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Skim Milk Powder - Europe

Report 13 - Released on March 31, 2022

SMP prices in Western Europe pushed higher at each end of the price range. This reflects very high long term and short-term demand facing tight supplies.

The obvious outcome is reflected in pricing strength and more short-term contracting - generally at the insistence of manufacturers. Sellers have become wary of being obligated to future deliveries at obsolete pricing. They are also emboldened to be insistent by the line of customers often waiting to close deals. The tightness of current milk supplies is not the only factor sources mention. There is also uncertainty about milk availability in coming months. This is compounded by uncertainty as to the cost of running dryers related to being able to access sufficient natural gas at tolerable prices should Russian supplies be shut off.

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

Price Range - 1.25% Butterfat; \$/MT: 4,400 - 4,700

Information for the period March 21 - April 1, 2022, issued biweekly

Secondary Sourced Information:

Western European SMP production during January 2022, decreased 2.4 percent from January 2021 according to CLAL data made available to USDA.

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