



European Dairy Market Overview

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Western Europe:

Prolonged hot and dry weather in Europe is raising concerns about dairy production as heat stress reduces milk yields and places additional strain on livestock. Producers are also facing deteriorating pasture conditions and higher feed requirements, increasing production costs and creating uncertainty for milk supplies if elevated temperatures persist through the summer.

European milk prices continued to weaken in April, marking the tenth consecutive monthly decline as abundant milk supplies and softer dairy commodity markets weighed on farmgate values. Average prices remained well below year-earlier levels, reflecting persistent pressure on producer profitability. Across much of the region, processors either lowered pay prices or maintained existing levels amid cautious demand and ample product availability. Although a handful of markets showed tentative signs of improvement, the broader pricing environment remained under pressure.

Eastern Europe:

Record-breaking heat has intensified across Eastern Europe, with countries including Hungary, the Czech Republic, Romania, Serbia, and parts of the western Balkans experiencing exceptionally high temperatures. The prolonged heat increases stress on livestock, reducing pasture quality, and raising concerns about milk production as dairy producers contend with higher cooling, water, and feed requirements. If the extreme weather persists, dairy output across parts of the region could come under additional pressure during the peak summer months.

Rising production costs are increasing financial pressure on Ukraine's dairy sector, prompting some producers to consider reducing herd sizes as input expenses continue to outpace milk returns. A smaller dairy herd could tighten raw milk availability later in the year, particularly if feed costs remain elevated and profitability fails to improve. The trend highlights ongoing challenges for Eastern European milk production despite continued efforts to maintain output under difficult operating conditions.

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