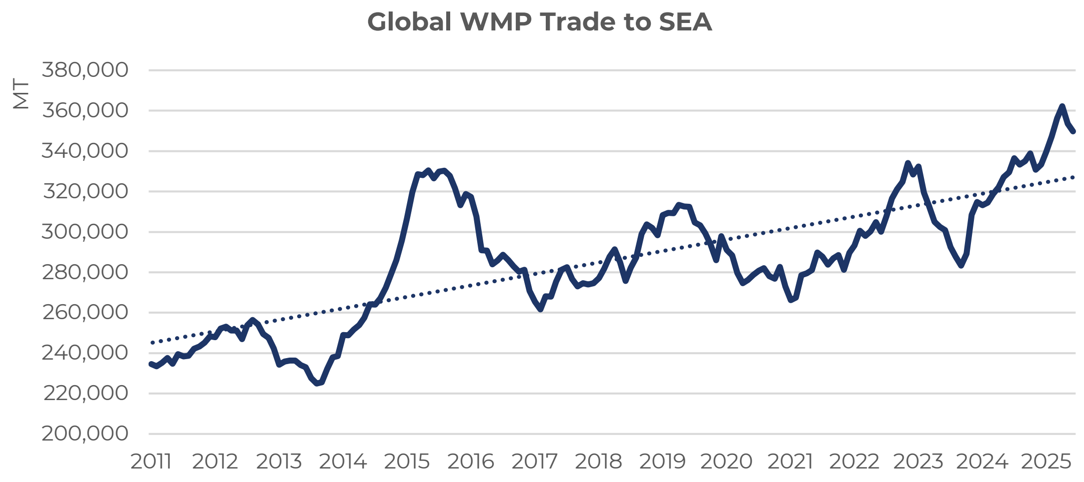


Source: NMPF/USDEC, TDM

Whole Milk Powder – Southeast Asia

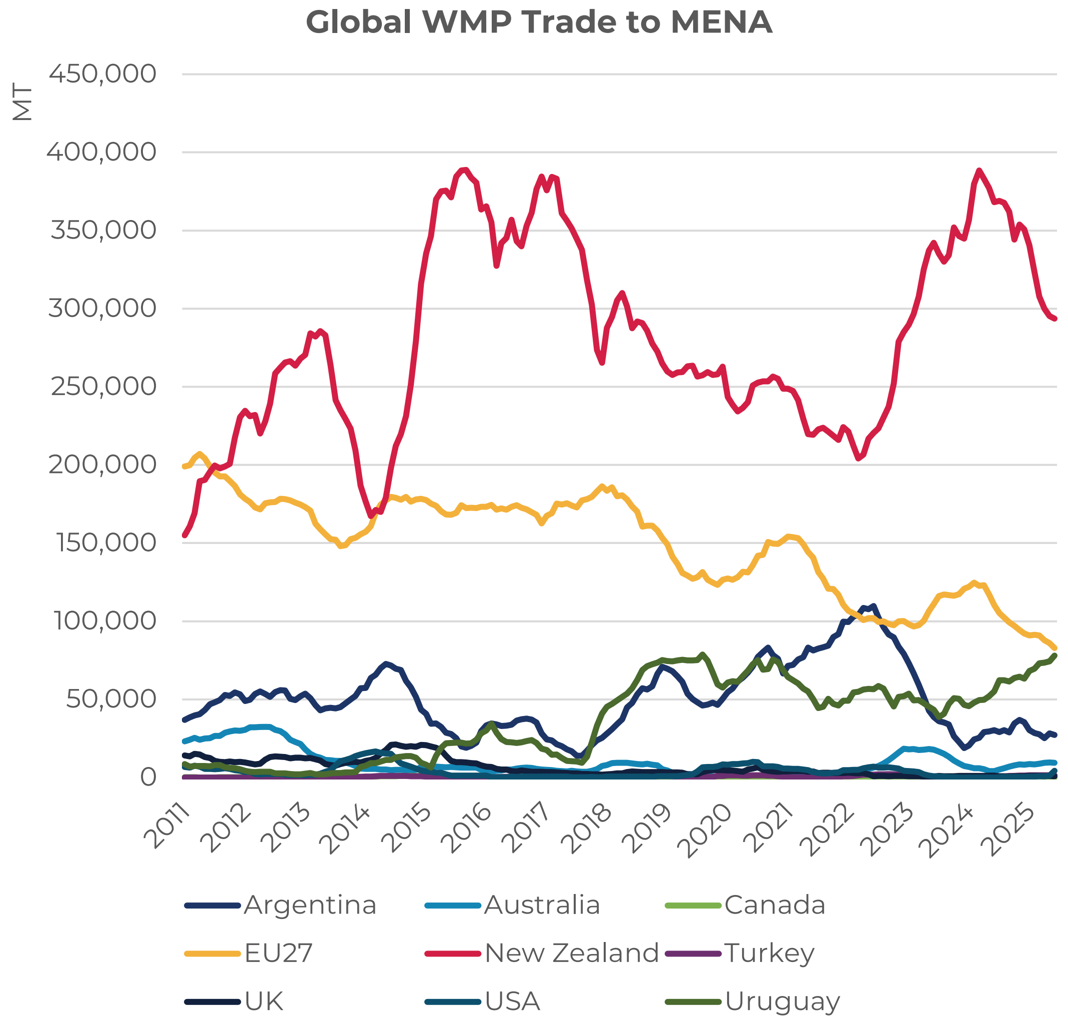


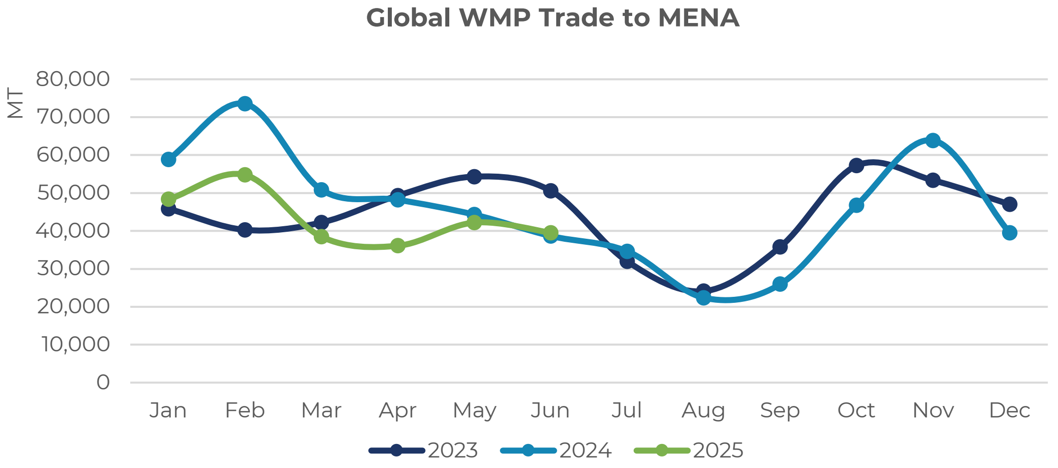


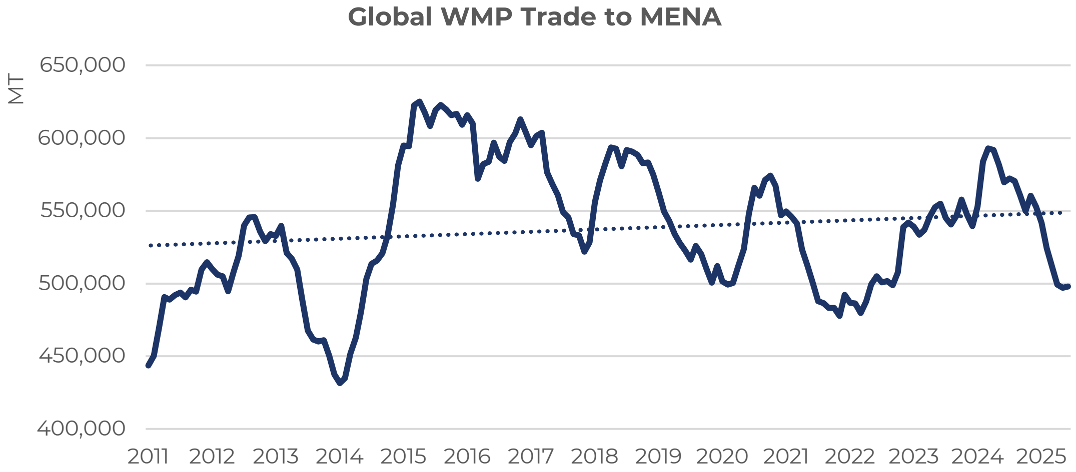


Source: NMPF/USDEC, TDM

Whole Milk Powder – MENA







Source: NMPF/USDEC, TDM

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Reach Out for Questions or Comments

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