



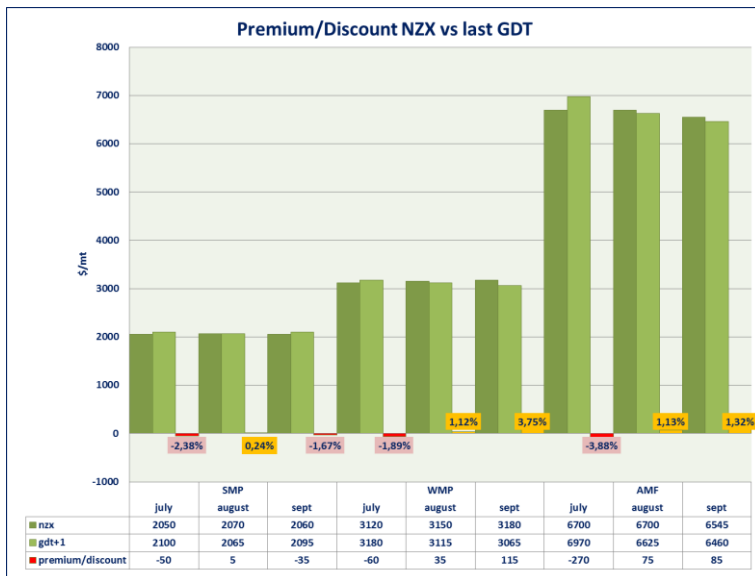
GDT event 192 heads-up

After a run of six successive gains in previous events and small losses in the last two events, it will be interesting to see tomorrow's outcome of GDT event 192. The Event takes place against the background of increasing milk production in most parts of the world but subdued trading activity because of the summer holiday season in the northern hemisphere.

On offer on tomorrow's GDT event 192;

Sales Group Maximum Supply (MT)	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	Contract 6
Anhydrous Milk Fat	105	830	710	685	475	0
Butter Milk Powder	-	-	-	-	-	0
Butter (Butter)	55	495	510	565	445	0
Cheddar	-	180	440	400	100	0
Rennet Casein	50	175	100	100	50	0
Skim Milk Powder	-	1.675	1.650	1.363	1.300	0
Whole Milk Powder	500	4.500	4.000	3.550	2.085	0

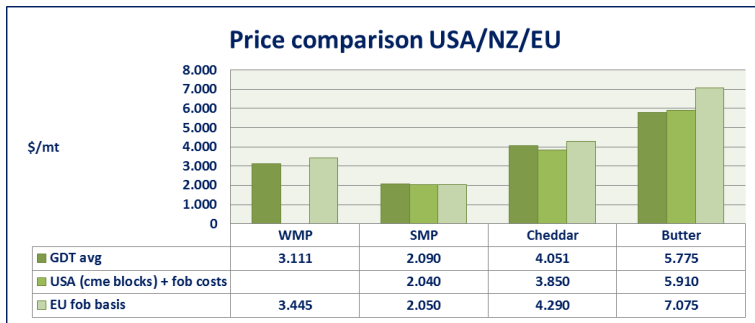
The total quantity on offer is 27.093 mt, 5.880 mt less than in the previous event. Practically all of the lower offered volume went at the expense of WMP.



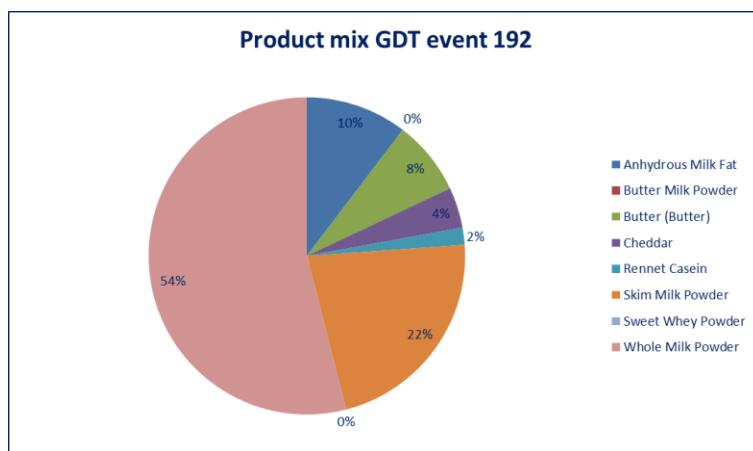
If we look at NZX we see discounts are paid for the front month of each product and in the case of SMP also for C3.

Greenmark Dairy , 17th July 2017

©2016 Greenmark's weekly dairy market update is copyright protected. It is not allowed to the addressee to share in any conceivable way (Part of) its contents with other persons or companies without prior written permission from Greenmark Dairy Ingredients.



- NZX indicates gains for all products with premiums paid for the volume heavy C2 contracts.
- Fonterra is most competitive on WMP and Butter
- Fonterra WMP is still about \$ 175/mt underpriced vs its fat and Protein components in Butter and SMP.
- No BMP is being offered this event.
- Fonterra is officially withdrawing Australian origin SMP off GDT starting Event 193 but from what we see, there is none of it offered in event 192 either.



Based on current NZX values, we would be looking at a decrease of the GDT price index of approximately + 0,5% tomorrow. Given the ample availability of milk in New Zealand in the next months on the back of strong farm gate prices, there is no immediate reason for concern from physical buyers. WMP still has upward potential as it is underpriced vs SMP/Butter. The balance however could also be restored by SMP going down in value on the back of vast stock levels in both USA and EU that have put a lot of pressure on the market.

We do not believe in any spectacular outcome tomorrow but believe a result in the range of -0,50% to +2,50% is achievable on tomorrow's event.

In our weekly Dairy Market Report of coming Wednesday, we will report with an analysis of event 192 and as always, global prices, export/import figures, production information and any other matters that have an impact on dairy price developments.

For a subscription on our weekly Greenmark's Dairy Market Report, please go to:

<http://www.greenmarkdairy.com/subscription-info--application-form.html>

For a recent example of the report, please go to : <http://www.greenmarkdairy.com/free-trial-copy-greenmarks-dairy-market-report-week-26-2017.html>

Alternatively, you are welcome to approach us directly.