

Monthly dashboard – Dairy

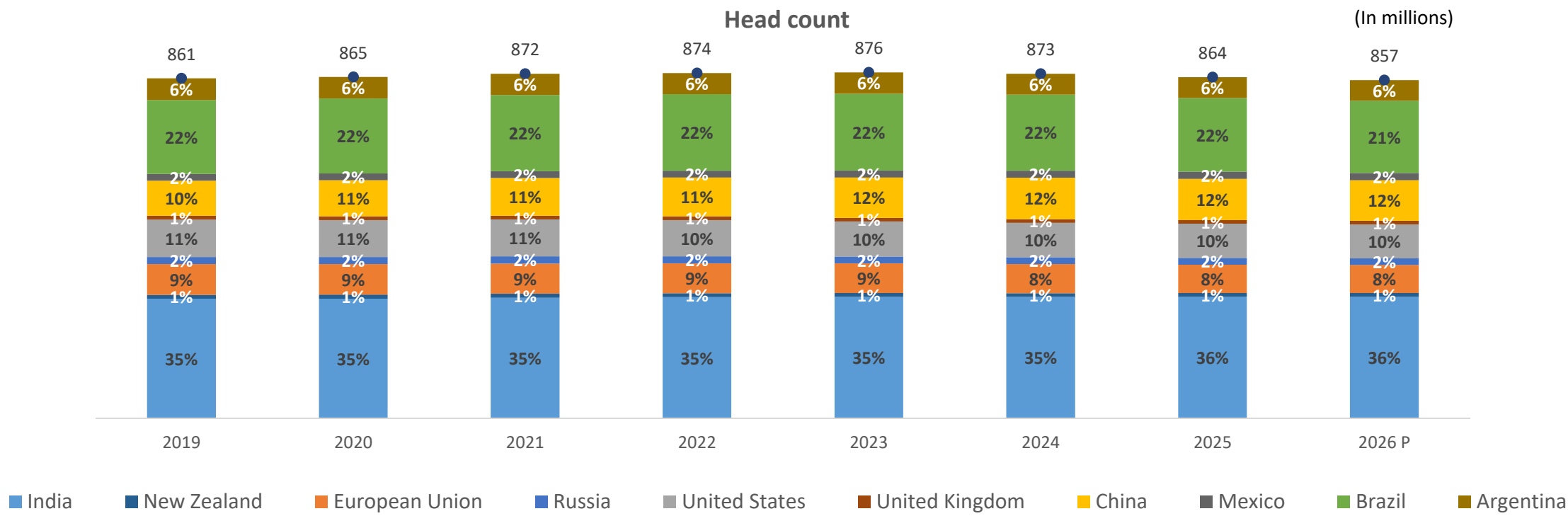
Aug 2025



Cattle population and milk production trends

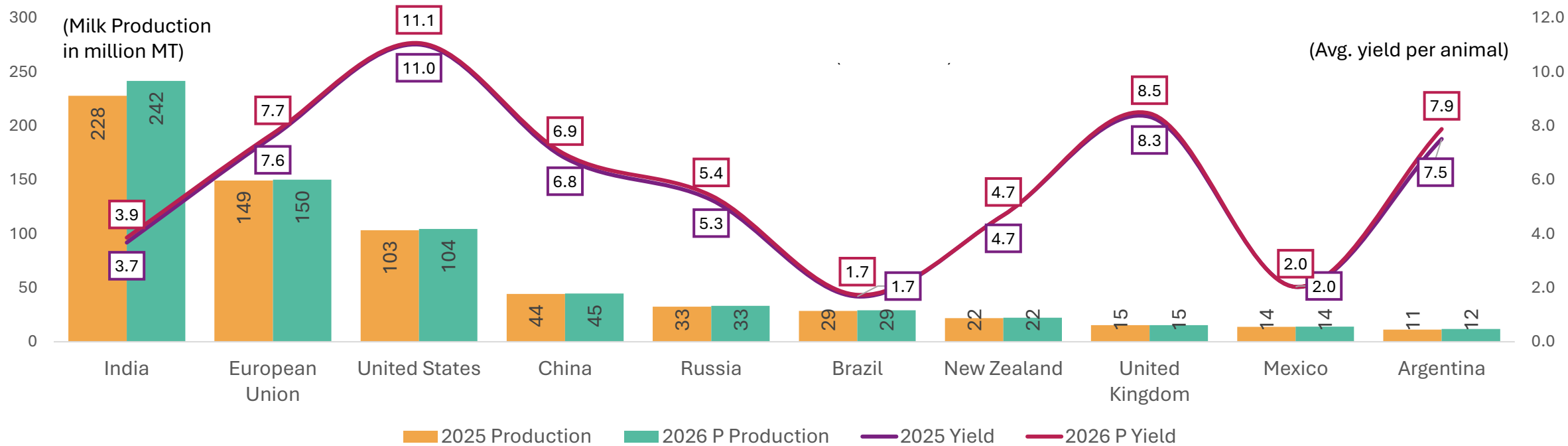


Cattle population across countries



- **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.

Milk production estimates of major producing countries



- The countries listed in the chart **represent ~94% of global Milk production.**
- India's milk production surged 63.56% from 146.3 million tons in 2014-15 to 239.2 million tons in 2023-24, 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.
- UK milk yields is on the rise due to improved cow nutrition, such as the adoption of palm-free fat supplements, along with enhanced herd management practices that prioritize animal health and welfare.
- Argentina has seen a significant rise in technological advancements in dairy farming, especially through the adoption of robotics. A decade-long collaboration between the National Institute of Agricultural Technology (INTA) and DeLaval has resulted in over 400 milking robots currently in operation, with projections to exceed 1,000 robots by 2025, highlighting rapid progress in automation within the sector

Argentina's Dairy Revolution: Robotic Milking Success and Sector Transformation

INTA and DeLaval

- The INTA-DeLaval initiative has built a national reference center, hosting over 5,000 visitors and enabling knowledge transfer.
- Robotic dairy setups allow cows to choose when to be milked, optimizing yield and reducing stress, with the average cow now milked 2.7 times per day rather than fixed schedules, which directly increases daily output.
- Precision systems blend voluntary cow movement, grazing, and supplemental feed (PMR), demonstrating a model adaptable to Argentina's mixed production systems.
- Over 15% of dairy farms have adopted some form of robotic technology, indicating broad acceptance and scalability in the sector.

Impact on Productivity and Sustainability

- Milk production in Argentina rose by 11% in 2025 while herd sizes dropped by 2.5%, pointing to significantly improved per-cow productivity—up nearly 14%.
- Milk quality improved, with butterfat levels rising to 3.88% and protein to 3.49%, increasing the value per liter.
- Automation reduces labor costs, allows for frequent and accurate animal monitoring & helps manage rising operational expenses.
- The use of biofertilizers generated from manure helps reduce chemical input on farms, directly supporting sustainability and environmental stewardship goals.

Social and Economic Effects

- The combination of robotics and positive policy environment has resulted in 18 consecutive months of positive producer margins up to 2025, letting farmers focus more on strategic growth than mere survival.
- Farm consolidation is accelerating, with a smaller number of larger, highly productive farms producing a greater share of national output—farms with over 500 cows now make up 33% of production despite representing less than 7% of operations.
- Ongoing consolidation and efficiency gains highlight the competitive edge brought by technology, inspiring similar adoption in other regions globally.

Animal Welfare and Farm Management

- Even with less direct human interaction, milking robot farms can match or improve animal welfare outcomes, provided staff are trained to manage cattle calmly and effectively.
- Enhanced animal health and well-being directly translate to better yield and more sustainable operations.

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%	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 	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 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.

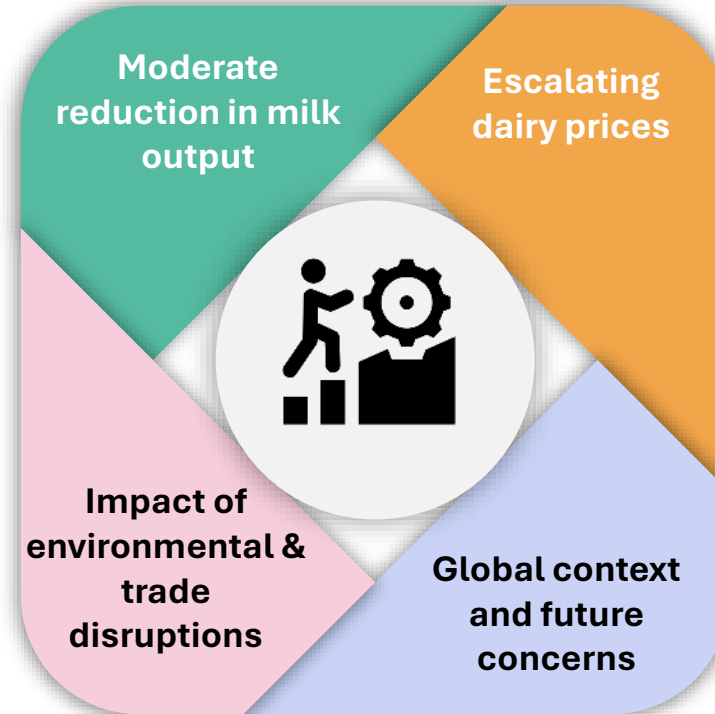
Milk supply forecast for 2025-26 – Insights from leading producers

Country	Cattle Population	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%	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	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.

New Zealand Dairy Market Crisis: 2025 Outlook

New Zealand dairy farmers face a mixed outlook for 2025, with severe droughts in regions like Northland and Waikato impacting milk production. Dry conditions, pasture shortages, and reduced harvests are pressuring herd performance, despite brief production surges in areas like Southland. Sustainability remains a major challenge for the industry.

The dairy industry faces additional challenges beyond climate stress, including stricter environmental regulations, water pollution controls, and animal welfare mandates. Trade uncertainty, particularly with key markets like China and the US, adds to the volatility, impacting export volumes and business stability.



Farmgate milk prices in New Zealand have reached record highs of NZD 10-11 per kg milk solids, with some auctions peaking at NZD 11.76.

This surge is driven by global supply constraints, environmental regulations, and rising costs for feed and fertilizers, making New Zealand dairy products among the most expensive internationally.

New Zealand's dairy producers are part of a global trend, with major dairy regions facing similar challenges. Limited supply growth and climate volatility are driving high prices and market risks, underscoring the need for resilient farming practices, such as pasture diversification and adaptive feeding strategies, to navigate an uncertain future.



Export trends and price outlook

Major exporters of Ghee

(Quantity in 1000 Tons)

Top 10 Exporters of Ghee

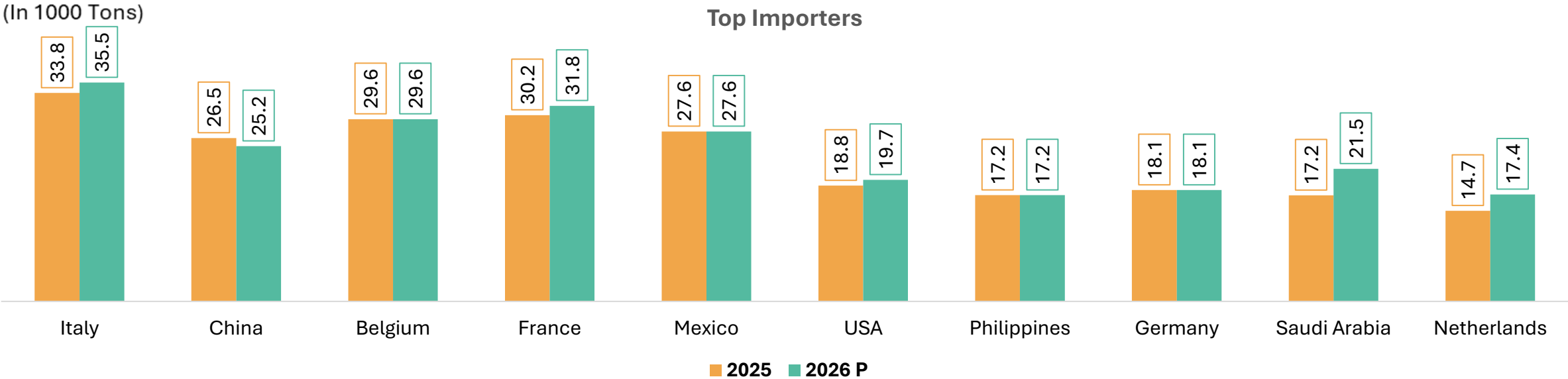


- The countries shown in the chart **collectively account for ~93% of total global ghee exports.**
- **Global ghee exports are anticipated to increase by 8%-12% YoY in 2026**, driven largely by a significant 8% increase in exports from New Zealand, following the implementation of the EU-NZ Free Trade Agreement, and a 5% rise in exports from the Netherlands, where ghee production exceeds domestic demand.
- **In 2025, India's A2 ghee**, made from indigenous cow breeds, **is gaining popularity** due to its perceived health benefits, including easier digestibility and Ayurvedic value.
- Meanwhile, **Spain's ghee exports are set to rise** as it expands into new markets like Poland and Jordan, driven by growing demand, improved product offerings, and strengthened trade ties, diversifying beyond traditional European markets.
- **Global ghee exports are increasing** due to a combination of shifting consumer preferences and health-driven demand. Increased ethnic and diaspora consumption, especially in the Gulf, US, and UK also supporting the growth.

Source: Crisil Intelligence, USDA

Major importers of Ghee

(In 1000 Tons)



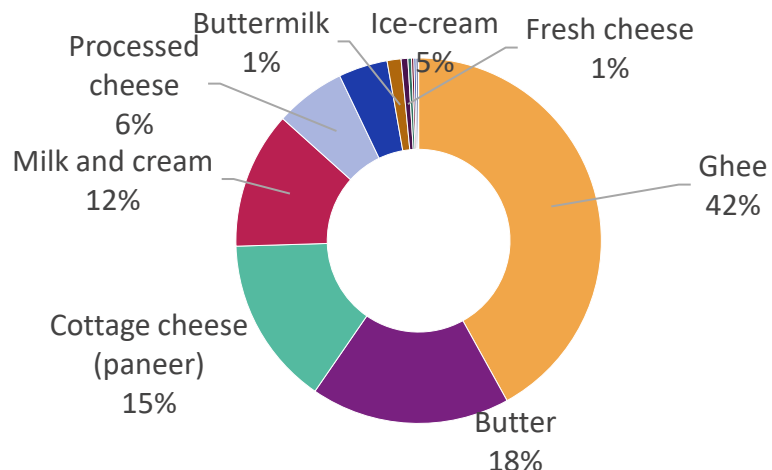
- The countries shown in the chart **collectively account for ~60% of total global Ghee imports.**
- Global ghee imports in 2026 is **projected to grow by 25% on year**, led by Italy, France and Belgium.
- **France is experiencing an increase in ghee imports**, with **Belgium being the main supplier**. The growth can be attributed to the growing popularity of traditional dairy products and awareness of the health benefits associated with ghee. Additionally, **imports from New Zealand have witnessed a substantial increase, rising by 164%.**
- **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.
- **The EU, particularly Belgium and Germany,** is experiencing a surge in demand for ghee, driven by consumer preference for premium quality products. Factors such as increasing health awareness, adoption of the ketogenic diet, and **growing interest in South Asian cuisine are fueling the demand for organic and A2 cow ghee products in these markets.**

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 August 2025, **Indian export prices are 31% lower than Belgium's and 27-34% lower than Germany's and France's**.

India's dairy export basket (2024)



Export opportunity for India

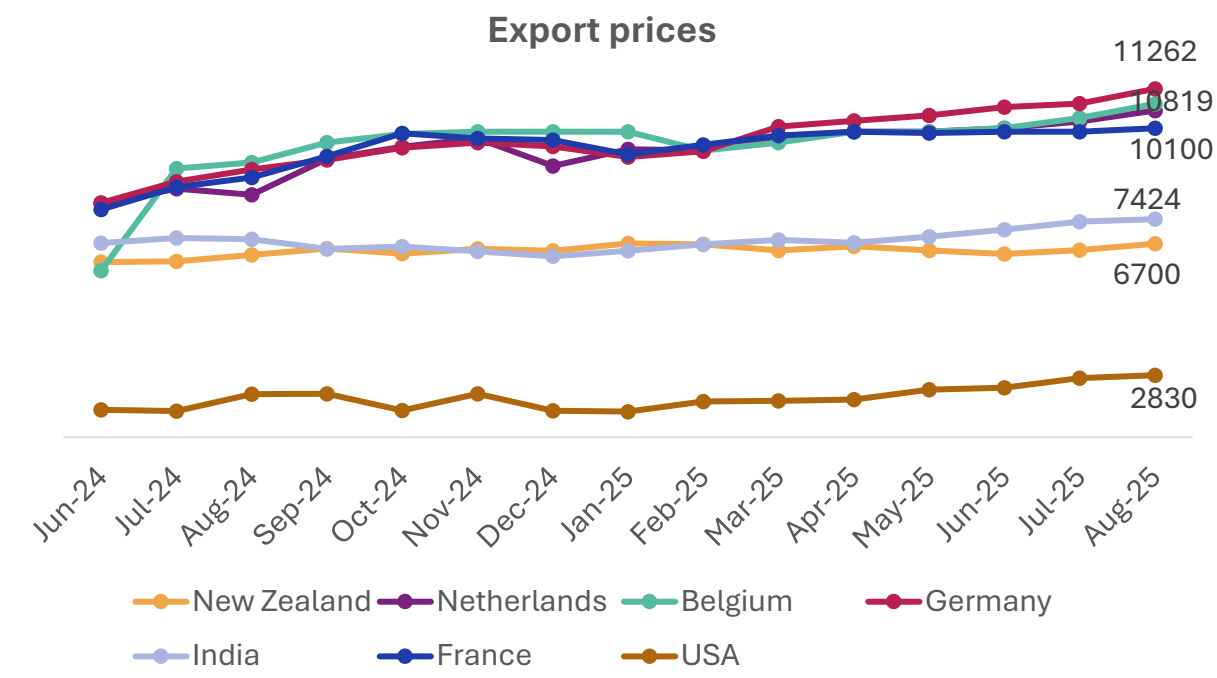
Saudi Arabia Market

- Ghee imports into Saudi Arabia are expected to surge by **more than 20 percent in FY26**. While New Zealand currently leads as the top exporter, India is also among the top three suppliers to the Saudi market. However, with New Zealand's milk production forecasted to dip slightly by 1% – 3%, supply constraints may arise. This scenario presents an opportunity for India to expand its ghee exports to Saudi Arabia and strengthen its position in the market.

Russian Market

- India has entered the Russian ghee market, **capitalizing on New Zealand's production challenges** and tightened export availability. **With Argentina's prices 5% more than India's prices, India is poised to become a competitive supplier** as Russian buyers seek to diversify their sources and reduce dependence on traditional partners.
- By strengthening trade ties and securing long-term contracts, India can increase its market share in Russia's ghee imports, turning current market disruptions into a strategic opportunity.

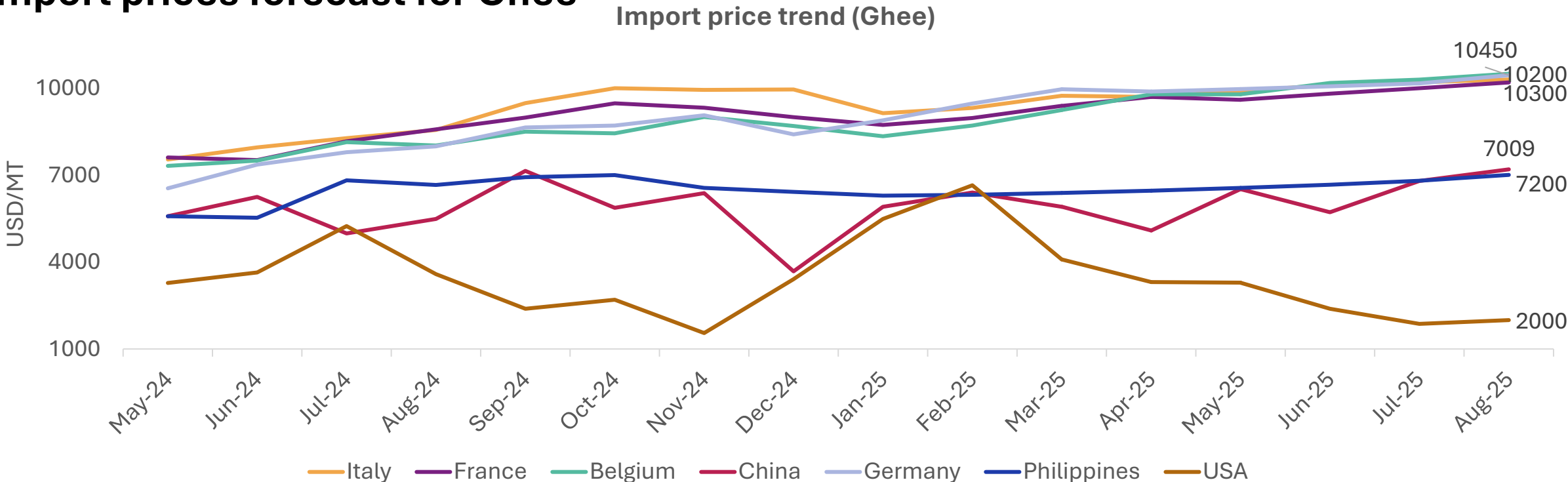
Export prices forecast for Ghee



Price outlook for next quarter (SON)					
Countries	Aug'25 Price (USD/MT)	Aug'24 Price (USD/MT)	%age change	Price direction	Average price range for SON (USD/MT)
New Zealand	6,700	6,370	5%	Bullish	6,800-7,200
Netherlands	10,622	8,140	30%	Bullish	10,650-10,750
Belgium	10,819	9,090	19%	Bullish	11,000-11,300
India	7,424	6,830	9%	Sideways	7,400-7,550
Germany	11,262	8,887	27%	Bullish	11,300-11,500
France	10,100	8,650	17%	Bearish	10,000-10,055
USA	2,830	2,270	25%	Bullish	2,850-2,950

- 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.
- **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.

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.
- US Ghee import prices are decreasing due to lower-cost imports. Prices from Jordan have also dropped substantially, contributing to the overall decline in US Ghee import prices.
- 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 trade map, 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.

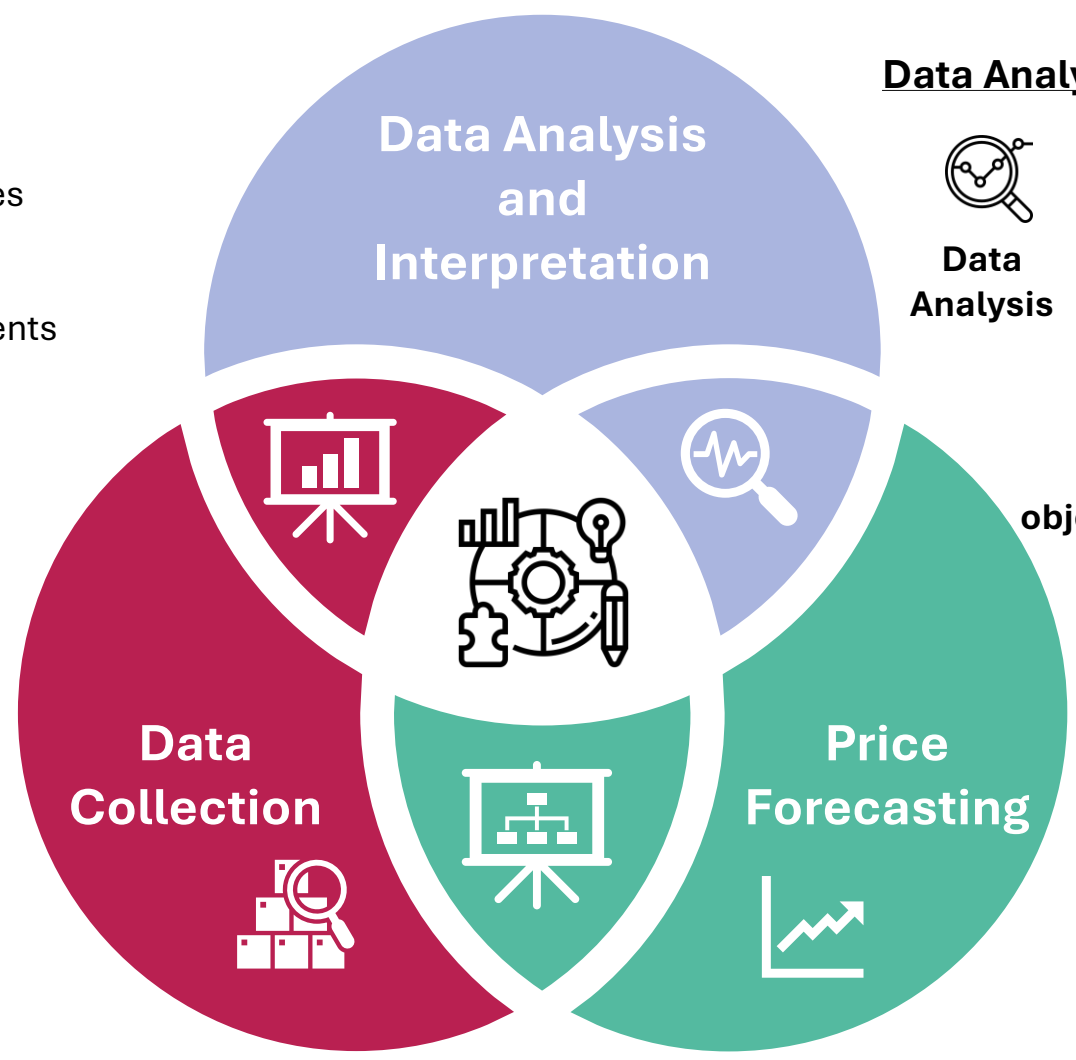
Data Collection

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

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



Data Analysis and Interpretation

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

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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.