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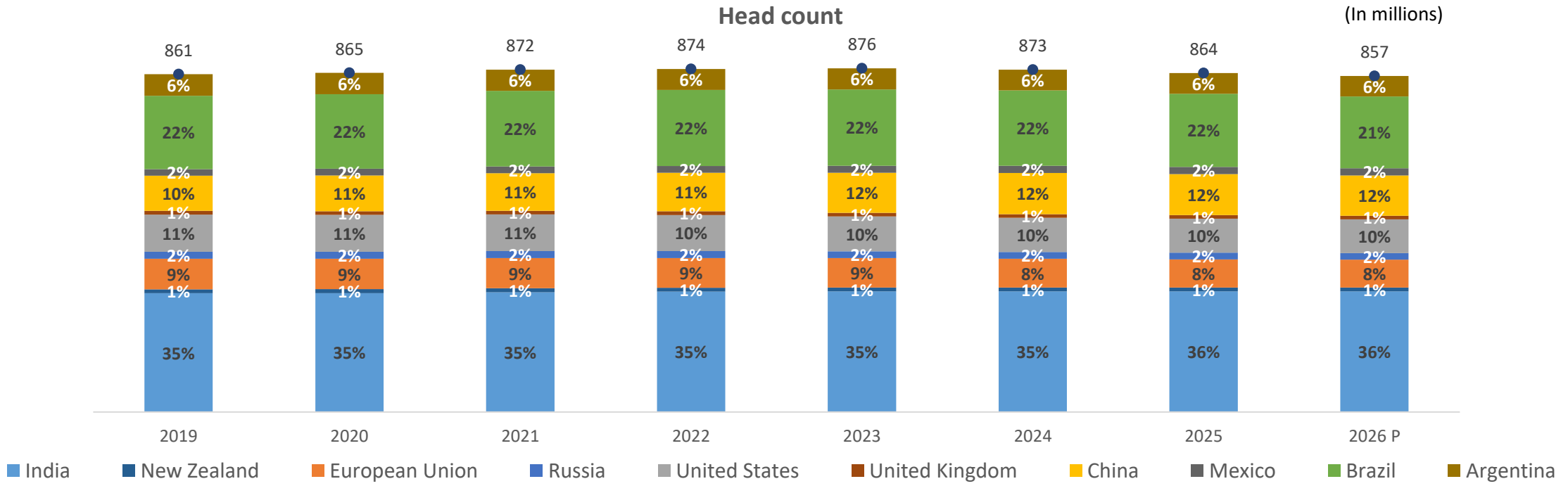
एपीडा
APEDA

Monthly dashboard – Dairy

Cattle population and milk production trends

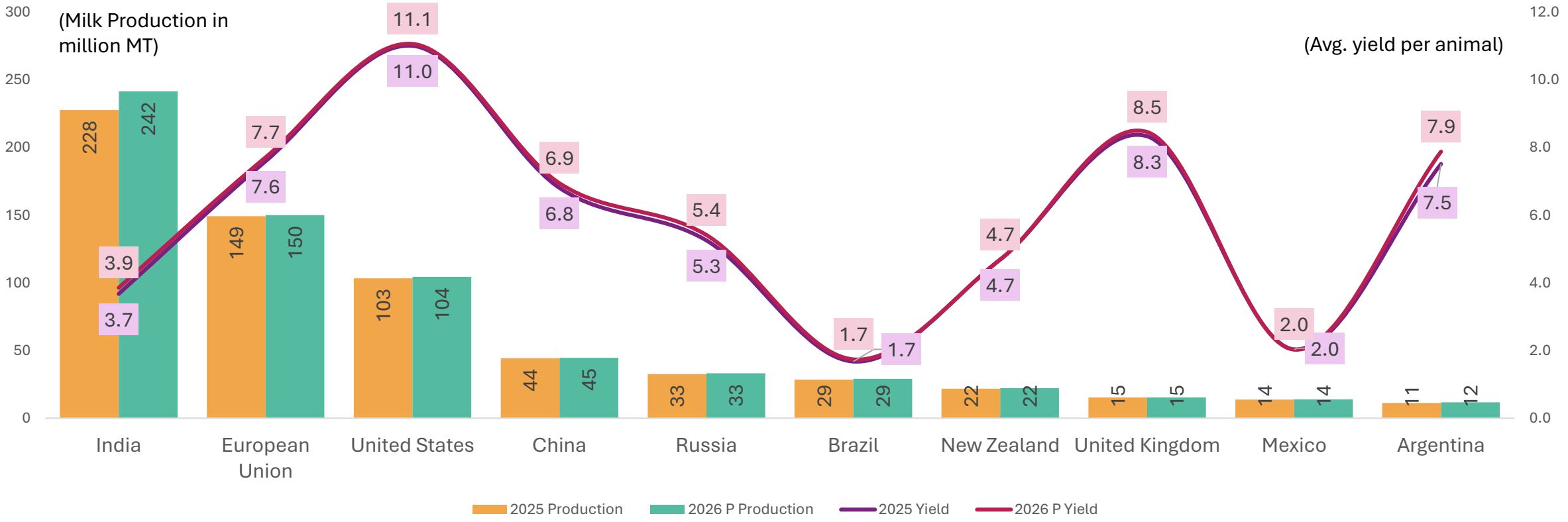
Cattle population across countries



- **Global cattle numbers have followed a mixed trajectory in recent years**, with some countries experiencing growth and others decline. However, in MY25, a number of countries including India, Argentina, Mexico, and Australia have reported an increase in cattle populations, fueled by strong demand, favorable weather patterns, and efforts to rebuild herds.
- **India takes the lead with a steady 1% growth in cattle numbers**, driven primarily by the thriving dairy sector, while **Australia makes a remarkable recovery with a 5% increase** after a prolonged period of drought
- Declines are prominent in China (−4%), U.S., EU, Brazil, Russia, and Canada, driven by, drought and feed cost pressures (U.S., Brazil), Environmental and policy constraints (EU), Structural decline in cattle farming (Russia, Canada), Shifting consumer demand (China).
- The **UK's cattle population is declining due to a reduction in the suckler herd**, driven by low profitability, high costs, and decreased farm support. This contraction is expected to lead to tighter beef supplies, potential supply gaps, and higher prices for consumers and processors.

Source: USDA

Milk production estimates of major producing countries



- The countries listed in the chart **represent ~94% of global milk production**.
- India's milk yield is on the rise, driven by initiatives undertaken by the government and private organizations to improve cattle breeds and adopt artificial insemination (AI) in dairy farming.
- Additionally, Increased investments in dairy farming and access to better resources are likely to enable dairy-supplying farmers to adopt better animal nutrition and high-yielding crossbred cattle, potentially driving 1.5% annual growth in cow milk production.
- Argentina will introduce compulsory electronic identification (EID) tagging for cattle from January 2026, which will help farmers precisely monitor individual animals, leading to better management decisions about nutrition, health, and breeding.

Source: Crisil Intelligence, https://www.thebullvine.com/news/rising-demand-and-production-unveiling-the-potential-of-indias-dairy-industry-in-2025/ , https://ilivestock.co.uk/news/new-partnership-brings-ilivestocks-farm-tech-to-argentina?utm_source

Milk supply forecast for 2025-26 – Insights from leading producers

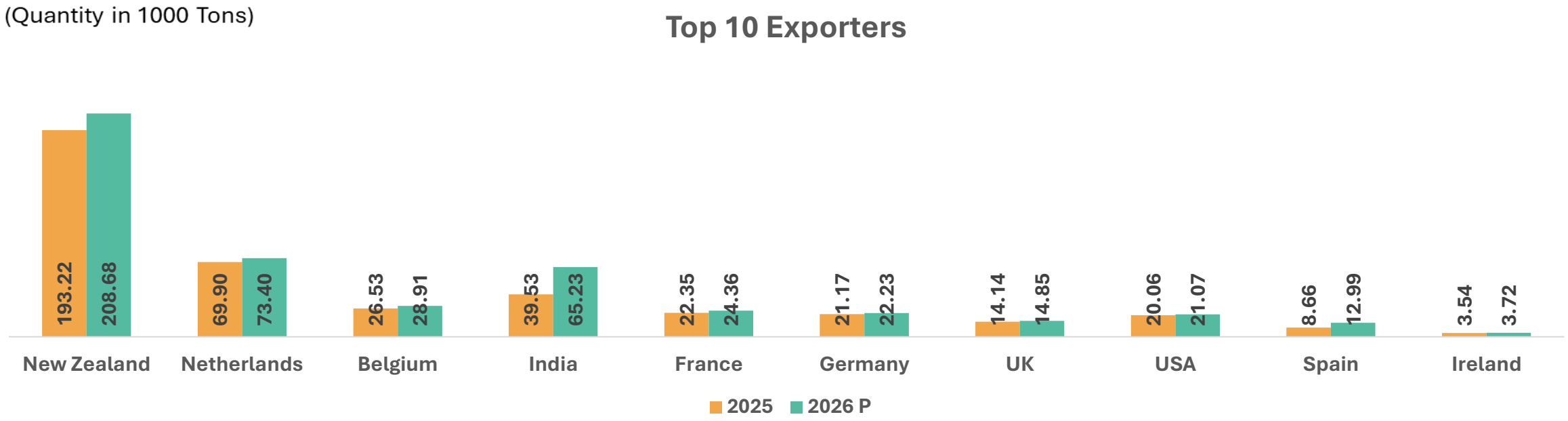
Country	Cattle Population	Yield	Production	% share of global production	Key insights
India	High	Slightly higher	High	**32%**	Milk production is expected to rise, driven by steady demand, innovative breeding, and supportive policies. Advanced technologies, such as AI and sexed semen, are boosting yields, while favorable weather and disease management also contribute to growth
EU	Slightly lower	Slightly higher	Stable	**22%**	Milk production is expected to remain stable, despite a decline in the cattle herd population, as gains in animal productivity and efficiency are offsetting the reduction in herd size. This stability is achieved through a combination of factors, including advancements in dairy farming practices and the adoption of more productive cattle breeds, which are helping to mitigate the impact of a shrinking herd population.
US	Slightly higher	Stable	Slightly higher	**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	Stable	**7%**	Milk production growth is supported by ongoing government efforts to modernize the dairy industry, improve herd genetics, and enhance farm management practices.
Russia	Stable	Slightly higher	Slightly higher	**5%**	Russia's dairy industry is resilient despite economic and geopolitical challenges, with modest growth driven by government support and modernization. Smaller farms struggle with rising costs, but technology aids efficiency and helps meet shifting consumer demand for affordable and healthy products.

Milk supply forecast for 2025-26 – Insights from leading producers

Country	Area	Yield	Production	% share of global production	Key insights
Brazil	Slightly lower	Stable	Stable	**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	Stable	Stable	Slightly lower	**3%**	The New Zealand dairy industry is poised to remain stable, driven by a focus on sustainability and efficiency. With a strong presence in Asian export markets and established farming practices, producers are embracing innovative technologies and eco-friendly methods to meet evolving regulatory requirements and consumer expectations.
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	High	Stable	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

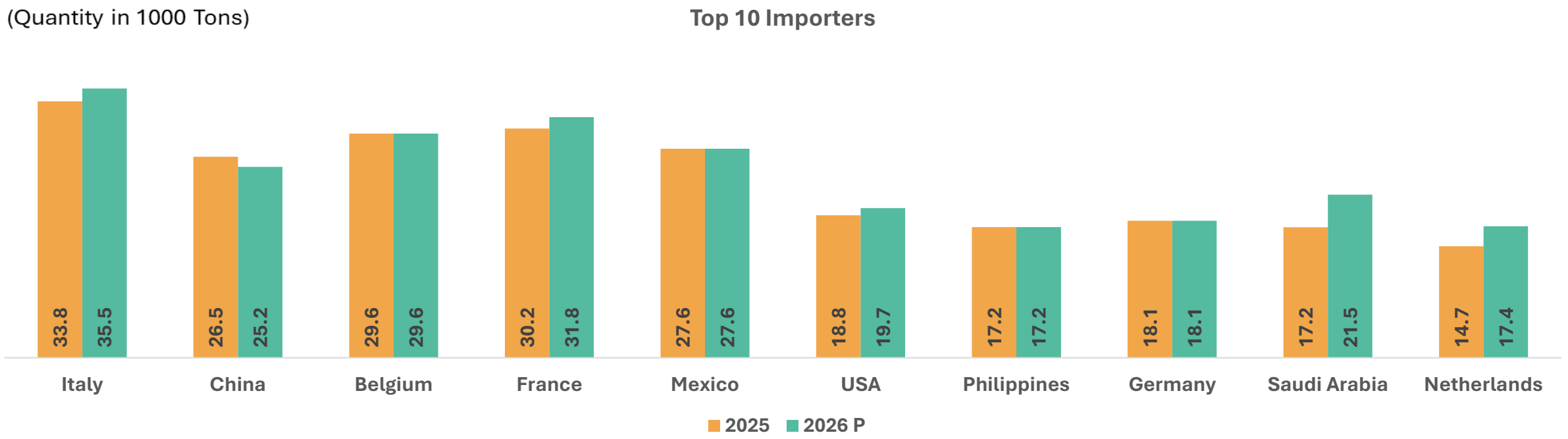
Major exporters of Ghee



- 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 FY26**, 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.
- The **fortification of Vanaspati Ghee with vitamins A and D,** along with the **promotion of premium A2 cow milk ghee**, has boosted demand in health-conscious international markets, including the Middle East, USA, and GCC countries, driving export growth in 2026.
- **Global ghee exports are rising,** driven by changing consumer preferences and health-driven demand. Increased consumption among ethnic and diaspora communities in the Gulf, US, and UK is also supporting growth

Source: Ghee Export from India | Ghee Export Data , USDA

Major importers of Ghee



- The countries shown in the chart **collectively account for ~60% of total global ghee imports.**
- Global ghee imports in FY26 is **projected to grow by 25% on year**, led by Italy, France and Belgium.
- **France is seeing a surge in ghee imports**, with **Belgium emerging as the primary supplier**. This growth can be attributed to the increasing popularity of traditional dairy products and the growing awareness of the health benefits associated with ghee. Notably, **imports from New Zealand have also experienced a significant increase, rising by 164%.**
- The EU, led **by Belgium and Germany**, has experienced a significant surge in demand for ghee, with growth rates of 20% and 5.2% respectively in 2024. This upward trend is attributed to consumer increasing preference for premium quality products, as well as growing health awareness, the adoption of ketogenic diets, and the rising popularity of South Asian cuisine, which are collectively driving demand for organic and A2 cow ghee.

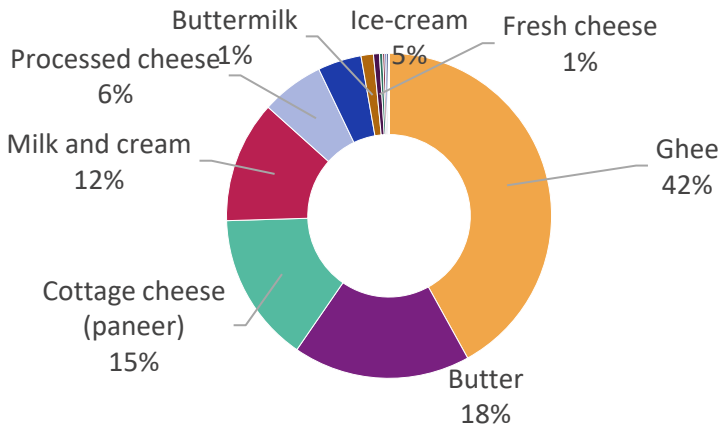
Source: ITC trade map ; HS code 040590

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. In contrast, India's ghee export market is smaller but rapidly expanding, **driven by increasing demand from key markets such as the UAE, US, and Australia,** with a notable CAGR growth of ~35% during 2021 to 2026, indicating strong growth potential and greater market penetration
- **As of June 2025, Indian export prices are typically 53% lower than those from Belgium and 50% to 60% cheaper than Germany and France prices.**

India’s dairy export basket (2024)



Export opportunity for India

Saudi Arabia Market

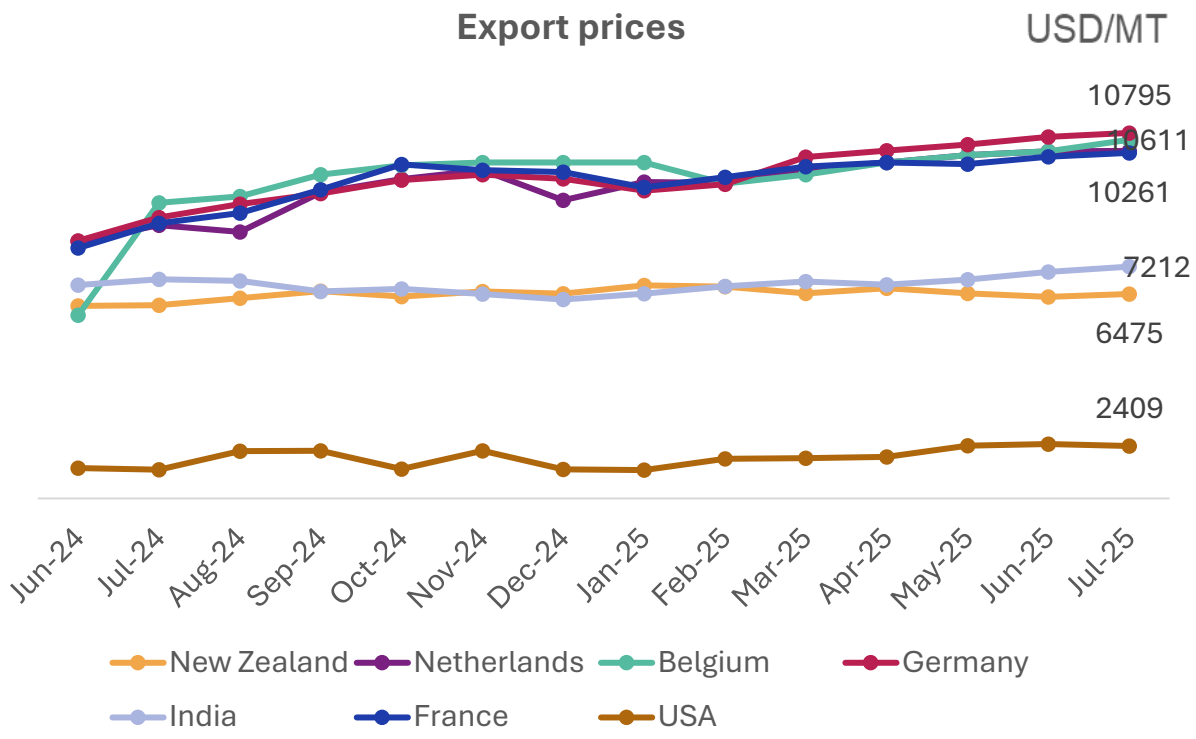
- Ghee imports into Saudi Arabia are anticipated to experience a significant surge of over 20% in FY26. Currently, New Zealand is the leading exporter, but India is also among the top three suppliers to the Saudi market. However, with New Zealand's milk production expected to decline by 1-3%, supply constraints may emerge, presenting an opportunity for India to increase its ghee exports to Saudi Arabia and consolidate its position in the market.

Mexico and Netherland Market

- **Mexico and the Netherlands are expected to experience significant growth in ghee imports**, with a 60% and 18% increase, respectively. Currently, New Zealand is the primary supplier to both countries. However, with **New Zealand's milk production forecasted to decline**, the country's ghee supply may be impacted. This presents an opportunity for India, which currently does not export ghee to these markets, but has competitive pricing on par with New Zealand's, to potentially enter and expand its market share.
- **Building a presence in Mexico and the Netherlands will require a long-term approach,** with investment in market development and brand building. These countries can be considered as potential targets for future expansion.

Source: Crisil Intelligence & ITC trade map

Export prices forecast for Ghee

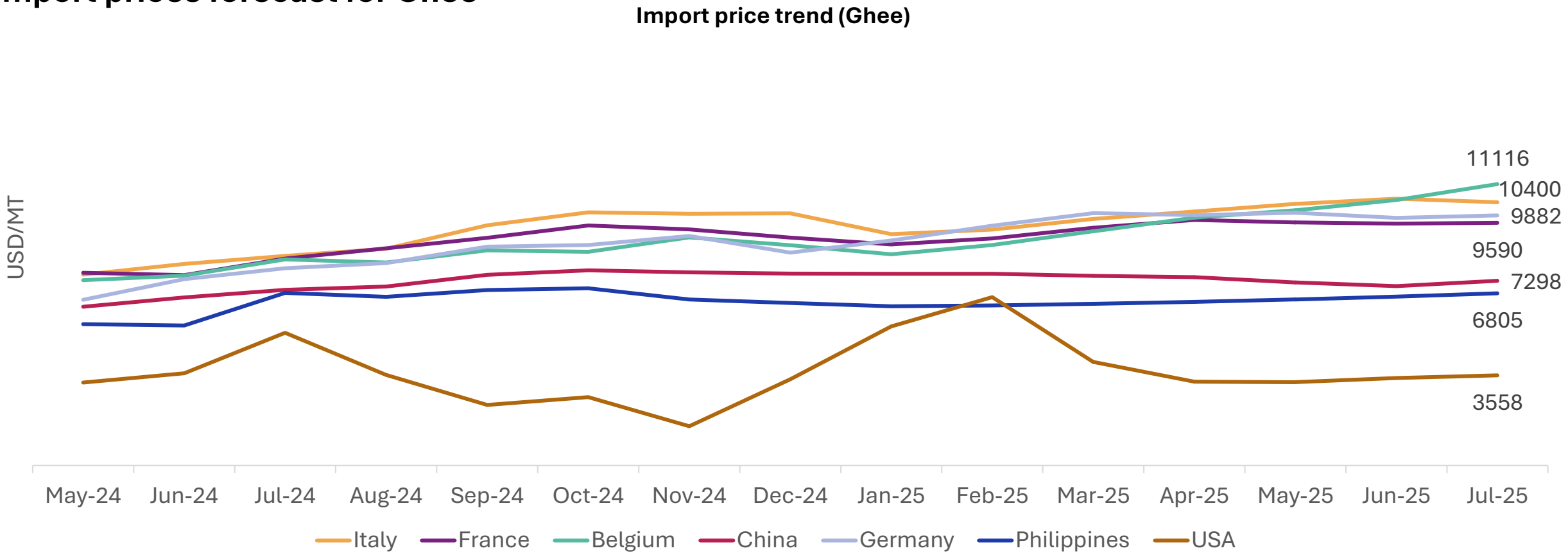


Price outlook for next quarter (ASO)					
Countries	Jul'25 Price (USD/MT)	Jul'24 Price (USD/MT)	%age change	Price direction	Average price range for ASO (USD/MT)
New Zealand	6475	6180	5%	Bullish	6500-7000
Netherlands	10312	8320	24%	Bullish	10350-10700
Belgium	10611	8920	19%	Bullish	11000-11300
India	7212	6870	5%	Sideways	7300-7500
Germany	10795	8529	27%	Bullish	11000-11500
France	10261	8370	23%	Bearish	10056-10000
USA	2409	1770	36%	Sideways	2450-2550

- 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 3-5% increase in ghee export prices.** This may impact the global ghee market and create opportunities for alternative suppliers.
- France's ghee export prices have reached a record high due to supply constraints and increased demand for premium products, and they are expected to stabilize in the coming quarter.
- Domestic demand for ghee in Belgium and Germany is experiencing a significant increase, accompanied by elevated price levels. However, **exporters are likely to increase their export prices by 8% - 10% to remain competitive in the market.**
- The US is pursuing a niche market strategy in Denmark, Costa Rica, and Chile, focusing on quality differentiation to achieve premium pricing and higher profits despite import cost fluctuations.

Source: Rabo bank New Zealand agribusiness report April 2025, ITC trademap, Crisil Intelligence

Import prices forecast for Ghee



- Ghee import prices are highly volatile due to a complex mix of factors including fluctuating raw material costs, seasonal supply variations, and shifting consumer demand during festivals. Additionally, rising feed and transportation expenses, and global market dynamics intensify this unpredictability.
- Italy's ghee import prices have witnessed a significant surge of approximately 9-10% 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: ITC trademap, Crisil Intelligence

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.

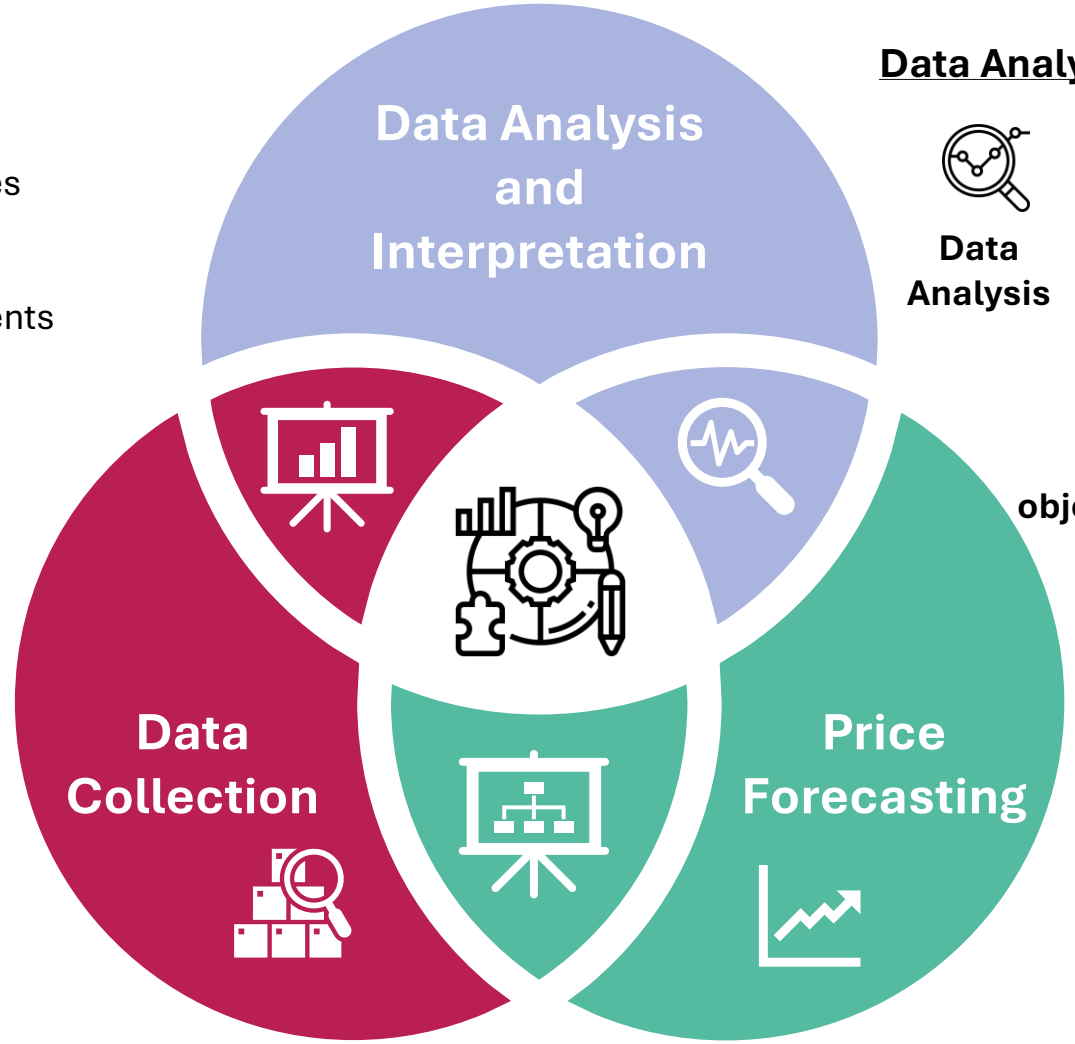
Data Collection

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.