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Whole Milk Powder - Oceania

Report 17 - Released on April 25, 2019

Whole milk powder prices in Oceania are up at the low end of the price range but lower at the top. Current pricing is profitable for most manufacturers, recognizing that higher prices are always welcome. There seems to be expectations for pricing to remain relatively steady in coming months, even as seasonal factors reduce milk production.

That negates urgency to close deals in terms of locking in prices. The timing of need for WMP is now the primary driver of transactions. With Western European pricing being similar to Oceania pricing, buyers who like to play off the regions have little to work with right now.

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

Price Range - 26% Butterfat; \$/MT: 3,275 - 3,350

Information for the period April 15 - 26, 2019, issued biweekly

Secondary Sourced Information:

WMP exports from Australia January-February 2019, 6,800 MT, were down 41 percent from January-February 2018, according to CLAL. There was something of a preference to make butter over WMP with the lower milk available this season. Less WMP was available to export.

The table below shows the top export destinations and country percent change comparing January-February 2019 with January-February 2018.

AUSTRALIA WMP EXPORTS  
JAN-FEB 2019

| DESTINATION | % CHANGE  |       |
|-------------|-----------|-------|
|             | 2019/2018 | MT    |
| CHINA       | -11       | 2,327 |
| THAILAND    | -29       | 1,710 |
| SINGAPORE   | -24       | 946   |

At GDT event 234 on April 16, the WMP all contracts price, \$3,269, decreased 0.7 percent. The May contract, \$3,301, decreased 0.5 percent.

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