

MD_DA128

Cheese - Oceania

Report 39 - Released on September 24, 2020

Cheddar prices in Oceania increased. The price strength is driven by late year contracts and demand. Cheese plants are in good shape for current sales but a degree of buying uncertainty concerning conditions in late 2020 is leading to some willingness to pay slightly more to be assured of deliveries.

Good spring weather in New Zealand has comforted concerns some buyers had about the milk supply there moving forward. But recent years have demonstrated that weather events can spring up and become impediments to previous expectations. That risk factor is still present with some buyers. Another uncertainty is whether major export customers, such as Japan and China, might find a need to increase ordering, especially if the retail and food service sectors gain more strength.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,
Price Range - \$/MT: 3,625 - 3,725

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

Secondary Sourced Information:

New Zealand cheese exports January - July 2020, 192,000 MT, decreased 8.3 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 Japan, 38,771 MT, -10.5 percent; China, 37,876 MT, -3.3 percent; and Australia, 25,465 MT, -13.4 percent.

Cheese exports from Australia January - July 2020, 89,000 MT, decreased 3 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 Japan, 43,459 MT, -5.2 percent; China, 10,978 MT, +7.7 percent; and South Korea, 4,922 MT, -2.9 percent.

At GDT event 268 on September 15, 2020, the cheddar all contracts price, \$3,674, increased 7.2 percent. The October contract, \$3,636, decreased 0.3 percent.

Published by:

Dairy Market News - Madison, WI

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