

Eucolait publishes its Global Trade Flows Report 2021

2021 will likely be remembered as the last year of the “old normal”, even though 2020 and 2021 were characterised by a change in consumption patterns due to the global pandemic. Since the beginning of Covid-19, the focus has shifted from demand shocks to supply shocks, now amplified by the Russian invasion of Ukraine.

The main findings of the trade report looking at the calendar year 2021 can be summarised as follows:

- After a rather flat Q3 2021, global trade saw a decline in Q4 2021, likely as result of lower availability, high prices and freight issues. Despite all the challenges, Covid and the decline in EU-UK flows, overall trade in 2021 was up on 2020, reaching another record.
- Cheese continued to drive the day in terms of global demand, but total volumes were affected by the EU-UK situation. SMP and whey trade performed well, while WMP and butter flows were flat and butteroil decreased heavily.
- China saw spectacular growth across almost all product categories in 2021 (above 10% and up to 36% for cheese), except for infant formula. A slowdown could be observed in Q4 but for the full year China’s appetite for imported dairy offset losses in other import markets, such as Algeria.
- The EU’s full year trade results have the fingerprints of Brexit all over, with imports and exports of most categories down. Even when excluding shipments to the UK, the performance was quite muted, as cheese and whey were the only product groups showing growth.
- Among the other main suppliers, New Zealand’s market share also declined, to the benefit of the US and to a lesser extent Australia and Turkey.