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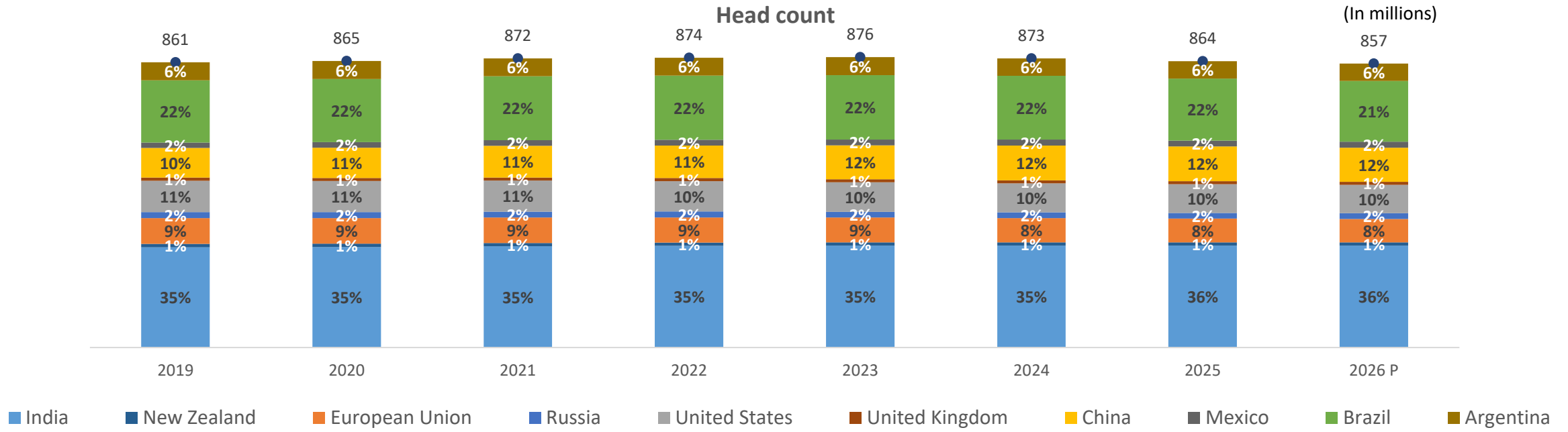
एपीडा
APEDA

Monthly dashboard– Dairy

Oct-2025

Cattle population and milk production trends

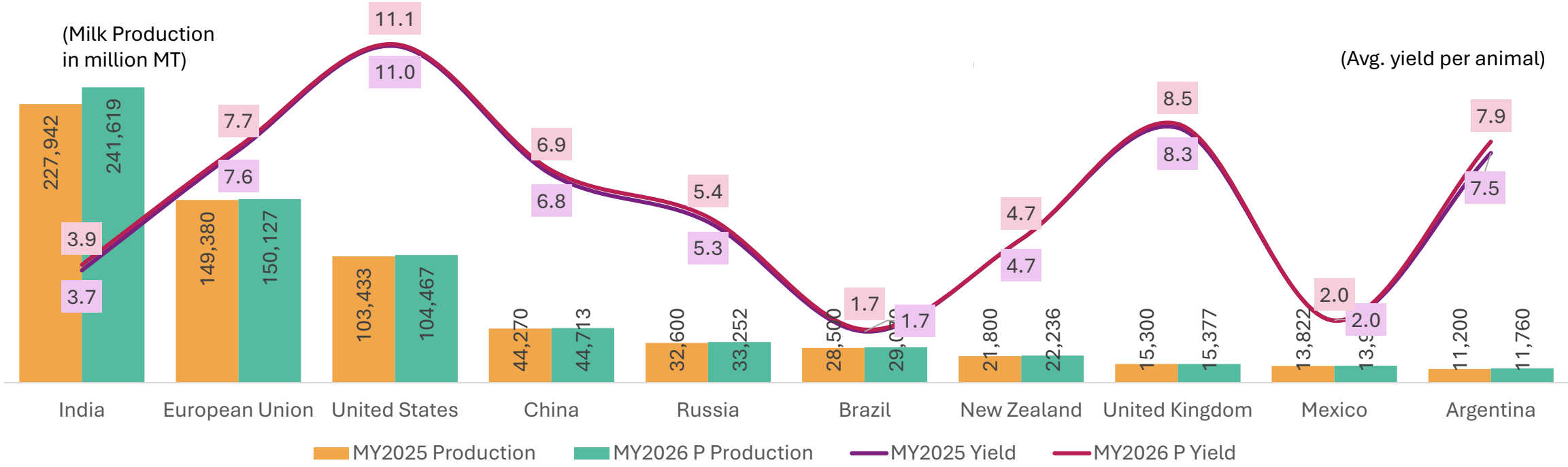
Cattle population across countries



- **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 in MY25**, largely propelled by robust growth and investments in the dairy sector.
- **Australia has achieved a strong rebound with a 5% rise in cattle numbers in MY25**, following years of drought; this resurgence is fueled by improved pasture conditions and favorable market prices, strengthening both its beef and dairy industries.
- 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 production surged 71.56% from 146.3 million tons in 2014-15 to 251 million tons in 2024-25, 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% 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.
- 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 1050 - 1100 milking robots currently in operation, highlighting rapid progress in automation within the sector

Source: Crisil Intelligence , Dairy news today, Argentina

Milk supply forecast for MY2025 – 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.

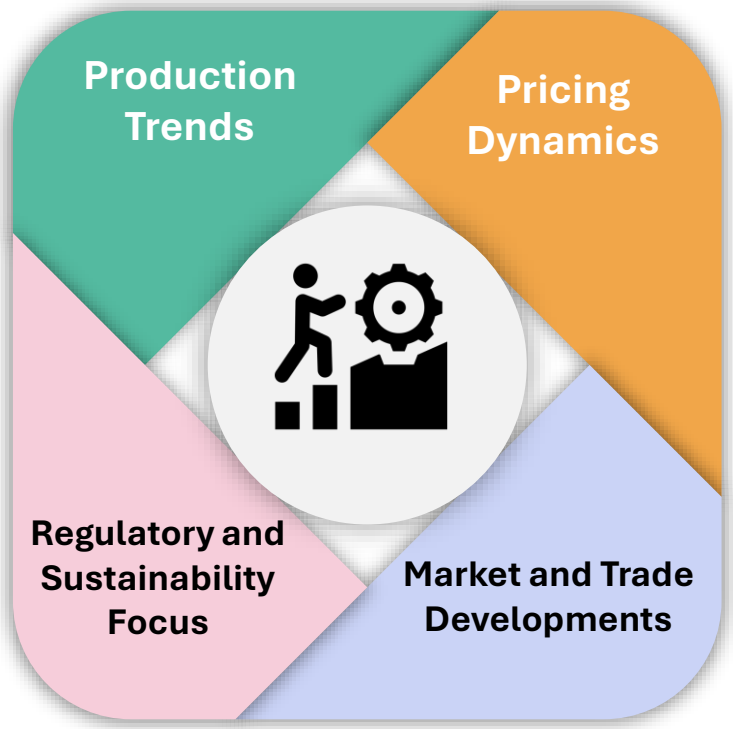
Milk supply forecast for MY2025 – Insights from leading producers

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.

UK Dairy Market Updates: 2025 Outlook

UK milk production is forecast to see modest growth of around 1.1% in 2025, recovering from earlier setbacks in the 2024 season caused by severe weather and weak prices. Higher milk prices and improved margins in early 2025 have encouraged output increases, while easing feed and energy costs have supported resilience. UK dairy cow yields have increased notably in 2025, reflecting advances in genetics, nutrition, and herd management.

The sector is facing new regulations on slurry storage and environmental compliance, especially targeting methane reduction and water quality. Tightened rules are driving increased investment in manure management, covered slurry storage, and sustainable nutrition, with digesters and climate-friendly practices being widely adopted by leading producers.



Farmgate milk prices in the UK trended upwards through 2025, averaging more than 43ppl after the sharp drop seen in 2023–24. Volatility remains a concern due to ongoing changes in global commodity markets and cost pressures, but recent improvements in milk-to-feed ratios have bolstered farm income and production stability.

UK dairy exports saw strong growth in the first half of CY2025, reaching £1.1 billion—a 20% year-on-year increase—with robust demand from both the EU and global markets. Cheese, milk powders, butter, and whey led the surge, supported by trade promotion efforts and the diversification of export destinations. However, policy shifts, trade negotiations (notably with the EU and US), and shifting product mixes present ongoing uncertainty for exporters.

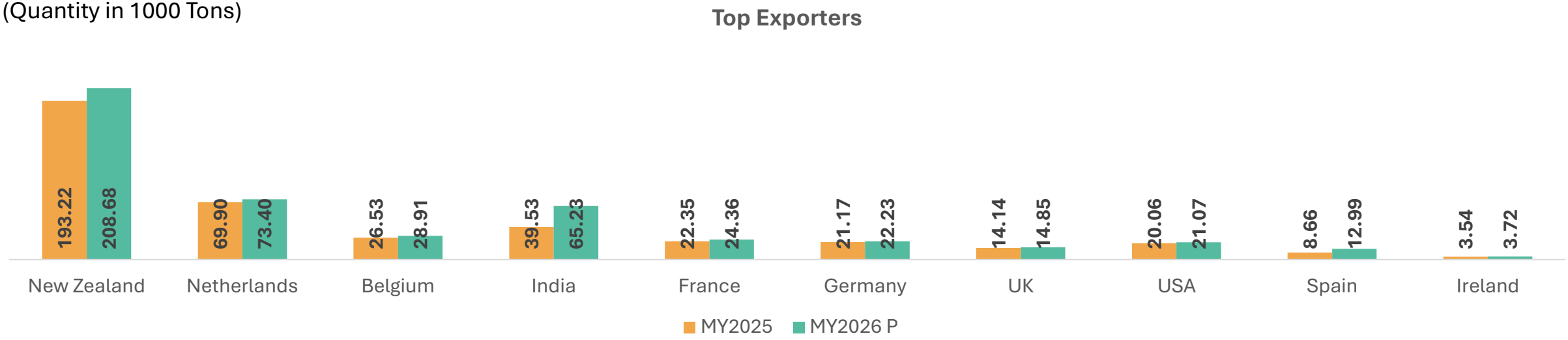
Source: Crisil Intelligence , USDA

Note: PPL – Pence per liter

Export trends and price outlook

Major exporters of Ghee

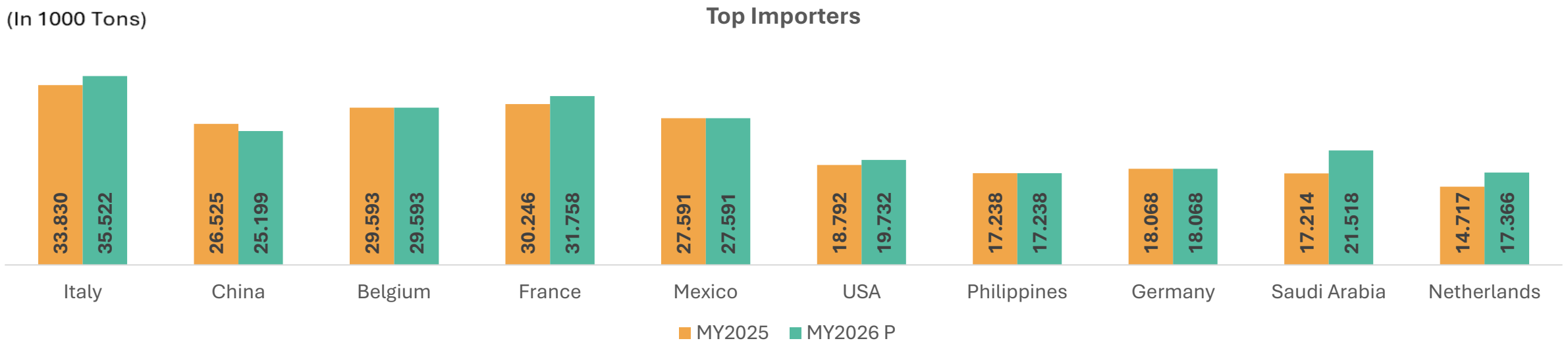
(Quantity in 1000 Tons)



- 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, is gaining 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's ghee exports are driven by strong production in Flanders, which benefits from its proximity to key European markets and efficient dairy infrastructure, allowing regional producers to cater to major markets like Germany, France, and the Netherlands.

Source: Crisil Intelligence, USDA

Major importers of Ghee



- The countries shown in the chart **collectively account for ~60% of total global Ghee imports.**
- Global ghee imports in MY2025 is **projected to grow by 25% on year**, led by Italy, France and Belgium.
- **Philippines** imports most of its ghee primarily from **New Zealand, China, and the Netherlands**. New Zealand leads in both volume and value of imports, followed by China reflecting varied supplier contributions to meet domestic demand. This diverse sourcing supports the Philippines' increasing ghee consumption and market expansion.
- **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.**
- Mexico is a leading importer of ghee in Latin America, primarily sourcing ghee from major dairy-exporting countries like New Zealand, India and the EU, to meet its growing domestic demand.

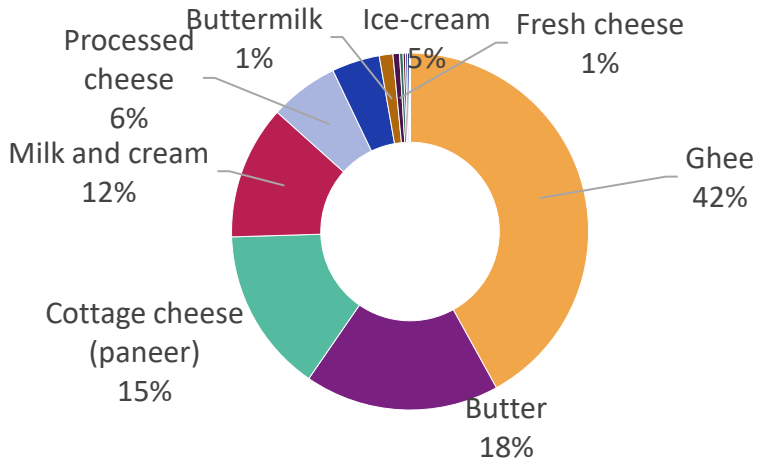
Source: Crisil Intelligence & ITC trade map ; HS code 040590

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.
- 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 October 2025, **Indian export prices are 36% lower than Belgium's and 40-41% lower than Germany's and France’s.**

India’s dairy export basket (2024)



Export opportunity for India

Israel Market

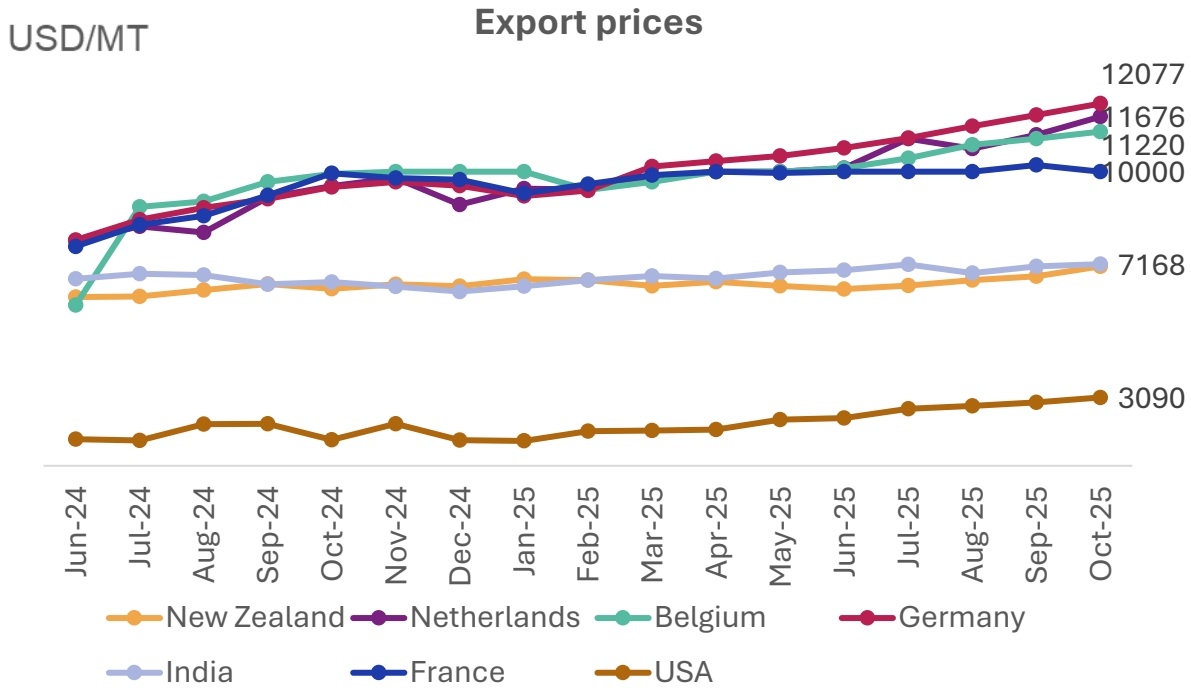
- Israel currently sources 19% of its ghee from France and 13% from Ukraine; both countries are established suppliers in the region due to their reputation for quality and logistics networks supporting the Mediterranean and Middle Eastern markets. Indian ghee, with prices similar to France and about 5% lower than Ukraine, can compete effectively by offering additional value such as A2 milk, organic, and traditional methods like Bilona, which are attractive to Israel's health-focused consumer base.
- Israel’s Mediterranean diet trends and openness to diverse dairy products create an opportunity for India to promote the health benefits and unique characteristics of its ghee, differentiating it from European offerings.

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.

Source: Crisil Intelligence & ITC trade map

Export prices forecast for Ghee

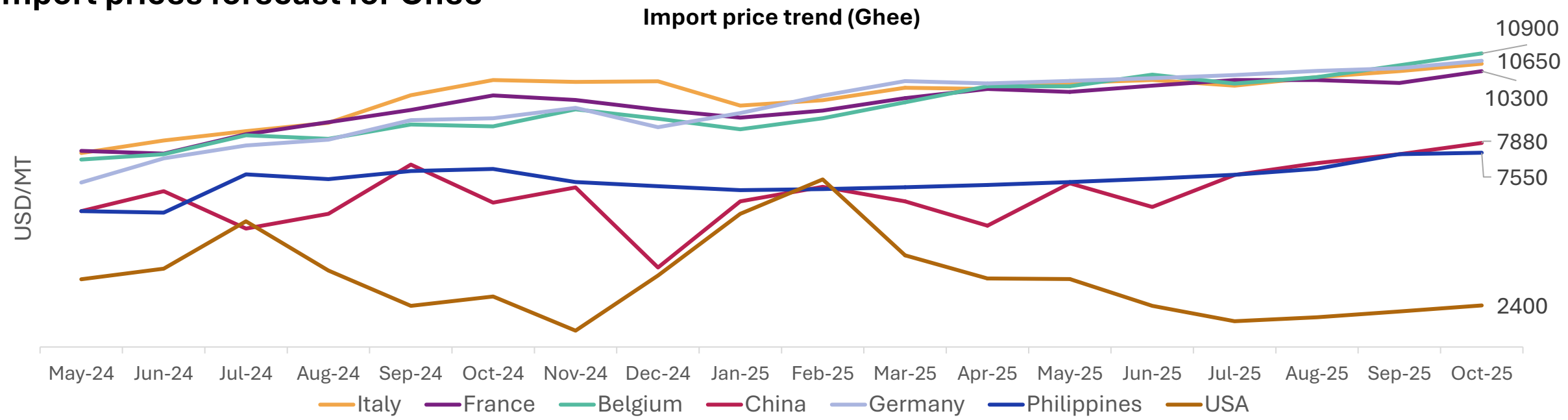


Price outlook for next quarter (NDJ)					
Countries	Oct'25 Price (USD/MT)	Oct'24 Price (USD/MT)	%age change	Price direction	Average price range for NDJ (USD/MT)
New Zealand	7100	6410	11%	Bullish	7150-7300
Netherlands	11676	9560	22%	Bullish	11700-11850
Belgium	11220	9930	13%	Bullish	11250-11500
India	7168	6620	8%	Sideways	7200-7300
Germany	12077	9530	27%	Bullish	12100-12500
France	10000	9950	1%	Sideways	10100-10200
USA	3090	1790	73%	Bullish	3100-3350

- 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.
- The US is targeting specialty ghee markets in Denmark, Costa Rica, and Chile, focusing on premium pricing and higher profit margins by emphasizing quality over price competition, particularly in response to recent fluctuations in import costs.
- **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.
- Germany's ghee export price is rising due to increasing milk/raw material costs, supply chain issues, and inflation. Additionally, Germany has started exporting ghee to Iraq and Singapore, where high demand and willingness to pay premium prices are pushing export prices higher.

Source: ITC trade map, Crisil Intelligence *Note: Price forecasting is based on the fundamental analysis.* ***NDJ stand for November, December and January.***

Import prices forecast for Ghee



- China's ghee import prices have increased mainly 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.
- Ghee import prices in the Philippines have stabilized due to steady supply from major exporters like New Zealand and Australia, as well as government policies that ensure consistent import flows. This stability is supported by a balanced demand and supply in the market, with managed raw material costs minimizing price volatility.
- **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.

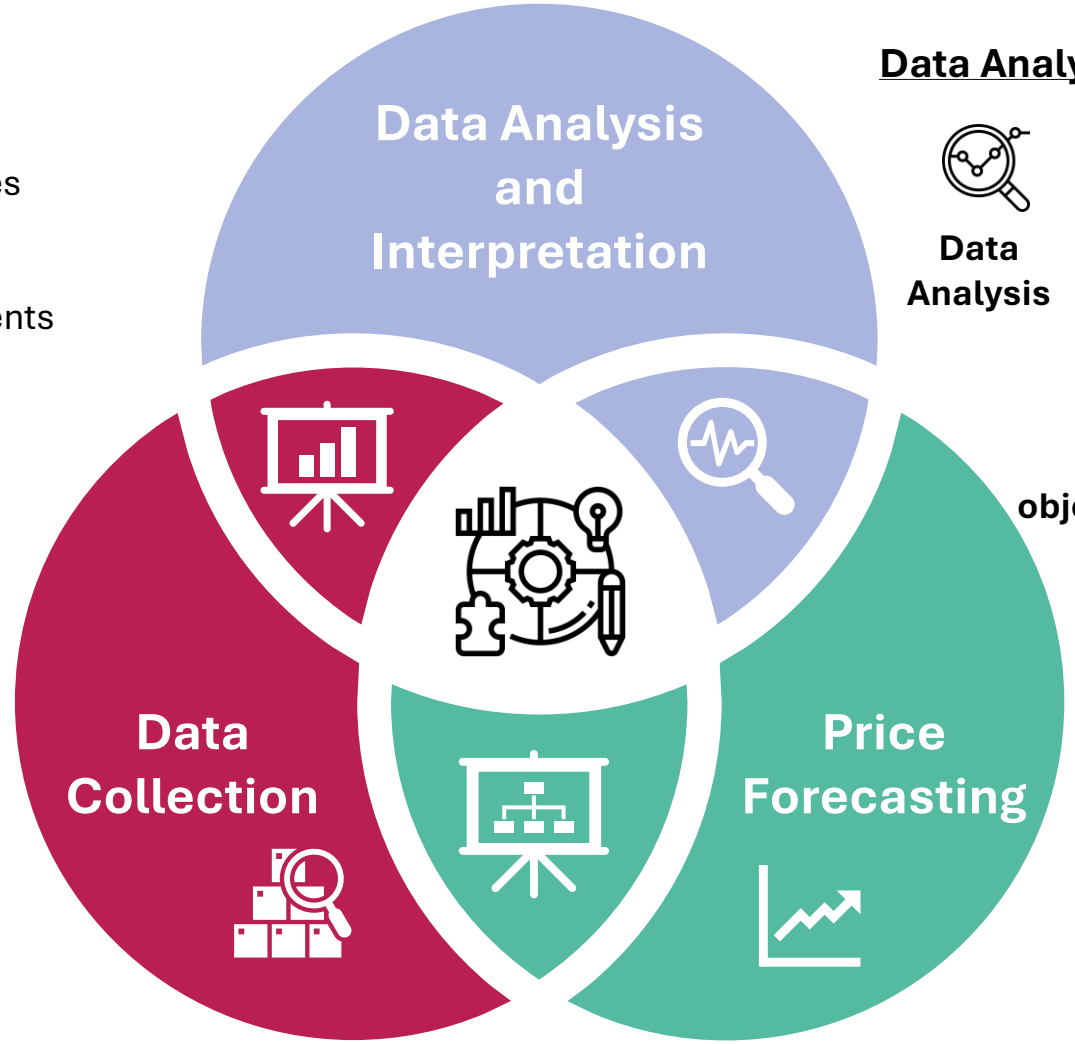
Data Collection

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.