

Whole Milk Powder - Oceania

Report 3 - Released on January 17, 2019

Whole milk powder prices firmed in Oceania. It is true that WMP production remains active. Some observers believe more WMP may be available than at this time last year. However, current demand and meeting contract obligations each keep WMP moving. Most scheduled Q1 2019 production has been committed. With some remaining Q1 as well as Q2 contracting still being discussed, manufacturers anticipate that what is produced will be sold. WMP remains the default priority Oceania dairy product because margins are typically good. Many foreign buyers have come to depend on WMP from Oceania, especially from New Zealand.

Australia was a net exporter of WMP through November 2018. Exports were nearly twice the magnitude of imports. China was the most significant destination for Australian WMP exports. New Zealand was the largest single source of WMP imports. Total WMP exports are a bit less than twice total imports.

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

Price Range - 26% Butterfat; \$/MT: 2,725 - 2,800

Information for the period January 7 - 18, 2019, issued biweekly

Secondary Sourced Information:

WMP exports from Australia January-November 2018 were up 5.6 percent from January-November 2017, according to CLAL. The table below shows the top export destinations and country percent change comparing January-November 2018 with 2017. Almost twice as much is exported to China than the other five countries combined.

Australia WMP Exports

Destination	% Change Jan.-Nov. 2018/2017
China	+44.4
Thailand	+80.3
Bangladesh	+77.5
Singapore	-39.4
Oman	+37.5
Algeria	+125.0

WMP imports to Australia January-November 2018 were up 6.2 percent from January-November 2017, according to CLAL. The table below shows the top import origins and country percent change comparing January-November 2018 with 2017. Imports from New Zealand are over five times greater than total combined imports from the other listed countries.

Australia WMP Imports

Origin	% Change Jan.-Nov. 2018/2017
New Zealand	-0.1
Austria	+92.2
Germany	+483.0
Netherlands	+0.4
Belgium	+21.2
United States	+166.0

WMP imports by China January-November 2018 increased 6.7 percent from January-November 2017, according to CLAL. New Zealand overwhelmingly dominates the top sources, supplying nearly nine times more WMP to China than the next six countries shown in the table below combined. The table below shows the top import origins and country percent change comparing January-November 2018 with 2017.

China WMP Imports

Origin	% Change Jan.-Nov. 2018/2017
New Zealand	+2.3
Australia	+41.6
Belarus	+1,104.3
France	-16.7
United States	+11.2
Netherlands	+29.5
Spain	+311.0

At GDT event 228 on January 15, the WMP all contracts price, \$2,777, increased 3.0 percent. The February contract price, \$2,783, increased 4.1 percent.

Published by:

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