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European Dairy Trade Association

Global dairy trade flows

Q1 2024

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Notes & methodology

- The report is based on data from Trade Data Monitor (TDM) and as such only includes data from countries available in TDM. It gives an almost accurate illustration of global exports but is less comprehensive when it comes to import data because data is reported with a considerable delay or is not available at all.
- Export figures include data from 14 suppliers: Argentina, Australia, Canada, EU27, India, Iran, New Zealand, Saudi Arabia, Switzerland, Türkiye, United Kingdom, Ukraine, Uruguay & United States.
- For certain key importers for which no data is available, namely Algeria, Iraq, Nigeria, Oman and Vietnam, we have used available export data of other countries to create an estimate of the import volumes. The same method has been used for Egypt & Mexico (SMP & butteroil) imports, for which official data is not reliable.
- Russia and Belarus have stopped publishing their data altogether and are not included in this report.
- It is important to recall that export data should not be compared with import data for the same period because there is always a time lag between the two operations.
- The total solids method has been used for the calculations where quantities are expressed in milk equivalent.
- In the graphs showing exports of "all" dairy products in milk equivalent, the following product groups have been included: cheese, butter, butteroil, SMP, WMP, whey powder (liquid whey removed from EU, UK, US and Canada data)

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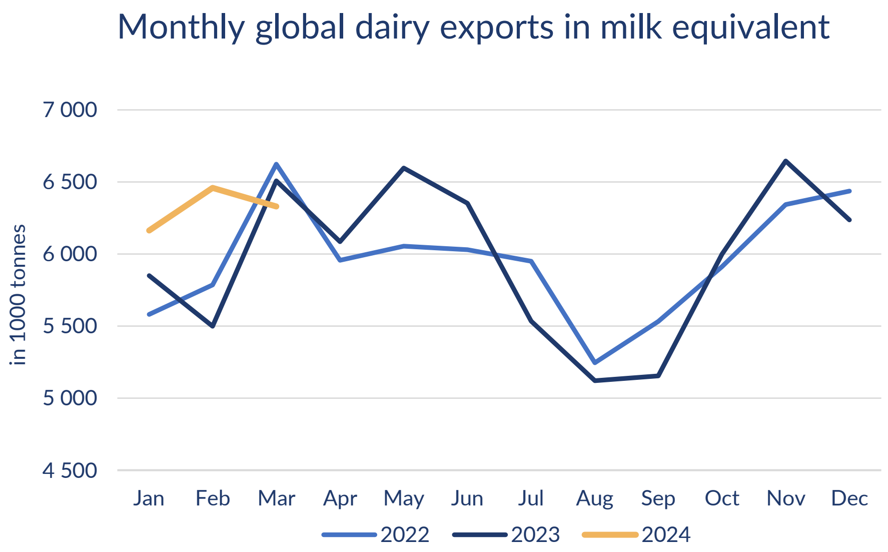
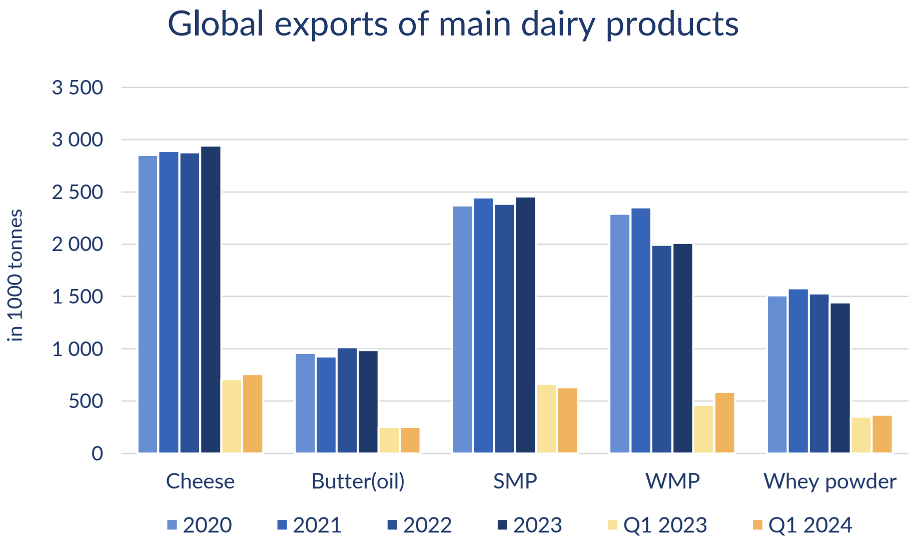
Highlights

- Following a muted 2023, global trade experienced a rebound in the first months of 2024 (though against a weak base in both 2022 & 2023), driven by more exports from New Zealand primarily to China and MENA. The growth occurred in January and February before turning negative in March.
- The long-awaited Chinese demand recovery is still pending, as continuously growing milk production and weak domestic consumption keep hampering the need for imports. The only bright spot is the increase of WMP volumes for the first time since Q1 2022. Other East Asian buying is improving but their economies remain fragile (currency devaluation), Vietnam being a good example (imports down by 19% in Q1).
- EU exports were unspectacular in Q1 2024, dragged down by poor volumes in March (-11% in ME). China was at the heart of this disappointing performance, while exports to other destinations were quite mixed.
- Boosted by very competitive pricing, US cheese shipments soared in the first quarter of 2024. Exports of all the other products continued to trend lower, reflecting constrained production. Conversely, shipments of Australia, India and Türkiye boomed after a drastic drop in 2023.

Global exports

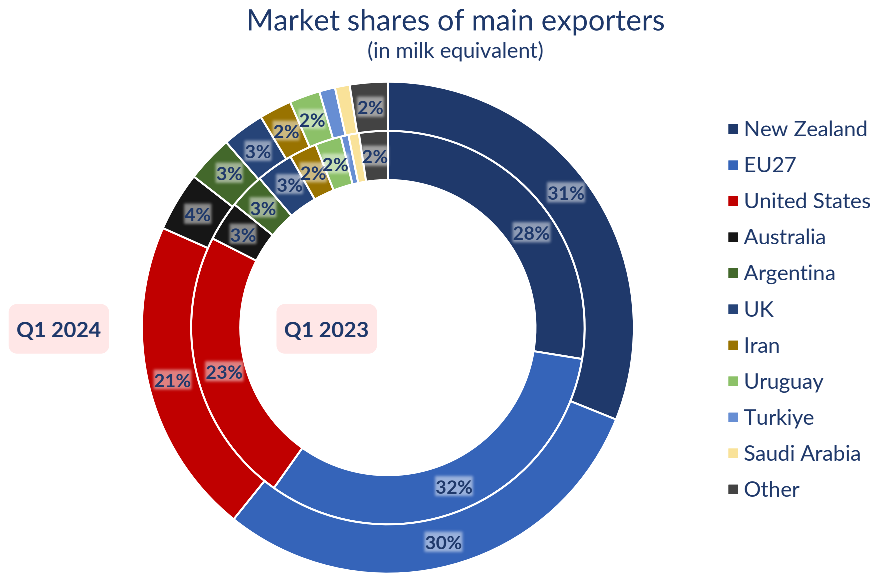


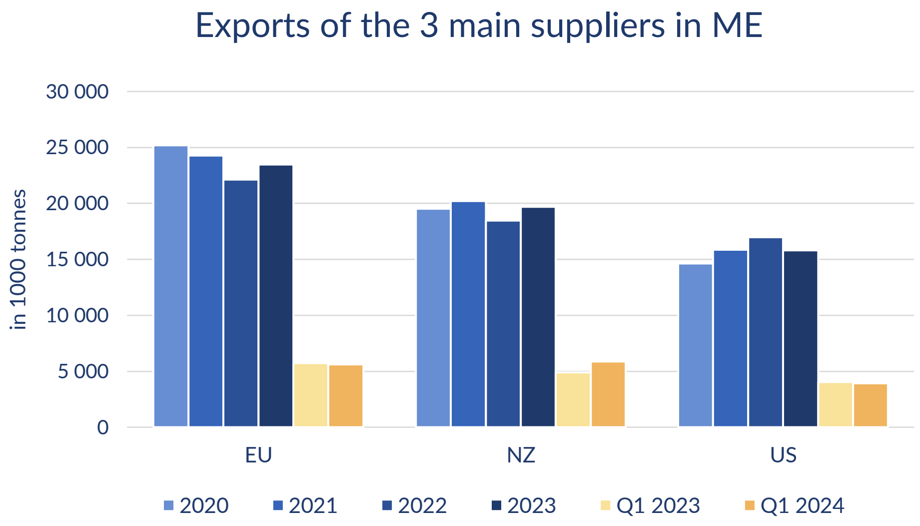


Dairy exports recorded solid growth in the first quarter of 2024, particularly in Jan & Feb. This performance however compares to a particularly weak beginning of the year in both 2022 and 2023, caused by the drop in Chinese buying of NZ WMP.

Exports of all the main product categories except SMP increased in Q1, with WMP showing the best progression.

World market – supply perspective





New Zealand led the positive trajectory in Q1, making big strides on the market and moving up to #1 supplier position. Australia has been in remarkable recovery mode since Q3 2023 and, together with the other smaller exporters (except UK & Uruguay) contributed to the increase. Following an upturn in 2023, EU exports stumbled in the first quarter, whereas US kept struggling with a reduced dairy herd.

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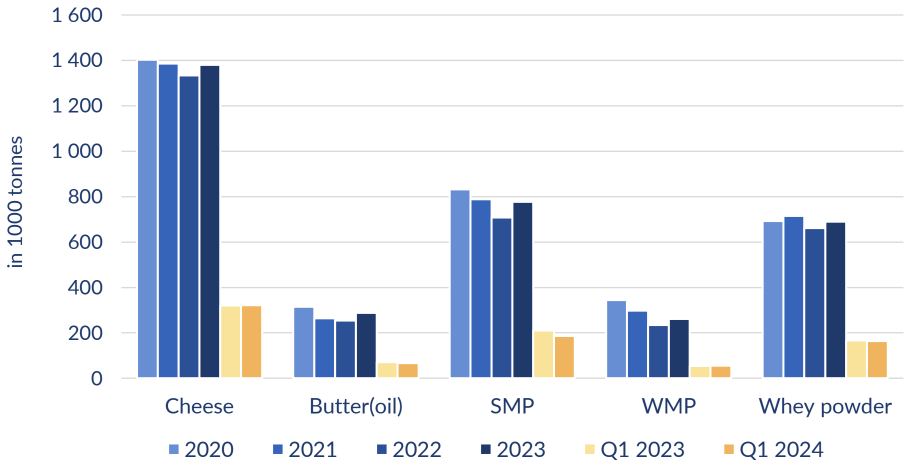
EU exports

EU exports of main dairy products



EU export destinations in Q1 2024		
Country	**Share of EU exports**	**Δ% 24/23**
Total	100%	-2%
UK	12%	-4%
China	9%	-30%
Algeria	7%	+19%
United States	4%	-3%
Indonesia	4%	-3%
Saudi Arabia	3%	+7%
Malaysia	3%	+23%
Japan	3%	-7%
Thailand	3%	-10%
Philippines	3%	+95%
Morocco	3%	+6%
Egypt	2%	-37%
Oman	2%	+31%
ROW	40%	+1%

Despite sustained MENA demand and improving SE Asian buying, EU exports dwindled in the first quarter of 2024. The robust volumes of SMP, whey & lactose shipped to China in Q1 2023 were not replicated in 2024. The UK, US, Japan and South Korea further contributed to the decline. After staging a good recovery in 2023, SMP and butter slipped and mainly account for the negative development so far in 2024.

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EU exports – focus on cheese & butterfat

EU CHEESE EXPORTS IN Q1 2024			
Main destinations	**Volume in tonnes**	**Share of EU exports**	**Δ% 24/23**
Total EU exports	**321 399**	**100%**	**+0%**
UK	99 343	31%	-1%
United States	31 670	10%	+15%
Japan	19 476	6%	-9%
Switzerland	18 576	6%	+7%
Saudi Arabia	10 926	3%	-7%
South Korea	10 344	3%	-22%
China	8 660	3%	+34%
Ukraine	7 967	2%	+6%
Australia	7 489	2%	+0%
United Arab Emirates	5 555	2%	+15%
ROW	101 393	32%	-1%

EU BUTTER EXPORTS IN Q1 2024			
Main destinations	**Volume in tonnes**	**Share of EU exports**	**Δ% 24/23**
Total EU exports	**59 604**	**100%**	**-5%**
United States	11 263	19%	-21%
UK	11 248	19%	+13%
China	4 527	8%	+40%
Saudi Arabia	3 522	6%	+81%
South Korea	3 064	5%	+1%
Morocco	1 754	3%	-27%
United Arab Emirates	1 472	2%	+8%
Israel	1 420	2%	-43%
Taiwan	1 355	2%	+9%
Singapore	1 169	2%	-8%
ROW	18 810	32%	-13%

EU BUTTEROIL EXPORTS IN Q1 2024			
Main destinations	**Volume in tonnes**	**Share of EU exports**	**Δ% 24/23**
Total EU exports	**5 665**	**100%**	**-19%**
Saudi Arabia	1 243	22%	+42%
UK	641	10%	-53%
Jordan	402	7%	-1%
Switzerland	386	5%	-20%
Iraq	358	6%	+3%
Egypt	274	5%	-47%
China	233	4%	+60%
Indonesia	226	4%	-66%
Taiwan	196	3%	-29%
Ukraine	186	3%	+210%
ROW	1 520	27%	-16%

EU cheese exports were a mixed bag in Q1 as improved demand from US & SE Asia combined with improving interest from China were offset by struggling exports to Japan & South Korea and losses posted in MENA (VS strong 2023).

After 12 consecutive months of growth, **EU butter shipments** stumbled, affected by less product flowing to US, Switzerland and Turkey. On a more positive note, exports to UK, China and Saudi Arabia soared.

EU butteroil exports fell back into negative territory after a short-lived recovery in H2 2023. Stronger Saudi demand (VS low base) did not compensate for the continuous contraction in UK buying. SE Asia and other MENA countries also showed little interest in EU products.

EU exports – focus on powders

EU SMP EXPORTS IN Q1 2024			
Main destinations	Volume in tonnes	Share of EU exports	Δ% 24/23
Total EU exports	186 789	100%	-11%
Algeria	48 163	26%	+21%
Egypt	12 704	7%	-20%
Philippines	12 341	7%	+143%
Saudi Arabia	10 484	6%	+11%
Morocco	10 216	5%	+10%
Indonesia	6 773	4%	+16%
Nigeria	6 542	4%	+22%
Yemen	6 164	3%	-13%
China	6 080	3%	-79%
United Arab Emirates	5 132	3%	-20%
ROW	62 190	33%	-18%

EU WMP EXPORTS IN Q1 2024			
Main destinations	Volume in tonnes	Share of EU exports	Δ% 24/23
Total EU exports	55 623	100%	+2%
Oman	13 309	24%	+26%
China	4 815	9%	+27%
Kuwait	4 626	8%	+53%
UK	3 438	6%	-12%
Saudi Arabia	2 140	4%	+11%
Senegal	1 636	3%	-12%
Dominican Republic	1 585	3%	-46%
Singapore	1 508	3%	-33%
Mauritania	1 158	2%	+200%
Switzerland	1 091	2%	+280%
ROW	20 317	44%	-13%

EU WHEY POWDER EXPORTS IN Q1 2024			
Main destinations	Volume in tonnes	Share of EU exports	Δ% 24/23
Total EU exports	164 477	100%	-1%
China	41 941	25%	-15%
Indonesia	18 886	11%	-8%
Malaysia	17 512	11%	+44%
Thailand	14 652	9%	+14%
UK	10 826	7%	+9%
Japan	5 331	3%	+13%
Vietnam	5 290	3%	-29%
Philippines	5 013	3%	+52%
Morocco	3 638	2%	+109%
South Korea	3 575	2%	+28%
ROW	37 813	23%	-8%

Despite healthy demand in MENA (57% of all EU SMP volumes), **EU SMP exports** tanked in the first quarter of 2024. The surge in Chinese buying that took place in Q1 2023 was not replicated in 2024, with volumes falling to unusually low levels. Widespread improvement has been recorded in Philippines since December.

Often considered a lost cause due to the dominance of NZ on global markets, **EU WMP** had a good start into 2024, at least in January and February. This growth was led by larger shipments flowing to MENA (primarily Oman & Kuwait) and China.

Mixed trends were observed for **EU whey powder** in Q1. Exports to China continued to contract but they are overlapping high volumes in 2023. Despite a drop in Indonesia & Vietnam, SE Asia was the shining star, with the highest volumes on record for the period.

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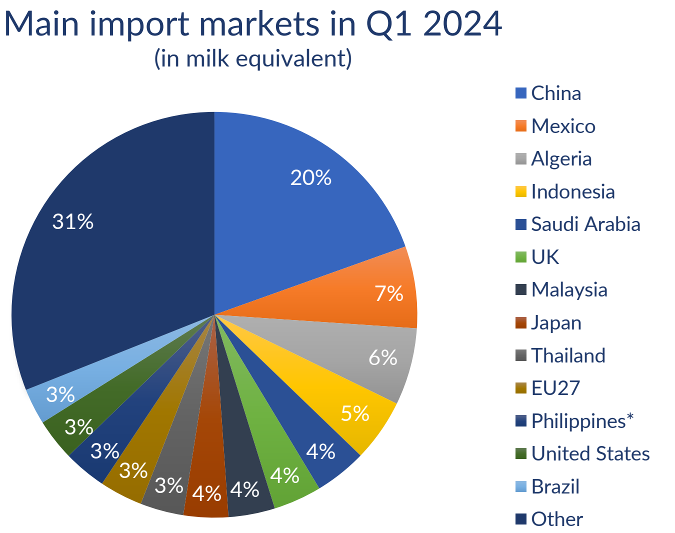
Global market – demand perspective

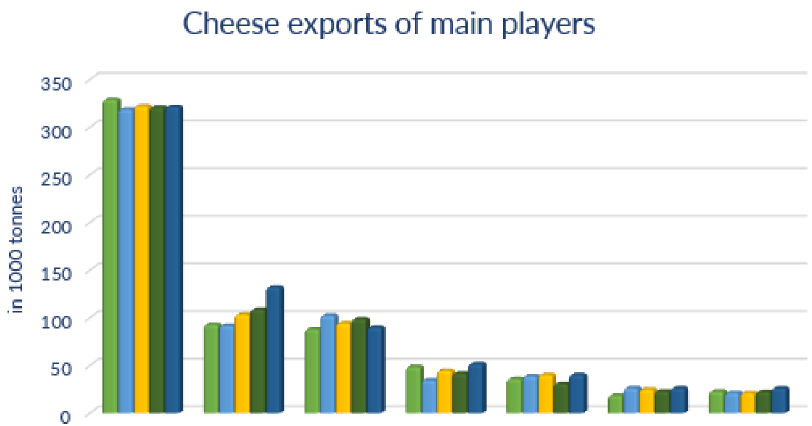


** Estimate for March*

Main import markets in Q1 2024	
Importers	**Δ% 24/23**
China	-11%
Mexico	-15%
Algeria	+35%
Indonesia	+0%
Saudi Arabia	+9%
UK	-18%
Malaysia	+47%
Japan	-1%
Thailand	+15%
EU27	-5%
Philippines*	-3%
United States	-6%
Brazil	-1%
Other	**+0%**

Following a mixed 2023, imports in Q1 2024 continued to show diverging trends. Still solid Chinese production and weak domestic consumption translated into a further decline in Q1, primarily driven by SMP and whey powder. Imports of Mexico and Brazil slipped after buoyant activities in 2023, as Mexico is struggling to match the strong comparables of last year. Despite a contraction in Vietnam, SE Asian demand has been in recovery mode and import flows rose by 5% in Q1. MENA kept thriving (+17% YTD), bolstered by Algeria's healthy appetite for dairy.

Cheese



	EU27	US	NZ	UK	AUS	Iran	Saudi A.
CAGR	-0.6%	9.2%	0.5%	1.4%	2.8%	9.0%	3.2%
Δ% 24/23	0.1%	21.6%	-9.1%	23.4%	30.1%	13.9%	16.3%

Q1 2020 Q1 2021 Q1 2022 Q1 2023 Q1 2024

MAIN CHEESE IMPORTERS IN Q1 2024			
Importers	Volume in tonnes	Share of total	Δ% 24/23
UK	101 233	14%	-11%
Saudi Arabia	64 008	9%	-0%
Japan	52 954	7%	-2%
Mexico	52 932	7%	+30%
United States	48 570	7%	+15%
EU27	46 594	6%	+8%
China	41 204	6%	-2%
Iraq	33 575	5%	+17%
Australia	25 464	3%	-8%
South Korea	23 761	3%	-33%
Other	240 934	33%	+8%

Growing global demand and good returns continued to support cheese production and trade, with another increase registered in Q1 2024. Following a poor performance in 2023, US exports rose in the first 3 months of 2024, supported by stronger price competitiveness and robust Mexican demand. In Oceania, NZ shipments to all its main destinations shrank, whereas recovering Australian milk output translated into stronger volumes to Japan and reduced imports from the US. Looking at the importers, aside from Mexico, MENA and the EU were the major contributors to the growth, offsetting weaker South Korean imports and the still apparent data discrepancy in the UK.

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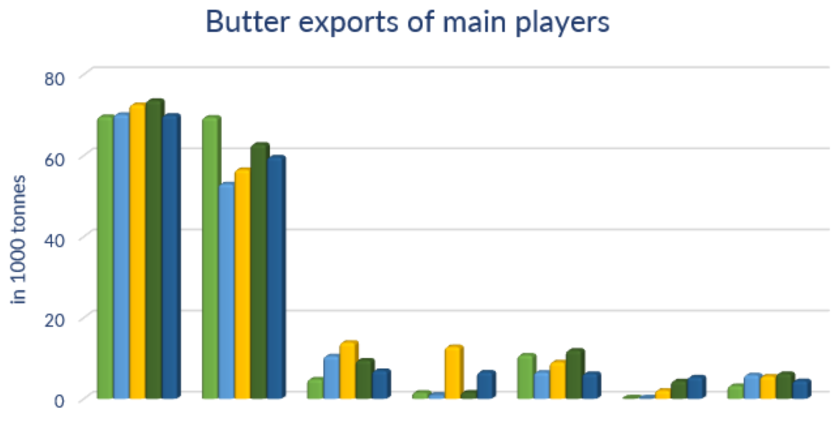
Butter

MAIN BUTTER IMPORTERS IN Q1 2024			
Importers	Volume in tonnes	Share of total	Δ% 24/23
China	25 112	16%	-9%
United States	18 256	12%	+16%
Saudi Arabia	13 574	9%	+34%
UK	10 270	7%	-24%
Australia	9 552	6%	-26%
Canada	7 943	5%	+6%
South Korea	5 432	4%	-12%
Azerbaijan	5 378	3%	+25%
Japan	4 924	3%	+49%
Bahrain	4 450	3%	+11%
Other	49 242	32%	-16%



	NZ	EU27	US	India	UK	Iran	ARG
CAGR	0.1%	-3.7%	9.4%	44.4%	-12.8%	619.7%	8.5%
Δ% 24/23	-5.0%	-5.0%	-27.3%	323.0%	-48.0%	22.0%	-28.4%

Firmest market across major dairy products, butter has since H2 2023 seen prices rise very steeply (strong US disappearance and tight EU output). This caused global butter trade to move further down in Q1, with nearly all the suppliers posting losses. On the upward side, India is once again more active on the global market and Australia keeps improving from the slump in 2023. The picture among importers is mixed: EU volumes (included in ”other”) dropped by 9kt (less UK & NZ products) and mainly account for the YTD decline, whereas US & MENA imports remained consistent with 2023 trends.

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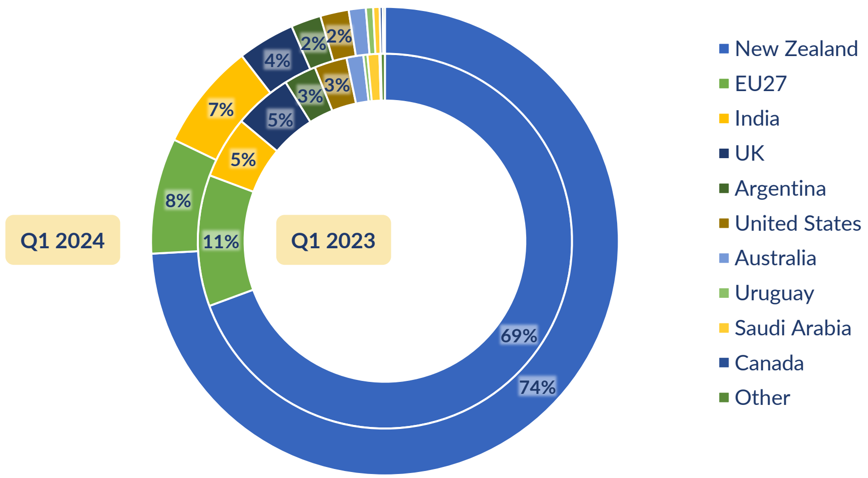
Butteroil

Butteroil - market share of main exporters
(% of total volume)



MAIN BUTTEROIL IMPORTERS IN Q1 2024			
Importers	**Volume in tonnes**	**Share of total**	**Δ% 24/23**
Mexico	6 751	12%	-42%
United States	6 375	11%	+30%
China	5 649	10%	-15%
EU27	4 512	8%	-38%
Philippines*	4 420	8%	+23%
Saudi Arabia	3 525	6%	+39%
Thailand	3 065	5%	+39%
Malaysia	2 629	5%	-6%
Indonesia	2 595	5%	+62%
Australia	1 945	3%	-20%
Other	15 471	27%	-3%

** Estimate for March*

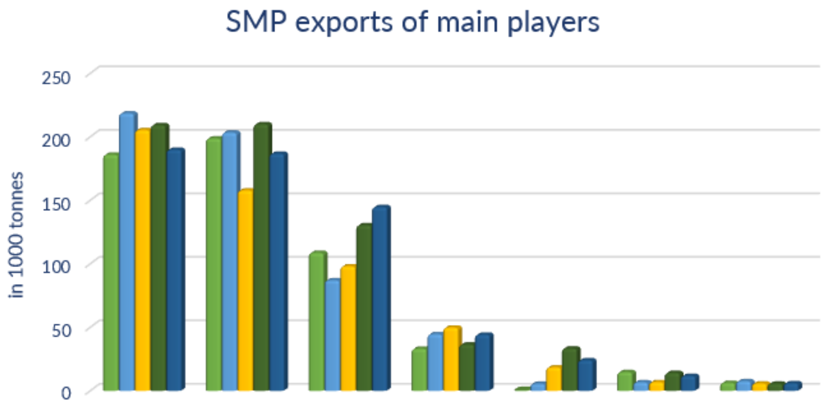
Following a decline in 2023 (despite more NZ product), global butteroil exports managed strong recovery in Q1, led by larger volumes shipped from dominating NZ. As was the case for butter, India was more present in this market segment with more product flowing to MENA, whereas EU and the other smaller suppliers performed poorly. On the import side, the rebound is not yet visible as weak Mexican & Chinese buying combined with reduced EU & Australian volumes are weighing down on the overall import picture. On a more positive note, US imports have returned to growth with more butteroil sourced from Argentina. Saudi Arabia keeps driving MENA's increasing imports and SE Asia also continued their upturn trajectory.

** Not fully representative of global trade flows as most but not all importing countries are included*

SMP

MAIN SMP IMPORTERS IN Q1 2024			
Importers	Volume in tonnes	Share of total	Δ% 24/23
Mexico	86 235	14%	-25%
China	80 007	13%	-29%
Algeria	56 947	9%	+33%
Indonesia	52 336	9%	+21%
Philippines*	43 984	7%	-1%
Malaysia	36 316	6%	+76%
Vietnam	27 342	5%	-11%
Thailand	27 282	5%	+42%
Egypt	18 879	3%	-15%
Pakistan	16 346	3%	-18%
Other	154 019	26%	+4%

** Estimate for March*



	US	EU27	NZ	AUS	Iran	UK	ARG
CAGR	0.5%	-1.5%	7.4%	7.5%	159.2%	-5.6%	-1.4%
Δ% 24/23	-9.3%	-11.1%	11.0%	21.3%	-28.0%	-16.8%	6.5%

Q1 2020 Q1 2021 Q1 2022 Q1 2023 Q1 2024

2024 has not been a good year for global SMP trade so far, the strong 2023 flows being difficult to match (+11% in Q1 2023). EU, US and, to a lesser extent, Iran mainly account for the decline. New Zealand on the other hand continued to expand, with more product shipped to MENA and China. Australia has shown encouraging growth on this market segment as well, mainly focusing on SE Asia. Despite larger volumes from NZ (benefitting from free market access since January), Chinese imports dipped drastically in Q1, likely driven by high stocks built in the course of 2023. US exports to Mexico slowed down and turned negative in Q1 after exhibiting spectacular progression in 2023. Together they offset robust imports of MENA (primarily Algeria) and SE Asia, led by Malaysia, Indonesia and Thailand.

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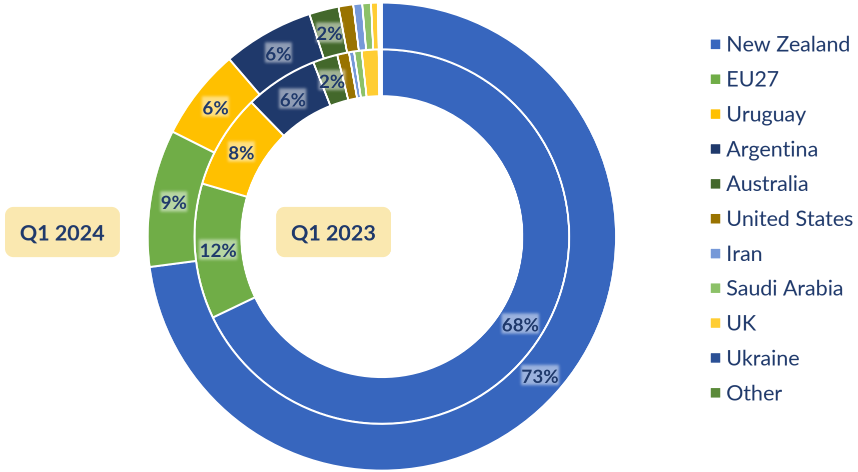
WMP

WMP - market share of main exporters
(% of total volume)



MAIN WMP IMPORTERS IN Q1 2024			
Importers	Volume in tonnes	Share of total	Δ% 24/23
China	143 350	27%	+7%
Algeria	82 997	16%	+37%
Brazil	37 386	7%	+5%
Saudi Arabia	32 268	6%	+2%
Thailand	24 001	5%	+20%
Oman	20 299	4%	+67%
Indonesia	19 206	4%	-18%
Malaysia	15 788	3%	+21%
Sri Lanka	13 352	3%	+37%
Singapore	11 937	2%	-14%
Other	123 376	24%	+2%

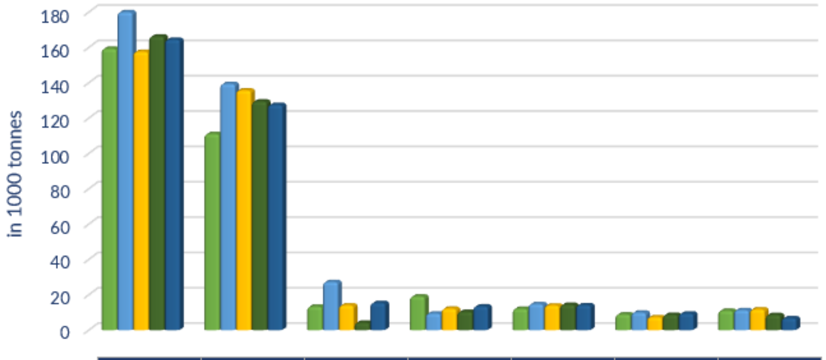
Chinese imports rose for the first time since Q1 2022, possibly reflecting a new ‘normal’ buying trend for Q1 post safeguard and taking into account their local production (Imports -60% VS Q1 2022). MENA, which represents 1/3 of all WMP imports, was by far the key contributor to Q1 growth. Oman came back in line with its 2022 upward trend, whereas Algerian imports bounced back after a subdued H2 2023. Q1 also witnessed a surge in Nigerian imports following 2 years of staggering falls due to market access restrictions put in place in 2021 (removed since 12 March 2024). Undisputed #1 exporter NZ was the big winner in Q1 showing the best progression, though nearly all the second-tier suppliers also saw their exports expand.

Whey powder

MAIN WHEY POWDER IMPORTERS IN Q1 2024			
Importers	Volume in tonnes	Share of total	Δ% 24/23
China	133 491	37%	-21%
Indonesia	27 361	8%	+7%
Malaysia	22 653	6%	+72%
Japan	17 513	5%	+15%
Philippines*	16 201	5%	-3%
Thailand	15 479	4%	-13%
Mexico	13 237	4%	+4%
UK	12 453	3%	-20%
EU27	12 192	3%	+8%
South Korea	8 375	2%	+5%
Other	78 145	22%	-9%

** Estimate for March*

Whey powder exports of main players



	EU27	US	Turkiye	UK	ARG	AUS	Canada
CAGR	0.8%	3.5%	3.7%	-8.4%	3.9%	1.4%	-11.3%
Δ% 24/23	-1.1%	-1.5%	266.5%	29.7%	-1.9%	8.2%	-21.2%

Q1 2020 Q1 2021 Q1 2022 Q1 2023 Q1 2024

Türkiye made a big return to the whey powder market in 2024 and together with Iran, UK and Australia account for the increase in Q1, while the other players including #1 supplier EU and #2 US saw their exports decrease. Chinese imports continue to trend lower, down in 8 of the last 9 months. Conversely, SE Asia keeps showing widespread improvement, particularly in Malaysia (VS weak base in 2023). Japan and South Korea are also showing positive signs of recovery after a disastrous 2023.