

# Development in the Dairy Market

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Why are we in such a situation?

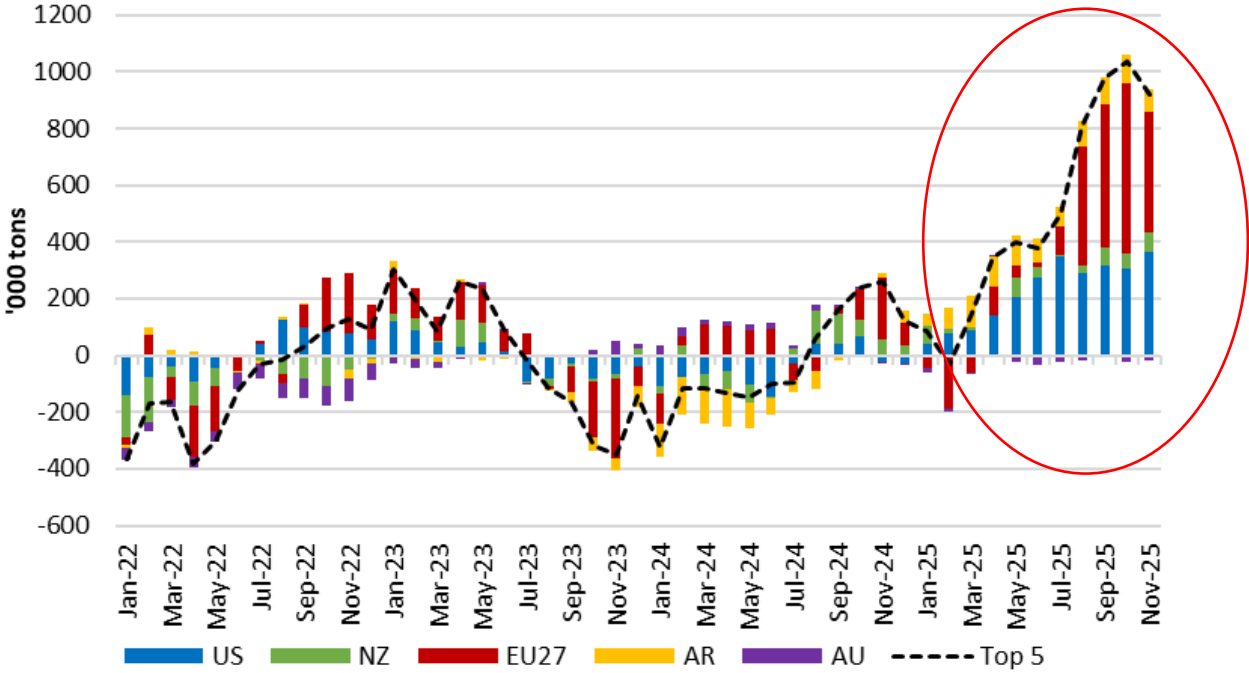
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# Global Milk Collection: Strong global growth since March 2025

*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



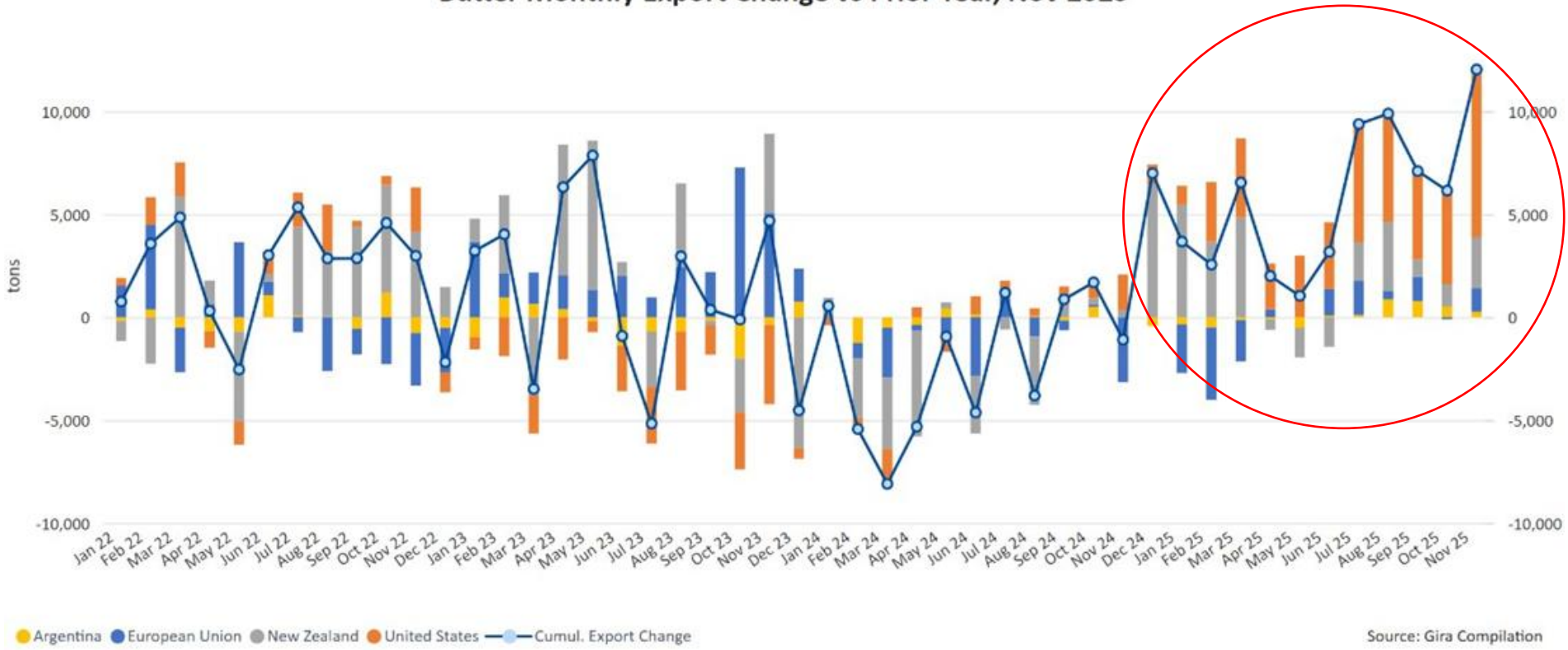
Source: Gira compilations

# 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



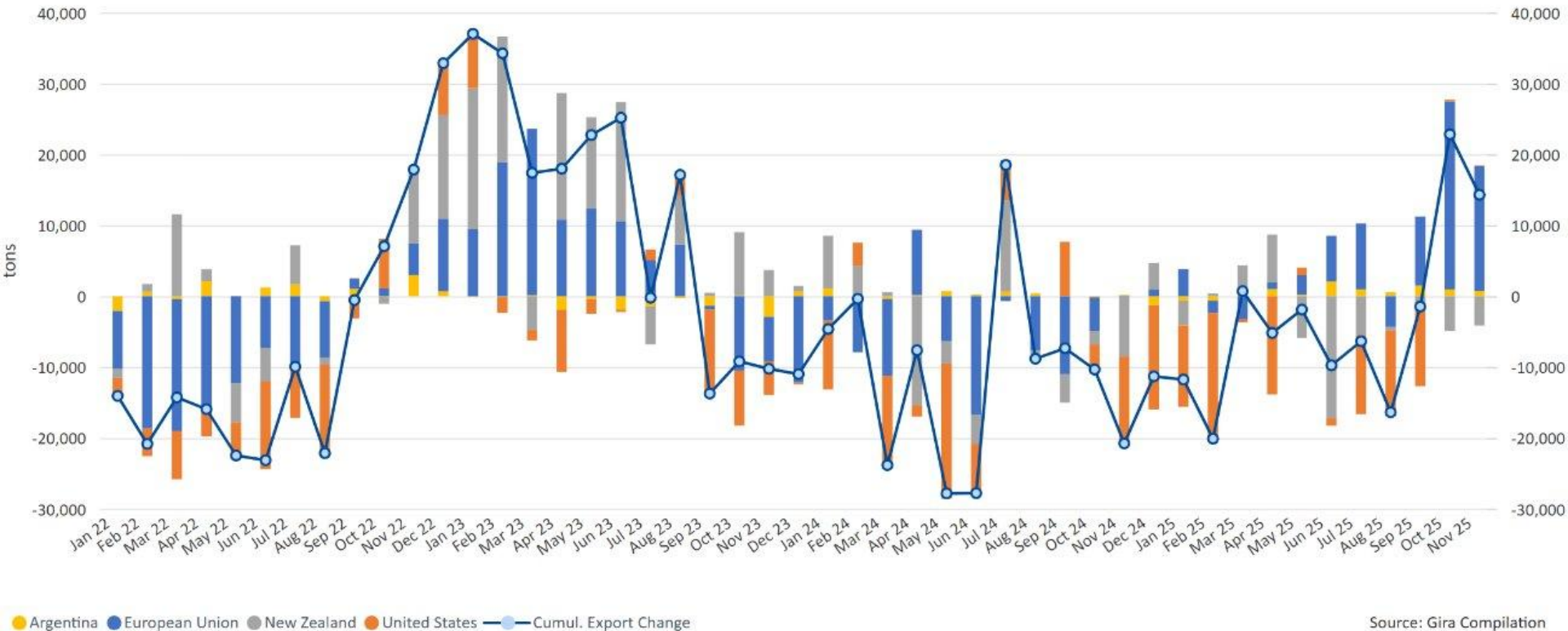
Source: Gira Compilation

# 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



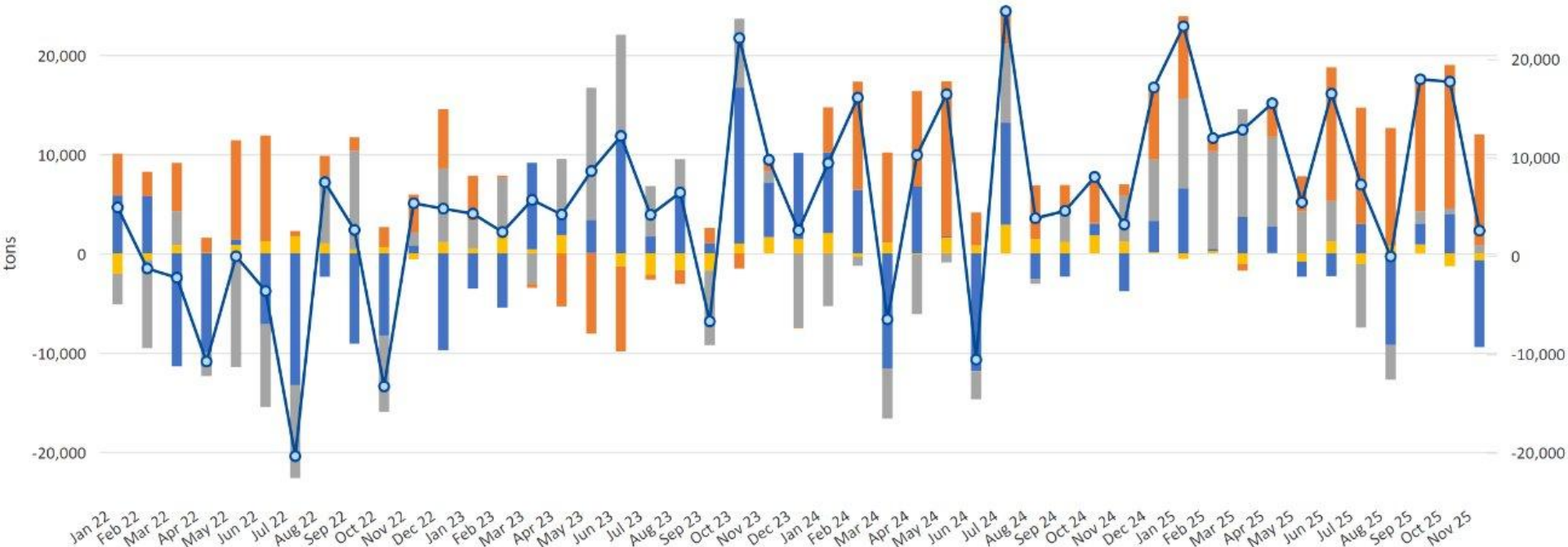
Source: Gira Compilation

# 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



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

Source: Gira Compilation

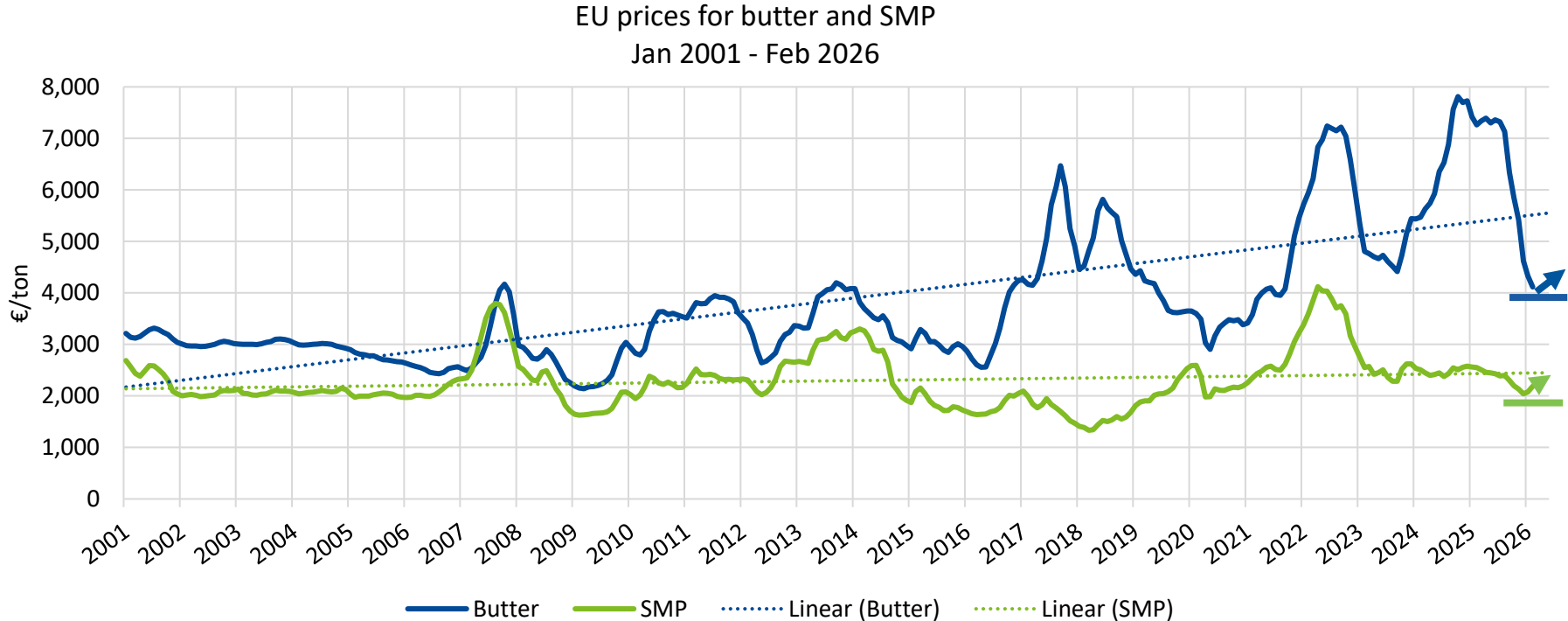
# What about Prices for mid-2026?

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## 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

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# 1. Lower growth for milk collection expected in the future

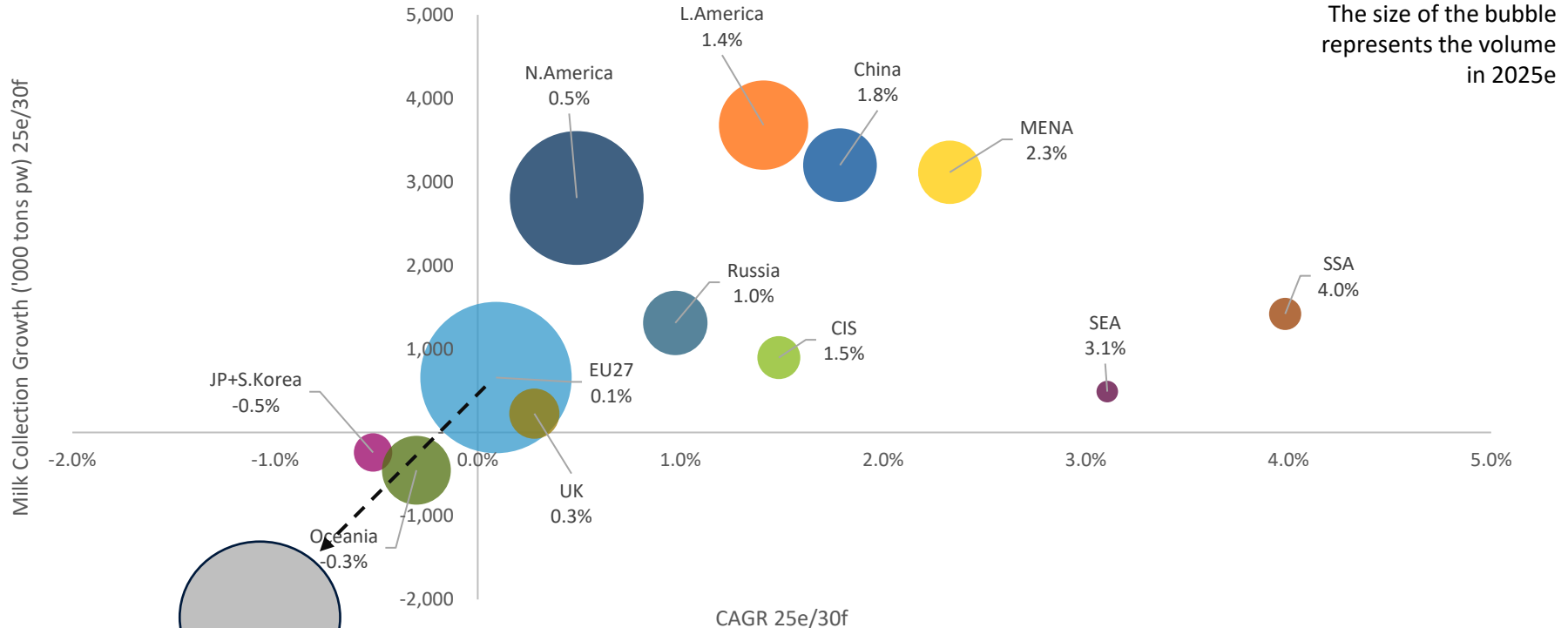
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# Milk collection for the next 5 years: +0.7% p.a expected by 2030

*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?

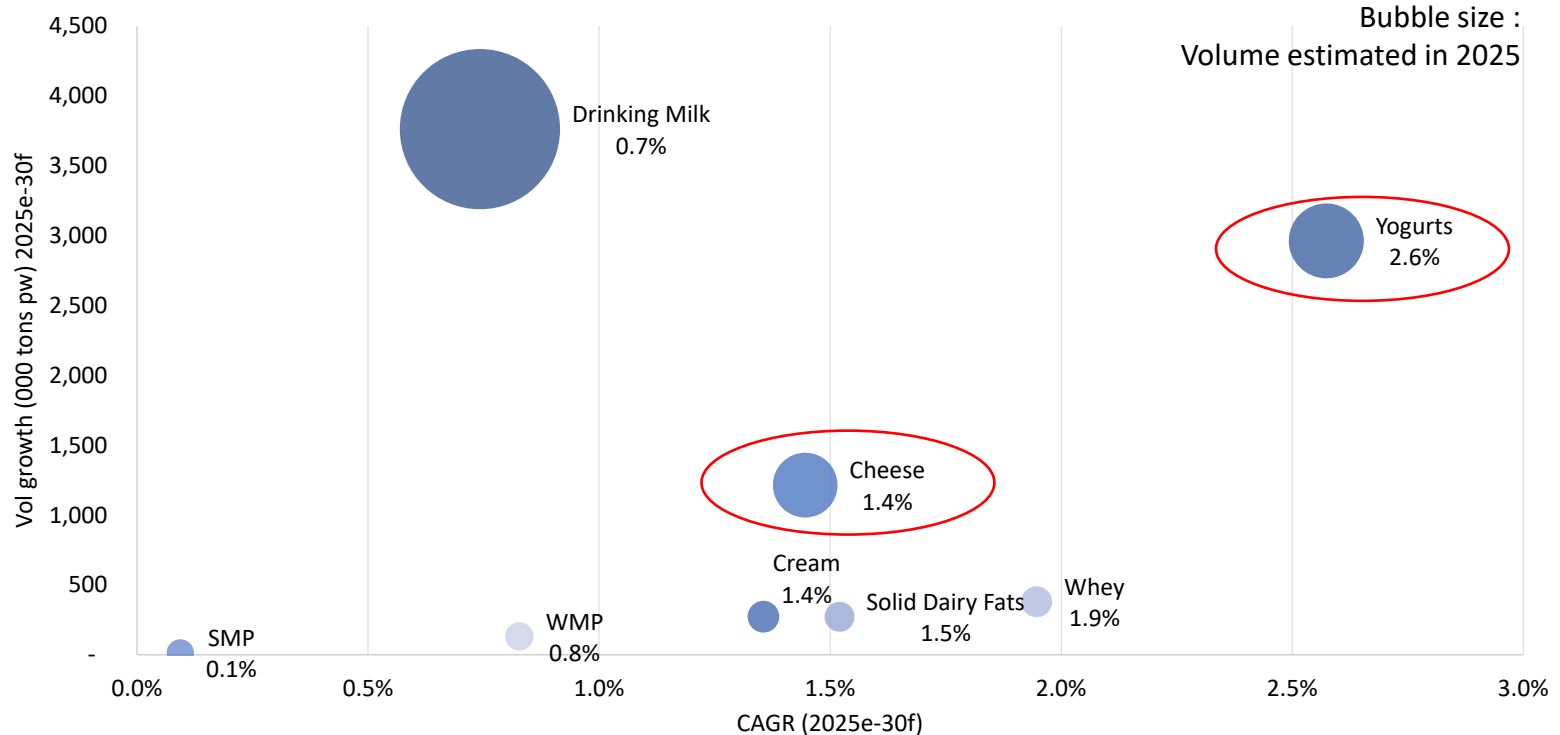
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# Production Growth by Product Category

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



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

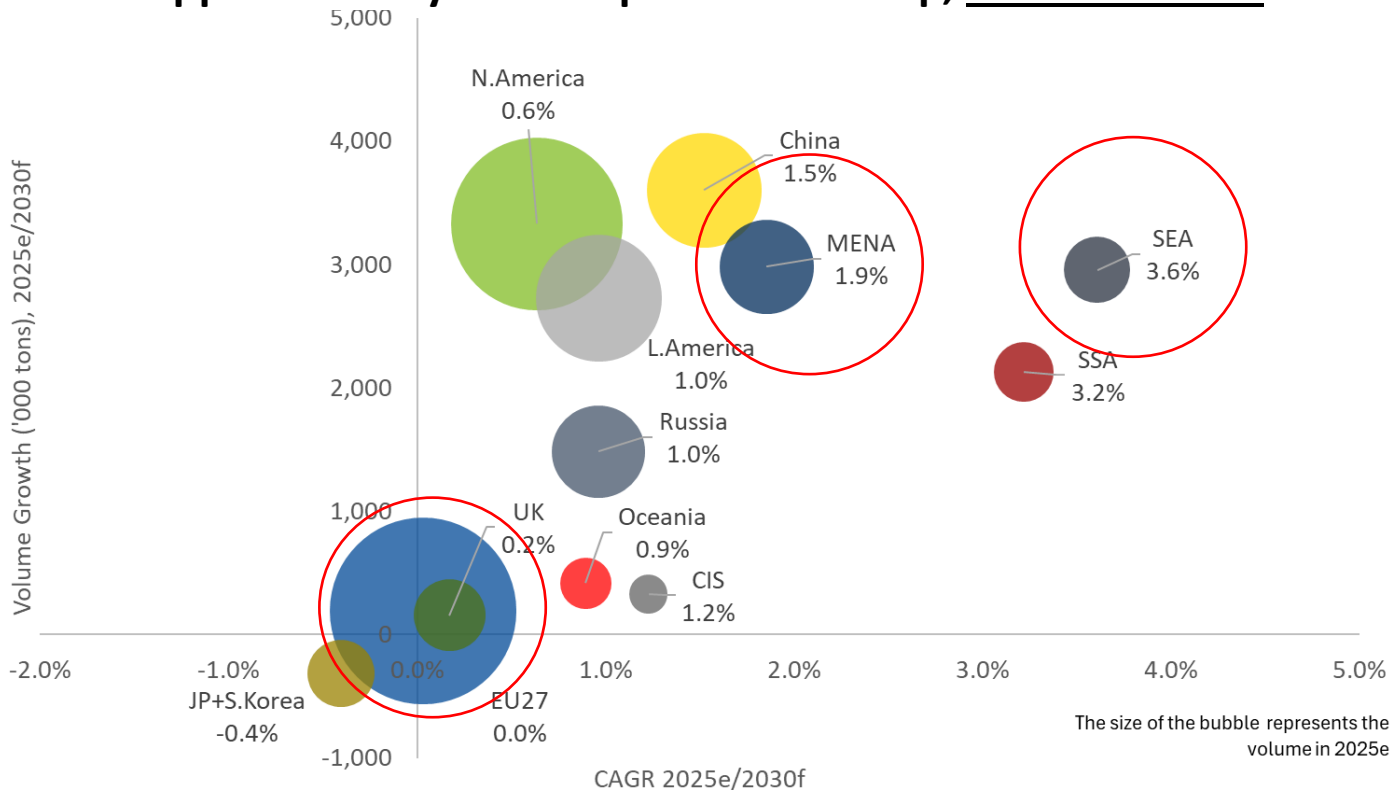


### 3. Dairy consumption will continue to grow except in Europe

# The world market will need more milk

Mainly from countries with low/no milk collection.

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



The size of the bubble represents the volume in 2025e

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.

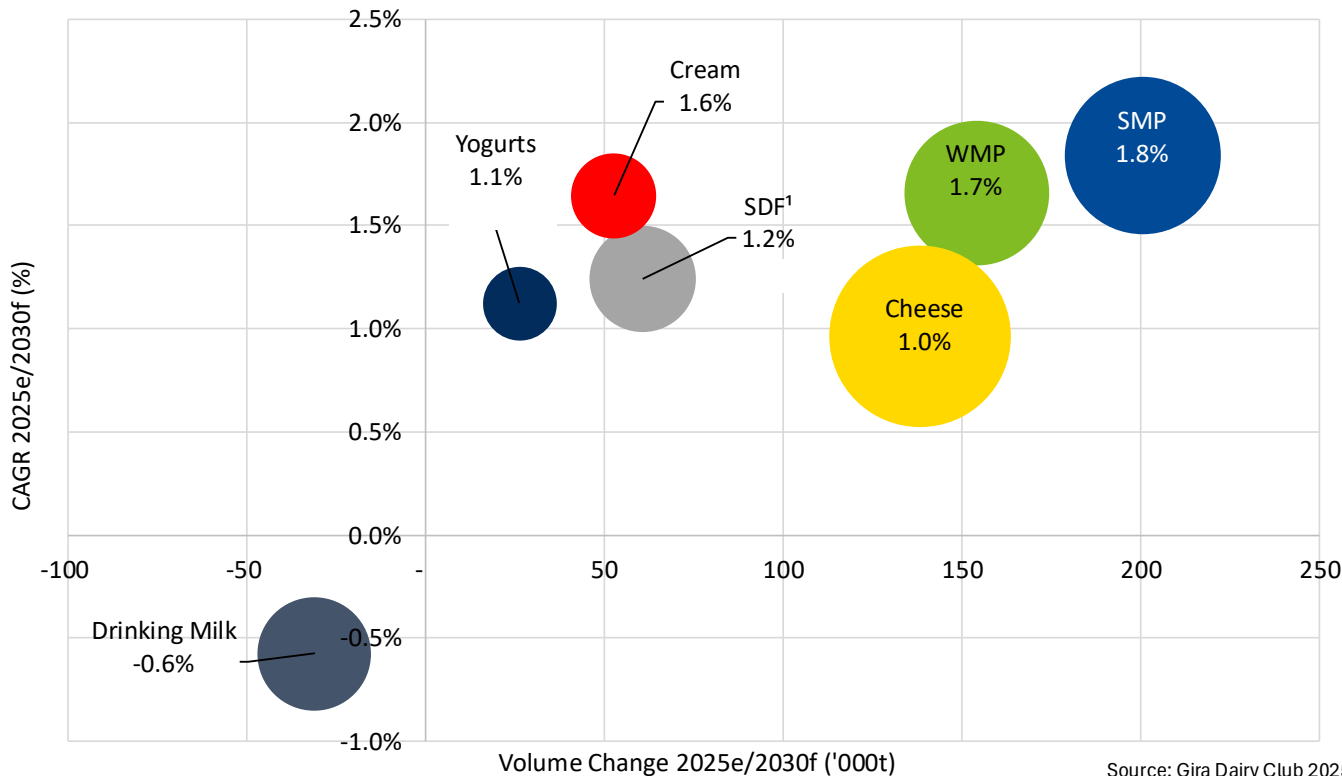
## 4. Dairy imports will continue to grow

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# The world will need more dairy products

*Cheese is high on the list but also SMP and WMP*

## Global Imports growth 2025e/2030f



<sup>1</sup> volume change in '000 tons Beq

Source: Gira Dairy Club 2025

## 5. High protein trend: a booming demand

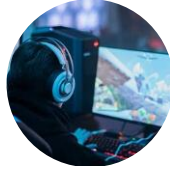
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# Demand for proteins is booming: healthy living trend

*A demand driven market*



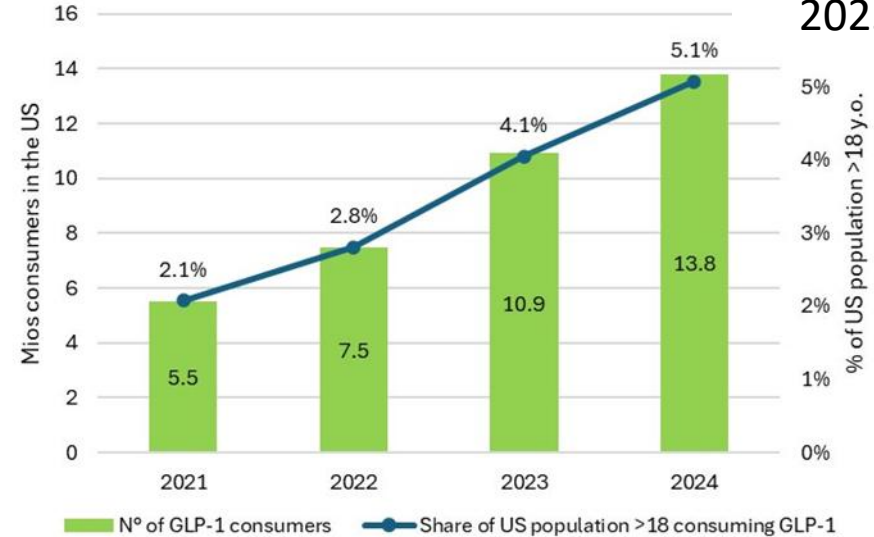
High dynamism of the “high protein” trend in food products



# 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

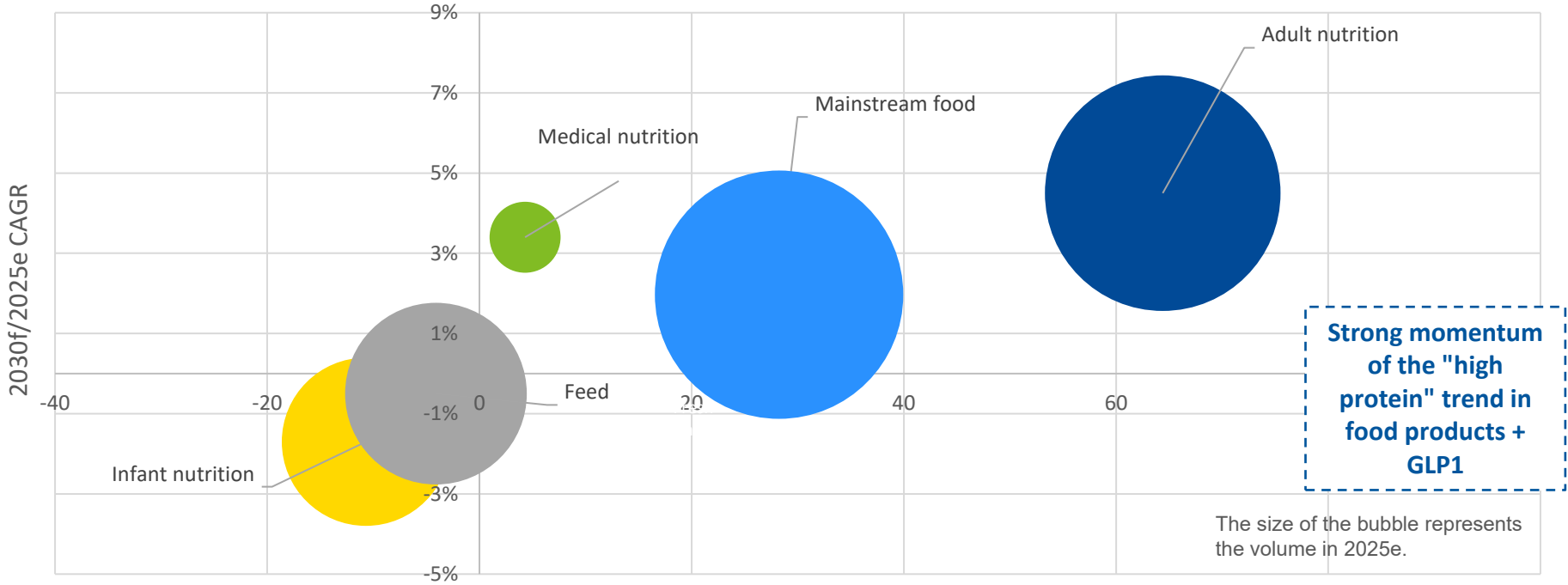
A rising use: **9.1% of Danish households are currently using GLP-1 drugs** (Yougov, Dec 2025).

# 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

# 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

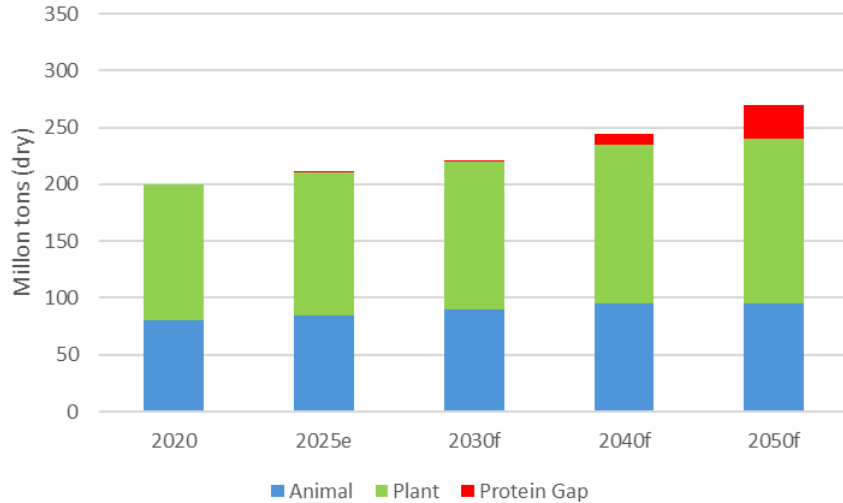
A lack of around 47 kt to 2030

# Are we going to have enough proteins?

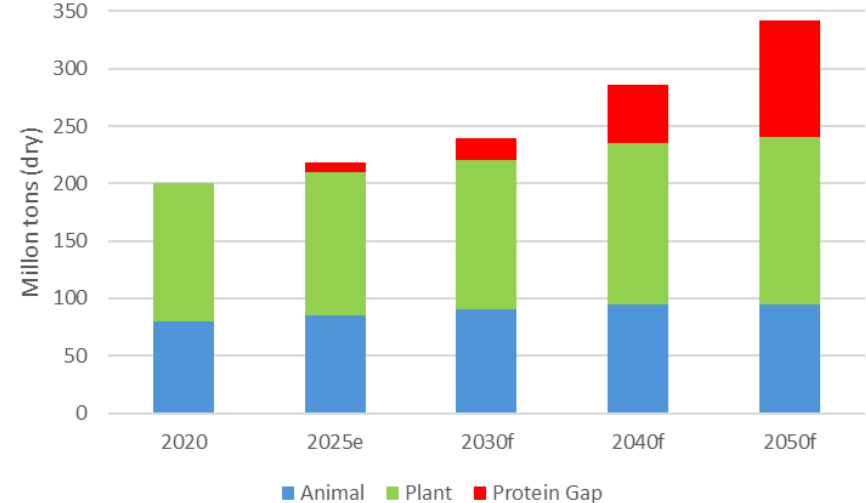
*Unlikely*



## 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

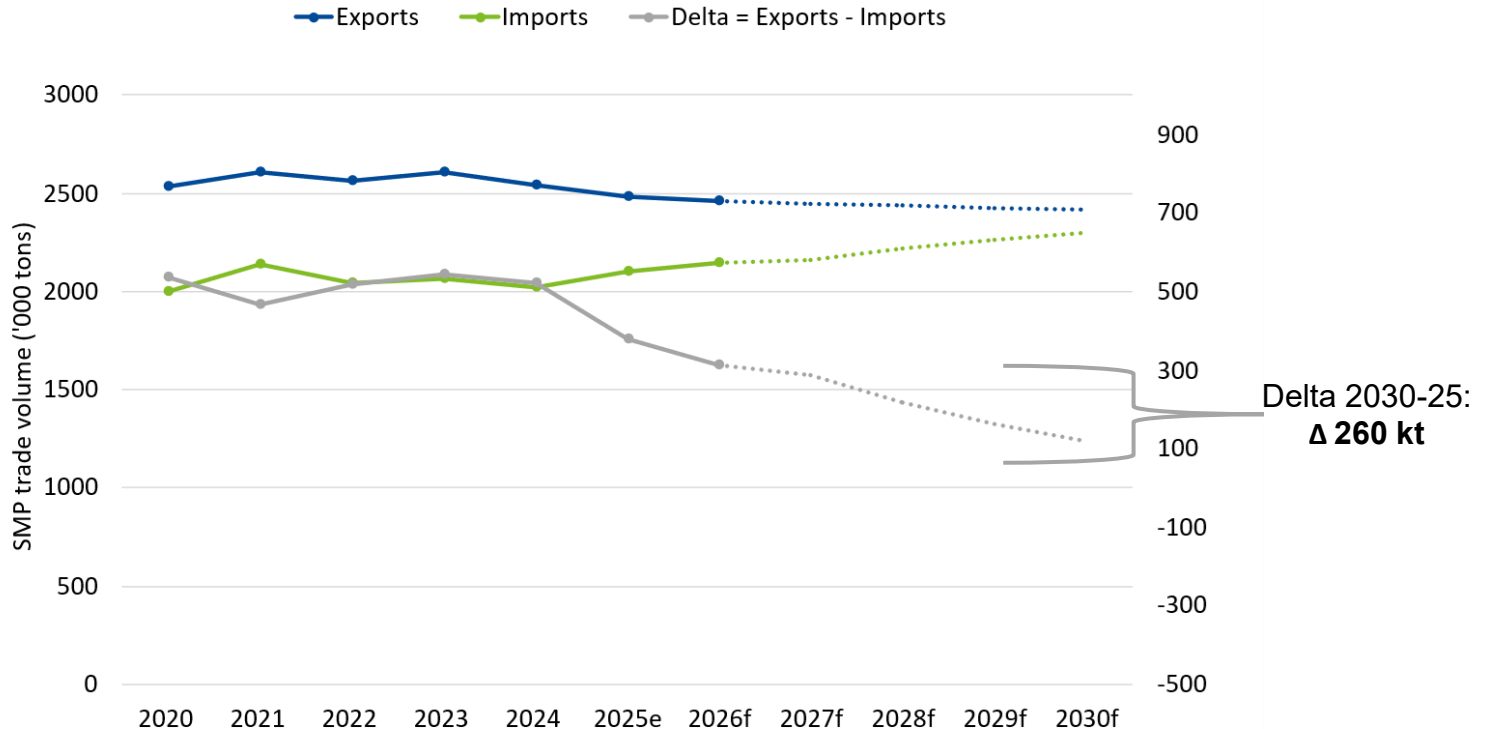
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# The SMP market

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



## SMP Market, 2020- 2025e- 2030f



Source: Gira compilations

## Conclusions

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- **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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