

Global Dairy Outlook

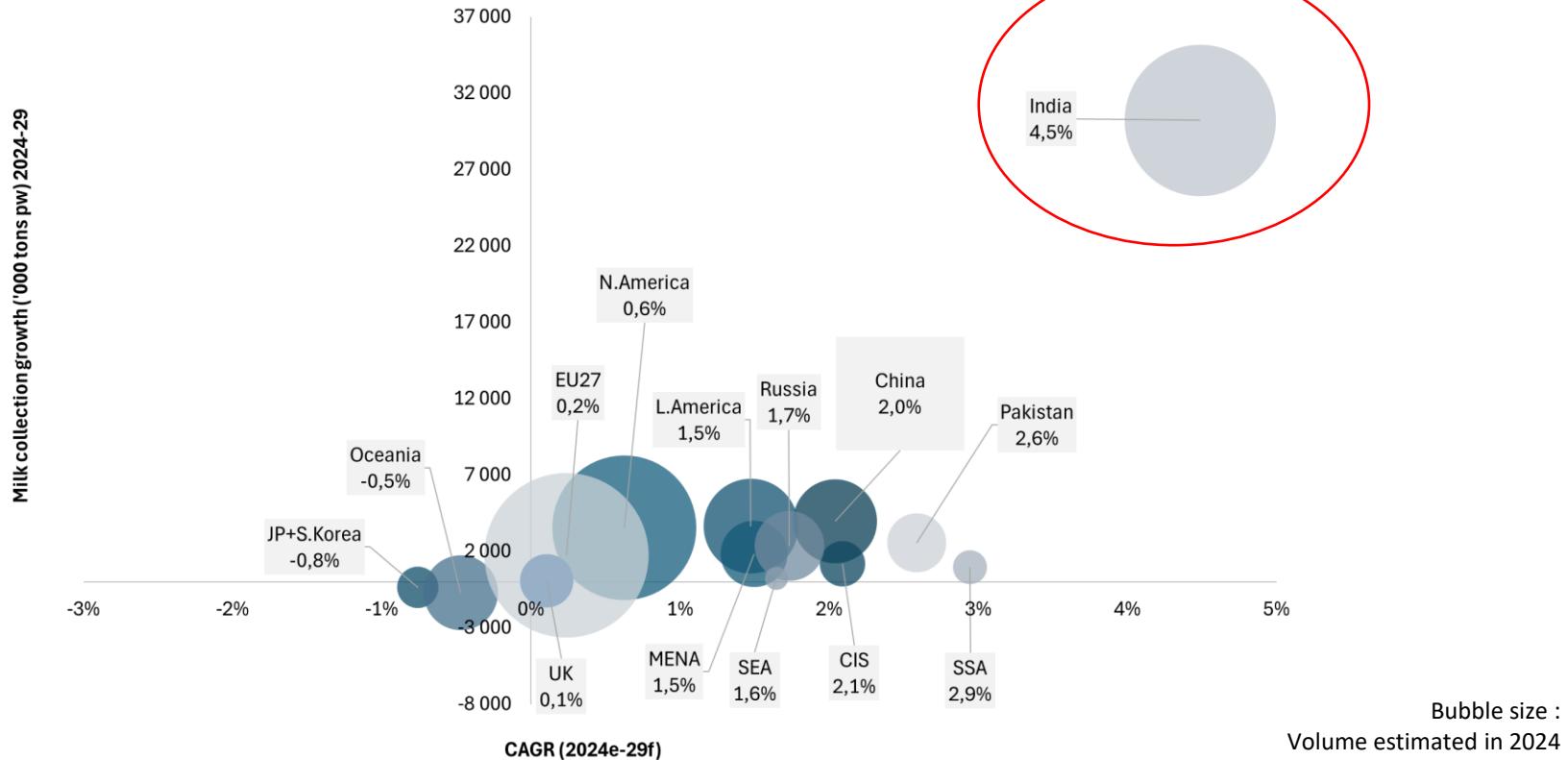
Christophe Lafougere, CEO Gira

27th of March 2025

Milk collection: India will lead the game

+1.6% p.a expected by 2029 at world level

Global Milk collection growth 2024e/2029f

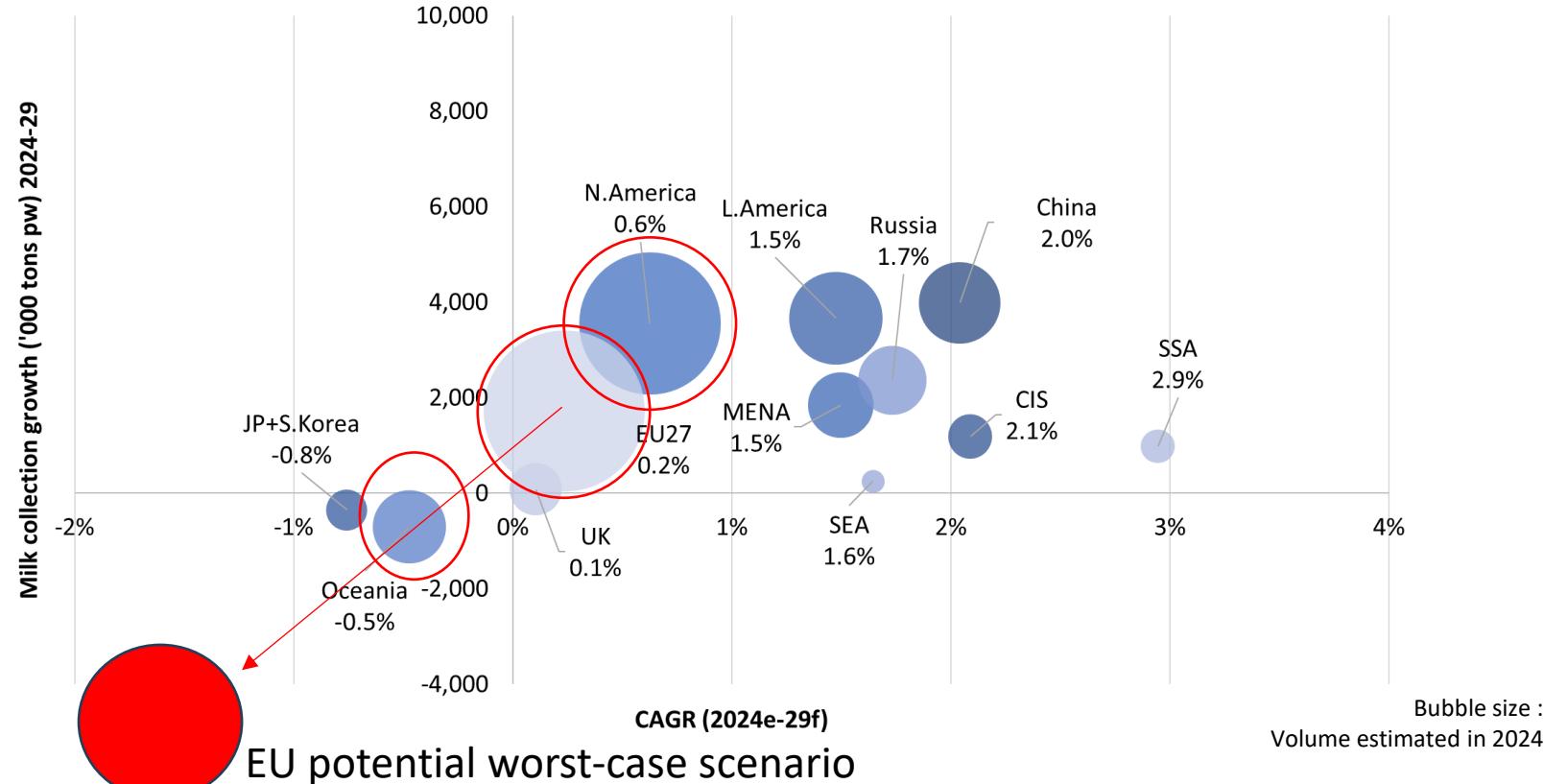


Small/no growth to be expected in top exporting countries

Only +0.8% p.a by 2029 without India and Pakistan



Milk collection growth 2024e/2029f excl. IN & PK

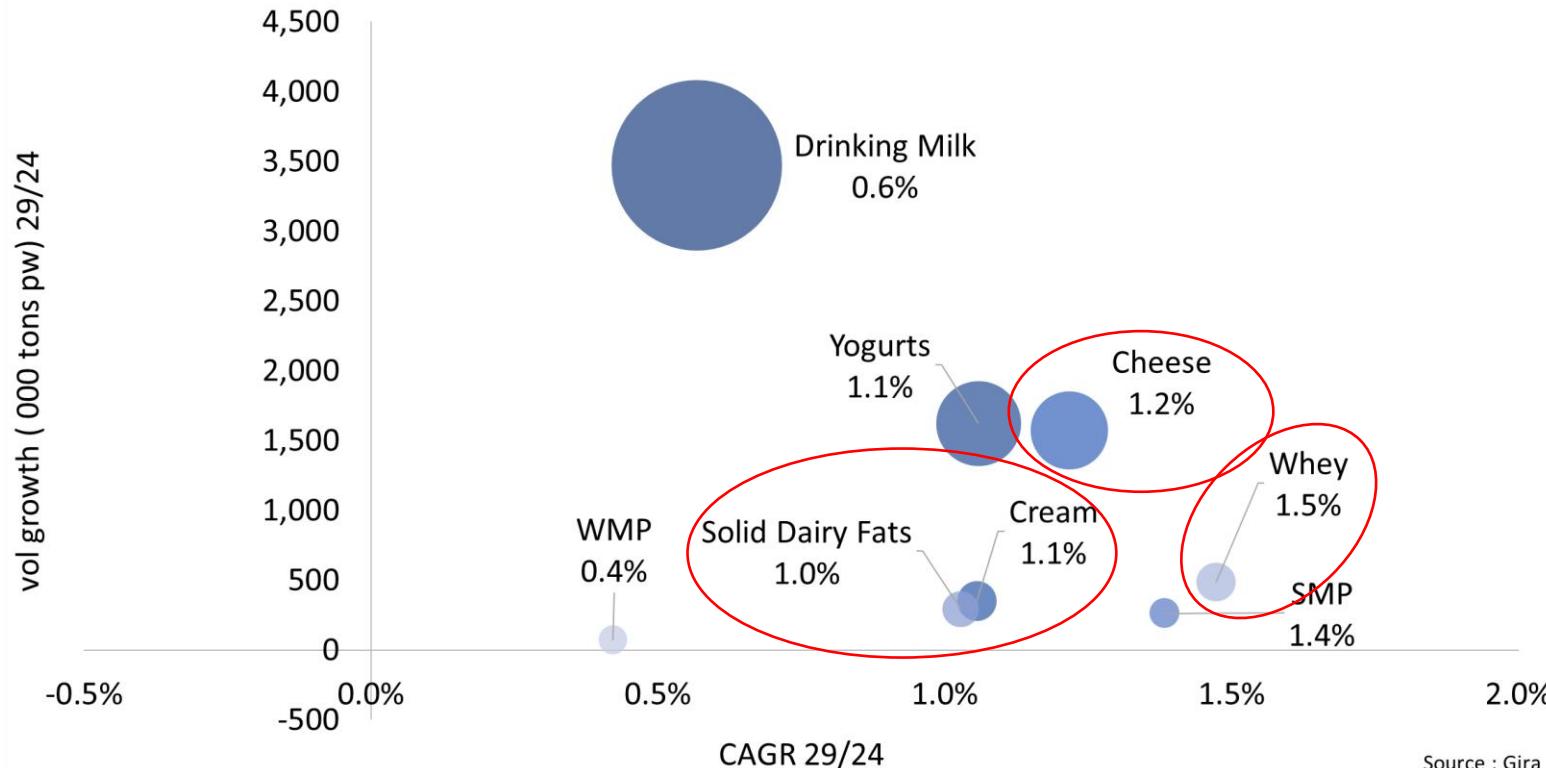


World: Overview of Consumption Growth by Product (24e/29f)

Cheese is clearly the winner but watch out whey consumption



Global Consumption growth, excl. IN & PK 2024e-2029f

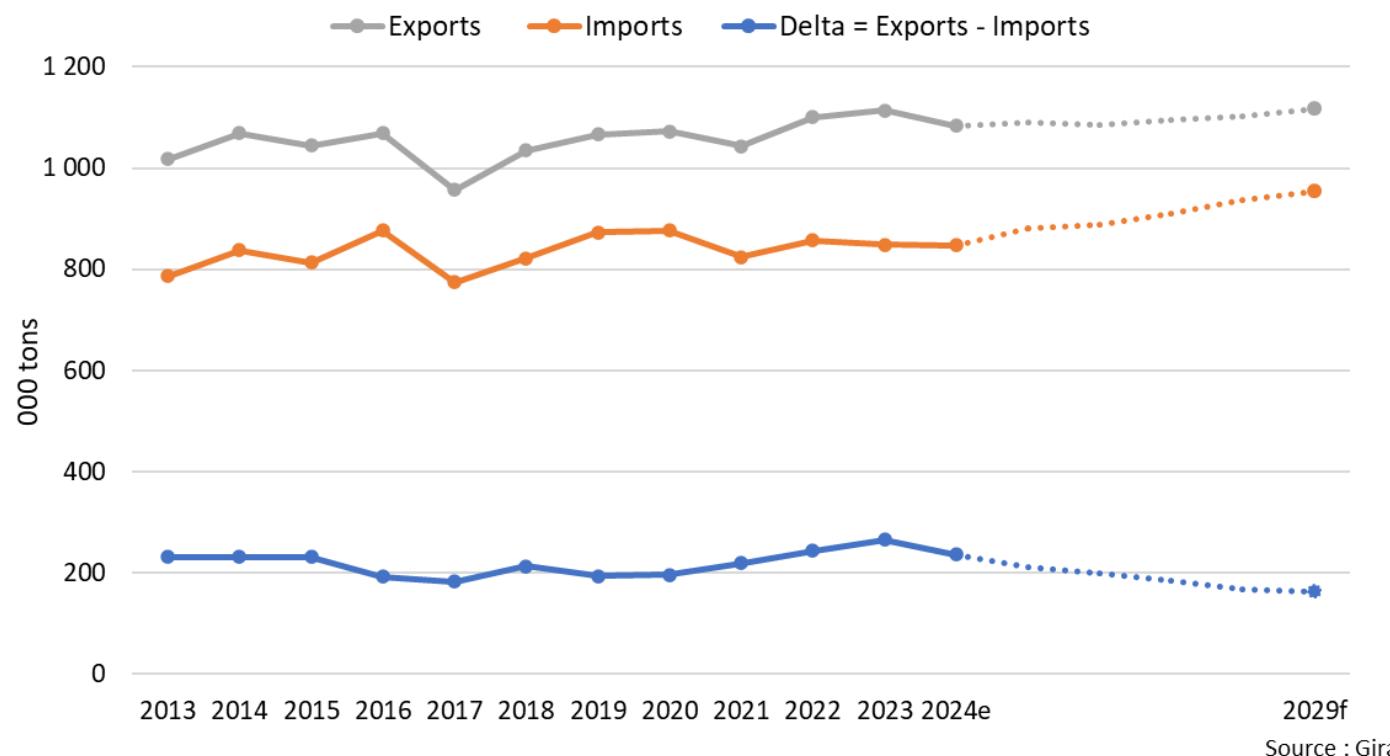


Less milk in the EU and NZ and increasing consumption
means that dairy fat price should continue to remain high in the
future

Solid Dairy Fats: potentially price could remain high



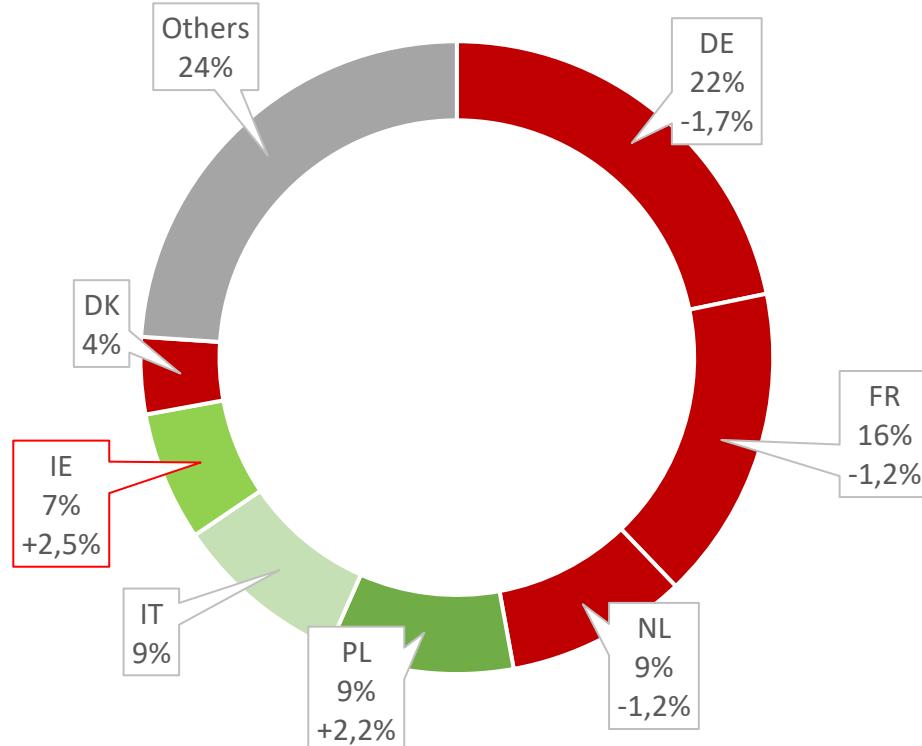
SDF Market 2013- 2024e- 2029f



The EU situation: less milk available

We need to add more value to the milk we are processing

Milk collection by EU countries in 2025



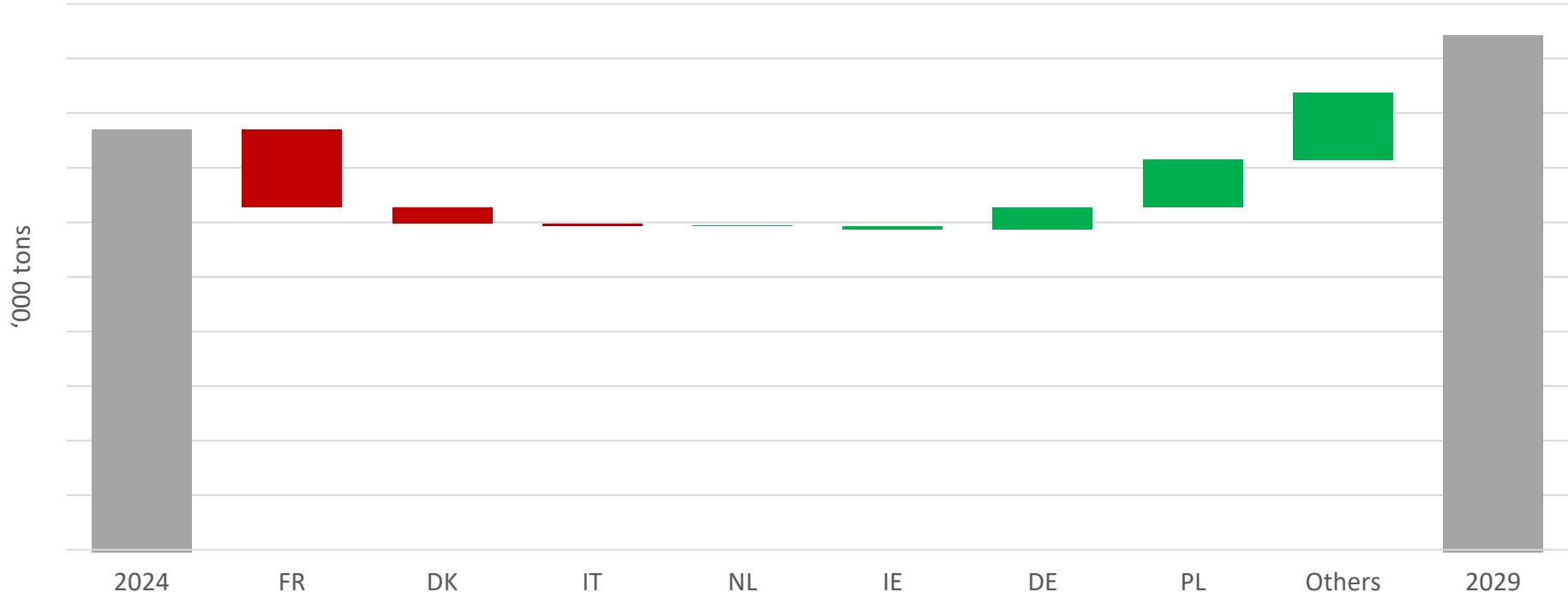
By 2029, Slowing down in milk collection (best case scenario)

With divergent trends: more east, less west.



Milk collection growth by EU countries (best case scenario)

2029: impact of environmental measures?

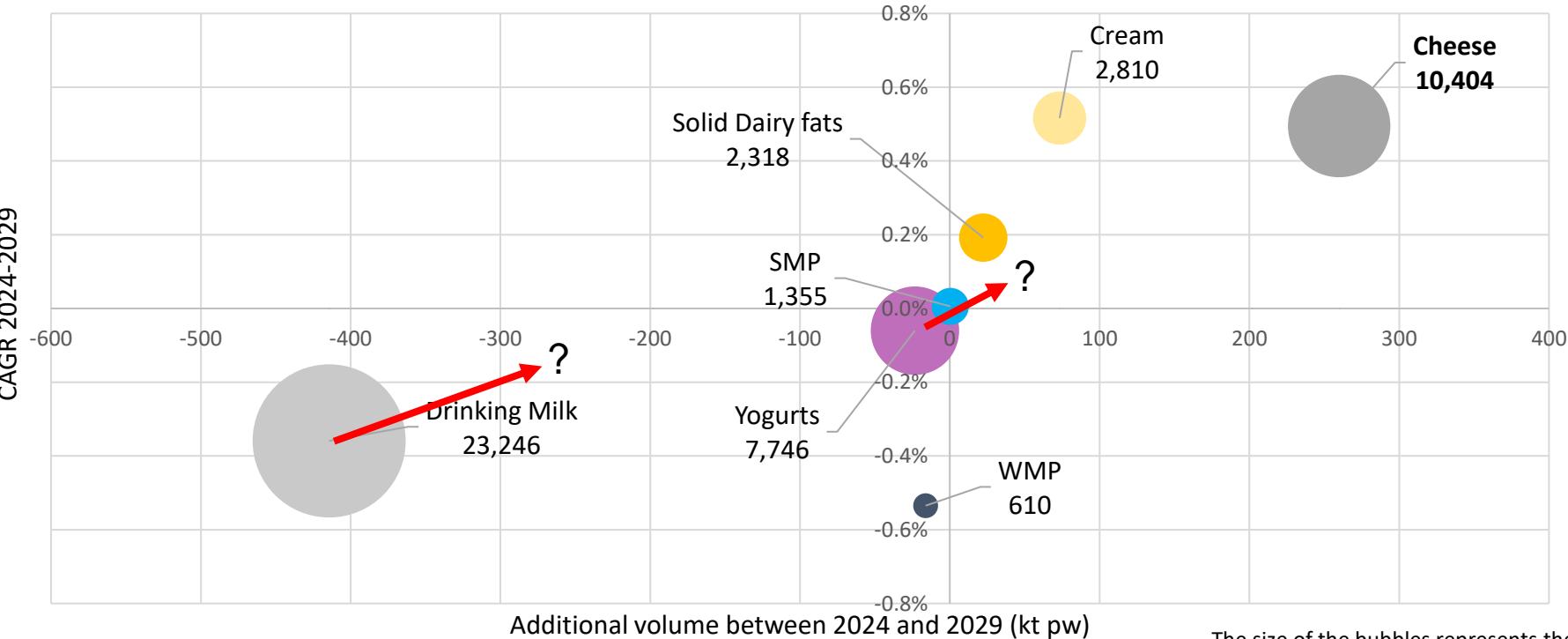


There will be more cheese produced in Europe within 2029

Drinking milk and Yogurts seems to be again on a positive trend



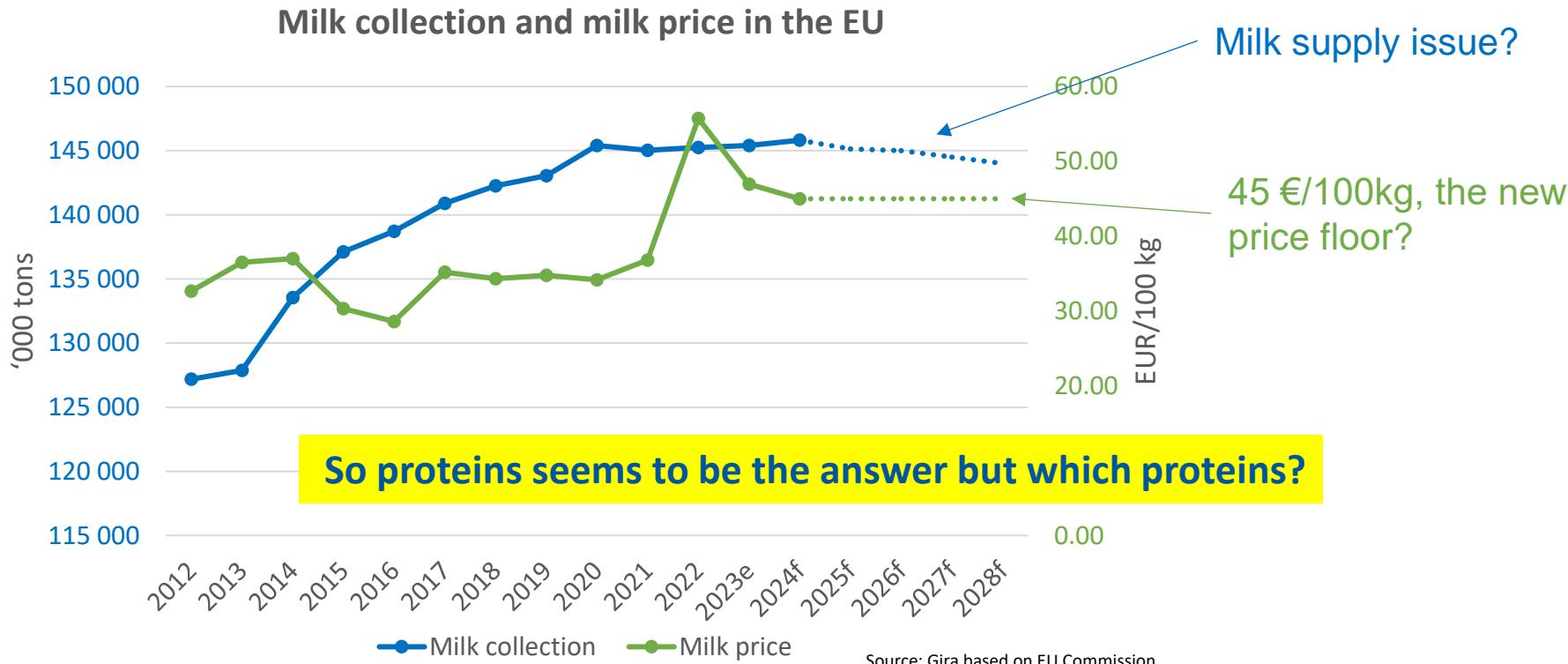
Dairy products production in Europe, 2024-2029



The size of the bubbles represents the volume in 2024

In Europe, the milk will cost more

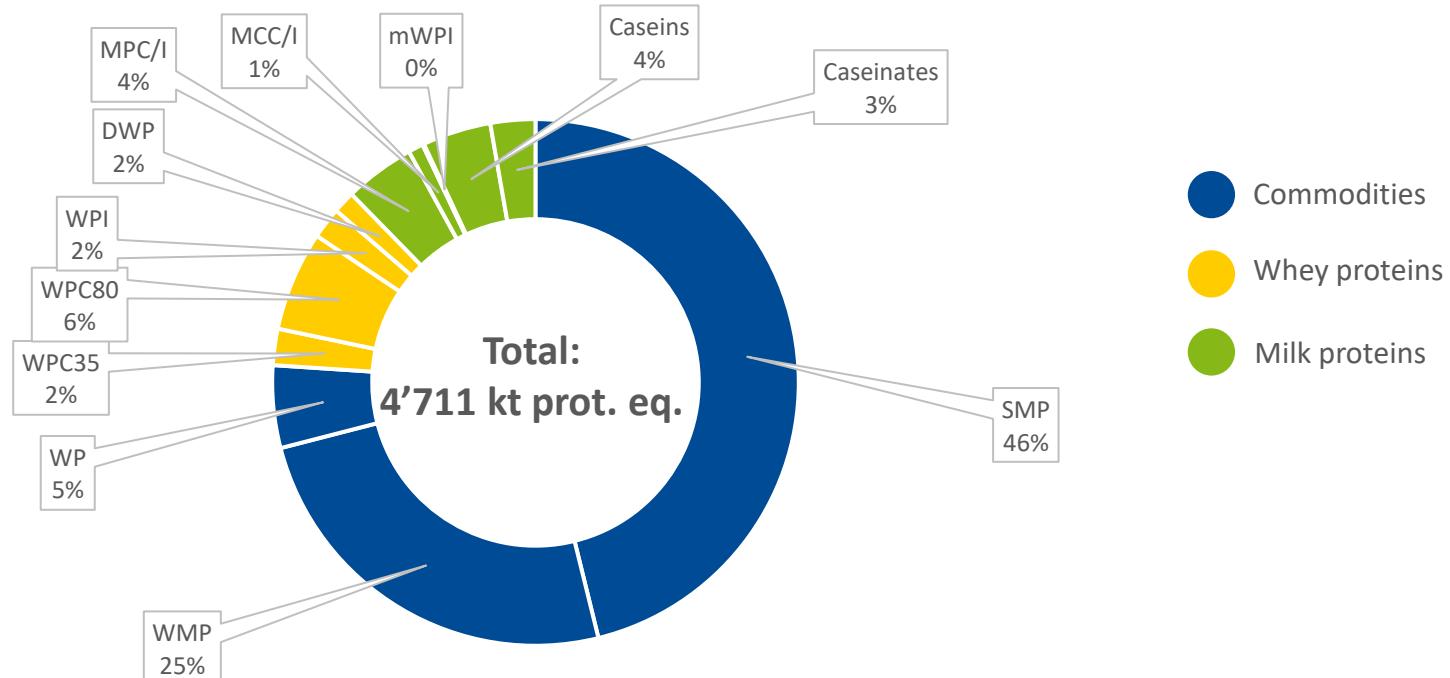
The price increase will weigh on margin: need for real added value



The protein situation

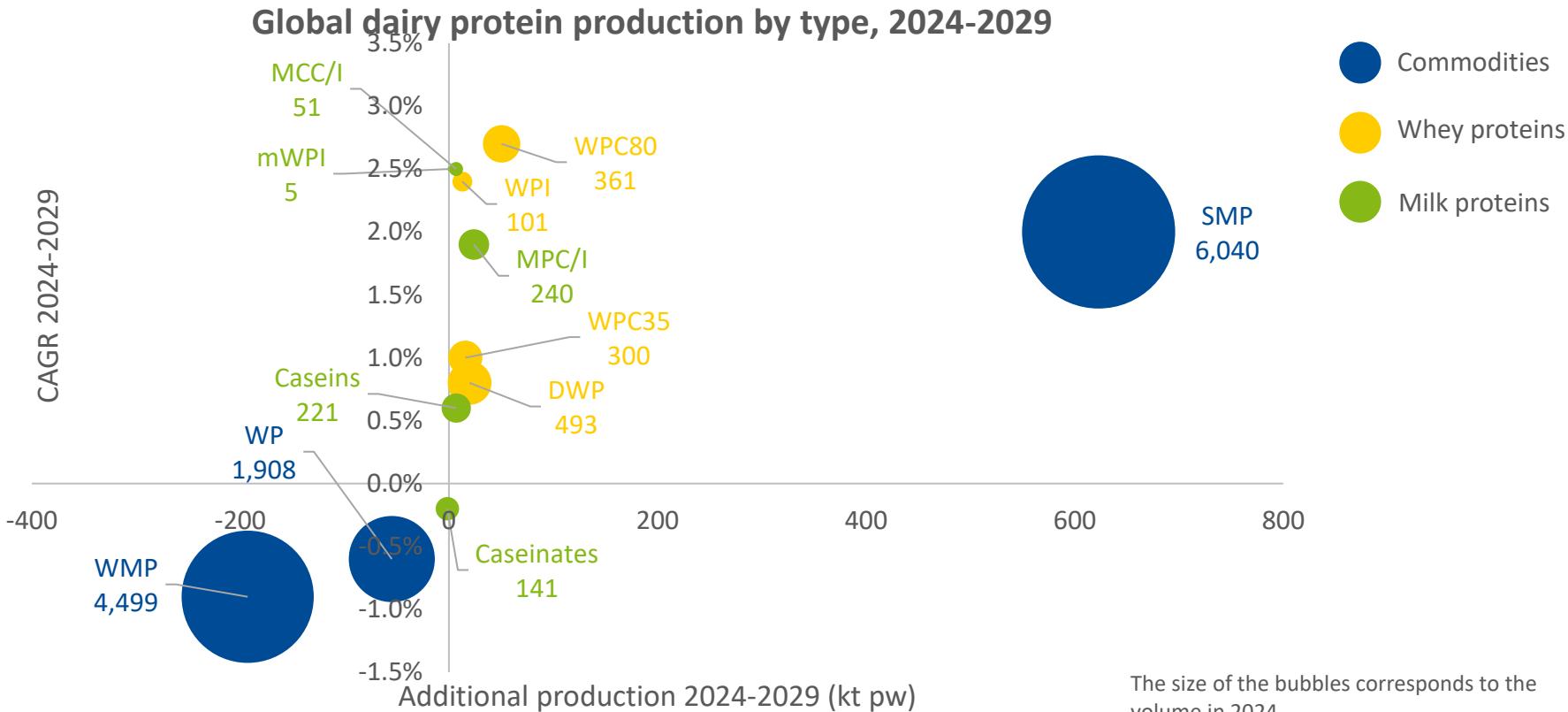
More than 75% of dairy proteins are commodities
But there is still room to increase added-value given to milk

Production of dairy protein by type, 2024 (prot. eq.)



High growth for concentrates and isolates

SMP still dynamic, but what about WMP and WP?



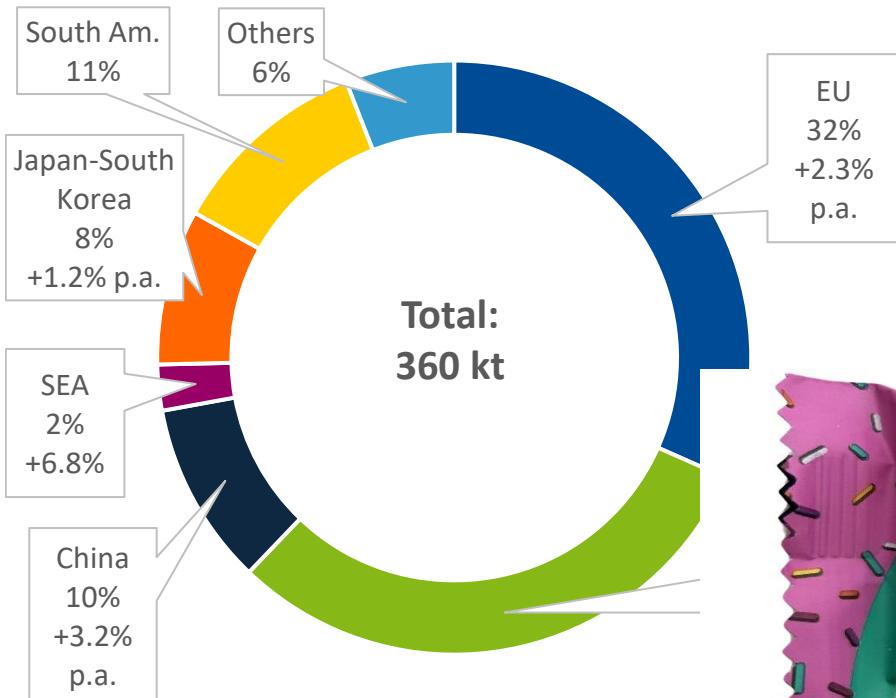
The size of the bubbles corresponds to the volume in 2024

Source: Gira

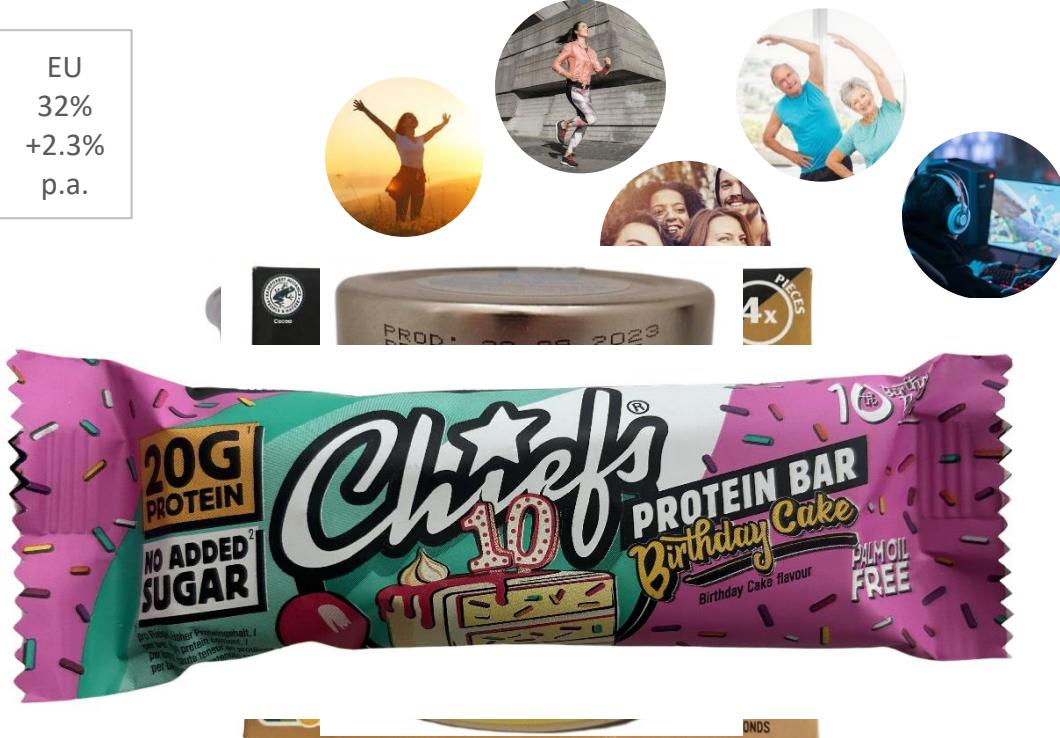
Why demand for proteins is booming?

Demand will be positive and will sustain the growth of supply

WPC 80 consumption by area, 2024



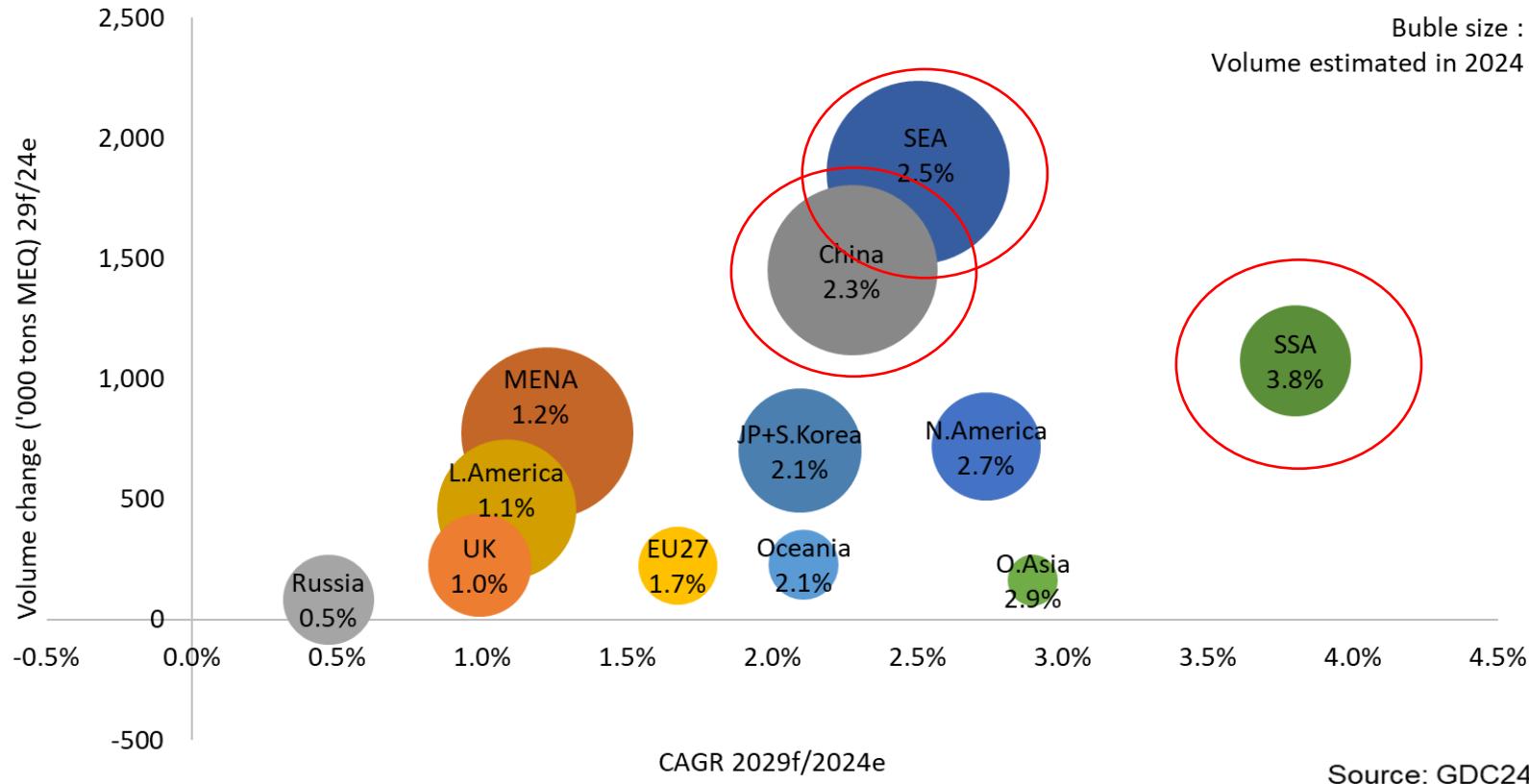
High dynamism of the “high protein” trend in food products



What about imports?

Imports by Main Regions (24e/29f) in Meq

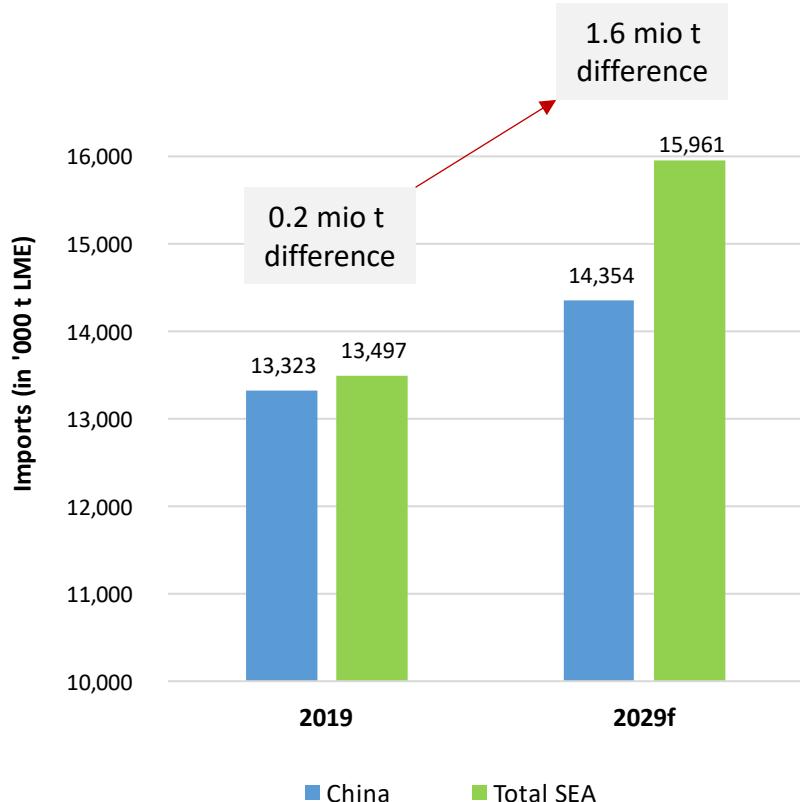
SEA will Lead the Game: +2.5% p.a.; +1.9 million tonnes



The SEA situation

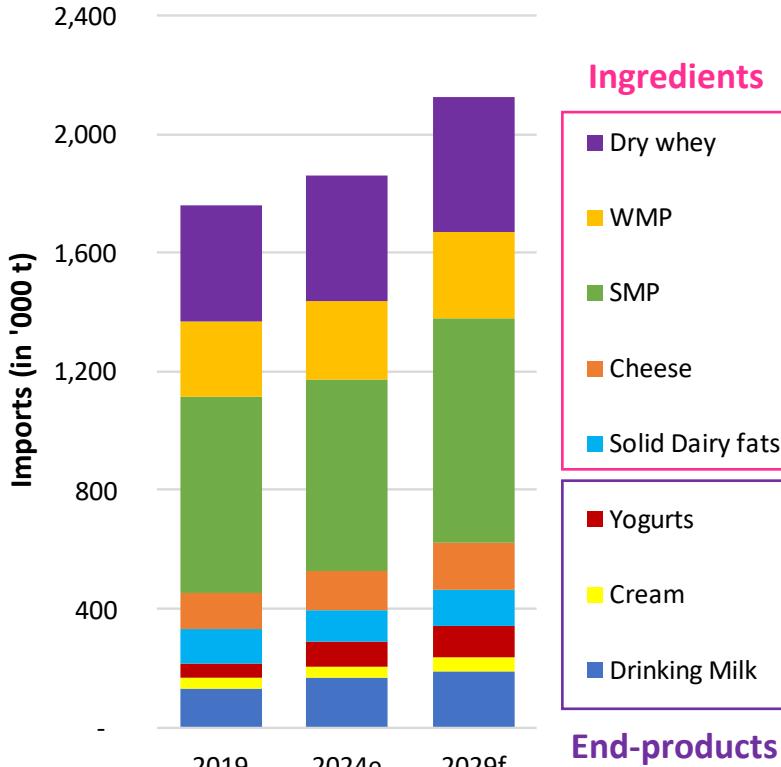
Dairy Imports volume from South-East Asia and China

Widening Gap: SEA will import 1.6 mio t more than China in 2029f (Meq)

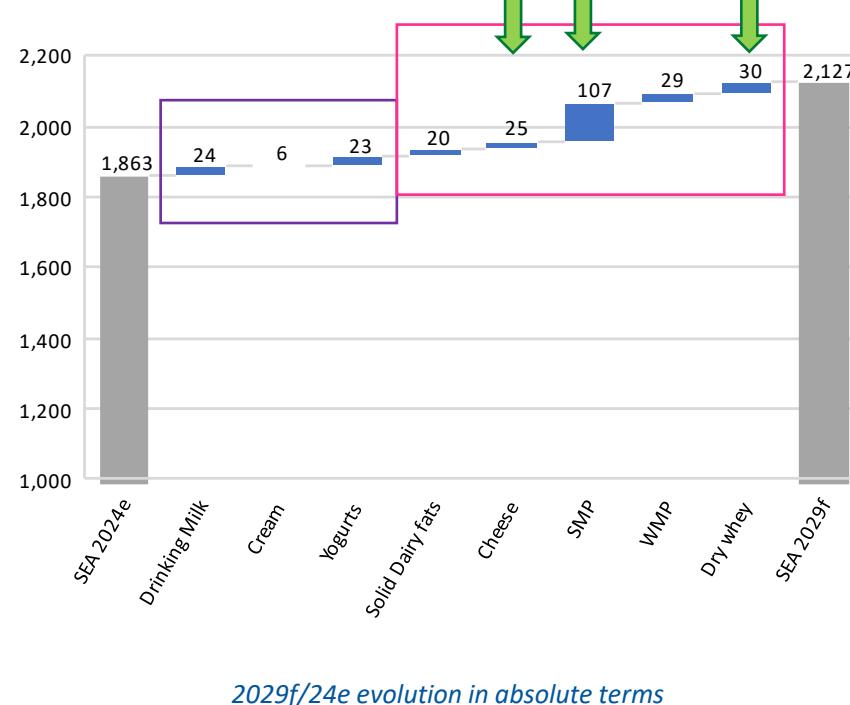


Significant Opportunity on Exporting SMP to SEA

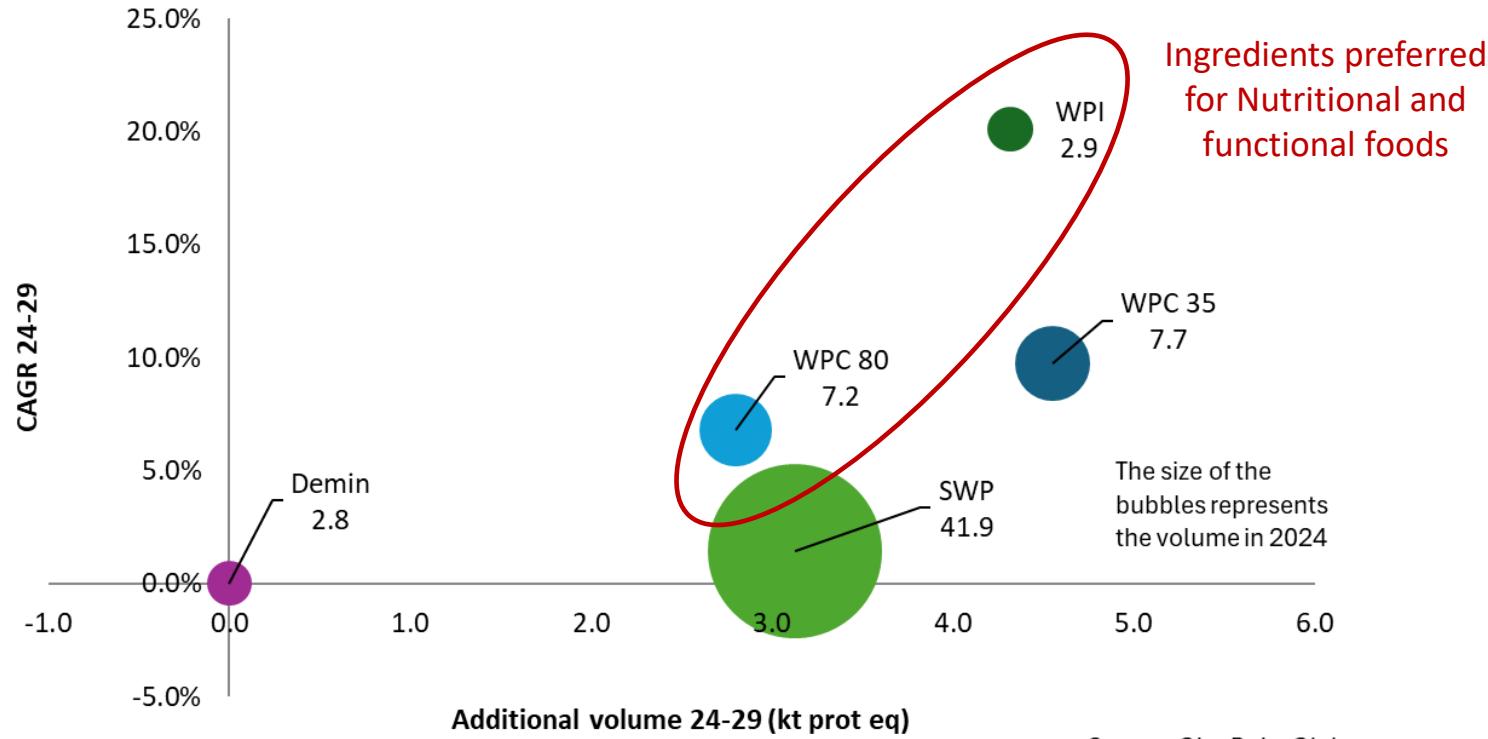
Both End-products and Ingredients for Remanufacturing will Grow



All data are in '000 t of product (not in LME)



Whey Protein Consumption in SEA, 2024-2029f



Source: Gira Dairy Club

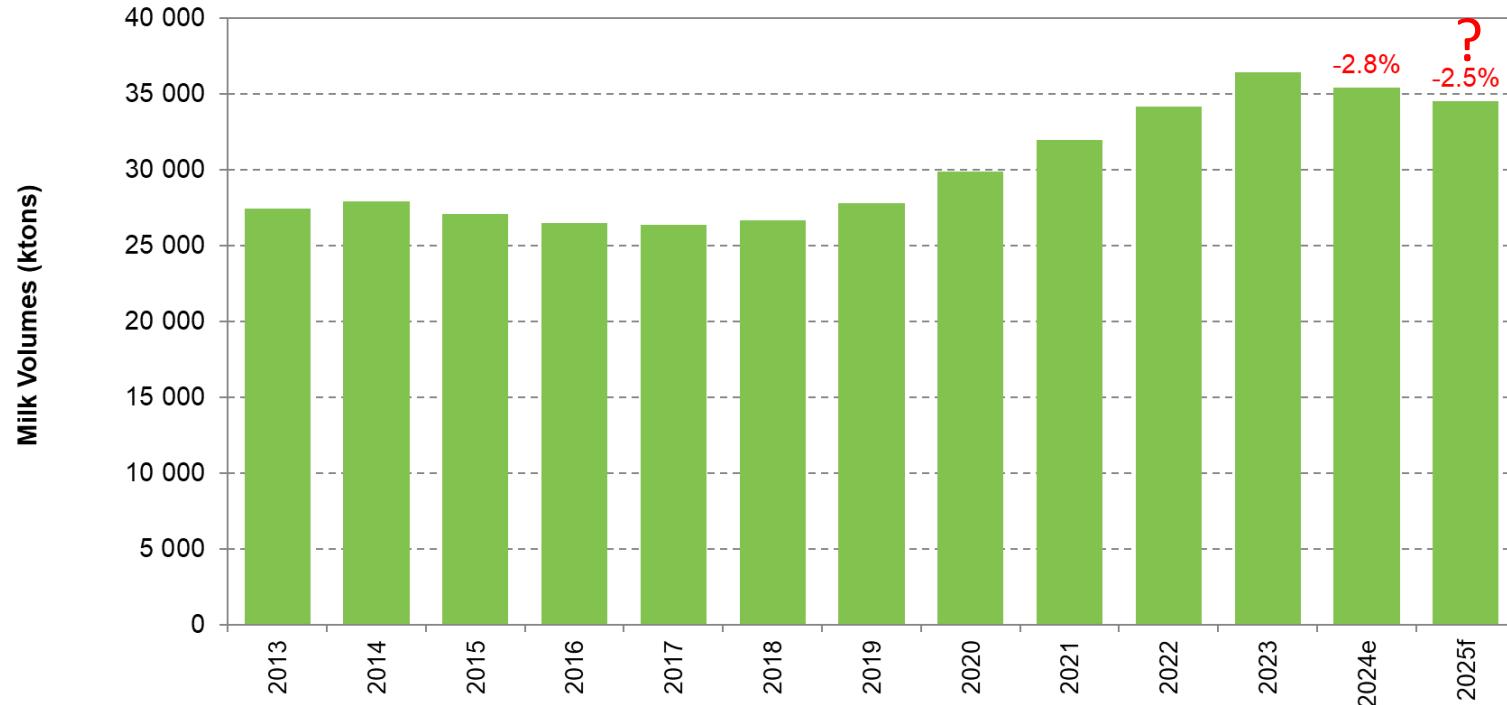
The chinese situation

China is seeing a reduction of it's milk collection

This trend should continue in first part of 2025



China Milk Production, 2013-2025f



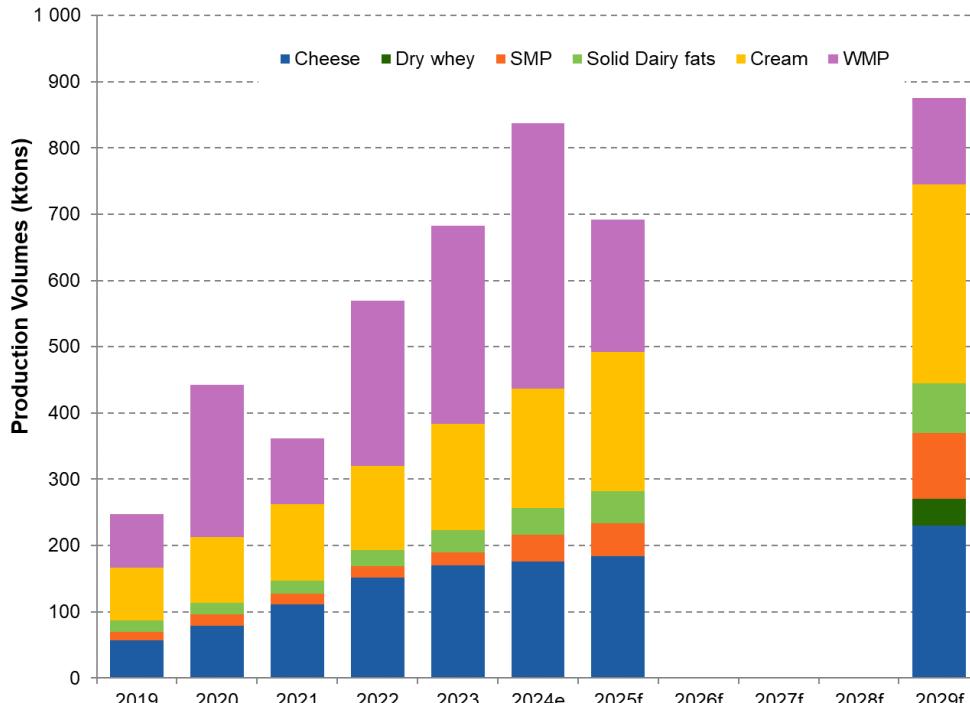
Source: NBS, IDF, Gira forecast

More Production of Dairy Commodities

SMP, cream...and eventually cheese. Whey will follow



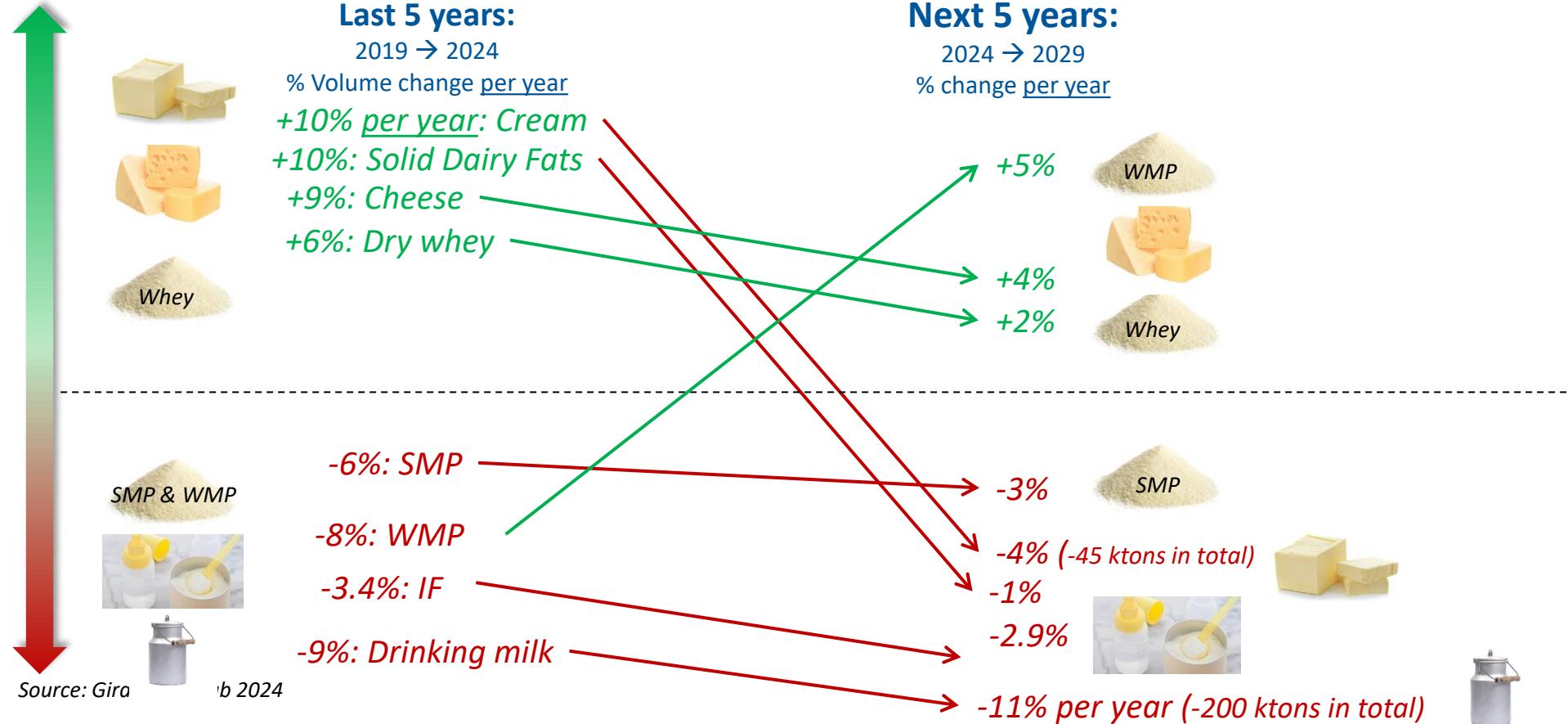
Dairy Commodities Production, 2019-2029f



Source: Gira estimates and forecasts

Main consequences: Evolution of Chinese Imports

Strong change of import structure...with overall much lower rates!

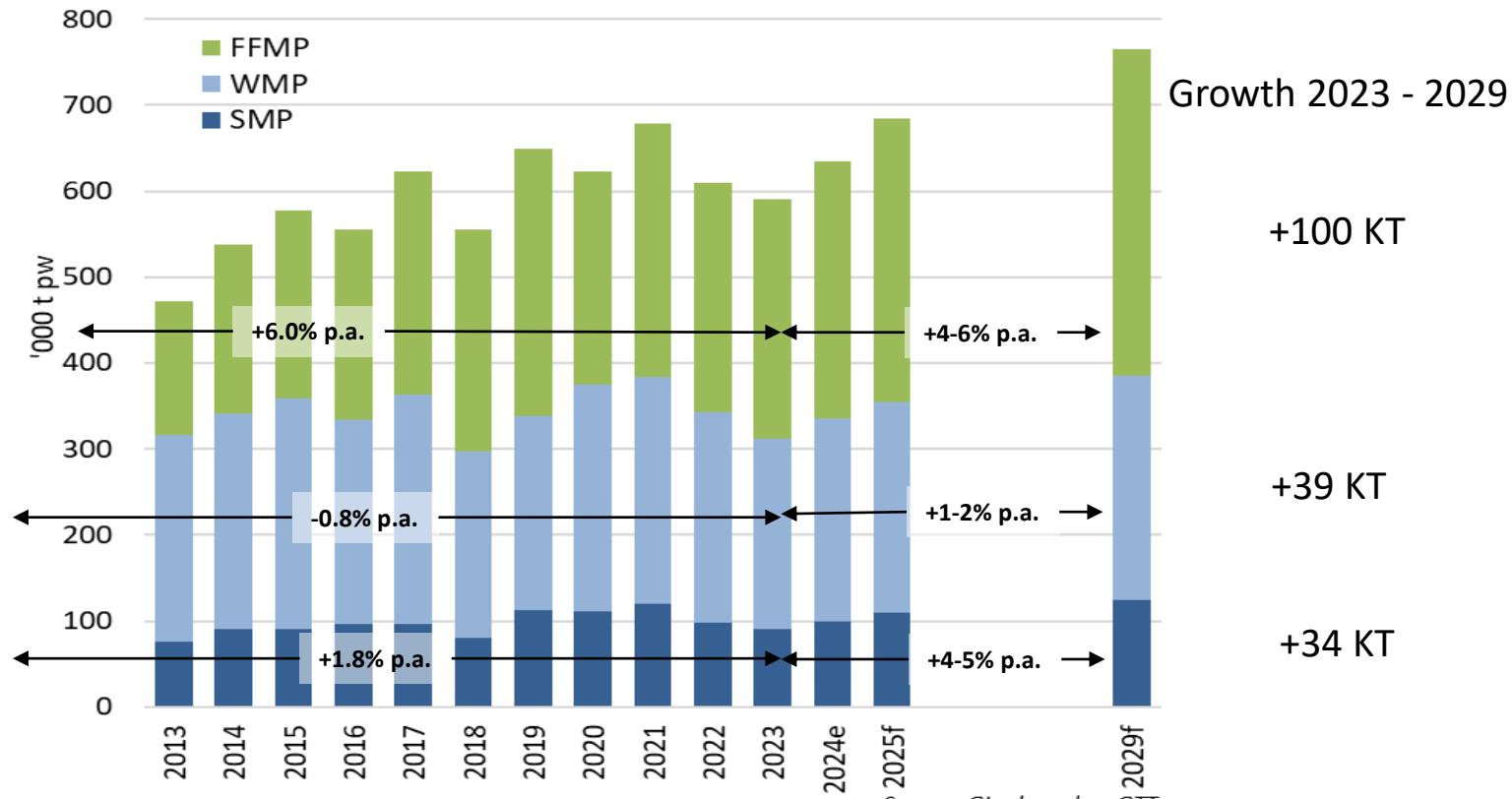


What about FFMP?

SSA Imports summary: the optimistic scenario

Essentially a powder market: FFMP followed by WMP

Sub Saharan Africa powder imports, 2013-29f



Conclusions

1. LIMITED GLOBAL MILK SUPPLY

- Positive in the US, hesitant in the EU, decreasing in NZ
- Global demand will continue to pull > Increasing global milk deficit + Potential trade and Price tensions

2. GROWING IMPORTANCE OF ADDING MORE VALUE TO THE MILK WE ARE PROCESSING

- Appetite for dairy proteins will continue to grow around the world, absorbing additional supply of whey
- Mainly WPC80/WPI but what about MPC/MCC (Permeate?)
- Milk fat price should stay high in the future

3. WATCH OUT WHAT IS HAPPENING TO CHINA

- Less imports, more local production
- For short term, more proteins imports
- Could potentially continue to have a major impact on the dairy industry for the future

4. IRISH EXPORTS WILL CONTINUE TO GROW

- More cheese and more butter
- Less to China and more to SEA
- Less IF but more added value ingredients (whey derivatives) but also blends
- And watch out some potential issue with FFMP for the future



Should you require more infos please contact

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