For multiple years, the La Nina phenomenon related drought wrought havoc through large parts of the continent’s key dairy producing countries. With neutral patterns and now El Nino, dairy production has rebounded some, but there have been bumps in the road along the way. According to reports, September milk output in Argentina and Uruguay faltered. Costs of production are, according to numerous reports, a major factor in the limitations put on dairy farmers in key dairy areas, namely Brazil and Uruguay.

The aforementioned milk production limits contributed to lighter export volumes out of Argentina. As prices of whole milk powder and skim milk powder rose this report week. Brazil continues to vie for internal production and processing growth, but at this time, Brazilian contacts say they are still contending with limited internal availability and processing capacities. There is some sense in the region that dairy commodity markets may eschew global trends, regardless of their direction, due to localized limits on supply. Right now, regional market tones are slightly uncertain.

Information for the period October 30 - November 10, 2023, issued biweekly