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Report Highlights:

Brazil is the world's fourth largest milk producer. The country has substantial capacity to meet domestic demand and to steadily expand its presence in international markets. Genetic improvement has become one of the most significant areas of investment to increase milk production, driven by imports of genetic material from the United States. In 2026, milk production is expected to increase to 26.16 million metric tons (MMT), an increase of 2.6 percent, from the revised 2025 estimate of 25.5 MMT in 2025. In 2026, Post forecasts an increase of cheese production to 1.25 percent to 810,000 MT in 2026 and estimates a production increase of 2.5 percent in 2025 compared to the previous year. Post forecasts butter production at 86,000 MT in 2026, an increase of 2.4 percent compared to the estimate for 2025.

Fluid Milk

Production, Supply, and Distribution

Dairy, Milk, Fluid	2024		2025		2026
Market Year Begins	Jan 2024		Jan 2025		Jan 2026
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Cows In Milk (1000 HEAD)	17300	17300	17150	17000	16800
Cows Milk Production (1000 MT)	25000	25000	25500	25500	26160
Other Milk Production (1000 MT)	2990	2990	3100	3100	3200
Total Production (1000 MT)	27990	27990	28600	28600	29360
Other Imports (1000 MT)	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0
Total Supply (1000 MT)	27990	27990	28600	28600	29360
Other Exports (1000 MT)	11	11	10	10	10
Total Exports (1000 MT)	11	11	10	10	10
Fluid Use Dom. Consum. (1000 MT)	11000	11000	11200	11200	11468
Factory Use Consum. (1000 MT)	16704	16704	17110	17110	17587
Feed Use Dom. Consum. (1000 MT)	275	275	280	280	295
Total Dom. Consumption (1000 MT)	27979	27979	28590	28590	29350
Total Distribution (1000 MT)	27990	27990	28600	28600	29360
(1000 HEAD) ,(1000 MT)					
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query					

Units: 1000 MT (except Cows in milk: 1000 Head)
Product classification HTS: 0401.10; 0401.20; 0401.40; 0401.40
Note: PS&D data for fluid milk are reported in 1,000 metric tons and not in 1,000 kiloliters
One liter of cow’s milk weighs approximately 1.03 kg (2.27 pounds)

Production

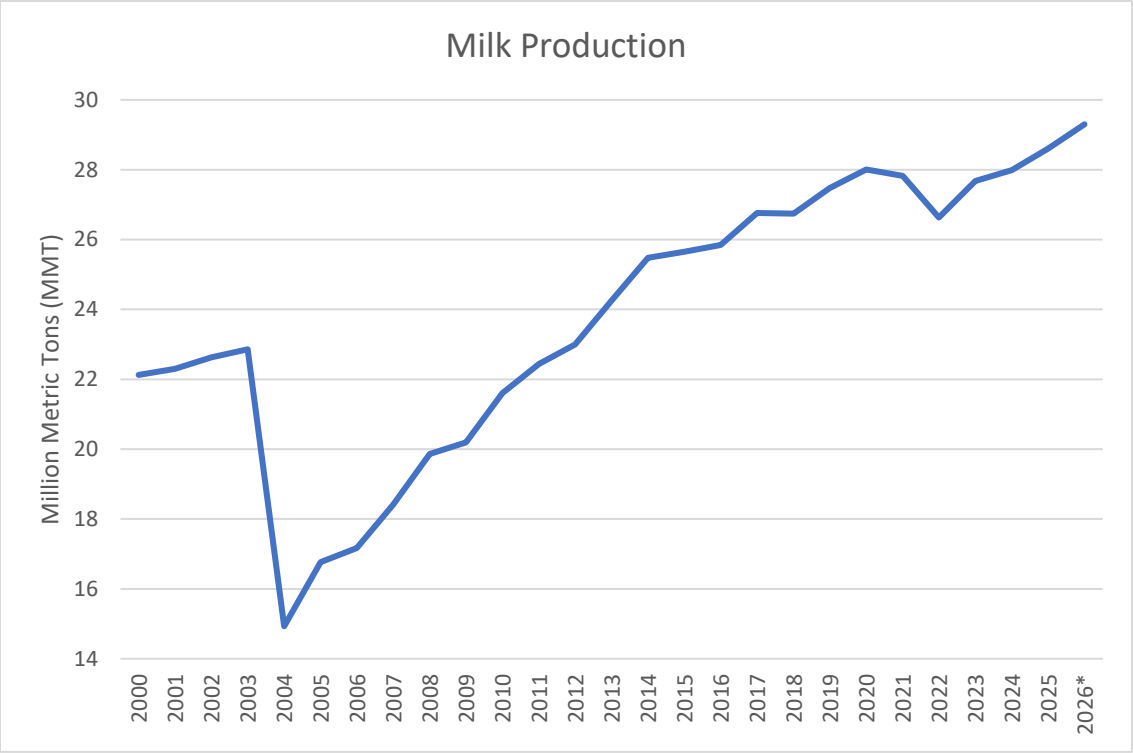
For 2026, Post forecasts milk production to grow 2.6 percent, reaching 26.16 million metric tons (MMT), due to innovative farm management and dairy cattle genetic improvements. For 2025, Post estimates production at 25.5 MMT, an increase of 2 percent from the previous year. The dairy sector continues to become more efficient as the total cows in milk is estimated to decrease while total milk production is estimated to increase. This is a result of smaller less efficient dairy farms leaving the business as larger confinement dairy farms slightly expand. Even as Post estimates a slight decrease of cows in milk, it is offset by genetic and technological improvements, leading to the small increase in production. Post estimates the feed use domestic consumption to increase to 295 MT as the increase in confined cows demands more feed per cow. Production conditions are vastly favorable, and producers are not expected to face significant cost pressures related to feed production.

Brazil is the world's fourth-largest milk producer, and its production has seen pronounced productivity gains over the past two decades. According to industry, production in 2025 is continuing with strong growth, accelerating notably in the second quarter, with volumes remaining elevated compared to last year. According to data from IBGE (Brazilian Institute of Geography and Statistics), total milk production in Q1 2025 increased by 4.6 percent compared to Q1 2024. Similarly, when examining Q2 2025 against Q2 2024, acquisitions rose by 9.3 percent, reaching a total of 6.69 MMT.

As a result of comparatively low cow productivity, milk as a raw material in Brazil is among the most expensive in the world. The production cost for dairy producers is approximately BRL 60,000 (Brazilian currency) - USD 12,000 - per hectare, excluding land. Industry contacts share that the big challenge for 2025 and the years ahead will be to maintain growth in volumes achieved in 2023 and 2024.

Socioeconomic Report on the Dairy Production Chain in Rio Grande do Sul highlighted that between 2023 and 2025, the number of dairy cattle farmers in Rio Grande do Sul decreased by 12.3 percent. Despite this decline, milk production in the state remained stable during the same period. According to Educampo SEBRAE (Brazilian Service of Assistance to Micro and Small Enterprises), each year, a farm producing over 4.12 MT per day replaces one producing 1.03 MT.

Figure 1
Milk Production in Brazil



Data source: USDA PS&D
*Estimate
*Data on inspected milk (collected by dairies with federal, state or municipal inspection)

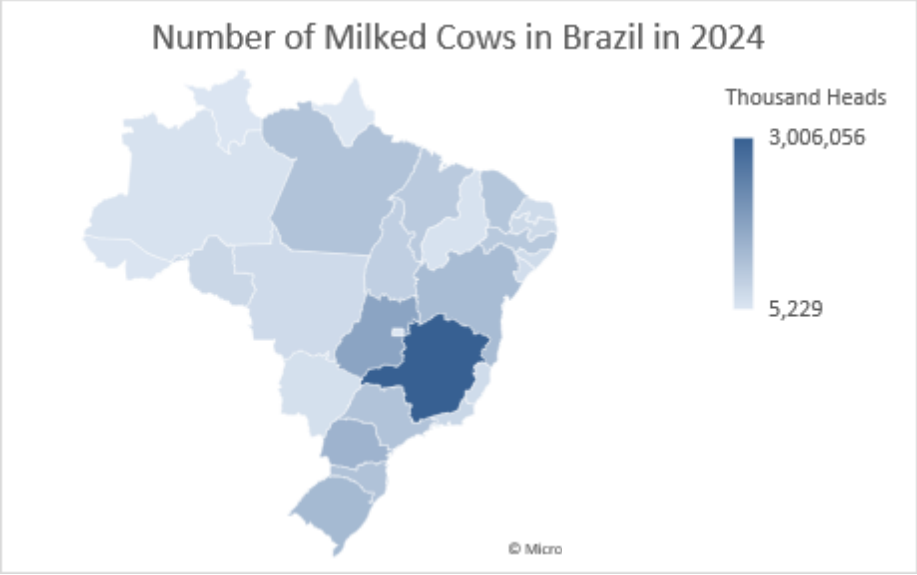
After a sharp decline in the beginning of the 200's, from 2004 to 2024 Brazil milk production increased from 14.93 MMT to 27.99 MMT, an increase of 87 percent. Over the same period, the herd increased 15 percent.

Industry Structure and Geographic Distribution

Production is increasingly concentrated in specific regions, with Minas Gerais - the darkest blue shade in the Brazilian map - contributing the most, followed by Rio Grande do Sul, São Paulo, and Paraná. The

Northeast, especially Pernambuco, Alagoas, Ceará, and Sergipe, recently emerged as a significant area of production.

Figure 2
Milked Cows in Brazil



Data source: IBGE. Prepared by FAS Brasilia. Shading according to quantity of cows in milk

According to an annual survey by Abraleite (the Brazilian Association of Milk Producers), the 17 largest dairy companies and cooperatives in Brazil produced 11.12 MMT of milk in 2024. This accounts for approximately 41 percent of the country's total milk production, which reached 26.16 MMT that year.

According to data from IBGE, the Southeast and South regions together accounted for approximately two-thirds of Brazil's total fluid milk production in 2024, representing 67 percent of the national output. The Northeast, Center West, and North regions contributed the remaining 33 percent.

Figure 3
Milk Production by Region

Region	MMT in 2024	Participation
Southeast	12.4	33.65%
South	12.3	33.43%
Northeast	6.6	17.99%
Center West	3.8	10.23%
North	1.8	4.67%
Total	**36.9**	

Data source: IBGE, converted from liters to million metric tons (MMT)

According to the Brazilian Agricultural Research Corporation (Embrapa), the Northwest Rio-Grande region in the state of Rio Grande do Sul, southern Brazil, is the country's leading milk-producing area. It

contributes approximately 2.72 billion liters (2.8 MMT), accounting for about 7.7 percent of Brazil's total milk production. In total, the southern region of Brazil accounts for approximately 21 percent of national milk production, equivalent to approximately 7.48 MMT.

The organic dairy supply chain in Brazil is regulated by Law 10.831 and Ordinance 52, with production, storage, processing, and marketing conducted under strict norms and certified by an accredited certifier or participatory body, and advocates for using a consortium of grasses and legumes in pastures to diversify vegetation and supply nitrogen. According to "Observatório do Leite Orgânico" (Organic Milk Observatory) an Embrapa dairy analytics portal, there are 88 certified organic dairy farms producing 21.5 million liters (22.15 MT) of milk per year from approximately 5,900 lactating cows.

Brazil is transitioning toward a more commercial and competitive dairy sector, with larger herds and more productive farms. Two primary production models coexist: pasture-based systems, similar to New Zealand's approach; and confined systems like the U.S. free-stall or compost barn models.

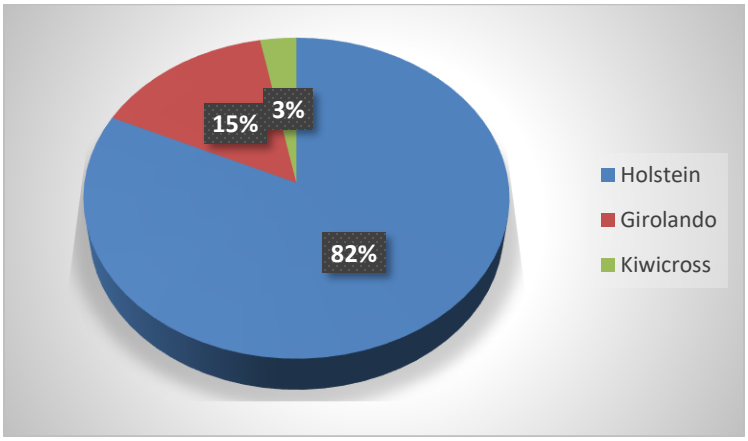
Cow Breeds

A small share of Brazilian farms supplies most milk; for example, approximately 26.2 percent of milk came from producers above 5,000 liters/day (5.15 MT), though they represent 1 percent of producers. When including those above 2,000 liters/day (2.06 MT), the share climbs to around 42.5 percent. The larger producers are increasingly integrated, use intensive systems, and benefit from volume-based incentives, contributing to higher per-farm productivity but also to greater market risk exposure.

According to Embrapa, all properties in the Southern region use Holsteins, which justifies the high productivity per animal observed in the region. On the other hand, in the Northeast region, there is a predominance of Girolando, followed by Kiwicross a crossbred that provides the resistance necessary for the warmer climate of the region. The Midwest is the region that presents a certain balance between Holstein and Girolando breeds, while in the Southeast Holstein dominates, followed by the Girolando.

Recognized as a national priority for enhancing heat tolerance and productivity, the breed is the focus of rapidly expanding genetic improvement initiatives, including genomics and embryo transfer. In the Midwest, Holstein and Girolando herds are more evenly balanced, while in the Southeast, Holsteins remain predominant and Girolando cattle are present in lower numbers. Due to advances in genetics, Girolando cows can now match the productivity of other multiparous cows that have not benefited from genetic improvement.

Figure 4
Cow Breeds in Top 100 Producers



Data source: MilkPoint. Prepared by FAS Brasilia.

Industry Trends: Costs, Consolidation, and Key Players

Brazil's milk production is generally divided evenly among UHT milk, powdered milk, yogurt, and cheese, with each category accounting for 20 percent and all supply chains closely interconnected. Brazil's dairy market is highly competitive, with significant investment from European companies and a growing presence of international capital.

Piracanjuba is a 100 percent-owned Brazilian company with 70 years of experience, that establishes itself as a leader in the dairy sector. Through its Procampo program, the company collaborates with over 6,500 producers, collecting more than (6.18 MT) of milk daily.

Trevo Lácteos, a dairy company based in Minas Gerais and owned by Germany's Ehrmann since 2022, announced a BRL 60 million (USD 11 million) investment to enhance production in 2025. The initiative aims to increase productivity by 10 percent, expand production capacity by 5 percent, and reduce losses by 5 percent. Of the total investment, BRL 20 million (USD 3.8 million) were allocated for the acquisition of new equipment and machinery.

Laticínio Scala, based in Sacramento, Minas Gerais, has acquired Laticínio Deale, a Brazilian company with 14 years' experience in the market and headquartered in Almirante Tamandaré do Sul, Rio Grande do Sul. This acquisition more than doubles Scala's milk processing capacity, which currently stands at 700,000 liters (721 MT) per day. Scala, known for producing cheese, cream, requeijão, butter, and milk, now has the capacity to process 850,000 liters (875 MT) of milk daily and employs 350 people.

Lely, a Dutch company specializing in automation for dairy farming, inaugurated its new Latin American headquarters in Carambeí, Paraná, in September 2025. Serving Brazil, Argentina, Uruguay, and Chile, the facility was built in the Parque Industrial Sul with an investment of BRL 10 million (USD 1.9 million) under the built-to-suit (BTS) model. Lely produces around 5,000 robots annually, with over 50,000 installed worldwide. Its flagship product, the Astronaut automatic milking robot, recently launched an updated version in Brazil featuring a redesigned operating system with remote diagnostics. Currently, over 50 robots are installed in the region, a number expected to exceed 80 by mid-2026.

The Changing Dairy Producer

The Brazilian dairy sector is experiencing significant consolidation and growth in scale. Embrapa reports that the number of active dairy producers marketing milk to industry has declined to between 200,000 and 240,000, down from over 600,000 eight years ago. This concentration of producers in increasingly market-oriented regions is taking place regardless of differences in farm size.

According to Post contacts, the number of dairy producers is declining nationwide due to three main factors: lack of succession planning; resistance to modernizing production processes; and market unviability. The latter two are often linked to inefficiencies, such as outdated practices and high production costs, which make it difficult for producers to remain competitive. Many small-scale producers, particularly in the Southeast, view farming as a part-time activity or leisure pursuit, further contributing to their exit from the sector.

Brazil's Economic Outlook

Brazil’s GDP rose 1.4 percent in the first quarter of 2025, driven principally by the agricultural sector, while the economy expanded 2.9 percent compared to the same period last year. Aggregate output reached approximately BRL 3 trillion (USD 560 billion) in value, with agriculture advancing 12.2 percent and contributing roughly 6.5 percent of GDP aided by favorable weather conditions.

CNA (Brazilian National Confederation of Agriculture) has actively advanced the dairy sector by recognizing higher producer risk and pushing for greater technological input, costs, performance expectations, planning, and exposure amid commodity-market volatility. Accordingly, CNA formed a dairy working group with major industry players to design a Brazilian milk futures contract that provides price predictability and a nationwide risk-management tool, drawing on concepts used in the cheese sector.

CNA and the Parliamentary Agricultural Front (FPA) renewed their request for the Ministry of Development, Industry, Trade and Services (MDIC) to intensify its investigation into dumping practices in milk imports. In August 2025, MDIC's Foreign Trade Secretariat preliminarily denied the application of antidumping measures against powdered milk imports from Argentina and Uruguay. The final finding is scheduled to be published in May 2026.

Genetic Improvement

Genetic improvement is key to Brazil’s dairy strategy, aiming to boost production and resilience to heat stress through genomics, embryo transfer, and reproductive technologies. Future prospects include gene-editing (CRISPR) to enhance heat tolerance and production traits, pending regulatory and public acceptance.

According to data from the Brazilian Association of Artificial Insemination (ASBIA), in the first half of 2025, Brazil’s supply of bovine genetics rose 14 percent to 13.15 million doses, with dairy producers investing 5.9 million dairy-grade semen doses - a 9 percent increase and the highest level since 2018. Artificial insemination reached 70 percent of municipalities (3,870 in total), reflecting its growing role in boosting herd productivity. Producers emphasize genetics as a strategic investment, and programs like

Gir Leiteiro have strengthened the performance of tropical dairy cattle, improving milk quality and yields. Additionally, there was a 14 percent rise in semen imports, and most importantly, there was 4 percent growth in the use of doses on herds for animal improvement.

Prices

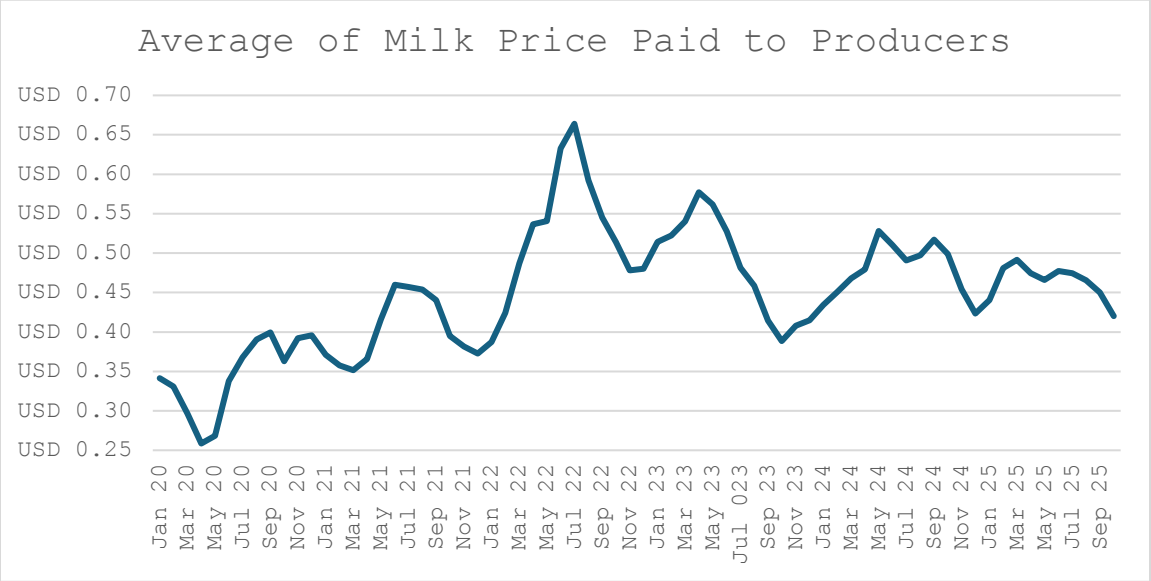
Milk prices in Brazil are highly volatile, driven by inefficiencies in the supply chain According to Post contacts, producers often lack clear price signals, making it difficult to plan production. Transportation costs, particularly for small quantities of milk from remote farms, further exacerbate inefficiencies.

In 2025, milk producer prices in Brazil trended downward, closing November at BRL 2.44 per liter (USD 0.46). This represents a 3.8 percent decrease for the month and a 14.8 percent decline over the past 12 months. The drop reflects a widespread reduction across states and was accompanied by lower prices for dairy products, including UHT milk.

Data from Cepea (Center for Advanced Studies in Applied Economics) indicate that price reduction of the amount paid to producers is attributed to increased production and challenges in demand absorption.

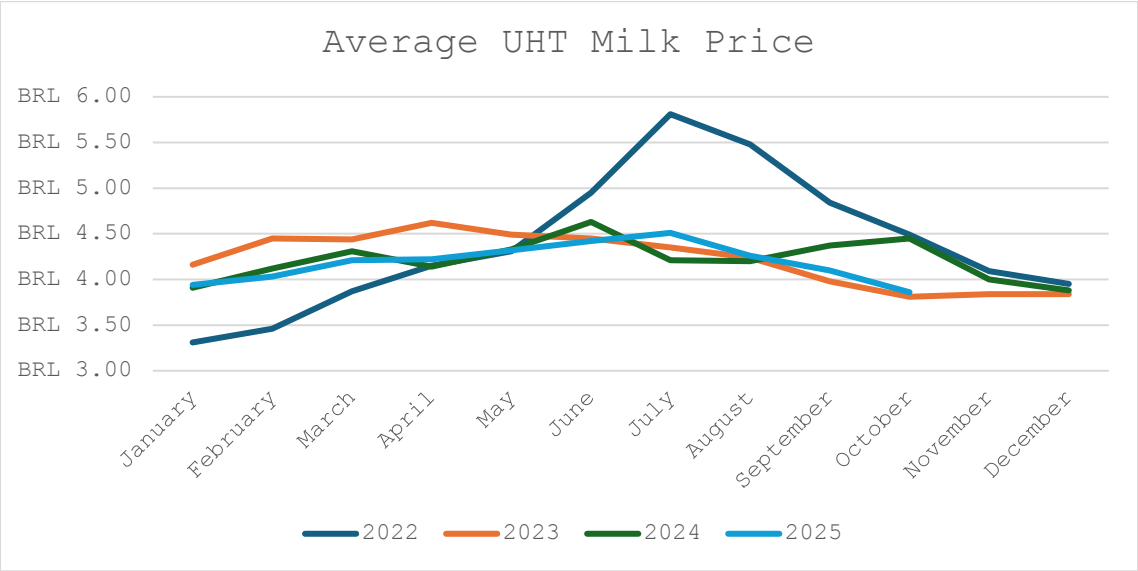
According to Post contacts, prices have been more stable in 2025, motivating producers to increase milk production.

Figure 5
Average Price of Milk Paid to Producers



Data source: Cepea/Esalq. Prepared by FAS Brasilia
Average UHT Milk Price

Figure 6
Average UHT Milk Price



Data source: Cepea/Esalq. Prepared by FAS Brasilia

Overall, 2025 shows persistent price dispersion and volatility around a similar band to 2024. Early 2025 (January-February) sits around BRL 4.0 (USD 0.75), slightly above 2024's start, but by March-April 2025 prices climb to approximately BRL 4.3 (USD 0.81), with July 2025 peaking to BRL 4.51 (USD 0.85) and August to BRL 4.26 (USD 0.80). In October 2025, the price fell to approximately the same level as in October 2023, reaching BRL 3.86 (USD 0.71).

Consumption

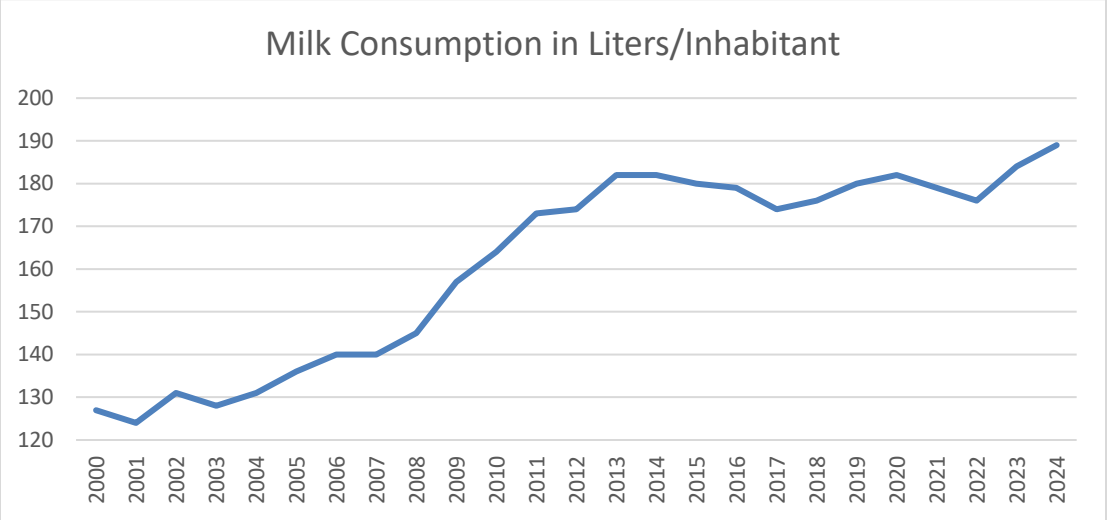
In 2026, Post forecasts total fluid milk consumption, including factory and domestic use, to increase 2 percent to 29.3 MMT. In 2025, Post estimates an increase in total consumption to 2.4 percent, equivalent to 28.6 MMT.

According to Post contacts, overall fluid milk consumption has peaked and will remain stagnate in 2026. Future growth in dairy consumption will come from value-added products like yogurt and other derivatives. Milk consumption in Brazil is closely tied to income levels.

Brazil's per-capita consumption of milk and dairy products has grown modestly but remains relatively steady overall. Across the broader context, per-capita milk consumption has hovered 188 liters – 0.20 MT per year in recent years, with certain regional variation. In 2024, per-capita availability of milk and derived products rose by approximately 3.6 liters – 0.0037 MT per person on average, reaching roughly 134.4 liters – 0.14 MT per year for milk and dairy products combined.

UHT milk, known for its extended shelf life, is a staple in Brazilian households.

Figure 7
Milk Consumption in Liters/Inhabitant



Data source: IBGE/Embrapa. Graph prepared by FAS Brasilia

In absolute terms, global consumption of milk and dairy products has risen by approximately 1 liter per person per year in recent years, according to data from the International Farm Comparison Network (IFCN) covering 127 countries. In Brazil, remains near the world average.

Among the 127 countries tracked by the IFCN, Brazil's annual per-capita milk consumption places it 57th in the global ranking. São Paulo remains the largest consumer of dairy, followed by the Northeast.

According to industry, Brazilian consumer behavior is shifting toward healthier and more convenient options. A total of 71 percent of shoppers favor healthier and easier-to-prepare products, with rice and beans (most traditional nutrient combination), and sugar seeing a decline in volume even without price increases. What is gaining prominence in the shopping basket is zero-sugar and protein-rich products, including protein popcorn, and the so-called "INA" generation, which are diverse sources of protein, including supplements, proteins, and functional foods. Protein milk expands its presence in the flavored milk category, growing in volume and boosting revenue despite price increases. Fluid milk is less common in the Northeast. According to Post contacts, it is culturally uncommon to drink fluid milk.

Dairy Trade

Brazil's dairy sector is a key player in agribusiness, with strong potential to serve both domestic and international markets. However, only 70 percent of milk is officially inspected, and significant portions are sold informally without proper sanitary controls, contributing to low average quality and a persistent trade deficit. Brazil's ability to compete in demanding markets like the European Union and the United States has been hindered by the sector's struggle to prioritize standardization, quality, and compliance with international safety requirements.

Importing countries impose strict technical requirements on dairy products Due to these stringent criteria, a small portion of the Brazilian dairy industry is qualified to export. Currently, the main

exported products include whole and skimmed milk powder, aged cheeses, condensed milk, cream, UHT milk, and whey and its derivatives for industrial or nutritional use.

Small exports occurred, but Brazil’s overseas dairy trade remains modest relative to its production. The principal export products are milk powder, condensed milk, and cream, with cheese exports showing notable growth but still far from offsetting imports. The broad pattern is one of rising imports and a relatively modest export performance, reflecting structural cost disadvantages in domestic production and competition in international markets.

Imports

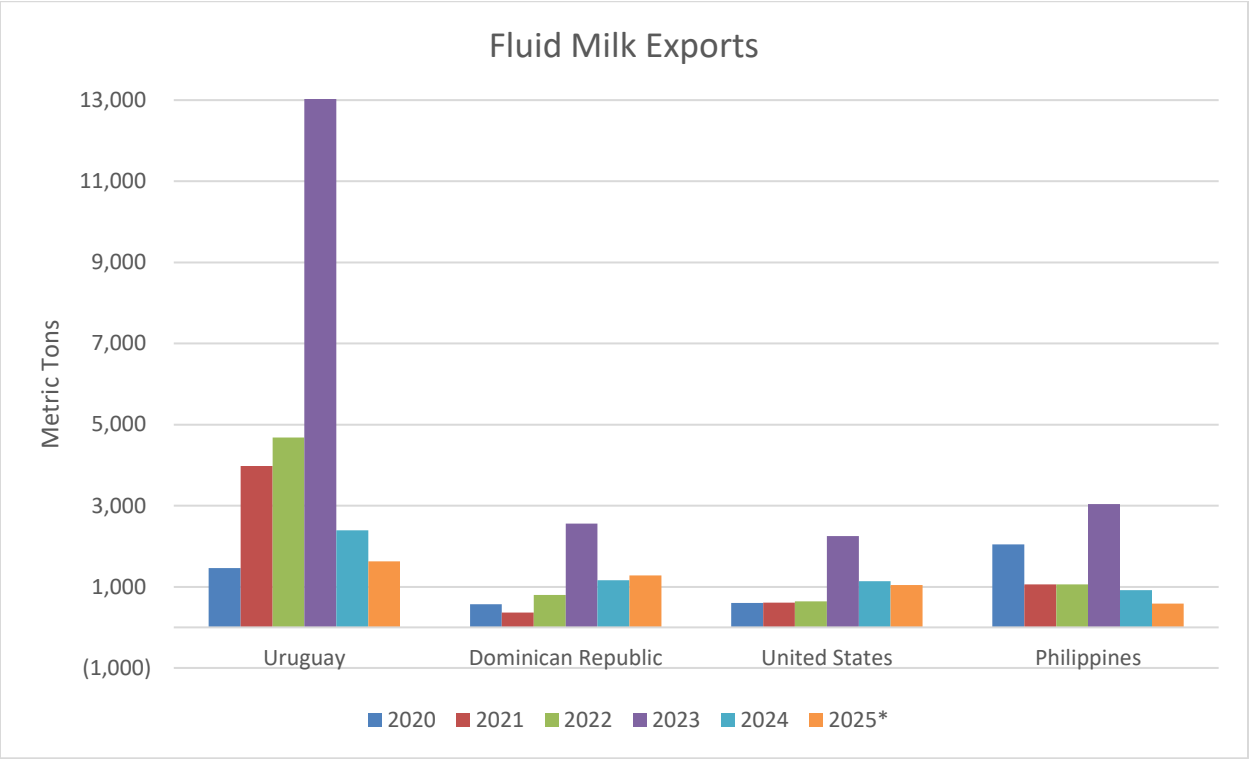
Based on historical data, Post forecasts that Brazil will not import fluid milk in 2026. There is record of virtually zero imports in 2025 and 2024.

According to Post contacts, despite producers’ efforts to reduce unit cost, Brazil is not yet self-sufficient in dairy production and continues to rely on imports to meet domestic demand. Brazil's milk prices are often higher than international market rates, making imports of derivatives more viable.

Exports

In 2026, Post forecasts fluid milk exports to remain at 10,000 MT, considering the significant increase in production expected in 2025. Brazil's fluid milk production is driven by domestic demand rather than being primarily export oriented. Additionally, growth prospects are driven by investments and quality improvements. Post estimates milk exports at the same amount of 10,000 MT in 2025, based on trade data collected from January to September.

Figure 8
Fluid Milk Exports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

Exports of Brazilian fluid milk skewed by a few volatile markets with occasional surges, while many destinations have not sustained 2023 levels into 2024-2025. From January to November 2025, Uruguay is the leading destination so far (1,630 MT), followed by the Dominican Republic (1,279 MT) and the United States (1,044 MT). Other notable markets include the Philippines (968 MT), United Arab Emirates (568 MT), and Venezuela (459 MT). Exports to Paraguay, Peru, Chile, Kuwait, and Argentina are comparatively lower, ranging from 44 MT (Chile) to 455 MT (Peru).

Cheese

Production, Supply, and Distribution

Dairy, Cheese	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	775	780	795	800	0	810
Other Imports (1000 MT)	63	63	63	52	0	52
Total Imports (1000 MT)	63	63	63	52	0	52
Total Supply (1000 MT)	838	843	858	852	0	862
Other Exports (1000 MT)	3	0	3	0	0	4
Total Exports (1000 MT)	3	0	3	0	0	4
Human Dom. Consumption (1000 MT)	835	843	855	852	0	862
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	835	843	855	852	0	862
Total Use (1000 MT)	838	843	858	852	0	862
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	838	843	858	852	0	862
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Units in 1000 MT
Note: cheese classification HTS: 0406

Production

Note: There are no official statistics on full production and consumption of cheese in Brazil. FAS/Brasilia production estimates for cheese are based on trade sources and surveys of sector associations.

In 2026, Post projects cheese production to increase 1.25 percent to 810,000 MT, due to considerable investments from dairy processing companies to improve cheese production and quality. For 2025, Post estimates a production increase of 2.5 percent compared to the previous year.

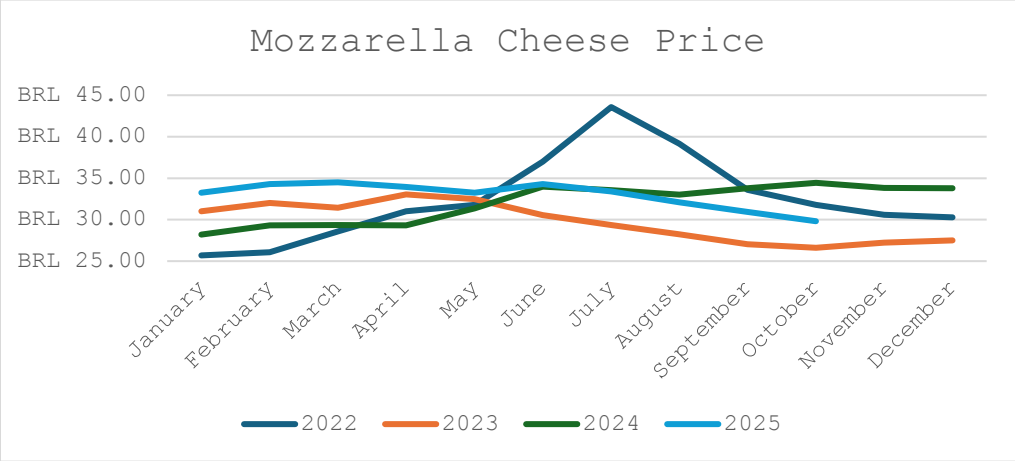
Mozzarella cheese is the most preferred, produced, and consumed cheese among Brazilians, making it a key focus for the dairy industry in Mato Grosso, According to the Mato Grosso Institute of Agricultural Economics (Imea), mozzarella represents 75 percent of total production among the cooperatives surveyed in the state.

In September 2025, Lactalis announced a BRL 400 million (USD 75 million) investment in five industrial facilities in Rio Grande do Sul to expand production lines for “prato” and mozzarella cheeses, whey protein, butter, requeijão (creamy, spreadable cheese), and dairy blends. The company seeks to increase dairy production in the state from 304,000 MT in 2024 to 453,000 MT by 2028, with a significant boost in cheese processing. By the end of 2028, Lactalis plans to produce 100,000 MT of cheese annually, a 70 percent increase from the current 58,000 MT.

Price

According to Cepea, the decline in raw milk prices, coupled with weak demand for dairy products and the resulting increase in 2025 inventories, has put downward pressure on mozzarella cheese prices. Mozzarella cheese prices in Brazil, after a sharp increase in early 2025 compared to 2024, have begun to decline due to high inventory levels and lower raw material costs. The average price fell by 1.64 percent from July to August and continued to decrease in September.

Figure 9
Mozzarella Cheese Price



Data source: Cepea/Esalq. Prepared by FAS Brasilia.

By May-August 2025, the pace softened slightly: May and June hovered around USD 6.19-6.37, with July decreasing to approximately BRL 33.4 (USD 6.26) and August to BRL 32.1 (USD 6). Elevated prices persisted through mid-year.

Specialty Cheeses in Brazil

During the Mondial du Fromage in September 2025, eight Brazilian cheeses placed in the top category. This event is often referred to as the "World Cup of Cheese In addition to the award-winning cheeses, two Brazilian dairy products - natural yogurt and requeijão - also earned gold medals.

The competition featured nearly 2,000 products from 26 countries, including 300 entries from Brazil. Overall, Brazil won 58 medals: 10 gold, 18 silver, and 30 bronze. The top three Brazilian farms that were awarded with a gold medal are Santo Antonio, Benzinho, and Camponês Carrara, according to Globo Rural, a Brazilian Agricultural magazine.

Coalho cheese is a semi-hard, white cheese with a mild, slightly salty flavor. The name "coalho" refers to the rennet used in its production, which helps coagulate the milk. One of the most iconic ways queijo coalho is enjoyed in Brazil is grilled or roasted. It has a high melting point, which allows it to maintain its shape when exposed to heat, making it ideal for grilling. Vendors often sell it skewered on sticks at beaches, street fairs, and barbecues, where it develops a golden, crispy crust while remaining soft and chewy inside.

Consumption

In 2026, Post forecasts cheese consumption at 858,000 MT, a slight increase of 0.7 percent compared to Post's revised estimate for 2025 of 852,000 MT, industry announcements indicate that cheese consumption is expected to experience its most significant growth.

Brazil's dairy consumption going forward is expected to increase, driven by greater intake of cheeses, yogurts, and protein beverages, rather than fluid milk.

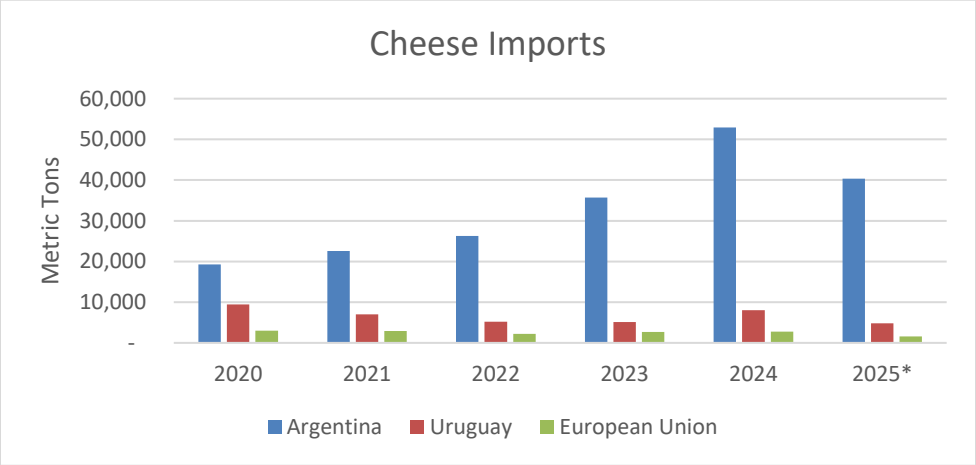
Cheese Trade

According to Post contacts, Brazil will boost sales through value-added products, such as cheeses and other items.

Imports

In 2026, Post forecasts cheese imports at 52,000 MT, same amount from the revised 2025 estimate, of 52,000 MT, due to large investments to increase domestic production.

Figure 10
Cheese Imports



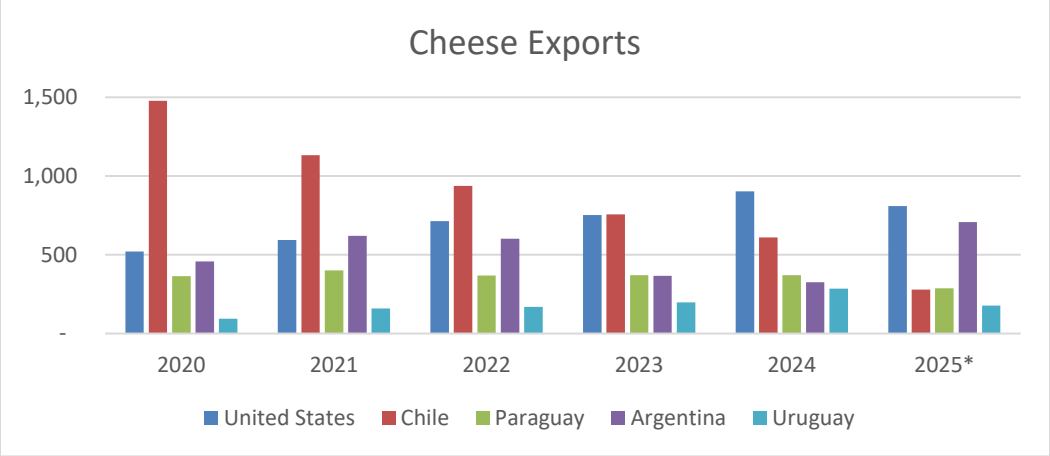
Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia
*Jan-Nov

In January to November 2025, Brazilian cheese imports had a total of 40,347 MT from Argentina, maintaining its position as Brazil's dominant supplier despite a decrease from 2024 (40,347 MT). Uruguay also saw a significant drop, from 8,002 MT to 4,800 MT, reinforcing a declining trend since 2020. Imports from the European Union remain modest, with 1,613 MT in 2025 (Jan-Nov), lower than 2024 levels (2,771 MT).

Exports

In 2026, Post forecasts cheese exports at 4,000 MT, an increase due to domestic investments to expand cheese production. For 2025, Post estimates exports to remain at 3,000 MT, based on trade data from January to September. Among exports, cheese was one of the top dairy products.

Figure 11
Cheese Exports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia
*Jan-Nov

From January to November 2025, Brazilian cheese exports reached 810 MT to the United States, maintaining its position as the leading destination, though slightly below 2024 levels (902 MT). Exports to Chile declined from 610 MT to 279 MT, continuing a downward trend since 2020. Exports to Paraguay and Uruguay are also lower, at 288 MT and 178 MT respectively.

Exports to Argentina rebounded to 708 MT, more than doubling compared to 2024 (325 MT). The Brazilian cheese export landscape in 2025 has the United States and Argentina emerging as the primary markets, while exports to traditional partners like Chile, Paraguay, and Uruguay decreased.

Butter

Production, Supply, and Distribution

Dairy, Butter	2024		2025		2026
Market Year Begins	Jan 2024		Jan 2025		Jan 2026
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0
Production (1000 MT)	83	83	84	84	86
Other Imports (1000 MT)	4	4	3	3	2
Total Imports (1000 MT)	4	4	3	3	2
Total Supply (1000 MT)	87	87	87	87	88
Other Exports (1000 MT)	1	1	2	2	2
Total Exports (1000 MT)	1	1	2	2	2
Domestic Consumption (1000 MT)	86	86	85	85	86
Total Use (1000 MT)	87	87	87	87	88
Ending Stocks (1000 MT)	0	0	0	0	0
Total Distribution (1000 MT)	87	87	87	87	88
(1000 MT)					
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query					

Units in 1000 MT.
Note: Butter classification HTS: 0405.

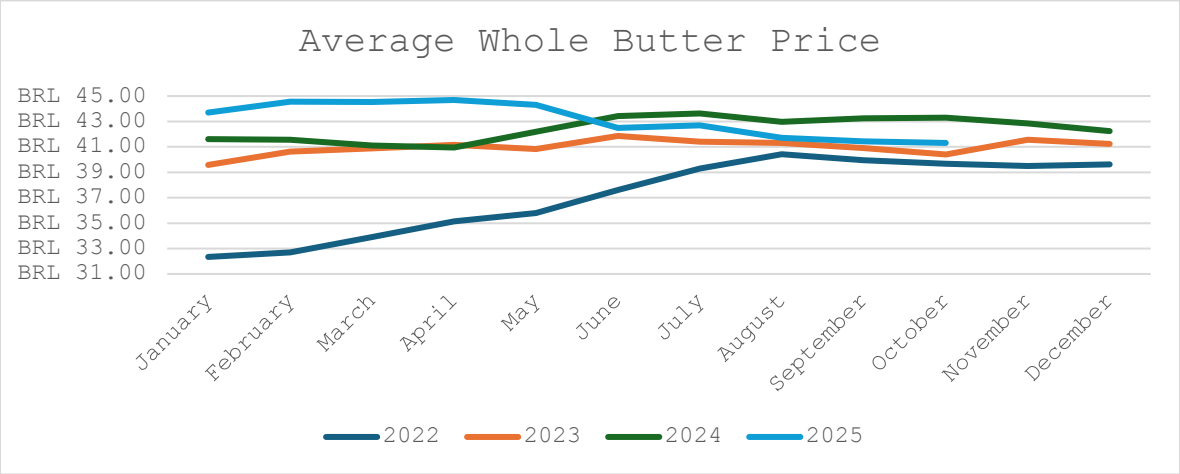
Production

In 2026, Post forecasts an increase of butter production at 86,000 MT, an increase of 2.4 percent compared to previous projections for 2025, reflecting industry investments from 2025 onward to expand profit margins. For 2025, Post estimates production at 84,000 MT.

Price

The first half of 2025 resulted in higher prices compared to the previous year, with prices starting at BRL 43.7 (USD 8) in January and rising to BRL 44.69 (USD 8.26) in April. However, from June onward in 2025, there was a decline, with prices dropping from BRL 42.48 (USD 7.85) in June to BRL 41.31 (USD 7.64) by October, reflecting a downward correction after earlier gains. The second half of 2025 prices peaked in May and then declined, whereas in the same period of 2024 prices maintained around the low 8s.

Figure 12
Average Whole Butter Price



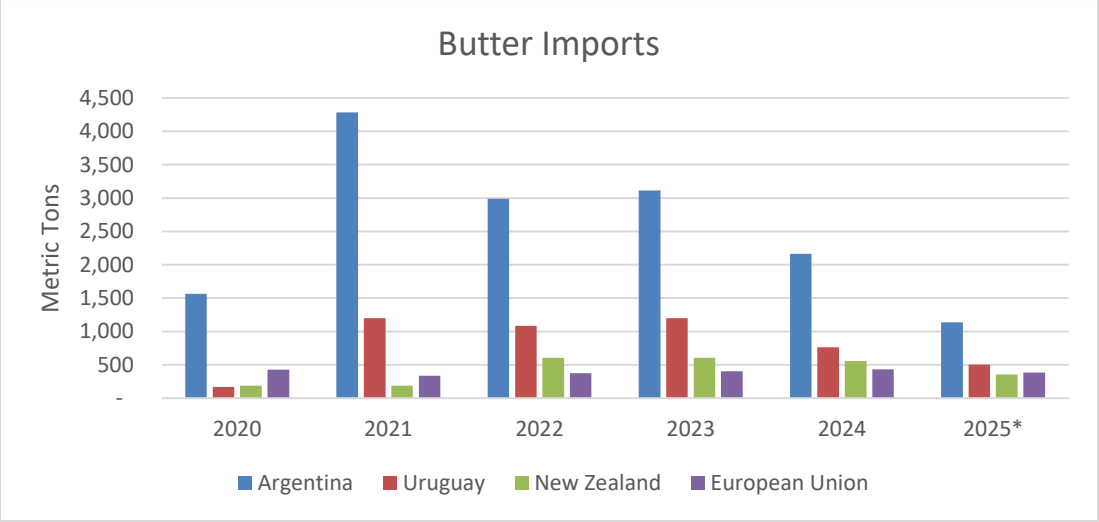
Data source: Cepea/Esalq. Prepared by FAS Brasilia.

Imports

In 2026, Post forecasts butter imports to slightly decrease to 2,000 MT, based on ongoing investments to increase domestic production.

Brazil's butter imports declined in 2025. Imports from Argentina - Brazil's main supplier - fell significantly from 2,164 MT in 2024 to 1,136 MT from January to November 2025, indicating a continued downward trend since 2021. Uruguay followed a similar pattern, with volumes decreasing from 765 MT to 503 MT.

Figure 13
Butter Imports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

Imports from New Zealand also dropped, from 555 MT to 353 MT, though the country remains a key non-Mercosur supplier. The EU bloc, particularly France, is a traditional exporter to Brazil, saw modest reductions: the European Union dropped from 430 MT to 382 MT, and France from 402 MT to 328 MT. These declines reflect increased domestic production and high butter prices.

Exports

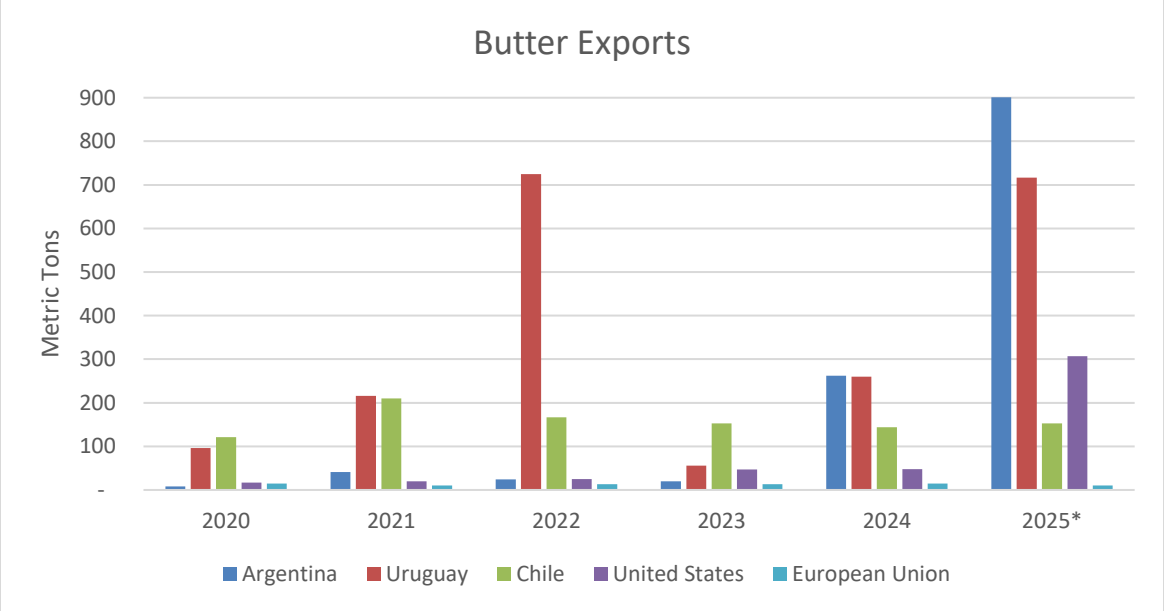
In 2026, Post forecasts butter exports to remain unchanged at 2,000 MT as domestic consumption demand increased.

Brazil's butter exports saw an increase, particularly to Argentina, Uruguay, and the United States between 2024 and 2025. Exports to Argentina increased from 262 MT in 2024 to 901 MT in 2025 (Jan–Nov), making it the largest destination for Brazilian butter in 2025.

Uruguay also increased its imports from 260 MT (Jan-Sep) 2024 to 572 MT (Jan-Sep 2025). Exports to the United States increased from 48 MT in 2024 to 307 MT by November 2025.

In contrast, exports to Chile slightly declined from 144 MT to 153 MT, while the European Union remained a minor importer with 10 MT by November 2025.

Figure 14
Butter Exports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

In September 2025, Lactalis began exporting Brazilian-made butter to the United States under its Président brand. The butter is produced in the state of Rio Grande do Sul, with planned shipments of 100 MT per month.

Nonfat Dry Milk

Production, Supply, and Distribution

Dairy, Milk, Nonfat Dry	2024		2025		2026
Market Year Begins	Jan 2024		Jan 2025		Jan 2026
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0
Production (1000 MT)	162	162	165	165	167
Other Imports (1000 MT)	40	40	45	46	46
Total Imports (1000 MT)	40	40	45	46	46
Total Supply (1000 MT)	202	202	210	211	213
Other Exports (1000 MT)	0	0	0	0	0
Total Exports (1000 MT)	0	0	0	0	0
Human Dom. Consumption (1000 MT)	202	202	210	211	213
Other Use, Losses (1000 MT)	0	0	0	0	0
Total Dom. Consumption (1000 MT)	202	202	210	211	213
Total Use (1000 MT)	202	202	210	211	213
Ending Stocks (1000 MT)	0	0	0	0	0
Total Distribution (1000 MT)	202	202	210	211	213
(1000 MT)					
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query					

Units in 1000 MT
Note: Nonfat Milk Powder classification HTS: 0402.10

Production

Note: There are no official statistics on production and consumption of nonfat dry milk (NFDM) in Brazil. FAS/Brasilia production estimates for NFDM are based on trade sources and surveys of sector associations.

In 2026, Post forecasts production of NFDM at 167,000 MT, a slight increase of 1.2 percent when compared to the revised estimate for 2025 at 165,000 MT due to overall increased milk production.

Consumption

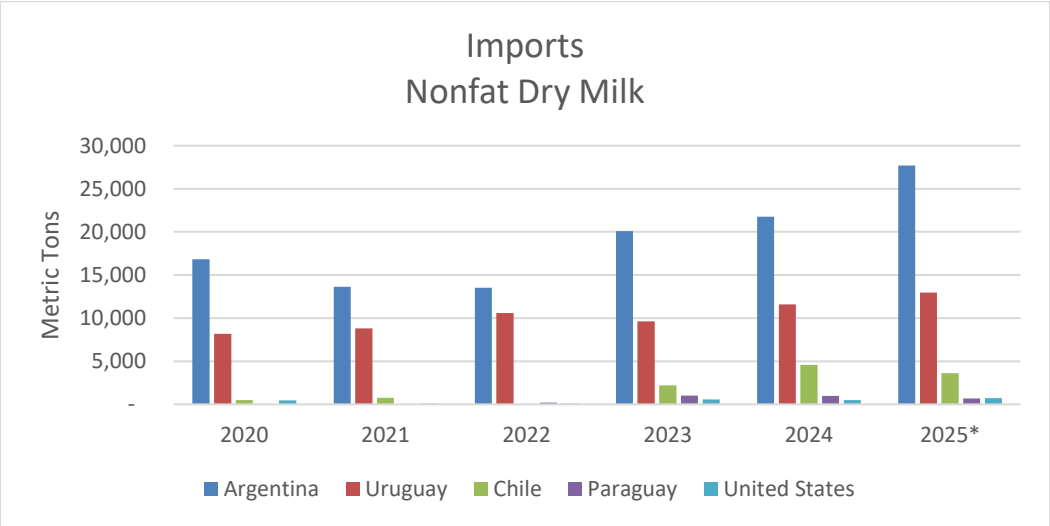
In 2026, Post forecasts NFDM consumption at 213,000 MT, an increase of 0.93 percent in comparison to the 2025 estimate, driven by projections of increased milk production and growing demand among Brazilian consumers for lower-fat dairy products.

Imports

In 2026, Post forecasts imports of NFDM to remain at 46,000 MT, unchanged from 2025.

Brazil’s imports of NFDM suggest a steady demand for NFDM in Brazil in 2025. From January to November 2025, imports from Argentina reached 27,713 MT, marking a significant increase and solidifying Argentina’s position as Brazil’s primary supplier.

Figure 15
Nonfat Dry Milk Imports



Data source: Trade Data Monitor (TDM); Prepared by FAS Brasilia
*Jan-Nov

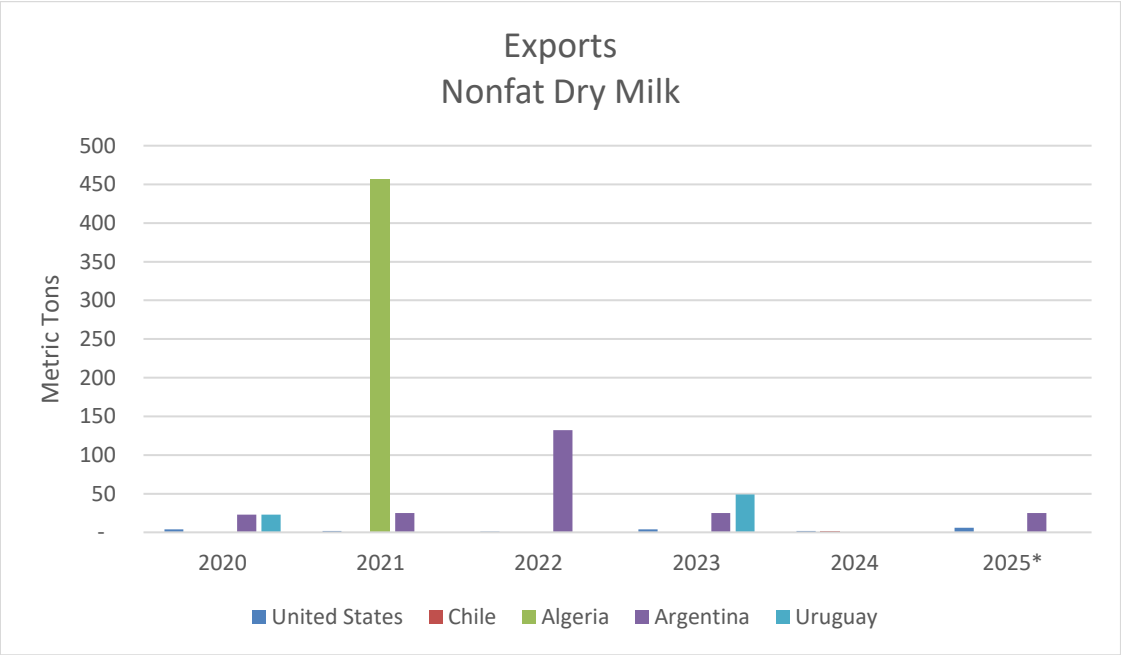
Within the same timeframe, Uruguay exported 12,949 MT to Brazil, 11.5 percent above the total amount exported in 2024 (11,599 MT). Chile's shipments during the same timeframe in 2025 totaled 3,630 MT, which is equivalent to approximately 80 percent of the 4,583 MT exported in 2024. Chile's exports remain significantly higher compared to earlier years.

Paraguay exported 700 MT to Brazil in the first three quarters of 2025, equivalent to 71 percent of 975 MT in 2024, while the United States increased its exports to 526 MT in the referred timeframe, equivalent to 92 percent of the amount of 486 MT in 2024. Paraguay and the United States supplied 700 MT and 713 MT, respectively.

Exports

In 2026, Post forecasts show no significant change in export figures, based on historical trade data. Brazil's NFDM export activity remains limited in scale and sporadic, with 2025 showing marginal improvements over 2024.

Figure 16
Nonfat Dry Milk Exports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

Brazil's exports of nonfat dry milk (NFDM) remained minimal and highly concentrated to a few markets. The United States received a slight increase in volume, rising from 2 MT in 2024 to 6 MT from January to November 2025.

Argentina reappeared as an export market in 2025, importing 25 MT in 2025 after receiving zero NFDM from Brazil in 2024. However, other previously active markets such as Chile, Algeria, and Uruguay saw zero exports in 2025.

Whole Milk Powder

Production, Supply, and Distribution

Dairy, Dry Whole Milk Powder	2024		2025		2026
Market Year Begins	Jan 2024		Jan 2025		Jan 2026
Brazil	USDA Official	New Post	USDA Official	New Post	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0
Production (1000 MT)	590	585	595	595	600
Other Imports (1000 MT)	147	146	145	140	138
Total Imports (1000 MT)	147	146	145	140	138
Total Supply (1000 MT)	737	731	740	735	738
Other Exports (1000 MT)	4	4	3	3	3
Total Exports (1000 MT)	4	4	3	3	3
Human Dom. Consumption (1000 MT)	733	727	737	732	735
Other Use, Losses (1000 MT)	0	0	0	0	0
Total Dom. Consumption (1000 MT)	733	727	737	732	735
Total Use (1000 MT)	737	731	740	735	738
Ending Stocks (1000 MT)	0	0	0	0	0
Total Distribution (1000 MT)	737	731	740	735	738
(1000 MT)					
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query					

Units in 1000 MT.
Note: Dry Whole Milk Powder classification HTS: 0402.21; 0402.29.

Production

In 2026, Post forecasts whole milk powder production to minimally increase less than one percent, to 600,000 MT, due to high production costs which inhibit production.

Whole milk powder is more widely consumed in the Northeast than fluid milk. The product is cheaper to the consumer. For a long time, milk compounds were more commonly consumed. One kilogram (2.2 pounds) of compound has 30 to 40 percent less than powdered milk.

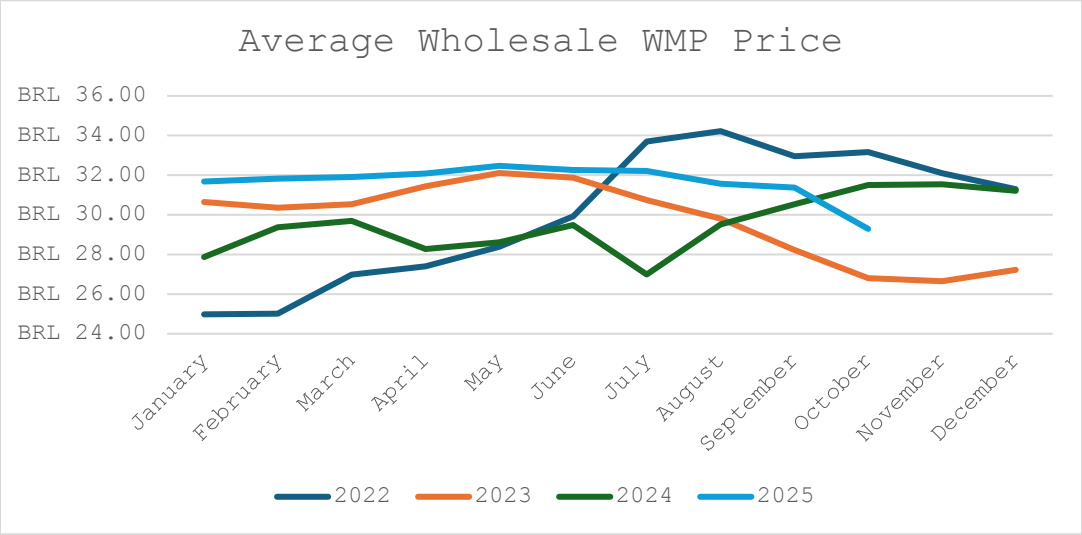
Prices

In 2025, the price for whole milk powder is increasing for end consumers, with a year-over-year increase exceeding 15 percent between July 2024 and July 2025.

According to surveys by Cepea and the Brazilian Organization of Cooperatives (OCB), whole milk powder prices in Brazil showed a clear upward trend from 2024 to 2025.

In January 2025, the price stood at BRL 31.68 (USD 5.94) and continued climbing to BRL 32.47 (USD 6.08) by May. Although there was a minor dip in August to BRL 31.57 (USD 5.92), prices remained well above 2024 levels for the same period. Compared to 2024, when prices fluctuated between BRL 26.99 (USD 5.06) and BRL 31.54 (USD 5.91), 2025 shows more stable and elevated pricing, reflecting a firmer market for milk powder in Brazil.

Figure 17
Average Whole Milk Powder Price



Data source: Cepea/Esalq, Prepared by FAS Brasilia.

In August 2025, the price of powdered milk decreased by 0.71 percent over the same period compared in 2024, averaging BRL 30.64 (USD 5.8) per kilogram (2.20 pounds).

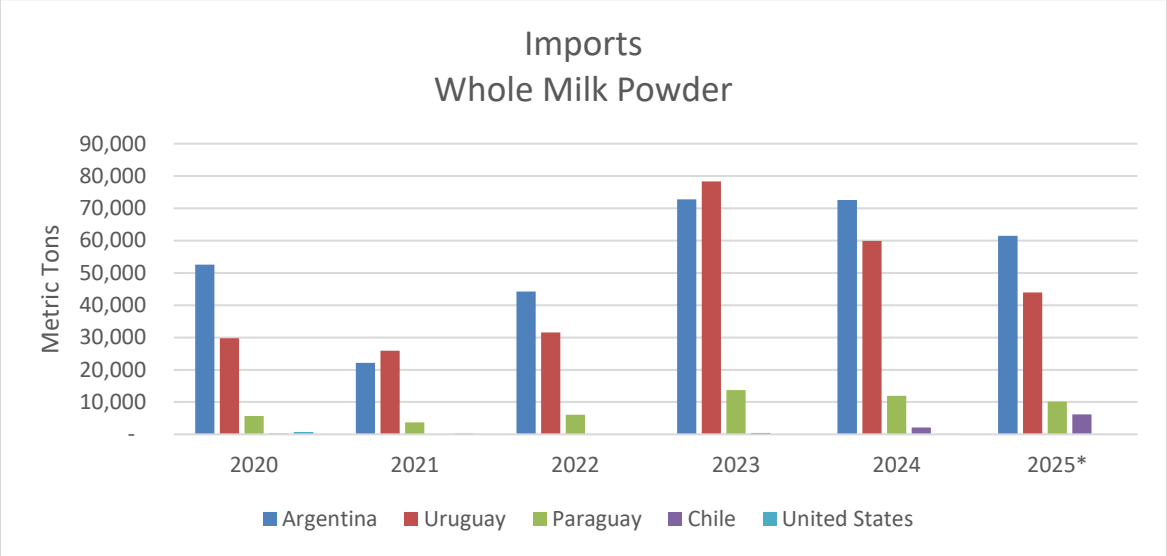
Imports

In 2026, Post forecasts imports of whole milk powder at 138,000 MT, a slight decrease of 1.4 percent, when compared to the estimate for 2025, as the sector becomes less susceptible to production instabilities. Whole milk powder is the leading dairy derivative imported by Brazil.

Brazil’s whole milk powder (WMP) imports showed a general decline from its top suppliers. Imports from Argentina, the largest supplier, slightly decreased from 72,567 MT in 2024 to 61,510 MT in 2025 (Jan-Nov), suggesting a year-end total that may fall below 2024 levels.

Uruguay also saw a notable drop from 59,880 MT to 43,904 MT in the same timeframe comparison, continuing the downward trend from its peak in 2023 (78,315 MT). Paraguay's exports to Brazil declined from 11,900 MT to 10,100 MT, while Chile was the only country to show an increase, rising from 2,106 MT to 6,203 MT - though volumes remain relatively small.

Figure 18
Whole Milk Powder Imports



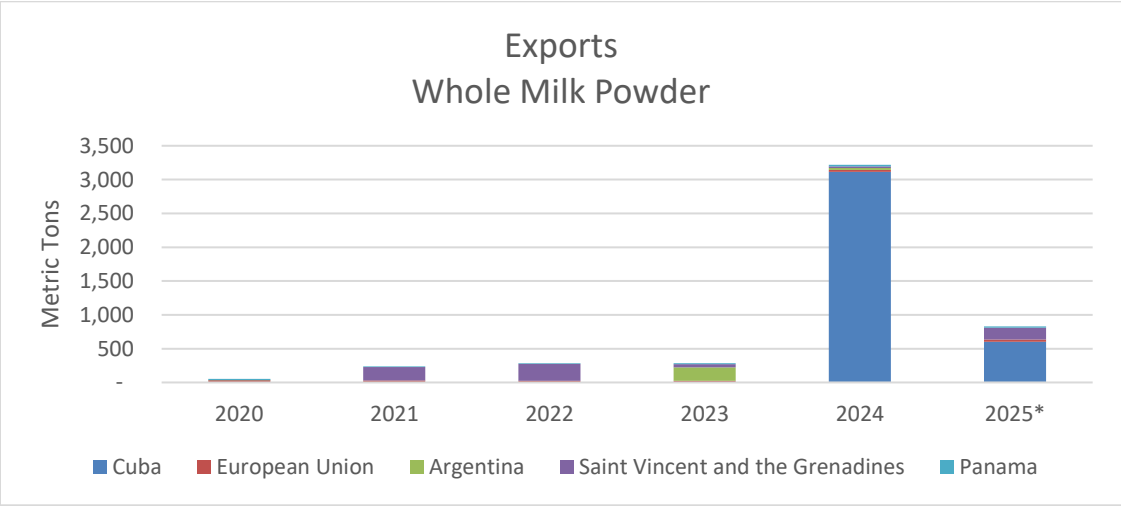
Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

The United States, once a minor supplier, did not export any significant amount in 2025.

Exports

For 2026, Post forecasts exports of WMP at 3,000 MT, unchanged from the 2025 estimate, as the sector is showing signs of stability and is unlikely to increase exports.

Figure 19
Whole Milk Powder Exports



Data source: Trade Data Monitor (TDM). Prepared by FAS Brasilia.
*Jan-Nov

WMP exports declined in 2025. This is primarily due to reduced shipments to Cuba, its main export destination in 2024. Exports to Cuba dropped sharply from 3,116 MT in 2024 to just 602 MT in 2025 (Jan-Nov).

Shipments to other countries remained relatively minor and stable, with the EU receiving 33 MT in 2025 (Jan-Nov), nearly unchanged from 29 MT in 2024. Exports to Saint Vincent and the Grenadines increased from 25 MT in 2024 to 175 MT in 2025 as part of Brazil's strategy to expand its market share in the Caribbean, while Panama saw a slight decrease from 24 MT to 17 MT.

Attachments:

No Attachments