



# AGRI UPDATE

## GlobalDairyTrade auction results.



19 Jun 2024 | Kelly Eckhold, Chief Economist | +64 21 786 758 | kelly.eckhold@westpac.co.nz | X: @kellyenz

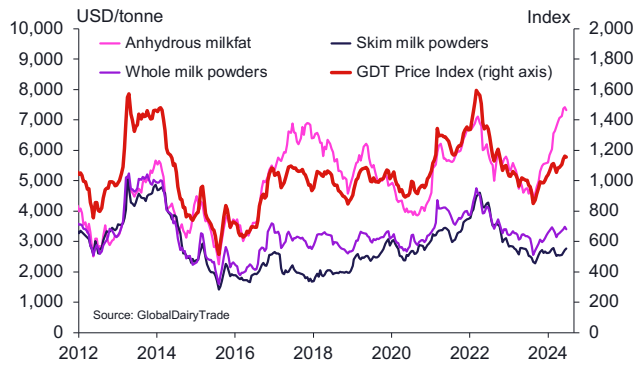
## GDT prices down (unless you sell butter!)

- Dairy prices fell 0.5% in today’s auction.
- The auction was fairly mixed with whole milk powder (-2.5%) and Cheddar prices (-1.0%) falling, and skim milk powder (0.7%) and butter (6.2%) rising.
- Futures markets did a better job this time.

GlobalDairyTrade auction results

	Change since last auction	Prices USD/tonne
Whole Milk Powder (WMP)	-2.5%	\$3,394
Skim Milk Powder (SMP)	0.7%	\$2,766
Anhydrous Milk Fat (AMF)	-1.2%	\$7,317
Butter	6.2%	\$7,350
Cheddar	-1.0%	\$4,205
GDT Price Index	-0.5%	1,157

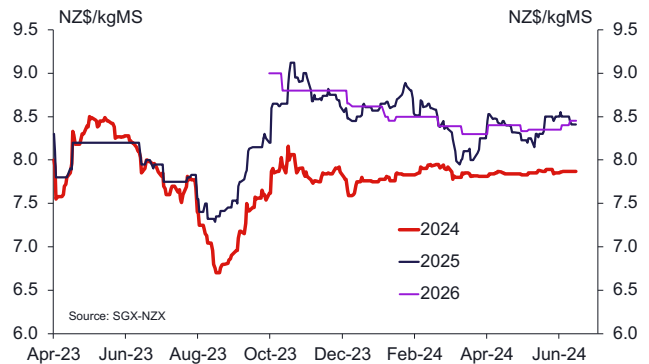
GlobalDairyTrade auction prices



### Auction results, 19 June 2024.

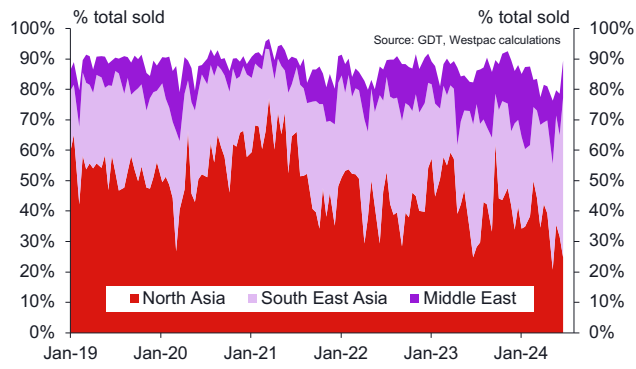
This week’s dairy auction was more mixed than others recently. Futures markets had suggested a modestly weaker outcome which did eventuate. Whole Milk Powder prices were relatively weak (-2.5%) and Butter prices were strong (+6.2%).

Futures pricing for farmgate milk prices



Chinese buyers pulled back this time, but Southeast Asian and Middle Eastern buyers took up the slack. Overall prices remain around 10% or so above their long-term averages. Some upside risk to our milk price forecast of \$8.40/kg for the 2024/25 season remains but its early days yet.

### Proportion of total volumes sold – top 3 regions



### Farmgate milk price forecasts

	2023/24		2024/25	
	Westpac	Fonterra	Westpac	Fonterra
Milk price	\$7.80	\$7.70-\$7.90	\$8.40	\$7.25-\$8.75

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