Spring flush in the region has come and gone, according to contacts. They say farm milk yields were, in some cases, underwhelming due to the recent drought's longer-term impacts, increases in costs of production, and feed quality/quantity. Still, spring flush has processors reporting generally healthy supplies of farm milk for their utilization. Brazil's move to prompt increased internal milk production and processing continues to keep traders outside of the country both on alert and also seeking out other international trading partners. To further complicate the trading dynamic in the Southern Cone, elections in Argentina are expected to create some changes in tax rates and intercontinental trading relationships, regardless of outcome.

As was mentioned, Brazil's internal milk output increases, along with pushes in processing, have slowed recent importing into the country from Argentina and Uruguay, in recent months. Still, those countries' traders say loads are moving internally and to other regions of the globe. Despite a settling in the most current GDT auctions, the international sentiment in the past month regarding dairy powders has generally been viewed as bullish. Prices in South America are steady, as traders say they are somewhat comfortable currently. As spring flush milk output has likely peaked, they are also cognizant that dairy commodity markets will not escape the supply and demand foundation, despite the many complexities of global trading dynamics.

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