



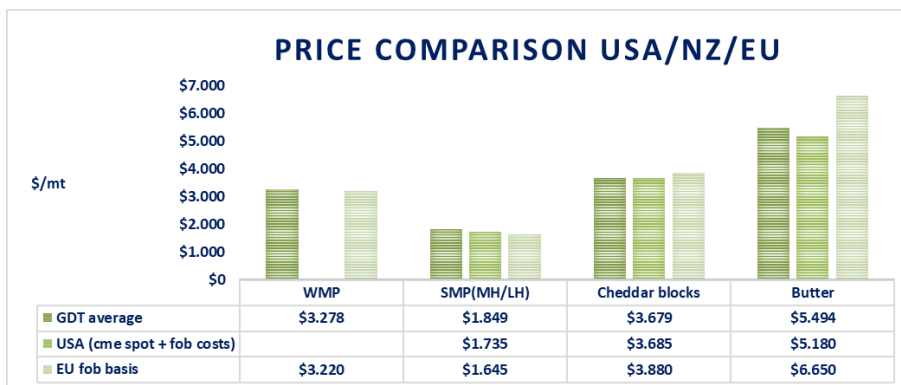
GDT event 210 heads-up

Event 210 is held against the background of a wet end of the New Zealand season with soil moisture marginally better than the same day last year but substantially worse than the historical average. Tuesday's event is the 3rd last of the NZ milk season. Last Friday, Fonterra increased its 12 month forecast by 4.000mt of WMP. This come on top of the 4.000mt increase of WMP of two weeks ago.

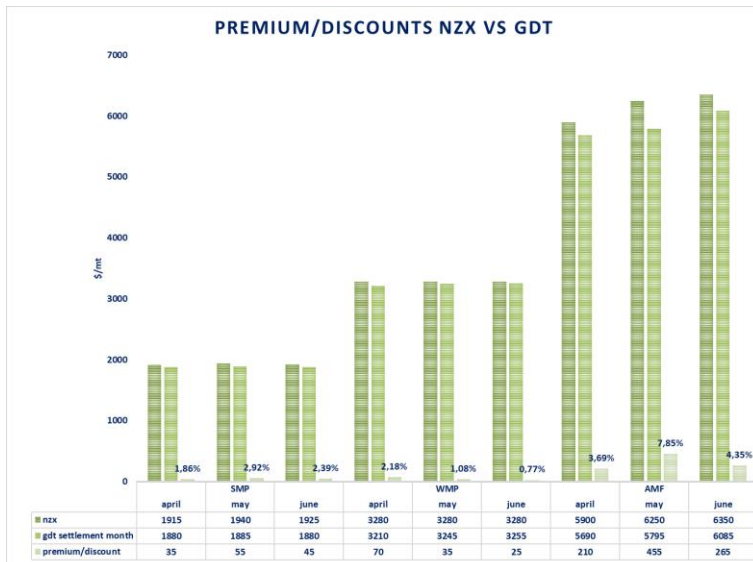
On offer on today's GDT event 210;

| Sales Group Maximum Supply Event 210 | Contract 1 | Contract 2 | Contract 3 | Contract 4 | Contract 5 | Contract 6 |
|--|------------|------------|------------|------------|------------|------------|
| Anhydrous Milk Fat | 310 | 1475 | 725 | 285 | 250 | 0 |
| Butter (Butter) | 140 | 475 | 325 | 265 | 220 | 0 |
| Cheddar | 80 | 200 | 200 | 0 | 60 | 0 |
| Rennet Casein | 25 | 150 | 75 | 50 | 50 | 0 |
| Skim Milk Powder | 200 | 1180 | 975 | 400 | 375 | 0 |
| Whole Milk Powder | 1750 | 4440 | 2370 | 900 | 700 | 400 |

The total quantity on offer is 19.050 mt, 2.260 mt more than what was offered in the previous event and 3.210mt less than in the corresponding event last year. Overnight, Fonterra increased its WMP offering of WMP by 4.000mt for the next 12 months.



Throughout the categories, there's none in which NZ is clearly more competitive than EU or USA.



- All futures currently trade at a premium.
- NZX Futures prices would suggest an approximate 2% gain on tomorrow's GDT event.
- Fundamentally, we would support that assessment in the light of stalling/ increasing prices in USA and EU and increasing reports from Argentina that agricultural production will strongly disappoint this year on the back of extremely dry weather.
- NZ however, has a calculated stock position (Production – export/domestic consumption + imports) approaching about 1 billion kgs LME with only a month and a half to go to the end of the season.

In our weekly Dairy Market Report of coming Wednesday, we will report with an analysis of event 210. 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 Greenmark's weekly Dairy Market Report, email us at r.schorsij@greenmarkdairy.com