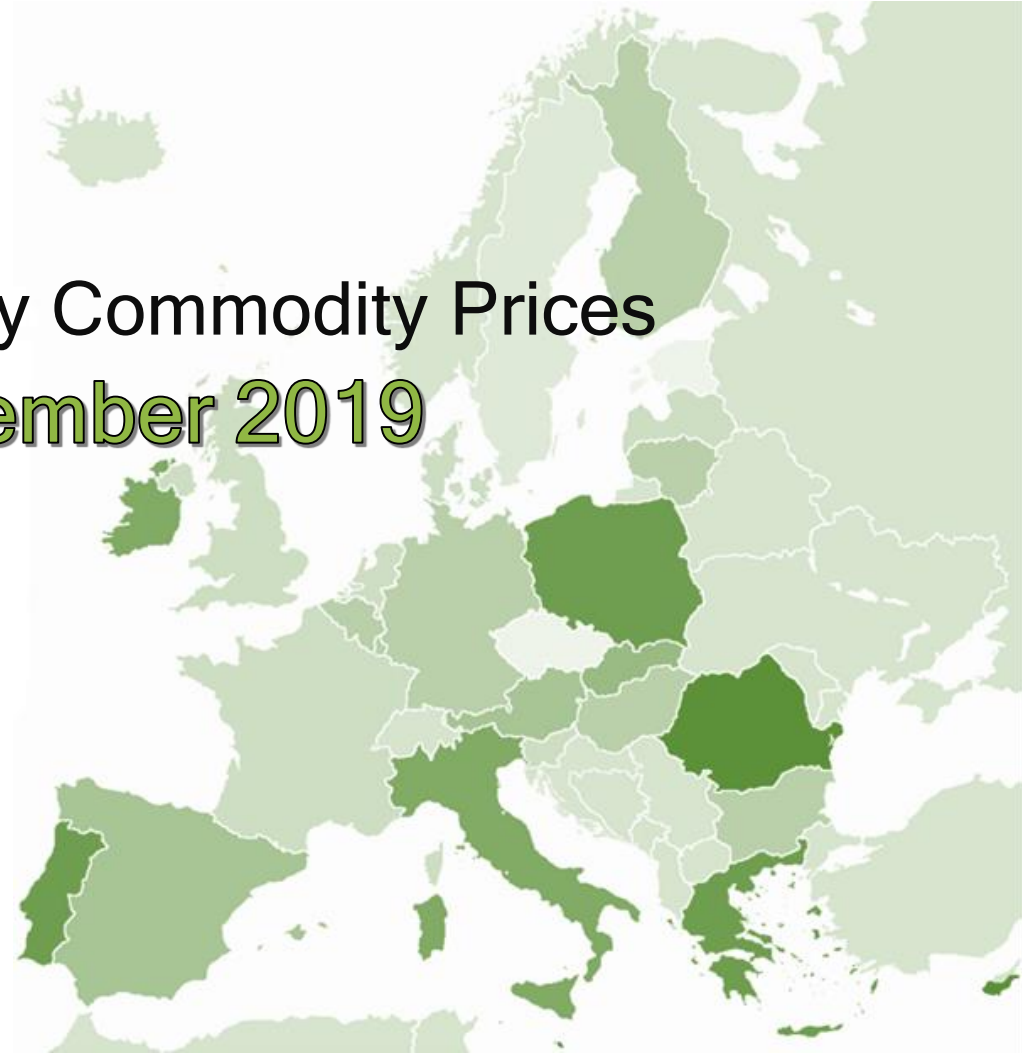


Weekly EU Dairy Commodity Prices

27 November 2019



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published Wednesday, 27 November 2019

Commodity	Index	€/MT*	vs prior week	vs prior week	\$/MT*	\$/lb*	vs prior week	vs prior year
Whole Milk Powder	Dutch	€ 3,100	€ 40	1.3%	\$ 3,410	\$ 1.5466	0.7%	14.1%
	German	€ 3,065	€ -	0.0%	\$ 3,371	\$ 1.5292	-0.6%	9.1%
Skimmed Milk Powder	Dutch	€ 2,570	€ 40	1.6%	\$ 2,827	\$ 1.2822	1.0%	54.7%
	French	€ 2,530	€ 40	1.6%	\$ 2,783	\$ 1.2622	1.0%	51.4%
	German	€ 2,580	€ 40	1.6%	\$ 2,838	\$ 1.2872	1.0%	52.0%
	eeX Avg (Eurex)	€ 2,560	€ 40	1.6%	\$ 2,816	\$ 1.2772	1.0%	52.7%
Whey Powder	Dutch	€ 700	€ 10	1.4%	\$ 770	\$ 0.3492	0.9%	-11.3%
	French	€ 680	€ -	0.0%	\$ 748	\$ 0.3393	-0.6%	-13.9%
	German	€ 710	€ 20	2.9%	\$ 781	\$ 0.3542	2.3%	-8.9%
	eeX Avg (Eurex)	€ 697	€ 10	1.5%	\$ 766	\$ 0.3476	0.9%	-11.4%
	German - Food Grade	€ 905	€ 5	0.6%	\$ 995	\$ 0.4515	0.0%	-1.9%
Butter	Dutch	€ 3,590	€ 40	1.1%	\$ 3,949	\$ 1.7911	0.5%	-16.2%
	French	€ 3,600	€ -	0.0%	\$ 3,960	\$ 1.7961	-0.6%	-22.0%
	German	€ 3,670	€ 20	0.5%	\$ 4,037	\$ 1.8310	0.0%	-19.6%
	eeX Avg (Eurex)	€ 3,620	€ 20	0.6%	\$ 3,982	\$ 1.8061	0.0%	-19.3%
*Midpoint Prices where applicable								
Cheese	German Edam (Kempton)	€ 3,175	€ 50	1.6%	\$ 3,492	\$ 1.5840	1.0%	-1.1%
	Polish Cheddar	€ 3,139	€ (15)	-0.5%	\$ 3,453	\$ 1.5661	-1.1%	-7.7%
*Polish Cheddar price last released 17 November 2019								
EUR/USD	1.100		-0.6%					
Sources: Kempton, French Association of Dairy Processors, ZuivelNL, Ministerstwo Rolnictwa i Rozwoju Wsi								

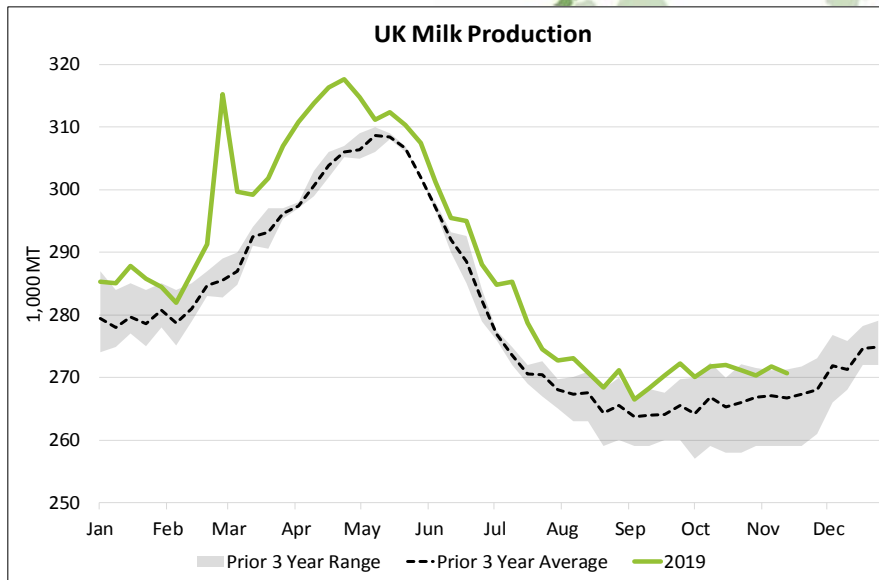
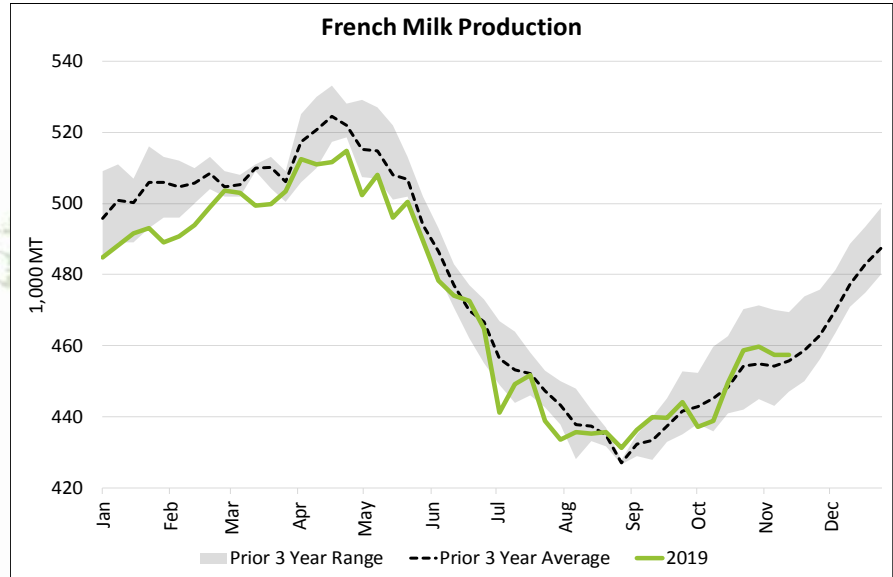
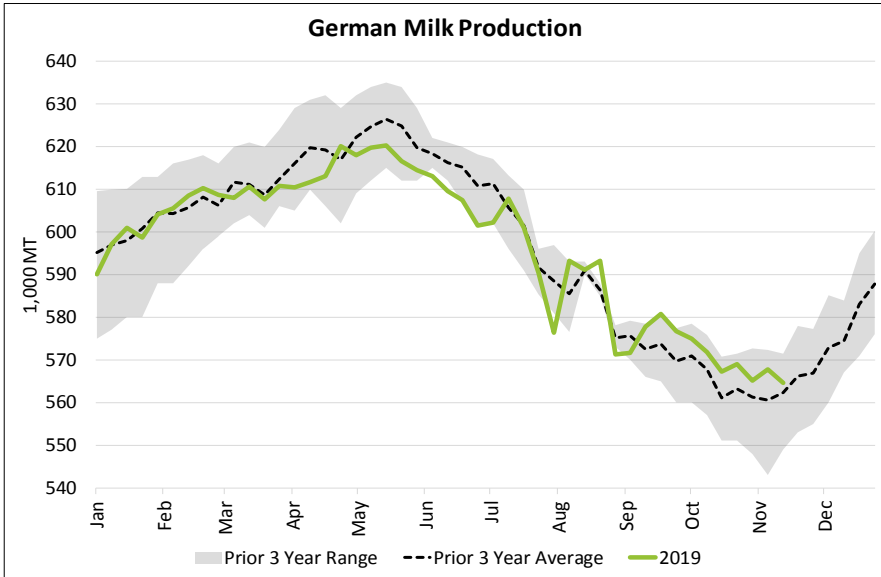


Weekly EU Milk Production				
Week Ending 17 November 2019				
Selected Countries	*Current Week	YTD	vs. Prior Week	vs. Prior Year
Germany	565	27,451	- 0.5%	- 0.3%
France	457	21,747	- 0.0%	+ 1.5%
UK	271	13,260	- 0.4%	- 0.2%
Total	1,293	62,458	- 0.3%	+ 0.4%

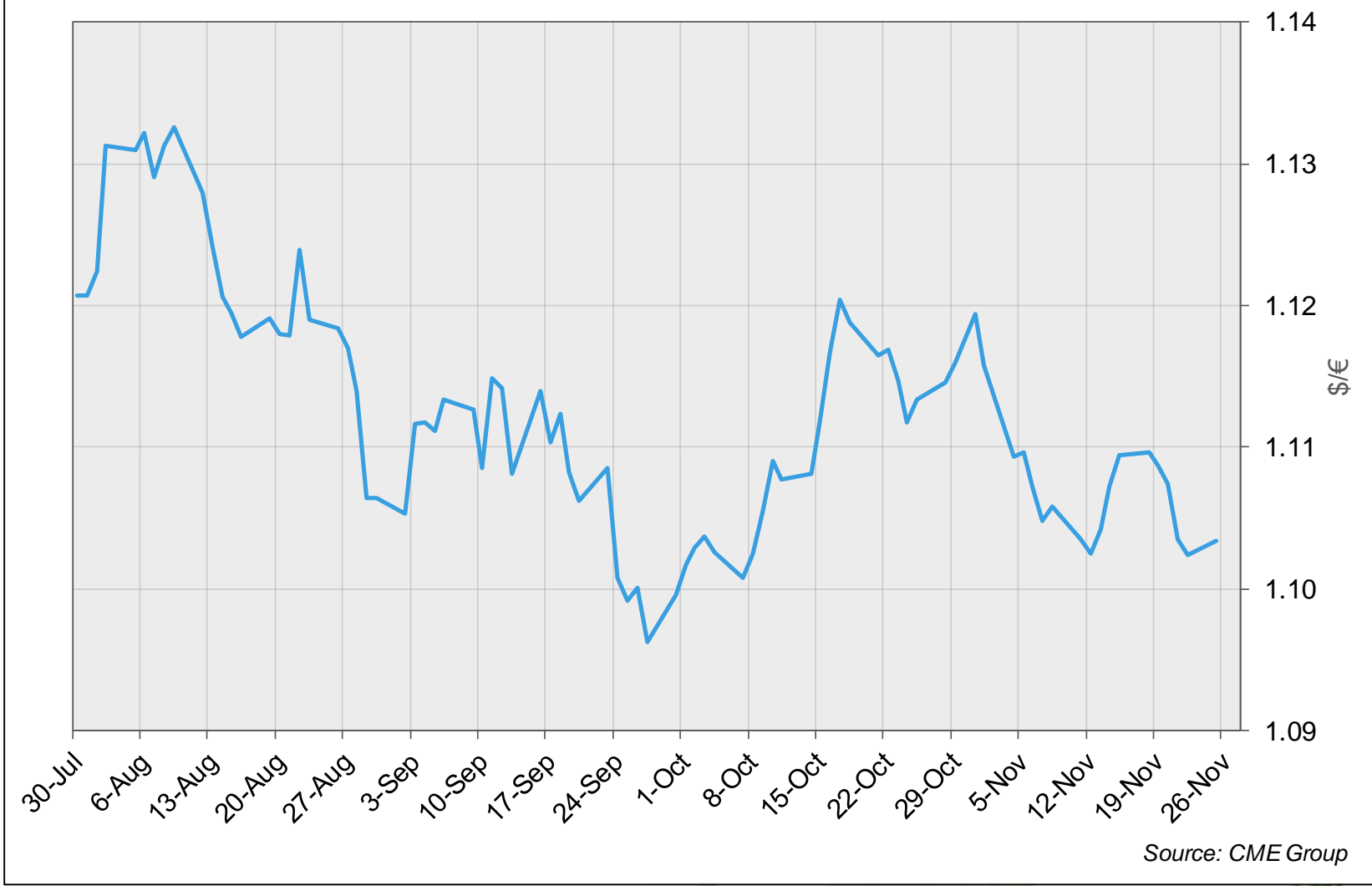
*1, 000 MT Sources: ZMB, AHDB, France AgriMer

- Dry whey prices were given a nice boost this week as demand from China for German and Polish product has risen throughout 2019, continuing to reflect strong growth into Q4. China's [inventory](#) of breeding sows rose 0.6% in October, the first signal that the herd may be rebuilding since losses started being reported in April 2018. While a recovery will take years, the increase in sows are expected to continue to enhance dry whey demand. Given the US and China have yet to resolve their trade war, the EU is bound to preserve a competitive advantage.
- HighGround continues to highlight the rise in the EU's market share within the world's largest dairy importing nation - China. Of China's import volumes in 2019 (Jan-Oct), EU market share has risen to 38%, the highest on record and primarily in the form of fluid milk & cream (399,485MT, 42% of all volumes imported from the EU). In addition, while China's total SMP imports were lower, volumes from the EU still reported gains, UP 5% YoY to 9,215MT, the strongest October SMP imports from the EU on record.
- Butter values remain in consolidation mode with the downward trend coming to a halt. HighGround suspects inventories are ample but supplies of fresh product are tight. Production rates within the EU have improved but it continues to be a seasonally low milk production period within the main regions of the 28-Member States. The holiday season is upon the market, which will have helped clear some inventories of frozen product but demand for fresh product will only rise into the New Year ahead of the Spring; a full recovery in butterfat prices is not expected anytime soon but the 2019 lows have already been marked and a slow move sideways to slightly higher will ensue.

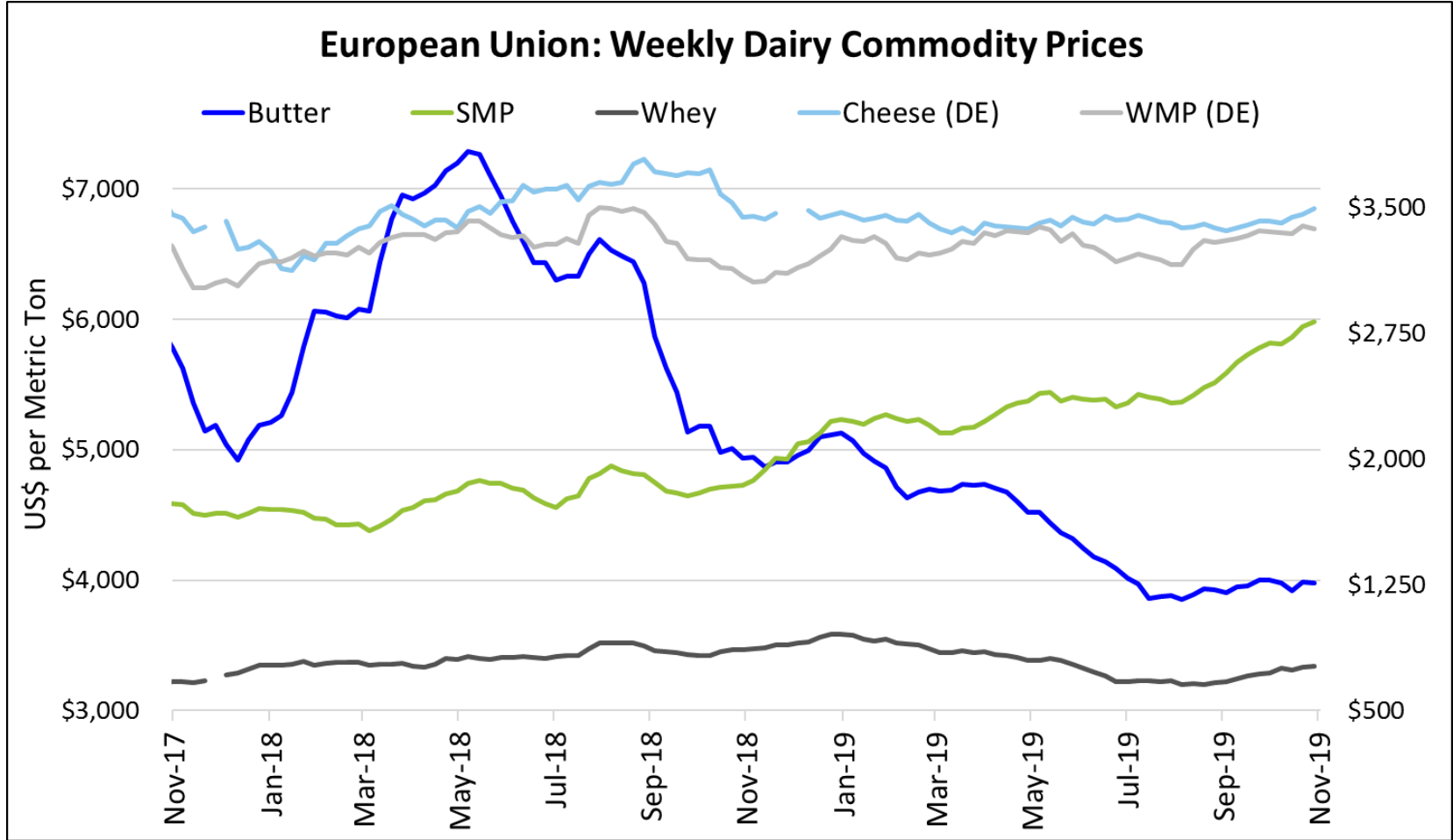
Weekly Milk Collections: DE, FR, UK



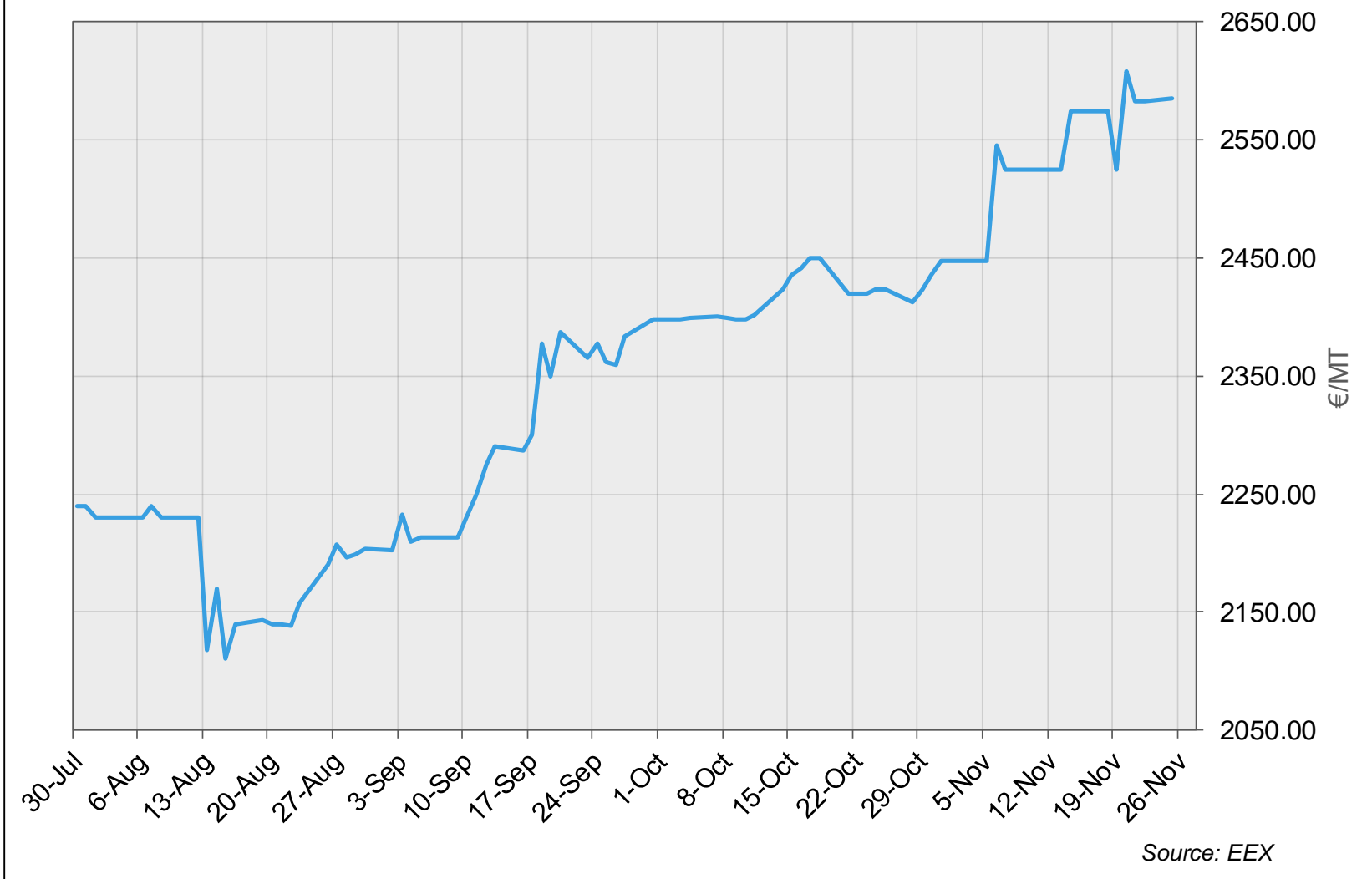
December 2019 CME Euro FX Futures



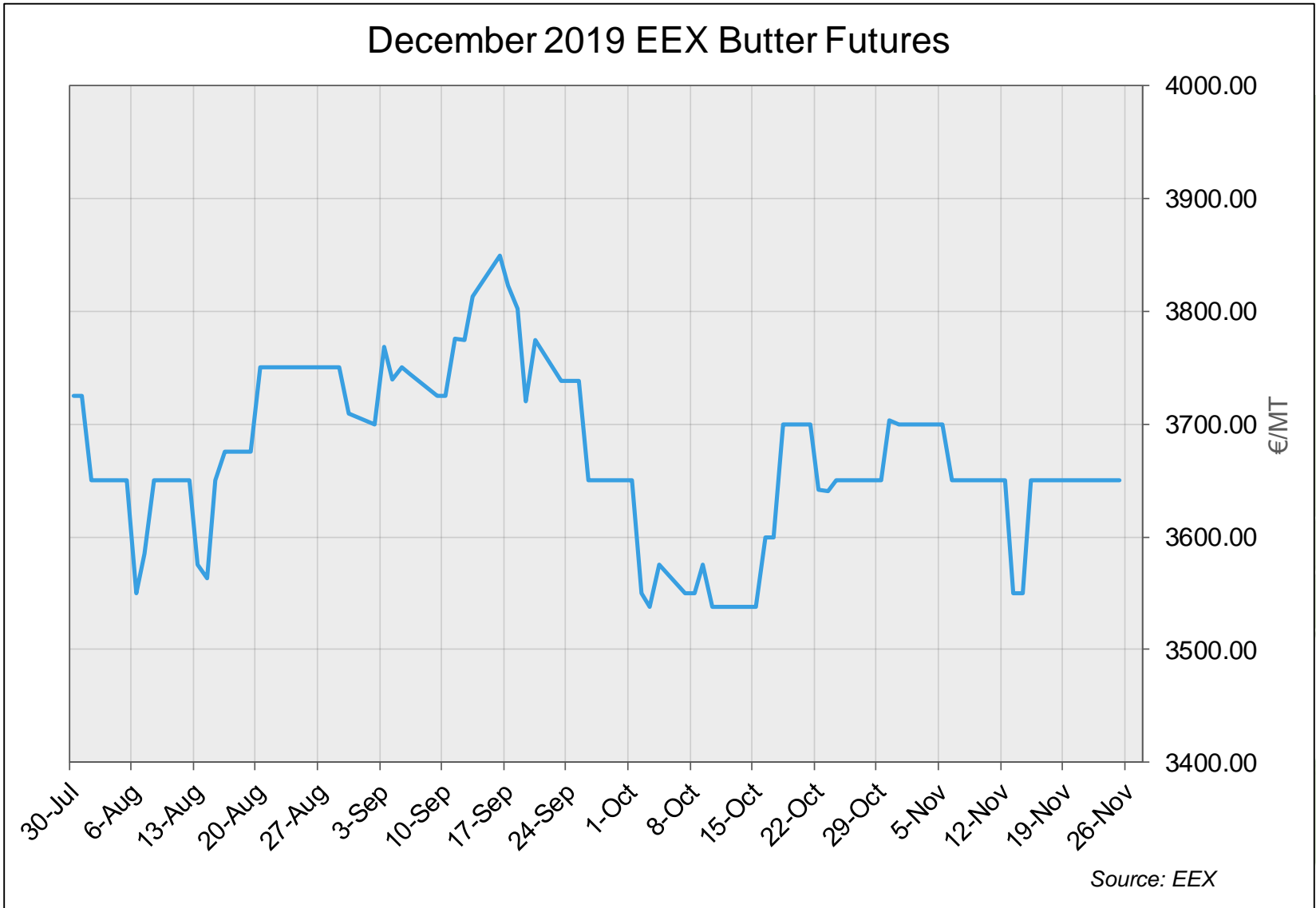
Source: CME Group



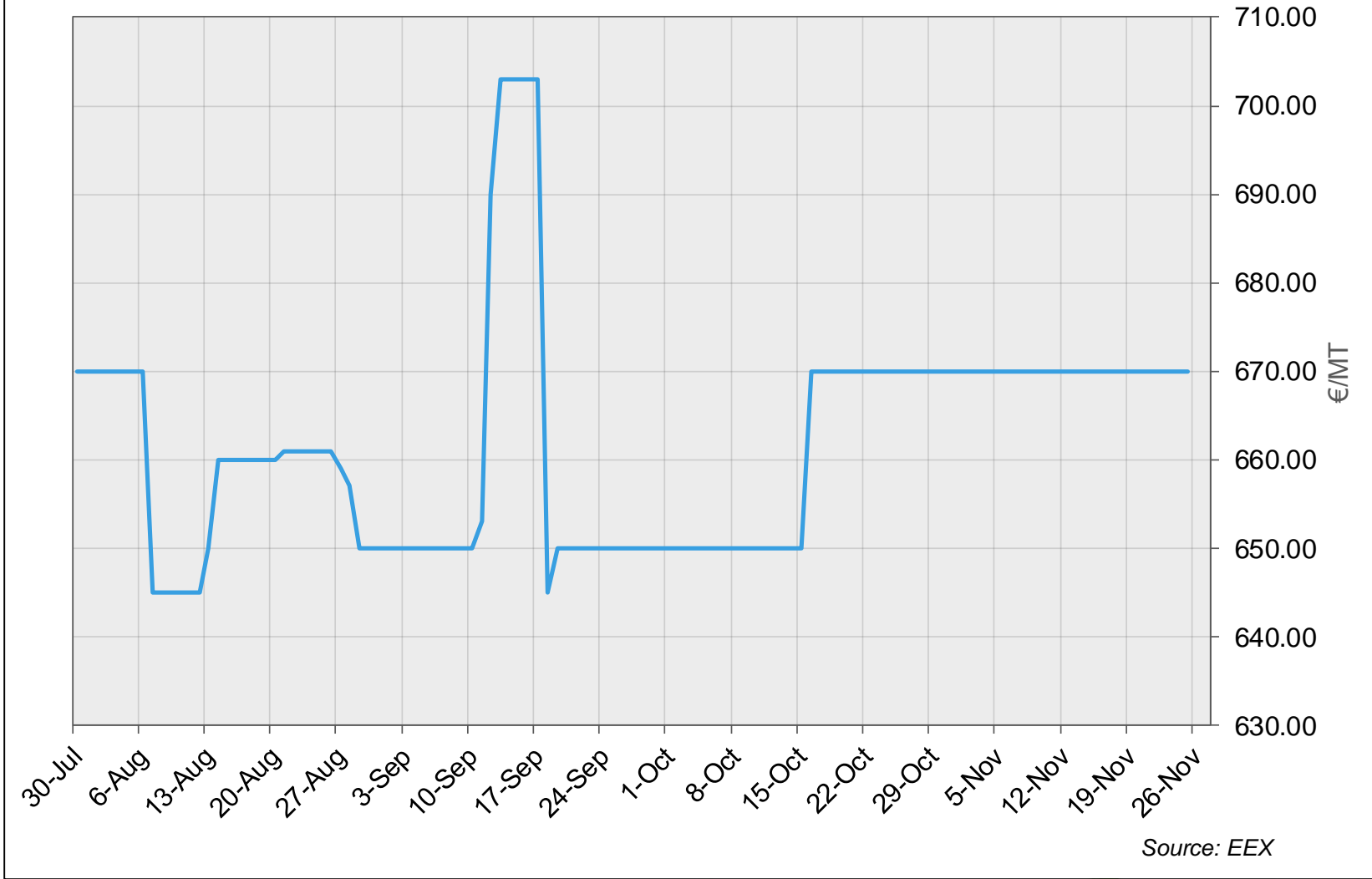
December 2019 EEX Skimmed Milk Powder Futures



December 2019 EEX Butter Futures



December 2019 EEX European Whey Powder Futures



About HighGround Dairy

HighGround Dairy launched in 2012 by industry veteran, Eric Meyer. Affiliated with HighGround Trading LLC, Eric is the President of the Dairy Division which services all those interested in trading dairy futures and options markets. Through the brokerage division and its related consulting company, HighGround Advisory Group, it specializes in dairy hedging, risk management and market analysis services for farmers & cooperatives, processors, manufacturers, distributors, traders and end-users.

If you have questions or comments about our market analysis, have interest in signing up to receive our reports directly or have interest in trading dairy futures and options, please call or email below.

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