

MD_DA124

Butter/Butteroil - Oceania

Report 11 - Released on March 17, 2022

The Oceania butter price range is up at the low end but down at the top. This resulted in a very narrow price range. There has been a feeling that buyer resistance to the historically high-top range price would lead to a pull back.

North Asia once again purchased the largest quantity of butter at this event, but EU buyers sharply increased their purchase volumes compared to the previous event. North American buyers purchased a larger than normal volume of butter at this event. Top range prices for Western European butter are far higher than for Oceania butter. This reflects how very tight butter has become in Europe. There are many challenges in getting butter from Oceania to EU countries, but when Western European butter is very expensive and scarce, that is a great motivator to shop around. Market participants project that they will look for continuing overall butter price strength.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 6,950 - 7,000

Information for the period March 7 - 18, 2022, issued biweekly

Secondary Sourced Information:

At GDT event 304, on March 15, 2022, the butter all contracts price, \$6,958, decreased 1.8 percent. The April contract, \$6,980, decreased 1.6 percent.

New Zealand exports of butter January 2022, 38,000 MT, decreased 15.8 percent from January 2021 according to CLAL data made available to USDA. The top export destinations, volumes, and percent change from January 2021 to January 2022 are: China, 9,827 MT, +12.69 percent; Egypt, 2,636 MT, -5.80 percent; and Saudi Arabia, 2,280 MT, -26.80 percent.

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