



The Greenmark GDT heads-up, event 290

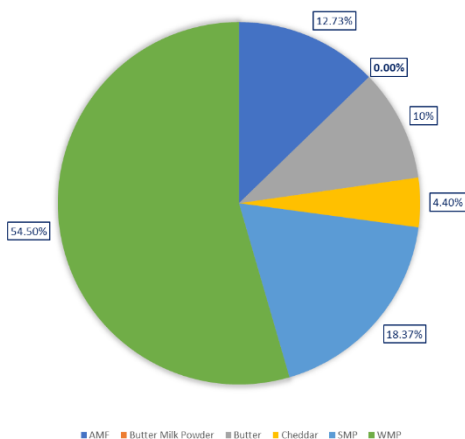
The markets for the commodities offered on GDT are mixed. When we look at the CME spot market, the weekly average of SMP remained practically unchanged, while Butter increased by 1.73% in the past week. Cheddar blocks moved up significantly by 7.3% in the same period and is now priced **-1.45%** lower than the last GDT price. Since the last GDT event, the European Price index for Butter moved down **-0.35%** and the SMP index moved up by 1.2%.

Focusing on New Zealand, the Fonterra offerings in tomorrow's event 289 show that on average, NZX C1 – C6 futures vs AWP's in the previous event are as follows: AMF **-0.98%**, Butter **-2.30%**, WMP **-2.65%**, and SMP + 2.04%.

On offer at Event 290:

GDT event 290						
Sales Group Maximum Supply (MT)	Contract 1 (Sept 20)	Contract 2 (Oct 21)	Contract 3 (Nov 21)	Contract 4 (Dec 21)	Contract 5 (Jan21)	Contract 6 (Feb 21)
Anhydrous Milk Fat	220	900	780	520	315	245
Butter Milk Powder	-	-	-	-	-	-
Butter	275	730	485	335	285	230
Cheddar	70	260	270	230	100	100
Skim Milk Powder	250	1,500	1,150	800	600	-
Whole Milk Powder	750	4,150	4,130	2,550	1,175	-

GDT OFFERED VOLUME ALLOCATION EVENT 290



The total offered volume by Fonterra is 23,405 mt, a decrease of 1,680 mt or **-6.70%**. This is caused partially by the offer of BMP that is absent in event 290. The decreases in offered volumes are WMP **-500** mt, and SMP **-600** mt.

Product	event 289 mt	event 290 mt	change	change %
AMF	2980	2980	0	-
Butter Milk Powder	580	580	0	-
Butter	2340	2340	0	-
Cheddar	1030	1030	0	-
SMP	4,900	4,300	-600	-12.24%
WMP	13,255	12,755	-500	-3.77%
Total	25,085	23,405	-1,680	-6.70%

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 for all other products, also remains unchanged

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

NZX Futures changes since last GDT						
product	Contract	settlements 02/08	settlements 16/08	Δ	Δ%	AWP event 289
Amf	C1 Aug	\$5,565	\$5,650	\$85	1.53%	
	C2 Sept	\$5,470	\$5,600	\$130	2.38%	
	C3 Oct	\$5,425	\$5,600	\$175	3.23%	
	C4 Nov	\$5,350	\$5,650	\$300	5.61%	
	C5 Dec	\$5,350	\$5,600	\$250	4.67%	
	C6 Jan	\$5,320	\$5,575	\$255	4.79%	
Average		\$5,413	\$5,613	\$199	3.68%	\$5,668
SMP	C1 Aug	\$3,140	\$2,995	-\$145	-4.62%	
	C2 Sept	\$3,150	\$3,060	-\$90	-2.86%	
	C3 Oct	\$3,185	\$3,095	-\$90	-2.83%	
	C4 Nov	\$3,195	\$3,075	-\$120	-3.76%	
	C5 Dec	\$3,205	\$3,110	-\$95	-2.96%	
	C6 Jan	\$3,200	\$3,155	-\$45	-1.41%	
Average		\$3,179	\$3,082	-\$98	-3.07%	\$3,020
Butter	C1 Aug	\$4,250	\$4,525	\$275	6.47%	
	C2 Sept	\$4,350	\$4,350	\$0	0.00%	
	C3 Oct	\$4,375	\$4,525	\$150	3.43%	
	C4 Nov	\$4,350	\$4,500	\$150	3.45%	
	C5 Dec	\$4,350	\$4,475	\$125	2.87%	
	C6 Jan	\$4,350	\$4,525	\$175	4.02%	
Average		\$4,338	\$4,483	\$146	3.36%	\$4,589
WMP	C1 Aug	\$3,795	\$3,560	-\$235	-6.19%	
	C2 Sept	\$3,800	\$3,505	-\$295	-7.76%	
	C3 Oct	\$3,740	\$3,485	-\$255	-6.82%	
	C4 Nov	\$3,725	\$3,490	-\$235	-6.31%	
	C5 Dec	\$3,730	\$3,485	-\$245	-6.57%	
	C6 Jan	\$3,695	\$3,490	-\$205	-5.55%	
Average		\$3,748	\$3,503	-\$245	-6.54%	\$3,598

Overall, we have seen increasing prices for Butter and AMF but strong decreases for SMP and WMP.

AMF saw an average increase of +0.39%. C1 trades -0.32% below the AWP in event 289. The average of C1-C6 trades -0.98% below the former AWP.

SMP futures saw downside in all contracts. On average, SMP futures trade 2.04% above the AWP in event 289.

Butter saw solid upside in all contracts bar C2. Butter futures trade on average -2.30% below the AWP in event 289.

WMP moved down strongly through all contracts. On average, C1-C6 trade -2.65% below the AWP in event 289.

- On a weighted, calculated basis of NZX futures vs settlement prices in the previous GDT event, movements on the NZX point towards a decrease in the GDT index of about -4 %.
- After modest growth in NZ milk production in 2020, 2021 has started with robust increases. YTD June saw milk production increase by 6.37% or + 537 million kgs. June and July are the months with the lowest production (combined approximately 2.5% of the annual production volume)
- Vs incremental milk production YTD June, NZ was able to incrementally export 782 million kgs LME, implying a 245 million kgs stock reduction in NZ.
- Fonterra is flagging current season's milk production will be flat vs the previous season.
- The big question remains whether China will sustain its heavy buying as in previous events.

In the **Greenmark Dairy Report** of this coming Wednesday, we will report with an in-depth analysis of the outcome of event 290. 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