

Milk and milk products

In 2024, world milk production is forecast to reach nearly 981 million tonnes, up 1.5 percent from 2023. Much of this increase is expected to originate in Asia, led by India, Pakistan and China, where dairy cattle numbers are rising in response to higher demand from more affluent and urbanized consumers. The milk production outlook is also positive in Europe, Southern America and Oceania, reflecting favourable weather and increased farm gate prices, despite declining dairy cow numbers. By contrast, milk output is anticipated to decline in Northern America, mainly in the United States of America, due to reductions in dairy cow numbers and lower milk yields. Some African countries may also experience declines in milk production due to adverse weather conditions and high input costs.

In 2024, after two years of decline, international trade in dairy products is forecast to increase slightly to nearly 85 million tonnes (milk equivalents). This growth reflects rising demand in several major importing countries – mainly in Southeastern Asia, Northern Africa and the Near East – bolstered by an active food-service sector, higher demand from the food processing sector and easing inflationary pressures. However, dairy imports by China, the world's largest importer, will likely fall for the third consecutive year, largely due to rising national supplies and weak consumer demand amid slower-than-anticipated economic growth. On the export side, Oceania is expected to increase its exports due to favourable milk production conditions and enhanced export competitiveness facilitated by trade agreements. Argentina and some countries in the Near East and Northern Africa are also expected to increase their exports, driven by a combination of currency depreciations, limited internal sales, and rising demand in neighbouring countries.

International dairy prices have trended upward throughout this year. By the end of October, the FAO Dairy Price Index had risen 17.2 percent since January, standing 17.2 percent above its corresponding level in 2023, with butter prices registering the largest increases. The increase in dairy prices was largely underpinned by limited exportable supplies in some key exporting regions and by geopolitical tensions impacting supply chains, especially transportation and logistics.

Figure 1.8. FAO international dairy price index (2014–2016 = 100)

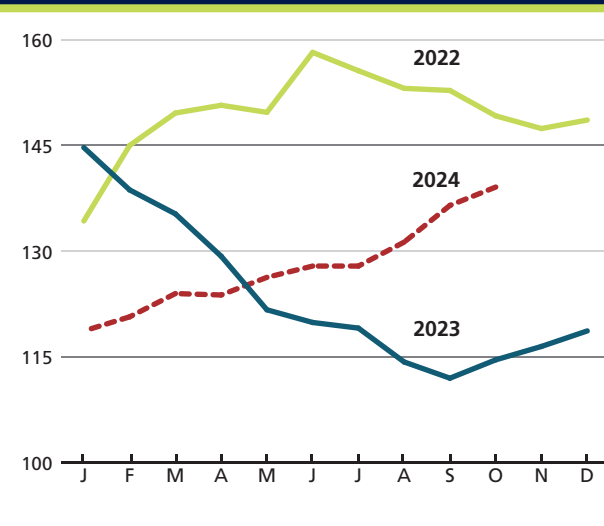


Table 1.8. World dairy market at a glance

	2022	2023 <i>estim.</i>	2024 <i>f'cast</i>		Change: 2024 over 2023
			June	Nov.	
	<i>million tonnes (milk equivalent)</i>				
WORLD BALANCE					
Total milk production	951.6	966.6	978.5	981.1	1.5
Total trade	85.6	84.6	85.4	84.9	0.3
SUPPLY AND DEMAND INDICATORS					
Per caput food consumption:					
World (kg/year)	118.7	119.4	120.6	120.2	0.7
Trade - share of prod. (%)	9.0	8.8	8.7	8.7	-1.1
FAO DAIRY PRICE INDEX (2014–2016=100)	2022	2023	2024 <i>Jan–Oct</i>		% Change Jan/Oct 2024 over Jan/Oct 2023
	150	125	128		2.1

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