

# International Demand Analysis

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U.S. Dairy  
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Ingredients | Products | Global Markets

Data Through:

February 2024

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## A Note from the Authors

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- 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.
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  - [wloux@usdec.org](mailto:wloux@usdec.org)
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# Global Dairy Demand Market Commentary



## KEY TAKEAWAYS

- **Global dairy trade jumped decisively in February, even after adjusting for an extra day** (all data is adjusted to 28-days unless otherwise noted). **Total shipments climbed by 11% in February (+91,629 MT MSE)**, supported once again by New Zealand's surprisingly robust milk production and U.S. shipments rebounding after declines for much of 2023.
- With the exception of fluid milk (-16%, -31,457 MT), butter (-13%, -7,104 MT) and infant formula (-28%, -17,432 MT), most major products either grew or were close to neutral. **Whole milk powder exports were especially notable, climbing 53% (+68,731 MT)**, though we should add the caveat that the WMP figure was in comparison to particularly weak shipments in February 2023. **Cheese also had another solid month, climbing 7% (+14,036 MT)**, continuing the product's recent acceleration.
- We continue to caution readers (and ourselves) from overemphasizing a single month of data. Still, **the data was almost universally positive. Even China managed a 2% increase** thanks to a surprising rebound in WMP shipments (albeit against weak comparison data and hardly an indication of robust demand).

**Global Milk Solids Trade**

**+10.9%**  
February YoY

**+7.7%**  
YTD, Ending February

**+1.2%**  
Last 12-Months, Ending February

**-0.3%**  
3-Year CAGR

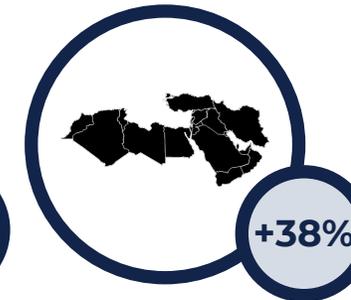
## February Standout Markets



**SOUTHEAST ASIA**  
+18,246 MT



**CHINA+HK**  
+6,460 MT



**MENA**  
+48,073 MT



**MEXICO**  
+464 MT

## ADDITIONAL NOTES

Despite geopolitical turbulence, the Middle East continues to be one of the most active dairy buyers in the world, especially for milk powders. **WMP shipments to the Middle East-North Africa were nearly double the prior February** (+90%, +33,813 MT), making the impressive 25% gain in NFDM/SMP purchases appear almost small in comparison (+9,402 MT). Algeria was particularly active after a quiet second half of 2023 (+80%, +15,637 MT in WMP; +31%, +4,728 MT in SMP), but the country was not alone. WMP shipments to the GCC more than doubled (+109%, +15,977 MT), and SMP volumes improved by 74% (+4,949 MT). **Our team still questions how sustainable the region's surge in milk powders is given the region's cyclical inventory tendency, February's jump coming just before Ramadan, and the incentive for end users to secure food supplies in reaction to geopolitical uncertainty.** Regardless, 38% growth in purchases from one of the largest dairy importing regions is certainly a welcome signal to market observers.

# Global Dairy Demand Market Commentary



## LOOKING AHEAD

- After struggling for most of 2022 and 2023, **global dairy trade has finally gathered some momentum with increases in four out of the last five months.** While it is too early to say that we have turned a corner to recovery, **global trade is at least moving in the right direction again thanks to robust demand from Latin America and the Middle East-North Africa.**
- Before readers get too excited, we need to include two notes of caution. First, the expansion has largely come with China absent. Over the last five months, global trade expanded despite China declining 7% (-61,606 MT MSE). **The Econ team remains bearish on China** for the time being as economic data suggests consumption within the country is likely to remain sluggish in the near term at the same time the raw milk price within China indicates a saturated fluid milk and milk powder market.
- Additionally, **nearly all of the expansion on the supply side has come from New Zealand,** which increased shipments by 15% over the last five months (+188,167 MT MSE). While NZ's milk production has undoubtedly been better this season, the 15% increase is unlikely to be maintained given NZ's 2023/24 season is only up 1.1% through March.

### U.S. Milk Solids Exports<sup>1</sup>

**+3.6%**

February YoY

**-1.4%**

YTD, Ending February

**-7.9%**

Last 12-Months,  
Ending February

**-2.7%**

3-Year CAGR

### EU Milk Solids Exports

**+0.4%**

February YoY

**+0.1%**

YTD, Ending February

**+2.8%**

Last 12-Months,  
Ending February

**+0.9%**

3-Year CAGR

### NZ Milk Solids Exports

**+35.7%**

February YoY

**+23.8%**

YTD, Ending February

**+10.7%**

Last 12-Months,  
Ending February

**+3.5%**

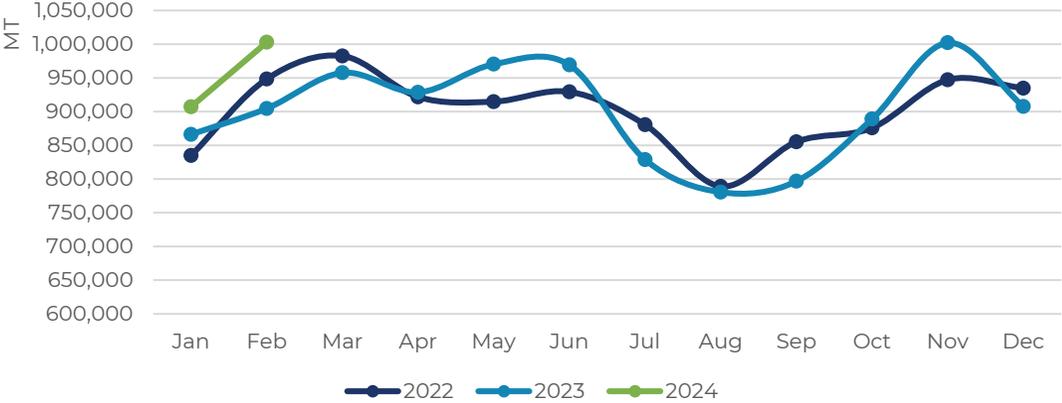
3-Year CAGR

## ADDITIONAL NOTES

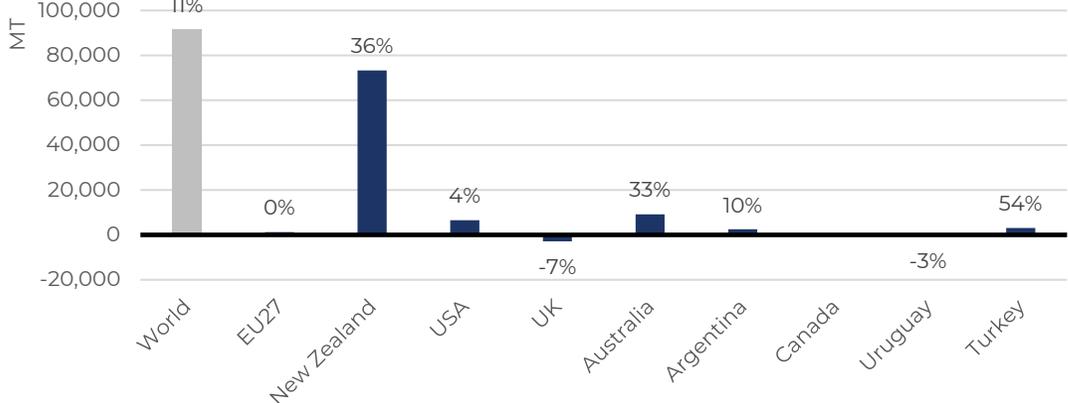
In today's constrained supply environment, the secondary exporters are becoming more active in global markets – albeit at smaller volumes than the main three (EU, NZ & US). In particular, both Australia and Argentina are starting 2024 off on a positive note after declining for most of 2023 (and most of the last decade), rebounding by 21% (+11,513 MT MSE) and 12% (+5,562 MT MSE), respectively. Australia's improvement can largely be credited to improved supply in part caused by a change in their milk pricing system, which has resulted in pay prices to farmers being above global market prices. However, it's doubtful how long Australia's resurgence can last given that processor margins are being squeezed by high pay prices and low returns on exports. Argentina, on the other hand, has seen milk production struggle this season, but depressed local consumption and the new government's decision to relax currency controls is boosting manufacturers' incentives to export.

# Executive Summary: February 2024

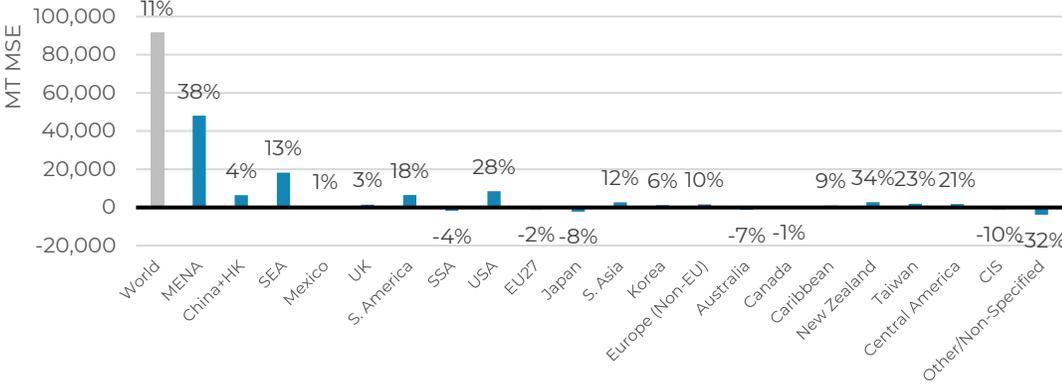
Global Total Solids Trade to World



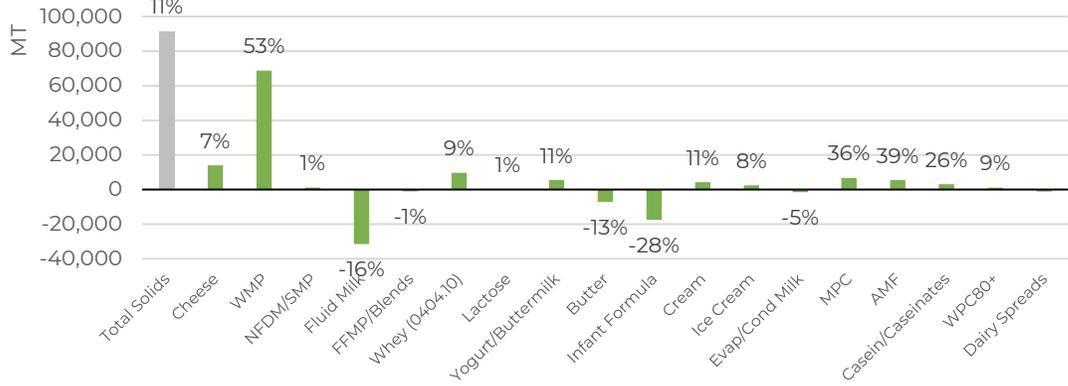
YOY Change in Global Dairy Trade to World: Month of Feb, MSE



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



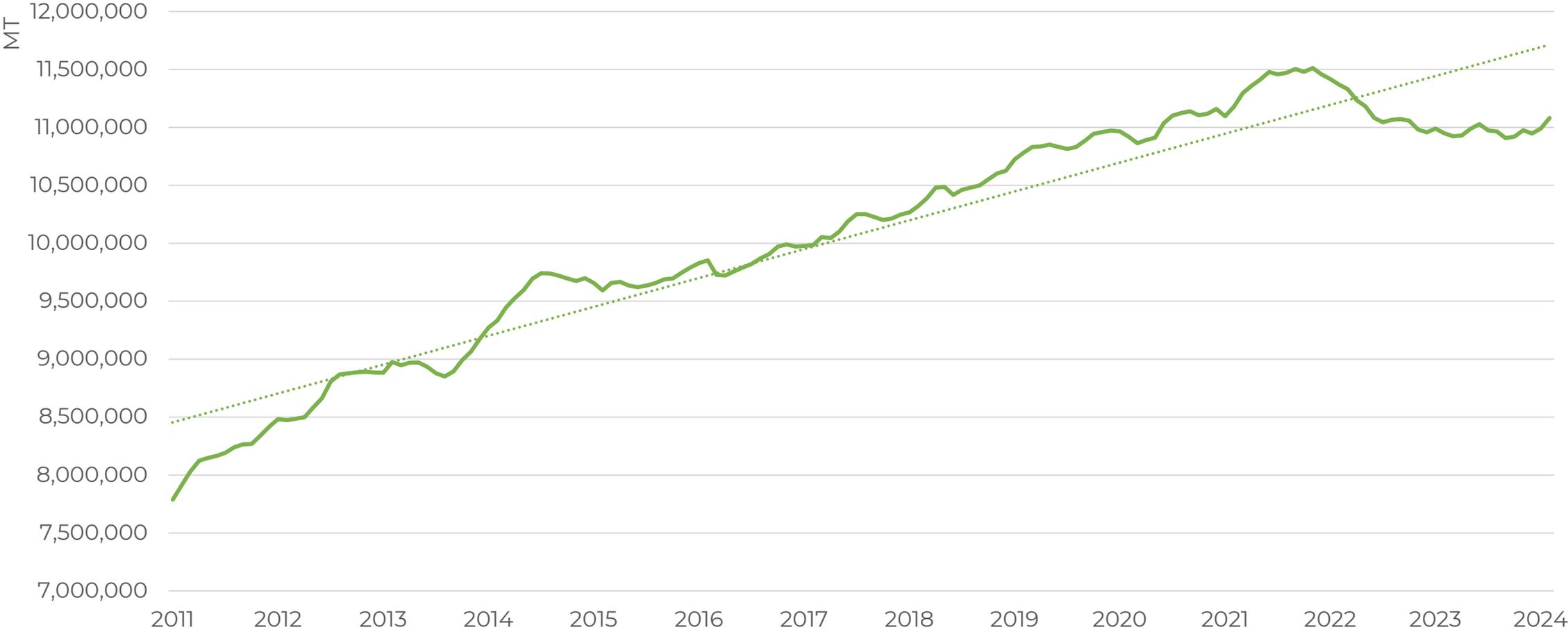
YOY Change in Global Dairy Trade to World by Product: Month of Feb



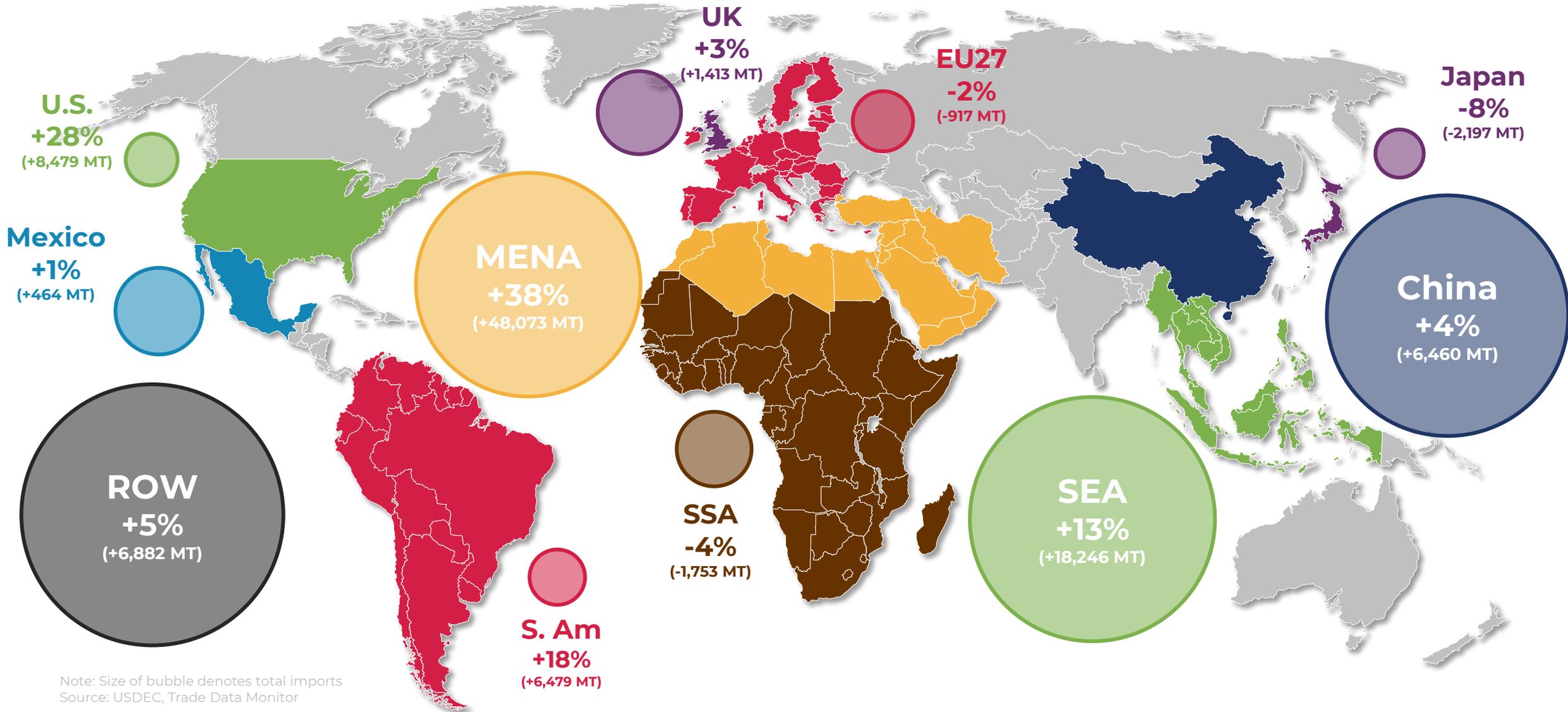
# Global Dairy Trade

## Global Dairy Trade

(Milk Solids Equivalent, Rolling 12 Months)



# Select Markets – Month of Feb. 2024, Milk Solids Equiv.



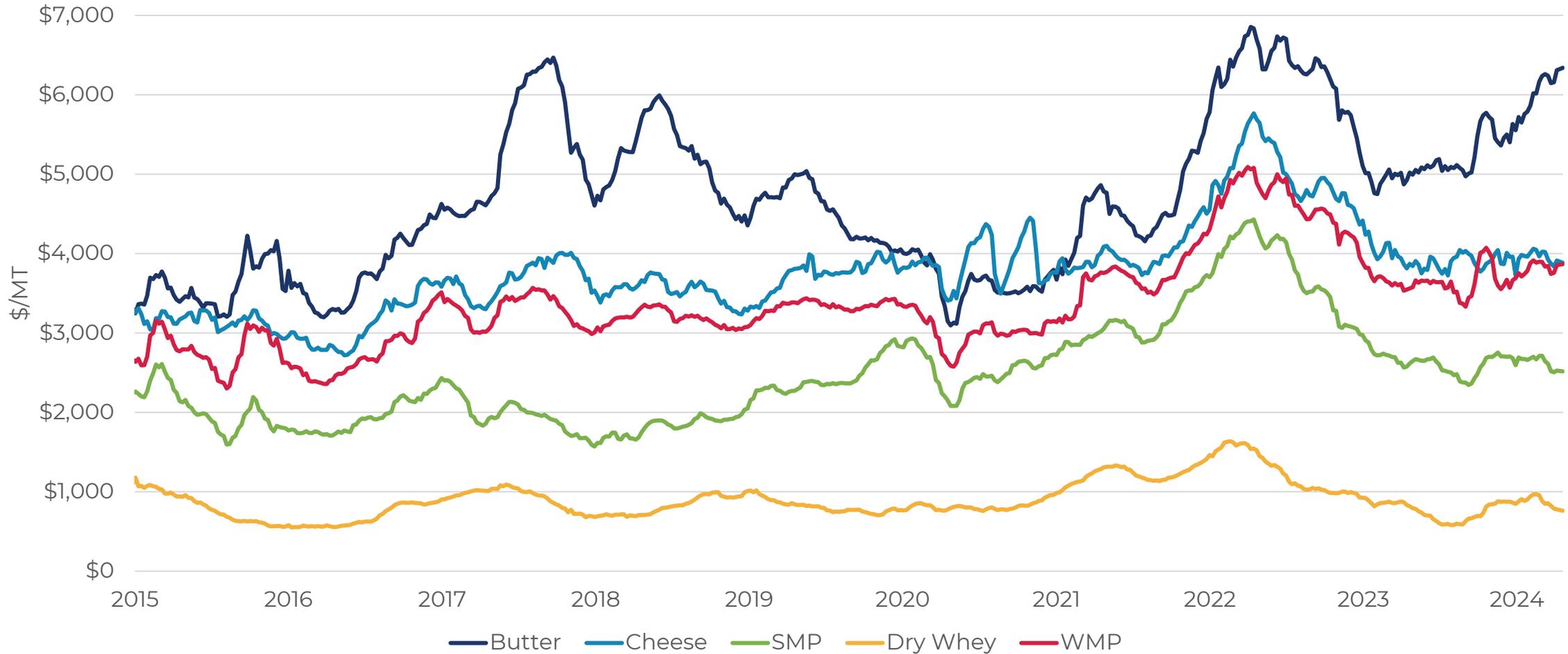
# Average Global Export Price

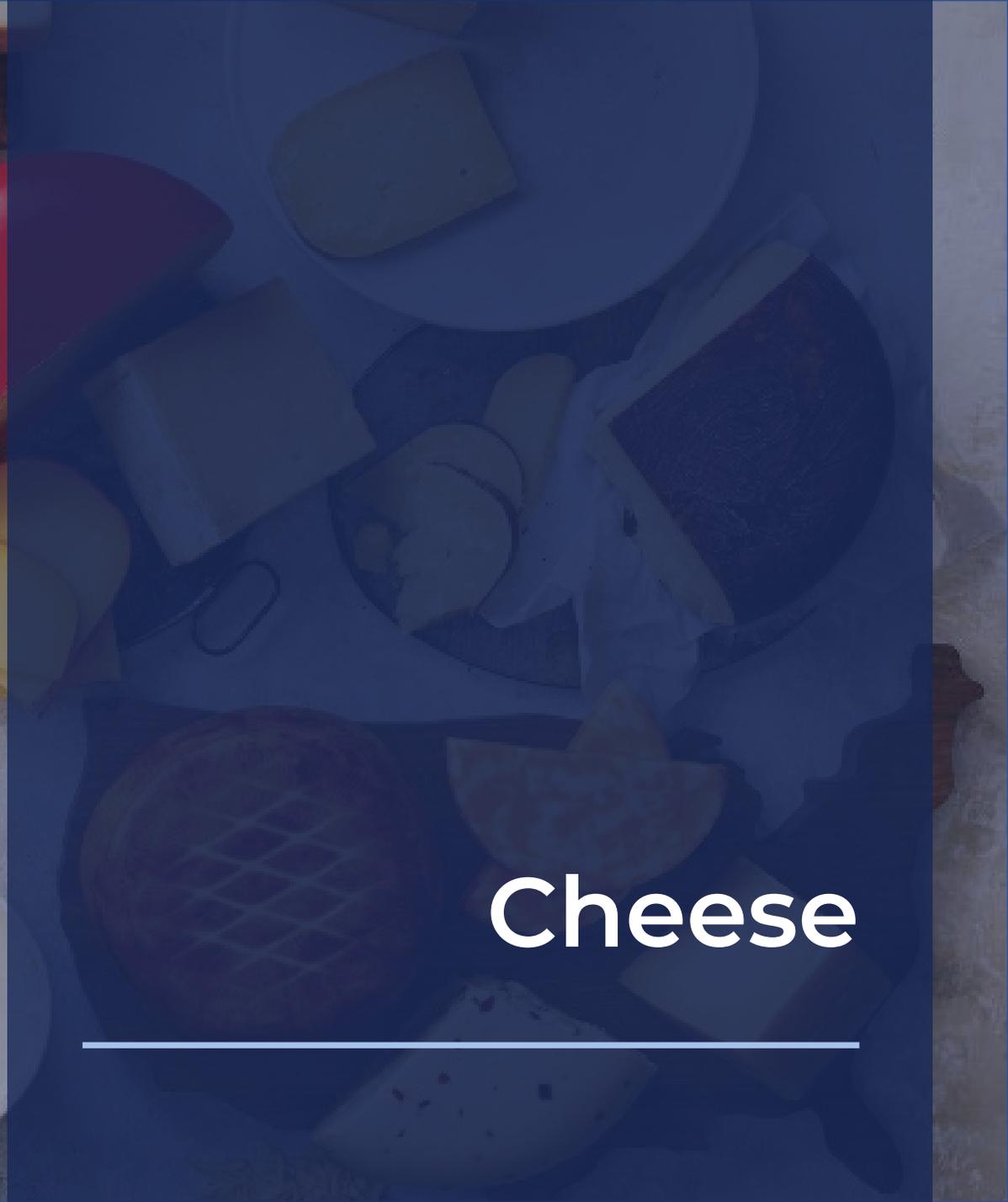
Average Dairy Export Value to World, MSE



# Global Dairy Spot Prices

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





# Cheese

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# Cheese Market Commentary



## KEY TAKEAWAYS

- **Global cheese trade continued its resurgence in February, jumping 7% for the month (+14,036 MT).**
- Cheese trade has proven one of the most resilient and resurgent products in the dairy complex. Affordable prices have certainly helped boost import volumes, but **growth is widespread and appears to have staying power.** Only South Korea has posted declines of any significant volume through the first two months of the year (-29%, -7,588 MT YTD).
- Importantly for the U.S., **Mexico has been the fastest growing cheese market in 2024 so far** (+52%, +6,266 MT in Feb; +45%, +10,350 MT YTD), buoyed by a robust economy, rise in food delivery and a strong peso. Still, demand improvement hasn't been limited to Mexico but remains widespread across Latin America. Demand in South America rose 25% in February (+2,242 MT), joined by a 51% jump in sales to Central America (+1,793 MT) and a 17% increase to the Caribbean (+816 MT).

**Global  
Cheese  
Trade**

**+6.9%**  
February YoY

**+8.0%**  
YTD, Ending February

**+3.4%**  
Last 12-Months,  
Ending February

**+1.9%**  
3-Year CAGR

## February Standout Markets



**KOREA**  
-3,525 MT



**SOUTH AMERICA**  
+2,242 MT



**UNITED KINGDOM**  
+3,299 MT



**MEXICO**  
+6,266 MT

## ADDITIONAL NOTES

Despite widespread improvement in cheese trade, demand in Japan and Korea has remained underwhelming. Japan's demand has at least stabilized to start the year (-0%, -163 MT YTD), but that stabilization has come at the lowest level in seven years. Exports to Korea, on the other hand, have continued their decline in 2024 and are now at the lowest annualized level since before the pandemic. In fact, in the last year, Korea went from the fourth largest cheese market in the world to the 11<sup>th</sup> largest market. In both cases, weak currencies, high price inflation (particularly at foodservice), and sluggish economic growth has sharply slowed cheese imports. Both markets still pose significant potential for U.S. cheese exports in the long-term, especially as their economies recover, but neither market is forecasted to see a rapid rise in imports in 2024.

# Cheese Market Commentary



## LOOKING AHEAD

- Global cheese trade presents a striking juxtaposition to current market prices, sentiment and domestic sales.
- Despite the improvement in global demand, particularly from Latin America, **over the last 12 months, total U.S. cheese sales (both domestic and international) have declined by half a percent.** U.S. foodservice appears the primary culprit behind the sluggish demand as U.S. exports have sharply improved since the fourth quarter, and retail scanner data shows modest improvement at grocery. High menu prices and depressed consumer sentiment appears to be pushing U.S. consumers to dine at home, where meals have less cheese on average.
- What does this mean for global cheese trade? Fundamentally, **if U.S. domestic sales remain quiet through 2024, the U.S., by necessity, will need to increase its cheese exports.** Positively, global demand appears to be heading the right direction to support that growth, especially in Latin America. But with several new cheese plants starting up later this year, U.S. exporters will likely need to break into new channels and segments to avoid depressed prices for the foreseeable future.

### U.S. Cheese Exports

**+27.3%**

February YoY

**+19.8%**

YTD, Ending February

**-1.6%**

Last 12-Months, Ending February

**-0.5%**

3-Year CAGR

### EU Cheese Exports

**+1.7%**

February YoY

**+4.0%**

YTD, Ending February

**+4.8%**

Last 12-Months, Ending February

**+1.6%**

3-Year CAGR

### NZ Cheese Exports

**-1.8%**

February YoY

**-6.0%**

YTD, Ending February

**+6.8%**

Last 12-Months, Ending February

**+2.2%**

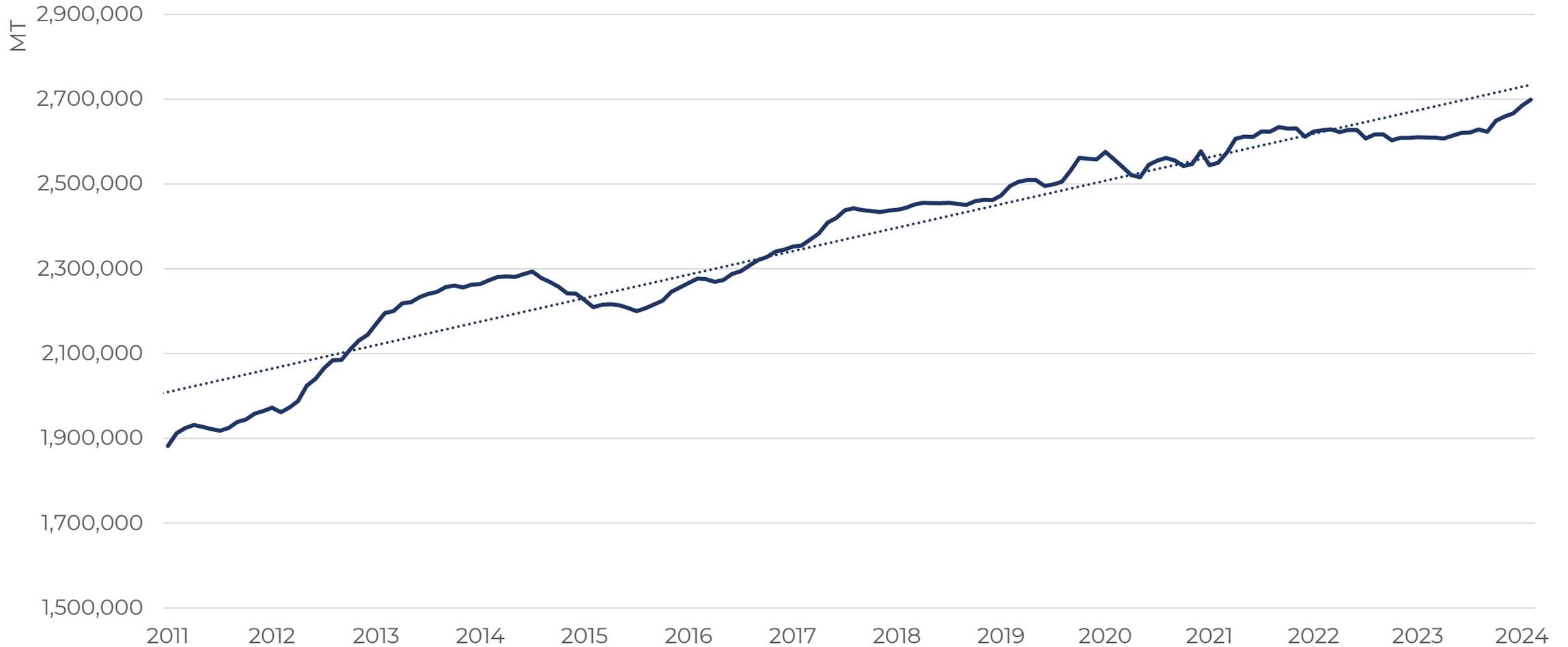
3-Year CAGR

## ADDITIONAL NOTES

Digging into the cheese variety data, **most of the recent expansion in cheese trade has been driven by shredded cheese/mozzarella.** The other core varieties, namely fresh cheese (which is primarily block mozzarella from non-EU suppliers and cream cheese) and cheddar/gouda, have been modestly positive (growing at around 1%), but shreds/EU mozz remains the star, climbing 21% in 2023 (the EU is the only major exporter to break out mozzarella exports). This suggests that even when consumers are looking for bargains, pizza is still a growing category for many markets (especially LatAm and China). Yet even as the staples have proven to be reliable favorites, specialty varieties struggled in the last couple years. Specialty shipments have rebounded slightly in the last several months as EU shipments to the U.S. have started to pick up again, but maintaining the specialty rebound is doubtful in the near term given economic headwinds.

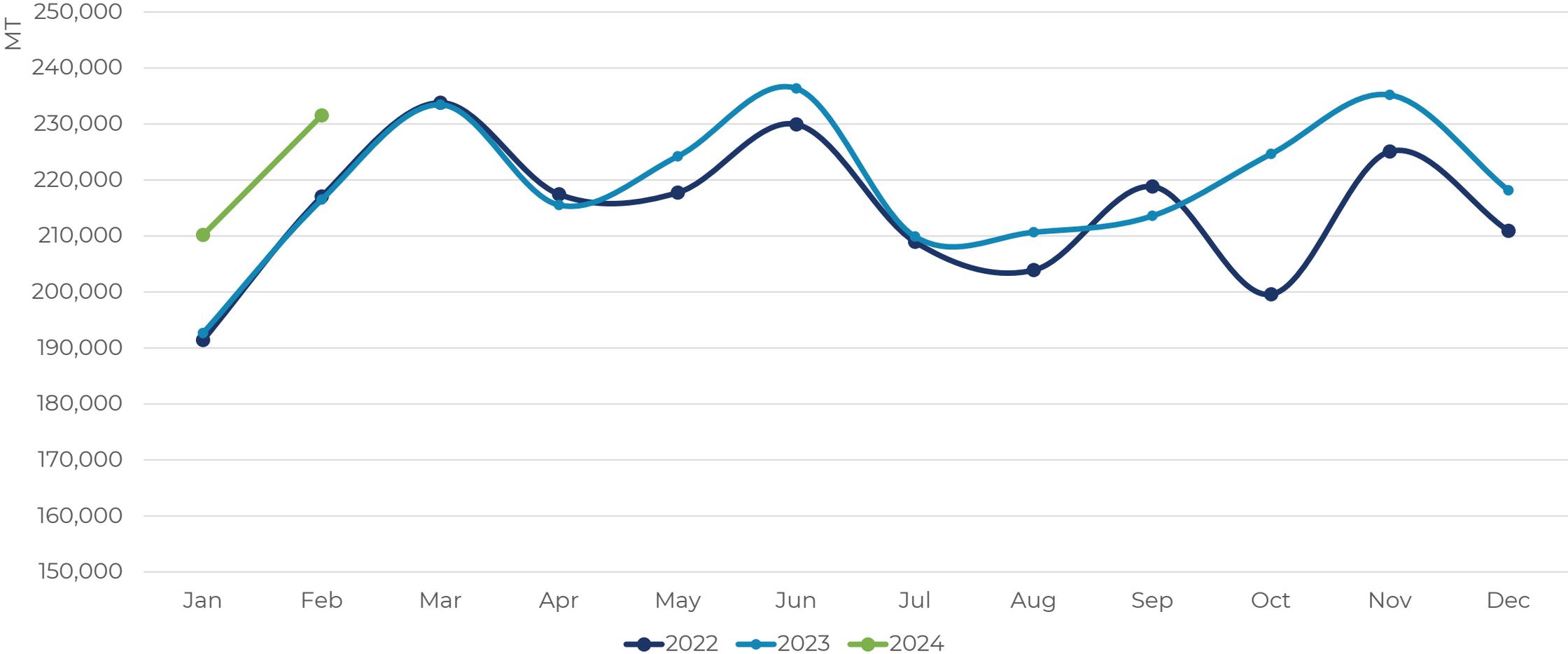
# Global Overview: Cheese

## Global Cheese Trade to World



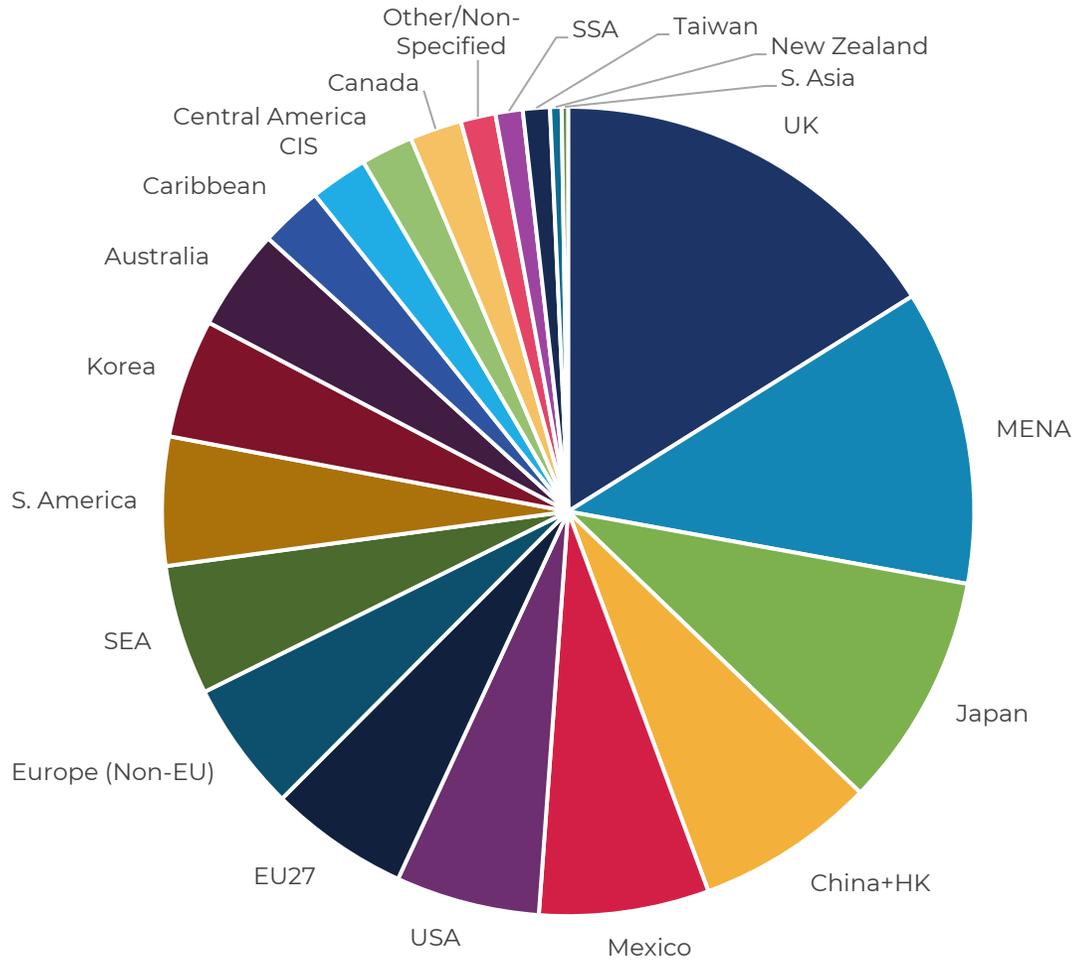
# Global Overview: Cheese

### Global Cheese Trade to World

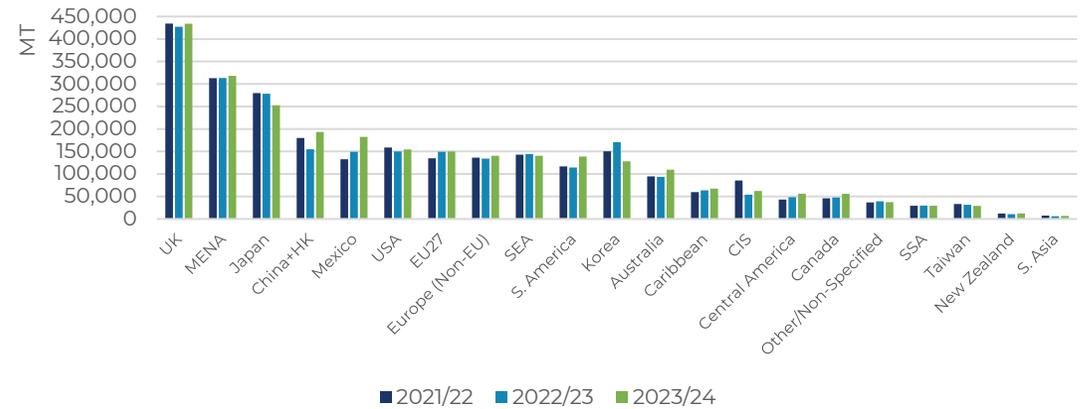


# Global Overview: Cheese – Last 12 Months

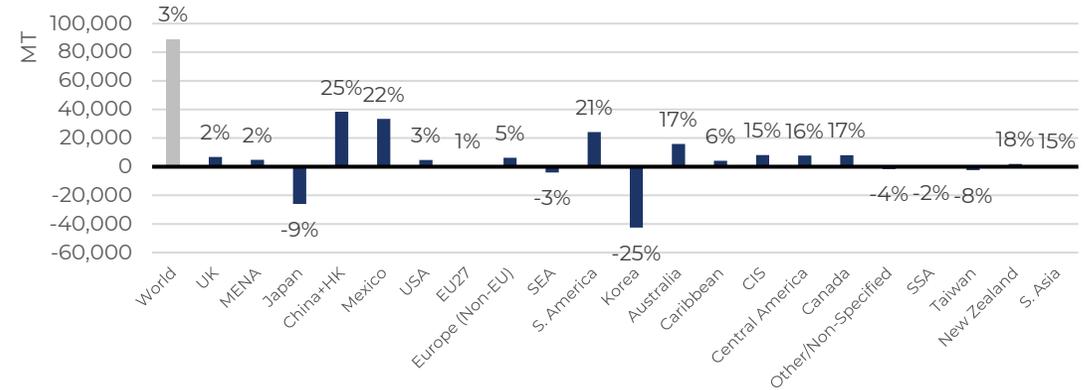
Global Cheese Trade by Destination: Last 12 Months ending Feb



Global Cheese Trade by Destination: Last 12 Months ending Feb

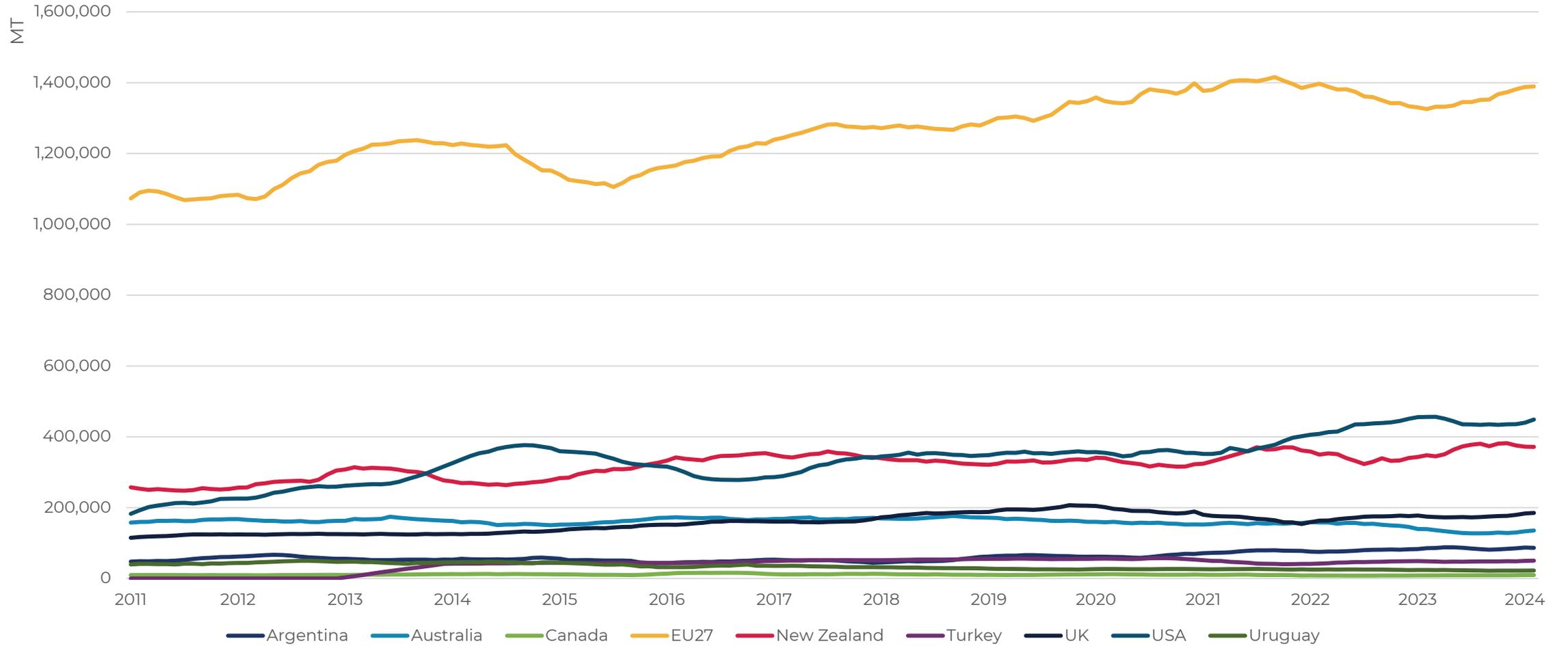


YOY Change in Global Cheese Trade by Destination: Last 12 Months ending Feb 2024



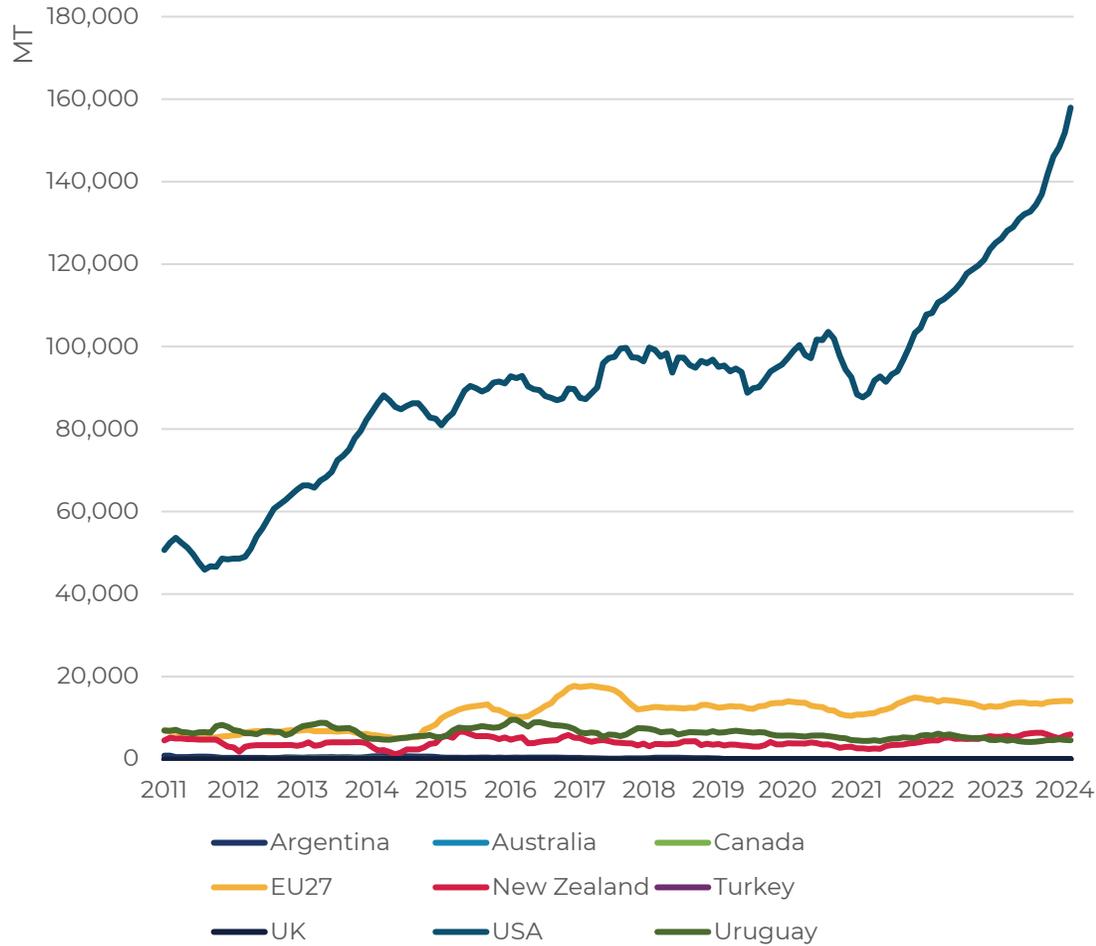
# Trade Flows: Cheese

## Global Cheese Trade to World

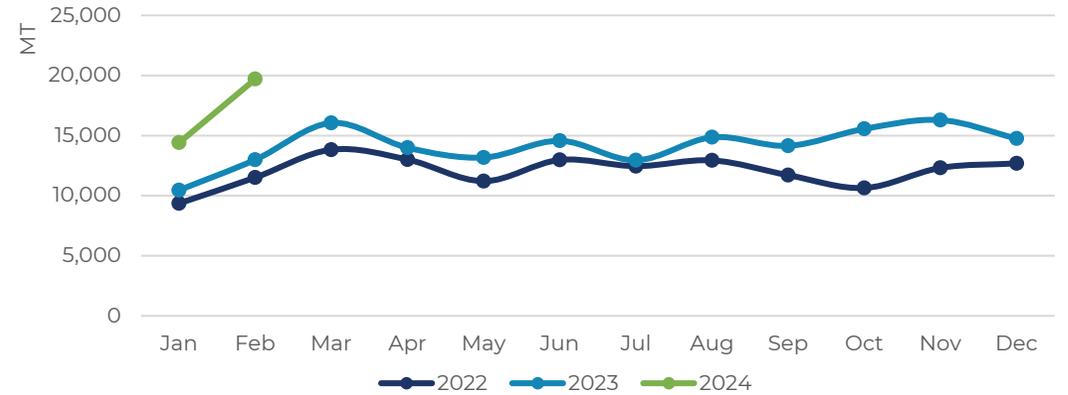


# Mexico

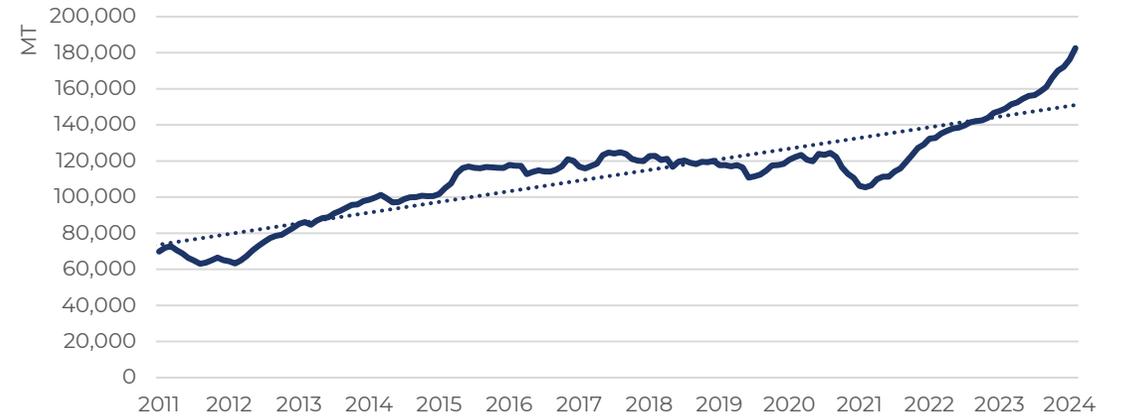
## Global Cheese Trade to Mexico



## Global Cheese Trade to Mexico

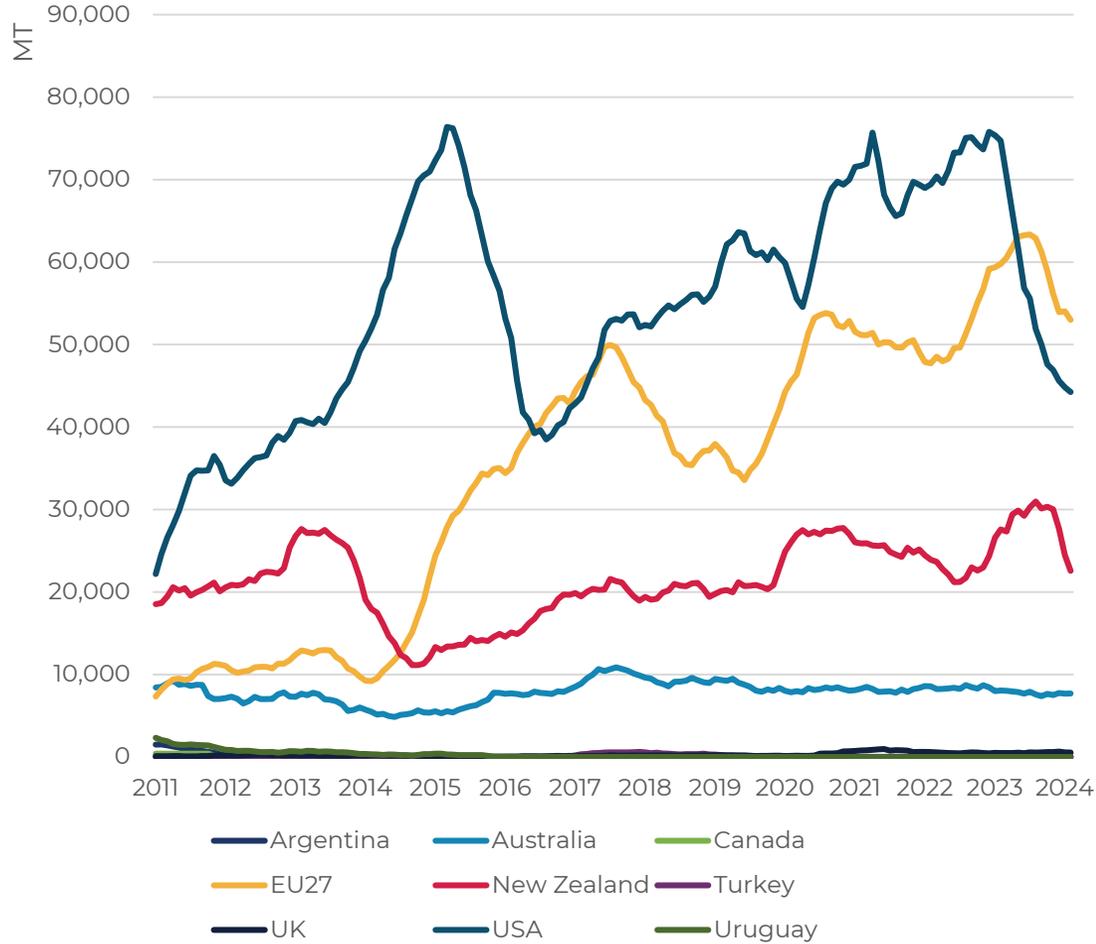


## Global Cheese Trade to Mexico

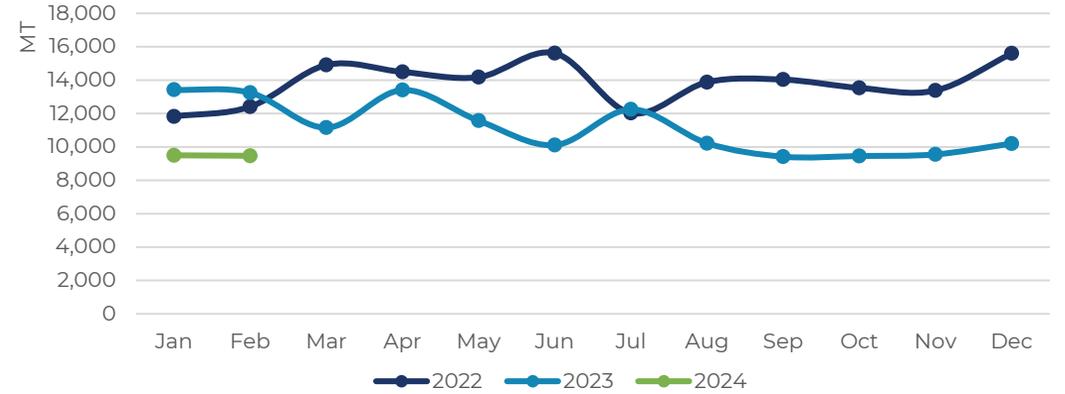


# Korea

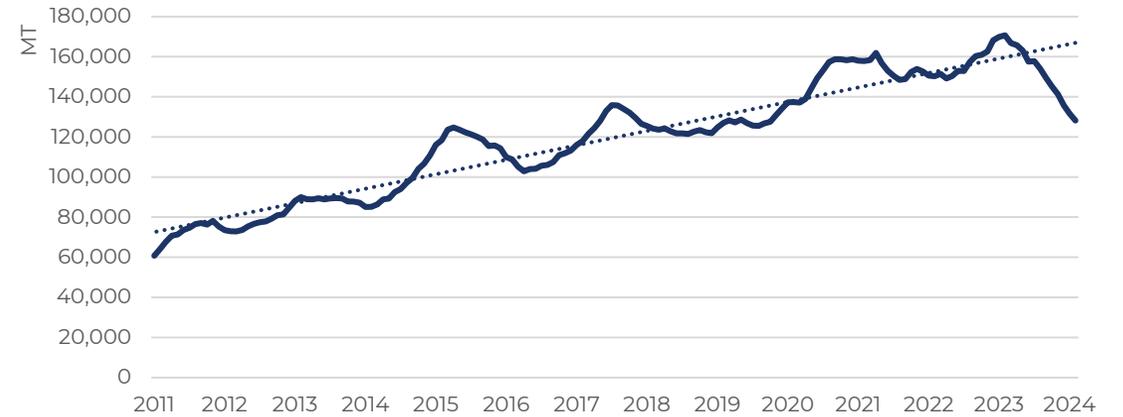
## Global Cheese Trade to Korea



## Global Cheese Trade to Korea

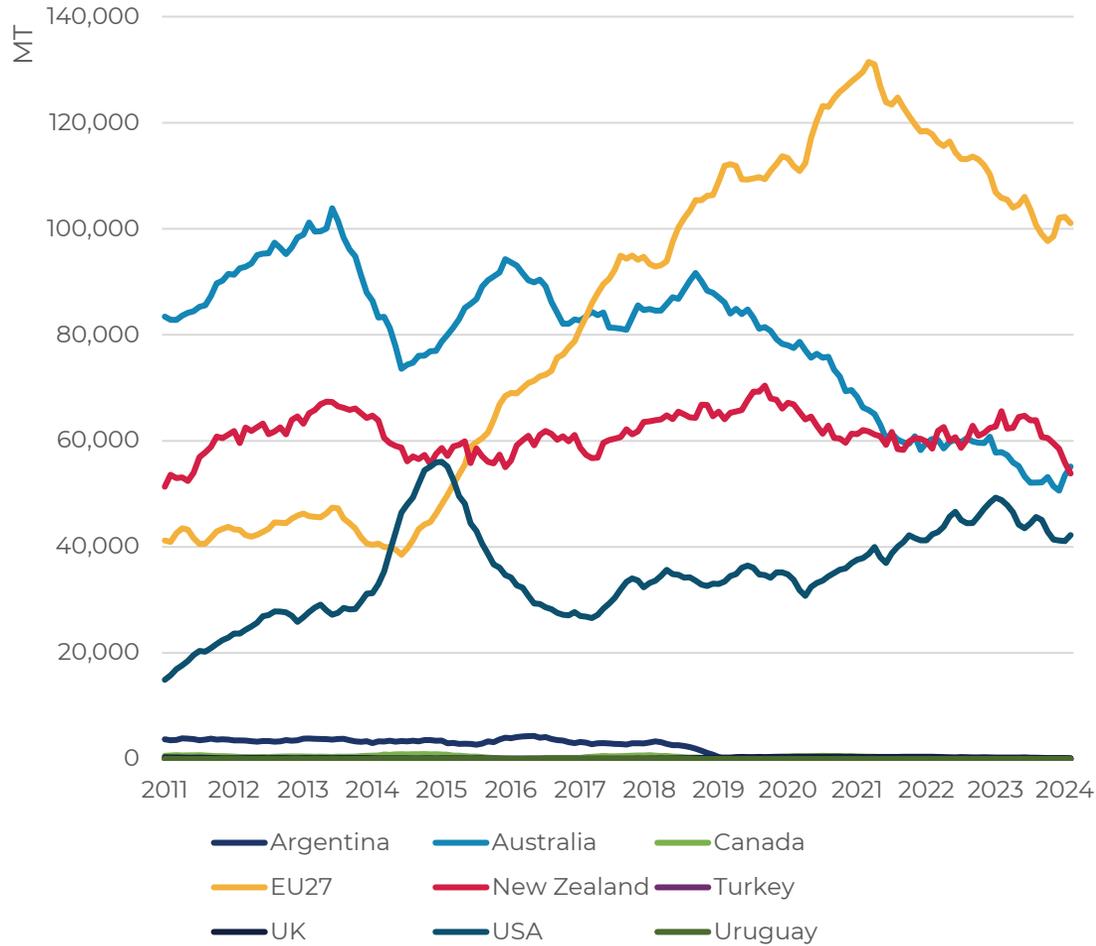


## Global Cheese Trade to Korea



# Japan

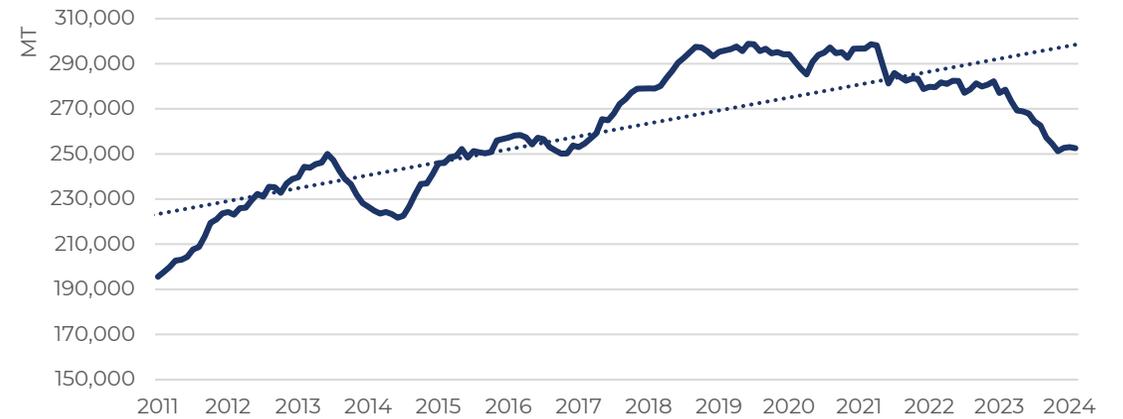
## Global Cheese Trade to Japan



## Global Cheese Trade to Japan

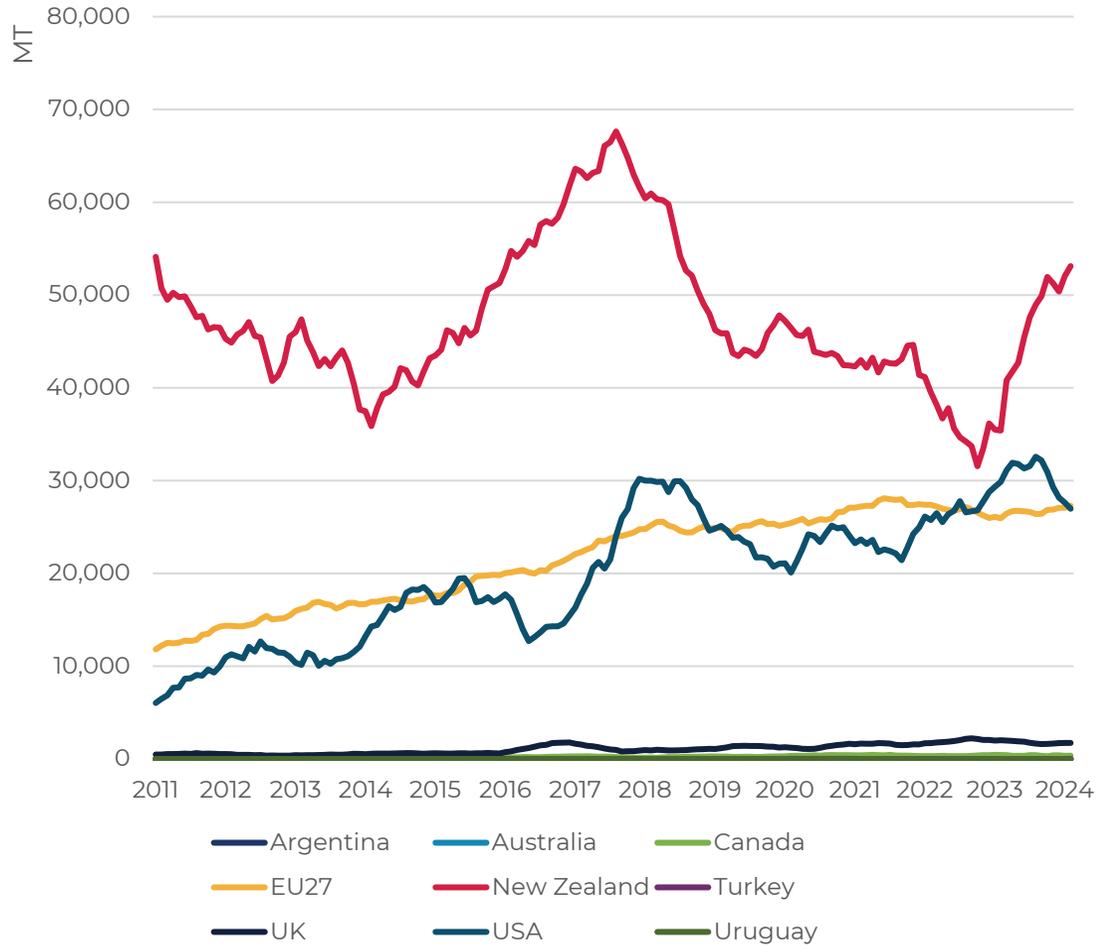


## Global Cheese Trade to Japan



# Australia

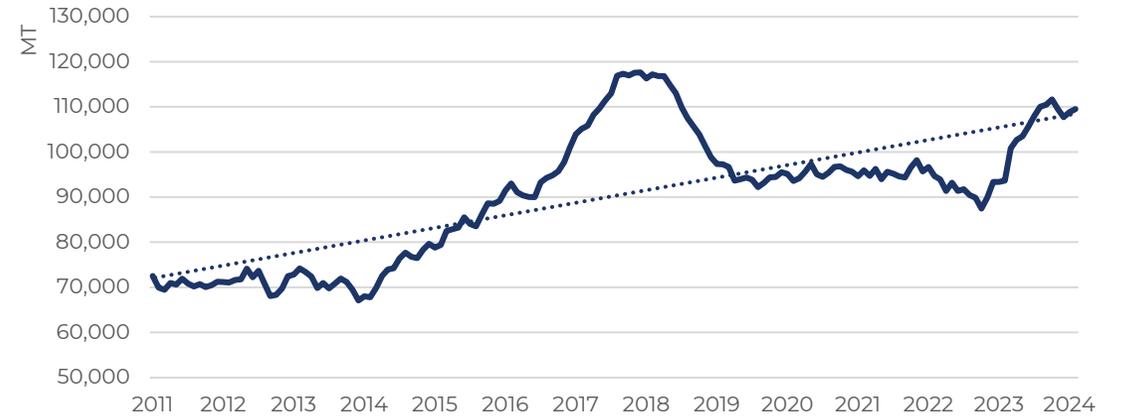
## Global Cheese Trade to Australia



## Global Cheese Trade to Australia

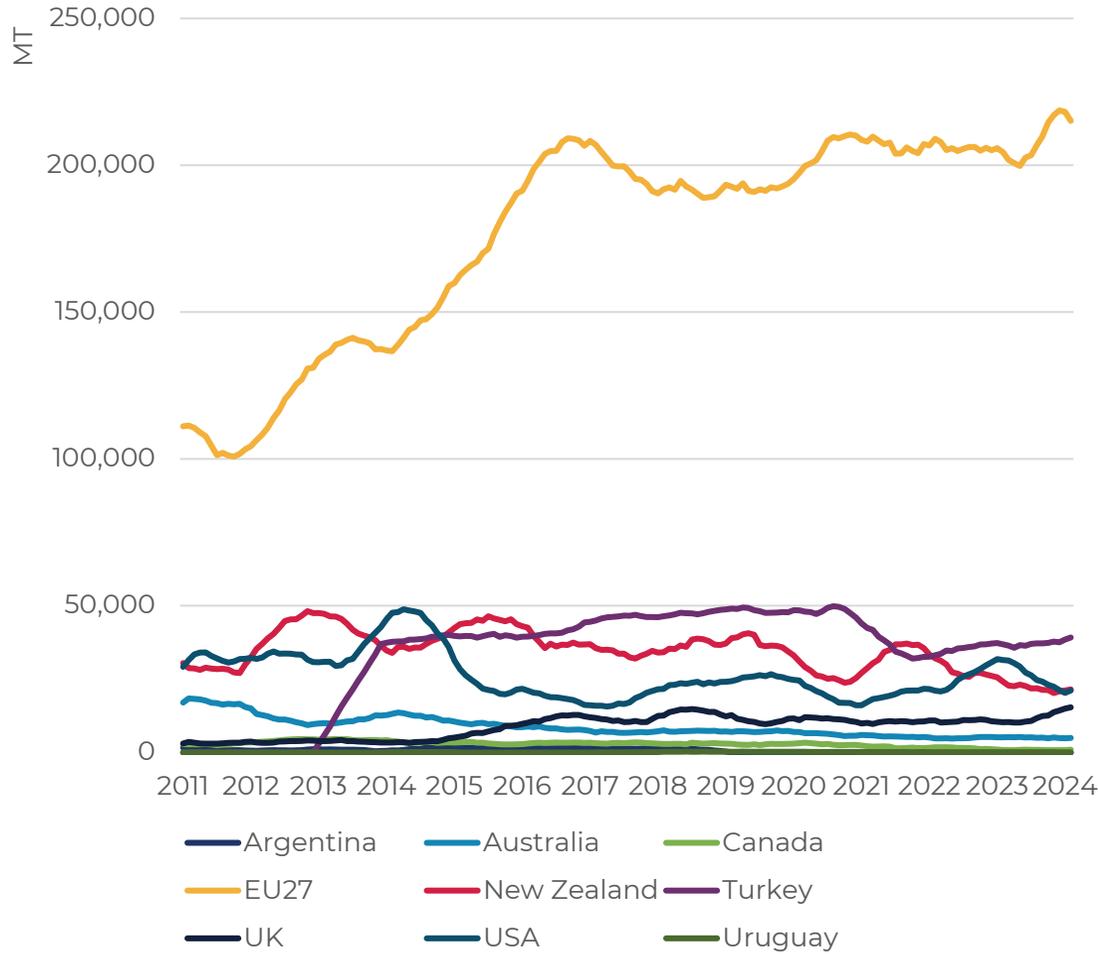


## Global Cheese Trade to Australia

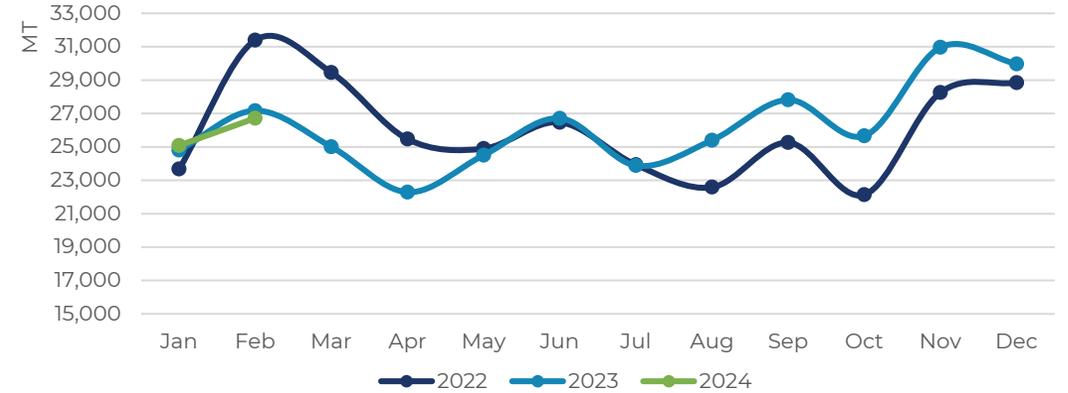


# MENA

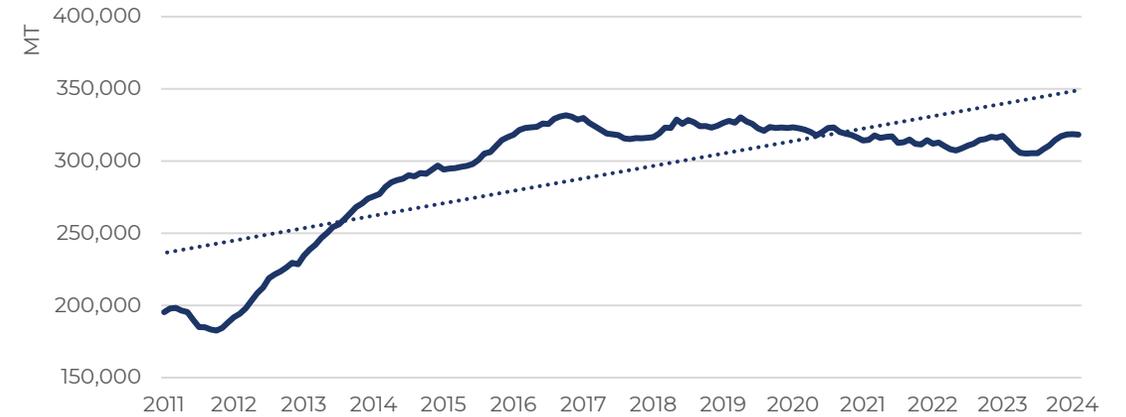
Global Cheese Trade to MENA



Global Cheese Trade to MENA

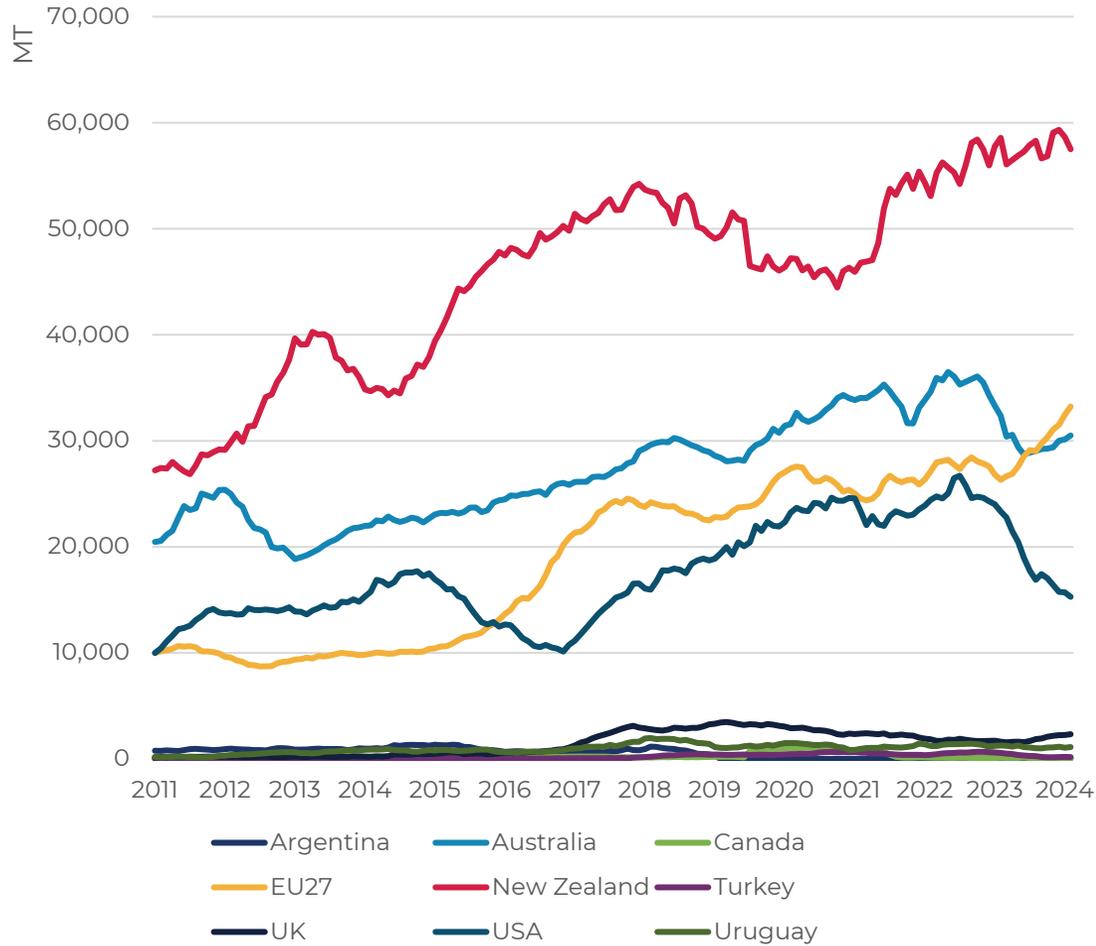


Global Cheese Trade to MENA

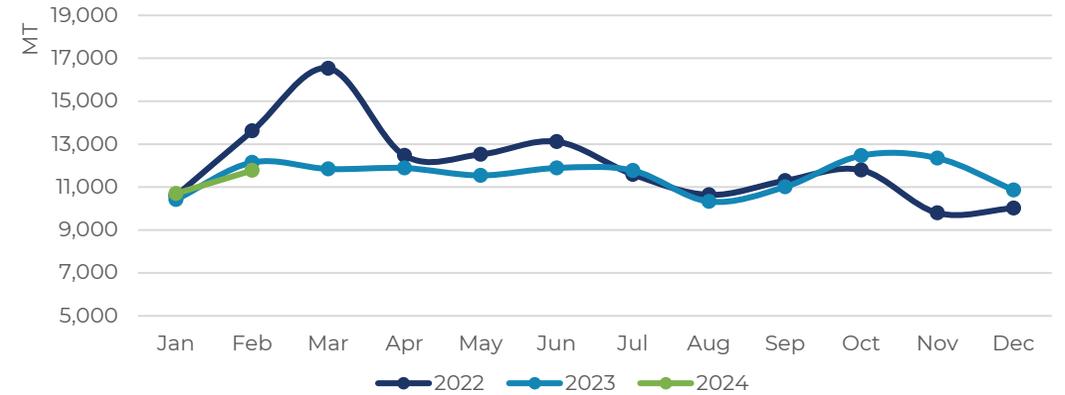


# Southeast Asia

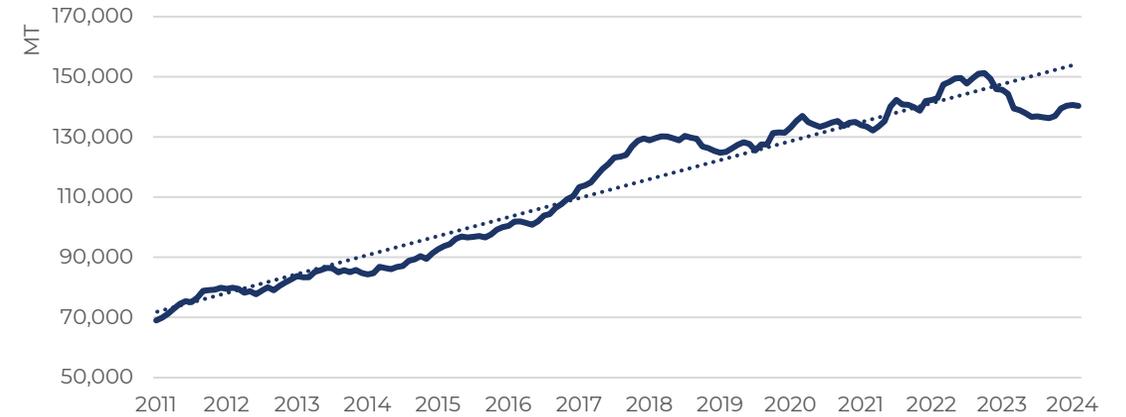
## Global Cheese Trade to SEA



## Global Cheese Trade to SEA

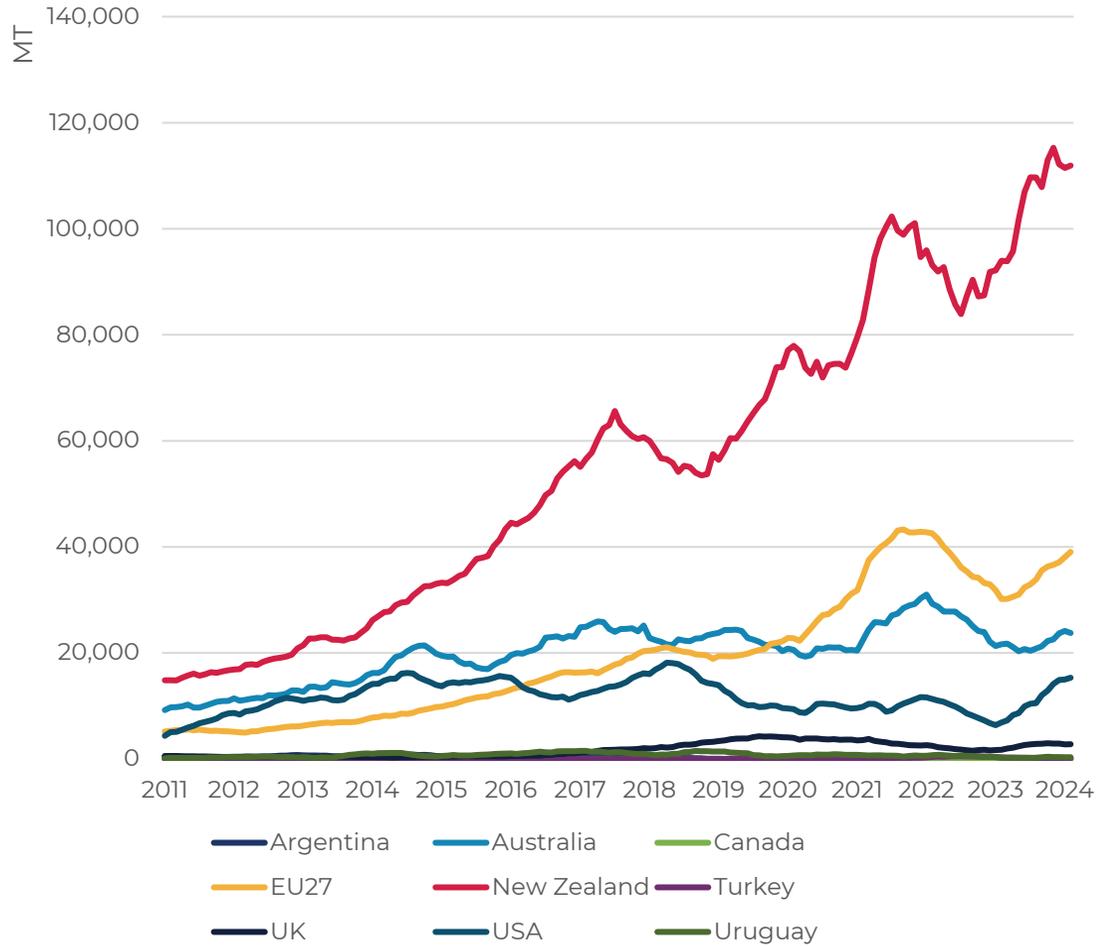


## Global Cheese Trade to SEA



# China

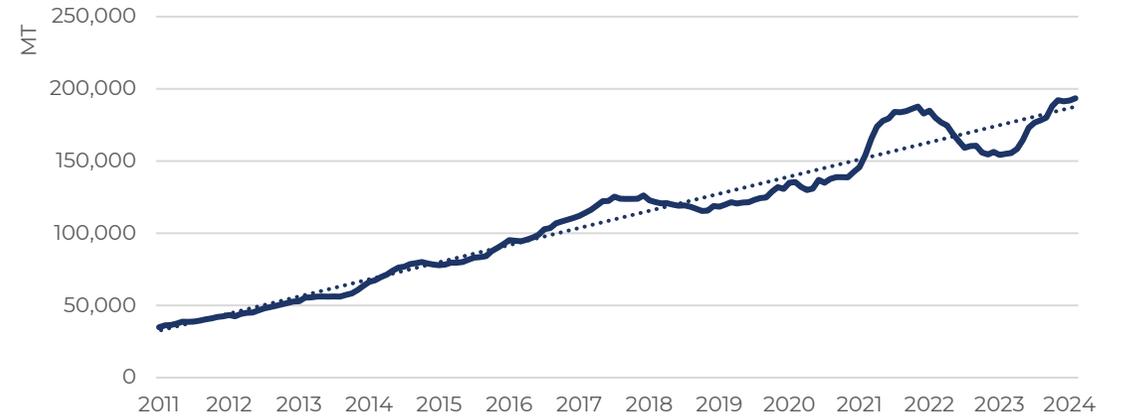
Global Cheese Trade to China+HK



Global Cheese Trade to China+HK



Global Cheese Trade to China+HK





# NFDM/SMP

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# NFDM/SMP Market Commentary



## KEY TAKEAWAYS

- For the first time since last August, global **NFDM/SMP trade bested prior year levels**, rising by 0.6% in February (+1,131 MT) after adjusting for leap day. February's trade was the second highest ever for the month, and less than 6,000 MT behind the February record set in 2019.
- The **landscape has been uneven** as resurgent demand from Southeast Asia (+13%, +7,290 MT) and MENA (See Additional Notes) more than compensated for slumping sales into Mexico (-16%, -5,553 MT) and China (-24%, -7,800 MT) during the month.
- Significantly augmented supplies from Oceania made up for reduced product from Europe during February. After a dramatically weaker performance in 2023, Australia supplied an additional 6,797 MT (+68%) of powder into global markets in February this year while New Zealand contributed another 4,152 MT (+9%). The US increased shipments by 3% (+2,172 MT) YOY while the UK and South America gave up ground.

Global  
NFDM/SMP  
Trade

**+0.6%**  
February YoY

**-0.9%**  
YTD, Ending February

**+1.3%**  
Last 12-Months,  
Ending February

**+0.3%**  
3-Year CAGR

## February Standout Markets



**CHINA+HK**  
-7,800 MT



**MEXICO**  
-5,553 MT



**MENA**  
+9,403 MT



**SOUTHEAST ASIA**  
+7,290 MT

## ADDITIONAL NOTES

Persistent milk powder demand from the Middle East and North Africa has been a key factor that has prevented the global NFDM/SMP markets from unraveling further in recent months. Since August 2021, there have only been two months in which MENA's NFDM/SMP demand fell relative to prior year. In February, a formidable 25% (+9,403 MT) YOY gain was instrumental in delivering the increase in total global demand witnessed during the month. Stronger demand from Morocco (+149%, +2,945 MT), Saudi Arabia (+129%, 3,443 MT), and especially Algeria (+31%, +4,728 MT) underpinned regional growth in February as prospects for improving economic performance suggest that further demand gains could be on the horizon. The latest IMF forecast indicates that in 2025, Saudi Arabia's economy could grow by 6%, second only to that of India.

# NFDM/SMP Market Commentary



## LOOKING AHEAD

- Average **NFDM/SMP export values improved modestly in February**, rising 0.8% versus prior month to \$2,814/MT. While higher prices suggest that the market is tightening up, current spot prices have been far less robust. Powder production is likely to remain constrained in the short term from suppliers in Europe and the US as milk production falters and cheese production takes priority. Inventories have also tightened up considerably. In a vacuum this would push prices up but as demand remains understated, **it seems likely that prices could move sideways for several more months before taking decisive direction.**
- Other global powder indices are reflecting similar stagnation. Since January 2023, the CME spot market for NFDM has moved within just a 26.5¢ range while the Global Dairy Trade auction has seen an equal number of increases and decreases for SMP so far this year.

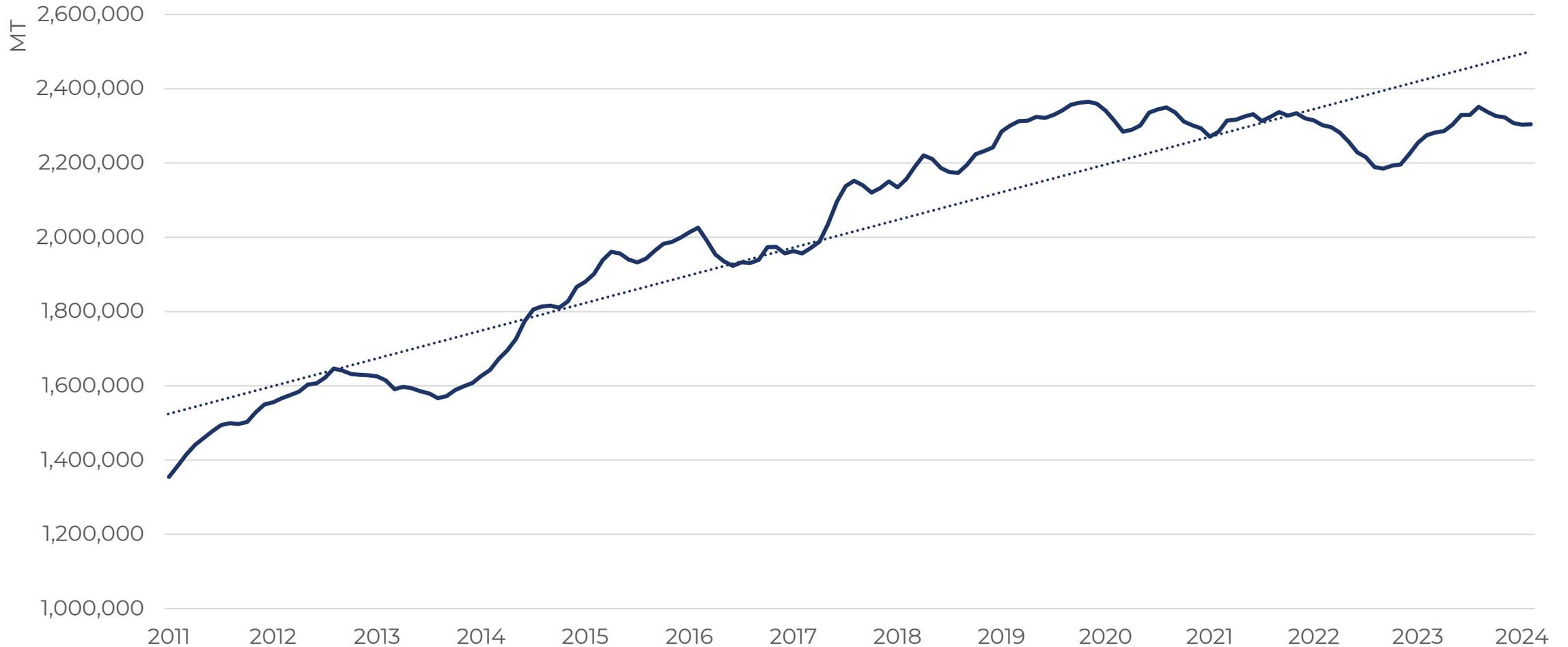
<b>U.S.</b> NFDM/SMP Exports	<b>+3.4%</b> February YoY	<b>-5.6%</b> YTD, Ending February	<b>-4.5%</b> Last 12-Months, Ending February	<b>-1.5%</b> 3-Year CAGR
<b>EU</b> NFDM/SMP Exports	<b>-15.1%</b> February YoY	<b>-11.4%</b> YTD, Ending February	<b>+4.0%</b> Last 12-Months, Ending February	<b>+1.3%</b> 3-Year CAGR
<b>NZ</b> NFDM/SMP Exports	<b>+9.2%</b> February YoY	<b>+15.2%</b> YTD, Ending February	<b>+18.4%</b> Last 12-Months, Ending February	<b>+5.8%</b> 3-Year CAGR

## ADDITIONAL NOTES

While the modest expansion in February was encouraging, it will likely take a sustained improvement in the global economy to boost NFDM/SMP trade in a more meaningful way. The IMF believes that the global economy will grow by 3.2% this year, unchanged from 2023. While overall GDP growth in emerging markets is expected to slow modestly this year, the news is more positive among some of the world's largest milk powder consumers. The Middle East and Central Asia is poised to see GDP bound up to 2.8% while key markets in Southeast Asia including the Philippines, Malaysia, and Vietnam are also expected to see economic activity accelerate. After an exceptional year in 2023, GDP growth in Mexico is expected to ease to 2.4% this year with an upcoming election further clouding the outlook.

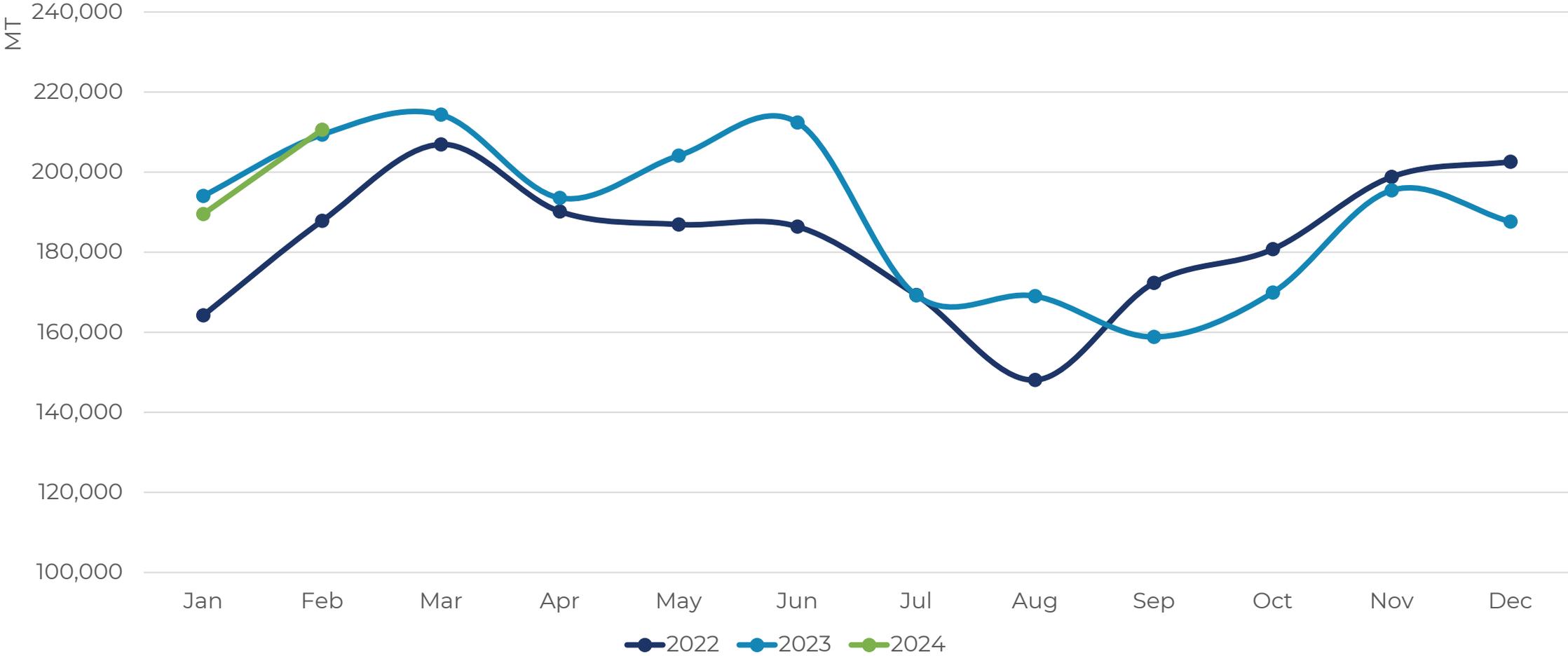
# Global Overview: NFDMSMP

## Global NFDMSMP Trade to World



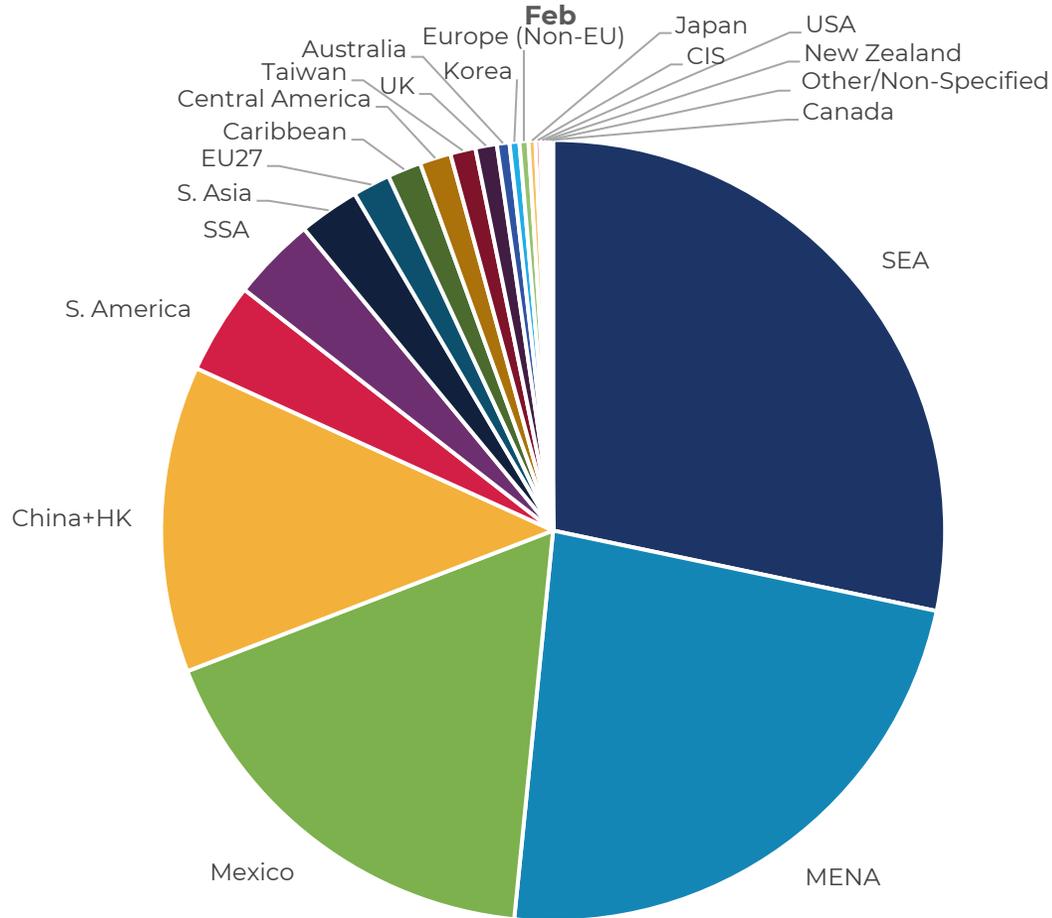
# Global Overview: NFDM/SMP

Global NFDM/SMP Trade to World

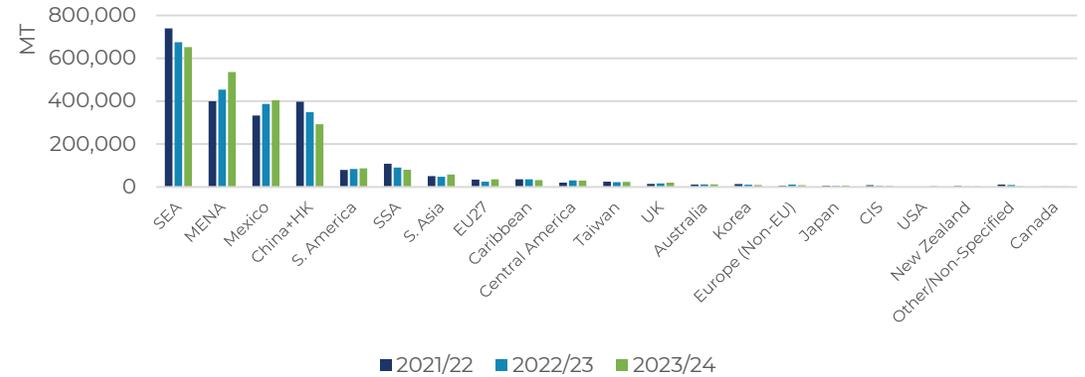


# Global Overview: NFDM/SMP – Last 12 Months

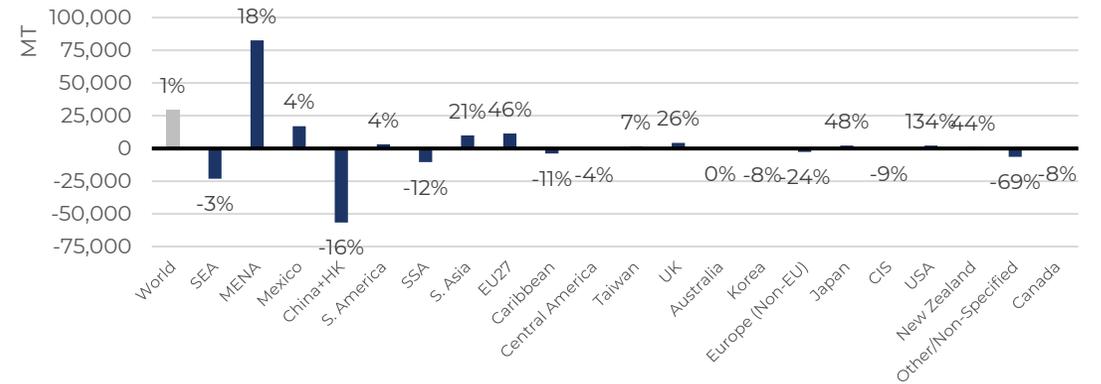
Global NFDM/SMP Trade by Destination: Last 12 Months ending Feb



Global NFDM/SMP Trade by Destination: Last 12 Months ending Feb

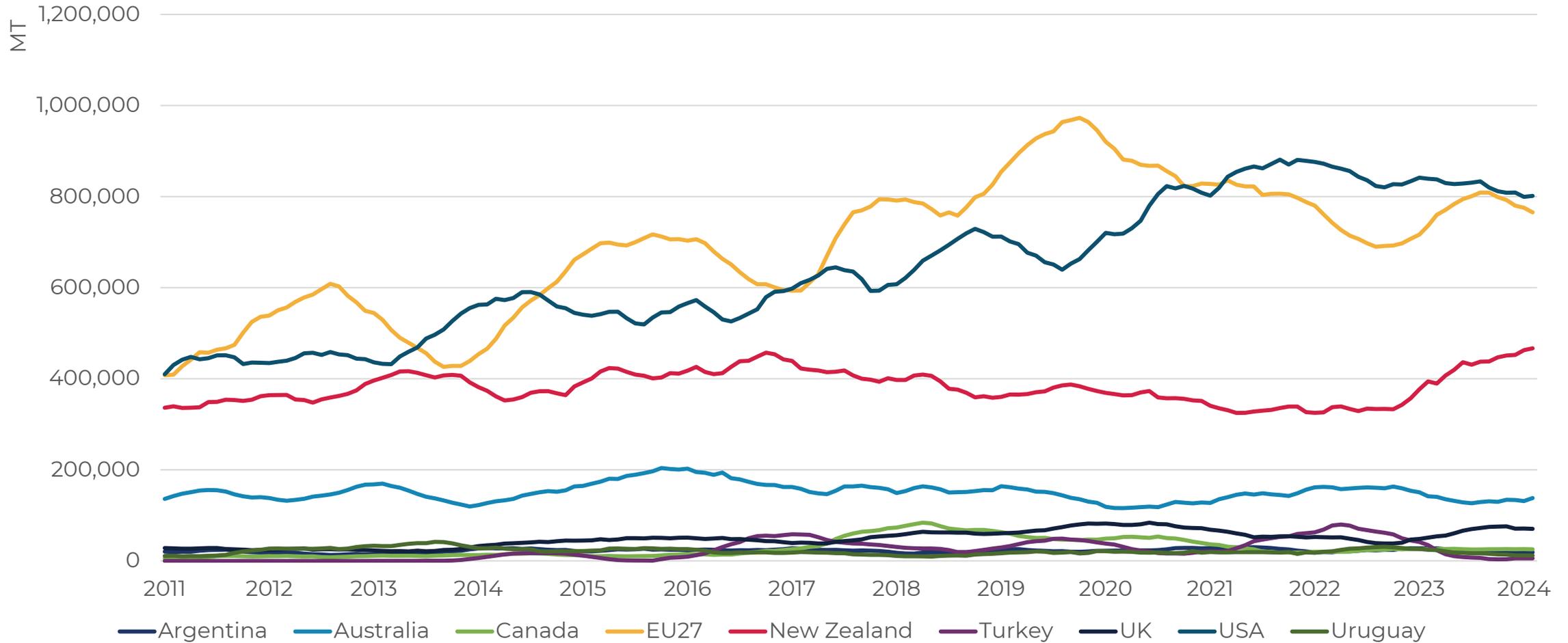


YOY Change in Global NFDM/SMP Trade by Destination: Last 12 Months ending Feb 2024



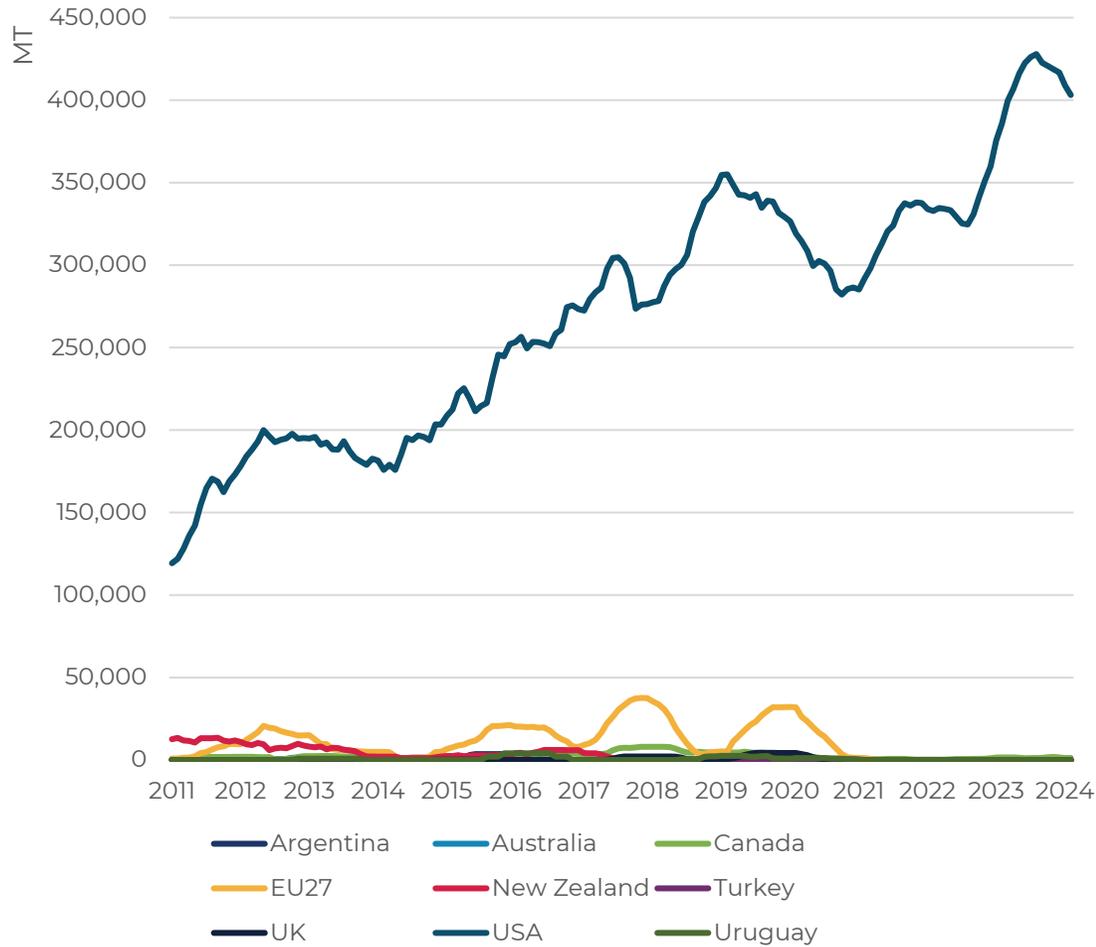
# Trade Flows: NFDMSMP

## Global NFDMSMP Trade to World



# Mexico

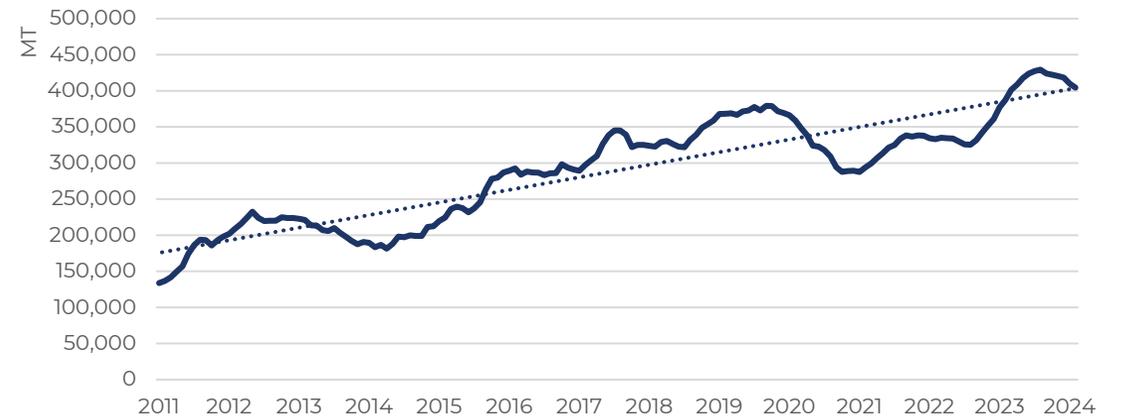
## Global NFDMSMP Trade to Mexico



## Global NFDMSMP Trade to Mexico

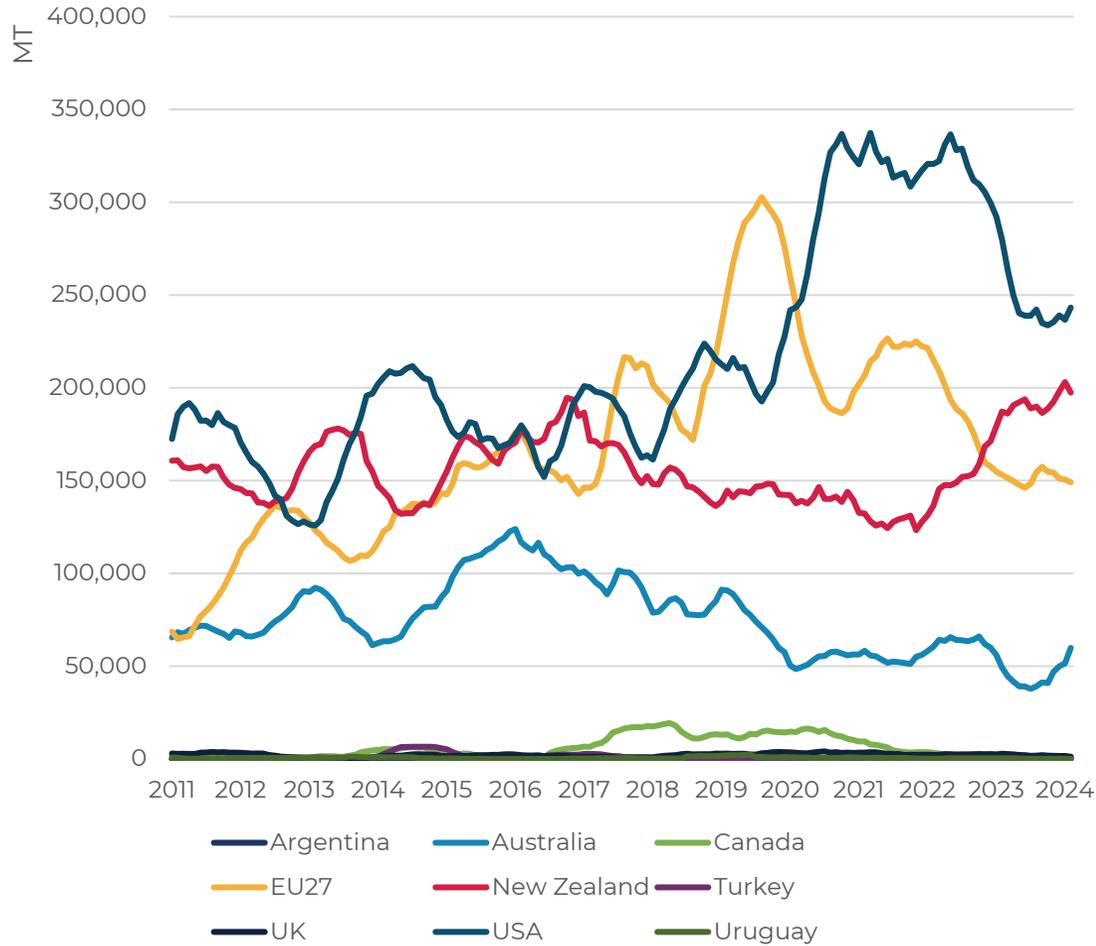


## Global NFDMSMP Trade to Mexico

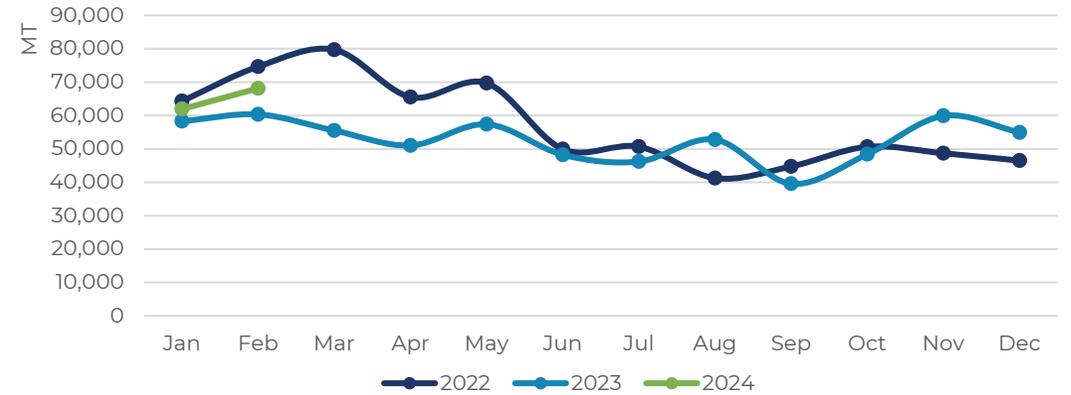


# Southeast Asia

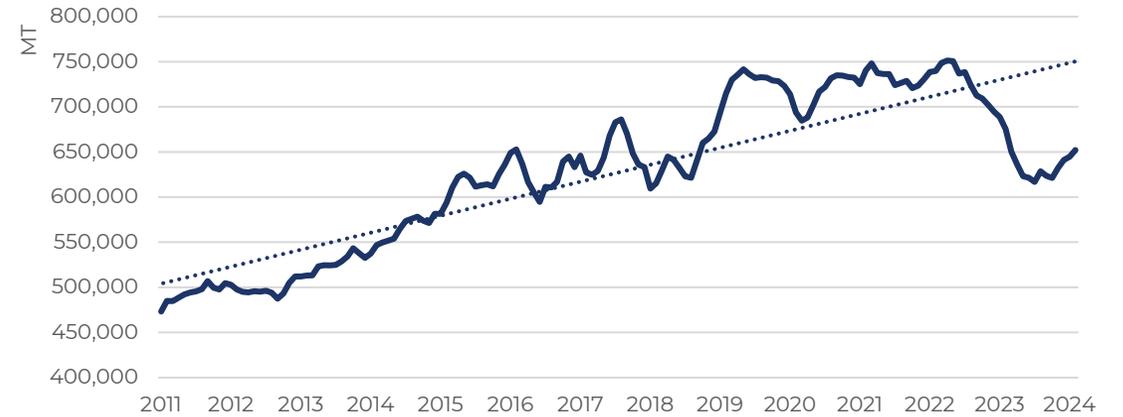
Global NFDM/SMP Trade to SEA



Global NFDM/SMP Trade to SEA

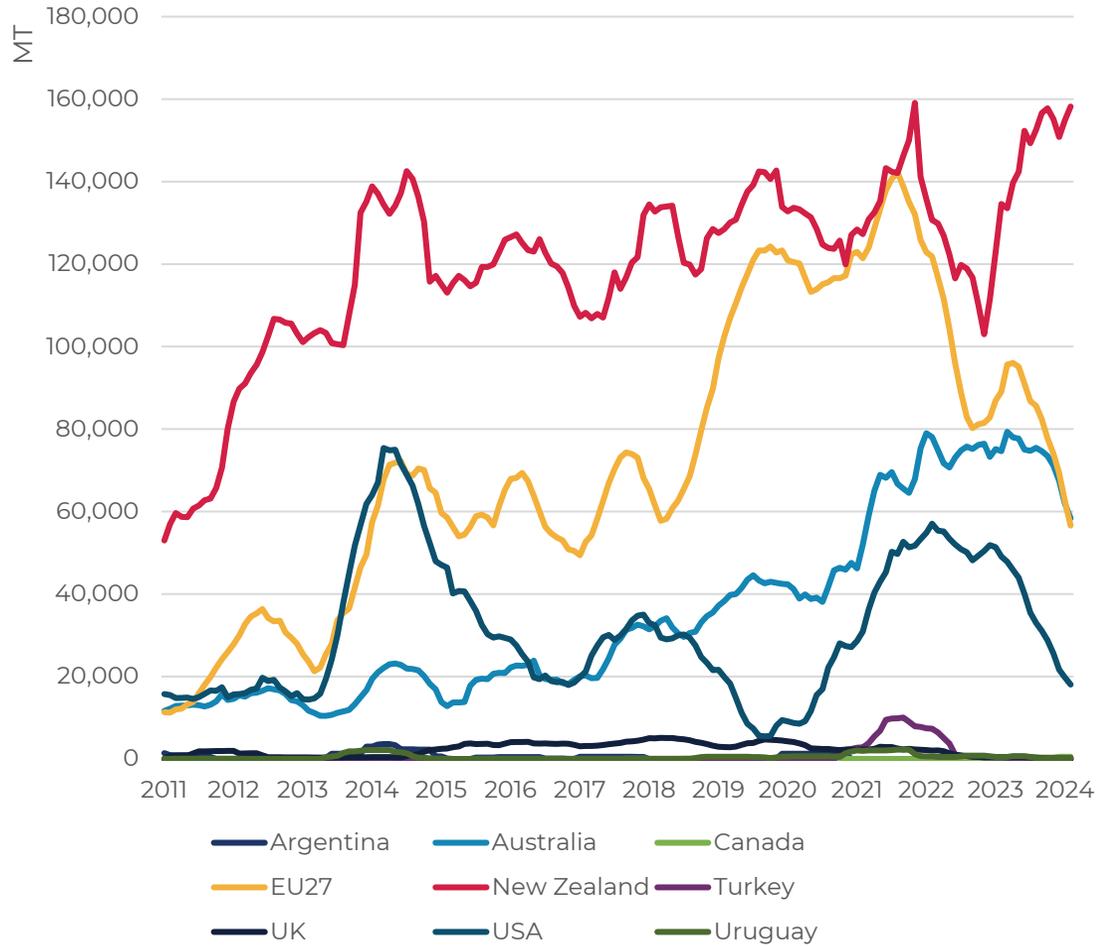


Global NFDM/SMP Trade to SEA

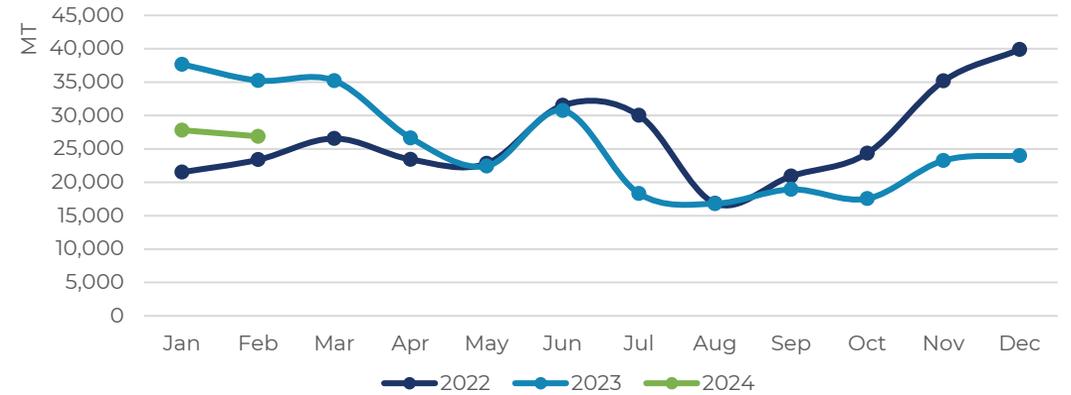


# China

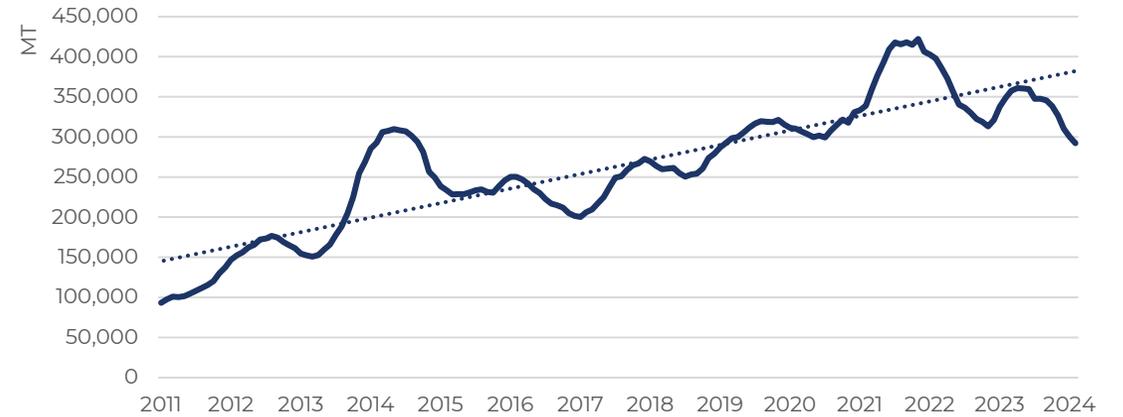
Global NFDMS/SMP Trade to China+HK



Global NFDMS/SMP Trade to China+HK

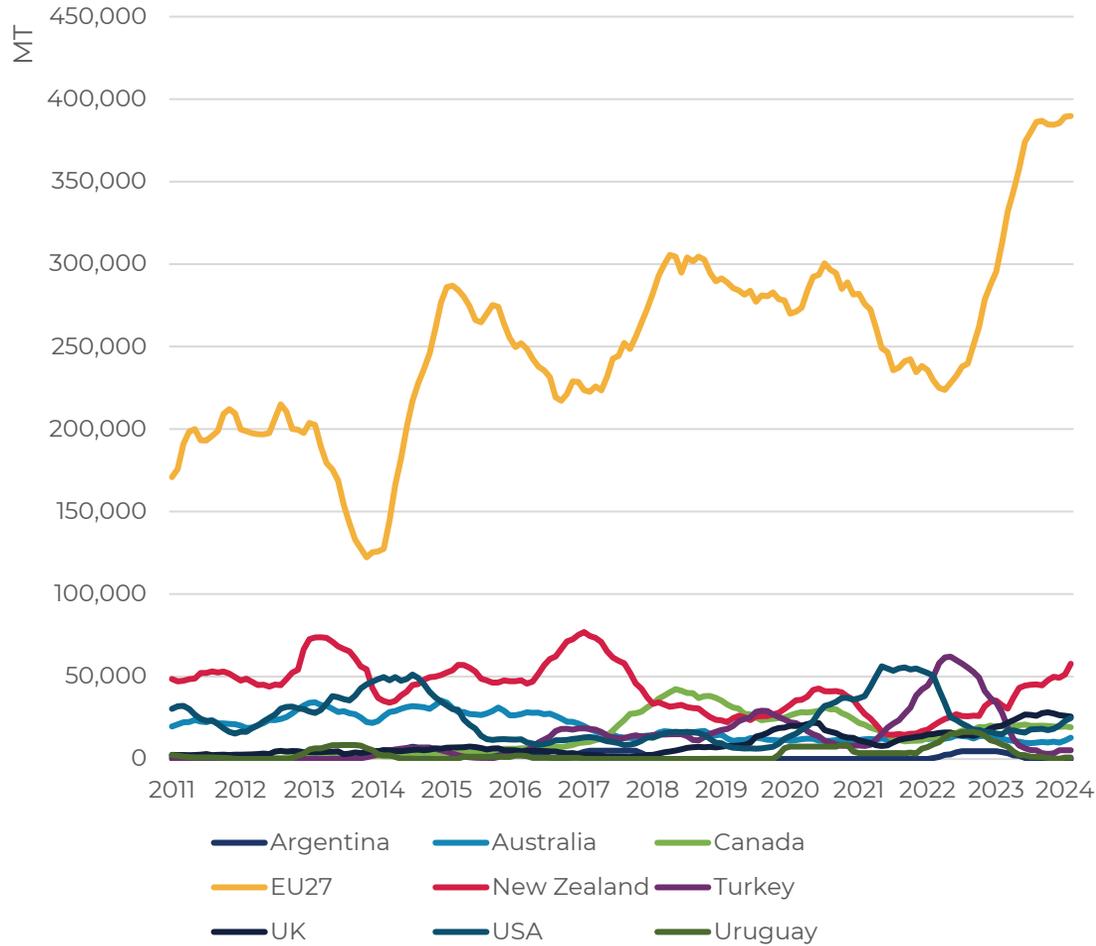


Global NFDMS/SMP Trade to China+HK

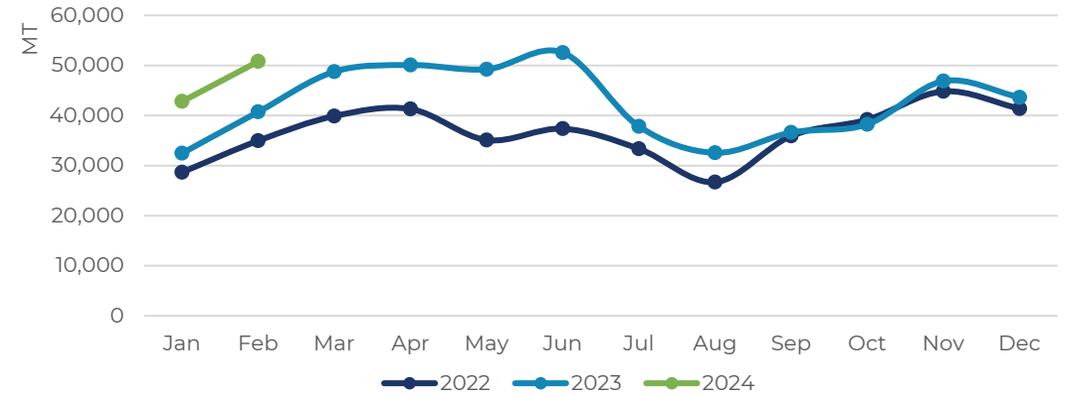


# MENA

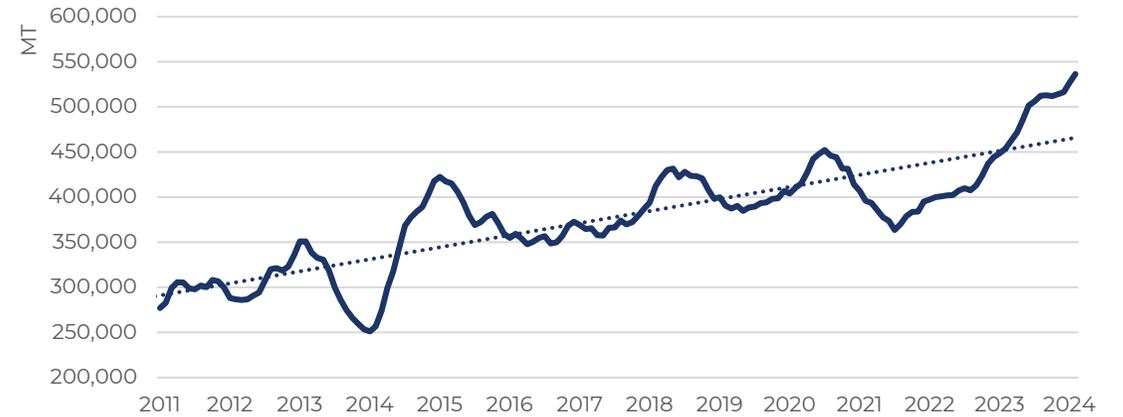
## Global NFDM/SMP Trade to MENA



## Global NFDM/SMP Trade to MENA



## Global NFDM/SMP Trade to MENA



# Whey Products (0404.10)

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# Whey Products (0404.10) Market Commentary



## KEY TAKEAWAYS

- **Low protein whey trade doubled down on last month's gains**, vaulting upward by 9% (+9,690 MT) YOY in February. Despite persistent weakness from China, a demand surge from other key markets lifted global trade activity for the month. Trade has not made it back to the peak levels seen in late 2020 and 2021, but the improvement seen over the last couple months represents an important directional shift.
- Substantial growth in several key markets has underpinned the total increase. **Southeast Asia saw volumes surge** by 20% (+6,252 MT) in February while trade to MENA rocketed up by 70%, adding another 3,726 MT to the monthly total. Sustained purchasing power strength combined with competitive pricing drove an 85% (+2,394 MT) increase in low protein whey shipments into Mexico.
- For the 11th month in a row, low protein whey trade into China lagged prior year. However, the 6% (-2,289 MT) loss seen during the month was the lowest YOY decline since trade turned negative last March.

**Global  
Whey  
(0404.10)  
Trade**

**+8.8%**  
February YoY

**+4.9%**  
YTD, Ending February

**-5.2%**  
Last 12-Months,  
Ending February

**-2.1%**  
3-Year CAGR

## February Standout Markets



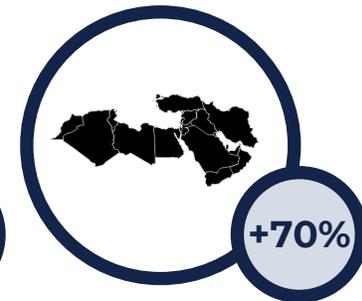
**CHINA+HK**  
-2,289 MT



**SOUTHEAST ASIA**  
+6,252 MT



**MEXICO**  
+2,394 MT



**MENA**  
+3,726 MT

## ADDITIONAL NOTES

For months, SEA has shouldered the burden of getting global low protein whey trade back on track. SEA accounts for more than a quarter of low protein whey imports, and YOY trade to the region has risen consistently since last September with cumulative demand up 14% so far this year. Unsurprisingly, performance has been uneven across SEA though most countries saw volumes grow in February. Only Thailand and Vietnam posted losses, while imports soared to Indonesia, the Philippines, and Singapore. But the largest gains were seen by Malaysia where volumes shot up 78% (+3,547 MT) YOY, albeit against an admittedly weak comparable. Initial estimates from the country's statistics agency suggest that Malaysian GDP expanded by 3.9% during the first quarter, stronger than many analysts had expected and represents an important gain on weak activity in the fourth quarter of 2023.

# Whey Products (0404.10) Market Commentary



## LOOKING AHEAD

- Nearly every supply region saw shipments of low protein whey grow during February as **a collective effort was required to satisfy burgeoning global demand**. In absolute terms, the largest gain was delivered by Turkey, which grew exports by 4,464 MT (+267%) off notably weak performance last year. Both the EU and U.S., the largest suppliers of low protein whey, saw their shipments rise by 5% and 7%, respectively. Only Argentina experienced a loss in trade (-26%, -1,497 MT) as dramatically weaker milk production there likely undercut product availability.
- The U.S. has ceded some share of global low protein whey trade to Europe over the past year as demand from the U.S.' largest customer, China, has faltered and higher protein products have become the priority. With additional cheese production forecasted out of both the U.S. and EU in the coming months, **competition is likely to be fierce for global low protein whey sales**.

### U.S. Whey (0404.10) Exports

**+6.7%**

February YoY

**+1.0%**

YTD, Ending February

**-20.0%**

Last 12-Months,  
Ending February

**-7.2%**

3-Year CAGR

### EU Whey (0404.10) Exports

**+5.0%**

February YoY

**+1.1%**

YTD, Ending February

**+4.4%**

Last 12-Months,  
Ending February

**+1.4%**

3-Year CAGR

### NZ Whey (0404.10) Exports

**+98.8%**

February YoY

**+54.3%**

YTD, Ending February

**+25.3%**

Last 12-Months,  
Ending February

**+7.8%**

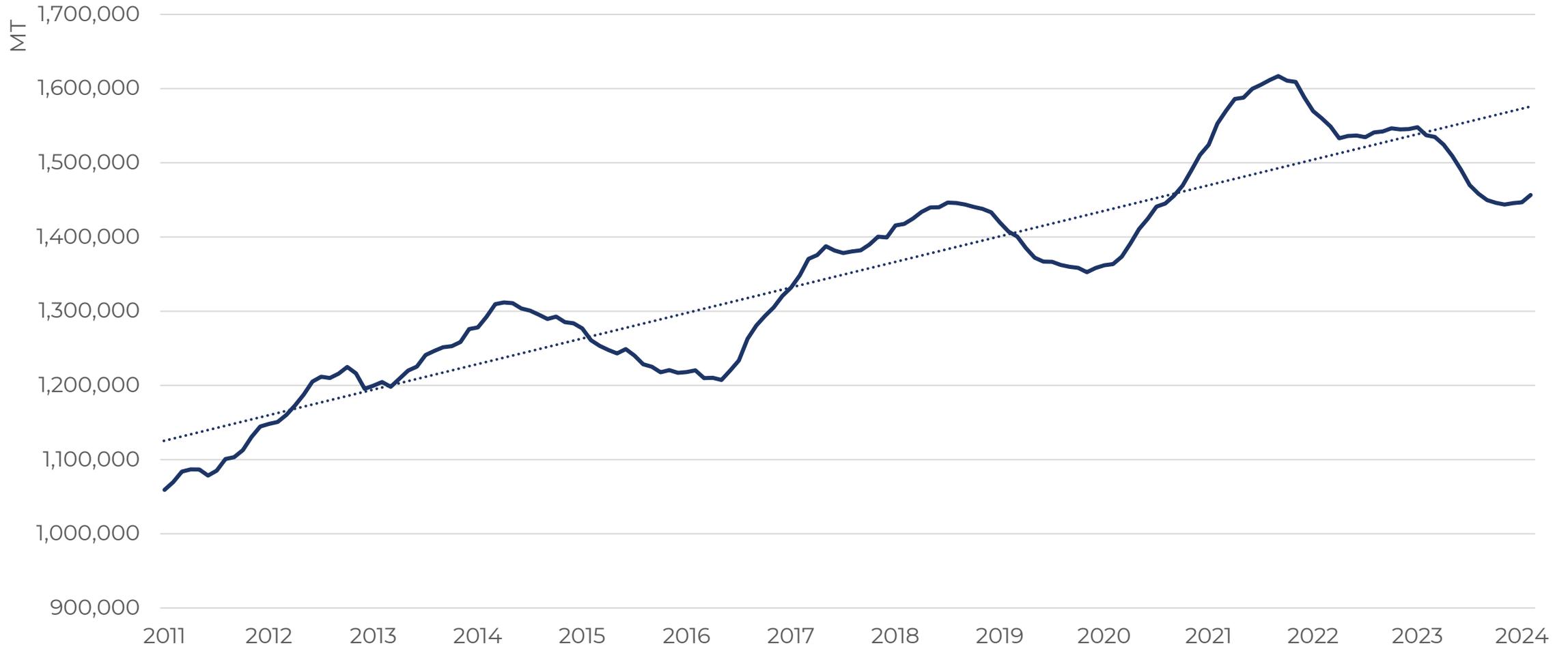
3-Year CAGR

## ADDITIONAL NOTES

As we dig into the data, there are several additional destinations that have made more modest contributions to overall growth in low protein whey trade. Perhaps two of the most surprising are Japan and Korea, both of which have seen dairy imports come under pressure in recent months at the hand of unfavorable currency dynamics and economic malaise. In the case of Japan, despite following a long-term downward trend, demand of low protein whey has perked up this year with shipments up 38% (+1,964 MT) during the first two months of 2024. Meanwhile, Korean customers increased whey demand over the same period by 40% (+1,786 MT). As prices have retreated toward historical norms, whey may have emerged as a competitively priced source of protein for these markets, but given their intrinsic challenges, it could be difficult to sustain these volumes into the future.

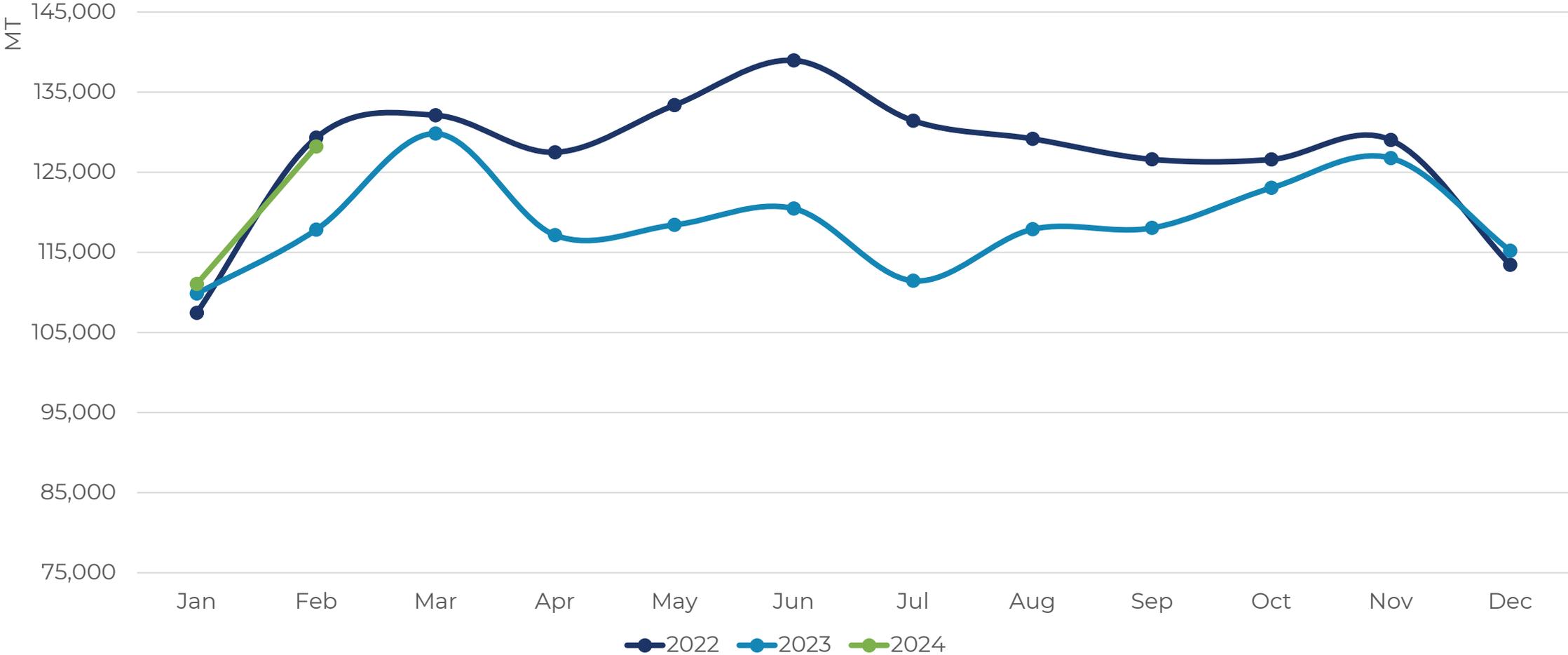
# Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World



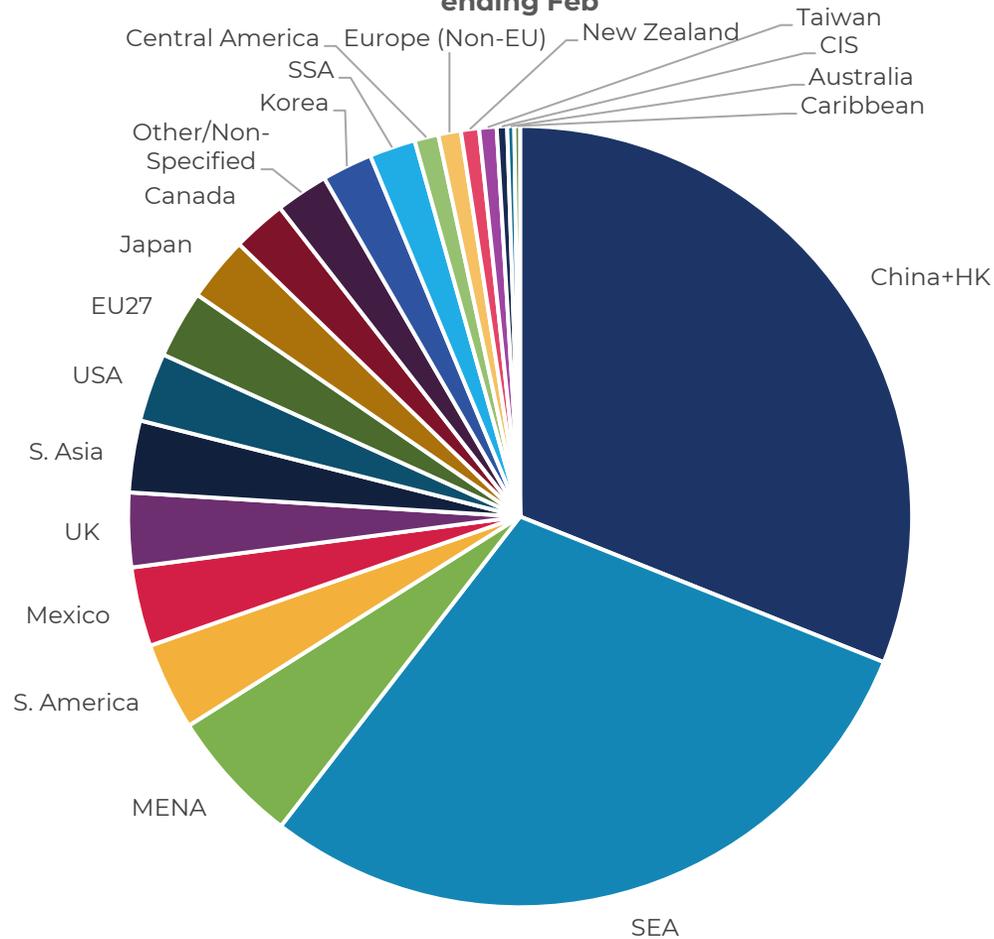
# Global Overview: Whey (0404.10)

Global Whey (0404.10) Trade to World

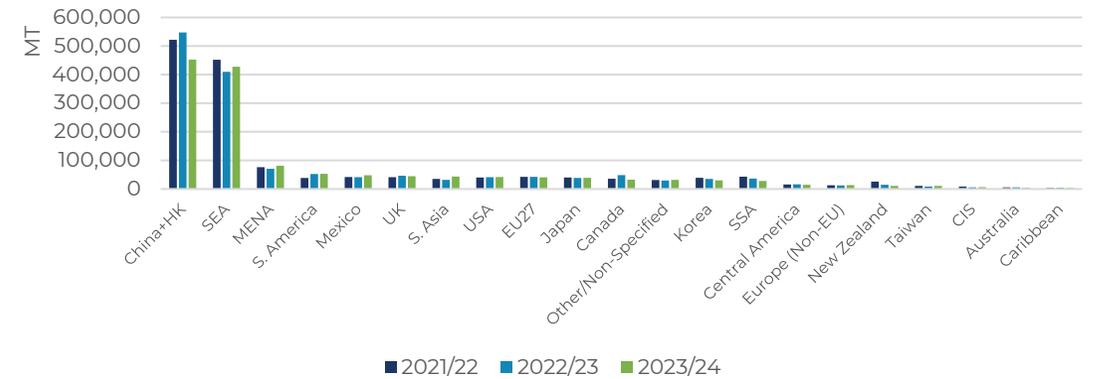


# Global Overview: Whey (0404.10) – Last 12 Months

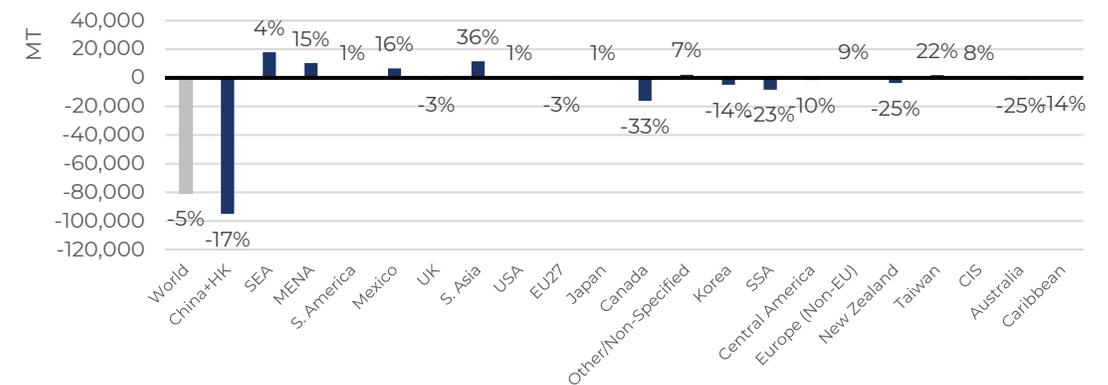
Global Whey (0404.10) Trade by Destination: Last 12 Months ending Feb



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

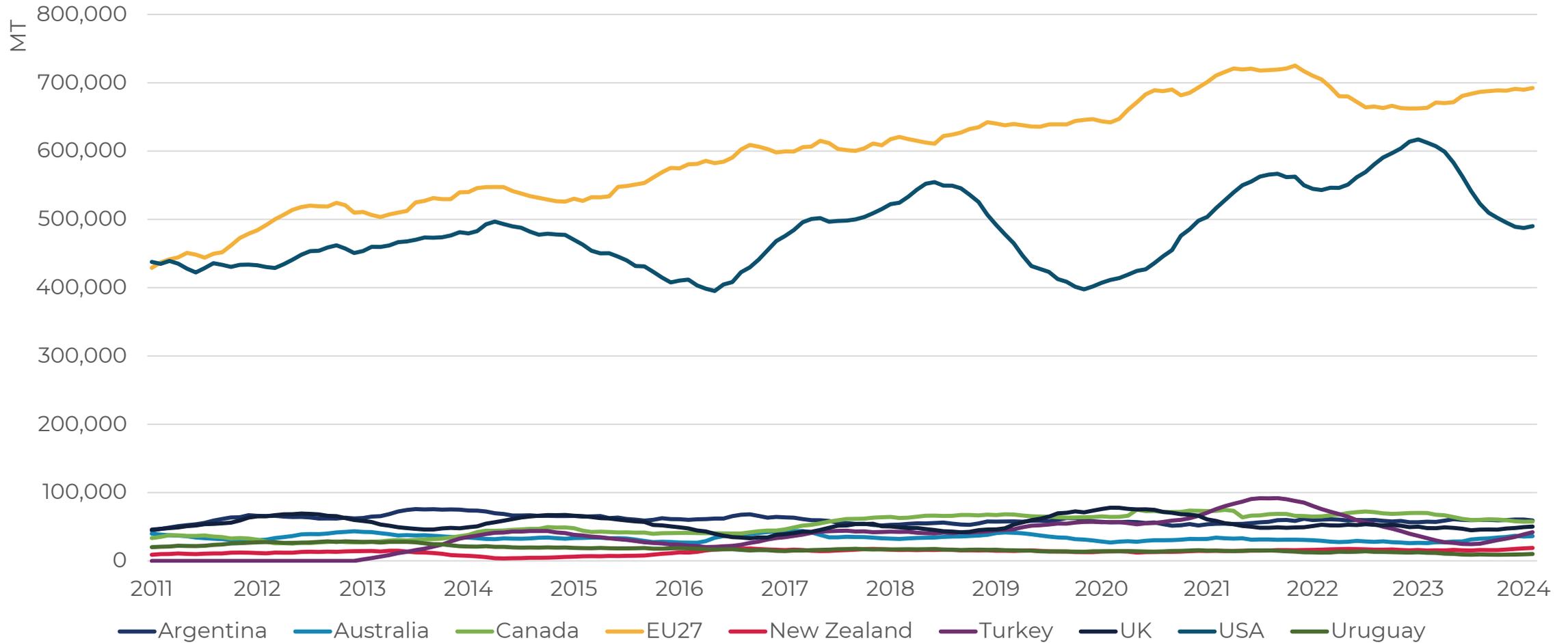


YOY Change in Global Whey (0404.10) Trade by Destination: Last 12 Months ending Feb 2024



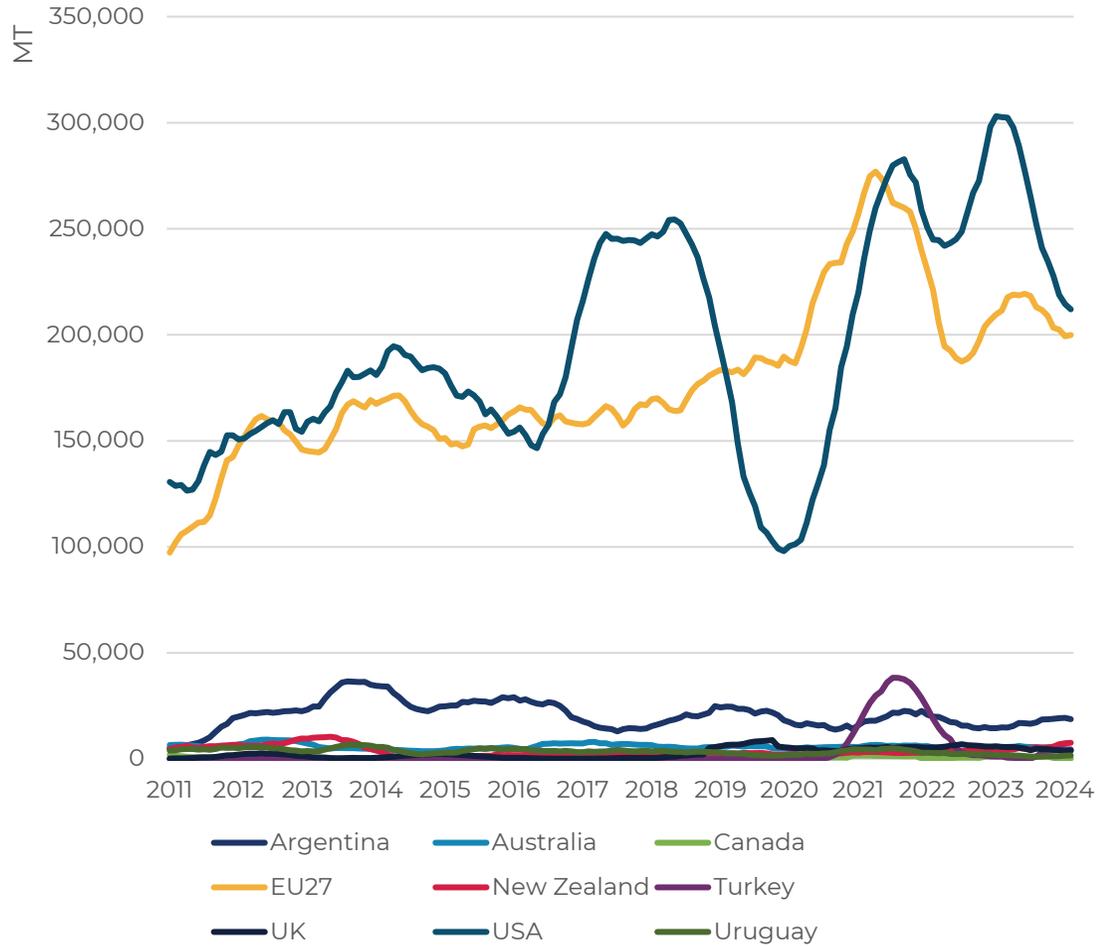
# Trade Flows: Whey Products

## Global Whey (0404.10) Trade to World

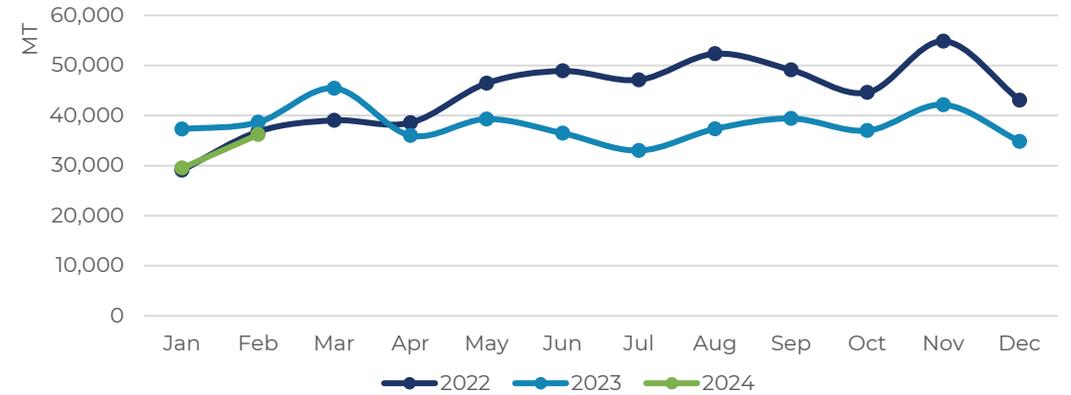


# China

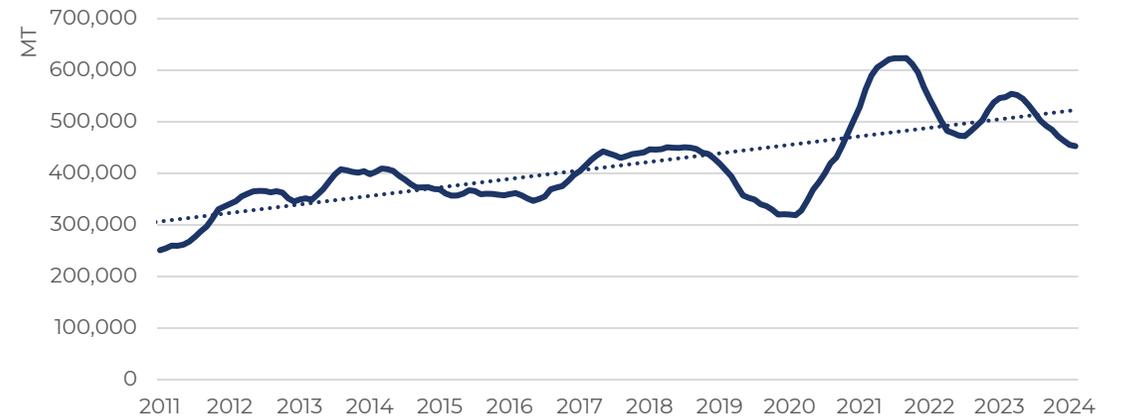
Global Whey (0404.10) Trade to China+HK



Global Whey (0404.10) Trade to China+HK

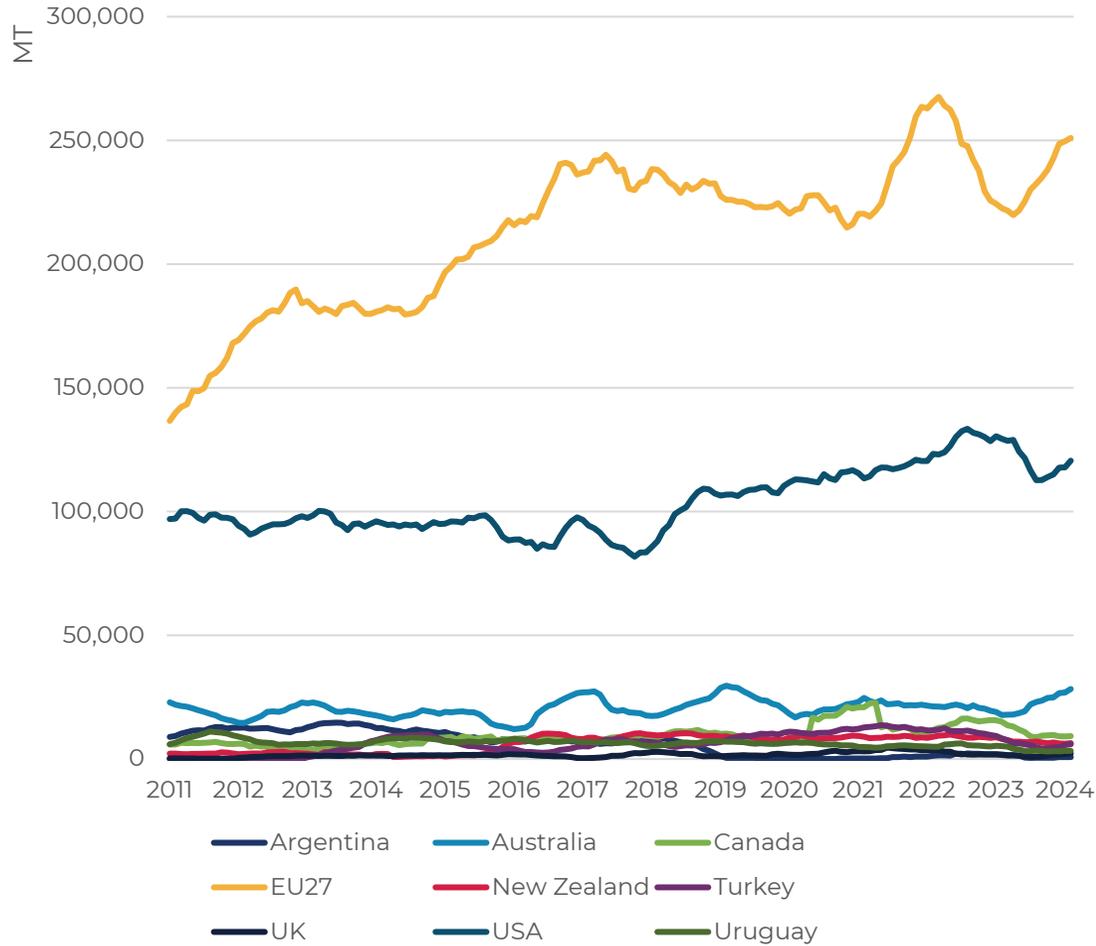


Global Whey (0404.10) Trade to China+HK

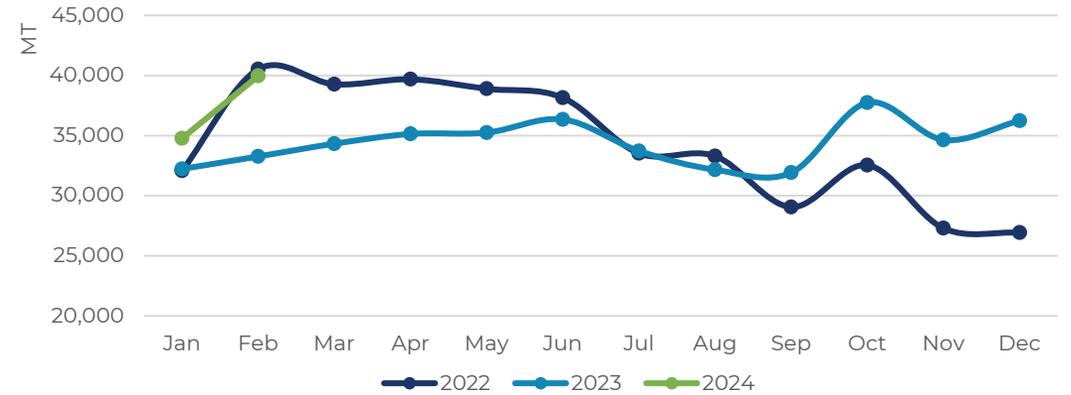


# Southeast Asia

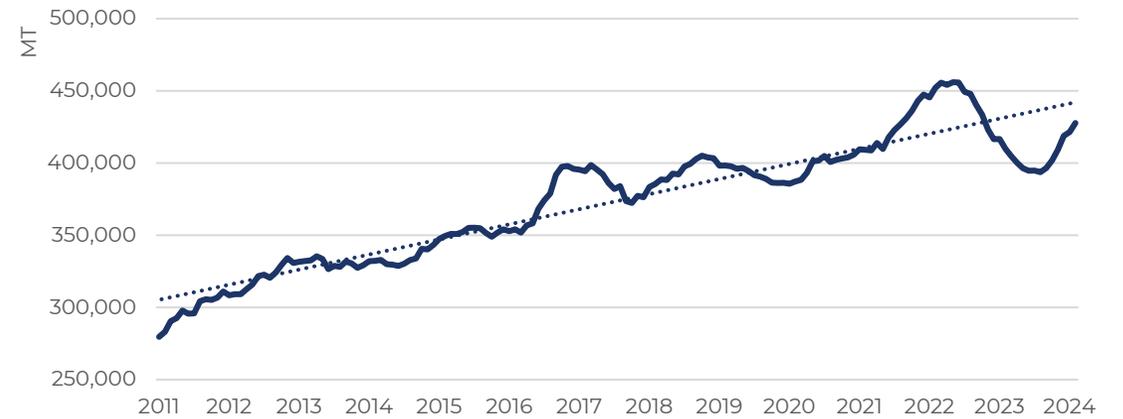
## Global Whey (0404.10) Trade to SEA



## Global Whey (0404.10) Trade to SEA



## Global Whey (0404.10) Trade to SEA





**WPC80+  
(3502.20)**

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# WPC80+ (3502.20) Market Commentary



## KEY TAKEAWAYS

- Global trade of **high protein whey** boasted another strong month in **February** with volumes up convincingly compared to prior year (+9%, +1,035 MT), though they fell just short of 2022's record level.
- Brazil continues to demonstrate an insatiable appetite for high protein whey** as shipments into the country more than doubled in February YOY (+101%, +612 MT) setting a record high for imports during any month on a daily basis. Relentless demand from the sports nutrition sector is driving growth even as broader economic signals remain lackluster.
- By no means was South America the only driver of category growth, however. **China's demand for WPC80+ also jumped** by 23% (+488 MT) while **shipments to the US increased** by a factor of 2.7 (+460 MT), on a wave of product sourced from New Zealand. More modest gains were seen by the UK and Canada while demand from Japan, the EU, and South Asia slipped below prior year levels.

Global  
WPC80+  
Trade

**+8.6%**  
February YoY

**+17.5%**  
YTD, Ending February

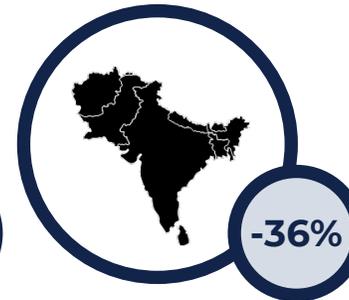
**+12.5%**  
Last 12-Months,  
Ending February

**+5.6%**  
3-Year CAGR

## February Standout Markets



**CHINA+HK**  
+488 MT



**SOUTH ASIA**  
-546 MT



**SOUTH AMERICA**  
+712 MT



**EU27**  
-500 MT

## ADDITIONAL NOTES

For most of last year, rising shipments of high protein whey products into Japan played a key role in driving growth across the entire category. But the dynamics have shifted dramatically this year as weaker demand from Japan has become a hindrance to trading activity for high protein whey. In February, WPC80+ shipments into Japan sank to 1,635 MT (-20%, -398 MT), the lowest value for the month since 2021. The Japanese economy continues to languish and, relative to the dollar, the yen is the weakest it has been since 1990. This has undercut Japanese purchasing power and rendered imports, including high protein whey, relatively more expensive. While the economy has thus far skirted recession, and tighter monetary should help to lift the economy, it is unlikely that Japanese demand for high protein whey will improve in a material way this year.

# WPC80+ (3502.20) Market Commentary



## LOOKING AHEAD

- The **US continues to enjoy an outsized share of global high protein whey trade.** In February, the US boasted a 49% share of WPC80+ trading activity, and 58% of the incremental trade growth during the month came from the US (+10%, +597 MT). For comparison, over all of 2021 the US held a 39% share of high protein whey trade. With an abundant whey stream likely to materialize at the hand of expanding cheese capacity, **the US is well positioned to continue supplying the global market.**
- Supplies from Oceania also surged in February. New Zealand added 475 MT (33%) while Australia contributed an additional 346 MT (+421%) relative to the same month last year.
- Despite additional emphasis on cheese production, **high protein whey trade from Europe lagged during February.** In particular, shipments from the UK recoiled by 30% (-450 MT) as exporters there showed a clear preference for routing the whey stream into lower protein products.

### U.S. WPC80+ Exports

**+10.4%**

February YoY

**+16.8%**

YTD, Ending February

**+18.9%**

Last 12-Months,  
February

**+5.9%**

3-Year CAGR

### EU WPC80+ Exports

**-0.4%**

February YoY

**+18.5%**

YTD, Ending February

**+11.4%**

Last 12-Months,  
Ending February

**+3.7%**

3-Year CAGR

### NZ WPC80+ Exports

**+32.8%**

February YoY

**+20.5%**

YTD, Ending February

**+10.0%**

Last 12-Months,  
Ending February

**+3.2%**

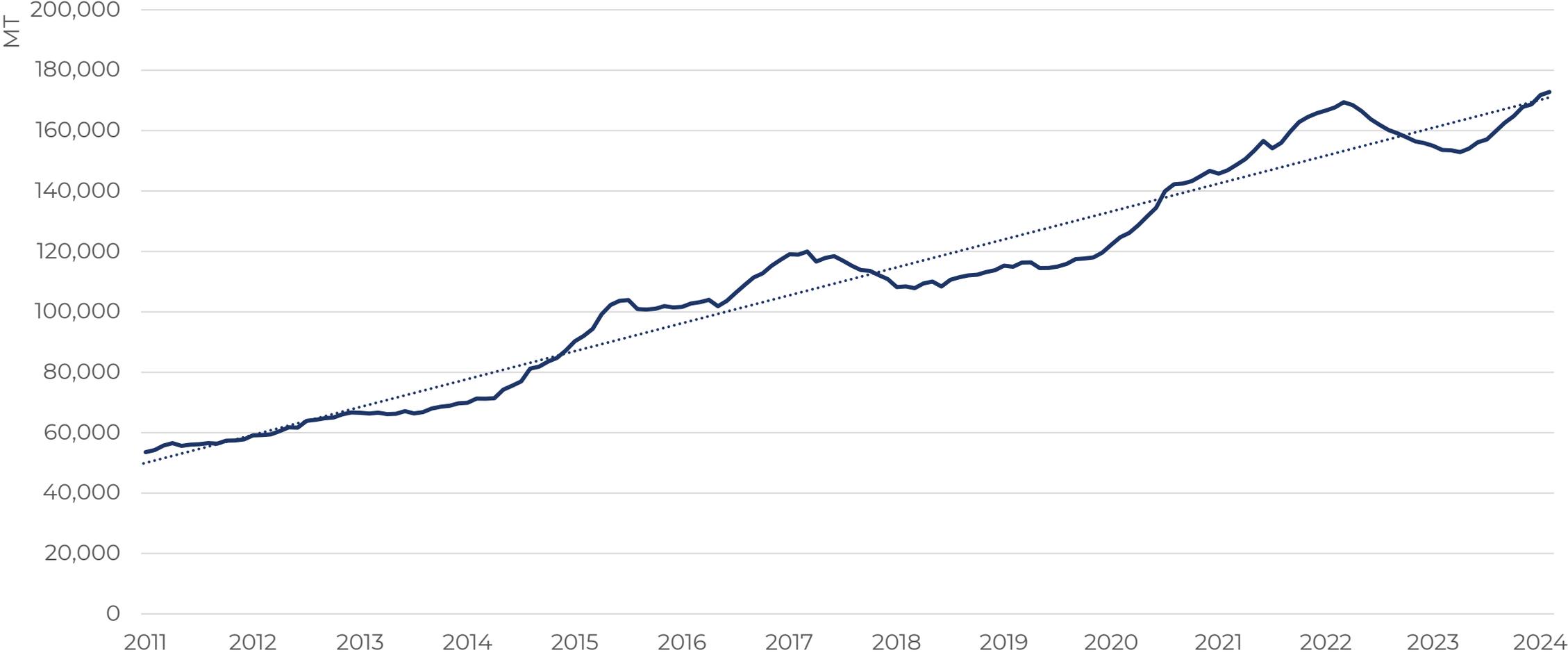
3-Year CAGR

## ADDITIONAL NOTES

After bouncing off the recent low of \$7,150/MT set last September, the export value for high protein whey products had been steadily increasing. But that rally may have run out of steam as February's export value of \$9,486/MT was virtually unchanged from the January figure. Indeed, prices remain lower than last year when they topped \$10,000 for 15 straight months. Even so, the plateau in prices suggests that we may have hit an inflection point for buyers. While the broader global economy may be sprouting green shoots, many of the key importers of WPC80+ continue to find themselves shackled by sluggish growth and elevated inflation. Current price levels don't necessarily appear to be a barrier to exports, but further appreciation could push buyers past the breaking point and result in slower global trade for high protein whey products.

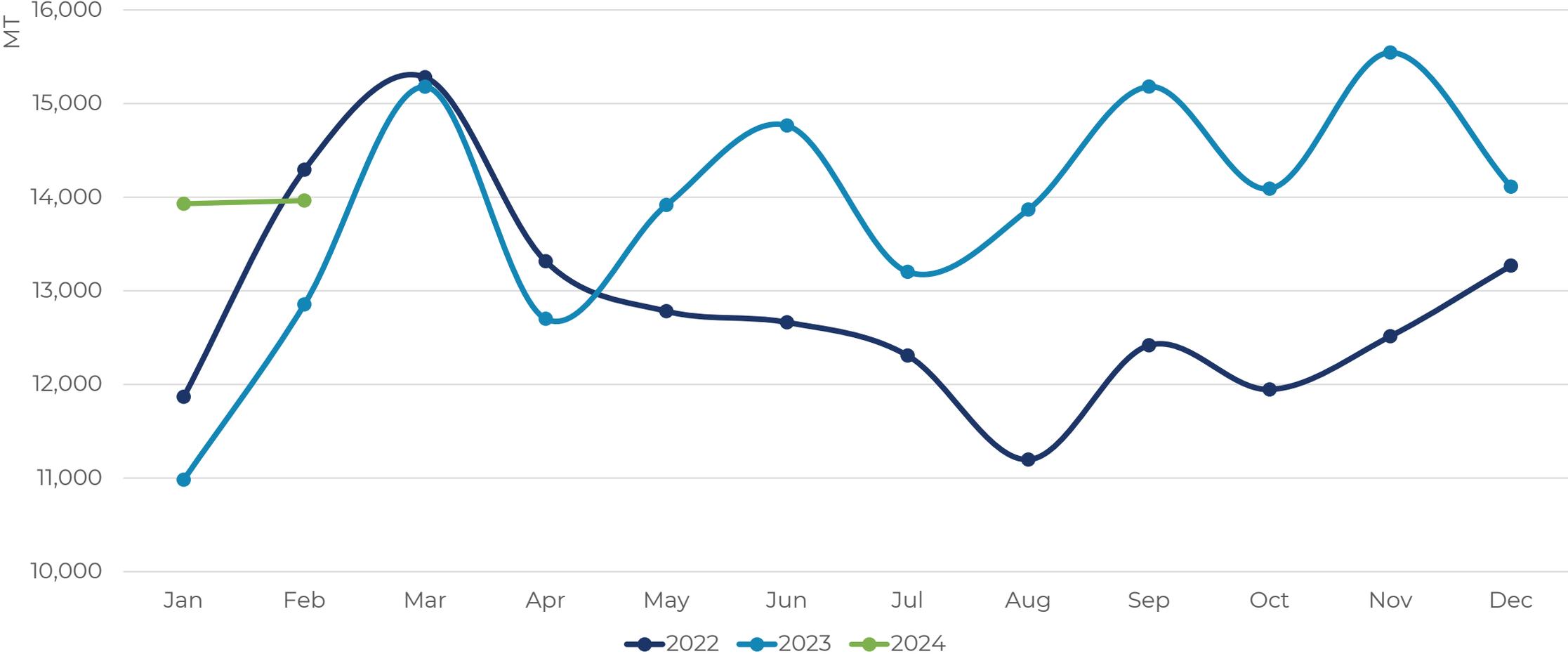
# Global Overview: WPC80+

## Global WPC80+ Trade to World



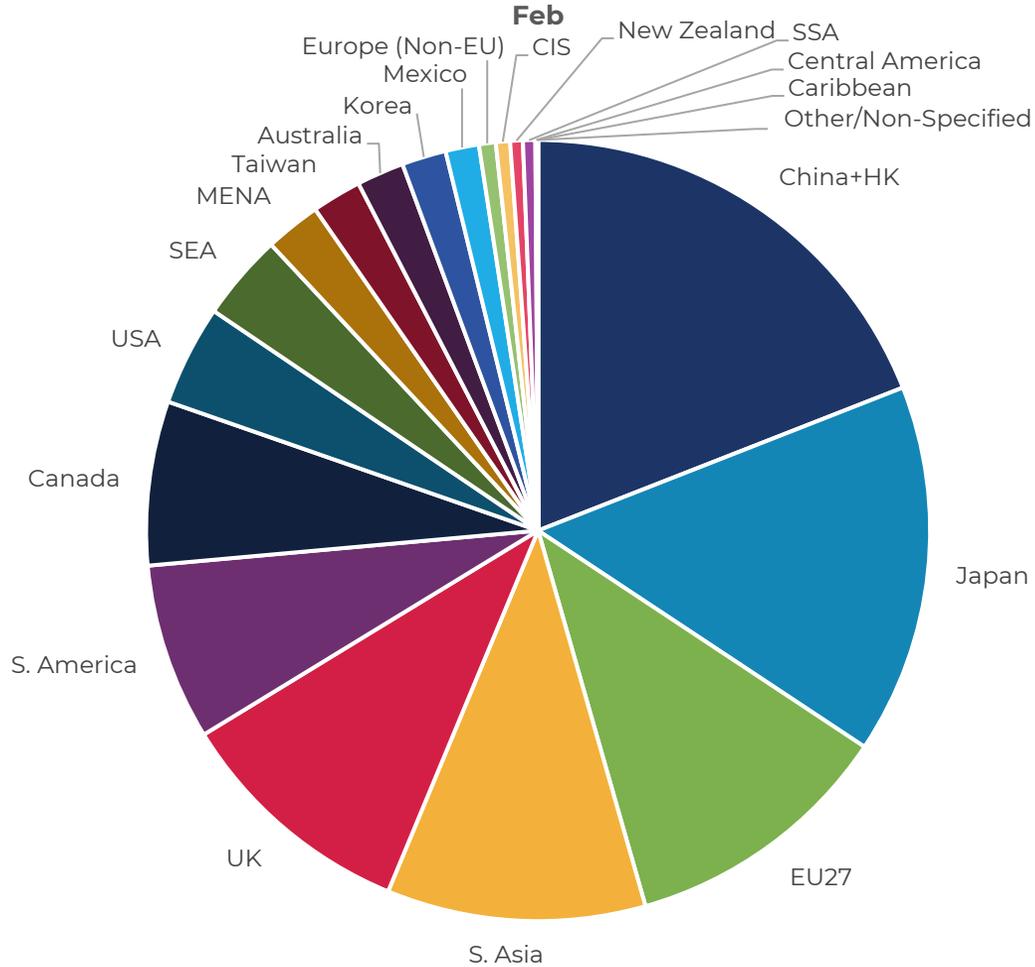
# Global Overview: WPC80+

Global WPC80+ Trade to World

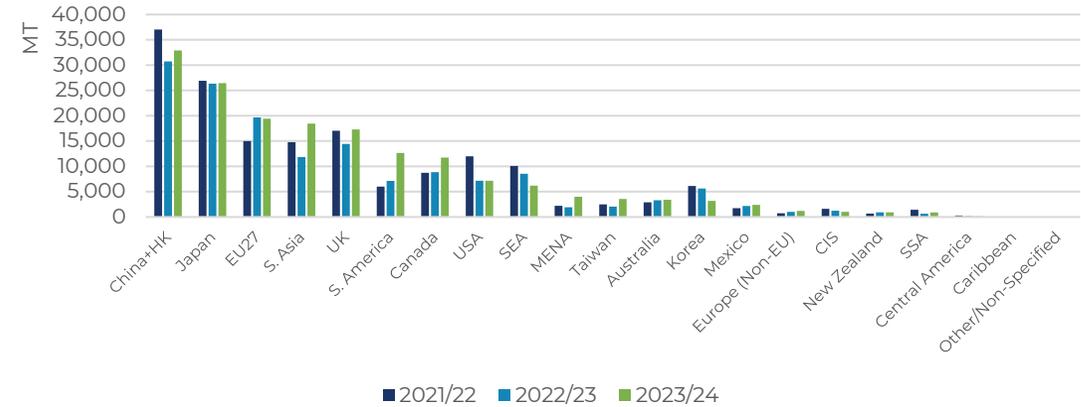


# Global Overview: WPC80+ – Last 12 Months

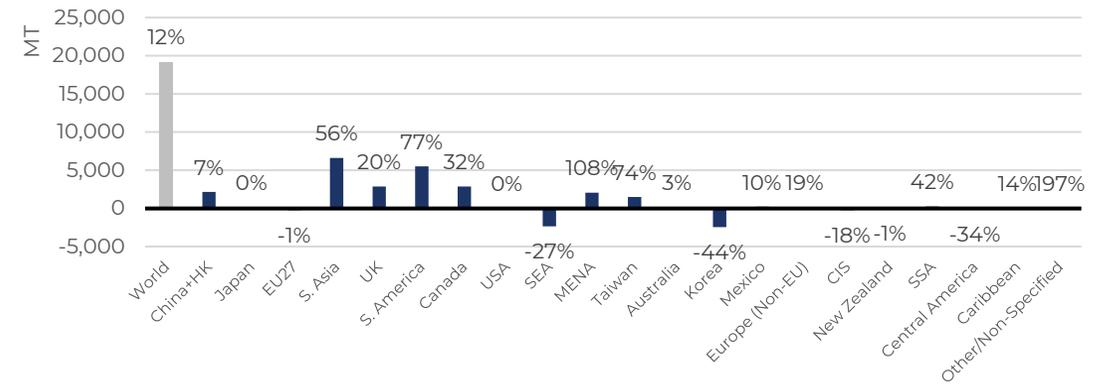
Global WPC80+ Trade by Destination: Last 12 Months ending Feb



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

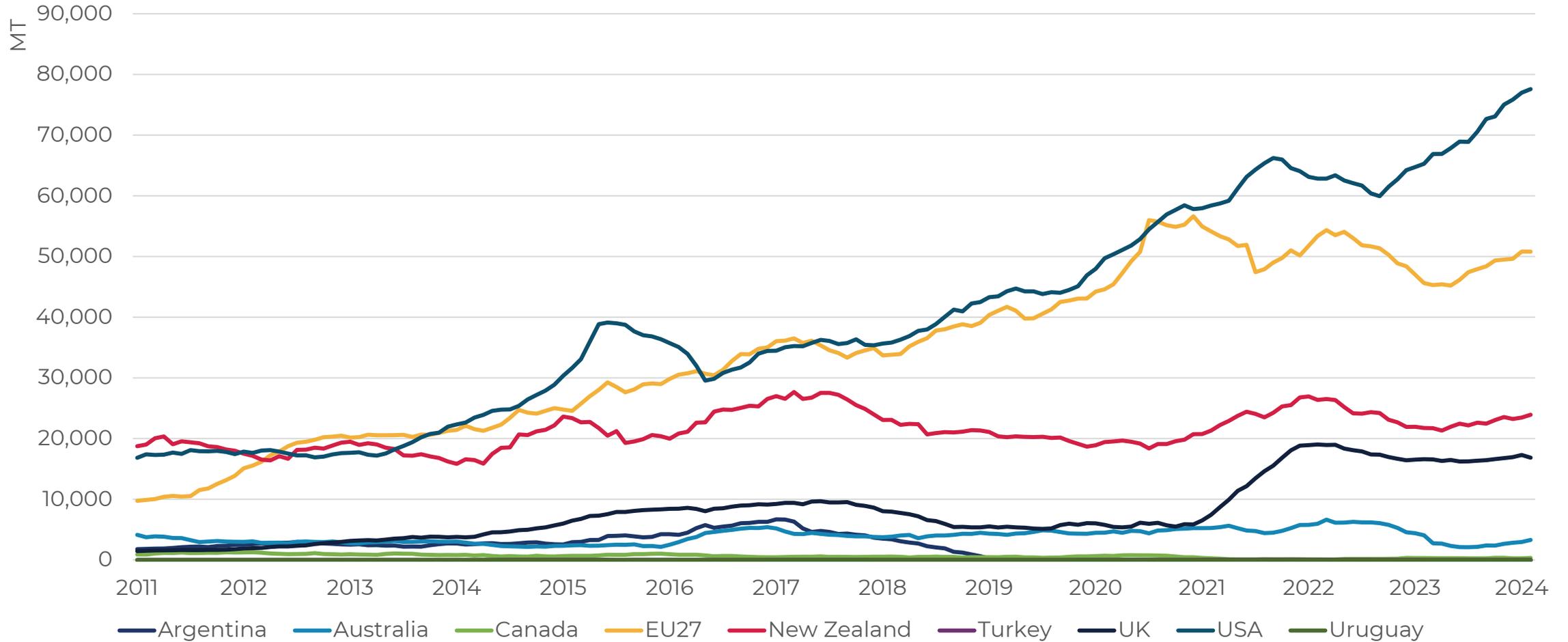


YOY Change in Global WPC80+ Trade by Destination: Last 12 Months ending Feb 2024



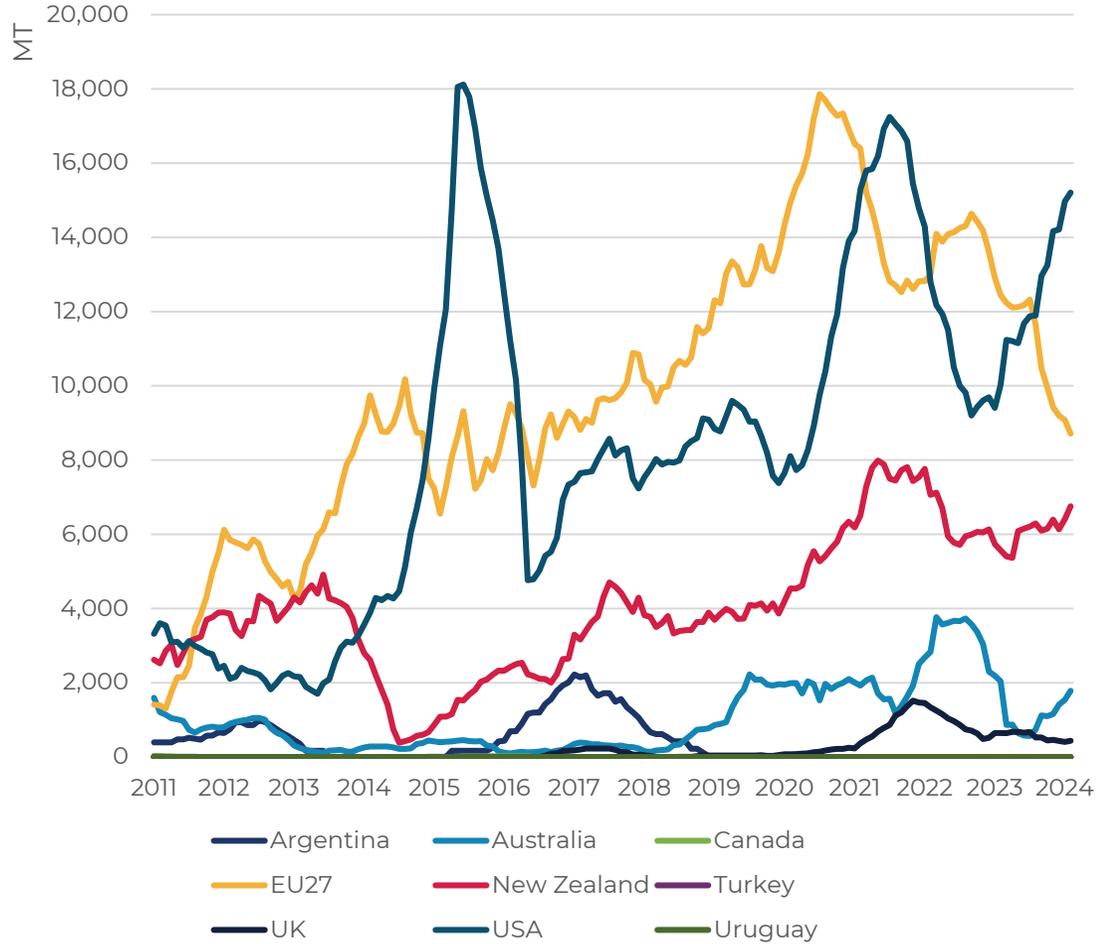
# Trade Flows: WPC80+

Global WPC80+ Trade to World

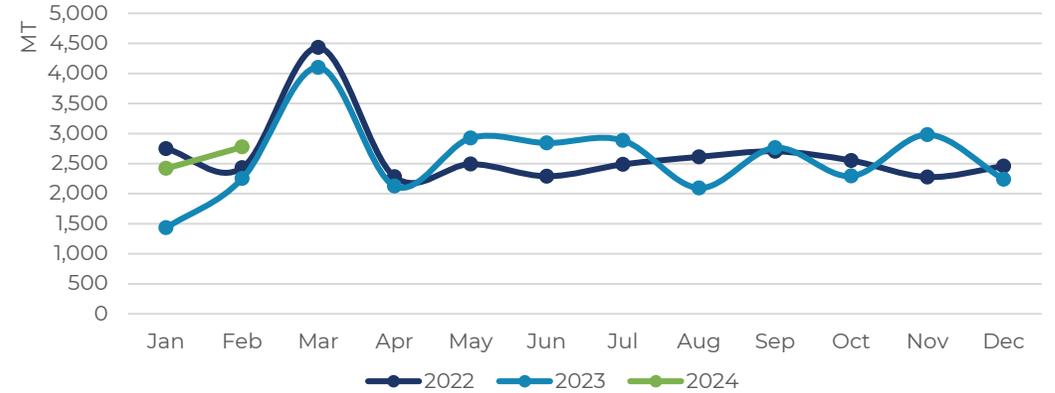


# China

## Global WPC80+ Trade to China+HK



## Global WPC80+ Trade to China+HK

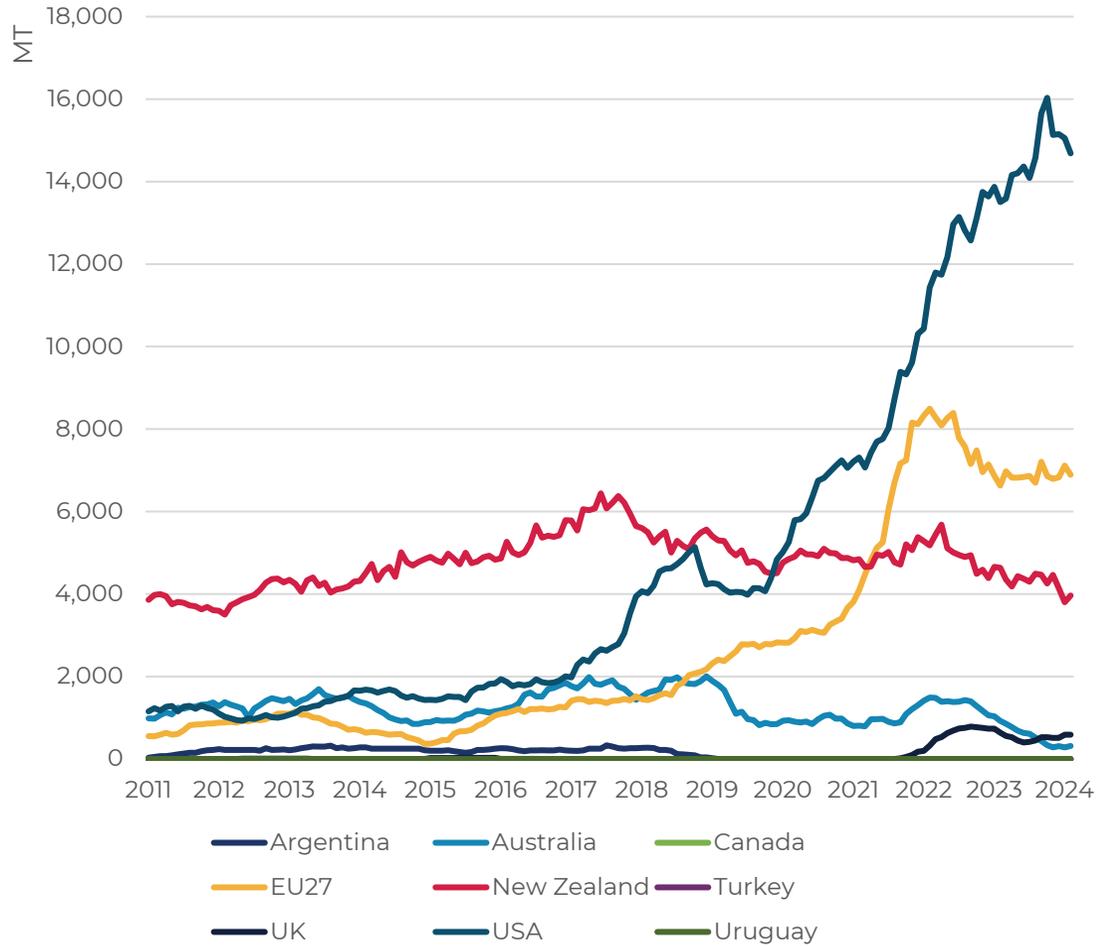


## Global WPC80+ Trade to China+HK

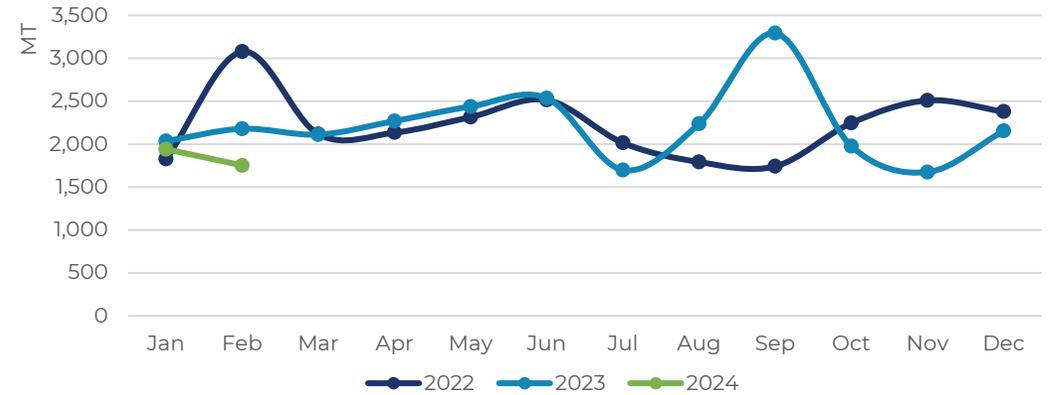


# Japan

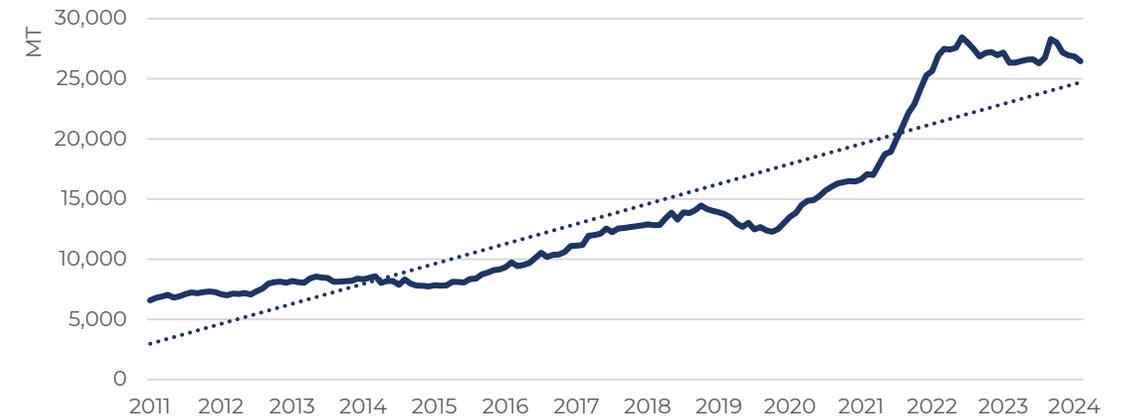
## Global WPC80+ Trade to Japan



## Global WPC80+ Trade to Japan

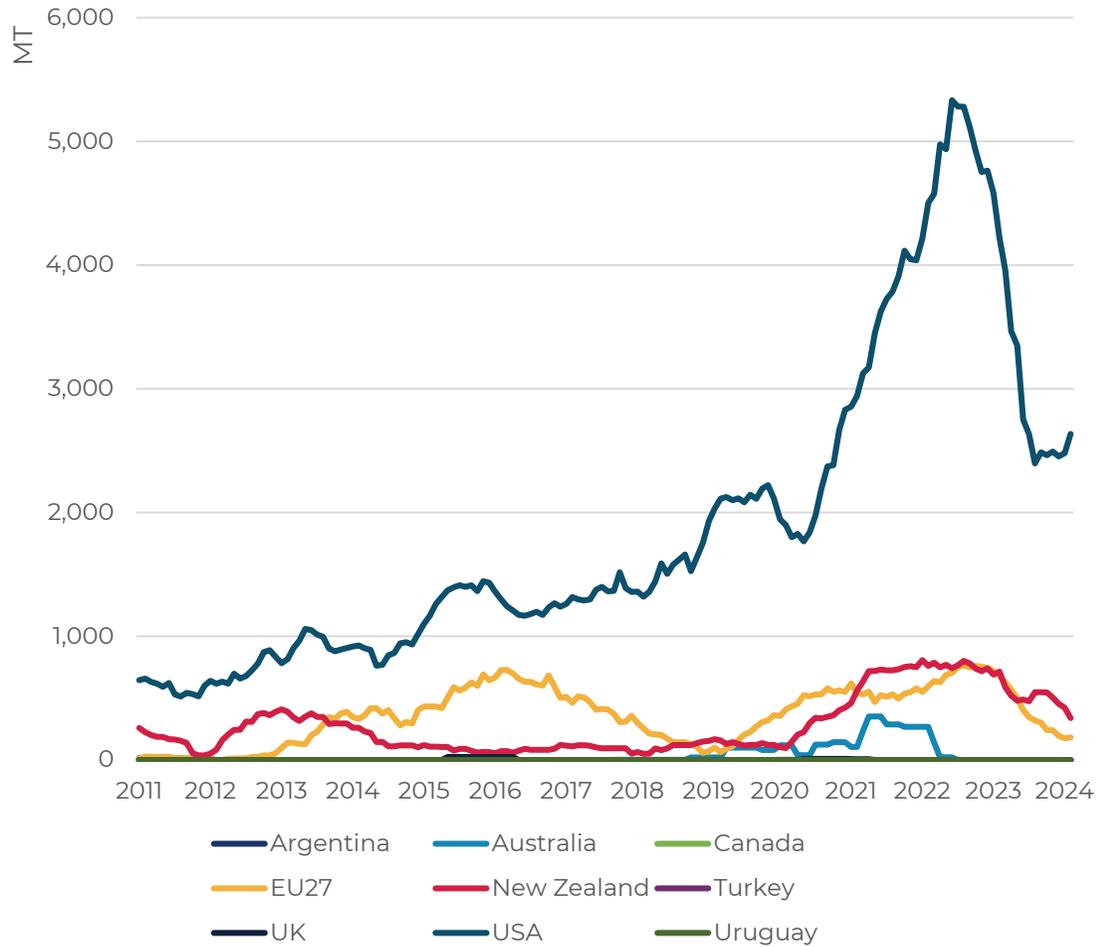


## Global WPC80+ Trade to Japan



# Korea

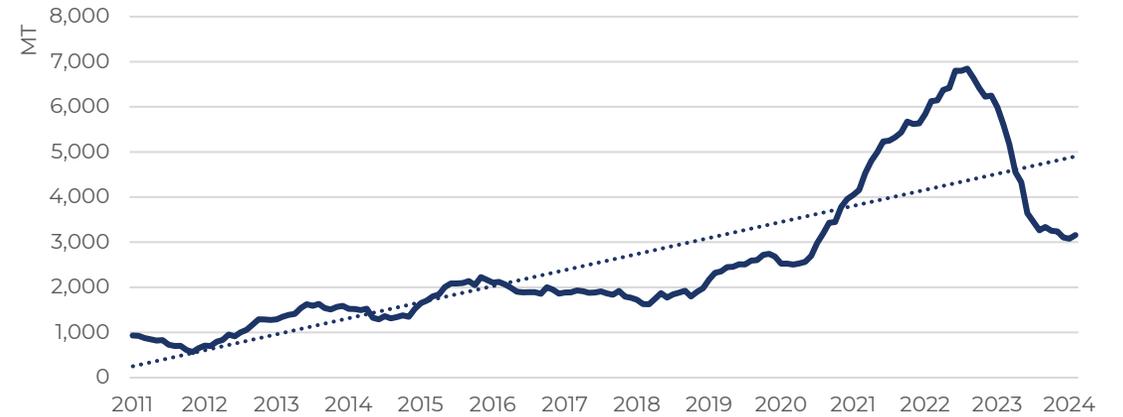
Global WPC80+ Trade to Korea



Global WPC80+ Trade to Korea

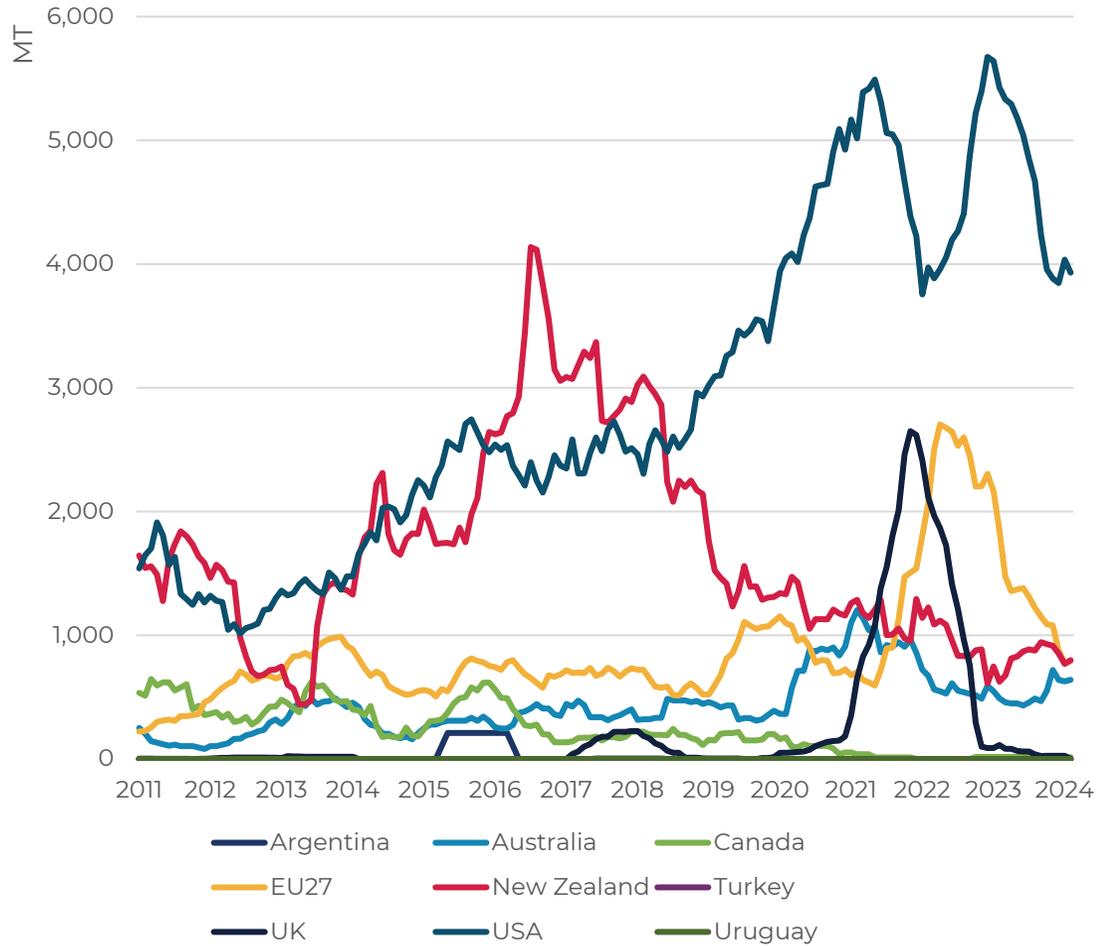


Global WPC80+ Trade to Korea



# Southeast Asia

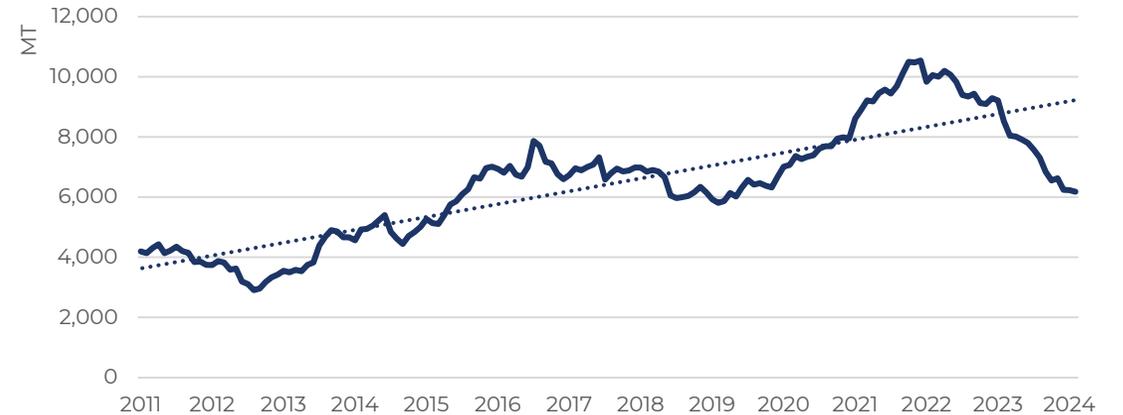
Global WPC80+ Trade to SEA



Global WPC80+ Trade to SEA

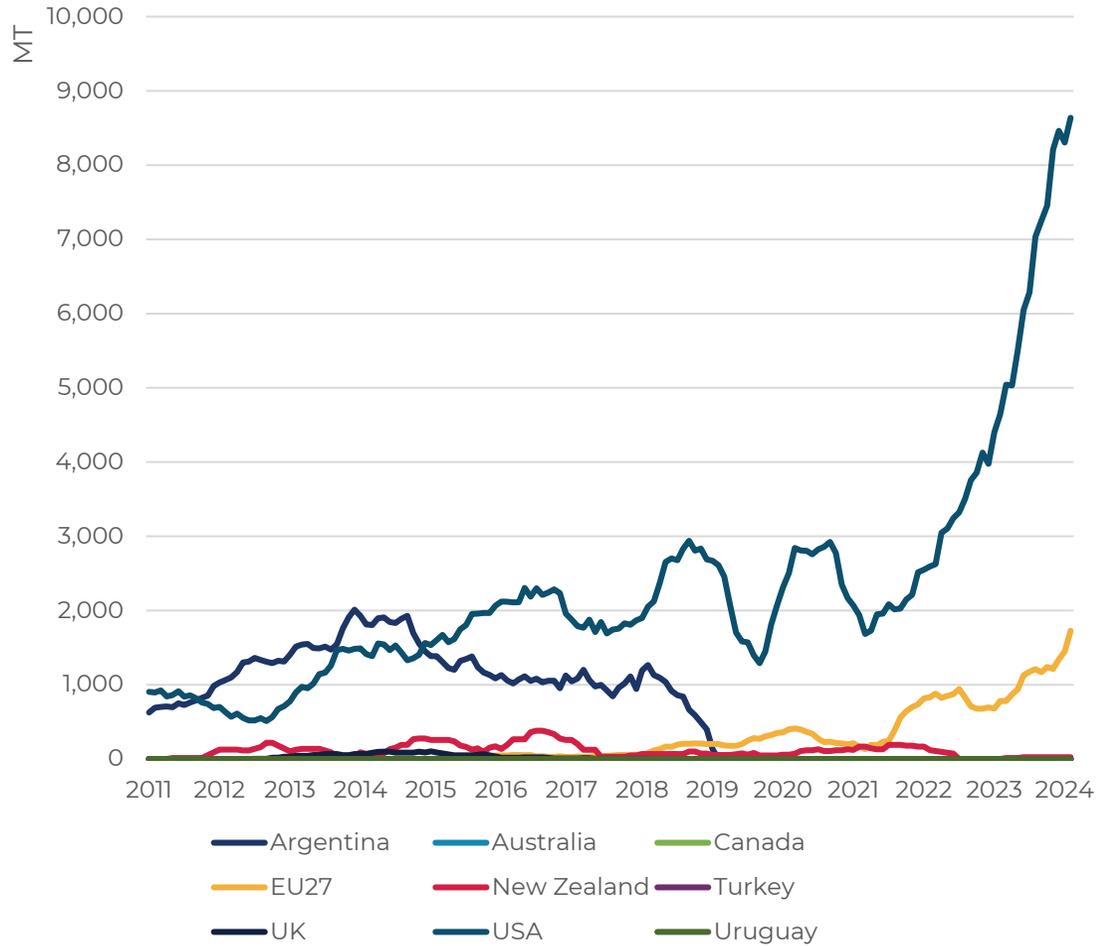


Global WPC80+ Trade to SEA

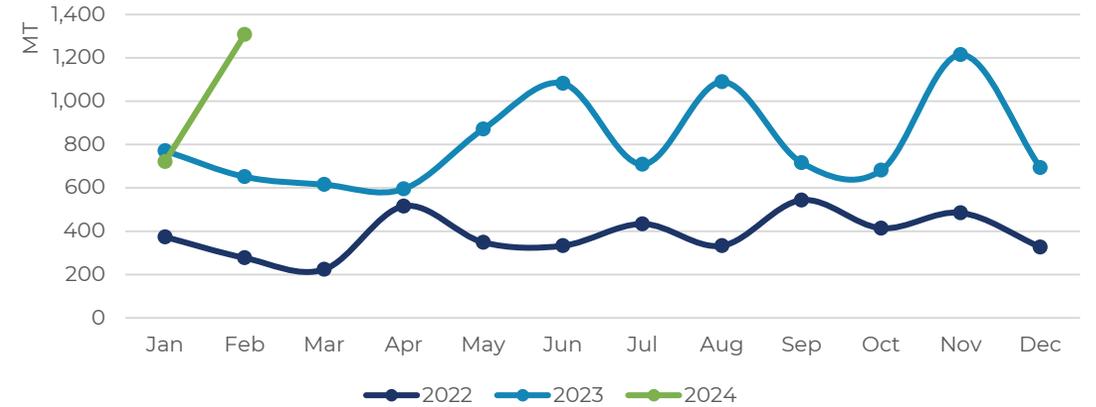


# Brazil

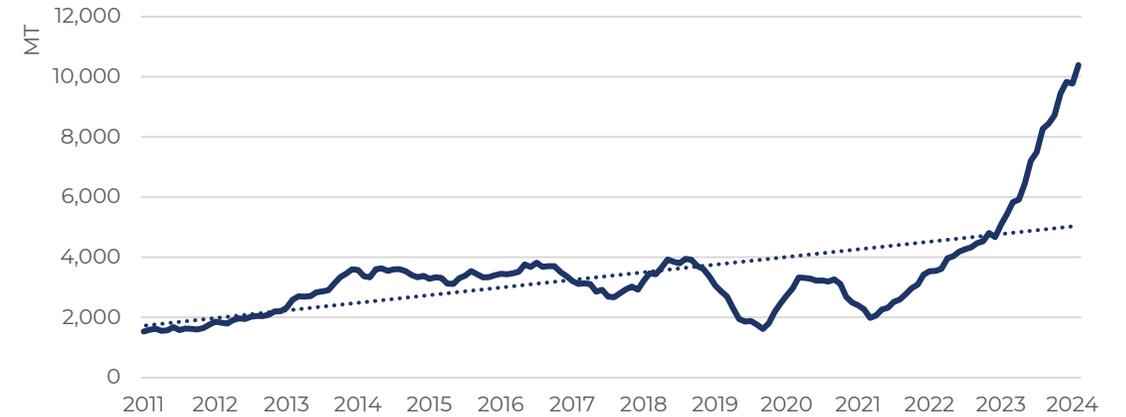
Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil



Global WPC80+ Trade to Brazil





# Other Dairy Products

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# Global Overview: Lactose



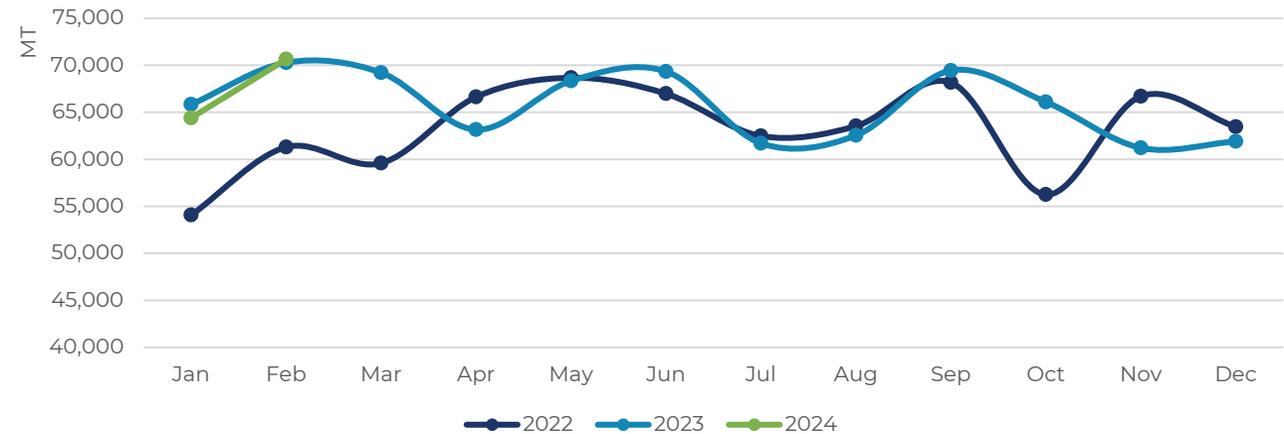
## KEY TAKEAWAYS

### Global Lactose Trade

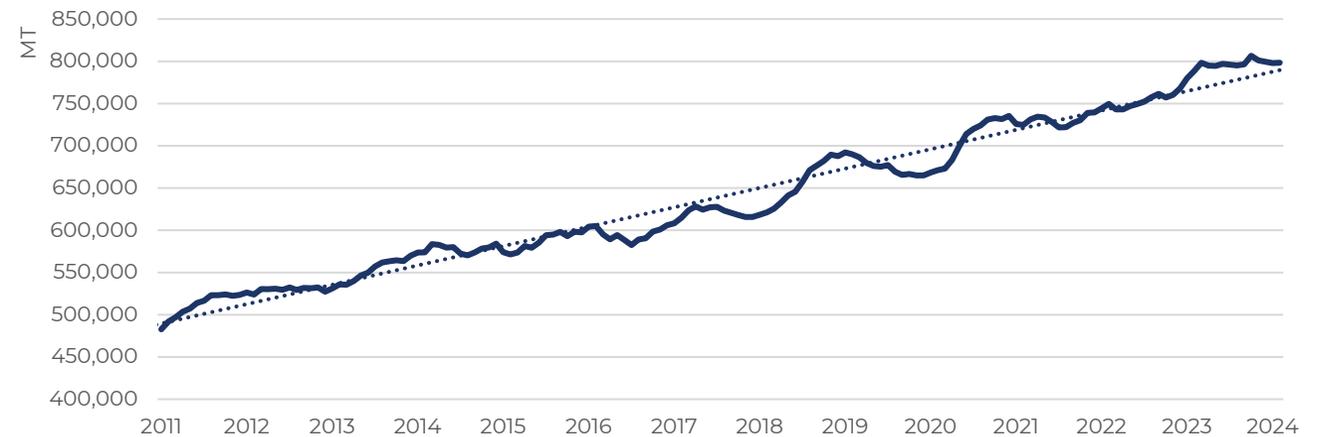
<b>+0.5%</b>	<b>-0.8%</b>	<b>+1.3%</b>	<b>+3.3%</b>
February YoY	YTD, Ending February	Last 12-Months, Ending February	3-Year CAGR

- Global lactose demand moved laterally in February as shipments to China cooled (-42%, -6,592 MT), likely as inventories were used that had been building for most of 2023. If global lactose prices continue their recent uptick, China's demand for global shipments may be subdued in the coming months.
- Beyond China, shipments to New Zealand (+61%, +3,861 MT) and South Asia (+97%, +4,291 MT) both improved. South Asian demand has been growing steadily for the past year and doesn't show any signs of slowing. Unfortunately, Southeast Asia (-4%, -442 MT) and Japan (-7%, -520 MT) imports continue to stagnate, which may be an indicator of future lactose export movement.

Global Lactose Trade to World

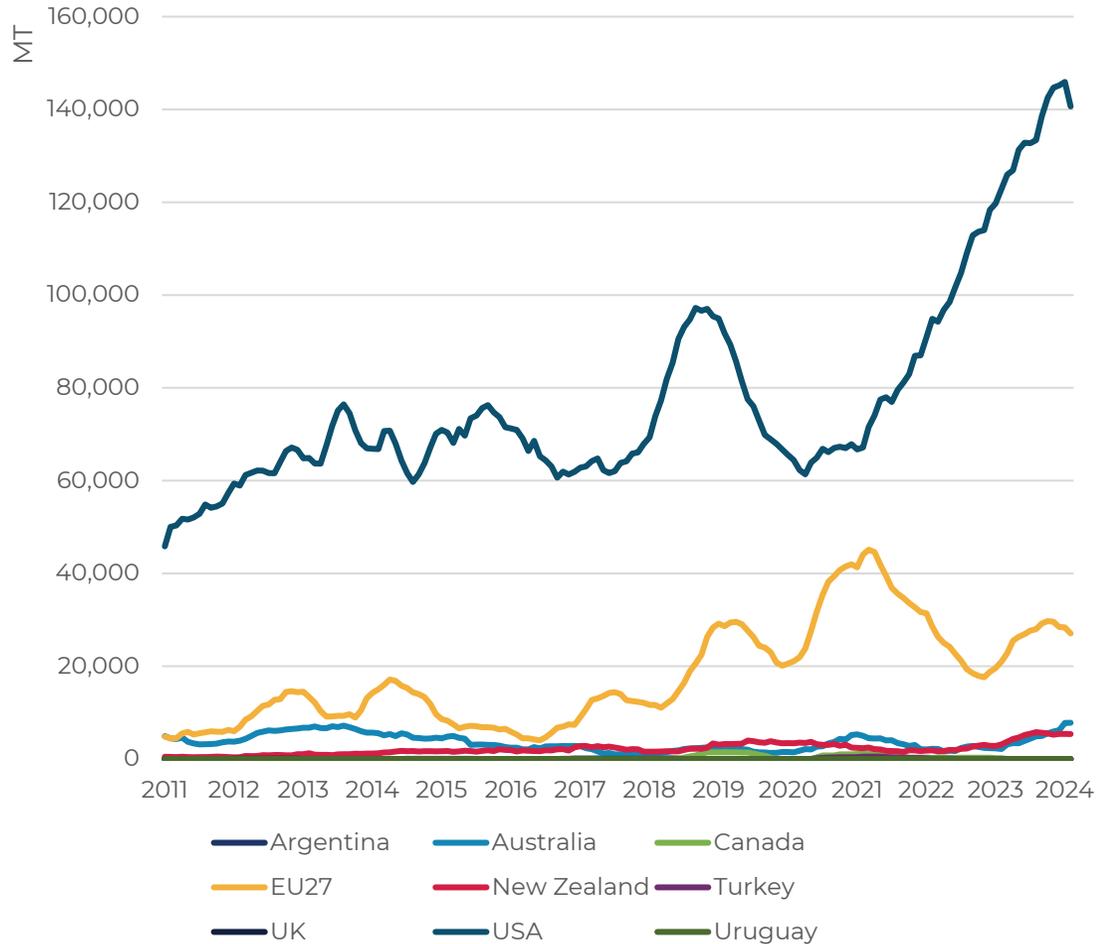


Global Lactose Trade to World

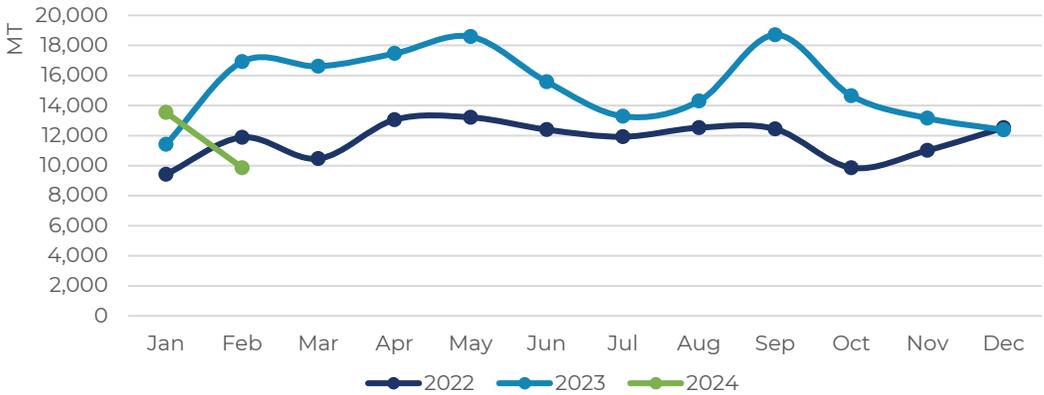


# Lactose – China

Global Lactose Trade to China+HK



Global Lactose Trade to China+HK

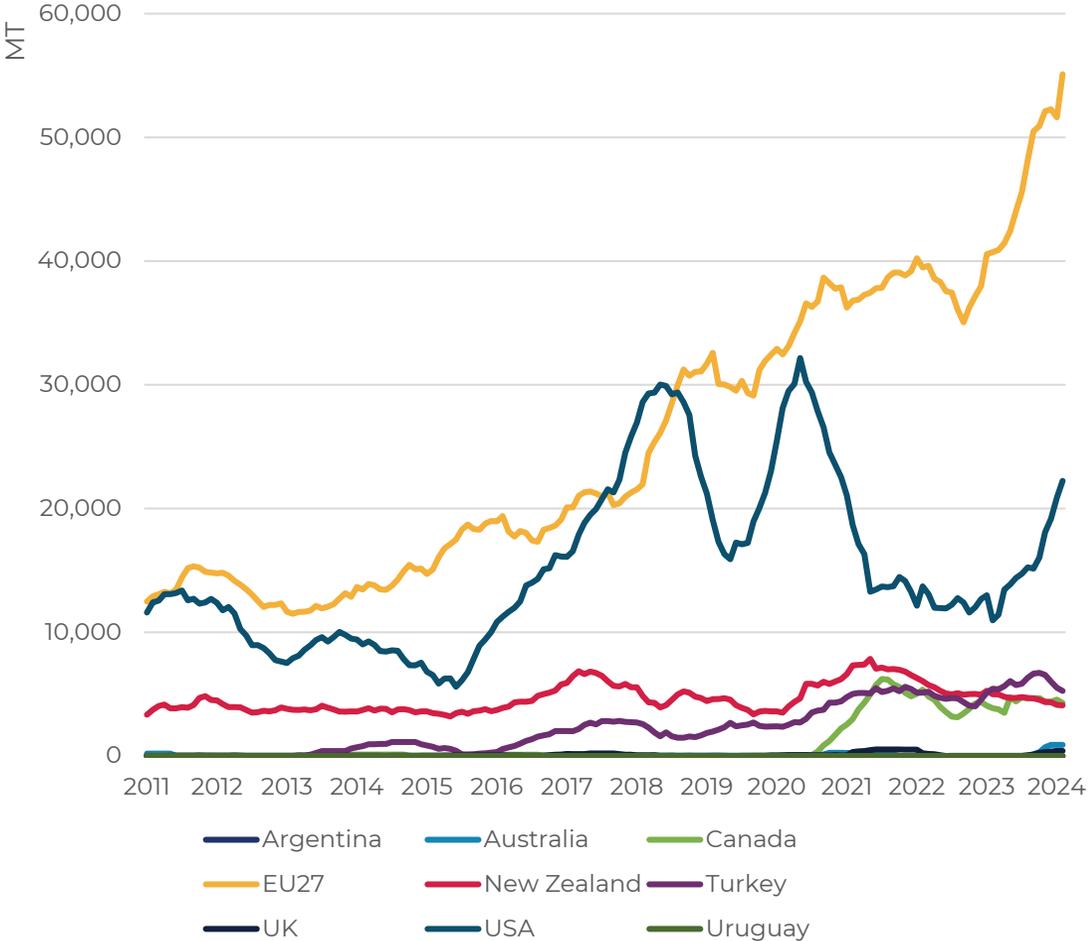


Global Lactose Trade to China+HK



# Lactose – South Asia

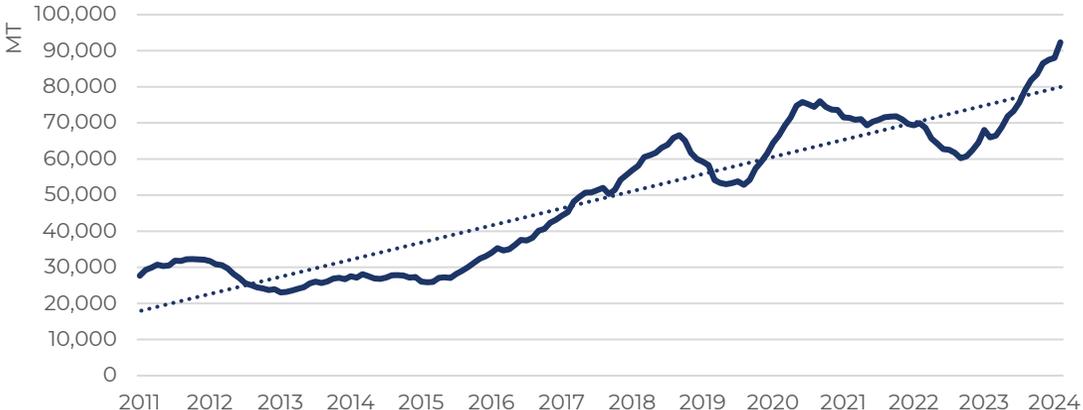
Global Lactose Trade to S. Asia



Global Lactose Trade to S. Asia

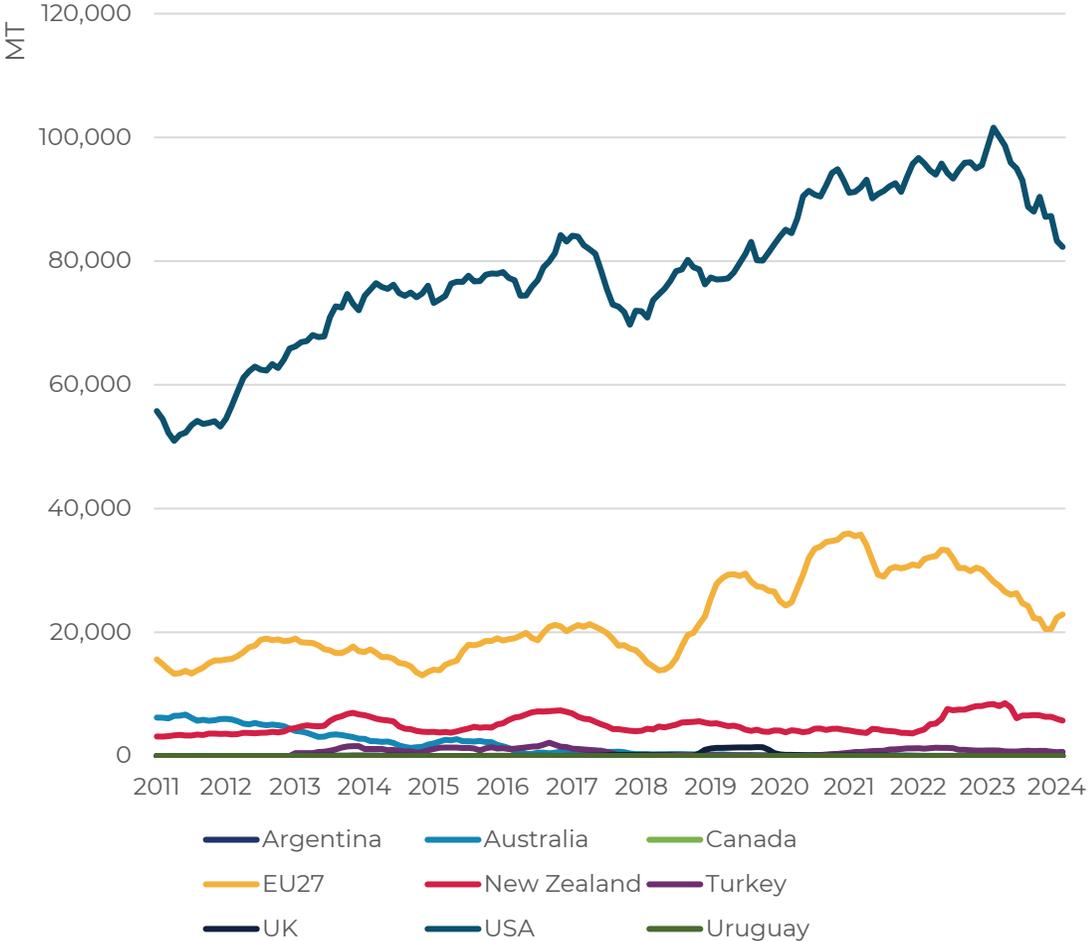


Global Lactose Trade to S. Asia

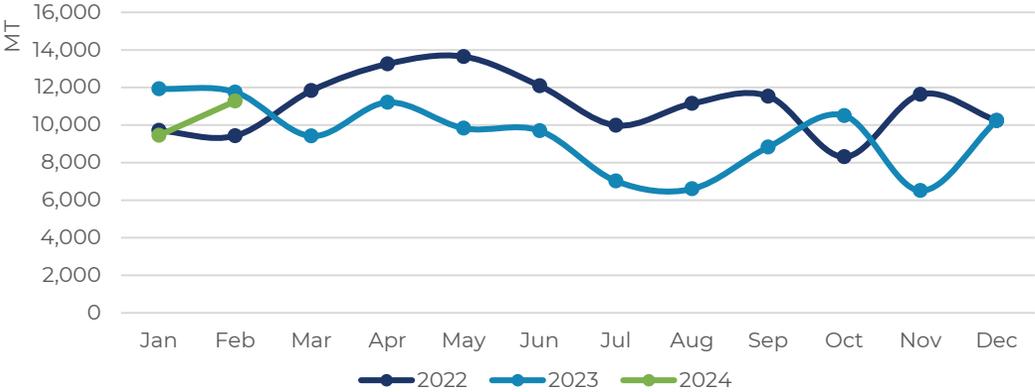


# Lactose – Southeast Asia

Global Lactose Trade to SEA



Global Lactose Trade to SEA



Global Lactose Trade to SEA



# Global Overview: Butter



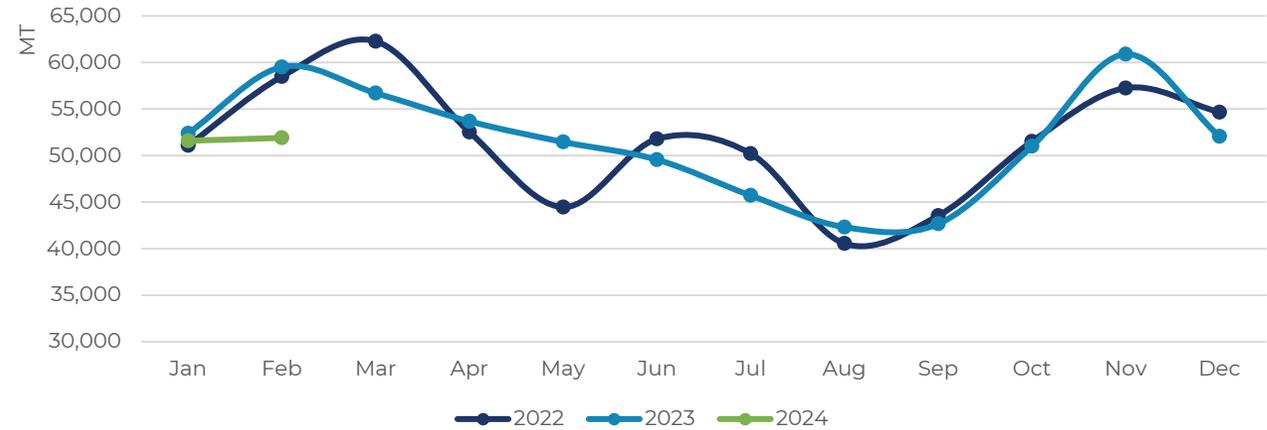
## KEY TAKEAWAYS

### Global Butter Trade

<b>-12.8%</b>	<b>-7.2%</b>	<b>-1.7%</b>	<b>+1.3%</b>
February YoY	YTD, Ending February	Last 12-Months, Ending February	3-Year CAGR

- Depressed demand in several markets resulted in lower butter trade in February. Shipments to MENA (-17%, -1,493 MT) continued to fall alongside slower shipments to Southeast Asia (-21%, -1,022 MT).
- Though butter shipments to China grew for the second consecutive month (+24%, +1,851 MT in Feb), the recent gains have not offset declines in several other regions.
- High prices and slow milk production among the major exporters is likely to keep butter trade subdued for the near future.

Global Butter Trade to World

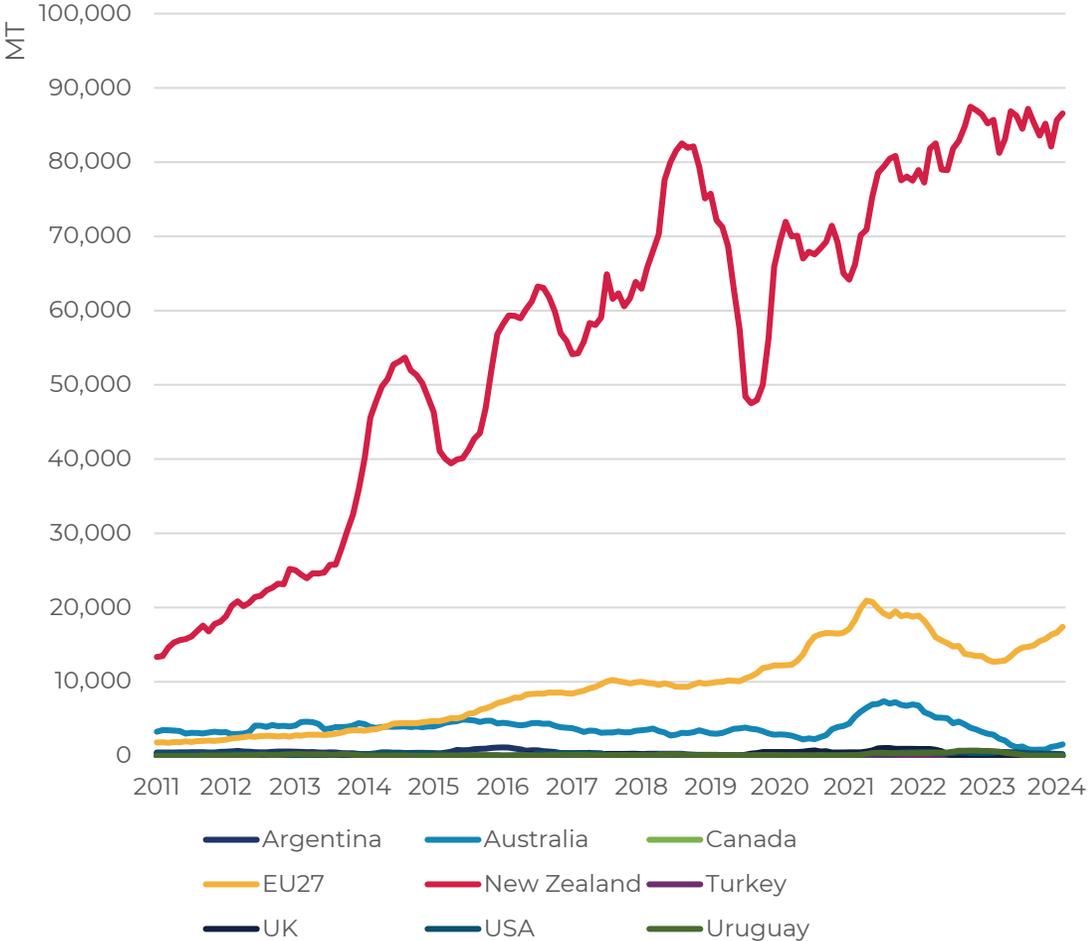


Global Butter Trade to World

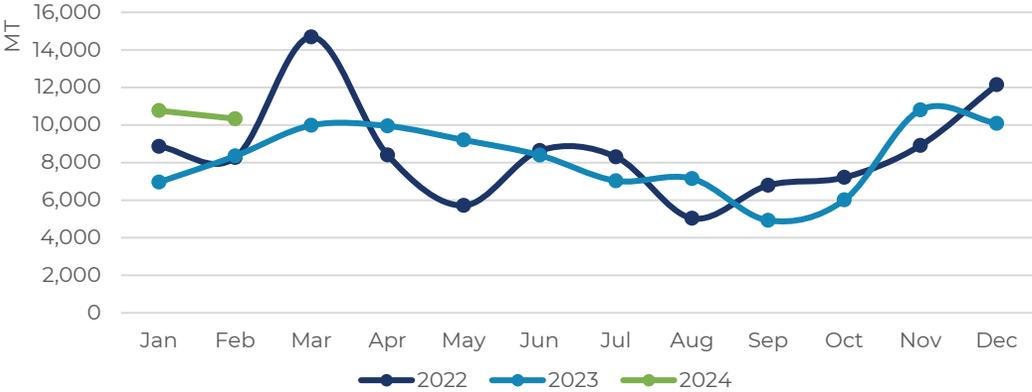


# Butter – China

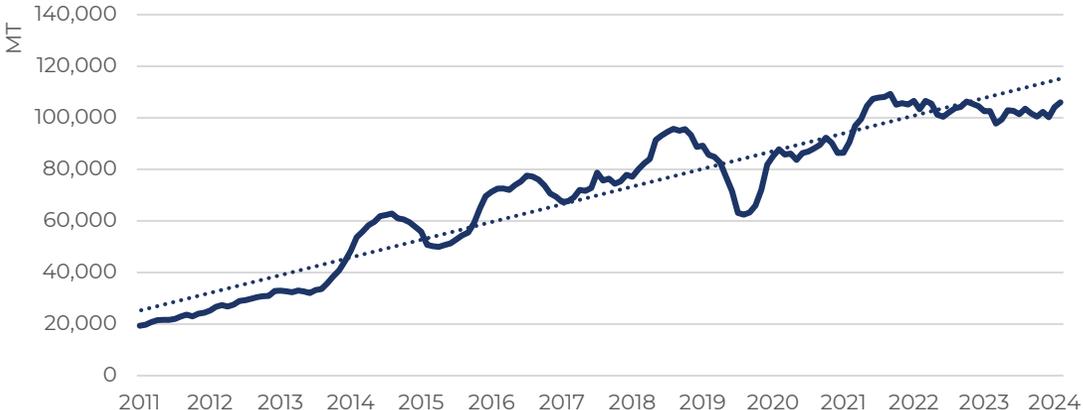
Global Butter Trade to China+HK



Global Butter Trade to China+HK

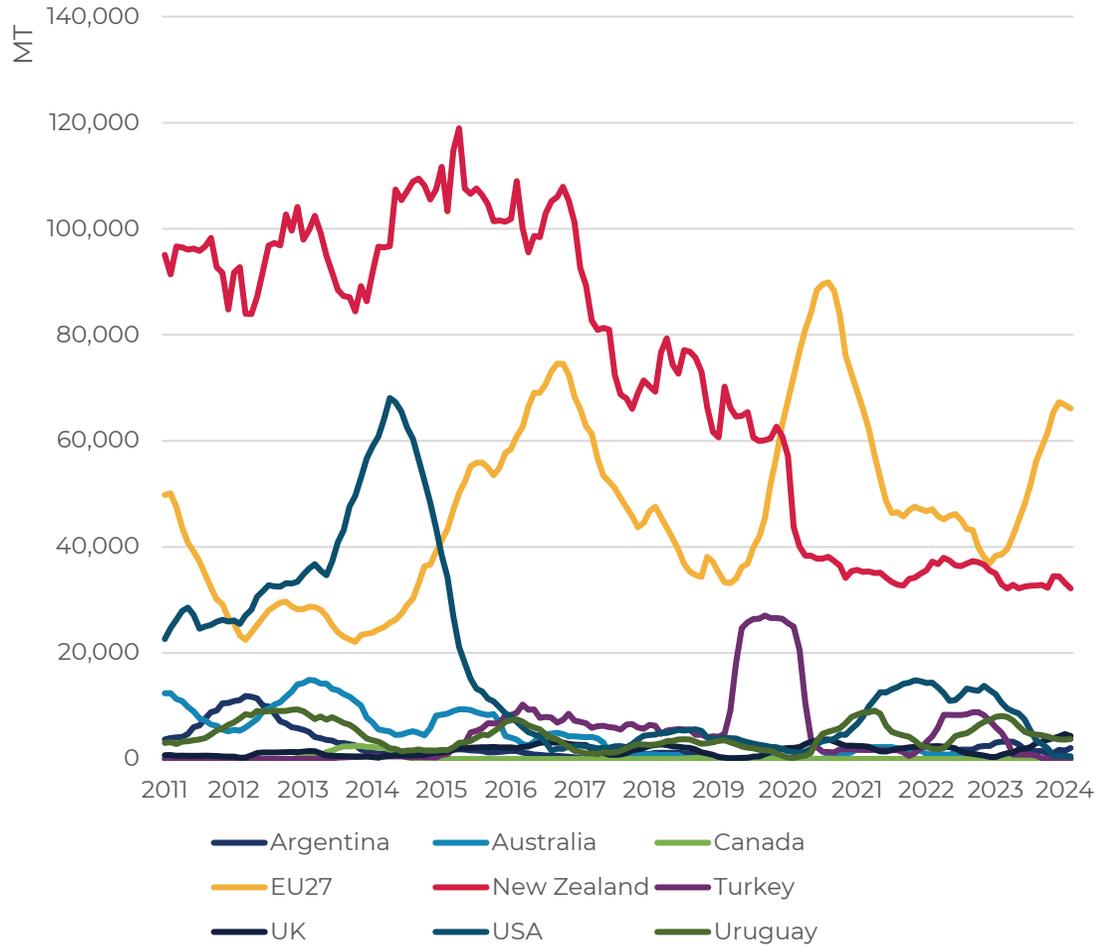


Global Butter Trade to China+HK

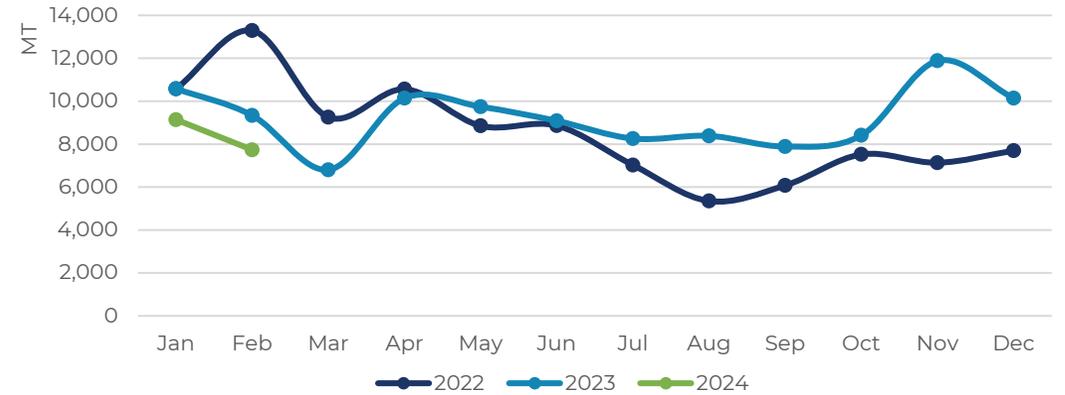


# Butter – MENA

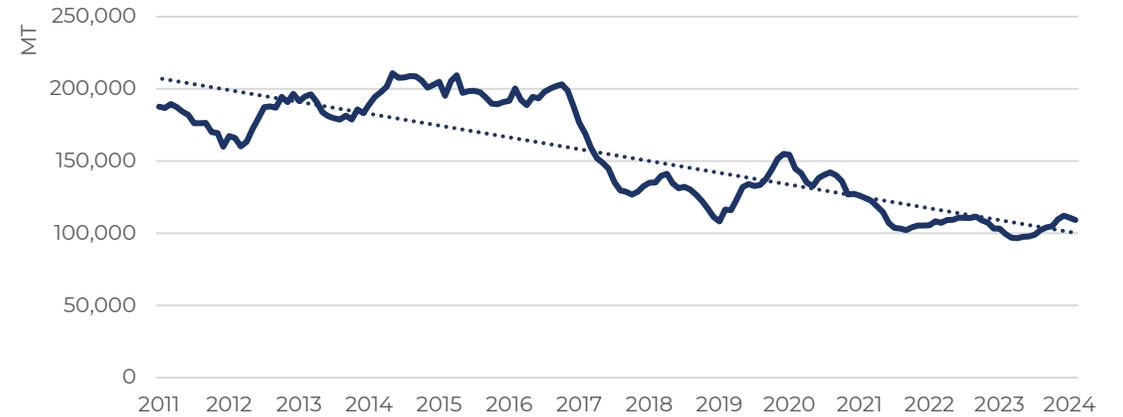
## Global Butter Trade to MENA



## Global Butter Trade to MENA



## Global Butter Trade to MENA



# Global Overview: Whole Milk Powder



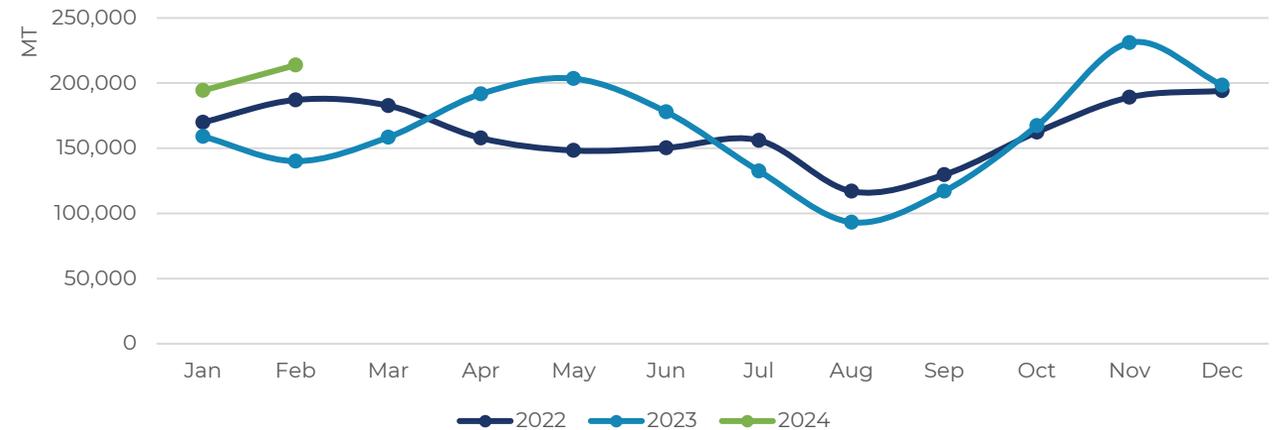
## KEY TAKEAWAYS

### Global WMP Trade

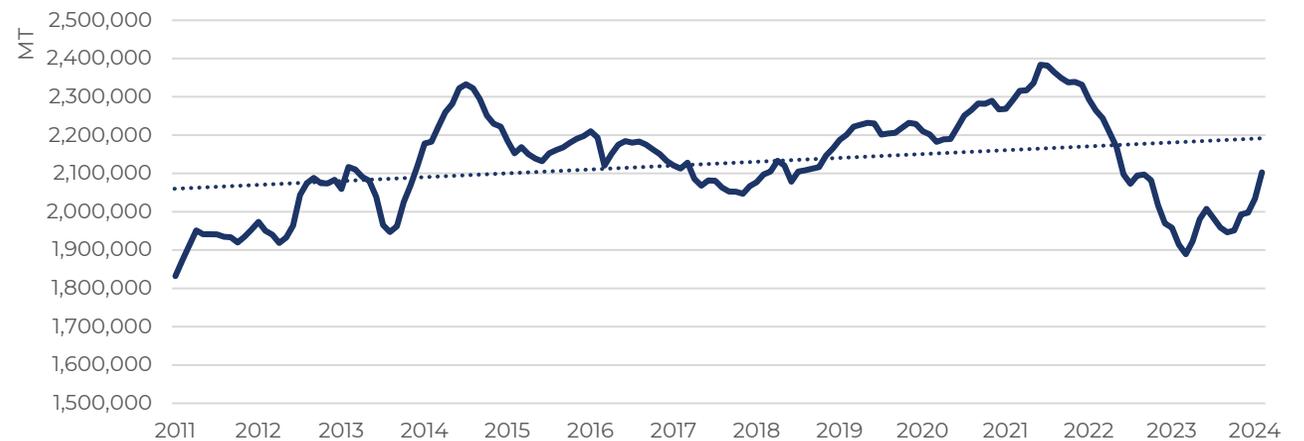
<b>+52.6%</b>	<b>+35.6%</b>	<b>+9.8%</b>	<b>-2.8%</b>
February YoY	YTD, Ending February	Last 12-Months, Ending February	3-Year CAGR

- Whole milk powder trade continued its recent resurgence in February as China laps over weak 2023 volumes (+83%<sup>^</sup>, +23,368 MT), South American demand has surged (+29%, +3,692 MT) and MENA buyers have been exceptionally active ahead of Ramadan (+90%, +33,814 MT).
- Fundamentally, WMP trade is picking up largely due to New Zealand needing to manufacture and export WMP after a strong 2023/24 flush and Argentina being incentivized to export as their domestic consumption falters and local currency recalibrates. Low prices and relatively available supply will likely keep trade volumes for the next few months.

Global WMP Trade to World

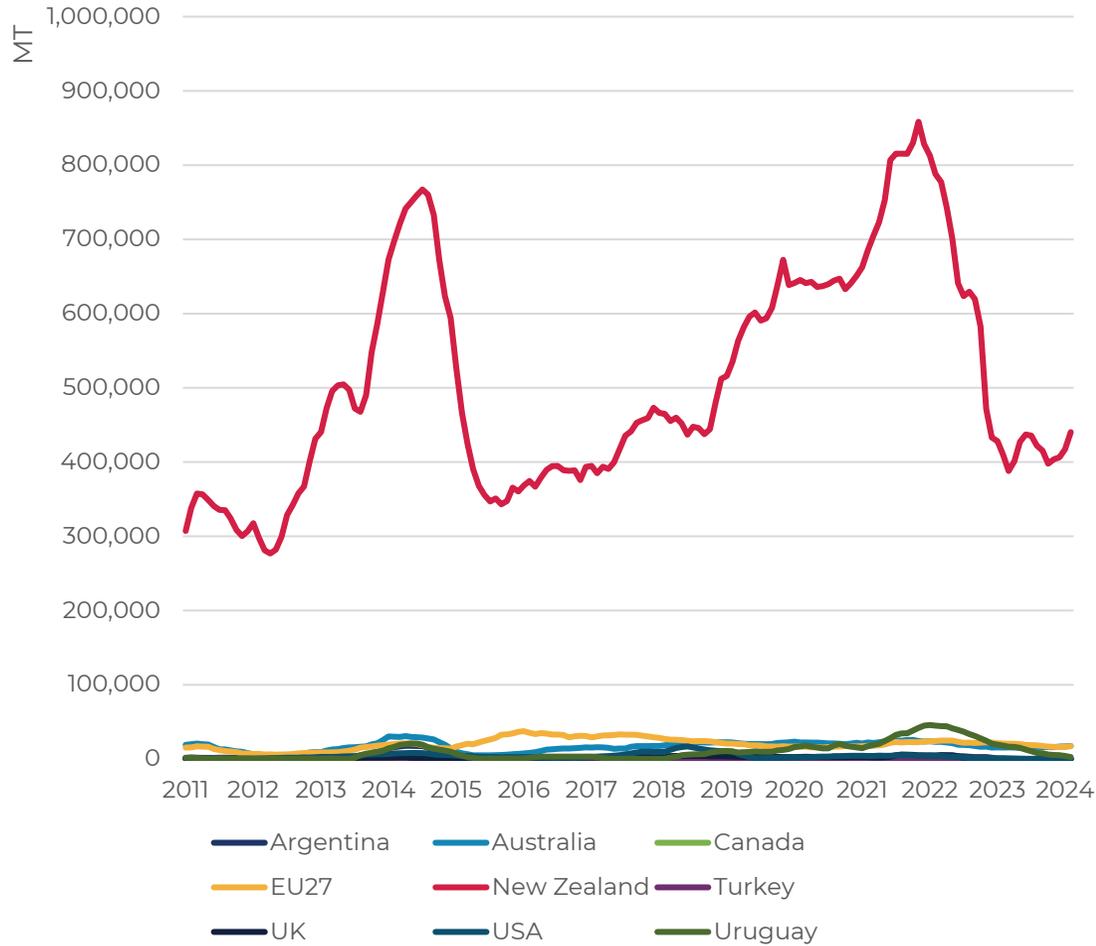


Global WMP Trade to World

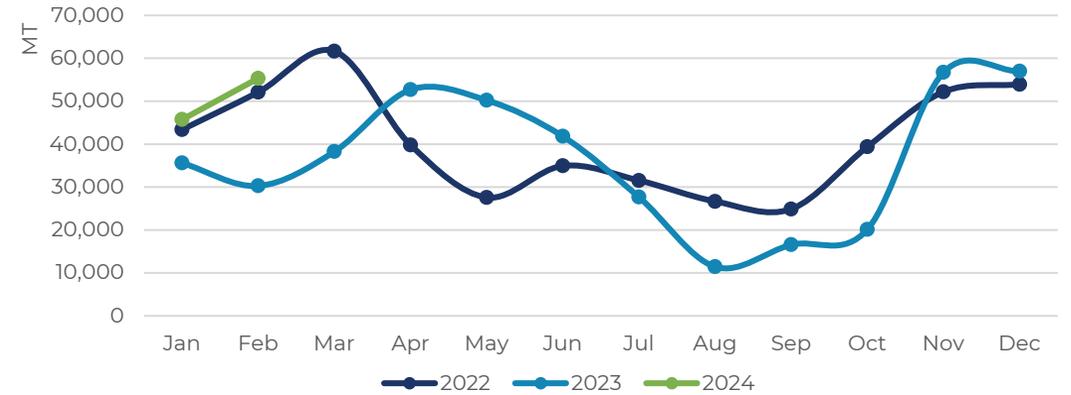


# Whole Milk Powder – China

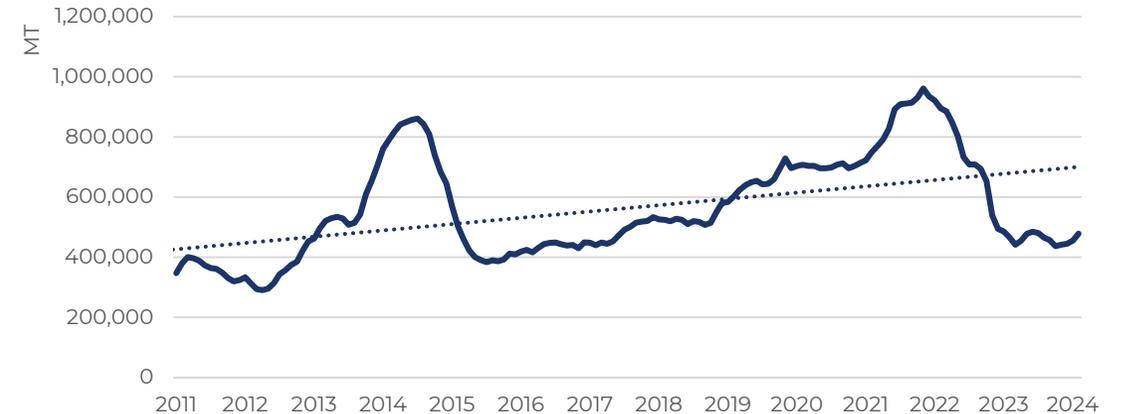
Global WMP Trade to China+HK



Global WMP Trade to China+HK

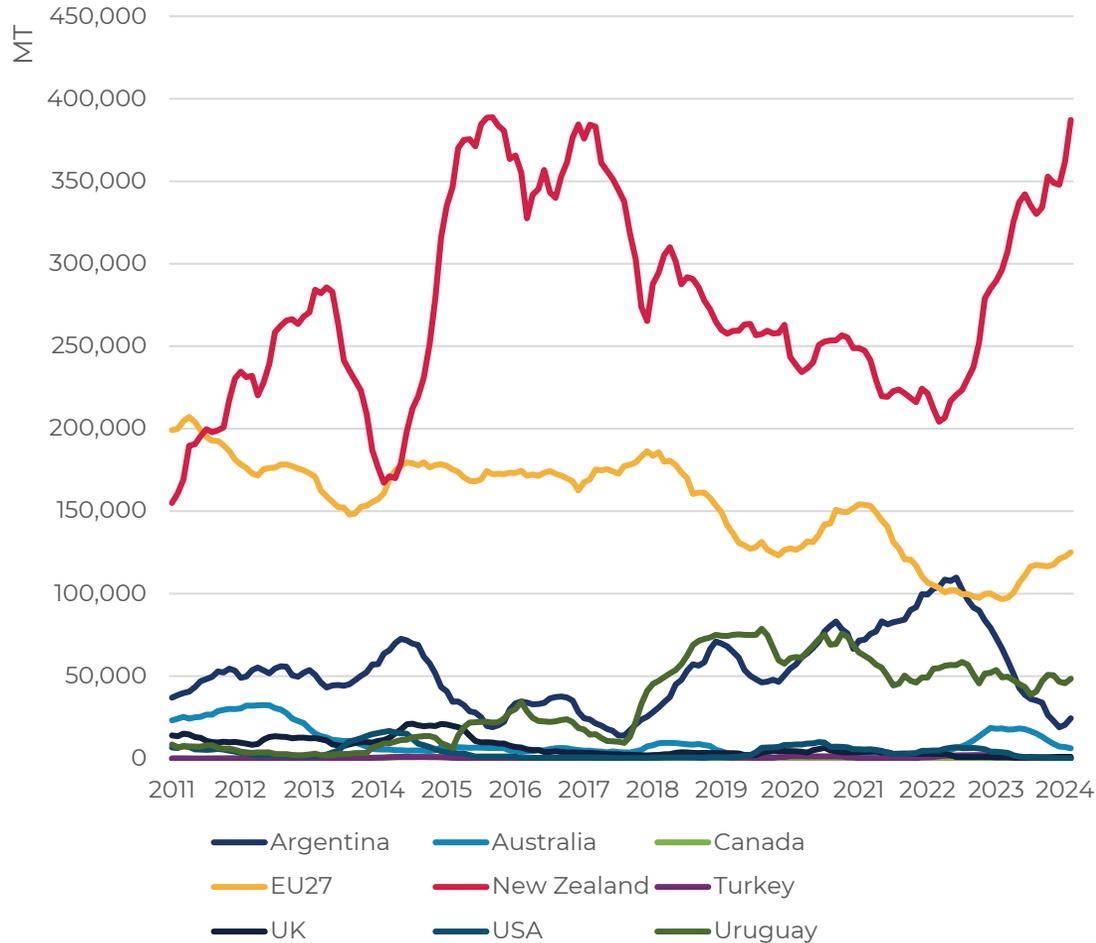


Global WMP Trade to China+HK

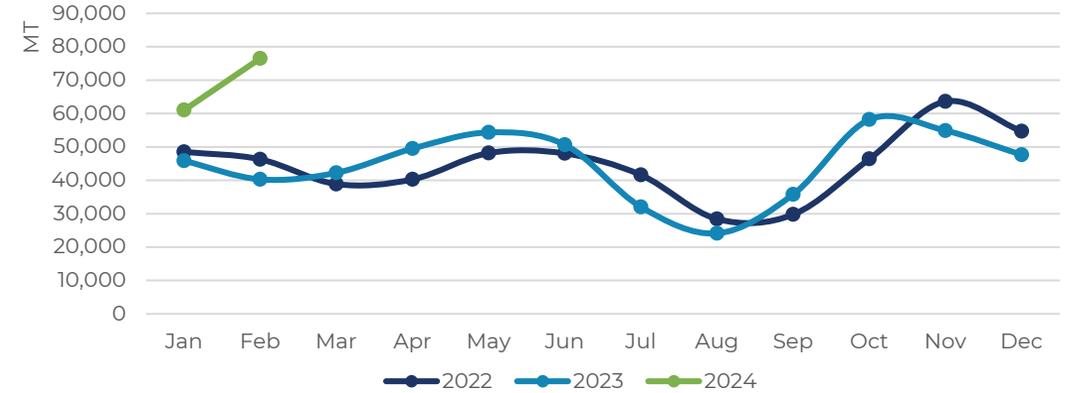


# Whole Milk Powder – MENA

Global WMP Trade to MENA



Global WMP Trade to MENA



Global WMP Trade to MENA





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# Reach Out for Questions or Comments

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