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Whole Milk Powder - Oceania

Report 11 - Released on March 18, 2021

Oceania whole milk powder recorded an increased low range price but a lower top range price. The adjustment at the top was not too unexpected following the magnitude of unexpected price strength two weeks ago. The continuing price strength is viewed as affirmation of very good buyer demand.

One source commented that increased volumes of WMP were offered at GDT event 280 this week and prices only slightly declined, with virtually all WMP offered having been sold. Once again, China was a significant buyer. Proximity to New Zealand is cited as a current factor mitigating any potential price driven significant shift toward sourcing in Western Europe, considering current shipping challenges.

Additionally, New Zealand has WMP available to ship even with a declining milk production season. WMP produced earlier in a season in anticipation of later season sales is the normal pattern. Western Europe is limited in WMP available to export. This also helps keep Asian buyers from shopping much in the northern Hemisphere. Many New Zealand manufacturers and observers thus believe WMP prices will remain elevated in the short term. With WMP the greatest factor in New Zealand seasonal milk pay prices, producers and manufacturers are both pleased with current pricing.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; \$/MT: 4,050 - 4,350

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

Secondary Sourced Information:

At GDT event 280 on March 16, 2021, the WMP all contracts price, \$4,083, decreased 6.2 percent. The April contract, \$4,070, decreased 6.7 percent.

WMP exports from Australia July 2020 - January 2021, 26,184 MT, decreased 10.8 percent from July 2019 - January 2020 according to Dairy Australia.

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