

# MILK AND MILK PRODUCTS

World milk production is forecast to reach nearly 979 million tonnes in 2024, up 1.4 percent from 2023. Much of the expansion is expected to come from Asia – led by India, China and Pakistan – and will be driven principally by rising dairy cow numbers and growing contributions of more efficient large-scale dairy farms with higher milk yields. The forecast growth in global milk output assumes a relatively moderate worldwide impact of the emerging La Niña weather phenomenon, steady farm gate milk prices, and relatively lower feed costs stemming from easing grain prices, all of which should lead to improved profit margins in major milk-producing regions. Macroeconomic challenges, including currency fluctuations and subdued economic growth anticipated in some leading milk-producing regions, will likely constrain consumer demand for dairy products and, ultimately, milk production growth.

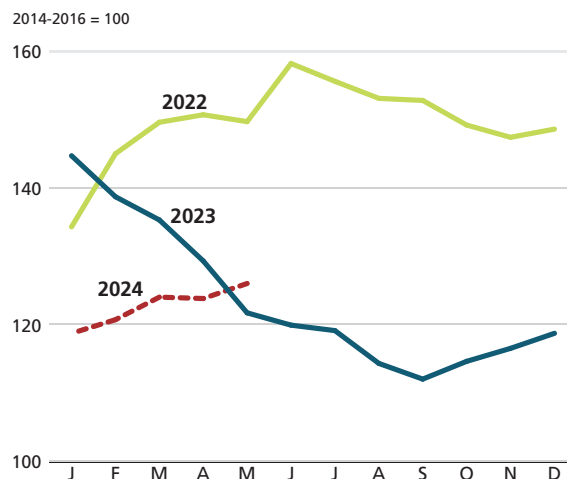
Global trade in dairy products is forecast to reach 85.3 million tonnes in 2024, rising by 0.8 percent year on year. Increases are expected to be notable in Mexico, the Philippines, Saudi Arabia, the United States of America, Algeria and Japan and will be underpinned by demand recoveries partly induced by relatively lower international dairy prices and increased demand from the food services sector. Dairy imports by China are forecast to fall slightly, mainly reflecting rising domestic supplies. Australia, the United States, New Zealand, Argentina and the United Kingdom of Great Britain and Northern Ireland will likely supply much of the anticipated increase in imports of dairy products, reflecting competitive prices and ample exportable availabilities.

International dairy prices, as measured by the FAO Dairy Price Index, increased by 6.2 percent from January to May this year, pushing the index value 3.5 percent above its value a year ago. During the five months, butter and cheese prices increased significantly, reflecting steady global import demand, coupled with improved retail and food services sales and somewhat tighter inventories in leading producing regions, especially the European Union. Meanwhile, whole milk powder prices increased moderately, as purchases by leading importers in the Near East and North Africa regions remained robust despite a slowdown in the pace of imports by China. By contrast, world prices of skim milk powder fell due to sluggish global import demand.

## Contact:

Upali Galketi Aratchilage

## FAO INTERNATIONAL DAIRY PRICE INDEX (2014-2016 = 100)



## WORLD DAIRY MARKET AT A GLANCE

	2022	2023 <i>estim.</i>	2024 <i>f'cast</i>	Change: 2024 over 2023
	<i>million tonnes (milk equivalent)</i>			%
<b>WORLD BALANCE</b>				
<b>Total milk production</b>	951.6	965.2	978.5	1.4
<b>Total trade</b>	85.6	84.7	85.4	0.8
<b>SUPPLY AND DEMAND INDICATORS</b>				
<b>Per caput food consumption:</b>				
World (kg/year)	119.4	120.0	120.6	0.4
Trade - share of prod. (%)	9.0	8.8	8.7	-0.5
<b>FAO DAIRY PRICE INDEX (2014-2016=100)</b>	<b>2022</b>	<b>2023</b>	<b>2024 <i>Jan-May</i></b>	<b>Change: Jan-May 2024 over Jan-May 2023 %</b>
	150	124	123	-8.4