

## The Greenmark GDT heads-up, event 276

The markets have turned more active while stricter and/or total lockdown measures and curfews take place in several countries, directly affecting the Foodservice industry. 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 and, in some countries, lockdown periods are extended. Regardless, currently, the market feels a lot firmer across the board than in the previous month, despite an improved but still unfavourable dollar-euro parity.

Several market participants point to negativity in the last quarter of 2020 that may have been responsible for short positions in the market that are turned around to long positions, causing an increased demand, in the wake of the more positive tidings January has brought: Vaccines availability, Soft Brexit, and the change in Potus in the US tomorrow.

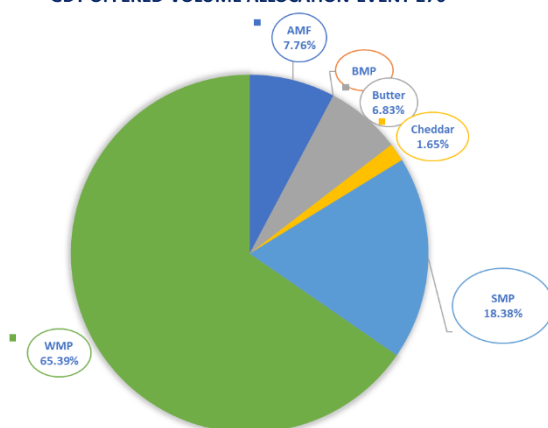
### On offer at Event 276:

GDT event 276						
Sales Group Maximum Supply (MT)	Contract 1 (Feb 20)	Contract 2 (March 20)	Contract 3 (April 21)	Contract 4 (May 21)	Contract 5 (June 21)	Contract 6 (July 21)
Anhydrous Milk Fat	250	675	600	500	325	-
Butter Milk Powder	0	0	0	0	0	-
Butter	200	700	500	367	300	-
Cheddar	60	140	140	140	20	-
Skim Milk Powder	375	2,425	1,475	715	575	-
Whole Milk Powder	3,500	8,800	4,700	1,600	1,200	-

The total offered volume is 30.282 mt, a decrease of 616mt or **-1.99%** vs event 275. The decreased volume is mainly caused by the absence of BMP in event 276. Both AMF and Butter were reduced modestly by respectively 15 and 21 mt.

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GDT OFFERED VOLUME ALLOCATION EVENT 276



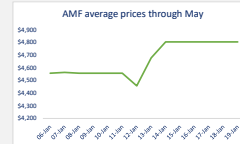
Fonterra Co-operative Group has made no change to its Global Dairy Trade (GDT) Event forecast total offer quantity for Whole Milk Powder and Skim Milk Powder for the next 12 months. The 12 months forecast offer quantity remains unchanged for all other products.

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

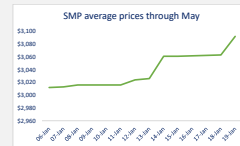
NZX Futures changes since last GDT						
		settlements 5/1	settlements 19/1	Δ	Δ%	
Amf	C1	Jan	\$4,375	\$4,720	\$345	7.89%
	C2	Feb	\$4,375	\$4,820	\$445	10.17%
	C3	March	\$4,375	\$4,825	\$450	10.29%
	C4	April	\$4,350	\$4,825	\$475	10.92%
	C5	May	\$4,350	\$4,830	\$480	11.03%
	C6	June	\$4,350	\$4,840	\$490	11.26%
	Average		\$4,363	\$4,810	\$448	10.26%
SMP	C1	Jan	\$2,900	\$3,055	\$155	5.34%
	C2	Feb	\$2,915	\$3,100	\$185	6.35%
	C3	March	\$2,930	\$3,100	\$170	5.80%
	C4	April	\$2,930	\$3,105	\$175	5.97%
	C5	May	\$2,935	\$3,100	\$165	5.62%
	C6	June	\$2,935	\$3,095	\$160	5.45%
	Average		\$2,924	\$3,093	\$168	5.76%
Butter	C1	Jan	\$4,200	\$4,500	\$300	7.14%
	C2	Feb	\$4,060	\$4,660	\$600	14.78%
	C3	March	\$4,200	\$4,660	\$460	10.95%
	C4	April	\$4,210	\$4,640	\$430	10.21%
	C5	May	\$4,220	\$4,620	\$400	9.48%
	C6	June	\$4,210	\$4,560	\$350	8.31%
	Average		\$4,183	\$4,607	\$423	10.12%
WMP	C1	Jan	\$3,210	\$3,330	\$120	3.74%
	C2	Feb	\$3,215	\$3,420	\$205	6.38%
	C3	March	\$3,230	\$3,430	\$200	6.19%
	C4	April	\$3,230	\$3,445	\$215	6.66%
	C5	May	\$3,225	\$3,440	\$215	6.67%
	C6	June	\$3,215	\$3,425	\$210	6.53%
	Average		\$3,221	\$3,415	\$195	6.03%

Overall, we have seen strong increases on NZX in the past two weeks.

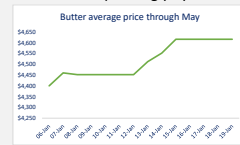
AMF saw strong increases in all contracts, with the smallest increase in C1.



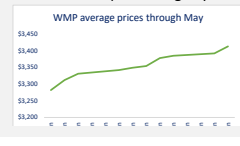
SMP went up by 5.76% in average with the biggest increase in C2.



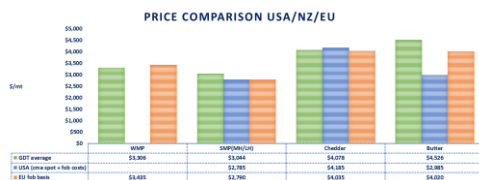
Butter went up strongly by 10.12% in average, strongest in C2.



WMP moved up in average by 6.03%, the biggest increases in C3-C6



- 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 +3.0%, caused in the main by a higher price expectation for WMP. SMP, Butter, and AMF are -according to NZX- to increase but to a lesser extent than WMP. Given the current bullishness in the market, the results could easily turn out higher than 3%.
- Should the NZX prognosis materialize, this would bring Fonterra to be the most expensive origin amongst their main competitors.
- NZ milk production dropped by -2.5% in November due to drier than usual weather. Season to date November, however, is still 0.8% above that of last season.
- In comparison to the EU and the USA, up to now, NZ is the most affordable origin for WMP but in SMP, Cheddar, and Butter, the US is more competitive vs NZ and the EU:



- In the **Greenmark Dairy Report** of this coming Wednesday, we will report with an in-depth analysis of the outcome of event 276. 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](mailto:r.schorsij@greenmarkdairy.com)