Milk and milk products

Global milk production in 2025 is forecast to expand by 1.4 percent, up from 1.1 percent growth recorded in 2024, marking a moderate recovery in global output growth. The increase mainly reflects continued output expansion in Asia – though at a slower pace – alongside faster growth in Central and South America.

In Asia, Bangladesh, India and Pakistan are anticipated to register mainly herd-driven gains, supported by gradual productivity improvements, while in China, output – which fell 2.8 percent in 2024 amid low farm-gate prices that prompted the exit of smaller producers – is expected to gradually stabilize, as productivity gains resulting from the consolidation among larger producers could limit the impact of ongoing herd reductions.

In the European Union, milk production in 2025 is forecast to rise slightly overall – although at a slower year on year pace – reflecting expected diverging trends among Member States. Stable feed costs and recovery from high Pathogenic Avian Influenza (HPAI) related disruptions have supported higher output in the United States, while high farm-gate prices and conducive conditions have induced an upturn in New Zealand.

Global dairy trade in milk-equivalent terms is forecast to contract by 1.3 percent in 2025, mainly reflecting firm international prices, which have impacted consumer purchasing power and weighed on demand. This contraction has been compounded by currency depreciation in several emerging markets, while improved domestic milk availability in key importing countries – particularly Algeria, Egypt and Saudi Arabia – and ongoing trade policy uncertainties have further limited global import demand. These factors more than offset a foreseen modest growth in imports by China, the world's largest dairy importer, where restocking and increased use in feed and nutritional applications underpinned a modest import recovery. In terms of prices, international dairy markets remained firm in 2025 despite recent declines. The FAO Dairy Price Index averaged 142.2 points in November, down 7.0 percent from May, yet 17.0 percent above the 2024 January to October average. Prices rose across all major products, led by cheese and whole milk powder, reflecting sustained demand in key Asian and Near Eastern markets. Skim milk powder recorded only marginal gains amid ample export supplies and subdued buying interest following earlier stock accumulation. Butter prices, after reaching record highs in June, eased in the second half of the year as milk-output prospects improved and competition among exporters intensified.

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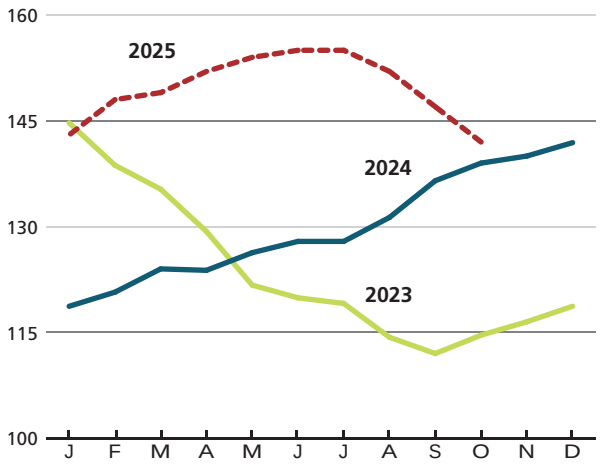
Figure 1.8. FAO international dairy price index (2014–2016 = 100)



Source: See references

Table 1.8. World dairy market at a glance

	2023	2024 *estim.*	2025 *f'cast*	Change: 2025 over 2024
		million tonnes (milk equivalent)		%
WORLD BALANCE				
Total milk production	**968.2**	**979.0**	**992.3**	**1.4**
Total trade	**86.3**	**87.8**	**86.7**	**-1.3**
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	119.2	119.6	120.2	0.5
Trade - share of prod. (%)	8.9	9.0	8.7	-2.6
FAO DAIRY PRICE INDEX (2014–2016=100)	**2023**	**2024**	**2025** *Jan–Oct*	**%Change Jan/Oct 2025 over Jan/Oct 2024**
	124	130	150	17.3