

MD_DA104

Butter/Butteroil - Europe

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European butter prices marked a large increase last week before easing back this week. However, the net effect was an increase in butter prices at both ends of the price range. Butteroil prices also increased significantly, but the bottom of the price range closed lower than the previous period. Contacts report that delays in receiving production supplies have created disruptions in butteroil production and very tight inventories. In the lead up to spring holidays, industry sources note strong retail orders for packaged butter. The holiday, along with the first signs of the asparagus season, have primed consumers' tastes for butter. However, industry contacts are concerned how the higher prices may set with consumers following the holiday. Block butter demand from industrial accounts has fluctuated. While buyers seem to have some short-term needs filled, they are trying to find ways to construct longer-term deals. However, butter makers are not interested in locking in these deals because of the potential price risk and market uncertainties created by tight milk supplies and potentially volatile energy costs. Bulk and packaged butter inventories are tight.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 7,575 - 8,075

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 6,700 - 9,825

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MIKE BANDLI, (608)422-8592

Email: mike.bandli@usda.gov

Additional Dairy Market News Information:

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

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