Global Dairy Market Outlook

U.S. Dairy Export Council
2020: Year of Volatility
Volatility Certainly Applied to U.S. Dairy Pricing

U.S. Product Prices

Source: USDEC, Understanding Data & Markets
But Less So on World Market

Source: USDEC, Understanding Data & Markets
Global Demand Steady to Accelerating

Global Dairy Trade
(MSE, 12-Month Rolling Total)

Source: USDEC, Trade Data Monitor
China, MENA Driving Growth

YOY Change in Dairy Trade by Destination (Jan-Aug 2020)

Source: USDEC, Trade Data Monitor
2/3 of China’s Growth is Due to Whey Recovery

Source: USDEC, Trade Data Monitor
But Even Excluding Whey to China – Int’l Demand Has Been Good

2020 YTD YOY Change in Global Trade by Product (Jan-Aug)

Source: USDEC, Trade Data Monitor
Where Do We Go From Here?
More Milk Inbound From Major Players

YOY Change in Milk Production Among Major Exporters

-2,000 -1,000 0 1,000 2,000 3,000
H1 '17 H2 '17 H1 '18 H2 '18 H1 '19 H2 '19 H1 '20 H2 '20f H1 '21f H2 '21f

-1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0%

Source: USDEC, Understanding Data & Markets
Regions to Watch: 4 Key Questions
What is China's Milk Powder Appetite?

Global SMP and WMP Trade to China

Source: USDEC, Trade Data Monitor
What Should We Make of MENA’s Resurgence?

Source: USDEC, Trade Data Monitor
Will U.S. Remain Preferred SMP Supplier to SEA?

SEA NFDM/SMP Market Share by Supplier

Source: USDEC, Trade Data Monitor
What is the State of Mexican Demand in 2021?

U.S. Cheese Exports to Mexico

Source: USDEC, Trade Data Monitor
Wildcards
U.S. Cheese Priced Well Above World Markets

Cheese Price Comparison

Source: USDEC, Understanding Data & Markets
Brexit: Impact on Dairy Markets
India to Subsidize SMP Exports (est. 20K+ MT)
Covid-19 and the Economic Implications

Source: New York Times, Nov 12, 2020
Thank You & Questions

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