Is the Dairy Industry in 2021 Improving or Getting Worse?

WHITE PAPER, OCT 2021

Introduction

Knowing prices in different markets can be challenging for producers or traders since the values vary across nations. Knowing market demand and local whole sale prices gives stakeholders benchmark prices when negotiating with counter parties. This kind of information can also help producers or traders remain competitive in such a dynamic market.

TRIDGE

Key Takeaways

Looking at the 2020 global market share breakdown and value growth in each major market, one sees that European countries still dominated the global milk and cream industry.

- **The price of cow's milk is quite stable in the Polish, UK, and Belgian markets**
- **The price of buttermilk is also quite stable in the Polish market.**
- **The UK skim milk prices improve towards the end of May 2021.**
- **Cheddar prices in the UK market and mozzarella prices in Poland remained high throughout the middle of the year.**

01 Dairy Market Prices Around The World

Germany took first place with a value of **1.4B USD**
Belgium took second place with an export value of **689.3M USD**
Netherlands took third place but significantly dropped in export value to **623.96M USD**

02 Tridge's price data covers major markets across the globe

Tridge covers **cow milk (UK, Poland, Belgium), buttermilk (Poland, UK), cow milk powder (Germany, UK, Indonesia), cream (UK)**, and **cheese (UK, Poland)**

03 The European dairy market is off to a good start

After the **2020** global export value fell due to lockdowns amidst the **COVID-19 outbreak**, the dairy market in **Europe** began to gradually improve

04 What about buttermilk in the major markets?

The **Lublin (Poland)** market saw higher prices than the national average of **4.86 USD** per KG in early **June 2021**
The price of buttermilk in the **UK** improved gradually entering **2021**

05 Recall for cow's milk powder

Consumers will buy powdered milk as an alternative to regular milk and this segment has been slowly growing

06 A little snippet of cream prices in the UK

Cream prices in the **UK** rose ahead of **July 2021**

07 Cheddar and mozzarella prices are fairly good in key markets

The price of cheddar cheese in the **UK** market shows an upward trend in **2021**
Poland's wholesale market saw slight fluctuations in mozzarella price

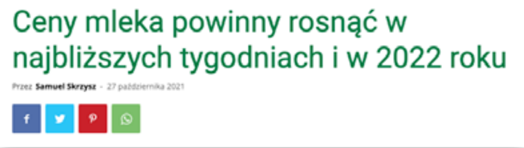
08 What's in store for the dairy industry after the covid-19 outbreak slowly recovers?

Most **European** countries saw a decline in the dairy export value in **2020**
Dairy products value did not plummet

KEY TAKEAWAYS

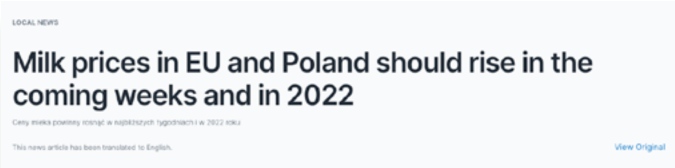
Looking at the **2020** global market share breakdown and value growth in each major market, one sees that **European countries** still dominated the global milk and cream industry.

- The price of cow's milk is quite stable in the **Polish**, **UK**, and **Belgian** markets
- The price of buttermilk is also quite stable in the **Polish** market. Higher prices can be found in the market of the Lublin region.
- The **UK** skim milk prices improve towards the end of **May 2021** and the price of cream in the **UK** rose ahead of **July 2021.**
- Cheddar prices in the **UK** market and mozzarella prices in **Poland** remained high throughout the middle of the year.


Ceny mleka powinny rosnąć w najbliższych tygodniach i w 2022 roku

Przez Samuel Skrzysz - 27 października 2021

Image courtesy of Wiadomości Rolnicze Polska


LOCAL NEWS

Milk prices in EU and Poland should rise in the coming weeks and in 2022

Ceny mleka powinny rosnąć w najbliższych tygodniach i w 2022 roku

This news article has been translated to English.

View Original

[Local news - Tridge.com](#)

Producers were affected by disruptions in the global dairy supply chain last year.

Lockdowns hampered dairy producers’ access to markets, thereby limiting their selling capacity. This forced dairy producers and traders to be hyper vigilant in a fast-changing market where prices could easily change.

Tridge offers wholesale prices that can be used as a reference by producers and traders and to help identify key price trends.

Milk/cheese and butter prices vary by individual traders and country so tracking prices can be a Herculean task. For this reason, Tridge offers wholesale prices that can be used as a reference by producers and traders and to **help identify key price trends**.

Tridge **provides accurate, independent, and transparent wholesale prices** for major dairy specifications in the main producing countries including the UK, Poland, Belgium, and Germany.

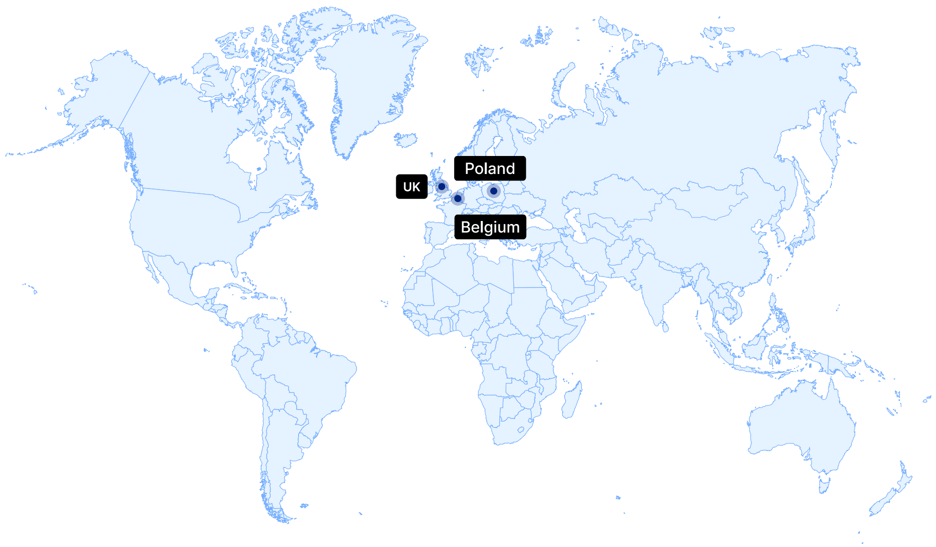
The prices are sourced via robust methodology, including **industry expert consultation**, **big data processing**, and **strong quality assurance procedures**.

Producers and **traders** of related products can use our price data as objective market indicators and **identify key trends.**

Industry Expert Consultation

Big Data Processing

Strong Quality Assurance Procedures



01. Dairy Market Prices Around The World.

Our recent trade data gives a full landscape of the market and helps you prioritize which regions to target.

Trade Data by Country

TYPE: ANNUAL EXPORT VALUE. PERIOD: 2013-2020

	EXPORTER	EXPORT VALUE 2013	EXPORT VALUE 2014	EXPORT VALUE 2015	EXPORT VALUE 2016	EXPORT VALUE 2017	EXPORT VALUE 2018	EXPORT VALUE 2019	EXPORT VALUE 2020
	World	$9.4B	$9.9B	$7.7B	$7.9B	$9.5B	$9.7B	$9.2B	$8.0B
1	Germany	$1.7B	$1.8B	$1.3B	$1.3B	$1.5B	$1.5B	$1.5B	$1.4B
2	Belgium	$751.1M	$817.5M	$618.4M	$650.6M	$730.0M	$800.3M	$763.5M	$689.3M
3	New Zealand	$264.7M	$324.0M	$349.0M	$350.8M	$526.9M	$537.6M	$632.3M	$638.2M
4	Netherlands	$680.1M	$739.4M	$558.7M	$670.5M	$963.1M	$989.7M	$838.4M	$623.6M
5	France	$926.4M	$935.4M	$716.1M	$704.7M	$766.0M	$777.9M	$706.6M	$603.6M
6	Poland	$304.1M	$353.6M	$283.9M	$299.4M	$425.3M	$471.2M	$486.7M	$469.4M
7	Austria	$495.9M	$484.7M	$347.7M	$295.4M	$346.2M	$342.5M	$335.2M	$403.5M
8	Czechia	$387.8M	$420.2M	$320.9M	$281.3M	$368.5M	$409.5M	$377.9M	$387.3M
9	UK	$406.7M	$434.4M	$296.6M	$269.3M	$422.4M	$463.8M	$427.5M	$367.3M
10	Spain	$268.2M	$362.2M	$245.2M	$225.3M	$262.9M	$270.6M	$246.9M	$289.5M

Chart 1. Top Exporters of HS Code 0401 (Milk and Cream)

Looking at the 2020 global market share breakdown and value growth in each major market, one sees that European countries still dominated the global milk and cream industry.

Germany took first place with a value of 1.4B USD, down 100M USD from the previous year. Belgium was second with an export value of around 689.3M USD, also down from last year. New Zealand edged out the Netherlands for 3rd place, increasing exports to 638.8M USD while the Netherlands significantly dropped in export value to 623.96M USD.

02. Tridge's price data covers major markets across the globe.

In addition to understanding the market landscape with our export/import data, Tridge's domestic wholesale prices can give you up-to-date trends and implications. Our dairy industry prices are updated by day or by week and span multiple years.

Our coverage of top exporters include,

- Cow Milk: UK (Full Fat), Poland (3~3.5% or Sterilized - UHT), and Belgium since the year 2020
- Buttermilk: Poland and the UK since the year 2020
- Cow Milk Powder: Germany (Whole Milk or Skimmed), The UK (Skimmed), and Indonesia (Chocolate Flavor) since the year 2020
- Cream: The UK since the year 2021
- Cheese: The UK (Cheddar) and Poland (Mozzarella) since the year 2020

03. The European dairy market is off to a good start

After the 2020 global export value fell due to lockdowns amidst the COVID-19 outbreak, the dairy market in Europe began to gradually improve. The EU seems to be recovering well in the second half of 2021.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM AUG 9, 2021, AUG 9, 2020

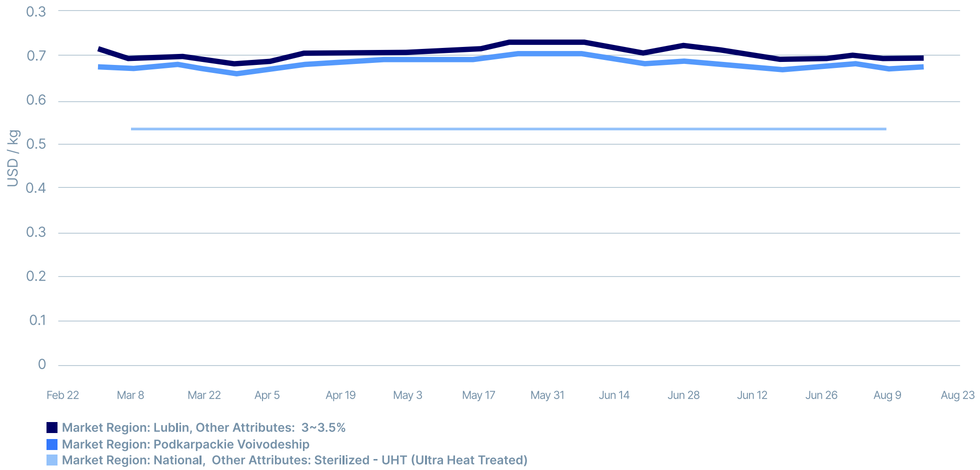


Chart 2. Cow Milk Wholesale Prices in Poland

As seen in Chart 2, milk in Poland has varying wholesale prices depending on the region. The national price was stable at 0.53 USD per KG from March until August 2021. While the price for milk in the Lublin market was slightly higher at 0.73 USD per KG in early June, it declined in the following weeks. The price settled at 0.69 USD per KG in the second week of August 2021.

Meanwhile, milk prices in the UK showed very mild fluctuations. The price rose about 8% to 1.62 USD per KG in March 2021 but dropped to 1.53 USD per KG in the following month. The price rose 4% and briefly rebounded to 1.59 per KG in early June 2021 but fell again to 1.48 USD per KG in the second week of August 2021.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM AUG 9, 2021, AUG 9, 2020

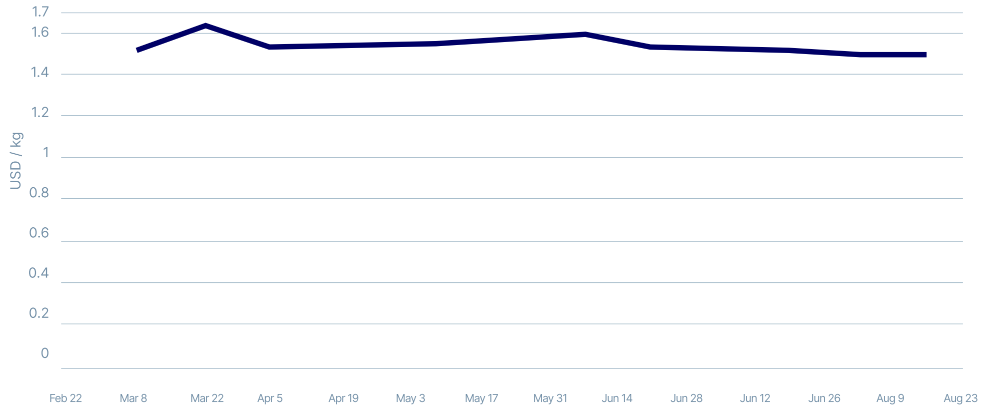


Chart 3. Cow Milk Wholesale Prices in the UK

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM APR 12, 2021, APR 12, 2020

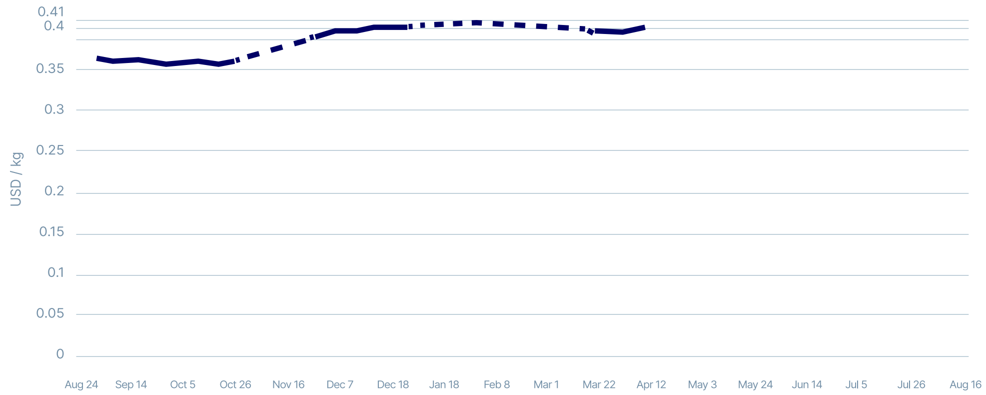


Chart 4. Cow Milk Wholesale Prices in Belgium

Similar to the stable prices in the Polish wholesale market, the price of milk in Belgium was stable around 0.4 USD per KG around March and April 2021; having previously been at lower levels in 2020.

04. What about buttermilk in the major markets?

Buttermilk, a common ice cream ingredient, sees increasing demand YoY. This may affect the stable nature of buttermilk prices.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM AUG 9, 2021, AUG 9, 2020

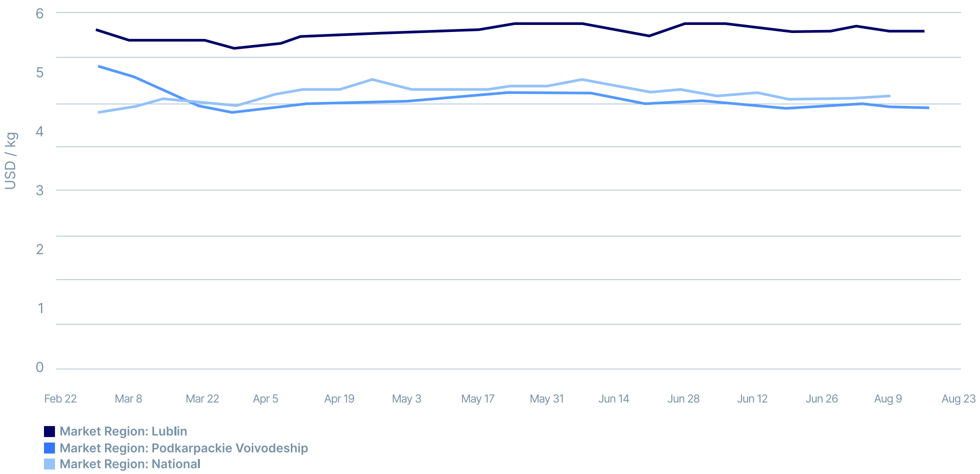


Chart 5. Cow Buttermilk Wholesale Prices in Poland

The Lublin market saw prices of 5.67 USD per KG in early March 2021 which then decreased to 5.38 USD per KG at the end of the month. However, the value recovered and kept increasing throughout May. Despite the price declining in June, the price still stood higher in the second half of 2021. The Lublin market saw higher prices than the national average of 4.86 USD per KG in early June 2021 and slightly lower in August.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM JUN 14, 2021, JUN 14, 2020

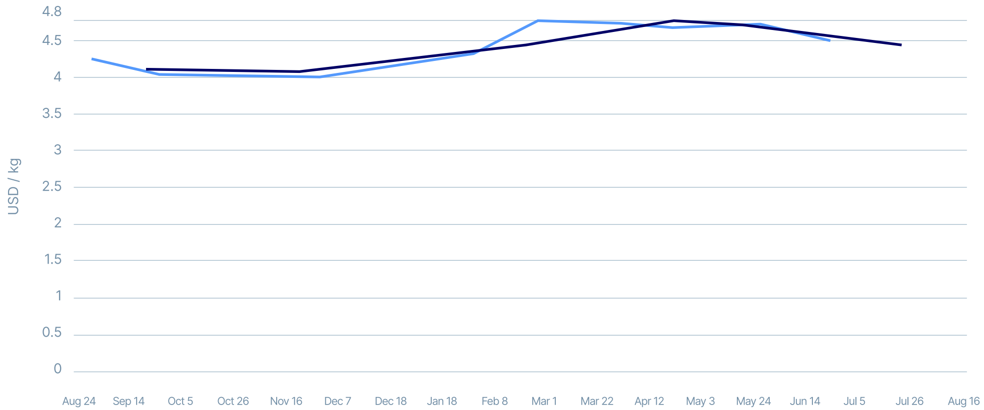


Chart 6. Cow Buttermilk Wholesale Prices in the UK

The price of buttermilk in the UK improved gradually entering 2021. Though the price declined around May and June 2021, the value was still higher than the second half of 2020. The national price for unsalted milk butter was 4.45 USD per KG in June 2021.

05. Recall for cow's milk powder.

Powdered milk has a longer shelf life than liquid milk because of its low water content. Some consumers will buy powdered milk as an alternative to regular milk and this segment has been slowly growing.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM AUG 9, 2021, AUG 9, 2020

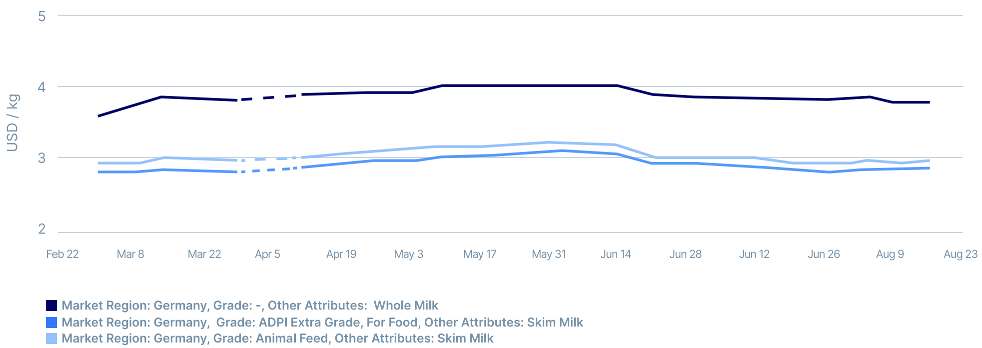


Chart 7. Cow Milk Powder Wholesale Prices in Germany

As shown in Chart 7, powdered whole milk prices were higher than powdered skimmed milk. The price increased around May 2021 to 4.03 USD per KG. However, skim milk prices were much lower, ranging from around 3 to 3.2 USD per KG.

The price for powdered skimmed milk in the UK wholesale market gradually increased through 2021, peaking at 3.13 USD per KG in the fourth week of May 2021. Despite the value decreasing in June to 2.91 USD per KG, this was still higher than the prices at the end of 2020.

> Indonesia is one of the world's largest powdered milk consumers.

The country's per capita domestic consumption of powdered milk has grown steadily over the years with an increasing number of middle-class consumers and higher income household consumers.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM JUL 26, 2021, JUL 26, 2020

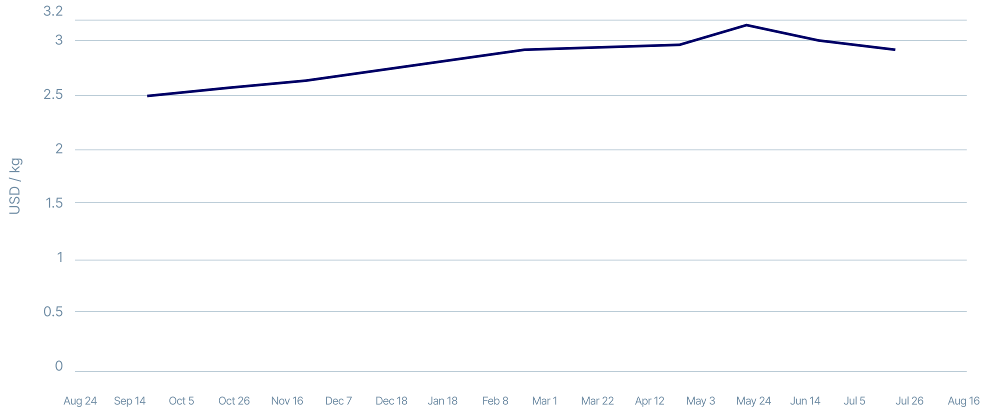


Chart 8. Cow Milk Powder Wholesale Prices in the UK

Prices were stable at around 6.5 USD per KG in a few markets including Kudus, Purwerejo, and Sukoharjo. More expensive prices were found in the Jepara wholesale market which sold the same type of powdered milk at 8.04 USD per KG in the second week of June 2021, though the value shifted slightly towards August.

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM AUG 9, 2021, AUG 9, 2020

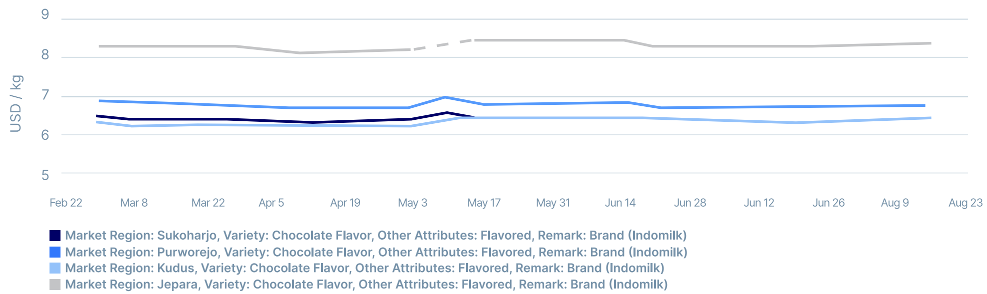


Chart 9. Cow Milk Powder Wholesale Prices in Indonesia

06. A little snippet of cream prices in the UK

Over the next few years, the dairy industry is expecting to see rising milk producer prices along with increased demand these days. But what about the value of cream?

Cream prices in the UK rose ahead of July 2021, a natural trend influenced by the seasonal milk production decrease but increased demand for fresh cream

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM JUL, 2021, JUL, 2020

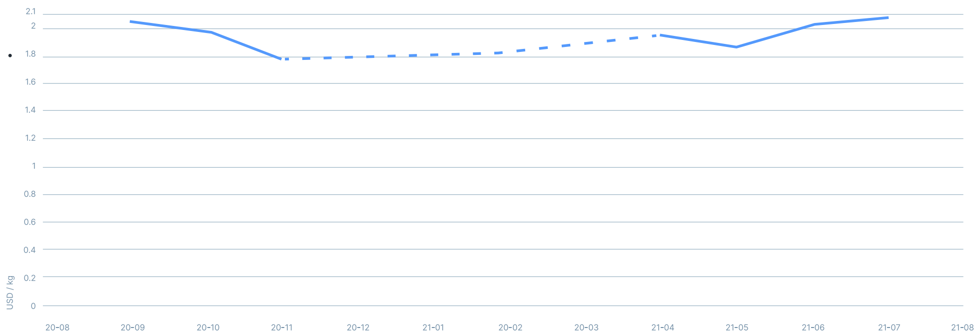


Chart 10. Cream Wholesale Prices in the UK

07. Cheddar and mozzarella prices are fairly good in key markets

The increased consumption of fast food, such as pizza and burgers, is one of the factors driving the growth of the world cheese market. Many consumers are also looking at cheese as a healthy snack loaded with nutrients and protein. The availability of the various cheeses affects the ever-changing customer demand. Since cheese is a fairly competitive product in the market, producers and traders must also know how cheese prices after COVID-19 have trended,

Weekly Price Trends Compared to Same Period in Previous Year

TYPE: WEEKLY PRICE. PERIOD: PAST 12 MONTHS FROM JUL, 2021, JUL, 2020

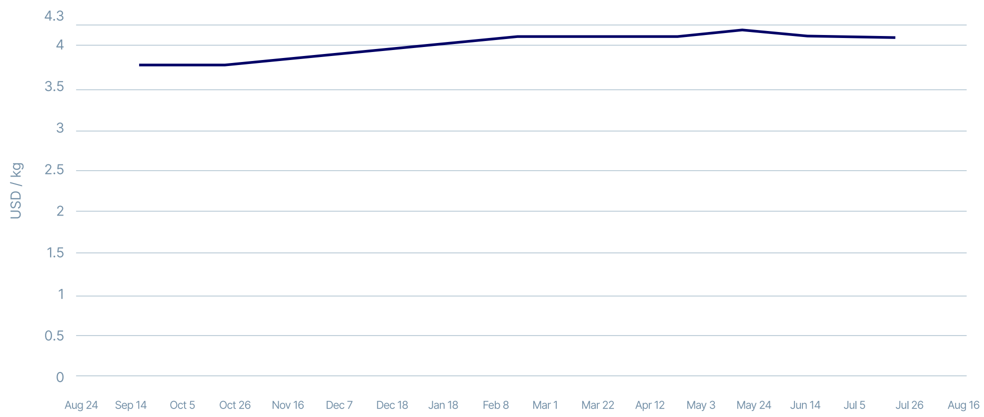


Chart 11. Cheddar Cheese Wholesale Prices in the UK

to avoid losses due to unforeseen causes.

The price of cheddar cheese in the UK market shows an upward trend in 2021. It was only 3.76 USD per KG in the third week of September 2020 but has jumped to 4.22 USD per KG in the last week of March 2021. As July approached, the price of cheddar cheese dropped slightly to 4.11 USD per KG. The price increase is expected as strong production levels are forecasted for 2021. But what about the mozzarella variety in another major market like Poland?

The price of cheddar cheese in the UK market shows an upward trend in 2021. It was only 3.76 USD per KG in the third week of September 2020 but has jumped to 4.22 USD per KG in the last week of March 2021. As July approached, the price of cheddar cheese dropped slightly to 4.11 USD per KG. The price increase is expected as strong production levels are forecasted for 2021. But what about the mozzarella variety in another major market like Poland?

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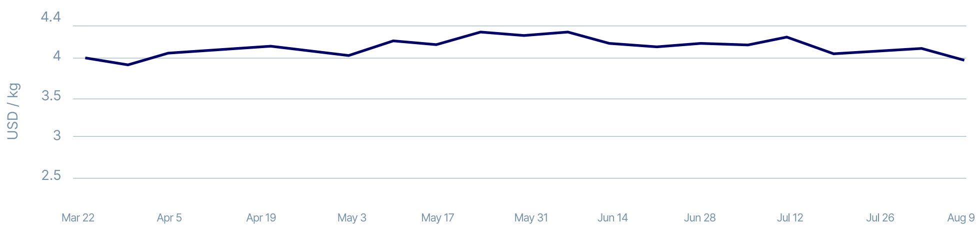

Chart 12. Mozzarella Cheese Wholesale Prices in Poland

It turned out Poland's wholesale market saw slight fluctuations in mozzarella price. Prices started at 3.93 USD per KG in March 2021, but continued to increase and reached 4.33 USD per KG in the fourth week of May. Although the value fell to 4 USD per KG in the second week of August, it is still quite a high price for the market.

08. What's in store for the dairy industry after the covid-19 outbreak slowly recovers?

Most European countries such as Germany, Belgium, the UK, and Poland saw a decline in the export value in 2020. This was expected as the impact of the Covid-19 pandemic disrupted the dairy industry supply chain. However, since dairy products are regularly consumed, household staples, their value did not plummet. However, these price shifts certainly make producers and traders have to seriously consider how to stay competitive in the market.

Producers and traders need to know what steps can be taken to prepare their industry for the future. Shifts in the market landscape, like consumer preference and buying styles, need to be considered. So dairy producers need to sharpen their insight into recent changes in prices, production quantities, and/or trade flows to ensure they stay competitive.

As demand for dairy grows, various product prices such as milk, buttermilk, cream, cow's milk powder, cheese, and others, all need to be considered to make strategic business decisions. Tridge's global price coverage not only covers different products but the prices of those products in different markets. Through the latest domestic and global price trends, they can determine competitive prices for the markets.

> Tridge provides market-moving news and in-depth analysis of price movements to ensure a full understanding of what is impacting the market and why.

- Tridge Data Analysis provides a clear snapshot of the market and provides updates on major price trends
- More international coverage not only for the producing markets but also for the key importing markets of the commodity
- Real-time market-moving news of the industry including production updates, trade data, and industry news for each local market

Tridge tracks dairy (Cow Milk, Buttermilk, Mozzarella Cheese) prices, updated on a weekly basis.

TRIDGE

ABOUT TRIDGE

Tridge is a Global Trade Ecosystem in the food and agriculture industry that combines professional network and data intelligence and makes trustworthy and sustainable cross-border trades possible. We create and provide a very unique and powerful global-scale platform for buyers and suppliers to be connected and do business with each other more confidently and seamlessly.

Our mission is to become a go-to place for the ultimate sourcing solutions by creating a safe and reliable trade community. For Buyers, Tridge consistently provides extensive market trend data around the globe, creating opportunities in both untapped and existing markets and connecting them with credible suppliers. For Suppliers, we identify and develop sales opportunities from the regions they could not reach ever before. We combine state-of-the-art technology to make this happen.

For more information visit:
tridge.com

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