

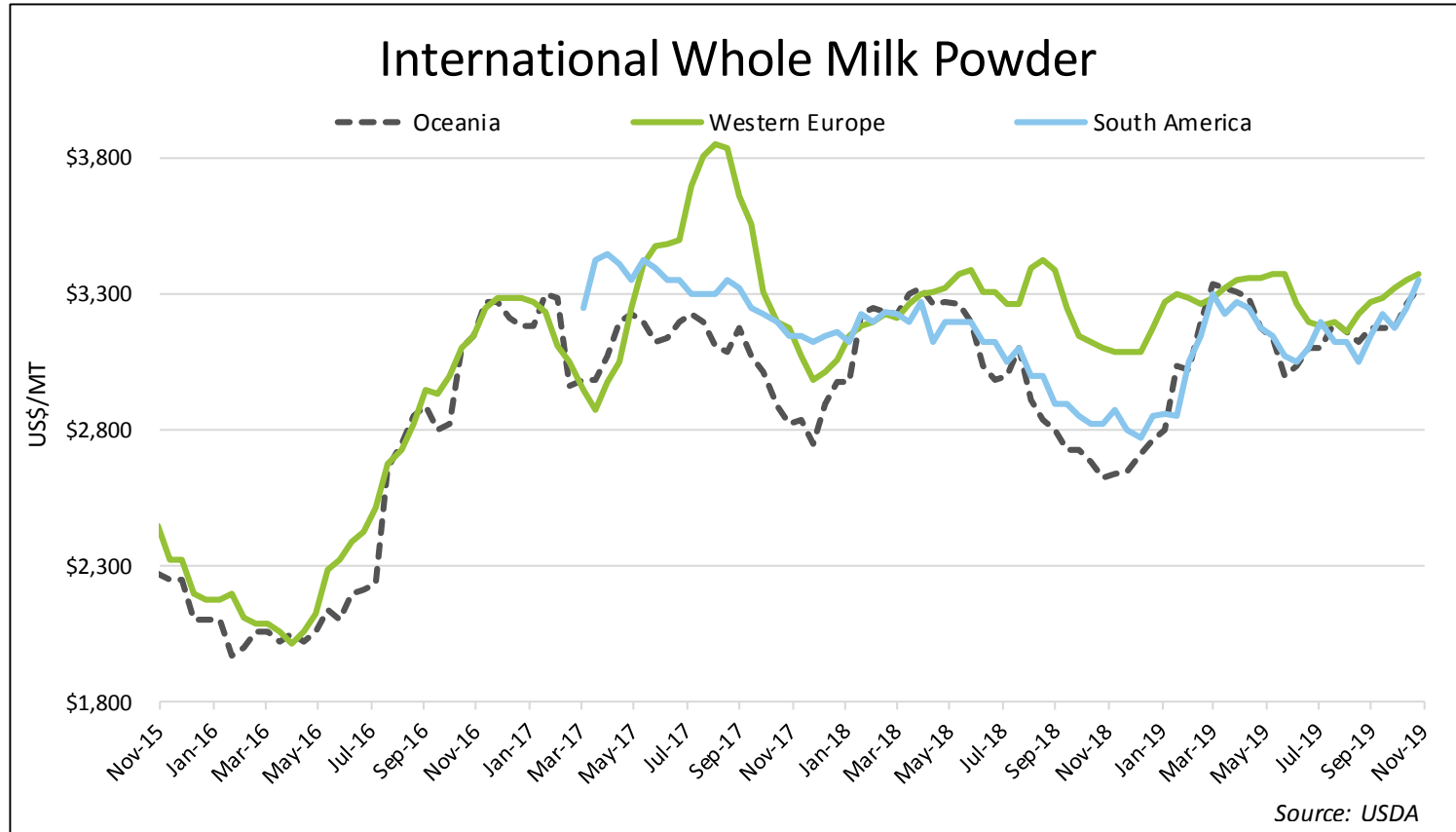
A light grey world map is centered in the background of the slide, showing the continents of North America, South America, Europe, Africa, Asia, and Australia.

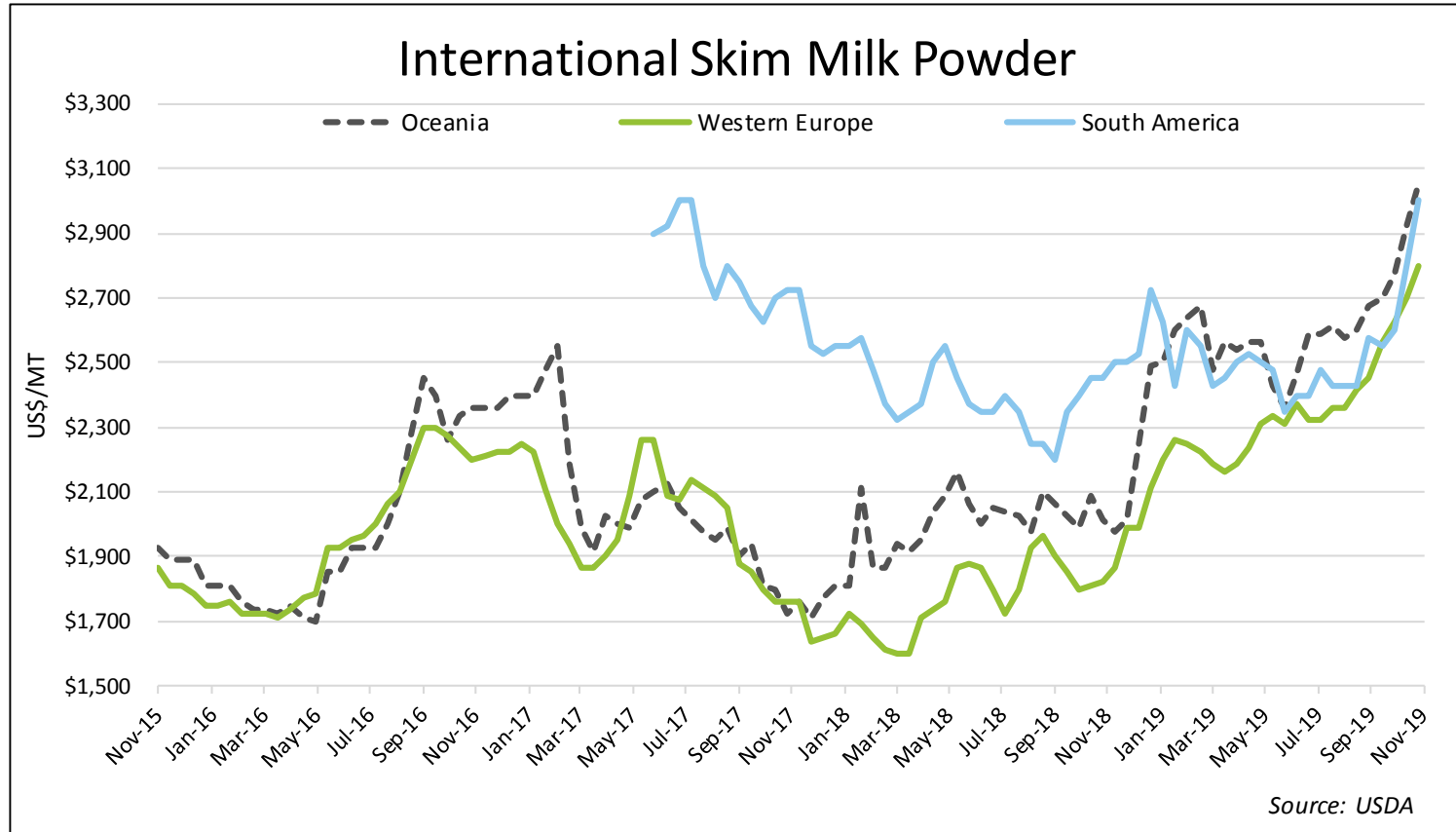
**USDA Bi-Weekly International Prices**  
(Midpoints)  
**21 November 2019**

### USDA Bi-Weekly International Prices - 21 November 2019

Commodity	Oceania		vs. Last Report	vs. Last Year	Western Europe		vs. Last Report	vs. Last Year	South America		vs. Last Report	vs. Last Year
	\$/MT	\$/Lb			\$/MT	\$/Lb			\$/MT	\$/Lb		
Whole Milk Powder (WMP, FCMP)	\$3,325	\$1.51	+ 1.9%	+ 26.7%	\$3,375	\$1.53	+ 0.7%	+ 8.9%	\$3,350	\$1.52	+ 3.1%	+ 18.6%
Skim Milk Powder (SMP)	\$3,050	\$1.38	+ 4.3%	+ 51.6%	\$2,800	\$1.27	+ 3.7%	+ 53.4%	\$3,000	\$1.36	+ 7.1%	+ 22.4%
Cheddar Cheese	\$3,788	\$1.72	+ 6.7%	+ 13.1%								
Butter	\$4,113	\$1.87	- 1.2%	+ 4.4%	\$4,025	\$1.83	- 0.3%	- 19.9%				
Sweet Whey Powder (SWP)					\$888	\$0.40	+ 1.4%	- 6.6%				

- The USDA continues to confirm the solid demand across all regions for skim milk powder (SMP), as well as the loss in incremental milk from Western Europe that is resulting in tight inventories. Further strengthening demand in the EU is their competitive price levels on product versus levels in Oceania that continue to command a premium. The lack of Public Intervention stocks continue to influence the market as customers are no longer guaranteed a reasonable price with the limited inventory and therefore, buyers are open to higher prices. Oceania milk production has passed their seasonal peak, firming milk powder prices and with seasonal contracts securing existing product, buyers have had to expand their search for near term needs. In South America, processors have been focusing on whole milk powder (WMP) to complete contracts, also lessening inventories of SMP on a global scale.
- Western Europe’s desire to now steer any incremental milk toward SMP or fat-filled milk powder instead of WMP has also resulted in lower WMP inventories. Buying interest has remained within the confines of Western Europe and on stronger prices due to the lack of availability to fulfill needs into the export market. In South America, costs for manufacturing have increased and WMP exports have faltered from both Argentina and Uruguay versus last year’s trend. The lower end of the price range corresponds with exports to Algeria, while the upper range reflects Argentina/Uruguay exports to Brazil.
- Butter prices continue to soften as it is past the peak time for holiday retail interest. Highest prices persist in Germany, followed by France, Netherlands, and Italy. Fat prices in Oceania have moved lower with production of unexpected volumes of butter have reportedly leading to excess inventories. Further price risk in the region could be driven by the attractiveness to divert milk to the butter/SMP stream due to strong protein prices versus WMP as the calendar continues to move off peak milk flows.





## **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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