



Rahastanud
Euroopa Liit



Shaping the future Key challenges and opportunities for the next 5 years

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www.girafood.com

The growth of milk collection is slowing down

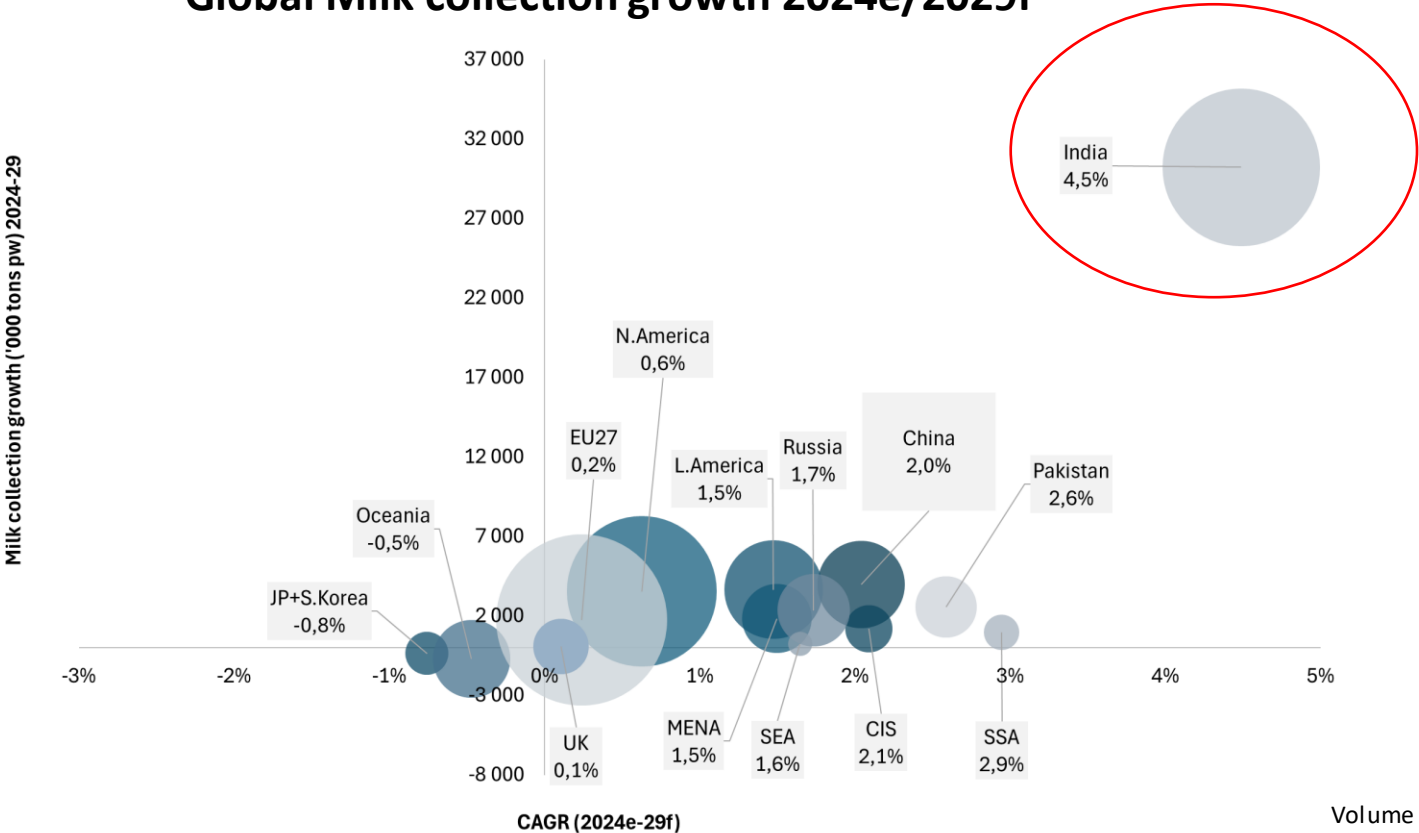
Except for India

Milk collection: India will lead the game

+1.6% p.a expected by 2029 at world level



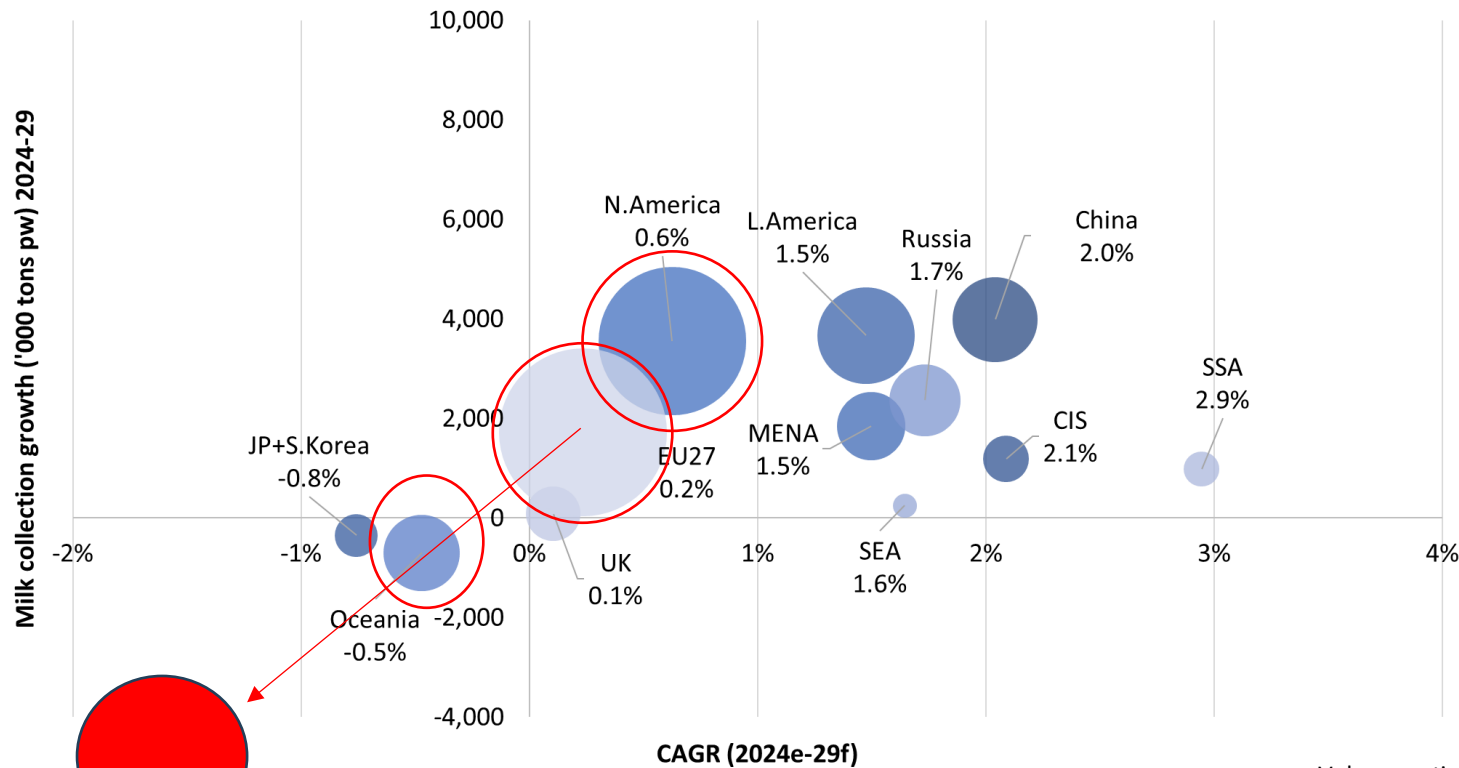
Global Milk collection growth 2024e/2029f



Small/no growth to be expected in top exporting countries

Only +0.8% p.a by 2029 without India and Pakistan

Milk collection growth 2024e/2029f excl. IN & PK

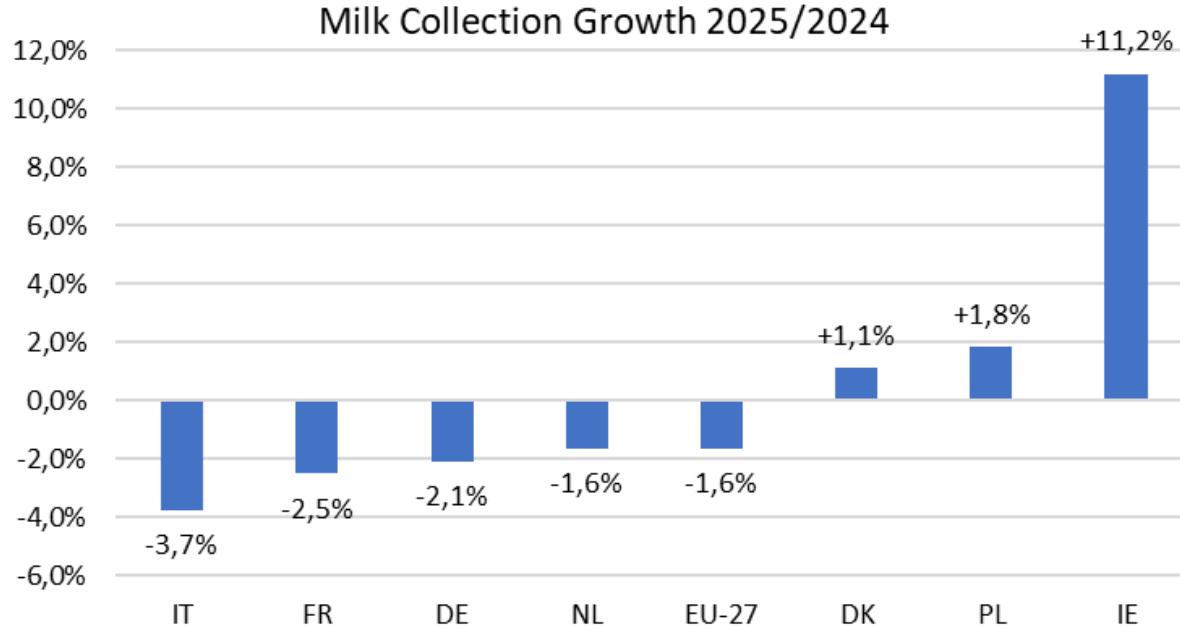


EU potential worst-case scenario

The current situation in the EU

EU Milk collection: going down

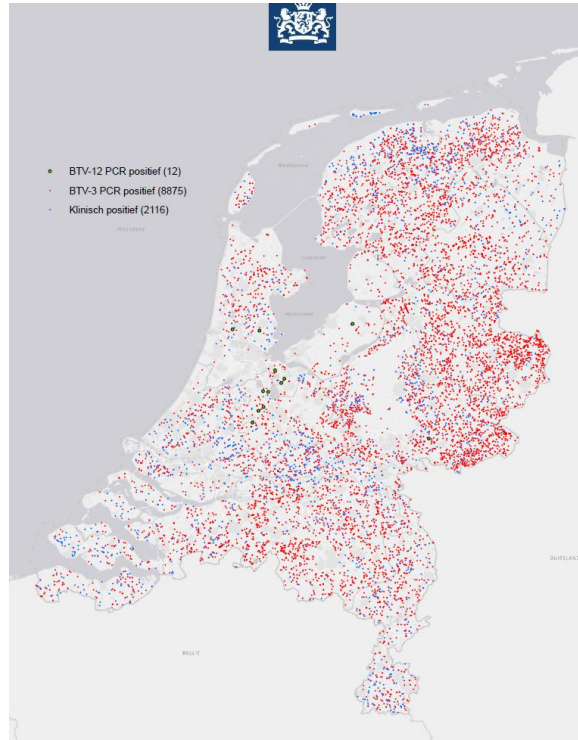
Estonian milk collection still positive



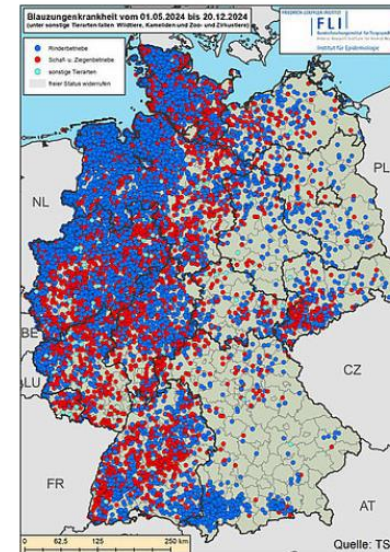
* end of January for IT, NL, EU-27, DK, PL and IE, mid-March for FR and DE
Source: Eurostat, FranceAgrimer and Milchland Niedersachsen

BTV3 situation

As of 9 January 2025, 10,838 reports of BTV3 (8722 PCR positive, 2116 clinically positive). This is an increase of 137 compared to 19 December. The number of BTV12 cases remains 12



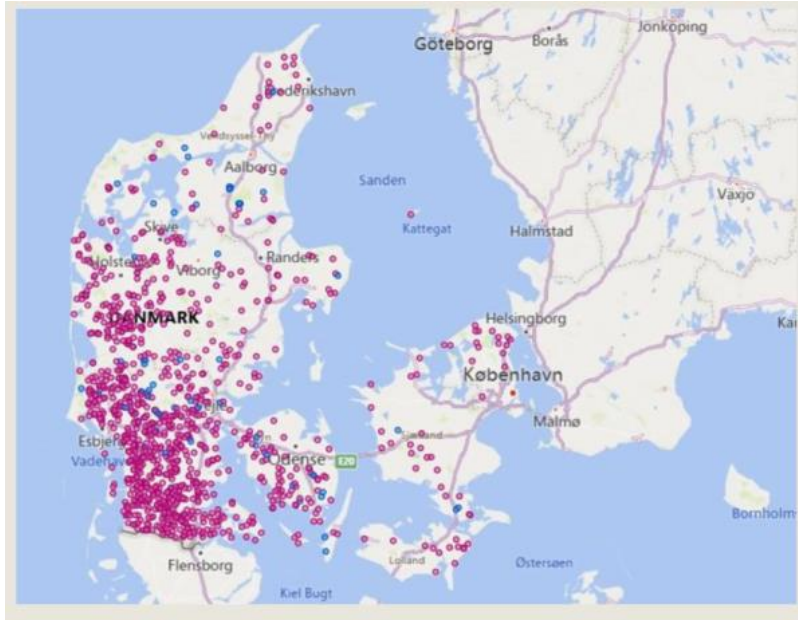
As of 20 December 2024, 15,226 cases reported. This is an increase of 171 compared to 12 December



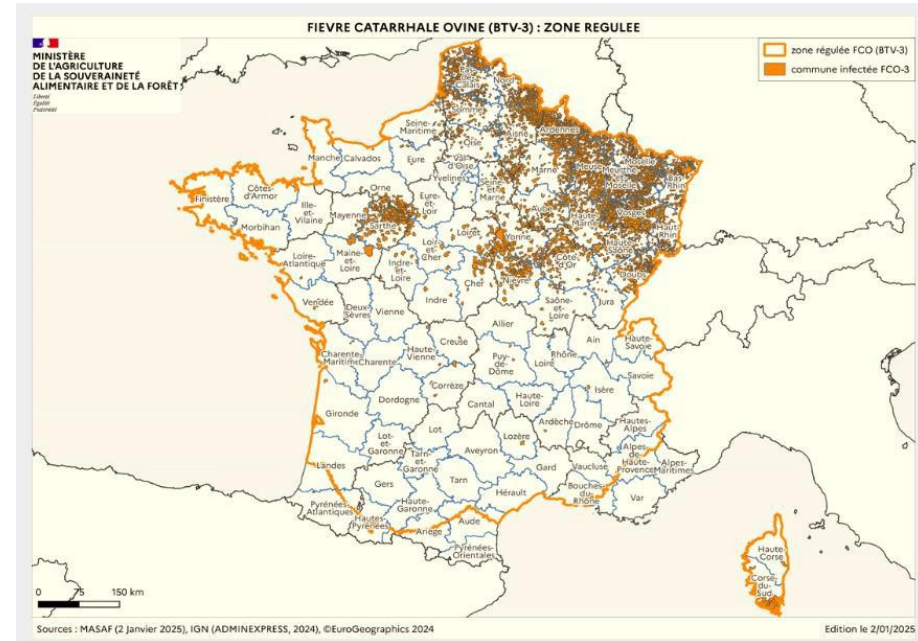
Karte: Übersicht über Ausbrüche von Blauzungenkrankheit in Deutschland seit 01.05.2024, Stand 20.12.2024

BTV3 situation

As of 8 January 2025, 1138 outbreaks (90 suspicions and 1048 confirmed). This is an increase of 87 compared to 19 December. BTV is present across much of the country, but cases are still concentrated in the south and east

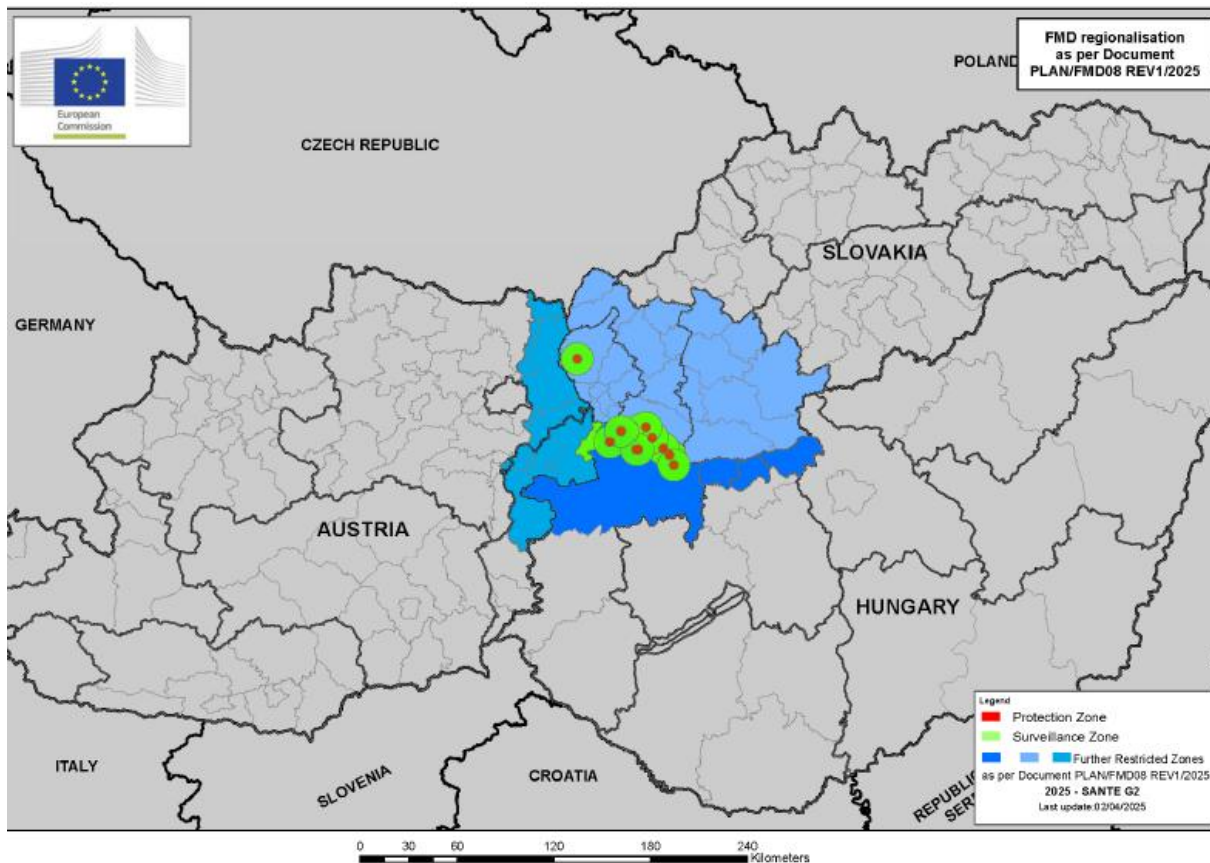


As of 2 January 2025, 9,155 outbreaks of serotype 3 FCO were recorded. The restricted zone covers almost the entire country



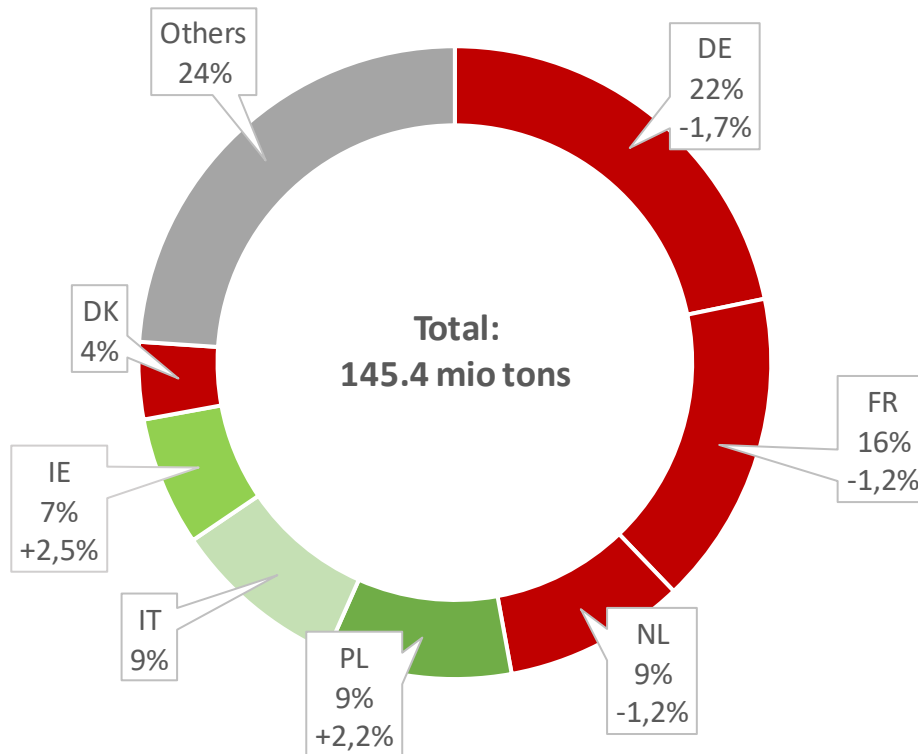
FMD cases in Europe

9 cases so far: 4 in Hungary and 5 in Slovakia



2025, EU milk collection could potentially negative. Mainly the consequences of BTV3/12

Milk collection by EU countries in 2025



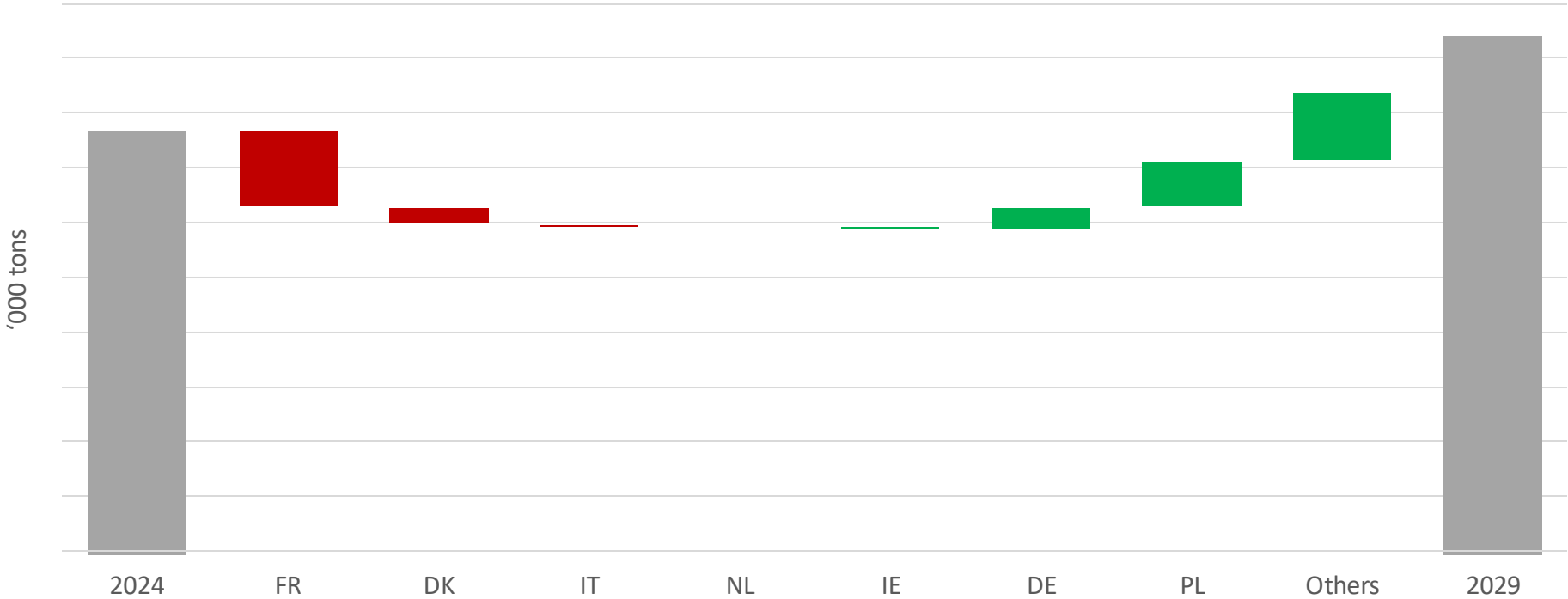
By 2029, Slowing down in milk collection (best case scenario)

With divergent trends: more east, less west.



Milk collection growth by EU countries (best case scenario)

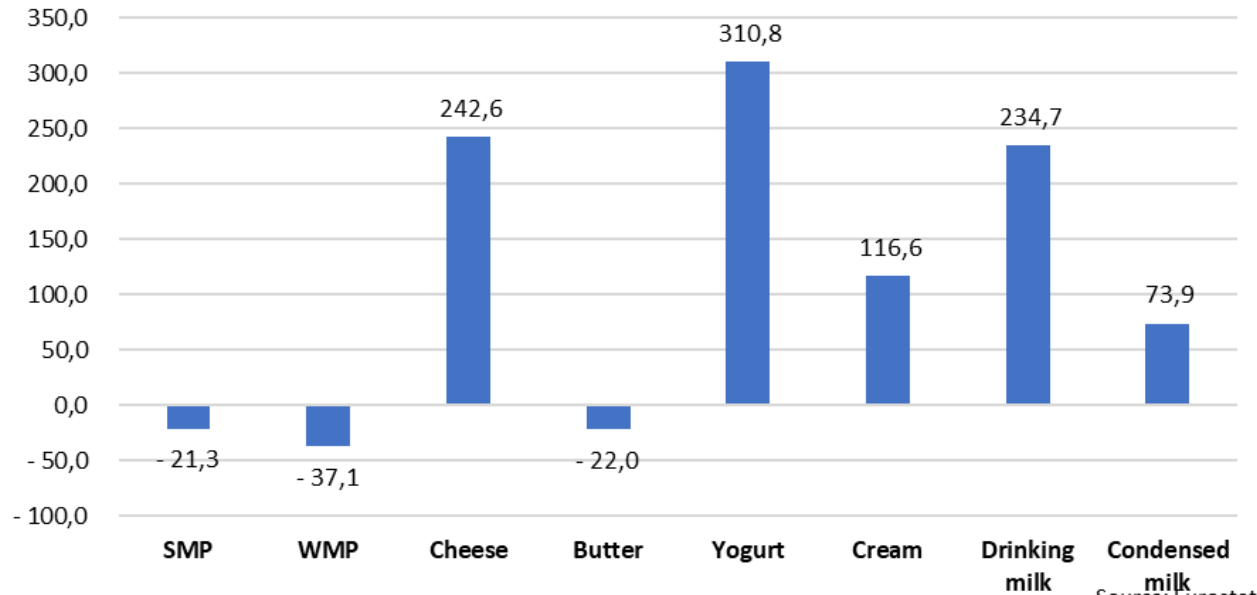
2029: impact of environmental measures?



EU dairy production growth in 2024 in volume

More cheese and cream but also a lot more yogurts

EU (2024/2023)

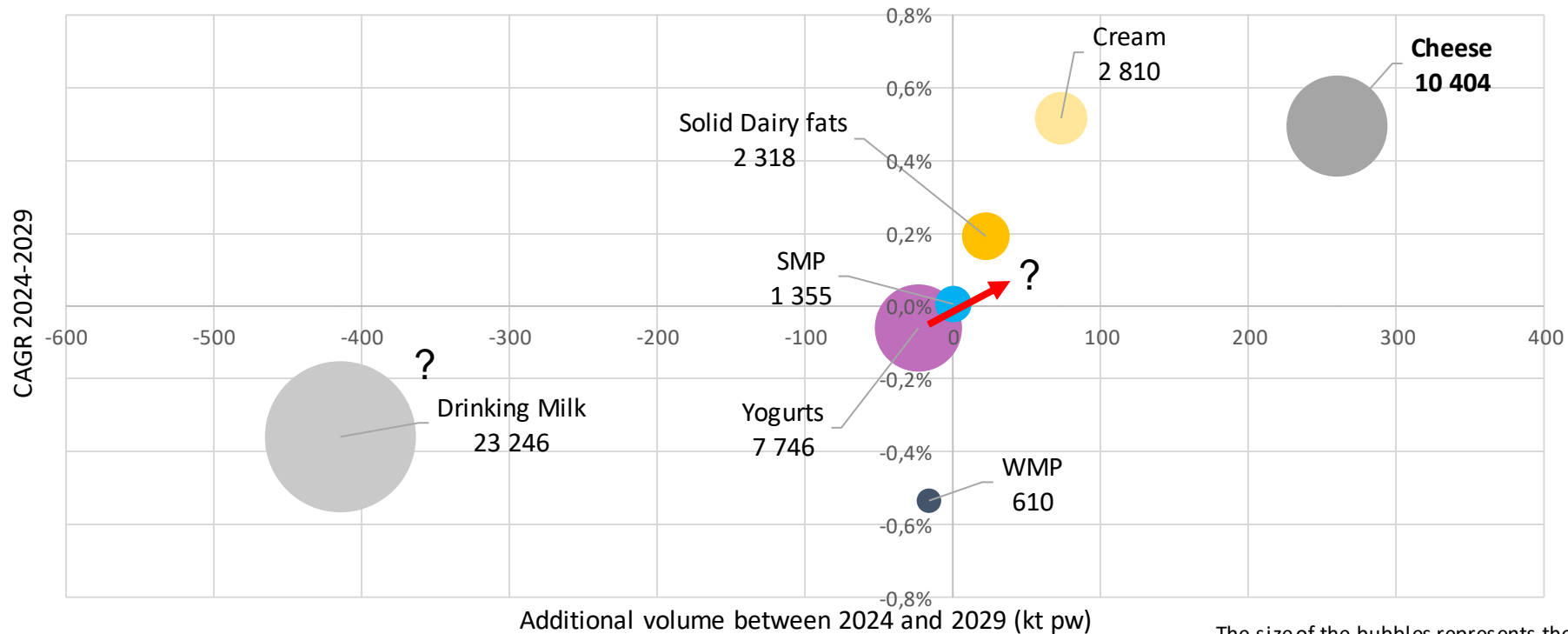


Source: Eurostat

There will be more cheese produced in Europe within 2029

Drinking milk and Yogurts seems to be again on a positive trend

Dairy products production in Europe, 2024-2029

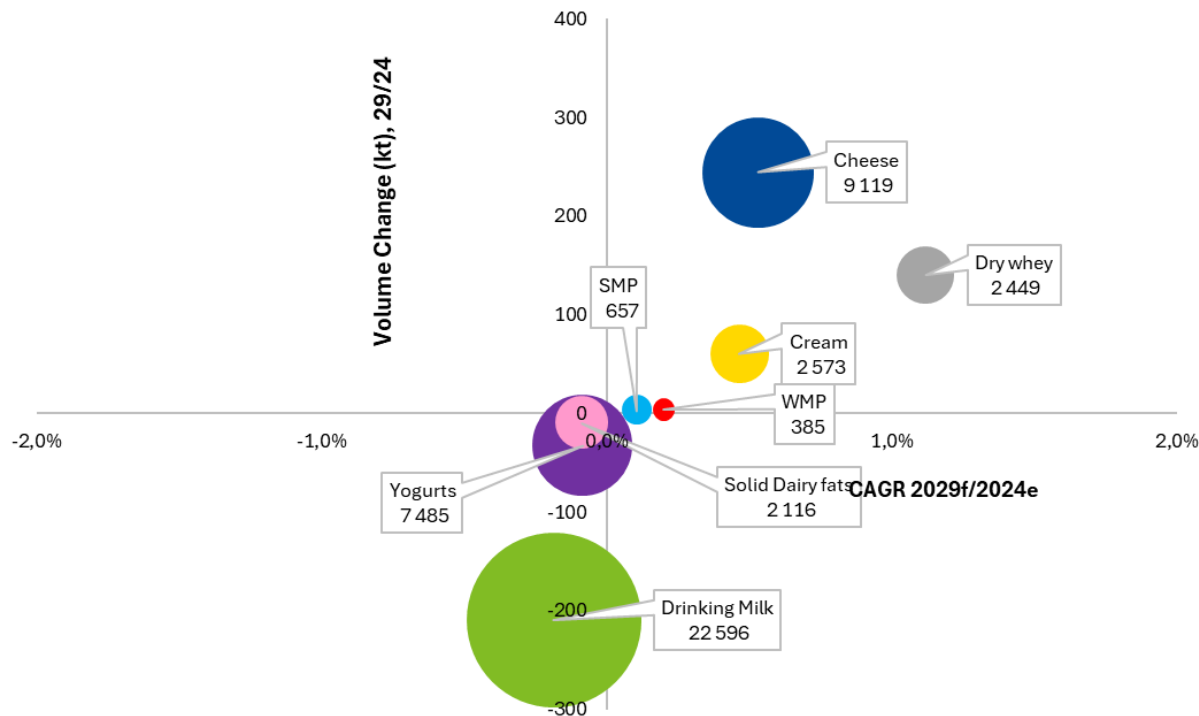


The size of the bubbles represents the volume in 2024

Overview of Consumption Growth by Product for the EU

Most dairy products: growth between -0.5% & 1,1% p.a.(mature)

Global Consumption growth, 2024e-2029f



Source: GDC24

We will continue to produce more and more cheese

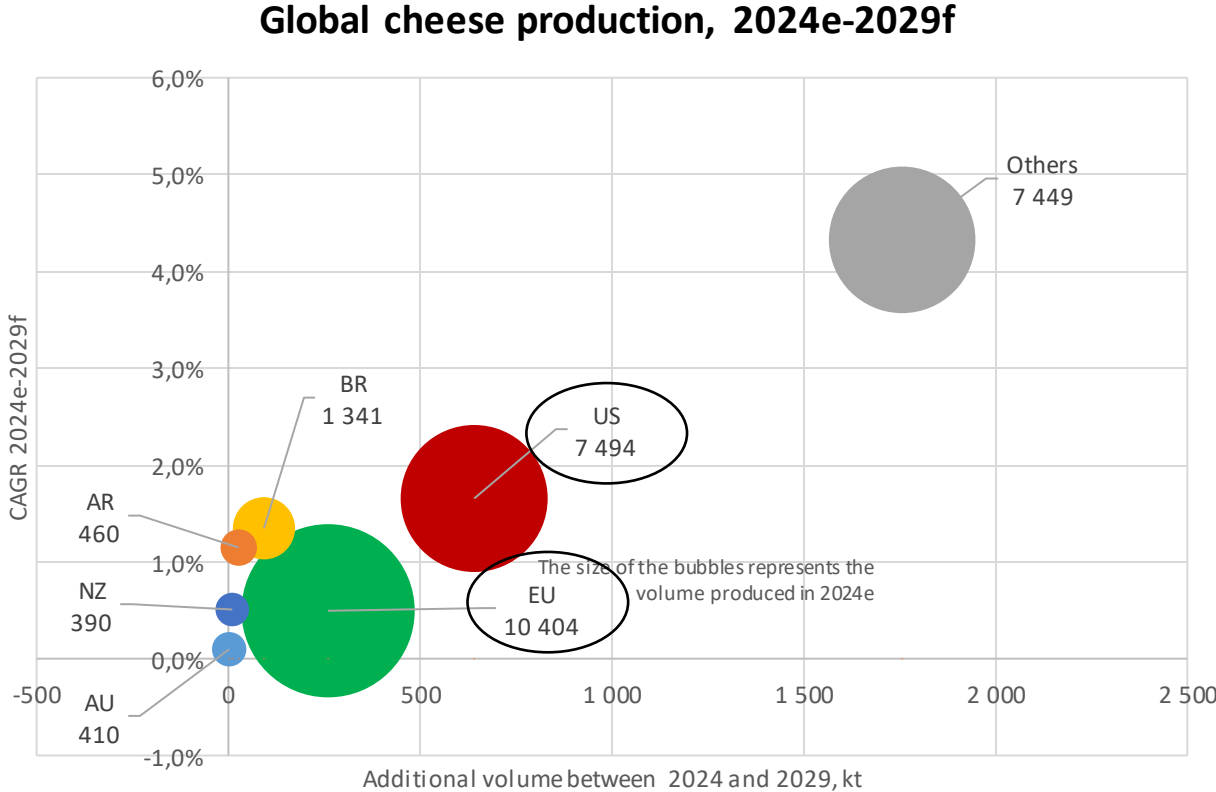
What about the whey?

More cheese will be produced

India: +1.3 mios tons between 24 - 29



EU: +260 kt of cheese
US: +641 kt of cheese

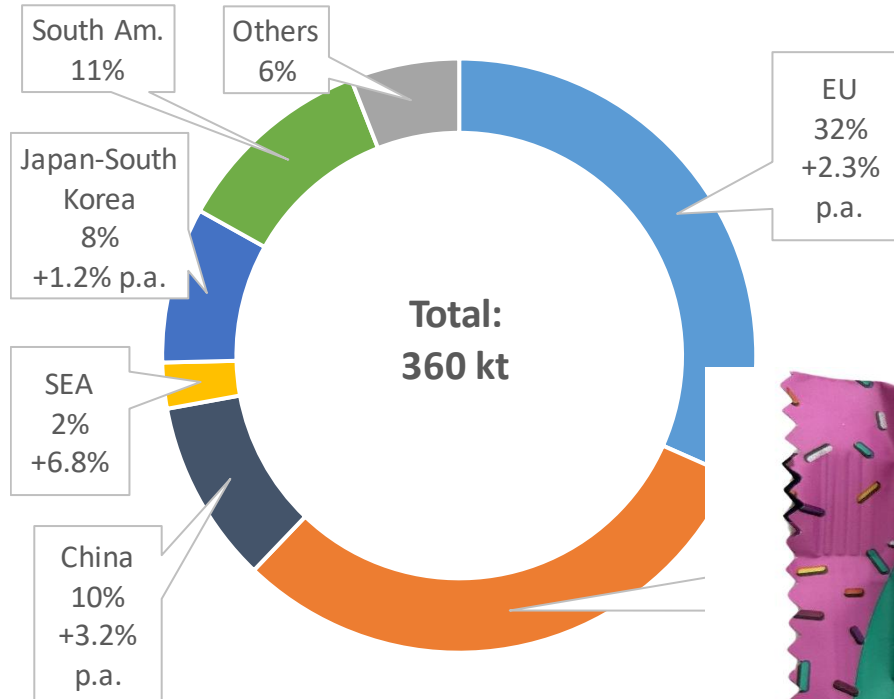


Why demand for proteins is booming?

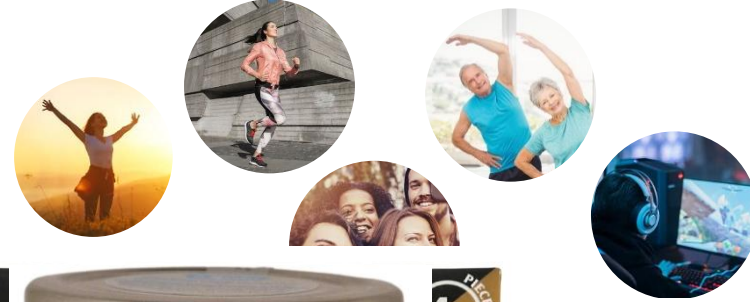
Demand should will be positive and will sustain the growth of supply

Gira

WPC 80 consumption by area, 2024

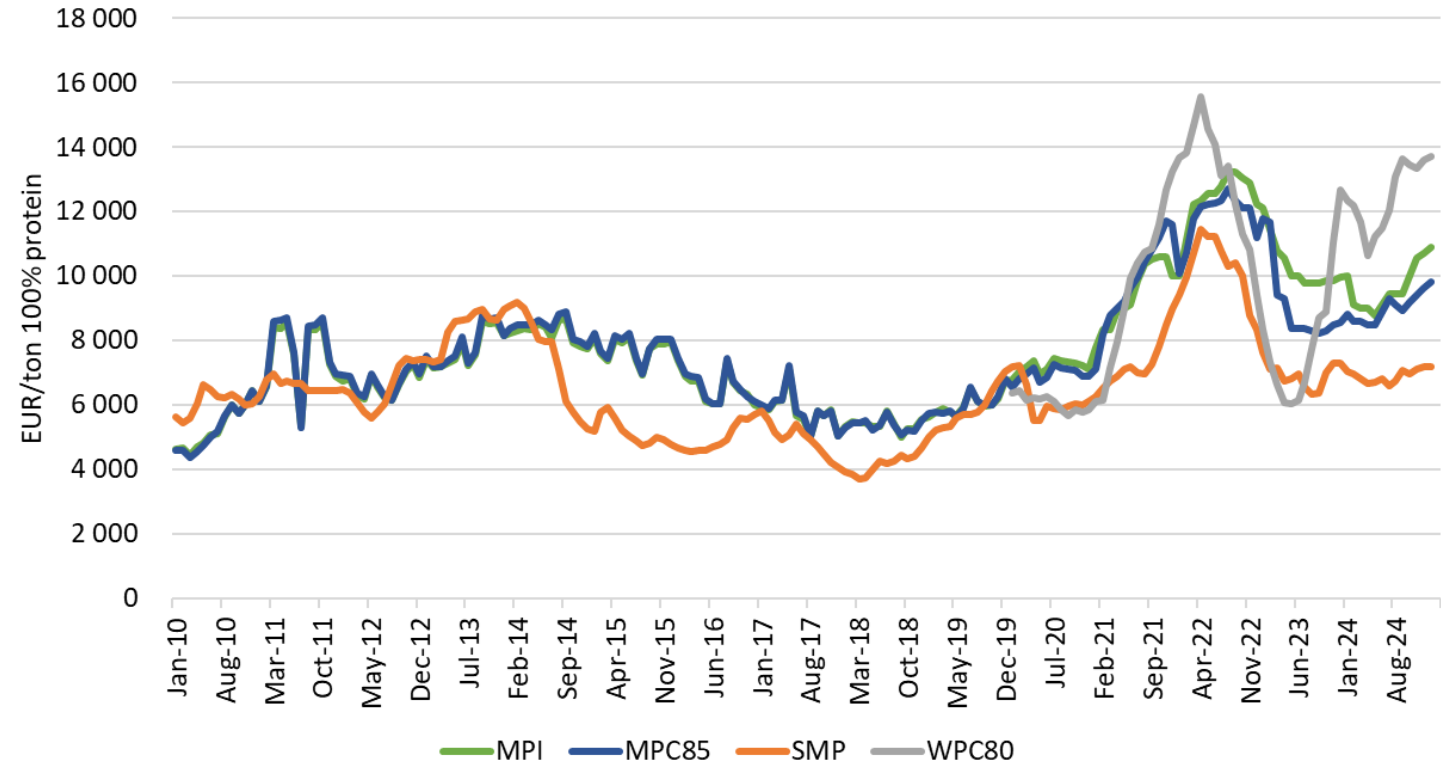


High dynamism of the “high protein” trend in food products



DNDS

Protein price point of MPC/I, WPC80 and SMP



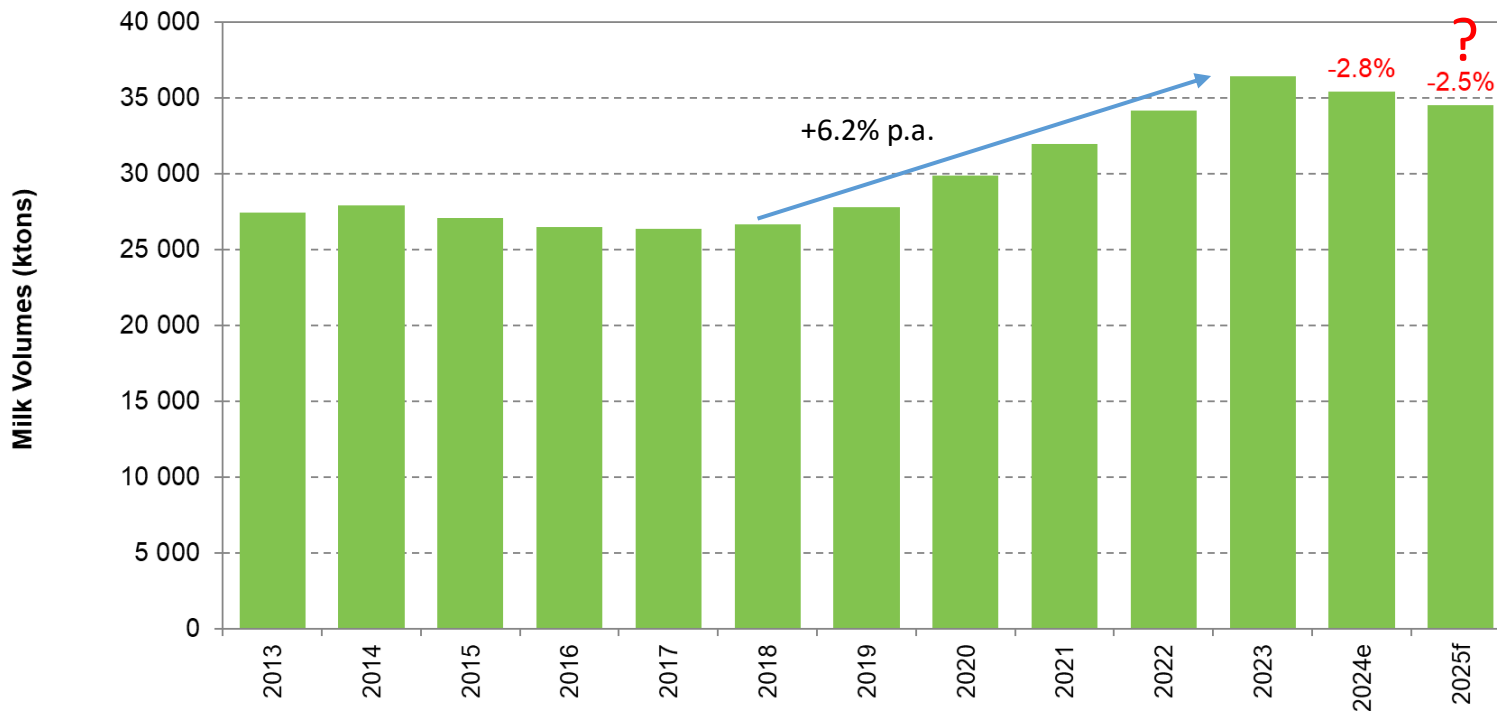
China (the engine of the dairy world) is changing

Less imports, more added value produced

China is seeing a reduction of its milk collection

This trend should continue in 2025

China Milk Production, 2013-2025f



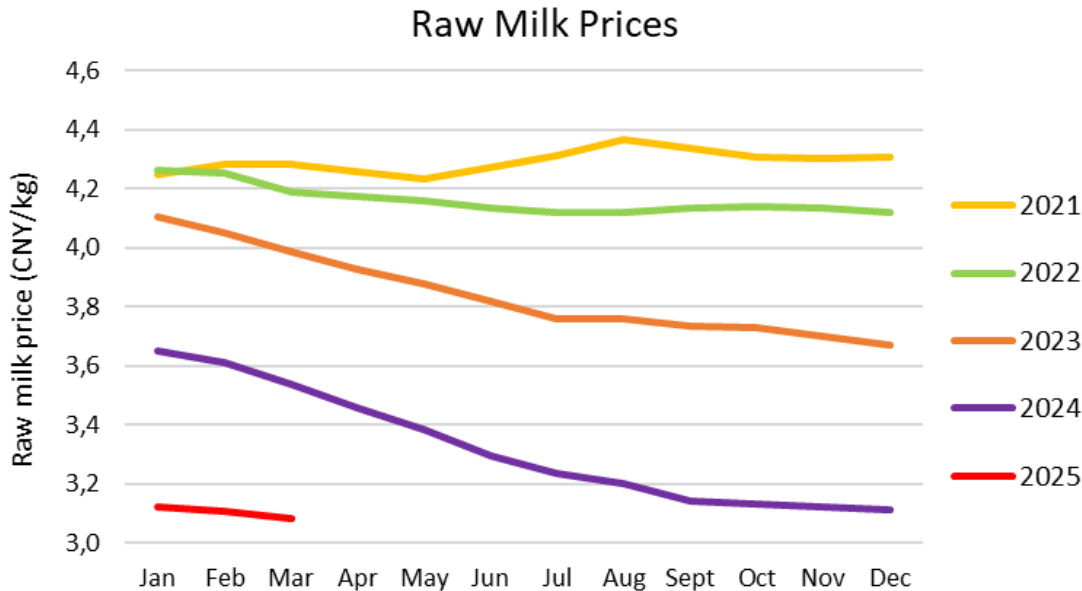
Source: NBS, IDF, Gira forecast

Milk Prices dropped to below RMB 3.12/kg

Corn and soybean meal prices increased



Monthly average raw milk prices, 2019-2025

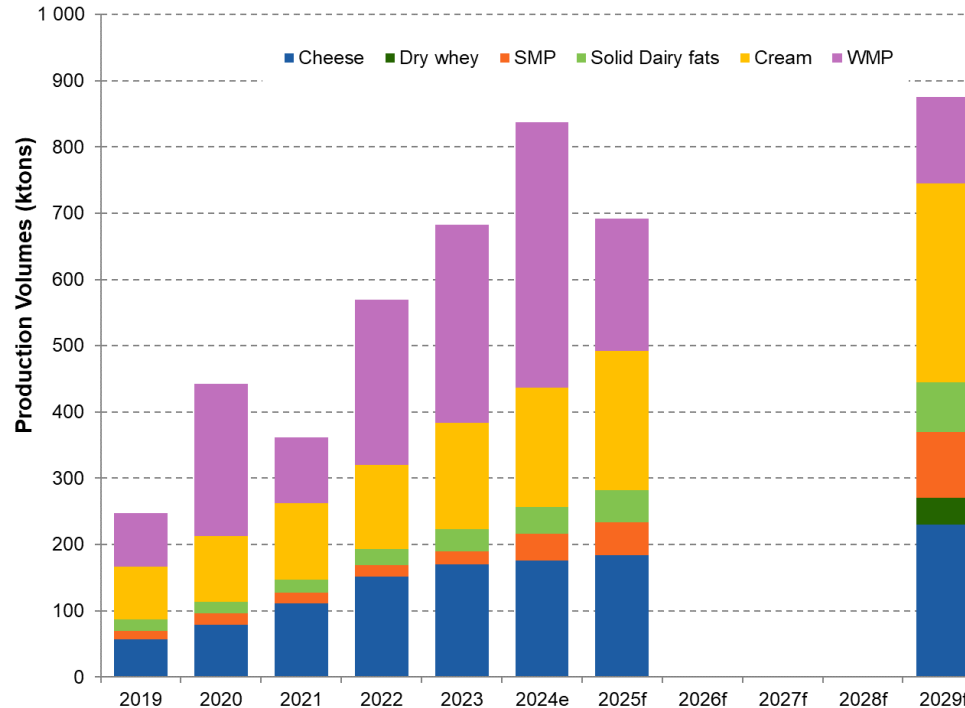


Source: Gira from Ministry of Agriculture of China

China: More Production of Dairy Commodities

SMP, cream...and eventually cheese. Whey will follow

Dairy Commodities Production, 2019-2029f



Source: Gira estimates and forecasts

Main consequences: Evolution of Chinese Imports

Strong change of import structure...with overall much lower rates!

Last 5 years:

2019 → 2024

% Volume change per year

+10% per year: Cream

+10%: Solid Dairy Fats

+9%: Cheese

+6%: Dry whey



Whey



SMP & WMP

-6%: SMP

-8%: WMP

-3.4%: IF

-9%: Drinking milk

Next 5 years:

2024 → 2029

% change per year

+5%

+4%

+2%



WMP

Whey

-3%

-4% (-45 ktons in total)

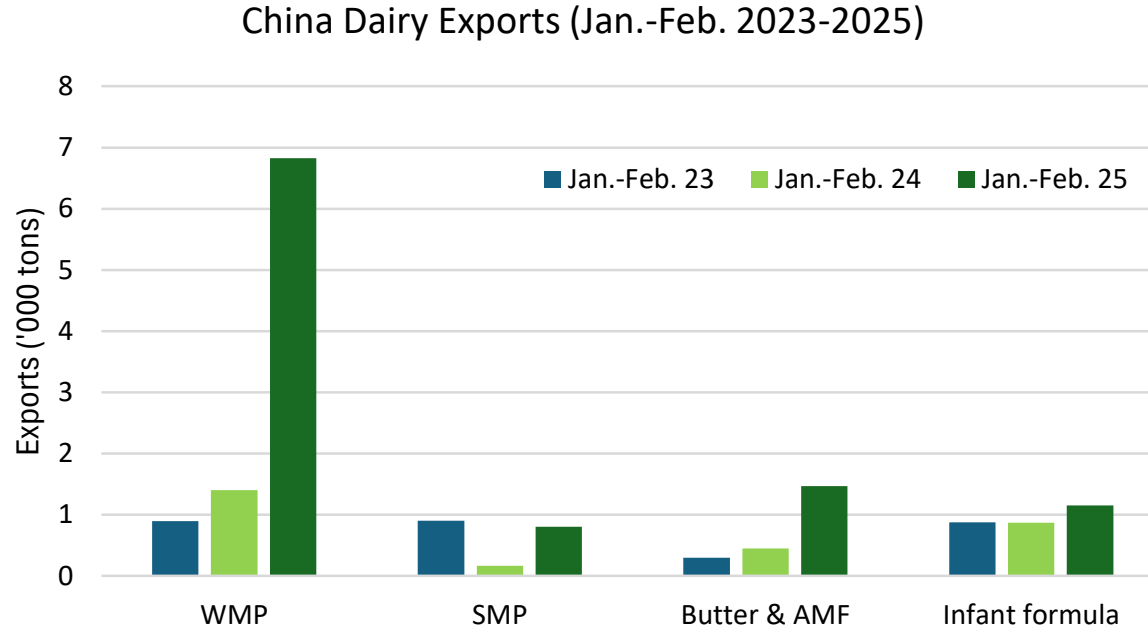
-1%

-2.9%



-11% per year (-200 ktons in total)

Jan.-Feb. 25 exports of WMP, SMP, butter & AMF, infant formula have increased



Source: Gira based on GTT

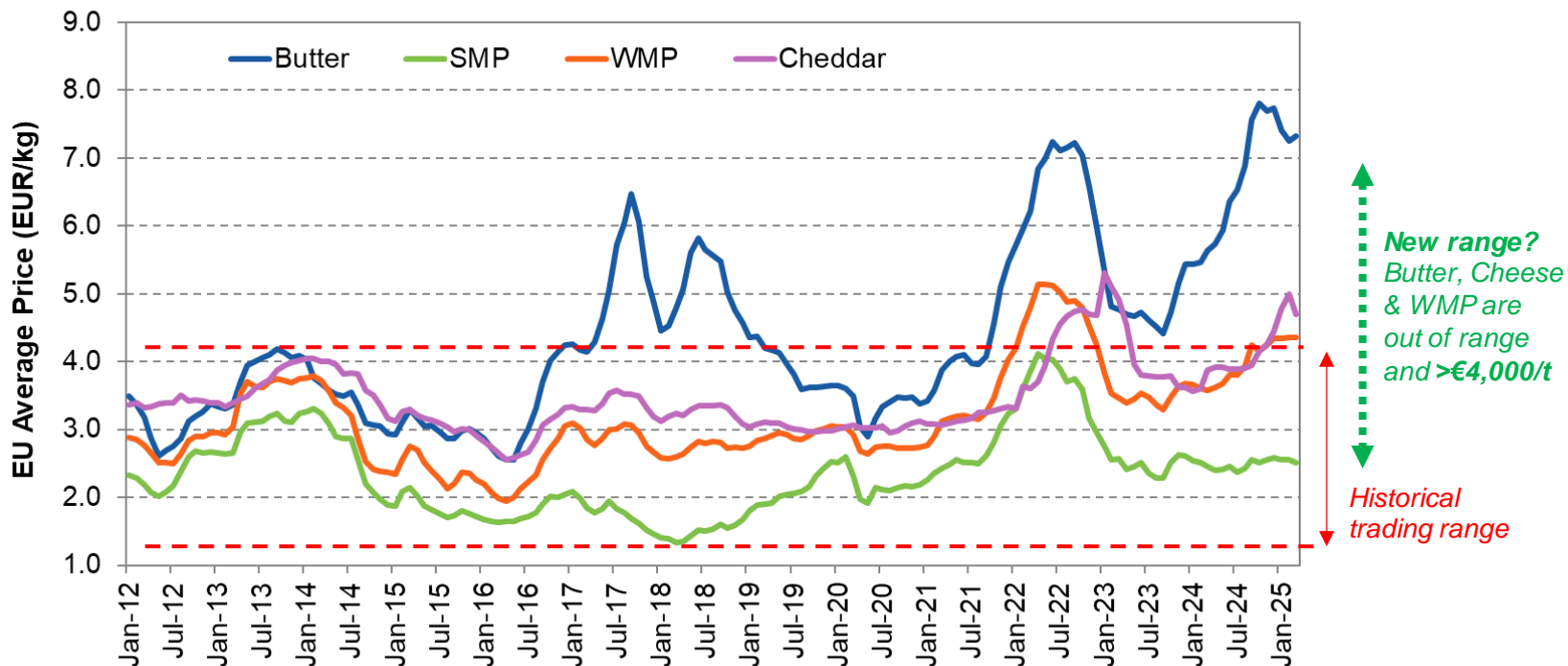
What about Prices?

EU dairy prices

Butter [& Cheese & WMP] are outside of the range: a new pricing norm?



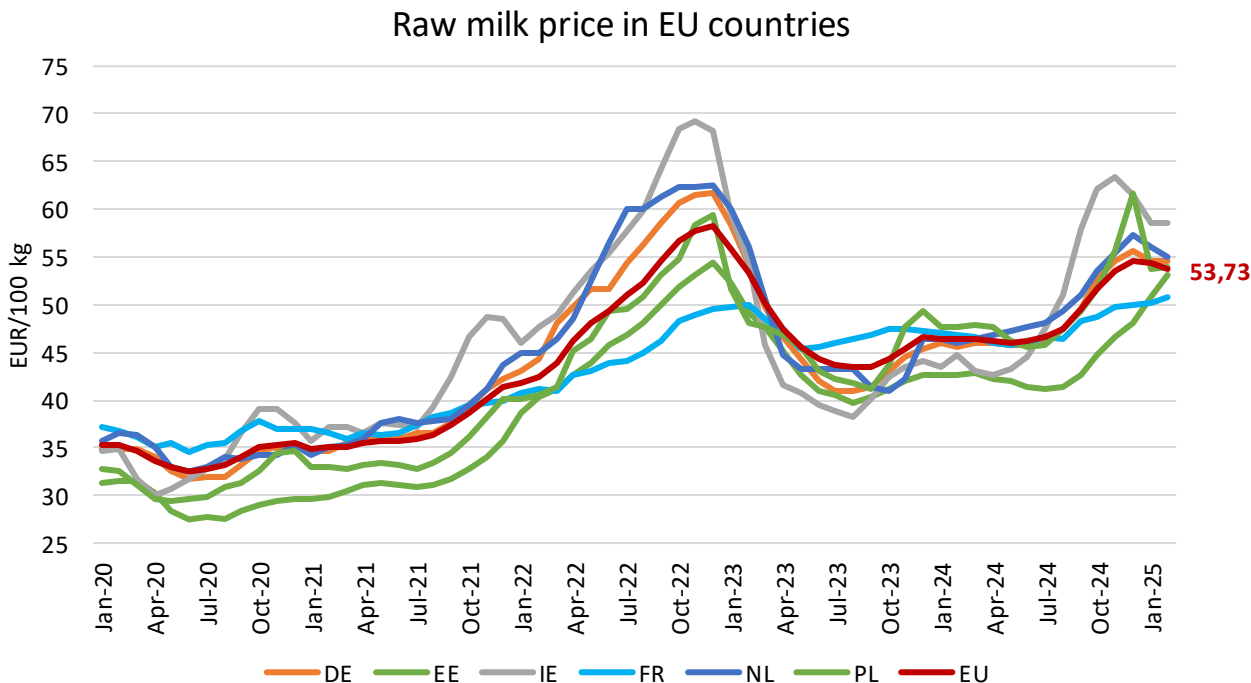
EU Dairy Prices, Jan-2012 – March 2025



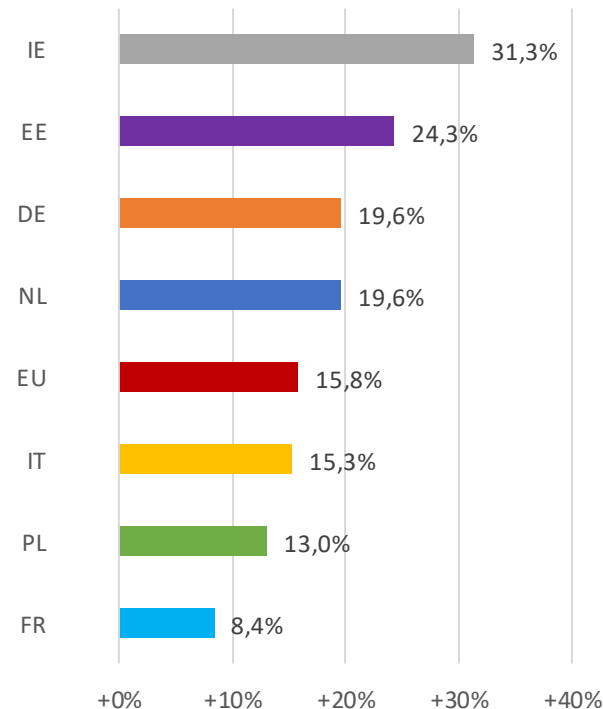
Source: Gira based on EU Commission

EU milk prices until Feb 25: average at 53,73, slightly down

Estonian milk price close to it's record of 22.

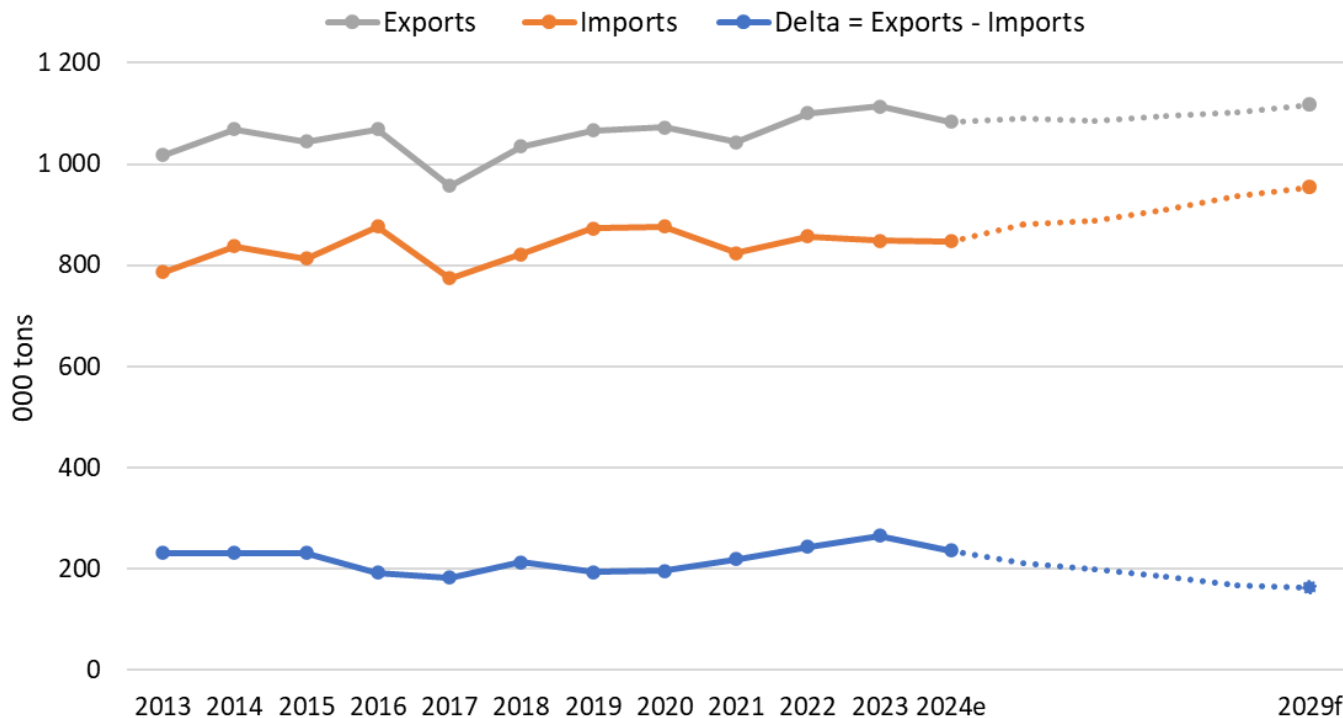


Milk price increase Feb. 25/
Feb. 24



Solid Dairy Fats: potentially price could remain high

SDF Market 2013- 2024e- 2029f

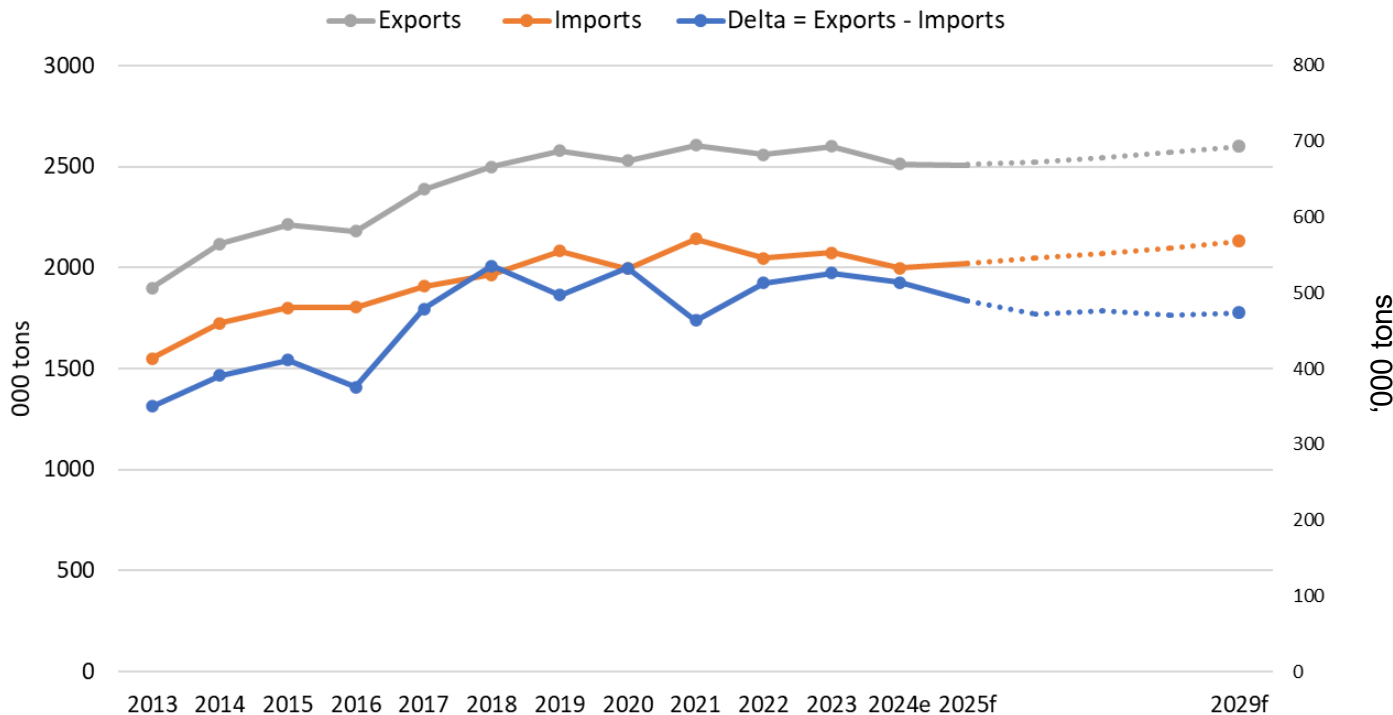


Source : Gira

The SMP market could be quite stable for the future

But watch out what could happen within WMP

SMP Market, 2013- 2024e- 2029f



Source : Gira

Final Thoughts

- We should continue to have a constraint milk collection growth in the EU, NZ and probably also in the US
 - Could potentially become heavily negative in the EU due to environmental measures: potential milk war
 - Watch out potential impact of BTV3/BTV12 and FMD on the milk supply
 - The milk price should remain high in the future: need to add value and/or to reduce production cost
 - But in any case, we will need more milk....
- Milk will continue to go predominantly to cheese:
 - Potentially the best valorisation for the milk: cheese + fat + whey ingredients
 - Cheese consumption will continue to grow: more and more mozzarella/pizza cheese
- Dairy fat price should remain high and will be mainly driven by cream but SMP price should remain stable
- Proteins will now lead the game



Should you require more infos please contact

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