

MEDIA RELEASE



For Immediate Release

5th December 2023

GLOBAL DAIRY COMMODITY UPDATE DECEMBER 2023

Global milk supplies are flat to tightening, providing support to prices, but demand weakness for ingredients in domestic and export markets prevents market pricing from moving dramatically higher.

Regional dynamics are causing some pricing disconnections – which are greatest in cheese and fats, while protein values are more aligned across regions.

The EU milk balance is tightening as lower output and priority for cheese is reducing availability of commodities. Cream prices have gone to extremes in the run-up to the festive season, which is also tightening butter stocks.

Affordability at these prices will be tested post-festivities with weaker consumer spending, but spring is the key to any major change on the supply side. Producers are getting plenty of encouragement to increase output.

SMP availability has reduced sharply in the EU and US, but the Oceania market holds the key to price action in the short-term, with increased availability and weak export demand.

NZ is still in a delicate balance – WMP demand from China remains sluggish, and cheese competition is fierce which could push more milk towards SMP.

There are few meaningful signs that China's internal milk balance is tightening, although demand is recovering in fluid milk markets. Demand from other major export markets is mixed, but SE Asia remains the major missing piece. Opportunistic buying regions have taken advantage of low commodity prices to restock.

The US market will remain mixed as milk output stays close to flat YOY through coming months. Cheese balance remains the focal point with slowing demand as new capacity has mostly been filled. Firming EU prices could mean greater opportunity to channel into exports. SMP remains under the heavy influence of the global market, while fats have, as expected, corrected to meet domestic demand.

Graph Reference: Fresh Agenda

Maxum Foods – Global Dairy Commodity Update



Your partner in dairy

MEDIA RELEASE



- Ends -

About Maxum Foods: Maxum Foods is one of Australia and New Zealand's principal suppliers of dairy ingredients to the Human Health and Nutrition, as well as the Animal Nutrition industries. Maxum Foods specialises in supplying medium to large-scale food manufacturers with high-quality dairy ingredients such as milk powders, cheese and butter. Backed by top-level technical support and a huge dairy ingredient range, Maxum Foods have open global supply channels to source exactly what our customers need.

For more information or interviews contact:

Edwin Lloyd

Executive General Manager - Foods

Ph: +61 7 3246 7810

Email: edwin@maxumfoods.com

For media enquiries please contact:

Agata Swanborough

Communication Manager

Ph: +61 437 624 966

Email: agata@maxumfoods.com

Maxum Foods – Global Dairy Commodity Update



Your partner in dairy