European skim milk powder (SMP) prices moved higher. Manufacturers are reporting more buyer interest as end users seek out coverage for near-term and longer-term SMP needs. Inventories are adequate to fill the now increasing demand, but production has slowed due to tight milk supplies and strong pulls on that milk from cheese and fresh dairy products. As a result, some manufacturers are cautious in letting stocks go. They want to make sure they have the SMP on hand to fill their contracted obligations. And with the uncertainties about future milk supplies and energy costs, processors are looking for firmer SMP prices to cover any variances of production costs.

Information for the period October 16 - 27, 2023, issued biweekly

Secondary Sourced Information:

EU SMP Production
According to CLAL data made available to USDA, EU August SMP production is estimated at 94,636 MT, a decrease of 1.7 percent from August 2022. EU SMP production January-August 2023 is estimated at 891,000 MT, down 1.3 percent from January-August 2022. Among some of the leading European SMP producing countries, the January-August 2023 quantity and percentage change compared with January-August 2022 are Germany, 252,790 MT, +6.9 percent; France, 246,900 MT, 5.4 percent; and Belgium, 132,090 MT, 0.6 percent.

EU SMP Exports
SMP exports from the EU27 January-August 2023, 564,000 MT, increased 21.3 percent from January-August 2022 according to CLAL data made available to USDA. Main destinations January-August 2023, quantity, and percent change from January-August 2022 are Algeria, 112,602 MT, +81.11 percent; China, 60,206 MT, +2.22 percent; and Egypt, 32,776 MT, +16.32 percent.