New Zealand

At GDT event 343 prices for all commodities other than butter and whole milk powder (WMP) moved higher. Some industry sources suggest the decline in butter prices was unexpected, following the previous event. Some seasonal New Zealand milk price forecasts have, reportedly, moved lower following GDT event 343. The Food and Agricultural Organization (FAO) of the United Nations released the October Dairy Price Index which was up 2.2 percent from September. The organization cited concerns over the impact of El Nino on milk production in Oceania as contributing to this increase. Industry sources in New Zealand report concerns this year’s El Nino weather will have a negative impact on milk production.

Australia

Milk production data was recently released showing Australian output in September. This data showed total milk production in the country was up 0.5 percent in September compared to a year ago, and production from the start of the season in July through the end of September was up compared to the same time frame in 2022. September milk output was flat to higher in most states, compared to September a year ago, with the only declines reported in Victoria. Recently released export data from Australia for September showed total dairy export volumes this year are down compared to 2022, and total dairy export volumes were down compared to September a year ago. In September total export volumes of SMP and cheese were up compared to September of last year, but year to date export volumes for these commodities remain below 2022 levels.