

The Greenmark GDT heads-up, event 282

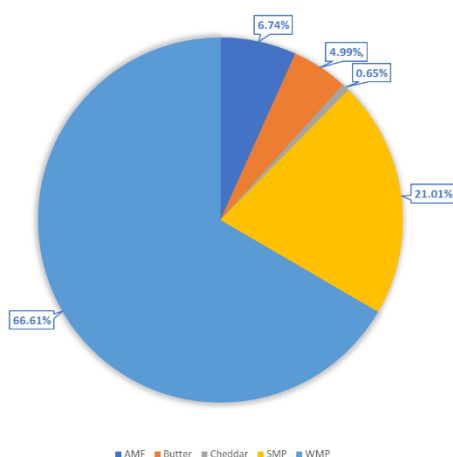
The markets have shown conflicting directions over the past two weeks, depending on where we look. When we look at the CME spot market, dairy commodities saw increases of 2 to 3%. During the same period, the European Price index for Butter moved down -0.87% while the SMP index remained unchanged.

Focusing on New Zealand, in particular the Fonterra offerings in today's event 282, we see that on average, NZX futures are priced well below the AWP in event 281. AMF **-5.38%**, Butter **-10.12%**, WMP **-1.80%**, and SMP **-1.20%**.

On offer at Event 282:

GDT event 282						
Sales Group Maximum Supply (MT)	Contract 1 (May 20)	Contract 2 (June 21)	Contract 3 (July 21)	Contract 4 (Aug 21)	Contract 5 (Sept 21)	Contract 6 (Oct 21)
Anhydrous Milk Fat	125	600	355	280	255	55
Butter Milk Powder	-	-	-	-	-	-
Butter	350	425	200	120	85	55
Cheddar	-	-	-	-	80	80
Skim Milk Powder	375	2,205	1,350	600	475	200
Whole Milk Powder	2,500	8,500	3,750	600	650	500

GDT OFFERED VOLUME ALLOCATION EVENT 282



The total offered volume is 24,770 mt, a decrease of 330mt Or **-1.31%**. This is caused by the absence of BMP this event and the addition of 250mt of Butter.

Product	event 281	event 282	change	change %
	mt	mt		
AMF	1,670	1,670	0	0.00%
Butter Milk Powder	580	0	-	-
Butter	985	1,235	250	25.38%
Cheddar	160	160	-	-
SMP	5,205	5,205	-	-
WMP	16,500	16,500	-	-
Total	25,100	24,770	-330	-1.31%

Fonterra Co-operative Group has reduced its Global Dairy Trade (GDT) Event forecast total offer quantity for Whole Milk Powder by 7,000 metric tonnes by reducing the April 2022 offer quantity. The annual 12 month offer quantity for Whole Milk Powder now becomes 416,479 metric tonnes.

This change is to align the annual volume to more typical levels.

The offer quantity for Butter in the current event has been increased by 250 metric tonnes while the forecast for May has increased 500 metric tonnes and June increased 250 metric tonnes. This increases the forecast total offer quantity for the next 12 months by 750 metric tonnes.

This is the result of product mix optimization.

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

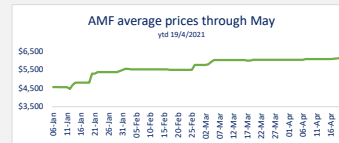


Since the GDT event of three weeks ago, futures prices have changed as follows:

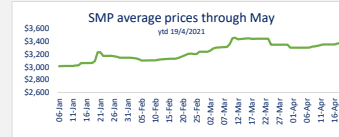
NZX Futures changes since last GDT					
		settlements 06/04	settlements 19/04	Δ	Δ%
Amf	C1 April	\$6,080	\$6,150	\$70	1.15%
	C2 May	\$6,000	\$6,000	-	-
	C3 June	\$5,900	\$5,900	-	-
	C4 July	\$5,900	\$5,900	-	-
	C5 Aug	\$5,700	\$5,700	-	-
	C6 Sept	\$5,575	\$5,600	\$25	0.45%
	Average		\$5,859	\$5,875	\$16
SMP	C1 April	\$3,325	\$3,390	\$65	1.95%
	C2 May	\$3,280	\$3,390	\$110	3.35%
	C3 June	\$3,260	\$3,335	\$75	2.30%
	C4 July	\$3,200	\$3,300	\$100	3.13%
	C5 Aug	\$3,150	\$3,275	\$125	3.97%
	C6 Sept	\$3,155	\$3,250	\$95	3.01%
	Average		\$3,228	\$3,323	\$95
Butter	C1 April	\$5,800	\$5,750	-\$50	-0.86%
	C2 May	\$5,675	\$5,450	-\$225	-3.96%
	C3 June	\$5,425	\$5,250	-\$175	-3.23%
	C4 July	\$5,000	\$5,100	\$100	2.00%
	C5 Aug	\$4,625	\$4,850	\$225	4.86%
	C6 Sept	\$4,550	\$4,750	\$200	4.40%
	Average		\$5,179	\$5,192	\$13
WMP	C1 April	\$3,890	\$4,160	\$270	6.94%
	C2 May	\$3,835	\$4,165	\$330	8.60%
	C3 June	\$3,770	\$4,160	\$390	10.34%
	C4 July	\$3,650	\$3,970	\$320	8.77%
	C5 Aug	\$3,570	\$3,845	\$275	7.70%
	C6 Sept	\$3,520	\$3,770	\$250	7.10%
	Average		\$3,706	\$4,012	\$306

Overall, we have seen strong price increases in the past two weeks:

AMF saw increases in the front and deferred contracts the May - Aug contracts remained unchanged.



SMP futures saw upside in all contracts but on average trade below the AWP in event 281:



Butter moved up in C1 and C2 but saw strong losses in the deferred contracts:



WMP moved up strongly. On average by 8.25%. On average, the futures continue to trade below the AWP in event 281.



- On a weighted, calculated basis of NZX futures vs settlement prices in the previous GDT event, movements on the NZX point towards a small increase in the GDT index of about **+0.75%**, caused in the main by a higher price expectation for WMP. On average, NZX futures currently trade **-1.3%** below the AWP in event 281. Unfortunately, NZX indications only go *so far* in predicting the GDT outcomes.
- Since the previous GDT event we saw oil prices move up 5.1%:



- In comparison to the EU and the US, NZ is the least competitive origin in terms of prices for all dairy commodities.

In the **Greenmark Dairy Report** of this coming Wednesday, we will report with an in-depth analysis of the outcome of event 282. 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

