

International Demand Analysis

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U.S. Dairy
Export Council.

Ingredients | Products | Global Markets

Data Through:

November 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:
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Global Dairy Demand Market Commentary



KEY TAKEAWAYS

- After a strong October (+4%, +36,086 MT MSE), **global dairy trade slipped 3% in November (-29,092 MT MSE), though that decline came against a strong prior year comparison.**
- From a product perspective, **most of November's dip came from milk powders** as NFDM/SMP declined by 7% (-13,342 MT), WMP fell by 5% (-12,307 MT) and FFMP/blends eased by 10% (-14,746 MT). However, the modest gains across other products kept overall global trade relatively close to prior year levels.
- Sales to China improved in both October and November thanks to surprisingly strong milkfat and low-protein whey/lactose demand. However, despite some optimistic signals, fluid milk and WMP sales to China still underwhelmed in November, falling by 27% and 11%, respectively. The poor November showing was particularly disheartening against the backdrop of China's increased activity on the GDT late last year, weak milk production in the country, and low milk powder inventories. **Looking ahead, continued economic struggles make a rapid recovery in China's dairy imports unlikely, but stabilization appears a more realistic outcome given the slowdown in local milk production.**

Global Milk Solids Trade

-2.9%

November YoY

+1.2%

YTD, Ending Nov.

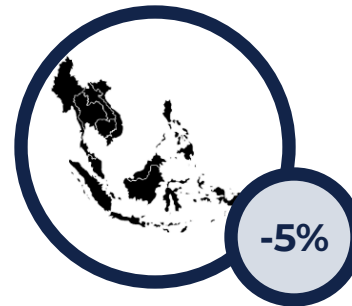
+0.8%

Last 12-Months, Ending Nov.

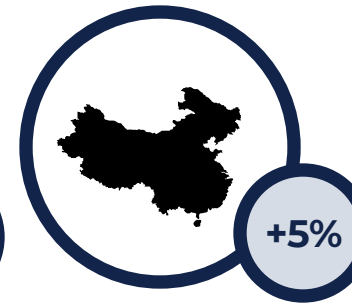
-1.4%

3-Year CAGR

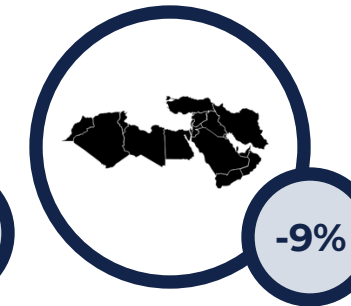
November Standout Markets



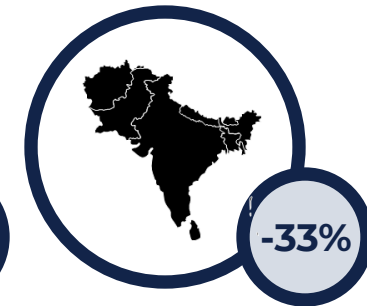
SOUTHEAST ASIA
-8,612 MT



CHINA+HK
+8,636 MT



MENA
-15,072 MT



SOUTH ASIA
-12,521 MT

ADDITIONAL NOTES

Even as global trade has run sideways for the last 2.5 years, Latin America has proven a reliable growth market for most of that period. Global trade to Mexico, Central America, the Caribbean, and South America has grown by 18% collectively, a gain of 229,113 MT MSE on an annualized basis in the last two years. By comparison, China's decline – which the markets (and ourselves) have discussed ad nauseum over last two years – was 212,935 MT MSE over that same period. Effectively, LATAM's expansion has mitigated struggles in China for the last two years. Both Central America and the Caribbean are among the fastest growing regions for international tourism since COVID-19. After severe economic challenges in the early days of COVID-19, Mexico and Brazil have both bounced back and proven two of the fastest growing markets for both cheese and dairy ingredients. Looking ahead, barring trade policy hurdles, LATAM appears on pace to see another strong year in 2025, especially with the full implementation of CAFTA-DR.

Global Dairy Demand Market Commentary



LOOKING AHEAD

- **Global markets are starting off 2025 in a state of uncertainty even as prices remain fairly calm...for now.** On the demand side, China's import demand is being pulled in opposite directions as an anemic economy has slowed consumption growth, but weaker milk supplies have brought inventories to more manageable levels. Additionally, uncertain trade policy in the U.S. is juxtaposed against expanded market access in CAFTA-DR. On the supply side, new U.S. capacity is running up against tight milk supplies, even as new or expanded farms come online. Furthermore, an outbreak of foot and mouth disease in Germany presents significant trade risks for the biggest dairy producer in Europe.
- As we forecast 2025, we do so with a heavy dose of humility given the level of uncertainty in today's market. **Overall, we anticipate global demand will move out of stagnation and into a recovery phase as many countries see the era of high inflation move further into the rearview mirror and China's demand stabilizes.** Plenty of risks to that forecast exist, but, in general, **most importing markets are entering 2025 in better shape economically than they entered 2024,** which provides optimism as we turn the calendar to a new year.

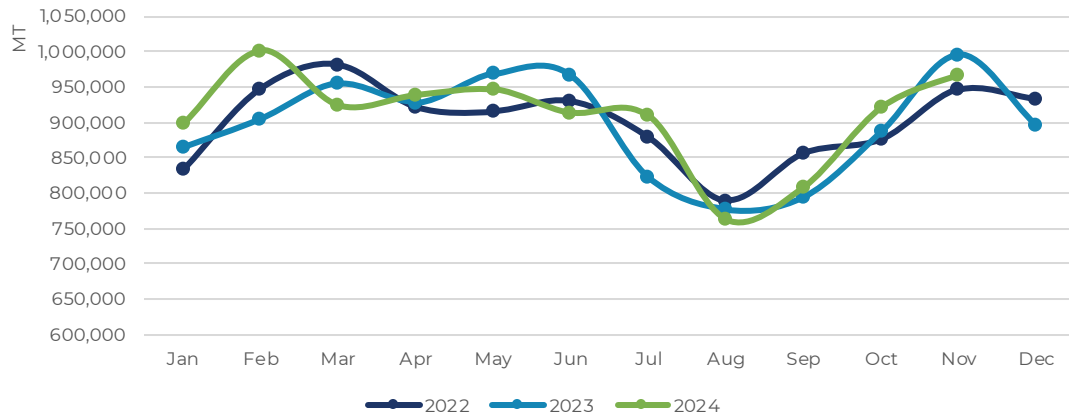
U.S. Milk Solids Exports ¹	-9.3% November YoY	-0.7% YTD, Ending Nov.	-1.2% Last 12-Months, Ending Nov.	-0.4% 3-Year CAGR
EU Milk Solids Exports	-2.6% November YoY	-1.4% YTD, Ending Nov.	-1.4% Last 12-Months, Ending Nov.	-0.5% 3-Year CAGR
NZ Milk Solids Exports	-6.4% November YoY	+1.8% YTD, Ending Nov.	+0.8% Last 12-Months, Ending Nov.	+0.3% 3-Year CAGR

ADDITIONAL NOTES

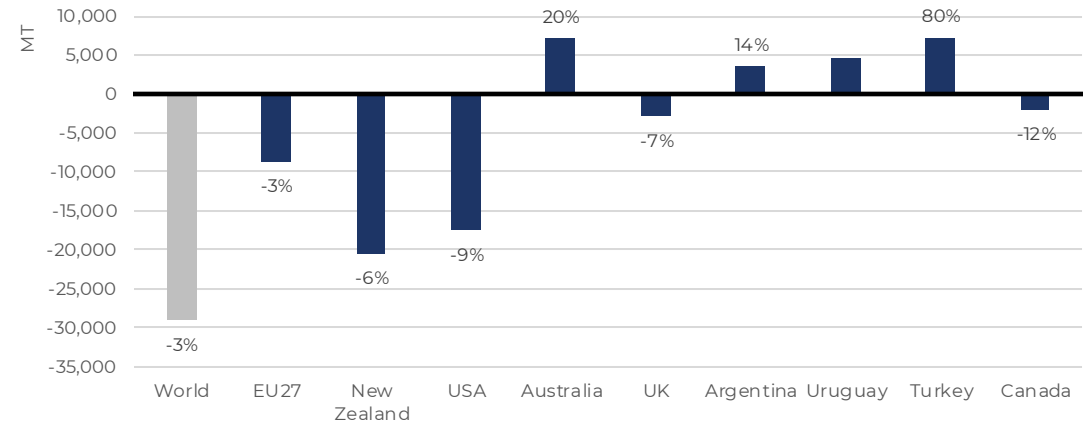
While none of the major dairy exporters were spared losses in November, 2024 has bestowed varied fortunes across the different suppliers. Over the course of the year, only New Zealand saw their export performance improve as an unexpected boon in milk production has boosted dairy product output and exports. Exports of WMP experienced the largest increase in absolute terms, rising by nearly 40,000 MT (+3%) YTD and capitalizing on demand from MENA and SEA. However, stronger exports of milk protein concentrates (+40%, +26,772 MT), cream (+11%, +16,831 MT), and infant formula (+20%, +14,545 MT) also contributed to the gain. With much of the country's fat making its way into WMP and cream, New Zealand's exports of other dairy fats suffered as YTD shipments of AMF (-14%, -25,503 MT) and butter (-3%, -8,057MT) stumbled relative to 2023 volumes.

Executive Summary: November 2024

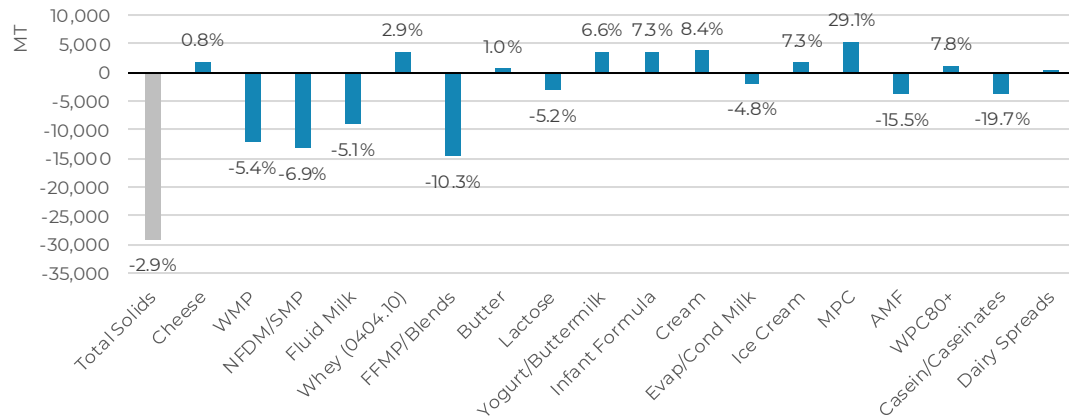
Global Total Solids Trade to World



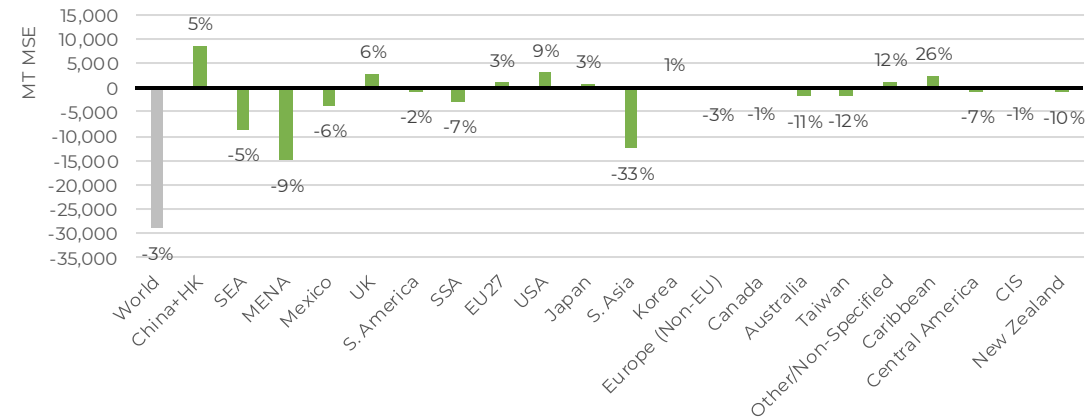
YOY Change in Global Dairy Trade to World: Month of Nov, MSE



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

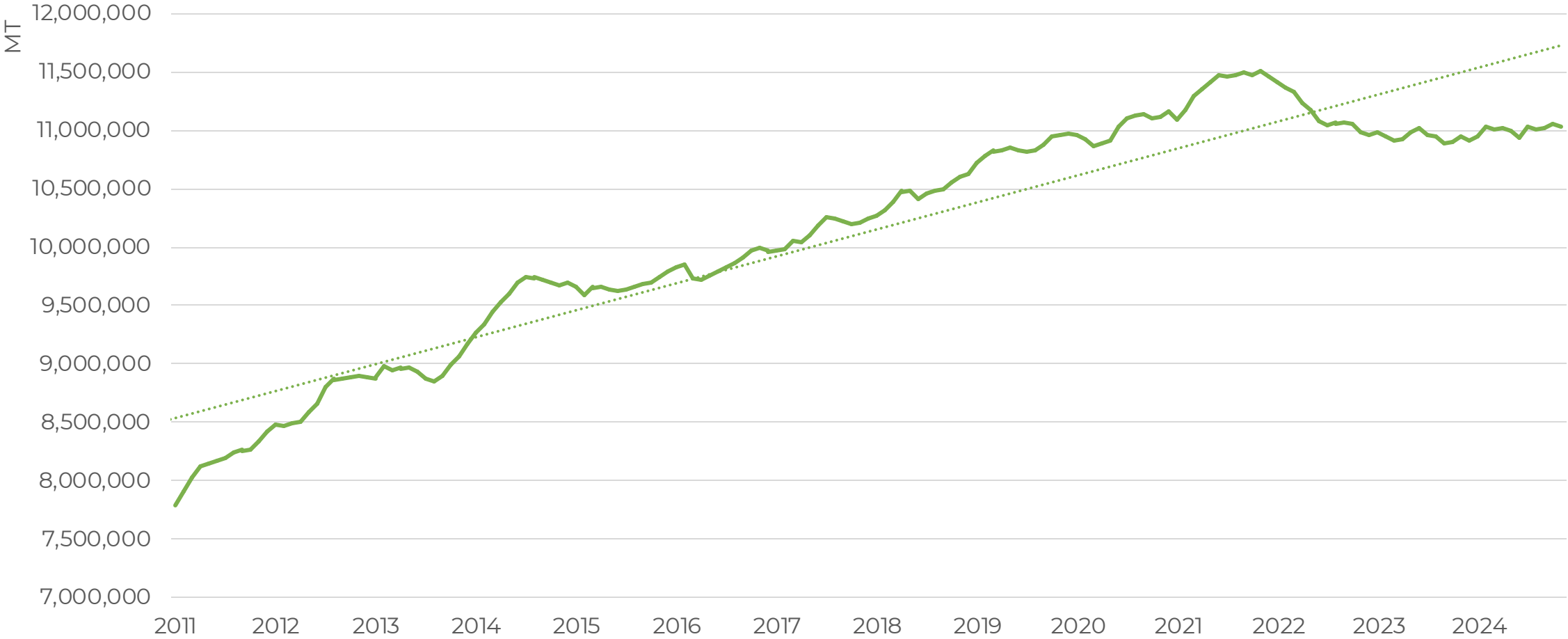


YOY Change in Global Milk Solids Trade by Destination: Month of Nov 2024

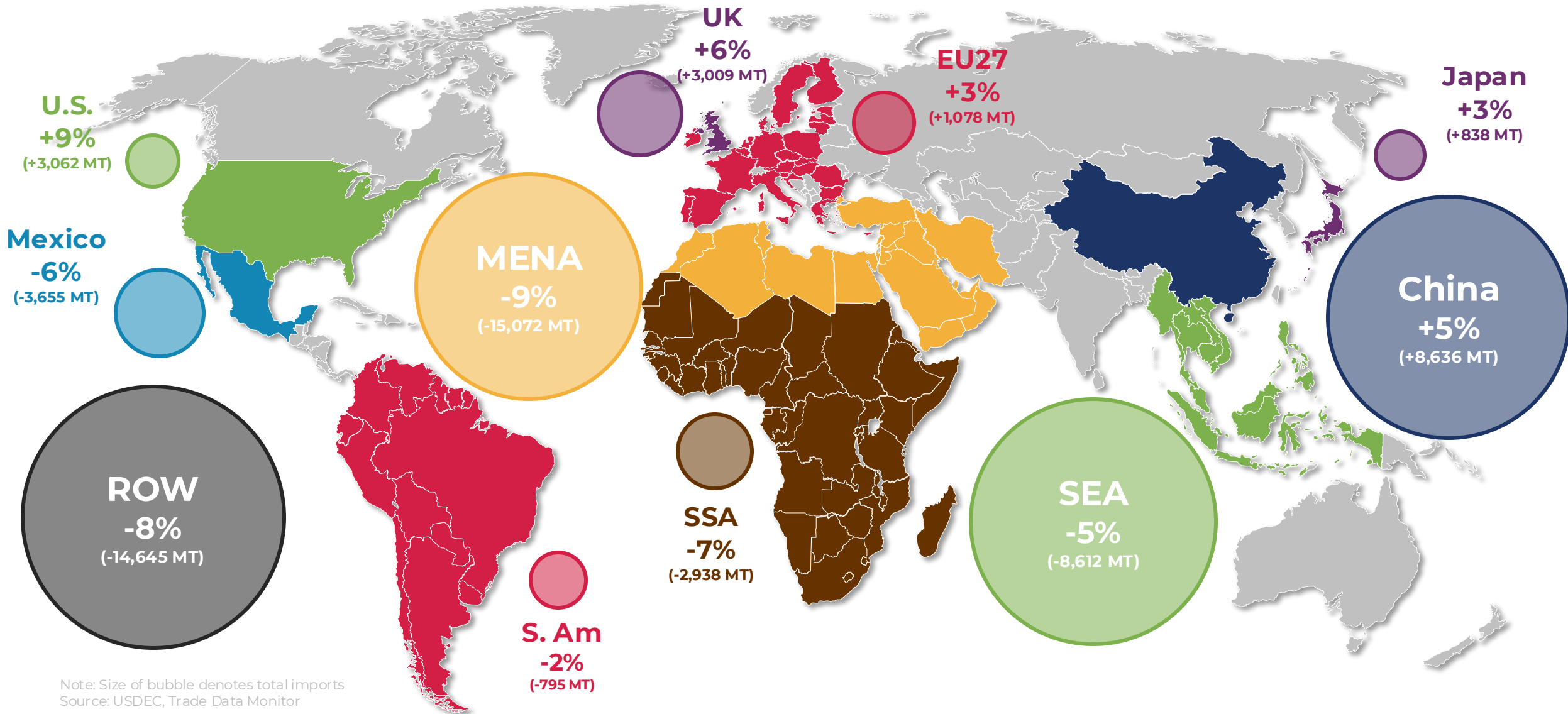


Global Dairy Trade

Global Dairy Trade
(Milk Solids Equivalent, Rolling 12 Months)



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



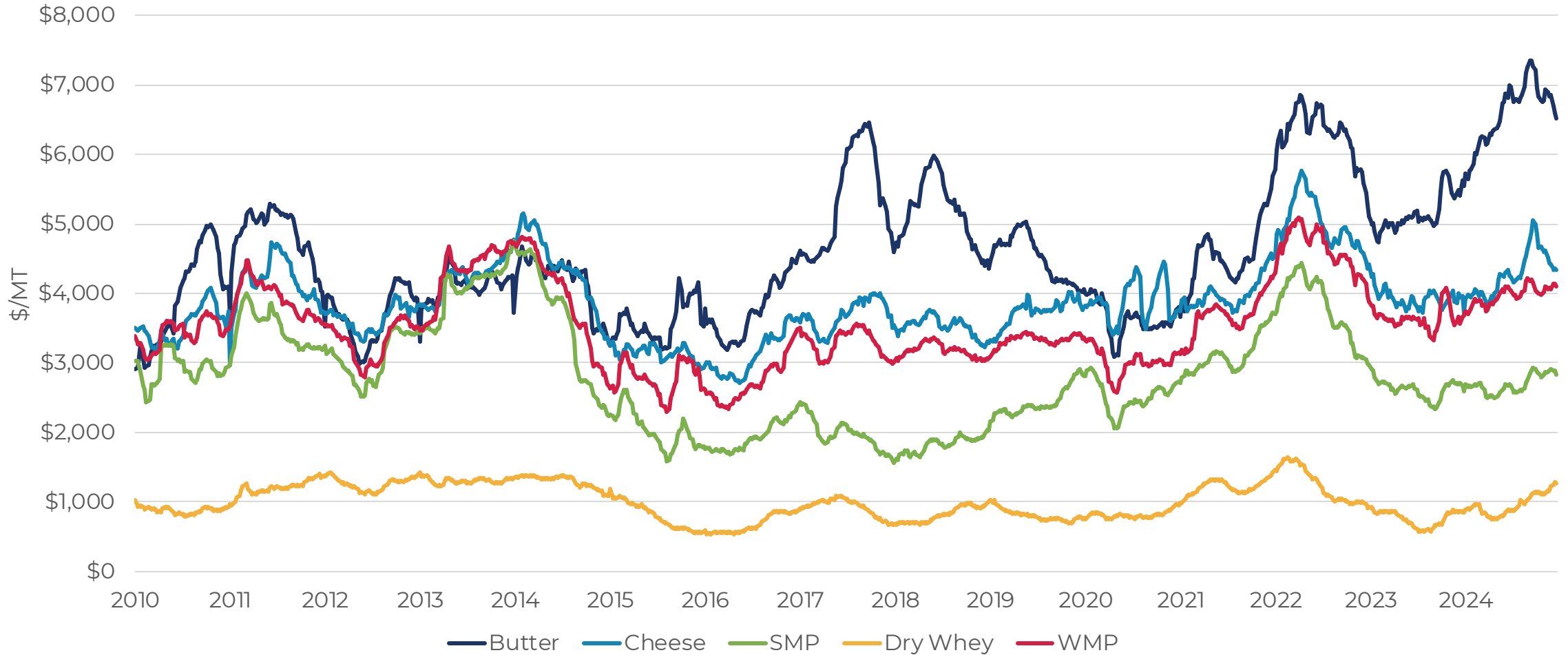
Average Global Export Price

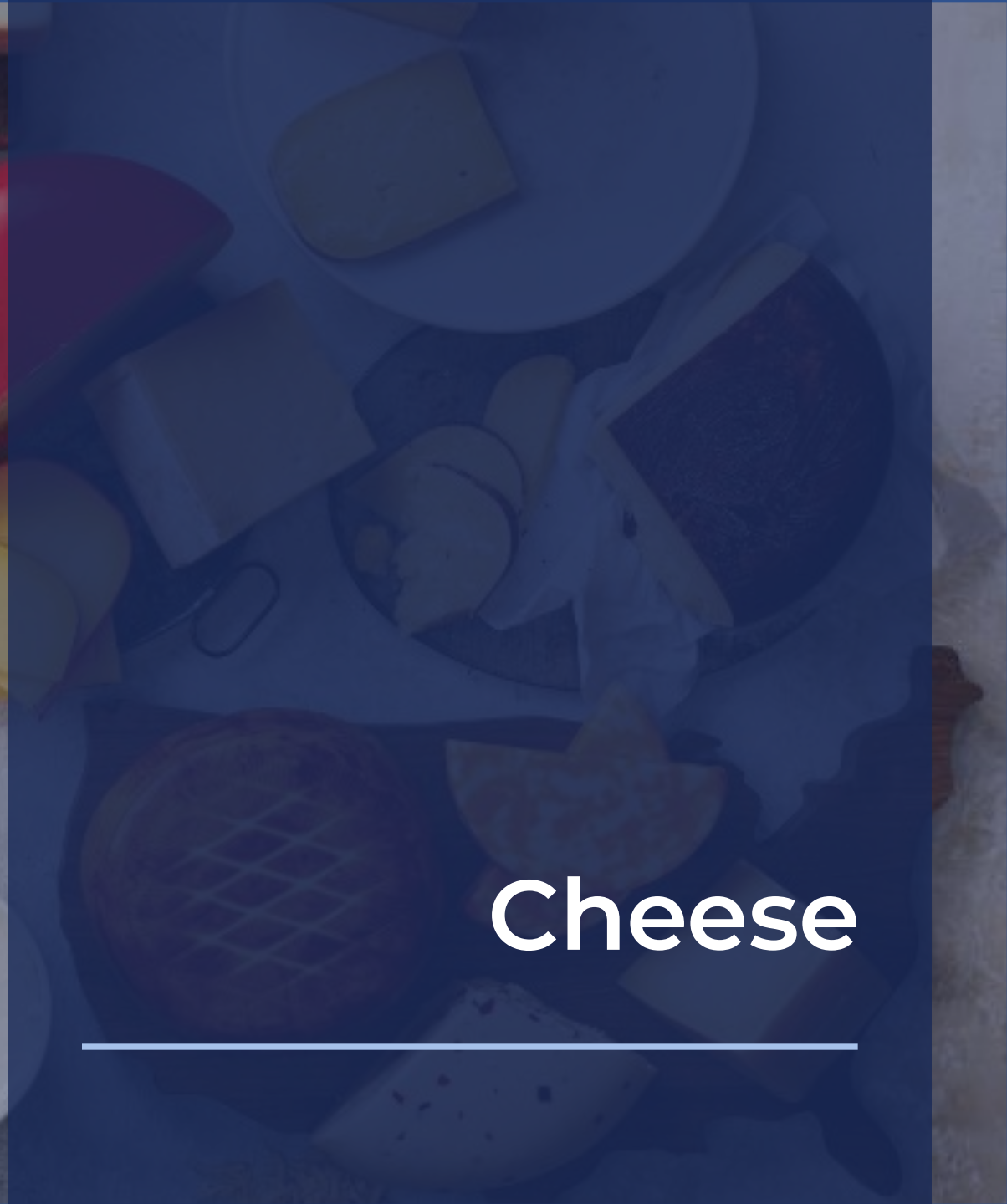
Average Dairy Export Value to World, MSE



Global Dairy Spot Prices

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





Cheese

Cheese Market Commentary



KEY TAKEAWAYS

- **Global cheese trade continues to best prior year levels** although November's modest 0.8% (+1,933 MT) YOY increase was the weakest since March. Even so, cumulative cheese shipments over the first 11 months of 2024 were 140,785 MT (+5.8%) greater than during the same period last year and will almost certainly set a fresh record this year.
- The breadth of cheese demand in 2024 has been especially impressive as **YTD shipments have risen to nearly every destination**. November's performance was more mixed with hefty shipments to the US (+15%, +1,965 MT), the UK (+5%, +1,897 MT), and Mexico (+10%, +1,565 MT) balanced out by lower exports to the EU (-17%, -2,515 MT) and MENA (-7%, -2,281 MT)
- Cheese trade to China has failed to materialize as year-to-date shipments are running 7% (-11,767 MT) behind prior year levels. Economic lethargy is likely discouraging consumption and with little improvement expected on the horizon, global cheese trade to China is likely to remain understated.

Global Cheese Trade

+0.8%
November YoY

+5.8%
YTD, Ending Nov.

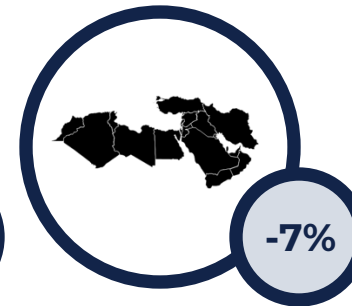
+5.5%
Last 12-Months,
Ending Nov.

+2.1%
3-Year CAGR

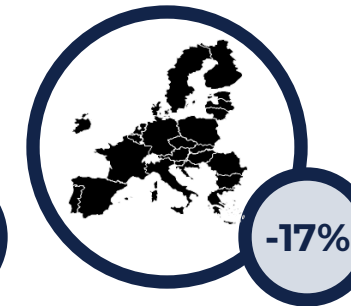
November Standout Markets



UNITED KINGDOM
+1,897 MT



MENA
-2,281 MT



EU27
-2,515 MT



MEXICO
+1,565 MT

ADDITIONAL NOTES

Record high US cheese exports have obfuscated the role that the country played as an importer in 2024. Between January and November, 153,008 MT of cheese was shipped to the US, 10% more than during the same period last year. Already this is a higher volume than was imported during the entirety of each of the last two years and if trade maintains this pace in December, cheese shipments to the US for 2024 are likely to hit the third largest volume ever. More than 90% of cheese shipments to the US are provided by the EU and the UK and an average price of \$9,804/MT in November, 1.7 times the global average, suggests that these are premium cheeses. While overall domestic cheese consumption in the US stagnated in 2024, the success of premium imported cheeses reinforces the notion of a bifurcated consumer through which consumption is being polarized and pushed to the opposite ends of the value spectrum.

Cheese Market Commentary



LOOKING AHEAD

- The US has been the largest beneficiary of growing global cheese trade with exports during the first 11 months of the year soaring 17% (+68,032 MT). Price competitiveness and robust demand in markets close to home, particularly Latin America, have been key to supporting this growth. Looking ahead, the US appears well positioned to cement its participation in the global market as new cheese capacity comes online.
- The threat of retaliatory tariffs under the new presidential administration provides one risk to the outlook for US cheeses although there remains little clarity about if and how these tariffs will be levied. While we believe that the US will largely be able to defend markets where it has a strong logistical advantage, such as Mexico and Central America, higher prices due to tariffs could dampen demand growth. In other parts of the world, there may be a reshuffling of share, depending on how tariffs are administered.

U.S. Cheese Exports

+2.4%
November YoY

+17.1%
YTD, Ending Nov.

+15.7%
Last 12-Months, Ending Nov.

+5.0%
3-Year CAGR

EU Cheese Exports

-3.9%
November YoY

-0.1%
YTD, Ending Nov.

+0.5%
Last 12-Months, Ending Nov.

+0.2%
3-Year CAGR

NZ Cheese Exports

+15.2%
November YoY

+1.2%
YTD, Ending Nov.

-0.8%
Last 12-Months, Ending Nov.

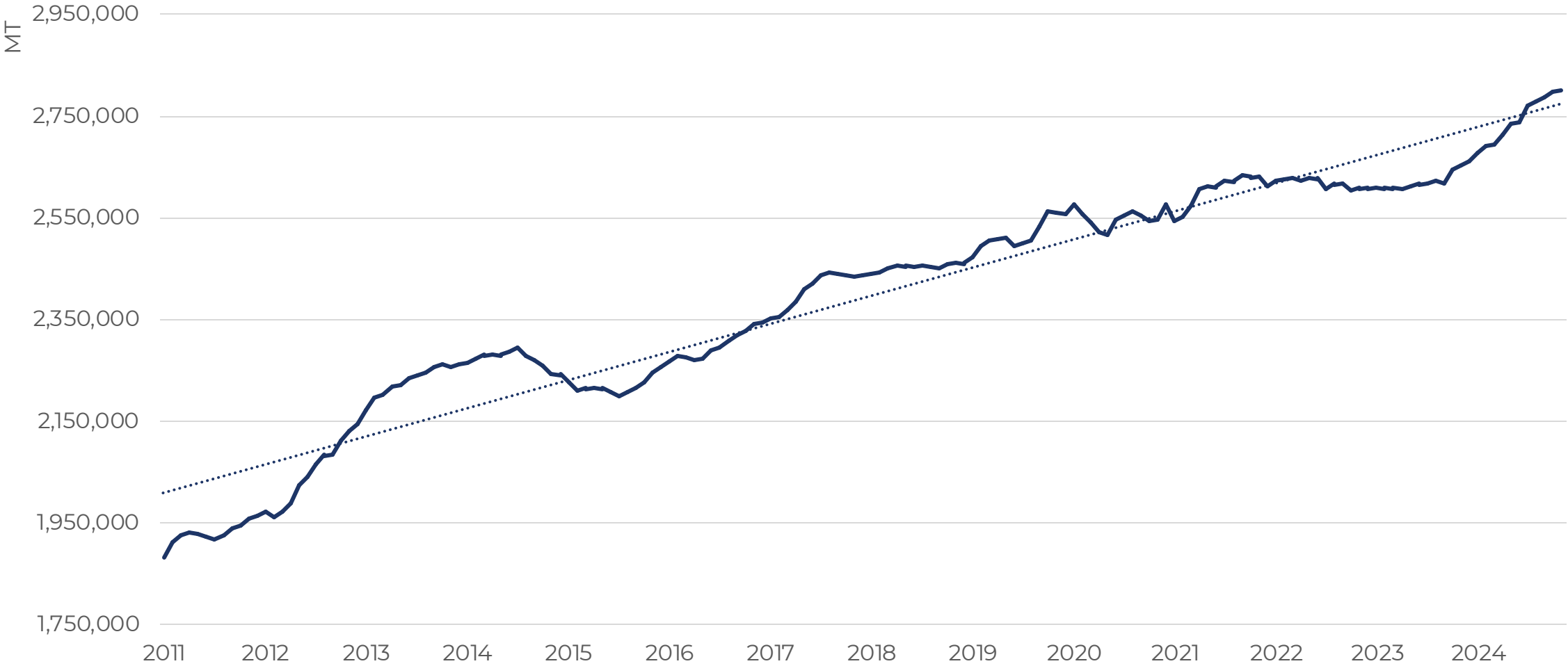
-0.3%
3-Year CAGR

ADDITIONAL NOTES

Latin America has been a critical source of demand growth for the global cheese market with YTD trade rising across every part of the region. Mexico has perhaps garnered the most attention as a seemingly insatiable demand for cheese has pushed imports to record highs in 2024. However, there have also been important growth stories in the rest of the region. With one month of data outstanding, Central America has already seen cheese volumes reach an all-time high as improving economic conditions and shifting consumer preferences have propelled demand. South America has witnessed a similar trajectory, particularly as aggressive mozzarella exports from Argentina have flooded into Brazil. Sustained Latin American demand will be critical to supporting global cheese trade in the coming years as maturing economies and rising incomes should continue to support cheese consumption.

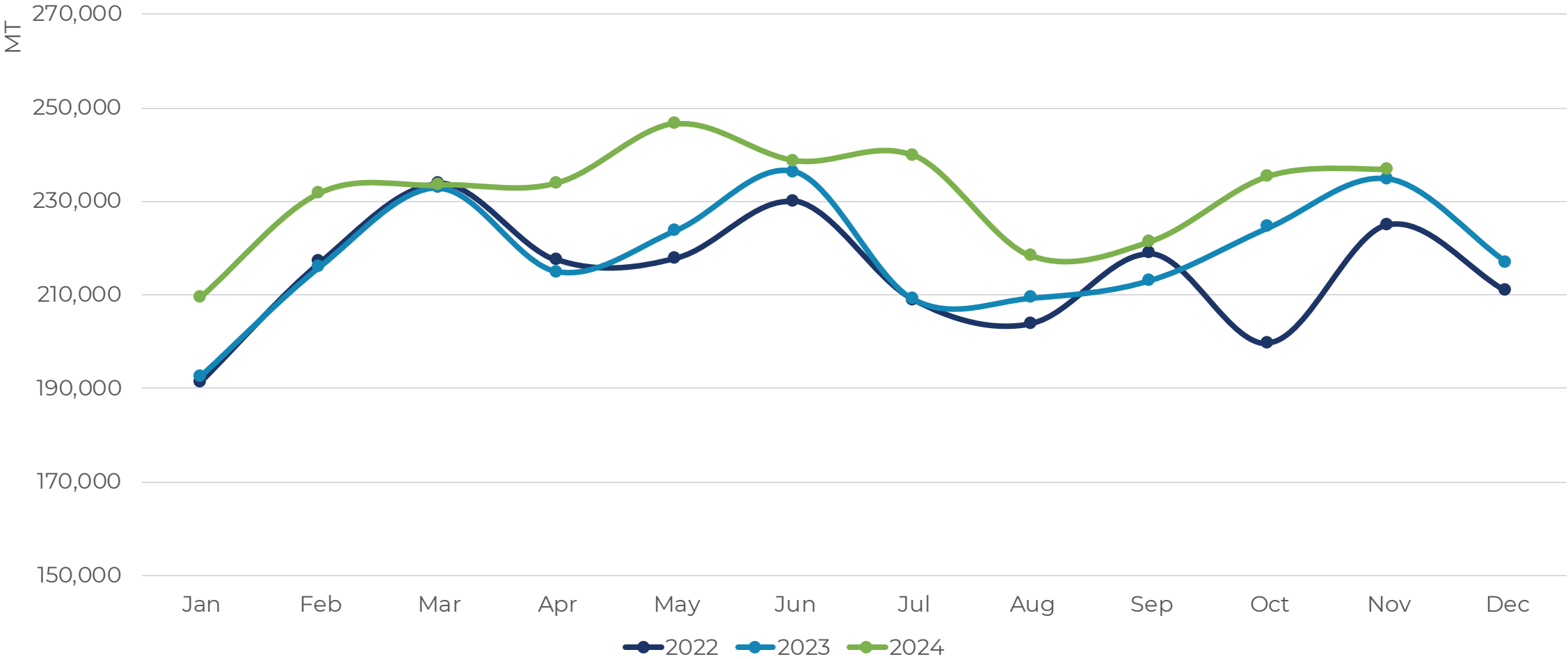
Global Overview: Cheese

Global Cheese Trade to World



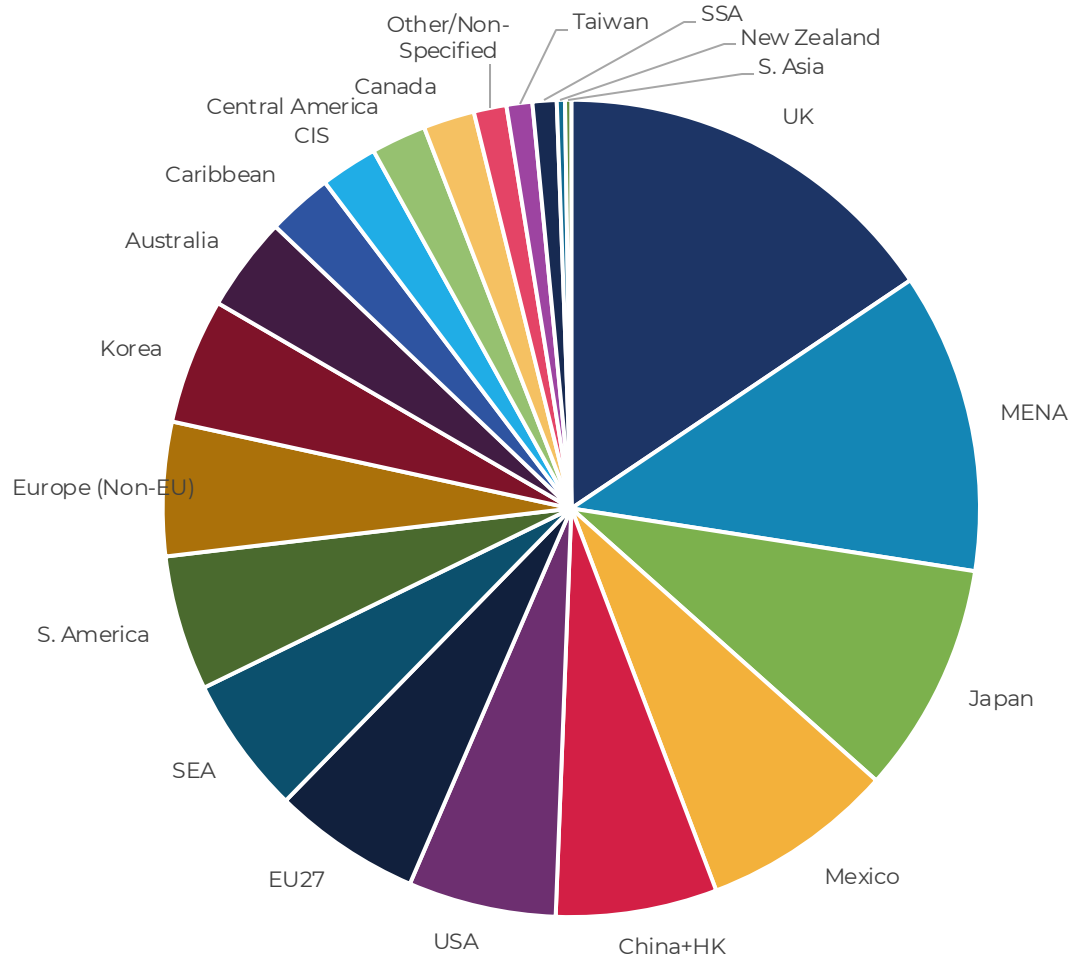
Global Overview: Cheese

Global Cheese Trade to World

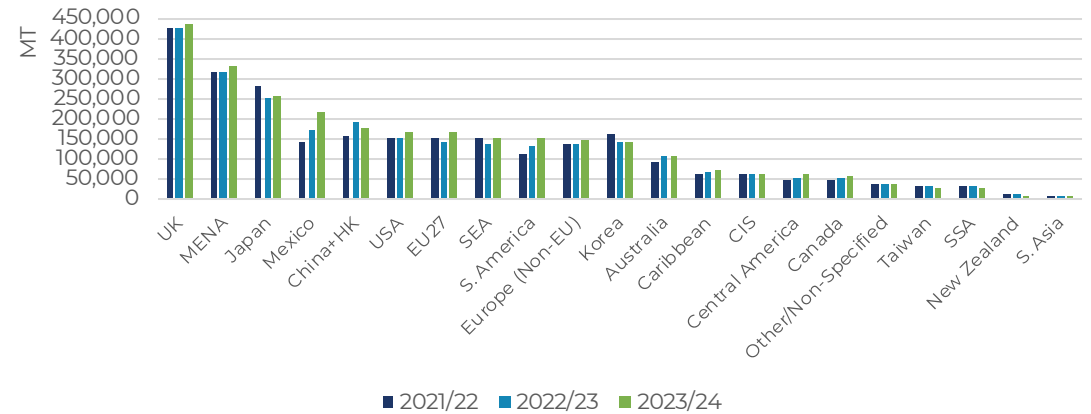


Global Overview: Cheese – Last 12 Months

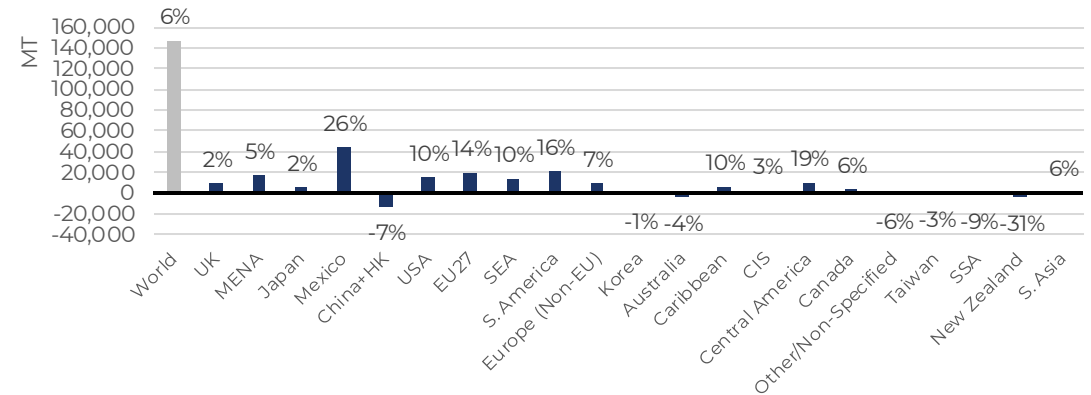
Global Cheese Trade by Destination: Last 12 Months ending Nov



Global Cheese Trade by Destination: Last 12 Months ending Nov

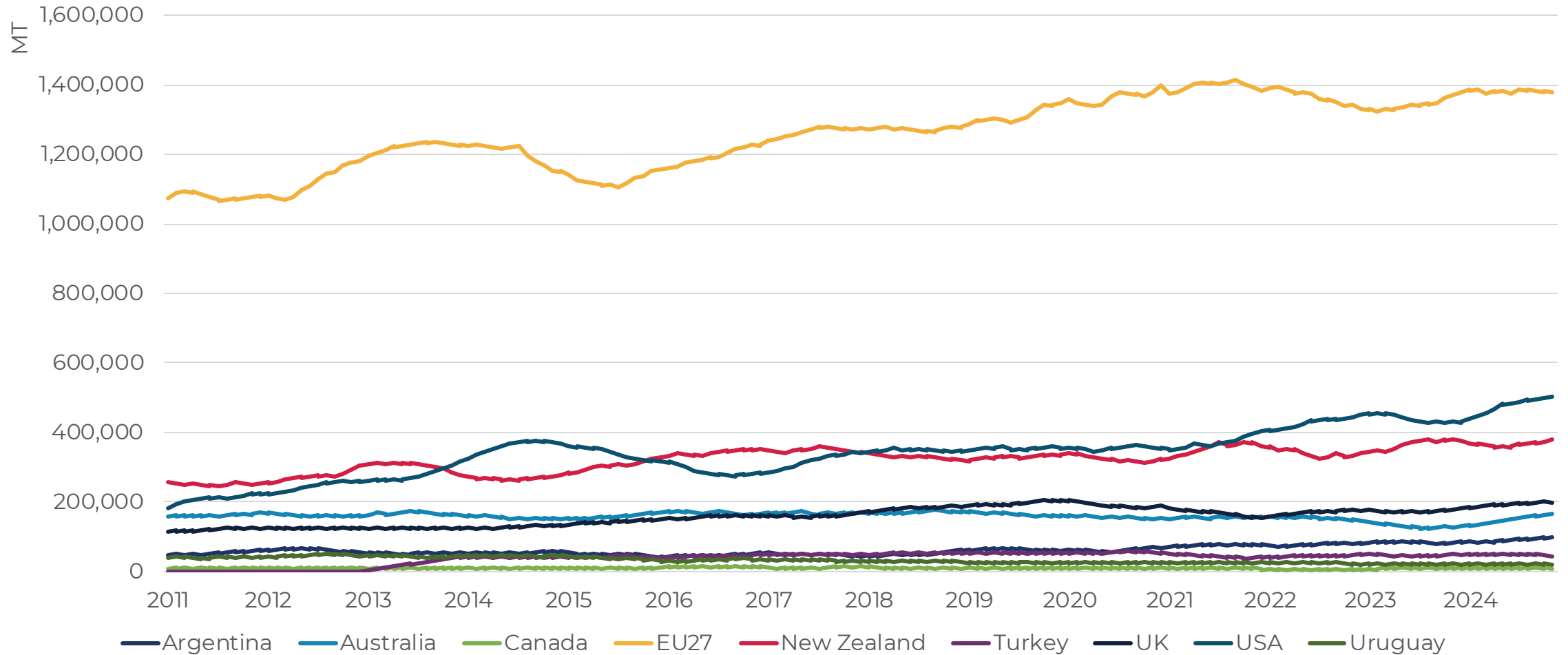


YOY Change in Global Cheese Trade by Destination: Last 12 Months ending Nov 2024



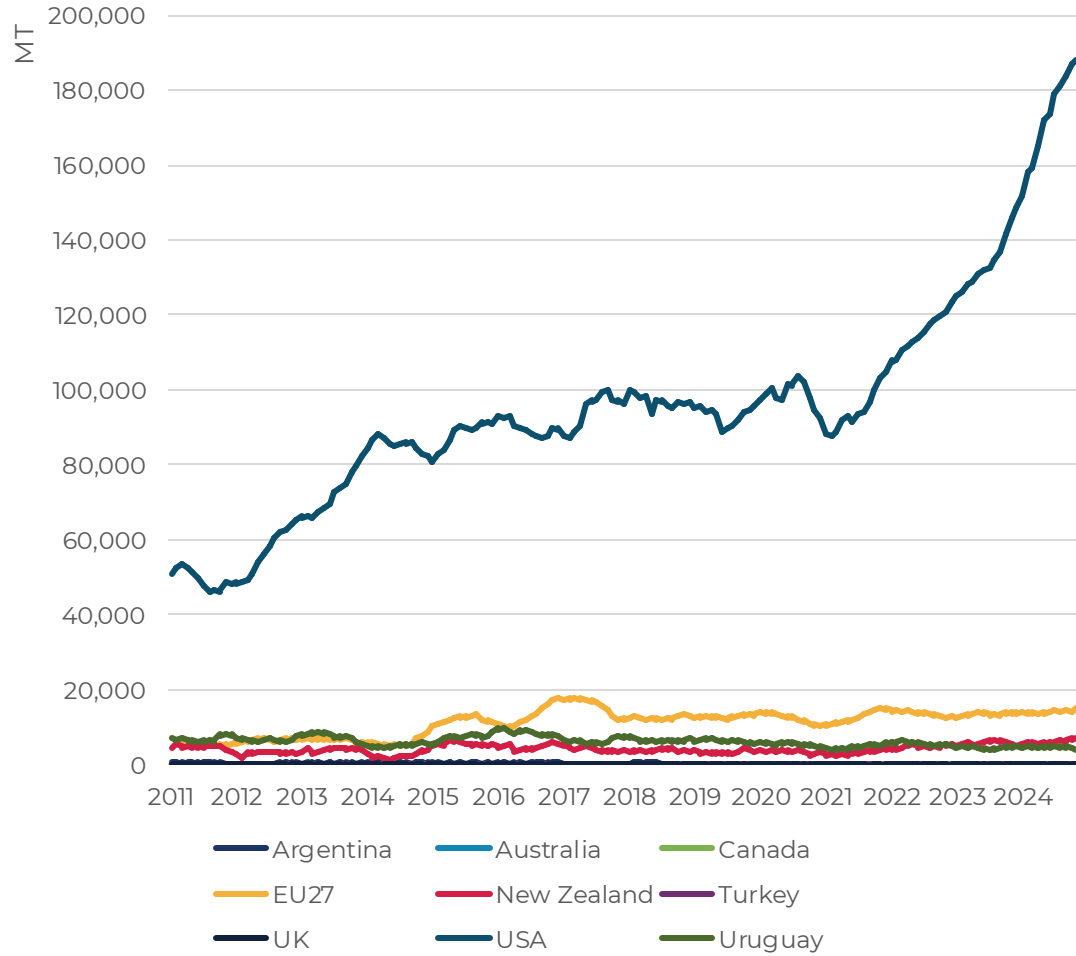
Trade Flows: Cheese

Global Cheese Trade to World

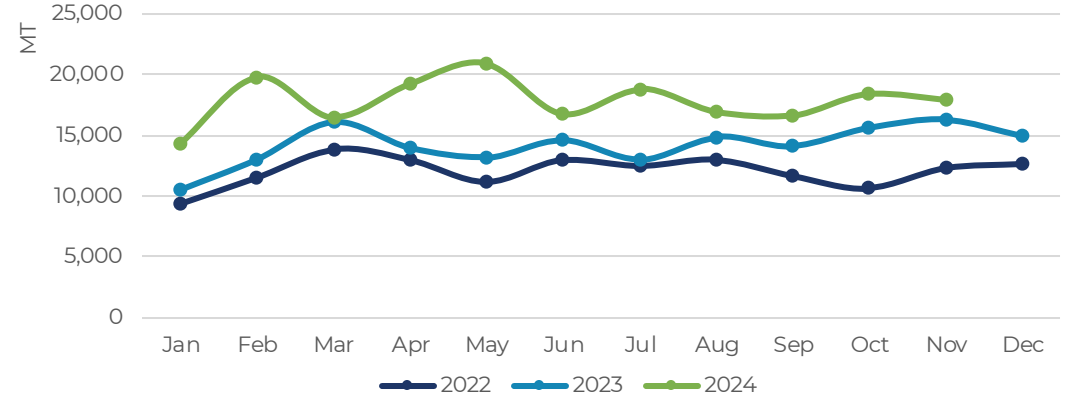


Mexico

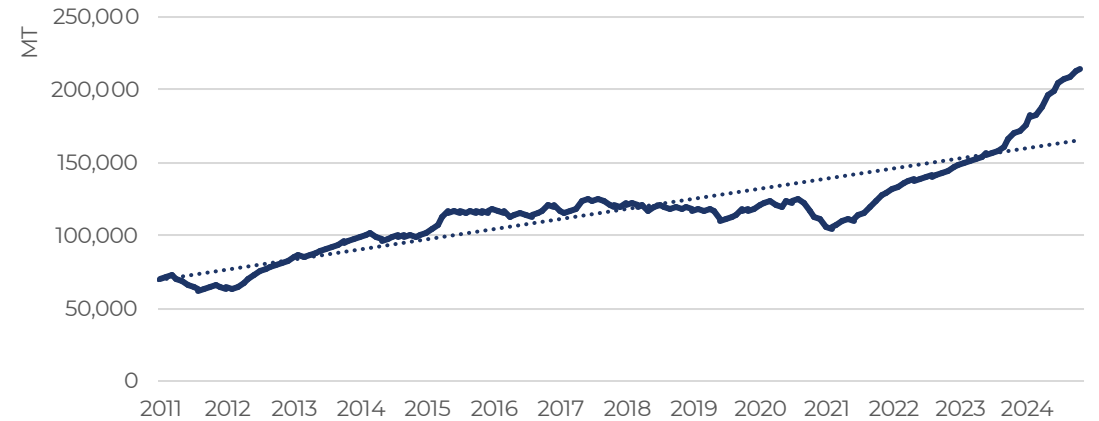
Global Cheese Trade to Mexico



Global Cheese Trade to Mexico

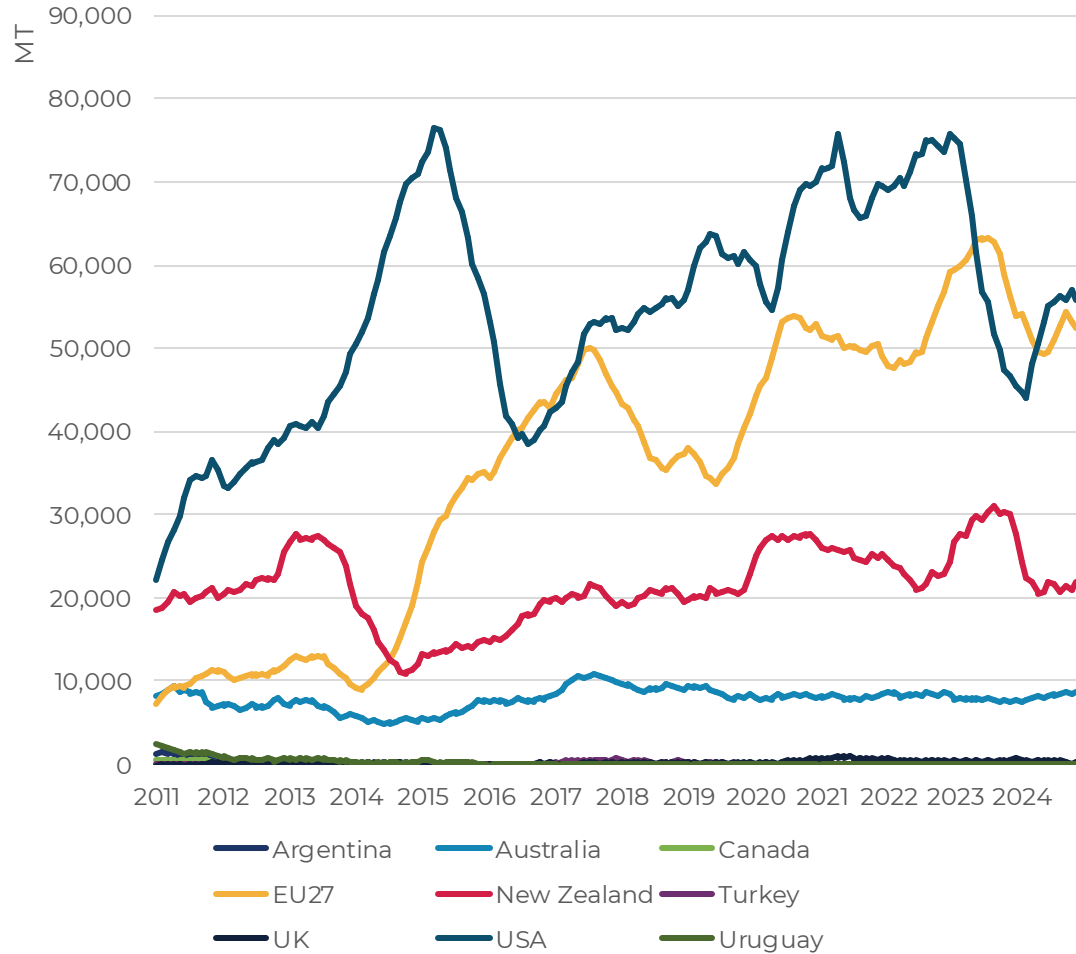


Global Cheese Trade to Mexico

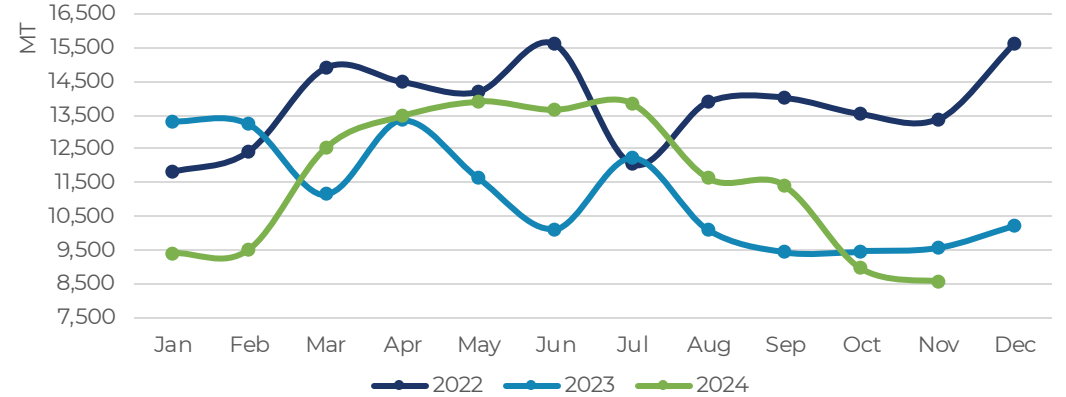


Korea

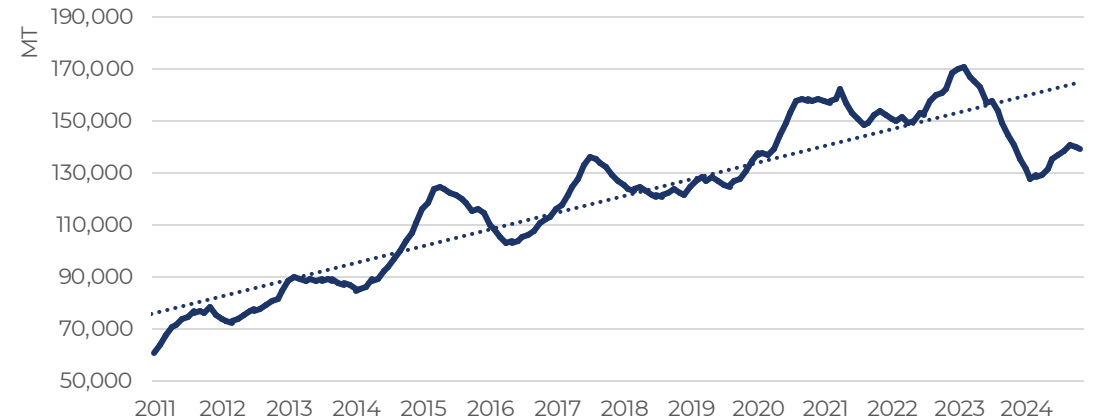
Global Cheese Trade to Korea



Global Cheese Trade to Korea

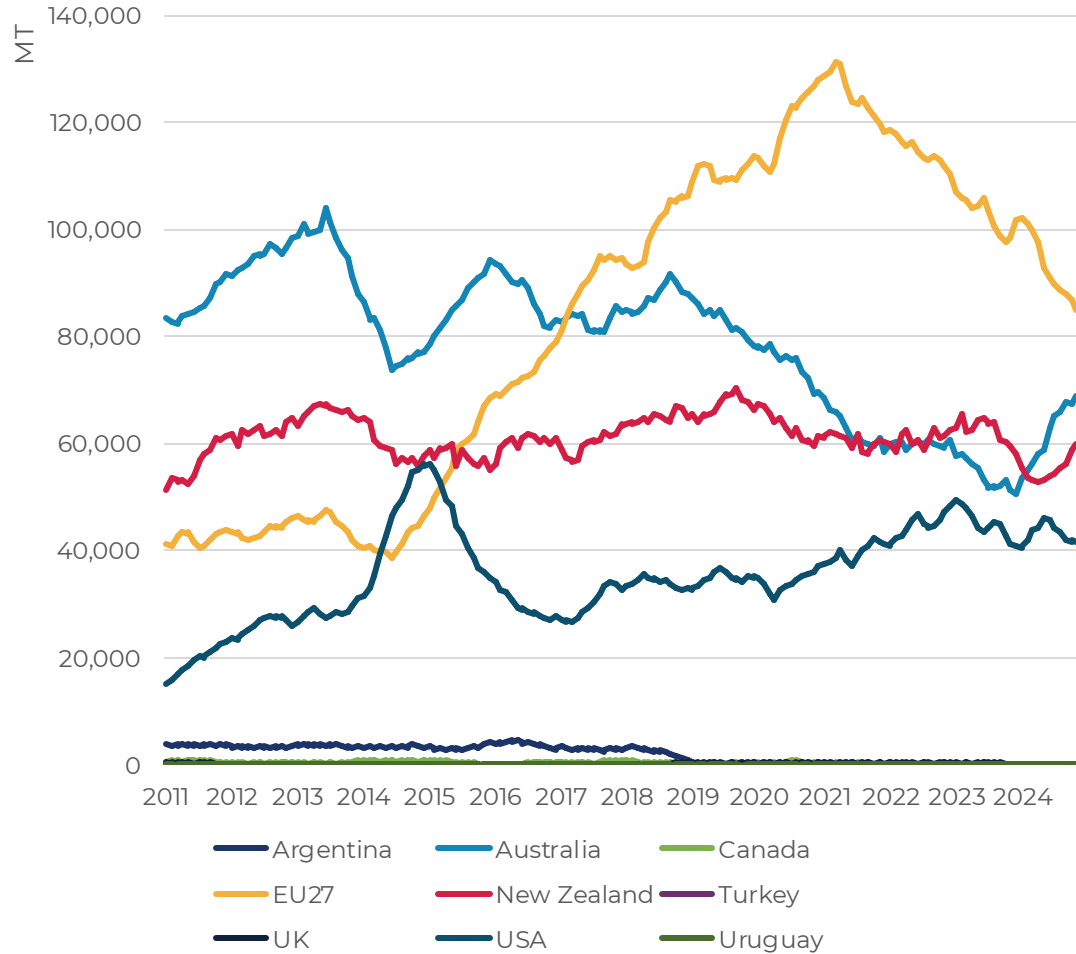


Global Cheese Trade to Korea

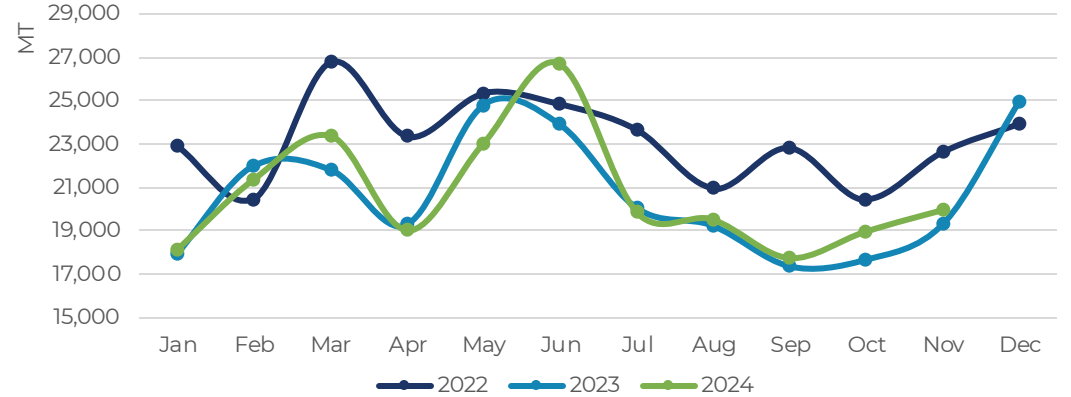


Japan

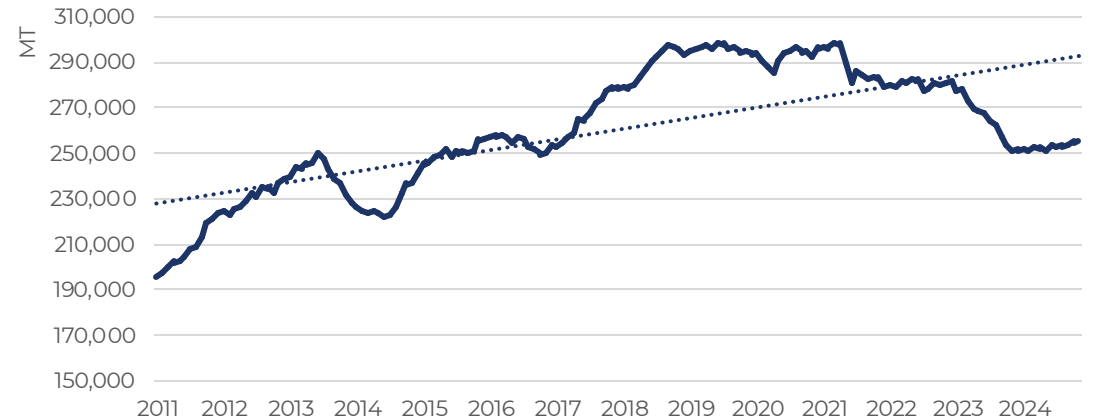
Global Cheese Trade to Japan



Global Cheese Trade to Japan

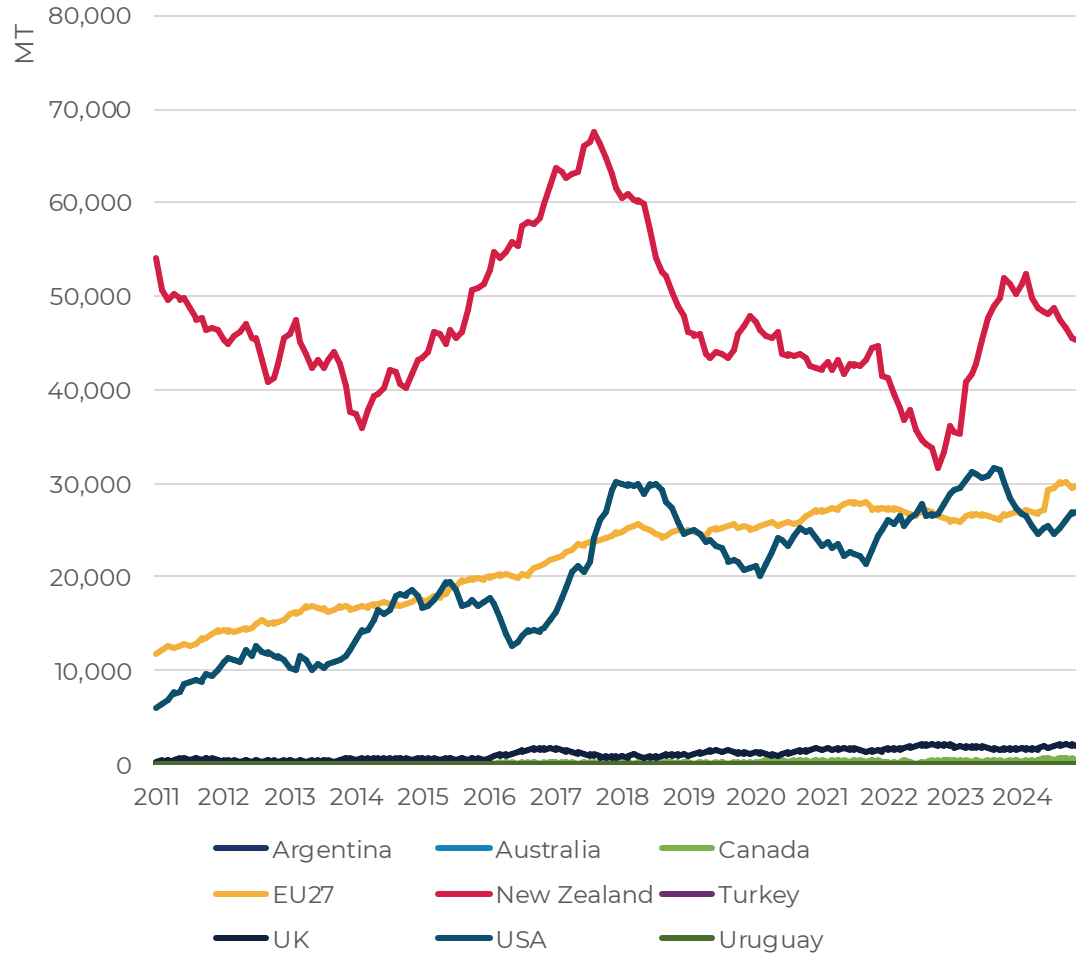


Global Cheese Trade to Japan

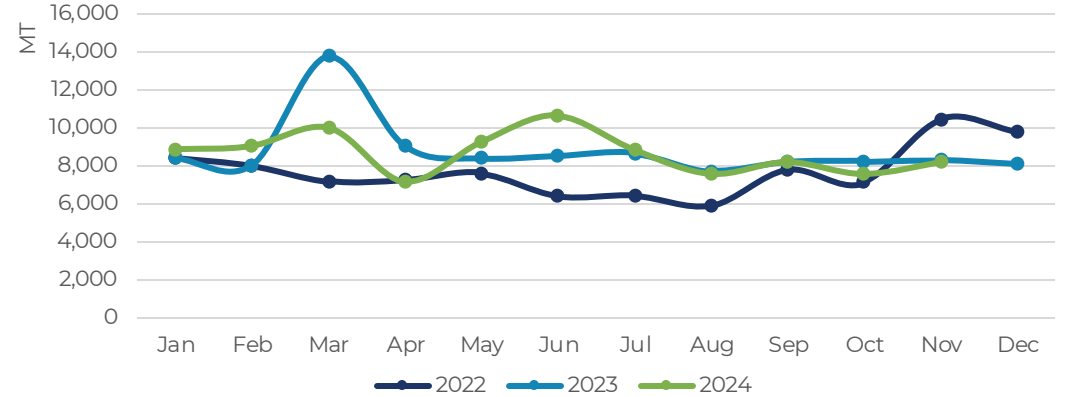


Australia

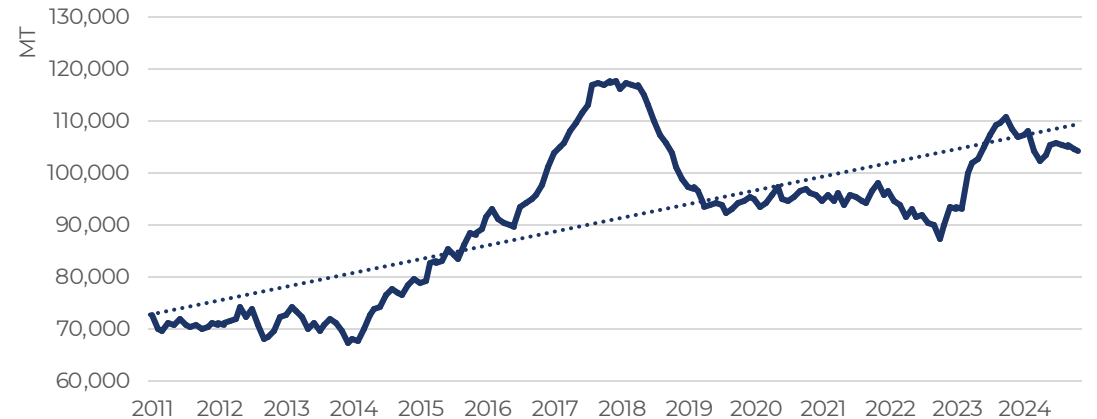
Global Cheese Trade to Australia



Global Cheese Trade to Australia

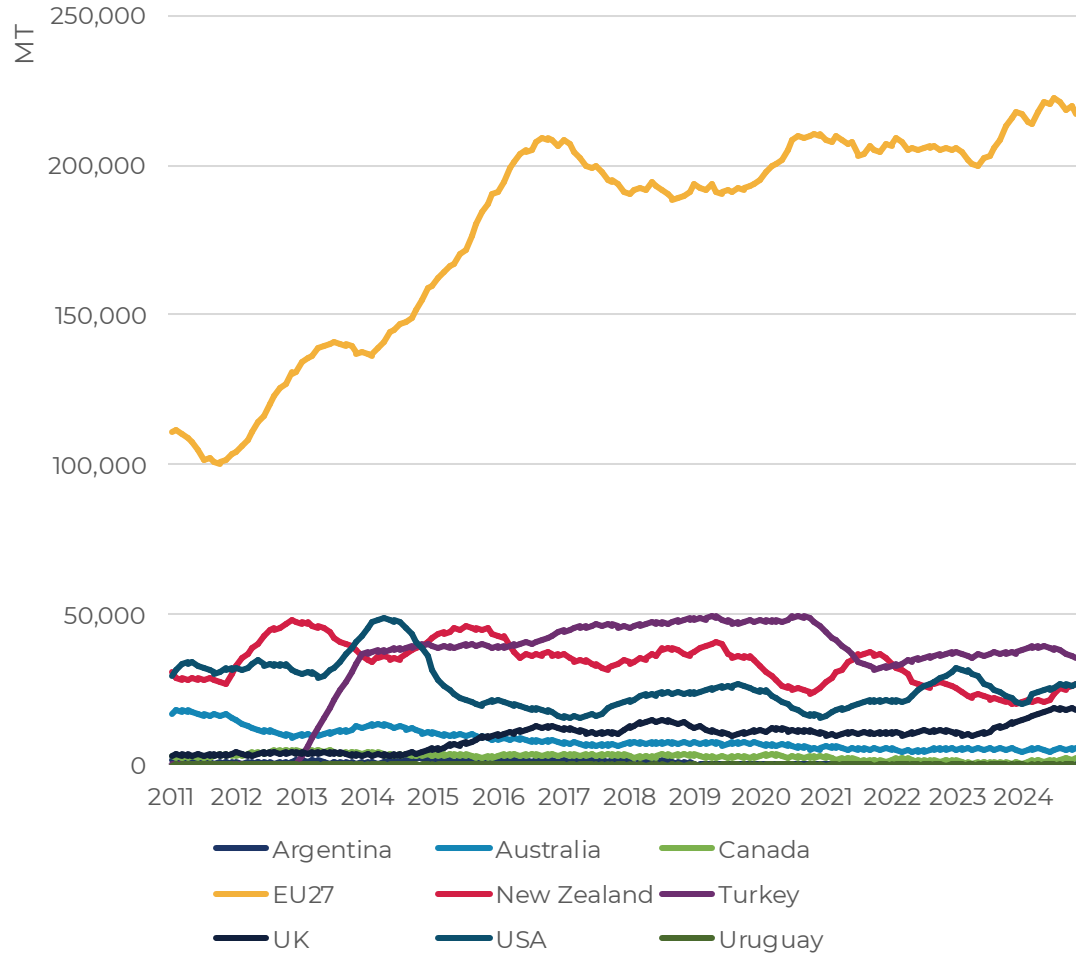


Global Cheese Trade to Australia

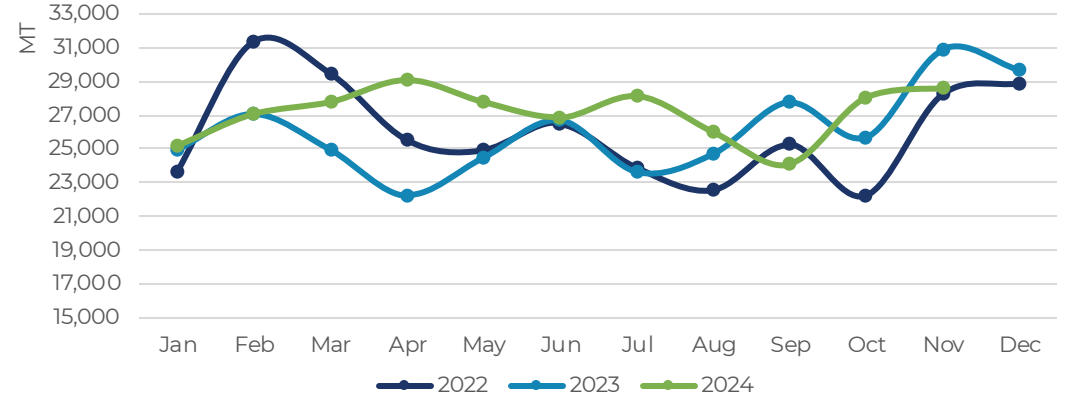


MENA

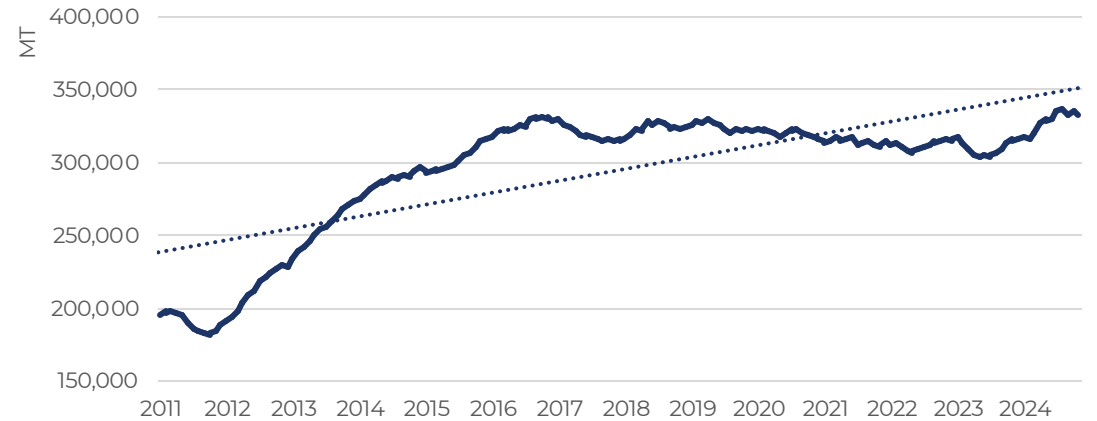
Global Cheese Trade to MENA



Global Cheese Trade to MENA

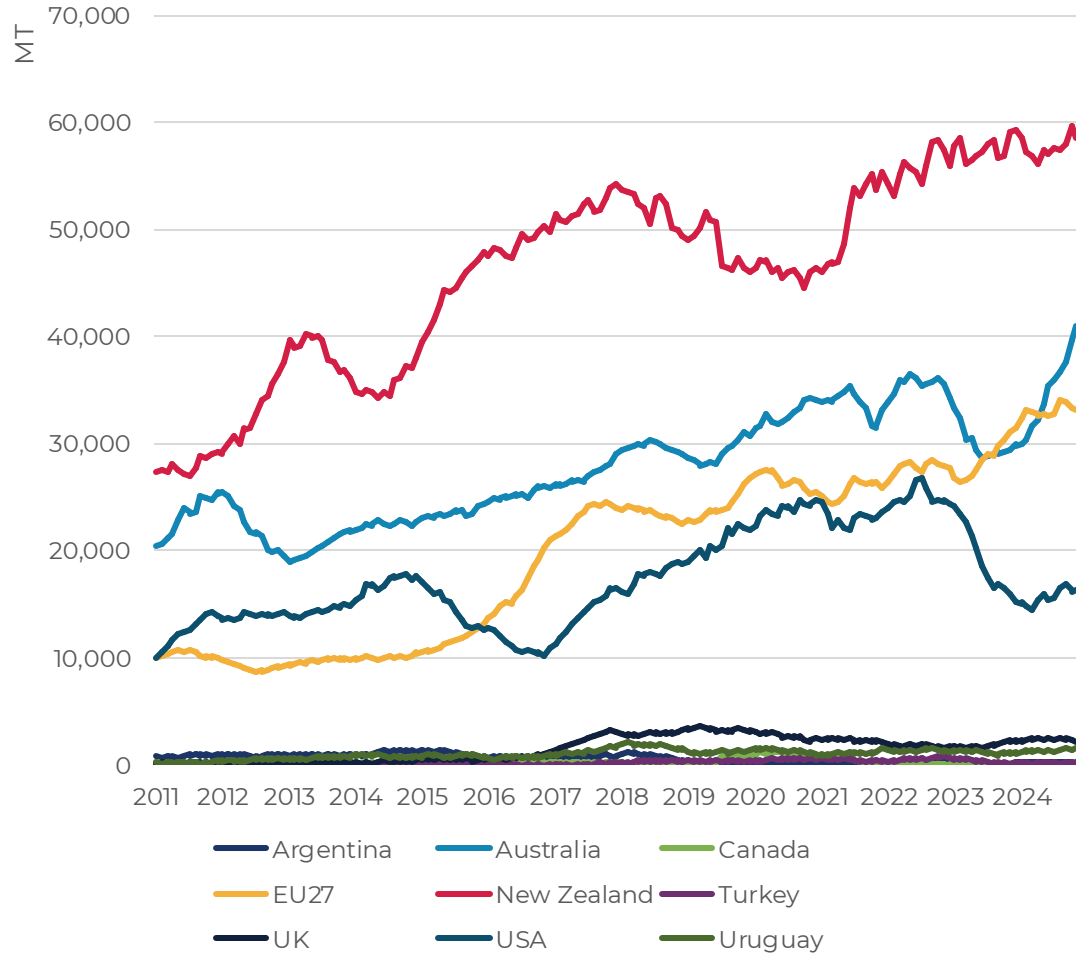


Global Cheese Trade to MENA

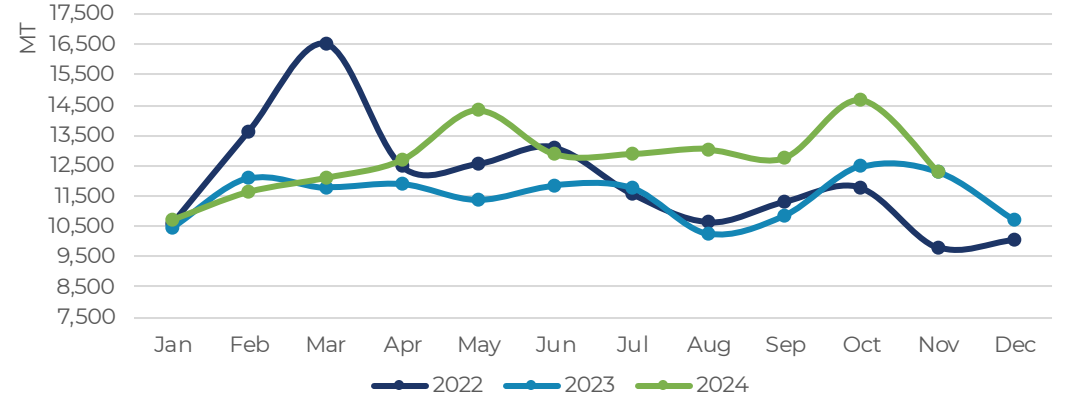


Southeast Asia

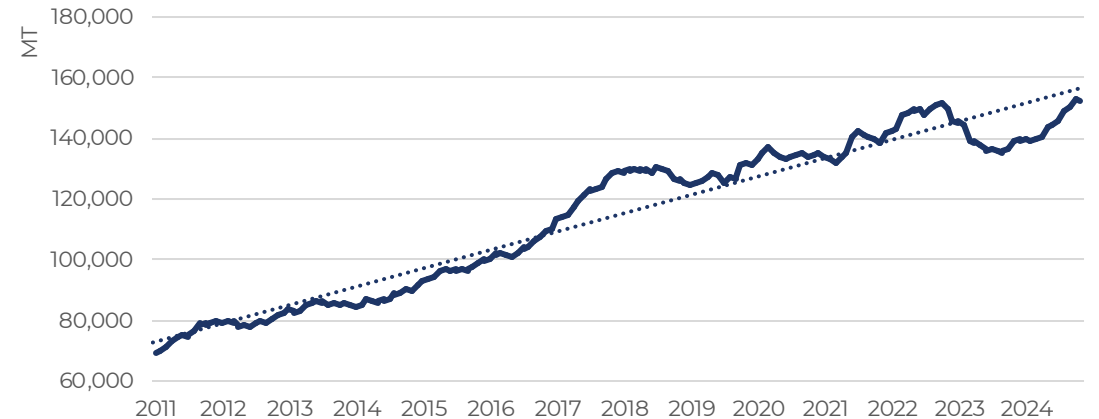
Global Cheese Trade to SEA



Global Cheese Trade to SEA

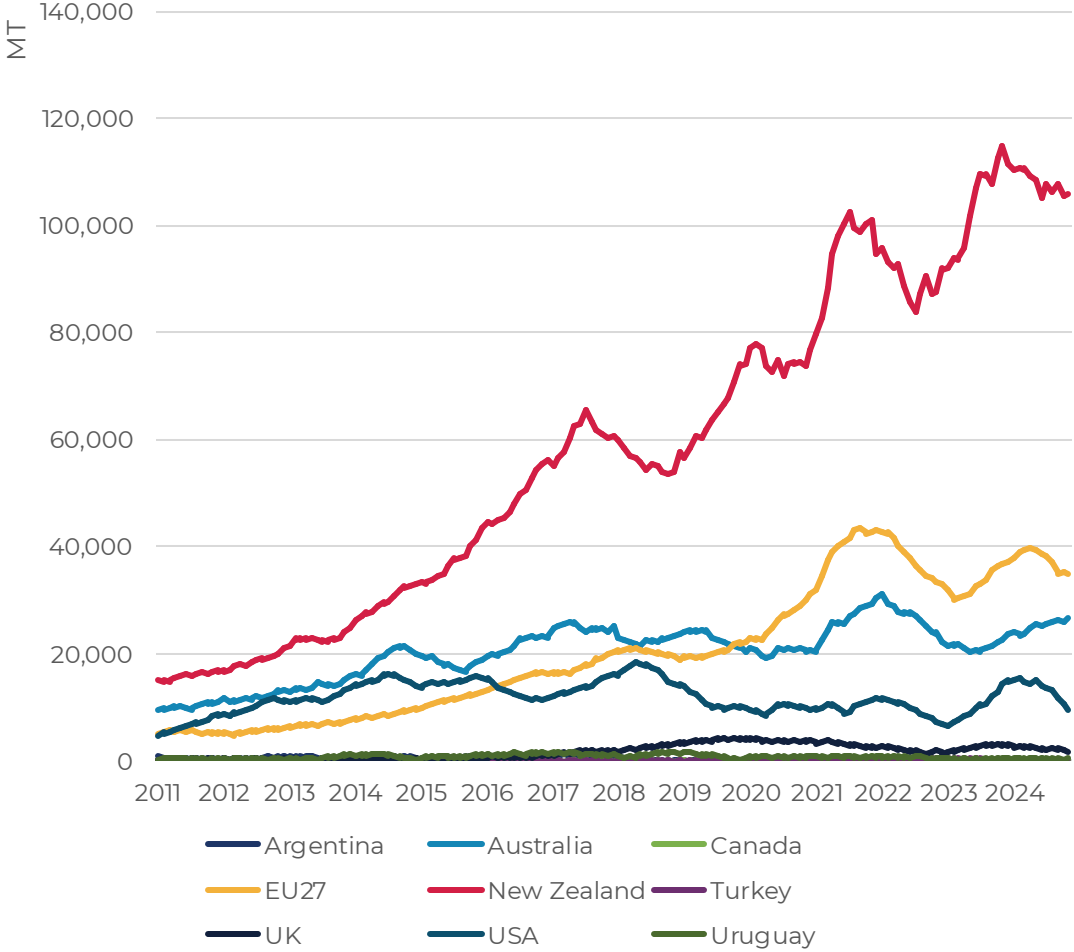


Global Cheese Trade to SEA

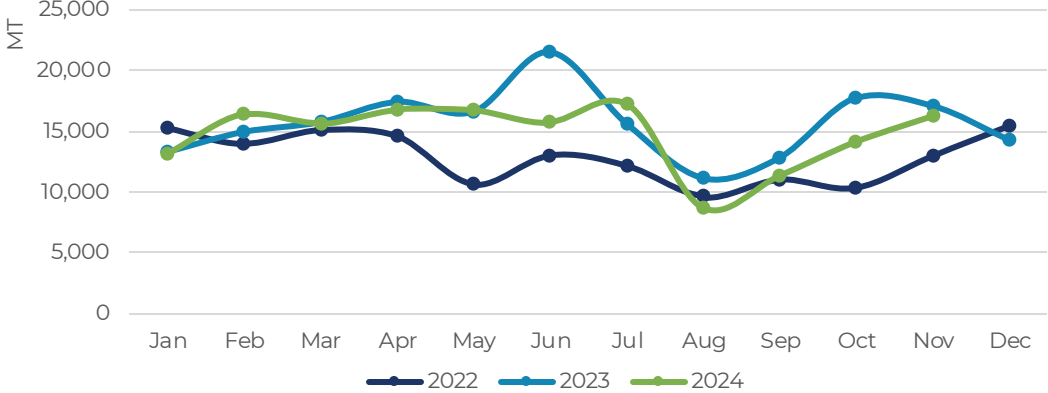


China

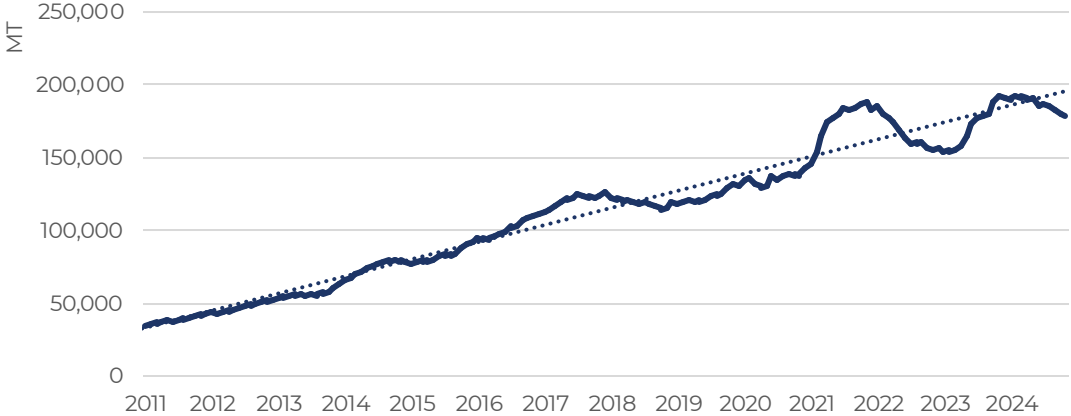
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





NFDM/SMP

NFDM/SMP Market Commentary



KEY TAKEAWAYS

- For the fourth month in a row, global NFDM/SMP trade fell below prior year levels in November. The 7% (-13,342 MT) dip represented the weakest performance since June and the latest installment in a year of lackluster milk powder activity. With only December data missing, cumulative NFDM/SMP trade is down 4% (-90,083 MT) from prior year and looks likely to deliver the lowest annual volume since 2017.
- Trade has been mixed across the top global destinations for NFDM/SMP. In the case of SEA, weak performance in recent months, including a 10% (-6,047 MT) YOY decline in November, is eating away at gains made earlier in the year. Similarly in MENA, November's 18% (-8,266 MT) decline has whittled away prior gains though YTD volumes are still up 5% (+23,604 MT).
- After posting four consecutive months of increases, NFDM/SMP trade to Mexico tumbled in November (-8%, -2,957 MT) as unfavorable currency dynamics and rising US prices likely discouraged buying activity.

Global
NFDM/SMP
Trade

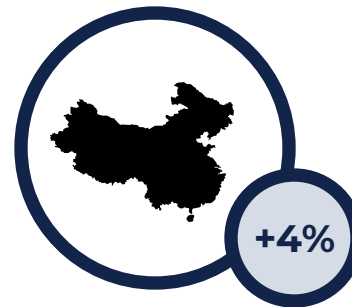
-6.9%
November YoY

-4.3%
YTD, Ending Nov.

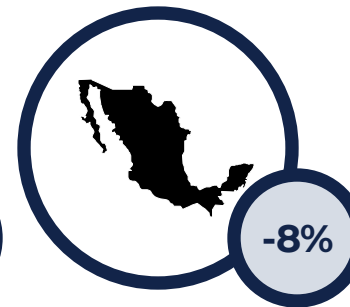
-4.6%
Last 12-Months,
Ending Nov.

-1.8%
3-Year CAGR

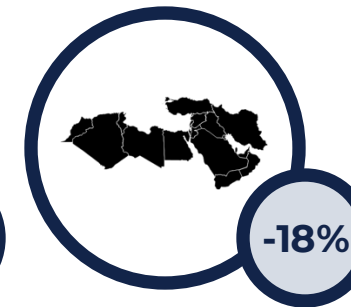
November Standout Markets



CHINA+HK
+1,026 MT



MEXICO
-2,957 MT



MENA
-8,266 MT



SOUTHEAST ASIA
-6,047 MT

ADDITIONAL NOTES

As many of the most prominent global powder buyers saw their activity take a negative turn in November, one dramatic exception is China. Global NFDM/SMP shipments to China grew by 4% (1,026 MT) in November, the first positive result in a year and a half. While it is prudent to not overstate the implication of a single month of data, the increase feels significant following such a prolonged period of decline. Chinese milk production has deteriorated considerably in recent months as producers buckle under the weight of dismal margins. Meanwhile, the economy remains lethargic and Chinese consumers continue to see their household wealth undercut by extended weakness in the real estate sector. But even though demand remains fragile, it is possible that considering falling milk production, China may once again be forced to seek supplemental product outside its borders.

NFDM/SMP Market Commentary



LOOKING AHEAD

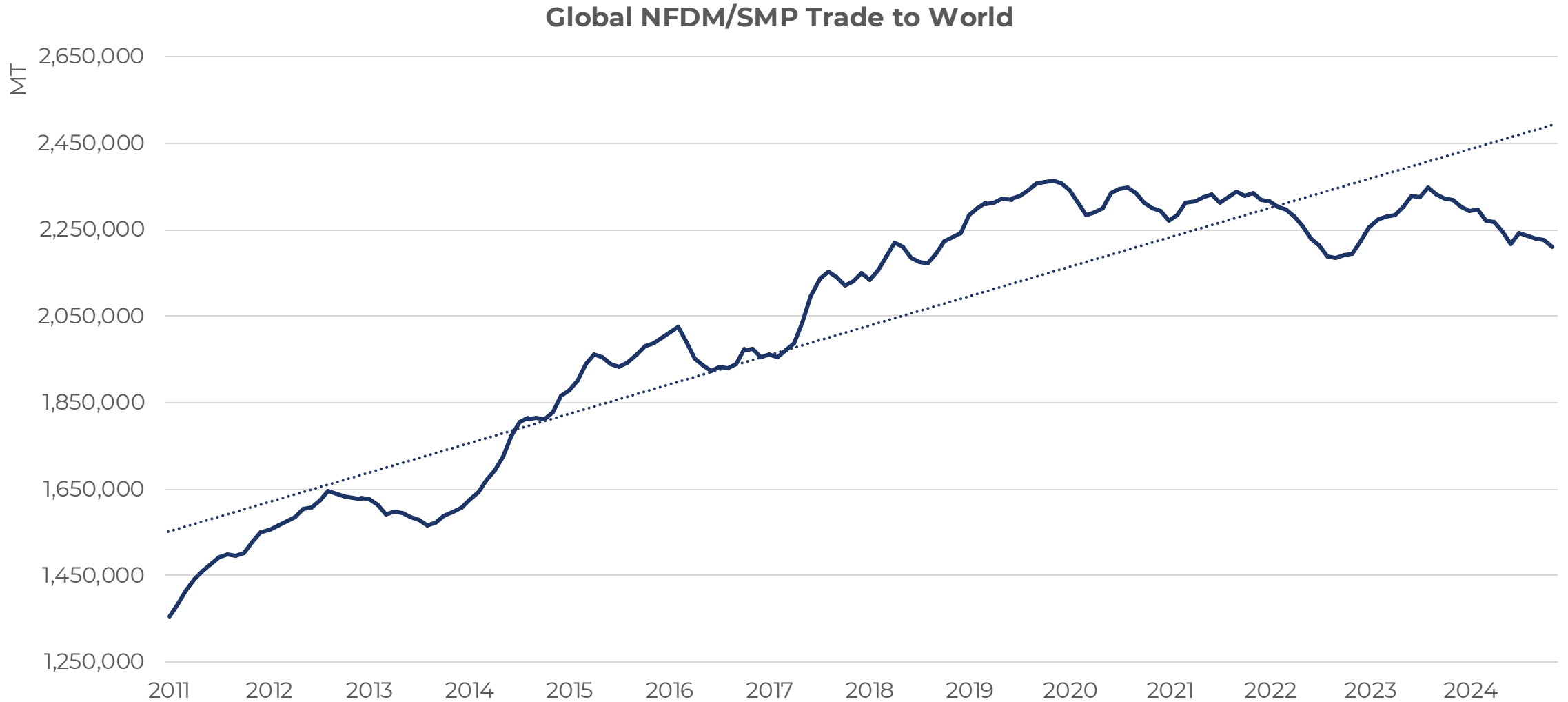
- **The headwinds that have faced the global NFDM/SMP trade in 2024 do not seem likely to disappear, suggesting that activity will struggle to return to its long-term trajectory,** at least over the coming months.
- While improved economic performance in regions such as SEA and MENA may help to shore up demand around the edges, the slowdown of trade in recent months suggests that inventories are likely robust and that manufacturers probably have a decent cushion of product to work through before they need to return to the global market.
- **Chinese demand remains a wild card.** If China's imports of NFDM/SMP do continue to improve in earnest, this would provide important support to trading activity. However, China's path to economic recovery appears long, and once domestic milk prices rise and margins improve, production in the country is likely to recover, once again reducing the need for imported product.

U.S. NFDM/SMP Exports	-19.7% November YoY	-6.8% YTD, Ending Nov.	-6.3% Last 12-Months, Ending Nov.	-2.2% 3-Year CAGR
EU NFDM/SMP Exports	+0.9% November YoY	-9.3% YTD, Ending Nov.	-10.1% Last 12-Months, Ending Nov.	-3.5% 3-Year CAGR
NZ NFDM/SMP Exports	-14.7% November YoY	-1.9% YTD, Ending Nov.	-1.5% Last 12-Months, Ending Nov.	-0.5% 3-Year CAGR

ADDITIONAL NOTES

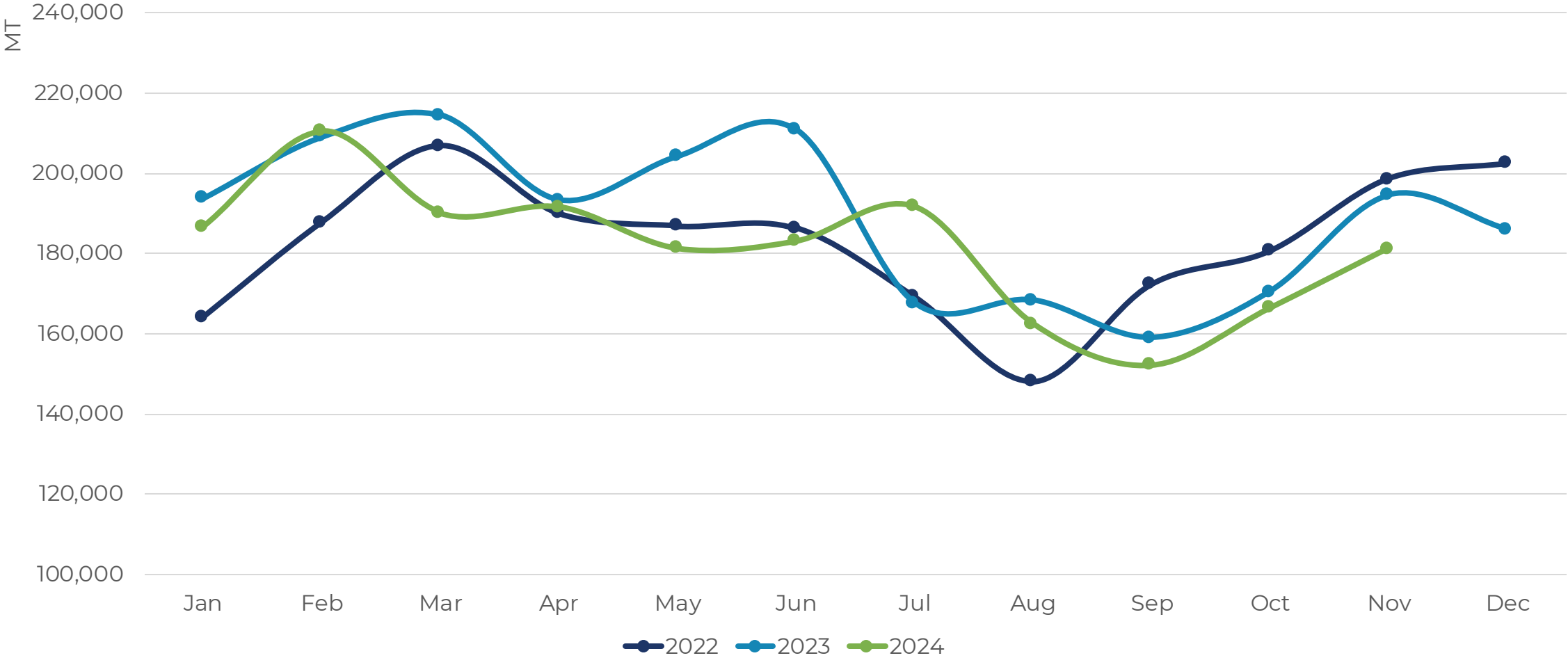
US suppliers have borne the brunt of slowing global NFDM/SMP trade in recent months, and especially in November when US participation fell to its lowest level for the month since 2018. During 2024, US exports skewed away from milk powder and toward cheese and it appears that this trend will continue into the new year as new cheese capacity comes online. With these cheese processors keen to leverage their fixed costs, it looks likely that raw milk supplies will be drawn away from dryers and into the cheese vats. As a result, US milk powder production seems poised to remain relatively tight in 2025, leaving less product available for export. Depending on the evolution of global demand and how milk production fares amongst alternative key suppliers, this scenario has the potential to intensify the competitive dynamics in the global NFDM/SMP market.

Global Overview: NFDM/SMP

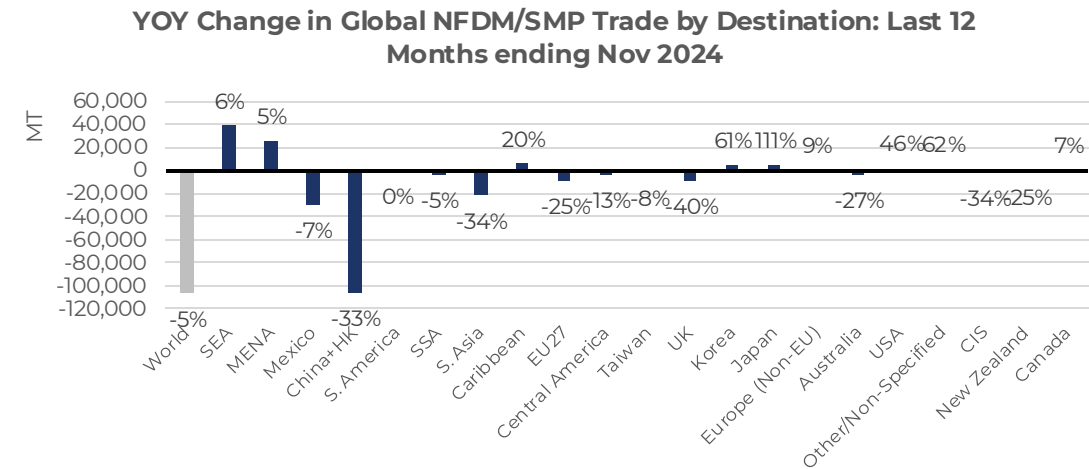
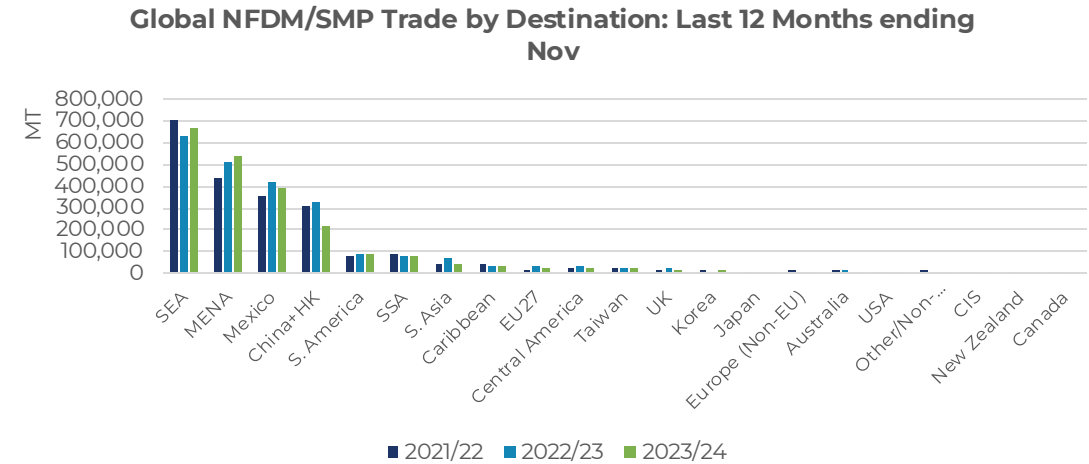
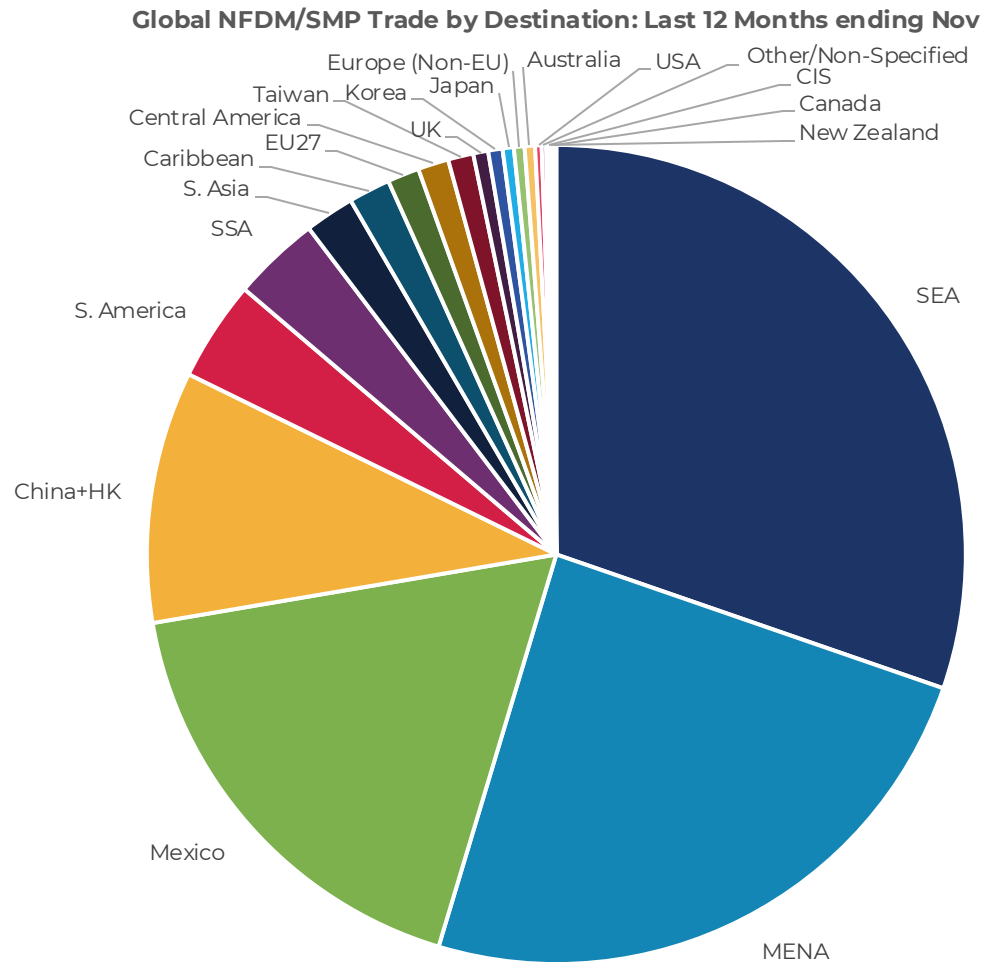


Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World

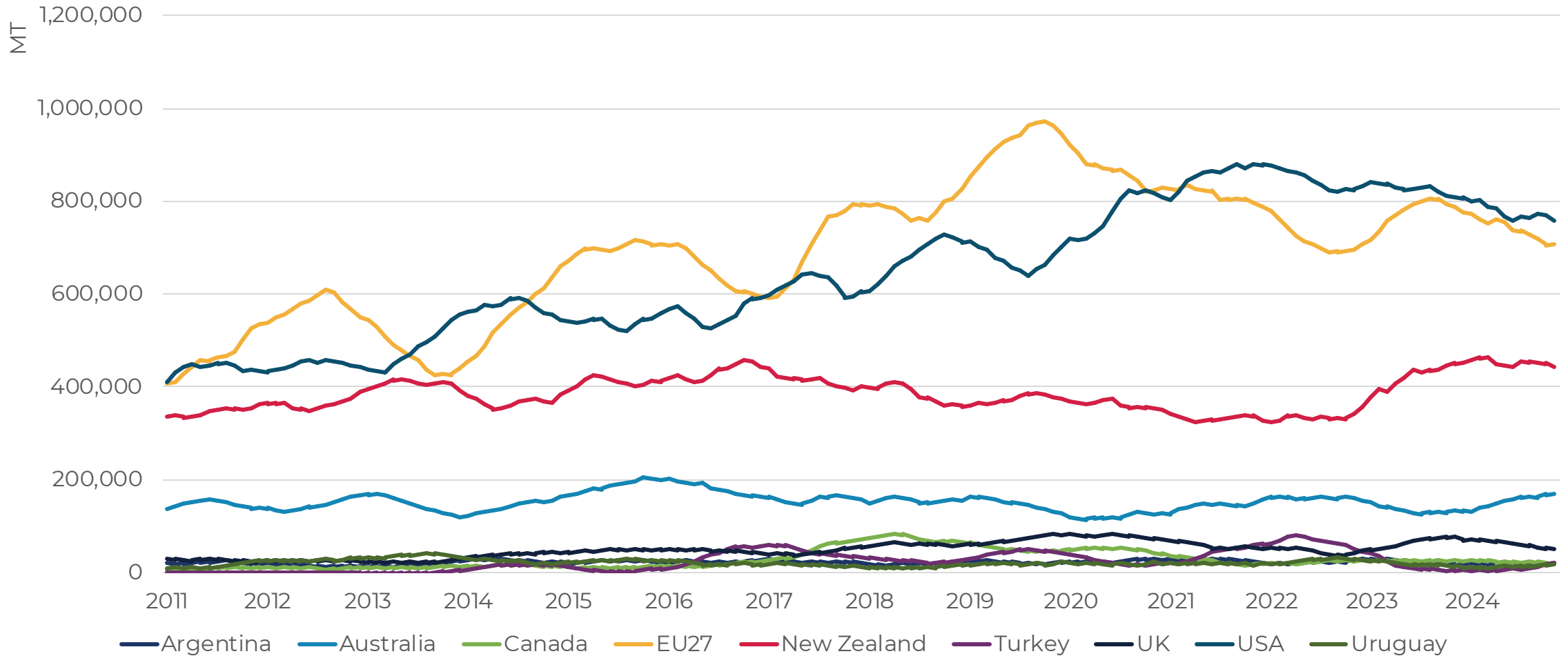


Global Overview: NFDM/SMP – Last 12 Months



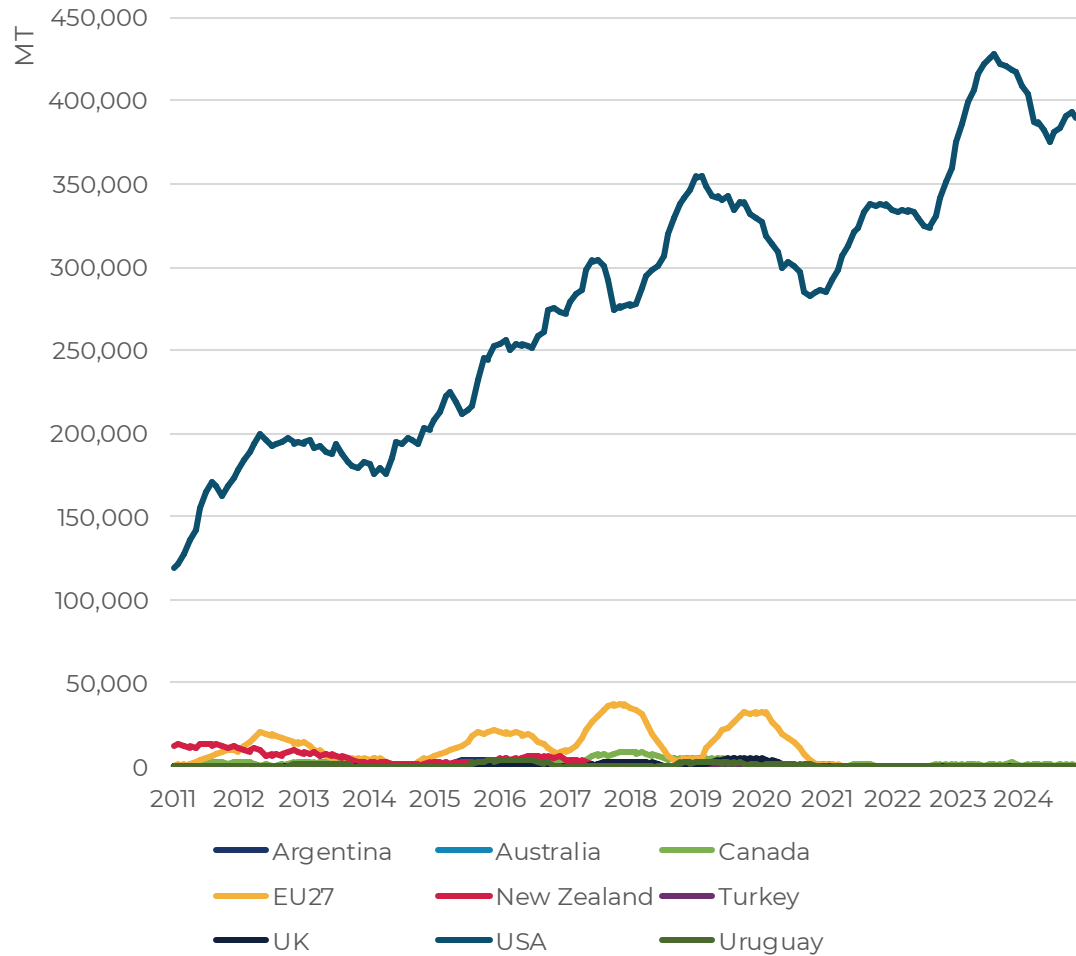
Trade Flows: NFDM/SMP

Global NFDM/SMP Trade to World

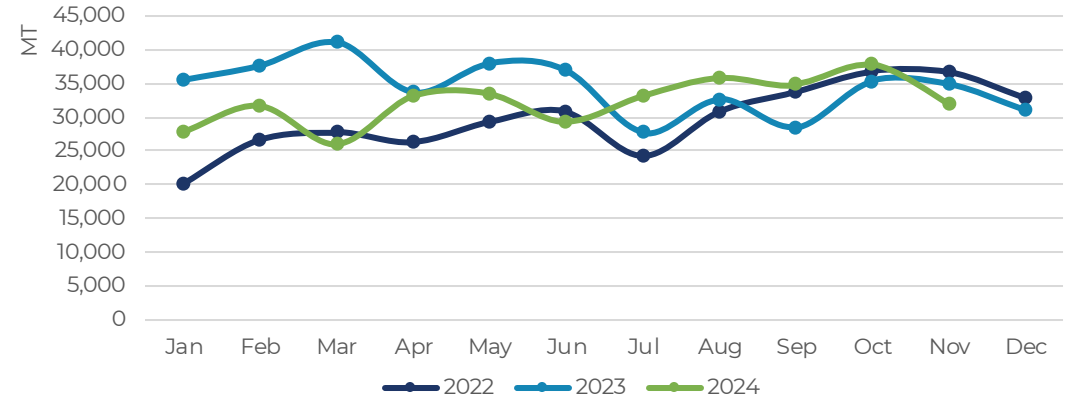


Mexico

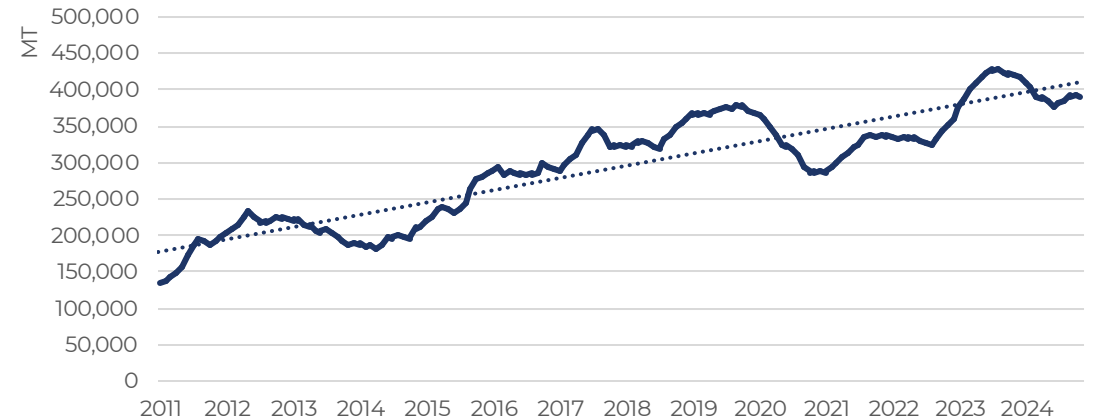
Global NFDM/SMP Trade to Mexico



Global NFDM/SMP Trade to Mexico

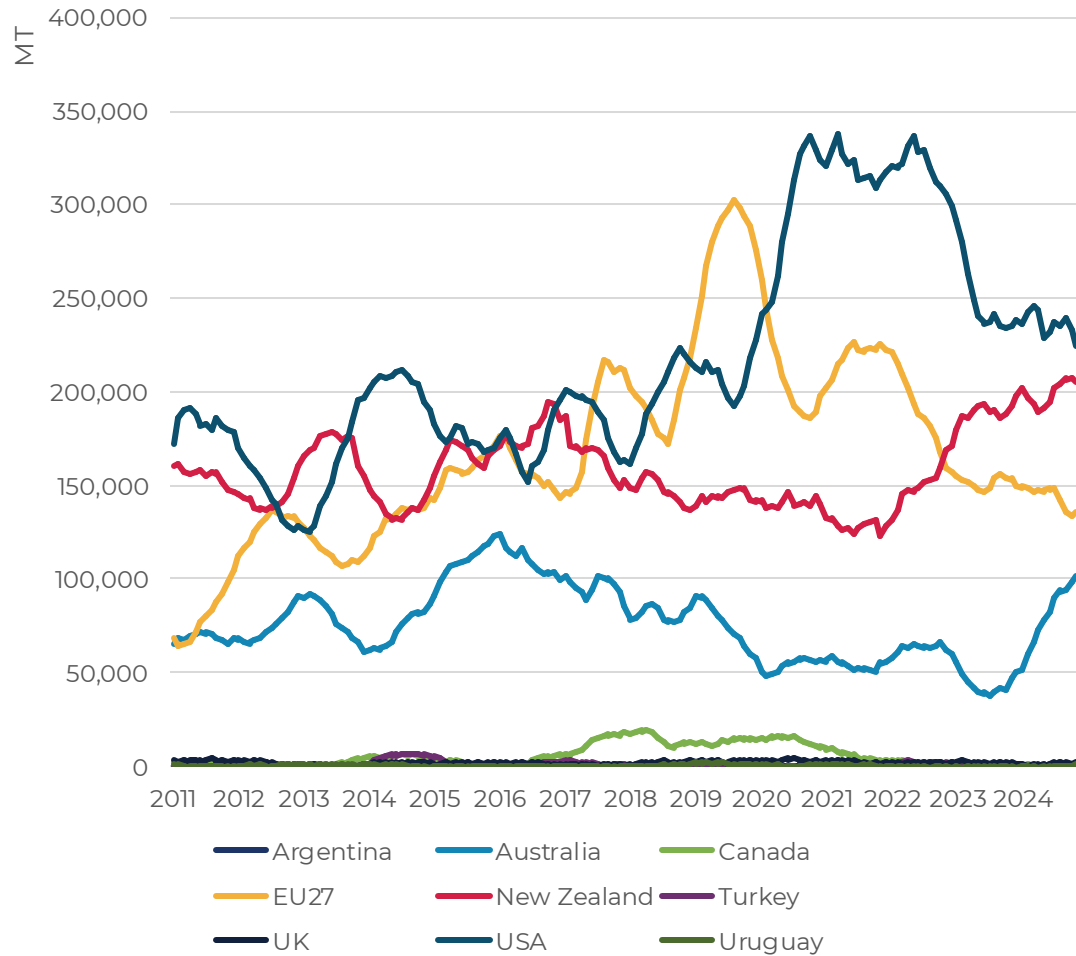


Global NFDM/SMP Trade to Mexico

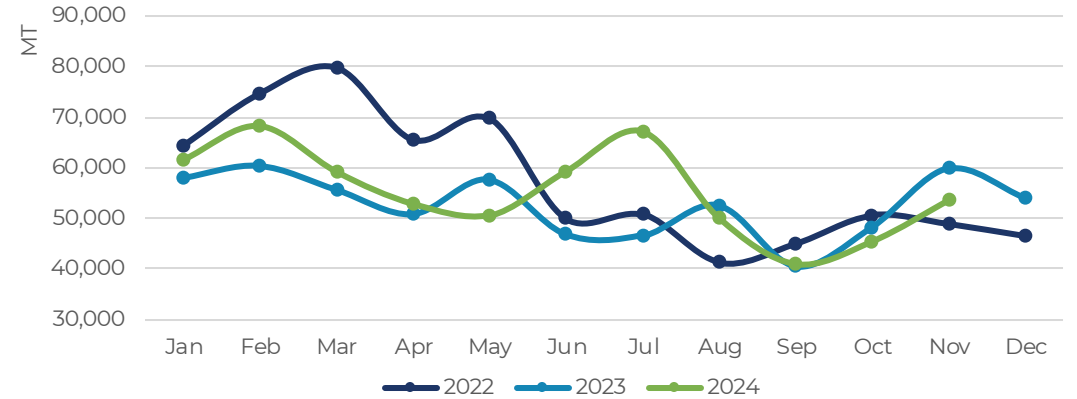


Southeast Asia

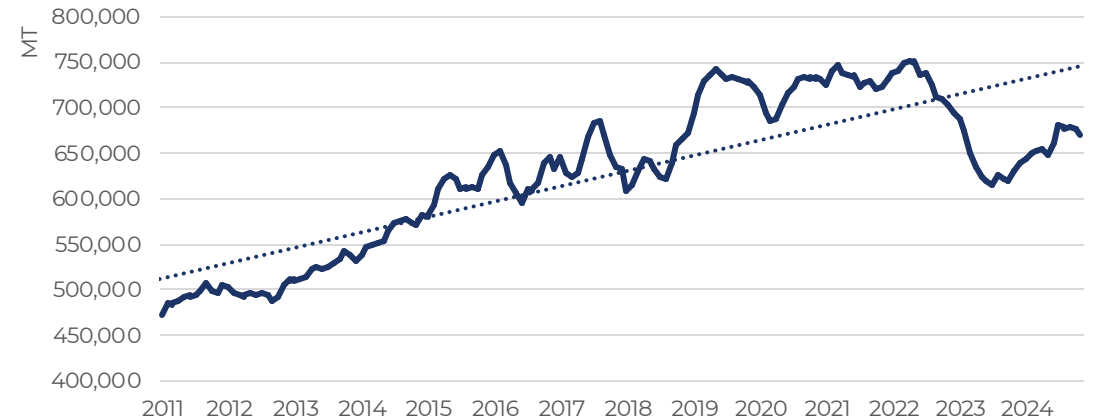
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

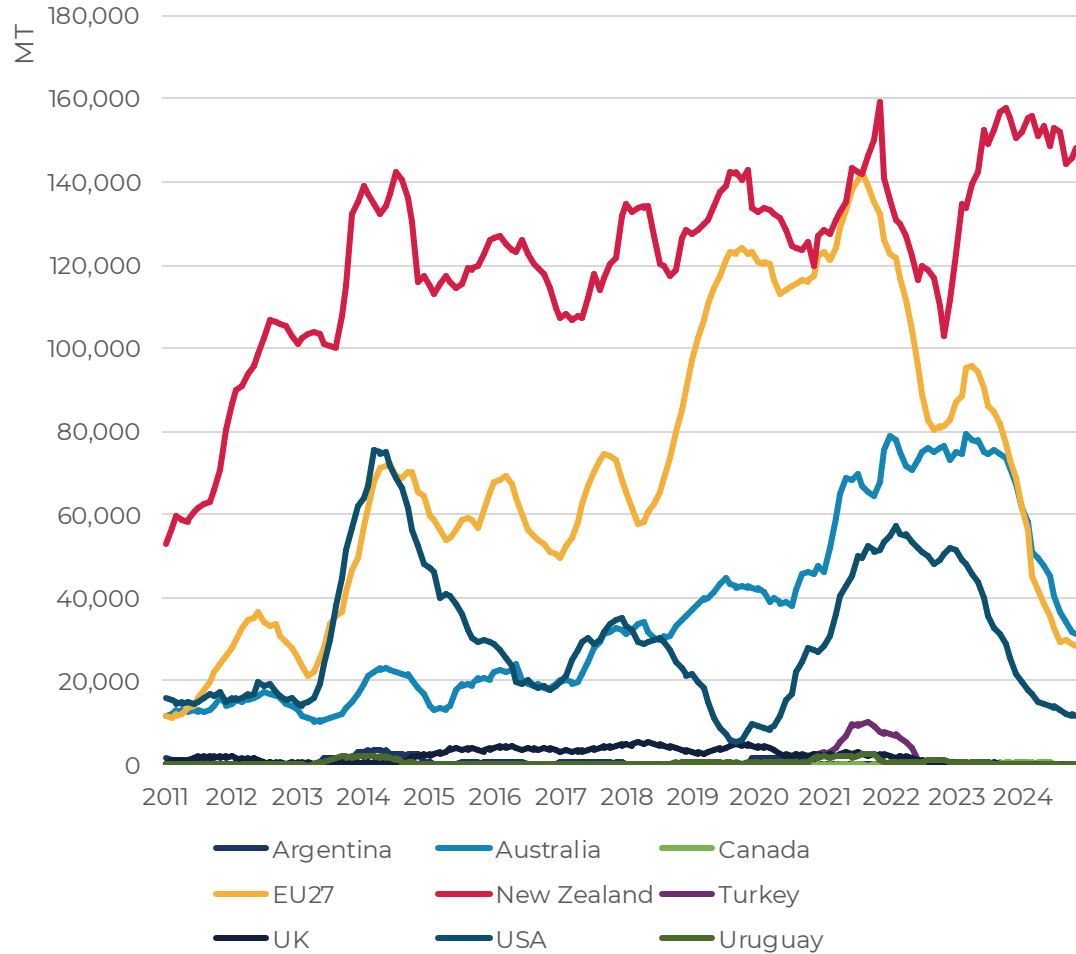


Global NFDM/SMP Trade to SEA

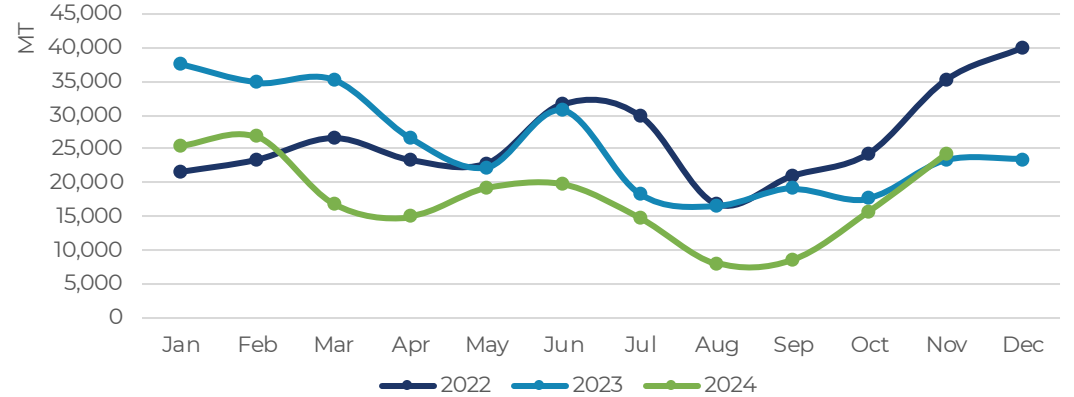


China

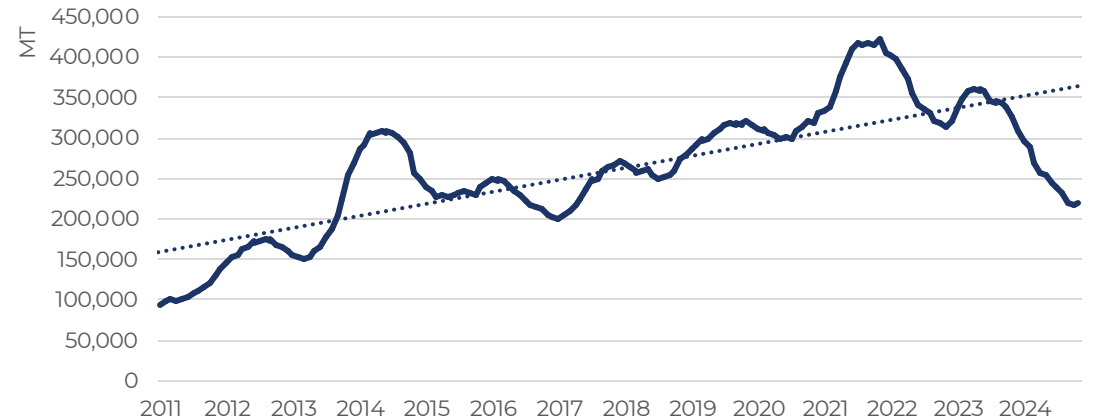
Global NFDMS/SMP Trade to China+HK



Global NFDMS/SMP Trade to China+HK

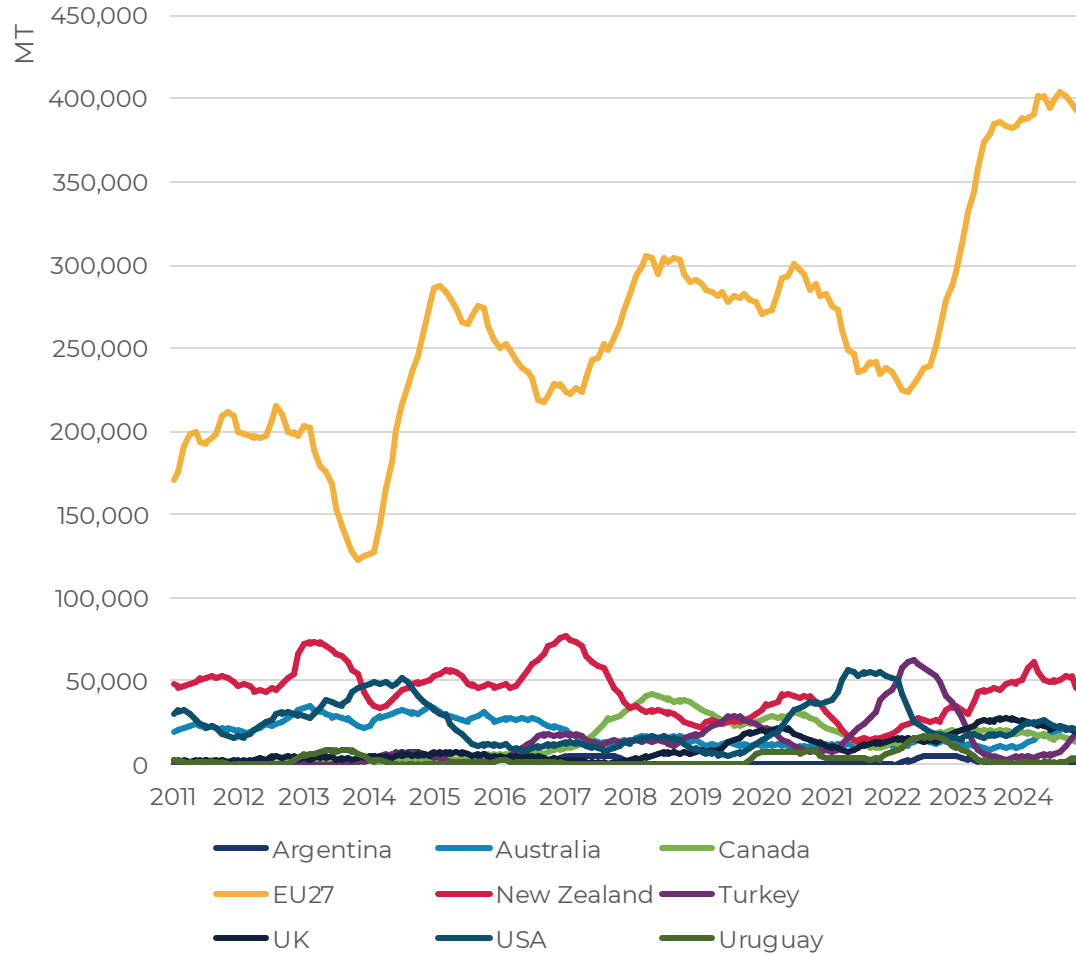


Global NFDMS/SMP Trade to China+HK

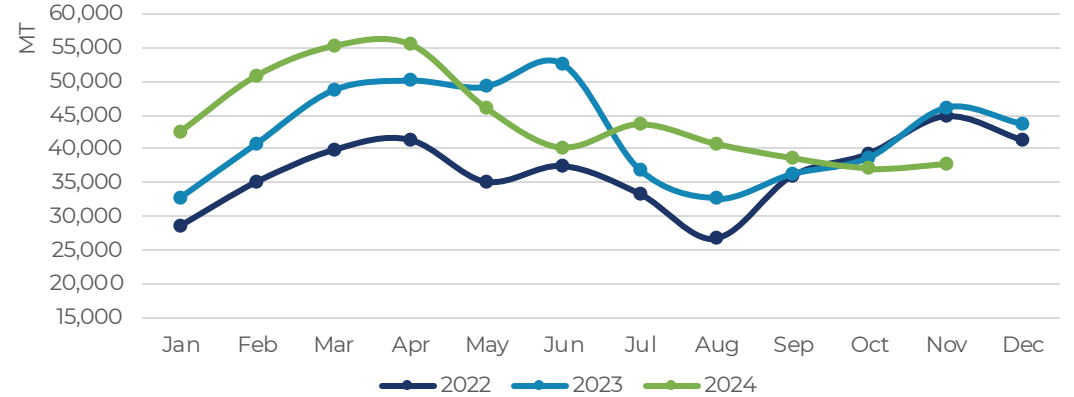


MENA

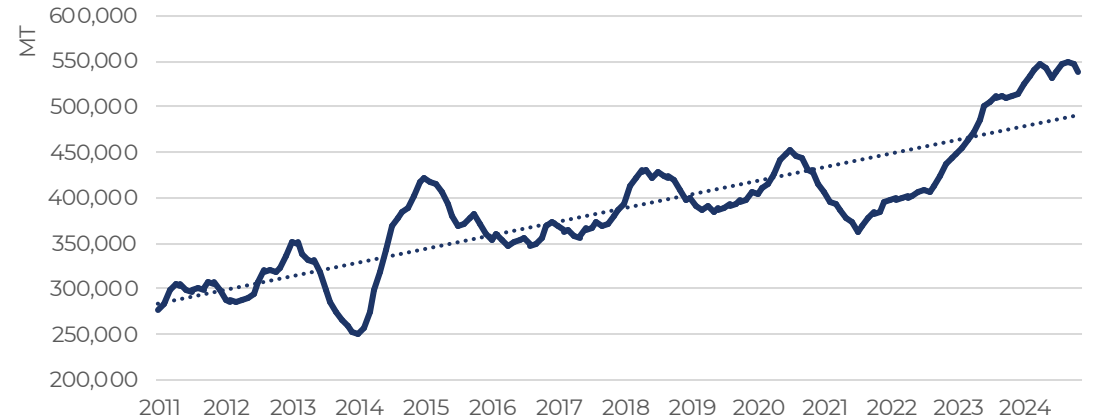
Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Global NFDM/SMP Trade to MENA



Whey Products (0404.10)

Whey Products (0404.10) Market Commentary



KEY TAKEAWAYS

- **Global low protein whey trade notched a modest gain in November, the most recent installment in a year that has been characterized by steady increases.** With the exception of a dip in March, low protein whey trade grew in every month of 2024, and cumulative volumes over the first half of the year are 108,844 MT (+8%) greater than during the same period last year. If December's volumes perform similarly to November, **annual low protein trade for 2024 is likely to come in at the strongest level since 2021.**
- **A dramatic increase in China's demand (+13%, +5,484 MT) played the largest role in driving trade upward for the month,** but SEA (+5%, +1,619 MT), Japan (+30%, +1,051 MT), and Sub-Saharan Africa (+16%, +444 MT) also contributed to the increase.
- Meanwhile, demand from MENA dropped by a sharp 22% (-1,844 MT) in November, though cumulative trade to the region remains up 20% over the first 11 months of 2024. Volumes also slumped into the EU, falling by 37% (-1,614 MT) compared to November 2023.

**Global
Whey
(0404.10)
Trade**

+2.9%
November YoY

+8.2%
YTD, Ending Nov.

+7.6%
Last 12-Months,
Ending Nov.

-1.1%
3-Year CAGR

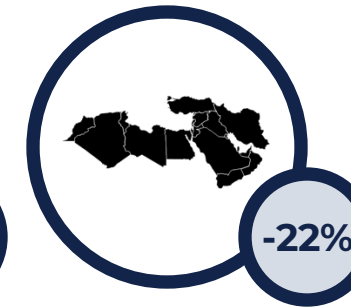
November Standout Markets



CHINA+HK
+5,484 MT



SOUTHEAST ASIA
+1,619MT



MENA
-1,844 MT



JAPAN
+1,051 MT

ADDITIONAL NOTES

While China played a leading role in the November data, SEA has held center stage for low protein whey trade over most of 2024. Cumulative trade to the region was up 14% (+53,364 MT) between January and November and is all but certain to reach a record high by the conclusion of the year. Seemingly insatiable demand from Indonesia has underpinned the regional gain as YTD low protein whey trade to the country soared by 29% (+30,945 MT) including similarly strong performance in November (+29%, +2,362 MT). Sustained economic growth, which is expected to continue into the new year, has likely played a role in propping up Indonesian demand. Trade to Thailand was also up in both YOY (+40%, +1,713 MT) and YTD (+10%, +5,935 MT) terms. Meanwhile, shipments to the Philippines have also grown substantively YTD (+25%, +12,580 MT) although activity during November faltered slightly (-6%, -294 MT).

Whey Products (0404.10) Market Commentary



LOOKING AHEAD

- **Sustained global demand for proteins is likely to help support demand for low protein whey products into 2025**, whether they are used as ingredients or in feed rations. Pork markets have been strong and should result in additional piglet production, further supporting low protein whey demand in the coming months.
- Low protein whey prices have been relatively stable over 2024, moving in a range of just \$112 between January and November with the average price registering at \$1,434 per MT in November. **However, price increases in late 2024, particularly within the US, are likely to push export values upward and could weigh negatively on demand.**
- For product shipped in November, which was likely booked a couple months prior, US prices held a 20% discount to European product. More recently that price advantage has evaporated as an evolving processing footprint and a long-term preference for routing the whey stream to higher protein products has left low protein markets tight. Today, US low protein whey carries a significant premium to international counterparts, a dynamic which will almost certainly influence trade dynamics into the coming year.

U.S. Whey (0404.10) Exports

-11.5%

November YoY

+3.9%

YTD, Ending Nov.

+2.2%

Last 12-Months,
Ending Nov.

+0.7%

3-Year CAGR

EU Whey (0404.10) Exports

+10.6%

November YoY

+5.8%

YTD, Ending Nov.

+5.7%

Last 12-Months,
Ending Nov.

+1.9%

3-Year CAGR

NZ Whey (0404.10) Exports

-4.3%

November YoY

+13.2%

YTD, Ending Nov.

+17.1%

Last 12-Months,
Ending Nov.

+5.4%

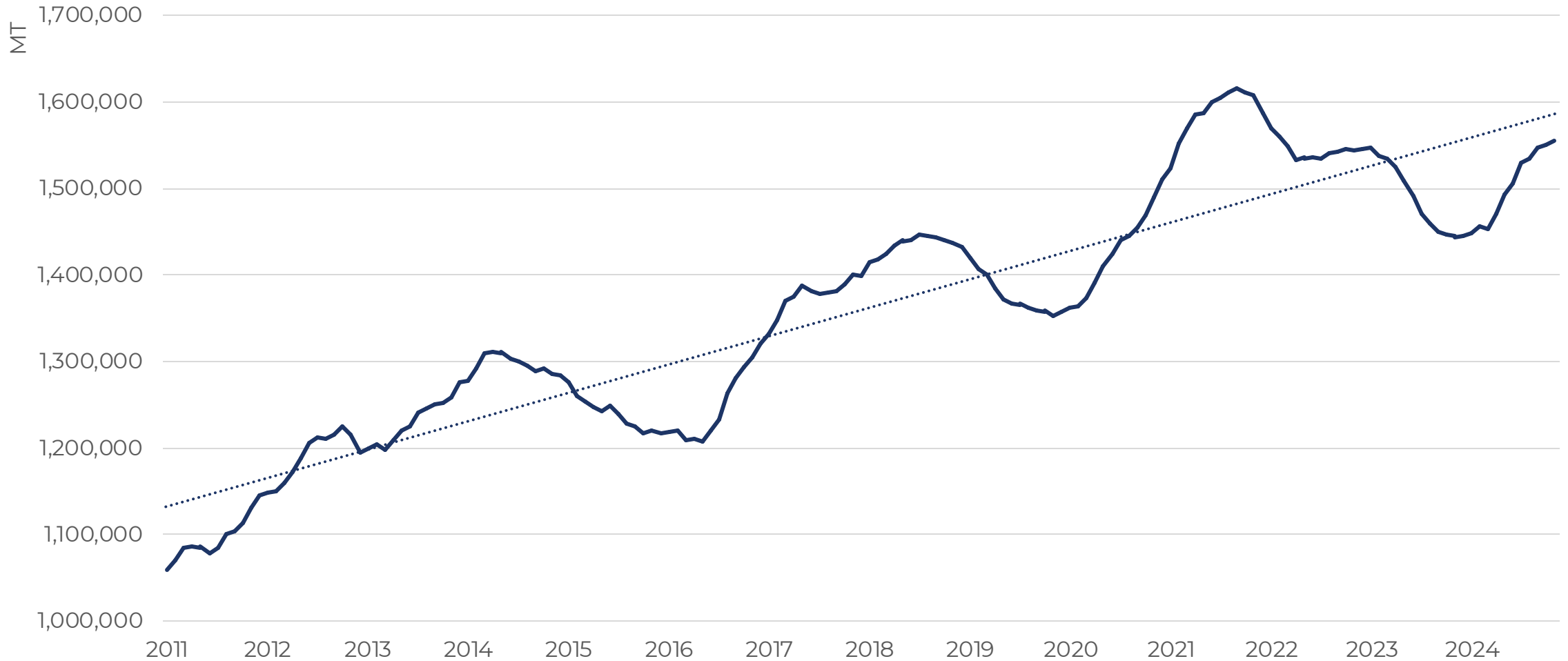
3-Year CAGR

ADDITIONAL NOTES

EU exporters increased their relative share of the global low protein whey market in November, mostly at the expense of suppliers from the US. Shipments from the EU rose by 6,193 MT (+11%) relative to the same month last year while US exports fell by 5,027 MT (-11%) over the same period. Even with new cheese capacity expected to generate additional raw whey in the coming years, a preference for producing high protein products and keeping the liquid permeate domestic will likely keep US exports of low protein whey limited. Turkey continues its curious campaign to grow participation in the global low protein whey trade, doubling its volumes in November. In fact, over the first 11 months of 2024, no country has grown its low protein whey trade as much as Turkey which has added 47,167 MT (+156%) of product to the global market.

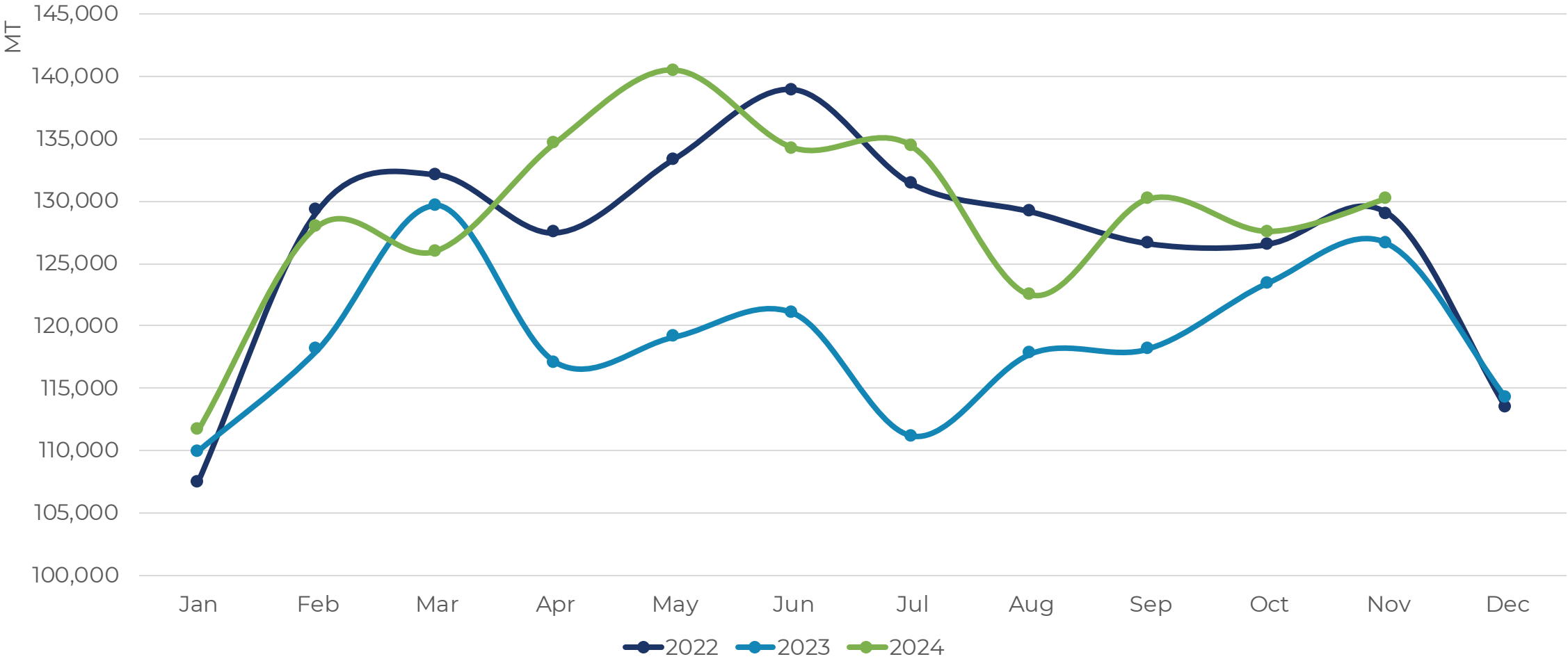
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World



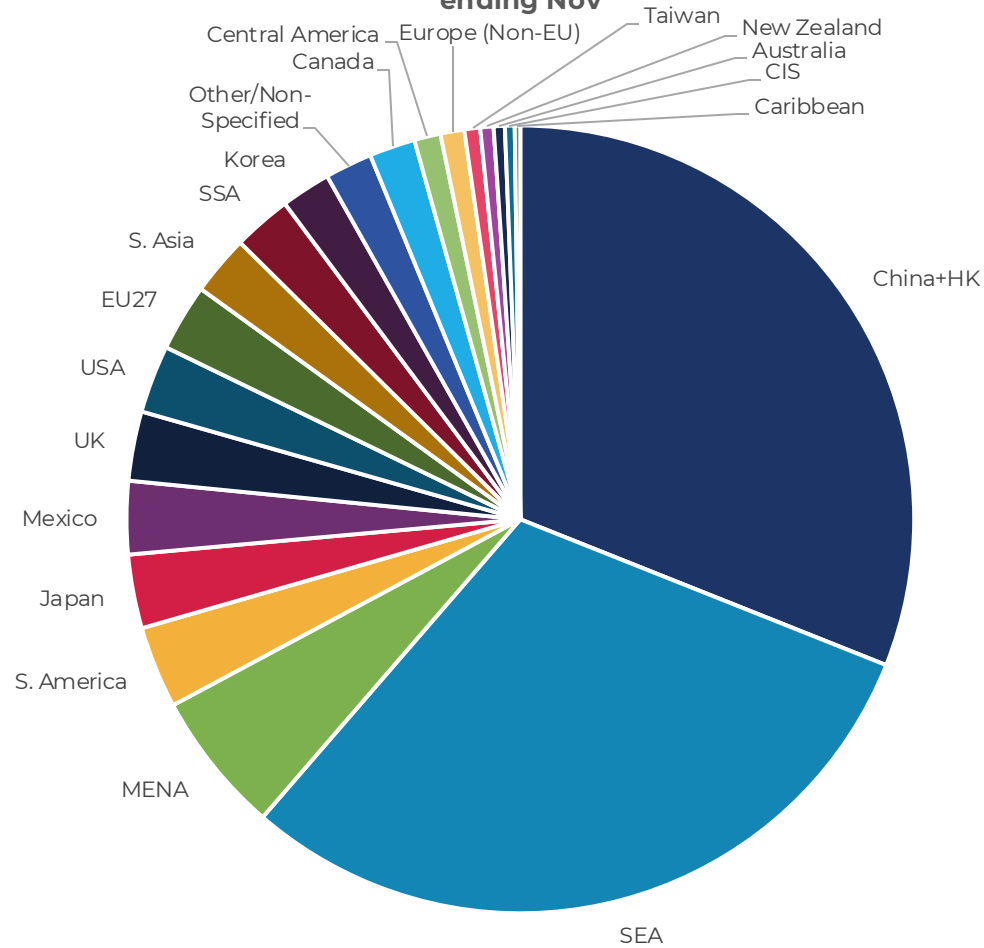
Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

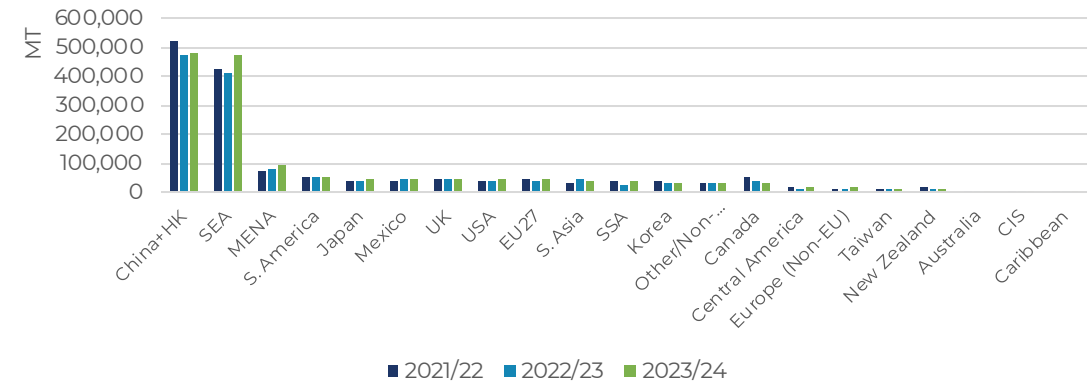


Global Overview: Whey (0404.10) – Last 12 Months

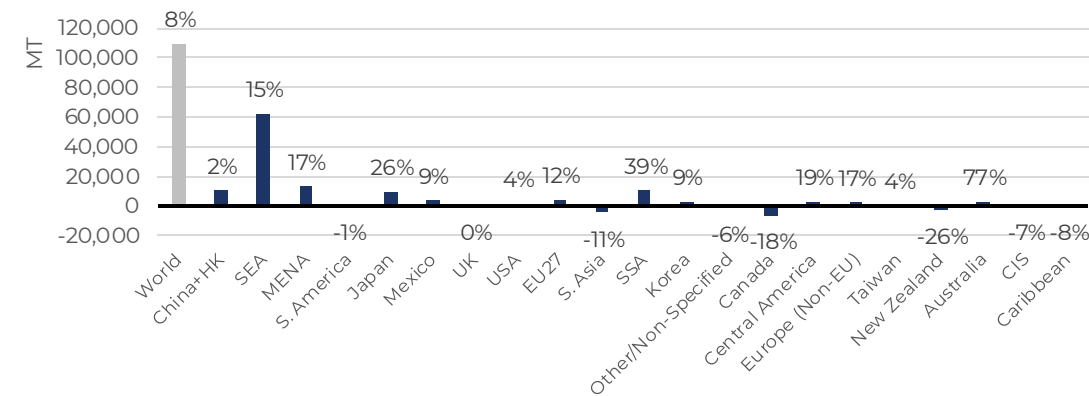
Global Whey (0404.10) Trade by Destination: Last 12 Months ending Nov



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

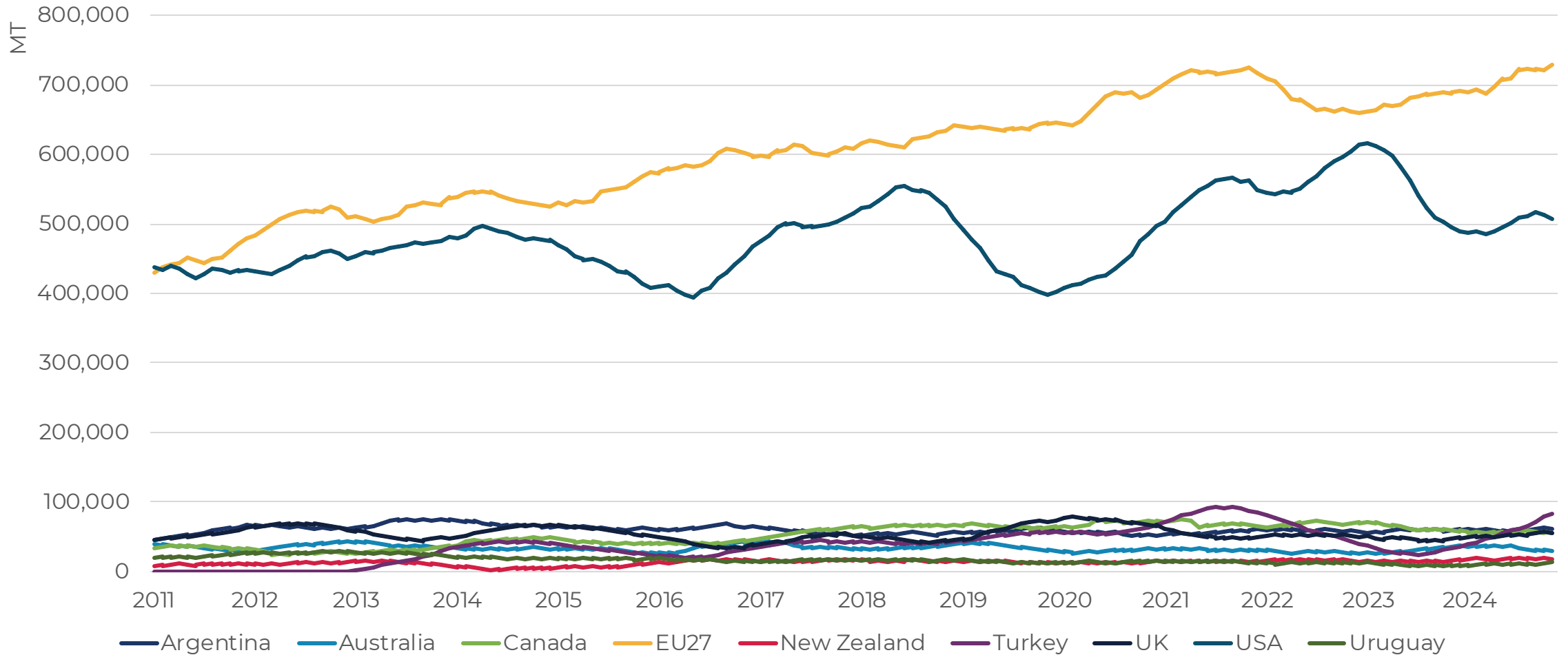


YOY Change in Global Whey (0404.10) Trade by Destination: Last 12 Months ending Nov 2024



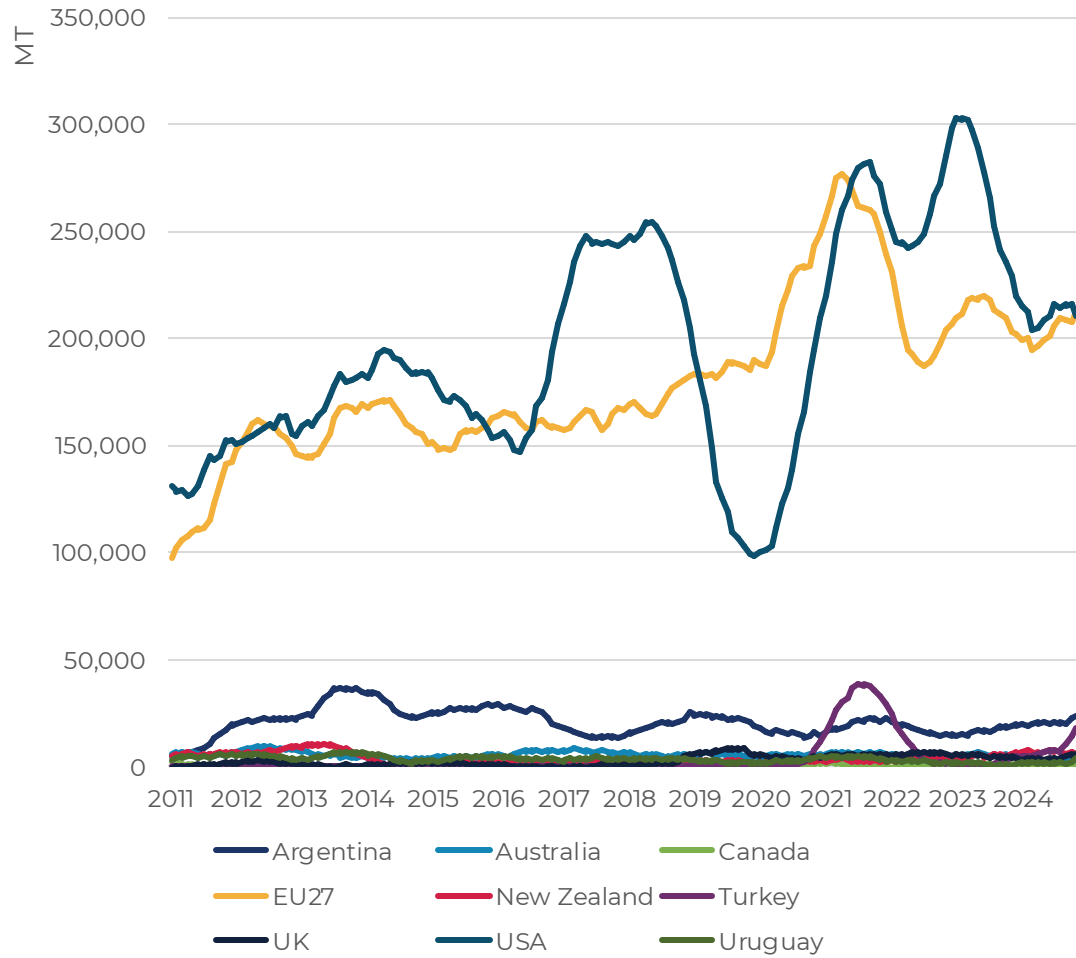
Trade Flows: Whey Products

Global Whey (0404.10) Trade to World

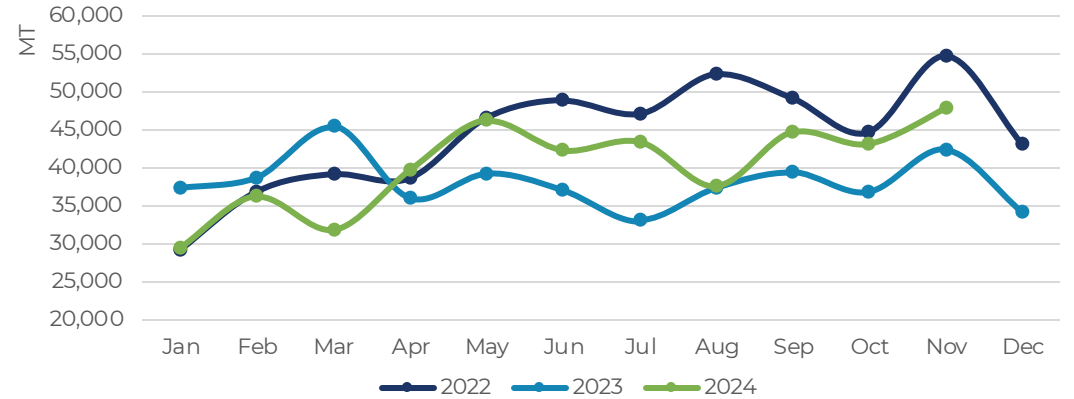


China

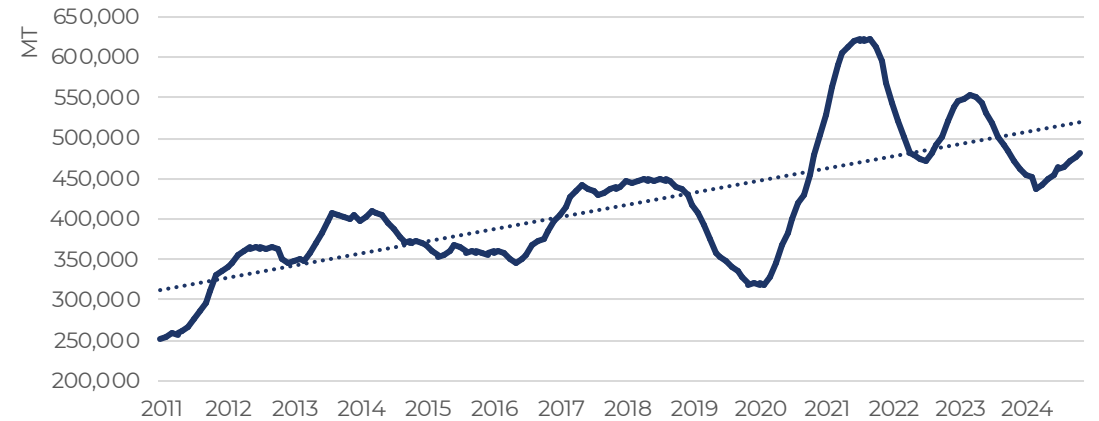
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

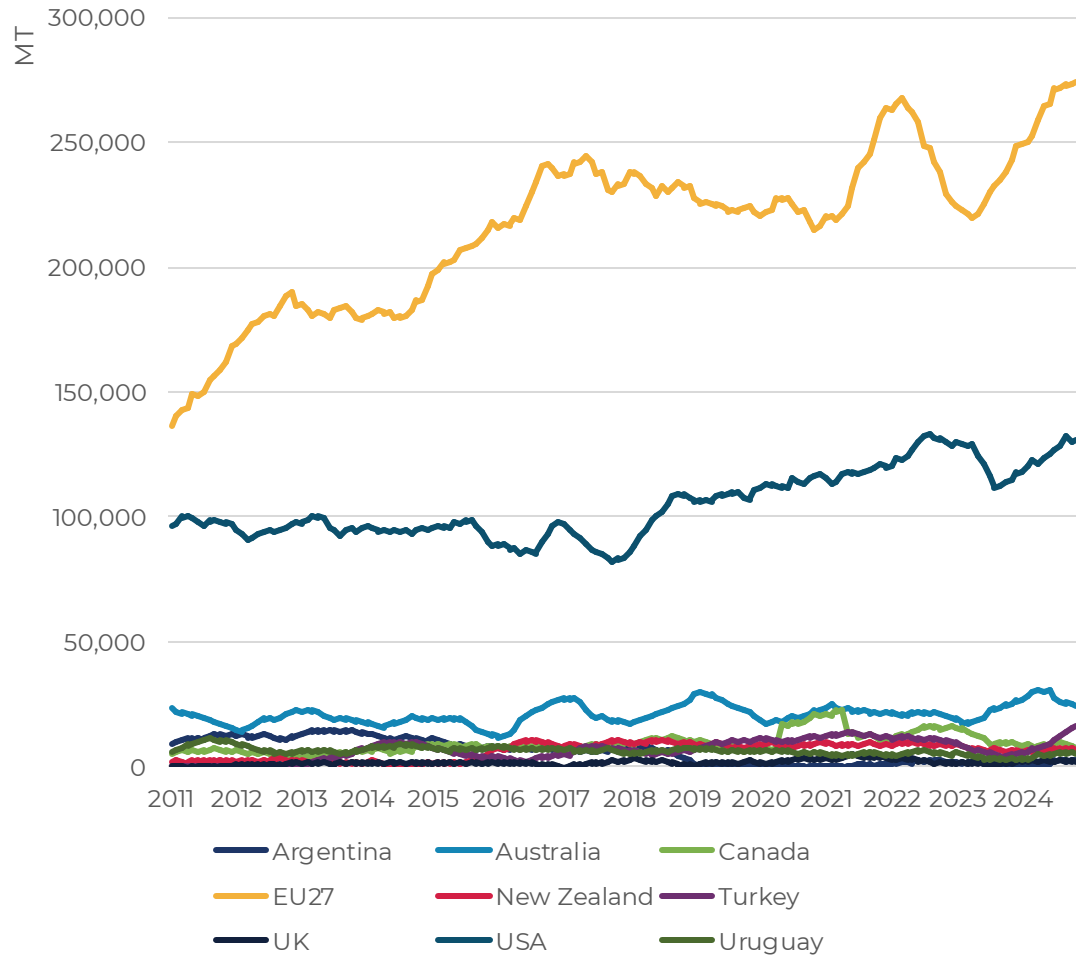


Global Whey (0404.10) Trade to China+HK

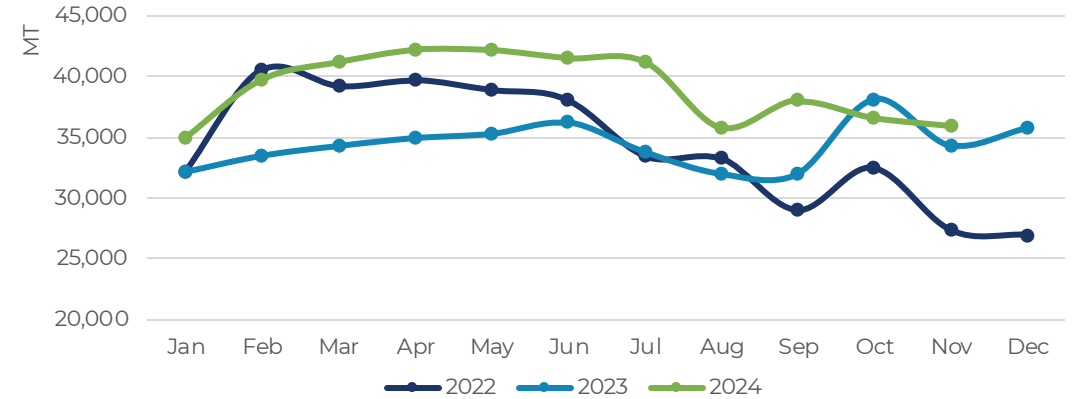


Southeast Asia

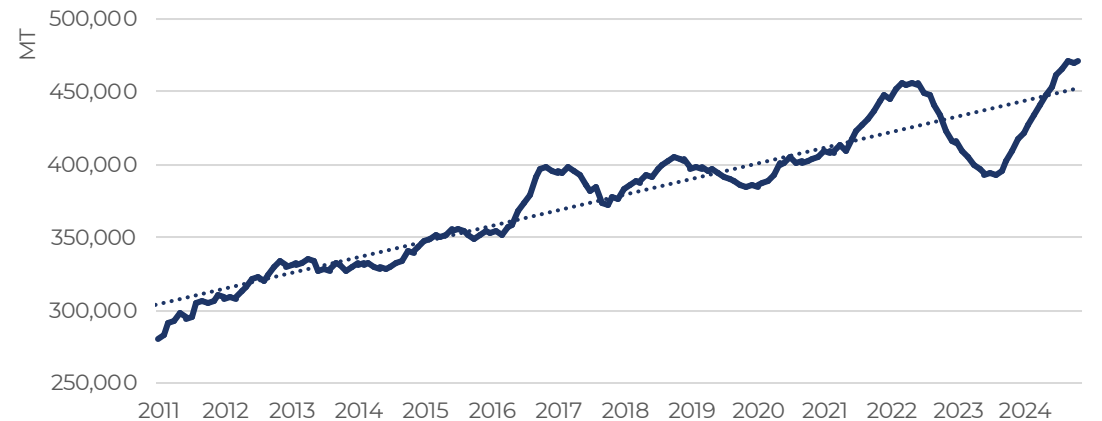
Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA



Global Whey (0404.10) Trade to SEA





WPC80+
(3502.20)

WPC80+ (3502.20) Market Commentary



KEY TAKEAWAYS

- Global high protein whey trade continued its impressive trajectory into November as shipments bested prior year levels by 1,222 MT (+8%). **With one month of data still outstanding, trade of WPC80+ has already set a record in 2024** with YTD volumes up 23,046 MT (+15%) against the comparable period in 2023. Except for a modest dip in September, **global trade of high protein whey has risen continuously since May 2023, indicative of an insatiable global appetite for protein.**
- Surging exports to China (see Additional Notes) and notable growth in US demand (+142%, +640 MT) helped to push the total figure upward. However, it appears that as prices remain elevated, some of the usual suspects have started to shrink their purchases. Trade to South America recoiled in November, falling 36% (-583 MT) YOY as Brazil slashed its purchases by 46% for the month. Trade to Japan also eased another 8% (-133 MT) in November, extrapolating the weak performance seen over most of 2024.

Global
WPC80+
Trade

+7.8%
November YoY

+15.0%
YTD, Ending Nov.

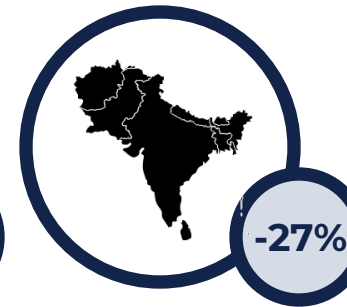
+14.3%
Last 12-Months,
Ending Nov.

+5.2%
3-Year CAGR

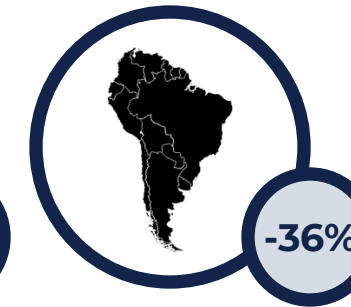
November Standout Markets



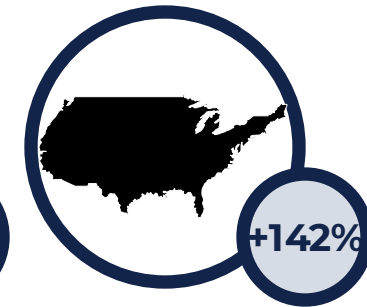
CHINA+HK
+2,524 MT



SOUTH ASIA
-570 MT



SOUTH AMERICA
-583 MT



USA
+640 MT

ADDITIONAL NOTES

While exceedingly strong results have set WPC80+ apart as one of the major success stories of 2024, we continue to be cautious about the accuracy of some of the data. In particular, high protein whey shipments to China purportedly surged 85% (+2,523 MT) YOY in November, however prices of this product remain suspiciously low. A deeper investigation of the data reveals that the average price of product routed to China was just \$8,541/MT for the month, more than a 20% discount relative to the global weighted average price. Notably, the price to China did rise \$1,130/MT between October and November, perhaps indicating that we will begin to see more price convergence in the coming months. Nevertheless, we still believe that lower priced proteins are being incorrectly classified in the total and artificially boosting WPC80+ trade volumes to China.

WPC80+ (3502.20) Market Commentary



LOOKING AHEAD

- **Elevated prices for WPC80+ are beginning to take a toll on demand.** November's average global price came in at \$10,813/MT, an astonishing 10% increase from October's surprising dip and the highest price recorded since the beginning of 2023. Combined with the likely overstatement of Chinese volumes, **the picture of global WPC80+ trade isn't as rosy as it may first appear.**
- While high prices are likely to stick around for the coming months, the long-term outlook suggests that an increase in supply could ease tightness in the market and help to moderate high protein whey values. New processing capacity in the US has been heavily skewed toward production of high protein, value-added products and as this capacity is increasingly activated, the global market will have additional supply at its disposal.
- On the other hand, all indications are that **global protein demand will remain exceedingly robust in the coming months**, keeping WPC80+ prices supported.

U.S. WPC80+ Exports

+3.0%

November YoY

+16.3%

YTD, Ending Nov.

+16.1%

Last 12-Months,
Nov.

+5.1%

3-Year CAGR

EU WPC80+ Exports

+18.8%

November YoY

+10.4%

YTD, Ending Nov.

+9.9%

Last 12-Months,
Ending Nov.

+3.2%

3-Year CAGR

NZ WPC80+ Exports

+9.9%

November YoY

+23.9%

YTD, Ending Nov.

+19.6%

Last 12-Months,
Ending Nov.

+6.1%

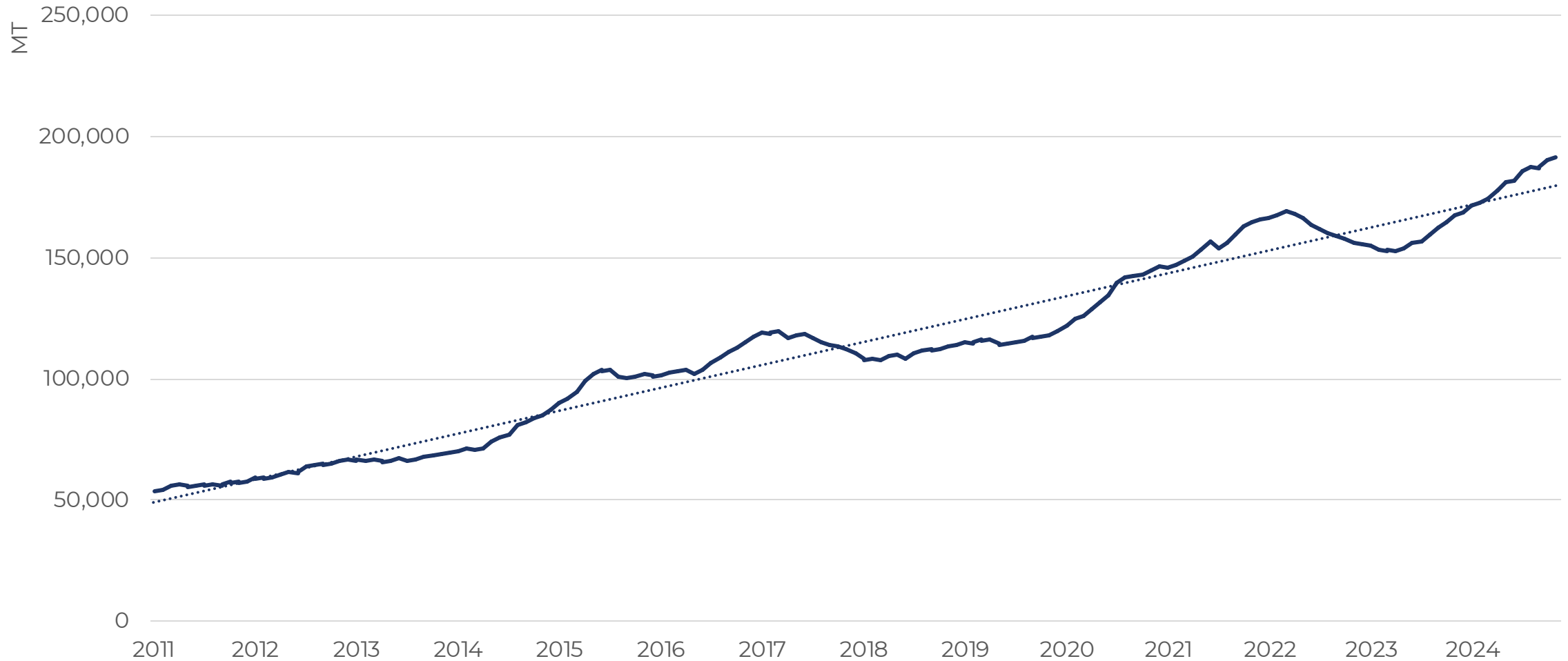
3-Year CAGR

ADDITIONAL NOTES

Growing global WPC80+ trade has been to the benefit of all suppliers as almost every major exporter has seen their volumes rise. Over the course of 2024, the US has enjoyed the most substantive increase, with shipments up by 11,285 MT (+16%) and ending the country with a 45% share. The trend of rising US prevalence in the global WPC80+ trade is likely to persist into the coming year as new capacity comes online. But it was the EU that saw volumes increase the most in November, with shipments up 19% (+777 MT) YOY. Stronger than anticipated European milk production late in 2024 likely led to ample cheese production, which expanded the available whey stream. The UK is the only supplier that has seen volumes fall with lighter November production (-18%, -297 MT) further pulling down weak YTD participation (-9%, -1,434 MT).

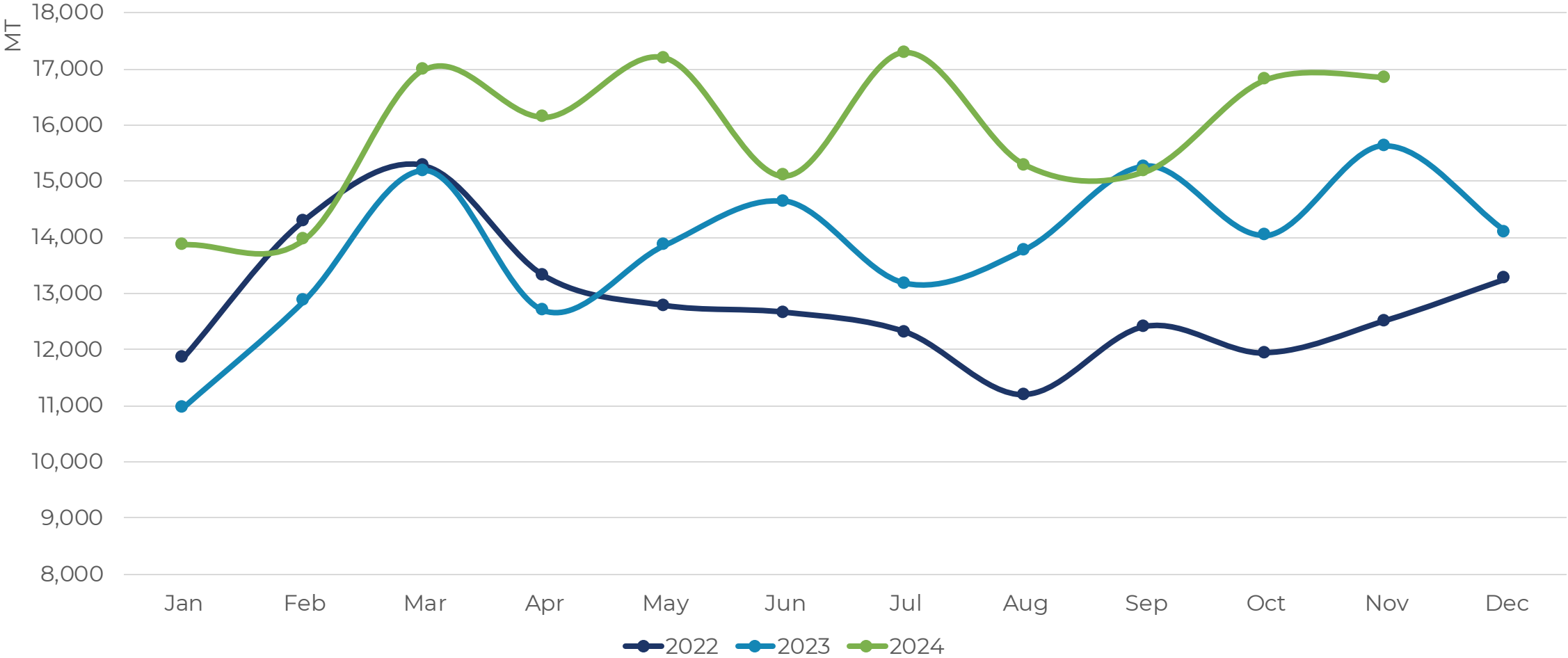
Global Overview: WPC80+

Global WPC80+ Trade to World



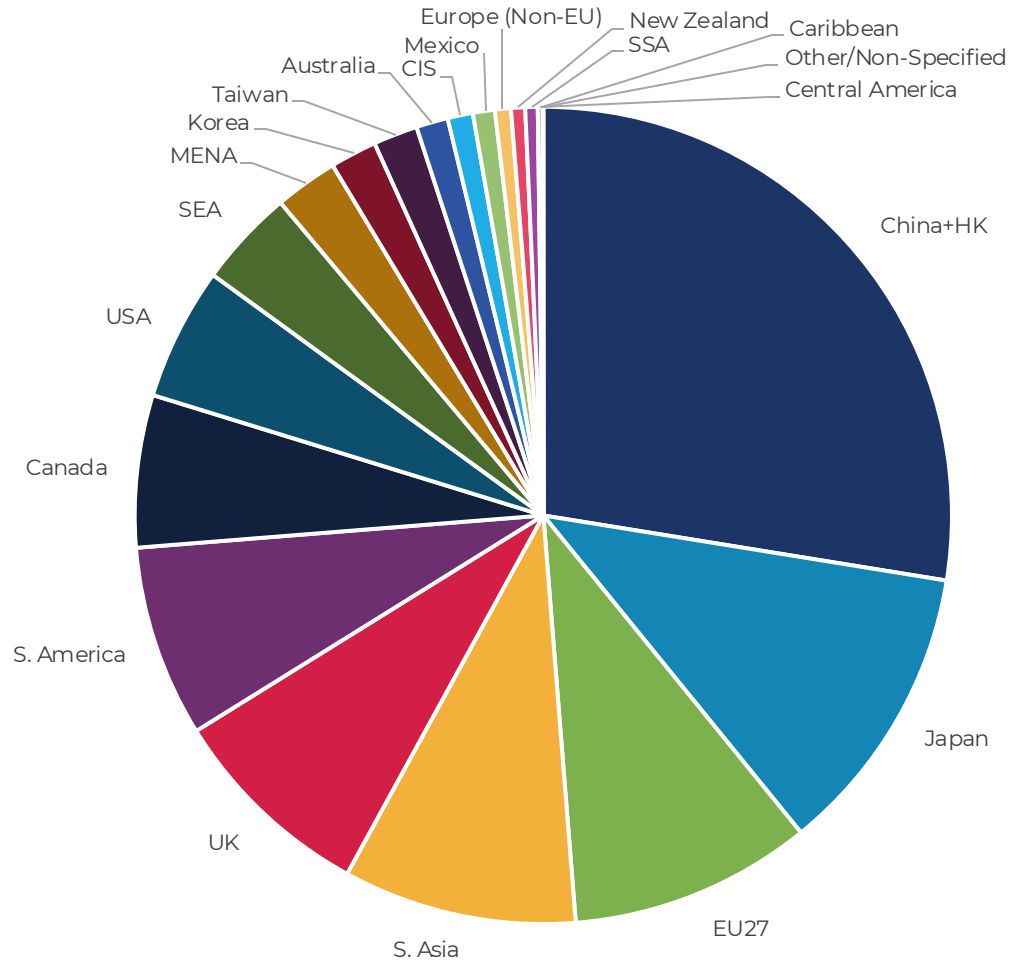
Global Overview: WPC80+

Global WPC80+ Trade to World

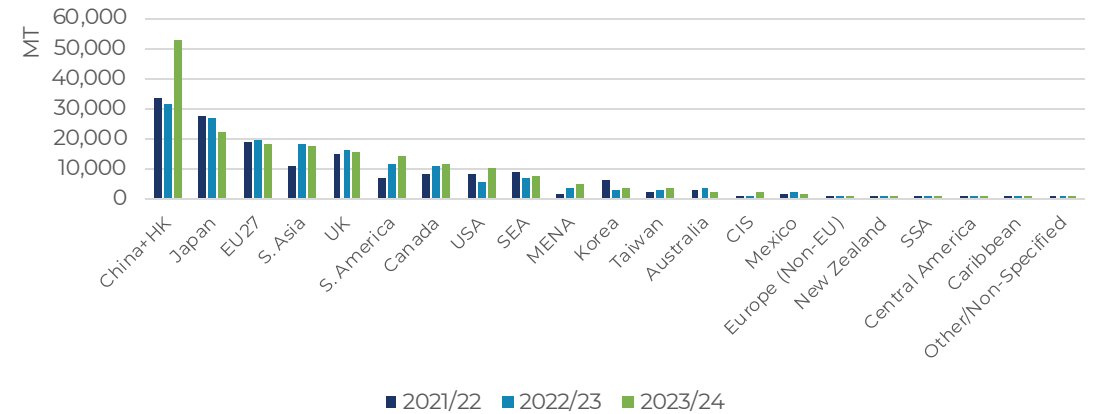


Global Overview: WPC80+ – Last 12 Months

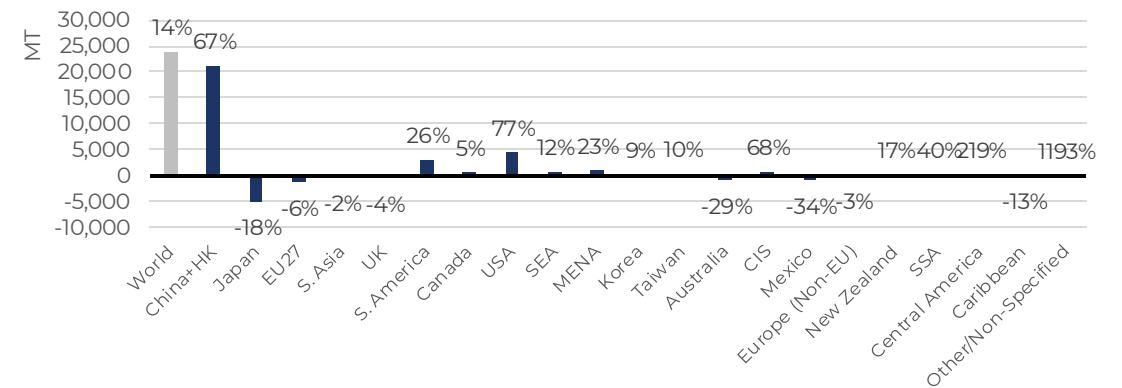
Global WPC80+ Trade by Destination: Last 12 Months ending Nov



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

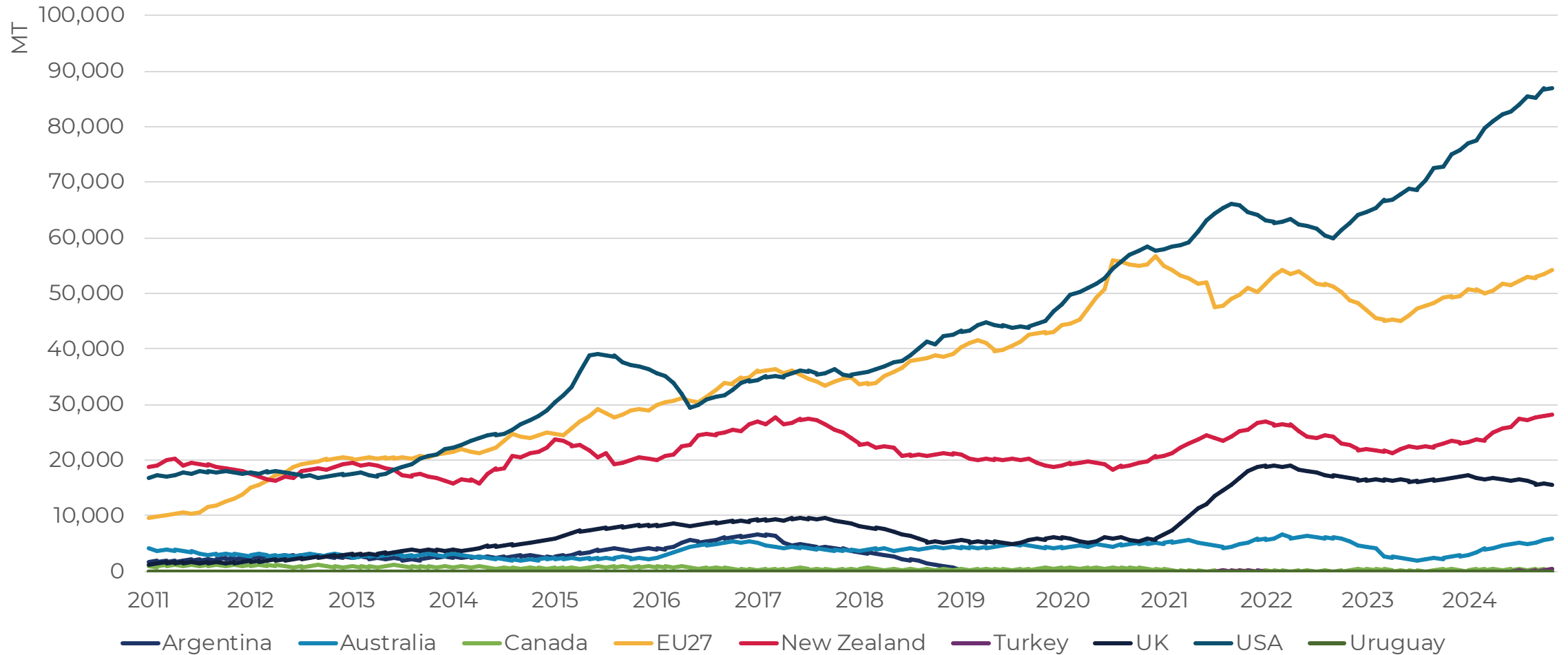


YOY Change in Global WPC80+ Trade by Destination: Last 12 Months ending Nov 2024



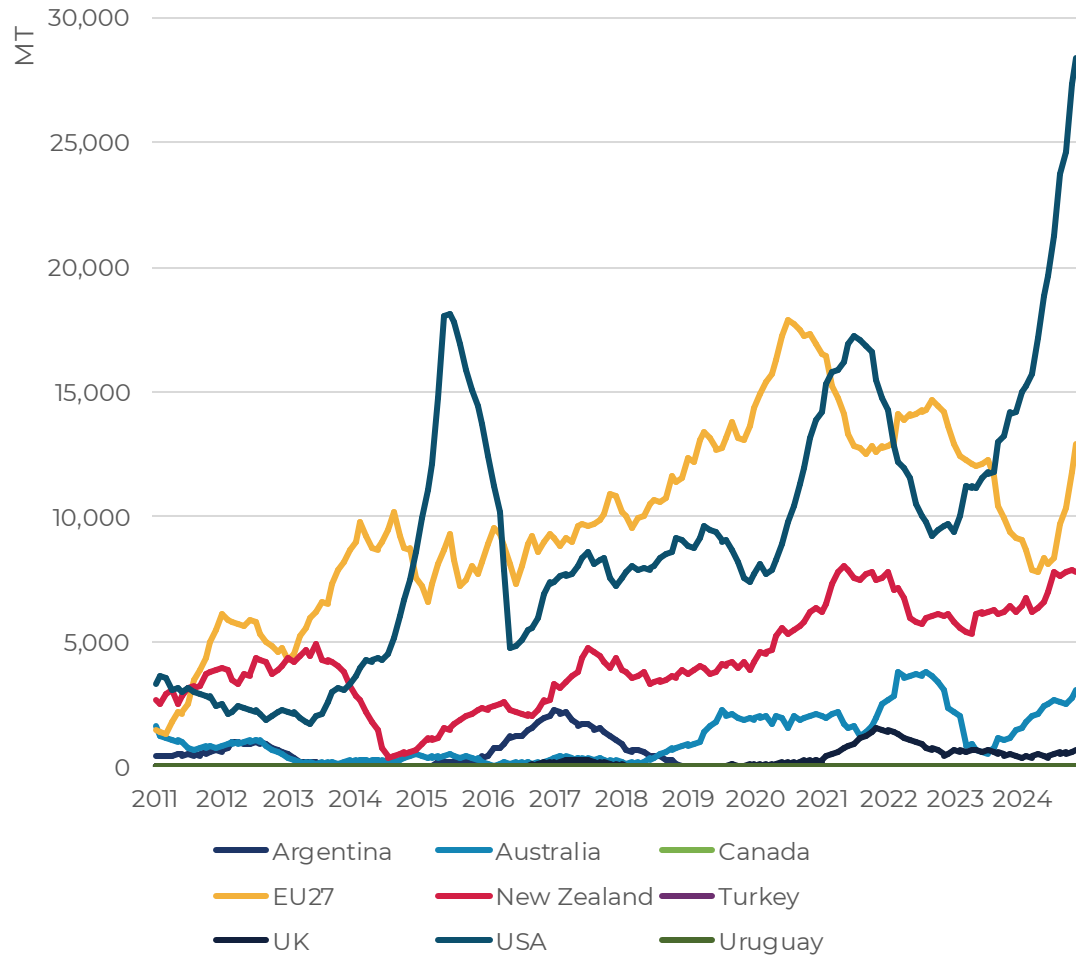
Trade Flows: WPC80+

Global WPC80+ Trade to World

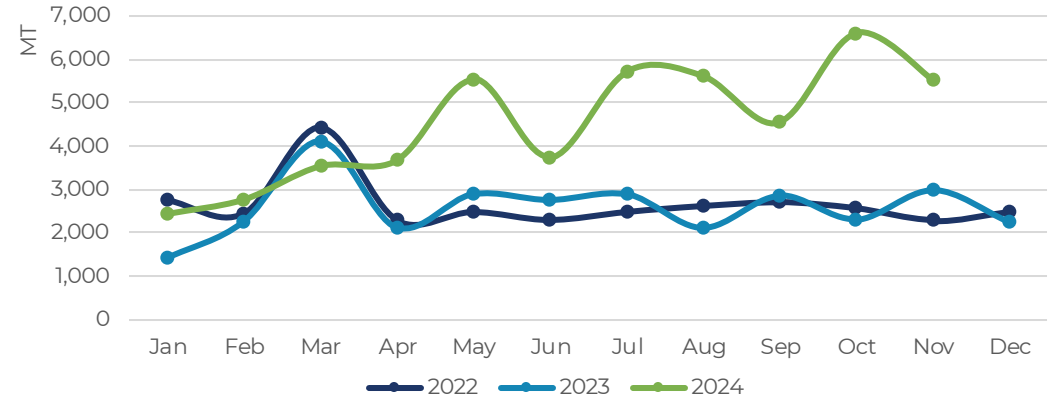


China

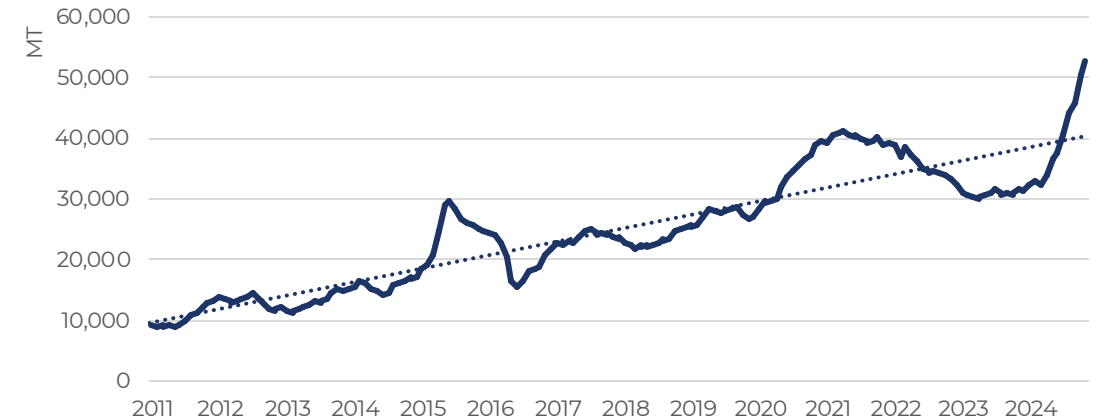
Global WPC80+ Trade to China+HK



Global WPC80+ Trade to China+HK

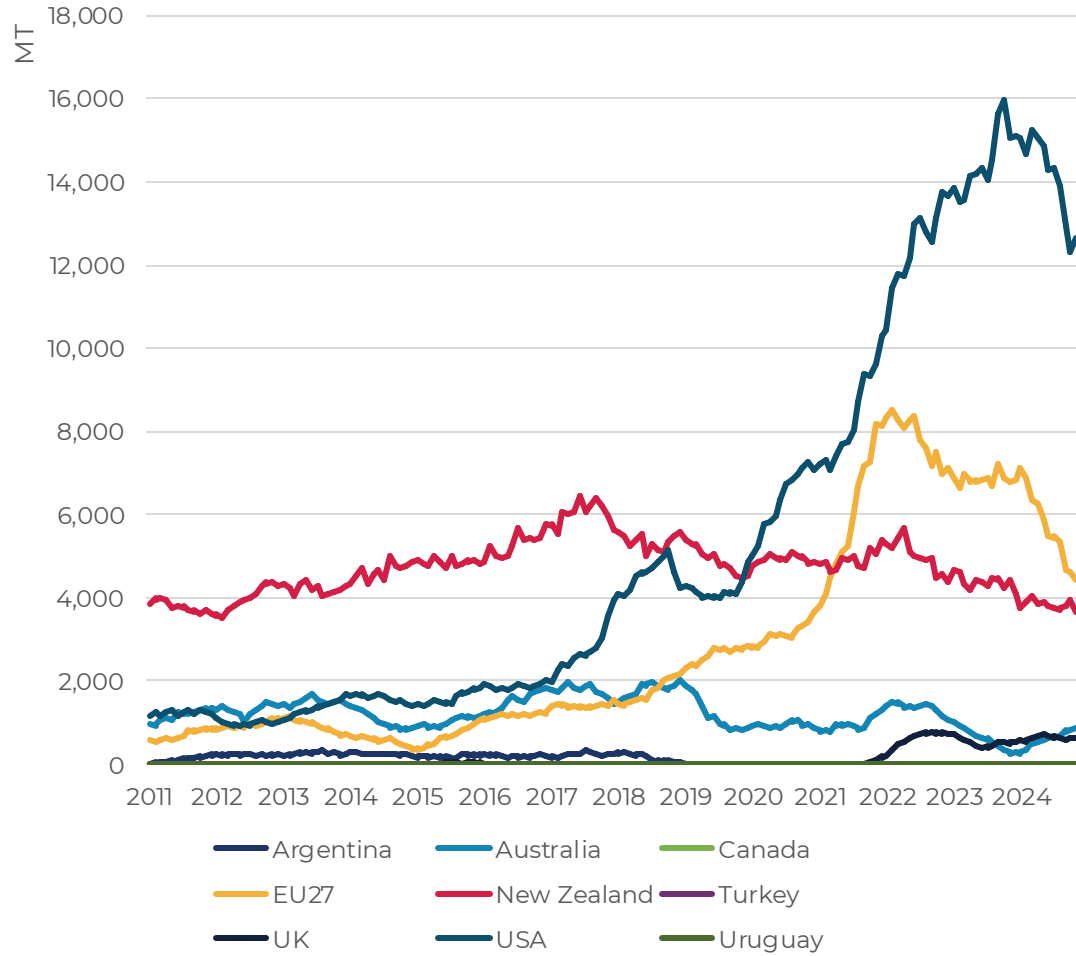


Global WPC80+ Trade to China+HK

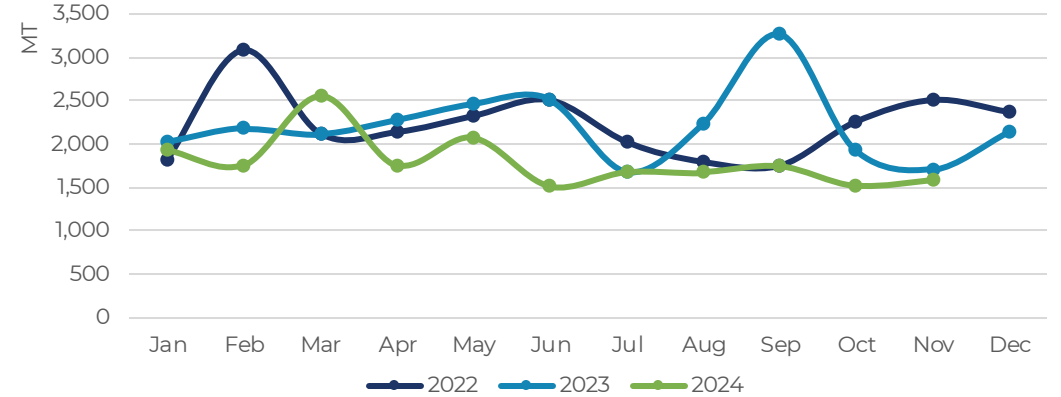


Japan

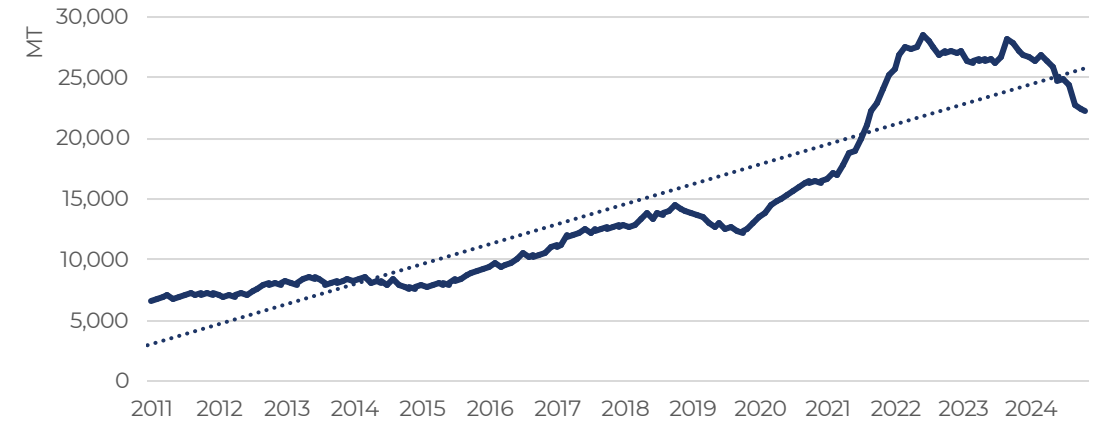
Global WPC80+ Trade to Japan



Global WPC80+ Trade to Japan

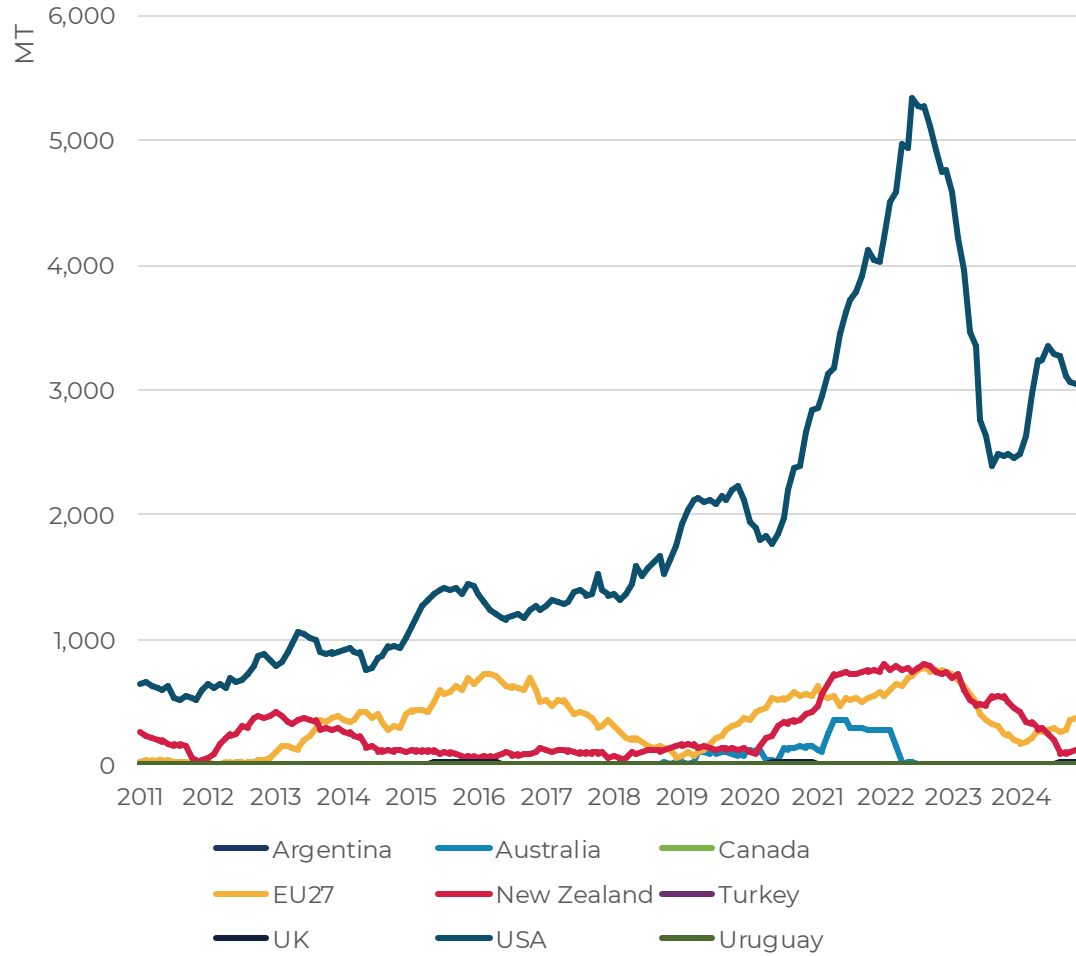


Global WPC80+ Trade to Japan

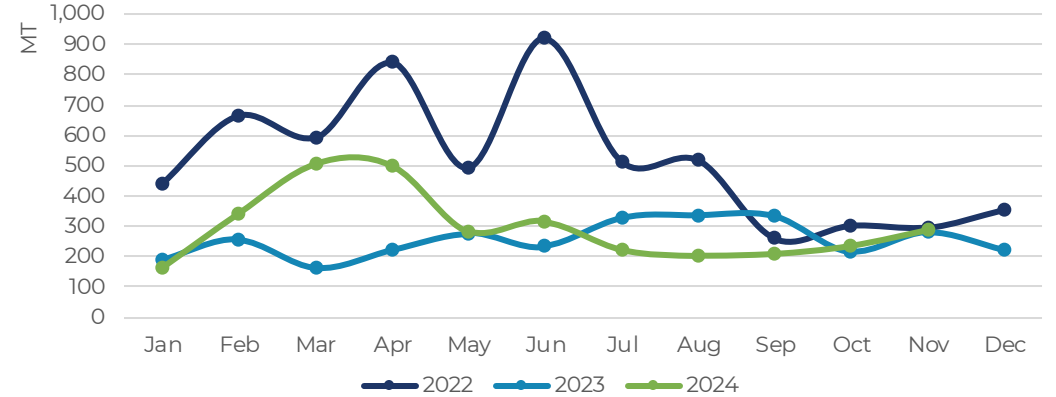


Korea

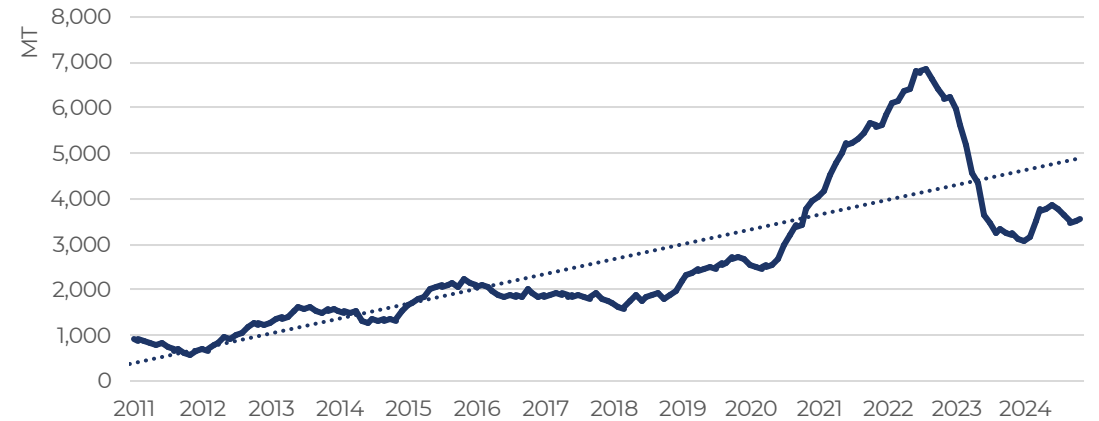
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

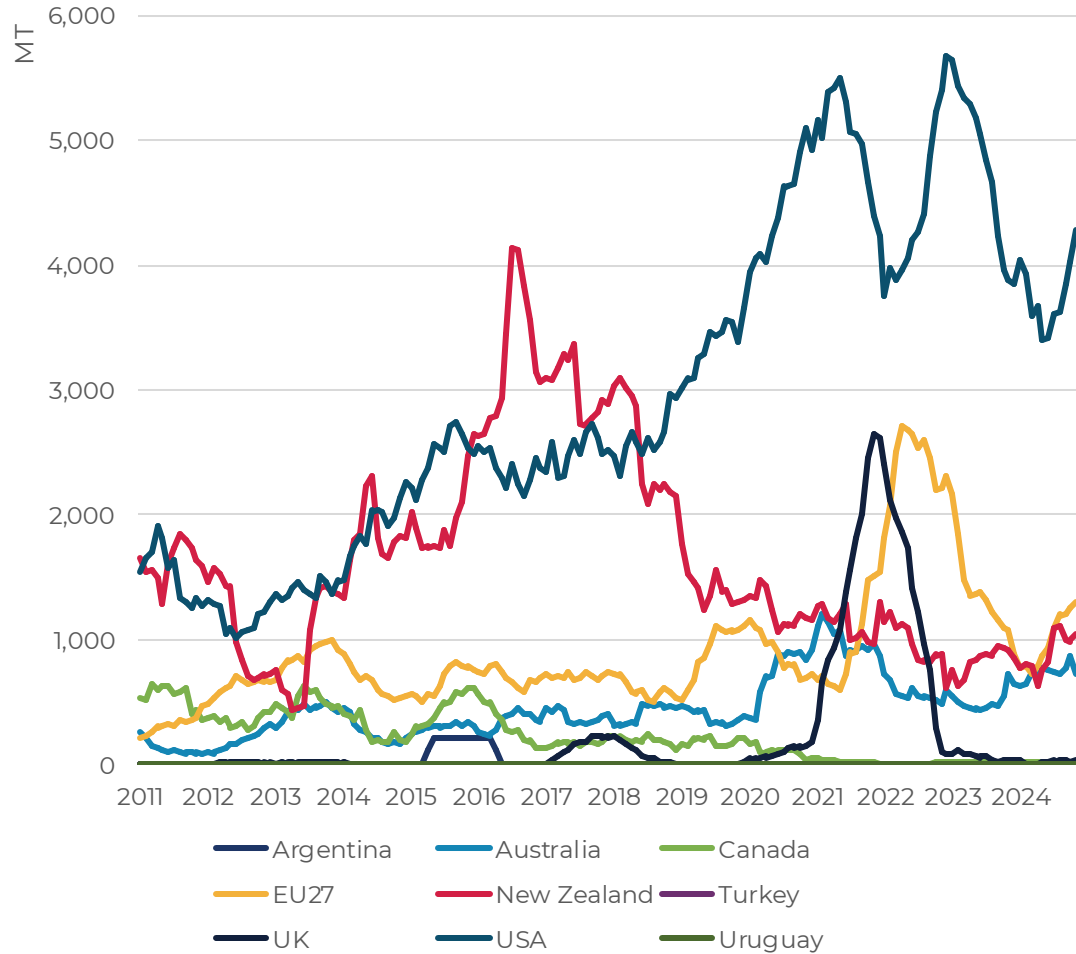


Global WPC80+ Trade to Korea

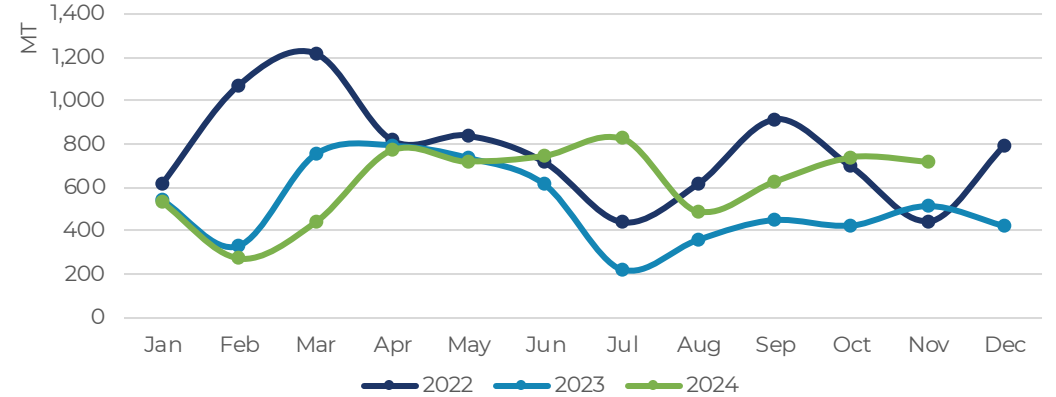


Southeast Asia

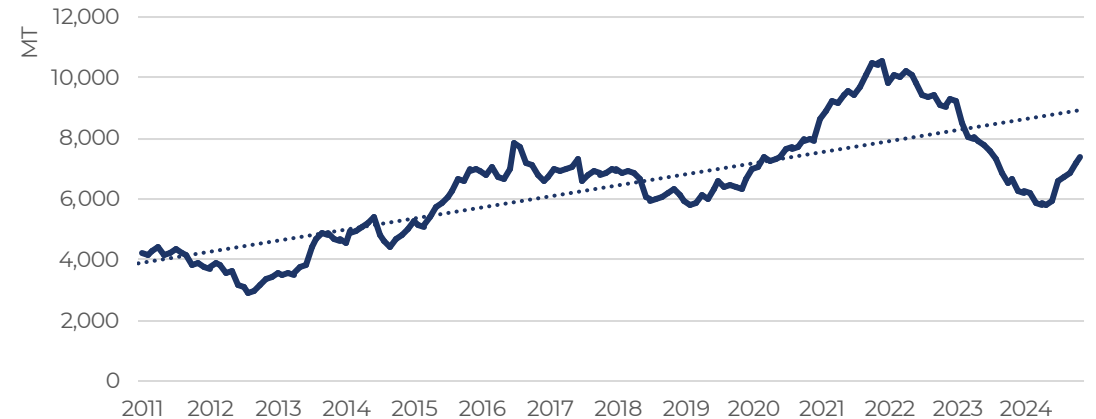
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

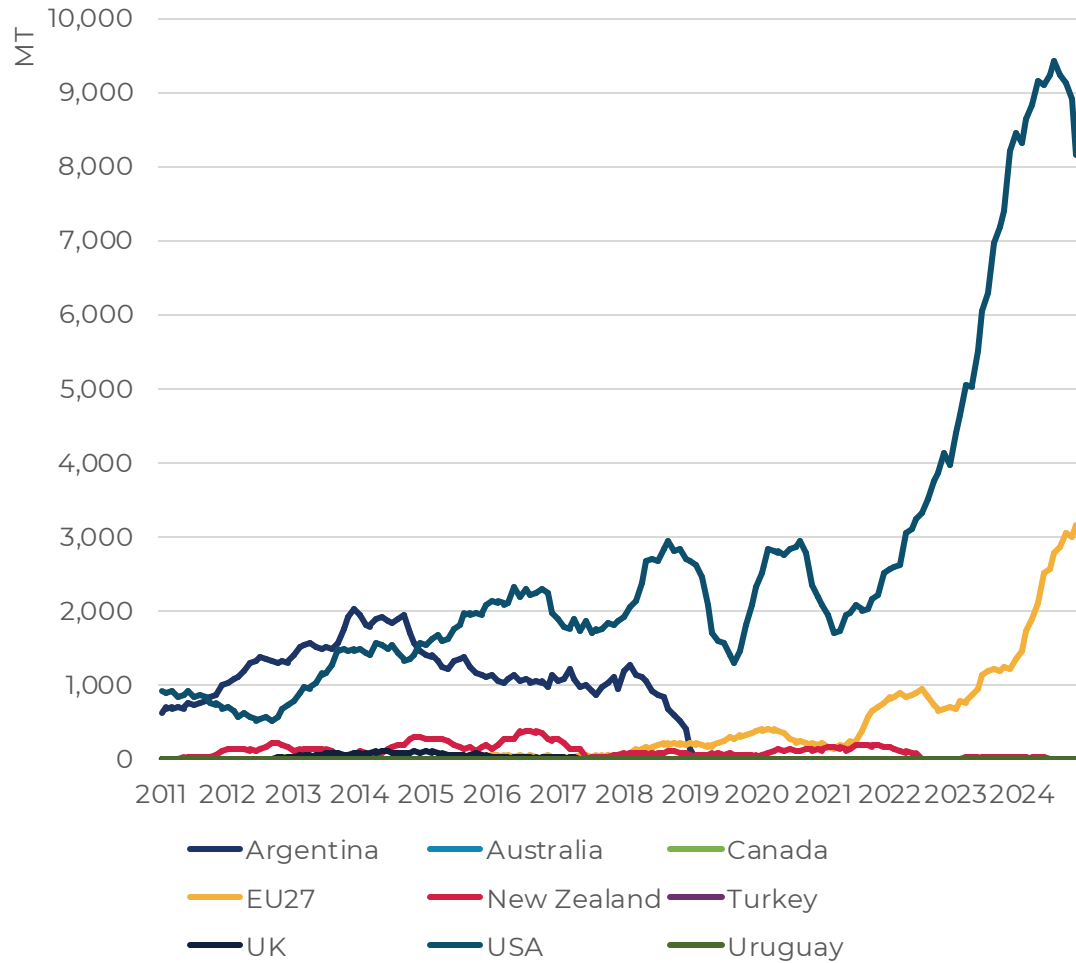


Global WPC80+ Trade to SEA

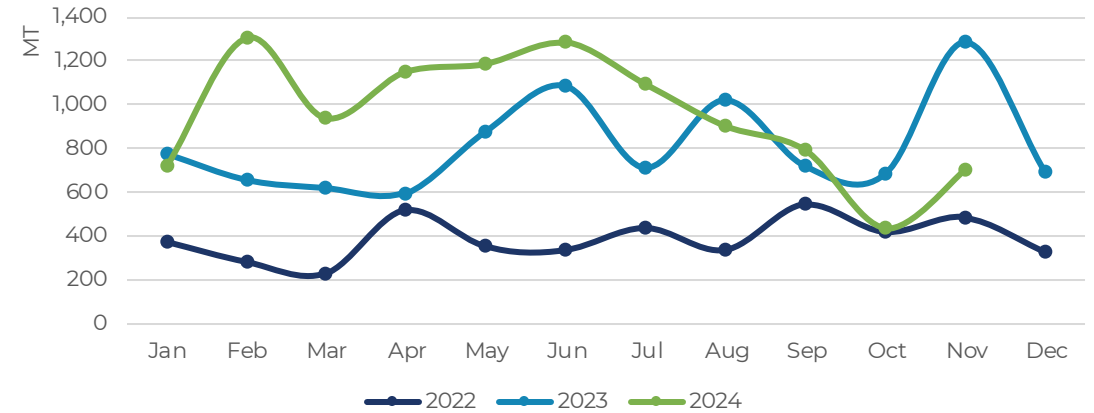


Brazil

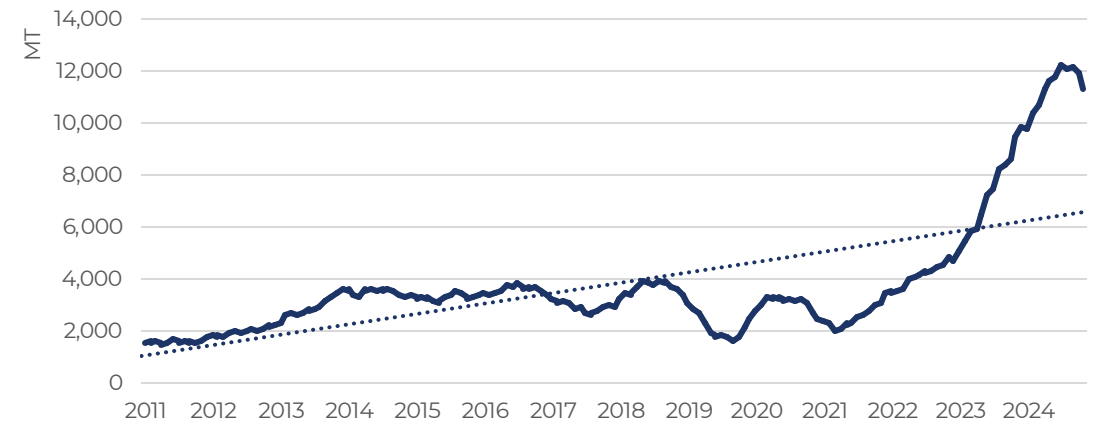
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil

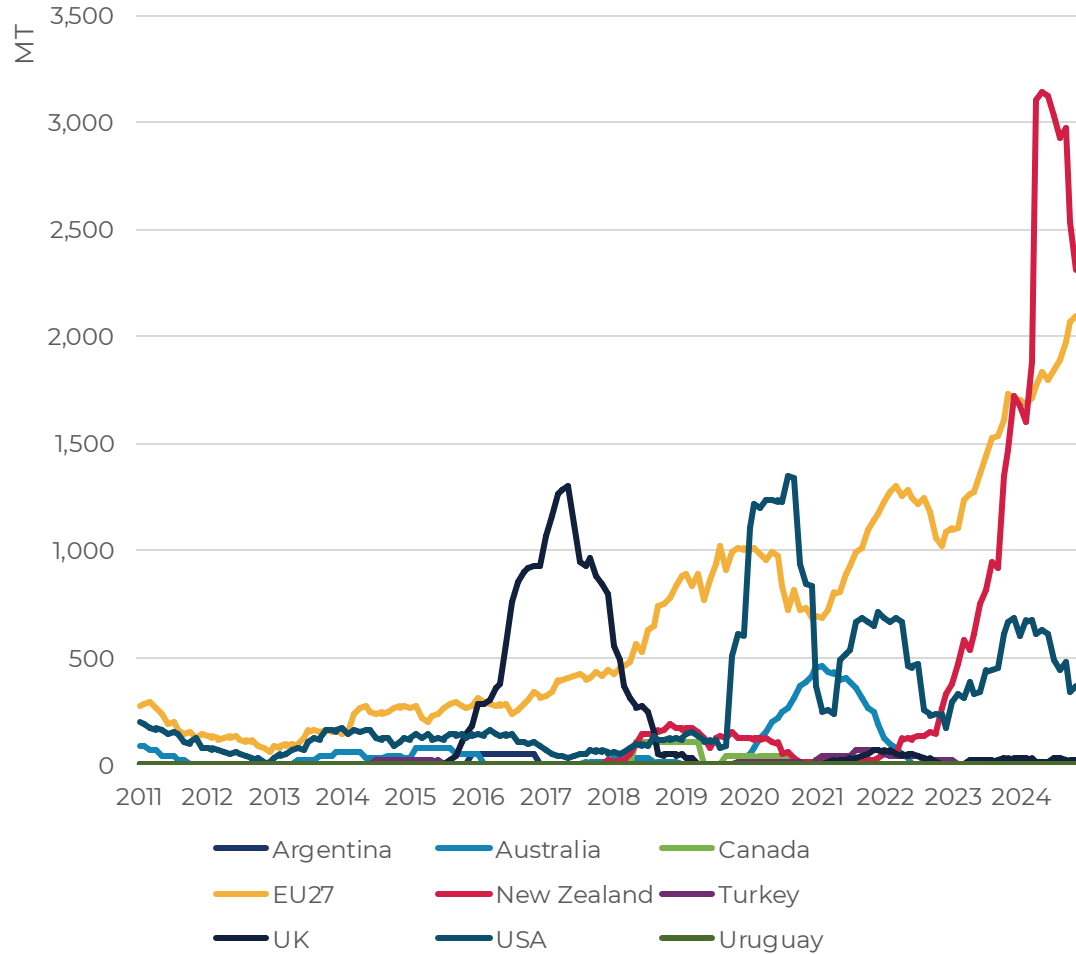


Global WPC80+ Trade to Brazil

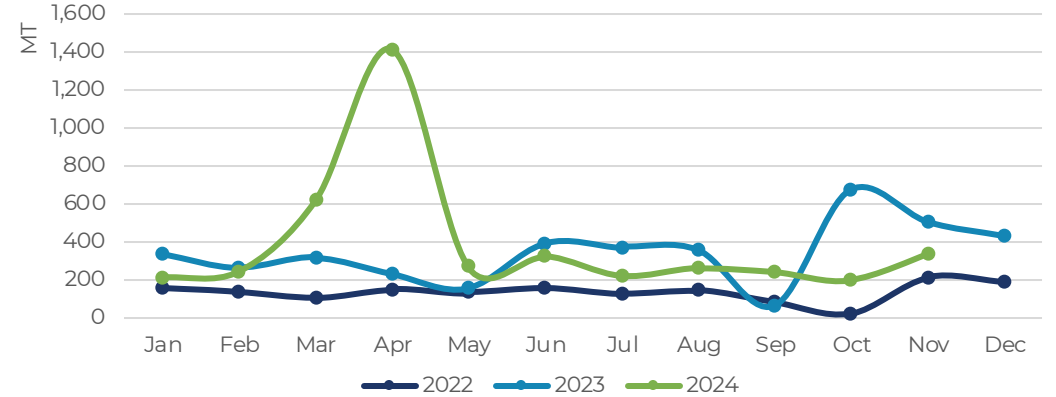


MENA

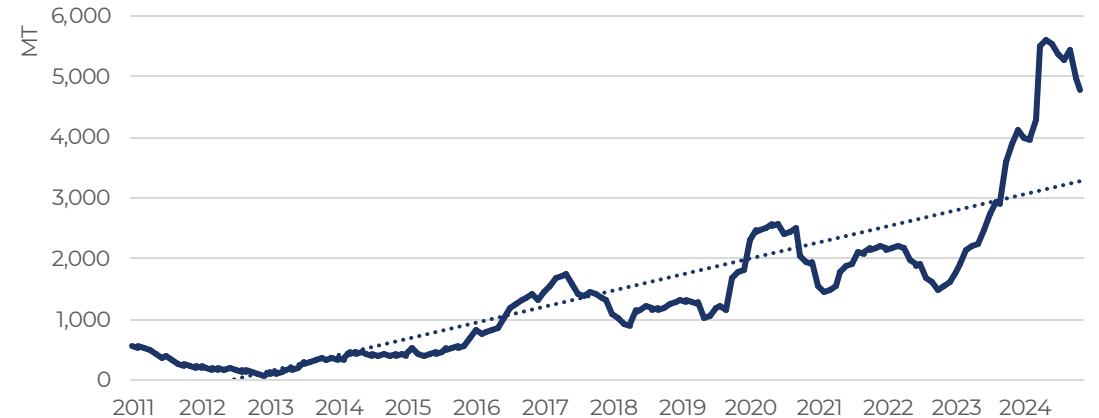
Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA



Global WPC80+ Trade to MENA





Other Dairy Products

Global Overview: Lactose



KEY TAKEAWAYS

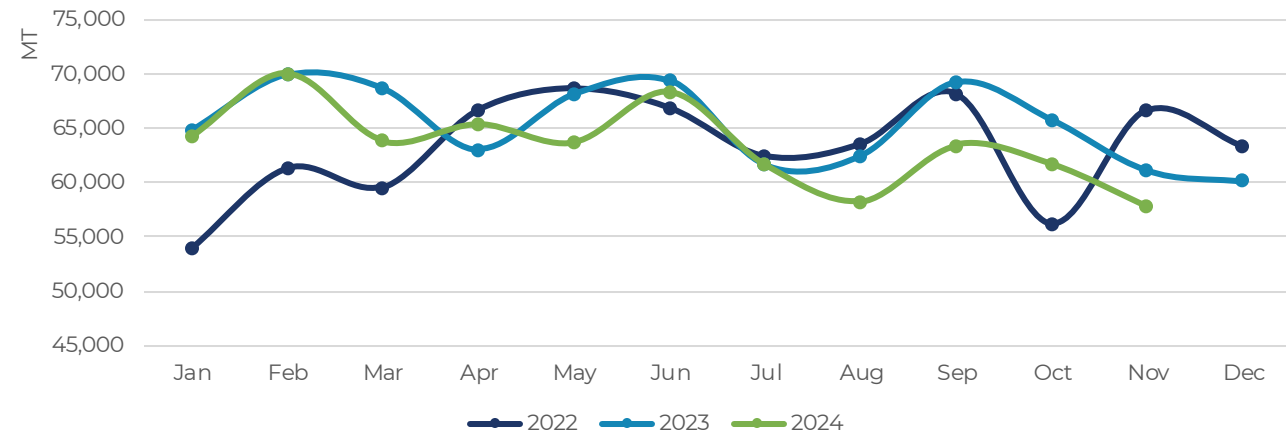
Global Lactose Trade

-5.2% **-3.6%** **-3.7%** **+1.3%**

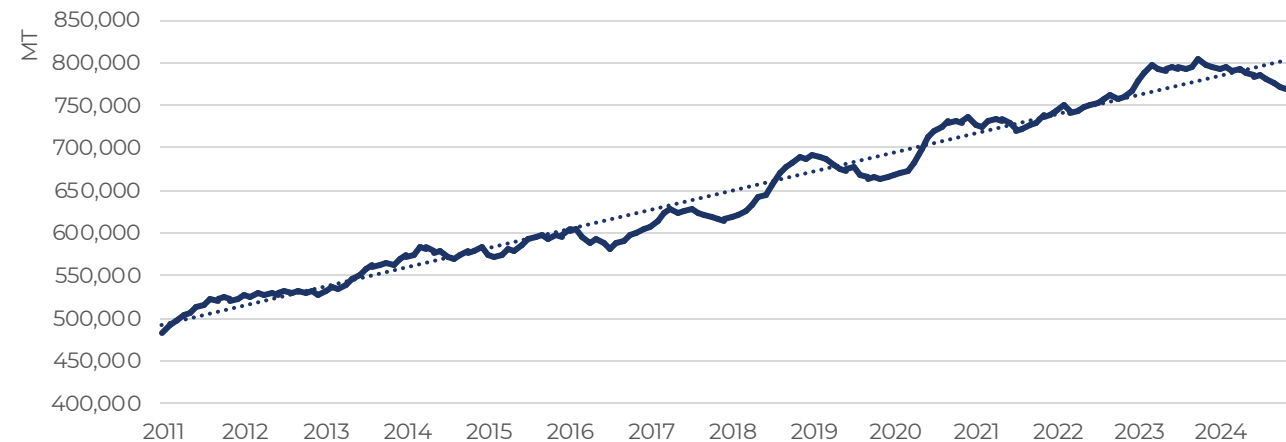
November YoY YTD, Ending Nov. Last 12-Months, Ending Nov. 3-Year CAGR

- Lactose trade steadily declined in October and November despite China's reappearance in the world market.
- South Asia led the decline in November (-49%, -4,302 MT), continuing the downward tumble of the past several months. Lactose shipments to South Asia were impressive through the first half of 2024 but have since dropped off as inventories were filled.
- China's inventories seem to have been depleted as exports to the country grew (+8%, +1,061 MT). Overall, global prices have found support and stability at current levels, and the decrease in lactose trade may taper off if Chinese demand stays consistent and New Zealand's milk production season continues to be above average.

Global Lactose Trade to World

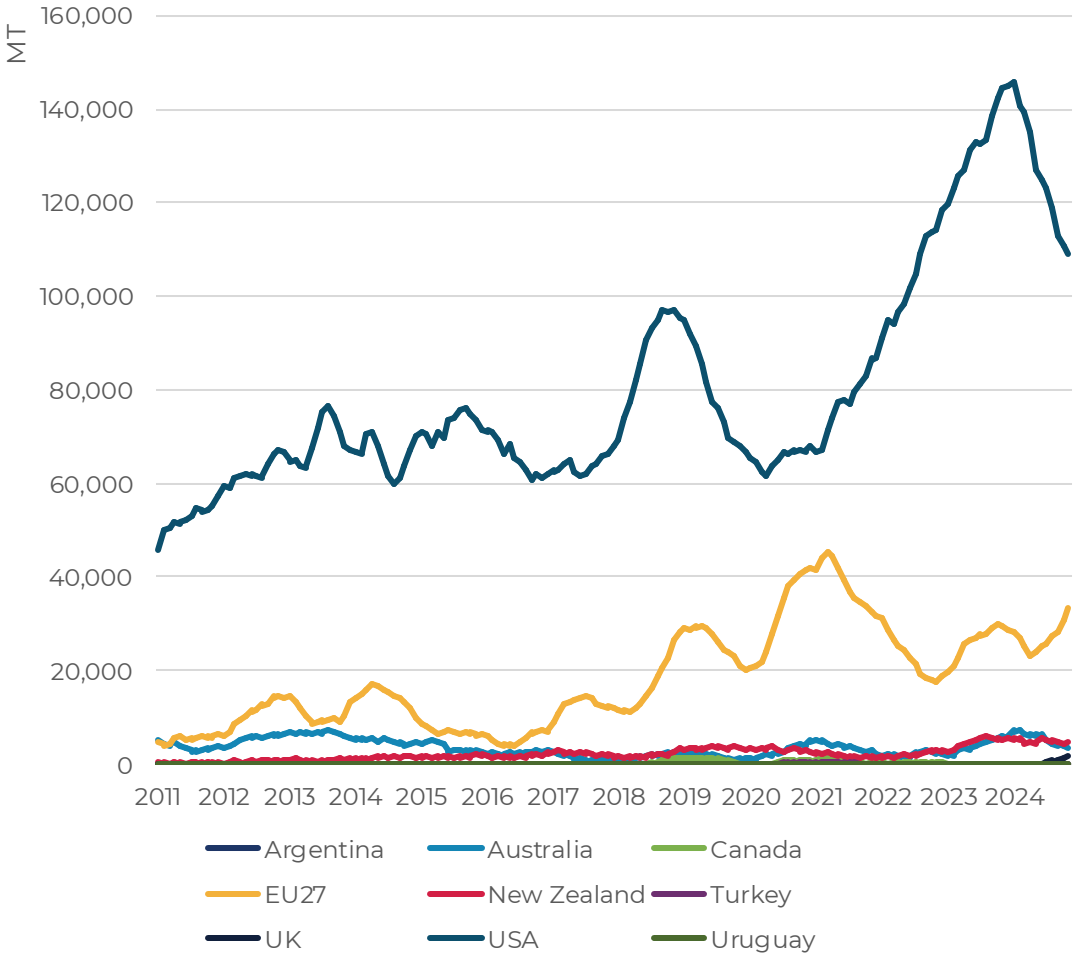


Global Lactose Trade to World

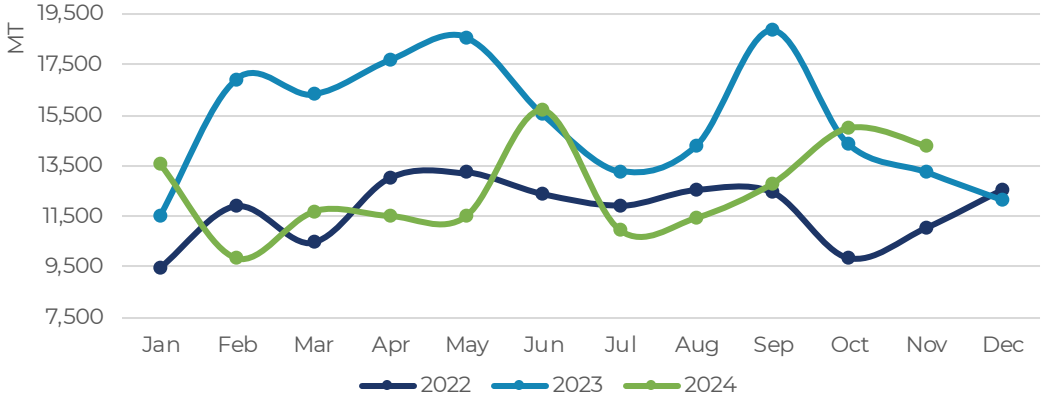


Lactose – China

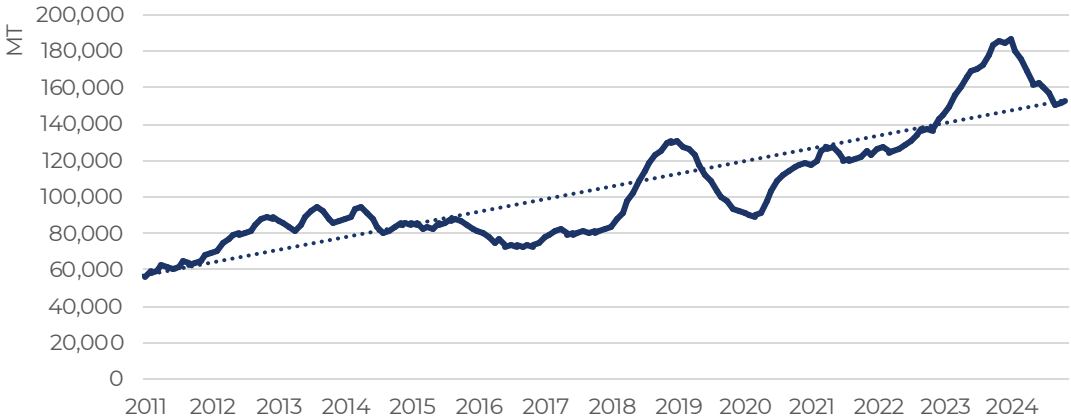
Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

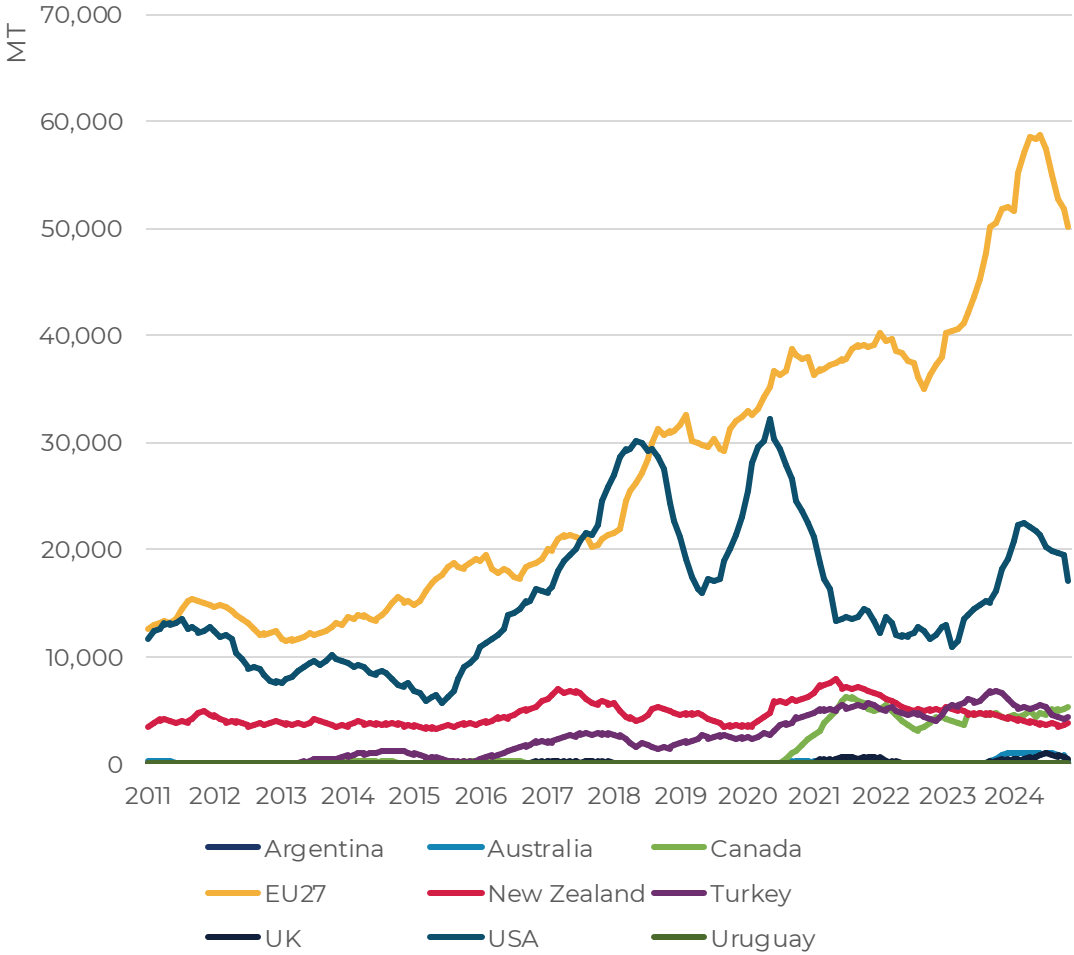


Global Lactose Trade to China+HK

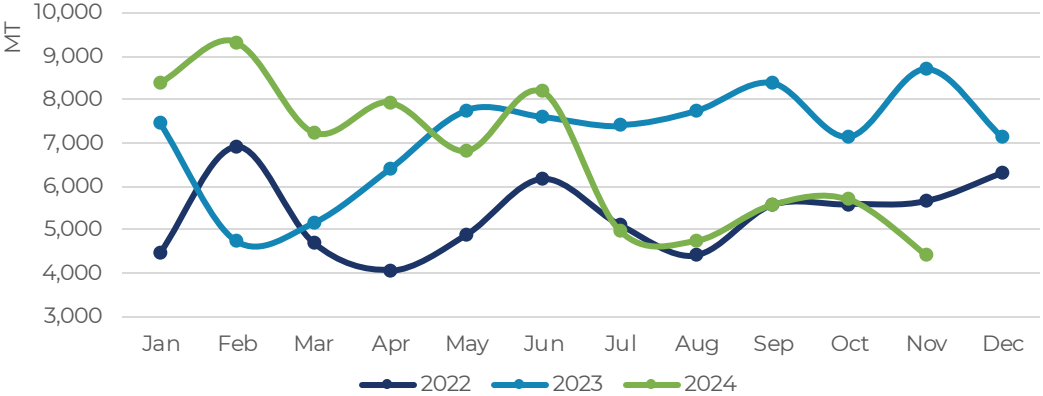


Lactose – South Asia

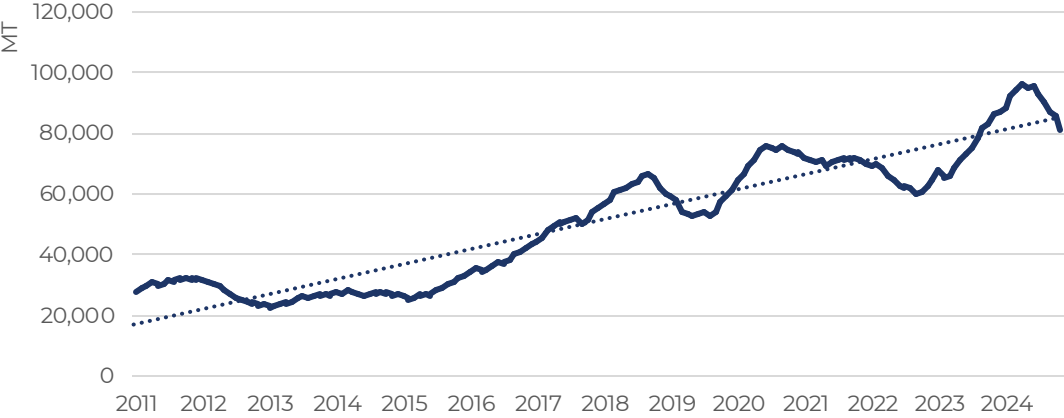
Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia

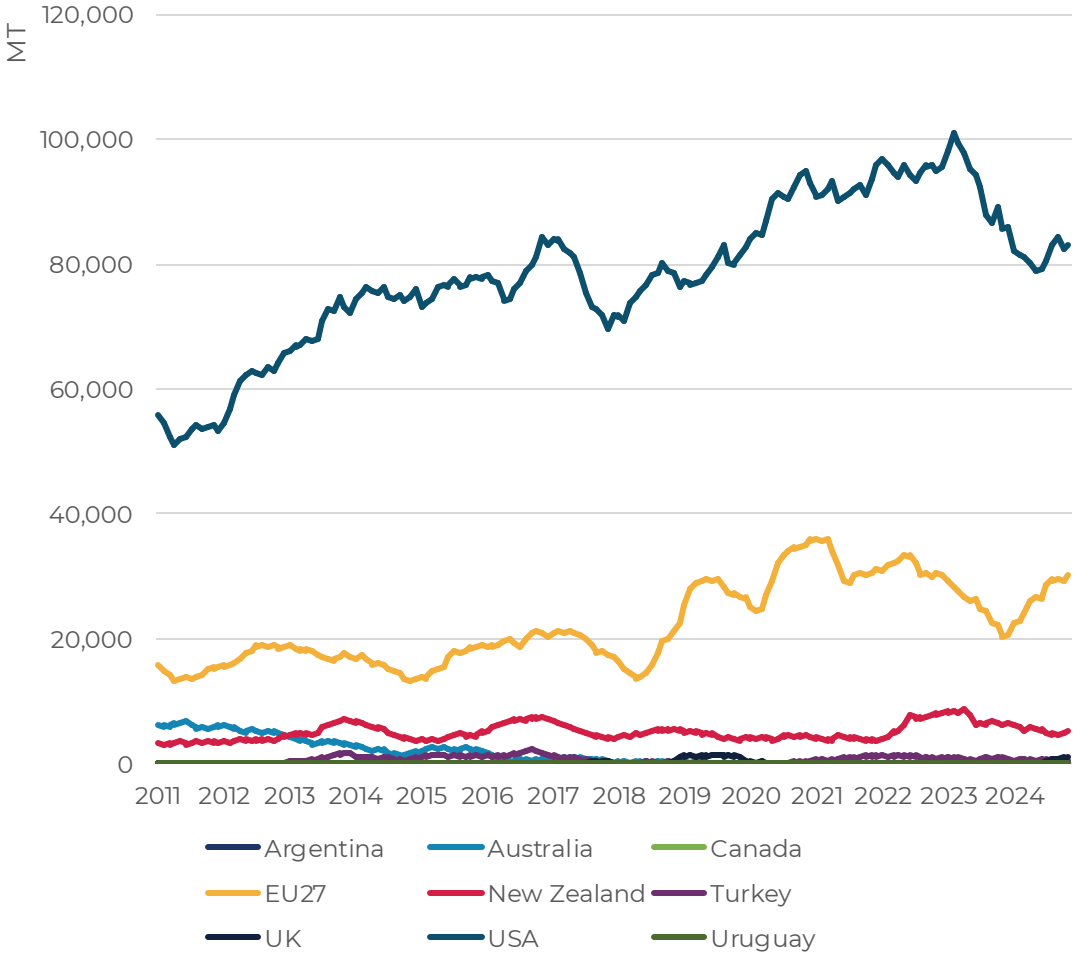


Global Lactose Trade to S. Asia

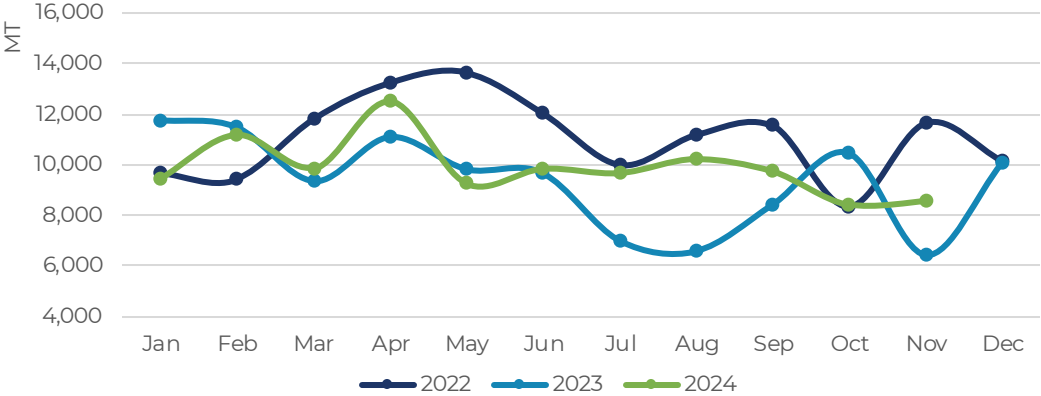


Lactose – Southeast Asia

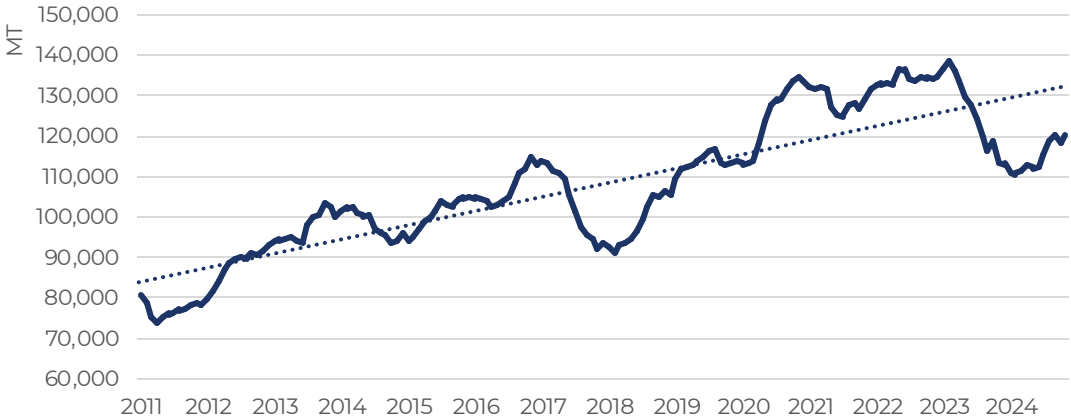
Global Lactose Trade to SEA



Global Lactose Trade to SEA



Global Lactose Trade to SEA



Global Overview: Butter



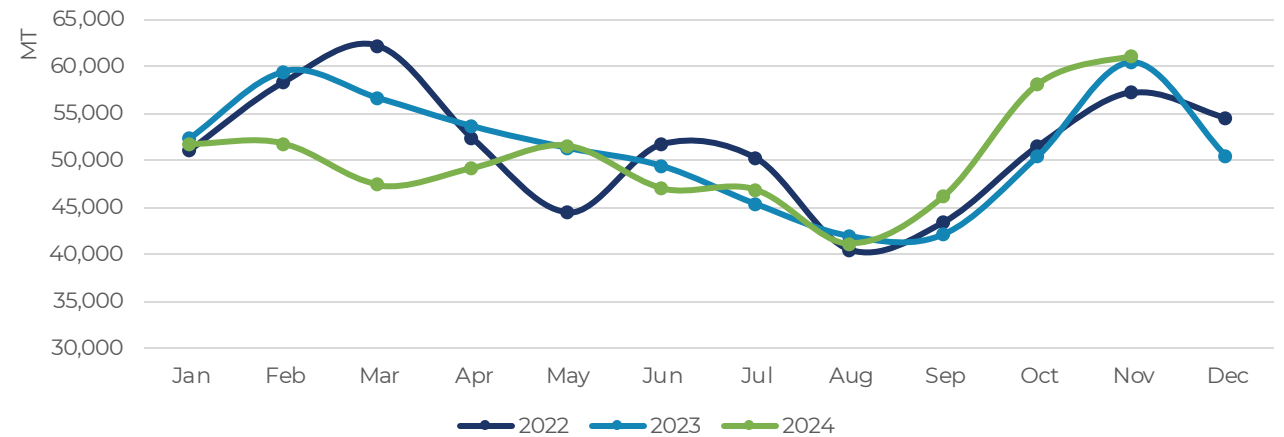
KEY TAKEAWAYS

Global Butter Trade

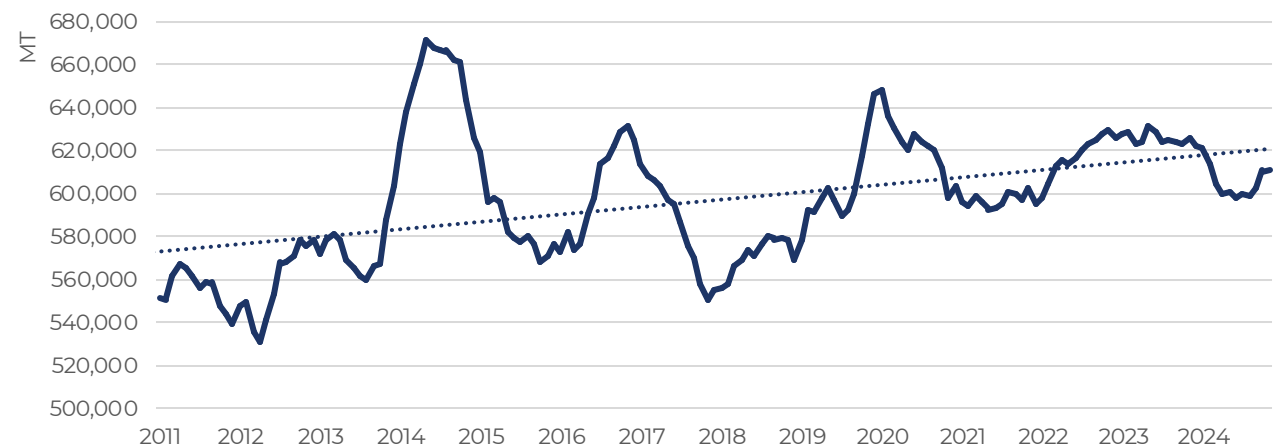
+1.0%	-1.8%	-2.4%	+0.5%
November YoY	YTD, Ending Nov.	Last 12-Months, Ending Nov.	3-Year CAGR

- Global butter trade continued to grow ahead of the winter holidays, plateauing in November as buyers filled the last of their orders.
- Exceptionally strong demand in China (+49%, +5,238 MT) bolstered global exports in November as butter prices cooled from the elevated prices in the months prior. Butter was also in high demand in the U.S. (+36%, +2,222 MT) and the UK (+36%, +1,715 MT) as holiday baking hit its zenith.
- Elevated butter prices continue to cool demand in MENA (-61%, -7,278 MT). The region is not expected to return to the market in the coming months if prices find continue to find support at current levels and the palm oil market remains a more affordable alternative.

Global Butter Trade to World

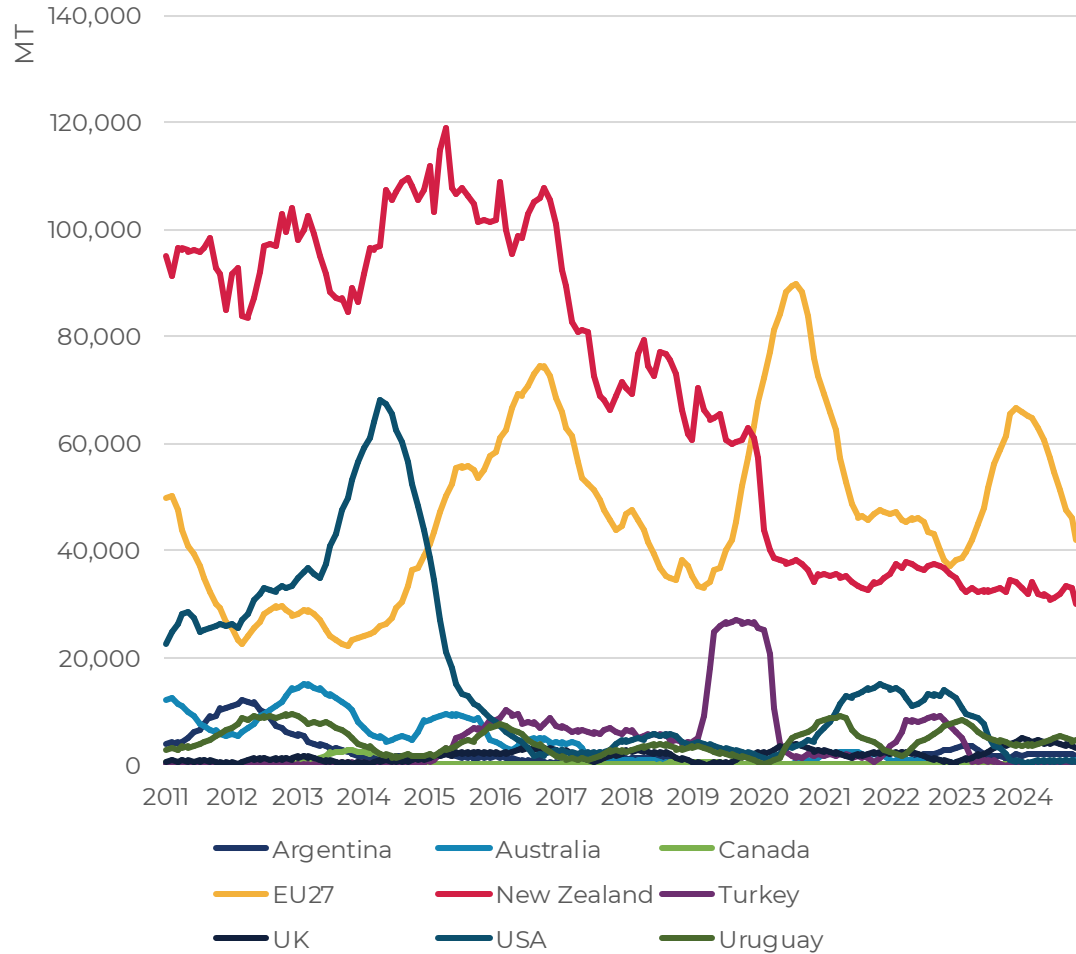


Global Butter Trade to World

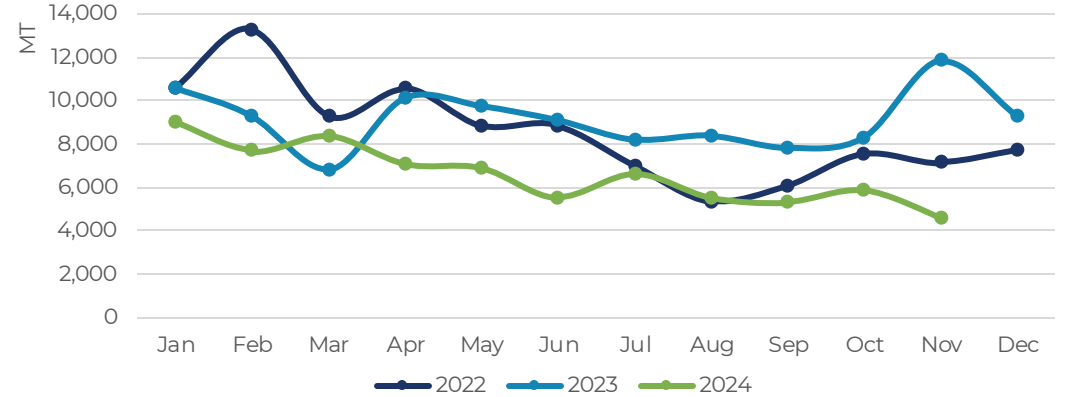


Butter – MENA

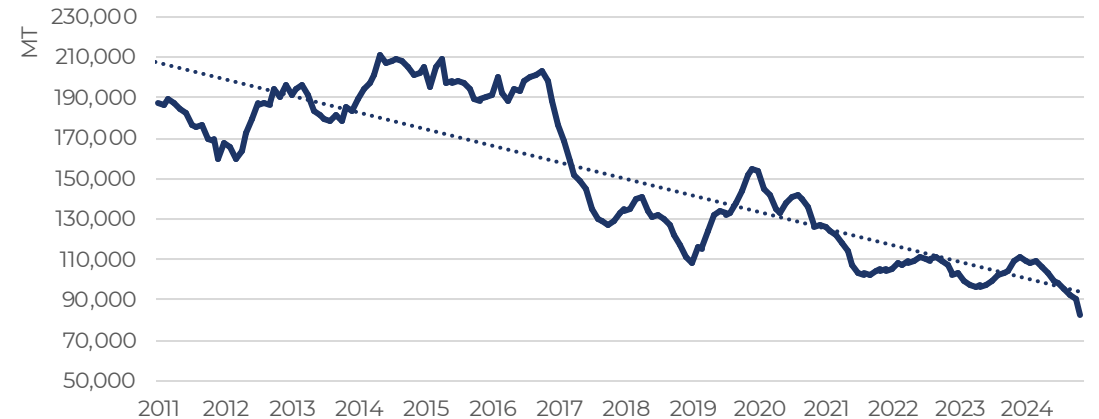
Global Butter Trade to MENA



Global Butter Trade to MENA

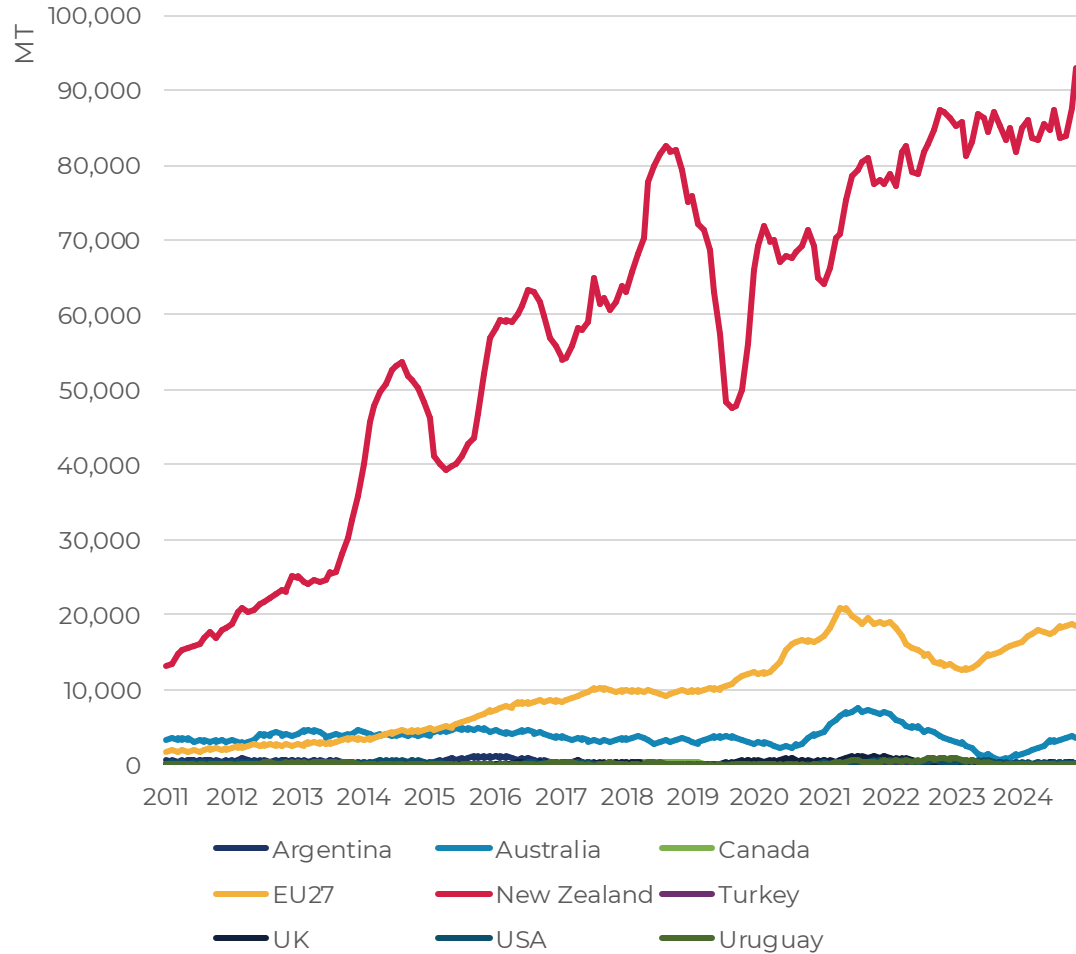


Global Butter Trade to MENA

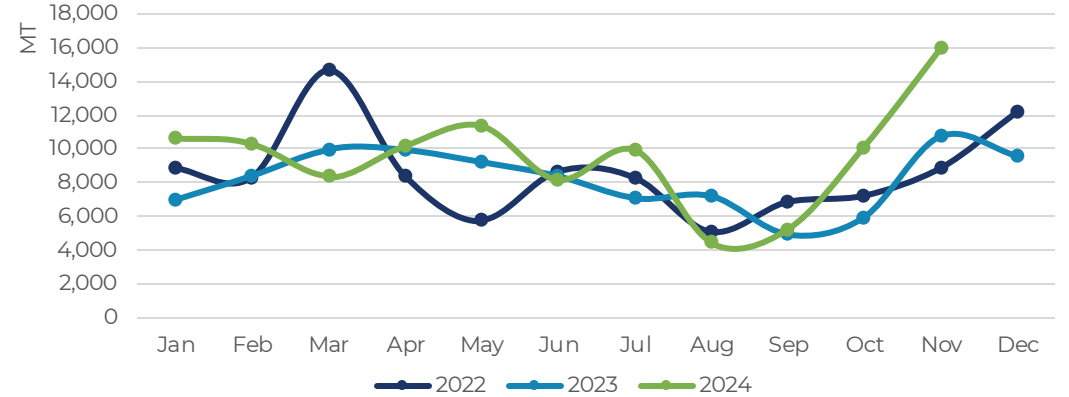


Butter – China

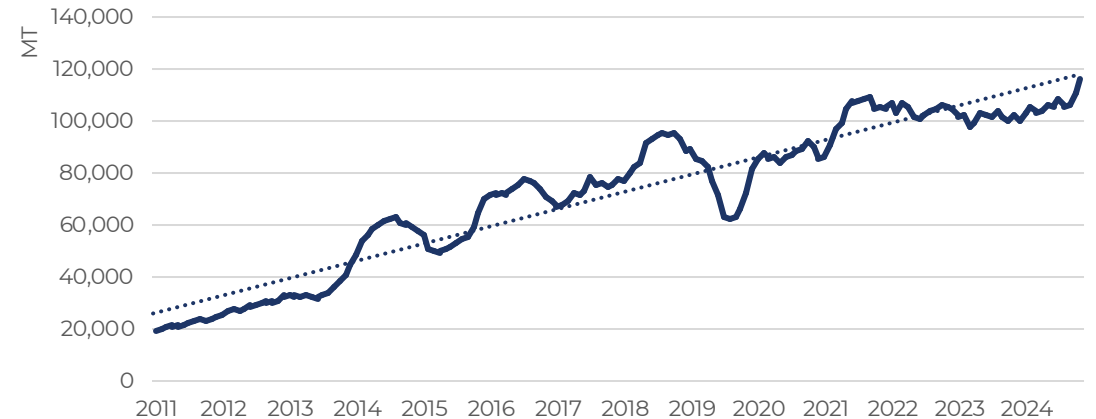
Global Butter Trade to China+HK



Global Butter Trade to China+HK

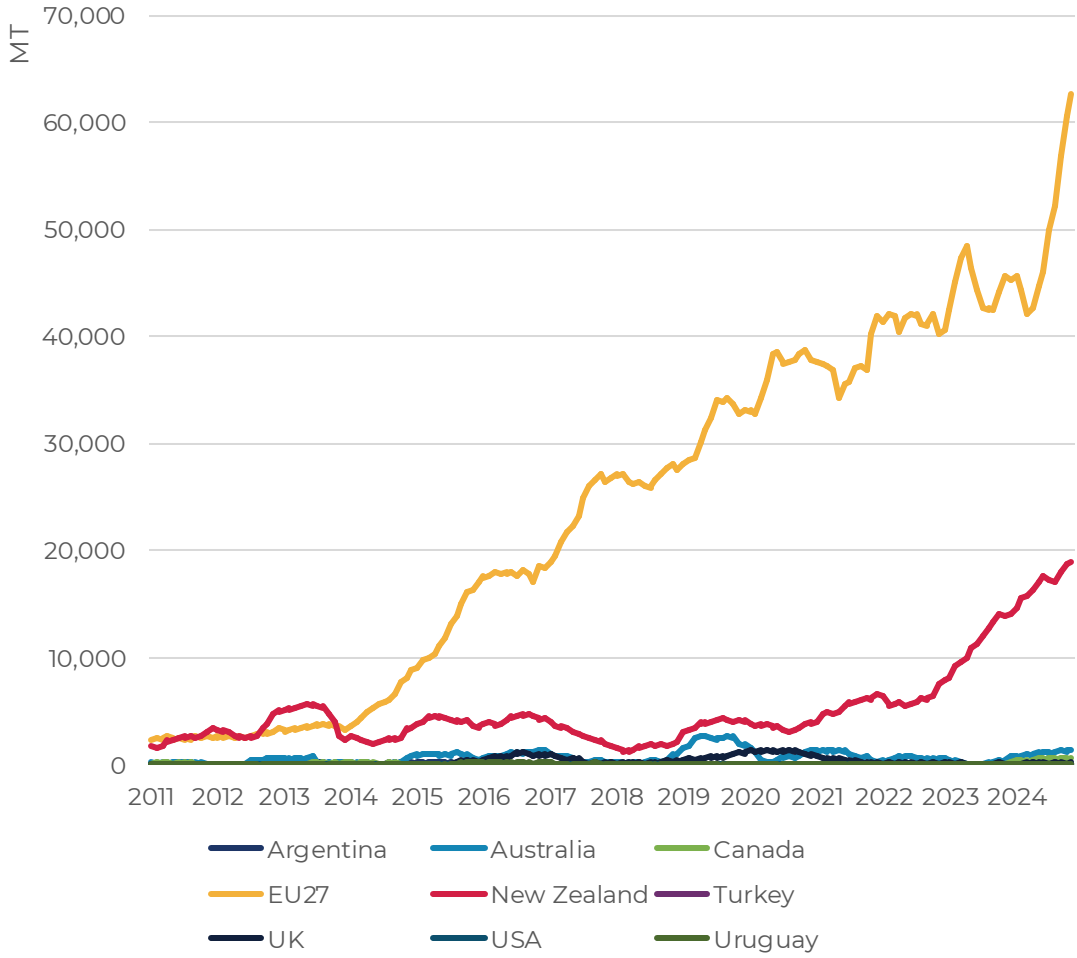


Global Butter Trade to China+HK

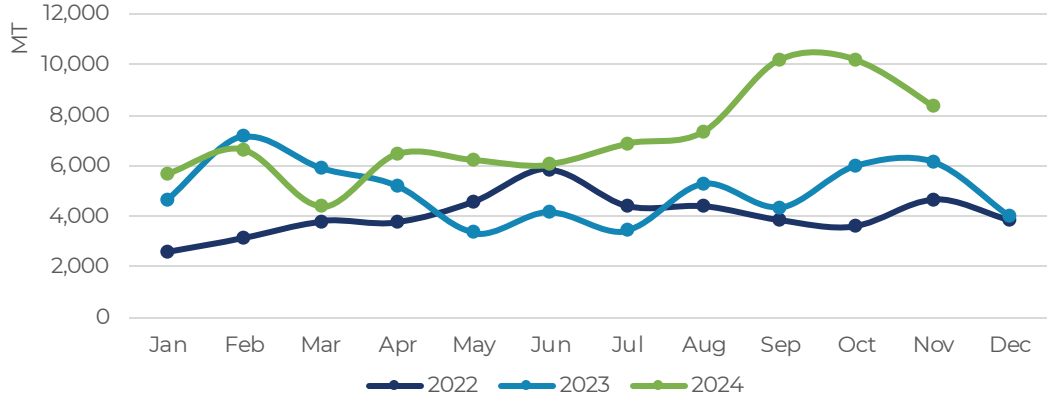


Butter – U.S.

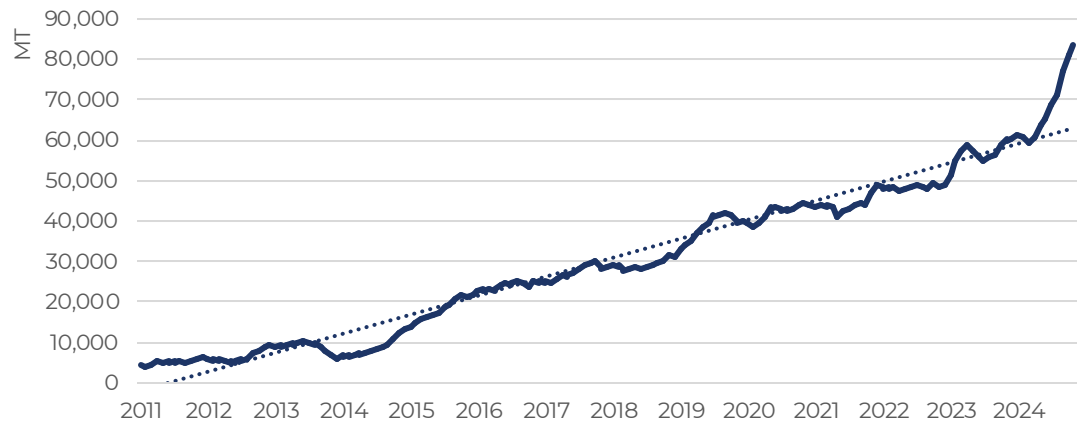
Global Butter Trade to USA



Global Butter Trade to USA



Global Butter Trade to USA



Global Overview: Whole Milk Powder



KEY TAKEAWAYS

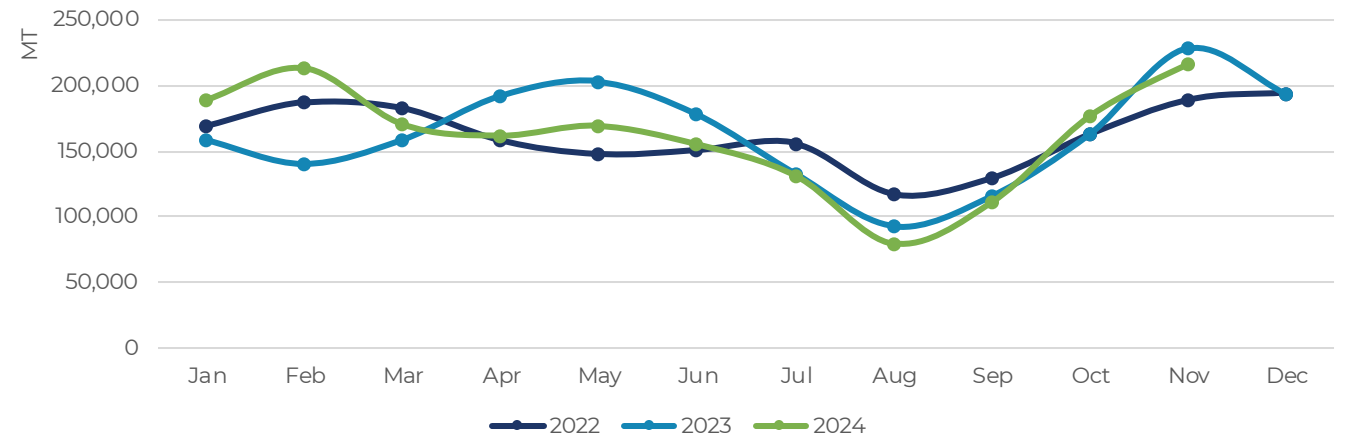
Global WMP Trade

-5.4% **+0.3%** **+0.3%** **-5.2%**

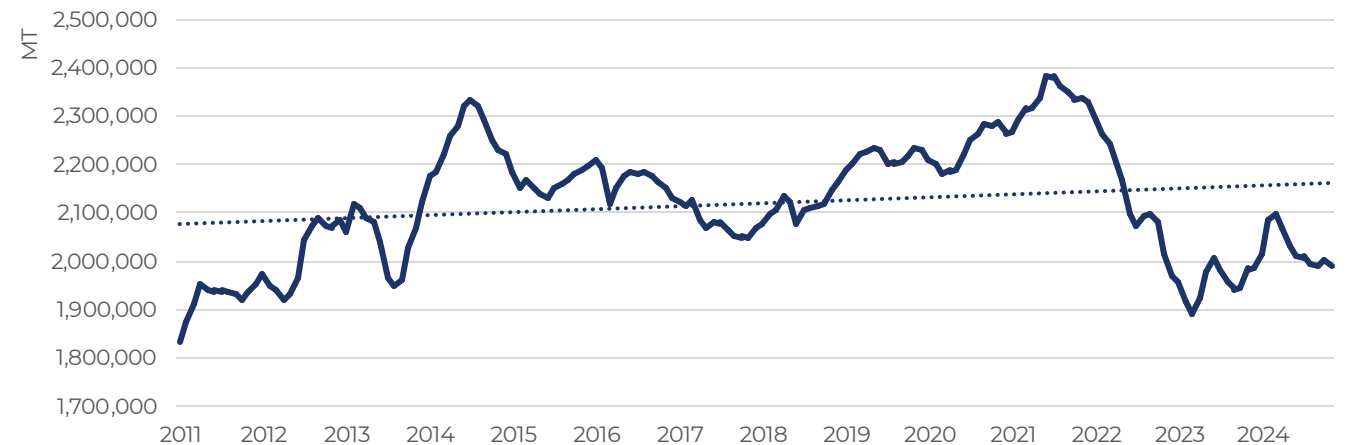
November YoY YTD, Ending Nov. Last 12-Months, Ending Nov. 3-Year CAGR

- Despite enjoying a modest bump in October, global whole milk powder trade once again fell below prior year levels in November. WMP shipments have been mixed over 2024 with cumulative volumes running basically flat with prior year.
- Lower exports to China (-11%, -5,929 MT) and Southeast Asia (-14%, -6,113 MT) weighed the most heavily on November's figures. In contrast, volumes to MENA surged in November, rising 21% (+11,111 MT) YOY.
- Favorable weather and pasture conditions boosted milk production in New Zealand late in 2024, but weak global demand undercut Kiwi WMP exports during November (-8%, -13,993 MT). Nevertheless, cumulative WMP export volumes from New Zealand lead prior year through the first 11 months of 2024, wresting share from European suppliers.

Global WMP Trade to World

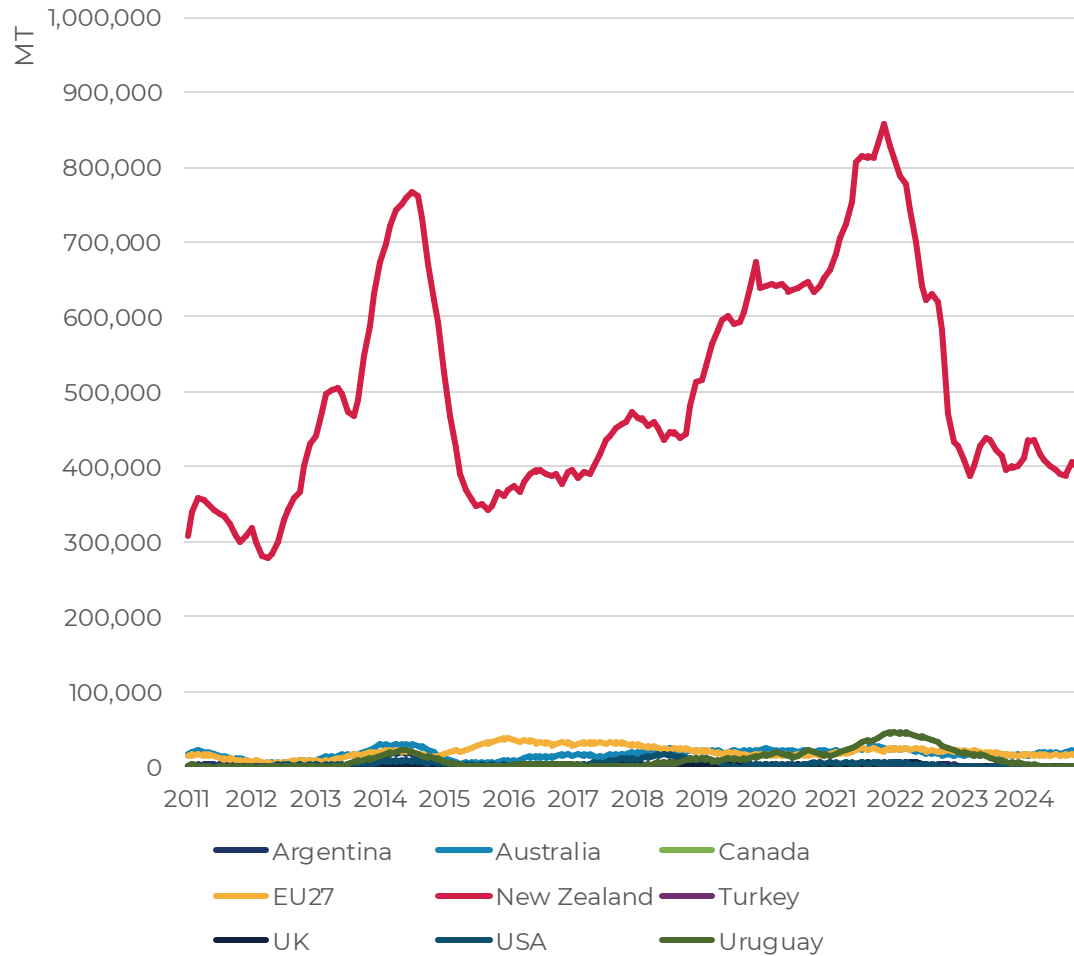


Global WMP Trade to World

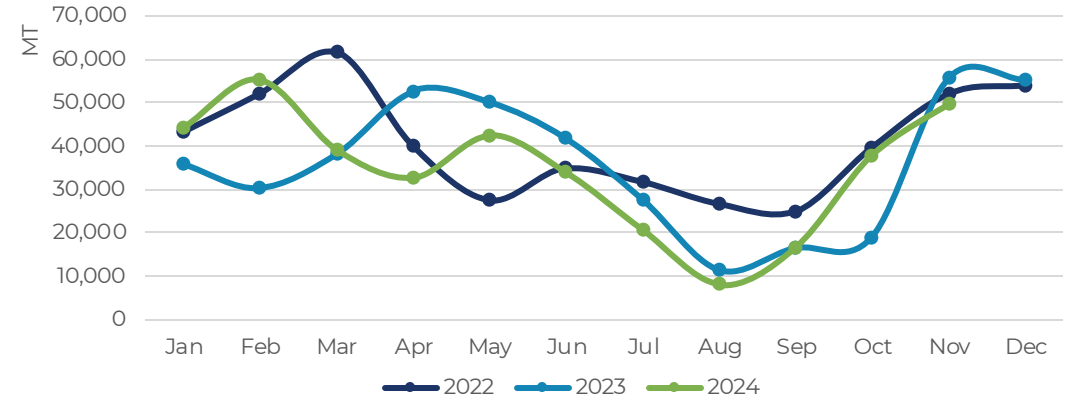


Whole Milk Powder – China

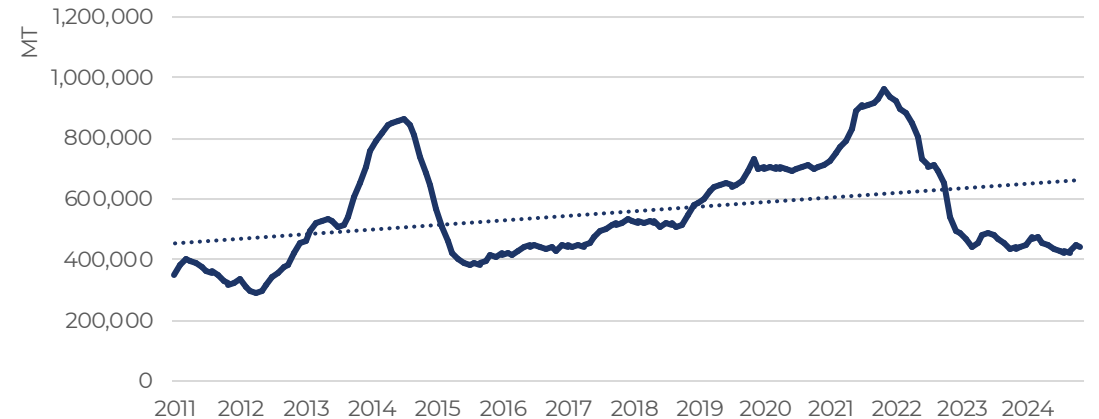
Global WMP Trade to China+HK



Global WMP Trade to China+HK

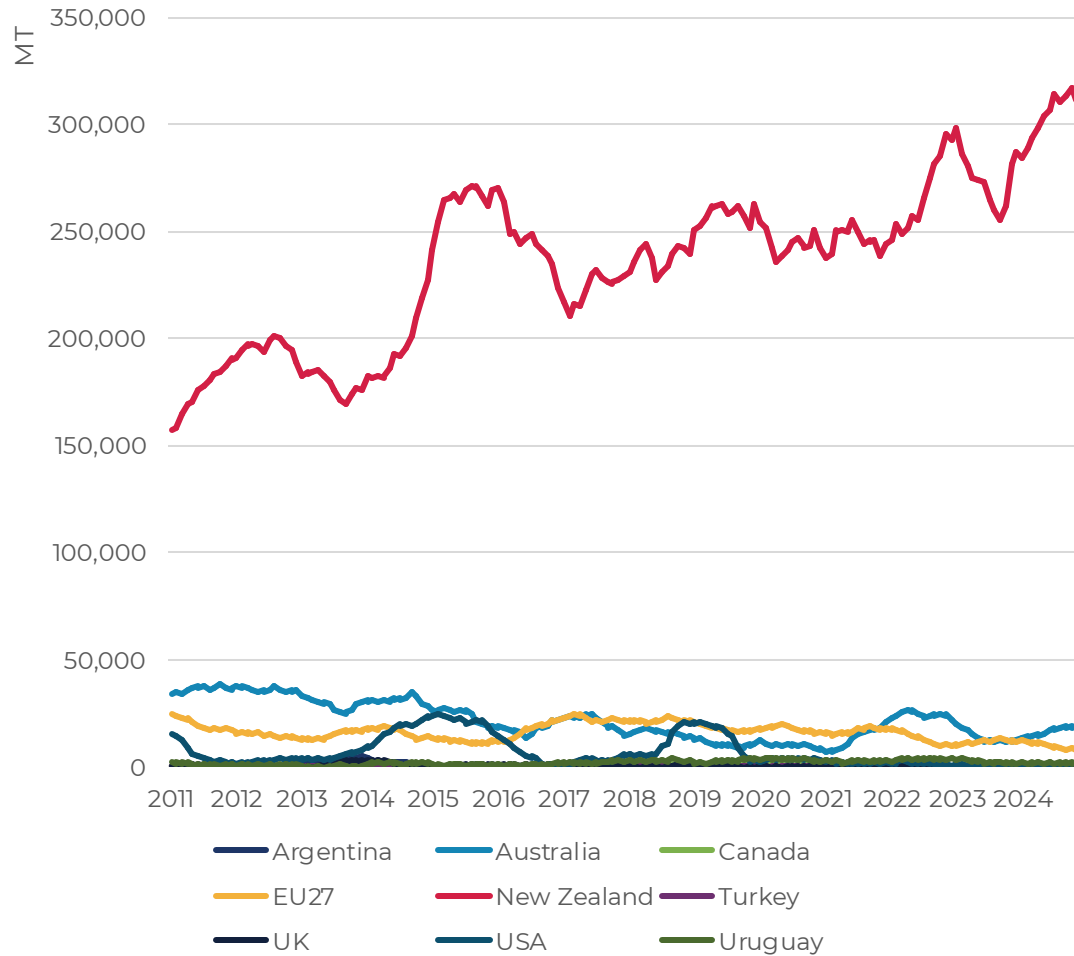


Global WMP Trade to China+HK

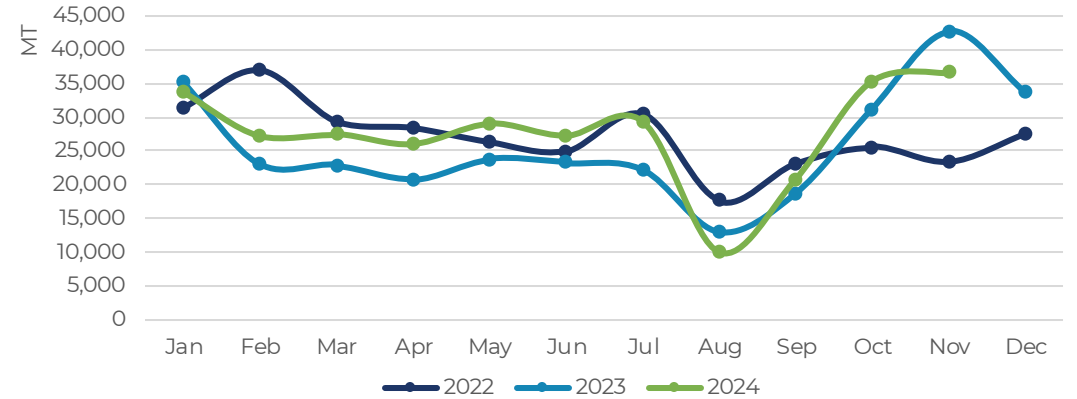


Whole Milk Powder – Southeast Asia

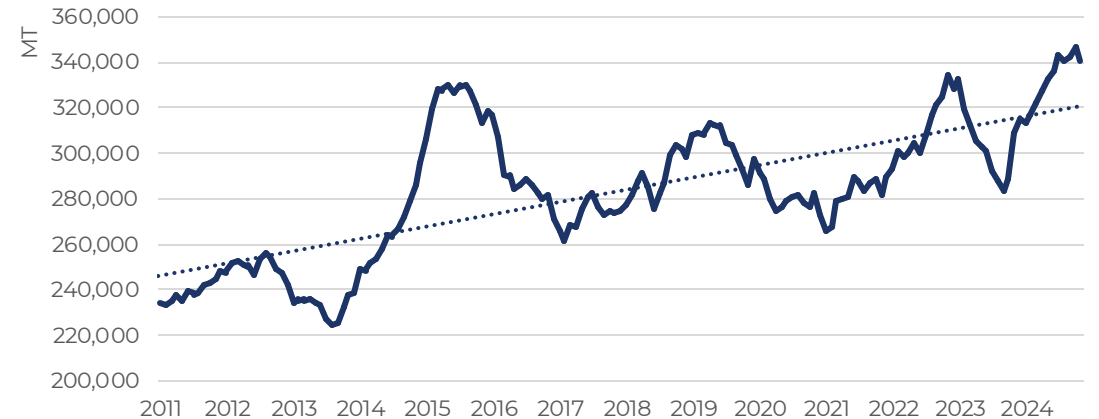
Global WMP Trade to SEA



Global WMP Trade to SEA

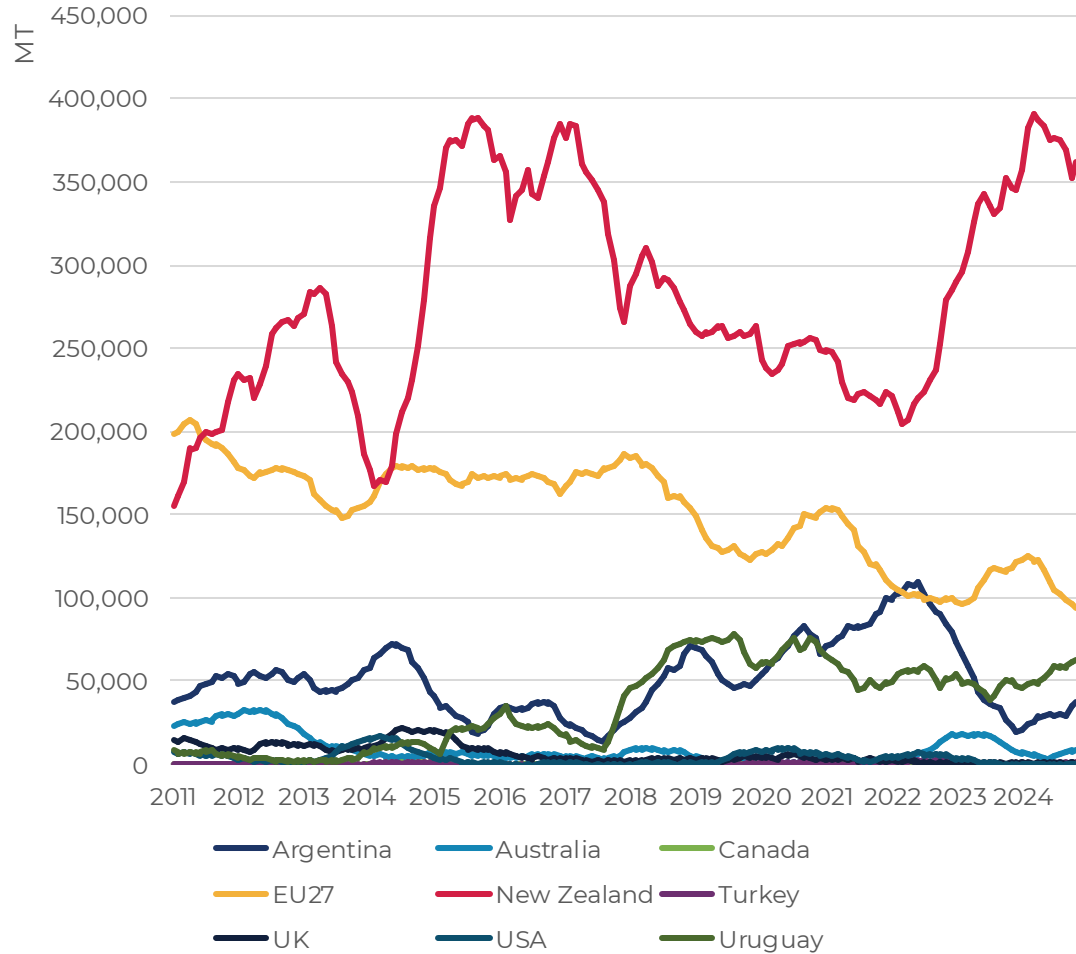


Global WMP Trade to SEA

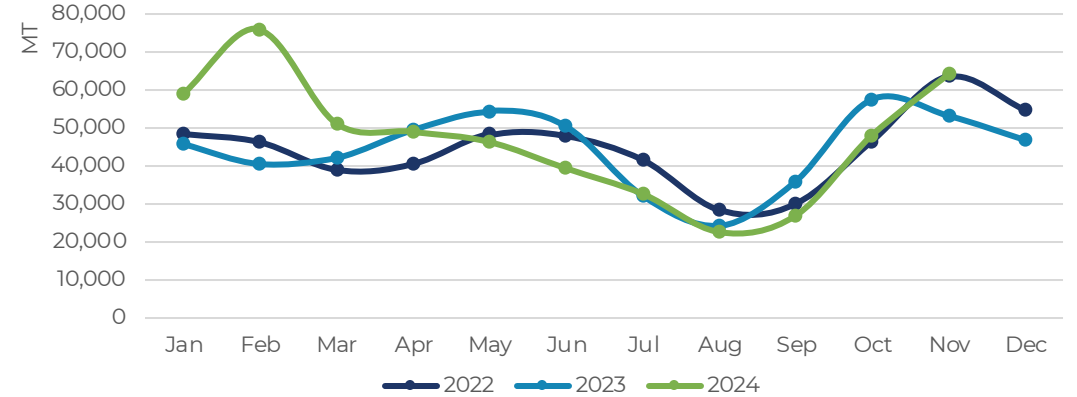


Whole Milk Powder – MENA

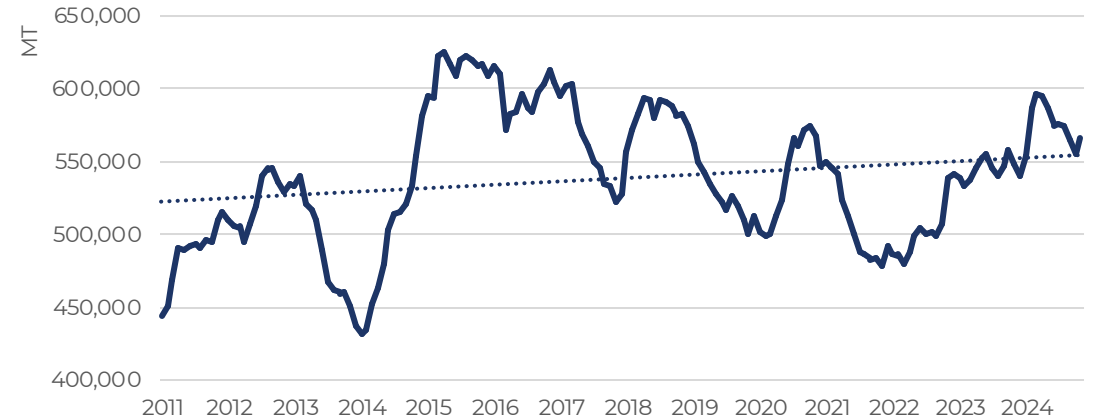
Global WMP Trade to MENA



Global WMP Trade to MENA



Global WMP Trade to MENA





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