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Executive Summary of IDF Country Updates - 2024

Scientific excellence
Industry applicability
Strategic networking
Global influence

Series summary

Members of the IDF Standing Committee on Dairy Policy and Economics and the Standing Committee on Marketing updated market results and conditions in 18 counties for the recent 6-month period to June 2024 (or most recent) compared to the same period in the previous year. These countries represent over half of the world's milk production, and an even larger share of its world trade in dairy products.

Milk production/Farm Gate Milk Price

The volume production of Norway, South Africa and China grows the fastest with more than 3%, while that of Italy, Netherland, UK and Germany decreases. The FGMP of Norway, India, South Africa and US grows the fastest with more than 3%, while that of China, Italy and Denmark decreases.

Import/Export

India's import grows the quickest at 26%, China's import decreases the most severely at 15%. India's export grows the quickest at 80.5%, followed by Chile, China, France with more than 10%, while Netherlands export decreases the quickest at -6%.

Overall market prospects

The global dairy market is experiencing a mix of changes and consistencies across various countries. In Chile, a slight increase of about 2% in production is expected with stable prices and an anticipated recovery in consumption. China is facing oversupply that may last for more than six months, with a potential leveling off or slight decrease in dairy herd size. Denmark is anticipating price growth due to increased consumption and steady production, while Germany is expecting lower milk production because of reduced dairy cow numbers and the outbreak of blue tongue disease. France's milk production may be impacted by the spread of diseases such as blue tongue and Epizootic Hemorrhagic Disease, leading to higher commodity prices with opposing trends for butter and SMP, which could persist for the latter half of the year.

India is seeing growth in the demand for value-added products, and Israel's milk production is forecasted to be similar to 2023 with a 2.5% decrease in milk price. Italy's domestic demand for dairy products is expected to be stable at low levels, with continued growth in dairy exports.

The Netherlands is facing extremely high butter prices, while SMP prices are stabilizing with a potential extremely high butter prices, while SMP prices are stabilizing with a potential slight increase, and milk production is expected to decrease. Norway is anticipating an increase in FGMP and milk volume due to no quota restrictions, but exports are expected to remain small. Switzerland is projecting an increase in milk prices despite slightly lower production and demand. The UK's milk production is forecasted to rise slightly, and the US is expecting lower milk production than anticipated, with a slight increase in milk prices due to lower feed costs.

Nutrition

Canada is expanding the use of natamycin in cheese and chitosan in cheese and yogurt, investing in school meals, and recognizing PDCAAS for protein assessment, while Chile delays vitamin D dairy fortification. China pushes for less oil, more beans, and milk, with a focus on precision nutrition. Japan and the Netherlands debate front-of-pack labeling, with the Netherlands facing resistance to Nutri-Score. South Africa considers dairy's image in labeling, and Norway updates dietary guidelines to include 3 portions of dairy daily. Switzerland revises its dietary recommendations, and the US makes strides in school milk policies.

Environment

Canada, Chile, China, Denmark, the Netherlands, Norway, India, South Africa, Switzerland, the UK, and the US are all taking various steps towards environmental sustainability and greenhouse gas reduction in the dairy industry. This includes initiatives like Canada's methane emission reduction protocol, Chile's sustainable dairy certification, China's zero carbon alliance, Denmark's CO2 tax, the Netherlands' manure crisis response, and the US's authorization of a methane-reducing feed additive. These efforts aim to balance agricultural production with environmental stewardship and biodiversity conservation.

Industry Restructuring

Chile sees Nestlé invest in production plant upgrades, while China embraces technology integration for sustainable manufacturing. France's Lactalis expands internationally with acquisitions, and the Netherlands' FrieslandCampina invests in Indonesia. Norway's TINE faces competition and plant closures, South Africa's dairy industry structure evolves, and Switzerland's HOCHDORF undergoes ownership changes. In the UK, Müller Dairy and Freshways Group make acquisitions, and the US expects new dairy facilities and continued farm consolidation.

Trade Negotiations

Chile ratifies its EU agreement, while China benefits from zero-tariff policies in free trade agreements with New Zealand and Australia. Denmark and Germany align with the EU trade agenda, Italy faces potential tariff challenges from the US and China, and the Netherlands is subject to a Chinese anti-subsidy investigation. South Africa negotiates with China and focuses on animal health, the UK engages in trade talks with multiple countries, and the US navigates limited trade negotiations with political oversight.

Overall Economic Conditions

Canada faces rising mortgage rates and population growth, while Chile and China see improving economic trends. Denmark maintains low unemployment, Germany expects no GDP growth, and Norway's inflation eases. India's GDP grows, South Africa battles high unemployment, and Switzerland's inflation declines. The UK's inflation rate fluctuates, and the US economy shows resilience with moderating inflation.

Dairy Product Consumption Volume Trends

In the global dairy market, Chile experiences the most rapid growth at 15%, while China sees the steepest decline by 3%. Drinking milk thrives in Chile with a 10% increase, but South Africa faces a 3% drop. Yogurt sales soar in South Africa by 7%, yet China's market plummets by 11%. Norway leads cream growth at 6%, contrasted by Switzerland's 3% fall. Canada's ice cream market expands by 2%, while Switzerland's contracts by 9%. Cheese consumption rises fastest in Norway at 6%, with China's market down by 2%. Butter sales are strong across most markets, with Chile leading at 9%. Powdered milk sees Chile's fastest growth at 16%, and China's steep decline by 11%. In Germany, consumers opt for own-label products, while in France, dairy sales volume increases, though consumers choose cheaper options. Norway enjoys a dairy boom, with whole milk gaining popularity. South Africa's dairy sales volume recovers, and Switzerland sees a rise in fresh cheese and drinking products.

Marketing

Marketing opportunities include reaching youth and promoting the nutritional and sustainable benefits of dairy, while challenges involve addressing concerns about sustainability, animal welfare, and competition from alternative products. For different countries, there are different levels of focus on various topics. These topics include sustainability, sports, nutrition, health, local, occasion, animal welfare, lactose intolerance, women, biodiversity, young image, and school milk.

Summary

The report highlights a dynamic global dairy market with varying production and price trends across 18 key countries. Milk production and farm gate milk prices show mixed movements, with notable production volume growth in Norway, South Africa, while China and Italy face declines in FGMP. Trade patterns shift as India's dairy imports and exports surge, and China's imports drop significantly. Environmental sustainability is a priority, with various countries adopting green initiatives and experiencing market changes. Consumption trends fluctuate, with Chile and Norway seeing growth, but China experiencing declines. Marketing strategies focus on youth and sustainability, addressing consumer concerns and promoting dairy's benefits.