

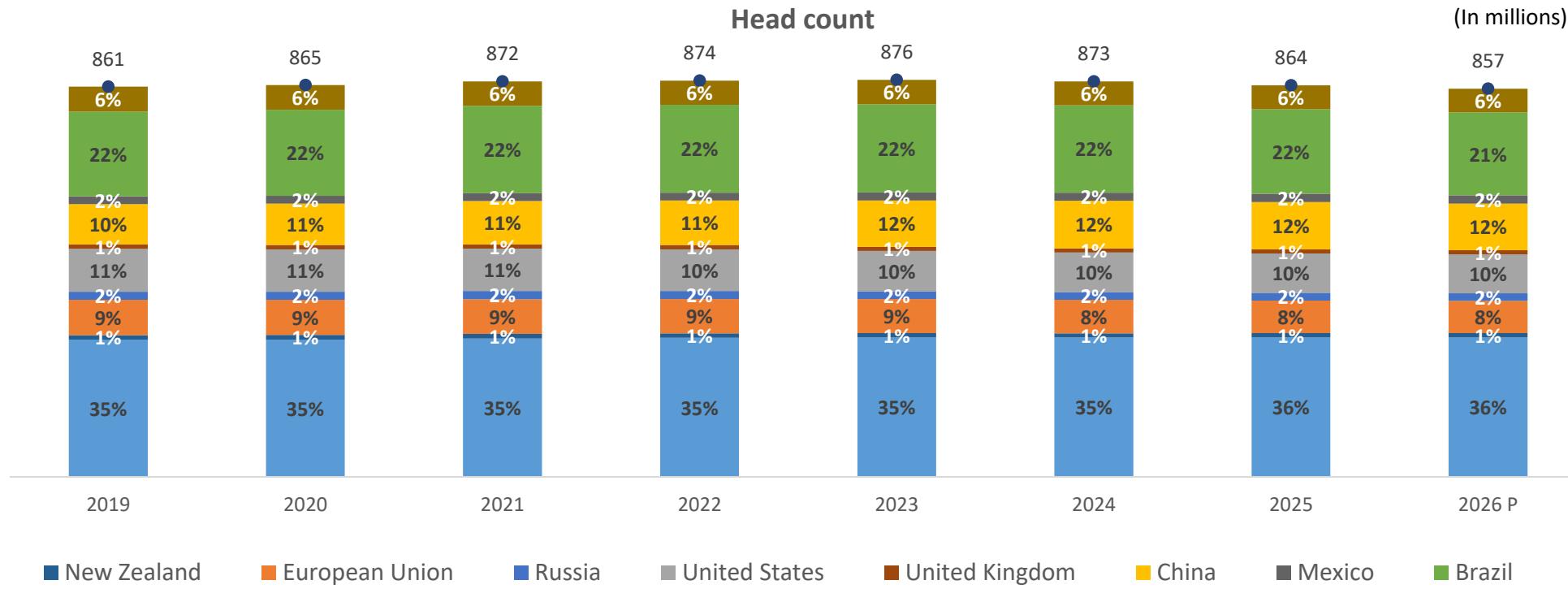
# Monthly dashboard – Dairy Sep-2025



# Cattle population and milk production trends



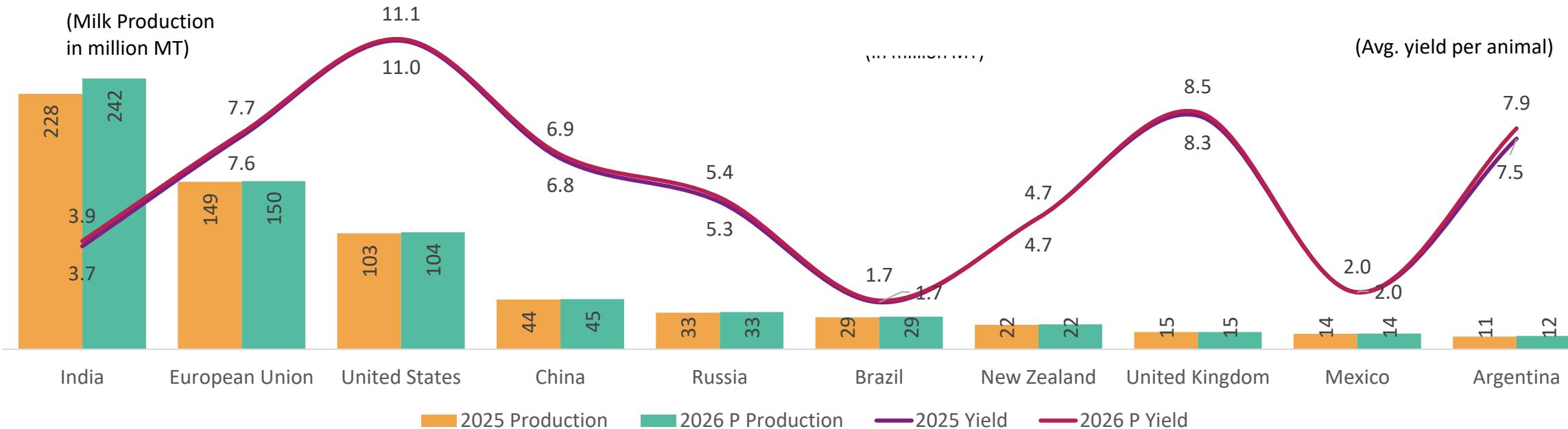
# Cattle population across countries



Legend: India (Blue), New Zealand (Dark Blue), European Union (Orange), Russia (Dark Blue), United States (Grey), United Kingdom (Dark Orange), China (Yellow), Mexico (Dark Grey), Brazil (Green), Argentina (Brown)

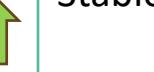
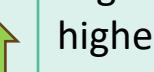
- Global cattle numbers have followed a mixed trajectory in recent years, with some countries experiencing growth and others decline. However, in MY25, a number of countries including India, Argentina, Mexico, and Australia have reported an increase in cattle populations, fueled by strong demand, favorable weather patterns, and efforts to rebuild herds.
- India takes the lead with a steady 1% growth in cattle numbers, driven primarily by the thriving dairy sector, while Australia makes a remarkable recovery with a 5% increase after a prolonged period of drought.
- 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.

# Milk production estimates of major producing countries



- The countries listed in the chart represent ~94% of global Milk production.
- India's milk production surged 63.56% from 146.3 million tons in 2014-15 to 239.2 million tons in 2023-24, 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.
- Russia's milk yield rise is driven by modernization of dairy farms including advanced genotyping, improved housing, and precise feeding strategies. The sector also benefits from digital farm management, state subsidies, and infrastructure investments, boosting productivity and laying groundwork for long-term growth
- 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 400 milking robots currently in operation, with projections to exceed 1,000 robots by 2025, highlighting rapid progress in automation within the sector

# Milk supply forecast for 2025-26 – 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 2025-26 – 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.

# New Zealand Dairy Market Updates: 2025 Outlook

U.S. milk production is expected to see modest growth, supported by a slightly larger national herd and incremental improvements in milk yields per cow. Dairy farms are increasingly adopting precision nutrition and genetics to boost output and improve milk solids content, helping offset slower expansion in overall cow numbers.

Environmental regulations have tightened, with new targets for methane reduction and water quality compliance driving innovation on farms. Widespread use of feed additives, manure management systems, and biogas digesters is helping producers meet climate goals while maintaining productivity.



Farmgate milk prices in the U.S. experienced volatility during 2025, averaging around \$20.90 per hundredweight in recent months. Price movements have been influenced by changing domestic demand, international market conditions, and shifts in the product mix toward cheese and protein-rich dairy commodities.

Export volumes remain significant, though trade uncertainty—particularly with China and Mexico—continues to influence market stability. U.S. dairy is responding by diversifying export destinations and investing in supply chain resilience, ensuring that producers can navigate ongoing global market fluctuations.

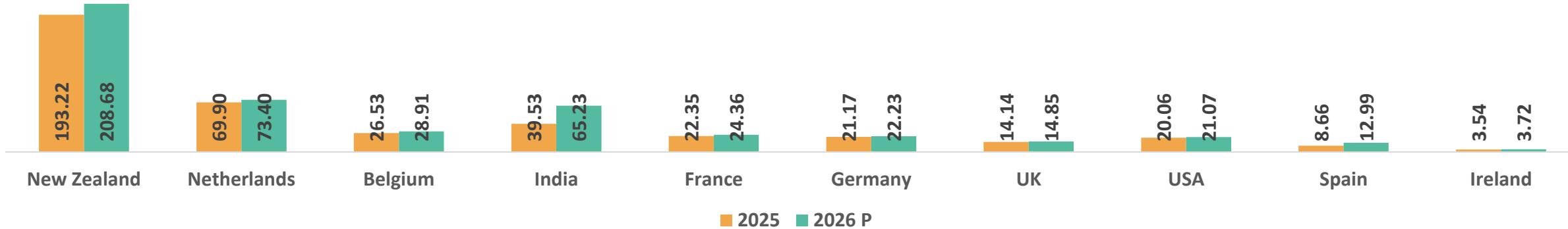


# Export trends and price outlook

# Major exporters of Ghee

(Quantity in 1000 Tons)

Top Exporters

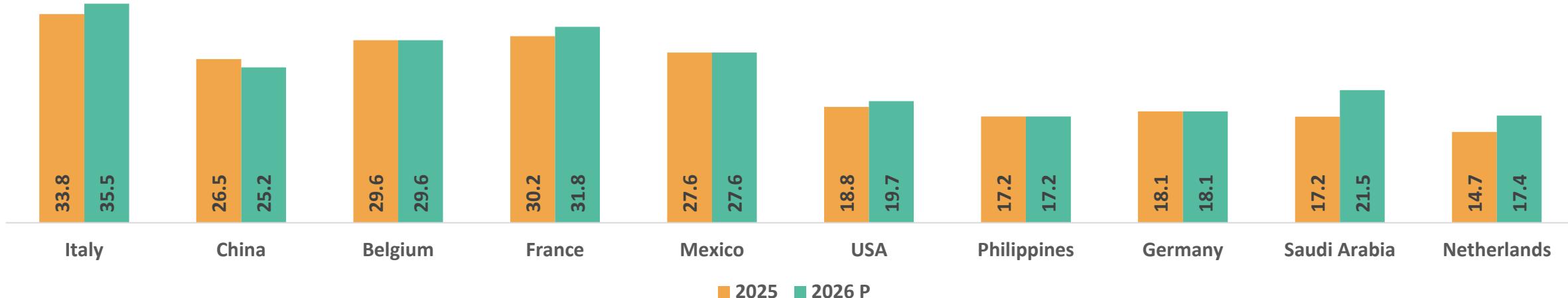


- The countries shown in the chart **collectively account for ~93% of total global ghee exports**.
- Global ghee exports are anticipated to increase by 8%-12% YoY in FY26**, driven largely by a significant 8% increase in exports from New Zealand, following the implementation of the EU-NZ Free Trade Agreement, 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.
- Meanwhile, **Spain's ghee exports are set to rise** as it expands into new markets like Poland and Jordan, driven by growing demand, improved product offerings, and strengthened trade ties, diversifying beyond traditional European markets.
- Global ghee exports are increasing** due to a combination of shifting consumer preferences and health-driven demand. Increased ethnic and diaspora consumption, especially in the Gulf, US, and UK also supporting the growth.

# Major importers of Ghee

(In 1000 Tons)

Top Importers



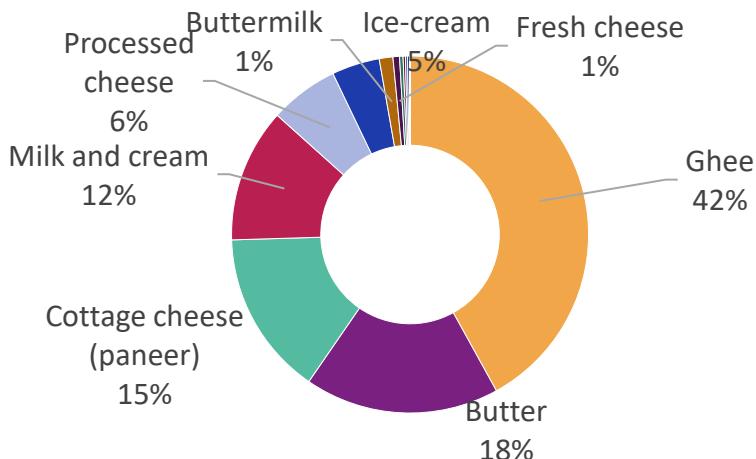
- The countries shown in the chart **collectively account for ~60% of total global Ghee imports**.
- Global ghee imports in FY26 is **projected to grow by 25% on year**, led by Italy, France and Belgium.
- Philippines** imports most of its ghee primarily from **New Zealand, China, and the Netherlands**. 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**.

# 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 September 2025, Indian export prices are 30% lower than Belgium's and 33-35% lower than Germany's and France's.

## India's dairy export basket (2024):



## Export opportunity for India

### Argentina Market

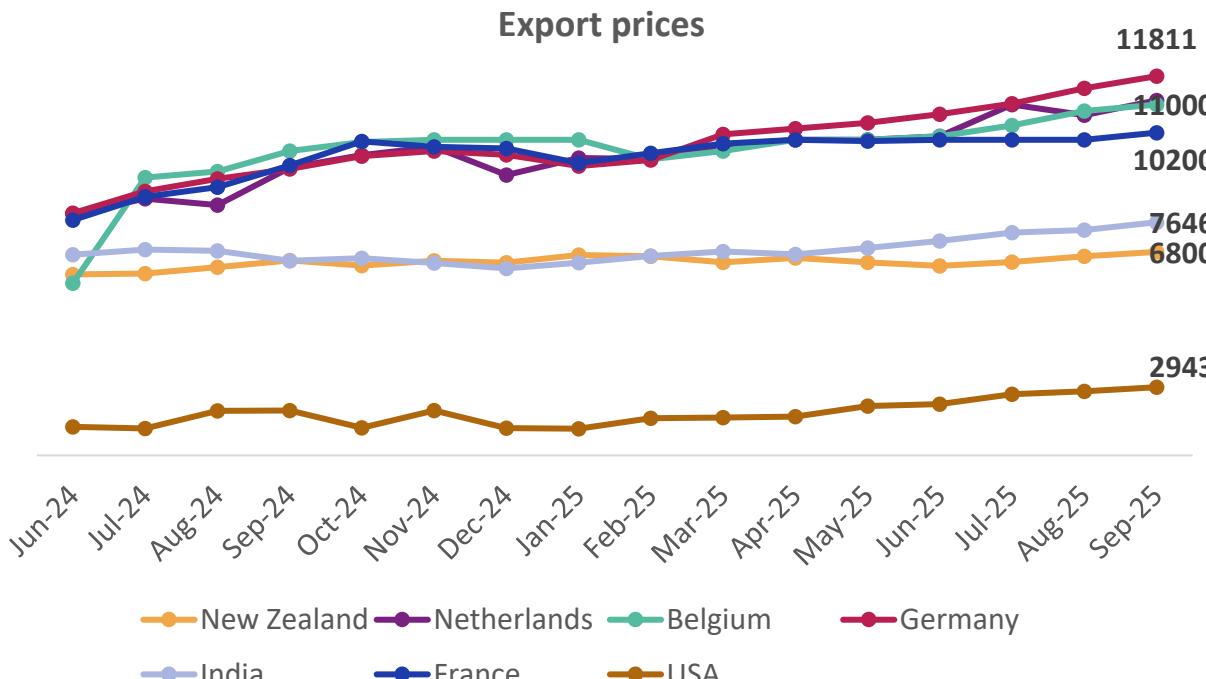
- Indian exporters can leverage the dominance of European suppliers in Argentina's imported ghee market by competing strongly on price and quality. India's ghee is typically 50-60% cheaper than European counterparts from countries like the Netherlands, Belgium, and Switzerland, which makes it attractive to cost-conscious importers and retailers.
- Moreover, Indian exporters can highlight unique selling points such as organic certification, A2 milk sources, and traditional preparation methods like the Bilona process, which resonate with Argentina's growing urban consumers focused on health and wellness trends.

### 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.
- By strengthening trade ties and securing long-term contracts, India can increase its market share in Russia's ghee imports, turning current market disruptions into a strategic opportunity.

Source: Crisil Intelligence & ITC trade map

# Export prices forecast for Ghee

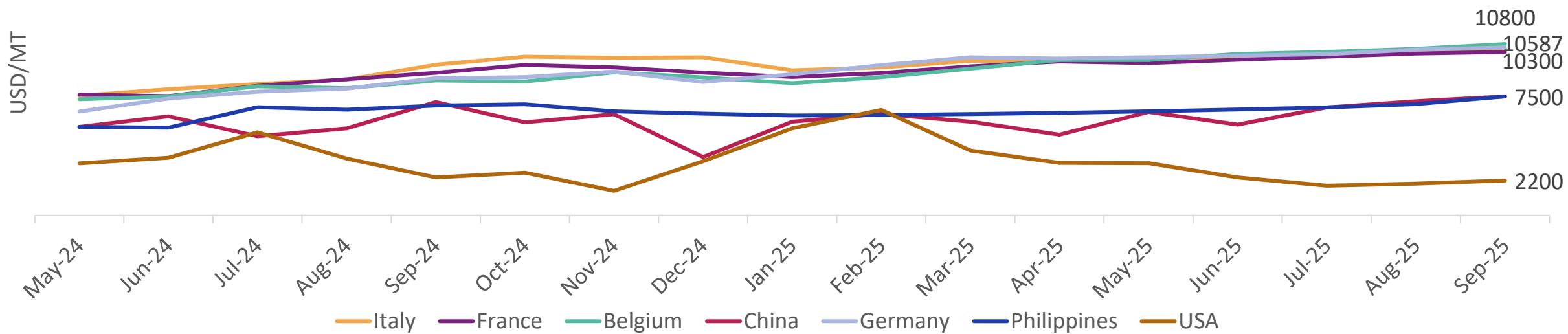


Price outlook for next quarter (OND)					
Countries	Sept'25 Price (USD/MT)	Sept'24 Price (USD/MT)	%age change	Price direction	Average price range for OND (USD/MT)
New Zealand	6800	6560	4%	Bullish	6850-7200
Netherlands	11120	9200	21%	Bullish	11150-11450
Belgium	11100	9680	14%	Bullish	11150-11400
India	7646	6550	17%	Sideways	7650-7850
Germany	11811	9168	29%	Bullish	11850-12000
France	10200	9270	10%	Sideways	10250-10500
USA	2943	2280	29%	Bullish	2950-3250

- 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.

# Import prices forecast for Ghee

## Import prices



- Ghee import prices are highly volatile due to a complex mix of factors including fluctuating raw material costs, seasonal supply variations, and shifting consumer demand during festivals. Additionally, rising feed and transportation expenses, and global market dynamics intensify this unpredictability.
- 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.

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



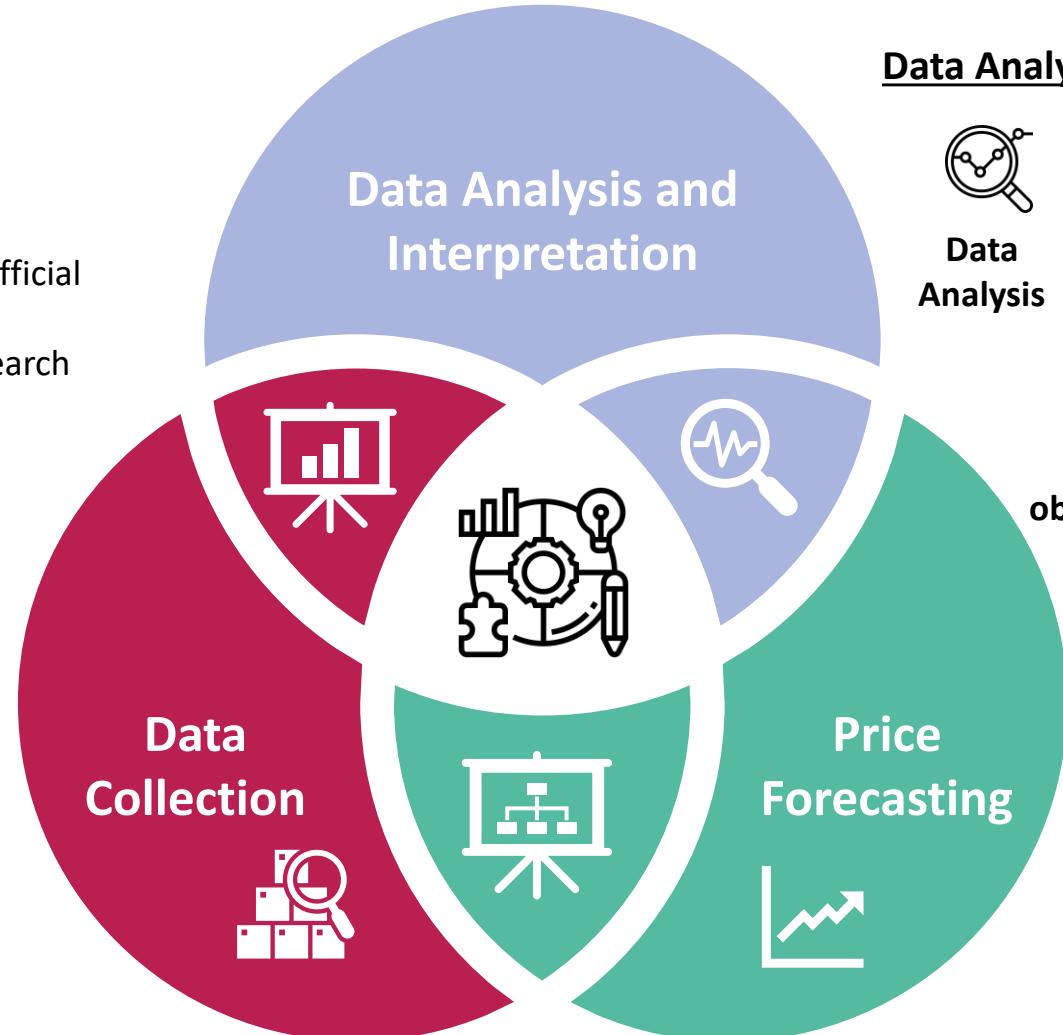
### Sources

- 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.*