

# MEDIA RELEASE



For Immediate Release

13<sup>th</sup> January 2026

## Rising Milk Supply Pressures Dairy Markets

### Global Dairy Commodity Update January 2026

Combined milk output growth by the top 5 global exporting countries has been running at a historically high rate since July. This unexpected supply-side shock along with “so-so demand” in large domestic developed markets lifted exportable surplus and led to a sharp correction in global commodity prices.

In some cases, announced EU milk prices are already below €40/100kg and will continue to fall before farmers increase culling and reduce supply, but short-term revenue focus and cheap feed may delay the process.

China's new provisional tariffs on EU cream and cheese exports may apply further pressure on global butter prices. The EU started the new year with abundant butter inventories, postponing any meaningful price recovery to later in 2026.

NZ supply remains strong as farmgate prices are still profitable despite recent declines amid poor GDT performance in late 2025. November milk powder exports to China were historically weak.

Lower milk margins will slow US supply growth in 2026, but greater adoption of GLP-1 drugs will continue to pressure demand.

Global trade in late 2025 rose to an all-time high. Increased exportable surplus and lower prices will continue to boost shipments despite political tensions and policy uncertainty.

Australian milk supplies declined through November. The continuing contraction reflects industry exists and dry conditions across Southern Australia but also flooding in the Subtropical and NSW Mid-north Coast regions. Conditions in South-West Victoria have notably improved, with lower cereal hay prices compared to earlier in the year.

Our 2025/26 milk solids production outlook for Australia is for a 1.4% fall, with lower supplies through Q2-26 given the reduction in cow numbers, especially in Victoria.

With lower global product prices, the commodity milk value has declined since June 1 but farmgate prices have recently increased. Opening farmgate prices for 2026/27 are expected to be lower but supported by strong competition for milk in the local industry.

*Graph Reference: Fresh Agenda*

Maxum Foods – Global Dairy Commodity Update



Your partner in dairy

+61 7 3246 7800  
[maxumfoods.com](http://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

# MEDIA RELEASE



**- 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:**

John Hallo  
Procurement Business Partner  
M: +61 438 038 341  
Email: [john@maxumfoods.com](mailto:john@maxumfoods.com)

**For media enquiries please contact:**

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

*Maxum Foods – Global Dairy Commodity Update*



**Your partner in dairy**

+61 7 3246 7800  
[maxumfoods.com](http://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