



South American Dairy Market Overview

Agricultural Marketing Service
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Milk production is lighter in South America as seasonal patterns shift into the winter phase. Stakeholders note wet weather for some pastures in South America is also taking a toll on cow comfort. According to the National Oceanic and Atmospheric Administration, an El Niño weather event, which brings above average precipitation, is taking place that is likely to continue being active into next year. Industry sources report year-over-year milk production is up. Some stakeholders indicate margins for milk producers are stable, while others note they continue to slowly decline.

Manufacturers note milk output is sufficient to cover dairy commodity production schedules. Demand for skim milk powder and whole milk powder is lighter. Spot loads of both are more readily available. Sellers report buyers in Brazil are much more active than buyers in Algeria. Stakeholders convey the most recent Algerian ONIL tender is not being filled by South American powder production, which may add pressure to local markets contending with production outpacing demand.

Information for the period June 22 - July 3, 2026, issued biweekly

Secondary Sourced Information:

Per CLAL.it for January through May 2026 (compared to the same period in 2025)

- SMP exports for Argentina were 10,000 MT (+26.1)
- WMP exports for Argentina were 55,000 MT (+45.2%)

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