

Butter/Butteroil - Europe

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Butter prices in Western Europe dipped slightly at the low end of the price range while increasing at the top. Some manufacturers were seeking to entice sales from buyers holding back. Other buyers in some locations were motivated to close deals with preferred manufacturers. These factors led to the mixed price outcome. The overall market is considered stable for the mainstay of transactions, excepting the specific situations mentioned. Butteroil prices are slightly lower. A number of buyers are being cautious about making commitments.

Retail demand for packaged butter in early February is relatively stable. Slight price declines are noted in Germany, also Netherlands. Overall it is viewed as a stable market. Block butter needs for Q1 2019 seem to have been mostly covered already. Buying focused on Q 2 is proceeding, but the most buying interest is for the second half of 2019. Sellers tend to be reticent to commit for the second half unless buyers will meet the seller price. It remains a sellers' market because sellers firmly do not want to get in a position of having committed now at lower prices than may prevail later in the year. There is great seller confidence that they will do just fine selling bulk butter closer to the second half and there is little seller urgency to commit now for then. Buyers are the opposite.

The Japanese entity ALIC has announced a butter tender on February 28, with the delivery deadline July 31, 2019. Another butter tender on March 14, 2019, has an August 30, 2019 delivery deadline. Another tender on April 11, 2019, has a September 30, 2019 delivery deadline. A total of 8,000 MT is scheduled between the three events.

Western Europe, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 4,850 - 5,375

Western Europe, 99% Butterfat, Free on Board - Port Butteroil  
Price Range - \$/MT: 6,300 - 6,625

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