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MD DA124 Butter - Oceania

MADISON, WI. October 12, 2017 (REPORT 41)

OCEANIA
INFORMATION GATHERED 10/02/2017 - 10/13/2017
U.S. DOLLARS PER METRIC TON, FOB PORT

BUTTER:

Butter prices in Oceania weakened. Milk production this season in both New Zealand and Australia is projected higher than last season. While reported production for New Zealand is off to a slower than expected start, a seasonal increase is still projected. At this early point in the season, anecdotal reports are that current export activity with China, in particular, is very active. However, buyers are not desperate and still negotiate hard. The most recent reported butter export data is from August.

January-August Australian butter exports, 7,612 MT, declined 50.3 percent from the same period one year earlier, according to Eucolait. The range of monthly percentage changes in cumulative export volumes varies from -54 percent in June, to -36.7 percent in April. Export volumes and primary destinations are shown in the following table:

Australia Butter Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	1,618	20.4
Malaysia	1,314	16.5
Singapore	1,281	16.1

January-August New Zealand butter exports, 163,347 MT, declined 15.1 percent from the same period one year earlier, according to Eucolait. The range of monthly percentage changes in cumulative export volumes varies from -30.3 percent in January, to -11.8 percent in June. Export volumes and primary destinations are shown in the following table:

NZ Butter Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	36,485	22.3
Australia	14,706	9.0
Iran	7,882	4.8

January-August China butter imports, 54,071 MT, increased 13.9 percent from the same period one year earlier, according to Eucolait. The range of monthly percentage changes in cumulative import volumes varies from -29.9 percent in January, to +13.9 percent in August. Import volumes and primary origins are shown in the following table:

China Butter Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	46,069	85.2
France	4,203	7.8
Australia	1,622	3.0

At GDT Event 197 on October 3, the butter all contracts price, $5,837, decreased 3.6 percent. The November contract, $6,180, increased 1.0 percent.

The Dairy Market News international monthly average price in dollars /metric ton for Oceania butter prices in September, 2017, $6,230, compares with $3,860 one year earlier.

82% BUTTERFAT:	5,600 - 6,200

0930c eric.graf@ams.usda.gov
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