INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered July 21 - August 1, 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 Future reports may be included or withdrawn depending on availability of information.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 European Union (EU) published a report discussing the short-term outlook for agricultural markets for 2025. This report discusses dairy markets in the EU and notes prices for raw milk are above the 5-year average as retail and food service demands are strong. The report notes milk production is expected to increase slightly in the region this year, despite an annual decline in the dairy herd. Production of cheese and whey are trending higher compared to 2024 and the report suggests production of these commodities will continue to increase in the latter half of the year. Meanwhile, production of skim milk powder and whole milk powder is down from a year ago and production is expected to continue to decline, amid unfavorable market conditions.

The White House and European Union (EU) Commission recently announced a new trade deal which establishes a tariff rate of 15 percent from the US on most EU products. This deal includes an agreement to work on reducing non-tariff barriers affecting agricultural products. The announcement from the White House notes this includes streamlining sanitary certificate requirements for dairy products.

The UK-based Agriculture and Horticulture Development Board (AHDB) recently released a report which includes forecasts for dairy. This report stated the expectation dairy will remain the fastest growing global livestock sector and UK milk production will grow by 0.7 percent from 2025 to 2034. The report noted the number of dairy farms is anticipated to decline 17 percent from 2024 to 2035 and herds are expected to decline 8 percent. Price volatility, labor shortages, and disease are notable concerns for the dairy market mentioned in this report.

East Europe: Milk production data for Ukraine in June 2025 was recently released. This data showed raw milk production declined from the previous month by 4 percent and was down 7 percent compared to a year earlier. The volume of milk produced from January through June 2025 is down 5 percent year over year. The year-to-date decline was primarily in the private household sector, as enterprise milk production is up 4 percent from 2024. An industry group noted low prices for raw milk and uncertainty in the markets are keeping milk production from growing significantly in the country.

BUTTER/BUTTEROIL

The bottom of the price range for butter in Europe moved lower, while prices increased at the top this reporting period. Cream production is seasonally declining in the region, reducing availability for butter makers. Butter production is steady to lighter. Contacts report export demand for butter is light as butter produced in Europe is priced at a premium compared to butter produced in other regions. Domestic butter sales are steady. Butteroil prices pushed higher in Europe during the current reporting period. Demand for butteroil is strong and inventories are tight.

Western Europe Butter, 82% Butterfat
Price Range - $/MT: 7,900 - 9,025

Western Europe Butteroil, 99% Butterfat
Price Range - $/MT: 10,450 - 10,800

SKIM MILK POWDER

During the current reporting period, both ends of the European skim milk powder (SMP) price range shifted downward. Milk output is seasonally declining in Europe, contributing to lighter SMP production. Demand for SMP is declining in Europe. Contacts report steady sales of SMP to purchasers in other regions. Spot purchasers say SMP inventories remain snug, but softening demand is contributing to increased availability compared to previous weeks.

Western Europe Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible
Price Range - $/MT: 2,625 - 2,825

WHEY

In West Europe, the price range for dry whey held steady this reporting period. Demand for dry whey is steady to lighter in the region, and stakeholders say sales to purchasers in other regions are steady. Declining milk production in Europe is contributing to lighter cheese production and reducing liquid whey available for drying operations. Plant managers say they continue to focus production on higher whey protein concentrates, limiting dry whey output. Dry whey spot inventories are tight.

Western Europe Dry Whey, Non-Hygroscopic, All First Sales, Conventional, and Edible
Price Range - $/MT: 900 - 1,375

WHOLE MILK POWDER

European prices for whole milk powder (WMP) shifted lower across the range this reporting period. Demand for WMP is declining in the region. Prices for WMP produced in other regions are moving at lower prices than WMP produced in Europe and contacts say this is contributing to lighter export demand. Milk output is declining in Europe, limiting WMP production. Some plant managers say their production is primarily geared towards meeting contractual obligations, keeping spot WMP inventories tight.

Western Europe, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - $/MT: 4,750 - 5,125

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

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OCEANIA DAIRY MARKET OVERVIEW

Australia: Drought and rising input costs remain a concern to Australia's dairy industry. The cost of several key inputs, such as electricity, fuel, and fertilizer rose at rates on par with or above inflation. In particular, urea prices remain elevated due to geopolitical tensions in the Middle East. One industry group is calling for step ups from current farmgate prices. The average farmgate price did increase slightly during June and is currently around $9.50 per kilogram of milk solids. Reports indicate winter crop planting may reach record levels, which could ease input prices in some regions. However, crop forecasts vary across Australia, with largely positive outlooks in northern New South Wales and Queensland, but only a marginally positive outlook in drought-stricken Victoria.

New Zealand: Milk production data from June 2025 were recently released, marking the first data release of the 2025/2026 production season. These data show total June 2025 milk production was 261,000 metric tons, up 14.6 percent over the prior season. Milk solids production totaled 24.0 million kilograms (kg) in June 2025, an increase of 17.8 percent year over year. Milk and milk solids production totals decreased seasonally from May 2025, but both totals surpassed previous record levels. June milk solids production was 14.8 percent higher than the previous record of 20.9 million kg, set in June 2022. Conditions are set for strong pasture growth and reports suggest strong early calving, leading to expectations of continued year-over-year production growth in July.

Export data for June 2025 were recently released for New Zealand. These data showed the value of milk powder, butter, and cheese exports in June 2025 totaled $1.8 billion, an increase of 22 percent compared to June 2024. Fresh milk and cream exports were valued at $133 million, up 56 percent year over year. Relative to June 2024, export quantities in June 2025 decreased 9.3 percent for milk powder, increased 13.0 percent for milk fats (including butter), and increased 14.0 percent for cheese. Milk powder, butter, and cheese exports to both China and European Union were up year over year; exports of these goods to the United States were down year over year.

BUTTER

Oceania butter prices held steady during the reporting period, with no change at either end of the price range. Global Dairy Trade (GDT) did not hold an event during the reporting period, with the next event scheduled for August 5. Production is seasonally light and inventories remain tight. New Zealand butter futures prices strengthened during the reporting period, with near-term contracts priced above long-term contracts. Domestic demand is steady.

Oceania Butter, 82% Butterfat
Price Range - $/MT: 7,425 - 7,700

SKIM MILK POWDER

Oceania skim milk powder (SMP) prices held steady during the reporting period, with prices increasing slightly at the bottom of the price range and no change at the top of the price range. Global Dairy Trade (GDT) did not hold an event during the reporting period, with the next event scheduled for August 5. However, GDT did recently hold a Pulse event, where SMP prices increased relative to both the prior Pulse event and GDT event 384. Production is seasonally light, leading to tight inventories. New Zealand SMP futures prices strengthened on expectations of stronger demand later in the year. Domestic demand is steady.

Oceania, Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible
Price Range - $/MT: 2,800 - 2,825

CHEESE

Oceania cheddar cheese prices were mostly steady during the reporting period, with no change at the bottom of the price range and only a slight decrease at the top of the price range. Global Dairy Trade (GDT) did not host an event during the reporting period, with the next event scheduled for August 5. Production is limited as the new milk production season begins, with cheese inventories seasonally tight. Domestic demand is steady.

Oceania, Cheese, Cheddar, 39% Maximum Moisture
Price Range - $/MT: 4,525 - 4,900

WHOLE MILK POWDER

Oceania whole milk powder (WMP) prices held steady during the reporting period, with no movement at either end of the price range. Global Dairy Trade (GDT) did not hold an event during the reporting period, with the next event scheduled for August 5. However, GDT recently held a Pulse event, where WMP prices increased relative to both the prior Pulse event and GDT event 384. Production remains light in line with seasonal trends, leading to tight inventories. New Zealand WMP futures prices strengthened during the reporting period, with higher prices for near-term contracts. Domestic demand remains steady.

Oceania, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - $/MT: 3,875 - 4,250

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

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SOUTH AMERICA OVERVIEW

South American milk production is strengthening. Milder winter temperatures are positively contributing to cow comfort. More affordable feed prices are providing stronger milk production margins. Industry sources note May 2025 year over year and May 2025 year to date milk output volumes are up for South American countries. Argentina milk production is indicated to be up by double digit percents for both the May 2025 year over year and May 2025 year to date comparisons. The June price per liter milk producers in Argentina received for milk increased compared to the price per liter received in May. Stakeholders report precipitation amounts are normal for most of the South American area.

Demands for skim milk powder and whole milk powder are mixed. Stakeholders indicate unsettled trade policies are negatively impacting sales activity in some cases. Skim milk powder and whole milk powder loads are available. Sellers convey buyers are more focused on short term needs than long term needs. Brazilian stakeholders indicate demand for mozzarella cheese is lighter.

SKIM MILK POWDER

Skim milk powder (SMP) prices are unchanged for week 31. Demand is mixed. According to data from CLAL, Brazilian SMP imports and Argentina SMP exports increased for January through June 2025 compared to January through June 2024. Industry sources indicate Uruguay SMP exports declined for January through June 2025 compared to January through June 2024. Upticks in seasonal milk production are contributing to stronger SMP production.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder

Price Range - 1.25% Butterfat; $/MT:	3,100 - 3,800

WHOLE MILK POWDER

Whole milk powder (WMP) prices moved higher for the bottom end of the range, while the top end of the range is unchanged. WMP demand is mixed. According to data from CLAL, Brazilian WMP imports declined for January through June 2025 compared to January through June 2024. Industry sources indicate year over year WMP exports are up for Argentina and Uruguay. WMP production is generally stronger with upticks in seasonal milk production.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; $/MT:	3,950 - 4,600

Exchange rates or selected foreign currencies:
July 28, 2025

0.0008 Argentina peso	0.0115 India rupee
0.6521 Australia dollar	0.0067 Japan yen
0.1789 Brazil real	0.0533 Mexico peso
0.7278 Canada dollar	0.5970 New Zealand dollar
0.0010 Chile peso	0.2719 Poland zloty
1.1591 Euro	0.0249 Uruguay peso

Conversion example: To compare the value of 1 US dollar to Mexico pesos: (1/0.0533) = 18.7617 Mexico pesos. Source: *Wall Street Journal*

Secondary Sourced Information:

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

- Butter: Export volumes were 15,963 MT, a decrease of 5.7 percent from the year prior and from January – June 2025 were 139,326 MT, up 8.3 percent from the same time frame a year ago.
- Cheese: Export volumes were 35,295 MT, an increase of 14.1 percent from the year prior and from January – June 2025 were 230,336 MT, up 25.0 percent from the same time frame a year ago.
- SMP: Export volumes were 21,598 MT, a decrease of 43.4 percent from the year prior and from January – June 2025 were 228,775 MT, down 6.0 percent from the same time frame a year ago.
- WMP: Export volumes were 106,541 MT, an increase of 3.8 percent from the year prior and from January – June 2025 were 711,522 MT, down 6.1 percent from the same time frame a year ago.

CLAL recently made data available to USDA showing export volumes for Argentina.

- SMP: Export volumes from January-June 2025 were 11,000 MT, 15.7 percent higher than the same period in 2024.
- WMP: Export volumes from January-June 2025 were 44,000 MT, 22.9 percent lower than the same period in 2024.