

MD_DA124

Butter/Butteroil - Oceania

Report 9 - Released on March 04, 2021

The Oceania butter price range increased far more than most Oceania dairy sources had expected. The low end of the price range reflects prices of butter last week which are eclipsed by suddenly much higher prices this week. The price strength comes from export purchasers, mostly seeking butter from New Zealand. The purchasers are generally from North Asia seeking New Zealand butter. Australian butter is mostly committed to domestic markets. Moreover, annual New Zealand butter export volumes are tens of times greater than from Australia, which is not a significant player in butter exports compared with New Zealand.

Now there is uncertainty as to whether the current price level can stand. It is well above prices of the leading global butter exporter, the European Union, where milk production is seasonally increasing. Moreover the surprising price increase has some potential buyers feeling that there may not be much more upward price potential, thus contemplating stepping back in case there are weaker prices ahead.

Oceania, 82% Butterfat, Free on Board - Port Butter

Price Range - \$/MT: 5,075 - 5,950

Information for the period February 22 - March 5, 2021, issued biweekly

Secondary Sourced Information:

At GDT event 279 on March 2, 2021, the butter all contracts price, \$5,826, increased 13.7 percent. The April contract, \$5,925, increased 14.4 percent.

Calendar year 2020 butter exports from Australia, 11,372 MT, increased 2.1 percent from calendar year 2019 according to Eucolait. Top 2020 export destinations, quantity exported, and percent of calendar year 2020 exports include China, 3,181 MT, 28 percent; Singapore, 1,430 MT, 12.6 percent; and Malaysia, 1,344 MT, 11.8 percent.

Calendar year 2020 butter exports from New Zealand, 233,339 MT, decreased 13.8 percent from calendar year 2019 according to Eucolait. Top 2020 export destinations, quantity exported, and percent of calendar year 2020 exports include China, 62,094 MT, 26.6 percent; Australia, 28,524 MT, 12.2 percent; and Russia, 17,984 MT, 7.7 percent.

Butter Export Volumes and Percent Change 2019/2020

Country	Volume MT	Percent Change
EU	259,033	+4.7
New Zealand	233,339	-13.8
USA	21,623	+0.8
Australia	11,372	+2.1

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