



GDT event 200 heads-up

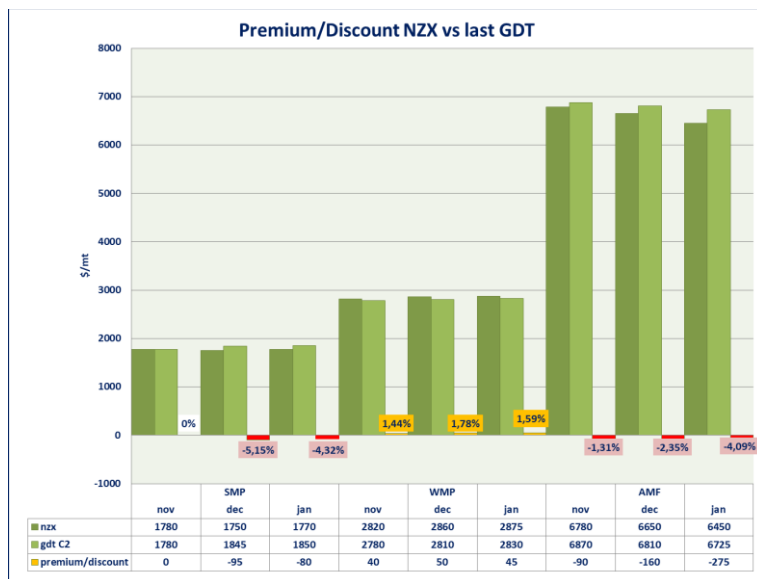
Against the background of a continuing bearish market throughout the entire dairy complex, it will be interesting to see in how far today's milestone GDT event 200 will be affected. While the market awaits news from Brussels with regards to its tender sale of intervention SMP prices have weakened further since the previous GDT event.

On offer on today's GDT event 200;

Event 200 Offer in mt	C1 Volume	average start price	C2 Volume	average start price	C3 Volume	average start price	C4 Volume	average start price	C5 Volume	average start price	Average price all months	average price last GDT	Δ
AMF	165	\$6.390	950	\$5.900	710	\$5.860	500	\$5.770	275	\$5.690	\$5.922	\$6.894	-14,10%
Butter	170	\$5.220	950	\$4.680	730	\$4.680	545	\$4.600	190	\$4.585	\$4.753	\$5.516	-13,83%
Cheddar	100	\$3.650	400	\$3.430	350	\$3.425	350	\$3.415	100	\$3.530	\$3.490	\$4.001	-12,77%
Rennet	50	\$4.730	250	\$4.750	150	\$4.585	100	\$4.580	50	\$4.535	\$4.636	\$5.465	-15,17%
SMP	550	\$1.620	4.225	\$1.540	1.950	\$1.595	765	\$1.605	550	\$1.605	\$1.593	\$1.818	-12,38%
WMP	2.850	\$2.590	7.910	\$2.430	4.800	\$2.460	3.300	\$2.470	1.500	\$2.500	\$2.490	\$2.852	-12,69%

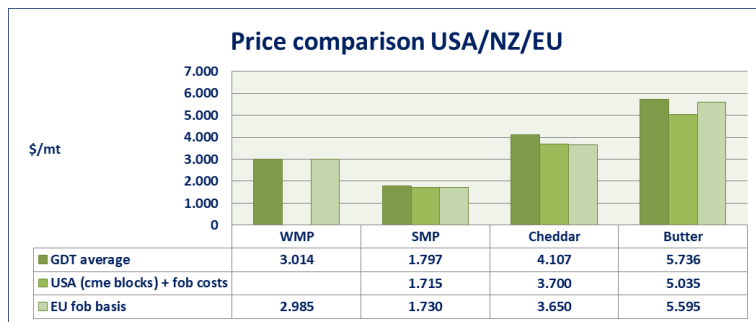
The volume of WMP on offer is 1.115 mt lower than in the previous event but 8.110mt higher than it was in the same event last year. That is a significant difference which, combined with higher than expected October milk production in New Zealand, does not bode well.

The total quantity on offer is 35.485 mt, 423mt more than what was actually sold in the previous event and 10.555 mt more than in the corresponding event last year. Apart from increased volume offered in WMP we also see the offered volume of SMP increase from 5.075mt last year to 8.040mt today.



Greenmark Dairy , 21th November 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.



Key Comments

- Across the board, NZ is the most expensive origin
- NZX prices point to weakness in both SMP and AMF but oddly enough, some strength in WMP.

NZ milk production measured in milk solids was, against prior forecasts, significantly up by 2,9% for October and meanwhile weather has improved, so that the outlook for the next months is milk production to be up against weak comparables. Nov'16 saw a decrease of -4,56% and December '16 – 2,75%. With continuing price pressure in both EU and USA there seems no immediate need for cover.

Meanwhile we see milk production shoot up in EU (September + 4,32%) and in USA production remains well above last year's.

Even though NZX would point to a small gain in today's event 200, mainly on the back of the heavy volume of WMP (57% of total volume offered) the market doesn't quite feel as if it could go up.

We believe a result between -2,5% and 0% would be in line with the current market.

In our weekly Dairy Market Report of coming Wednesday, we will report with an analysis of event 198. As usual this will be on top of the Global export, import, price, production & stock situation. As always we will comment on any other matters that may have an impact on dairy price developments.

For a subscription on our Greenmark's weekly Dairy Market Report, please email us at r.schorsij@greenmarkdairy.com