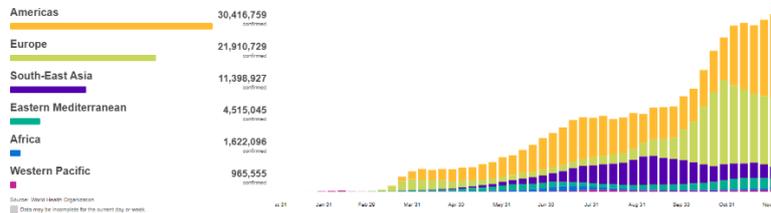




The Greenmark GDT heads-up, event 274

The markets remain quiet in Europe with more strict and/or total lockdown measures and curfews taking place in several countries, directly affecting the Foodservice industry that is estimated to consume about 10% of all EU dairy in normal years. Market operators continue to have difficulties assessing the market with the numerous uncertainties in the light of COVID19, the unemployment it causes, and the contraction of the global economy. Despite all measures taken so far, the contamination numbers keep increasing:



<< the last week in the graph is 7th Dec. through 13th Dec.

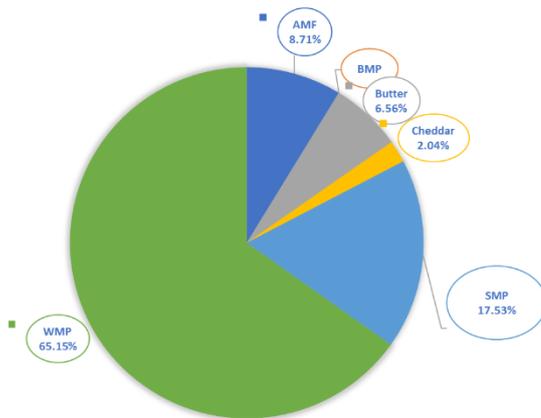
On offer at Event 274:

GDT event 274						
Sales Group Maximum Supply (MT)	Contract 1 (Jan 20)	Contract 2 (Feb 20)	Contract 3 (March 20)	Contract 4 (April 21)	Contract 5 (May 21)	Contract 6 (June 21)
Anhydrous Milk Fat	250	900	675	625	365	-
Butter Milk Powder	-	-	-	-	-	-
Butter	150	700	525	400	345	-
Cheddar	60	180	160	160	100	-
Skim Milk Powder	500	2,430	1,325	750	660	-
Whole Milk Powder	3,000	7,930	5,672	3,000	1,450	-

The total offered volume is 32.312 mt, a decrease of 640mt or -1.94% vs event 273. The decreased volume is mainly caused by the absence of BMP in event 274. Cheddar was reduced by 170 mt, Butter increased by 105mt, and AMF by 5mt.

Product	event 273	event 274	change	change %
AMF	2,810	2,815	5	0.18%
Butter Milk Powder	580	0	-580	-
Butter	2,015	2,120	105	5.21%
Cheddar	830	660	-170	-20.48%
SMP	5,665	5,665	-	-
WMP	21,052	21,052	-	-
Total	32,952	32,312	-640	-1.94%

GDT OFFERED VOLUME ALLOCATION EVENT 274



Fonterra Co-operative Group has made no change to its Global Dairy Trade (GDT) Event forecast total offer quantity for Whole Milk Powder and Skim Milk Powder for the next 12 months.

The contract offer quantities for Whole Milk Powder in May 2021 have been changed with 1,000 metric tonnes moved from contracts 4 and 5 to contracts 2 and 3. This is to better meet market demand.

The total offer quantity for Cheddar Cheese over the next 12 months has been reduced by 1,000MT with the reduction in offer quantities between December and July 2021. This is the result of better sales options via other sales channels.

The 12 months forecast offer quantity remains unchanged for all other products



Since the GDT event of two weeks ago, futures prices have changed as follows:

NZX Futures changes since last GDT					
		settlements 30/11	settlements 14/12	Δ	Δ%
Amf	C1 Dec	\$4,180	\$4,215	\$35	0.84%
	C2 Jan	\$4,200	\$4,200	-	-
	C3 Feb	\$4,225	\$4,225	-	-
	C4 March	\$4,250	\$4,250	-	-
	C5 April	\$4,270	\$4,270	-	-
	C6 May	\$4,280	\$4,280	-	-
	Average		\$4,234	\$4,240	\$6
SMP	C1 Dec	\$2,840	\$2,900	\$60	2.11%
	C2 Jan	\$2,850	\$2,915	\$65	2.28%
	C3 Feb	\$2,860	\$2,930	\$70	2.45%
	C4 March	\$2,870	\$2,930	\$60	2.09%
	C5 April	\$2,845	\$2,935	\$90	3.16%
	C6 May	\$2,865	\$2,935	\$70	2.44%
	Average		\$2,855	\$2,924	\$69
Butter	C1 Dec	\$3,850	\$4,000	\$150	3.90%
	C2 Jan	\$3,880	\$4,025	\$145	3.74%
	C3 Feb	\$3,885	\$4,025	\$140	3.60%
	C4 March	\$3,885	\$4,025	\$140	3.60%
	C5 April	\$3,880	\$4,025	\$145	3.74%
	C6 May	\$3,880	\$4,025	\$145	3.74%
	Average		\$3,877	\$4,021	\$144
WMP	C1 Dec	\$3,100	\$3,190	\$90	2.90%
	C2 Jan	\$3,185	\$3,235	\$50	1.57%
	C3 Feb	\$3,185	\$3,230	\$45	1.41%
	C4 March	\$3,185	\$3,230	\$45	1.41%
	C5 April	\$3,175	\$3,235	\$60	1.89%
	C6 May	\$3,155	\$3,235	\$80	2.54%
	Average		\$3,164	\$3,226	\$62

AMF saw a small increase in C1 while the other contracts remained unchanged.

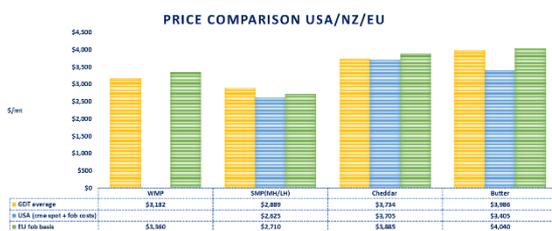
SMP went up by 2.42% in average.

Butter went up strongly by 3.72% in average with C1 seeing the highest gain.

WMP moved up in average by 1.95% with the biggest increases in C1, and C6.

Further inputs to the market:

- On a calculated basis of NZX futures vs settlement prices in the previous GDT event, movements on the NZX *point* towards an increase in the GDT index of about +1%, caused by a higher price expectation (vs Event 273) for mainly Butter, WMP, and SMP.
- The current NZX pricing for WMP is 5% below the EU price which is mainly a function of the lower \$ to the € rate.
- While NZ exports continued to perform poorly (-3.19% YTD October), China's imports continue to see strong growth and are YTD October 11.6% higher than in October 2019.
- In comparison to the EU and the USA, NZ is the most affordable origin for WMP but for SMP, Cheddar, and Butter, the US is more competitive vs NZ and the EU:



- Based on the above and ongoing concerns around the economic damage caused by COVID19 and buyer tendencies to not go too far out, we would expect a positive result like the NZX prediction.
- In the **Greenmark Dairy Report** of this coming Wednesday, we will report with an in-depth analysis of the outcome of event 273. As usual, along with Global export, import, price, production, consumption & stock data. As always, we will comment on any other matters that may have an impact on dairy price developments.

For further information or a subscription to The Greenmark Dairy Report email us at r.schorsij@greenmarkdairy.com