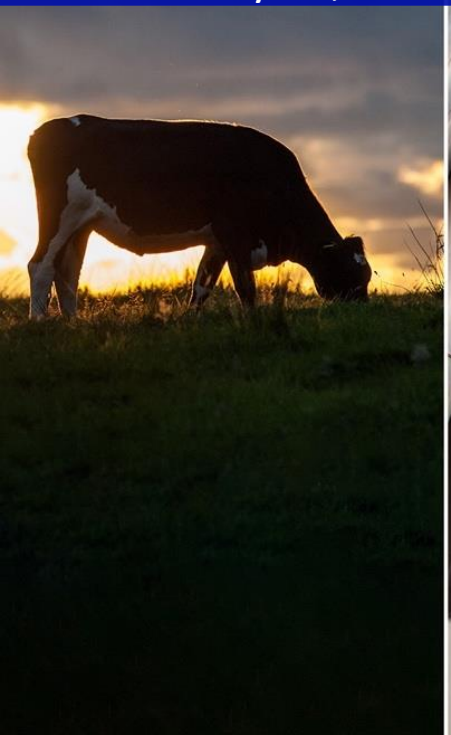
Growth Markets for Fluid Milk and Butter

Lucas Fuess, Rabobank

February 26, 2026



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balance sheet total, active in 36 countries

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S&P: A+
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Dairy Top 20 companies

17/20

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RaboResearch Dairy Team

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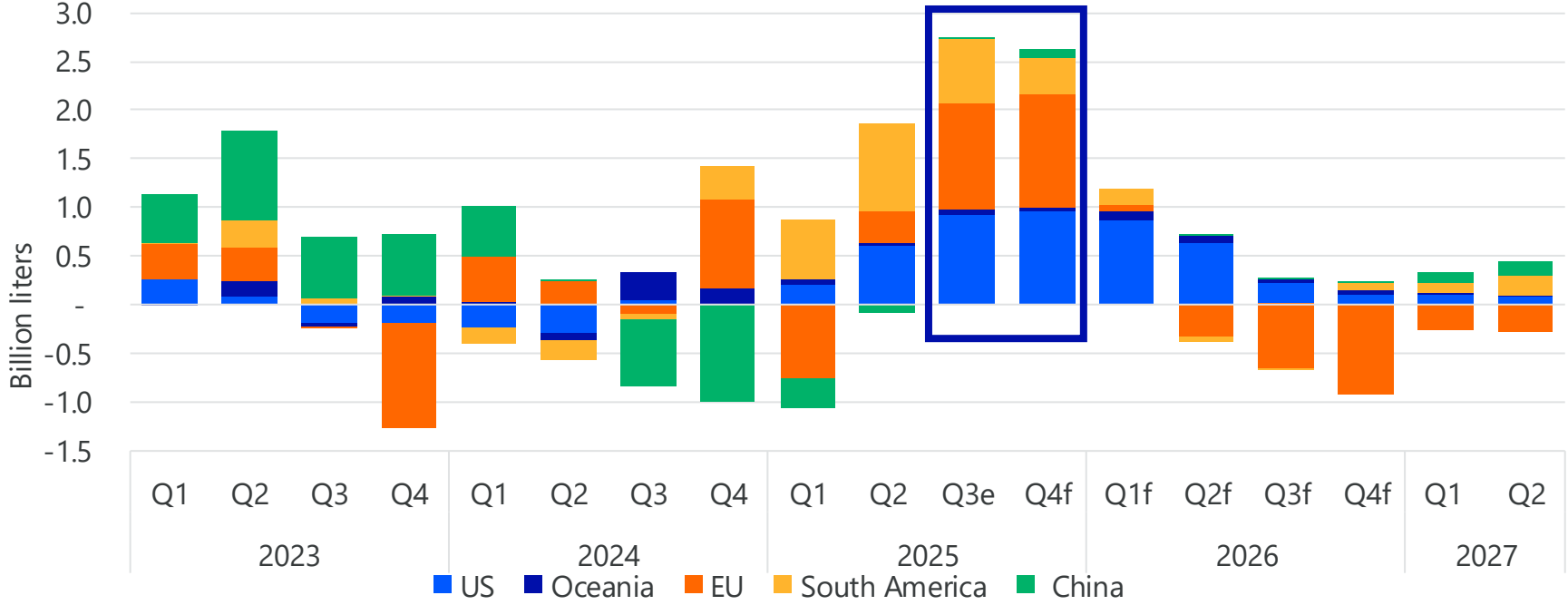
Milk production growth, Big-7 exporters and China (actual and RaboResearch forecast), 2023-2027f*



*Note: The Big 7 includes the EU, the US, New Zealand, Australia, Brazil, Argentina, and Uruguay.
Source: Big 7 and Chinese government and industry agencies, RaboResearch 2026

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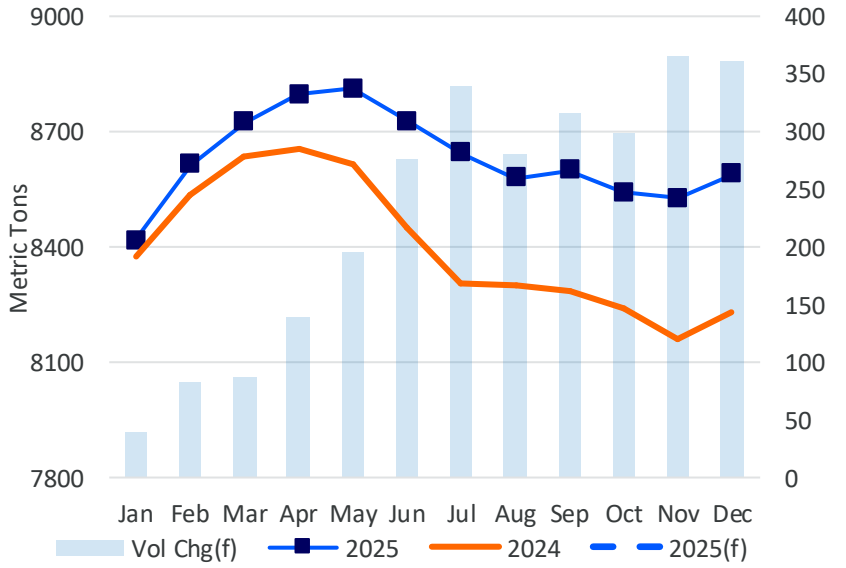
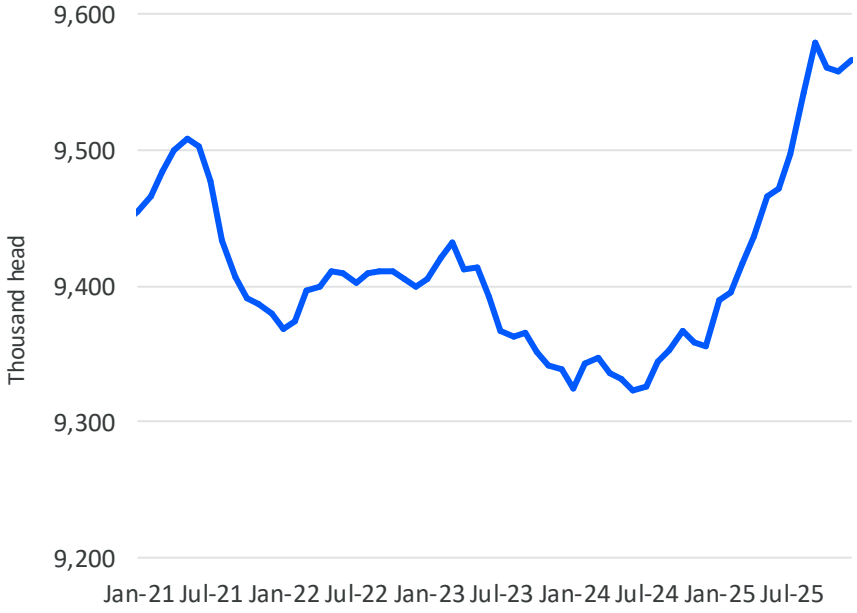
US sees 2.8% more milk in 2025; with 2% more this year

Milk production, 2025 vs 2024



Milk cows, United States
(1,000 Head)



Source: USDA, RaboResearch 2026

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US dairy export exposure

Degree of dependence differs…

Butter/Butterfat 45,522 MT 4% of Production	Cheese 513,780 MT 8% of Production	WPC 80/ WPI 85,506 MT 35% of Production	Dry Whey 180,000 MT 50% of Production	SMP 745,360 MT 75% of Production
Canada 61%	Mexico 38%	China 34%	China 39%	Mexico 56%
Mexico 11%	S, Korea 11%	Japan 14%	Mexico 12%	SEA 29%
S. Korea 5%	Japan 8%	Canada 12%	Indonesia 9%	Columbia 3%
Dom. Rep. 4%	Australia 6%	Brazil 9%	Canada 6%	Peru 2%
Panama 2%	Canada 5%	India, S Korea 4%	Vietnam 6%	China 2%

Source: Trade Data Monitor, Rabobank 2026

US dairy imports as percent of total production

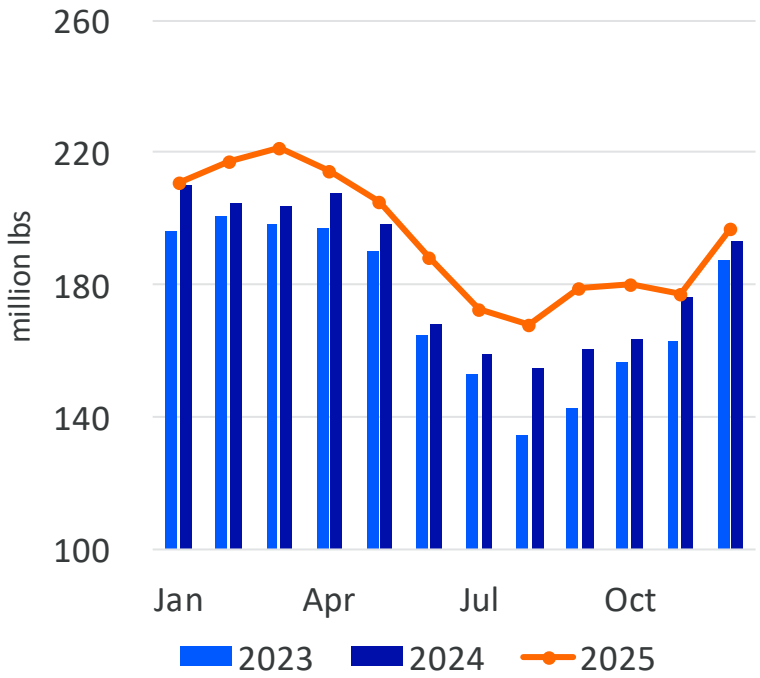
2024 annual data

Cheese 215,450 MT 3.3% of Production		Butter/Butterfat 108,766 MT 11% of Production		WPC 80/ WPI 15,748 MT 6.4% of Production	
Italy	20%	Ireland	53%	New Zealand	47%
France	11%	New Zealand	21%	UK	13%
Spain	6%	India	6%	Denmark	10%
Netherlands	6%	France	4%	Ireland	10%
Ireland	6%	Argentina	4%	Norway	3%

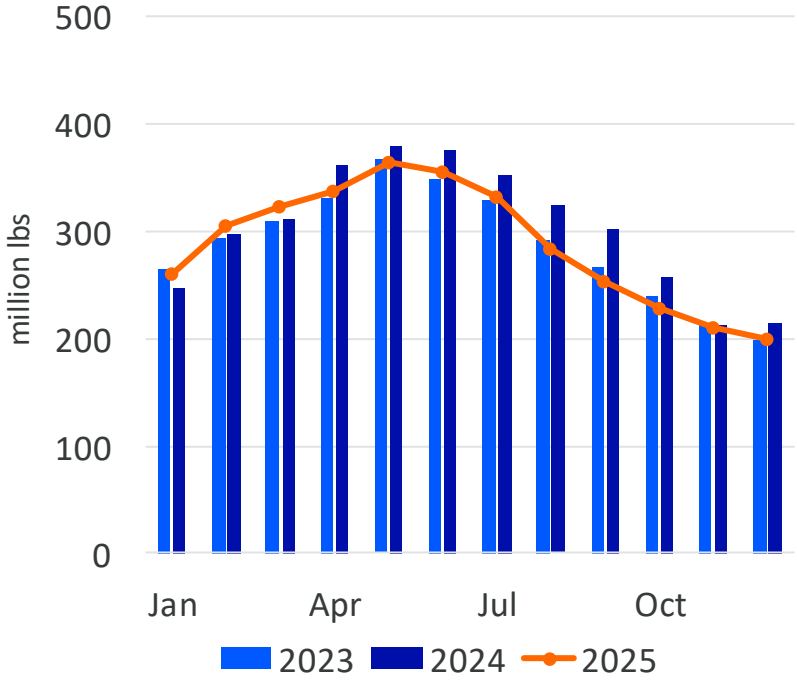
Source: Trade Data Monitor, Rabobank 2026

2025 butter output hits record yearly high

Butter production



Butter stocks



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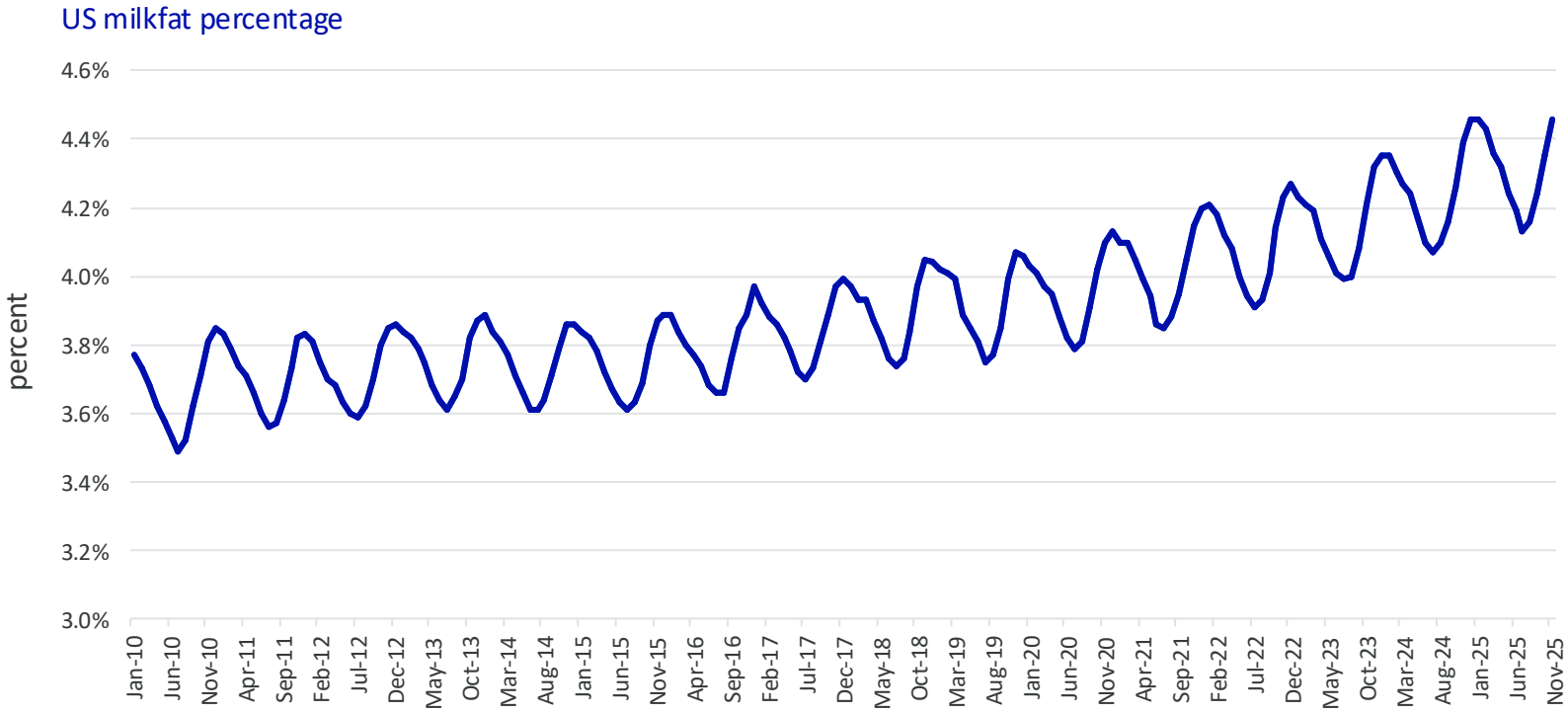
Source: USDA, Rabobank 2026

Milkfat content in milk continues to set new record highs



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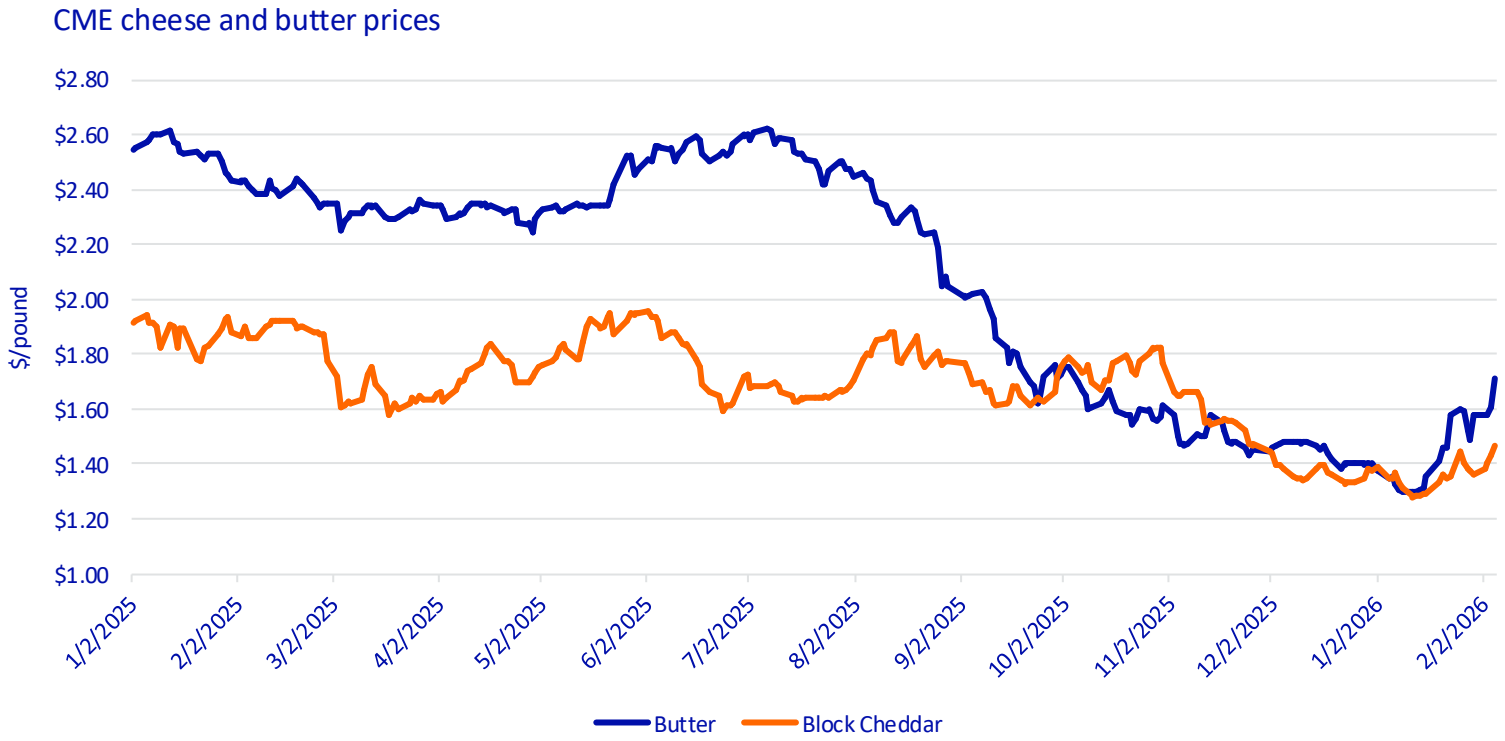
Source: USDA, Rabobank 2026

CME spot cheese, butter prices see January lows



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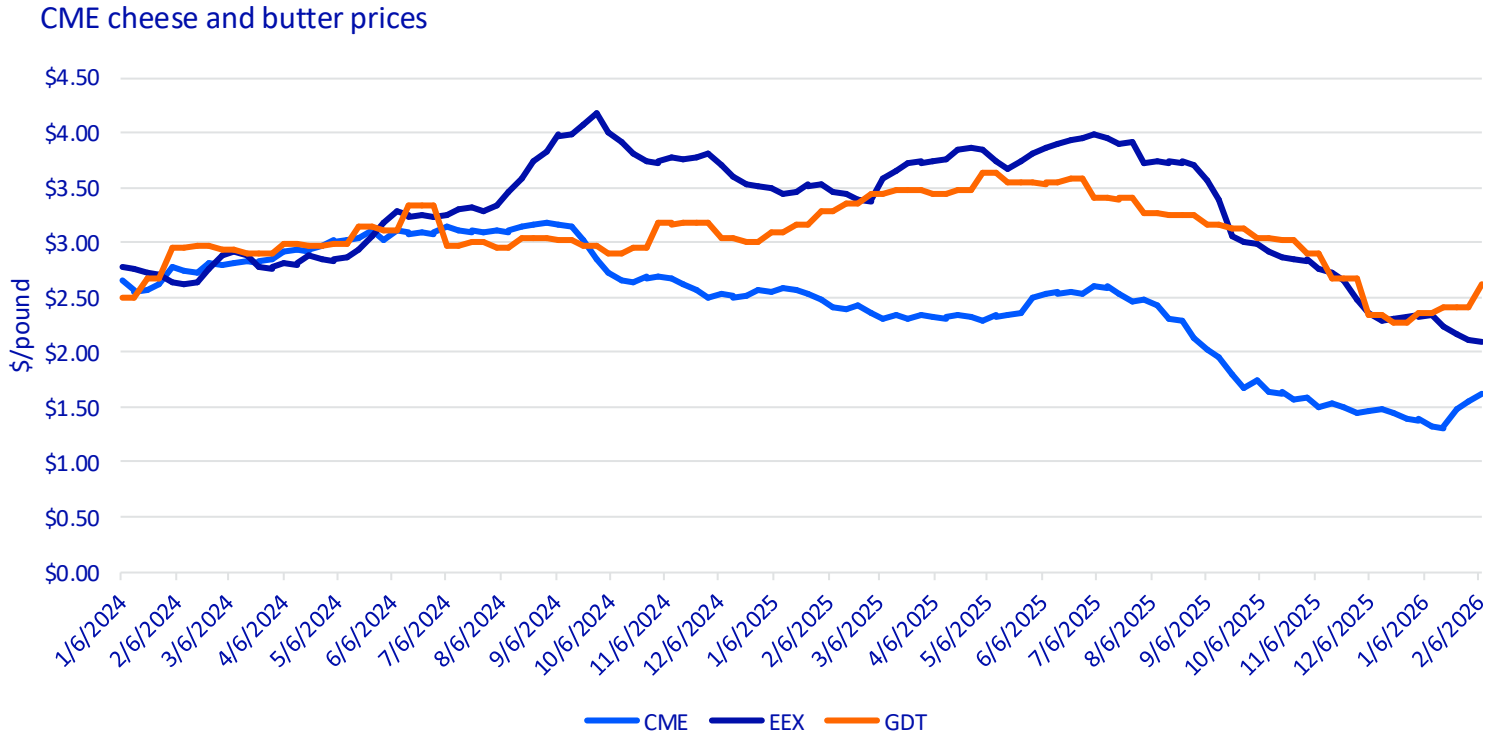
 Source: USDA, Rabobank 2025, CME

Global butter prices decoupled in September 2024



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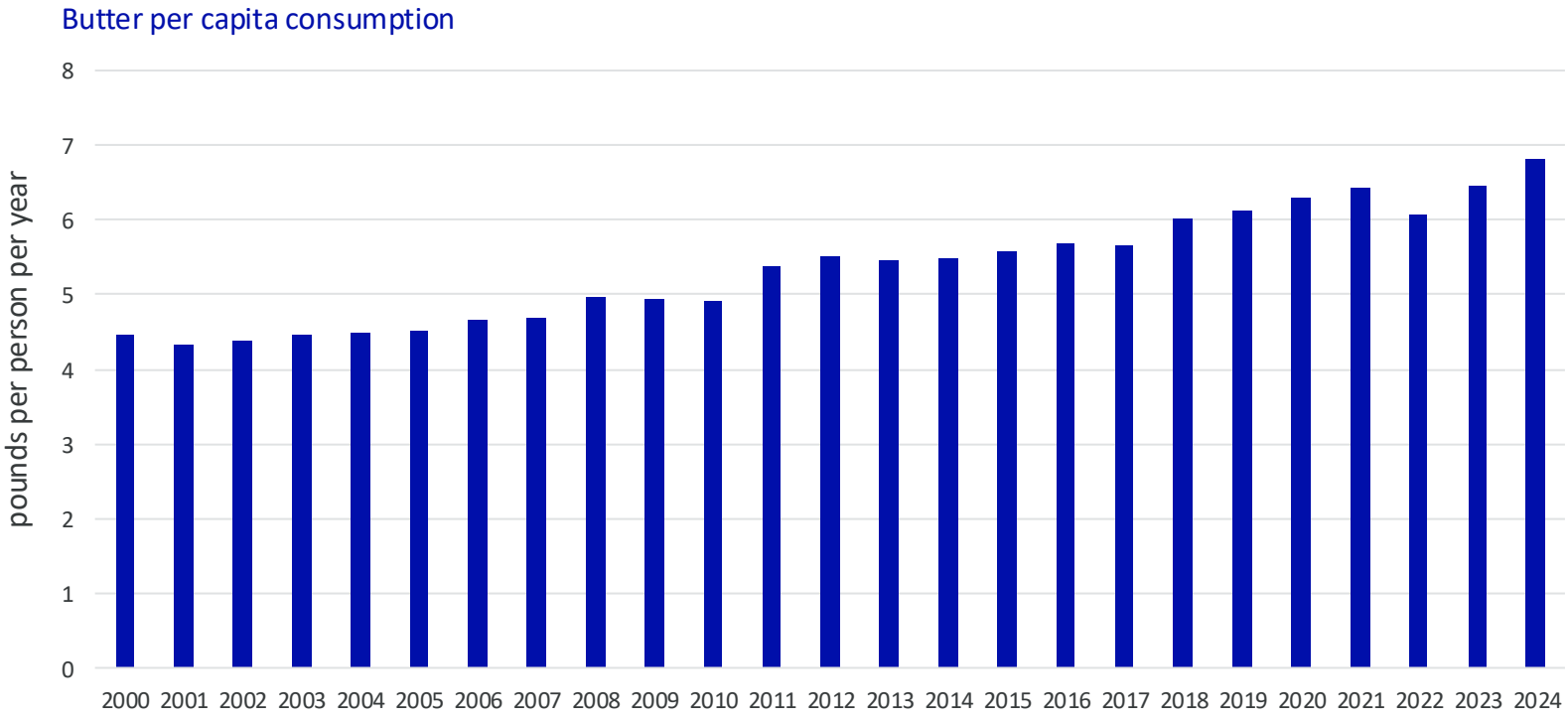
11 Source: USDA, Rabobank 2026, CME, EEX, GDT

Domestic butter demand hits new high in 2024



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Source: USDA, Rabobank 2026

Can we replicate our competitor successes?

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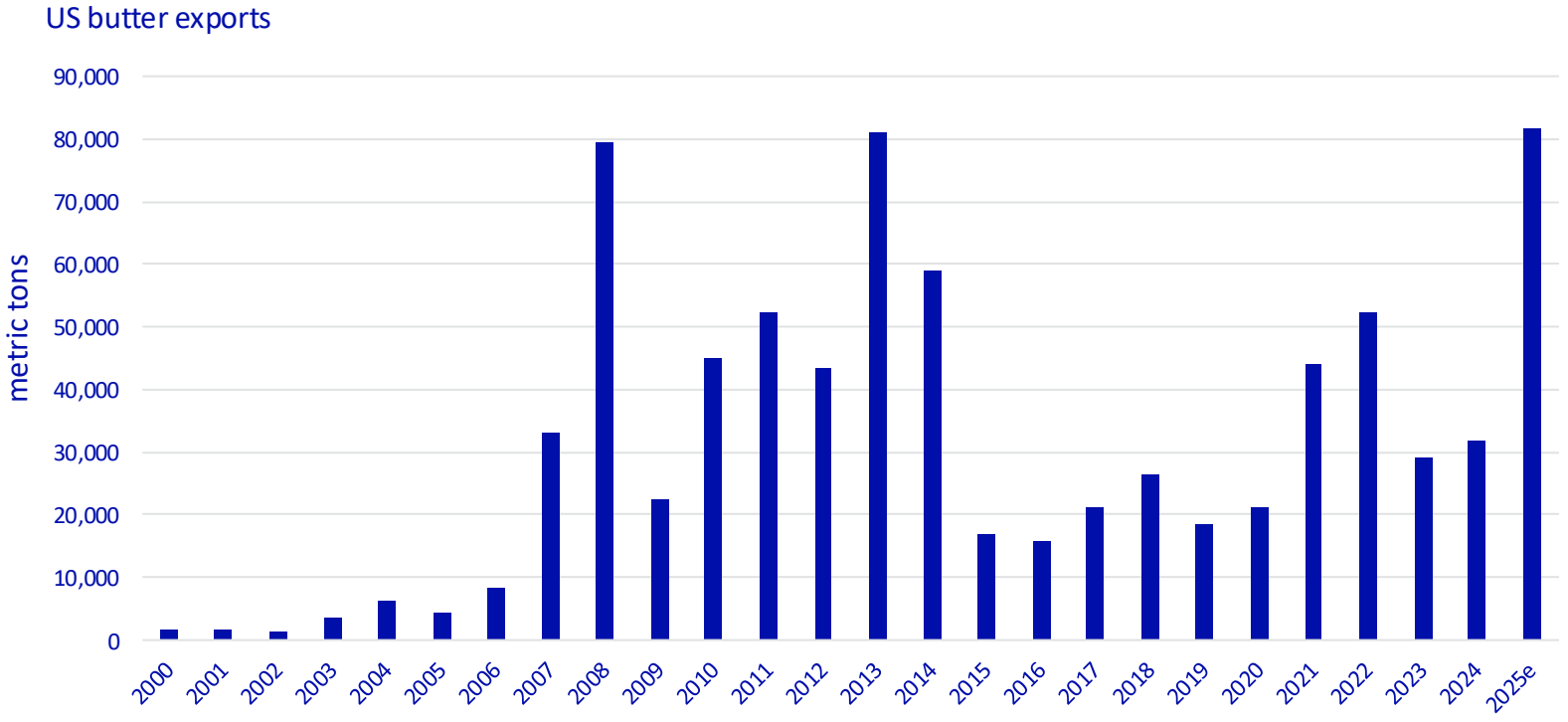
Source: USDA, Rabobank 2026

Butter exports will likely see a record year



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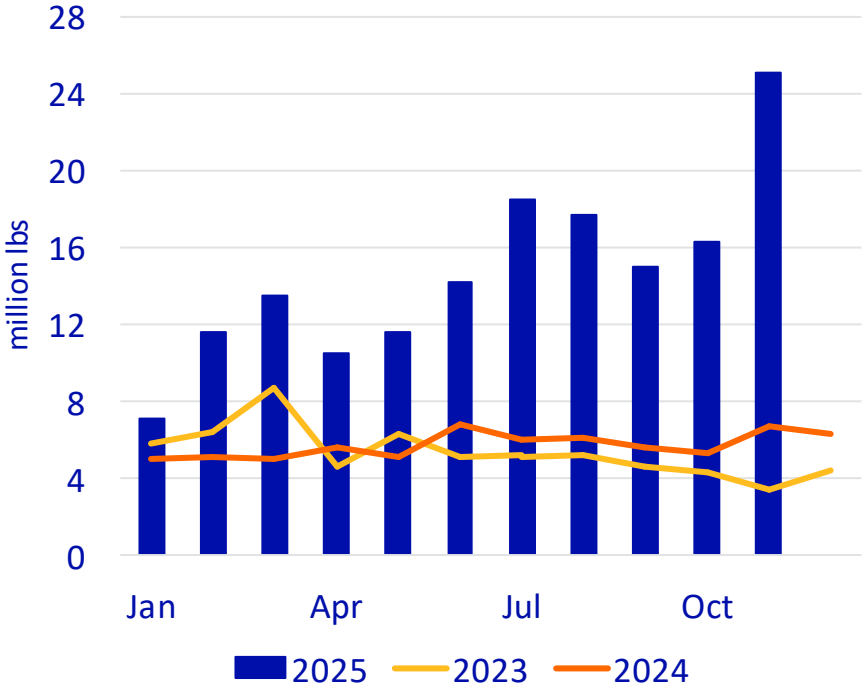
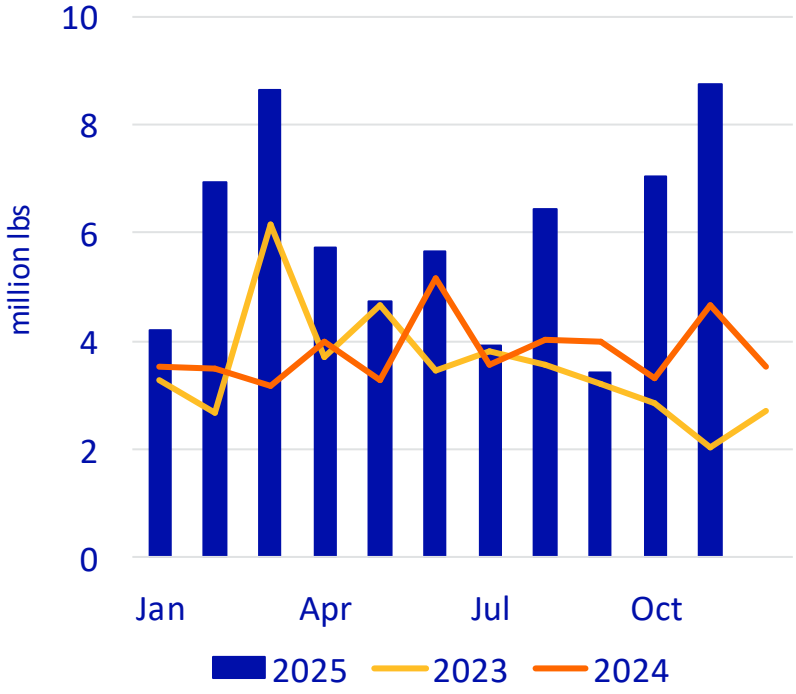
Source: USDA, Rabobank 2026

Butter exports will likely see a record year

US butter exports



US butter exports to Canada



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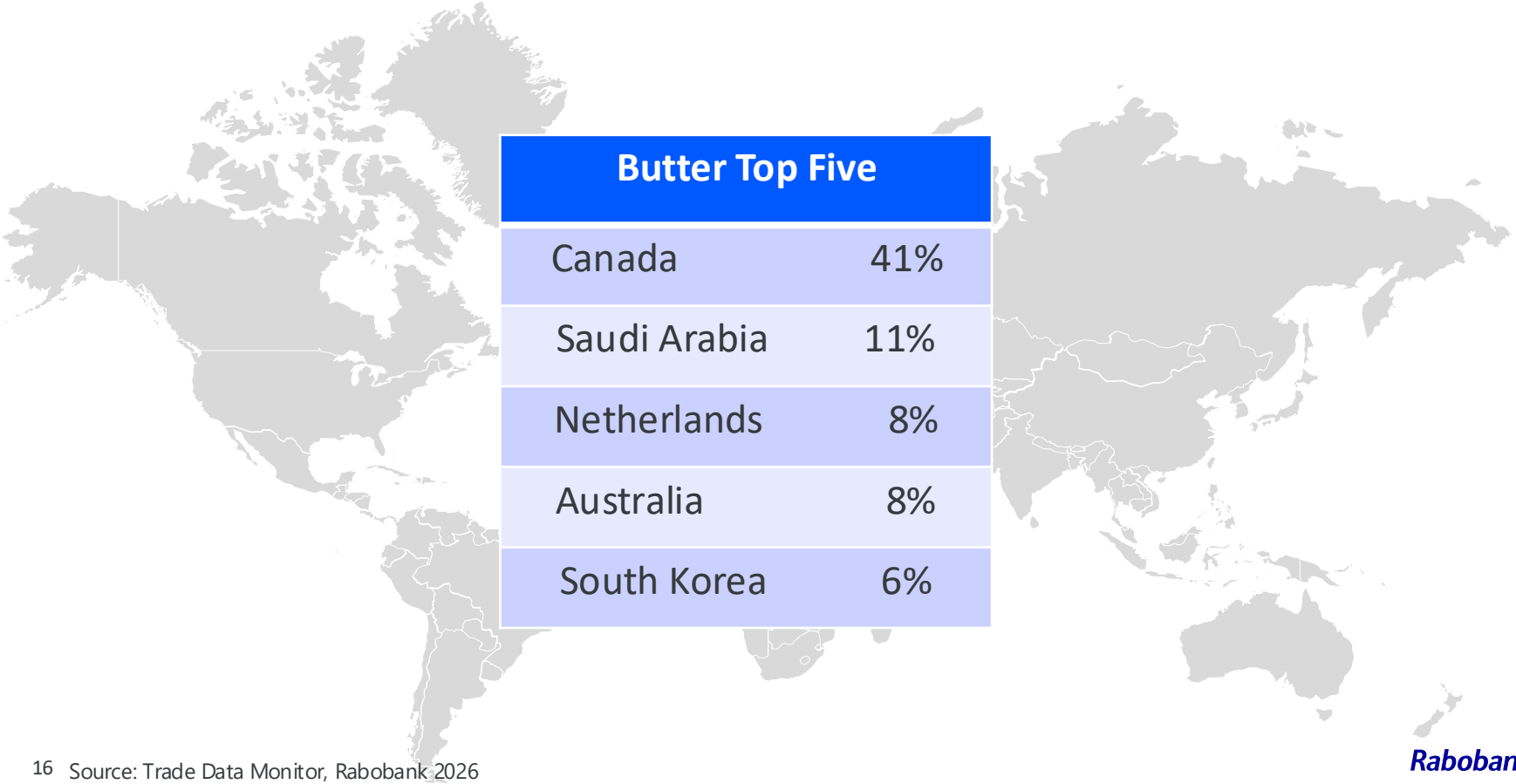
Source: USDA, Rabobank 2026

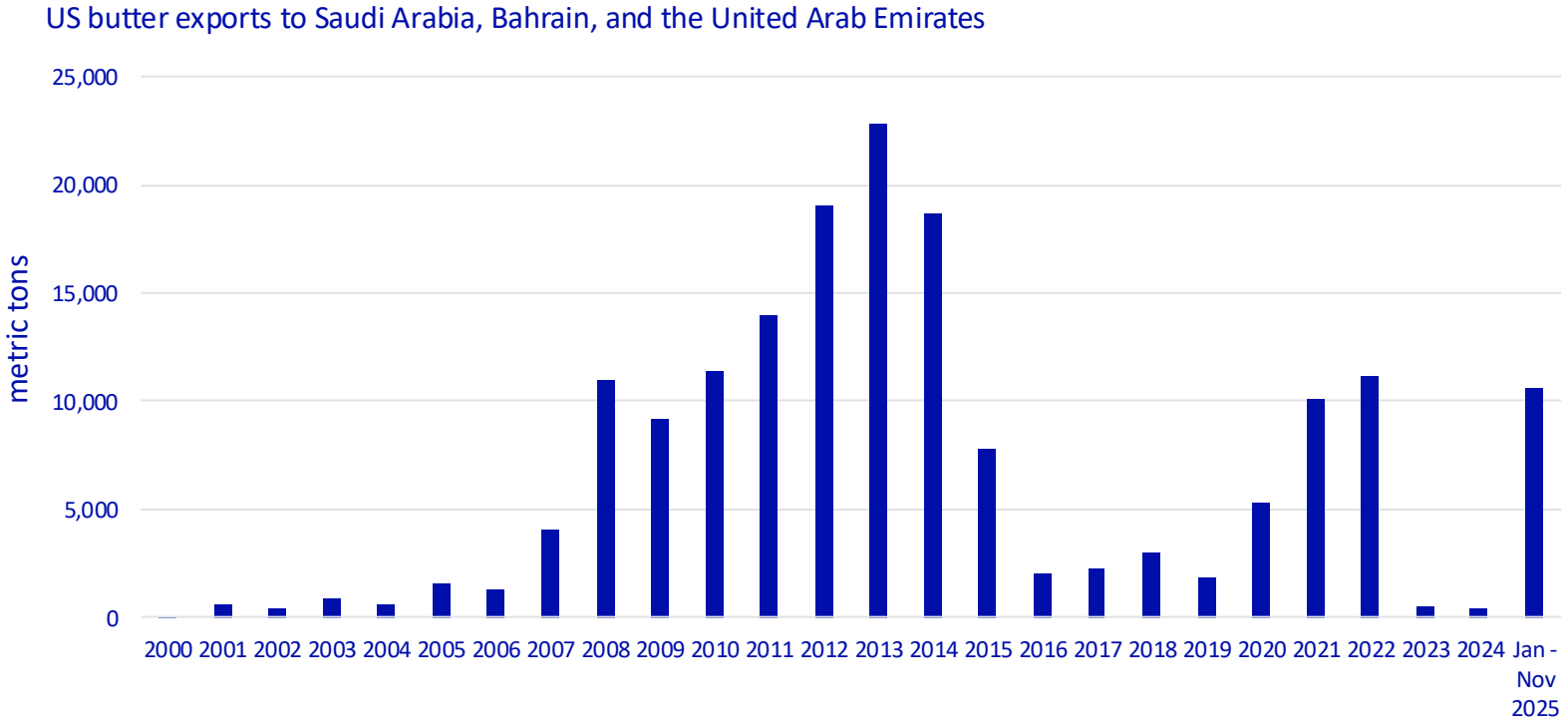
Top 2025 butter markets have vast continental distribution



Butter Top Five	
Canada	41%
Saudi Arabia	11%
Netherlands	8%
Australia	8%
South Korea	6%

Source: Trade Data Monitor, Rabobank 2026

US butter exports to the Middle East



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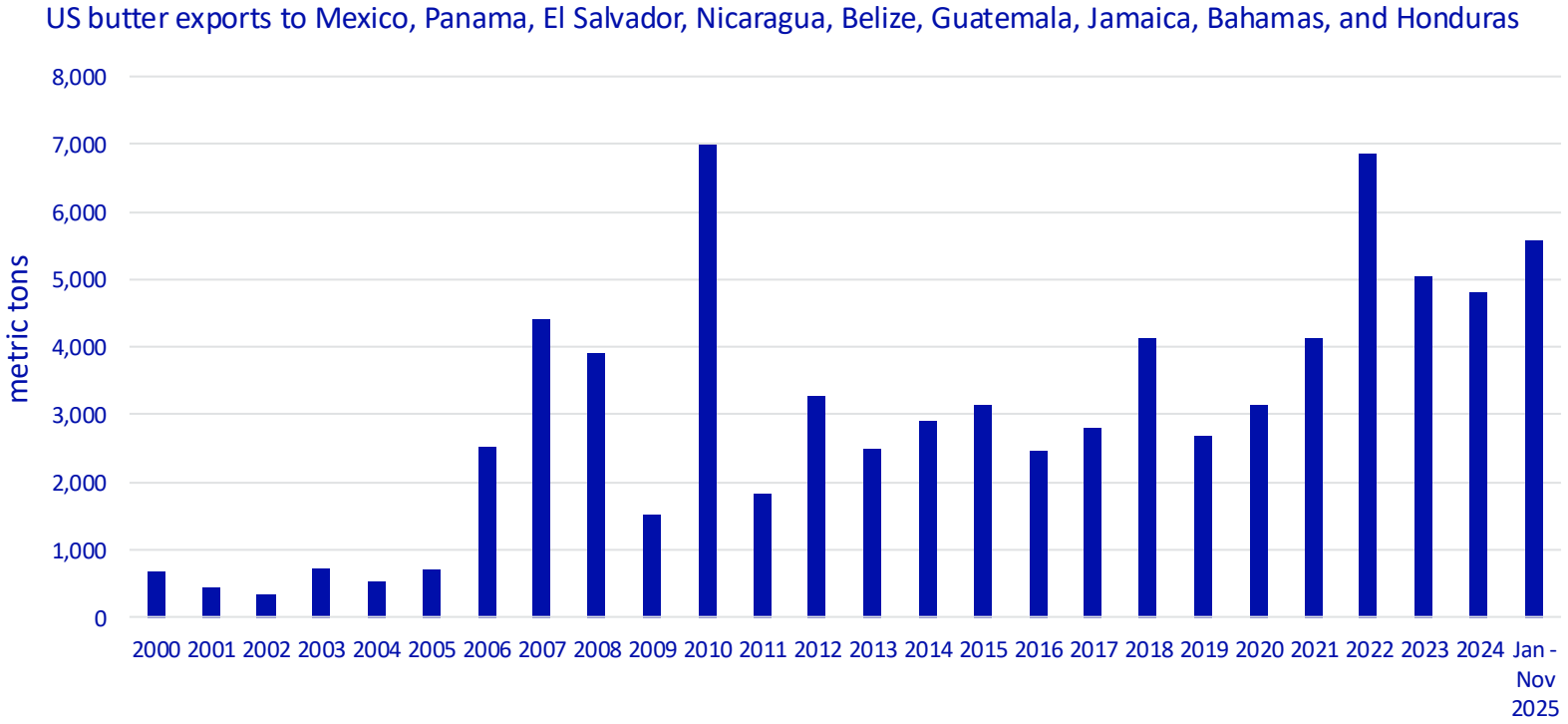
Source: USDA, Rabobank 2026

US butter exports to Central America/Caribbean



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Source: USDA, Rabobank 2026

Key butter takeaways

Global price competition: US versus EU/NZ butter price

Milkfat availability: Higher milk volume and record components in US

Policy and market access: USMCA advantage versus other global trade deals

Currency and freight: US dollar competitiveness and freight advantage to neighbors

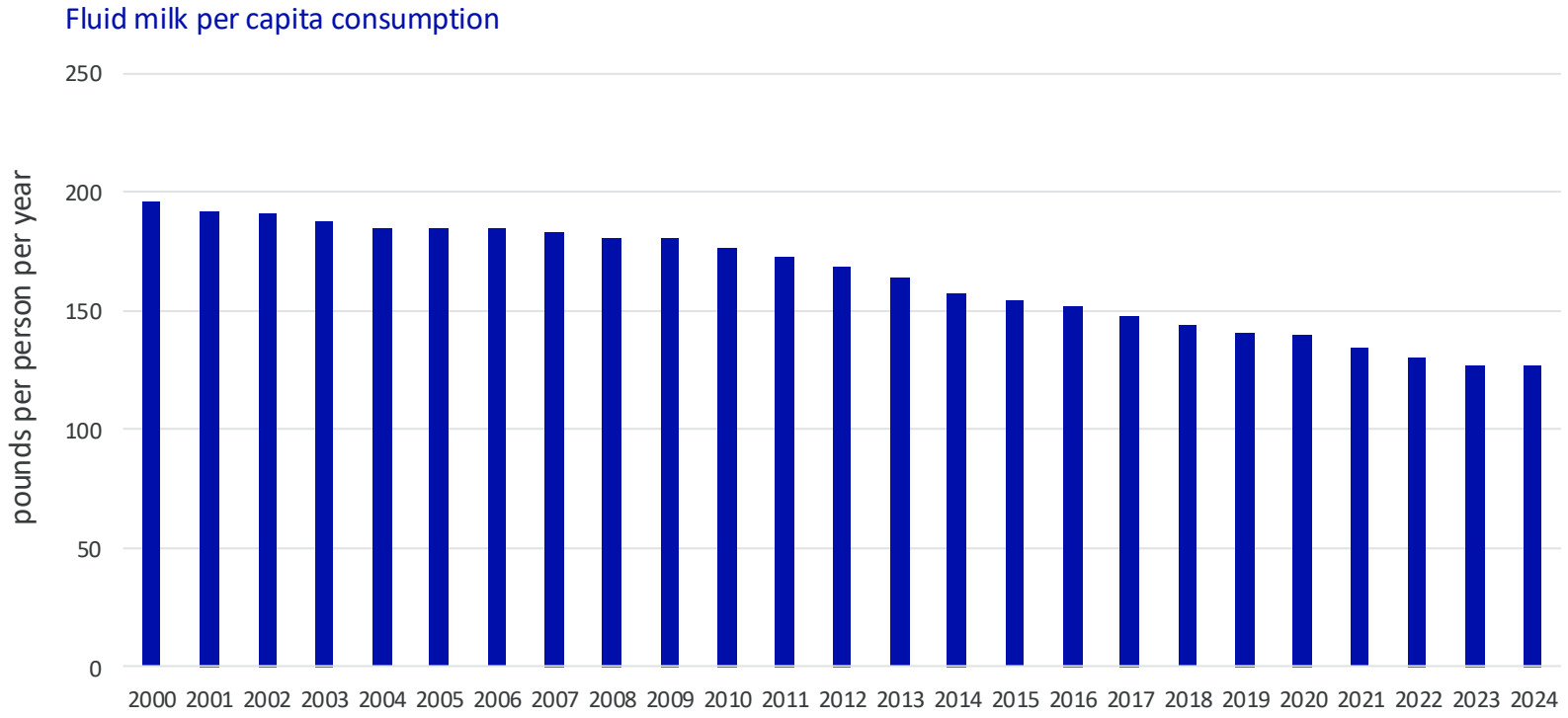
Format: bulk butter spec for bakery and foodservice usage

Defend and expand in North America: Canada, Mexico, Central America, and Caribbean

Grow as able to Asia and MENA: target tenders when price and logistics work

Source: Rabobank 2026

Domestic fluid milk demand in steady decline



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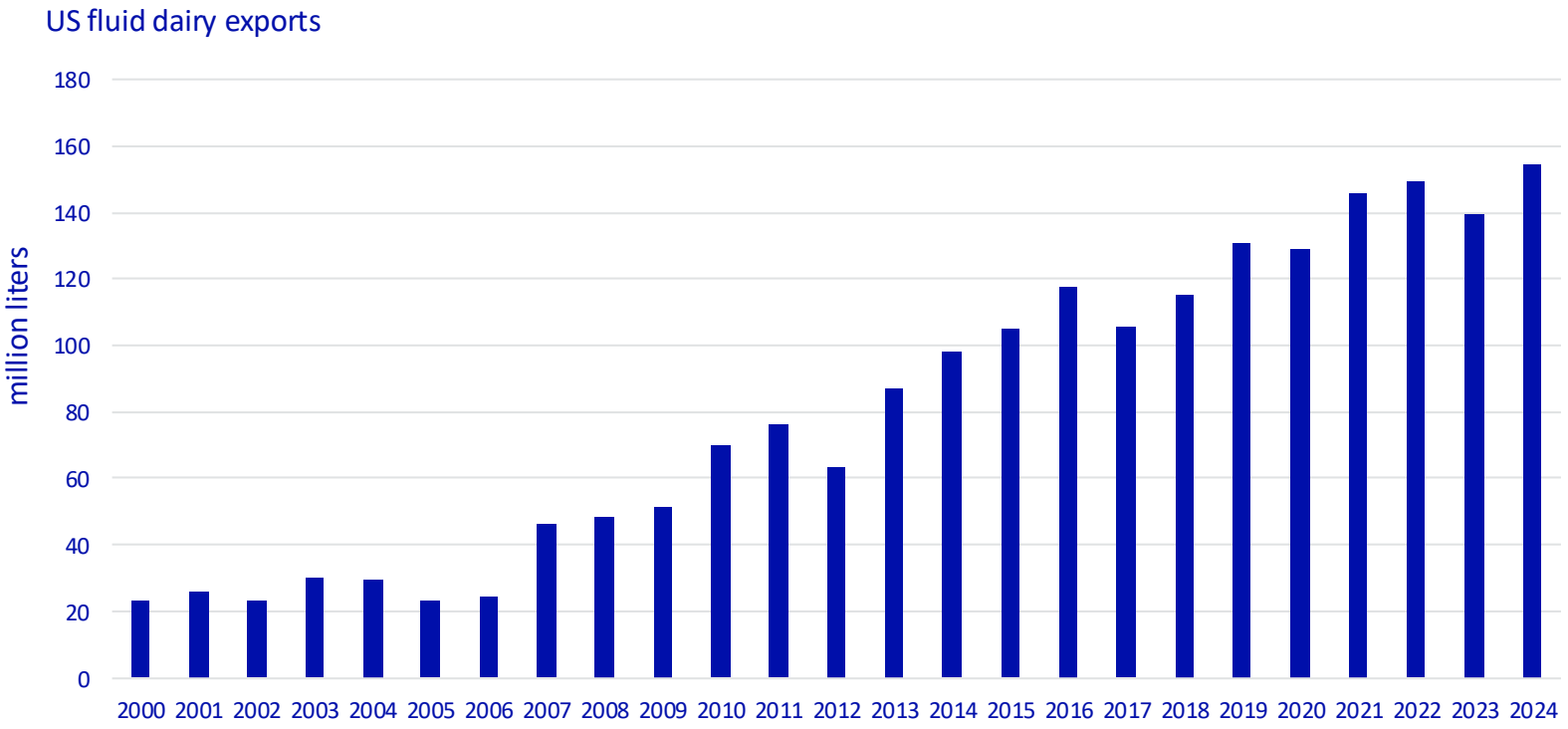
Source: USDA, Rabobank 2026

Fluid dairy exports see steady increase



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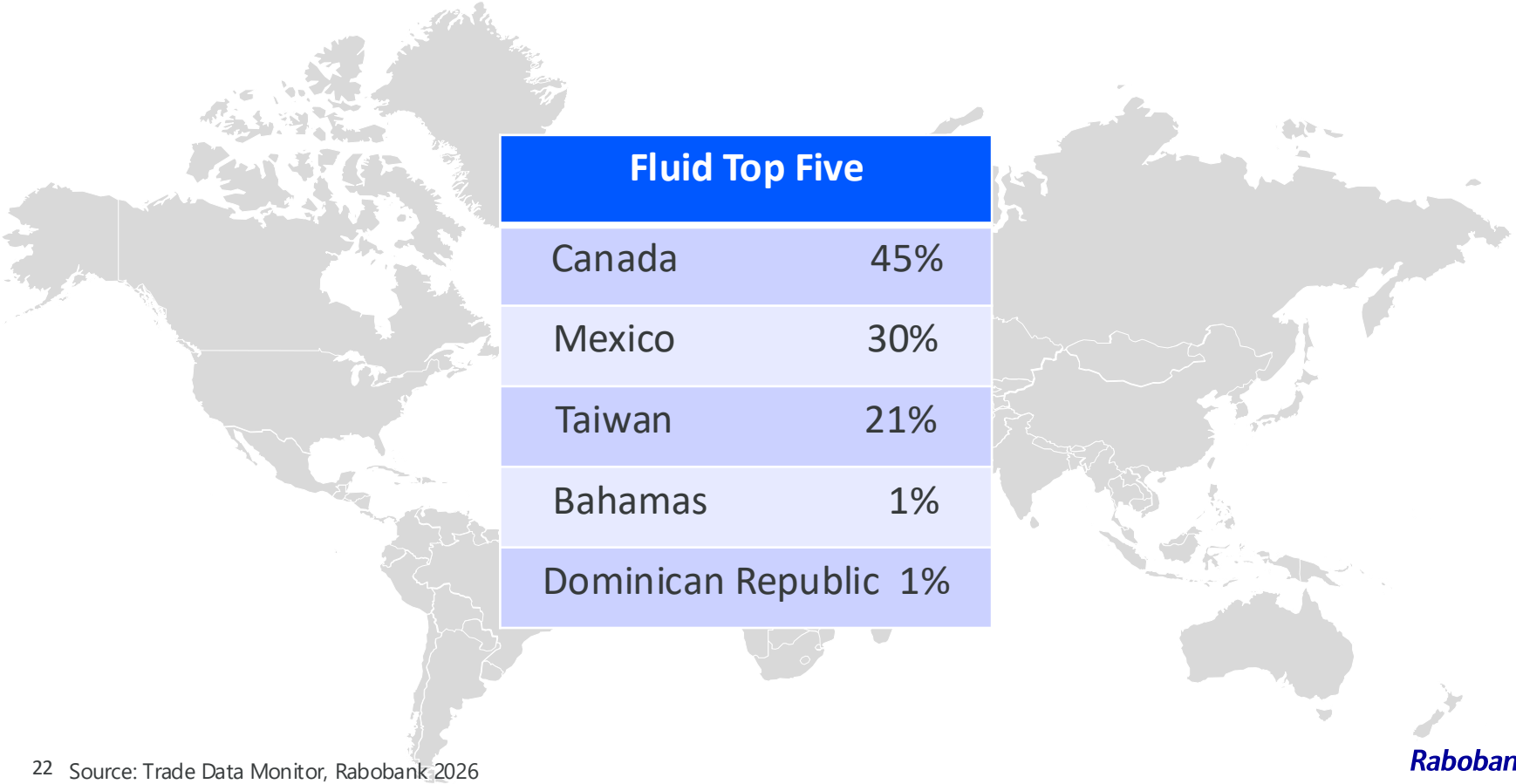
Source: USDA, Rabobank 2026

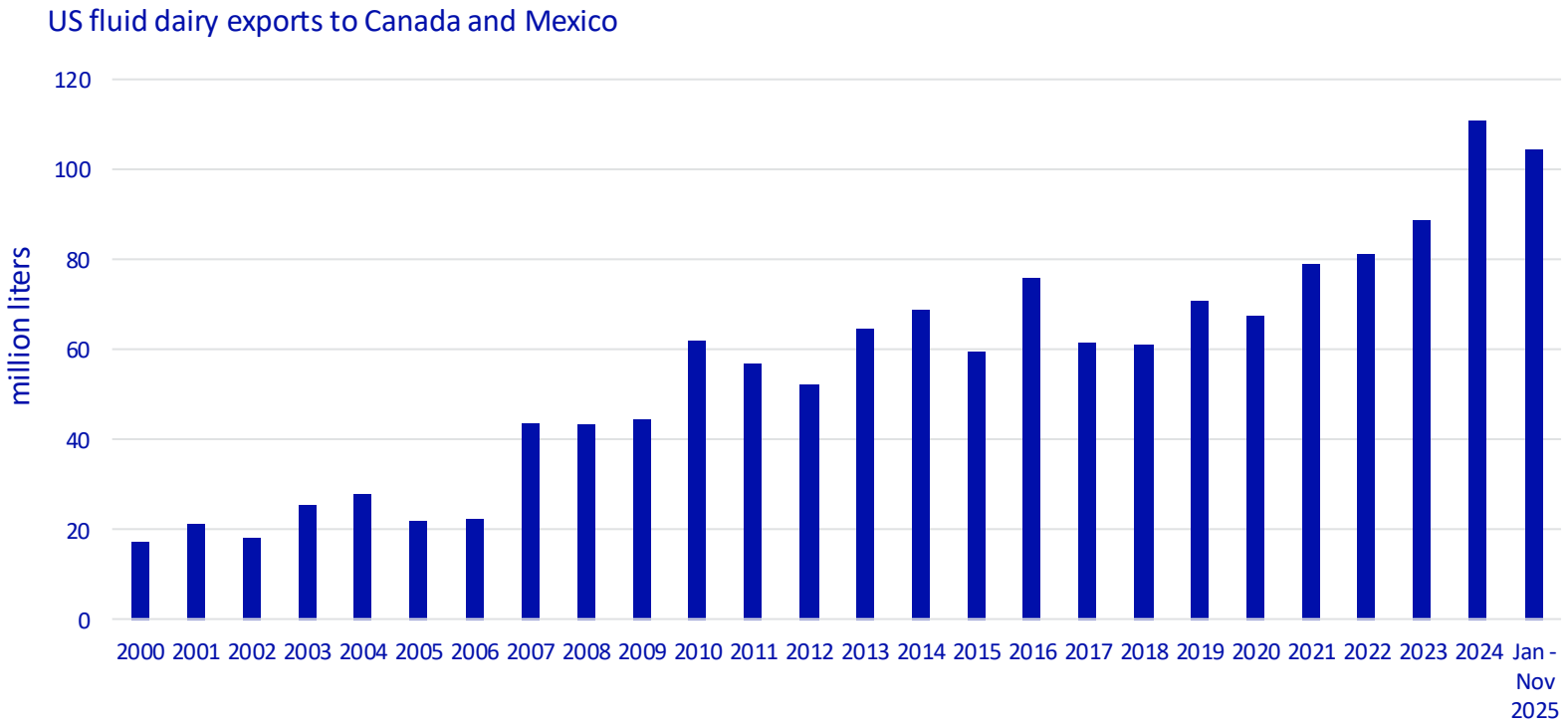
Top 2025 fluid markets focused in North America



Fluid Top Five	
Canada	45%
Mexico	30%
Taiwan	21%
Bahamas	1%
Dominican Republic	1%

Source: Trade Data Monitor, Rabobank 2026

US fluid dairy exports to our neighbors



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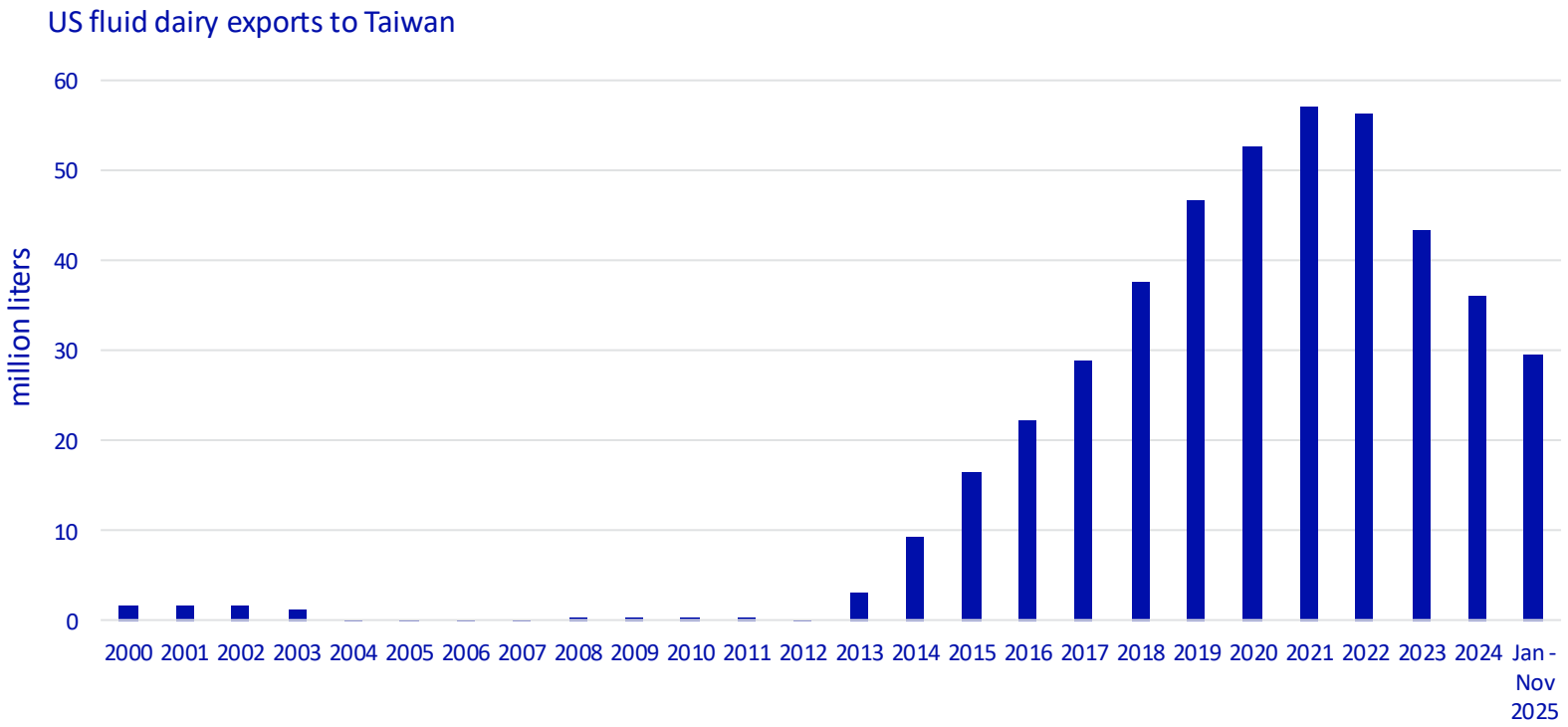
Source: USDA, Rabobank 2026

US fluid dairy exports to Taiwan under pressure



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Source: USDA, Rabobank 2026

Australia

Hong Kong brand, milk from China

China

Japanese brand, milk from Thailand

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Source: Rabobank 2026

Source: Rabobank 2026

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 Source: Rabobank 2026

Key fluid milk takeaways

Location advantage: higher cost shipping for a fluid product favors North America

Policy and market access: USMCA advantage versus New Zealand inking FTAs

Currency and freight: US dollar competitiveness and freight advantage to neighbors

Format: US brand, image, and packaging style for select sales channels

Defend and expand in North America: Canada and Mexico, primarily

Grow: Central America and Caribbean markets with location advantage

Grow: select Asian regions, but price, freight, and trade agreements are challenging

Source: Rabobank 2026

Thank you for your attention!

Lucas Fuess
Lucas.fuess@rabobank.com

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