

MD_DA127

Whole Milk Powder - Oceania

Report 35 - Released on August 30, 2018

WHOLE MILK POWDER (WMP):

Oceania whole milk powder prices are lower. WMP is the dominant dairy product of the region. The price range this year peaked at the end of April, and the general trend has been lower since then. Current pricing is tugging at levels that manufacturers feel will assure desired profitability. That said, many buyers now expect that there will be WMP readily available in coming months. There is substantial financial investment in plant capacity to make WMP, especially in New Zealand. Production efficiencies will help to keep milk flowing to WMP plants. These factors of higher milk output and substantial plant capacity have liberated buyers to be more aggressive in pricing they will accept.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; \$/MT: 2,850 - 2,975

Information for the period August 20 - 31, 2018, issued biweekly

Secondary Sourced Information:

WMP production in Australia July 2017-June 2018, 82,499 MT, increased 30.2 percent from the previous annual production season, according to Dairy Australia. June 2018 production, 5,767 MT, was up 31.4 percent from June 2017. Throughout the production season, only April 2018 was lower than the previous year.

New Zealand WMP exports January-June 2018, 794,000 MT, increased 0.5 percent from 2017 according to CLAL. Top purchasers, MT purchased, and percent change from 2017 are: China, 210,035 MT, -10.68 percent; United Arab Emirates, 69,111 MT, +5.23 percent; and Algeria, 80,878 MT, +6.31 percent.

At GDT event 218 on August 21, the all contracts price, \$2,883 declined 2.1 percent. The September contract price, \$2,963, declined 8.2 percent.

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