

MD\_DA124

Butter/Butteroil - Oceania

Report 39 - Released on September 24, 2020

Butter prices in Oceania moved slightly lower. Some New Zealand dairy observers believe this was partly a blow back from higher prices two weeks ago at a level that many people had not expected -- a trading correction in that sense. So the current pricing movement is not viewed as any trend shift, just continuation of ebbs and flows often driven by factors such as whether larger export buyers get the urge to buy sooner than had been expected, or conversely decide not to buy when had been expected. Pricing near the current level is expected to register in coming months. Most butter plants are running heavy production schedules.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,250 - 3,400

Information for the period September 14 - 25, 2020, issued biweekly

Secondary Sourced Information:

New Zealand butter exports January - July 2020, 263,000 MT, decreased 9.7 percent from January - July 2019, according to CLAL data made available to USDA. The main export destinations January - July 2020, quantities, and percent change YTD, were China, 48,771 MT, +22 percent; Australia, 19,979 MT, +1.1 percent; and Philippines, 17,539 MT, -8.8 percent.

Butter exports from Australia January - July 2020, 7,200 MT, decreased 43 percent from January - July 2019, according to CLAL data made available to USDA. The main export destinations January - July 2020, quantities, and percent change YTD, were Thailand, 1,445 MT, -42.9 percent; China, 1,190 MT, -13.2 percent; and United States, 519 MT, -73.5 percent.

At GDT event 268 on September 15, 2020, the butter all contracts price, \$3,282, decreased 1.4 percent. The October contract, \$3,315, decreased 9.7 percent.

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