EU TRADE EXPLORER

Market evolution: Concentrated milk (CN 0402) — 2015–2025

Introduction

Concentrated milk and cream (CN 0402) remain a flagship export of the European Union. The product group covers skimmed and whole milk powders, sweetened and unsweetened forms, and condensed milk. Between 2015 and 2025, EU trade with non-EU partners evolved under the influence of strong price movements a reshuffling of destination markets and a remarkable expansion of domestic production. Overall export value rose by **5.6 %** while shipped volume fell by **15.9 %**, resulting in a **25.6 %** jump in average unit value. Imports, though far smaller, grew **24.1 %** in value, and the EU's trade surplus expanded by **4.5 %**. This report identifies three central dynamics that shaped the decade: a price-driven value story, a geographic reorientation of exports, and a structural reinforcement of self-sufficiency.

Scope & Definitions

1. Price Boom Drowns Out Volume Decline

An apparent near-stagnation of export turnover hides a deep transformation: values barely budged, but the underlying quantities shrank substantially as world prices soared.

Export value held up only because unit prices surged by more than a quarter

The value of EU concentrated milk exports stood at **€3 332 million** in 2015 and closed at **€3 519 million** in 2025 (Overall trade overview). Over the same period, the tonnage shipped fell from **1 503 thousand tonnes** to **1 264 thousand tonnes** (−15.9 %). The resulting average export price climbed from **€2 217/t** to **€2 785/t** (+25.6 %). Hence, the modest headline value growth of +5.6 % entirely reflects price inflation; physical sales contracted every year on average.

Indicator	2015	2025	Change
Export value (€)	3 331 679 476	3 519 290 707	+5.6 %
Export quantity (tonnes)	1 502 893	1 263 770	−15.9 %
Export unit price (€/t)	2 217	2 785	+25.6 %

The 2022 price shock created an abnormally high spike

Export prices peaked in 2022 at **€3 541/t** (maximum of the series), pushing the annual export value to its all-time high of **€4 376 million**. The shock detection algorithm flagged a **39.3 % price shift for China** in 2022, an abnormality score of 101.1, while Algeria, Yemen, the Dominican Republic and others also experienced price shocks above 35 %. These events were driven by global dairy market tightness and post-pandemic logistics disruptions, temporarily inflating unit values across many destinations. After 2022, prices retreated but remained well above the 2015–2020 norm.

Import growth, though dynamic, stays marginal

Imports rose from **€188 million** to **€234 million** (+24.1 %), with quantity nearly flat at **120 thousand tonnes** (+1.5 %). The import price rose **22.3 %**. The EU's immense trade surplus therefore widened from **€3 143 million** to **€3 285 million** (+4.5 %).

2. Market Map Redrawn: Middle East Gains as Asia and Africa Retreat

The geographies of EU exports have been reshaped by diverging trends among the top trading partners, with Middle Eastern and Gulf countries filling the space left by declining Asian and African buyers.

Chinese demand collapsed after a mid-period peak

China was the EU's second-largest export market in 2015, absorbing **€222 million** worth of goods. Shipments surged to **€490 million** in 2021 before falling to just **€159 million** in 2025, a net drop of **−28.3 %** over the full window (Top export partners). The sharp contraction after 2022 was amplified by very high prices and China's own increased domestic production.

Nigeria's steep decline adds to the African retreat

Nigeria plummeted from **€172 million** to **€97 million** (−43.6 %), a consequence of import restrictions and worsening foreign-exchange shortages. Meanwhile, Algeria remained the single largest market, moving from **€311 million** to **€337 million** (+8.2 %).

Saudi Arabia, Oman and the United Kingdom become growth engines

Saudi Arabia jumped **39.7 %** to **€266 million**, Oman surged **53.7 %** to **€225 million**, and the United Kingdom gained **27.9 %** to **€263 million**. Together, these three markets more than compensated for the losses elsewhere.

Export partner	2015 (€ million)	2025 (€ million)	Change
Algeria	311	337	+8.2 %
China	222	159	−28.3 %
United Kingdom	206	263	+27.9 %
Saudi Arabia	190	266	+39.7 %
United Arab Emirates	147	141	−3.9 %
Oman	147	225	+53.7 %
Nigeria	172	97	−43.6 %

Import sources: Ukraine's meteoric rise

On the import side, the United Kingdom remained the largest supplier, though its value contracted **−20.7 %** to **€135 million**. In contrast, Ukraine surged from **€0.6 million** to **€50.5 million** (+8 124 %), a direct effect of trade liberalisation and the need to redirect supplies after 2022. New Zealand and the United States also recorded triple-digit growth, starting from small bases.

3. Production Boom Locks in European Self-Sufficiency and Specialisation

Behind the trade figures lies a profound structural change: EU production of concentrated milk more than doubled, sharply raising the bloc's net export position and specialisation intensity.

Domestic output doubled in volume and quadrupled in value

According to production statistics, the EU produced **1.48 million tonnes** of concentrated milk in 2003 (first available year) and **3.52 million tonnes** in 2024 (+138.6 %). Production value jumped from **€1.75 billion** to **€9.65 billion** (+449.8 %). This surge was driven by productivity gains and higher farm-gate milk prices, allowing the EU to maintain a large exportable surplus even as domestic absorption increased.

Export propensity rises, net import reliance deepens

The share of production exported (value basis) climbed from **20.0 %** in 2015 to **36.4 %** in 2024 (Export propensity). Net import reliance (negative values denote net-exporter status) fell from **−22.4 %** to **−52.3 %** (Net import reliance), meaning the EU's dependence on foreign powder shrank even further. The bloc is now a more assertive net exporter than a decade ago.

Specialisation and concentration patterns remain stable yet marked by national champions

Export concentration (Herfindahl-Hirschman Index) stayed low, moving from **384** to **403** (HHI concentration), confirming a highly diversified customer base. By contrast, import concentration dropped from **8 128** to **4 028**, reflecting the rise of new suppliers like Ukraine and New Zealand. At member-state level, specialisation data for 2025 highlights Ireland (RSCA 0.6041), France (RSCA 0.2903), Belgium (0.2369) and Lithuania (0.2197) as the most specialised exporters, while several central and eastern European countries show very low or negative RSCA values.

Conclusion

The EU's concentrated milk sector has undergone a decade of silent transformation. Headline export value barely changed, but the underlying picture is one of shrinking volumes compensated by a historic price rally, especially the supply-driven spike of 2022. Geographically, the EU successfully pivoted toward booming Middle Eastern markets even as Chinese and Nigerian demand faded. On the production side, a doubling of domestic output has dramatically raised export propensity and reinforced the EU's role as the world's leading net supplier. The main risks going forward relate to the high volatility of export prices and the continued dependence on a handful of top buyers, but the bloc's deep specialisation and diversified client base provide a solid cushion.

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