

MEDIA RELEASE



For Immediate Release

8th November 2024

Global Dairy Market Braces for Uncertainty Amid Key Shifts

Global Dairy Commodity Update November 2024

There are a diverse set of supply and demand influences on global commodity markets, exacerbated with an uncertain geopolitical environment with risks of escalating wars and a pivotal US election.

The EU remains the strongest influence on the global market with the ongoing tight butterfat market, although the direction is fragile and uncertain. A seasonal correction in butterfat prices in coming weeks may come as milk output increases, and cream and cheese demand falters. High EU prices are attracting NZ AMF imports but the impact of these is also unclear.

Diverse regional milk production conditions across Europe, with the effects of disease, feed quality and availability, make it difficult to forecast milk supply. Favorable margins should produce a milk supply response but that is less assured with sustainability pressures.

Milk output is growing in other regions. Stronger NZ milk output and weak global WMP demand will sustain elevated SMP and butterfat output, although avoidance of commodity powder production will be a priority. Full-season growth is heavily weather-dependent, but high milk prices and abundant feed supplies will spur producer confidence.

US milk growth will pick up into H1-2025 with attractive margins and expanding herds to support the needs of new cheese capacity.

Oceania cheese prices will come under pressure as more intense export competition looms. US cheddar supply will increase at a faster rate than domestic demand as new plants fill. NZ cheese output will also lift, reducing exposure to milk powders. EU cheese values are strongly driven by the butterfat market – while cheese prices are expected to ease with easing butterfat values, increased exports will be critical to the cheese market balance.

China's efforts to stimulate spending and rebalance the dairy supply chain will be interesting to watch for the potential impact on ingredient imports, which remain well down year-on-year.

Australian exports continue to grow. Australian dairy exports have grown YOY since December last year, reflecting stronger milk supplies and led by cheese, milk powders and fats. August shipments featured increases across all major commodity products except dry whey and milk and cream. Cheese exports rose 23.6% YOY – this reflected stronger sales across all major markets. August SMP exports were at a 7-month low, but still up 28.1% YOY while WMP was +22.4% YOY on relatively low volumes. Fat exports rose 219.4% YOY in August in commercial butter equivalents, AMF was up 132.6% YOY and butter shipments were +45.5% YOY.

Maxum Foods – Global Dairy Commodity Update



+61 7 3246 7800
maxumfoods.com

Head Office:
28 Finchley Street
Milton QLD 4064
Australia

Blending Facility:
4, 33 Fitzgerald Road
Laverton North VIC 3028
Australia

Blending Facility:
11 Washbournes Road
Wigram NZ 8042
New Zealand

Your partner in dairy

MEDIA RELEASE



Graph Reference: Fresh Agenda

- Ends -

About Maxum Foods: Maxum Foods is one of Australia and New Zealand's principal suppliers of dairy ingredients to the Human Health and Nutrition, as well as the Animal Nutrition industries. Maxum Foods specialises in supplying medium to large-scale food manufacturers with high-quality dairy ingredients such as milk powders, cheese and butter. Backed by top-level technical support and a huge dairy ingredient range, Maxum Foods have open global supply channels to source exactly what our customers need.

For more information or interviews contact:

Edwin Lloyd
Executive General Manager - Foods
Ph: +61 7 3246 7810
Email: edwin@maxumfoods.com

For media enquiries please contact:

Cherie Morel
Marketing & Events Manager - Foods
M: +61 419 760 700
Email: cherie@maxumfoods.com

Maxum Foods – Global Dairy Commodity Update



Your partner in dairy

+61 7 3246 7800
maxumfoods.com

Head Office:
28 Finchley Street
Milton QLD 4064
Australia

Blending Facility:
4, 33 Fitzgerald Road
Laverton North VIC 3028
Australia

Blending Facility:
11 Washbournes Road
Wigram NZ 8042
New Zealand