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Whole Milk Powder - Oceania

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Whole milk powder pricing in Oceania is mixed. Lower range prices are weaker. Upper range prices are steady. Manufacturers report displeasure with current pricing and the weaker trend. Profit margins are quite slim at these price levels. This has led to some milk being diverted to making SMP, which is more profitable now.

That is hoped to also help strengthen WMP prices in the near term, if less is being made. WMP emphasis will increase in a month or so to meet obligations due at the end of the milk production season. There is a lot of focus on WMP prices because this is the most significant driver of the seasonal milk price. Pricing in coming weeks will also roll into projections estimating prices for the coming new season.

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

Price Range - 26% Butterfat; \$/MT: 2,625 - 2,800

Information for the period April 27 - May 8, 2020, issued biweekly

Secondary Sourced Information:

At GDT event 259 on May 5, the WMP all contracts price, \$2,745, increased 0.1 percent. The June contract, \$2,800, increased 1.2 percent.

New Zealand exports of WMP January - March 2020 declined 10 percent from January - March 2019, according to Eucolait. March 2020 WMP exports declined 13 percent YOY. The weaker exports are attributed to weaker demand from Southeast Asia, China, the Middle East, and North Africa.

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