



December/2023

Executive Summary of IDF Country Updates - December 2023

Scientific excellence
Industry applicability
Strategic networking
Global influence

Series summary

Members of the IDF Standing Committee on Dairy Policy and Economics and the Standing Committee on Marketing updated market results and conditions in 20 countries for the recent 6-month period to June 2023 (or most recent) compared to the same period in the previous year. These countries represent over half of the world's milk production, and an even larger share of its world trade in dairy products.

Milk production

In this report, 9 countries reported an increase in production, with China standing out, as it did the previous year, while the largest decrease was observed in Norway. The median was 0.1%, but within a wide range, from -7.3% to +7.5%.

Dairy product markets

There is a noticeable rise in retail prices across most countries. Sales and consumption patterns vary depending on the product and country. India stands out with the most significant increase in all dairy consumption.

For the case of dining milk most of the countries showed a decline in consumption except for India and UK. For yogurt the consumption trend was more diverse with a group of countries that increased as India, Canada, Australia, United State and Norway, and another group decreasing as Germany, South Africa and China. Cheese exhibit higher consumption rates in many countries except for China, Germany and Italy, in contrast, butter have declined in most countries except for Israel, China, India and United State, while powders remain steady for most countries with less consumption in Chile and China.

The export trend showed an increase in countries as Netherlands (12%), Australia (18%) and Ireland (38%), and decline in others as Chile (-12%), France (-5%) and Italy (4.5%). For the case of the import trends, countries as Canada(8,7%) , UK (10%), Australia (17%), Italy (18,2) and Iceland (48%) have increased their import and Chile (-8,5%), Netherlands (-2%), South African (-2%) and Norway (-1,5%) have decreased it.

Marketing dairy products

In a dynamic dairy industry, several countries have developed marketing campaigns centered around key messages as a steadfast commitment to sustainability and nutrition. These efforts convey the idea that dairy is not just a vital source of nutrients but also a sustainable and health-conscious food choice. Emphasizing the role of the dairy food chain fulfilling environmental global goals and highlight health benefits of the consumption of dairy and their importance in the food security.

Farm gate milk prices

In most countries retail prices for dairy products and all food were higher than the period before except for China and United States. The dairy sector was affected by inflation, which reduced disposable income influencing consumption.

Market conditions and prospects

The global dairy market displays a dynamic landscape with varying outlooks. While some regions anticipate stability and growth, others grapple with challenges such as weakened demand and economic uncertainties.

Global consumers prioritize affordable, protein-rich, and sugar-reduced products amid economic challenges. Some of the concerns in many markets are plant-based consumption and front package labeling of sustainability topics and nutrient composition.

Environment

Globally, the dairy industry is prioritizing sustainability, employing tools to assess and reduce environmental impacts. Efforts toward net-zero emissions and sustainability are observed, with guides, strategies, and environmental targets in place. Collaboration between the dairy industry and research institutions is significant, focusing on water usage, wastewater management and initiatives to reduce greenhouse gases emissions including the possibility of methane inhibitors for dairy cows.

Nutrition and health

Global dietary trends are shifting towards a concept of sustainable diets, which include reducing sugar, focus on protein and increase of plant-based alternatives. Various countries are adopting measures such as front-of-package labeling of nutrient composition with a warning message. Some climate-conscious strategies promote less meat consumption and stable milk intake. Regulatory delays impact advertising restrictions in some regions, and nutrient fortification have become an important tool for public health in some countries. Overall, there is a growing emphasis on health, nutrition, and environmental awareness, influencing dietary guidelines and industry practices worldwide.

Summary

For the period considered in this report, global milk production showed variations, with increases in some countries, led by China, and a notable decrease in Norway. Retail prices rose amid inflation in most countries, impacting consumption patterns. However, India experienced a significant increase in dairy consumption, especially in yogurt, ice cream, and cheese. Marketing campaigns emphasized sustainability and nutrition. Globally, farm gate prices increased in many countries with a considerable drop in others as Belgium, United States and UK. Global efforts toward sustainability focus on achieving net-zero emissions, collaborating with research institutions. Animal welfare is a global priority in the dairy industry. Dietary trends lean towards sustainability, reduced sugar, protein and increased plant-based alternatives. The industry faces diverse market conditions, with some regions anticipating stability and growth, or others challenges such as weakened demand.