Crisil
a company of S&P Global

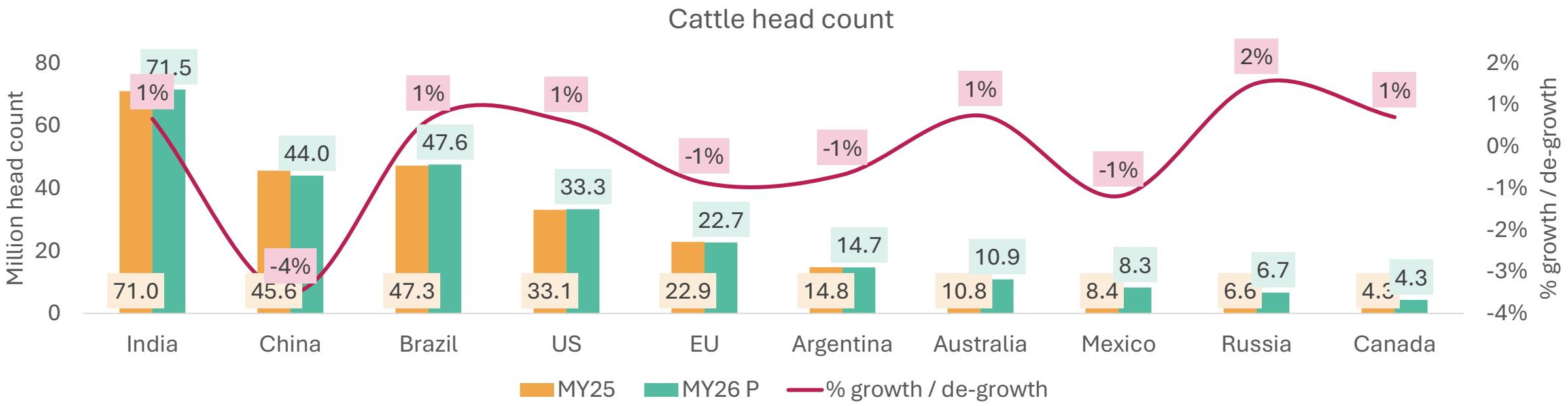
एपीडा
APEDA

Monthly dashboard – Dairy

Jan 2026

Cattle population and milk production trends

Cattle production across countries

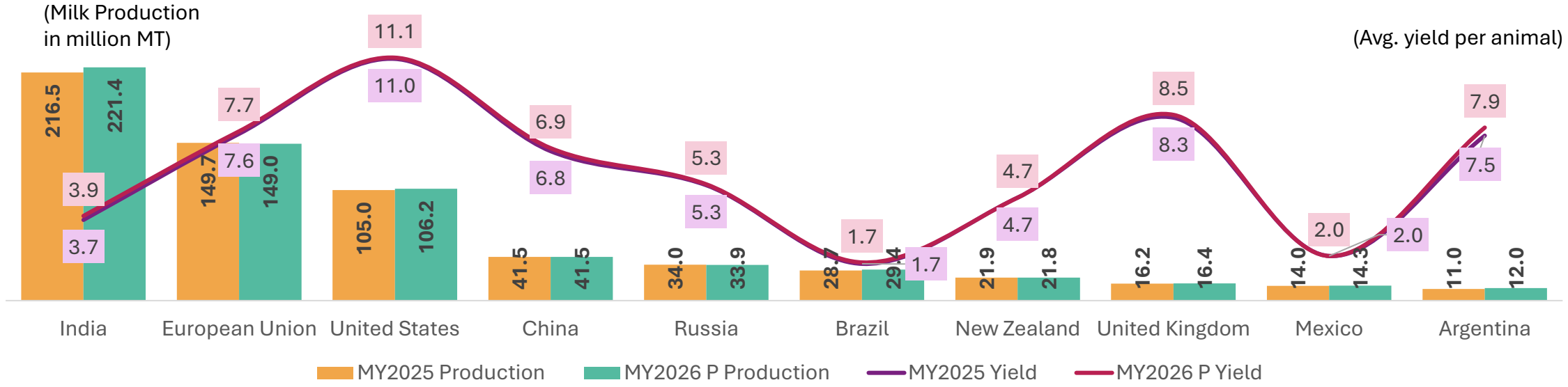


- **Global cattle numbers have followed a mixed trajectory in recent years**, with some countries experiencing growth and others decline. However, in MY26, several countries including India, Brazil, Russia, Canada, USA and Australia have reported an increase in cattle productions, fueled by strong demand, favorable weather patterns, and efforts to rebuild herds.
- India will take the lead with a steady 1% growth in cattle numbers in MY2026, largely propelled by robust growth and investments in the dairy sector.
- **Australia is expected to see a 1% rise in cattle numbers in MY2026,** marking a continued gradual recovery from previous years of drought. This growth is anticipated to be fueled by improved pasture conditions and favorable market prices, which are likely to strengthen both the country's beef and dairy industries.
- Declines are prominent in China (−4%), EU, Argentina and Mexico, driven by environmental and policy constraints (EU) and shifting consumer demand (China).

Source: USDA

Note - MY – Marketing year (Jan-Dec)

Milk production estimates of major producing countries



- The countries listed in the chart **represent ~94% of global milk production.**
- India's milk production surged 71.56% from 146.3 million tons in MY 2015 to 216 million tons in MY 2025, maintaining an annual growth rate of 5.7% far surpassing the global average of 2% yearly growth. This growth is driven by government support and initiatives as well as the expansion of dairy herds with high-yielding breeds.
- China’s milk output is increased by 2.5% in MY25 driven by rapid expansion of modern dairy farms in key regions such as Inner Mongolia, Heilongjiang, and Hebei, which lead national growth through the adoption of high-yield cattle breeds and precision feeding technologies.
- Mexico’s milk production is gradually strengthening, supported by rising domestic demand and government procurement support that ensures stable offtake for farmers. Dairy activity is concentrated in northern and central regions such as Jalisco and Coahuila, where semi-intensive farming systems and better feed infrastructure drive output.
- USA’s milk output is dominated by large-scale intensive dairies in states such as California and Wisconsin, resulting in the world’s highest per-animal yields.

Source: USDA

Note - MY – Marketing year (Jan-Dec)

Milk supply overview of MY2026 – Insights from leading producers

Country	Cattle Population	Yield	Production	% share of global production	Key insights
India	High ↑	Slightly higher ↑	High ↑	**32%**	India's milk production is poised for growth, driven by steady demand, innovative breeding techniques, and supportive government policies. The adoption of advanced technologies such as AI and sexed semen is boosting milk yields, while favorable weather conditions and effective disease management are also contributing to the anticipated increase in production.
EU	Slightly lower ↓	Slightly higher ↑	Stable	**22%**	Milk production is expected to remain stable, driven by gains in animal productivity and efficiency, which are offsetting the decline in cattle herd population. Advances in dairy farming practices and the adoption of high-yielding breeds are key factors contributing to this stability, helping to mitigate the impact of a shrinking herd.
US	Slightly higher ↑	Slightly higher ↑	High ↑	**15%**	Milk production is anticipated to slightly increase driven by modest expansion in the dairy herd and improvement in milk yield per cow.
China	Slightly lower ↓	Slightly higher ↑	High ↑	**7%**	Milk production growth is supported by ongoing government efforts to modernize the dairy industry, improve herd genetics, and enhance farm management practices.
Russia	Slightly higher ↑	Stable	Stable	**5%**	Russia's dairy industry is resilient despite economic pressures and geopolitical uncertainties, with modest growth driven by government support and modernization efforts. However, smaller farms struggle with rising costs. Consumer demand is shifting towards affordable and health-focused products, with technology aiding efficiency.

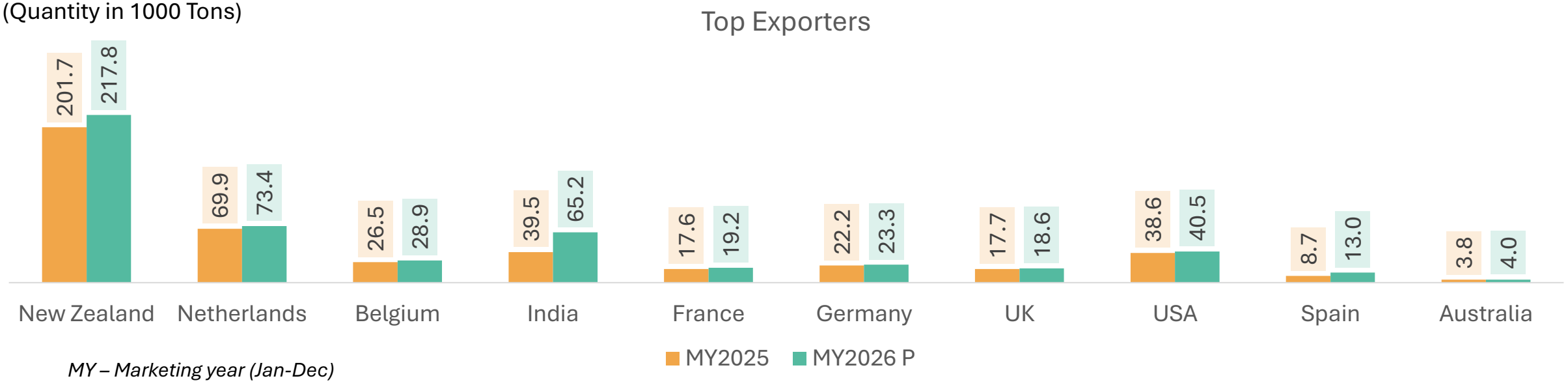
Milk supply overview of MY2026 – Insights from leading producers

Country	Cattle Population	Yield	Production	% share of global production	Key insights
Brazil	Slightly higher	Stable	Slightly higher	**4%**	Brazil's dairy industry is expected to experience steady growth supported by improving farm practices. Government programs and private investments are helping modernize production and enhance milk quality.
New Zealand	Slightly lower	Stable	Slightly lower	**3%**	New Zealand's dairy industry is expected to remain stable with a focus on sustainability and efficiency. The sector benefits from well-established farming practices and strong export markets, particularly in Asia. Producers are increasingly adopting advanced technologies and environmentally friendly methods to meet regulatory requirements and consumer demand for sustainable products.
UK	Slightly lower	Slightly higher	Stable	**2%**	UK dairy industry is expected to remain stable with modest growth, supported by ongoing modernization and efficiency improvements. Producers are adapting to changing market conditions and regulatory requirements, focusing on sustainable farming practices to reduce environmental impact.
Mexico	Slightly lower	Slightly higher	High	**2%**	Mexico's dairy industry is expected to grow modestly, supported by improvements in feed and water availability, herd expansion, and increased efficiency.
Argentina	Slightly lower	High	Slightly higher	**2%**	Argentina's dairy industry is expecting a strong recovery, with production growing significantly after a challenging period. The sector benefits from favorable weather and improved economic policies.

Export trends and price outlook

Major exporters of Ghee

(Quantity in 1000 Tons)

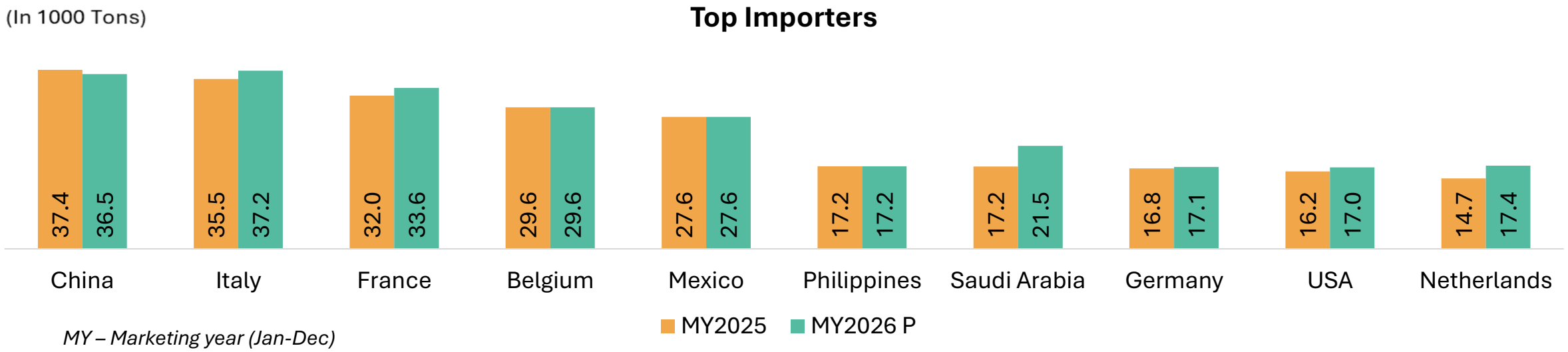


MY – Marketing year (Jan-Dec)

- The countries shown in the chart **collectively account for ~93% of total global ghee exports**.
- **Global ghee exports are anticipated to increase by 8%-12% YoY in MY26,** driven largely by a significant 8% increase in exports from New Zealand, following the implementation of the EU-NZ Free Trade Agreement, and a 5% rise in exports from the Netherlands, where ghee production exceeds domestic demand.
- **India's A2 ghee**, made from indigenous cow breeds, has gained popularity in 2025 due to its perceived health benefits, including easier digestibility and Ayurvedic value. Rich in antioxidants, omega-3 fatty acids and vitamins, A2 ghee promotes digestion, reduces inflammation, supports heart health and boosts immunity.
- Belgium continues to strengthen its ghee exports, supported by its strategic location within the EU, strong dairy processing capabilities, and access to intra-European trade networks, enabling consistent export growth.

Source: ITC trade map ; (HSN Code: 040590)

Major importers of Ghee



MY – Marketing year (Jan-Dec)

- The countries shown in the chart **collectively account for ~60% of total global Ghee imports.**
- Global ghee imports in MY2026 is **projected to grow by 32% on year**, led by Italy, France and Saudi Arabia.
- France's ghee imports are supported by strong demand from its bakery, confectionery, and foodservice sectors, particularly in urban centers such as Paris and Lyon, where premium and specialty dairy fats are widely used. Additionally, rising demand from ethnic and gourmet food segments, especially North African and Middle Eastern communities, continues to support steady import growth.
- **Saudi Arabia's main ghee suppliers are France (21%) and New Zealand (19%),** due to their high-quality dairy products and established trade ties. The country has also begun importing ghee from Sweden (3%), diversifying its supply base.
- India and New Zealand are cost-competitive surplus ghee exporters with established Indian-diaspora and food-industry demand in the US, while Mexico supplies under favorable regional trade and logistics, so US buyers naturally gravitate to these three origins for consistent quality, volume, and pricing.
- Mexico is Latin America's top ghee importer, relying heavily on major dairy exporters such as New Zealand, India, and the EU to meet its increasing domestic demand.

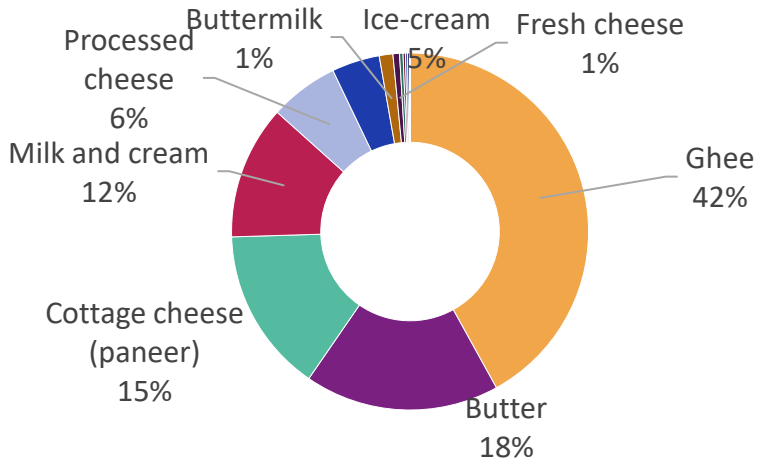
Source: ITC trade map ; (HSN Code: 040590)

Exporter sentiments and opportunities

India’s export demand

- The global ghee export market is anticipated **to experience modest growth, with a CAGR of 3-4% from 2021 to 2026**, due to its already established demand primarily from the Indian diaspora.
- India's ghee export market is growing rapidly, driven by demand from the UAE, US, and Australia, **with a CAGR of ~35% from 2021 to 2026P**.
- As of January 2026, **Indian export prices are 34% lower than Belgium's and 21-41% lower than Germany's and France’s.**

India’s dairy export basket (2025)



Export opportunity for India

Southeast Asia Expansion

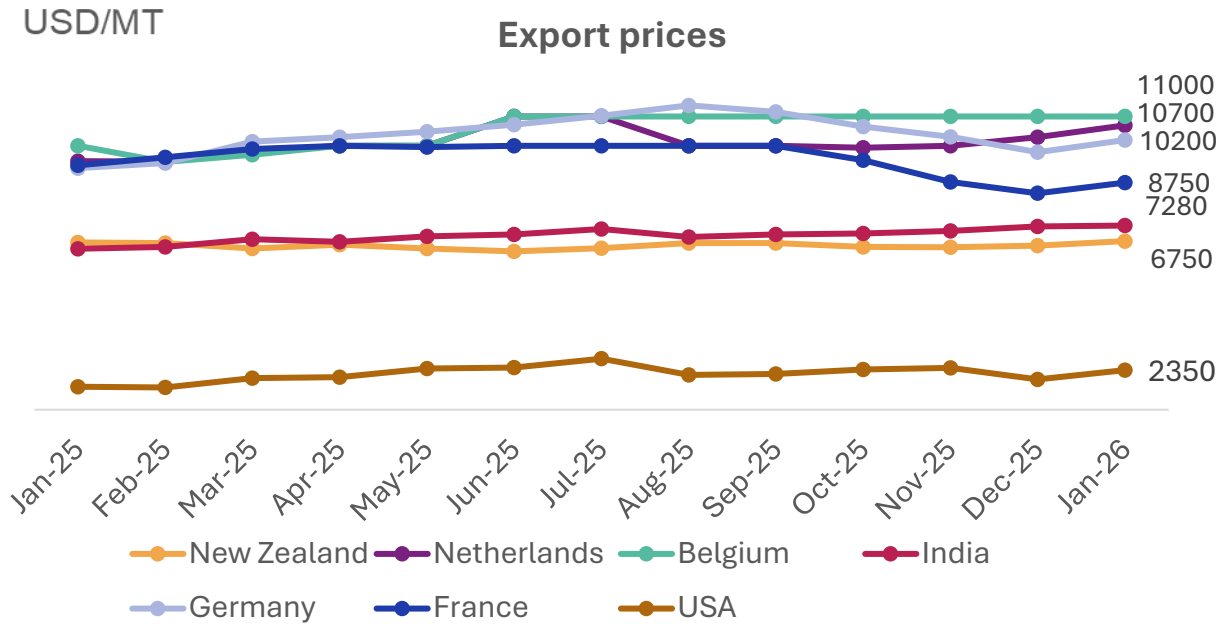
- Markets such as Indonesia, Malaysia, Singapore and Thailand are witnessing rising demand for ghee in bakery, confectionery and HoReCa segments.
- Limited domestic ghee production and increasing reliance on imported dairy fats create strong entry potential.
- India can leverage competitive pricing and cultural familiarity to build institutional partnerships with food processors and retail chains.

Premium & Health-Focused Markets (EU, North America, Australia)

- Rising awareness of A2 ghee and Ayurvedic benefits supports premium positioning.
- India can focus on organic certification, traceability, and ethnic retail chains to capture niche but high-margin segments.
- Strategic collaborations with wellness brands, Ayurveda practitioners, and clean-label food manufacturers can further strengthen premium market penetration and consumer trust.

Source: Includes findings from primary interactions and estimations & ITC trade map (HSN Code: 040590)

Export prices forecast for Ghee



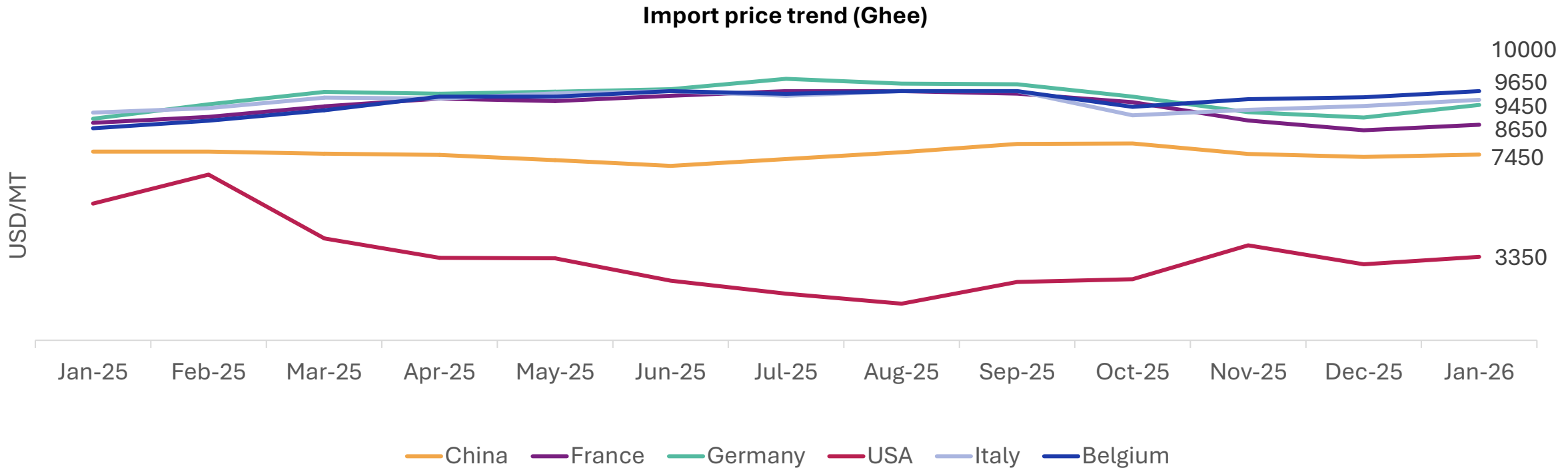
Price outlook for next quarter (FMA)					
Countries	Jan'26 Price (USD/MT)	Jan'25 Price (USD/MT)	%age change	Price direction	Average price range for FMA (USD/MT)
New Zealand	6750	6710	1%	Bullish	6760-7300
Netherlands	10700	9480	13%	Bullish	11350-11850
Belgium	11000	10000	10%	Bullish	11050-11400
India	7280	6490	12%	Sideways	7290-7400
Germany	10200	9240	10%	Bullish	10250-10450
France	8750	9330	-6%	Sideways	8800-9100
USA	2350	1780	32%	Bullish	2400-2700

- The countries shown in the chart collectively **account for 86% of global ghee exports.**
- **New Zealand's** reduced milk output will lead to a shortage of ghee raw materials**, driving up production costs and causing a 1-3% increase in ghee export prices.** This may impact the global ghee market and create opportunities for alternative suppliers.
- Belgium exports high-quality ghee to France, Italy, and Germany, earning a premium price due to its strong quality standards, efficient processing, and growing demand in gourmet and health-focused segments.
- **The Netherlands is establishing itself as a premium player in the global ghee market** by specializing in high-quality, organic, and grass-fed products. By leveraging advanced dairy processing and strict quality standards, **Dutch exporters can differentiate their products and command a premium price,** catering to the growing demand for health-conscious options.
- France maintains a relatively stable price outlook, supported by steady demand from its well-established bakery, confectionery, and gourmet food sectors, particularly in regions such as Île-de-France and Auvergne-Rhône-Alpes, where premium dairy fats are widely used.

Source: Includes findings from primary interactions and estimations & ITC trade map (HSN Code: 040590)

Note: Price forecasting is based on the fundamental analysis. ***FMA stand for February, March and April.***

Import prices forecast for Ghee



- China's ghee import prices have moderately increased due to growing demand from health-conscious and premium product consumers, alongside higher global prices from leading suppliers like Belgium, Germany, and France, which have higher cost structures.
- Belgium’s import prices are supported by its strategic position in Western Europe and strong port infrastructure such as the Port of Antwerp, which facilitates efficient dairy trade flows.
- **Italy's ghee import prices have witnessed a significant surge of approximately 6-7% due to its heavy reliance on imports from Germany**, which has been increasing its export prices. Germany accounts for a substantial share of Italy's ghee imports, with the country importing around 60% – 65% of its total ghee requirements from Germany.

Source: Includes findings from primary interactions and estimations & ITC trade map (HSN Code: 040590)

Thank You

Methodology for Price Forecasting

Our methodology combines comprehensive secondary research, targeted stakeholder consultations, and rigorous analytical techniques to ensure accuracy and actionable insights. The methodology comprises three key stages: Data Collection, Data Analysis & Interpretation, and Price Forecasting.

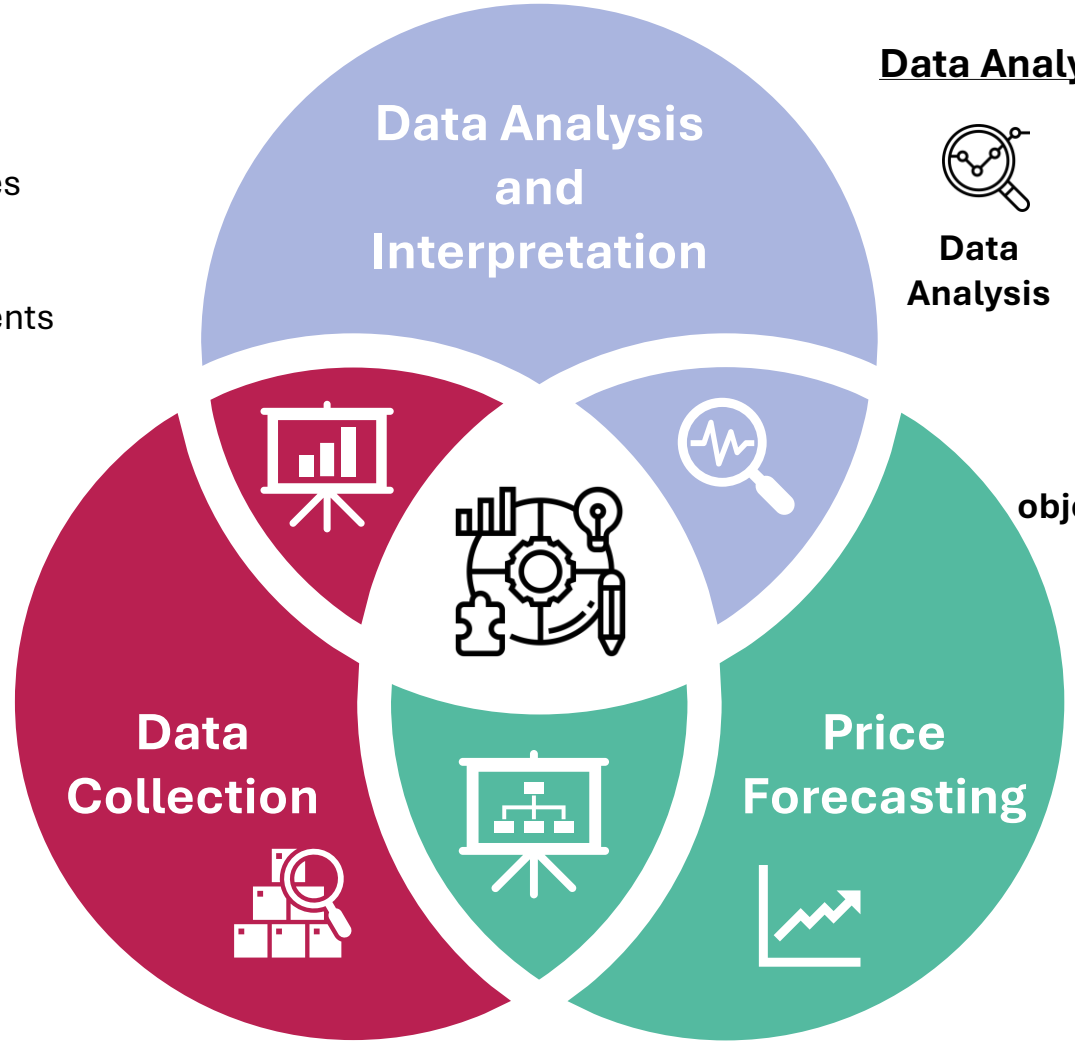
Data Collection

Sources

- Global agricultural databases (USDA, FAO, etc.)
- Country-wise statistics from official agriculture departments
- Industry publications and research reports

Policy Updates

- Detailed review of Production policies & trade barriers for each country
- Data from government websites & official publications



Data Analysis and Interpretation

Data Analysis

- Supply-demand assessment
- Policy impact analysis
- Stakeholder consultations

Key objectives

- Production trends
- Trade dynamics
- Policy implications

Price Forecasting

- Historical Trend & Seasonality
- Macro-Economic & Trade Variables

Integration of commodity fundamentals to forecast future price ranges.

Structured consultations with Indian exporters and industry associations, cross-verifying secondary data and validating price forecasts to refine production, trade, and policy assessments.