

**INTERNATIONAL DAIRY MARKET NEWS - EUROPE**

Information gathered June 9 - 20, 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 Future reports may be included or withdrawn depending on availability of information.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**

Western Europe: The UK-based Agriculture and Horticulture Development Board (AHDB) released a review of dairy markets for May 2025, which showed milk deliveries were up 5.2 percent in May, compared to a year earlier. The ADHB increased the forecasted milk production volume for 2025/2026 to 12.83 billion liters, up 3.1 percent from 2024/2025, and reaching a new record high. According to CLAL data made available to USDA, April 2025 EU cows' milk delivered to dairies is estimated at 13,034,000 MT, up 1.0 percent compared to last year. Year-to-date EU cows' milk delivered to dairies through April 2025 is estimated at 48,668,000 MT, a decrease of 1.0 percent when compared to January-April 2024 EU milk production. Among some of the top Western EU milk producers, the year-to-date milk deliveries and percentage changes from January-April 2024 are Germany, 10,650,000 MT, -2.9 percent; France, 8,108,000 MT, -1.9 percent; and Italy, 4,641,000 MT, unchanged.

Eastern Europe: According to CLAL data made available to USDA the year-to-date milk deliveries and percentage changes from January -April 2024 for some of the top Eastern EU milk producers are Poland, 4,611,000 MT, +0.7 percent; Czech Republic, 1,123,000 MT, -2.0 percent; and Hungary, 616,000 MT, +3.6 percent.

**BUTTER/BUTTEROIL**

Butter prices increased across the range in Europe during the current reporting period. Milk output is seasonally declining in the region and stakeholders say output remains down from a year ago. This is contributing to lighter cream output, though demand for cream remains strong. Contacts say spot volumes of cream are becoming more difficult to find. Butter makers are running lighter production schedules. Strong demand for butter persists within Europe and from purchasers in other regions. Butteroil prices also increased in Europe this week and spot inventories remain tight.

Western Europe 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT 8,425 - 8,800

Western Europe 99% Butterfat, Free on Board - Port Butteroil  
Price Range - Butteroil \$/MT 10,200 - 10,325

**SKIM MILK POWDER**

In Europe, prices for skim milk powder (SMP) increased at both ends of the range. Contacts report sales of SMP within Europe are steady to lighter. Demand for SMP from purchasers in other regions is strengthening as spot loads are competitively priced compared to SMP produced outside of Europe. Increasing temperatures in Europe are contributing to lighter milk output. This is having a negative impact on SMP production in the region, as plant managers say they are running lighter production schedules. Spot loads of SMP are becoming more difficult to obtain, as demand is outpacing production.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,750 - 2,875

**WHEY**

Prices for dry whey were unchanged at the bottom of the range this reporting period but increased at the top. Declining milk output and cheese production is reducing liquid whey availability. Plant managers are primarily utilizing liquid whey to produce higher whey protein concentrates, limiting dry whey output. Demand for dry whey is steady in Europe, but interest from purchasers in other regions is strong. Some manufacturers in the region say they have sold out of dry whey for June as spot inventories remain tight in the region.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey  
Price Range - Non-Hygroscopic; \$/MT: 900 - 1,375

**WHOLE MILK POWDER**

During the current reporting period, both ends of the Europe Whole Milk Powder (WMP) price range pushed higher. Demand for WMP is strong in Europe and contacts say export interest is steady. Regional milk output remains below 2024, and contacts say output is seasonally declining, contributing to lighter WMP production. Manufacturers are focusing their limited WMP production on fulfilling contractual obligations. Demand for WMP is outpacing production in Europe, causing spot inventories to tighten.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 4,925 - 5,125

Secondary Sourced Information:

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

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## OCEANIA DAIRY MARKET OVERVIEW

Australia: The May 2025 Production Inputs Monitor from Dairy Australia was recently released. Poor weather conditions in Australia persist, with dry conditions in the southern portions of the continent and extreme rainfall causing flooding in parts of New South Wales. These conditions are causing negative impacts on both ends of the spectrum, with drought conditions continuing to result in water storage levels that are below year-ago levels for all but one reservoir while flooding caused damage and is impacting planting conditions for crop producers. This has resulted in significantly elevated prices for irrigation water and purchased feed. Prices for purchased feed may remain elevated for the foreseeable future, as supplies of supplemental feed are already low since dairy producers were forced to utilize purchased feed earlier in the season due to dry conditions. However, wheat prices have remained steady as northern hemisphere production increases. Culling rates also remain elevated as producers face higher production costs.

The United States Department of Agriculture's Foreign Agricultural Service (USDA FAS) recently published a Global Agricultural Information Network (GAIN) report on dairy and dairy products in Australia. Per FAS, Australian milk production in 2025 is expected to decline by just under one percent year over year, with total estimated production at 8.6 million metric tons. However, actual production may fall short of estimates if dry conditions continue through the Southern Hemisphere's spring (September 23 - December 22, 2025). Fluid milk exports are expected to increase year over year due to demand signals from major markets in Asia. Cheese exports are also expected to increase year over year after strong export numbers were reported in the first quarter of 2025. Exports of skim milk powder (SMP) and whole milk powder (WMP) are expected to decrease year over year, while butter exports are forecast to remain on par with last year's export volumes.

New Zealand: New Zealand's Ministry for Primary Industries recently released a report on the Situation and Outlook for Primary Industries, including updates on the dairy sector. The report forecasts an overall increase in milk production of 2.2 percent for the 2024/2025 season. Despite declines in milk production in recent months due to drought conditions on the North Island, strong pasture conditions in the early part of the season led to a 3.0 percent increase in milk production through March. The ongoing drought conditions led the New Zealand government to authorize drought funding for impacted farmers on the North Island and northern parts of the South Island. The report also projected a 16 percent increase in export revenue to \$27 billion for the year to date through the end of June 2025, largely due to higher international dairy product prices and strong global demand. Exports to China are expected to remain strong due to declines in Chinese milk production and stronger demand. Additionally, New Zealand dairy products face zero tariffs on exports to China under the New Zealand-China Free Trade Agreement, effective January 2024, increasing the competitiveness of New Zealand dairy products. Through the end of March, dairy product exports to China increased for all products except whole milk powder (WMP).

A Global Agricultural Information Network report was recently published by the USDA Foreign Agricultural Service (FAS) covering Dairy and Products in New Zealand. FAS reports New Zealand milk production for the 2024-2025 marketing year reached 21.7 million metric tons, an increase over 2024 and the five-year average of 21.6 million metric tons. The report attributes this increase to improvements in milk per cow and management practices alongside herd consolidation. New Zealand's exports are dominated by WMP, but FAS notes WMP's share of export value has fallen in recent

years, with higher-value and specialty products, including cheese, butter, infant formula, and protein products, making up a larger share of exports.

A New Zealand dairy cooperative recently announced their forecasted organic milk pay price for the start of the 2025/2026 season, a new high with a midpoint of \$12.30 per kilogram milk solids (kgMS), up 30 cents from the previous season. Recently released data from a New Zealand organic group showed the organic sector grew to 1.18 billion NZD in 2024. Organic markets are expected to grow in the coming years at a faster pace than conventional markets as more consumers are showing a preference for organic commodities. For more information, see Organic Dairy Market News, report 24.

Following Global Dairy Trade (GDT) event 382, a group in New Zealand that forecasts milk prices decreased their milk price forecast for the 2025/2026 season by five cents from \$10.20/kgMS to \$10.15/kgMS. The spot value of milk decreased to \$11.05/kgMS. The group noted that prices for milk powders decreased at GDT event 382 and that butter outperformed the group's expectations. The group's milk price forecast for the 2024/2025 season is \$10.19/kgMS.

## BUTTER

Oceania butter prices moved upward in the current reporting period, moderately increasing at the low end of the price range and substantially increasing at the high end of the price range. Milk production in Oceania is at its seasonal low point, keeping inventories tight and providing support for steady-to-higher product prices. Domestic demand is light, with domestic prices remaining below export prices. Near-term export demand is notably strong. During Global Dairy Trade (GDT) event 382, the all-contracts average price for butter reached its second-highest level on record. Nearly a third of the butter sold at GDT event 382 was sold to buyers in the Middle East; this was a notable jump from event 381, where Middle Eastern buyers purchased no butter. This surge in demand may signal stockpiling efforts in the region in response to recent geopolitical tensions. At GDT event 382, price indices increased for the July, August, and September contracts by 3.6 percent, 4.7 percent, and 2.7 percent, respectively. Conversely, price indices decreased for the October, November, and December contracts by 2.9 percent, 4.2 percent, and 2.6 percent, respectively. The total volume of butter sold at GDT event 382 was slightly above the volumes sold at both the prior GDT event and at GDT event 358, held a year ago.

Oceania 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT Butter

7,800 - 8,475

## SKIM MILK POWDER

Prices for Oceania skim milk powder (SMP) fell at both ends of the price range, with only a slight decline at the low end of the range and a large decline at the high end. Domestic demand has been steady to lighter in recent weeks, while export demand has been steady in the near term. Production is light as milk output winds down for the end of the season. At GDT event 382, the SMP price index increased slightly for the July contracts but declined in all other periods where product was traded. This resulted in an overall decline in the GDT price index for SMP, signaling expectations prices will decline as milk production picks up in the latter half of the year.

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Slightly less product was sold compared to GDT event 381, but volumes were similar to year-ago levels. A recent report from the USDA Foreign Agricultural Service discussing Chinese demand for SMP states demand continues to outpace domestic production despite declines in consumption since 2021. The report also suggests SMP production in New Zealand could increase as cream and butter production increases are leaving higher levels of skim milk for drying.

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

Price Range - 1.25% Butterfat; \$/MT: 2,775 - 2,850

## CHEESE

During the current reporting period, Oceania cheddar cheese prices increased at both the low end and the high end of the price range. Domestic prices remained slightly above export prices, indicating a slight strengthening of domestic demand. Milk production is at its low point seasonally, providing support for steady prices as inventories remain tight. Export demand is strong, especially for contracts with delivery dates in the last quarter of 2025. At Global Dairy Trading (GDT) event 382, the cheddar price index decreased by 3.0 percent for the July contract but increased for all remaining contracts for which loads were traded. Relative to the previous event, the cheddar price indices at GDT event 382 increased by 0.1 percent for the August contract, 5.3 percent for the September contract, 8.9 percent for the October contract, and 6.8 percent for the November contract. No loads were traded for the December contract. The total volume of cheddar cheese sold at GDT event 382 was similar to the volume sold at event 381 and slightly above the volume sold at event 358, held a year ago. Buyers in the Middle East bought almost half of the cheddar cheese sold at GDT event 382. This may signal stockpiling efforts in the region in response to recent geopolitical tensions.

Prices for: Oceania, Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port

Price Range - \$/MT: 4,975 - 5,100

## WHOLE MILK POWDER

The price range for Oceania whole milk powder (WMP) declined during the reporting period, with a larger decline at the upper end of the range. Domestic demand is outpacing export demand, though both have weakened in recent weeks. WMP production is light, but strong milk output in May to end the season resulted in greater volumes of product available on the market. At GDT event 382, more product was sold compared to the prior event, but volumes were significantly lower than at the same time a year ago. Prices fell across all contract periods for which WMP was sold. According to a recent report from the USDA Foreign Agricultural Service, exports of WMP made up 40 percent of total export volume from New Zealand in the first quarter of 2025, making it the largest dairy product export category. However, WMP's share of total exports declined in recent years as other dairy products increased in prominence.

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

Price Range - 26% Butterfat; \$/MT: 3,975 - 4,150

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

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SOUTH AMERICA OVERVIEW

South America milk production is mixed as seasonal changes are taking place. Stakeholders indicate 2025 milk output totals through May are up compared to the same time a year earlier. Industry sources convey more favorable cow-comfort weather has contributed to upward trending year-over-year milk production. Rainfall amounts continue to be sufficient for pasture needs. Contacts indicate 2025 milk prices continue to trend upward.

Skim and whole milk powder demand varies from steady to strong in the region. Some stakeholders note tighter availability of skim and whole milk powder loads. Market tones are mixed for milk powders. The bottom end of skim milk powder price range moved higher, while the bottom end of the whole milk powder price range moved lower. Brazilian and Algerian buyers are active.

SKIM MILK POWDER

For week 25, skim milk powder (SMP) prices moved higher on the bottom end of the range and are unchanged on the top of the range. Demand varies from steady to strong. Some stakeholders indicate tight spot load availability. Brazilian and Algerian buyers are active. SMP production schedules are lightening.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 3,200 - 3,900

WHOLE MILK POWDER

For week 25, whole milk powder (WMP) prices moved lower for the bottom end of the range and are unchanged for the top end of the range. WMP demand from buyers varies from steady to strong. Stakeholders convey Algerian buyers are more active than Brazilian buyers. Loads are available from both Uruguayan and Argentinian manufacturers. Production schedules are lightening.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 4,200 - 4,900

Exchange rates or selected foreign currencies:  
June 16, 2025

0.0008 Argentina peso	0.0116 India rupee
0.6523 Australia dollar	0.0069 Japan yen
0.1821 Brazil real	0.0529 Mexico peso
0.7368 Canada dollar	0.6062 New Zealand dollar
0.0010 Chile peso	0.2706 Poland zloty
1.1562 Euro	0.0243 Uruguay peso

Conversion example: To compare the value of 1 US dollar to Mexico pesos: (1/0.0518) = 19.3050 Mexico pesos. Source: *Wall Street Journal*

Secondary Sourced Information:

During GDT event 382, on June 17, 2025, the overall GDT price index declined 1.0 percent from the prior event. The average winning price across all products and contract periods was \$4,389 per metric ton. Results for individual commodities include:

- SMP: The average price across all contract periods was \$2,775, corresponding to a 1.3 percent decline in the SMP price index from the prior event. The average price for the July contract was \$2,871, with the July price index up 0.4 percent.
- WMP: The average price across all contract periods was \$4,084, corresponding to a 2.1 percent decline in the WMP price index from the prior event. The average price for the July contract was \$4,268, with the July price index down 2.5 percent.
- Cheddar Cheese: The average price across all contract periods was \$4,992, corresponding to a 5.1 percent increase in the cheddar price index from the prior event. The average price for the July contract was \$5,023, with the July price index down 3.0 percent.
- Butter: The average price across all contract periods was \$7,890, corresponding to a 1.4 percent increase in the butter price index from the prior event. The average price for the July contract was \$8,507, with the July price index up 3.6 percent.

CLAL recently made data available to USDA showing import and export volumes for South America.

- Brazilian Imports:
  - SMP: Import volumes from January-May 2025 were 18,400 MT, up 15.2 percent from the same time period in 2024.
  - WMP: Import volumes from January-May 2025 were 59,000 MT, up 0.1 percent from the same time period in 2024.
- Uruguayan Exports:
  - SMP: Export volumes from January-April 2025 were 5,700 MT, increased 7.5 percent from the same time period in 2024.
  - WMP: Export volumes from January-April 2025 were 54,000 MT, increased 19.8 percent from the same time period in 2024.
- Argentinian Exports:
  - SMP: Export volumes from January-April 2025 were 6,300 MT, decreased 11.2 percent from the same time period in 2024.
  - WMP: Export volumes from January-April 2025 were 30,000 MT, decreased 33.3 percent from the same time period in 2024.