

MD\_DA124

Butter/Butteroil - Oceania

Report 7 - Released on February 18, 2021

The Oceania butter price range strengthened. There is no doubt that less Oceania butter will be available in coming months. The question is what the pacing of declining production and stocks will be. This tends to help deals close when buyers have resolved their needs.

Oceania pricing continues to be higher than in Western Europe. The most significant butter making area of New Zealand is the Waikato region of the upper North Island. Regardless of weather factors, the remoteness of that region within New Zealand tends to increase the cost of making and shipping butter out. Additionally, with increasing concern over dryness and heat in that area, beyond seasonal milk production declines, concern with the potential for diminished butter production related to weather is increasingly of concern. That also pushes on prices.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 4,925 - 5,200

Information for the period February 8 - 19, 2021, issued biweekly

Secondary Sourced Information:

At GDT event 278 on February 16, 2021, the butter all contracts price, \$5,129, increased 2.0 percent. The March contract, \$5,180, increased 3.2 percent.

Seasonal butter exports from Australia July - December 2020, 7,994 MT, increased 88.1 percent from July - December 2019 according to Dairy Australia.

Published by:  
Dairy Market News - Madison, WI  
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