INTERNATIONAL DAIRY MARKET NEWS – EUROPE

Information gathered July 6 – July 17 2026

Prices are U.S. $/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

EUROPE OVERVIEW

WESTERN EUROPE: A leading UK dairy cooperative increased its conventional milk price for July, reflecting improving returns in parts of the dairy market, while its organic milk price remained unchanged. The adjustment signals firmer market conditions for conventional milk producers, although processors continue to monitor commodity prices, export demand, and milk supplies as the market works toward a more balanced pricing environment.

A major European dairy processor reduced its guaranteed milk price for July, reflecting expectations that conventional milk values across northwestern Europe will remain under pressure. The lower payment signals continued caution despite recent signs of stabilization in some dairy commodities, as ample milk supplies and mixed market conditions continue to weigh on farmgate returns.

EASTERN EUROPE: Poland's UHT milk export market remained under modest price pressure in June, with export values easing from both the previous month and a year earlier. Despite softer pricing, Poland maintained steady export activity, with South Korea continuing to serve as a key destination for shipments. The update highlights Poland's continued importance as an Eastern European supplier of long shelf-life dairy products, even as competitive market conditions weigh on export values.

Latvia has further strengthened its position in the Eastern European dairy sector with the launch of a new large-scale cheese production facility aimed at expanding export capacity. The investment is expected to increase regional cheese output, create additional processing demand for locally sourced milk, and support export to international markets. The project also highlights continued investments in valueadded dairy manufacturing across the Baltic region as processors seek to enhance export competitiveness.

SKIM MILK POWDER

Skim milk powder prices strengthened at both ends of the range this week as firmer buyer participation and improving market interest supported values. Extended periods of hot weather across parts of Europe continued to temper milk production, gradually reducing product availability even as processors maintained active drying schedules. Buyers showed greater willingness to secure routine coverage, while consistent purchasing activity provided support across the range. Trading remained active throughout the reporting period, with stronger demand and modestly tighter supplies underpinning higher prices.

Europe Skim Milk Powder, 1.25% Butterfat
Price Range: 3,000 – 3,325

WHOLE MILK POWDER

Whole milk powder prices strengthened across the range during the reporting period as tighter product availability and firmer buyer participation supported values. Prolonged hot weather across parts of Europe continued to temper milk production, gradually reducing milk available for manufacturing whole milk powder. Processors maintained consistent production schedules. Buyers showed greater willingness to secure routine coverage, contributing to more active trading and improved price support across the range.

Europe Whole Milk Powder, 26% Butterfat
Price Range: 3,375 – 3,825

WHEY

Dry whey prices held steady at the bottom of the range while the top edged lower this week as buyer interest became more selective for higher-priced offerings. Although prolonged heat has begun to reduce milk output in parts of Europe, current whey availability remains sufficient to support active drying schedules and meet established demand. Purchasing remained focused on routine coverage, with stronger competition limited to specific product specifications. Trading activity stayed measured throughout the reporting period, while softer interest at the upper end of the market weighed on top-end values.

West Europe Dry Whey, Non-Hygroscopic
Price Range: 1,475 – 2,325

BUTTER/BUTTEROIL

Butter prices moved higher at both ends of the range this week as stronger buyer interest and gradually tightening cream availability supported values. Extended periods of hot weather continued to challenge milk production across parts of Europe, reducing cream supplies in some regions and lending additional support to the market. Buyers showed a greater willingness to secure coverage, and trading activity increased as prices strengthened across the range.

Butteroil prices declined at both ends of the range as comfortable product availability continued to outweigh buying interest. Although heat-related production concerns persisted in parts of Europe, available inventories remained sufficient to satisfy demand during the reporting period. Trading conditions stayed measured, with cautious purchasing patterns contributing to lower values across the range.

West Europe Butter, 82% Butterfat
Price Range: 4,325 – 4,575

West Europe Butteroil, 99% Butterfat
Price Range: 5,825 – 6,075

INTERNATIONAL DAIRY MARKET NEWS – OCEANIA

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OCEANIA OVERVIEW

AUSTRALIA: Dairy Australia reports that Australia exported 151,017 metric tons of milk from July 2025 to May 2026, a 12.2 percent increase from the previous year.

Dairy Australia also recently released data on packaged milk sales. In May 2026, milk sales totaled 201.2 million liters, up 0.1 million liters year-over-year (YoY). May sales increased YoY in Victoria (2.1 percent), while decreasing in New South Wales (0.3 percent), Queensland (0.3 percent), South Australia (1.7 percent), Western Australia (1.2 percent), and Tasmania (2.4 percent). Packaged milk sales year-todate (YTD) in Australia's 2025/2026 season total 2,170.8 million liters, up 24.3 million liters (1.1 percent) season over season. Compared to the 2024/2025 season, YTD sales in the 2025/2026 season increased in Victoria (2.6 percent), Queensland (1.2 percent), South Australia (1.4 percent), and Western Australia (0.8 percent), but decreased in New South Wales (0.1 percent) and Tasmania (1.2 percent).

The June 2026 Production Inputs Monitor from Dairy Australia reports a sharp decline in overall input prices, led by a steep drop in urea costs. The average urea price was lower in June than in February, supported by softer global demand as buyers shifted toward alternative fertilizers. In contrast, diammonium phosphate prices rose due to limited sulfur supplies and ongoing export restrictions from China. Fuel prices fell 15 percent as global oil values continued to ease. Rainfall varied across dairy regions, as Southwest Victoria and South Australia received above average rain, while other regions saw average to below average totals. Recent weather has supported strong pasture growth, reducing pressure on feed prices. However, feed markets are mixed, with cereal grain prices declining and protein concentrates increasing. A weaker Australian dollar boosted export demand. Domestically, the Bureau of Meteorology declared an El Niño event and forecast drier than average conditions over the next three months, lifting demand for feed stocks and adding upward pressure on prices. Temporary water prices continued to fall, with Northern Victoria's monthly average 20 percent below February's peak. Water storage and soil moisture levels across many regions remained higher than a year earlier.

NEW ZEALAND: Following Global Dairy Trade (GDT) Event 407, a group in New Zealand that forecasts milk prices increased their 2026/2027 season milk price forecast to $9.41 per kilogram milk solids (kgMS). The spot value of milk decreased to $9.64/kgMS from $9.76/kgMS. Prices were lower for both SMP and WMP, as well as for milk fats offered at GDT Event 407. The group's 2025/2026 season milk price forecast remains at $9.74/kgMS. This prediction reflects a US cents per NZ dollar exchange rate assumption of 0.5905 and a forecast range of $9.12/kgMS to $9.98/kgMS. The September 2026/2027 Milk Price Futures contract last settled at $9.79/kgMS.

A large New Zealand cooperative reduced its FY2027 Farmgate Milk Price midpoint to $9.25/kgMS from $9.75/kgMS, adjusting the forecast range to $8.00-$10.50/kgMS. The key driver to the price reduction is falling GDT prices. GDT prices have seen softer-than expected demand and strong global supply, leading to 11 percent price declines since late May. Milk output from major exporting regions is also up YOY. The cooperative also noted "significant exposure" due to limited contracted sales. The 2025/2026 forecast remains unchanged at $9.60-$9.80/kgMS (midpoint $9.70/kgMS). Breakeven estimates are $8.79/kgMS for FY2027 and $8.41/kgMS for FY2026.

BUTTER

Butter prices moved lower across the full price range during this reporting period. Processor prices also moved lower compared to last month and from the previous year. The futures curve strengthened for October through December, held steady for August, and weakened for July and September. The July contract had the largest decline at 0.8 percent.

At Global Dairy Trade (GDT) Event 407, butter prices decreased for all contract periods, with September realizing the largest decline, down 7.5 percent. No butter was offered for December or January. September and October accounted for 73 percent of total sales. While total butter volume sold increased compared to Event 406, it remained below year-ago levels. North Asia led purchasing at 39 percent, followed by Southeast Asia/Oceania and Europe.

Oceania Butter, 82% Butterfat	
Price Range:	5,375 – 5,750

CHEESE

Cheddar cheese prices fell sharply across the full range this reporting period. Processor prices also moved lower compared to last month and are about 15 percent below year-ago levels.

Cheddar prices at Global Dairy Trade (GDT) Event 407 declined across all contract periods, with December posting the largest drop at 13.2 percent. No product was offered for August, September, or January. Total volume sold was higher than Event 406 and similar versus last year. October and November accounted for 60 percent of all cheddar sales. North Asia led purchasing, followed by the Middle East and Southeast Asia/Oceania.

Oceania, Cheese, Cheddar, 39% Maximum Moisture	
Price Range:	3,900 – 4,300

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SKIM MILK POWDER

Skim milk powder (SMP) prices decreased significantly at both ends of the range this reporting period. Processor prices were down from last month but still above year-ago levels. SMP futures were steady for December but weakened across the remaining contracts, declining as much as 3.5 percent for July.

SMP prices at Global Dairy Trade (GDT) Event 407 decreased across all offered contract periods. The October contract declined the most, down 10.6 percent. No product was offered for December or January. September and October accounted for 79 percent of total sales. Total SMP volume sold far exceeded Event 406 and was just below year earlier levels. Oceania SMP continued to command a premium over European product. Southeast Asia/Oceania led buying, with 39 percent of the volume. North Asia acquired 37 percent, which was an increase from both the last event and the year prior. Europe and the Middle East also purchased, with the Middle East acquiring 9 percent.

Oceania Skim Milk Powder, 1.25% Butterfat	
Price Range:	3,050 – 3,450

WHOLE MILK POWDER

Whole milk powder (WMP) prices declined at the lower end of the price range, while holding steady at the top during this reporting period. Processor prices fell from both the previous month and year ago levels. WMP futures were lower across all contract periods with July realizing the largest decline, down 3.7 percent.

WMP prices at Global Dairy Trade (GDT) Event 407 decreased by at least 3.7 percent for all contract periods offered. No product was offered for December or January. September and October accounted for 73 percent of total sales. Sales volumes were significantly higher than both Event 406 and year earlier levels. North Asia was the leading buyer, purchasing 47 percent of the volume, up from 28 percent at the prior event but below the 55 percent share recorded a year earlier. Southeast Asia/Oceania followed with 25 percent of the volume, with the Middle East also participating.

Oceania Whole Milk Powder, 26% Butterfat	
Price Range:	3,375 – 3,575

Secondary Sourced Information:

During GDT Event 407, the overall GDT price index decreased 4.9 percent from the prior event. The average winning price across all products and contract periods was $3,793 per metric ton (MT). Results for individual commodities include:

- SMP: The average price across all contract periods decreased to $3,135/metric ton (MT), a 7.0 percent decline from the previous event. The August contract averaged $3,257/MT, down 1.2 percent.
- WMP: The average price across all contract periods decreased to $3,425/metric ton (MT), a 4.4 percent decline from the previous event. The August contract averaged $3,499/MT, down 3.7 percent.
- Cheddar Cheese: The average price across all contract periods decreased to $3,900/metric ton (MT), a 12.3 percent decline from the previous event. No product was traded for August or September, but the October contract averaged $3,905/MT, down 12.0 percent.
- Butter: The average price across all contract periods decreased to $5,336/MT, a 5.0 percent decline from the previous event. The August contract averaged $5,224/MT, down 4.4 percent.

Dairy Australia recently released export data for Australia showing export volumes from July 2025 to May 2026.

- Milk: Export volumes totaled 151,017 metric tons, an increase of 12.2 percent year-over-year.
- Butter: Export volumes totaled 7,581 metric tons, a decrease of 49.3 percent year-over-year.
- SMP: Export volumes totaled 139,918 metric tons, a decrease of 4.6 percent year-over-year.
- WMP: Export volumes totaled 49,129 metric tons, a decrease of 15.2 percent year-over-year.
- Cheddar cheese: Export volumes totaled 23,603 metric tons, a decrease of 16.5 percent year-over-year.
- Other cheese: Export volumes totaled 128,129 metric tons, an increase of 0.6 percent year-over-year.

INTERNATIONAL DAIRY MARKET NEWS – SOUTH AMERICA

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SOUTH AMERICA OVERVIEW

In South America milk production is seasonally lighter. No significant changes in unfavorable pasture conditions for parts of South America, which is decreasing cow comfort, are reported by stakeholders. Year-over-year milk production is up according to the most recent data from CLAL.it and industry sources. Among the South American countries listed on CLAL.it, Uruguay has the largest percentage increase in year-over-year milk production. Milk prices are generally trending higher as the availability of loads is tightening.

Manufacturers in South America describe milk and cream volumes as neither abundant nor scarce. Production schedules for dairy commodities are generally lighter. Sellers indicate spot loads of whole milk powder and skim milk powder are available. Demand from buyers in Brazil is holding up more than demand from buyers in Algeria. Brazilian imports of whole milk powder and skim milk powder from other South American countries was up for June 2026 compared to the prior month. Stakeholders indicate prices for many dairy commodities including UHT milk, whey powders, milk powders, mozzarella cheese for example, are higher this week compared to the start of July.

SKIM MILK POWDER

Skim milk powder (SMP) markets in South America remain weak, with reported prices declining and prompting a downward revision to the beginning of the price range. Demand from Brazil is steady, but contacts indicate an abundance of offers on the market. The South America SMP market tone is steady to weaker. Brazil SMP imports January-June 2026 increased a modest 2.6% year-over-year.

South America Skim Milk Powder, 1.25% Butterfat
Price Range: 3,200 – 3,750

WHOLE MILK POWDER

Whole milk powder (WMP) markets in South America remain well supplied. Contacts report that a significant volume of August production is still unsold, keeping offerings readily available for buyers. Demand from Algeria continues to show very limited activity, while interest from Brazil remains present but is following the softer tone in international markets. Recent transactions for prompt shipment into Brazil were reported at the lower end of our earlier range, prompting a revision to the bottom of the reported price band. Market participants describe conditions as steady to weaker, and contacts anticipate additional downward pressure in the near term. Brazil's year-over-year WMP imports increased 16.7% during the January-June 2026 period.

South America Whole Milk Powder, 26% Butterfat
Price Range: 3,500 – 4,500

Exchange rates for selected foreign currencies: July 13, 2026

0.0007 Argentina peso	0.0104 India rupee
0.6918 Australia dollar	0.0062 Japan yen
0.1941 Brazil real	0.0571 Mexico peso
0.7063 Canada dollar	0.5750 New Zealand dollar
0.0011 Chile peso	0.2627 Poland zloty
1.1383 Euro	0.0248 Uruguay peso

Conversion example: To compare the value of 1 US dollar to Mexico pesos: (1/0.0562) = 17.794 Mexico pesos. Source: *Wall Street Journal*