Global Dairy Market Status and 2035 Perspectives

Andrea Lendewig
Head of Research
& Development

Real Science Lecture Series

December 2nd, online

IFCN HELPS ITS PARTNER COMPANIES TO IMPROVE THEIR MARKET INTELLIGENCE AND MAKE BETTER DECISIONS

IFCN
Dairy Data · Knowledge · Inspiration

Milk Processing

DFA Dairy Farmers of America, Fonterra, Groupe Lactalis, Arla, Nestlé, FrieslandCampina, Saputo, Amul The Taste of India, Century Pacific Food, Inc., Danone, Agropur Dairy Cooperative, müller, dmk, Savencia Fromage & Dairy, Sodiaal Union, Solarec, Milcobel, Emmi, Mondelēz International Snacking Made Right, Unilever, TINE, Brazzale, Vreugdenhil Dairy Foods, POLSERO, Hochland, Zott, hochwald, Hilmar, Lakeland Dairies, Cotteswold Dairy, Clover, PINAR, KDD, Aurora Dairies, i-milk, BaltMilk Solutions for a Better Tomorrow

Milking and Barn Equipment

GEA, DeLaval, LELY, BouMatic For the life of your dairy, Madero Dairy Systems, milkrite InterPuls, VES-Artex, TOPCOOL, Groupe Serap, animat, spinder Dairy Housing Concepts, Holm & Laue, afimilk Automating dairy farms

Feed and Feed Additives

Cargill, abagri, dsm-firmenich, Alltech ...naturally, Phibro, Lallemand, Josera, Evonik Leading Beyond Chemistry, trouw nutrition a Nutreco company, NOVUS, Leiber Excellence in Yeast, Kemin, Nutribio Precision Nutrition, Perdue AgriBusiness, UBM, Berg+Schmidt Functional Lipids, agolin, Adisseo A Bluestar Company, Ferraroni Management, iff, Danisco Animal Nutrition & Health, agrifirm, novonesis, fodjan, balchem

Health and Hygiene

MSD Animal Health, Elanco, Ceva, vetoquinol Achieve More Together, HIPRA, ECOLAB, kersia Making Food Safe World, CALIER, HUVEPHARMA, UNIVET, NEOGEN

Farm Machinery

John Deere, KRONE, KUHN, POTTINGER, FARESIN, WEIDEMANN, SILOKING

Milk Processing and Packaging Technologies

Tetra Pak®, ELOPAK, SIG, FOSS

Finance Institutions

IFC International Finance Corporation, Rabobank, StoneX, VR Bank Nord eG

Agriculture Technology Companies

nedap, smaXtec, MuuMap, milc group, COWMANAGER

Genetics for Animals & Plants

URUS, SEMEX, imv Technologies, Genus, cogent, Select Sires, Bayer

Dairy Farming

ЕКОНИВА ЭКОНИВА, LandMolkerei Hagenow, mooh, Pienas LT

Consulting and other Companies

kite, Deloitte. デロイトトーマツ

From shocks to trends: forces shaping the global dairy

IFCN
Dairy Data · Knowledge · Inspiration

Economy *(Stagflation, interest rates)*

Price shift *(Farm inputs, energy crisis)*

Labor market *(Wages, immigration)*

Cost of production *(Investments, buffer capacity)*

Farm consolidation *(Farm profitability)*

Shocks

What starts as a shock '*can*' transform into a trend of the dairy world

Trends

Demand growth *(Appetite for fatty products)*

(Green deal) **Environmental policies**

(Ukraine) **Wars/ conflicts**

(Commodity & supply chain issues) **Logistics**

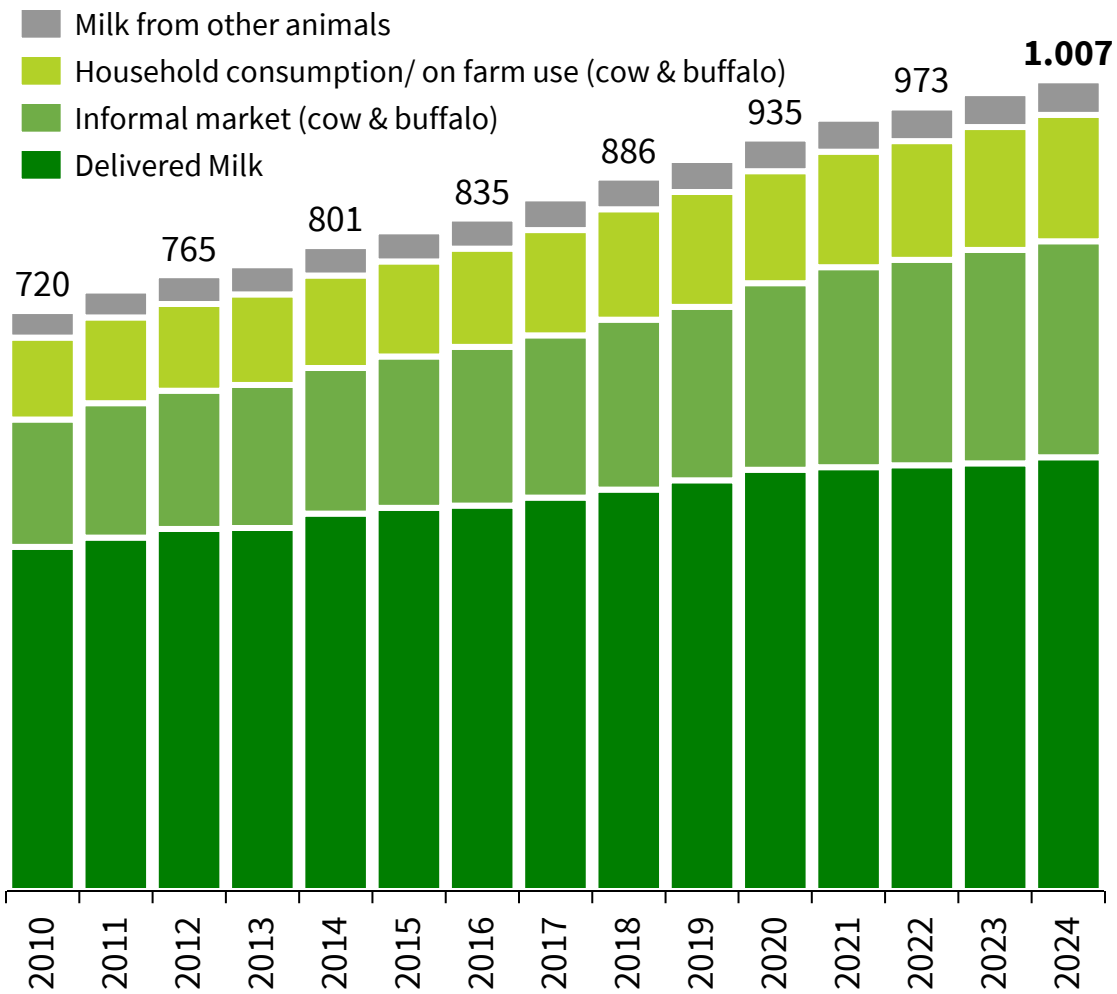
(Vegan lifestyle) **Milk alternatives**

(Adverse events) **Weather anomalies**

IFCN

Crossing a billion ton of milk, but production growth is slowing

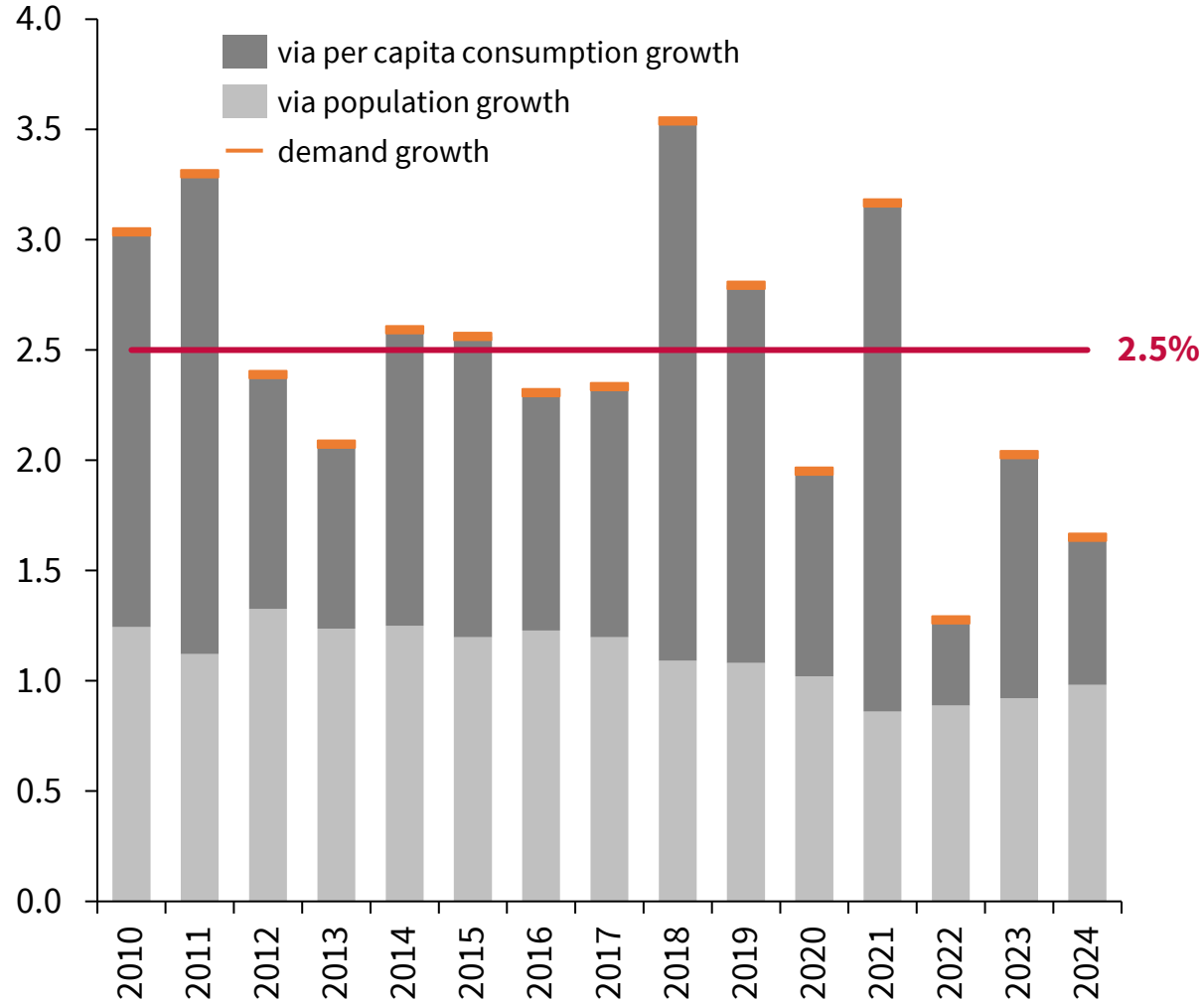
World milk production in million-ton SCM



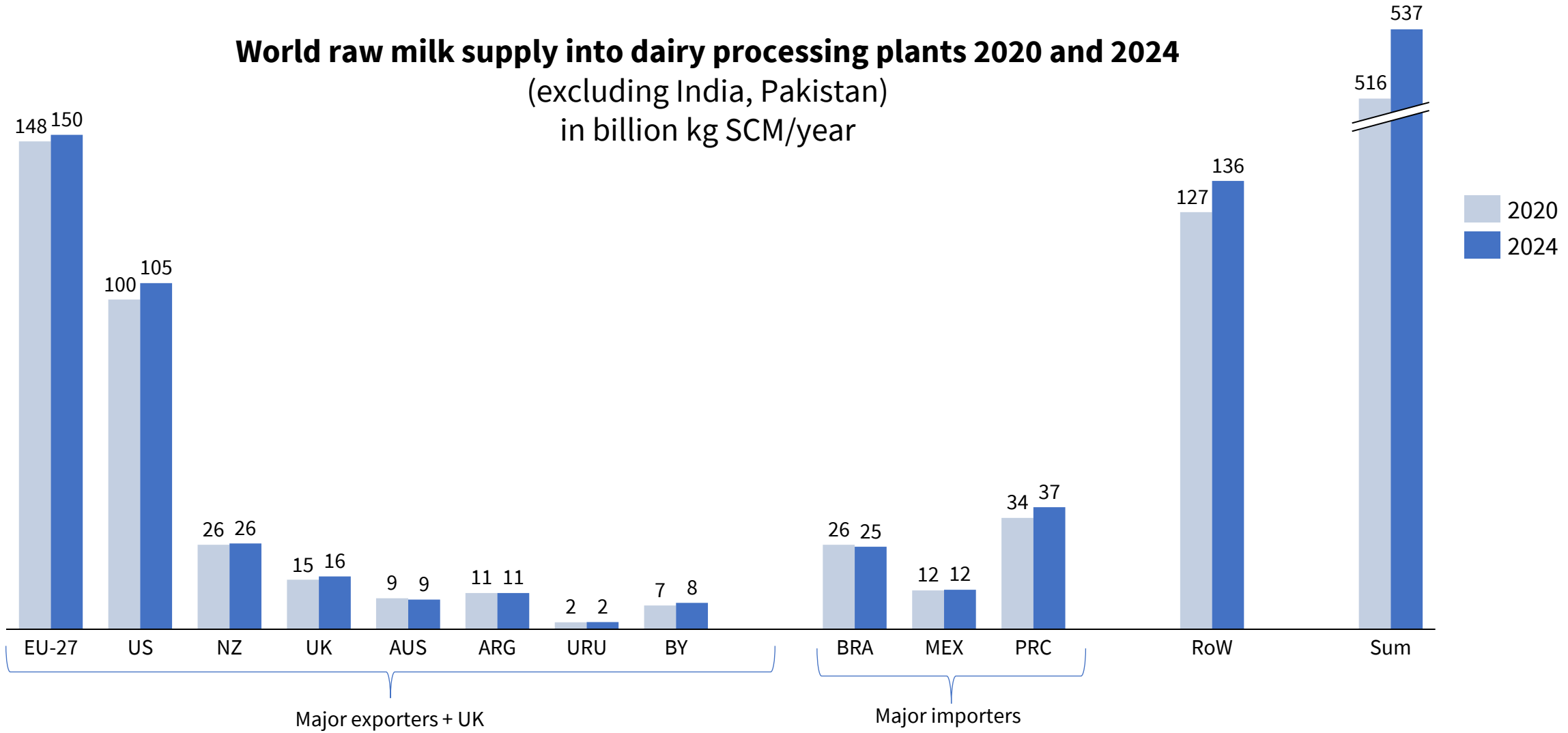
Arrows represent CAGR for the selected time period

Source : IFCN Annual Dairy Sector Data SCM = Solid Corrected Milk 4% fat & 3.5% protein

Annual % change of milk demand drivers



Milk supply into processing (worldwide) in 2020 & 2024: up 5 bn kg/y in average

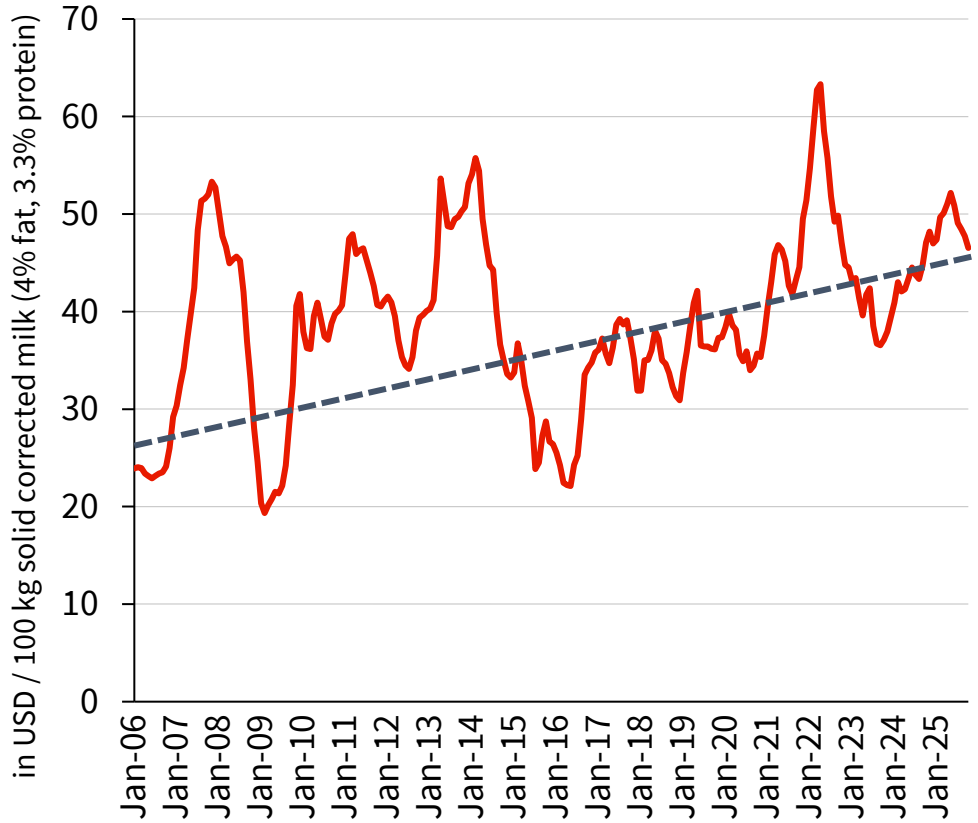


Source : IFCN Outlook Service; Status September 2025

Changes in consumption patters pushing prices up for butter and driving the world milk price developments

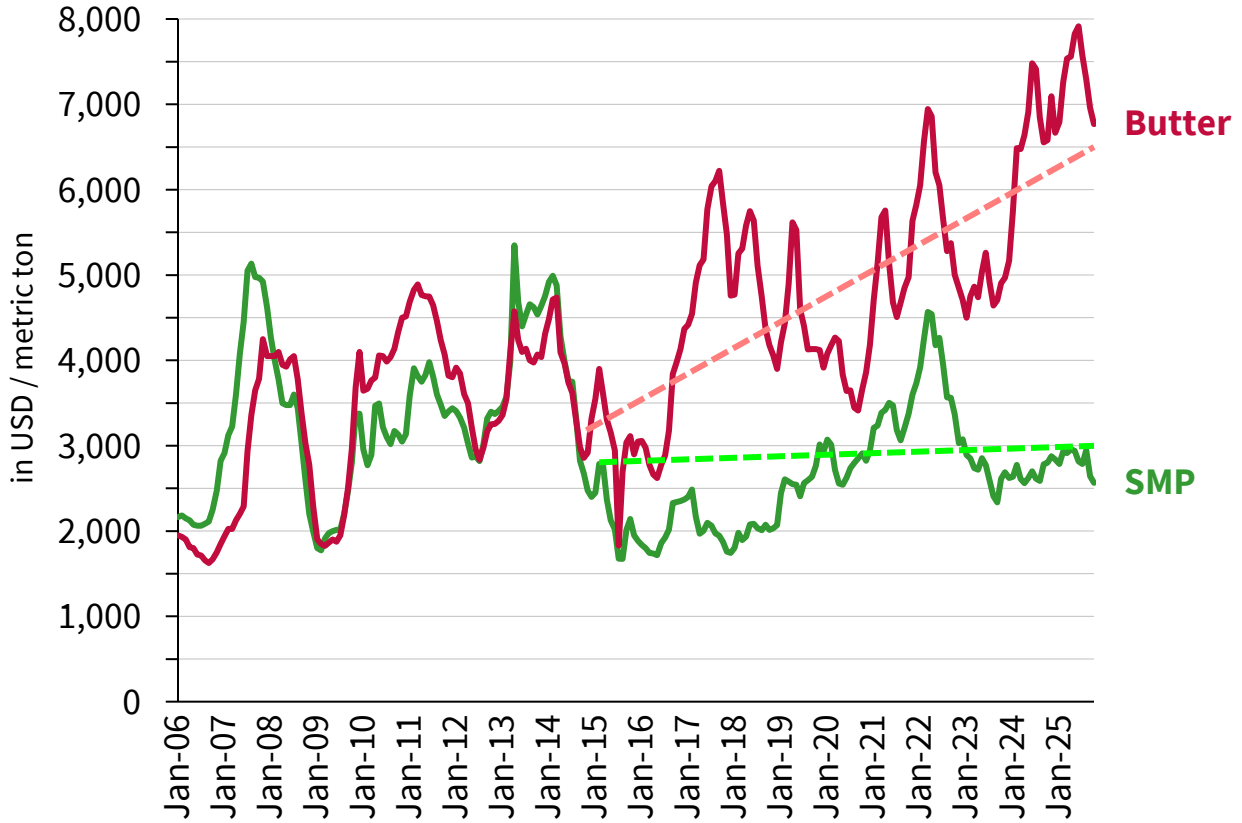
IFCN
Dairy Data · Knowledge · Inspiration

IFCN World Milk Price Indicator



*IFCN world milk price is based on the dairy commodity prices for butter/SMP, cheese/whey and whole milk powder; mainly Oceanian prices;

Dairy Commodity Prices



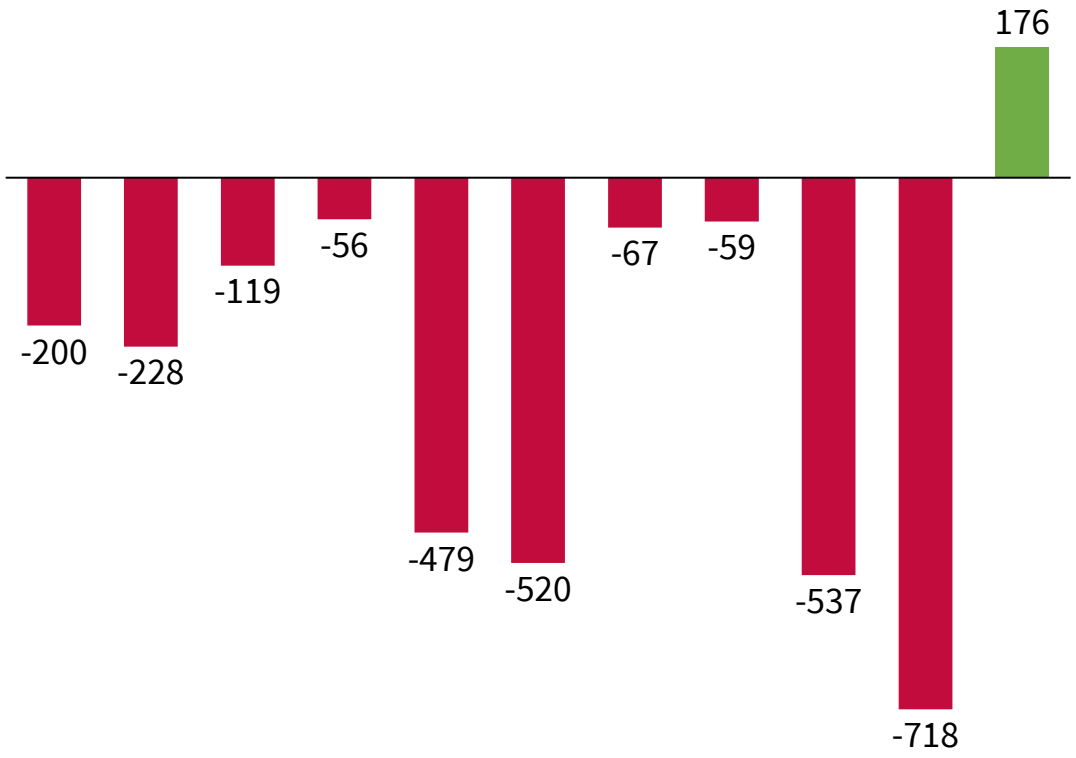
***SMP/Butter : monthly weighted average of bi-weekly Oceania export prices

IFCN

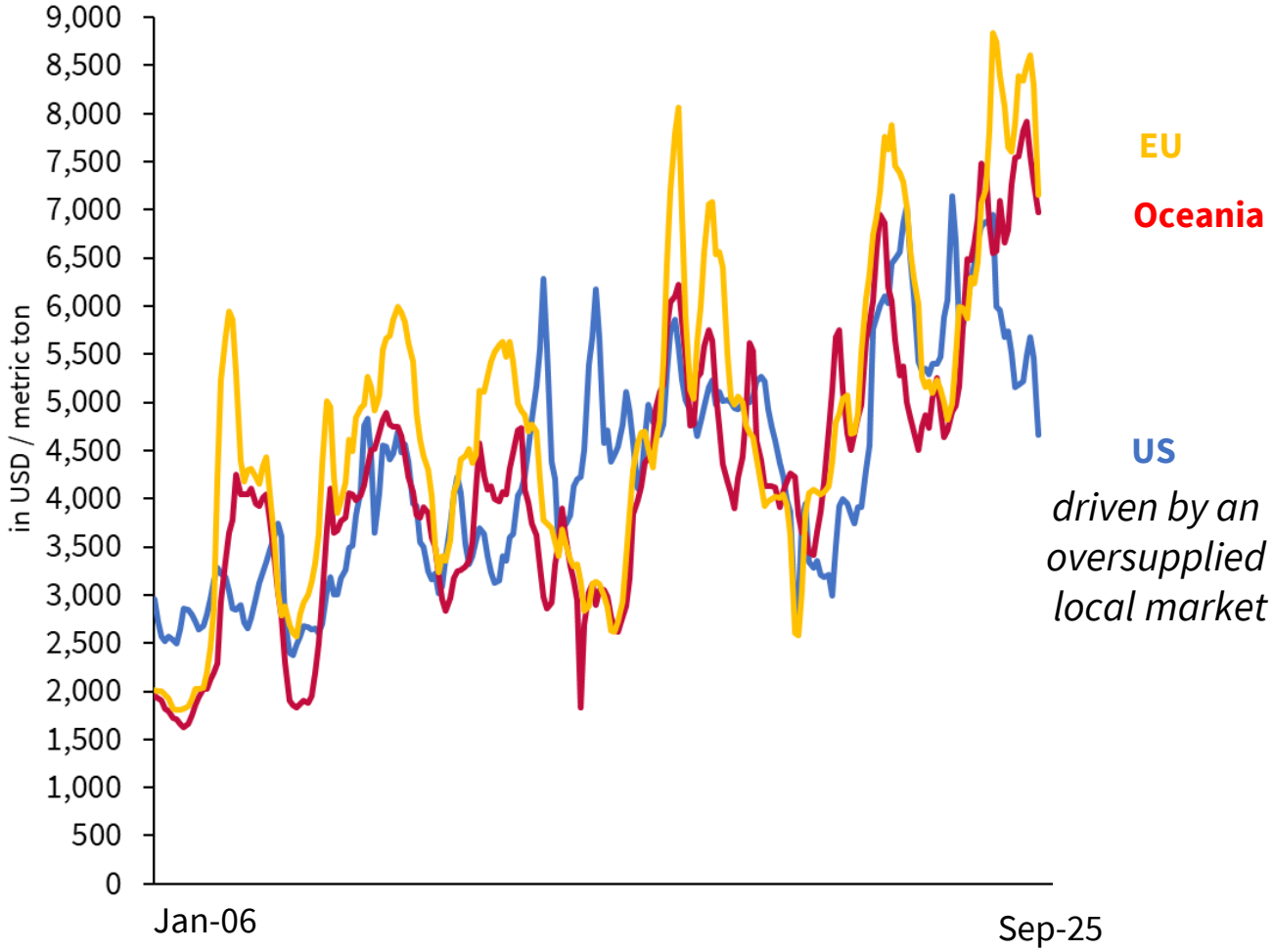
Source : IFCN Monthly Real-Time Data

Record butter price gap opens door for US imports into Europe

USA Butter Net Trade Balance in Kiloton ME



Butter prices across the global

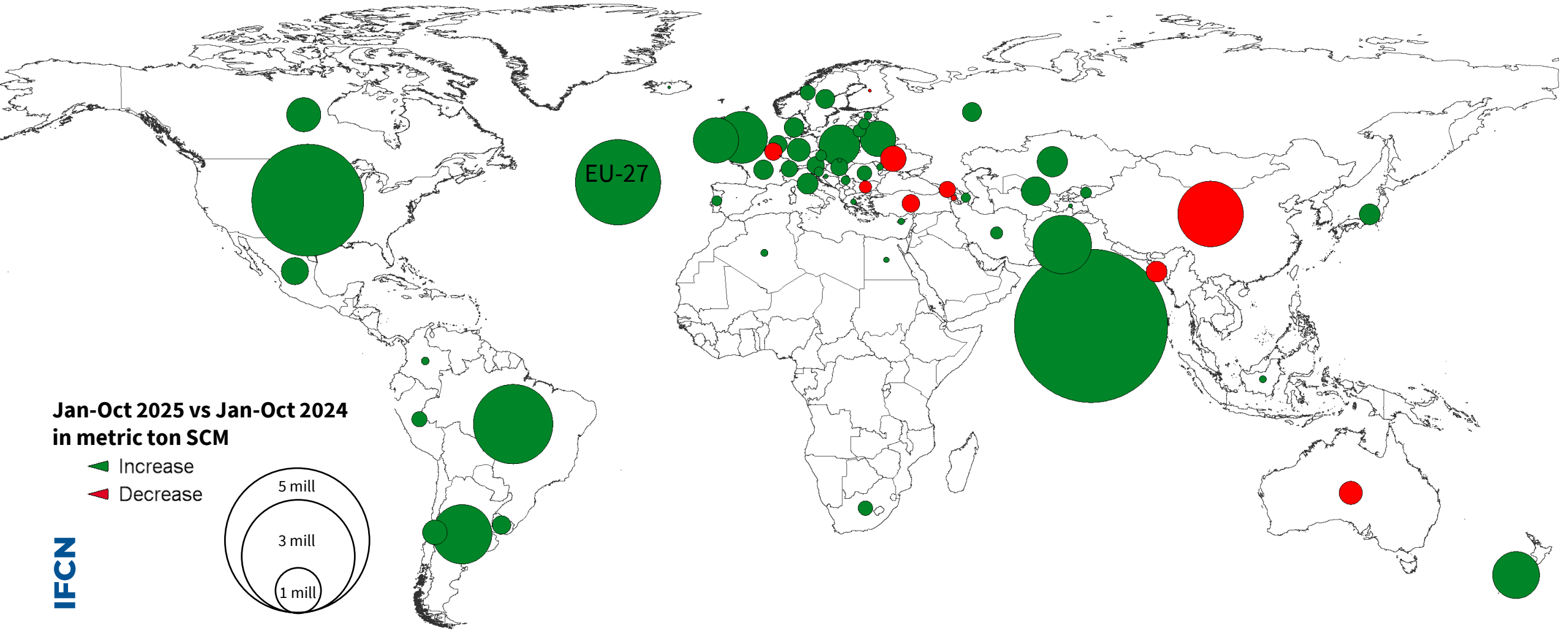


driven by an oversupplied local market

Milk flows from every corner of the globe in 2025 (with few exceptions)

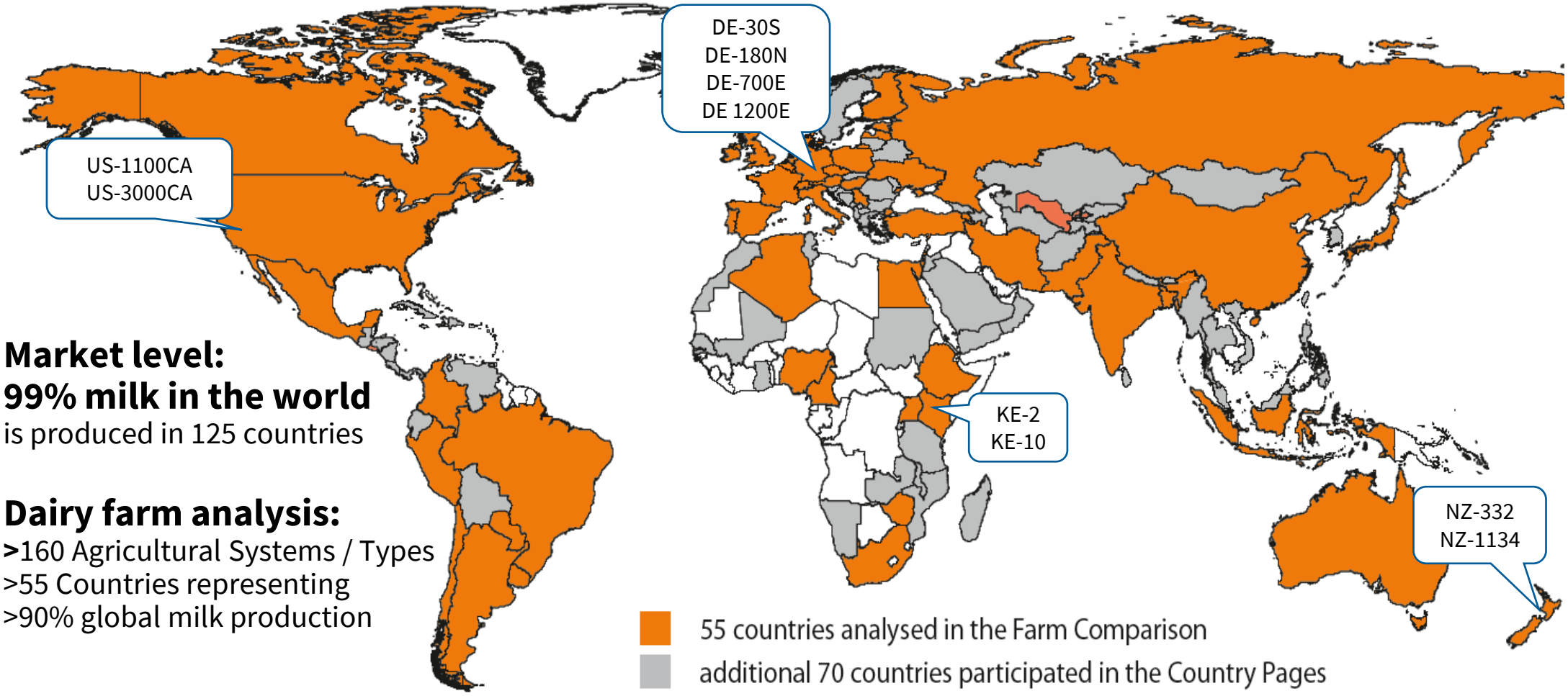
IFCN
Dairy Data · Knowledge · Inspiration

Absolute change in milk volumes (milk produced or delivered)



Source : IFCN Monthly Real-Time Data, 65 countries analysed

Analysing typical dairy farms – benchmark of costs, production systems and farm economics



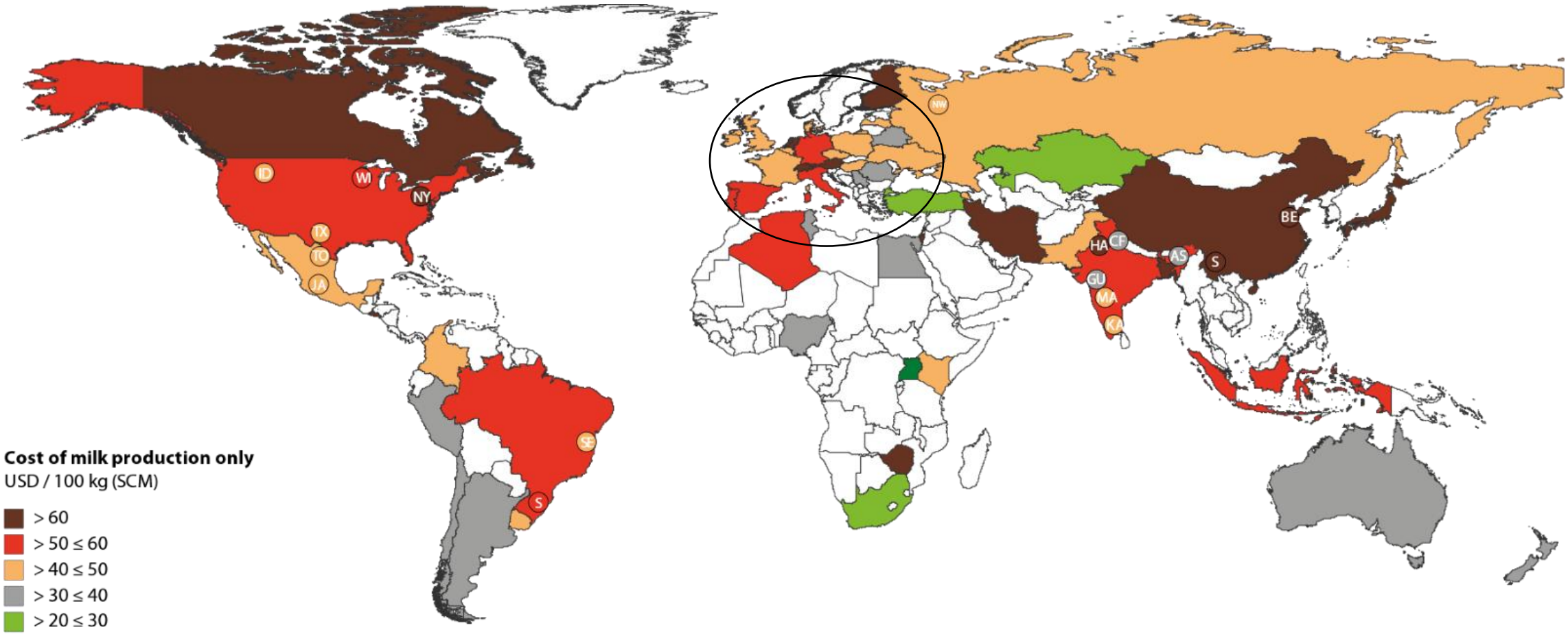
Market level:
99% milk in the world
is produced in 125 countries

Dairy farm analysis:
>160 Agricultural Systems / Types
>55 Countries representing
>90% global milk production

Source : IFCN Typical farms database 2024

75% of countries have costs of >40 USD

Milk production cost is 19% higher vs. 5 years ago



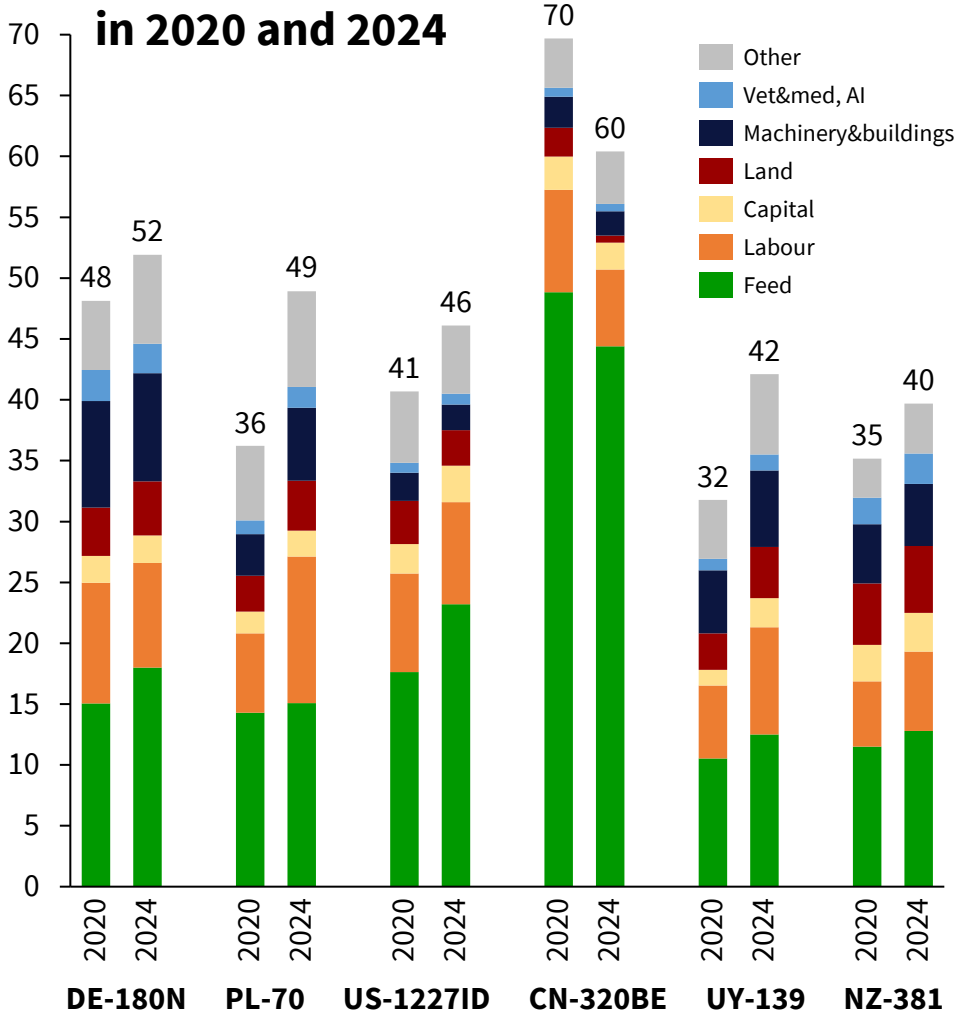
5 years ago, even with moderate milk prices, maintaining good farm margins was possible

Now with high inflation in farm input costs that is not the case → low-cost producers are vanishing

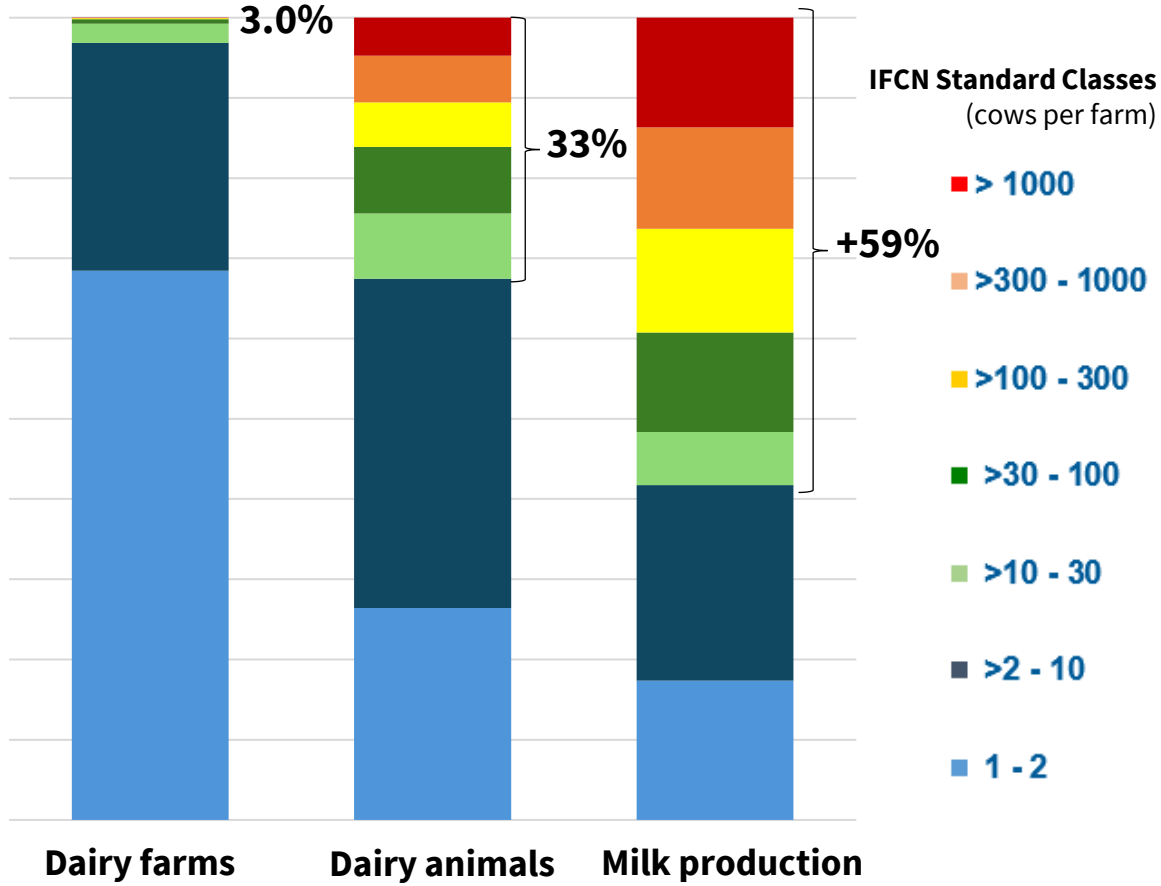
Source : Dairy Report 2024, Typical farms analyzed in 52 countries

The costs on average increased by +22% on all typical farms in the last 5 years and speeds up consolidation

Cost components of the typical dairy farms in 2020 and 2024

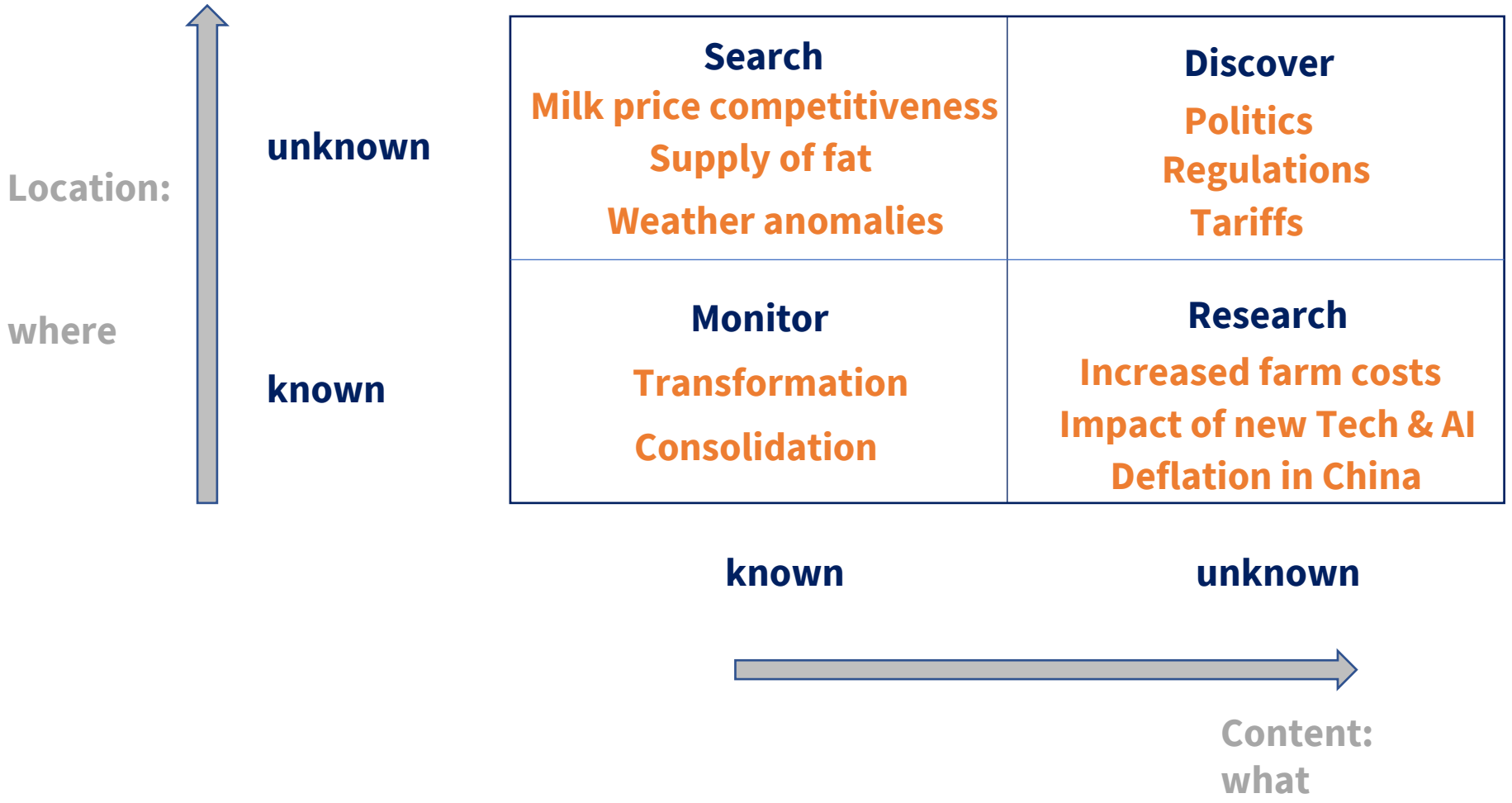


Global Farm Structure 2024

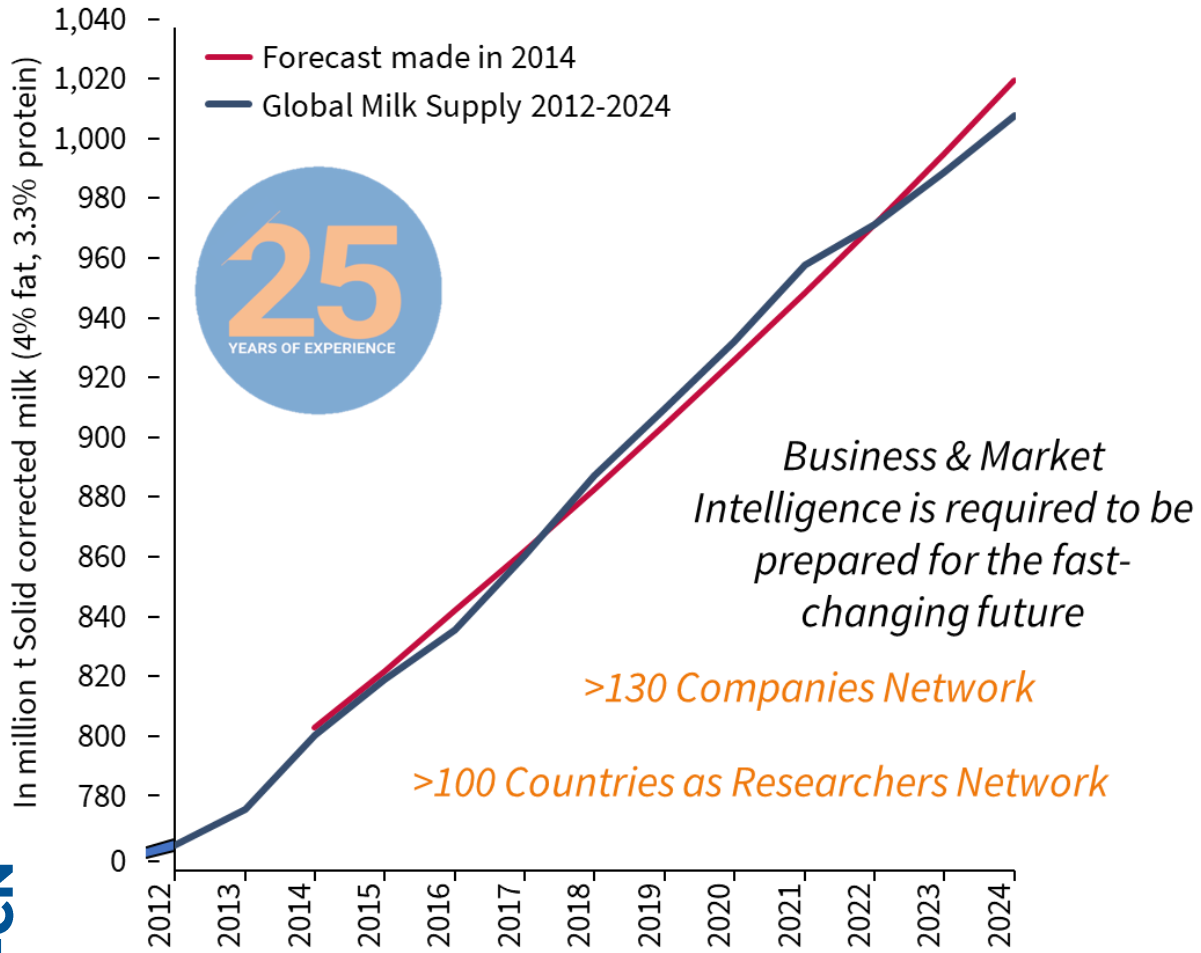


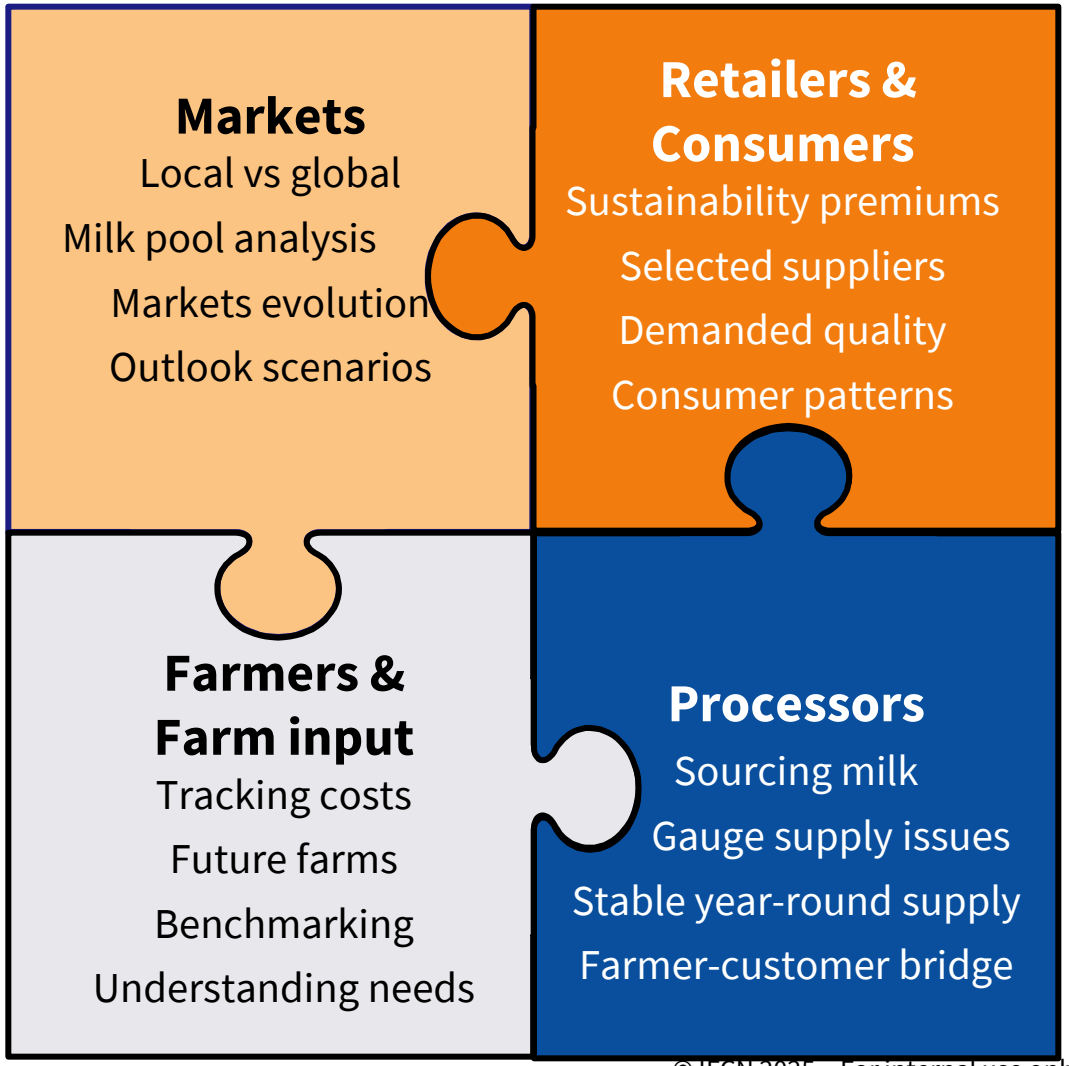
Source : IFCN Farm Economics Data 2025; DE-180N stands for dairy farm in Germany(North) with 180 dairy cows.

Main “Known Unknowns” watch for in 2026



From pieces to puzzle: building competitive strength together





Dairy World in 2035 vs. 2024*

+0.8 billion more people

+9 kg more “ milk” consumed

+1 mill t ME more traded*

-29 mill fewer dairy “cows”
+0.6 t more milk per animal

-19 mill fewer dairy farms

+15% more milk produced and consumed

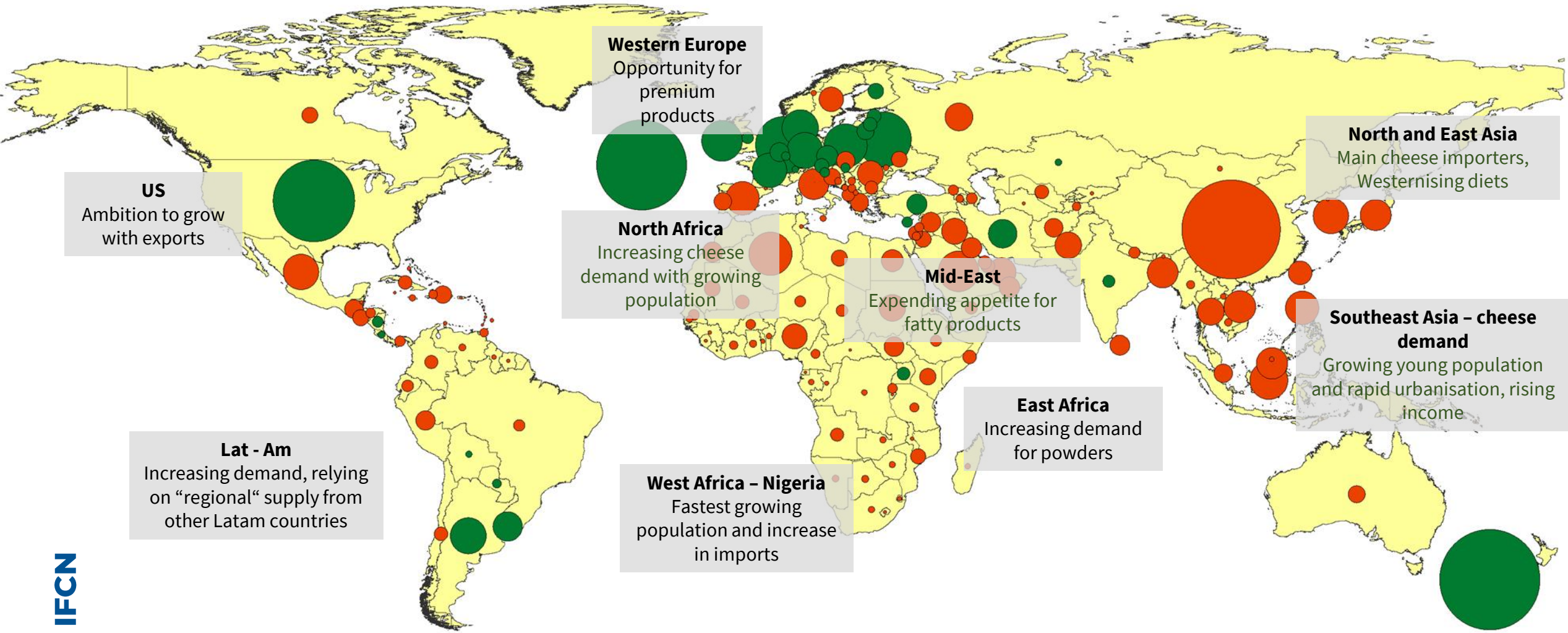
+154 mill t SCM ≈ 1.5 x USA today

*IFCN Baseline Scenario - “Pro-Dairy”

Source: IFCN Annual Sector Database with Long-term Dairy Outlook

Growth beyond challenges: There are a lot of opportunities to win in the future

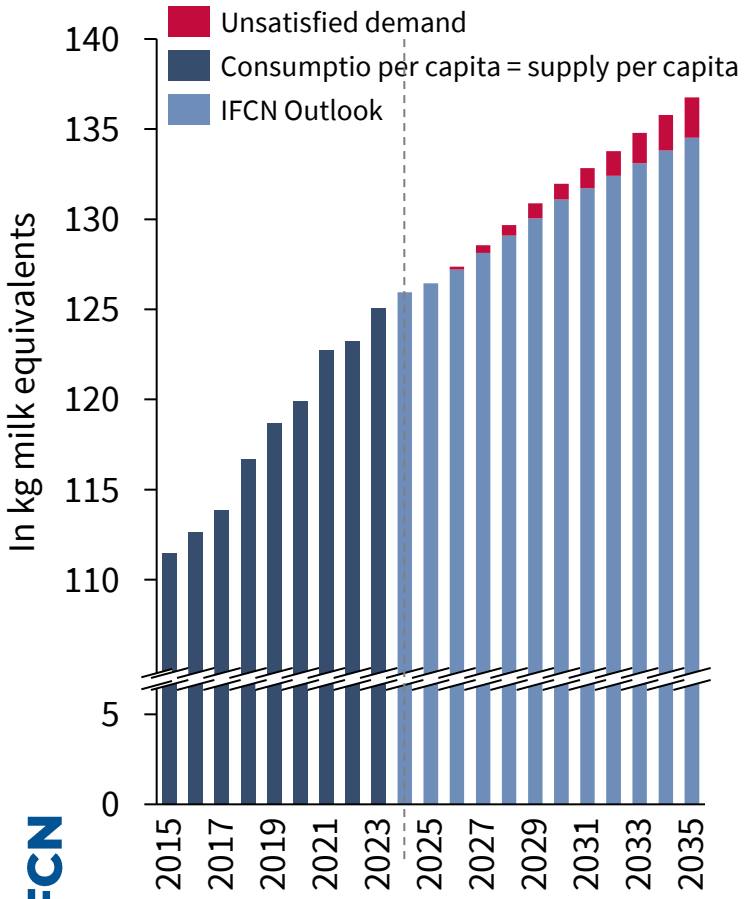
Milk surplus and deficit in 2035



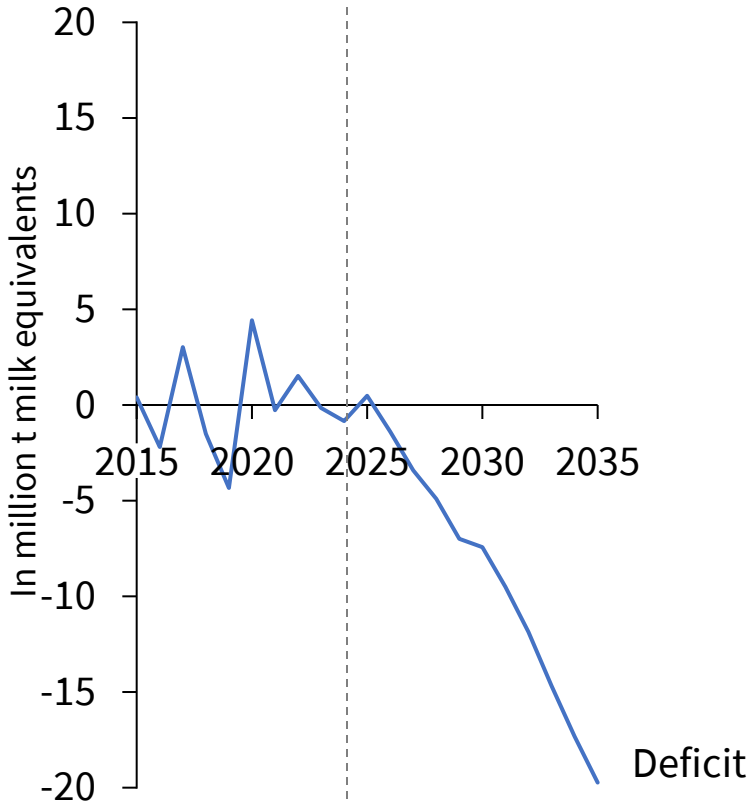
Source: IFCN Annual Sector Database with Long-term Dairy Outlook

Unsatisfied demand as a symptom of supply-side constrains

World milk Production



Milk supply and demand



Current scenario considered

In the current methodology of the IFCN Long-term Dairy Outlook, a theoretical imbalance between supply and demand is allowed to highlight constraints in supply growth, while also capturing potential demand growth in certain countries. As a result, a projected global deficit reflects future unfulfilled demand — which is, demand that cannot be met under current conditions.

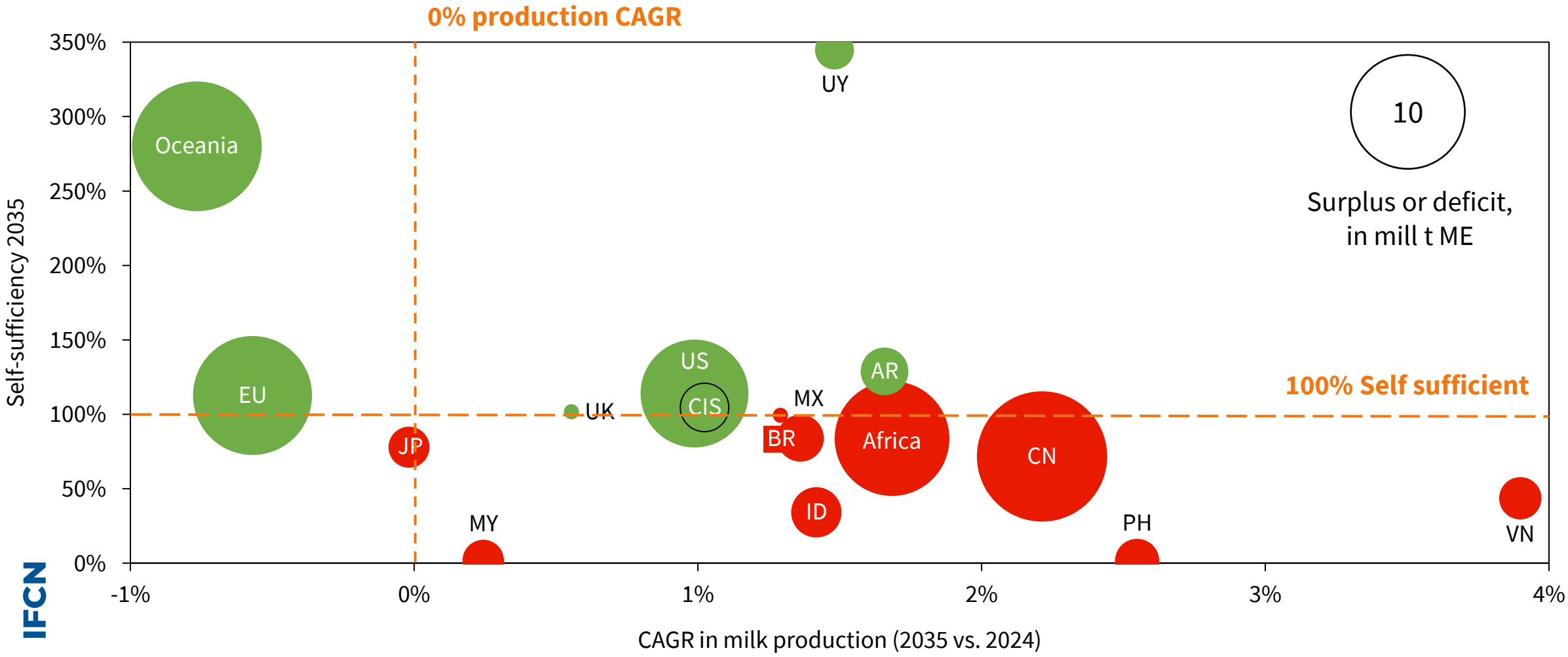
New scenario considered for world

In the left chart, a scenario output is shown when supply equals demand. On a global level, this would mean significantly less dairy demand.

Source: IFCN Annual Sector Database with Long-term Dairy Outlook

The dairy gap: growing appetite meets limited self-supply and results in increasing imports

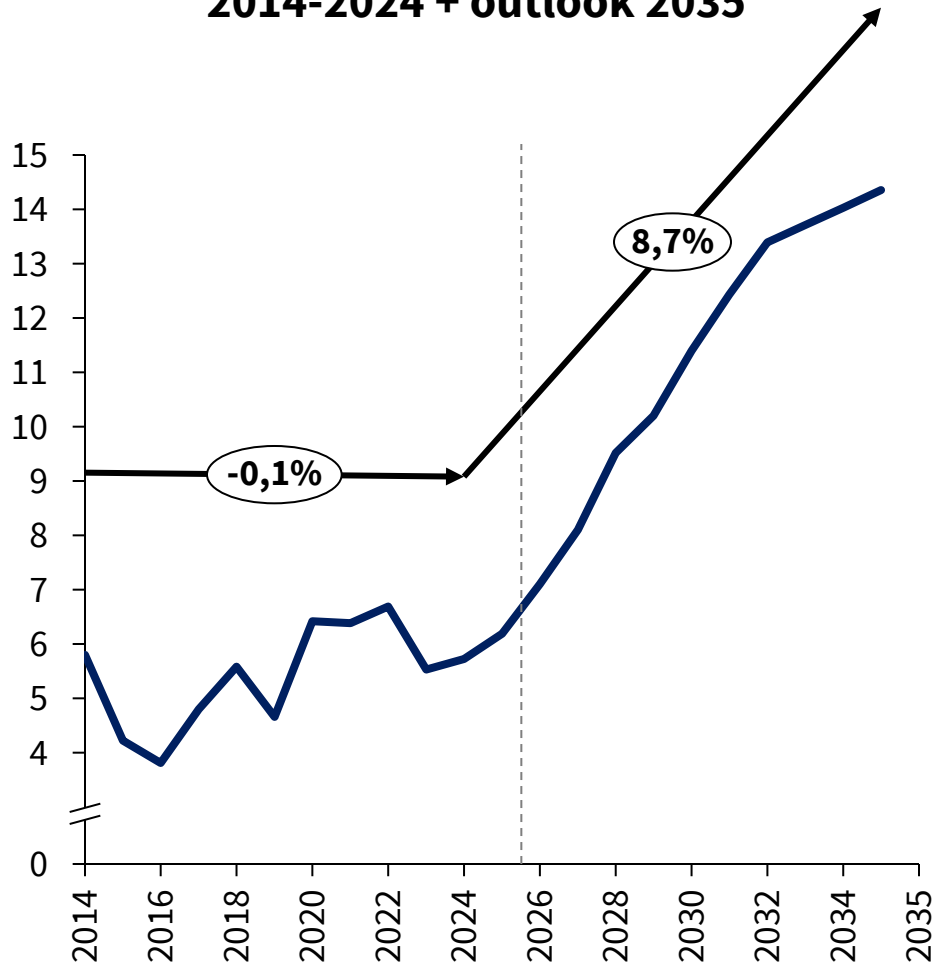
The balance between production growth and self-sufficiency defines future dairy trade needs per region



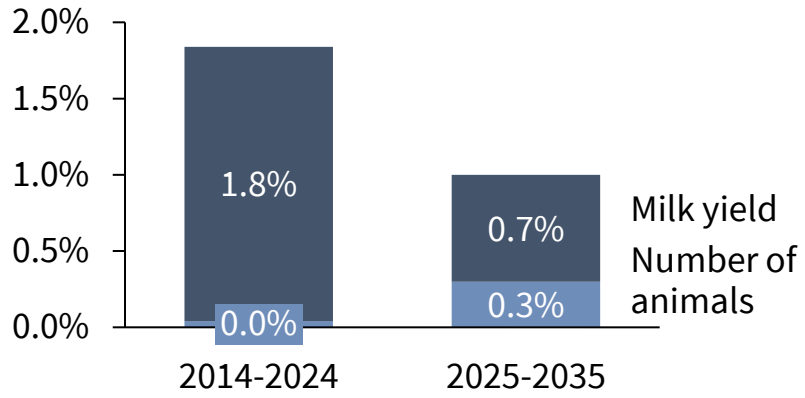
Source: IFCN Annual Sector Database with Long-term Dairy Outlook; Status March 2025

US ambitions to grow with the exports: +8.6 mill t ME more to the global market

Net dairy surplus
2014-2024 + outlook 2035

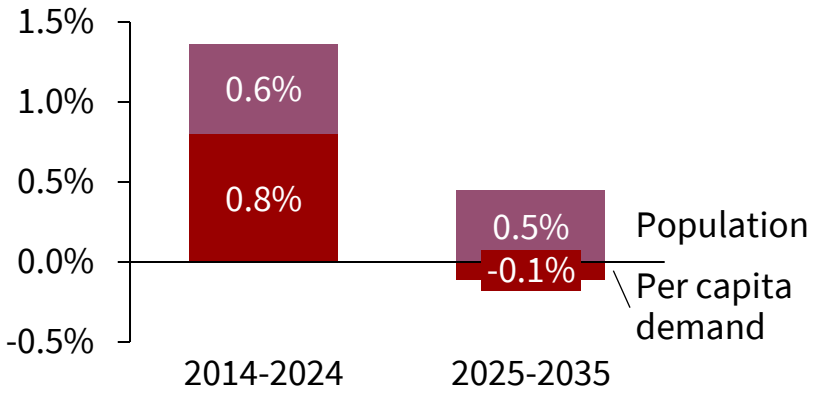


Milk supply drivers



- Reaching the natural animal capability in milk output and solids
- Needs to grow in order to keep the supply

Milk demand drivers



- IMF population forecast
- Per capita demand needs to slowdown for exports to grow

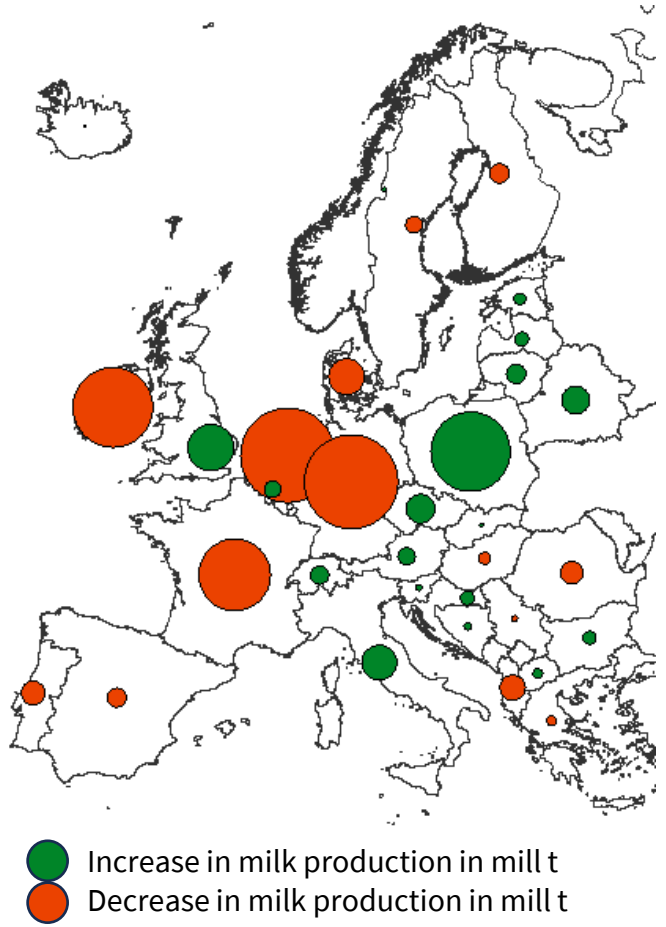
Source: IFCN Annual Sector Database with Long-term Dairy Outlook

EU dairy and policy-driven sustainability: farming regulations as a kind of new quota

- EU-15 **–11.5 mill t SCM** vs **EU-13 + 1.6mill t SCM** until 2035
- Number of dairy animals decrease **-1.6%** CAGR 2024-2035
- Milk yield increase **+1.1%** CAGR 2024-2035, stronger potential in Eastern parts of the EU
- Constraints to grow larger farms with the size and lack of succession

Can EU farmers still secure the acceptable farm income for future farmers?

Increase and decrease in milk production 2035 vs 2024 in mill t



Source: IFCN Annual Sector Database with Long-term Dairy Outlook; Status March 2025

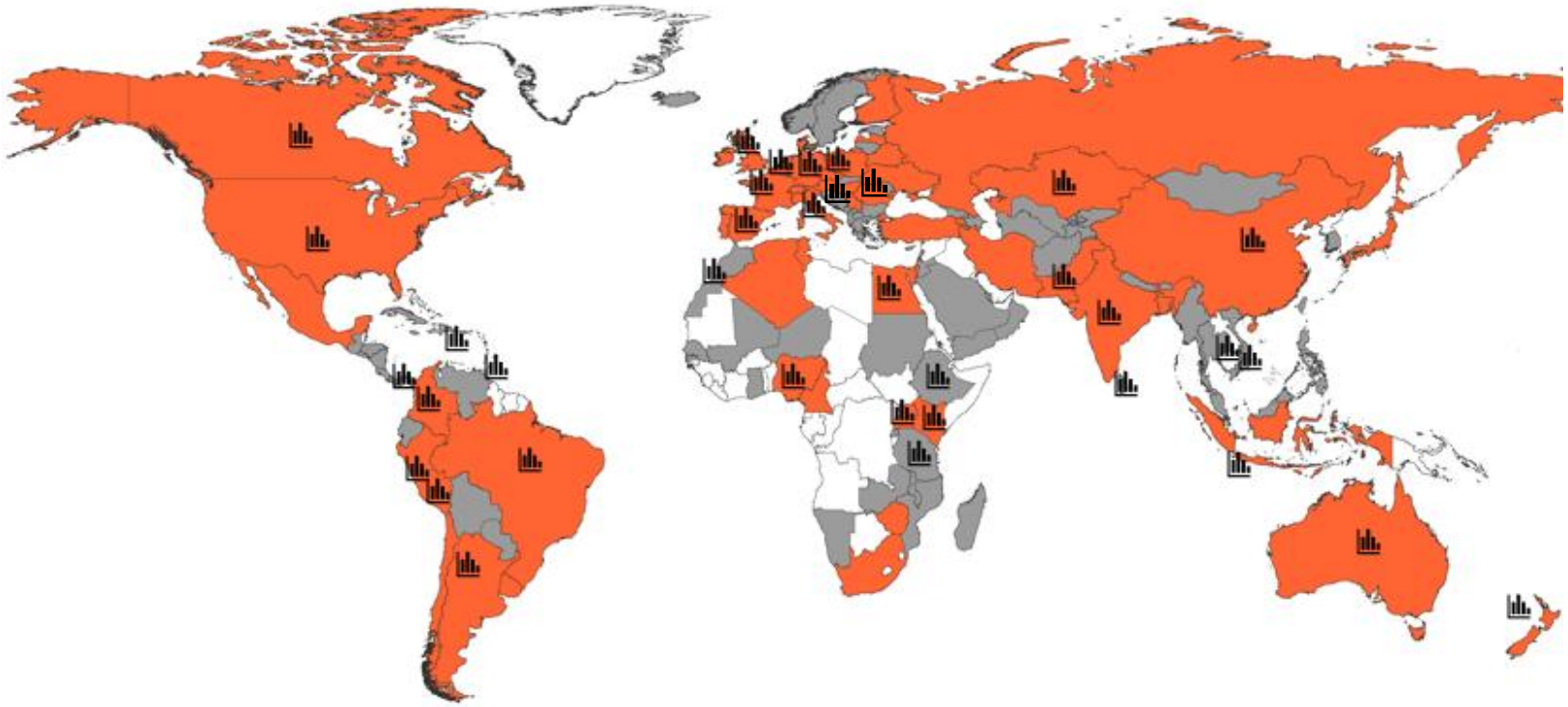
IFCN Projects

Deep dive into specific topics to support the decision-making process

Last 12 months we did more than 30 research projects.

We do projects in various areas including:

- Future milk pool analysis
- Dairy farming and dairy sector analysis
- Strategic sustainability goals
- Supply chain analysis
- Living wages
- Impact analysis
- Dairy impact methodology



Countries covered by IFCN projects in the last 3 years
… and more in progress

HOW TO CONTACT US

For further information about the **IFCN Dairy Research Network**, please contact us using the contact data provided below:

0431 / 530 240 0

INFO@IFCNDAIRY.ORG

Data Protection | Terms of Service

IFCN