

International Demand Analysis

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U.S. Dairy
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Ingredients | Products | Global Markets

Data Through:
December 2024

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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:
 - wlox@usdec.org
 - scain@usdec.org
 - mganley@usdec.org

Global Dairy Demand Market Commentary



KEY TAKEAWAYS

- **2024 ended on a high note, gaining 3.4% in December** and pulling full year data to +1.4% (+154,836 MT MSE).
- Taking a longer view than just the month of December, **global dairy trade endured another sluggish year in 2024, but the second half of the year afforded a noticeable improvement** with several positive signals emerging as we look ahead to 2025. After growing just 0.5% in the first half of the year (+29,069 MT MSE), global dairy trade picked up steam in the last six months, gaining 2.4% compared to the same period in 2023 (+125,767 MT MSE). **In fact, +2.4% puts the second half of 2024 right in line with the rate of global trade growth in the five years preceding COVID-19.**
- **Global dairy trade to China improved by 15% in Q4** – the seasonal peak of shipments to the country. Fluid milk and WMP demand underwhelmed, but the appetite for fat-heavy products like cream and butter along with proteins jumped sharply. Focusing on the year ahead, **the slowdown in China’s milk production should stabilize, or even boost, import demand, especially for value-added products. However, given the economic headwinds and trade policy uncertainty, we are still hesitant to forecast a rebound in China imports that would bring volumes anywhere close to their 2021 highs.**

Global Milk Solids Trade

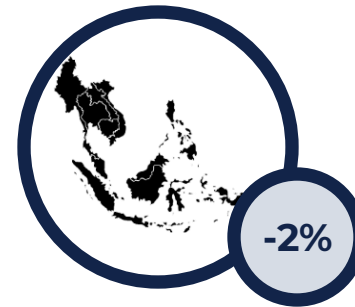
+3.4%
December YoY

+1.4%
YTD, Ending Dec.

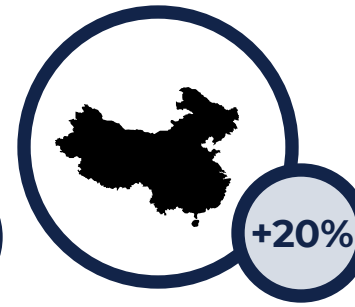
+1.4%
Last 12-Months, Ending Dec.

-1.2%
3-Year CAGR

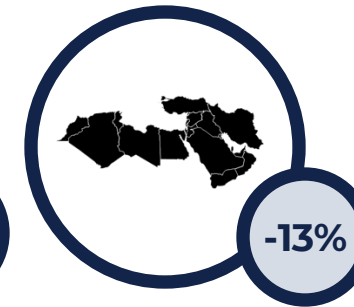
December Standout Markets



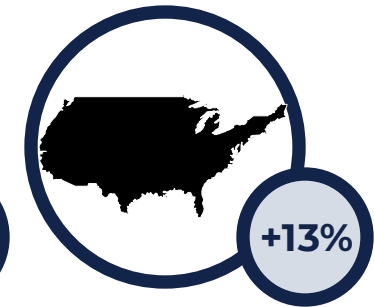
SOUTHEAST ASIA
-3,082 MT



CHINA+HK
+33,579 MT



MENA
-19,526 MT



USA
+4,233 MT

ADDITIONAL NOTES

For the first year since 2016, Southeast Asia has passed China as the largest market for dairy products. Admittedly, Southeast Asia is an aggregation of several individual markets, but the fundamental rebalancing of global demand is nonetheless relevant. As economies in SEA stabilized during 2024, total shipments to the region increased by 7% for the year (+126,289 MT MSE) with gains across virtually every dairy product, save butter and AMF as high fat prices cooled demand. Sales to the two largest markets in the region, Indonesia and the Philippines, soared in 2024 as shipments to the former jumped 14% (+60,516 MT) and the latter improved by 18% (+51,959 MT MSE) as low-protein whey (and to a lesser extent NFDM/SMP) demand in both countries improved significantly. The question remains whether this rebound will be sustained in the coming months. While total imports still outpaced China in 2024, sales to the region cooled in the fourth quarter as Malaysian buyers retreated and purchases from the Philippines quieted.

Global Dairy Demand Market Commentary



LOOKING AHEAD

- Barring policy decisions disrupting the outlook, **2025 appears poised for growth. Milk production is expanding again** in the U.S., Europe and New Zealand, which should result in additional supplies available for export. This growth is occurring at the same time that **China's imports should modestly recover** as milk production weakens and, **inflation in many emerging markets is finally cooling**, which should help support demand for imported dairy products around the world. None of the aforementioned factors are likely to drive global dairy trade back to trend in the near term, but all of them are a positive development and set the stage for growth in 2025.
- However, this bullish forecast is not equal across all dairy products. On the positive side, **cheese demand appears poised to continue substantially outperforming its long-term average** thanks to growth across a wide variety of markets. **Proteins are similarly expected to rise in 2025** (though whey proteins have noticeably burned off some demand). Unfortunately, **demand for milk powder and fluid milk are likely to remain soft for the near term.**

U.S. Milk Solids Exports ¹	-2.0% December YoY	-0.8% YTD, Ending Dec.	-0.8% Last 12-Months, Ending Dec.	-0.3% 3-Year CAGR
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EU Milk Solids Exports	+0.5% December YoY	-1.2% YTD, Ending Dec.	-1.2% Last 12-Months, Ending Dec.	-0.4% 3-Year CAGR
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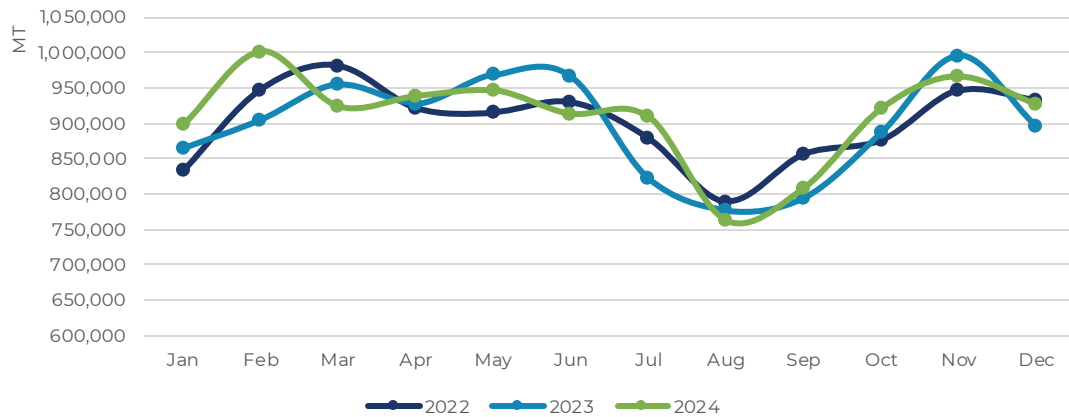
NZ Milk Solids Exports	+9.1% December YoY	+2.5% YTD, Ending Dec.	+2.5% Last 12-Months, Ending Dec.	+0.8% 3-Year CAGR
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ADDITIONAL NOTES

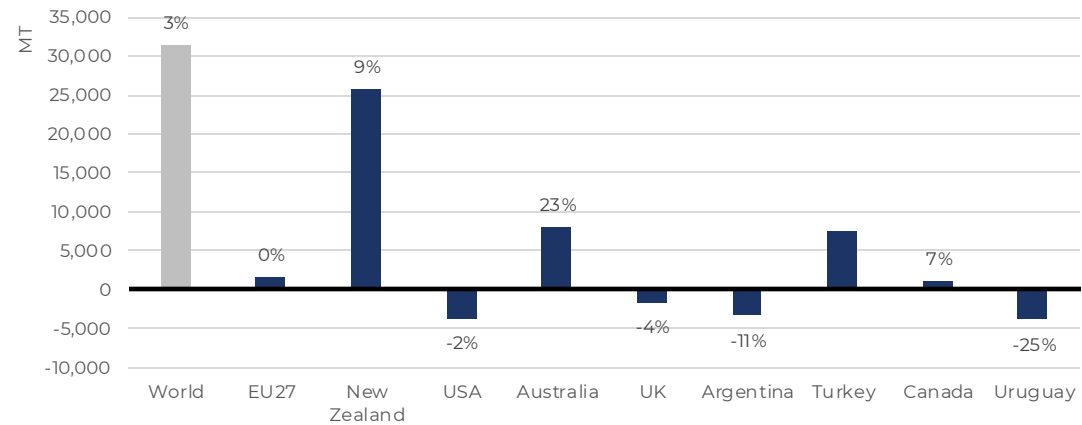
On a global level, market share among the major dairy exporters barely shifted in 2024 with no country gaining or losing more than 1%. However, on a regional basis, market movements have been more evident with exporters generally focusing on their neighboring markets. Both New Zealand and Australia placed heavy emphasis on Southeast Asia in the absence of growth out of China. Similarly, U.S. exports to Mexico, Central America and the Caribbean soared. In fact, Latin America accounted for over 40% of U.S. dairy exports in 2024 compared to 33% two years ago. Finally, EU volumes to their nearest market, MENA, were largely stable in 2024 though remained at elevated levels compared to 2022. Overall, with demand largely moving sideways, global dairy exporters have focused their attention on the markets where they possess freight and tariff advantages.

Executive Summary: December 2024

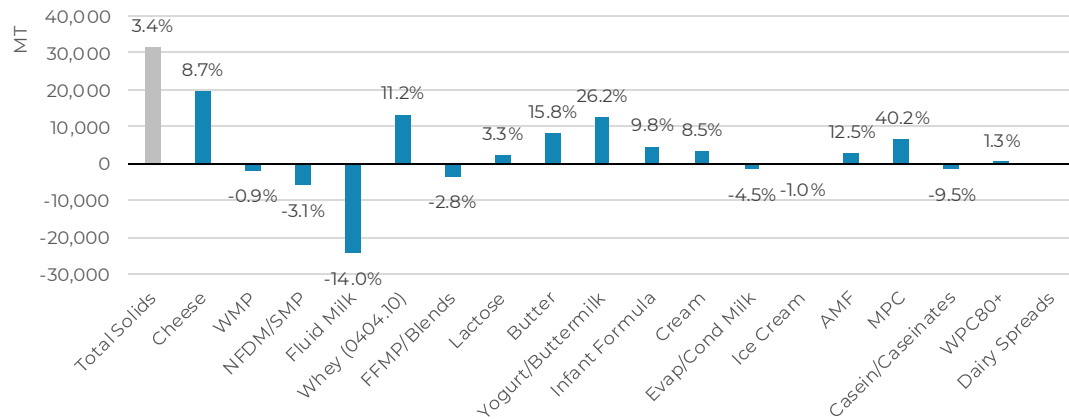
Global Total Solids Trade to World



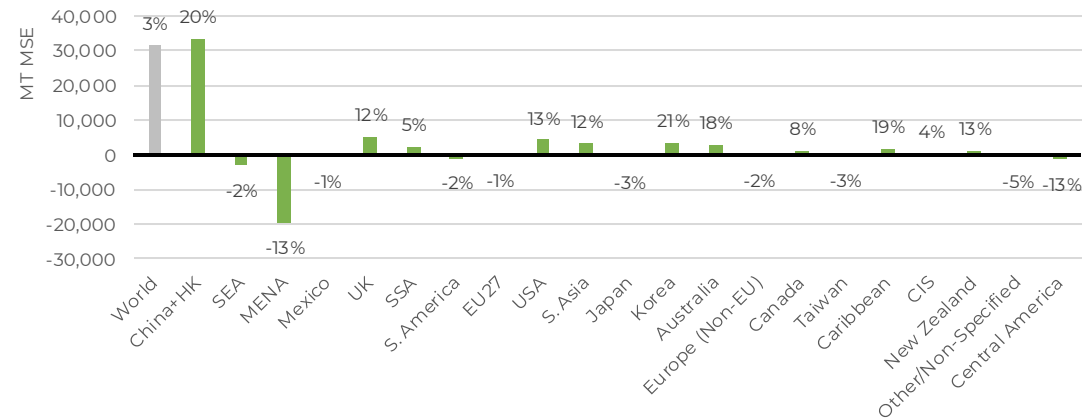
YOY Change in Global Dairy Trade to World: Month of Dec, MSE



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

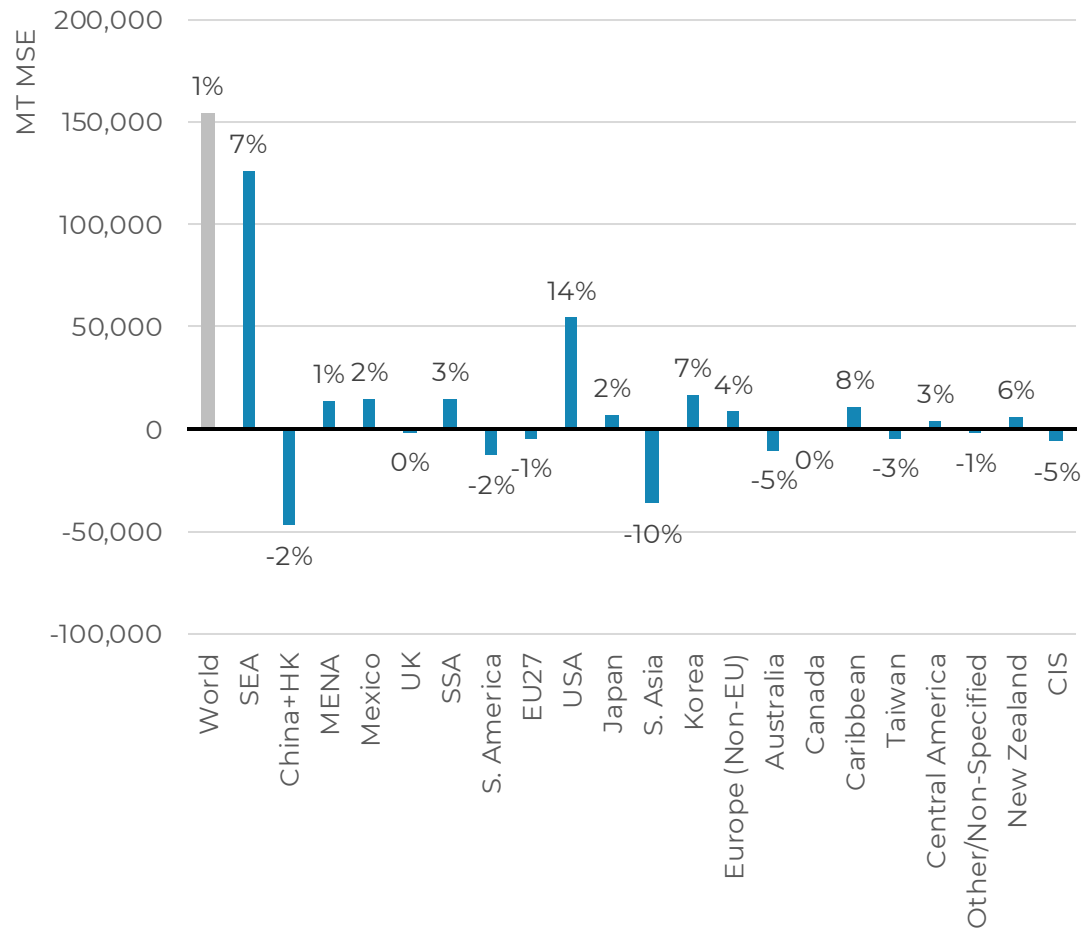


YOY Change in Global Milk Solids Trade by Destination: Month of Dec 2024

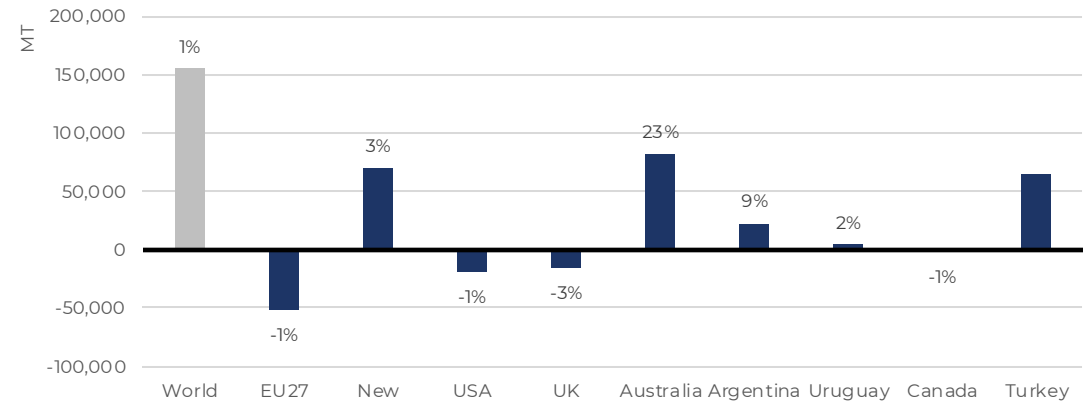


Executive Summary: 2024

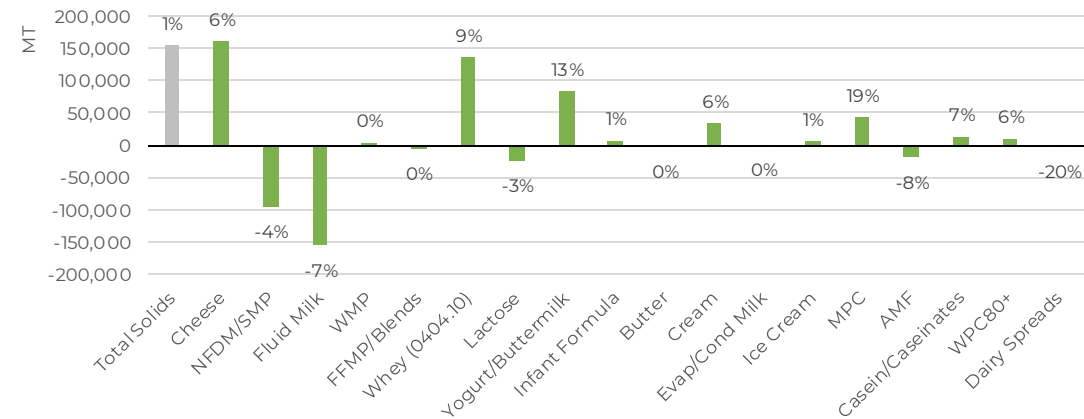
YOY Change in Global Milk Solids Trade by Destination: 2024



YOY Change in Global Dairy Trade to World: 2024, MSE



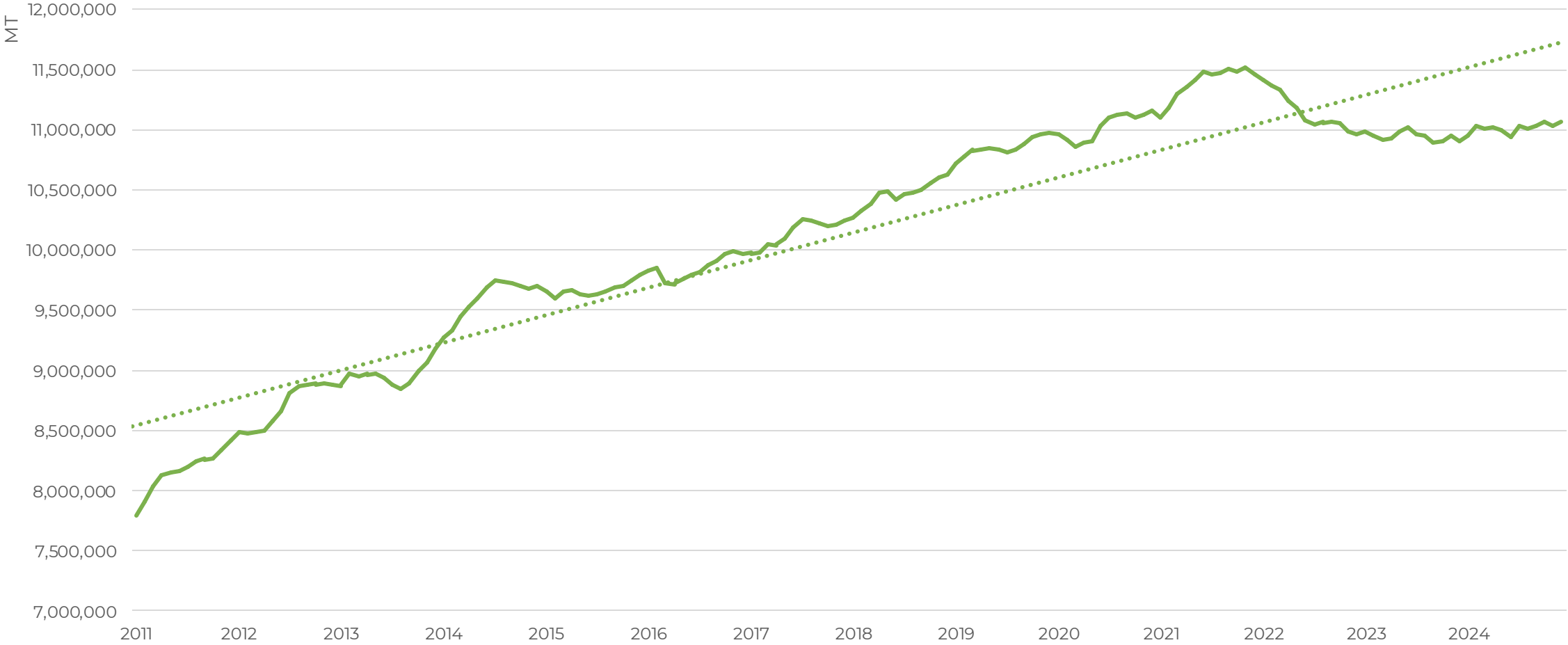
YOY Change in Global Dairy Trade to World by Product: 2024



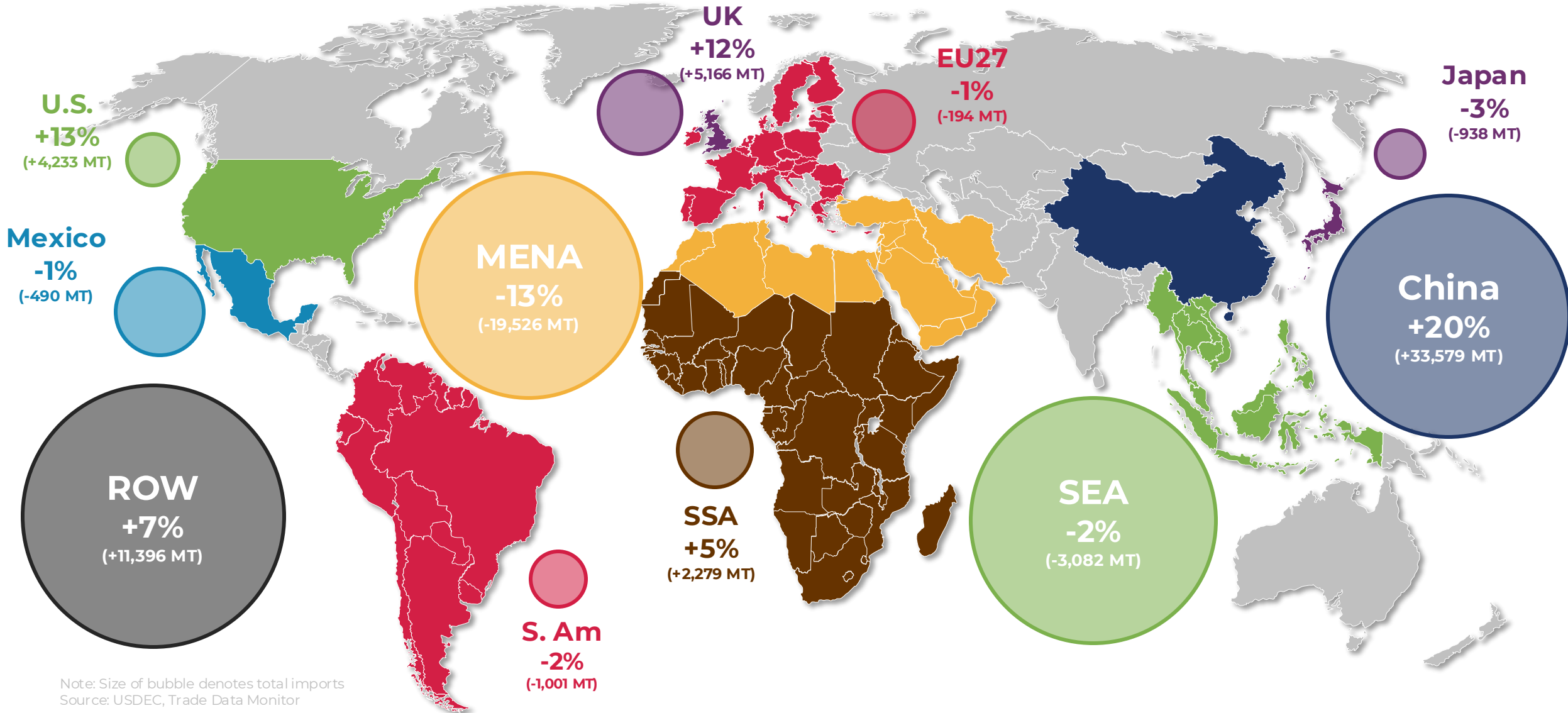
Global Dairy Trade

Global Dairy Trade

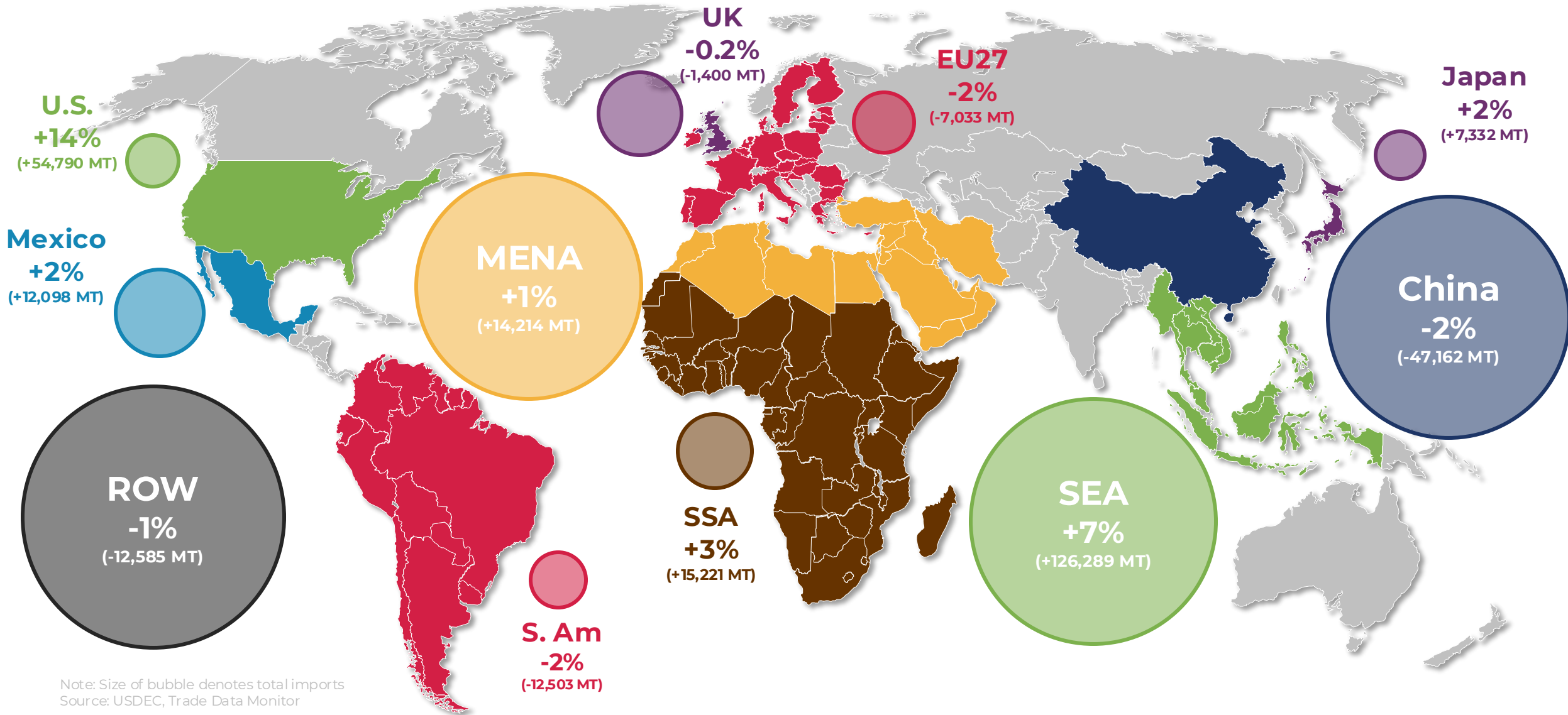
(Milk Solids Equivalent, Rolling 12 Months)



Select Markets – Month of Dec. 2024, Milk Solids Equiv.

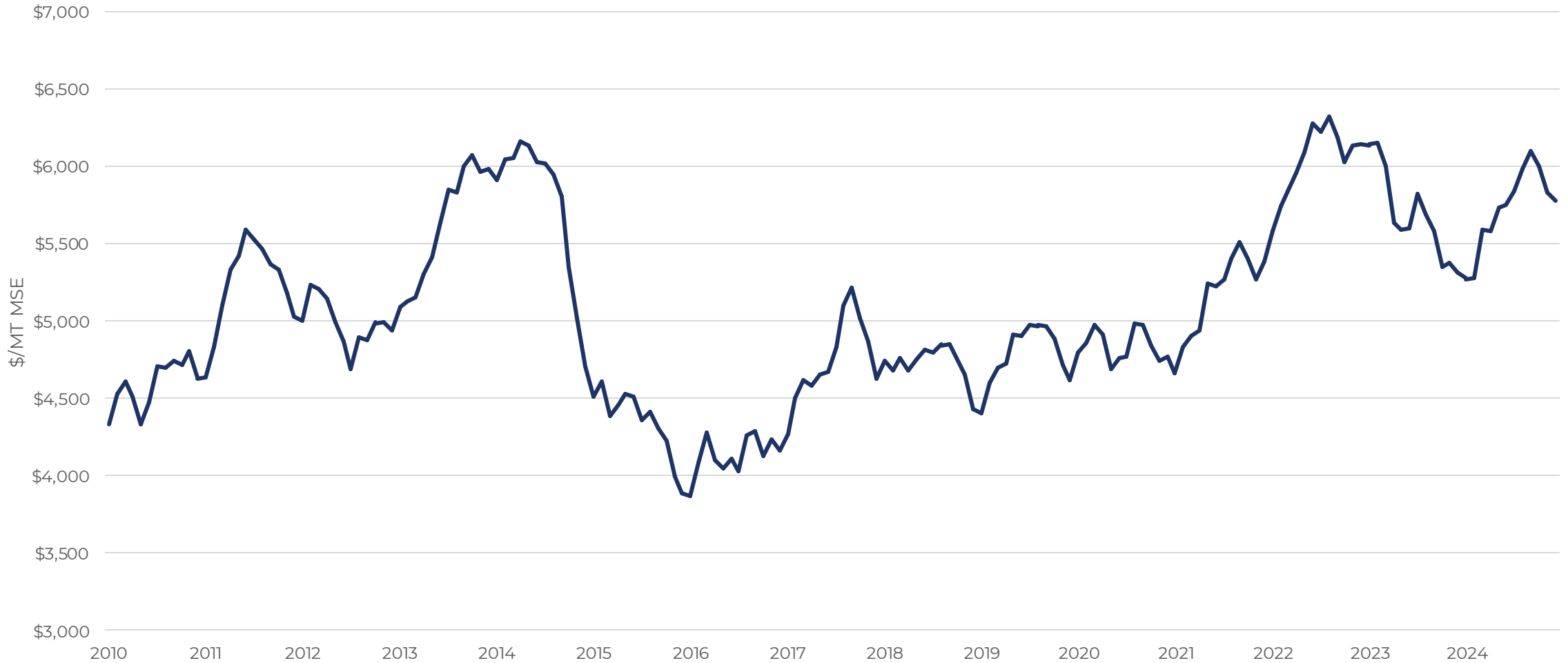


Select Markets –2024, Milk Solids Equiv.



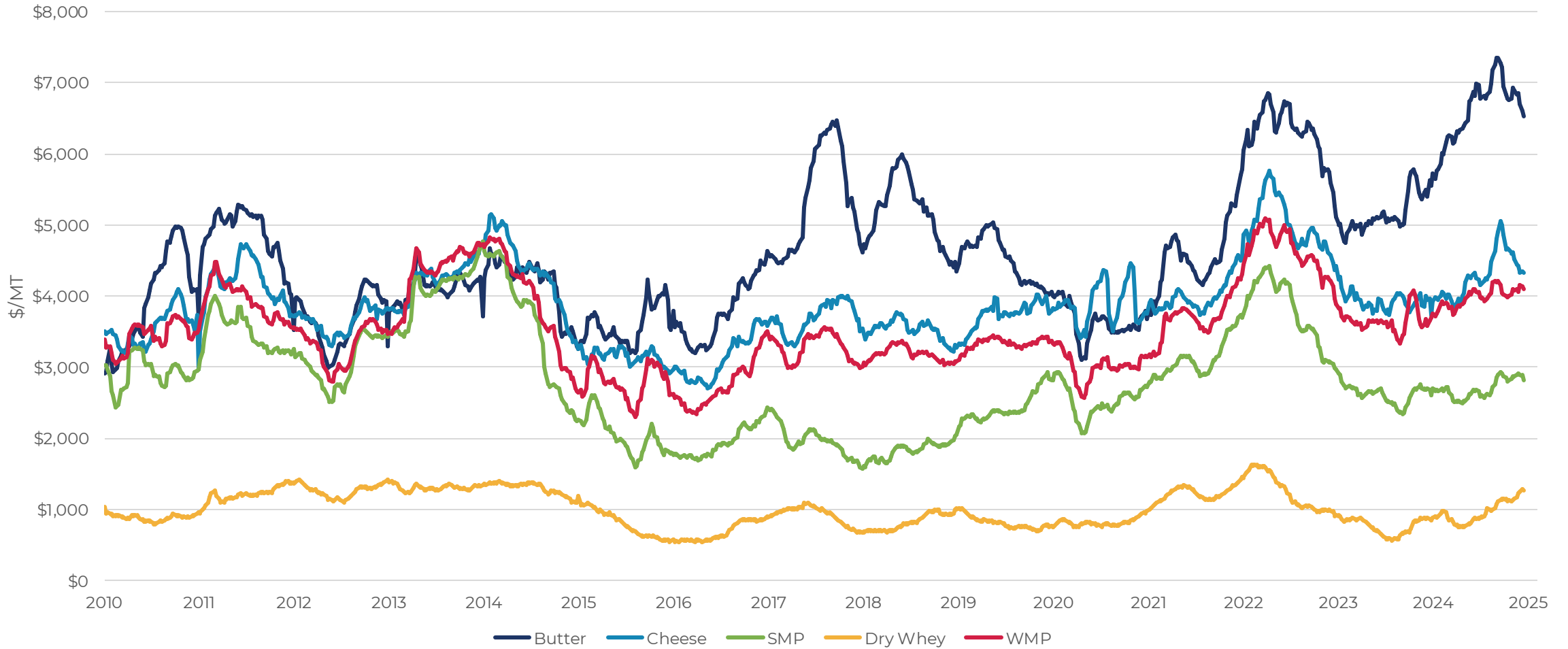
Average Global Export Price

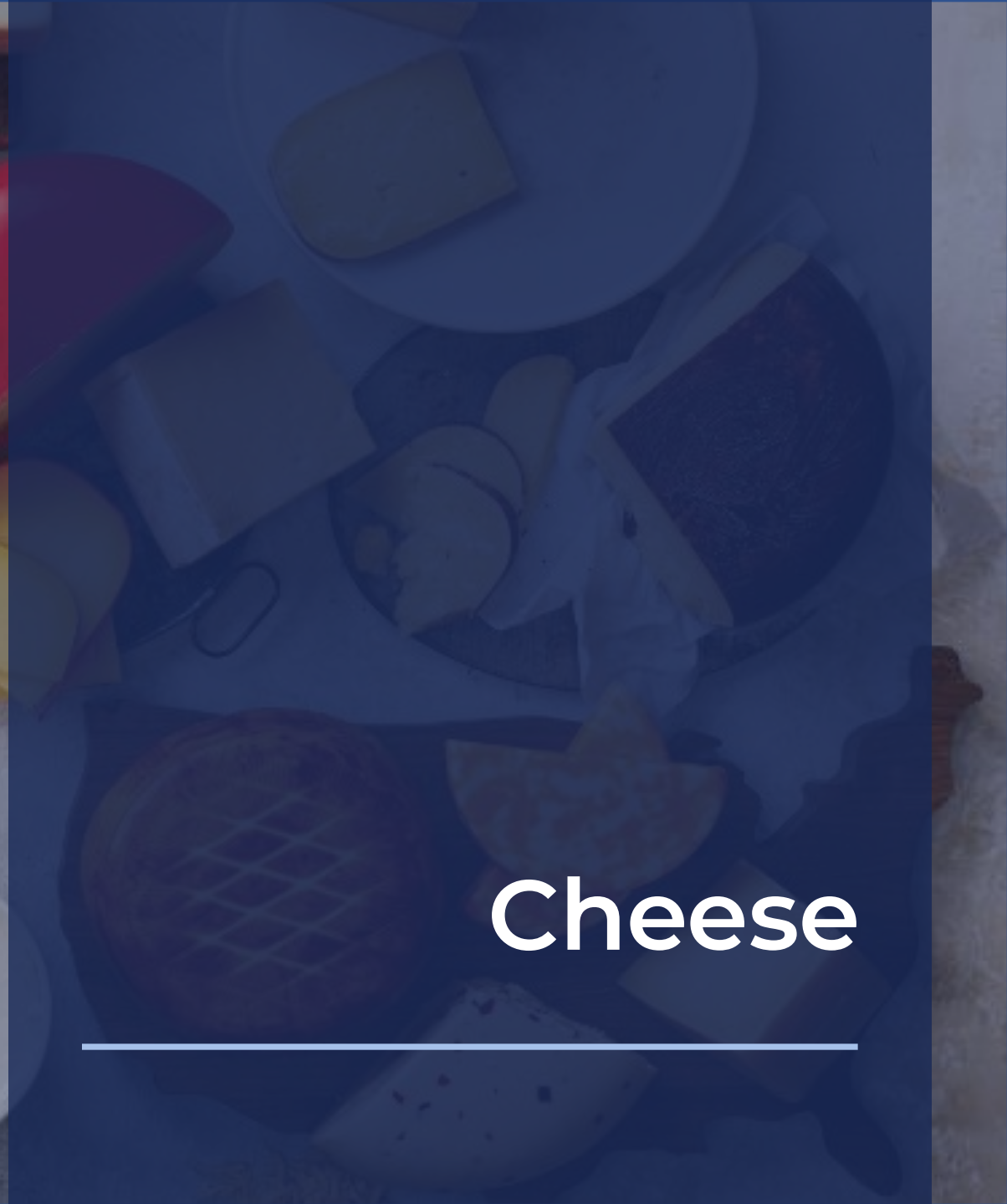
Average Dairy Export Value to World, MSE



Global Dairy Spot Prices

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





Cheese

Cheese Market Commentary



KEY TAKEAWAYS

- **Another strong result in December capped off an exceedingly positive 2024 for global cheese trade.** A record large 2.8 million MT of cheese moved across the world last year, 6% (+160,193 MT) more than the prior record set in 2023. Global cheese trade has bested prior year levels for 15 consecutive months and set new monthly records in every instance during 2024, except January and March.
- **Robust cheese trade was nearly universal with shipments for the year rising to almost every geography.** Surging demand in Latin America drove much of the increase as exports to Mexico (See Additional Notes), South America, Central America, and the Caribbean increased by 26%, 14%, 16%, and 12%, respectively, collectively contributing an additional 79,000 MT of cheese to global trade.
- Conversely, cheese trade to China underwhelmed in 2024 with volumes falling by 6% (-10,703 MT). However, December's performance was more upbeat as shipments rose 7% (+1,064 MT), albeit against a relatively weak comparable.

**Global
Cheese
Trade**

+8.7%
December YoY

+6.0%
YTD, Ending Dec.

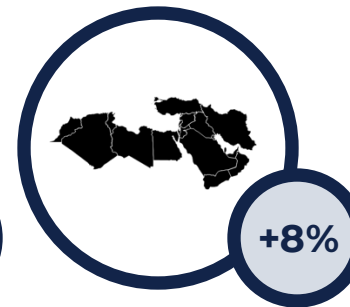
+6.0%
Last 12-Months,
Ending Dec.

+2.6%
3-Year CAGR

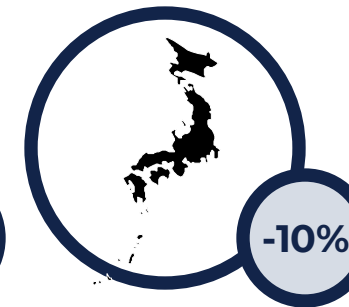
December Standout Markets



UNITED KINGDOM
+5,700 MT



MENA
+2,456 MT



JAPAN
-2,688 MT



MEXICO
+3,225 MT

ADDITIONAL NOTES

It is difficult to talk about rising cheese trade during 2024 without highlighting the crucial role that Mexico played in elevating activity throughout the year. Cheese exports to Mexico soared to 217,178 MT in 2024, trouncing the previous record by 26%. The additional 44,902 MT of product that moved into the country last year accounted for more than a quarter of the global increase in cheese trade with Mexico boasting 8% share of all international cheese trade during the year. ¿Que pasó? Cheese trade to Mexico has gained momentum for several years as robust economic growth, evolving diets, and slower domestic production have pushed up demand for imported product. These factors combined with affordable prices early in the year and tepid domestic demand in the U.S. that freed up product volumes, spurred Mexican cheese demand to new heights. While fundamentals suggest that demand should remain elevated compared to historical standards, risks to the outlook do exist as slowing economic performance in Mexico combined with unpredictable trade policy could present challenges in the coming months.

Cheese Market Commentary



LOOKING AHEAD

- **Cheese continues to benefit from long term global demand trends. An expanding population, rising incomes, and westernizing diets are all driving cheese demand growth.** More recently, an insatiable appetite for protein is also favorable for cheese consumption. These dynamics set cheese trade on a path to have another strong year of performance in 2025.
- In addition, substantial new capacity activation in the U.S. is also likely to drive further increases in global cheese trade (See Additional Notes).
- While it feels like the fundamentals should continue to drive global cheese trade forward, we would be remiss to not mention some of the clouds gathering on the horizon. Stubborn inflation and prolonged geopolitical uncertainty are weighing on economic growth with the IMF currently predicting that global GDP will rise just 3.3% this year, up only slightly from last year and well below the long-term trend of 3.7%. Trade policy uncertainty also remains a central issue, particularly for the U.S. which accounted for 18% of global cheese trade last year.

U.S. Cheese Exports

+21.2%
December YoY

+17.5%
YTD, Ending Dec.

+17.5%
Last 12-Months,
Ending Dec.

+5.5%
3-Year CAGR

EU Cheese Exports

+2.4%
December YoY

+0.1%
YTD, Ending Dec.

+0.1%
Last 12-Months,
Ending Dec.

+0.03%
3-Year CAGR

NZ Cheese Exports

+20.3%
December YoY

+2.8%
YTD, Ending Dec.

+2.8%
Last 12-Months,
Ending Dec.

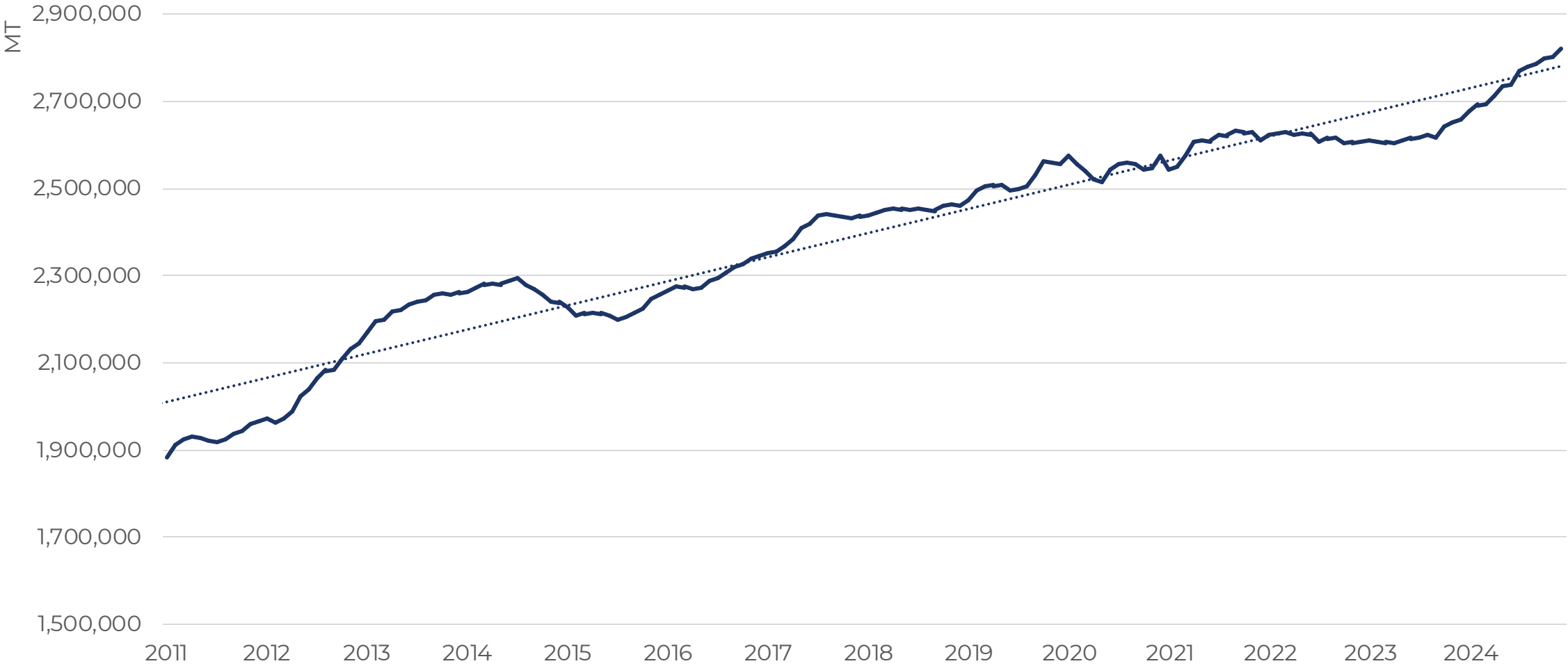
+0.9%
3-Year CAGR

ADDITIONAL NOTES

For months dairy analysts have been observing the installation of new cheese capacity in the United States, warning of the 2025 cheesemaggedon during which substantial quantities of new product would flood the market. We now stand at the precipice with these facilities taking milk and ramping up production schedules however it doesn't seem that the market will be awash with product. Importantly, milk supplies remain constrained as high beef prices continue to limit the breeding of dairy heifers. Without a massive influx of new milk, there is likely to be a tradeoff of milk supplies across processors, suggesting that the overall impact on total cheese production could be muted. The amount of this product that is available for export will also hinge on how much the domestic market absorbs. Lackluster demand in 2024, particularly through foodservice channels, meant that there was a significant volume of U.S. cheese available for international buyers. It is undeniable that new facilities have created opportunities to increase cheese output and further grow exports but the extent to which this comes to fruition remains to be seen.

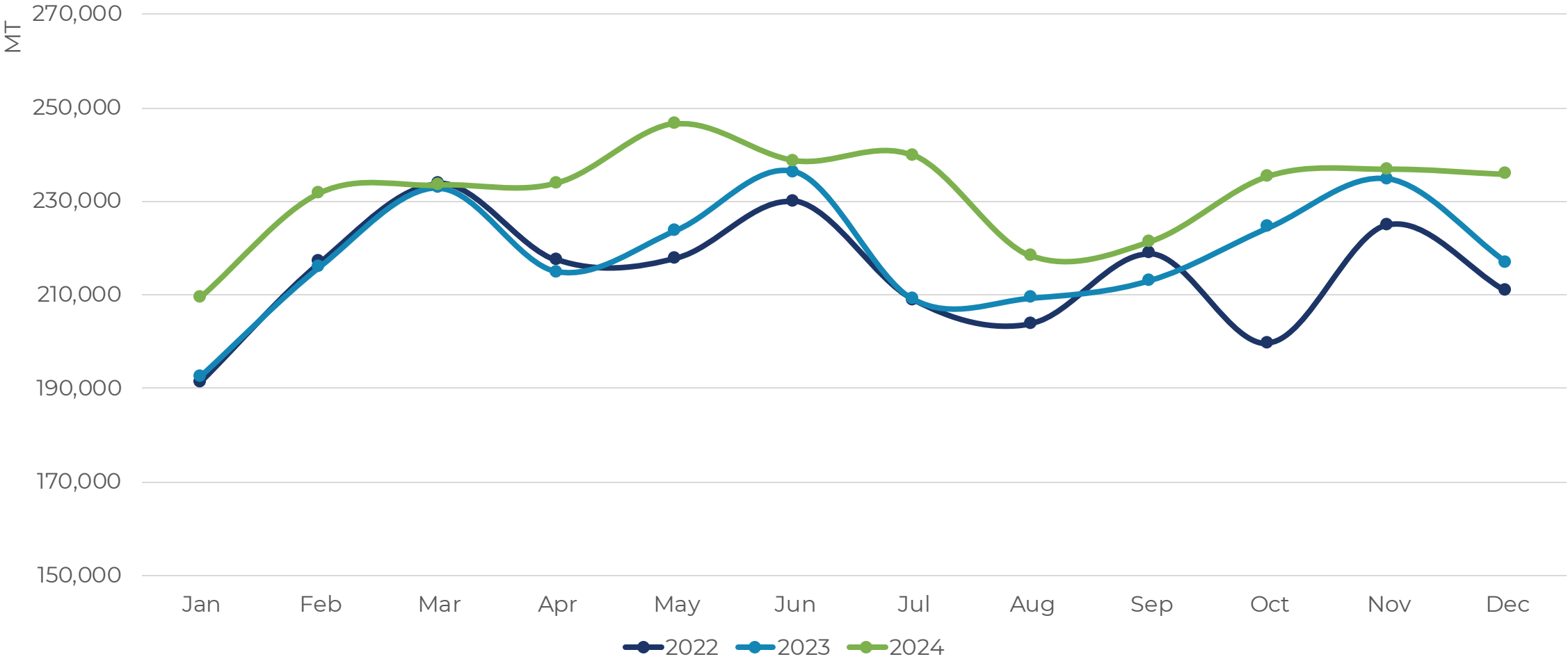
Global Overview: Cheese

Global Cheese Trade to World



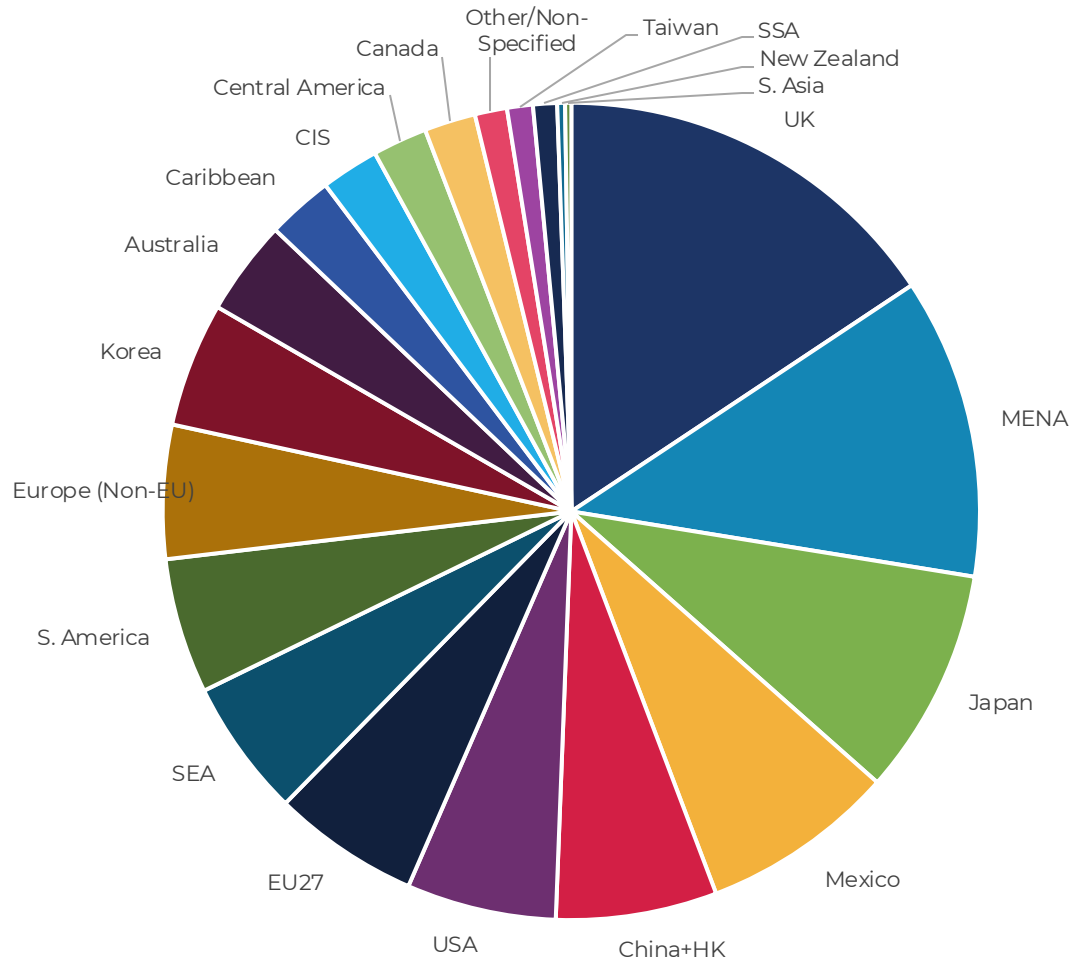
Global Overview: Cheese

Global Cheese Trade to World

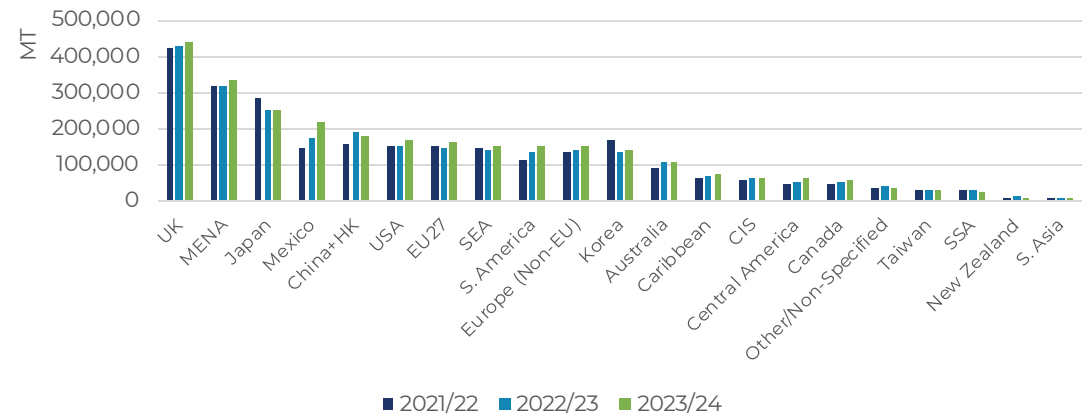


Global Overview: Cheese – Last 12 Months

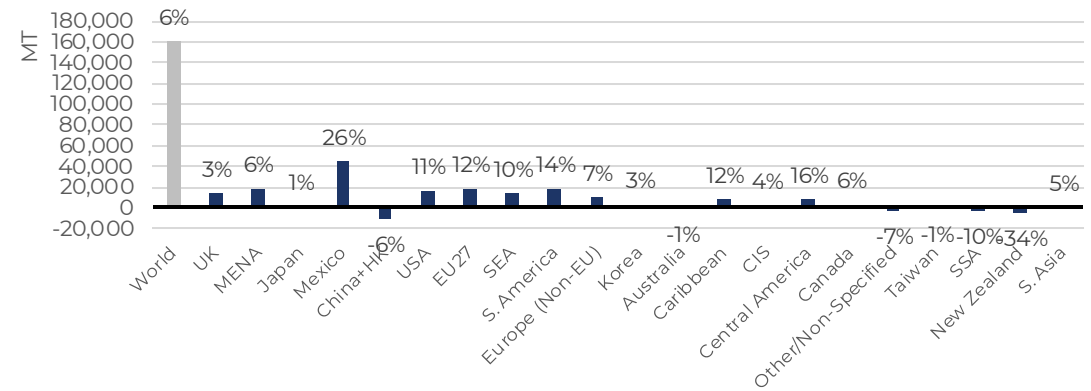
Global Cheese Trade by Destination: Last 12 Months ending Dec



Global Cheese Trade by Destination: Last 12 Months ending Dec

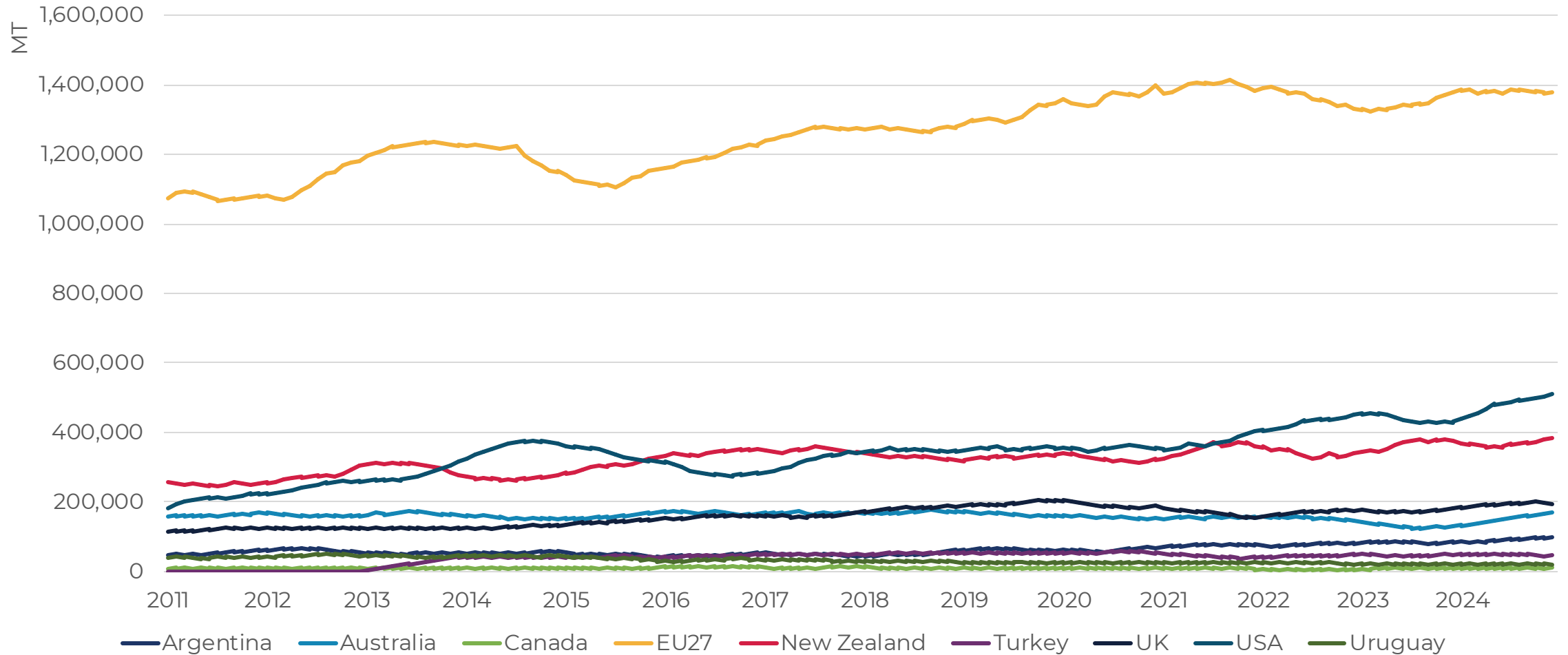


YOY Change in Global Cheese Trade by Destination: Last 12 Months ending Dec 2024



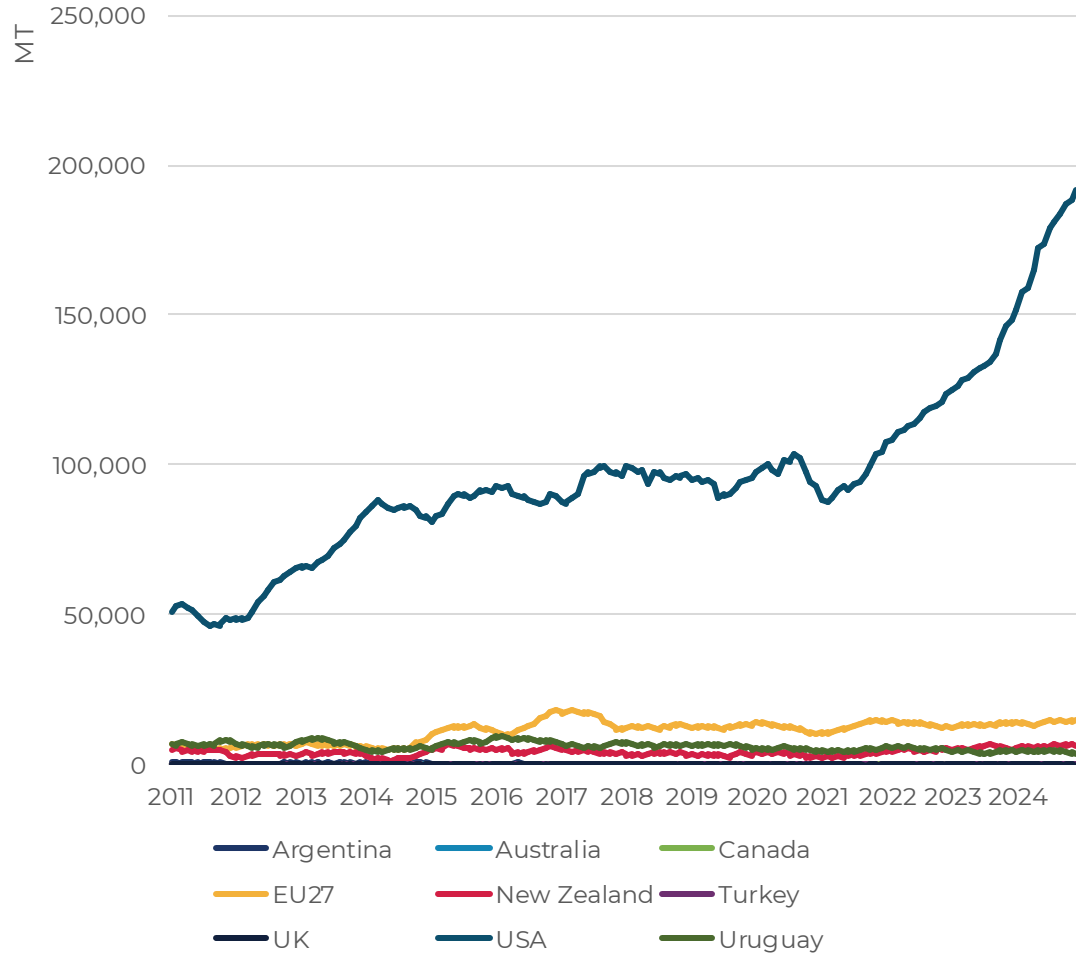
Trade Flows: Cheese

Global Cheese Trade to World

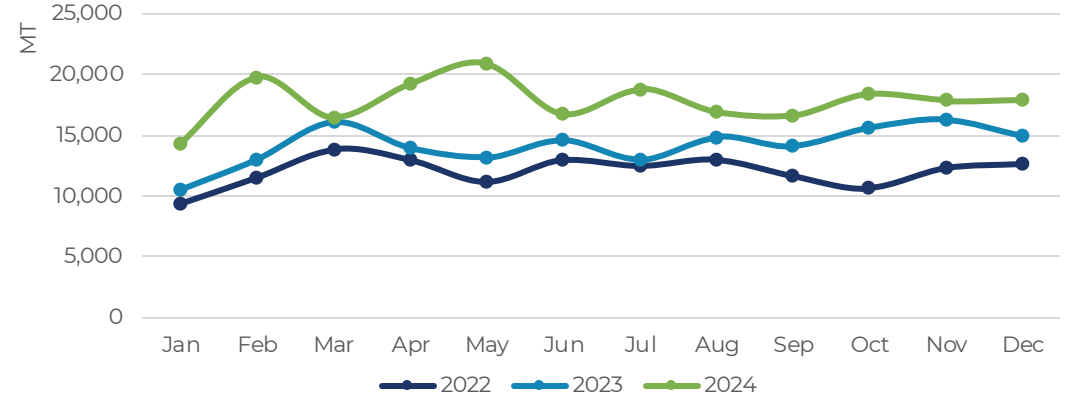


Mexico

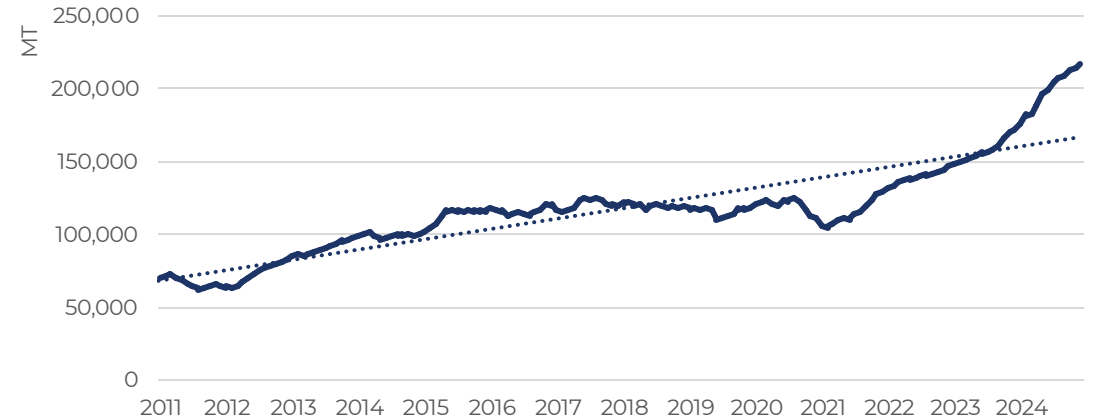
Global Cheese Trade to Mexico



Global Cheese Trade to Mexico

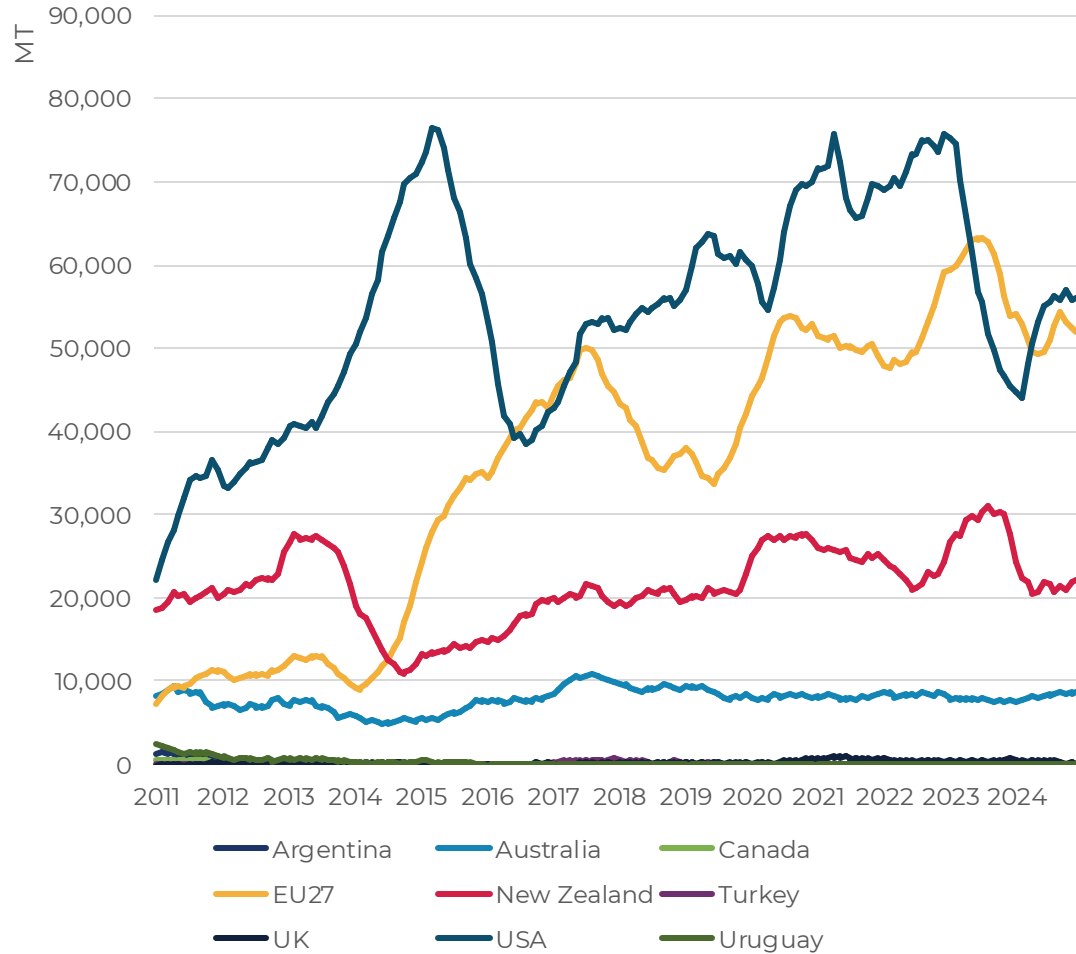


Global Cheese Trade to Mexico

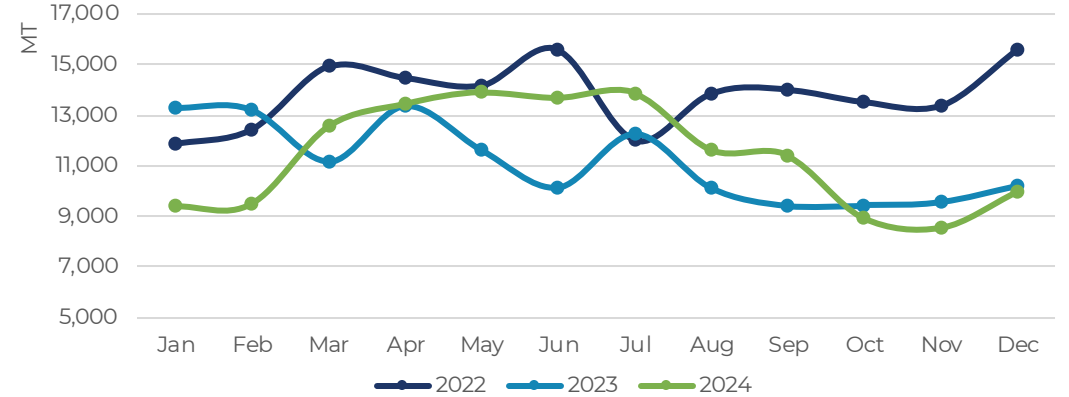


Korea

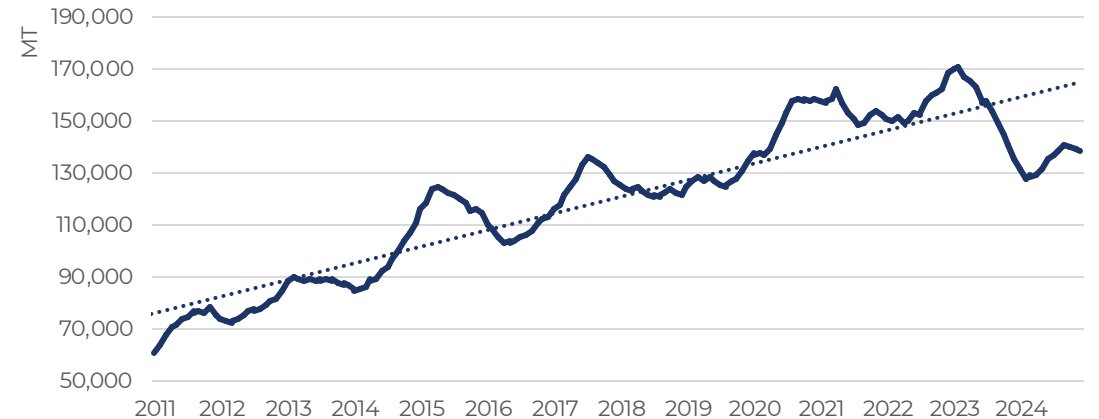
Global Cheese Trade to Korea



Global Cheese Trade to Korea

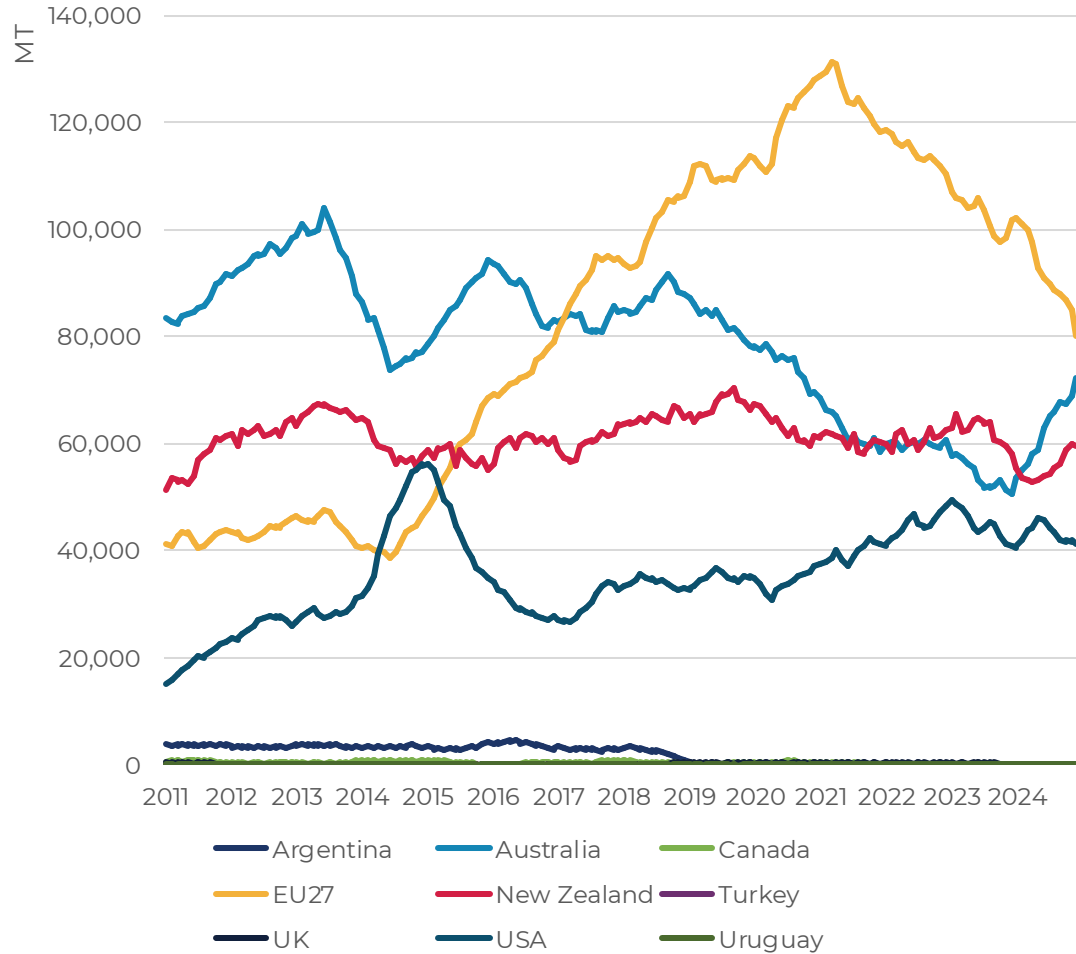


Global Cheese Trade to Korea

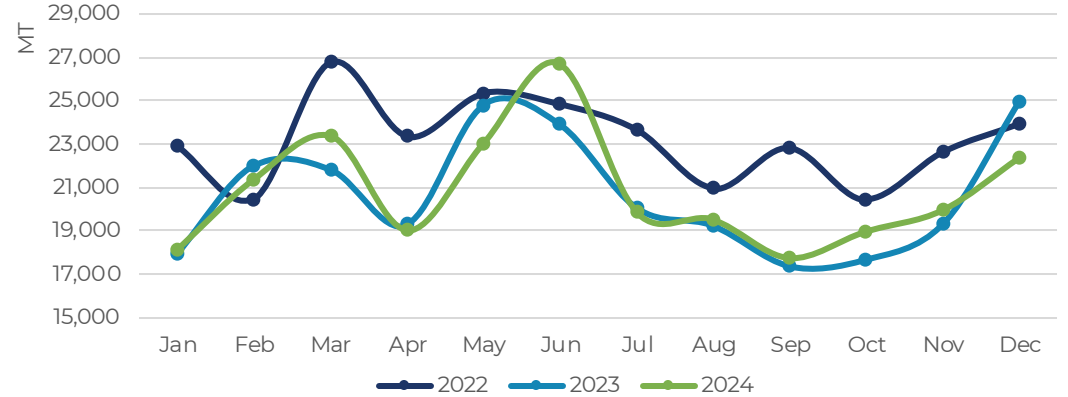


Japan

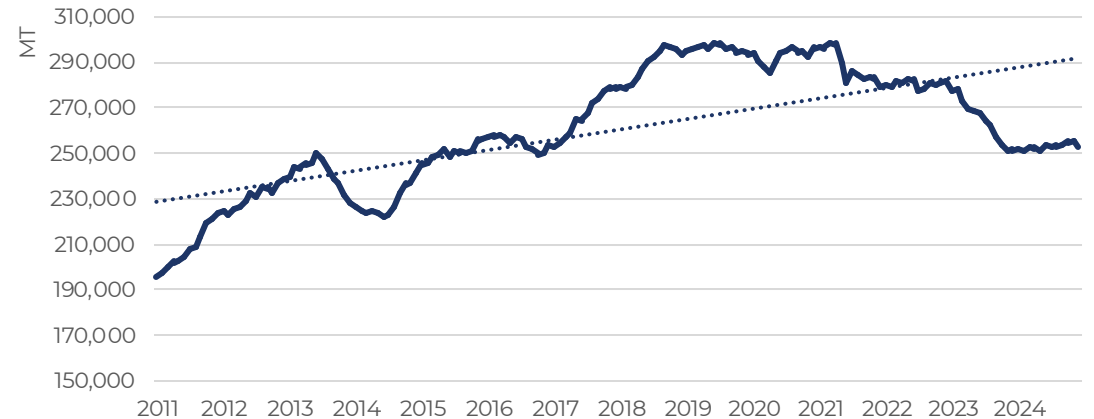
Global Cheese Trade to Japan



Global Cheese Trade to Japan

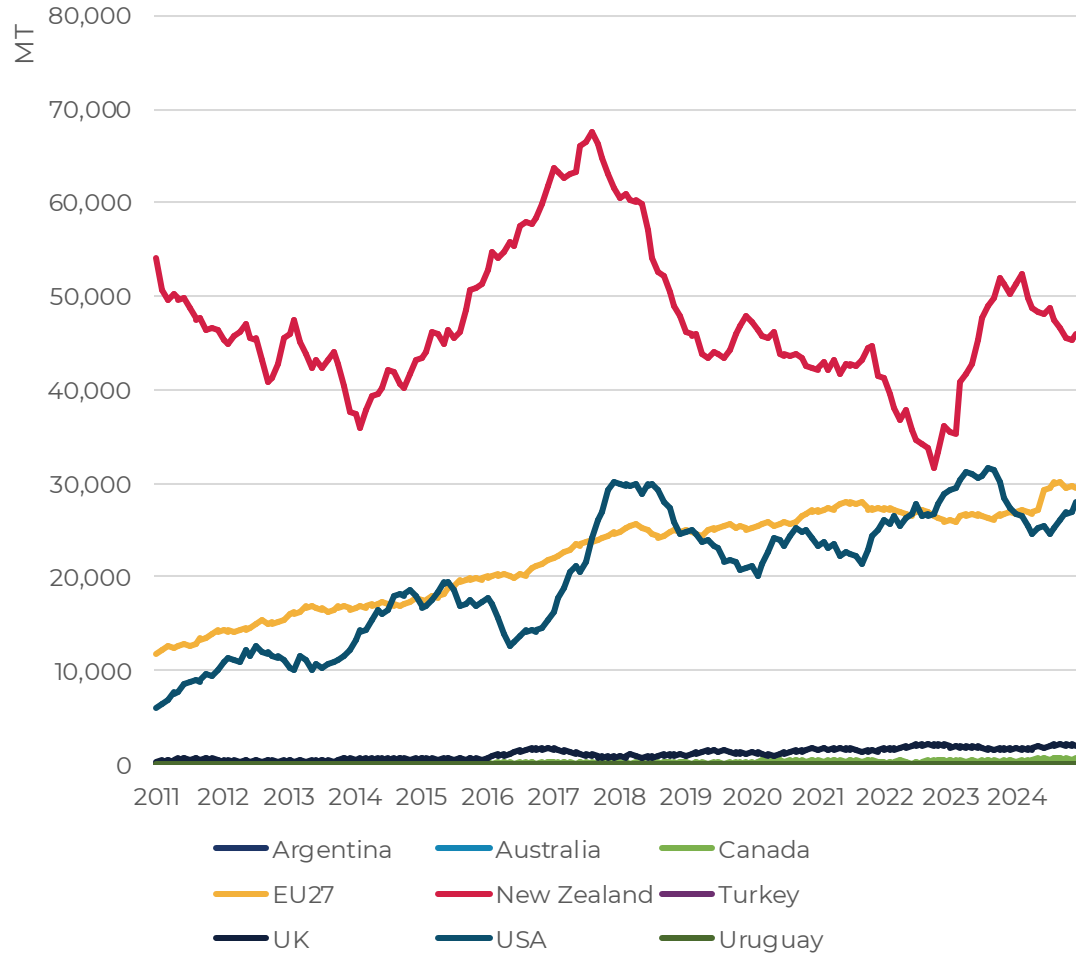


Global Cheese Trade to Japan

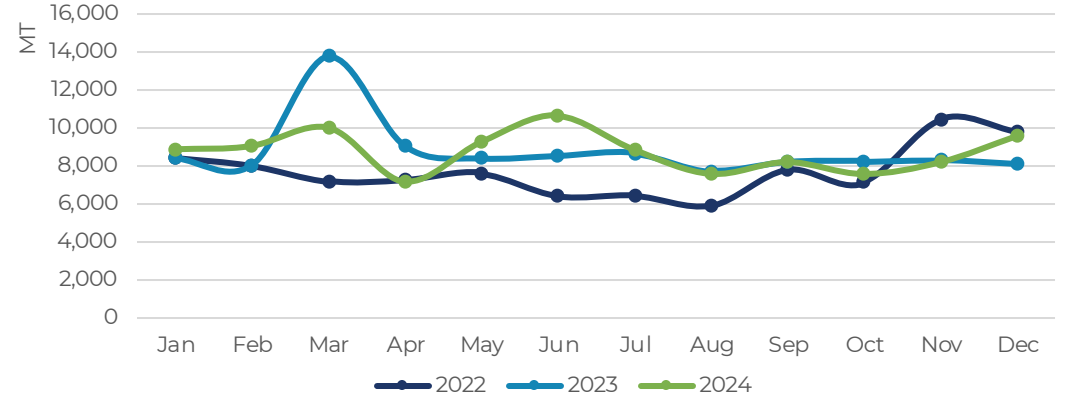


Australia

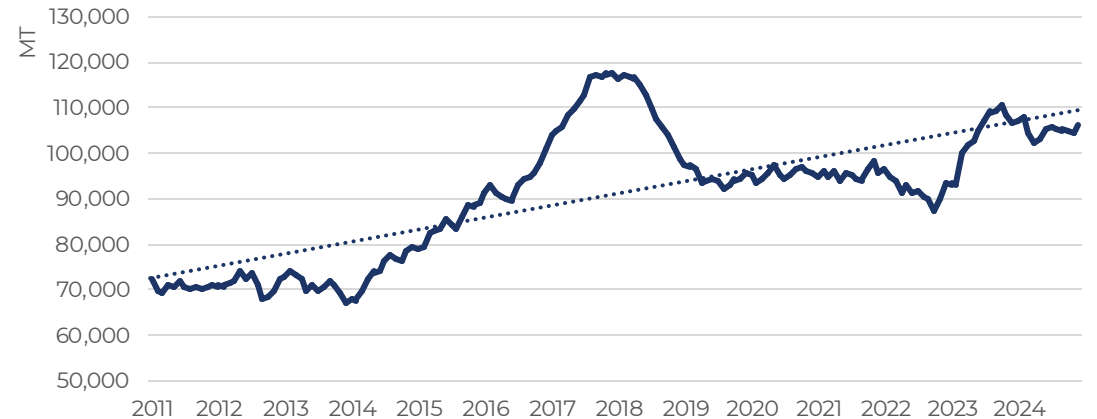
Global Cheese Trade to Australia



Global Cheese Trade to Australia

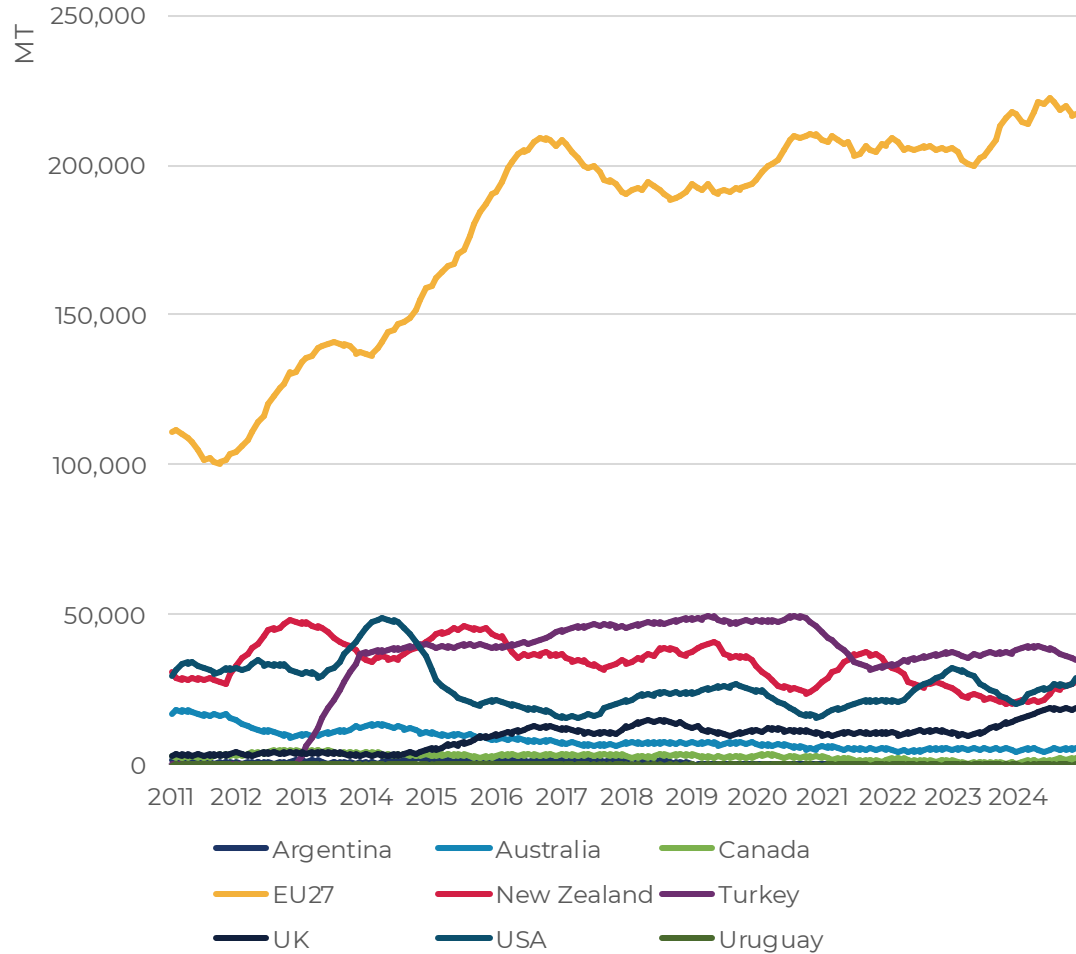


Global Cheese Trade to Australia

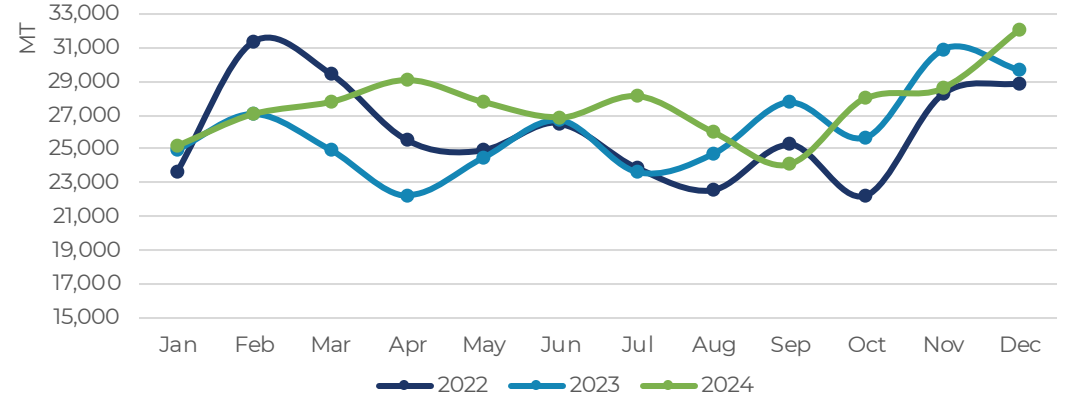


MENA

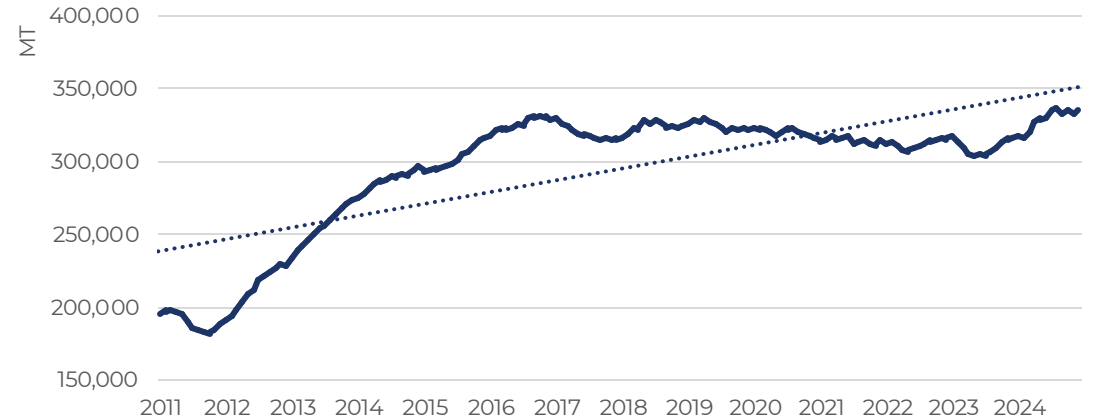
Global Cheese Trade to MENA



Global Cheese Trade to MENA

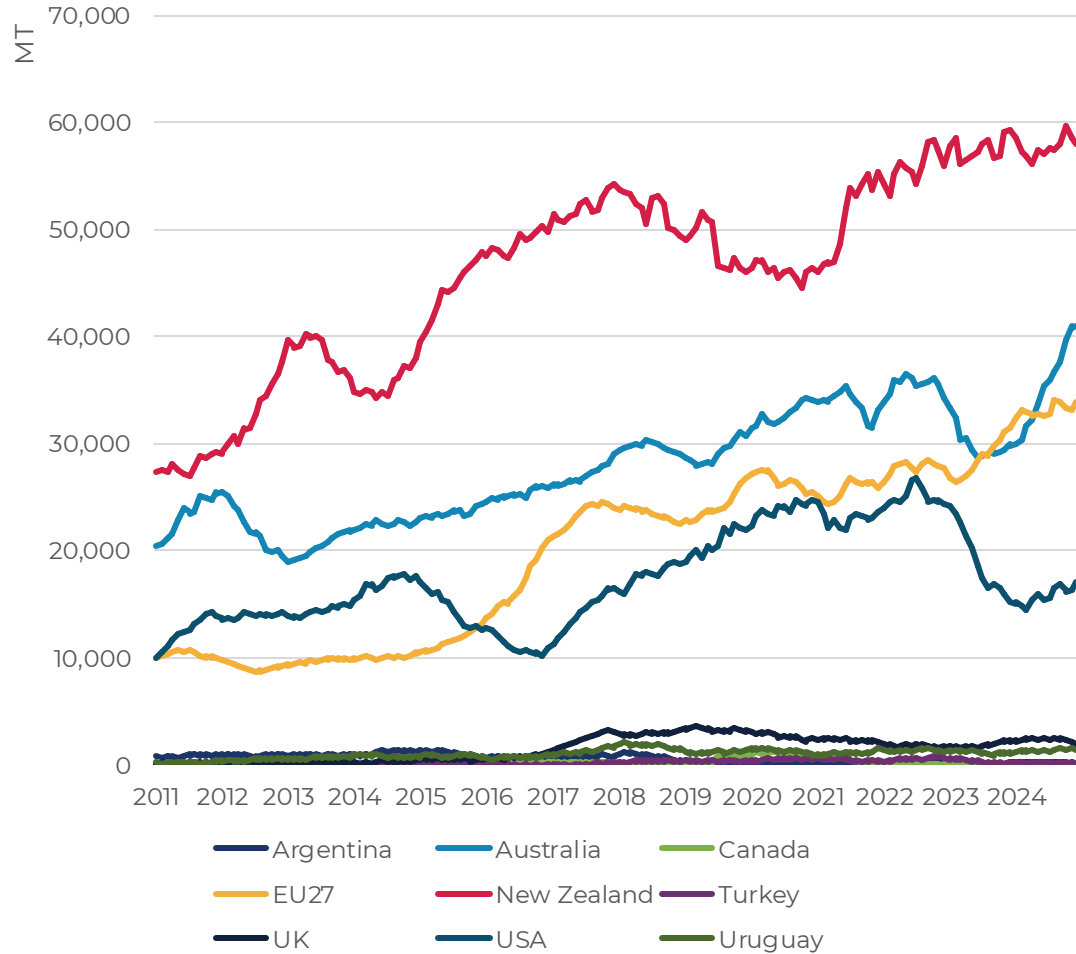


Global Cheese Trade to MENA

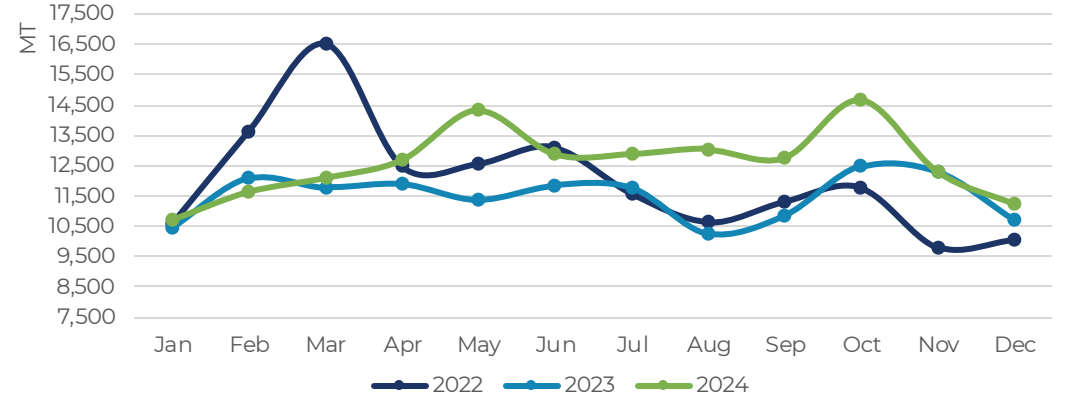


Southeast Asia

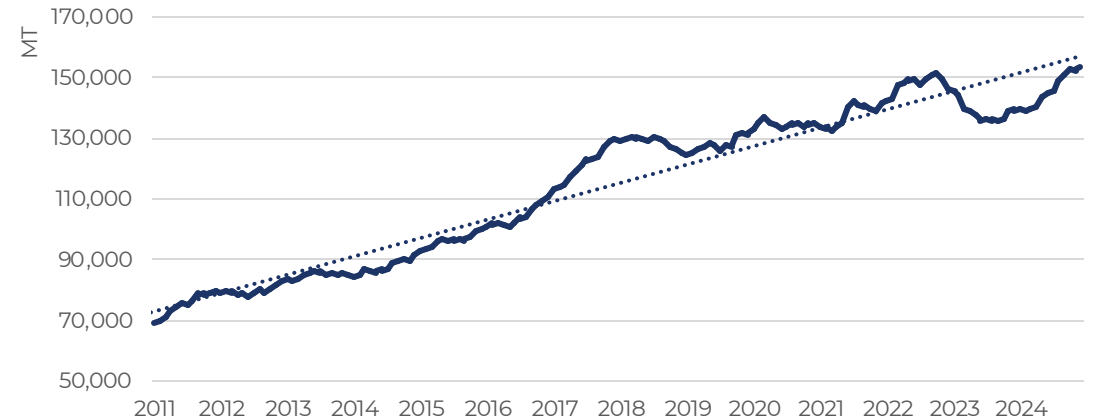
Global Cheese Trade to SEA



Global Cheese Trade to SEA

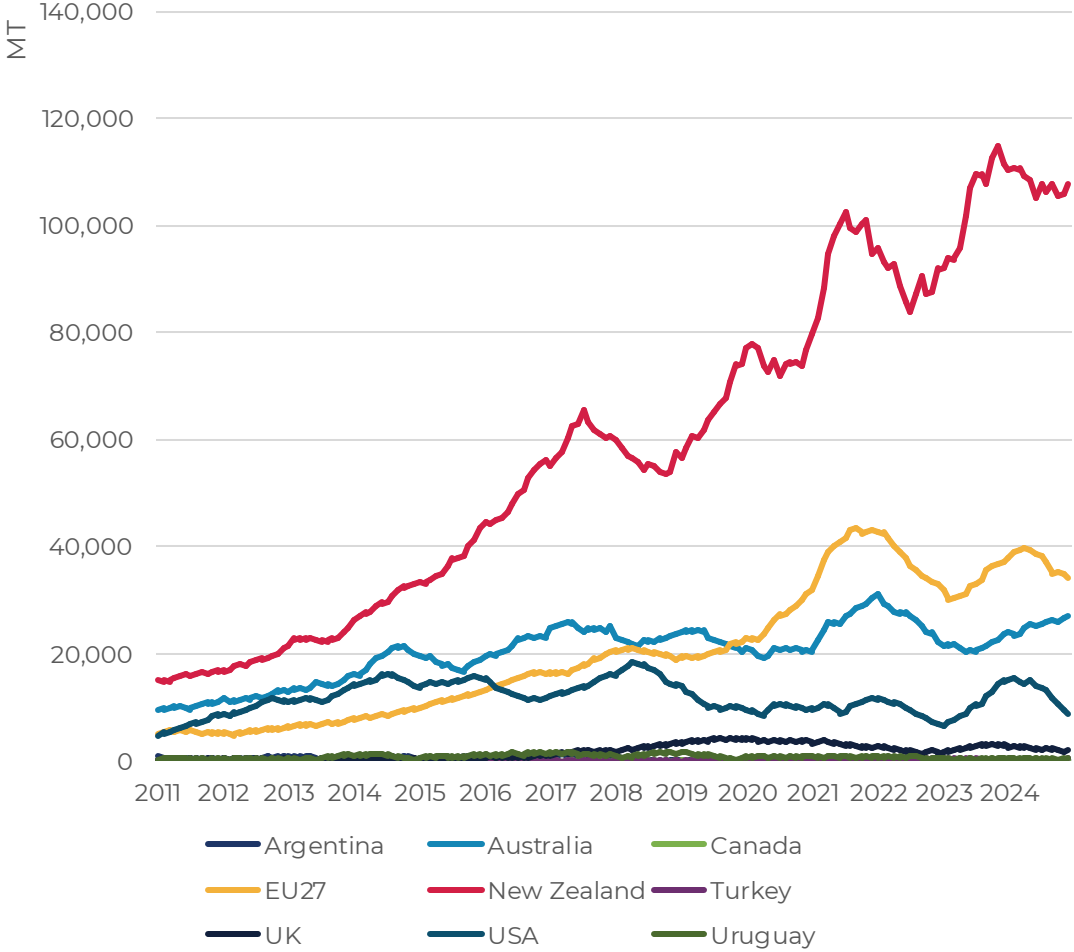


Global Cheese Trade to SEA

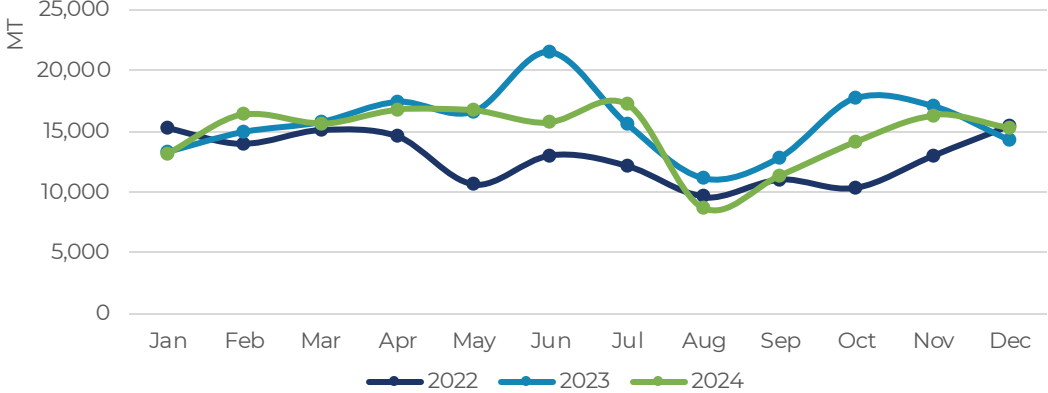


China

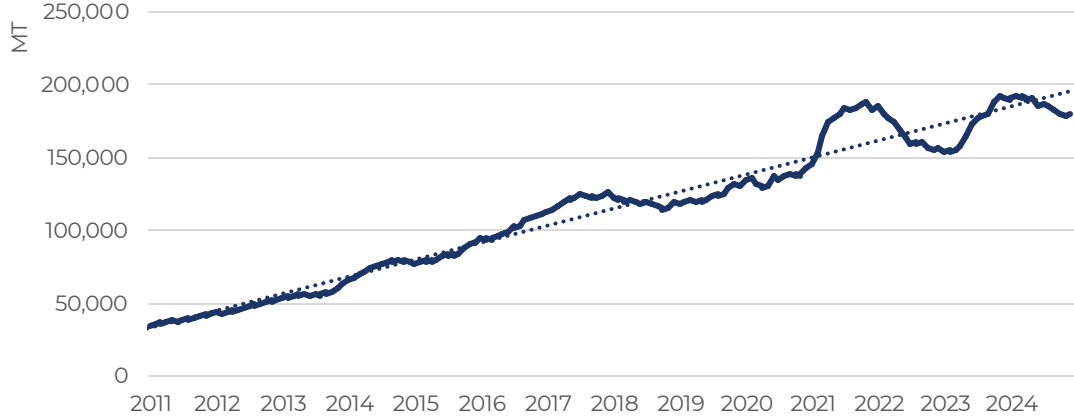
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





NFDM/SMP

NFDM/SMP Market Commentary



KEY TAKEAWAYS

- For the fifth month in a row, global NFDM/SMP trade slipped below prior year levels in December. Shipments fell 3% (-5,932 MT) compared to last December, posting the worst showing for the month since 2021.
- Including December's result, global NFDM/SMP trade totaled a disappointing 2.206 million MT during the year, a decline of 4% (-96,015 MT) compared to 2023. The 2024 figure was the weakest annual volume since 2017, underscoring the anemic performance that global powder trade has exhibited in recent memory.
- Chinese demand sank to just 228,784 MT during 2024, down 26% (-80,112 MT) from prior year and the lowest annual result since 2016. However, it is notable that NFDM/SMP trade to China did perk up in the final months of the year with a 37% (+9,052 MT) year over year increase seen in December volumes. China has relied on domestic milk production to offset import needs but as milk prices plumb new lows, squeezed producer margins may be renewing interest in foreign dairy solids.

Global
NFDM/SMP
Trade

-3.1%
December YoY

-4.2%
YTD, Ending Dec.

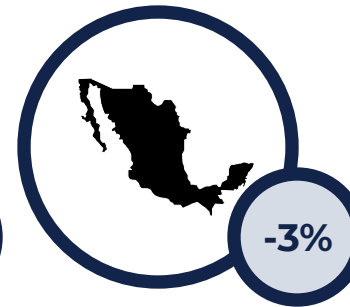
-4.2%
Last 12-Months,
Ending Dec.

-1.7%
3-Year CAGR

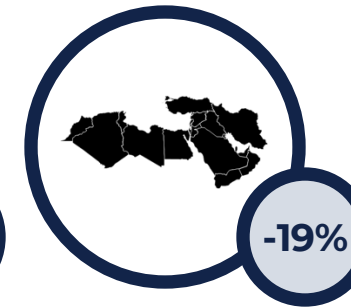
December Standout Markets



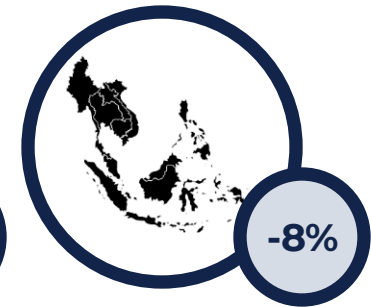
CHINA+HK
+9,052 MT



MEXICO
-888 MT



MENA
-8,700 MT



SOUTHEAST ASIA
-4,380 MT

ADDITIONAL NOTES

While China's reduction in demand weighed the most heavily on global NFDM/SMP trade, it certainly was not the only country to experience deep volume losses. Mexican demand for NFDM/SMP also tumbled during 2024 (-7%, -28,368 MT) as processors opted for importing cheese in lieu of milk powder for cheese vat fortification. South Asian demand also dipped by 32% (-19,923 MT). Not all the news was negative, however, as some regions did see volumes grow during the year. Despite an 8% (-4,380 MT) dip in December, volumes of NFDM/SMP to SEA were up 4% (+26,636 MT) in 2024 on the back of stronger exports to the Philippines (+23%, +30,285 MT) and Indonesia (+13%, +22,538 MT). Milk powder trade to MENA also perked up during the year, rising by 3% (+14,904 MT), though the gains were achieved early in the year, and we expect the bulk of this product was used to rebuild inventories rather than satisfy nascent demand.

NFDM/SMP Market Commentary



LOOKING AHEAD

- Milk powder trade dynamics are likely to continue shifting in the coming months and years based on several factors. Firstly, **Chinese demand will be critical to shaping trade.** China has increasingly depended on domestic milk production in recent years and has substantively reduced powder demand as a result. But with milk prices at historically low levels, it remains to be seen if milk production will persist. If production contracts, China may demonstrate more enthusiasm in global buying arenas. If production manages to rebound, supported by government subsidies for example, it is unlikely that China's appetite will return. In that case, New Zealand will likely seek new homes for its product and will likely play aggressively in SEA.
- **U.S. participation in global NFDM/SMP is also likely to be limited by domestic production dynamics with new investments heavily favoring Class III production.** Trade policy shifts may also negatively impact U.S. NFDM/SMP activity, depending on how they are administered.

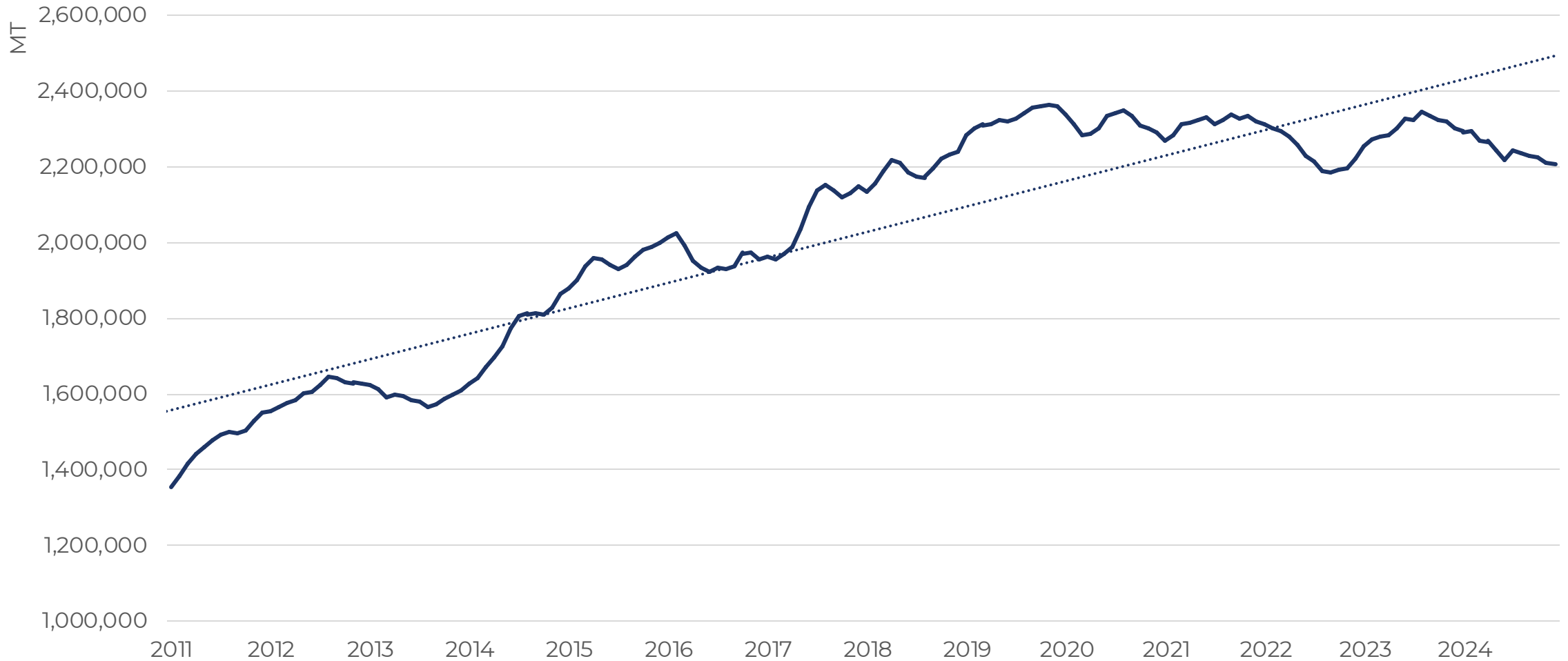
U.S. NFDM/SMP Exports	-23.2% December YoY	-8.2% YTD, Ending Dec.	-8.2% Last 12-Months, Ending Dec.	-2.8% 3-Year CAGR
EU NFDM/SMP Exports	+2.4% December YoY	-8.5% YTD, Ending Dec.	-8.5% Last 12-Months, Ending Dec.	-2.9% 3-Year CAGR
NZ NFDM/SMP Exports	+8.3% December YoY	-0.8% YTD, Ending Dec.	-0.8% Last 12-Months, Ending Dec.	-0.3% 3-Year CAGR

ADDITIONAL NOTES

Global NFDM/SMP pricing has also shaped trade over 2024, with the impacts likely to linger into the future. While there is often significant price convergence between different milk powder suppliers, this year saw domestic market conditions override this dynamic at times, causing prices to move apart. Perhaps most obvious was the elevated prices seen from the U.S. as a shortage of milk, and in turn NFDM, forced prices upward, especially later in the year. In December, U.S. NFDM/SMP held a 3% premium to the global price. Meanwhile, stronger than expected output during the peak production season has kept product from New Zealand relatively inexpensive compared to international standards. The resulting demand reduction caused by high prices has caused the U.S. spot price for NFDM to fall in recent weeks, improving the competitiveness of U.S. product and helping to restore the market's long term pricing dynamic.

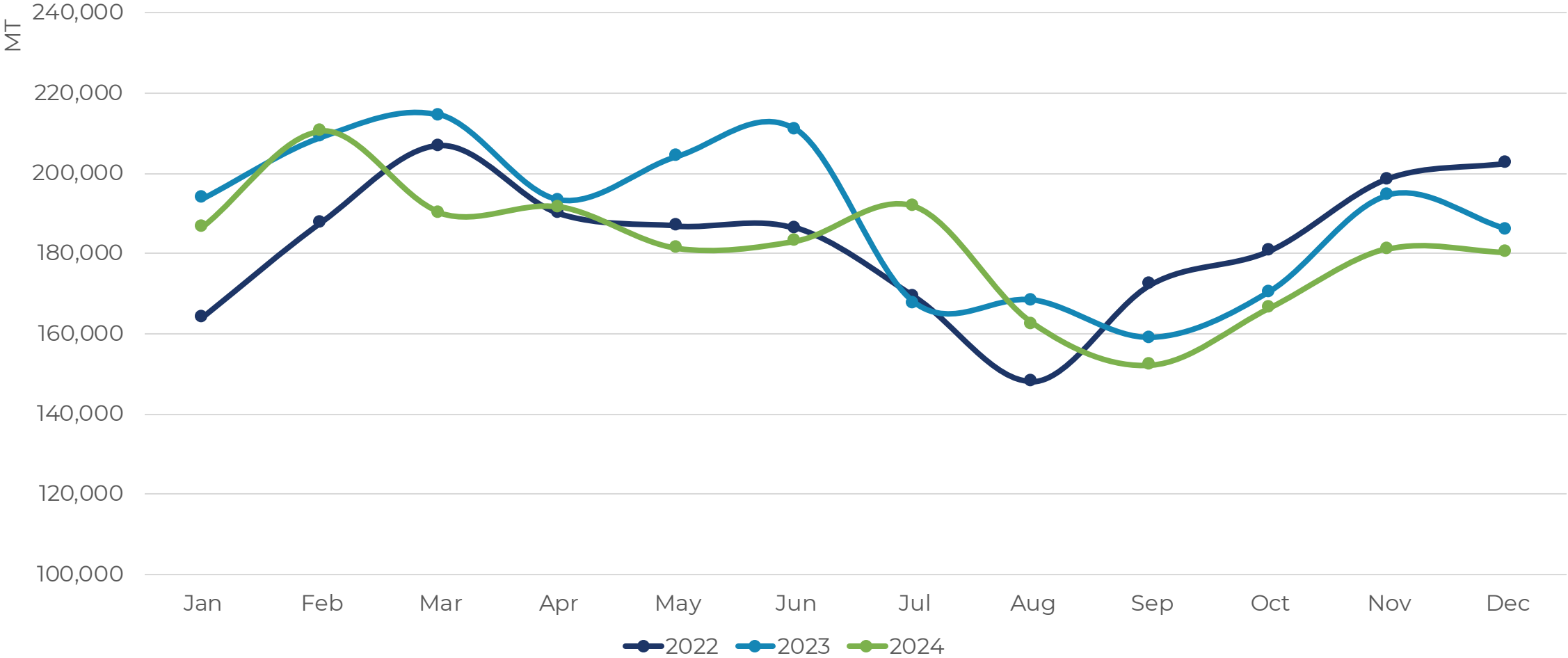
Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World

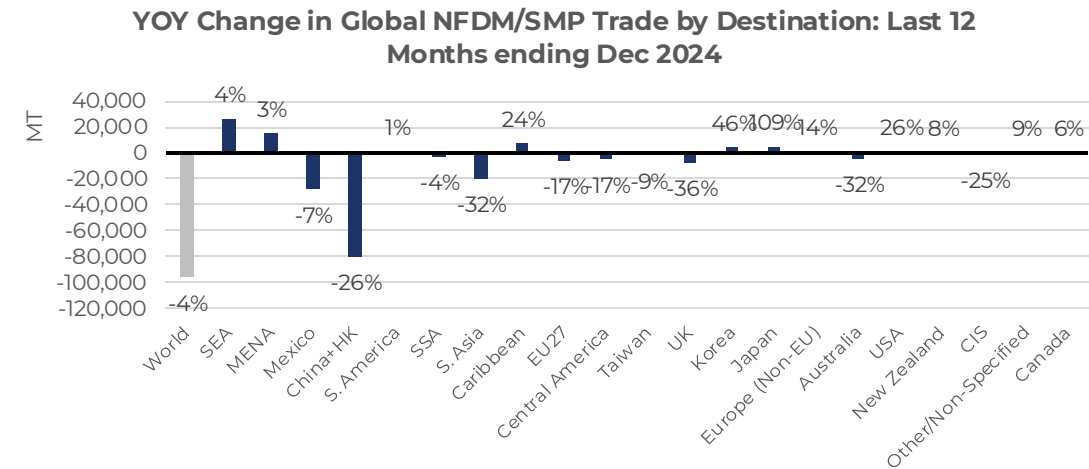
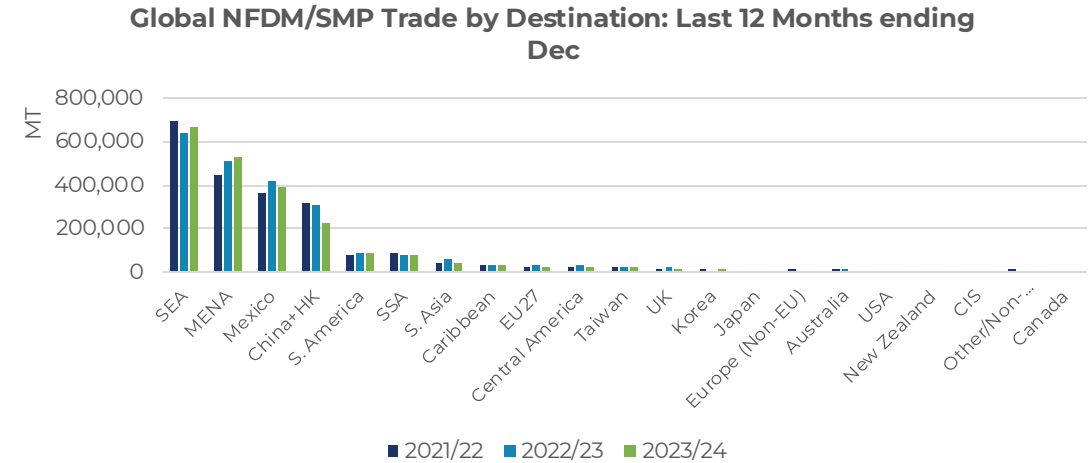
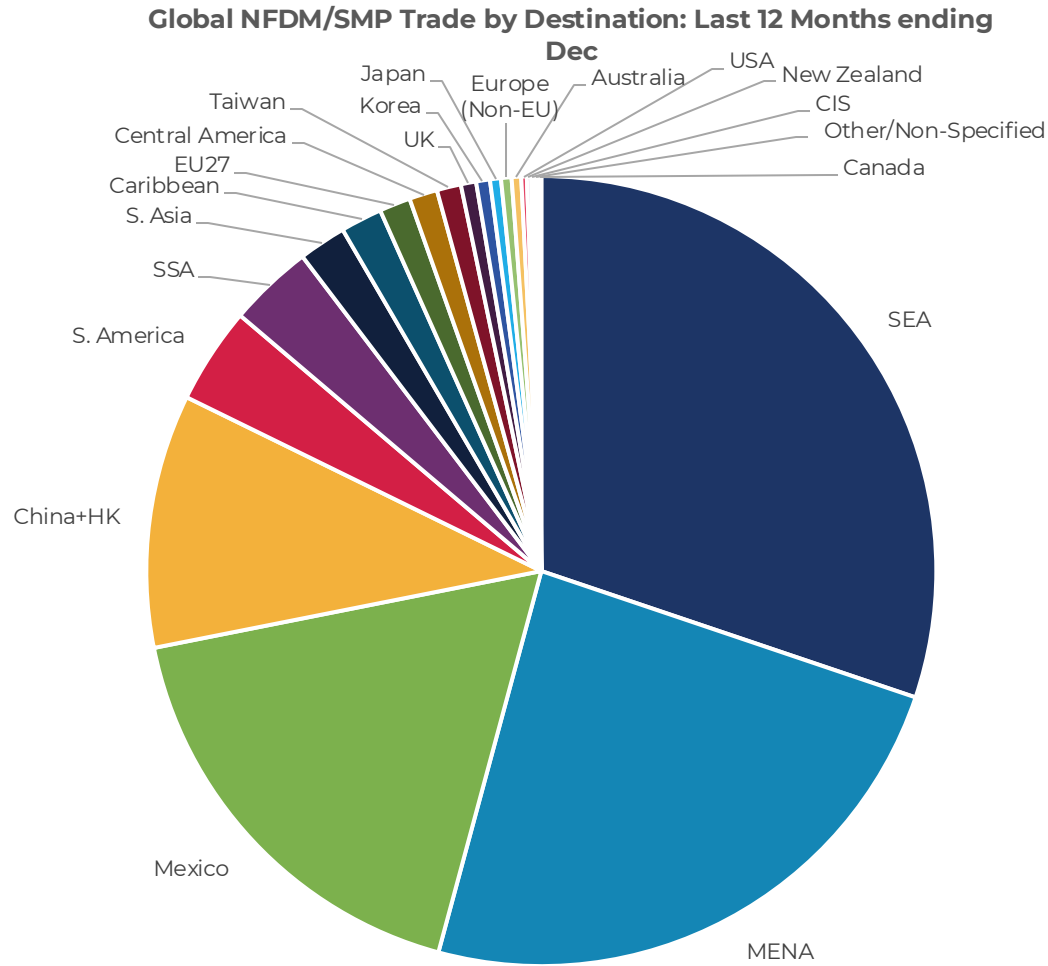


Global Overview: NFDMS/SMP

Global NFDMS/SMP Trade to World

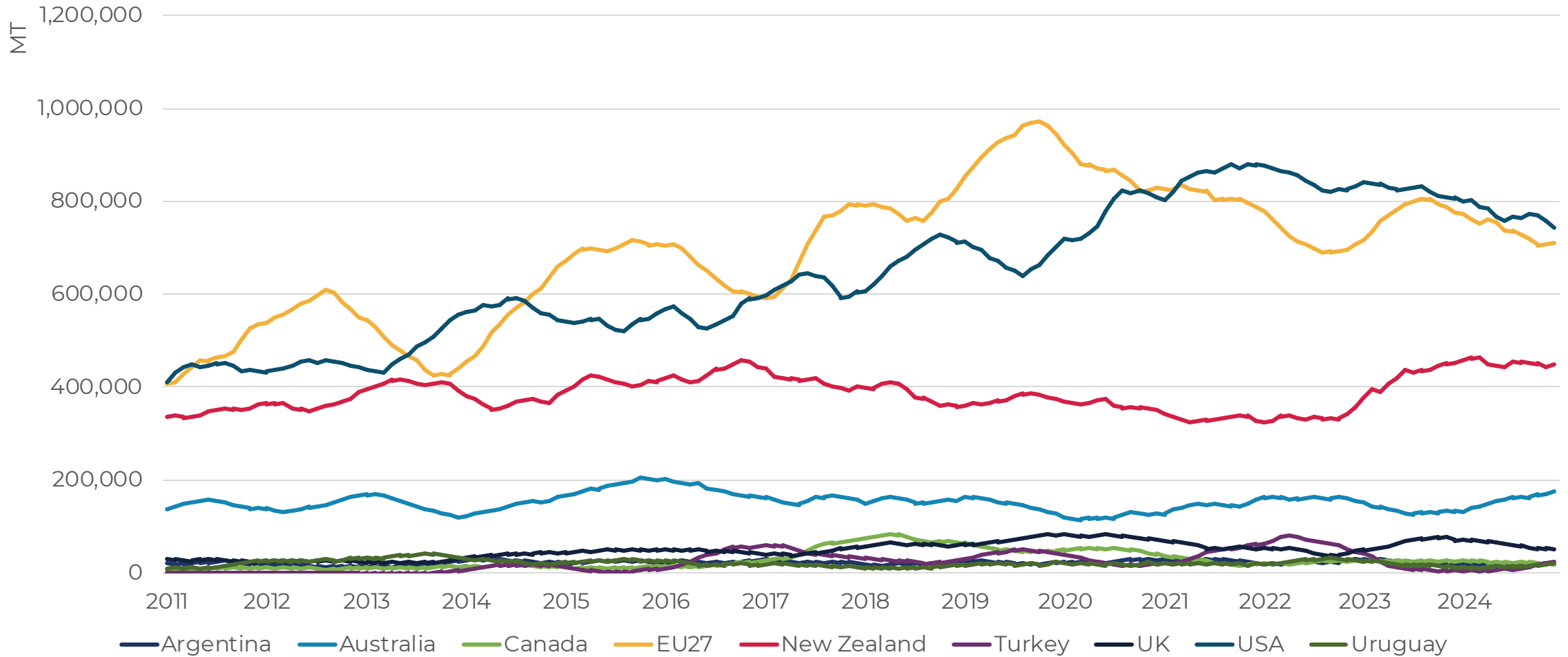


Global Overview: NFDM/SMP – Last 12 Months



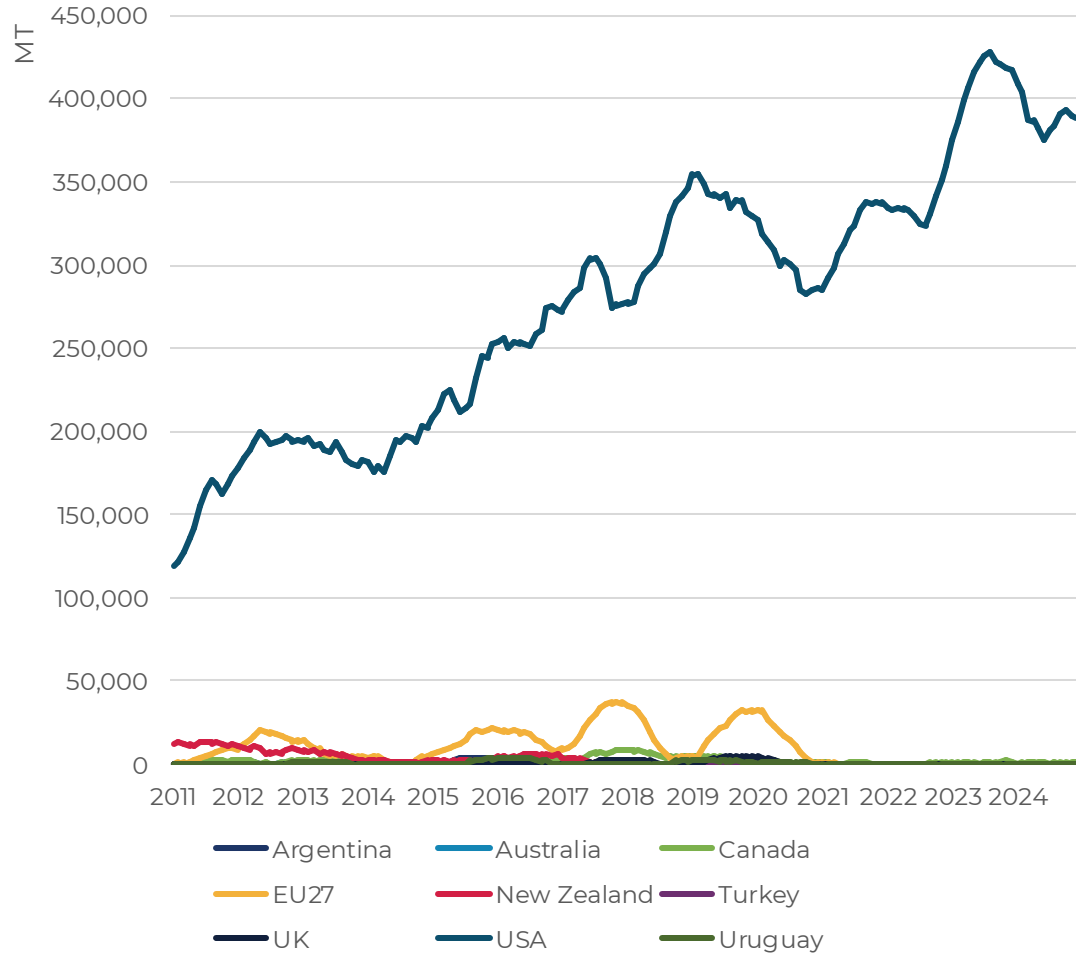
Trade Flows: NFDM/SMP

Global NFDM/SMP Trade to World

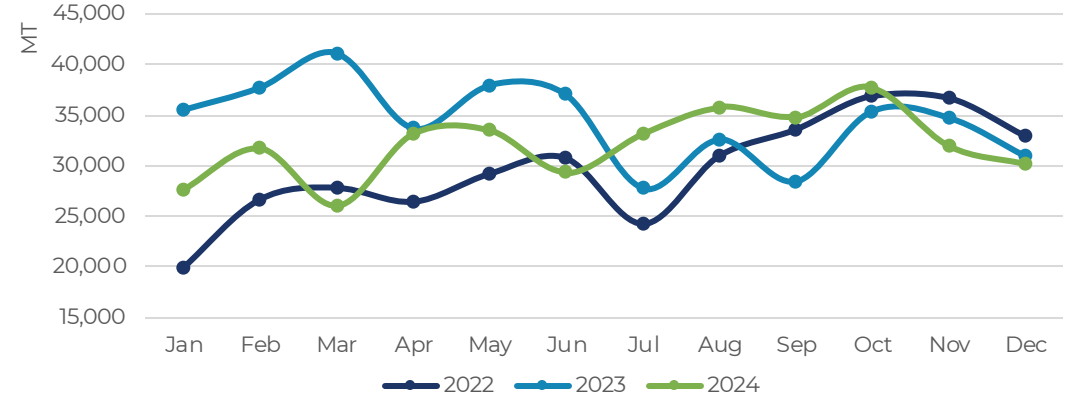


Mexico

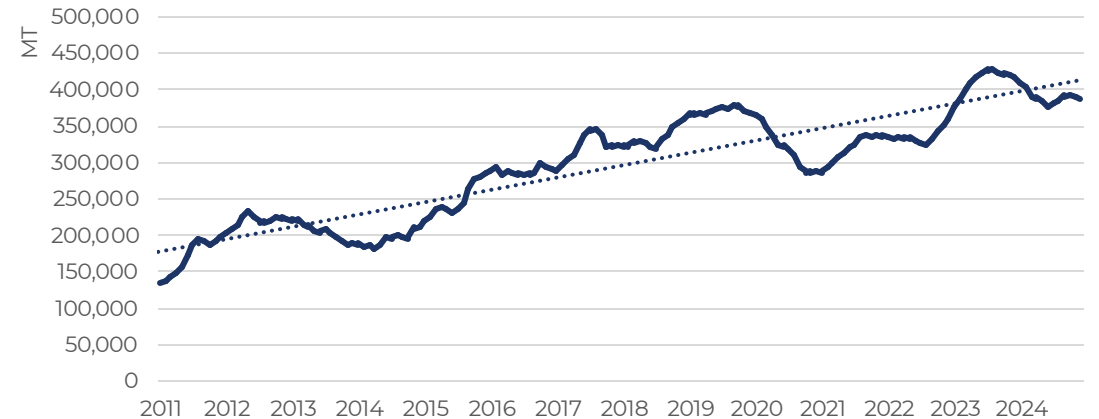
Global NFDMSMP Trade to Mexico



Global NFDMSMP Trade to Mexico

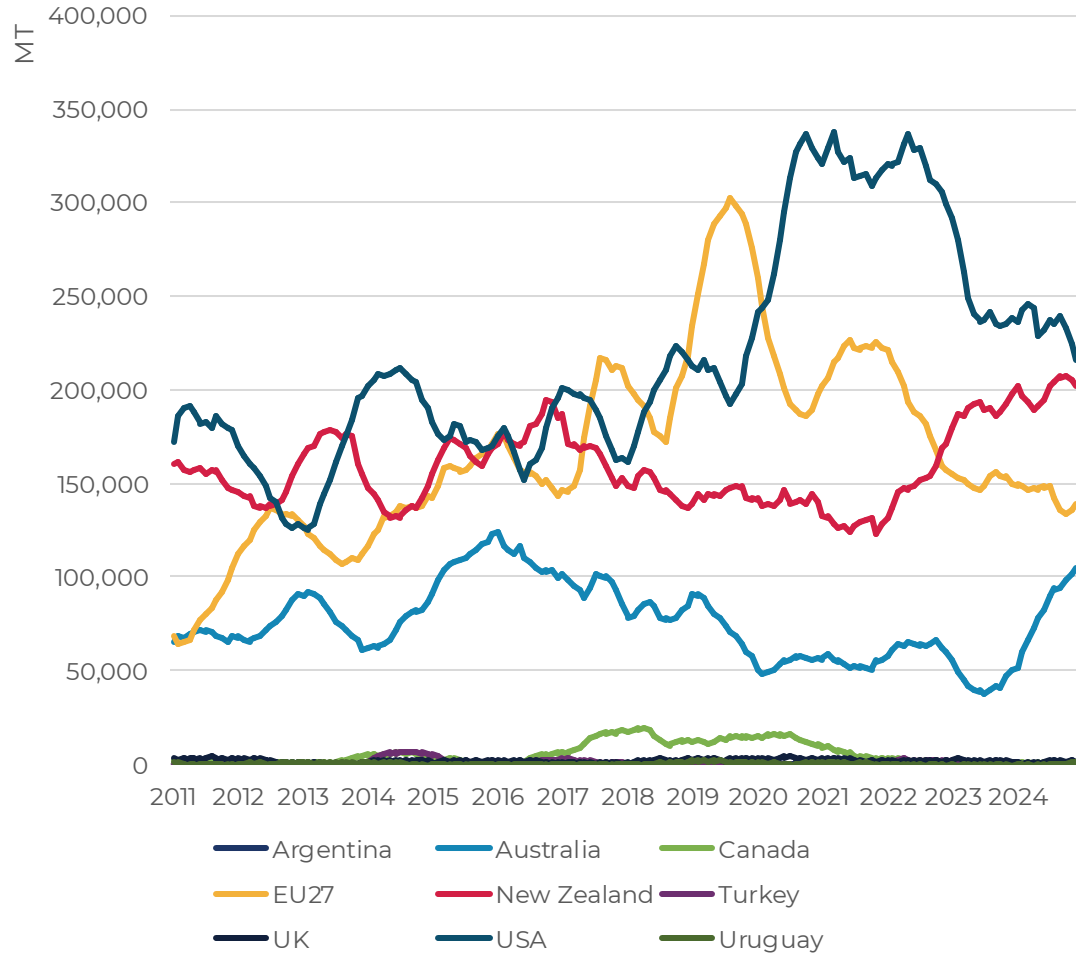


Global NFDMSMP Trade to Mexico

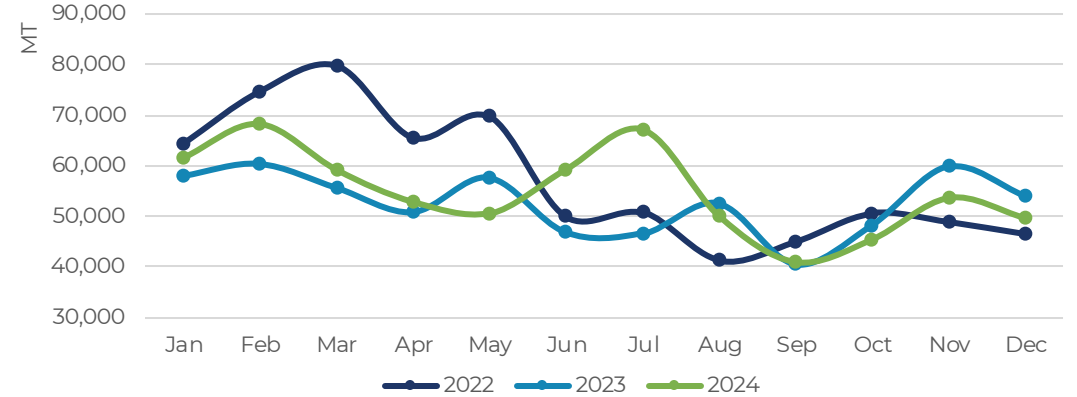


Southeast Asia

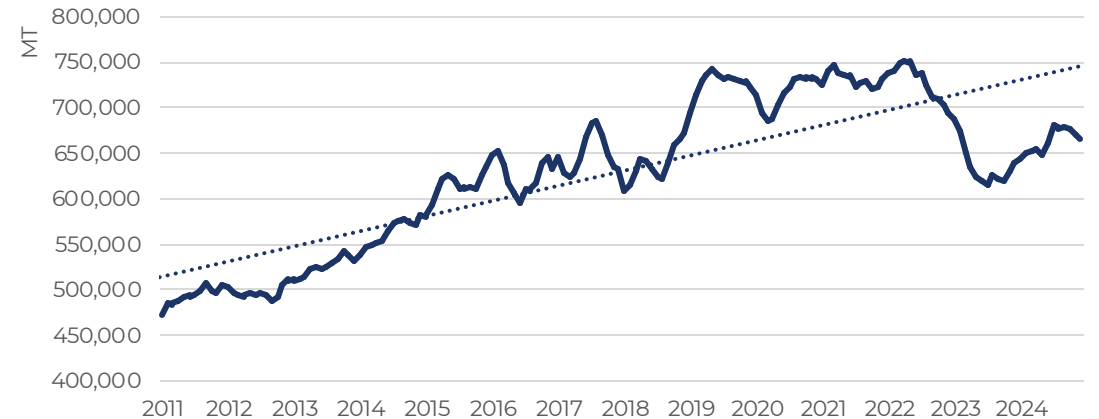
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

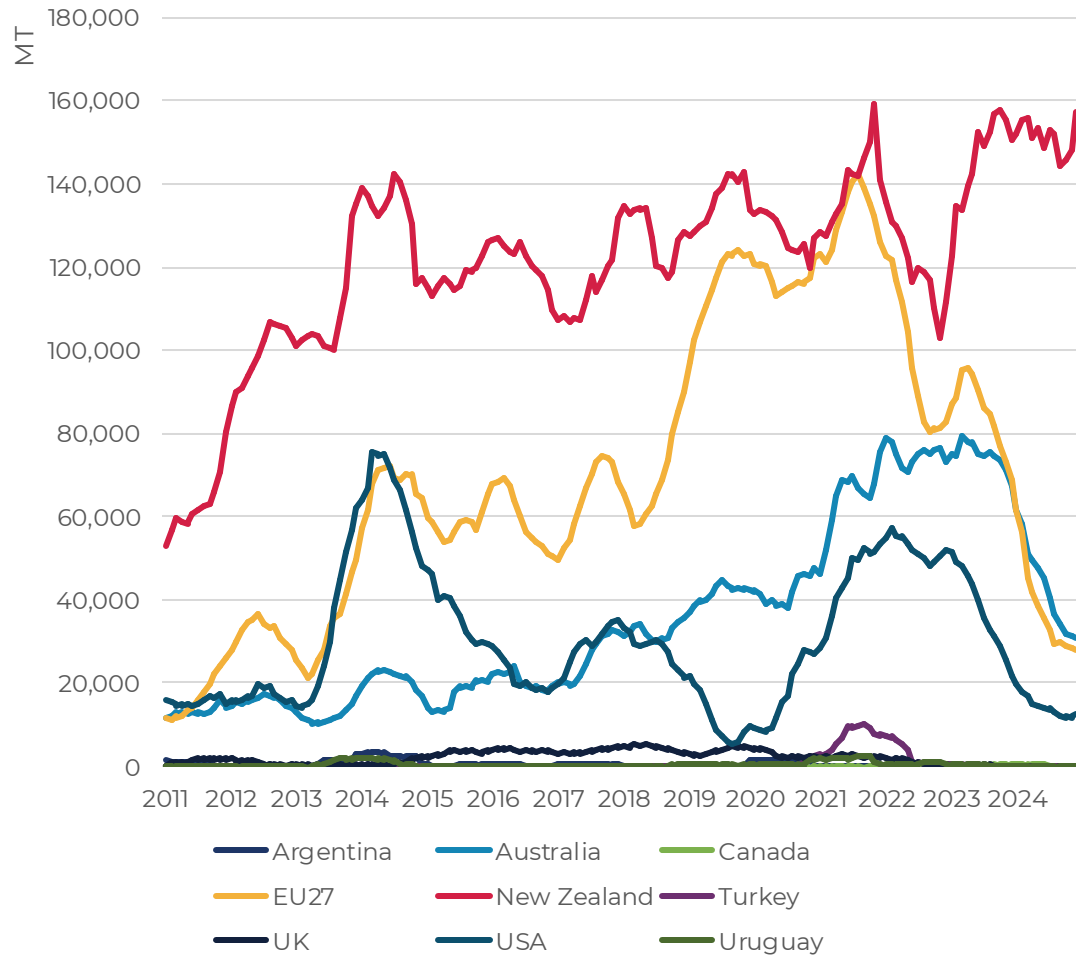


Global NFDM/SMP Trade to SEA

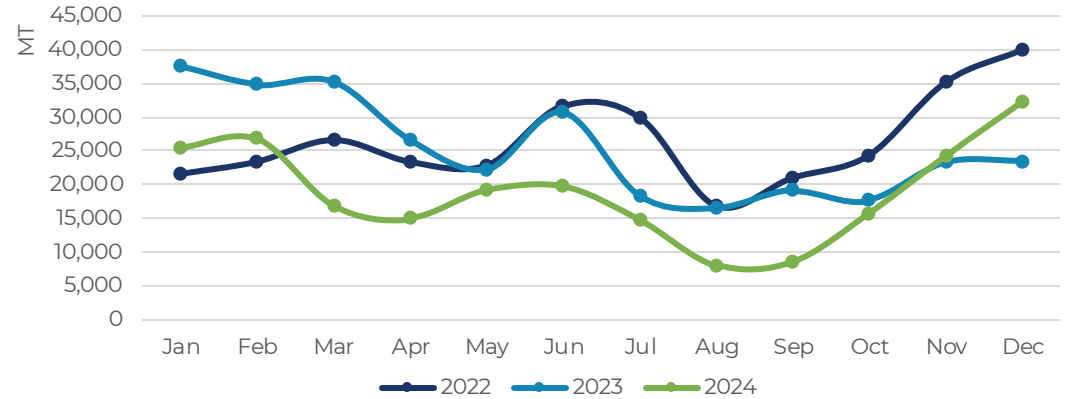


China

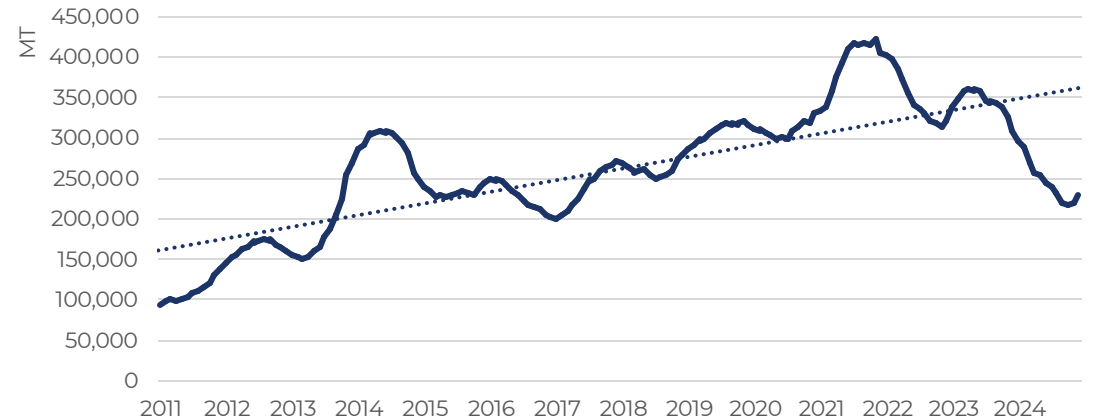
Global NFDM/SMP Trade to China+HK



Global NFDM/SMP Trade to China+HK

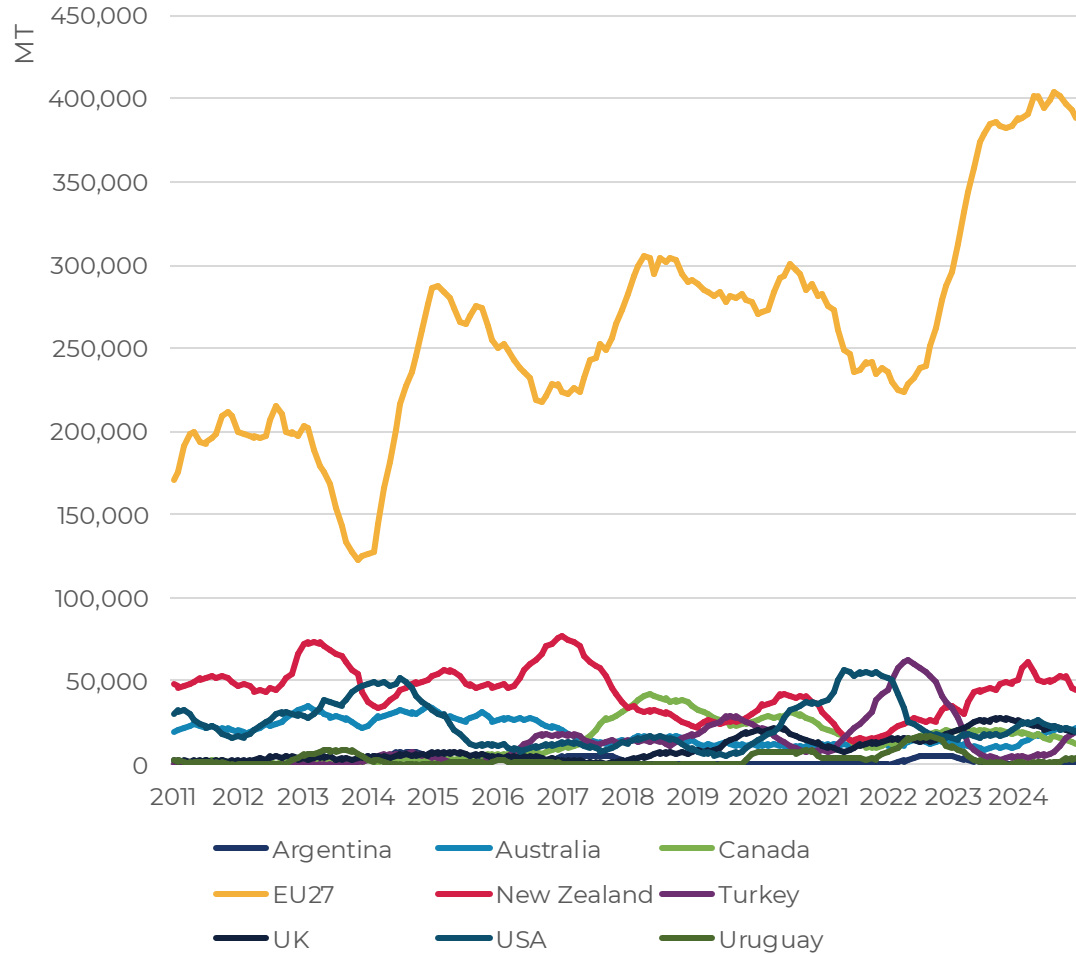


Global NFDM/SMP Trade to China+HK

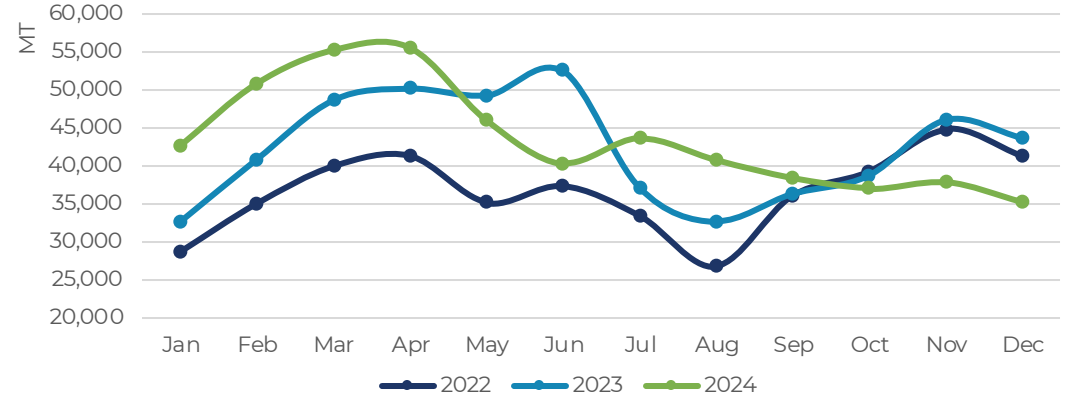


MENA

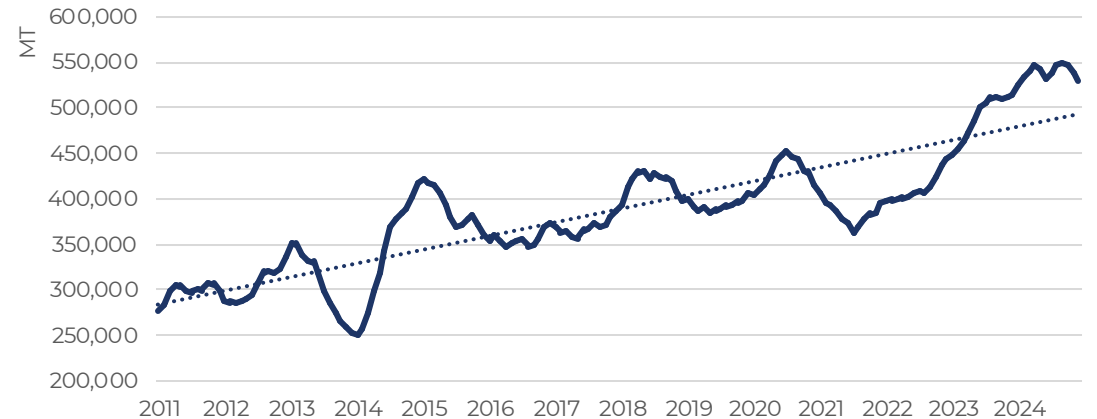
Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Whey Products (0404.10)

Whey Products (0404.10) Market Commentary



KEY TAKEAWAYS

- **Low protein whey trade grew a substantive 11% (+13,184 MT) year over year in December due especially to dramatically stronger demand from China.** Chinese low protein demand soared to 47,666 MT for the month, up 35% (+12,258 MT) from prior year and notching the second strongest recorded volume for the month (See Additional Notes).
- **December's figure helped to solidify strong 2024 performance as volumes for the year rose 9% (+135,330 MT) versus 2023 and ended up just a hair behind the all-time high achieved in 2021.** Low protein whey trade bested prior year in every month of 2024, except for February.
- Low protein whey trade in 2024 was up to both China (+10%, +45,157 MT) and SEA (+12%, +51,156 MT), which together account for 62% of global volumes. Gains weren't limited to the top destinations, however as increased shipments to MENA (+19%, +14,426 MT), Japan (+27%, +10,013 MT), and Sub-Saharan Africa (+31%, +8,732 MT) also contributed to the strong annual performance.

**Global
Whey
(0404.10)
Trade**

+11.2%
December YoY

+9.4%
YTD, Ending Dec.

+9.4%
Last 12-Months,
Ending Dec.

-0.1%
3-Year CAGR

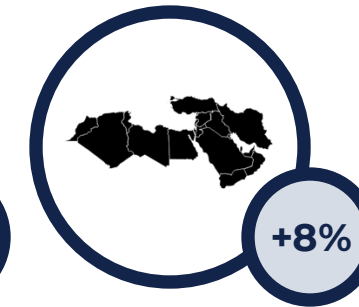
December Standout Markets



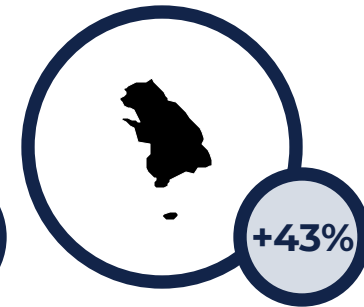
CHINA+HK
+12,258 MT



SOUTHEAST ASIA
-2,208 MT



MENA
+507 MT



KOREA
+830 MT

ADDITIONAL NOTES

After slipping in late 2021 and again in 2023, upbeat Chinese demand for low protein whey products over most of the past year have helped trade move back toward its long-term trend line. After adjusting for misclassified product, we believe that low protein whey to China rose continually relative to prior year during the final three quarters of 2024, providing an important boost to global volumes since China imports about a third of all product. Live hog prices in China climbed through the summer, resulting in additional breeding and demand for low protein whey for use in piglet rations. However, the situation shifted late in the year as falling hog prices collided with both rising feed prices and breeding expenses, pushing back on Chinese pork producer profitability. While hog and pork prices continue to best prior year levels for the moment, tighter margins and bearish momentum could discourage additional breeding and, in turn, reduce whey demand.

Whey Products (0404.10) Market Commentary



LOOKING AHEAD

- **Global demand for low protein whey has been rising steadily in recent years and we expect that this trajectory will persist into the future.** Continued demand momentum in the protein space combined with improving economic performance in key markets, such as SEA should also help to keep low protein whey products moving across borders.
- Some risks cloud the outlook. **As China's economy remains under duress and its hog sector comes under pressure it is possible that the world's largest importer of low protein whey could see demand slow.** In addition, while whey products have so far emerged unscathed from tariff threats, the evolving situation may ultimately result in disruptions to low protein whey trade.
- A reduction in Chinese low protein whey demand would pose a particular challenge to U.S. suppliers. While the U.S. accounted for 33% of all global low protein whey trade last year, it provided 45% of the product into China (See Additional Notes).

U.S.
Whey
(0404.10)
Exports

+9.7%

December YoY

+7.1%

YTD, Ending Dec.

+7.1%

Last 12-Months,
Ending Dec.

+2.3%

3-Year CAGR

EU
Whey
(0404.10)
Exports

+5.5%

December YoY

+5.8%

YTD, Ending Dec.

+5.8%

Last 12-Months,
Ending Dec.

+1.9%

3-Year CAGR

NZ
Whey
(0404.10)
Exports

-52.4%

December YoY

+4.6%

YTD, Ending Dec.

+4.6%

Last 12-Months,
Ending Dec.

+1.5%

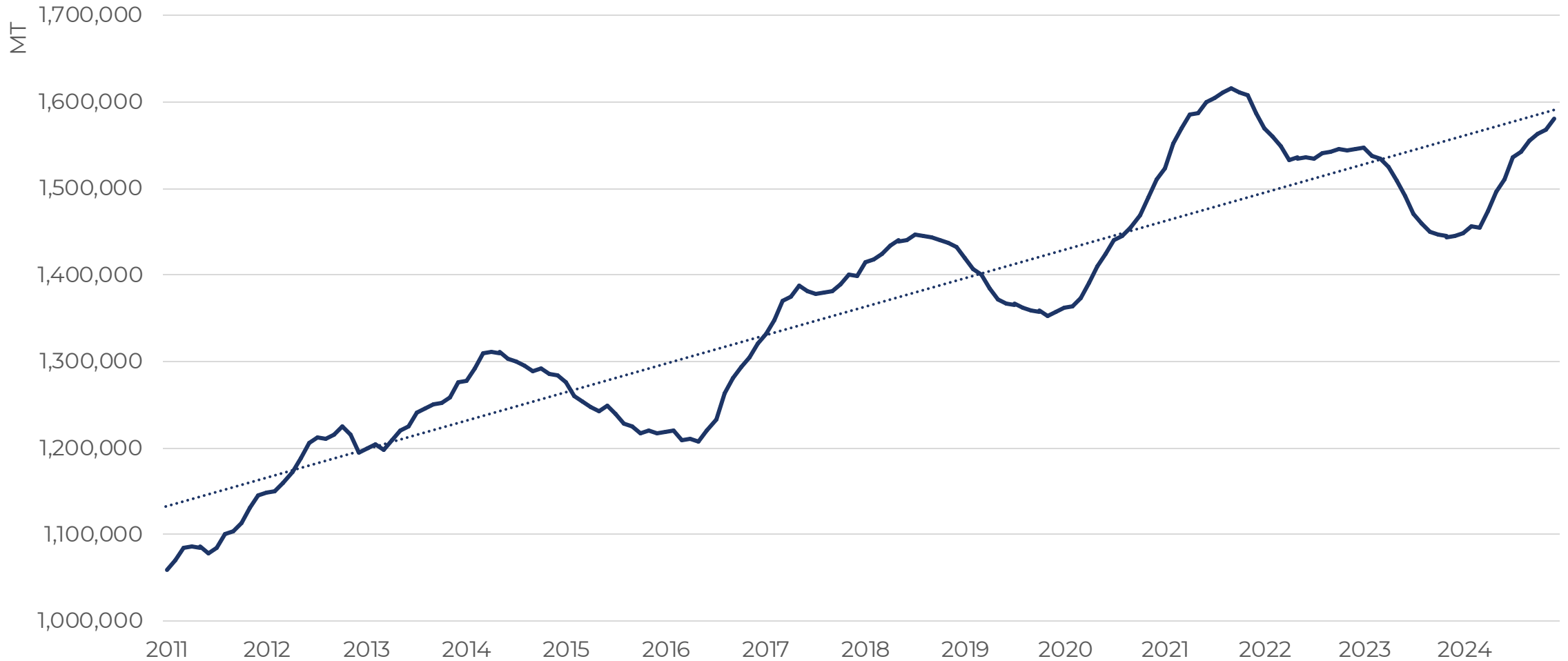
3-Year CAGR

ADDITIONAL NOTES

The U.S. continues to be a major supplier of low protein whey to the world, but its share has come under pressure in recent years. While the country provided for a third of global trade last year, this was down from 40% share in 2022. The loss has been even more acute in China, where just two years ago the U.S. satisfied more than half (55%) of China's low protein whey needs. Looking ahead, U.S. competitiveness is likely hinge on pricing. For much of 2024, U.S. spot dry whey prices held an important premium compared to alternative suppliers, especially in Europe. While recent price declines at the CME have helped to narrow the gap, U.S. dry whey remains expensive relative to the competition. This dynamic likely contributed to the cessation of share during the past year and will continue to limit the ability of U.S. suppliers to win new export business.

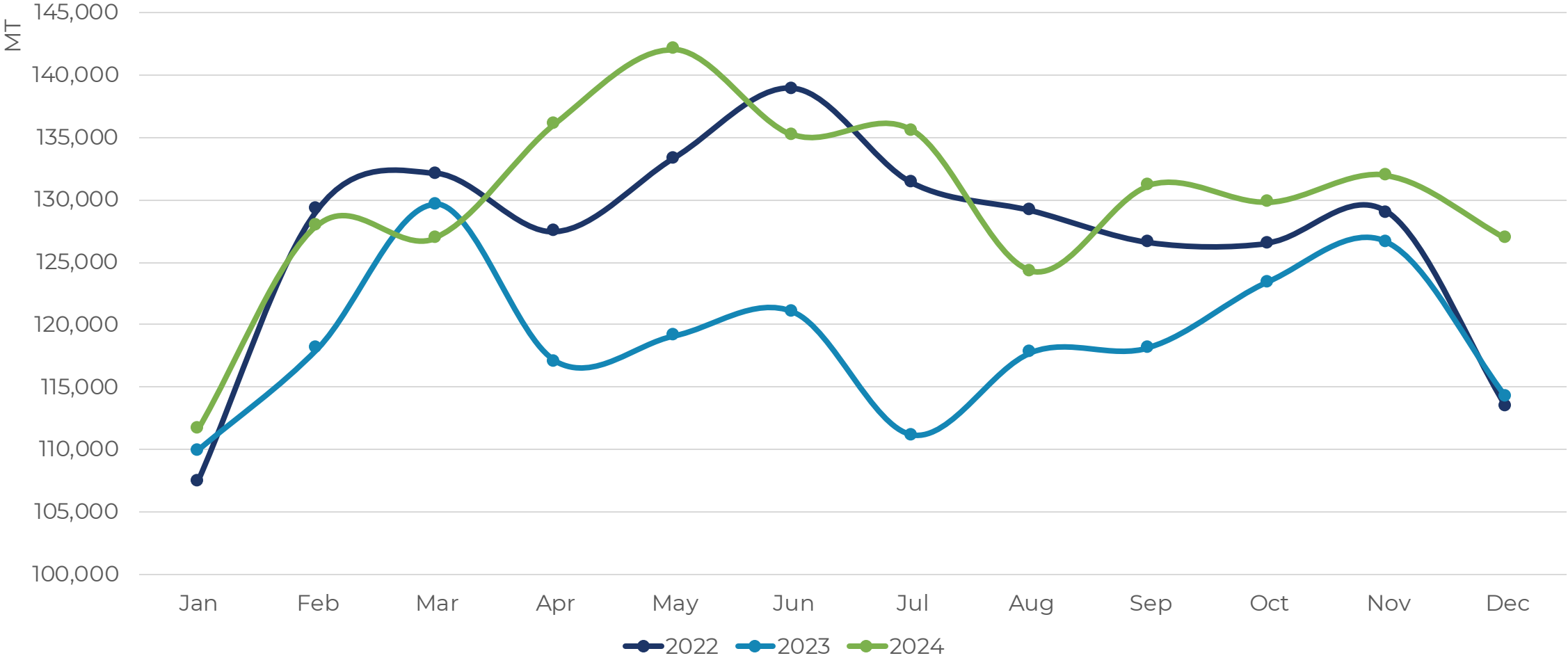
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World



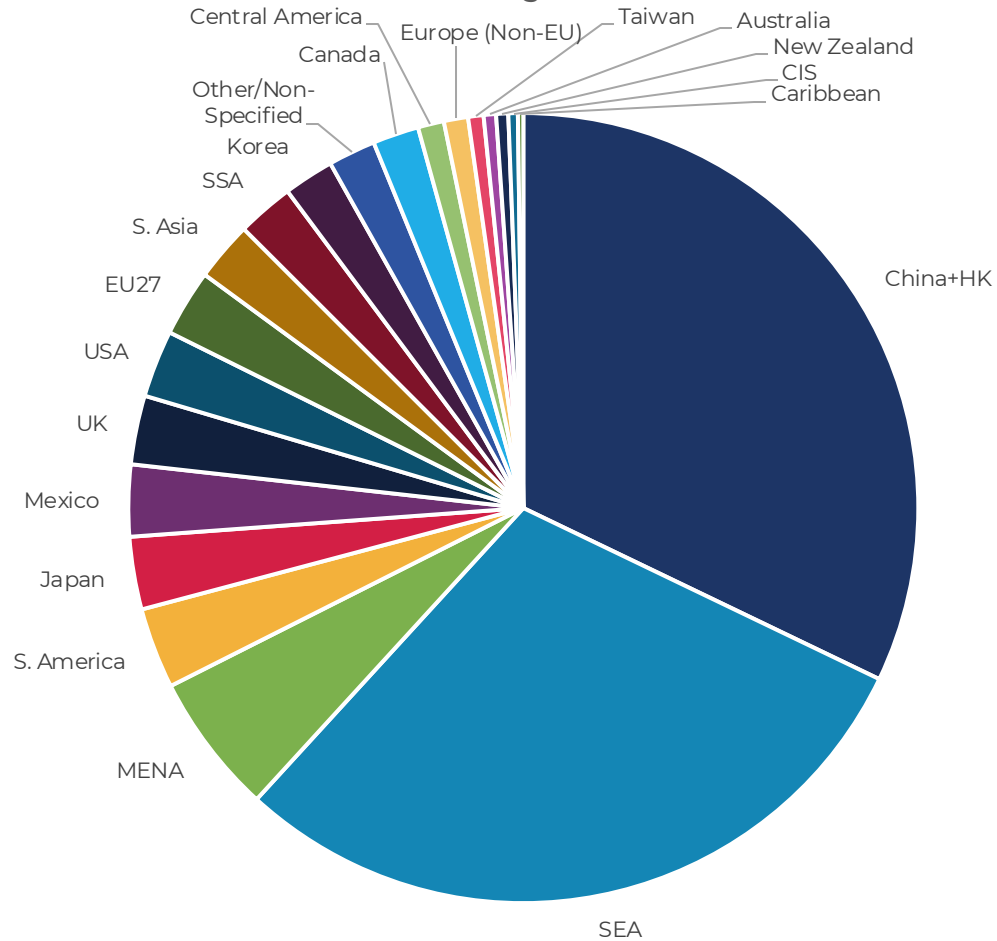
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

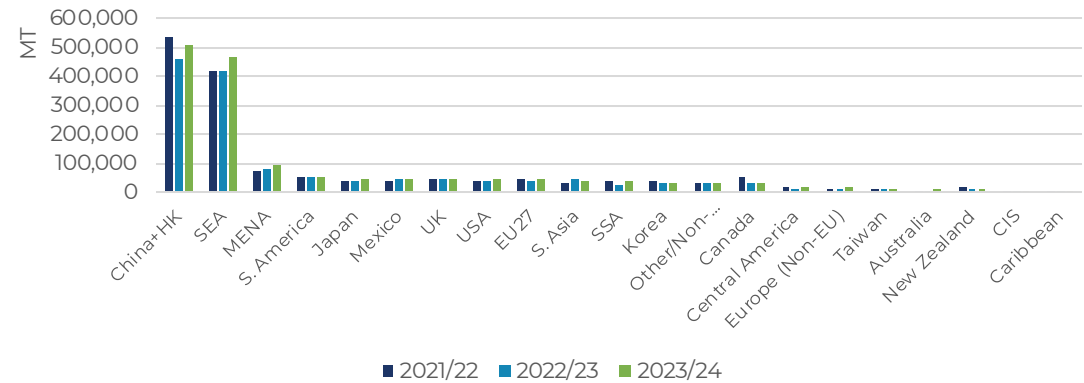


Global Overview: Whey (0404.10) – Last 12 Months

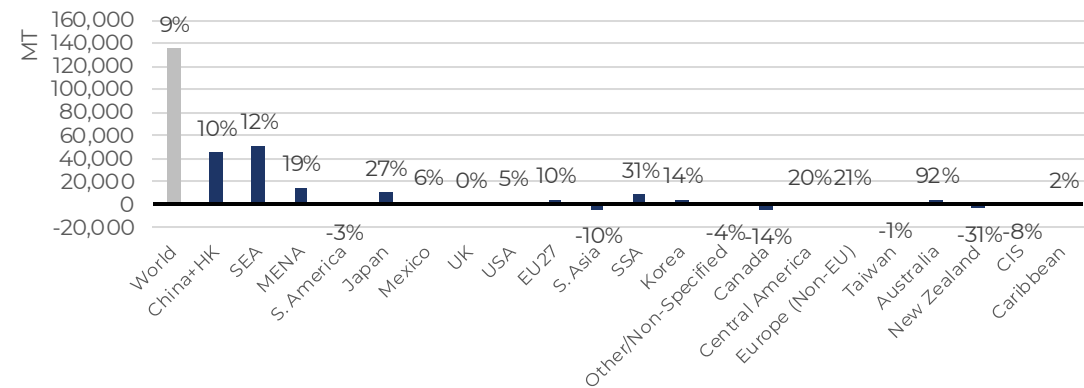
Global Whey (0404.10) Trade by Destination: Last 12 Months ending Dec



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

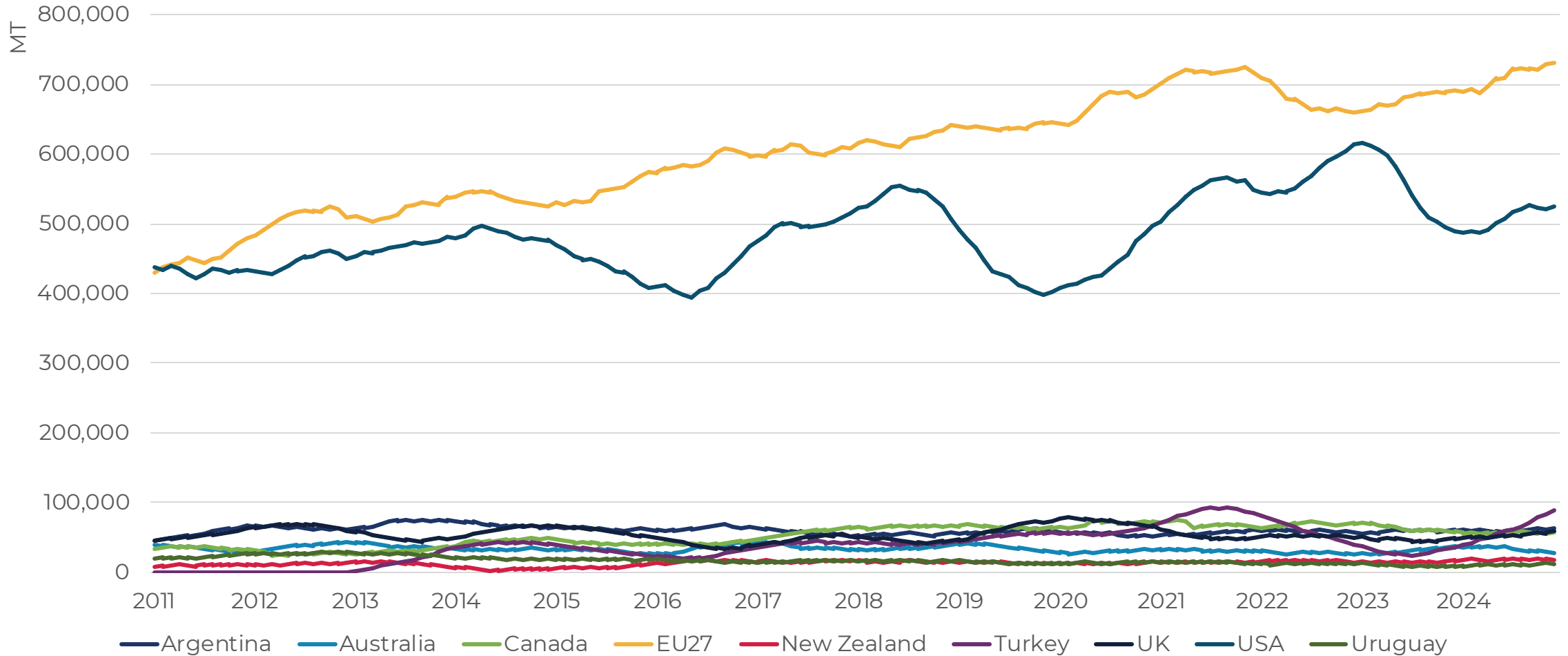


YOY Change in Global Whey (0404.10) Trade by Destination: Last 12 Months ending Dec 2024



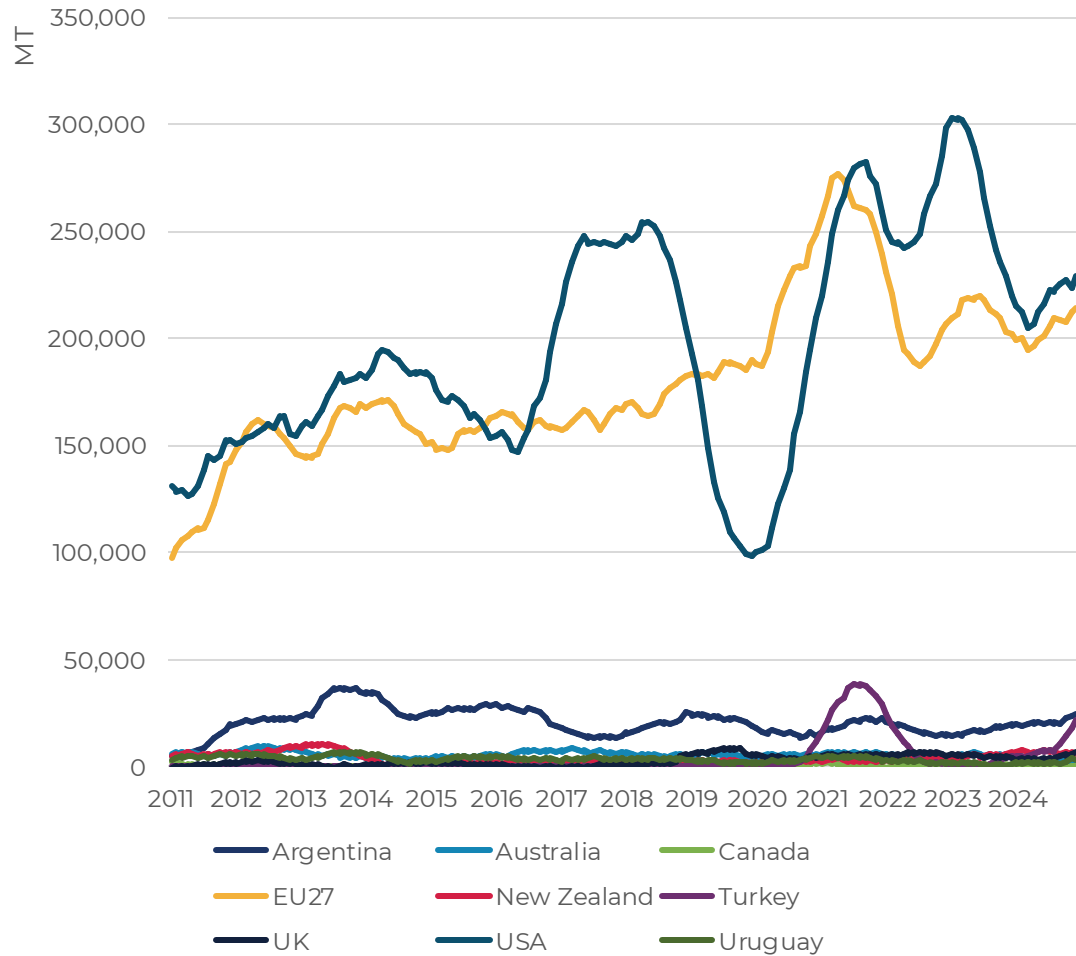
Trade Flows: Whey Products

Global Whey (0404.10) Trade to World

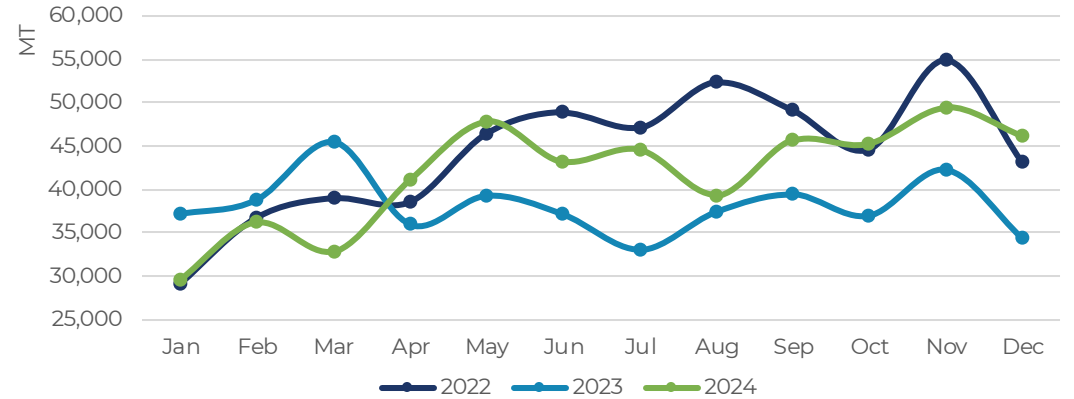


China

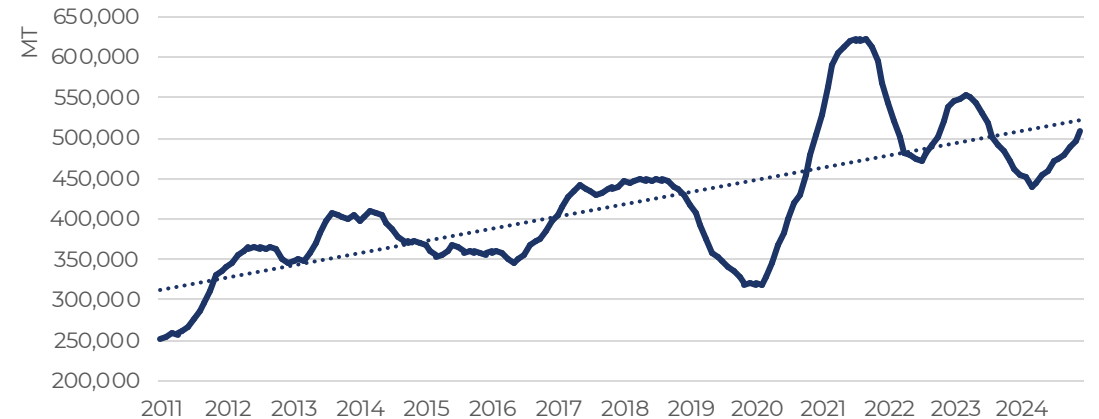
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

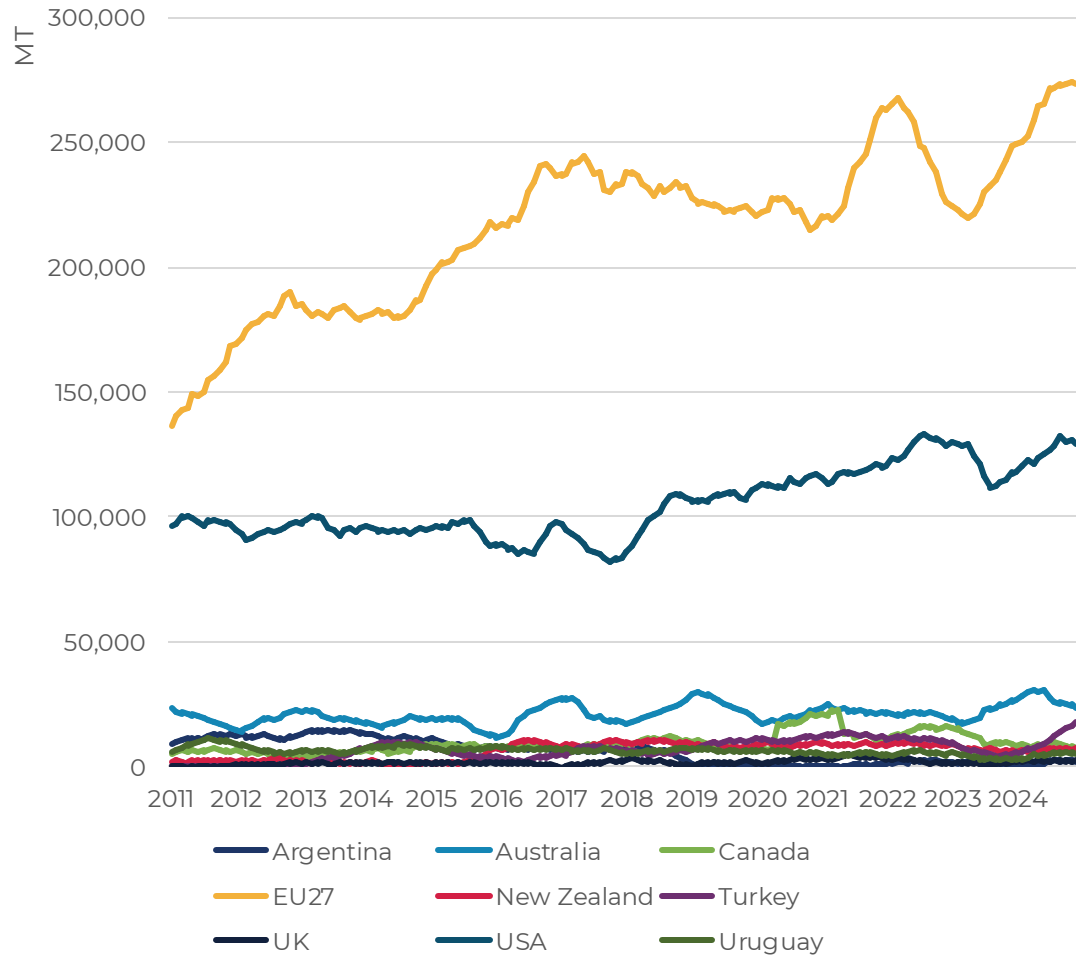


Global Whey (0404.10) Trade to China+HK

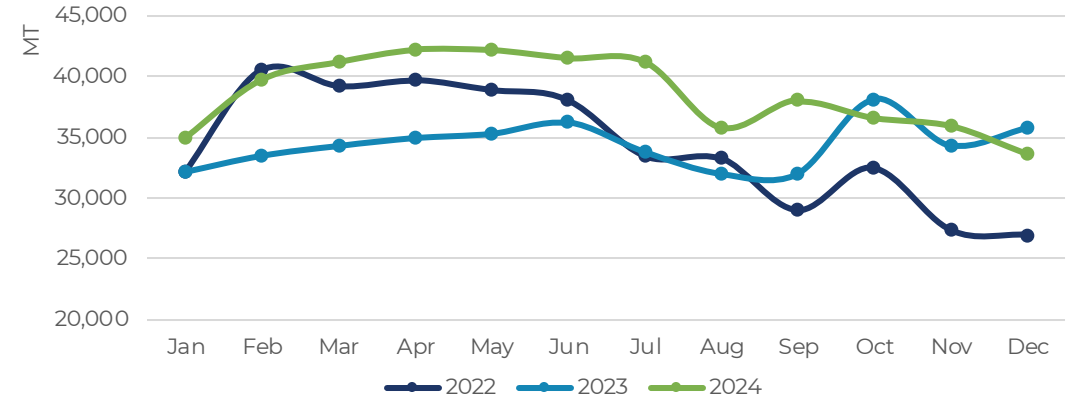


Southeast Asia

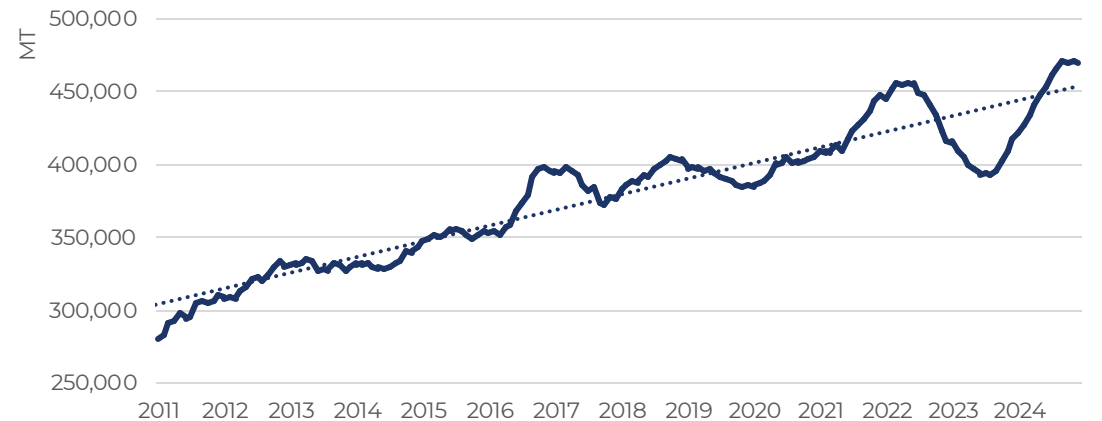
Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA





WPC80+
(3502.20)

WPC80+ (3502.20) Market Commentary



KEY TAKEAWAYS

- After dipping below prior year levels in November, global trade of WPC80+ grew modestly in the final month of the year. A total of 14,758 MT moved during the month, the largest volume ever reported for December and 1% more (+187 MT) than during the same month last year.
- **High protein whey trade reached a record high in 2024, up 6% (+9,931 MT) from prior year.** Savvy readers may notice that this growth is more modest than previously cited. Our analysis has revealed inconsistencies in the data which have been corrected in this report. For more detail on the adjustments, please see the Additional Notes section.
- **Robust demand from China was the major driver of growth in WPC80+ trade, both in December and across 2024.** Volumes to the U.S. were up 70% (+4,123 MT) across the full year but edged down by 4% (-36 MT) in December, the first year over year decline reported since August.

Global
WPC80+
Trade

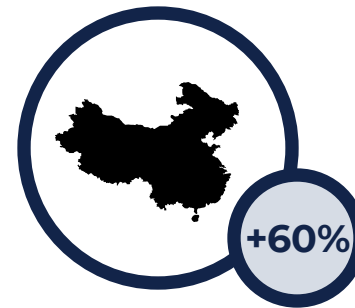
+1.3%
December YoY

+5.9%
YTD, Ending Dec.

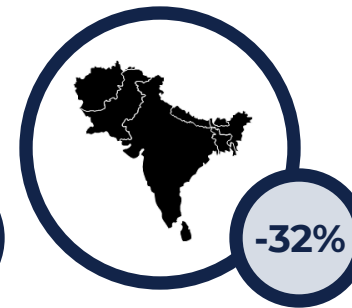
+5.9%
Last 12-Months,
Ending Dec.

+2.5%
3-Year CAGR

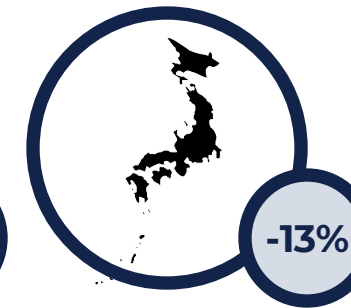
December Standout Markets



CHINA+HK
+1,379 MT



SOUTH ASIA
-624 MT



JAPAN
-283 MT



SOUTHEAST ASIA
+310 MT

ADDITIONAL NOTES

For several months we have commented in this report that the trade figures for WPC80+ shipments to China were suspect. While the official numbers published by the U.S. Census Bureau show that U.S. exports of high protein whey to China more than doubled last year, soaring by 114% (+16,138 MT), a closer review of the pricing data suggests that low protein whey products were likely being misclassified as WPC80+. This had the simultaneous effect of artificially boosting the volume of high protein whey while understating the volume of low protein whey trade. While we await final commentary from the Census about this inconsistency, we have adjusted the data to more accurately reflect market conditions. Even after making these edits, WPC80+ trade to China from all suppliers still showed very strong performance in 2024, up 30% (+9,527 MT) for the year.

WPC80+ (3502.20) Market Commentary



LOOKING AHEAD

- **WPC80+ prices have been on the rise for most of 2024 and there is increasing concern that higher prices could dampen demand.** Some geographies already seem to be reacting to higher prices. For example, Brazilian imports of WPC80+ remained remarkably strong over most of the first half of 2024 with shipments setting record monthly high every month between February and July. By the final months of the year, however, when prices were consistently above \$11,000 USD/ton, demand backed off with shipments falling below prior year levels across the last quarter.
- Other destinations have shown resilience, even in the face of high prices as an insatiable demand for protein has kept WPC80+ moving. But **with prices now nearing the record high seen in 2022, it remains to be seen if product has finally gotten expensive enough to force reformulation and reduce demand.**

U.S. WPC80+ Exports

-17.1%

December YoY

-4.2%

YTD, Ending Dec.

-4.2%

Last 12-Months,
Ending Dec.

+4.3%

3-Year CAGR

EU WPC80+ Exports

+30.7%

December YoY

+11.9%

YTD, Ending Dec.

+11.9%

Last 12-Months,
Ending Dec.

+3.4%

3-Year CAGR

NZ WPC80+ Exports

-15.2%

December YoY

+19.5%

YTD, Ending Dec.

+19.5%

Last 12-Months,
Ending Dec.

+1.2%

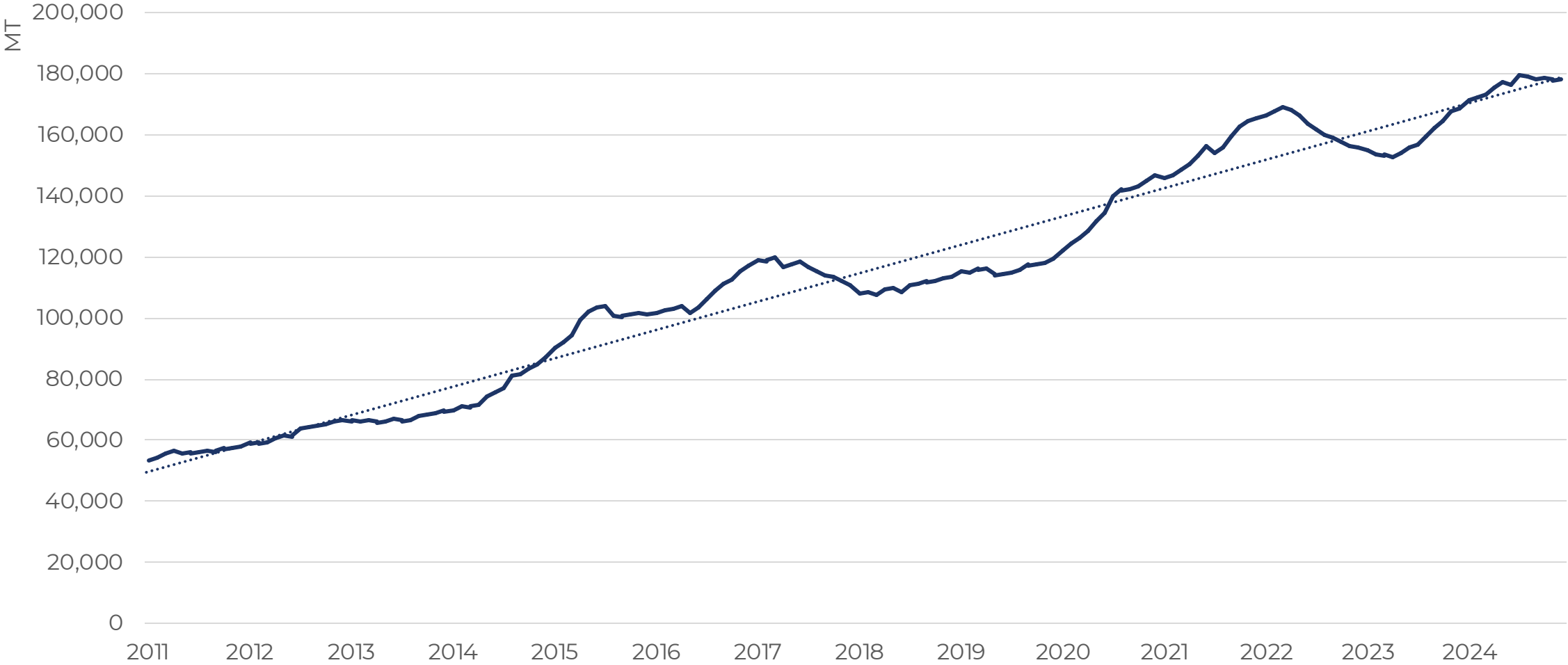
3-Year CAGR

ADDITIONAL NOTES

The U.S. has been well positioned to capitalize on growing global demand for WPC80+. The country accounted for 41% of global high protein trade in 2024. Although this was down a few points from prior year, the U.S. remains the single largest provider of high protein whey to the global market. The activation of new cheese and whey processing capacity is likely to ensure plentiful production over the coming weeks and months which should consolidate the leadership position of the U.S. in the global arena. While trade policy conflicts could somewhat hamper the negotiating position of U.S. suppliers, without a wide range of alternative suppliers, it is likely that U.S. product will remain prominent in the global market.

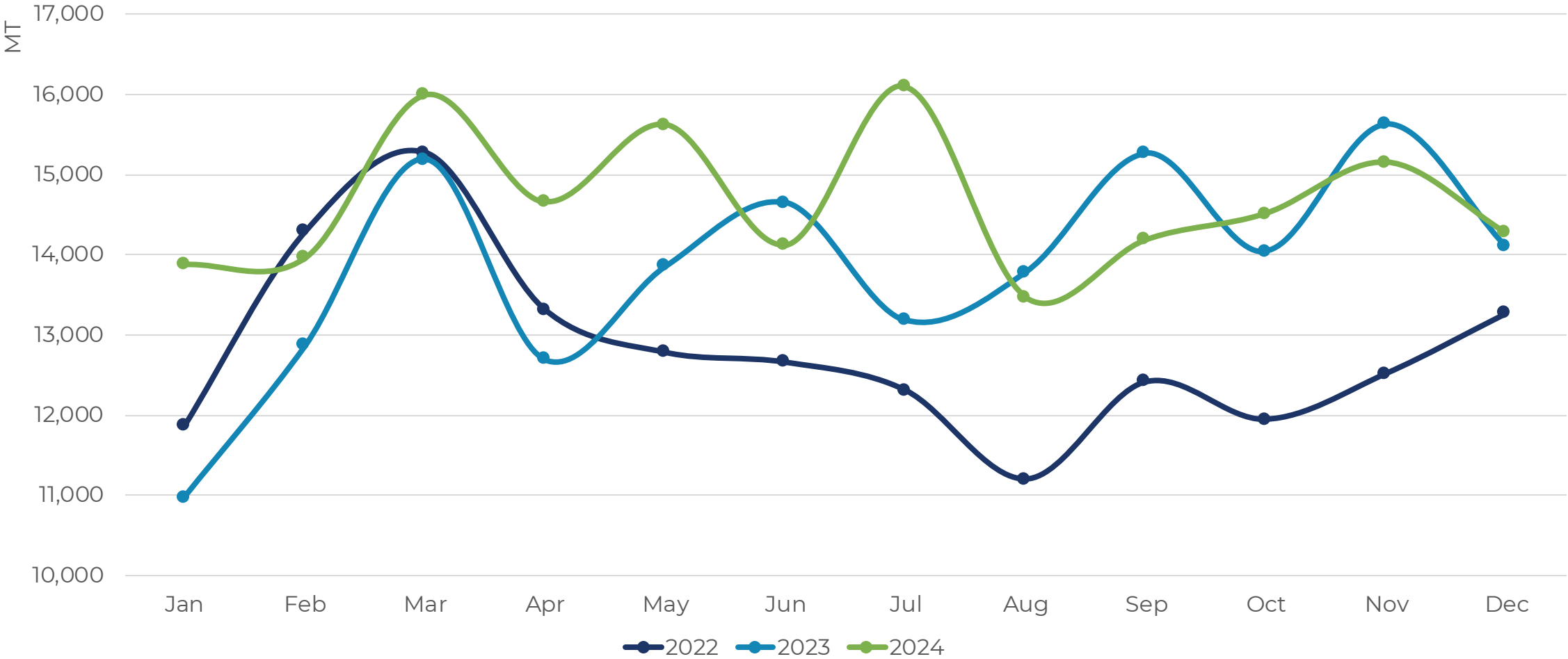
Global Overview: WPC80+

Global WPC80+ Trade to World



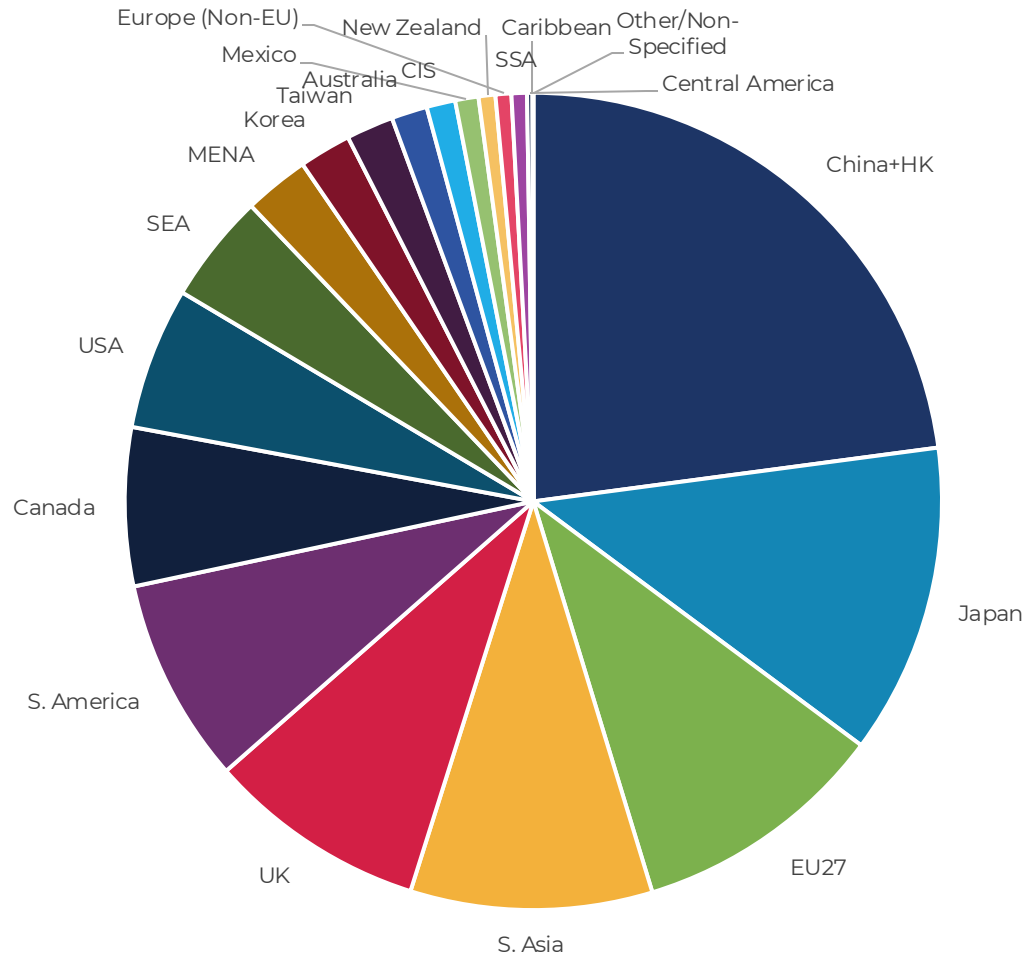
Global Overview: WPC80+

Global WPC80+ Trade to World

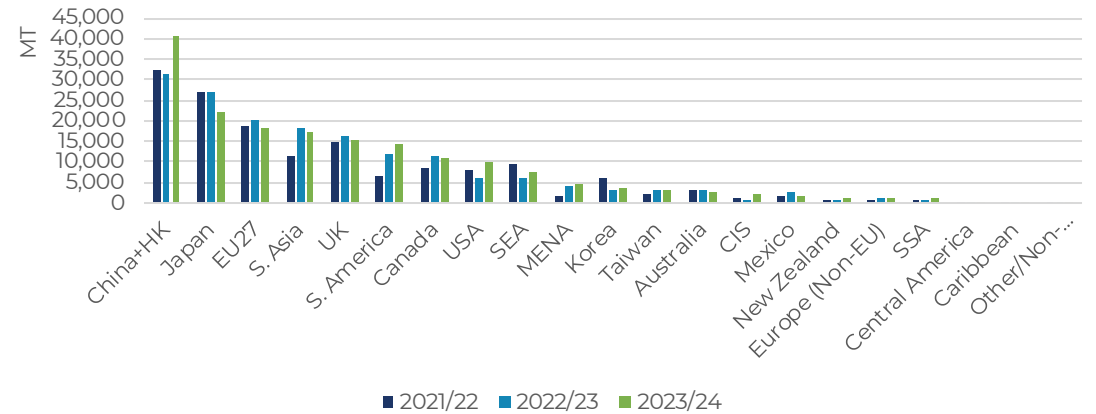


Global Overview: WPC80+ – Last 12 Months

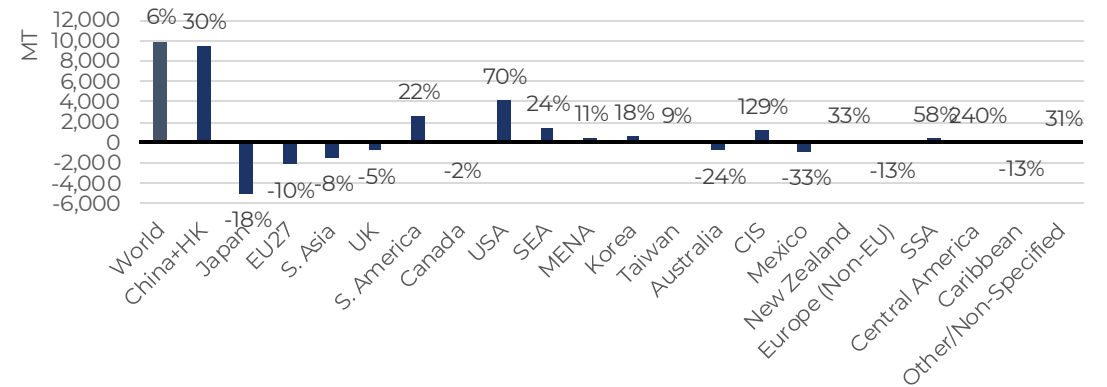
Global WPC80+ Trade by Destination: Last 12 Months ending Dec



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

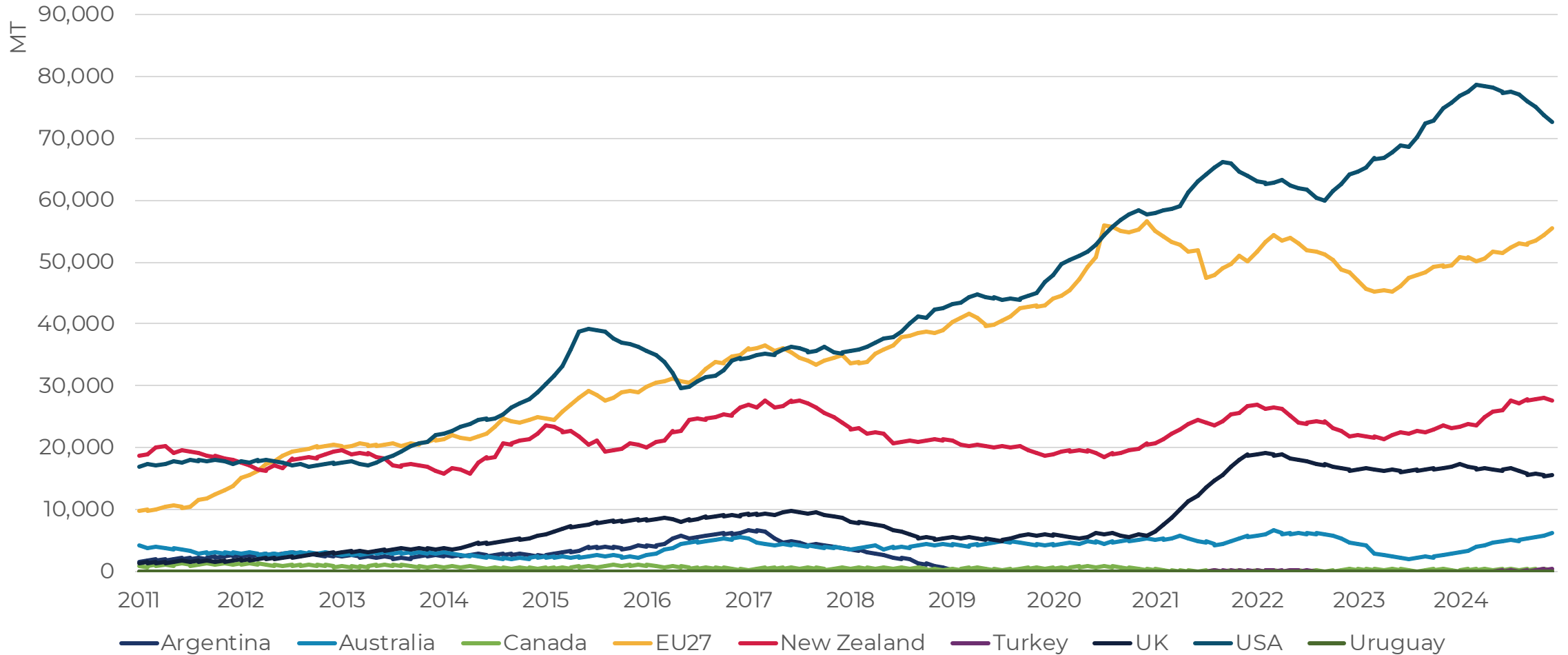


YOY Change in Global WPC80+ Trade by Destination: Last 12 Months ending Dec 2024



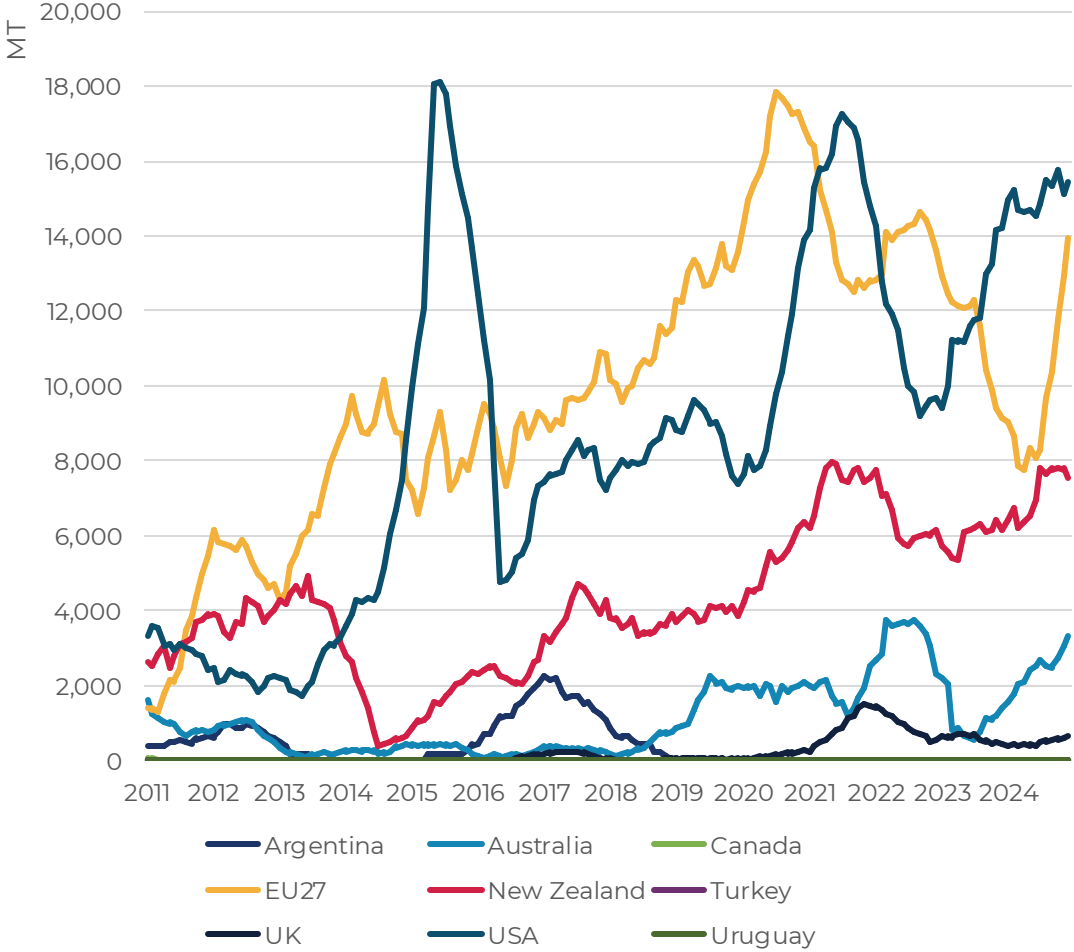
Trade Flows: WPC80+

Global WPC80+ Trade to World

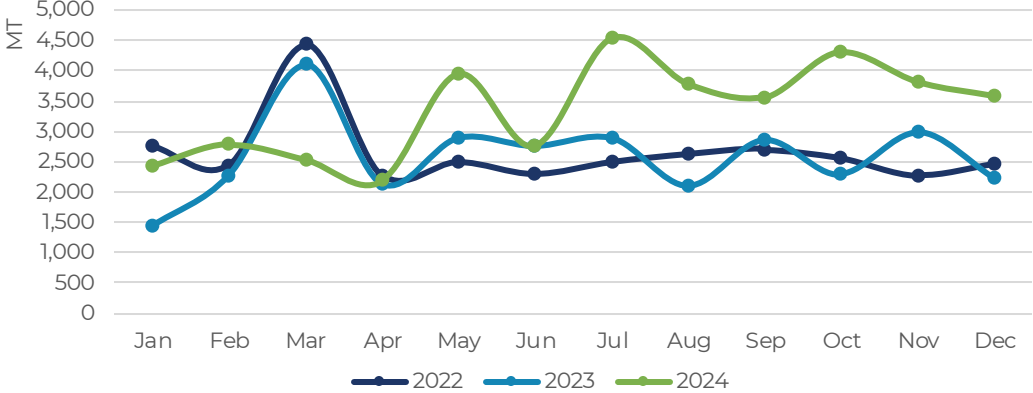


China

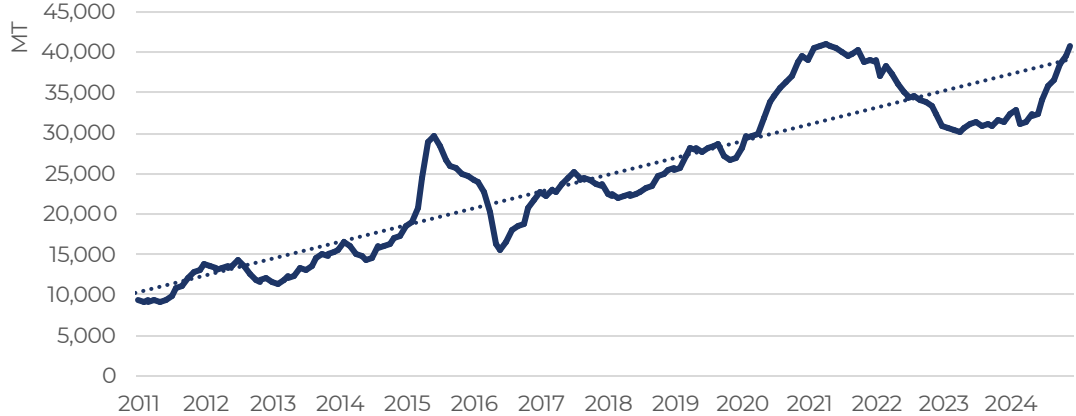
Global WPC80+ Trade to China+HK



Global WPC80+ Trade to China+HK



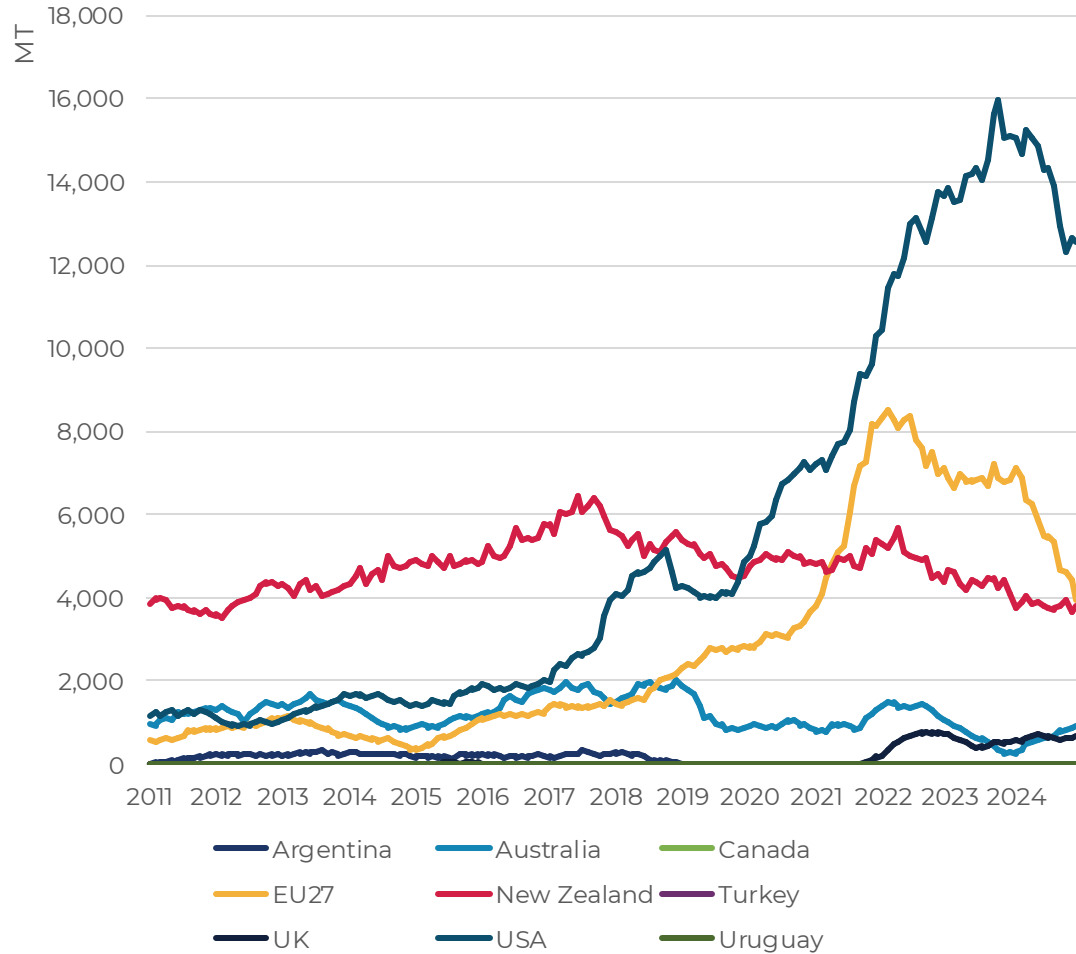
Global WPC80+ Trade to China+HK



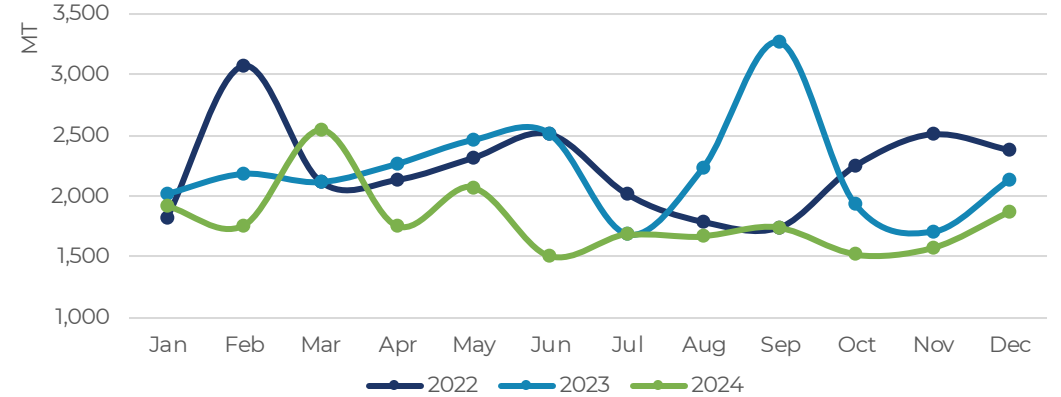
Source: NMPF/USDEC, TDM

Japan

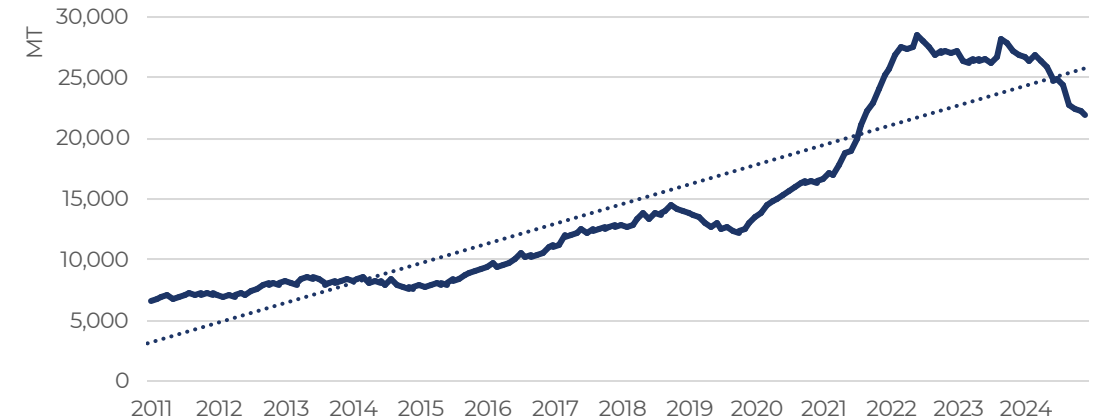
Global WPC80+ Trade to Japan



Global WPC80+ Trade to Japan

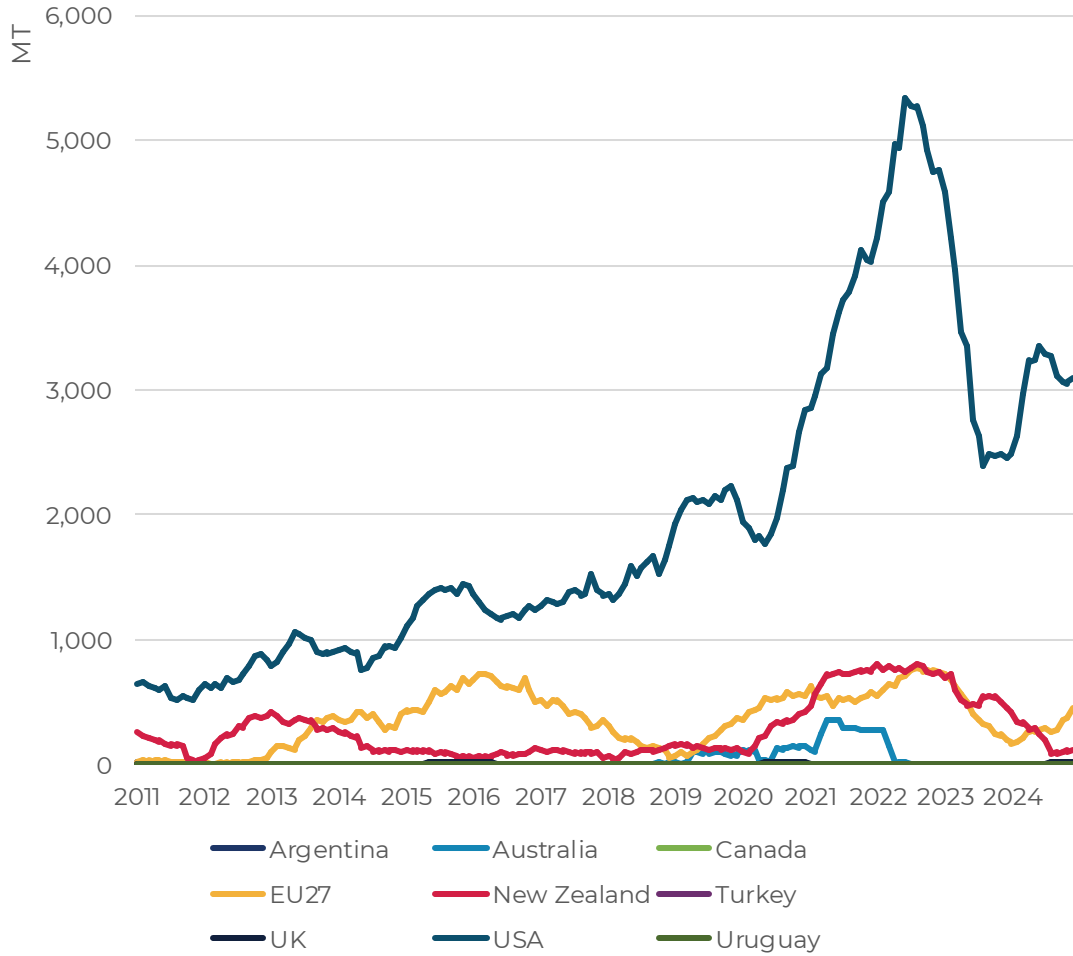


Global WPC80+ Trade to Japan

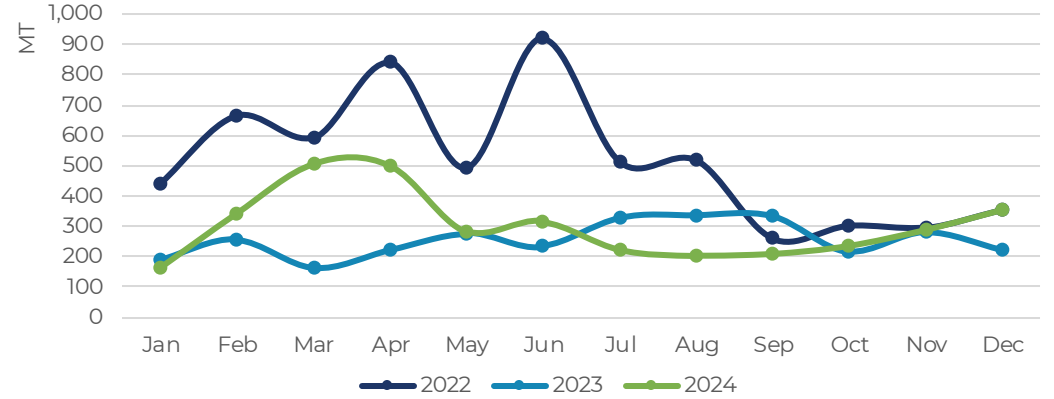


Korea

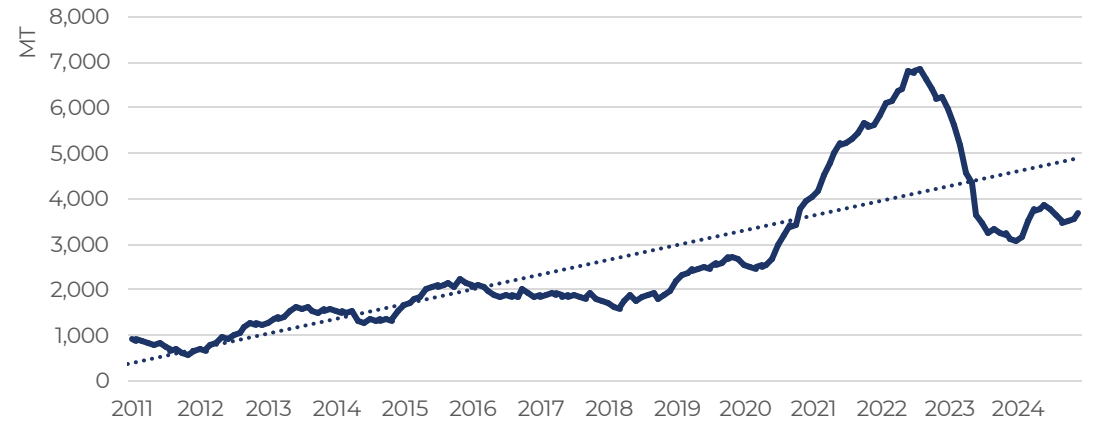
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

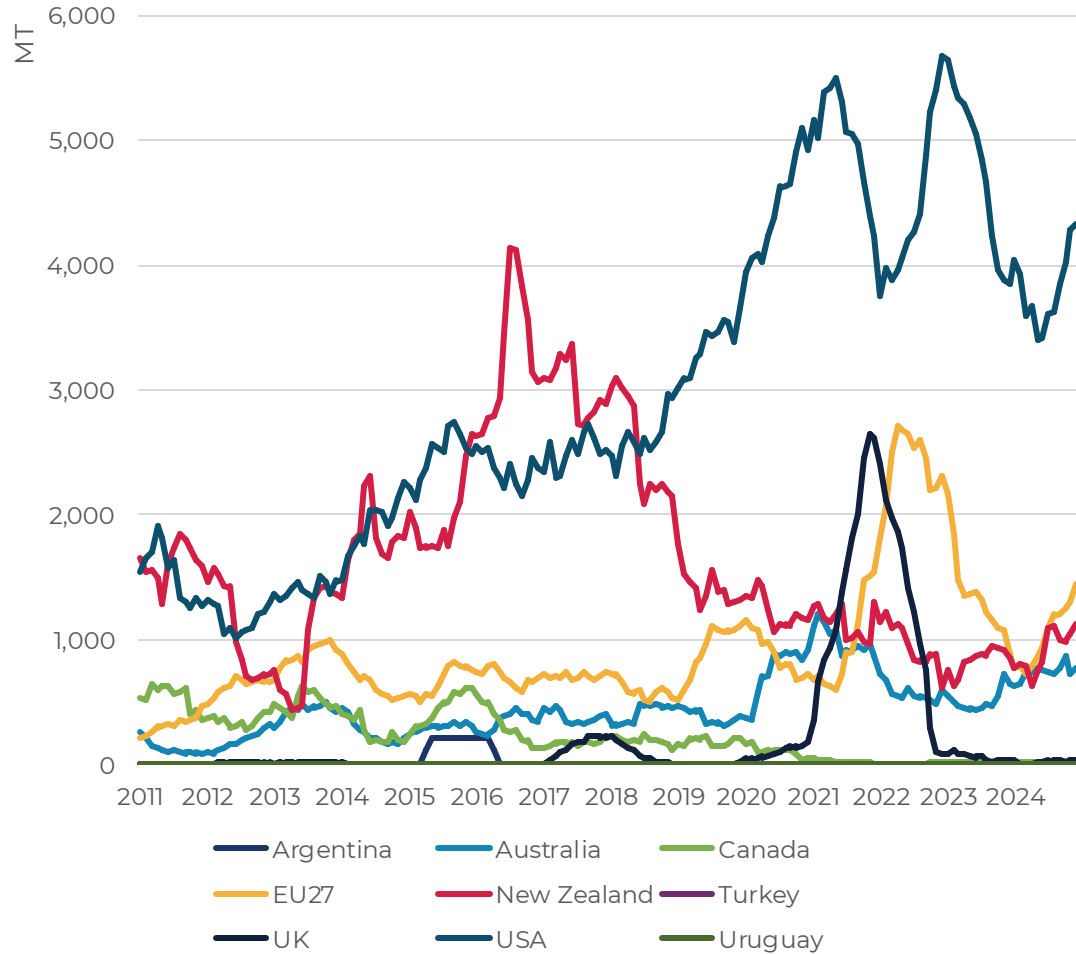


Global WPC80+ Trade to Korea

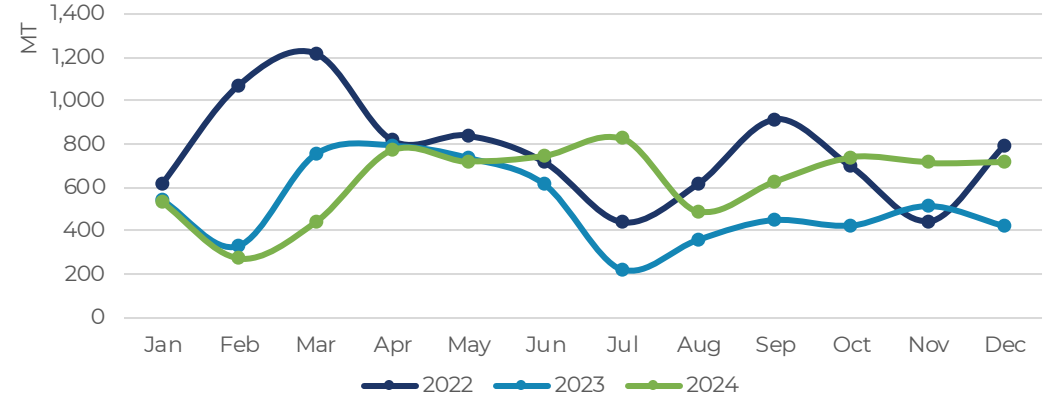


Southeast Asia

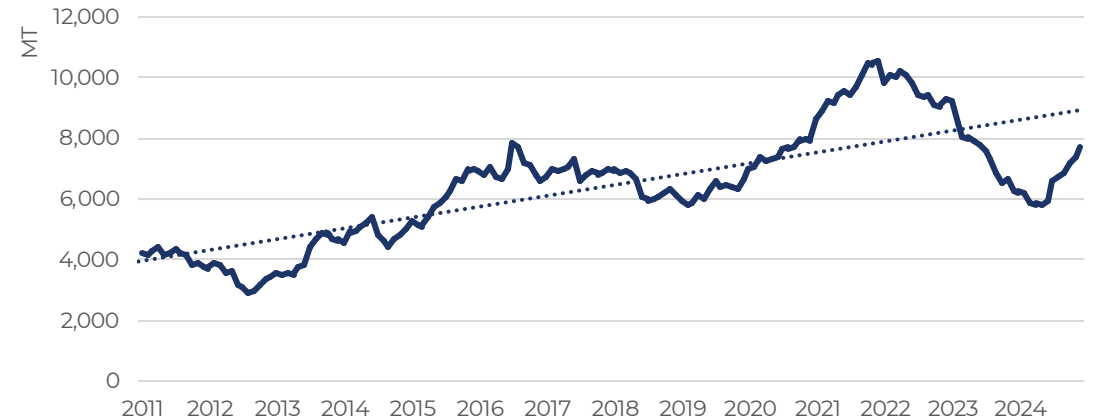
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

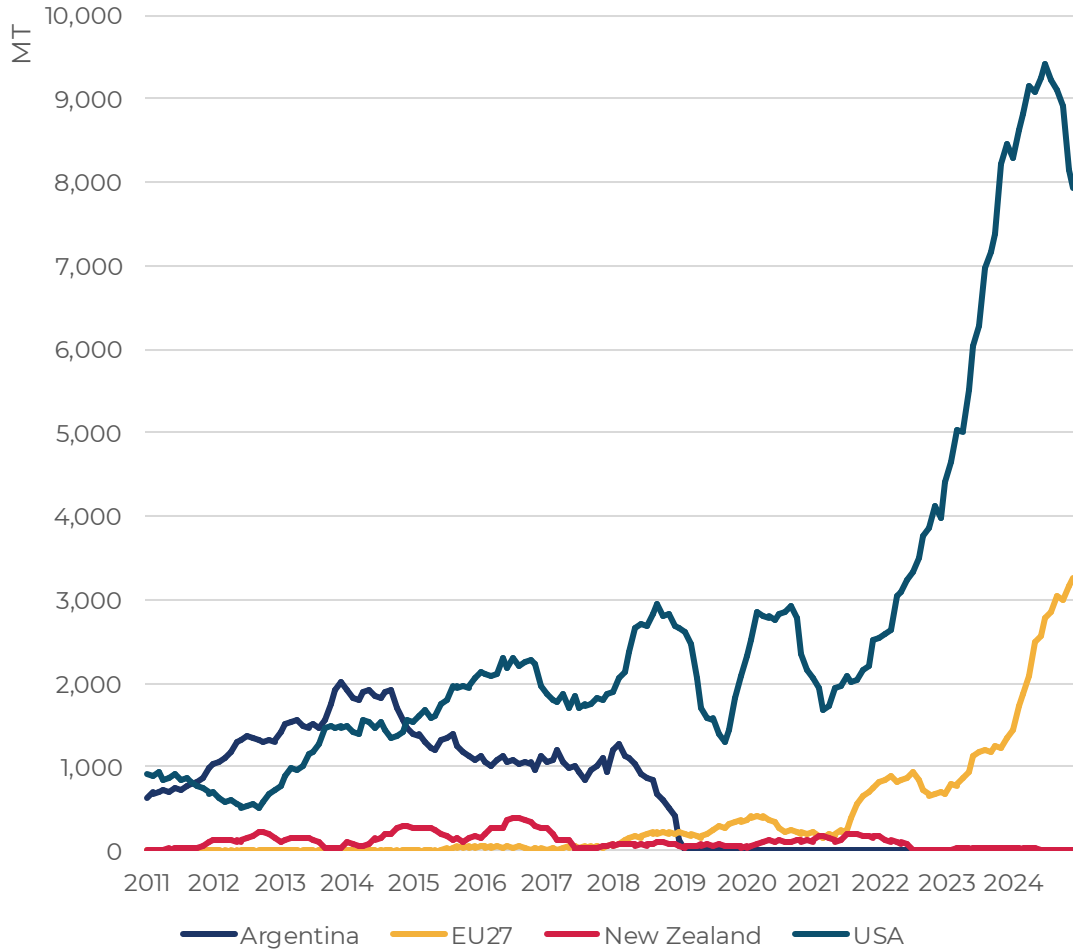


Global WPC80+ Trade to SEA

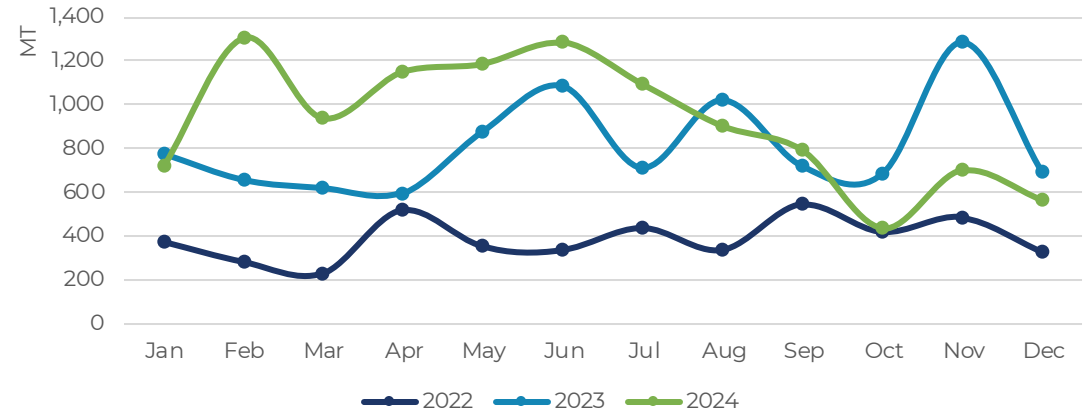


Brazil

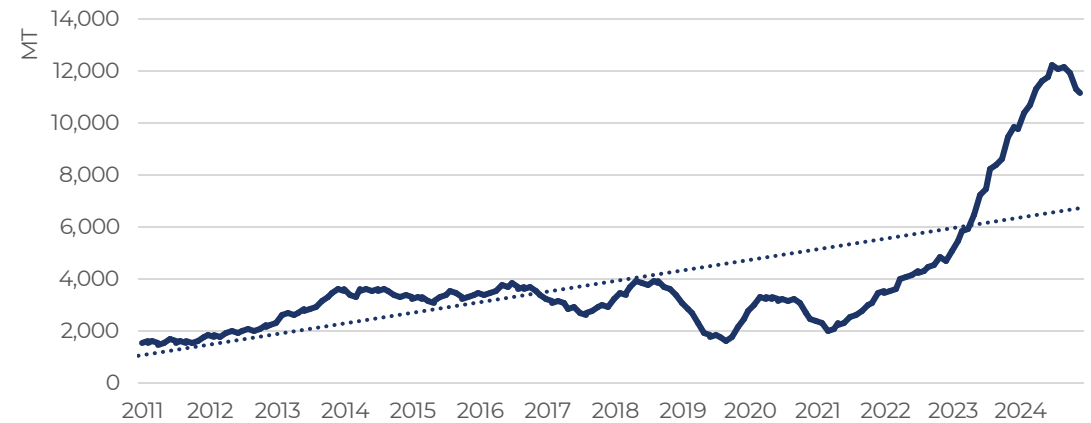
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil

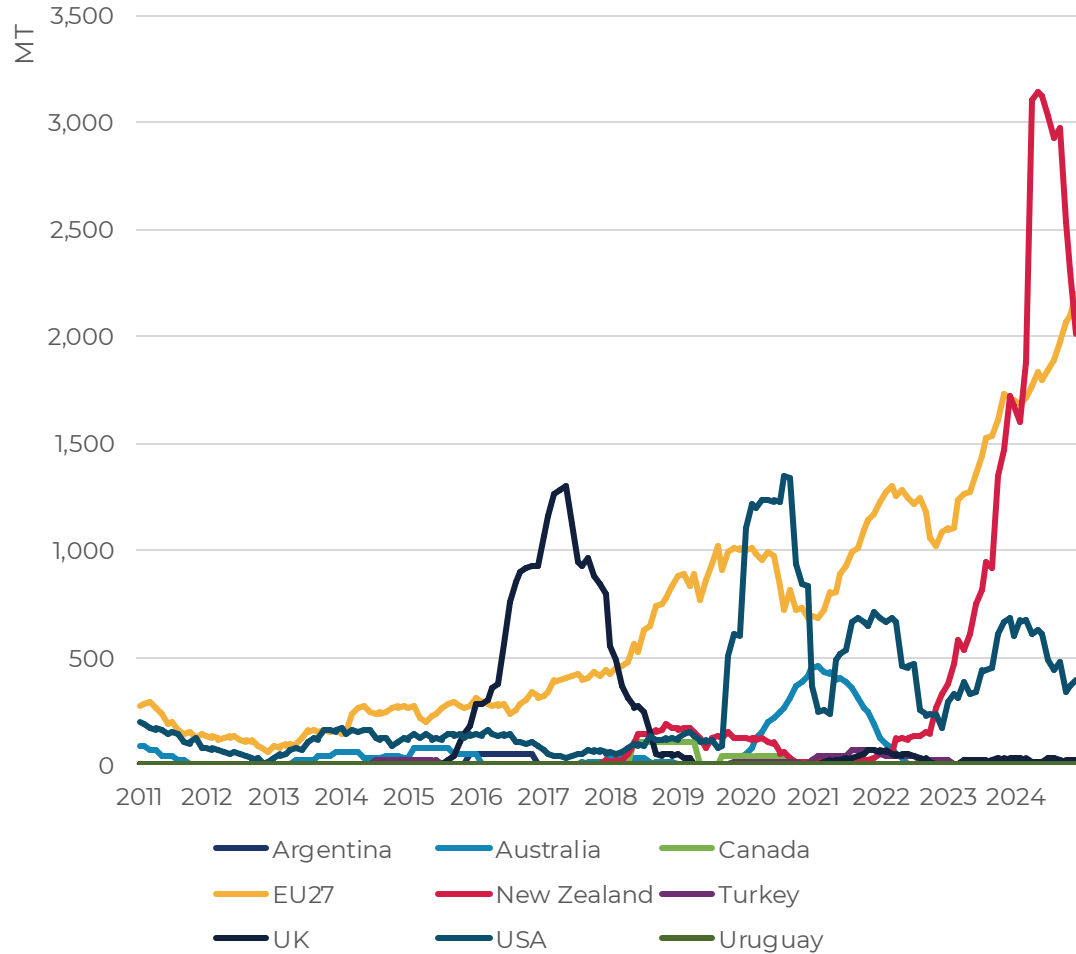


Global WPC80+ Trade to Brazil

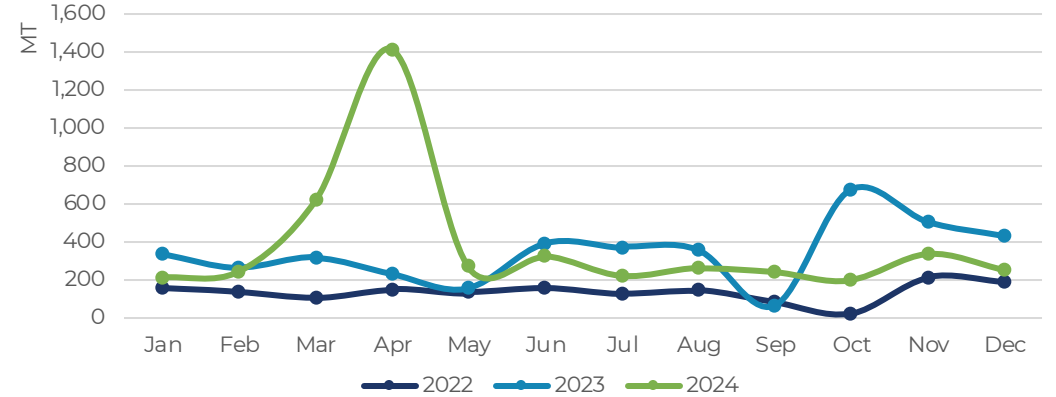


MENA

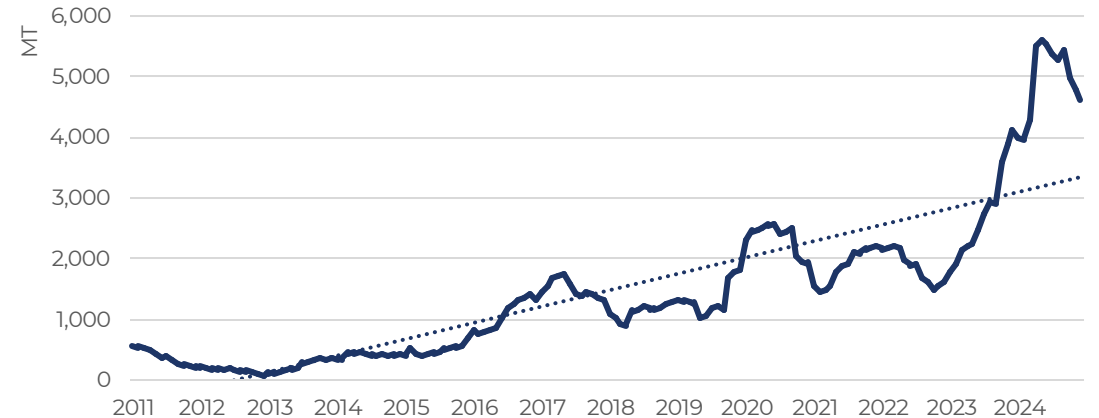
Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA





NMPF | USDEC
DAIRY
ECONOMICS



Other Dairy Products

Global Overview: Lactose



KEY TAKEAWAYS

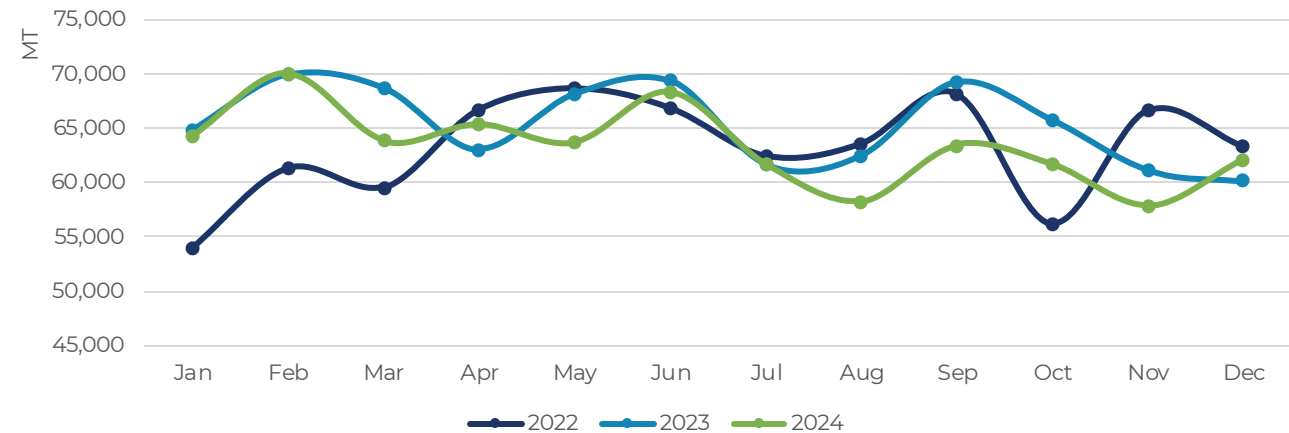
Global Lactose Trade

+3.3% **-3.0%** **-3.0%** **+1.4%**

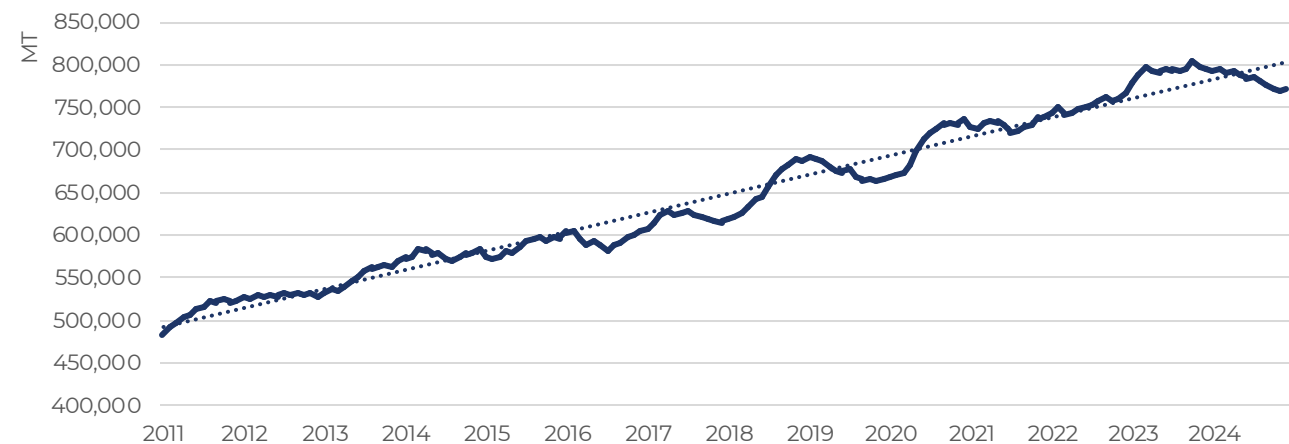
December YoY YTD, Ending Dec. Last 12-Months, Ending Dec. 3-Year CAGR

- **Global lactose trade in December posted the largest gain seen since April as volumes rose by 2,065 MT (+3%) compared to the same month prior year.** Dramatically improved demand from China (+35%, +4,421 MT) helped to boost the monthly figure though significant gains were also seen for South Korea (+129%, +1,599 MT), Japan (+19%, +1,135 MT), and New Zealand (+16%, +1,097 MT)
- December's positive performance was insufficient to close the gap with prior year levels, however, as 2024 lactose trade fell by 3% (-24,171 MT) against 2023's record large volume. Lower annual purchases from China (-15%, -27,979 MT) were the main culprit for the drop though December's stronger figure suggests that demand may be rebounding.

Global Lactose Trade to World

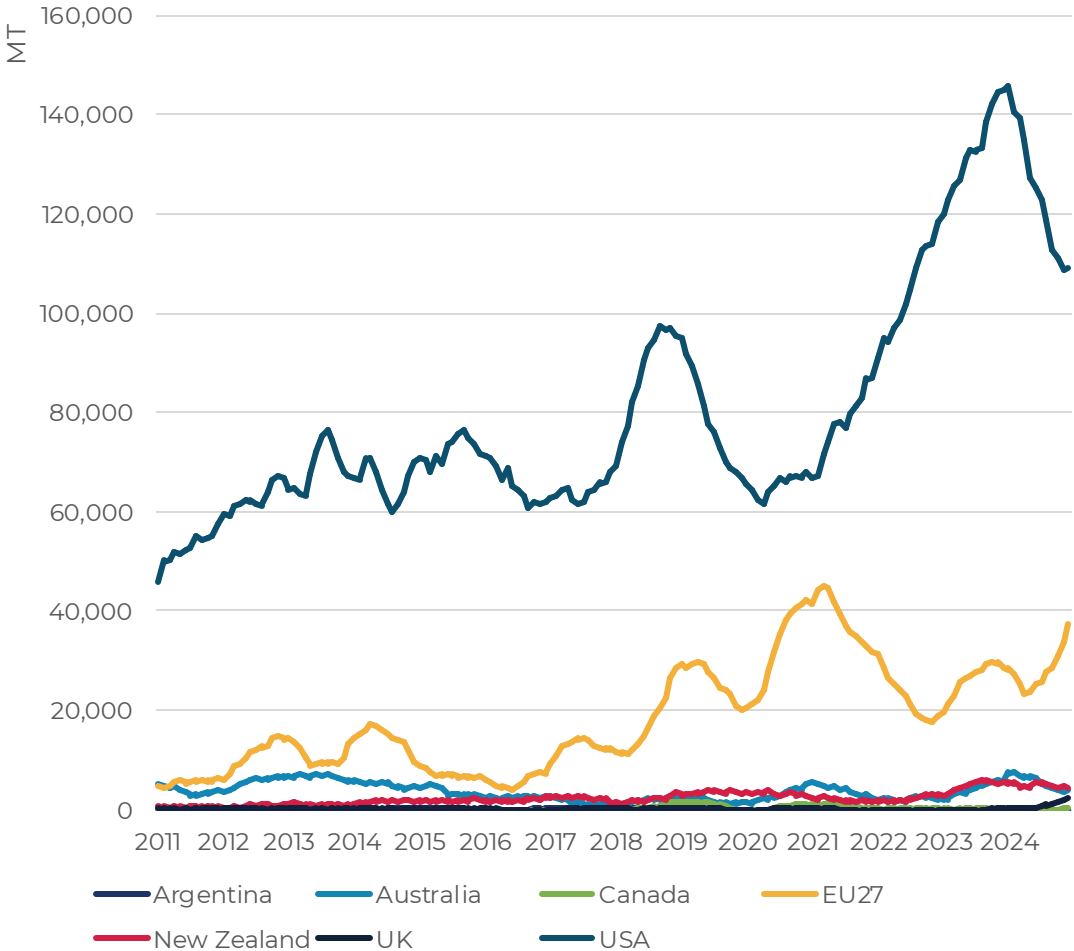


Global Lactose Trade to World

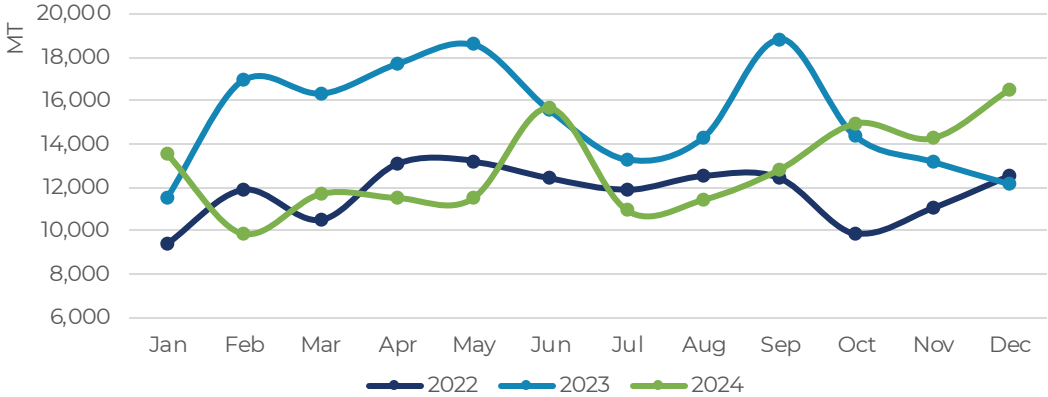


Lactose – China

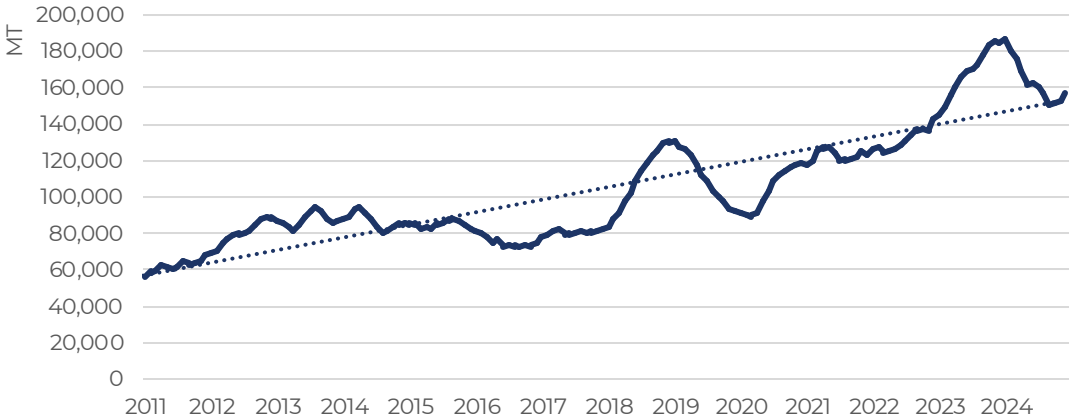
Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

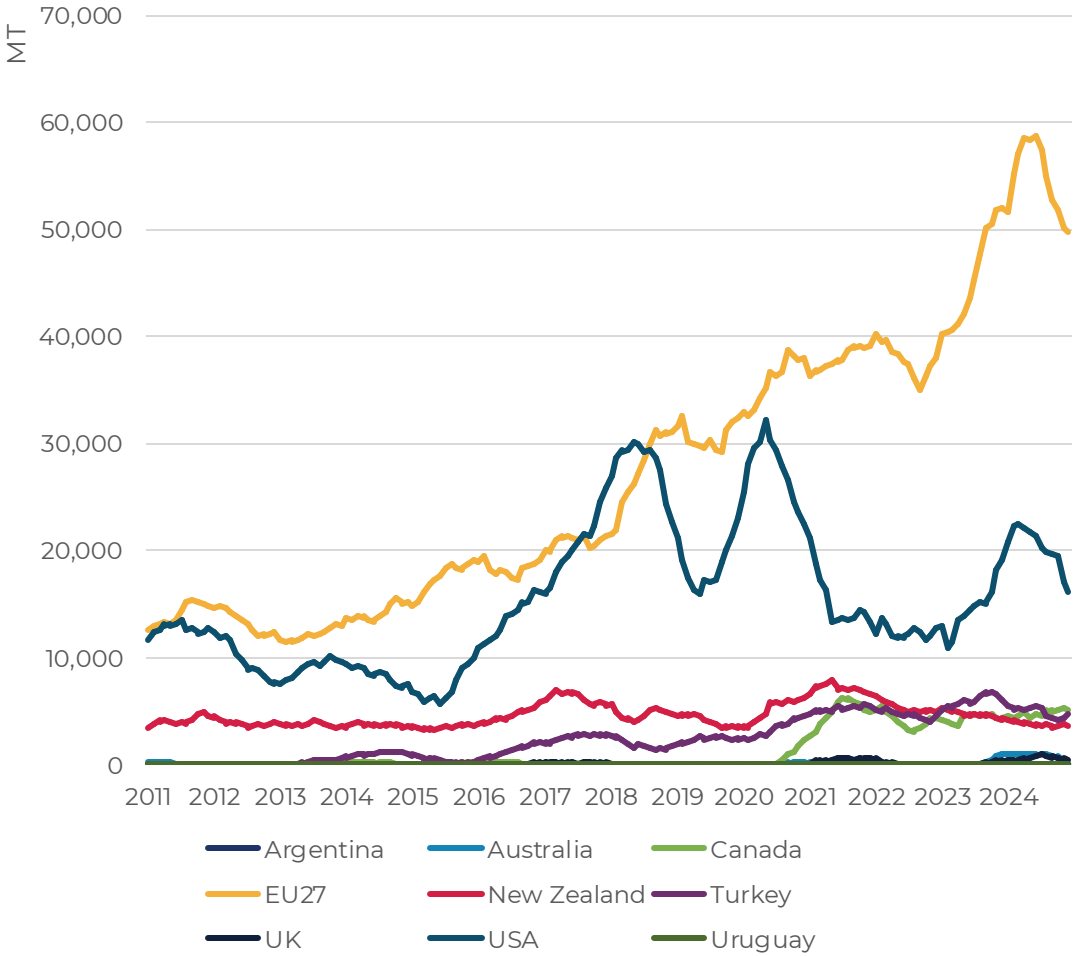


Global Lactose Trade to China+HK

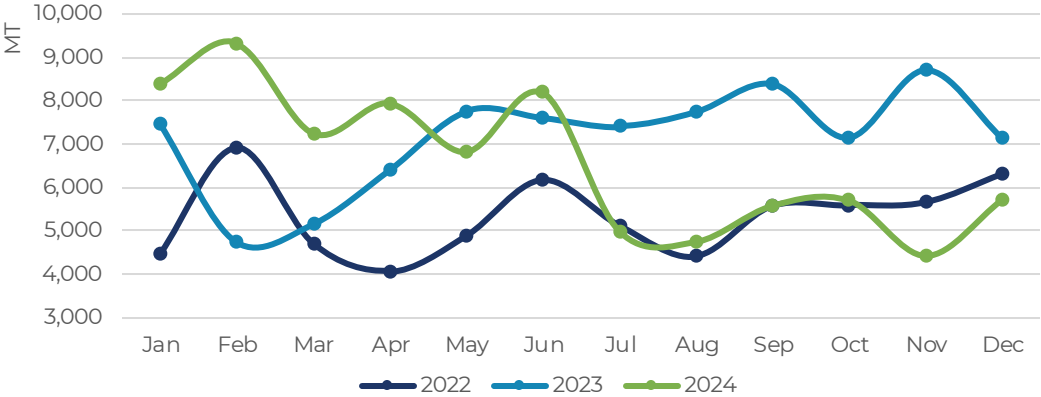


Lactose – South Asia

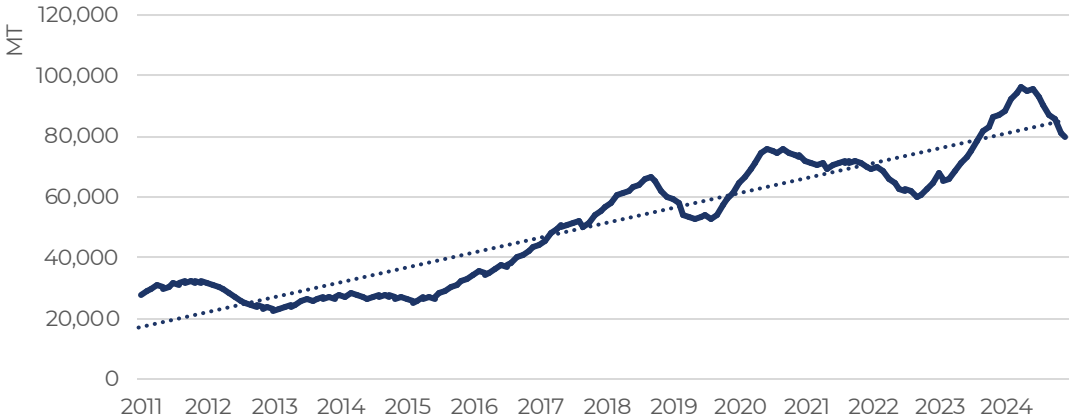
Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia

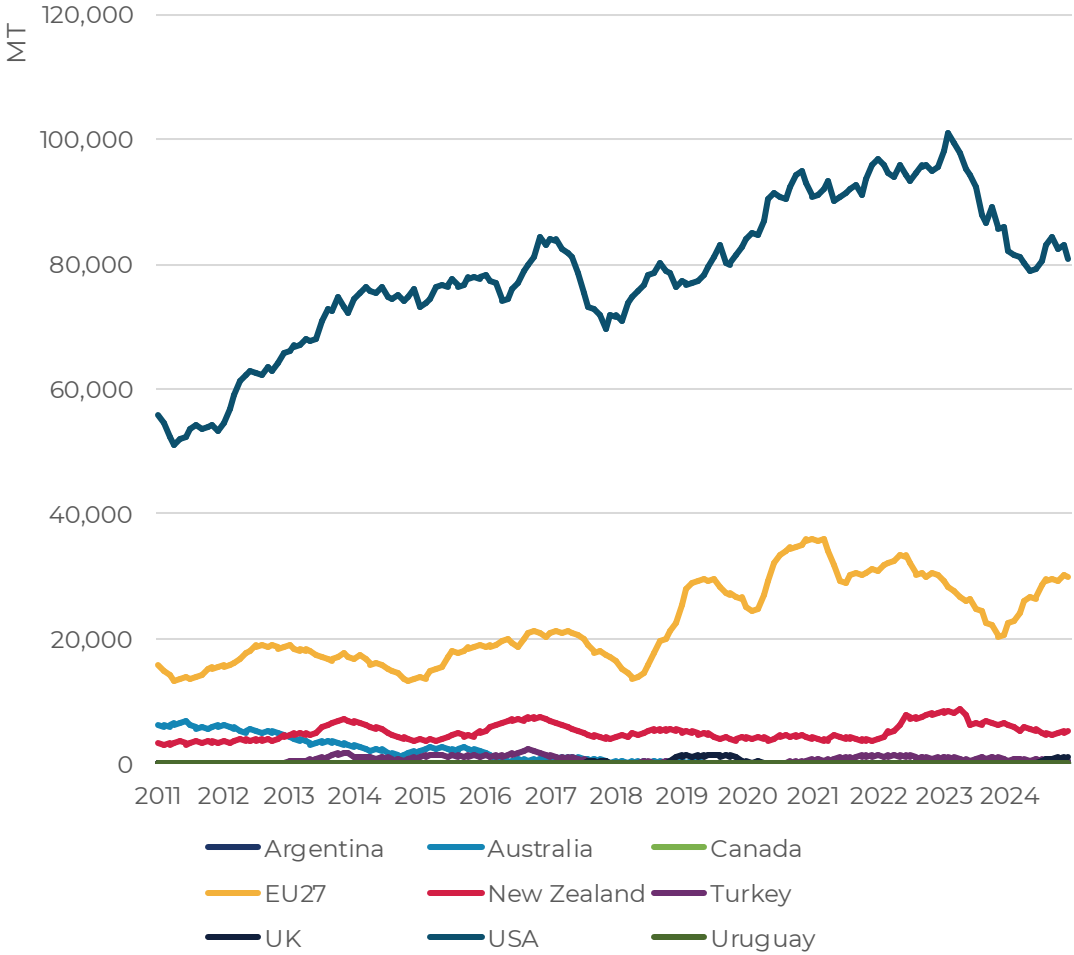


Global Lactose Trade to S. Asia

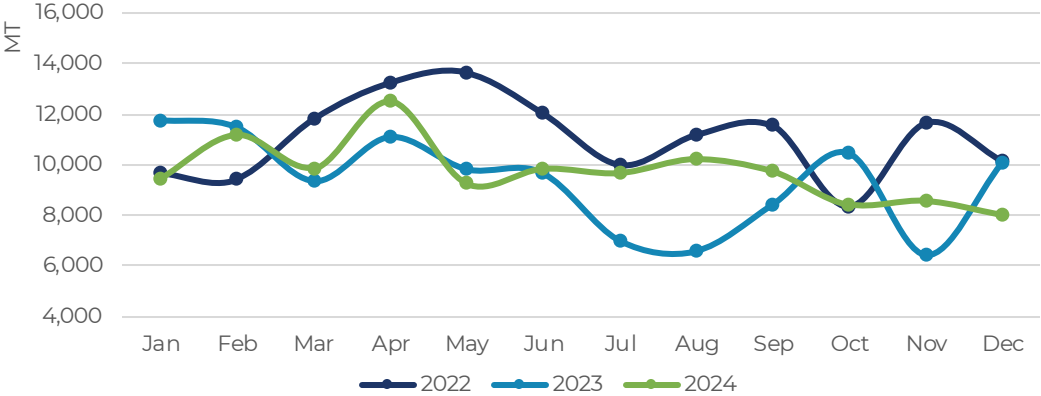


Lactose – Southeast Asia

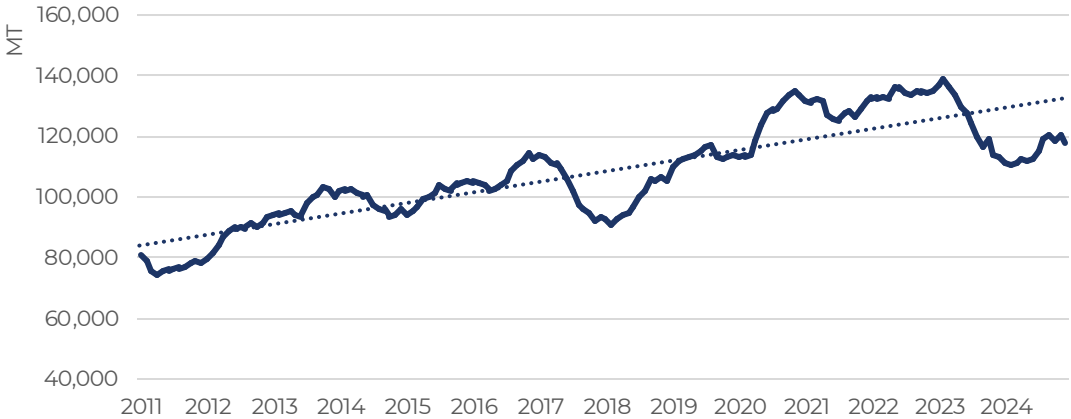
Global Lactose Trade to SEA



Global Lactose Trade to SEA



Global Lactose Trade to SEA



Global Overview: Butter



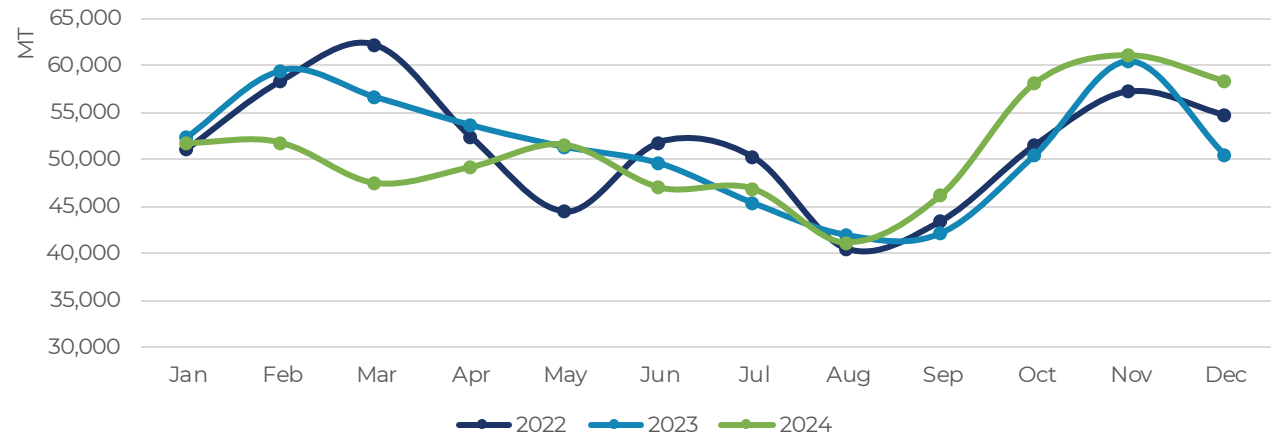
KEY TAKEAWAYS

Global Butter Trade

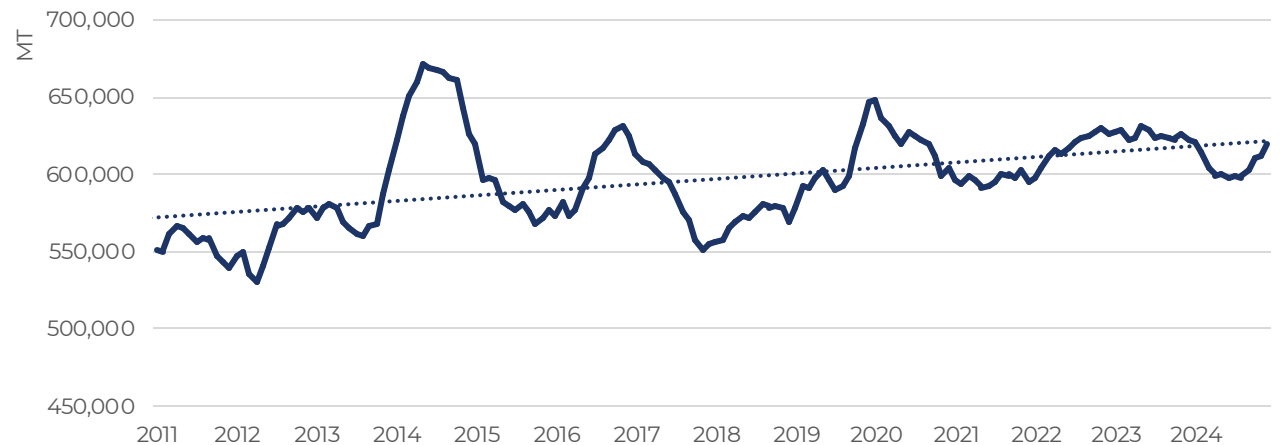
+15.8%	-0.4%	-0.4%	+1.4%
December YoY	YTD, Ending Dec.	Last 12-Months, Ending Dec.	3-Year CAGR

- More than 60,000 MT of butter circled the globe in December, 16% (+8,267 MT) more than a year ago. **The strong month of trade helped to make up for losses earlier in 2024 and resulted in full year volumes that were down only very slightly (-0.4%, -2,256 MT) from 2023.**
- Several geographies contributed to December's YOY gain, including China (+23%, +2,294MT), the U.S. (+55%, +2,291 MT), Australia (+69%, +1,680 MT), and South Korea (+110%, +1,387 MT). However, **shipments to MENA continued to struggle, falling 2% (-219 MT) for the month extrapolating the trend seen over the year. For 2024, butter shipments to MENA plummeted by 25% (-28,277 MT).**

Global Butter Trade to World

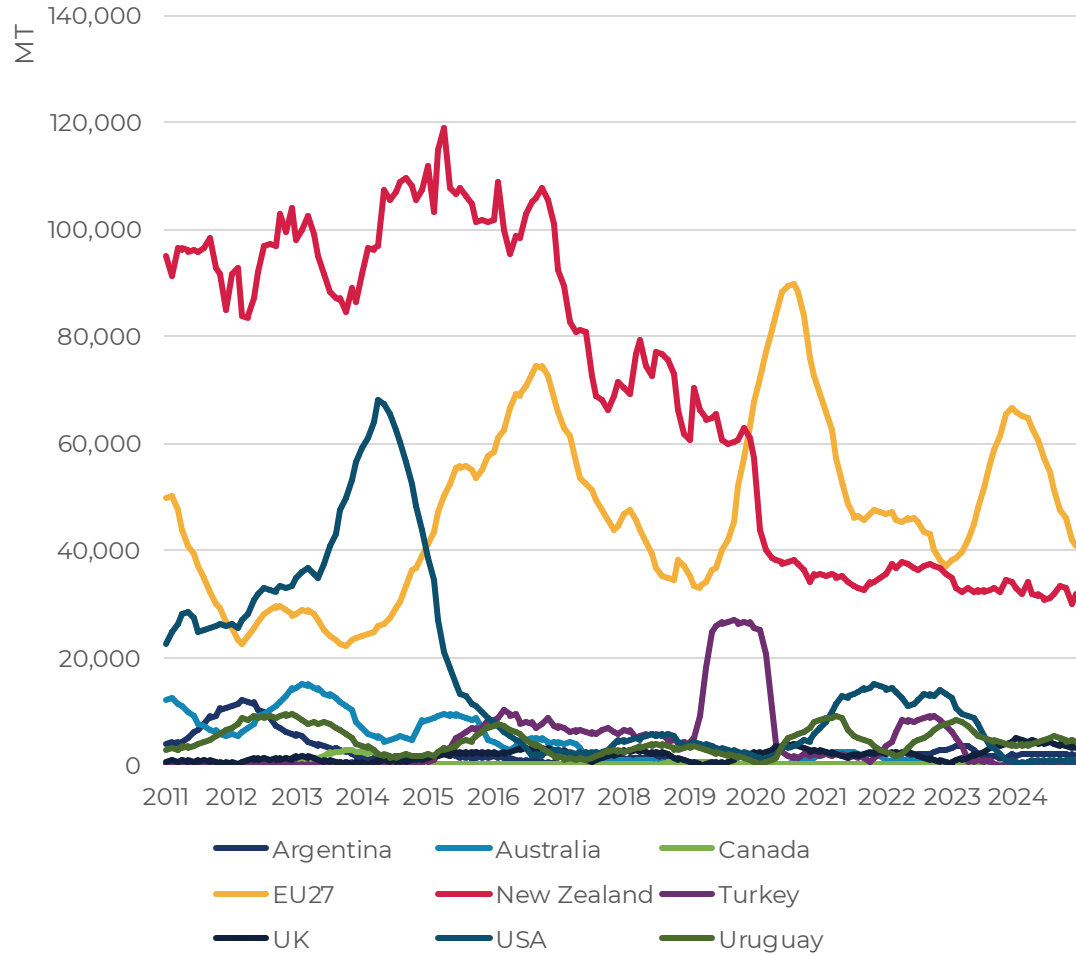


Global Butter Trade to World

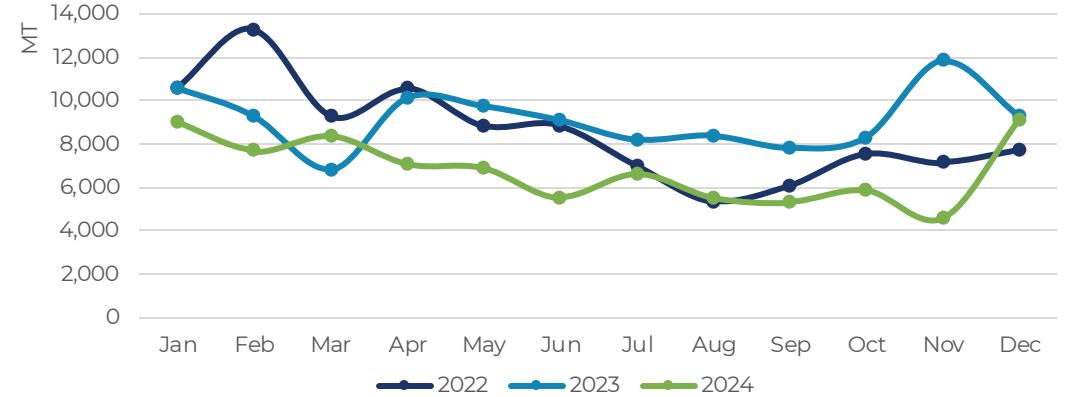


Butter – MENA

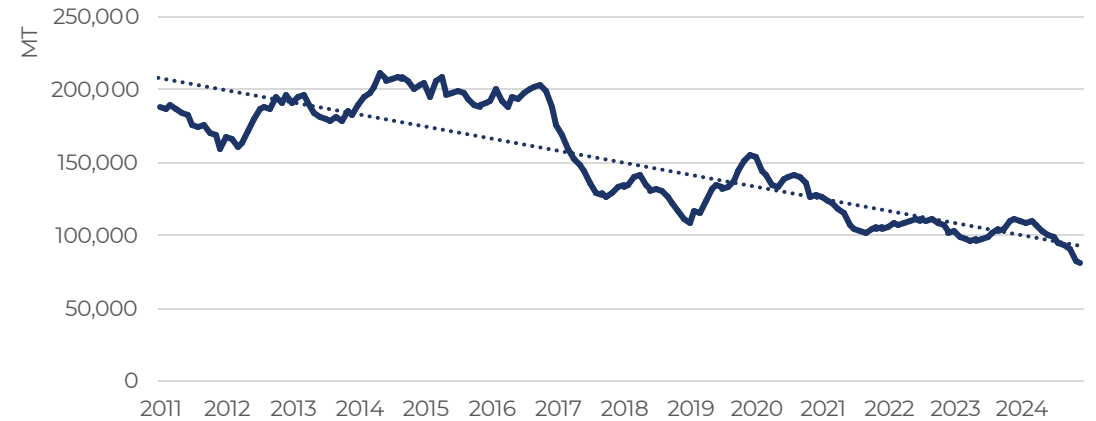
Global Butter Trade to MENA



Global Butter Trade to MENA

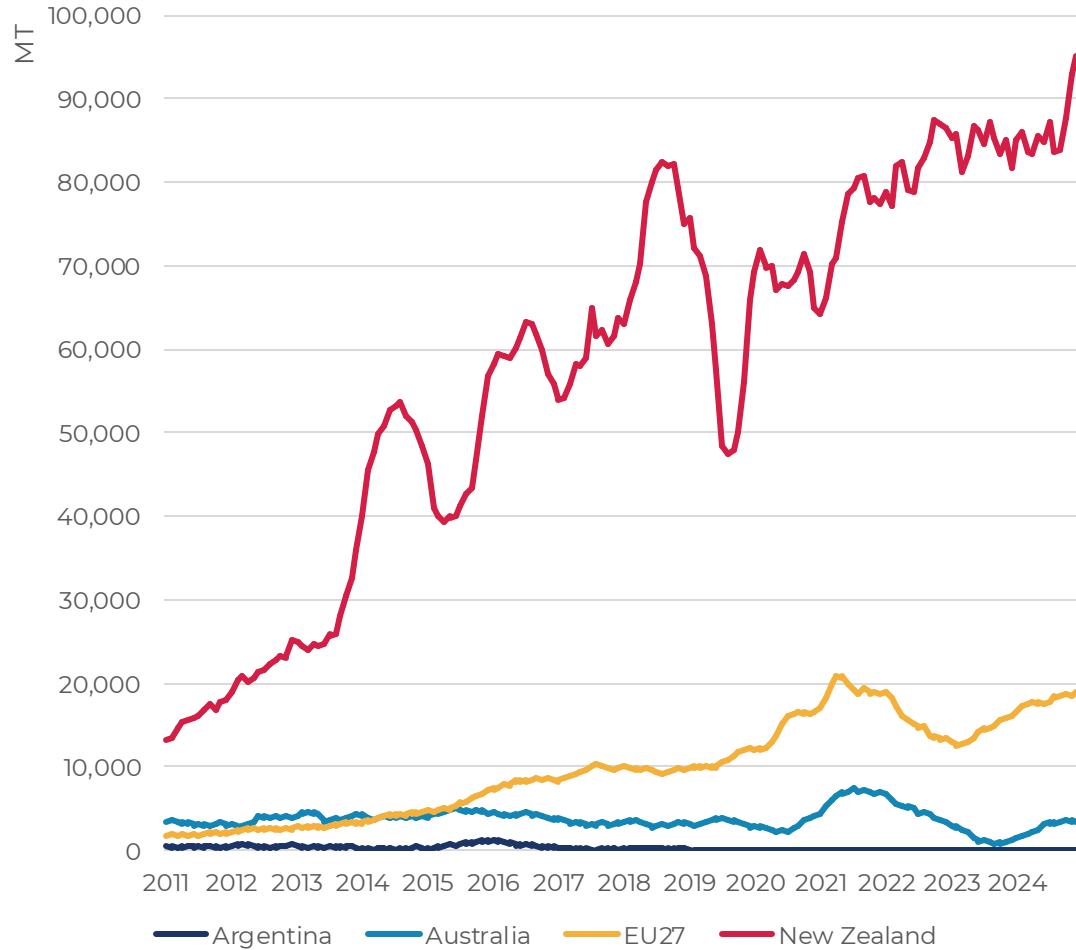


Global Butter Trade to MENA

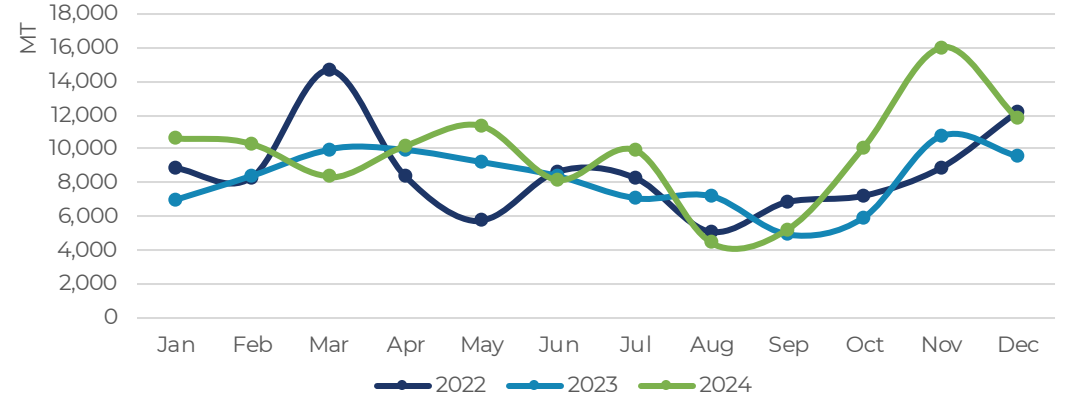


Butter – China

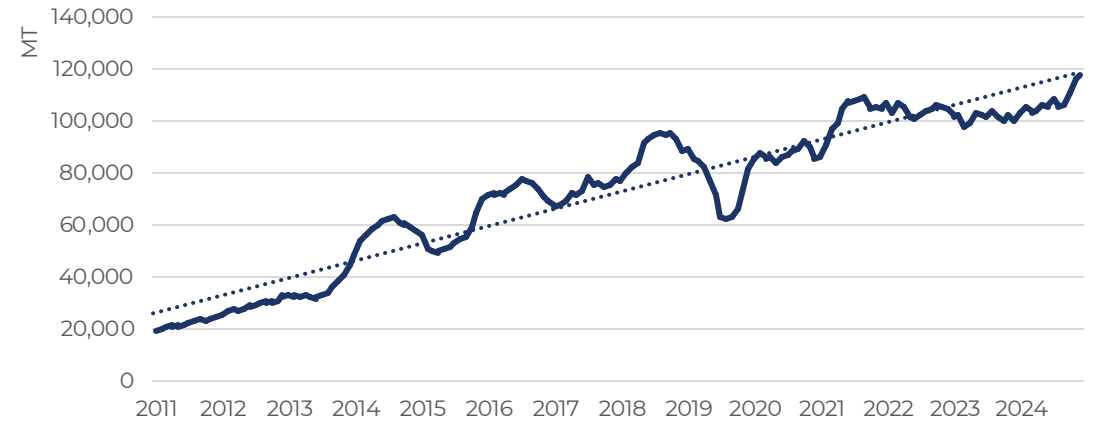
Global Butter Trade to China+HK



Global Butter Trade to China+HK

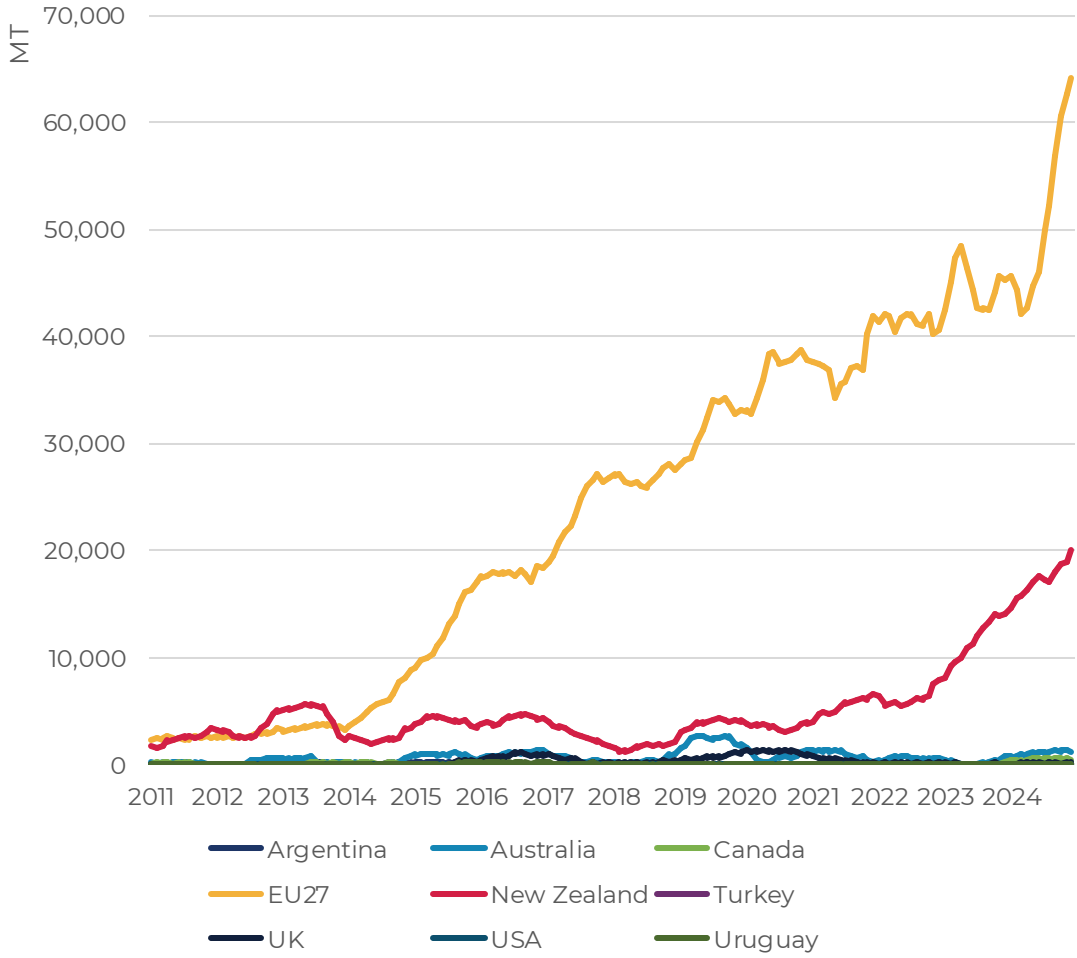


Global Butter Trade to China+HK

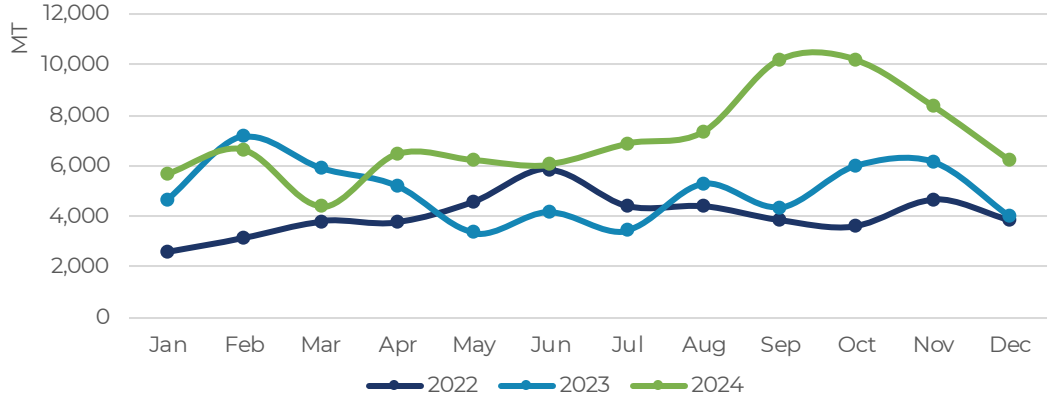


Butter – U.S.

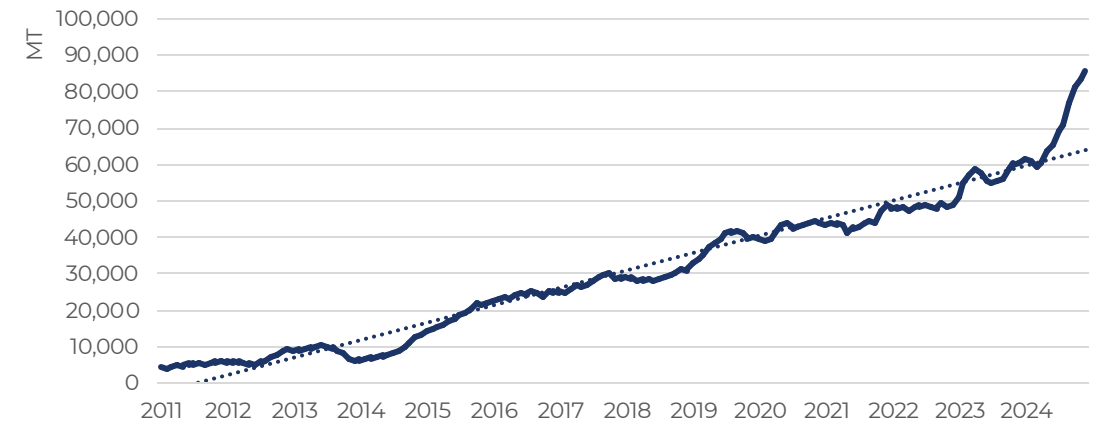
Global Butter Trade to USA



Global Butter Trade to USA



Global Butter Trade to USA



Global Overview: Whole Milk Powder



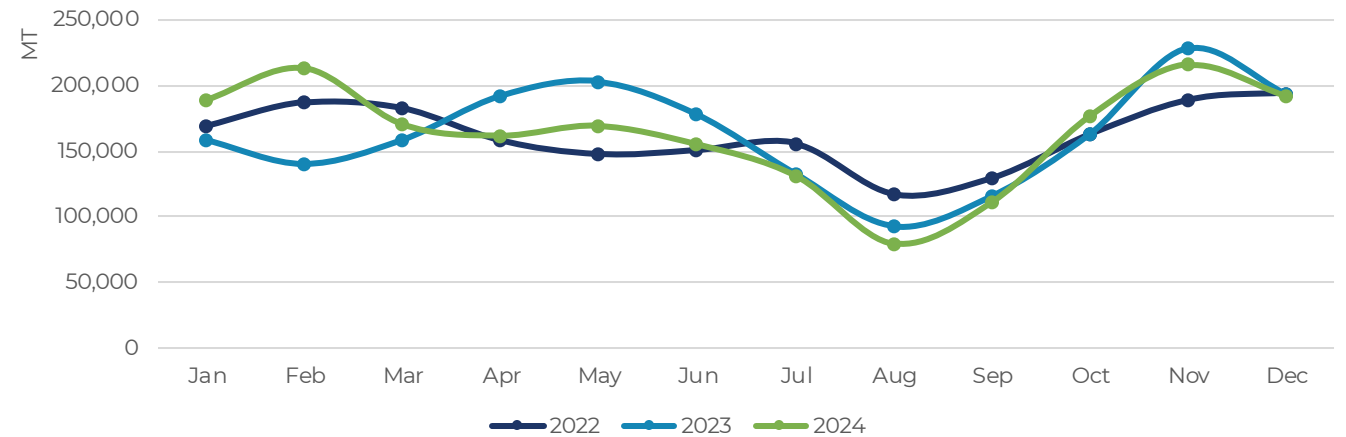
KEY TAKEAWAYS

Global WMP Trade

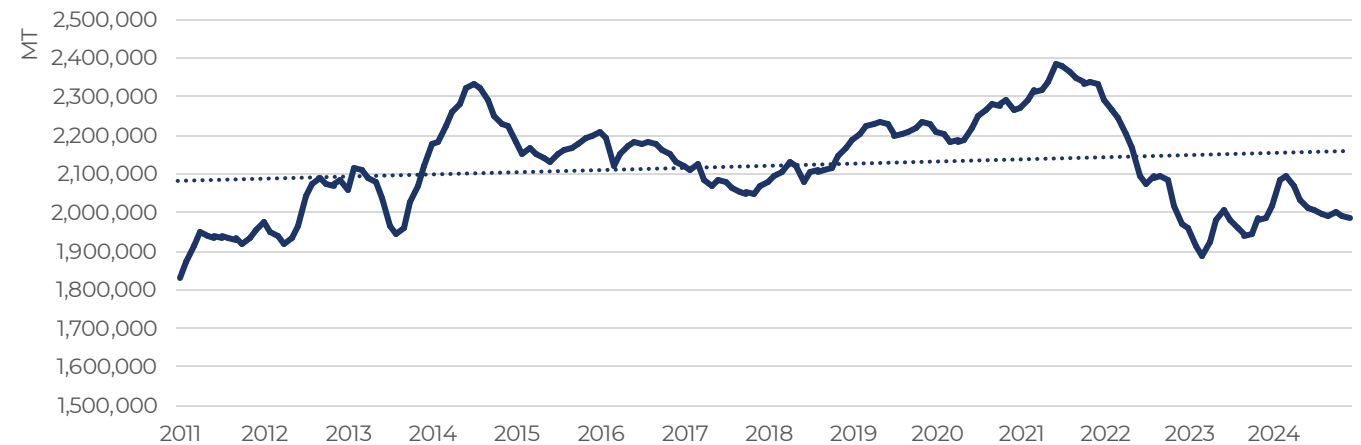
-0.9%	+0.2%	+0.2%	-5.2%
December YoY	YTD, Ending Dec.	Last 12-Months, Ending Dec.	3-Year CAGR

- **Dramatically lower demand from MENA in December (-20%, -9,482 MT) was sufficient to pull global WMP trade down for the month (-1%, 1,838 MT) even though year over year shipments were up to South Asia (+60%, +5,878 MT) and SEA (+7%, +2,577 MT).**
- Despite December's decline, global WMP trade eked out an increase for the year rising 0.2% (+3,707 MT) above 2023 levels. For the third year in a row, annual volumes failed to exceed 2 million MT, indicative of persistently weak demand from China where rising domestic production has reduced the need for imported product.

Global WMP Trade to World

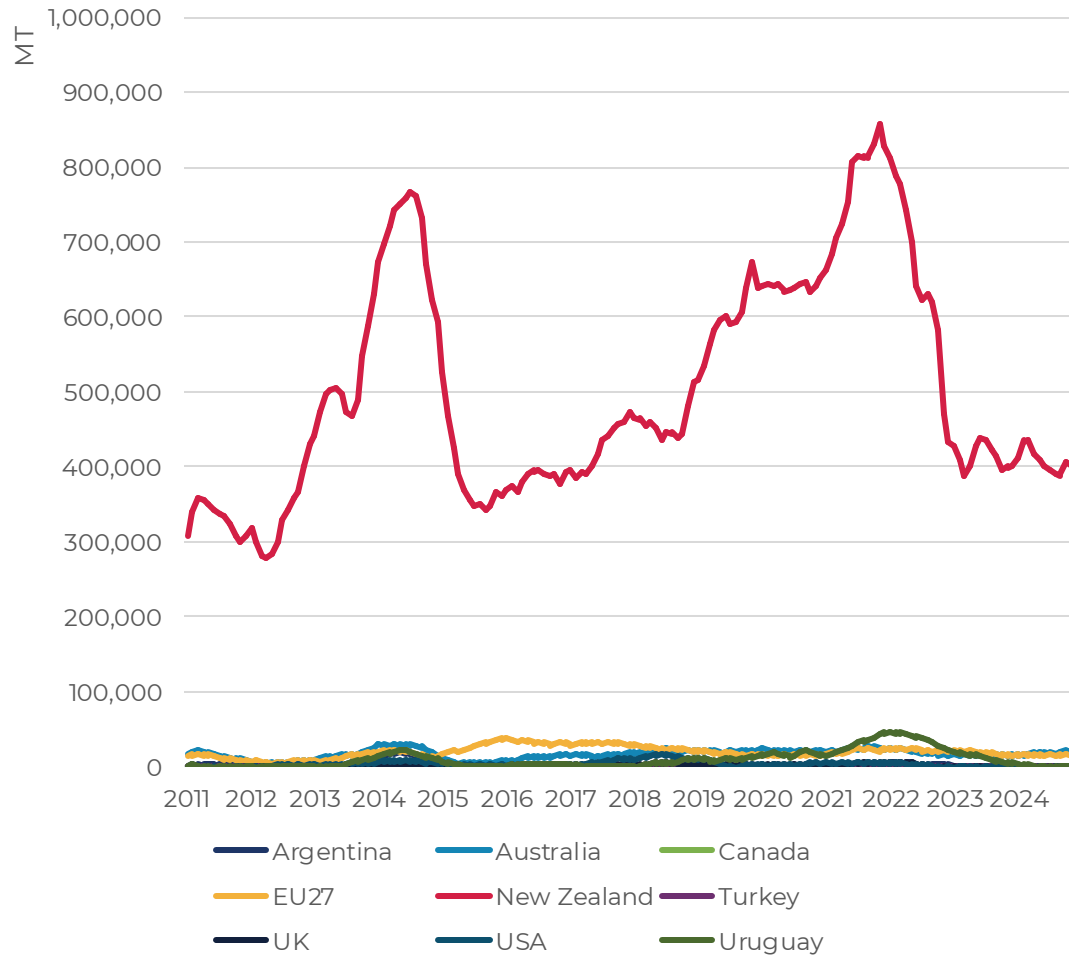


Global WMP Trade to World

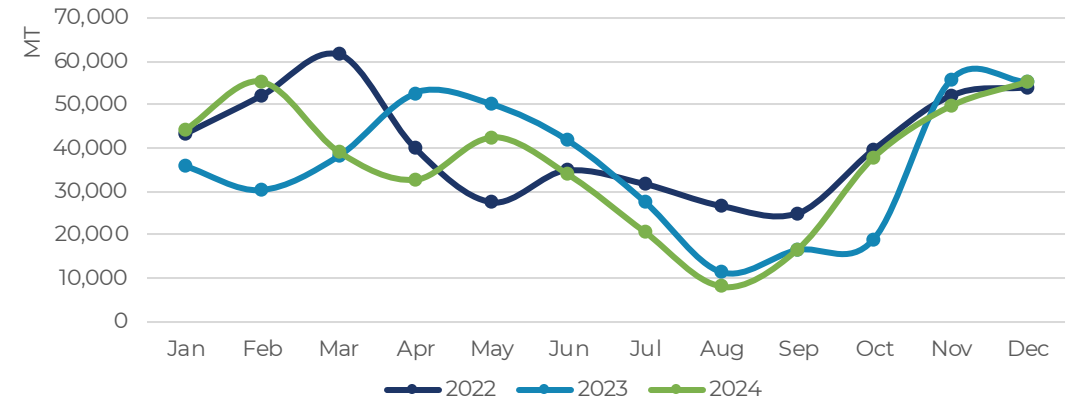


Whole Milk Powder – China

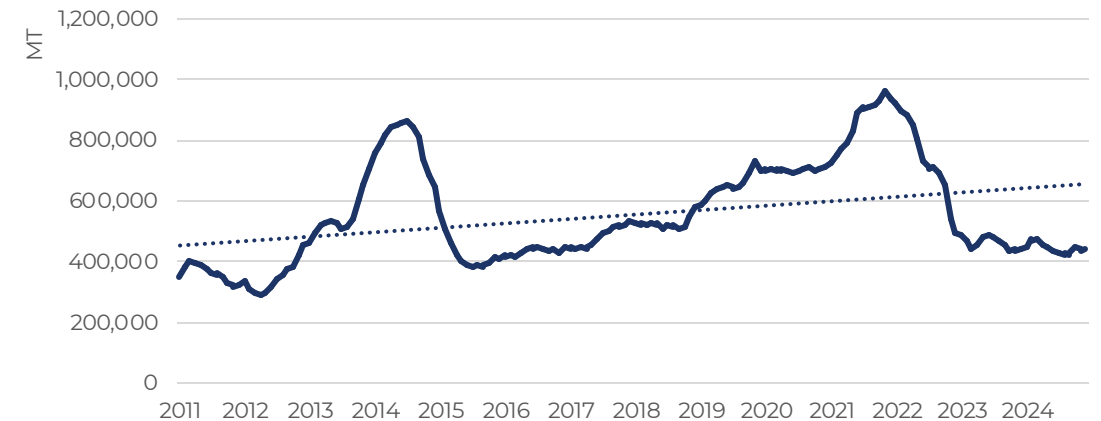
Global WMP Trade to China+HK



Global WMP Trade to China+HK

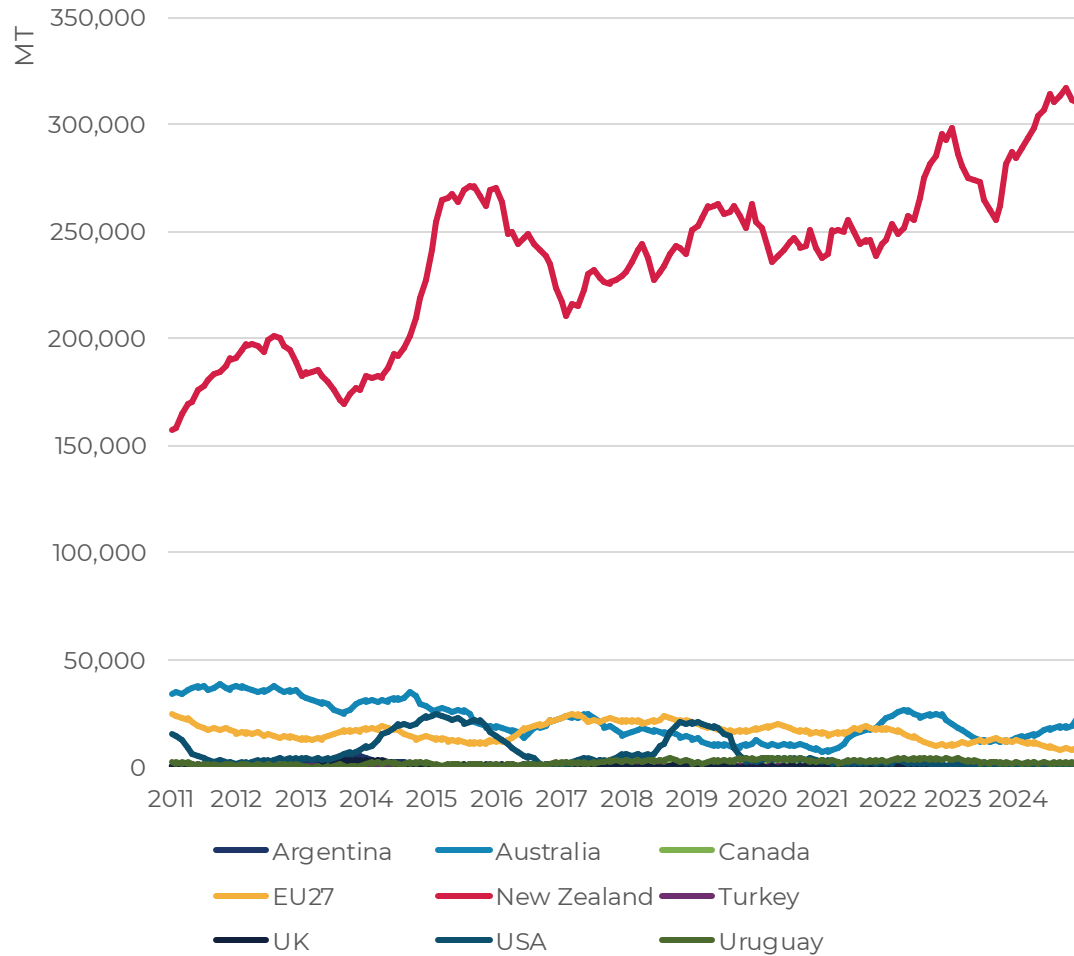


Global WMP Trade to China+HK

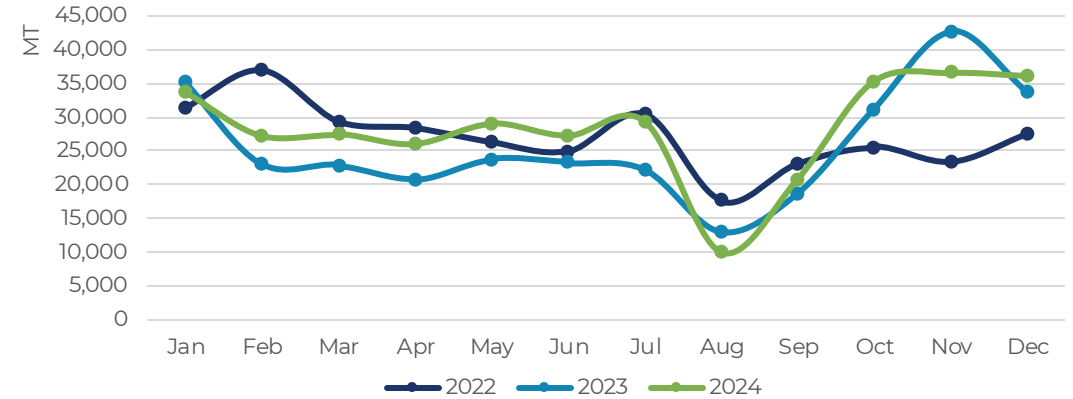


Whole Milk Powder – Southeast Asia

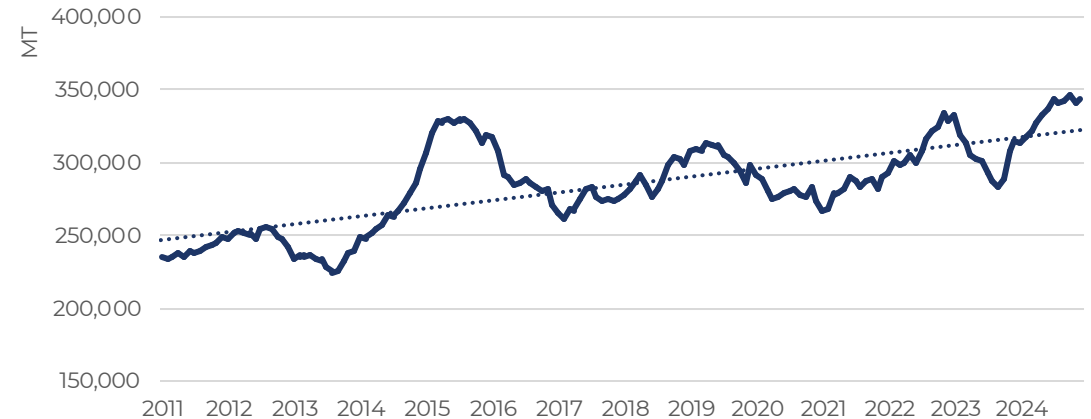
Global WMP Trade to SEA



Global WMP Trade to SEA

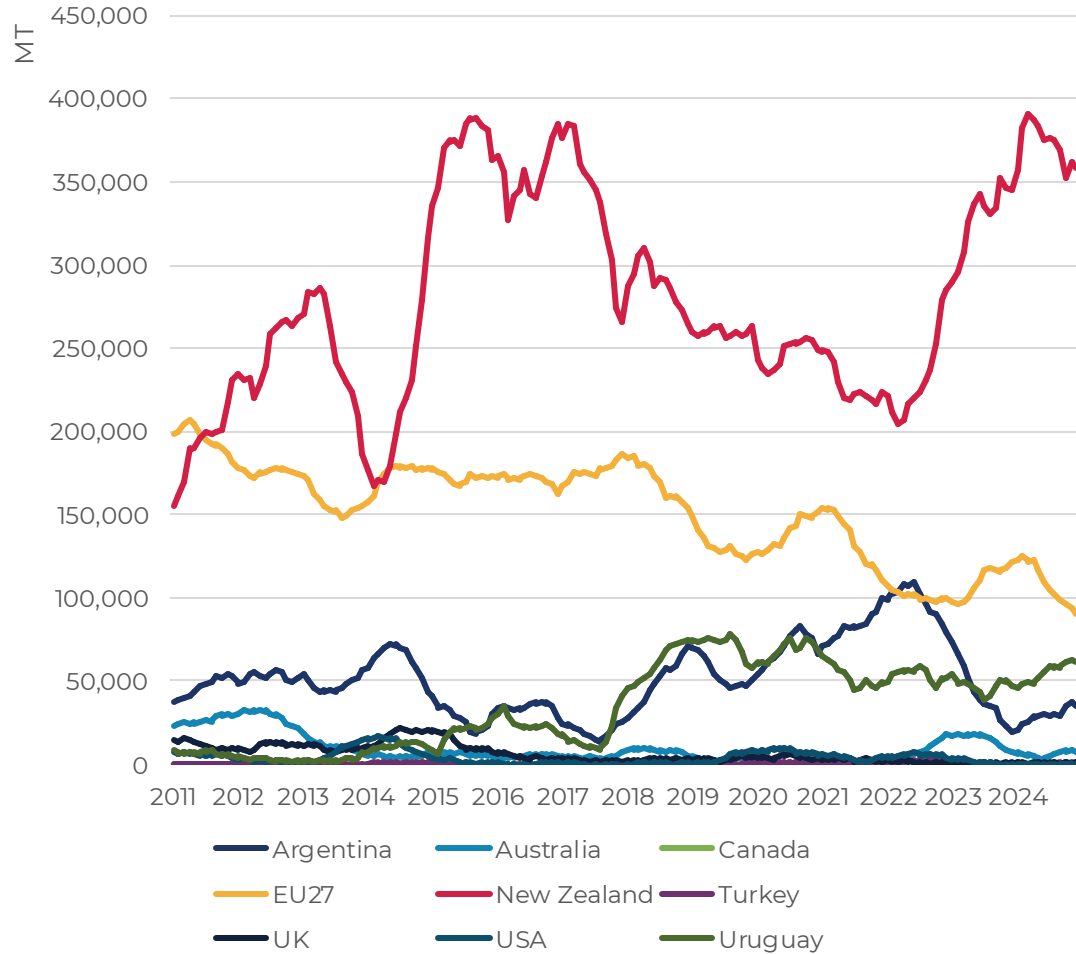


Global WMP Trade to SEA

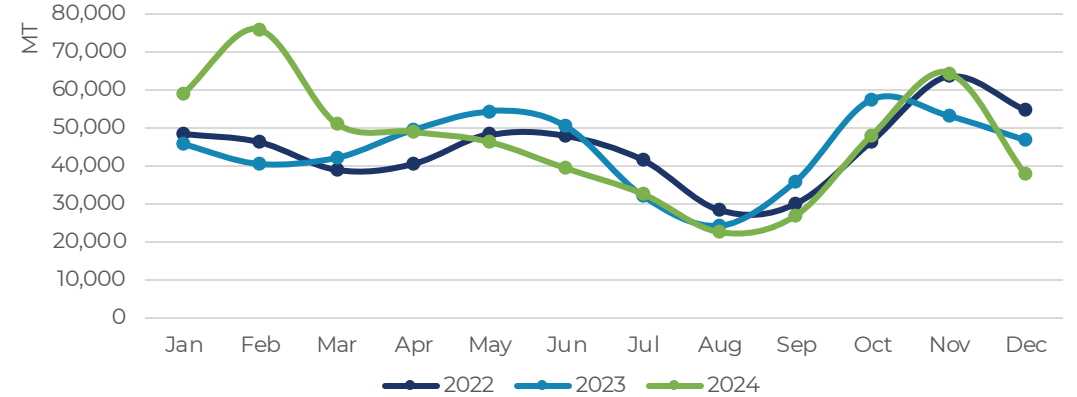


Whole Milk Powder – MENA

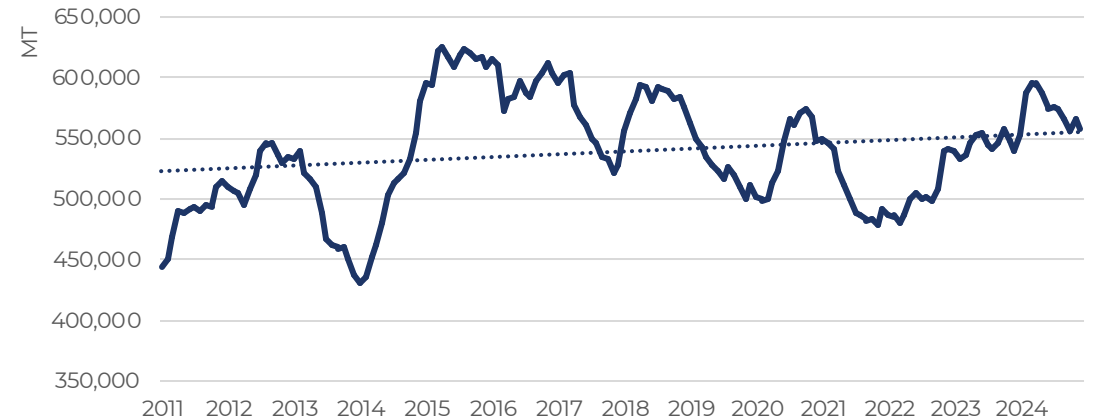
Global WMP Trade to MENA



Global WMP Trade to MENA



Global WMP Trade to MENA





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Reach Out for Questions or Comments

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