



The Greenmark GDT heads-up, event 293

The markets for the commodities offered on GDT are all seeing upward momentum, translating into higher prices.

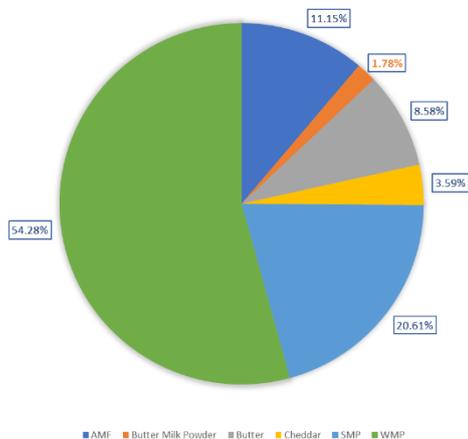
When we look at the CME spot market, last Friday the price for SMP saw an increase of 2.9% compared to the price after the last GDT event, while Butter remained virtually unchanged at + 0.1% in the same period. Cheddar blocks moved up by 7.4% in the same period but remains priced lower by **-4.65%** than the last AWP on GDT. Since the last GDT event, the European Price index for Butter moved up by 3.9% and the SMP index moved up by 2.8%.

Focusing on New Zealand, the Fonterra offerings in tomorrow's event 293 show that the NZX C1 future vs AWPs in the previous event are as follows: AMF **-0.45%**, Butter **-2.2%**, WMP +1.4%, and SMP + 1.9%.

On offer at Event 293:

GDT event 293						
Sales Group Maximum Supply (MT)	Contract 1 (Nov 20)	Contract 2 (Dec 21)	Contract 3 (Jan 21)	Contract 4 (Feb 21)	Contract 5 (March 21)	Contract 6 (April 21)
Anhydrous Milk Fat	265	870	790	680	470	245
Butter Milk Powder	50	205	175	75	75	-
Butter	230	695	570	500	330	230
Cheddar	70	260	270	270	100	100
Skim Milk Powder	475	2,175	1,600	1,090	795	-
Whole Milk Powder	3,050	7,625	3,830	850	800	-

GDT OFFERED VOLUME ALLOCATION EVENT 293



The total offered volume by Fonterra is 29,765 mt, an increase of 4,745 mt or +18.96%. The offer for BMP is partially the reason for the increase. The increases in offered volumes are Butter + 60 mt and AMF + 275 mt, SMP +995 mt, and WMP + 2,885 mt.

Product	event 292	event 293	change	change %
	mt	mt		
AMF	3045	3320	275	9.03%
Butter Milk Powder	0	530	-	-
Butter	2495	2555	60	2.40%
Cheddar	1070	1070	0	0.00%
SMP	5,140	6,135	995	19.36%
WMP	13,270	16,155	2,885	21.74%
Total	25,020	29,765	4,745	18.96%

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 20/09	settlements 04/10	Δ	Δ%	AWP event 292
Amf	C1 Oct	\$5,935	\$5,935	\$0	0.00%	
	C2 Nov	\$5,925	\$5,925	\$0	0.00%	
	C3 Dec	\$5,900	\$5,900	\$0	0.00%	
	C4 Jan	\$5,850	\$5,850	\$0	0.00%	
	C5 Feb	\$5,720	\$5,800	\$80	1.40%	
	C6 March	\$5,720	\$5,720	\$0	0.00%	
Average		\$5,842	\$5,855	\$13	0.23%	\$5,962
SMP	C1 Oct	\$3,330	\$3,365	\$35	1.05%	
	C2 Nov	\$3,325	\$3,380	\$55	1.65%	
	C3 Dec	\$3,325	\$3,410	\$85	2.56%	
	C4 Jan	\$3,335	\$3,395	\$60	1.80%	
	C5 Feb	\$3,335	\$3,400	\$65	1.95%	
	C6 March	\$3,335	\$3,410	\$75	2.25%	
Average		\$3,331	\$3,393	\$63	1.88%	\$3,302
Butter	C1 Oct	\$4,825	\$4,750	-\$75	-1.55%	
	C2 Nov	\$4,725	\$4,700	-\$25	-0.53%	
	C3 Dec	\$4,725	\$4,720	-\$5	-0.11%	
	C4 Jan	\$4,725	\$4,775	\$50	1.06%	
	C5 Feb	\$4,725	\$4,775	\$50	1.06%	
	C6 March	\$4,700	\$4,700	\$0	0.00%	
Average		\$4,738	\$4,737	-\$1	-0.02%	\$4,857
WMP	C1 Oct	\$3,710	\$3,830	\$120	3.23%	
	C2 Nov	\$3,705	\$3,830	\$125	3.37%	
	C3 Dec	\$3,700	\$3,830	\$130	3.51%	
	C4 Jan	\$3,675	\$3,830	\$155	4.22%	
	C5 Feb	\$3,660	\$3,800	\$140	3.83%	
	C6 March	\$3,660	\$3,800	\$140	3.83%	
Average		\$3,685	\$3,820	\$135	3.66%	\$3,777

Overall, we have seen increasing prices across the board, except for Butter.

AMF saw an average increase of +0.23%. C1 trades -0.45% below the AWP in event 292. The average of C1-C6 trades -1.8% below the last AWP.

SMP futures saw upside in all contracts. On average, SMP futures trade 2.8% above the AWP in event 292.

Butter saw downside in C1-C3, gained in C4-C5, and remained unchanged in C6. Butter futures trade on average -2.47% below the AWP in event 292.

WMP moved up through all contracts. On average, C1-C6 trade +1.14% above AWP in event 292.

- On a weighted, 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%. This despite of the general positivity in the US and EU cash markets.
- After modest growth in NZ milk production in 2020, 2021 has started with robust increases. That trend was broken in August that saw milk production vs 2020 move down strongly by -4.84%. YTD August is still up by 4.76% or +485 million kgs.
- Vs incremental milk production YTD August, NZ was able to incrementally export 808 million kgs LME, implying a 323 million kgs LME stock reduction in NZ Since the start of the year.
- So far, China has sustained its buying spree in August. Extrapolated on basis of YTD August data, China seems set to import an incremental 5.24 billion kgs LME in 2021.

In the **Greenmark Dairy Report** of this coming Wednesday, we will report with an in-depth analysis of the outcome of event 293. 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