

MD\_DA124

Butter/Butteroil - Oceania

Report 5 - Released on February 04, 2021

The Oceania butter price range moved up. Regional butter price increases, even with a price range well higher than for Western European butter, speaks to the challenge in producing enough butter to satisfy customers. Most dairy sources in New Zealand attribute strong butter buying to China. Australian exports have slowed, in substantial part due to the exigencies of domestic demand. Some export deals are made with a premium to induce exporters to commit. Seasonally declining regional milk intakes leave buyers disinclined to adopt a wait and see approach to butter buying. Buyers are closing deals to lock in supplies. Contracted volumes are being readily taken.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 4,775 - 5,050

Information for the period January 25 - February 5, 2021, issued biweekly

Secondary Sourced Information:

At GDT event 276 on January 19, 2021, the butter all contracts price, \$4,735, increased 4.6 percent. The February contract, \$4,821, increased 6.7 percent.

Butter exports from Australia January - November 2020, 14,000 MT, decreased 12.2 percent from January - November 2019, according to CLAL data made available to USDA. The main export destinations January - November 2020, quantities, and percent change YTD, were China, 3,044 MT, +90.25 percent; Thailand, 2,069 MT, -39.22 percent; and United States, 1,237 MT, -42.69 percent.

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