

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered July 7 - 18, 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 Future reports may be included or withdrawn depending on availability of information.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: Drought in Europe for mid-June shows slowly improving conditions in central Europe, while in eastern Europe the situation is continuously worsening. During a 10-day period in June, temperatures were above seasonal averages in most of southern Europe and in southern Scandinavia, with severe heatwaves in southern France and Italy.

The World Organization for Animal Health acknowledged two outbreaks of Lumpy skin disease in Italy and France. This marks the first-ever occurrence of the disease in these countries. WOAHA is actively monitoring.

Eastern Europe: According to CLAL data made available to USDA, the year-to-date milk deliveries and percentage changes from January -May 2025 for some of the top Eastern EU milk producers are Poland, 5,846,000 MT, +0.8 percent; Czech Republic, 1,423,000 MT, -1.8 percent; and Hungary, 777,000 MT, +3.0 percent.

BUTTER/BUTTEROIL

Butter prices decreased across the range in Europe during the current reporting period. Contacts report liquid materials are in high demand due to reduced availability. Cream volumes eased slightly in recent weeks, but demand remains strong. The price range for butteroil increased, although sales activity on the spot market remains limited.

Western Europe Butter, 82% Butterfat
Price Range - \$/MT: 8,300 - 8,925

Western Europe Butteroil, 99% Butterfat
Price Range - \$/MT: 10,300 - 10,650

SKIM MILK POWDER

The Western European skim milk powder (SMP) price range edged slightly lower this week. Contacts report high temperatures led to reduced milk production in some countries, impacting SMP manufacturing. Despite these challenges, overall SMP production remains mostly consistent within recent weeks.

Western Europe Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 2,700 - 2,850

WHEY

The Western European dry whey price range moved slightly lower this week. Contacts share slower demand for food grade whey. Spot sales continue to decrease.

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

WHOLE MILK POWDER

The Western European whole milk powder (WMP) price range moved slightly lower this week. Demand trended down over the past few weeks. Contacts share production slowed and volume will continue to tighten.

Western Europe, Whole Milk Powder, 26% Butterfat, All First Sales, Conventional, and Edible
Price Range - \$/MT: 4,900 - 5,175

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

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OCEANIA DAIRY MARKET OVERVIEW

Australia: The June 2025 Production Inputs Monitor report was recently released by Dairy Australia. Except for Victoria, all Australian states recorded below-average rainfall totals in June, maintaining dry conditions throughout most of the country. Water storage levels remain below year-ago levels, providing support for higher temporary water prices. Drought conditions also increased hay prices, leading to higher feed prices, though wheat prices remained steady. Fertilizer prices increased in June due to tight global supplies. June culling rates decreased from May, but total culling volumes for the season remain above prior-season levels.

Dairy Australia recently released export data for Australia showing milk export volumes from July 2024 - May 2025 were 150,072 metric tons, down 11.3 percent from the same time period a year earlier.

The Australian Competition and Consumer Commission (ACCC) announced it would not block a large, non-Australian firm from purchasing several businesses belonging to an Oceania-based cooperative. A deal has yet to be made, but ACCC asserts such a merger would not significantly alter current market dynamics. At least one Australian dairy cooperative voiced concerns about the potential deal, arguing that concentration of market power will lead to lower prices for milk producers.

New Zealand: New Zealand dairy farmers took advantage of strong milk prices throughout the 2024/25 marketing year to pay down debt and increase investments. Between October 2024 and March 2025, New Zealand dairy farmers paid down \$1.7 billion of debt according to a recent report. Combined with reduced interest payments due to the decline in interest rates from last year, this will allow for increased investment in farm operations and for farmers to manage uncertainty in the upcoming year. Land is being purchased by farmers looking to expand existing operations or by contractors hoping to establish their own dairy farms.

At Global Dairy Trade (GDT) event 384, prices for most commodities exceeded industry expectations based on New Zealand dairy commodity futures prices. The strong performance indicates export demand remains elevated, especially from the North Asia and Southeast Asia/Oceania regions which combined to purchase 69 percent of the total product offered. Additionally, prices may be influenced by European supply concerns, where elevated temperatures and disease concerns are dampening milk output.

Following Global Dairy Trade (GDT) event 384, a group in New Zealand that forecasts milk prices increased their milk price forecast for the 2025/2026 season by 3 cents from \$10.08 per kilogram milk solids (kgMS) to \$10.11/kgMS. The spot value of milk increased to \$10.41/kgMS. The group noted that prices at GDT event 384 were above market expectations.

BUTTER

The price range for Oceania butter narrowed during the reporting period, with prices increasing at the low end of the range and decreasing at the high end of the range. Production remains limited due to the season ending in Oceania. Domestic demand weakened slightly during the reporting period but remained on par with export demand. Near-term export demand eased while longer-term export demand was steady to stronger. Global trade relations remain unclear, adding significant uncertainty to global markets.

At Global Dairy Trading (GDT) event 384, price indices decreased for the near-term contracts, with the August and September contracts down by 2.1 percent and 3.1 percent, respectively. The price indices for the remaining contracts all increased. The October, November, December, and January (2026) price indices increased by 1.1 percent, 2.6 percent, 2.0 percent, and 2.6 percent, respectively. The total volume of butter sold at GDT event 384 was slightly above the volume sold at event 383 but slightly below the volume sold at event 360, held one year ago. The top three buyers of butter at event 383 were North Asia, Southeast Asia/Oceania, and Europe. The volume of butter purchased by North Asia was slightly below the volume bought by the region at the prior event.

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 only a slight increase at the low end of the price range. Spot inventories remain tight and production is limited while milk cows are dried off for the winter months. Domestic prices fell in recent weeks and are currently below export prices. Export demand remains strong, especially due to increasing concerns over European milk supply challenges. New Zealand futures prices for SMP gained strength, with contracts for quarter four trading above near-term contracts, reflecting expectations that prices will increase due to strong demand in the latter part of the year. This strength was similarly reflected at GDT event 384, where the SMP price index increased by 2.5 percent. However, sales of Oceania SMP were more limited at this event, with low-heat SMP only offered for the September and October contract periods and medium heat offered for September through December deliveries. Overall SMP volume was down compared to GDT event 383 but was higher than a year prior. Prices for the September contract ended higher than expected based on New Zealand futures prices prior to the event, and Oceania SMP prices were higher than European SMP prices for the September and October contract periods, where product from both regions was offered.

Oceania, Skim Milk Powder, 1.25% Butterfat, All First Sales, Conventional, and Edible

Price Range - \$/MT:

2,725 - 2,825

CHEESE

Oceania cheddar cheese prices fell during the reporting period, with decreases at both the low and high ends of the price range. Milk production is limited due to the season ending in Oceania. Cheese inventories remain tight. Notably, at Global Dairy Trading (GDT) event 384, no product was offered for August, the earliest contract at the event. Domestic demand remains strong, with domestic prices firmly above export prices. Export demand weakened during the reporting period, especially in the near term, as evidenced by weakening export prices. The United States easily supplied cheddar cheese to the global market, creating downward pressure on Oceania export prices. Trade volatility remains a key uncertainty in global markets. At GDT event 384, no trades occurred for the August 2025 and January 2026 contracts. Relative to the prior GDT event, the price indices for the September, October, November, and December contracts decreased by 7.7 percent, 6.3 percent, 2.7 percent, and 3.5 percent, respectively.

CONTINUED FROM PAGE 8A

The total volume of cheddar cheese sold at GDT event 384 was in line with the volume sold at event 383 and in line with the volume sold at event 360, held one year ago. The top three buyers of cheddar cheese at event 384 were Southeast Asia/Oceania, North Asia, and Africa. The volume purchased by North Asia was higher than the volume purchased by the region at the prior event.

Oceania, Cheese, Cheddar, 39% Maximum Moisture
Price Range - \$/MT: 4,525 - 5,000

WHOLE MILK POWDER

Oceania whole milk powder (WMP) prices rebounded from their decline during the prior reporting period, with the price range increasing at both ends during the current period. Production is light due to limited milk production during the winter months, but inventories are available. Domestic demand is light and domestic prices fell over the reporting period. Export demand remains strong, driven primarily by decreased milk production and lower WMP inventories in China. The North Asia region (which includes China) purchased 47 percent of the WMP offered at GDT event 384, a substantial increase over the same time last year when North Asia purchased 33 percent of available WMP. The GDT price index for WMP increased by 1.7 percent owing to increased prices across the August and October-December contracts. The overall quantity of WMP sold at GDT event 384 was about the same as the prior event and greater than the same time a year ago.

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

Secondary Sourced Information:

During GDT event 384 on July 15, 2025, the overall GDT price index increased 1.1 percent from the prior event. The average winning price across all products and contract periods was \$4,380 per metric ton. Results for individual commodities include:

- SMP: The average price across all contract periods was \$2,785/MT, corresponding to a 2.5 percent increase in the SMP price index from the prior event. No Oceania SMP was offered for the August contract. The average price for the September contract was \$2,751/MT, with the September price index down 0.2 percent.
- WMP: The average price across all contract periods was \$3,928/MT, corresponding to a 1.7 percent increase in the WMP price index from the prior event. The average price for the August contract was \$4,344/MT, with the August price index up 3.2 percent.
- Cheddar Cheese: The average price across all contract periods was \$4,589/MT, corresponding to a 5.6 percent decrease in the cheddar price index from the prior event. No loads were traded for the August contract. The average price for the September contract was \$4,540/MT, with the September price index down 7.7 percent.
- Butter: The average price across all contract periods was \$7,492/MT. The butter price index did not change from the prior event. The average price for the August contract was \$7,799/MT, with the August price index down 2.1 percent.

Dairy Australia recently released export data for Australia showing export volumes from July 2024 through May 2025.

- Milk: Export volumes from July 2024 – May 2025 were 150,072 MT, down 11.3 percent from the same time period a year earlier.
- Butter: Export volumes from July 2024 – May 2025 were 14,941 MT, up 63.7 percent from the same time period a year earlier.
- SMP: Export volumes from July 2024 – May 2025 were 146,819 MT, up 12.5 percent from the same time period a year earlier.
- WMP: Export volumes from July 2024 – May 2025 were 57,948 MT, up 35.7 percent from the same time period a year earlier.
- Cheddar Cheese: Export volumes from July 2024 – May 2025 were 28,268 MT, up 27.9 percent from the same time period a year earlier.
- Other Cheese: Export volumes from July 2024 – May 2025 were 127,556 MT, up 14.5 percent from the same time period a year prior.

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

- Brazilian Exports:
 - SMP: Export volumes from January-June 2025 were 22,000 MT, 16.5 percent higher than the same period in 2024.
 - WMP: Export volumes from January-June 2025 were 68,300 MT, 3.0 percent lower than the same period in 2024.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

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SOUTH AMERICA OVERVIEW

South American milk production is strengthening during their high season. Year-over-year production is up 11.7% through May 2025 for Argentina. Similar production trends are seen in Chile, with a 7.7% rise from last year. Industry sources indicate cow comfort is leading to better milk output and higher composition of the milk. Dairy production is up in the region for a variety of products in all classes. A recently published industry report highlights the efficiency and growth of the dairy industry in multiple South American Countries, focusing on feed efficiency and higher milk components.

Skim and whole milk powder demands for export are mixed. Some countries are seeing an increase in exports while others are decreasing. Stakeholders report that current pricing trends are falling this week. This is mostly due to the availability of products in the region during the high season. Contacts indicate that buyers are not very active and only buying to fill immediate needs.

SKIM MILK POWDER

For week 29, the skim milk powder (SMP) market is loose. Prices dropped some at both ends of the range. The Southern Hemisphere is heading into its high season, providing readily available SMP for the market. Suppliers indicate SMP is available for immediate shipment. Imports of SMP from Argentina and Brazil are up on a year over year basis for 2025.

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

For Week 29, whole milk powder (WMP) prices dropped on both ends of the range. Price drops are reflective of the region moving into the high production season. However, contacts indicate some uncovered demand in Brazil for the balance of the year. Import numbers of WMP are down in Chile and Brazil year-over-year through June 2025. Production of WMP appears to be slower.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,900 - 4,600

**Exchange rates or selected foreign currencies:
July 14, 2025**

0.0008 Argentina peso	0.0116 India rupee
0.6544 Australia dollar	0.0068 Japan yen
0.1789 Brazil real	0.0534 Mexico peso
0.7297 Canada dollar	0.5971 New Zealand dollar
0.0010 Chile peso	0.2742 Poland zloty
1.1666 Euro	0.0245 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*