



Market Report

August 2025

Global Dairy Market Overview

Global milk supply lifted in July driven by US flows.

European milk supply is expected to grow by +0.5% annually but could be affected by weather or animal health issues.

Last month’s report signalled that European commodity prices were high historically and interest eases during the holiday season.

European pricing fell in July and may fall further.

However, there are signs of stability and activity usually returns in September. Clarity regarding US-EU tariffs will also support European exports.

However, most European commodities continue to command a premium.

Against a backdrop of volatile global trade and geopolitical environment, this may dampen demand later in the year.

CHEESE



BUTTER

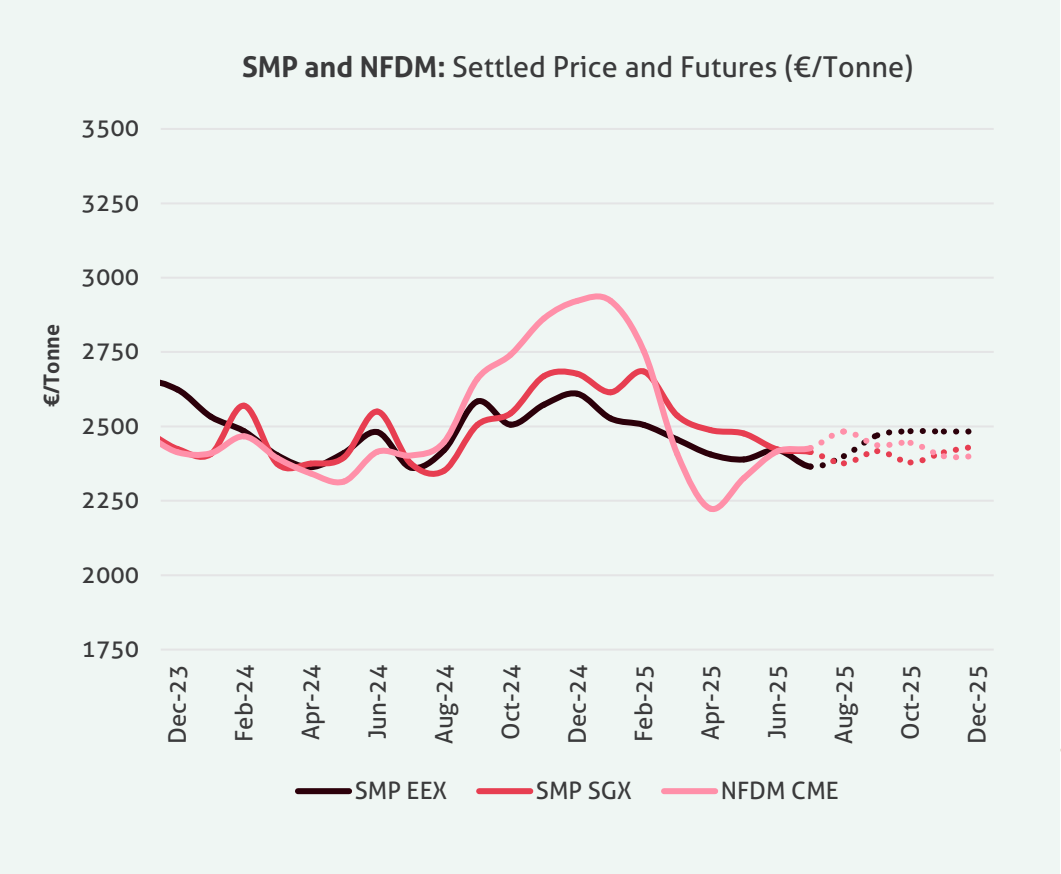
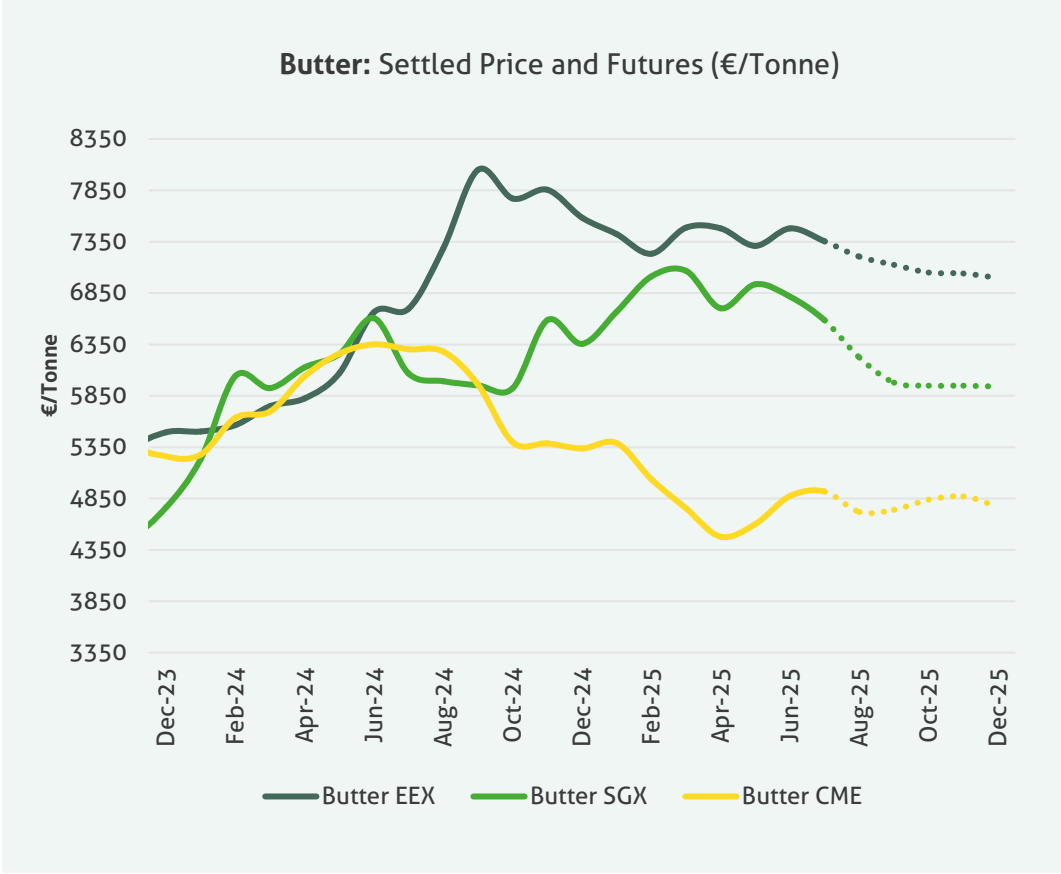


SMP



PRICE MOVEMENT VERSUS LAST MONTH			
	EU-27	US	NEW ZEALAND
			
CHEESE	€4,466 (EEX) 	€3,445 (CME) 	€3,930 (GDT) 
BUTTER	€7,109 (EEX) 	€4,545 (CME) 	€6,200 (GDT) 
SMP	€2,367 (EEX) 	€2,405 (CME) 	€2,410 (GDT) 

Historic Price Movements and Futures



Macro Barometer

SUPPLY



EU farm-gate prices

Prices have been flat or slightly lower in recent months.



Feed prices

Irish prices are just above the 5-year average.



Fertiliser prices

Irish fertiliser prices are also around the 5-year average.



EU weather

North-West Europe has been drier than average.



Herd size and yield

Cow cull rates are down versus 2024 and 2023 levels.



EU milk supply

EU annual supply is unlikely to exceed +0.5%.

DEMAND



Retail sales

Sales are solid, but cheese is performing better than butter.



Foodservice

Sales are muted with inflation affecting low-income earners.



Dairy exports

Exports have been tracking ahead of 2024 levels.



Global economy

The US-EU trade deal should bring clarity, but tariffs may weigh on growth.



Currency

The USD and GBP are both weaker compared to the EUR.



Global dairy demand

Demand is matching supply in a challenging environment.

Global Milk Supply



Global Milk Supply

Jan-Jun 2025

Global Exporters:
 Global milk collections increased by +2.1% in June driven by US flows.

EU-27:
 Collections increased by +0.5% in May and by just +0.1% in June.

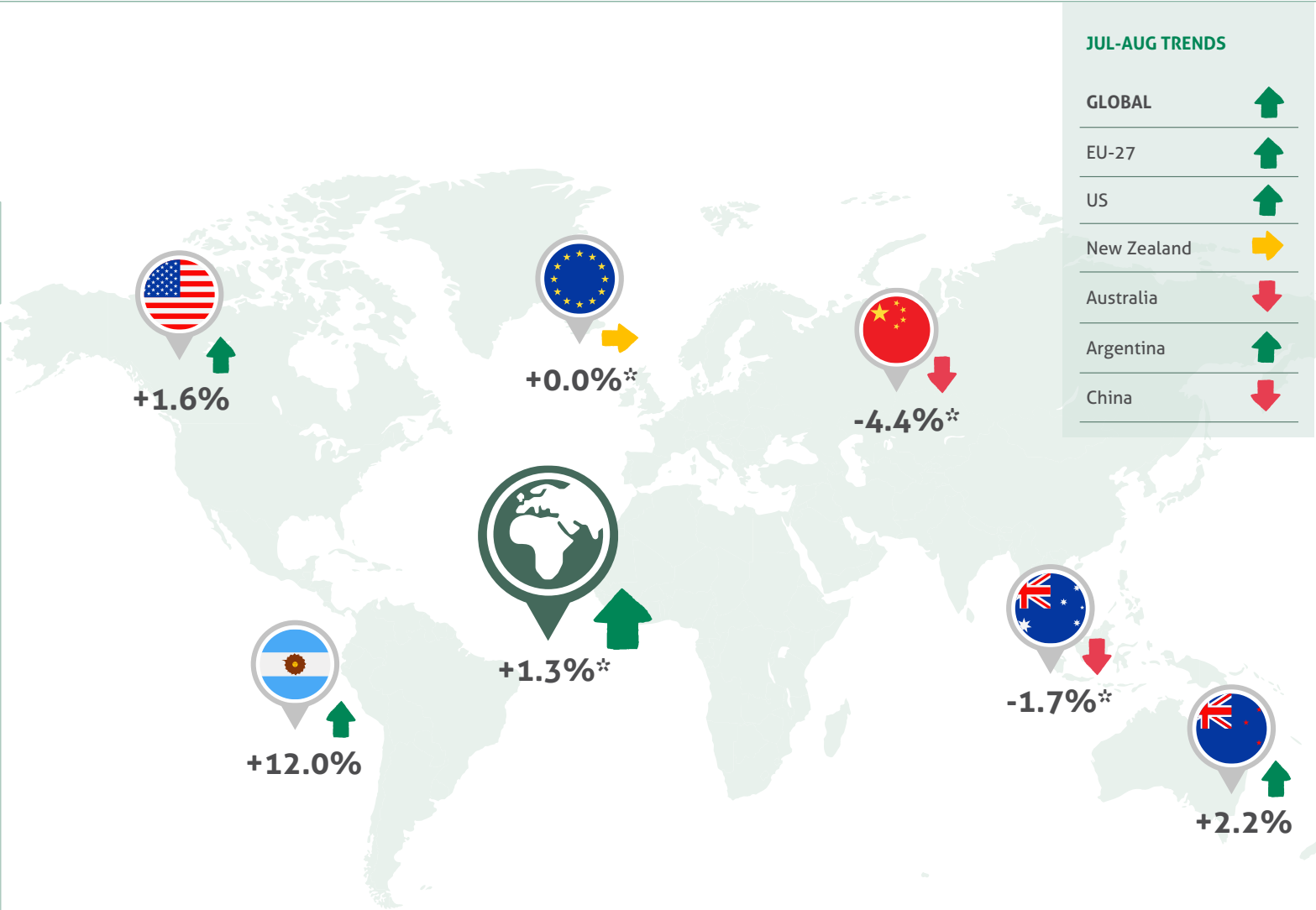
US:
 Collections increased by +3.3% in June and supply is stronger once adjusted for solids.

New Zealand:
 While June is the lowest month for collections, output was strong.

Australia:
 Production is expected to weaken this year after rebounding in 2024.

Argentina:
 Flows improved supported by improving farmgate prices and favourable weather.

China:
 Milk production is projected to fall in 2025 due to lower farmgate prices.



European Milk Supply

Jan-Jun 2025

**EU-27:**
Collections increased by +0.5% in May and by just +0.2% in June.

**Germany:**
Milk collections fell by -1.6% in May and by another -2.1% in June.

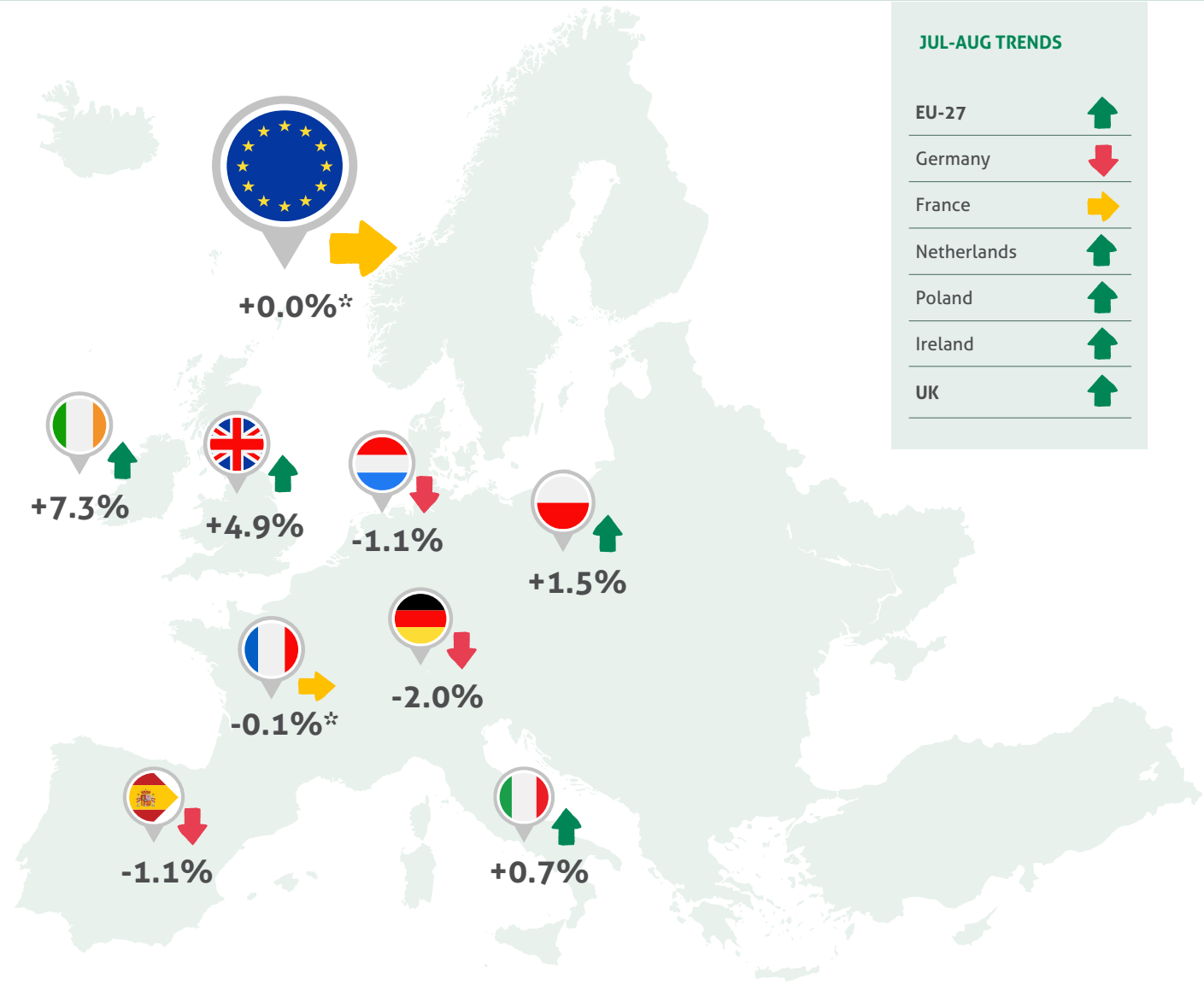
**France:**
Collections increased in May and June, though weekly flows weakened in July.

**Netherlands:**
Flows fell again in June but should turn positive versus a low base.

**Poland:**
Output was strong through quarter two and lifted by +1.9% in June.

**Ireland:**
Flows lifted sharply in recent months against a low base and grew again in June (+4.9%).

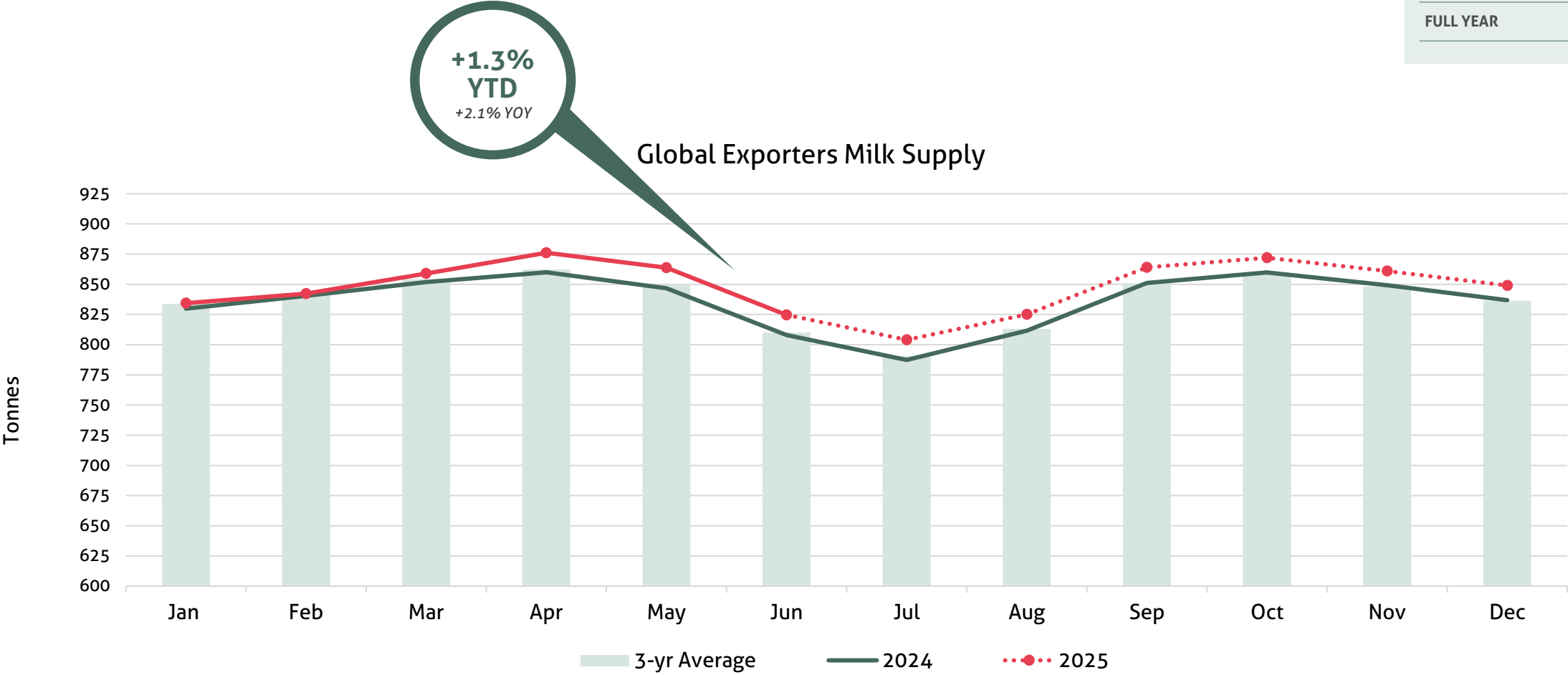
**UK:**
Flows have been strong with output lifting by +5.8% in May and +6.5% in June.



JUL-AUG TRENDS	
EU-27	
Germany	
France	
Netherlands	
Poland	
Ireland	
UK	

Global Exporters Milk Supply & Outlook

GLOBAL MILK TRENDS	
H1 25'	↑
H2 25'	↑
FULL YEAR	↑



Source: Ornu estimate

Milk: Overview & Outlook

EU-27

After a weak quarter one, flows increased.

The improvement was driven by France, Poland and Ireland.

However, flows were flat in June, and annual growth is unlikely to exceed +0.5%.

Dry weather and animal health issues may impact.

US

The growth in June milk output was higher than expected.

May figures were also revised up.

While bird flu affected last year's output, supply is strong and should expand in the second half of the year.

New Zealand

Milk flows lifted sharply in June.

This was against a weak base, and the season has now passed peak.

Though favourable milk prices and pasture conditions means growth may exceed expectations.

South America

Argentinian and Uruguayan flows improved.

Again, production is being supported by favourable farmgate prices and pasture conditions.

Outlook

The global outlook improved with annual output likely to expand by **+1.4%**.

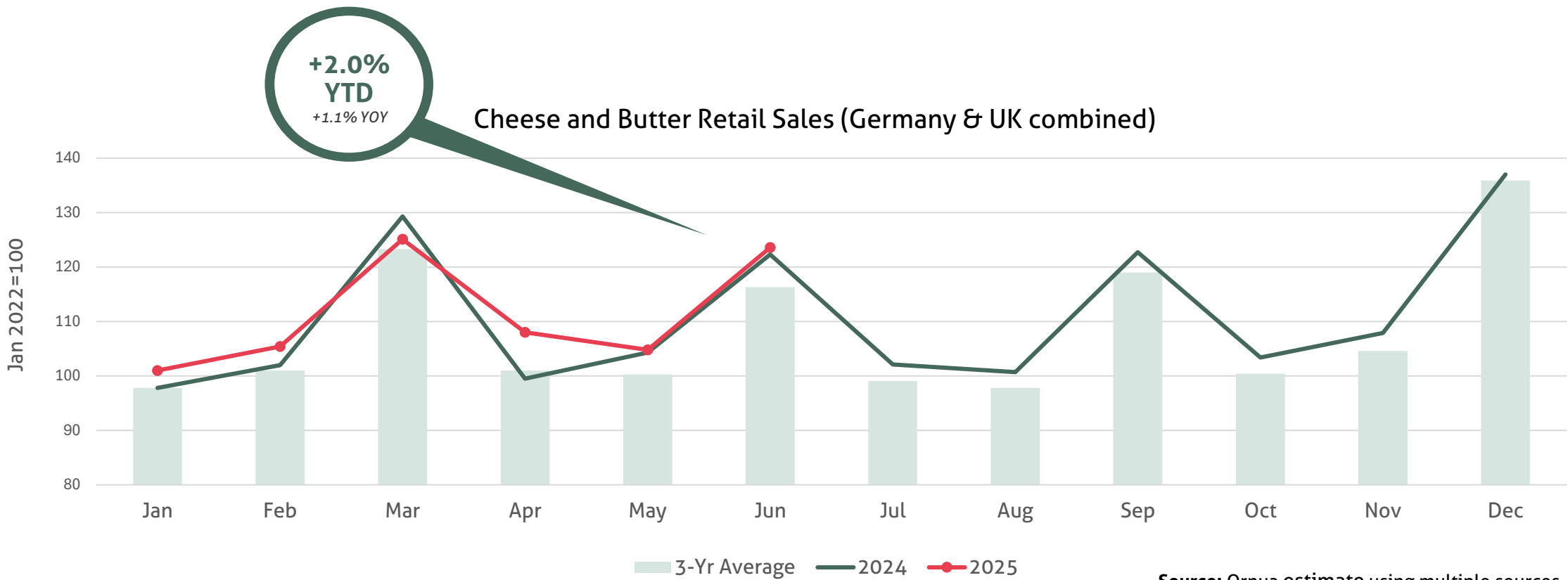
This will be driven largely by growth in the US.

Global Demand



European Retail Dairy Sales Trends

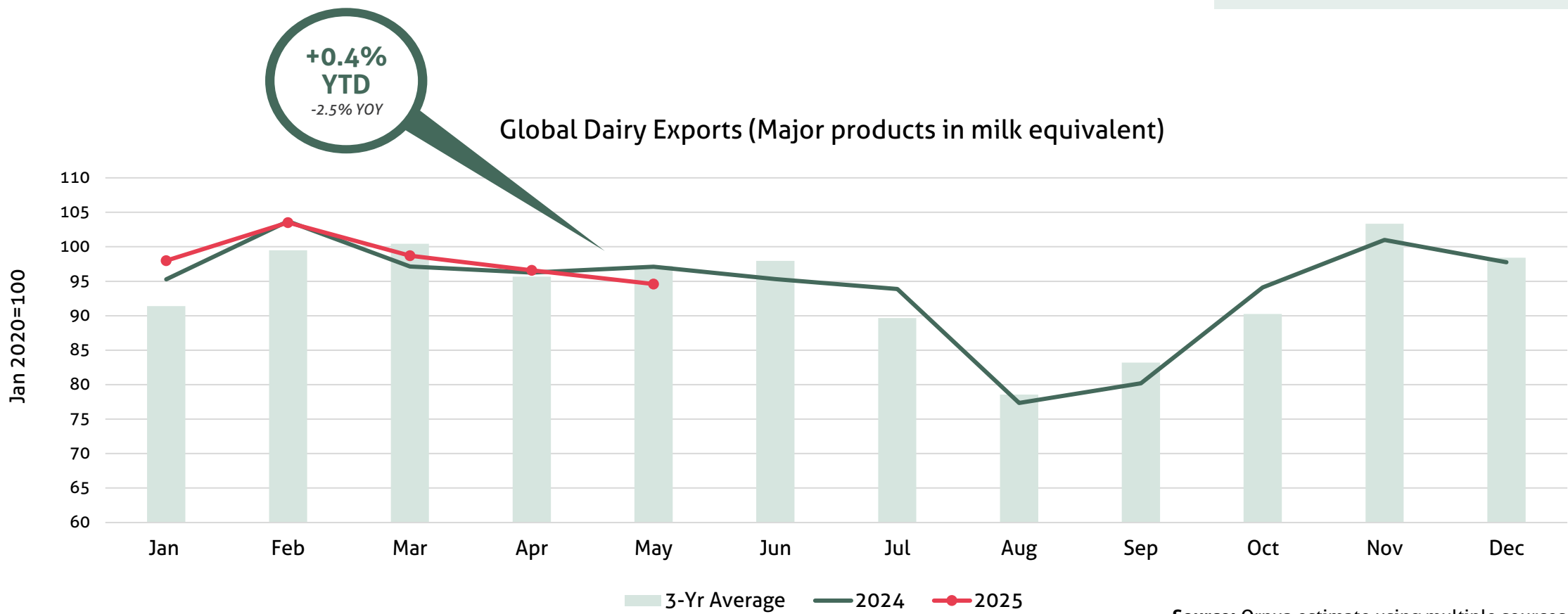
SALES BY PRODUCT	YTD	VS 3-YR	YOY
CHEESE	↑	↑	↑
BUTTER	→	↑	↓



Source: Ornua estimate using multiple sources.

Global Dairy Export Trends

EXPORTS BY PRODUCT	YTD	VS 3-YR	YOY
CHEESE	↑	↑	↓
BUTTER	↑	↑	↓
SMP	↓	↓	→



Source: Ornu estimate using multiple sources.

Global Dairy Imports by Region

-  **US:**
Imports were up +7% between January and May with tariff uncertainty supporting demand.
-  **South-Central America:**
Imports are up +2% year-to-date and lifted again in May. Demand for most major products increased.
-  **UK:**
Imports have been very strong this year driven by cheese, butter and liquid milk.
-  **Africa:**
Trade is down -8% year-to-date but has shown signs of stability in recent months.
-  **Middle East:**
Like Africa, trade is down year-to-date but has shown signs of stability.
-  **China:**
While imports improved in recent months, they dropped in May with tariffs impacting.
-  **Southeast Asia:**
Imports are marginally higher this year, but like China, dropped in May.



Product Section





Cheese: Overview & Outlook

EU-27

Production has been strong so far this year.

Foodservice sales are sluggish, but retail sales and exports are solid, and stocks are in balance.

Cheddar and Gouda price indices fell again.

This is normal during the holiday period and there are signs of stability.

UK

Total cheese production is growing, but cheddar output is modest which is helping to keep stocks in check.

Though a weak STG continues to affect EUR returns.

US

Domestic and export demand has been solid.

However, output is strong, and growing inventories may limit upside movement in the coming months.

New Zealand

Pricing has been at a high level supported by robust Asian demand.

Pricing typically converges towards US levels in the second half of the year.

Outlook

Autumn is typically a strong demand period in Europe.

Though rising supply and high historic pricing may impact further out.



Cheese: Statistics



EU-27
Jan-May



US
Jan-Jun



NZ
Jan-Jun



UK
Jan-Jun

Output

+46,420
+1.1%



+71,860
+2.2%



+10,890
+4.3%



Imports

+2,535
+3%



-345
-0%



+12,230
+7%



Exports

+12,425
+2%



+30,035
+11%



+46,030
+25%



+585
+1%



Price
(Local currency)

€4,466

EEEX-Aug 6th



\$4,010
CME-Aug 7th
\$1.82lb



\$4,575

GDT-Aug 5th



Price
(€ equivalent)

€4,466



€3,445



€3,930





Butter: Overview & Outlook

EU-27

Production is tracking historic norms.

European retail sales are flat, but exports are improving with the US-EU trade deal unlikely to impact.

Interest has been quiet and there is more cream available.

Price indices fell, but sellers are holding firm and there's interest in prompt delivery.

UK

Pricing is relatively stable compared to the Continent.

Production is flat despite strong milk flows with higher cream exports drawing milk from the churn.

US

Domestic and export demand has been solid which is keeping stocks in check.

Pricing could lift later in the year, but it's unlikely to reach 2024 levels.

NZ

Pricing fell again at recent GDT events.

While the market usually eases now as exporters contract new season output, high historic pricing may be a factor too.

Outlook

European pricing often weakens during the holiday period before lifting in the autumn.

Though like cheese, high pricing could impact further out.



Butter: Statistics



EU-27
Jan-May



US
Jan-Jun

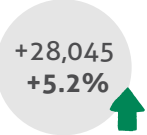


NZ
Jan-Jun

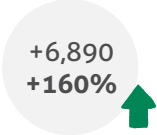


NZ AMF
Jan-Jun

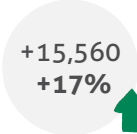
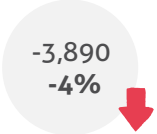
Output



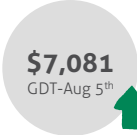
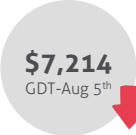
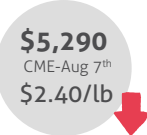
Imports



Exports



Price
(Local currency)



Price
(€ equivalent)





SMP: Overview & Outlook

EU-27

Production is low historically but is improving.

Domestic demand is sluggish with confectionary sales under pressure.

Exports are adequate, but interest from international markets remains quiet.

Price indices are lower versus last month but stabilised.

US

Domestic and export demand improved, and stocks are relatively low.

Pricing has been steady but typically drops beneath global levels around this time.

New Zealand

The recent increase in GDT was unexpected as pricing usually eases in July and August.

Activity normally returns in September, and futures are pricing in a modest lift.

China

Imports could increase by about +10% this year.

However, this is compared to a weak base, and volumes are back -40% versus peak levels.

Outlook

Market activity tends to lift seasonally in the autumn.

Though again, without a major uptick in demand, any price increase is likely to be modest.



SMP: Statistics



EU-27
Jan-May



US
Jan-Jun

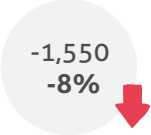


NZ
Jan-Jun

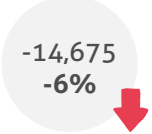
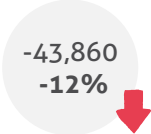
Output



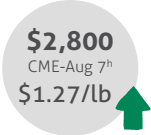
Imports



Exports



Price
(Local currency)



Price
(€ equivalent)





WMP: Overview & Outlook

EU-27

Production stabilised but is low historically.

This is affecting availability for export, and the market is increasingly European-focused.

Price indices were stable but eased seasonally.

However, the gap between European and global pricing is bigger than usual.

New Zealand

Like SMP, the increase in GDT was unexpected as pricing typically eases in the summer.

While positive, global demand has been sluggish and H2 futures are flat.

China

Imports should improve marginally this year.

Though China's share of global trade dropped sharply since 2021 in contrast to more price sensitive regions.

Global

Demand dropped faster than supply in recent months.

With pricing still at a high level historically, this may limit upside potential.

Outlook

While weaker, the European market appears stable.

However, the scope for firming appears limited and prices may come under pressure if global prices ease.



WMP: Statistics



EU-27
Jan-May



NZ
Jan-Jun

Output

+3,520
+1.5%
↑



Imports

+1,030
+13%
↑



Exports

-18,495
-20%
↓

-46,045
-6%
↓

Price
(Local currency)

€4,150
Dutch-Aug 6th
↓

\$4,012
GDT-Aug 5th
↑

Price
(€ equivalent)

€4,150
↓

€3,450
↑





Casein: Overview & Outlook

EU-27

Output is down year-to-date but is solid.

Exports were solid from January to May, but interest eased due to tariff uncertainty.

The 15% tariff on exports to the US is regrettable but should bring some clarity.

Activity remains quiet and pricing fell further; however, there are signs of reengagement.

US

After a period of low demand, activity should improve in the second half of the year.

However, the 15% tariff, a weak USD and lower natural cheese prices may limit upside movement.

New Zealand

Exports are down versus prior year levels.

This is partially due to weaker US demand, through the diversion of milk from butter also impacted.

Like the EU-27, exports to the US will be subject to a 15% tariff.

Outlook

The recent tariff announcement should bring some certainty.

However, buyers will need to readjust, and demand will take time to recover.



Casein: Statistics



EU-27
Jan-May

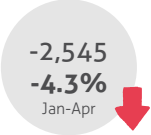


US
Jan-May

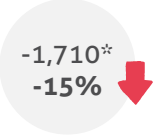
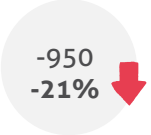


NZ
Jan-Jun

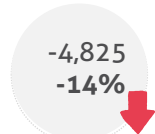
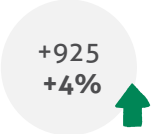
Output



Imports



Exports



Price
(Local currency)



Price
(€ equivalent)



* Based on EU-27 and NZ exports for Jan-Apr as US reporting appears incorrect.

Market Outlook

- The annual global milk supply forecast is now +1.4% driven by US flows.
- European milk supply is expected to grow by +0.5% annually but could be affected by weather or animal health issues.
- A flat 15% or MFN rate (whichever is higher) will apply to EU dairy exports to the US. Butter and cheese will benefit from this change, but casein will see a rate of 15% (from 0% before April 2025).
- This should provide clarity after a period of uncertainty and interest usually returns in September after the holiday period. Indeed, there are tentative signs of price stability.
- However, most European commodities still command a premium. Against a backdrop of volatile global trade and geopolitical environment, this may dampen demand later in the year.
- The International Monetary Fund (IMF) recently noted that while the global economy has been resilient, risks to the global economy remain firmly to the downside.

SUMMARY

European commodity prices usually lift in September as seasonal activity returns.

However, again, pricing may need to converge with global levels to maintain export volumes.

Ornua at a glance



**Great tasting
grass-fed Irish
dairy products**



**Agri-food
co-operative**



**Ireland's largest
exporter of
primary
dairy products**



**Bringing the
unique taste
of Irish dairy
to the world**



**2,900
strong
global team**



**Exports to over
110 countries
worldwide**



Our Product Portfolio

Ornua Trading & Ingredients Ireland is responsible for the procurement of products from Irish dairy processors and third-party suppliers, and the sale of dairy ingredients to global food manufacturers.

OTII manages market volatility for our customers through;

- Managing risk with predictive models and hedging tools
- Investment in trading expertise
- Differentiated value-added ingredients
- Fixed milk price contracts
- Diversifying markets

Click on the images on the right to learn more about our cheese, butter, milk powders or casein products.



Cheese

Cagliata
Cheddar with Red Chilli
Coloured Cheddar Cheese
Hard Grating Cheese
Irish Emmental Cheese
Mallo
Monterey Jack
Mozzarella
Red Leicester Cheese
Regato Cheese
White Cheddar Cheese



Butter

Salted sweet cream butter
Unsalted sweet cream butter
Lactic butter
Whey butter



Milk Powders

Full Cream Milk Powder
Skim Milk Powder
Buttermilk Powder
Fat Filled Milk Powder
Whey Powder
Skimmed Milk Yogurt Powder
Whey Permeate



Casein/Caseinates

Acid Casein
Rennet Casein
Sodium Caseinate
Calcium Caseinate

Irish Dairy



Irish cows graze
outdoors on grass for an
average of
240 days

Grass-fed cows milk
is rich in natural

**beta-
carotene**



Ireland has an
average herd size of
90 cows

On average, an Irish
dairy cow produces

**5,700
litres**
of milk a year



81% of agricultural
land in Ireland is
used to grow grass



Ireland is the most
carbon efficient milk
producer in the EU

Average dairy
farm size is

60ha



Ornua Co-operative Limited (Head Office)
Grattan House
Mount Street Lower
Dublin 2

T: +353 1 661 9599
www.ornua.com

Disclaimer: The information in this report, which does not purport to be comprehensive, has been provided by Ornua Co-operative Limited (Ornua) and has not been independently verified. While the report has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by the Ornua or by its officers, employees or agents in relation to the adequacy, accuracy, completeness or reasonableness of this report. All and any such responsibility and liability is expressly disclaimed. In particular, but without prejudice to the generality of the foregoing, no representation, warranty, assurance or undertaking is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained in this report. The recipient acknowledges and agrees that no person has, nor is held out as having, any authority to give any statement, warranty, representation, assurance or undertaking on behalf of Ornua in connection with this report or the information set out therein. Copyright © Ornua Co-operative Limited 2024. The reproduction or transmission of all or part of this report, whether by photocopying or storing in any medium by electronic means or otherwise, without the written permission of the owner, is prohibited