

MD_DA127

Whole Milk Powder - Oceania

Report 13 - Released on March 31, 2022

This is one of the occasional periods when the GDT skips to a three-week gap. Because that is happening following an unexpected dip in WMP prices, non-GDT transactions are proceeding with caution. Buyers and sellers are still evaluating why the last GDT WMP downturn surprised as many people as it seems to have.

Some Kiwis have advanced the idea that a quick unexpected flush in February milk output in New Zealand, coupled with COVID related worker shortages in processing plants, required processing adjustments to handle the higher intakes. The result was de-emphasizing production of instant WMP in favor of more WMP. That adjustment in output affected the relative availability of instant WMP and WMP, putting more WMP than had been expected out for sale. Other analysts believe that softening demand in China for WMP is responsible.

However, that now leaves buyers pondering whether WMP pricing will rebound, remain steady, or move lower. That is the great uncertainty which is suddenly an uncharacteristic component of WMP markets which for a while had been steadily trending higher. For now, market participants expect cautious contracting until at least the next GDT event during the first full week of April.

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

Price Range - 26% Butterfat; \$/MT: 4,550 - 4,725

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

Secondary Sourced Information:

New Zealand exports of WMP January - February 2022, 247,000 MT, decreased 16.6 percent from January - February 2021 according to CLAL data made available to USDA. The top export destinations, volumes, and percent change from January - February 2021 to January- February 2022 are: China, 86,147 MT, -38.17 percent; Indonesia, 18,667 MT, +71.33 percent; and Bangladesh, 16,617 MT, +18.63 percent.

Australian exports of WMP July 2021 - January 2022, 35,033 MT, increased 38.9 percent from July 2020 - January 2021, according to Dairy Australia.

Published by:

Dairy Market News - Madison, WI

Eric Graf, 608.422.8590

Email: Eric.Graf@usda.gov

Additional Dairy Market News Information:

Dairy Market News (DMN) by Phone: (608)422-8602

DMN Website: <https://www.ams.usda.gov/market-news/dairy>

DMN MARS (My Market News): <https://mymarketnews.ams.usda.gov>