

MD_DA104

Butter/Butteroil - Europe

Report 43 - Released on October 28, 2021

European butter and butteroil prices have each risen significantly in the last two weeks. Industry contacts report demand for packaged butter is outpacing production. Some contacts think the trend of higher butter prices will continue, and buyers may be trying to stock up to avoid any potential further price increases. Milk and cream deliveries are nearing the low point for the year, and butter makers are having a tough time staying ahead of the demand. In some cases, manufacturers are finding it more economical to sell off the cream than make butter, even with the strong butter prices. Interest for block butter is increasing. Processors have been meeting the demand by taking butter out of frozen inventories. Butter stocks are shrinking. While inquiries are still coming in, some contacts think demand for butter used in processing may be getting mostly covered through the end of the year.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 5,400 - 6,275

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 5,950 - 6,525

Information for the period October 18 - 29, 2021, issued biweekly

Secondary Sourced Information:

EU butter production during January-August 2021 is 1,435,230 MT, a decrease of 1.1 percent from January-August 2020 according to CLAL data made available to USDA. Among some of the top butter producers, January -August 2021 butter production and the percentage change compared with January-August 2020 are Germany, 326,070 MT, -4.7 percent; France, 276,810 MT, -1.7 percent; Ireland, 196,120 MT, +4.8 percent; and Poland, 153,430 MT, -5.2 percent.

Butter and other fats exports from the EU27 January - August 2021, 175,000 MT, decreased 20.8 percent from January - August 2020 according to CLAL data made available to USDA. Main destinations January - August 2021, quantity, and percent change from last year are United Kingdom, 30,206 MT, -32.17 percent; United States, 30,009 MT, -1.59 percent; and China, 13,663 MT, +19.04 percent.

Published by:

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