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Whole Milk Powder - Oceania

Report 17 - Released on April 29, 2021

Oceania whole milk powder prices pushed the range top higher. Low range prices remained steady. Almost all available WMP was purchased at the last GDT event. WMP buyers were also making deals at some manufacturing plants at prices different from the GDT price range. China was a significant buyer this period. New Zealand WMP manufacturers believe stocks of WMP in China are a bit low because milk produced there is tending to go toward fluid milk. That has increased demand for milk powder imports.

WMP buyers from many other regions are also in the fray. With WMP prices being considered high, New Zealand manufacturers have increased WMP manufacturing schedules. While a mix of SMP and butter may be more profitable than WMP, demand for WMP from New Zealand is more certain. That was the decisive factor in increasing WMP production at the expense of butter and SMP.

The typical annual pattern is for New Zealand WMP export volumes to trend lower from now until the seasonal low in August. Then WMP exports begin to increase in September. It may not be until November that WMP export volumes exceed April volumes. That fact of life is keeping contracting activity quite active and leading to deals closing quite readily when a buyer still needs WMP coverage.

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

Price Range - 26% Butterfat; \$/MT: 4,075 - 4,125

Information for the period April 19 - 30, 2021, issued biweekly

Secondary Sourced Information:

At GDT event 282 on April 20, 2021, the WMP all contracts price, \$4,097, increased 0.4 percent. The May contract, \$4,083, increased 0.1 percent.

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