

**INTERNATIONAL DAIRY MARKET NEWS - EUROPE**

Information gathered December 9 - 20, 2024

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 Future reports may be included or withdrawn depending on availability of information.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

**EUROPE OVERVIEW**

**WEST EUROPE:** The most recent European Commission Latest World Quotations of Dairy products listed butter prices for the week ending 12/8/24 were 42 percent above the same week last year. Skim milk powder prices were listed at 3 percent below the same week last year. Whole milk powder prices were listed at 15 percent above the same week last year.

Negotiations for the EU-Mercosur partnership were finalized on December 6. The European Parliamentary Research Service published a document outlining various hypothetical ratification scenarios.

The Irish Central Statistics Office released total milk intakes by processors and cooperatives in October 2024 is estimated at 675.8 million liters. This is an increase of 87.2 million liters from October 2023. Fat content in milk deliveries averaged 4.93 percent in October 2024, up from 4.92 percent in October 2023. Protein content in milk deliveries averaged 4.03 percent in October 2024, up from 3.93 percent in October 2023. For the period of January to October 2024, domestic milk intake was estimated at 7.66 billion liters, down 215.3 million liters, -2.7 percent, compared to the same period last year.

The UK-based Agriculture and Horticulture Development Board (AHDB) released data showing daily milk deliveries for the week ending December 7 averaged at 33.89 million liters, down 0.4 percent from the week prior and down 0.8 percent from the same week last year.

**EAST EUROPE:** The European Commission Combined Drought Indicator (CDI) details persistent severe, enduring, and critical drought conditions in the Mediterranean, Balkans, and the Black Sea regions. Normal or recovery conditions are reported in many pockets of Western and Eastern European countries.

Both high production costs and inflation have pushed retail dairy product prices higher in Ukraine. Raw milk prices remain high due to strong demand and limited supply. Manufacturers report slower retail sales as high prices dissuade some customers.

**BUTTER/BUTTEROIL**

The West Europe butter price range moved lower this week. Milk production remains varied, though delivery volumes in some countries relay seasonal milk delivery lows have passed. Spot cream availability remains varied, and butter production remains limited. Some contacts suggest plant downtime during end of year holidays could make cream more available in the coming weeks. Contacts share butter price fluctuations have caused buyer hesitancy. Butter prices in some countries have been steadier than others. Spot inventory availability remains very slim. The West Europe butteroil price range expanded.

Western Europe 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT 7,450 - 8,625

Western Europe 99% Butterfat, Free on Board - Port Butteroil  
Price Range - Butteroil \$/MT 9,400 - 9,650

**SKIM MILK POWDER**

The West Europe skim milk powder (SMP) price range moved lower this week. Contacts note SMP demand is quieter than in recent weeks. Some contacts share a lull in demand ahead of end of year holidays is in line with activity seen in previous years. Spot invento-

ries are available for interested buyers. Current SMP price points remain competitive on a global scale. SMP prices vary between countries, with some markets being steadier than others.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,650 - 2,825

**WHEY**

The West Europe dry whey price range was unchanged this week. Contacts share export demand is active as dry whey price points in Europe remain more competitive than dry whey from the U.S. Inventories are available for interested spot purchasers. Contacts share demand for animal feed whey is quieter. Demand for high protein whey powders remains strong.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey  
Price Range - Non-Hygroscopic; \$/MT: 900 - 1,225

**WHOLE MILK POWDER**

The West Europe whole milk powder (WMP) price range was unchanged at the bottom of the range while the top moved lower. Contacts share WMP demand remains quiet. Some contacts note current cocoa price points have caused purchasing hesitancy from the confectionery sector. WMP production remains light outside of what is needed for contracted loads.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 4,550 - 4,675

Secondary Sourced Information:

According to CLAL data made available to USDA, October 2024 EU cows' milk delivered to dairies is estimated at 11,581,000 MT, up 0.8 percent compared to last year. Year-to-date EU cows' milk delivered to dairies through October 2024 is estimated at 123,058,000 MT, up 0.6 percent when compared to January-October 2023 EU milk production. Among some of the top West EU milk producers, the year-to-date milk deliveries and percentage changes from January-October 2023 are Germany, 27,132,000 MT, -0.5 percent; France, 19,942,000 MT, +1.5 percent; and Netherlands, 11,460,000 MT, -2.0 percent. Among some of the top East EU milk producers, the year-to-date milk deliveries and percentage changes from January-October 2023 are Poland, 11,330,000 MT, +4.0 percent; Czech Republic, 2,757,000 MT, +2.1 percent; and Hungary, 1,441,000 MT, +4.4 percent.

According to CLAL data made available to USDA, the provisional October 2024 cows' milk delivered to dairies in the UK was 1,263,800 MT, up 3.5 percent from October 2023. Year-to-date cows' milk deliveries in the UK for January-October 2024, 12,923,100 MT, up 0.5 percent from January-October 2023.

According to CLAL data made available to USDA, the provisional October 2024 cows' milk production in Belarus was 708,000 MT, up 3.1 percent from October 2023. January-October 2024 provisional milk production in Belarus, 7,345,000 MT, is up 5.3 percent from January-October 2023.

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered December 9 - 20, 2024

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.

## OCEANIA DAIRY MARKET OVERVIEW

Australia: According to Dairy Australia, October 2024 milk production, 917.7 million liters, was up 1.3 percent from October 2023. October 2024 milk production was up from the prior year in New South Wales, Victoria, and South Australia. Meanwhile, milk production was down in Queensland, Western Australia, and Tasmania. Milk production from the start of the season in July 2024 through October 2024, 2,991.1 million liters, increased 1.7 percent compared to the same time frame a year earlier.

According to Dairy Australia, August 2024 milk sales, 204.0 million liters, were down 0.5 percent from August 2023. The volume of milk sold was up in August 2024 from a year prior in Tasmania, while sales volumes decreased in every other state. Milk sales from the start of the season in July 2024 through August 2024, 410.7 million liters, were up 0.1 percent compared to the same time period a year earlier.

Dairy Australia recently released export data for Australia showing milk export volumes from July 2024 - October 2024 were 55,245 MT, down 18.6 percent from the same time period a year earlier.

The November 2024 Production Inputs Monitor from Dairy Australia was recently released. The report stated rainfall in Western Australia and parts of New South Wales was above average, but rainfall was average to below average in the rest of the dairying regions. Temperatures in November were above average across the country. Prices for fodder were decreasing in November but remain elevated compared to last year. The Australian Bureau of Meteorology predicts above average temperatures as summer approaches and unusually warm nights, which increases the likelihood of heatwaves. In January rainfall is expected to return to average.

Dairy Australia recently released the Situation and Outlook report for December 2024. The report stated milk production for the 2024/2025 season has started strong, compared to last season, but is expected to decline slightly from 8.3 billion liters last season. Export opportunities have increased in Australia this season, as prices for dairy products have increased in other countries. Retail demand for cheese, dairy spreads, and yogurt are up from last season but demand for milk is steady.

New Zealand: Recently released data from New Zealand for October showed the number of dairy cows sent to slaughter during the month increased by 8.2 percent from October 2023. Over the 12-months ending in October, cow slaughter numbers were down 3.8 percent compared to the previous 12-months.

The DairyNZ annual Dairy Statistics report was recently released showing data for New Zealand in the 2023/2024 season. During the season, 20.5 billion liters of milk was processed and the amount of milksolids for the season processed was 1.88 billion kilograms, up 0.5 percent from the prior season. Cow numbers reached 4.7 million last season, up from the prior season, and weather conditions were favorable, contributing to increased milk production in the country. Average milk pay prices increased by 14 cents last season, to \$8.90/kgMS.

A dairy processor in New Zealand recently announced an increase to the forecast milk price for the current season. The processor stated the forecast milk price is up 50 cents to \$10.00/kgMS, due to increasing prices for global commodities.

## BUTTER

Oceania butter prices decreased across the range, during the current reporting period. Contacts report domestic demand for butter is mixed, but export demand has declined in recent weeks. Contacts report strong cream supplies in the US have contributed to decreased export pricing and demand from the region. At GDT event 370 this week butter prices were steady or down during every contract period, except March 2025 where prices increased by 0.2 percent. The volume of butter traded at GDT event 370 was down from event 369, but up from a year ago.

Oceania 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT Butter 6,500 - 6,750

## SKIM MILK POWDER

Skim milk powder (SMP) prices declined across the range in Oceania during the current reporting period. Production of SMP is steady in Oceania. Contacts report domestic demand for SMP is steady, but export sales have declined in recent weeks as purchasers have stocked up ahead of the year-end holidays. During this week's GDT event, SMP prices decreased during every contract period in which loads were offered. The volume of SMP traded at GDT event 370 was down from the previous event, but up from a year ago.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,775 - 2,900

## CHEESE

During the current reporting period, cheddar cheese prices increased across the range in Oceania. Contacts report domestic demand for cheese is strong in Oceania, though export interest has declined slightly in recent weeks. Cheesemakers are running busy schedules in Oceania. At GDT event 370 cheddar cheese prices were mixed, increasing by up to 0.8 percent for the March 2025 contract period, while the largest decline was 1.8 percent in the April 2025 contract period. Purchasers in North Asia ordered the largest volume of cheddar cheese and increased their purchasing from the prior event and from a year ago.

Prices for: Oceania, Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port  
Price Range - \$/MT: 4,650 - 4,875

## WHOLE MILK POWDER

The price range for whole milk powder (WMP) contracted in Oceania this reporting period, as the bottom of the range moved higher, but the top moved lower. Demand for WMP is strong in Oceania. Export interest in WMP has declined in recent weeks as international purchasers have finished their year-end holiday purchasing. Production of WMP is steady in the region. Prices for WMP declined during every contract period in which loads were traded at GDT event 370. At this week's GDT event the volume of WMP traded was down from the previous event but was up from a year ago.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 3,825 - 4,000

CONTINUED ON PAGE 8B

**CONTINUED FROM PAGE 8A**

## Secondary Sourced Information:

During GDT event 370, on December 17, 2024, the butter all contracts price, \$6,631, decreased 0.6 percent from the prior event. The January contract, \$6,656, was unchanged.

During GDT event 370, on December 17, 2024, the SMP all contracts price, \$2,757, decreased 2.9 percent from the prior event. The January contract, \$2,783, was down 3.1 percent.

During GDT event 370, on December 17, 2024, the cheddar all contracts price, \$4,682, decreased 0.2 percent from the prior event. The January contract, \$4,777, was down 1.3 percent.

During GDT event 370, on December 17, 2024, the WMP all contracts price, \$3,890, decreased 2.9 percent from the prior event. The January contract, \$3,922, was down 2.5 percent.

According to Dairy Australia, July 2024-September 2024 Australian butter production, 8,230 tons, increased 10.5 percent compared to July 2022-September 2023.

According to Dairy Australia, July 2024-September 2024 Australian SMP production, 29,918 tons, decreased 17.1 percent compared to July 2022-September 2023.

According to Dairy Australia, July 2024-September 2024 Australian cheese production, 73,028 tons, decreased 16.6 percent compared to July 2022-September 2023.

According to Dairy Australia, July 2024-September 2024 Australian WMP production, 4,912 tons, decreased 10.5 percent compared to July 2022-September 2023.

Dairy Australia recently released export data for Australia showing butter export volumes from July 2024 - October 2024 were 6,939 MT, up 272.0 percent from the same time period a year earlier.

Dairy Australia recently released export data for Australia showing SMP export volumes from July 2024 - October 2024 were 48,743 MT, up 42.1 percent from the same time period a year earlier.

Dairy Australia recently released export data for Australia showing cheddar cheese export volumes from July 2024 - October 2024 were 9,667 MT, up 53.0 percent from the same time period a year earlier. Other cheese export volumes from July 2024 - October 2024 were 42,682 MT, 18.3 percent higher compared to the same time frame a year prior.

Dairy Australia recently released export data for Australia showing WMP export volumes from July 2024 - October 2024 were 21,068 MT, up 58.6 percent from the same time period a year earlier.

## INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered December 9 - 20, 2024

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.

## SOUTH AMERICA OVERVIEW

Summer is fast approaching the Southern Hemisphere. As the peak milking season dissipates, weather related delays at the beginning of the season have kept milk and dairy commodity availability in check. Contacts in the major dairy production areas in the region have said there were seasonal improvements in recent weeks. Despite availability concerns, trading activity of some commodities has been somewhat robust this year when compared to 2023.

Brazil has edged back on purchases due to currency valuations and logistical costs. Traders there have regularly reported concerns regarding hauling/shipping costs throughout the final half of this year. In Brazil, skim milk powder and cheese importing saw some year-over-year upticks, while whole milk powder slid lower than last year per some traders in the region. Algerian interest has been somewhat consistent this year, but in recent weeks, traders in Uruguay and Argentina relay upticks in regional inquiries from North African importers.

Last year, trading slowed down at the end of the year, as it has this year. Last year, though, trading activity was expected to perk up in Q1 2024. There are growing concerns that the aforementioned commodity inventory limitations will keep Q1 2025 spot market activity quieter. The onset of last year was somewhat different than expectations for early 2025 in regards to Brazil's internal milk production and dairy manufacturing, as severe floods followed by widespread drought conditions have made notable impacts this year.

## SKIM MILK POWDER

Skim milk powder (SMP) trading activity has taken a step back on the spot market as end-of-year deals have been completed, and most of the market focus is now on Q1 trading and 2025 contractual negotiations, in general. SMP prices were unchanged again this report week. Some Brazilian contacts say import numbers from Uruguay and Argentina are outpacing year-over-year figures from 2023, but late-year holidays and logistical costs have stymied some interest. Milk output across the continent has been spotty this season and summer is soon approaching. Expectations from processors are that availability will become more limited for drying SMP, particularly as there remains a strong focus on cheese and whole milk powder processing. Markets are quiet, but with more bullish undertones than the alternative.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,900 - 3,200

## WHOLE MILK POWDER

Whole milk powder (WMP) prices were unchanged. The end-of-year focus, according to market contacts, is on Q1 and beyond. Even then, some contacts say a good amount of WMP is locked in for the first quarter of the year. Brazilian traders say year-over-year figures are slightly lower regarding imported volumes. Brazilian limitations on internal milk output this season, though, have given traders throughout the region only steady to bullish expectations moving into the summer season. Additionally, traders in multiple exporting countries within the continent relay Algerian interest remains hearty. All said, WMP markets are in a steady to bullish stratosphere. Some suggest tight/tightening supplies will keep market bears in check at least through February.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 3,900 - 4,250

Secondary Sourced Information:

SMP exports from Argentina during January-October 2024, 15,000 MT, increased 11.2 percent from the same duration in 2023, according to CLAL data made available to USDA.

WMP exports from Argentina during January-October 2024, 90,000 MT, increased 22.6 percent from the same duration in 2023, according to CLAL data made available to USDA.

WMP exports from Uruguay during January-October 2024, 128,000 MT, decreased 1 percent from the same duration in 2023, according to CLAL data made available to USDA.

SMP exports from Uruguay during January-October 2024, 15,000 MT, increased 54 percent from the same duration in 2023, according to CLAL data made available to USDA.

WMP imports to Brazil during January-November 2024, 133,300 MT, decreased 10 percent from the same duration in 2023, according to CLAL data made available to USDA.

SMP imports to Brazil during January-November 2024, 35,700 MT, increased 16.7 percent from the same duration in 2023, according to CLAL data made available to USDA.

Exchange rates or selected foreign currencies:  
December 16, 2024

.0010 Argentina Peso	.0118 India Rupee
.6371 Australian Dollar	.0065 Japan yen
.1626 Brazil Real	.0497 Mexican Peso
.7022 Canadian Dollar	.5781 New Zealand Dollar
.0010 Chile Peso	.2469 Poland Zloty
1.0214 Euro	.0224 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: (1/.0497) = 20.1207 Mexican Pesos. Source: "Wall Street Journal"