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Whole Milk Powder - Oceania

Report 13 - Released on March 26, 2020

In Oceania whole milk powder prices are lower. While the weaker prices are disappointing to manufacturers and dairy producers, some industry officials noted that the weakness was less than recent futures markets suggested would occur. Pricing declining less than had been expected is attributed to an unexpected influx of increased buying interest for near term delivery from some countries in Southeast Asia this reporting period.

Manufacturers have noted buying interest and requests for delivery from China are returning toward normal. In some instances, expedited movements through ports in China are available for dairy imports. However, there is still a way to go to climb back to normal. That leaves a downward factor on pricing for now. Current WMP pricing can be accommodated but is disappointing, especially in New Zealand, which is the leading global exporter of WMP. Pricing near or above \$3,000 is typically considered a good profitability point. Oceania WMP prices have been trending lower since late 2019, according to CLAL data made available to USDA. Many would like to see a trend reversal.

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

Price Range - 26% Butterfat; \$/MT: 2,750 - 2,850

Information for the period March 16 - 27, 2020, issued biweekly

Secondary Sourced Information:

At GDT event 256 on March 17, the WMP all contracts price, \$2,797, decreased 4.2 percent. The April contract, \$2,830, decreased 3.1 percent.

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