

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 15 - 26, 2025

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

EUROPE OVERVIEW

WEST EUROPE: The UK-based Agriculture and Horticulture Development Board (AHDB) released a summary of EU dairy markets for Q2 2025 recently which showed milk deliveries were up 0.06 percent from Q2 2024. This report notes exports were down 2.7 percent from the previous year, while imports increased, leading to greater availability of dairy products in the region during the quarter. Exports of whole milk powder declined more than any other dairy commodity, and the report states higher prices for WMP compared to the global market negatively impacted exports. Meanwhile, skim milk powder exports were up 5.5 percent during the quarter.

New regulations on soil testing were implemented in Ireland by the Department of Agriculture, Food and the Marine (DAFM) starting September 15th. Under the new regulations, an entire farm must have soil tested once every four years or less to ensure phosphorous levels meet a certain threshold. If samples are not taken in time or do not contain an appropriate georeference or ID, DAFM will assume the soil contains a level of phosphorus that will limit farmers' ability to spread phosphorous fertilizers. Georeferences must contain the latitude and longitude of tested fields, and although farmers are not required to update their nutrient management plan (NMP) to contain the georeferences, DAFM recommends aligning the NMPs with these georeferences to increase the accuracy of recommendations.

EAST EUROPE: Ukraine recently announced temporary restrictions on imports of live animals and genetic material from Hungary after bluetongue was detected in cattle within the country in an effort to prevent the spread of the virus. Ukraine previously imposed similar restrictions on animal imports from Belgium and Morocco when cases of bluetongue were detected in those countries.

BUTTER/BUTTEROIL

During the current reporting period, butter prices decreased across the range in Europe. Milk output and component levels are trending higher, contributing to increased cream production and availability. Butter makers are running busy production schedules, leaving plenty of butter available on the spot market. In recent weeks, some market participants held off on securing additional spot loads waiting for butter prices to stabilize. Contacts report that some hesitant purchasers are returning to the market this week, but production continues to outpace demand. The price range for butter oil moved higher. Butteroil production is unchanged, and demand is steady. Spot loads of butter oil are available, but inventories are not excessive.

Western Europe Butter, 82% Butterfat
Price Range - \$/MT: 6,450 - 7,850

Western Europe Butteroil, 99% Butterfat
Price Range - \$/MT: 10,375 - 10,500

SKIM MILK POWDER

European skim milk powder (SMP) prices decreased across the range this reporting period. Demand for SMP within the region is light, but lower prices for SMP in recent weeks led some purchasers to secure additional spot loads. Spot loads of SMP produced in South America, New Zealand, and the US are priced competitively with Europe, limiting interest from international purchasers. Increasing milk output is leaving more condensed skim milk available for drying and plant managers say they are using these additional volumes to increase SMP production schedules. Spot loads of SMP are available, but inventories remain somewhat snug.

Western Europe Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 2,550 - 2,700

WHEY

During this reporting period, in West Europe, dry whey prices declined at the bottom of the range but increased at the top. Contacts report more liquid whey is available for drying in the region, amid increasing milk output and cheese production. Demand for higher whey protein concentrates is outpacing production, causing manufacturers to focus production schedules on these products. This is limiting dry whey production and plant managers say most of their recent production is going towards contractual obligations. This is preventing inventories from growing, despite light demand in the region. Overall, stakeholders say the market for dry whey is well balanced.

Western Europe Dry Whey, Non-Hygroscopic, All First Sales, Conventional, and Edible
Price Range - \$/MT: 1,025 - 1,425

WHOLE MILK POWDER

In Europe, whole milk powder (WMP) prices decreased across the range during the current reporting period. Prices for WMP are higher in Europe than in Oceania and South America, contributing to lighter international interest for loads produced in Europe. Demand from purchasers within Europe is also softening. Plenty of milk is available, allowing plant managers in the region to run busy production schedules. Manufacturers are primarily utilizing recent production to meet contractual demands, leaving fewer loads available on the spot market. Spot purchasers say inventories are somewhat snug, though they can generally find loads if they search for them.

Western Europe, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 4,450 - 4,875

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

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OCEANIA DAIRY MARKET OVERVIEW

AUSTRALIA: An Australia-based agribusiness announced a planned manufacturing agreement with a large Oceania-based cooperative. Under the agreement, the agribusiness will produce the cooperative's branded products for sale in international markets. Milk powder products are expected to be exported to North Asia.

Two large industry groups voiced concerns regarding proposed changes to food-safety policies in Victoria, the number one milk-producing state in Australia. Victoria's government plans to merge Dairy Food Safety Victoria, the organization currently tasked with regulating food safety in Victoria's dairy industry, with other food regulators to create a single regulatory organization by 2026. Dairy groups are concerned about food safety risks and increased costs under the new arrangement, while the government claims the new regulator will maintain safety standards and improve consistency across businesses and food industries.

Victoria's Agriculture Minister recently announced two livestock biosecurity grants intended to prepare Victoria's dairy industry for potential H5N1 influenza (avian flu) infections, which have yet to be detected in any Australian dairy cattle. One of these grants, awarded to the University of Melbourne, will investigate disease-transmission patterns in dairy cattle and explore intervention and testing strategies. The other grant, awarded to an industry association, will investigate the efficacy of disinfectants against the H5N1 virus and explore ways to best handle milk from H5N1-infected cows showing clinical signs of the disease.

NEW ZEALAND: Milk production data from New Zealand for August 2025 were recently released. These data show total August 2025 production was 1.44 million metric tons, up 1.8 percent compared to a year earlier, the highest output on a tonnage basis since 2020. During August 2025, total milk solids production increased by 2.5 percent from the previous year to 126.9 million kilograms. August milk production set a record for the fourth month in a row as producers continue to respond to high milk prices and comparatively low feed costs. In addition, pasture conditions improved as New Zealand experienced more sunlight than average for this time of year. From the start of the production season in June 2025 through August 2025, milk production on a tonnage basis is up by 3.1 percent compared to the same time period a year ago, while milk solids production is up 4.2 percent from last year. Strong production is expected to continue into the Oceania spring as milk prices remain high and feed availability continues to be strong.

Export data for August 2025 were recently released for New Zealand. These data showed the value of milk powder, butter, and cheese exports in August 2025 totaled \$1.13 billion, an increase of 32 percent compared to August 2024. Fresh milk and cream exports were valued at \$98 million, up 21 percent year over year. Relative to August 2024, export quantities in August 2025 increased 20 percent for milk powder, increased 32 percent for milk fats (including butter), and decreased 15 percent for cheese. Milk powder, butter, and cheese exports were up year over year to China, the United States, and Australia and down year over year to Japan. Exports of casein and caseinates to the United States were up year over year.

Following Global Dairy Trade (GDT) event 388, a group in New Zealand that forecasts milk prices decreased their milk price forecast for the 2025/2026 season by 13 cents from \$10.05 per kilogram milk solids (kgMS) to \$9.92/kgMS.

The spot value of milk decreased to \$10.20/kgMS from \$10.32/kgMS. The group noted prices for most commodities were at or near pre-GDT expectations, but the decline in prices for powder and milkfat products still led to a lower milk price forecast.

BUTTER

Prices declined at both ends of the Oceania butter price range, with a modest decline at the low end and a more substantial decline at the high end. This continues a recent downward trend for butter prices as production increases heading into the Oceania spring flush and demand weakens internationally. In New Zealand, milk production hit record levels in both milk solids and total tonnage terms for each of the prior four months, May through August. As a result, milkfat is widely available for butter production.

The butter price index fell 0.8 percent at GDT event 388, with prices falling across all contracts except the January 2026 contract. The price index for the November contract, where 44 percent of butter was sold, fell by 0.4 percent, slightly outperforming futures market expectations. Prices for anhydrous milkfat (AMF) experienced a larger decline, 1.5 percent overall, widening the gap between butter and AMF prices again after these prices recently moved closer together. The average AMF price on an 82 percent basis was \$5,634, substantially lower than the average butter price of \$6,892. The quantity of butter sold at GDT event 388 fell from event 387 but remained higher than a year prior. The North Asia region purchased 80 percent of available butter even as the region's share of total purchases declined from event 387.

Oceania Butter, 82% Butterfat
Price Range - \$/MT:

6,825 - 7,025

SKIM MILK POWDER

The price range for Oceania skim milk powder (SMP) narrowed during the reporting period, increasing slightly at the bottom of the range and decreasing at the top of the range. Production strengthened as Oceania's milk production season continues toward its October peak, and inventories remain full. Export demand eased slightly. Domestic demand was steady, with domestic prices in line with export prices. Ample global milk supply continued to place downward pressure on SMP prices, with domestic futures prices falling across all delivery periods on offer.

At Global Dairy Trade (GDT) event 388, price indices increased modestly for near-term contracts and decreased for longer-term contracts. The price indices for the September and October contracts were up 0.5 percent and 0.3 percent, respectively. Price indices for the December, January, and February contracts decreased by 0.2 percent, 1.4 percent, and 4.0 percent, respectively. No product was offered for March delivery. The volume of SMP sold at event 388 was lower than the volume sold at both event 387 and event 364, held one year ago. The top three buyers of SMP at event 388 were Southeast Asia/Oceania, North Asia/Oceania, and the Middle East. Southeast Asia/Oceania SMP purchases at event 388 exceeded the volumes purchased by the region at both events 387 and 364.

Oceania, Skim Milk Powder, 1.25% Butterfat, All First Sales,
Conventional, and Edible
Price Range - \$/MT:

2,600 - 2,650

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CHEESE

Oceania cheddar cheese prices held steady at the low end of the price range and increased at the high end due to strengthening export prices. Cheese demand increased over the past month in both the domestic and export markets even as demand weakened for most other dairy commodities. Production is increasing as Oceania moves into its spring flush period.

The volume of cheddar sold at GDT event 388 was slightly lower than at the prior event and compared to the same time last year. Prices increased across all contracts where product was available, including a 3.3 percent increase in the price index for the November contract and a 2.1 percent increase in the price index for the December contract. Between these two contracts, 66 percent of the available cheddar volume was sold. Though prices improved compared to the prior event, they are expected to decline as the milk production season progresses. The North Asia region was the largest buyer of cheddar at GDT event 388 and purchased a greater volume compared to event 387.

Oceania, Cheese, Cheddar, 39% Maximum Moisture
Price Range - \$/MT:

4,700 - 4,875

WHOLE MILK POWDER

Prices for Oceania whole milk powder (WMP) decreased during the reporting period, with a slight decrease at the low end of the price range and a larger decrease at the high end of the range. Production is seasonally strong and inventories are robust as Oceania's milk production continues its year-over-year growth. Both export demand and domestic demand weakened slightly during the reporting period, with domestic futures prices decreasing modestly for all but the nearest-term contract.

At Global Dairy Trade (GDT) event 388, price indices decreased modestly for most contracts. The indices for the October and November contracts were down 1.9 percent and 0.7 percent, respectively, while the indices for the December and January contracts were both down 1.0 percent. The index for the February contract was up 0.9 percent. No product was offered for delivery in March 2026. The volume of WMP sold at event 388 was less than the volume sold at event 387 but greater than the volume sold at event 364, held one year ago. The top three buyers of WMP at event 388 were North Asia, Southeast Asia/Oceania, and the Middle East. Notably, North Asia purchased 53 percent less WMP than at event 387 and 47 percent less WMP than at event 364.

Oceania, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT:

3,700 - 3,850

Secondary Source Information:

During GDT event 388 on September 16, 2025, the overall GDT price index decreased 0.8 percent from the prior event. The average winning price across all products and contract periods was \$4,041 per metric ton. Results for individual commodities include:

- SMP: The average price across all contract periods was \$2,615/MT, corresponding to a 0.3 percent decrease in the price index from the prior event. The average price for the October contract was \$2,620/MT, with the October price index up 0.5 percent.
- WMP: The average price across all contract periods was \$3,790/MT, corresponding to a 0.8 percent decrease in the price index from the prior event. The average price for the October contract was \$3,916/MT, with the October price index down 1.9 percent.
- Cheddar Cheese: The average price across all contract periods was \$4,814/MT, corresponding to a 2.2 percent increase in the price index from the prior event. The average price for the October contract was \$4,845/MT, with the October price index up 1.6 percent.
- Butter: The average price across all contract periods was \$6,892 /MT, corresponding to a 0.8 percent decrease in the price index from the prior event. The average price for the October contract was \$7,005/MT, with the October price index down 0.6 percent.

Recently released export data from New Zealand for August 2025 included the following information:

- Butter: Export volumes were 14,929 MT, an increase of 28.8 percent from the year prior and from January – August 2025 were 174,988 MT, up 9.6 percent from the same time frame a year ago.
- Cheese: Export volumes were 18,589 MT, a decrease of 15.1 percent from the year prior and from January – August 2025 were 282,710 MT, up 14.7 percent from the same time frame a year ago.
- SMP: Export volumes were 14,609 MT, a decrease of 2.4 percent from the year prior and from January – August 2025 were 273,219 MT, down 7.0 percent from the same time frame a year ago.
- WMP: Export volumes were 46,237 MT, an increase of 31.3 percent from the year prior and from January – August 2025 were 846,704 MT, down 3.8 percent from the same time frame a year ago.

CLAL recently made data available to USDA showing export volumes for South America for January-August 2025:

- SMP: Export volumes were 15,000 MT, 20.9 percent higher than the same period in 2024.
- WMP: Export volumes were 65,000 MT, 6.6 percent lower than the same period in 2024.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

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SOUTH AMERICA OVERVIEW

Milk production in South America is seasonally strengthening. Industry sources indicate 2025 year over year milk production continues to be strong. The most recent update for Argentina reports a 10.6 percent increase for January through August 2025 milk production when compared to the previous year. Contacts note 2025 year to date milk production compared to the same time frame in 2024 is generally up for South America countries.

Demands for skim milk powder (SMP) and whole milk powder (WMP) vary from steady to lighter. New Zealand SMP and WMP sellers are more competitive with South America SMP and WMP sellers. Stakeholders indicate manufacturers are more hesitant to produce SMP versus WMP if an outlet for the fat component is not in place before production due to plentiful cream volumes. Cheese markets are seeing some pressure. Industry sources note Argentina suppliers decreased asking prices for cheese loads. Contacts express sentiment that pressure on cheese markets will also put pressure on WMP market prices.

Exchange rates or selected foreign currencies:
September 22, 2025

0.0007 Argentina peso	0.0113 India rupee
0.6600 Australia dollar	0.0067 Japan yen
0.1874 Brazil real	0.0545 Mexico peso
0.7237 Canada dollar	0.5870 New Zealand dollar
0.0010 Chile peso	0.2773 Poland zloty
1.1804 Euro	0.0251 Uruguay peso

Conversion example: To compare the value of 1 US dollar to Mexico pesos: (1/0.0545) = 18.3486 Mexico pesos. Source: *Wall Street Journal*

SKIM MILK POWDER

For week 39, skim milk powder (SMP) prices moved lower for the top end of the range. Milk production is seasonally strengthening. However, SMP production schedules are mixed. Many manufacturers are putting more focus into whole milk powder production, especially if outlets for the fat components are not established with cream volumes on the loose side of the ledger. Demand is flat.

South America, Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 3,000 - 3,700

WHOLE MILK POWDER

For week 39, whole milk powder (WMP) prices moved lower for both ends of the range. The most recent GDT event was more stable than anticipated, but that didn't put pressure on prices. Milk production is seasonally strengthening and, as a result, WMP production is generally increasing. New Zealand WMP sellers are more competitive with South America WMP sellers. Demand varies from steady to lighter. Stakeholders indicate Algerian buyers are more active than Brazilian buyers.

South America, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 3,700 - 4,500