



Development in the Dairy Market

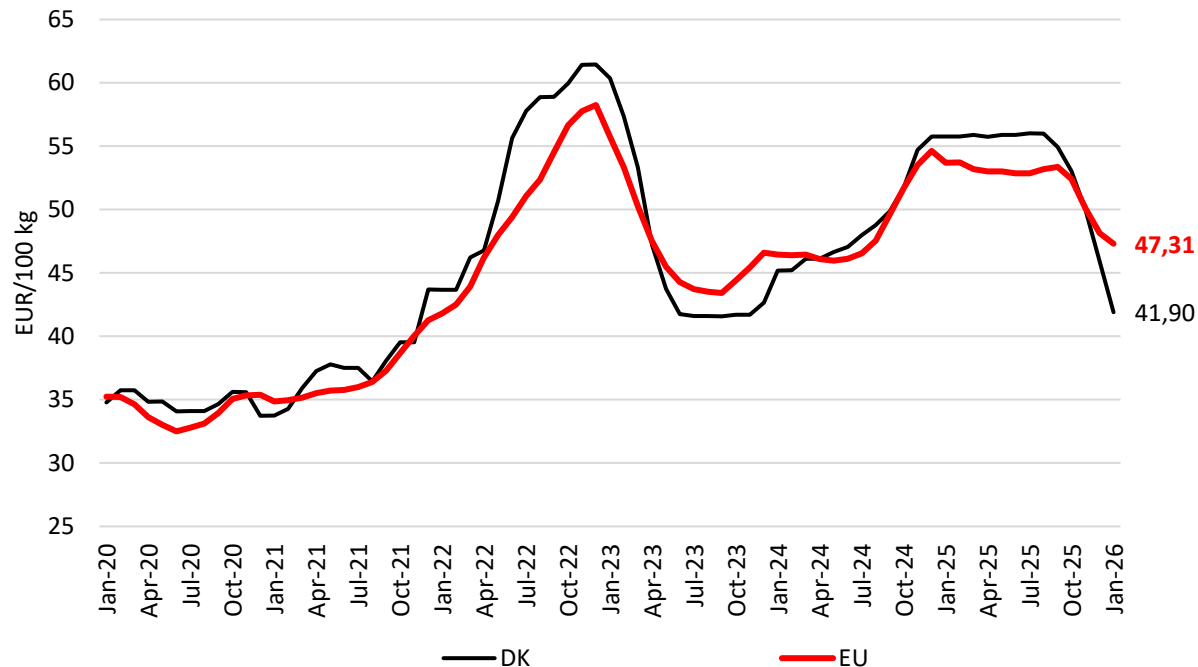
Rémi Valençot, Senior Consultant at Gira

Cattle Congress - Dairy and Beef Producers' Conference 2026
23rd of February 2026, Herning, Denmark

Milk price paid to farmers

A strong decrease at the end of 2025

Raw milk price in EU countries



Milk price change

Dec 2025 / Dec 2024:

EU: -12%

Denmark: -18%

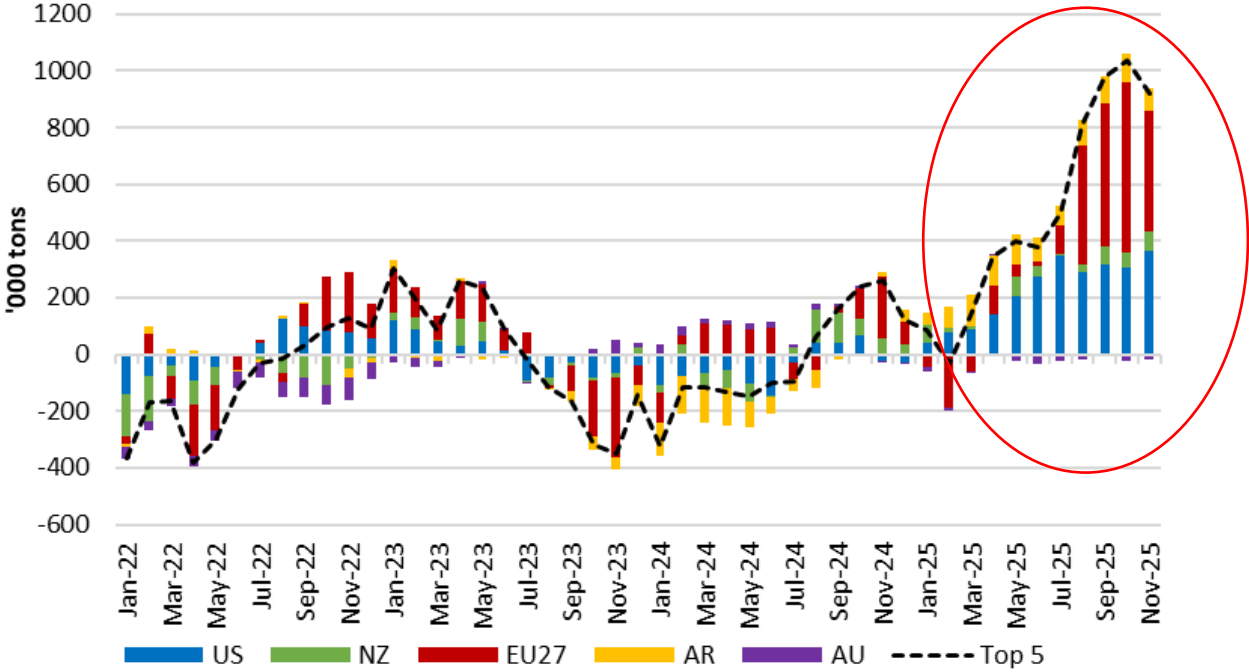
Why are we in such a situation?

Global Milk Collection: Strong global growth since March 2025

Too much milk at the same time around the world



Global Monthly Milk Collection Change Top 5 Regions versus prior year, Jan 2022 – Nov 2025



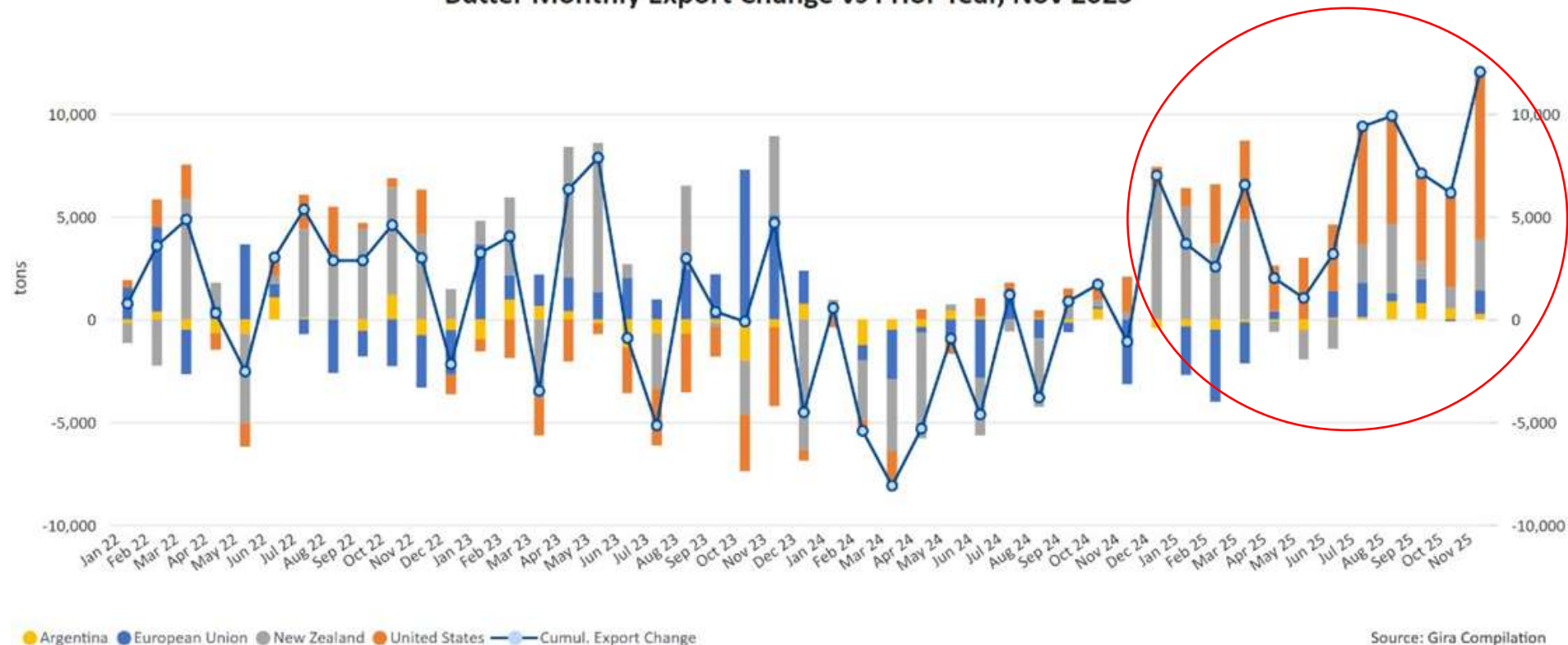
Source: Gira compilations

Butter Exports: Strong global growth in 2025 versus 2024

A new player is now active on the market with really low price: the USA



Butter Monthly Export Change vs Prior Year, Nov 2025



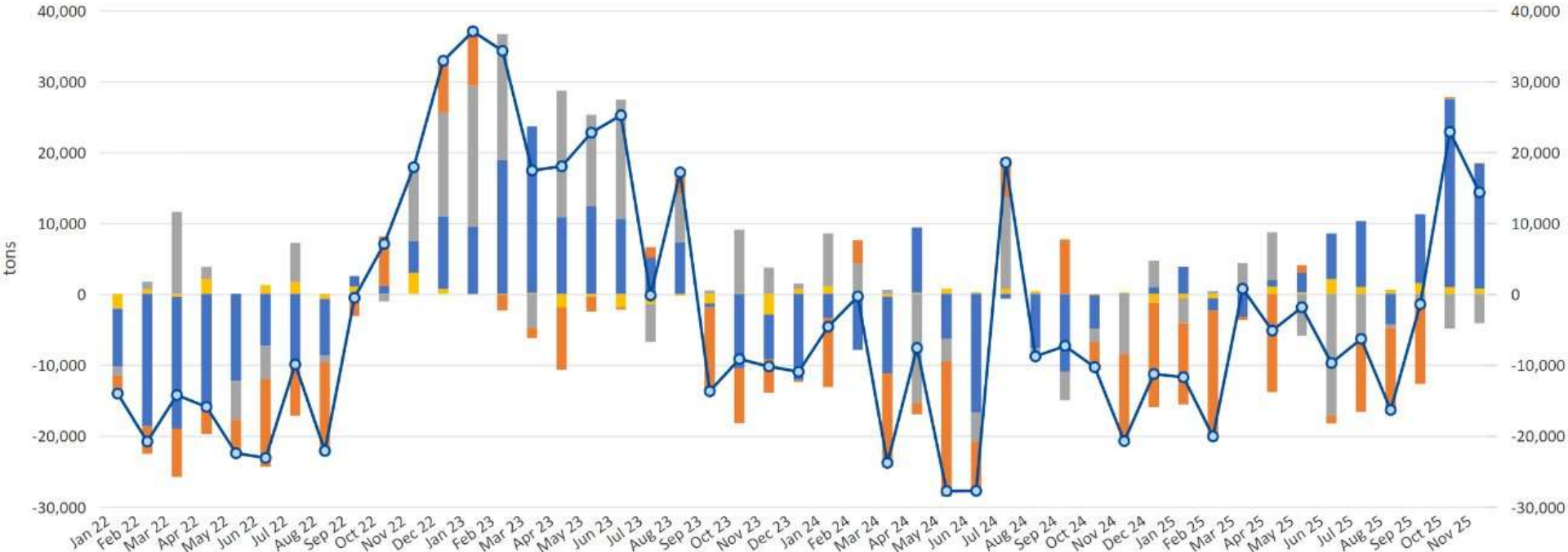
Source: Gira Compilation

On the contrary, less and less SMP has been exported

Extra-EU exports are the only ones finally catching up at the end of 2025



SMP Monthly Export Change vs Prior Year, Nov 2025



● Argentina ● European Union ● New Zealand ● United States — Cumul. Export Change

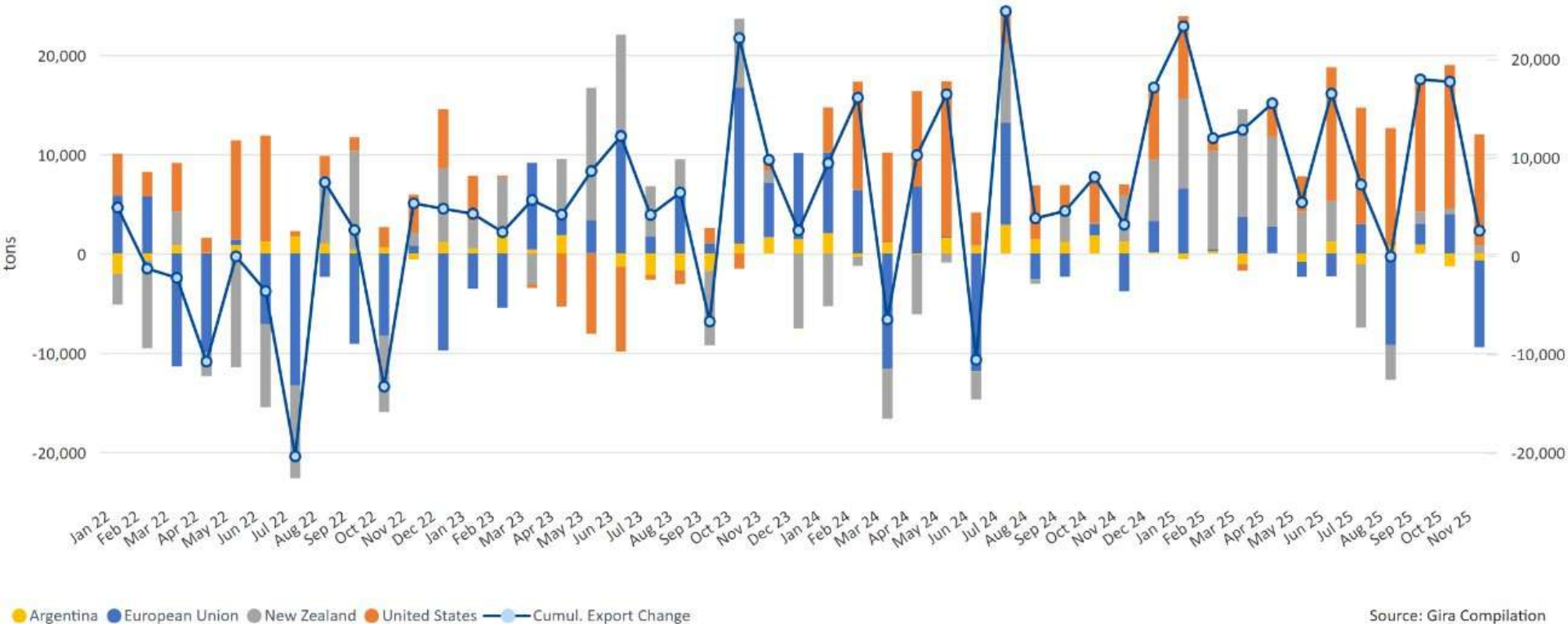
Source: Gira Compilation

Less cheese exported by the EU: more EU domestic consumption

The US are trying to export as much as possible: oversupply in their market



Cheese Monthly Export Change vs Prior Year, Nov 2025



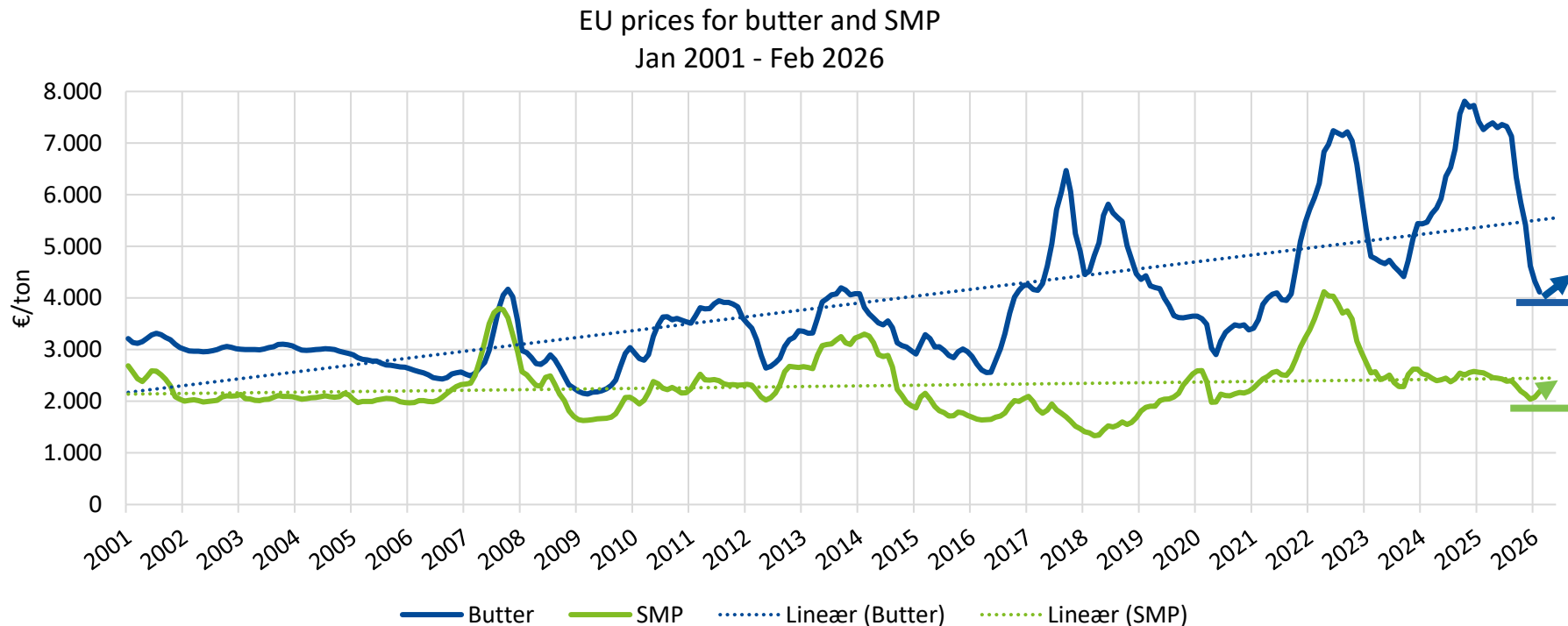
Source: Gira Compilation

What about Prices for mid-2026?

SMP and Butter

Butter and SMP prices for S1 2026

A fragile rebound after a strong fall taking place for Butter and SMP



Some key dairy trends for the future

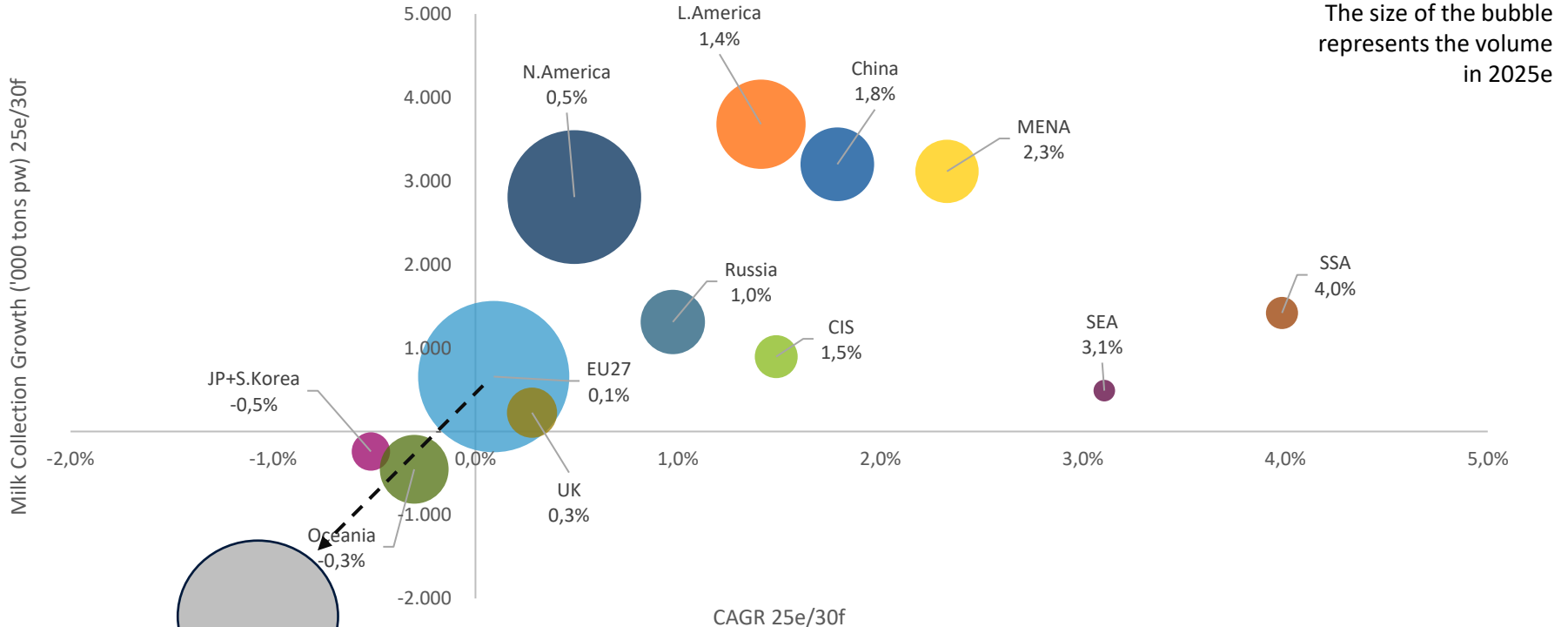
1. Lower growth for milk collection expected in the future

Milk collection for the next 5 years: +0.7% p.a expected by 2030

EU production will most likely decrease (slight decrease in DK as well?)



Milk collection growth 2025e/2030f excl. IN & PK



EU potential worst-case scenario is still there

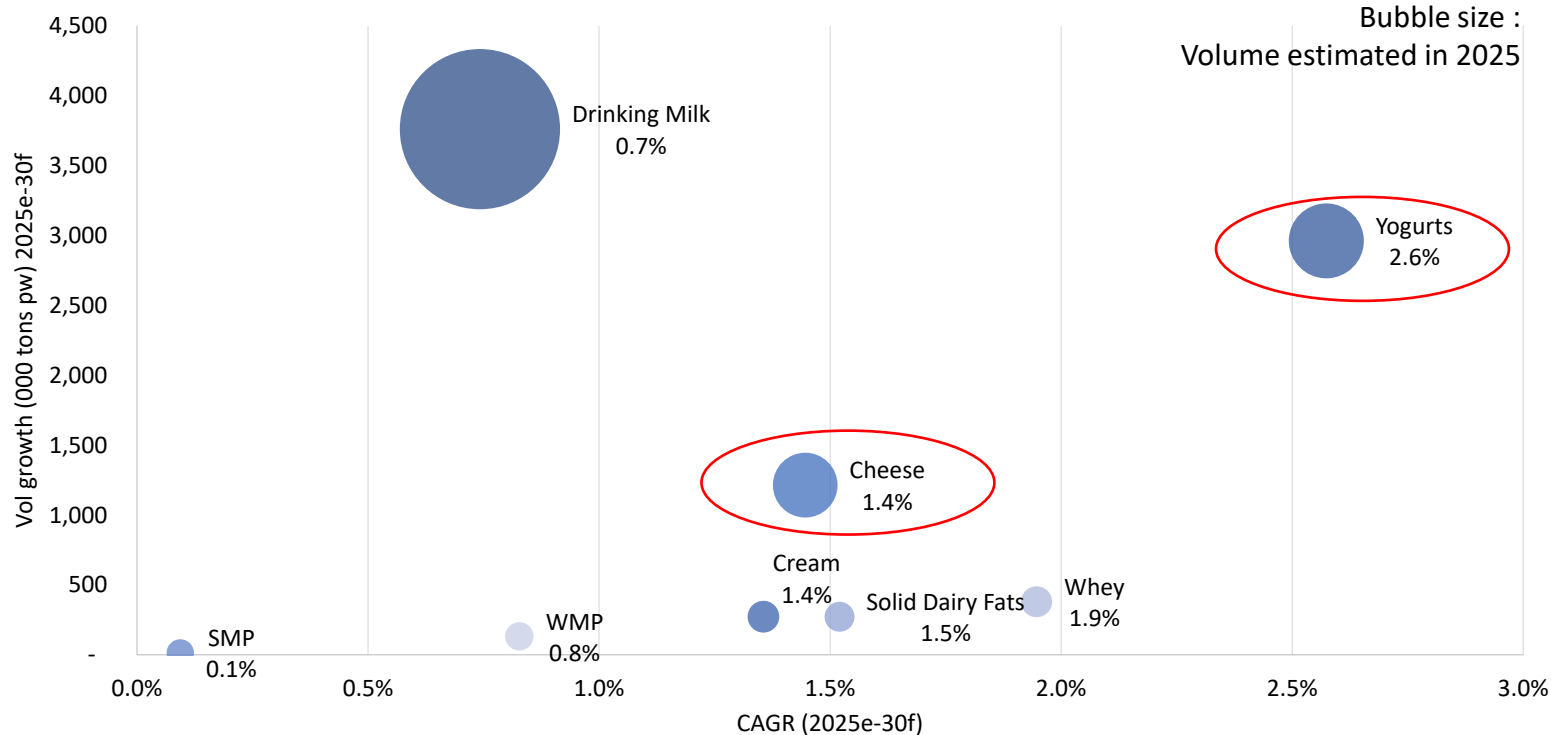
2. What are we going to do with that milk?

Production Growth by Product Category

More cheese will be produced (means more whey) and also more fresh



Dairy Production Growth by Product (excluding IN & PK), 2025e/2030f



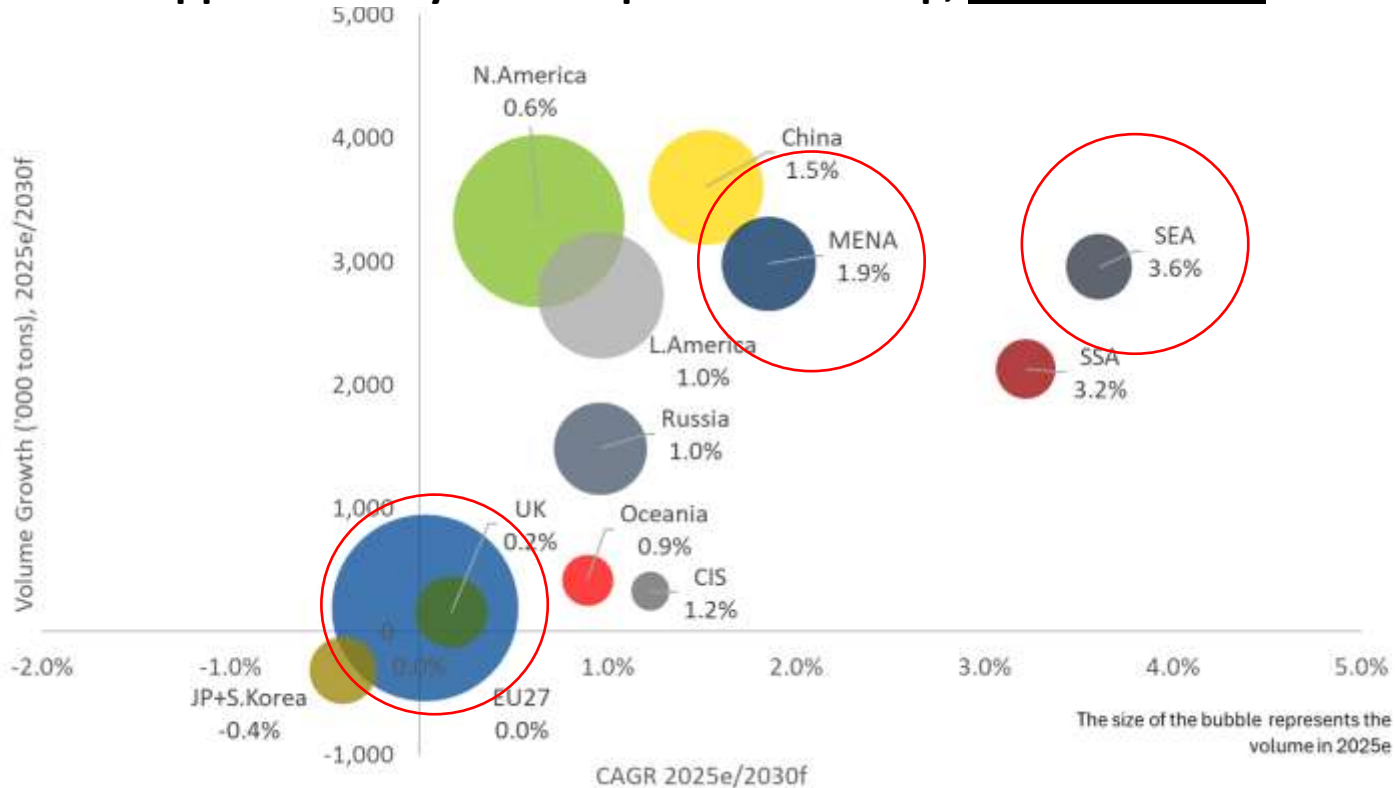
3. Dairy consumption will continue to grow except in Europe

The world market will need more milk

Mainly from countries with low/no milk collection.



Apparent Dairy Consumption in Milk Eq., 2025e to 2030f



Source: GDC25

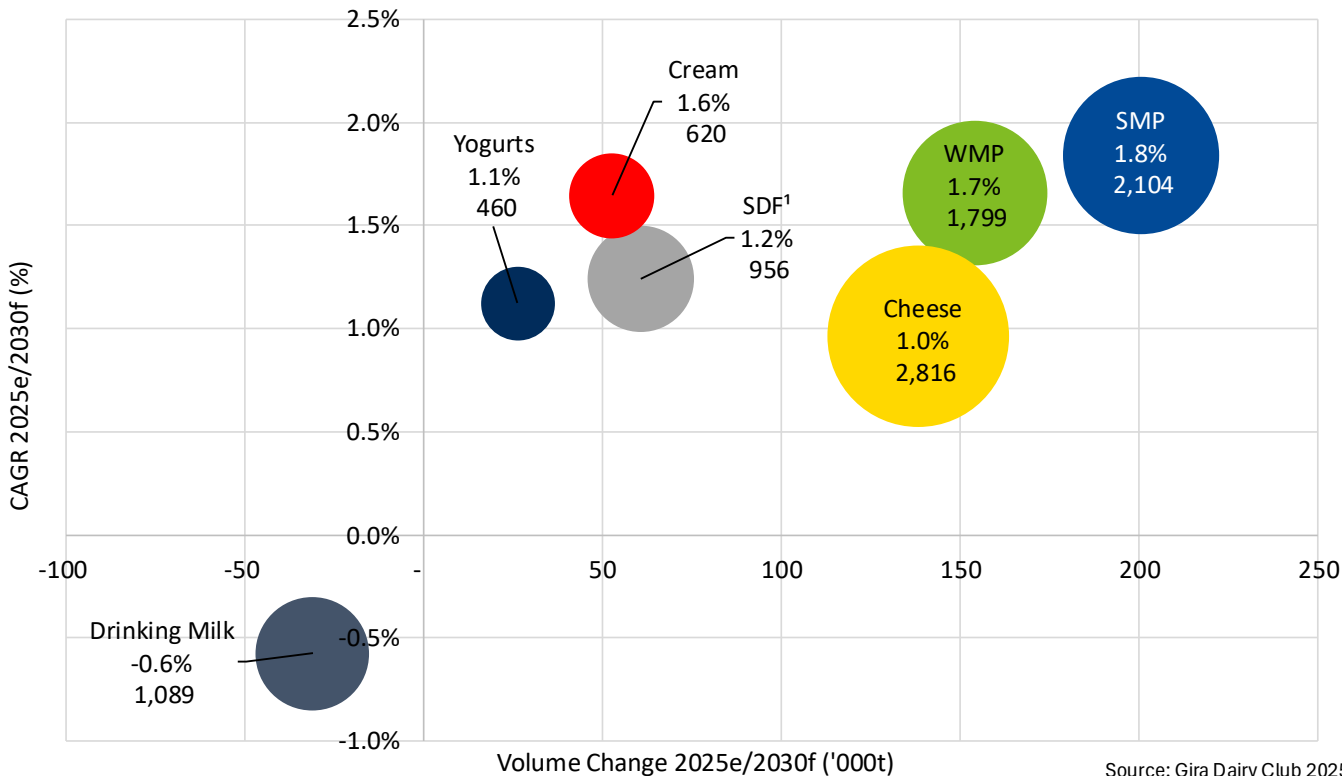
Note: The apparent dairy consumption in milk equivalent is calculated by adding imports and retrieving exports to milk collection all expressed in milk equivalent.

4. Dairy imports will continue to grow

The world will need more dairy products

Cheese is high on the list but also SMP and WMP

Global Imports growth 2025e/2030f



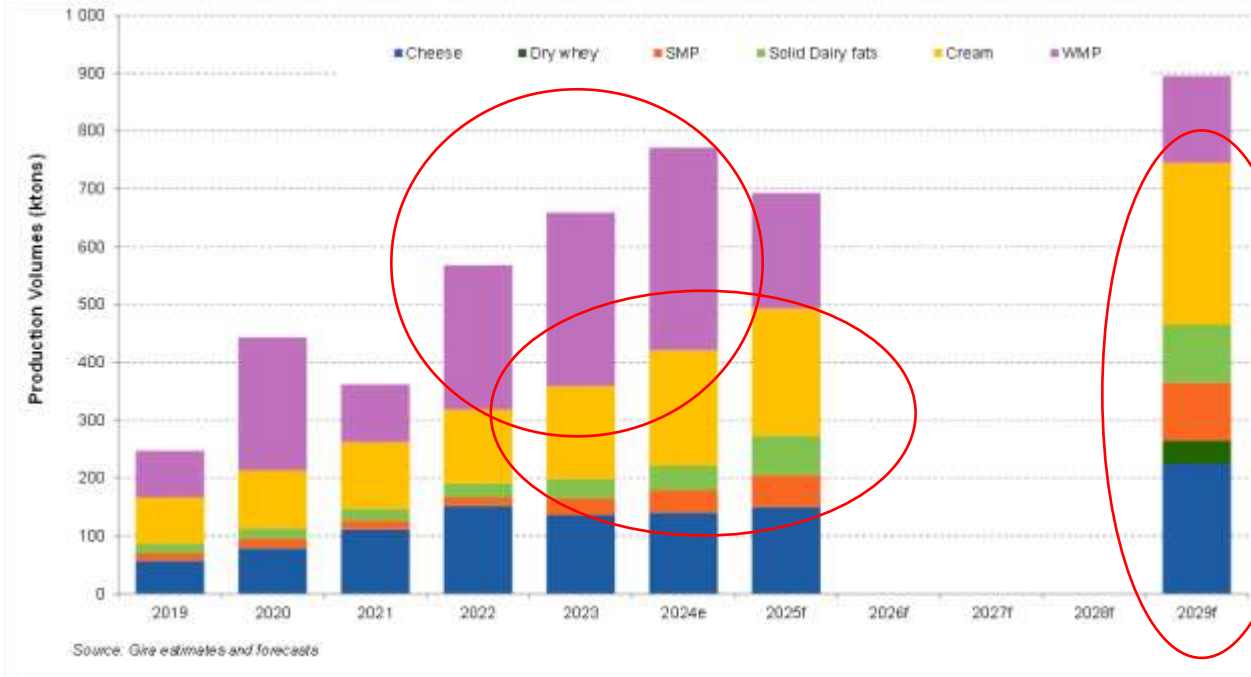
¹ volume change in '000 tons Beq

Source: Gira Dairy Club 2025

But do not count on China to solve our current problem

New product mix with a lower selling price (compared to imports)

Dairy Commodities Production in China, 2019-2029f



WMP



Skimmed milk/SMP +
Cream/butter/AMF



The next :
Fat + Cheese + Whey

Competing imports

5. High protein trend: a booming demand

Demand for proteins is booming: healthy living trend

A demand driven market



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

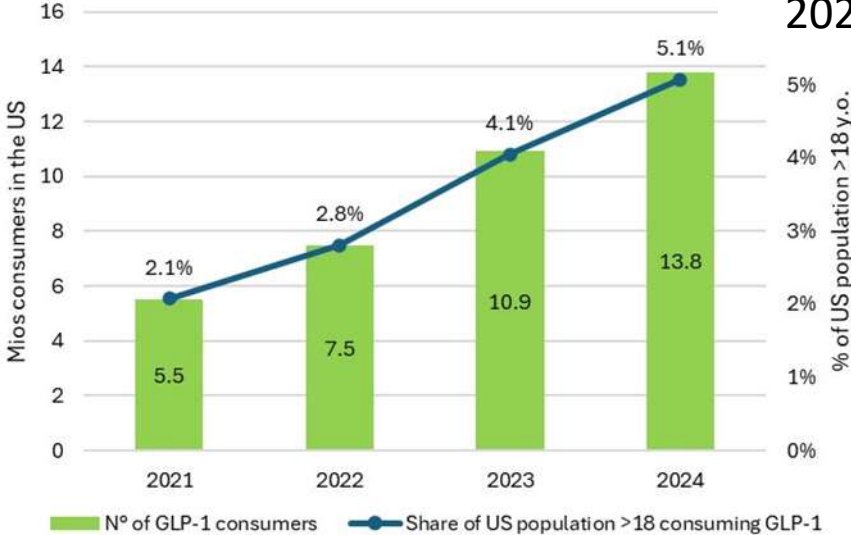


GLP-1, the rising trend in the US and in the EU: a game changer!

We will need much more proteins but also smaller portions



20 mios in 2025?



Source: Gira compilations

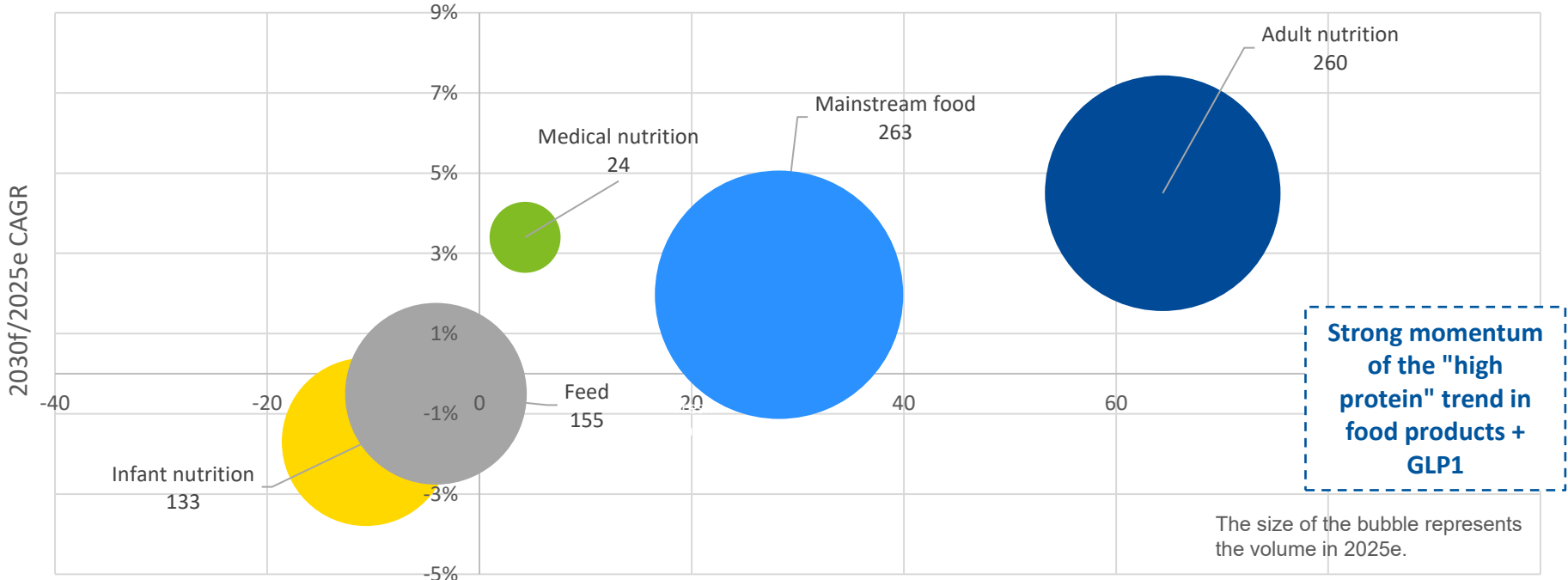
A rising use: **9.1% of Danish households are currently using GLP-1 drugs** (Yougov, Dec 2025).

The need for whey proteins will continue to grow at a high rate

Mostly within Adult nutrition and mainstream foods



Global applications of whey derivatives (all categories) (kt prot. eq.), 2025e-2030f



Source: Gira

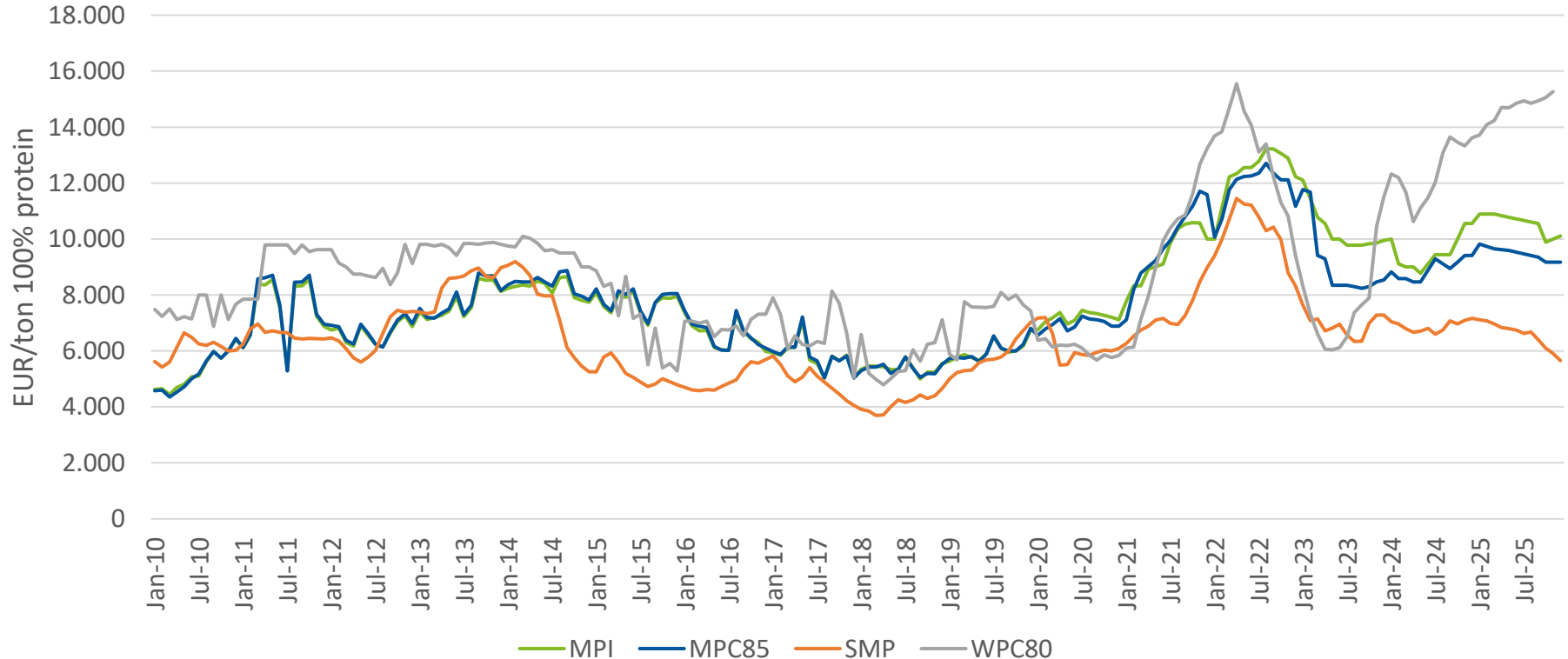
Additional volume (kt prot. eq.) between 2025e and 2030f

Protein price point comparison

There is not any more a correlation between prices of proteins



Protein price point of MPC/In WPC80 and SMP (Jan. 10 – Dec. 25)



What amount of protein are we talking about for the US/EU?

Are we going to have enough? Dairy protein supply could be tight...



1- "Healthy living": ~ + 73 kt by 2030

2- The GLP-1 trend: ~ + 40 kt by 2030

= 113 kt

Can we find,

And if GLP-1 is used elsewhere than in the US and EU?

at least,

And if much more people take GLP-1 medication at the same time?

an additional volume of 113 kt of dairy proteins in 2030?

How much proteins will come from increasing cheese production?

EU+US: +810'000 tons cheese capacity means only 66'000 tons of WPC80



New cheese plants



810'000 tons of cheese



+66 kt WPC80

Additional volumes of WPC80

+ 66 kt

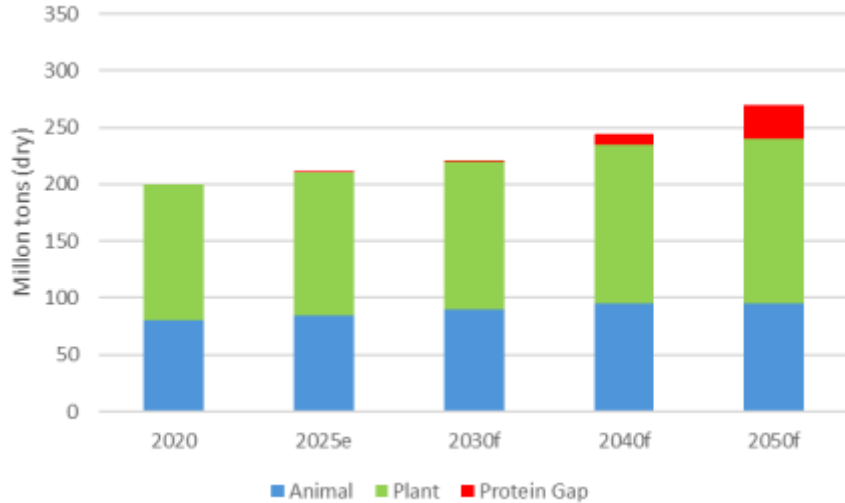
A lack of around 47 kt to 2030

Are we going to have enough proteins?

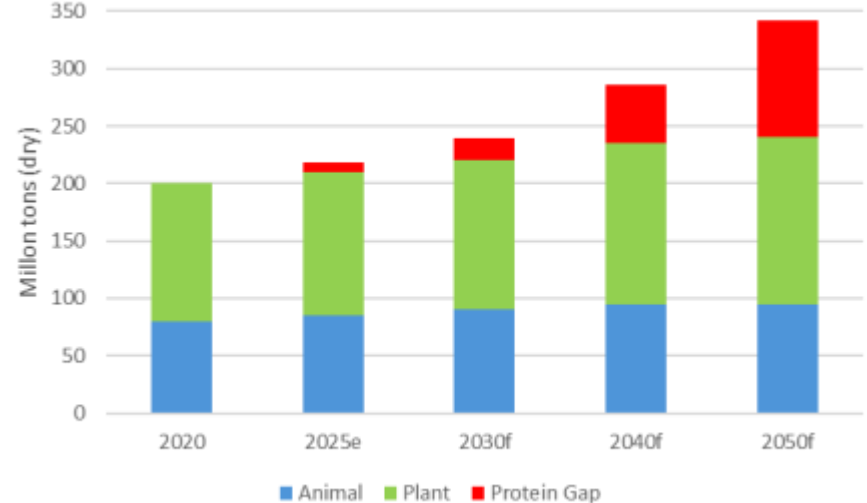
Unlikely



Moderate Scenario (1% Annual Demand Growth)



Progressive Scenario (1.8% Annual Demand Growth)



Sources: Gira, DSM, FAO, Lever

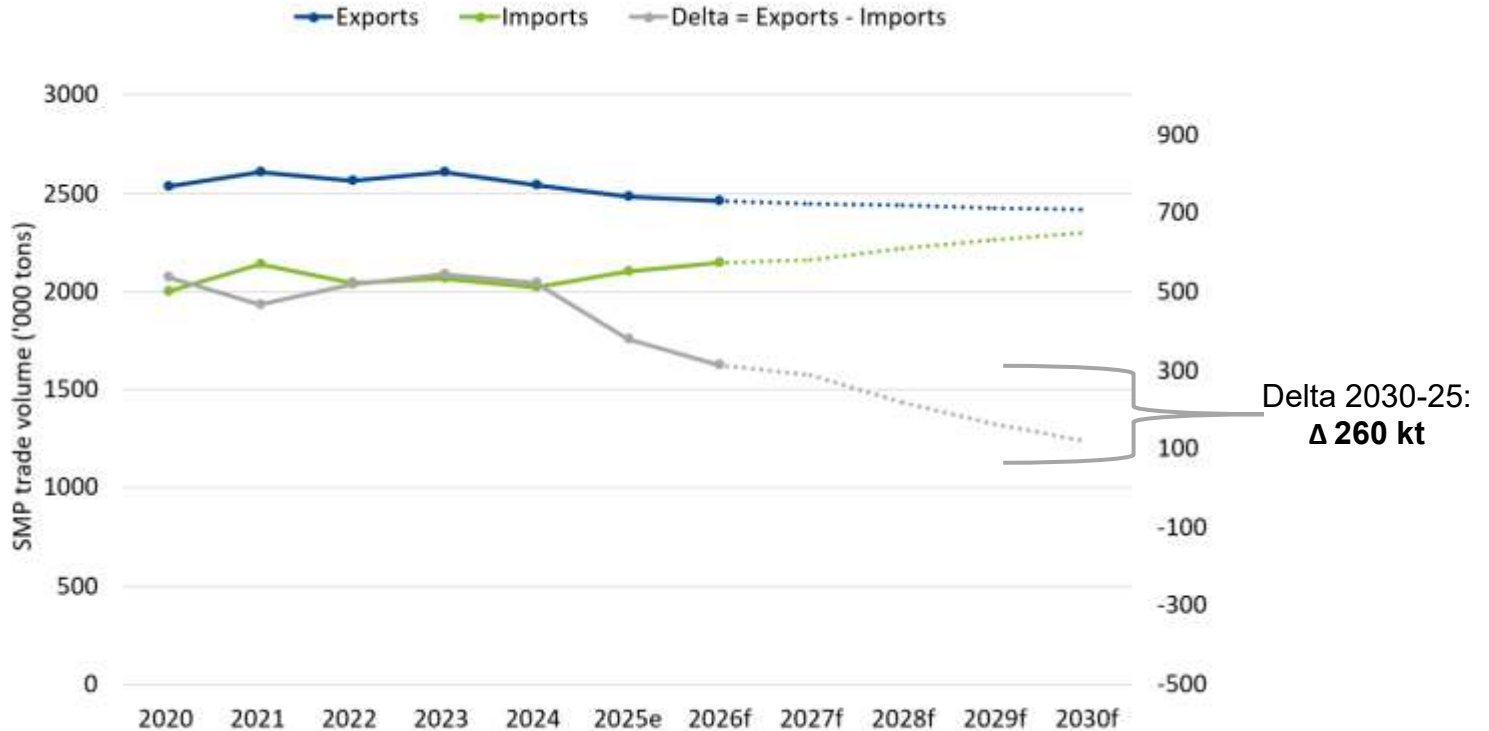
6. We will need also more SMP in the future

The SMP market

The market will be short of supply; importers would like to receive more!



SMP Market, 2020- 2025e- 2030f



Source: Gira compilations

Conclusions

- **Milk collection: small/no growth** to be expected in top exporting countries
- **Cheese production will continue** to grow
 - We need more whey
 - It should remain the best valorisation of the milk: fat + cheese + whey derivatives
 - Imports of cheese will also continue to grow (the world needs more cheese) but watch-out the increasing amount which will have to be exported by the USA
- **“Proteins” is now the name of the game:** Starting to be a demand driven market
 - “Taste, health and proteins” + price = the magic recipe?
- We will **need also more SMP** for the future
- Concerning dairy prices, let’s see what and when will be **the impact of low milk prices on milk collection**
 - A fragile price rebound is taking place but it remains uncertain as there is still a lot of milk around for 2026
 - Main worries still coming from the USA, for the moment no reduction of milk production can be foreseen



Should you require more information, please contact:

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