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## **Buyers still trading in low demand environment**

- ***GDT Price Index decreases 23 per cent in Q2***

Dairy prices on GlobalDairyTrade (GDT), the world's leading online auction platform, continued to fall across all key commodity products with the GDT Price Index decreasing by 23 per cent from April – June 2015 (Q2). This compares with the 16 per cent increase in the previous quarter (Q1 2015).

According to the GDT Quarterly released today, the WMP average price decreased by 12.8 per cent and SMP decreased by 19.7 per cent from Q1 to Q2 2015. Over the same period, Butter and BMP experienced the largest decrease in average price of 22 per cent and 26 per cent respectively.

GDT Director Eric Hansen said the dairy sector is experiencing a time of low seasonal supply and low demand, but buyer participation on GDT continues to be healthy with normal levels of product clearance.

“Despite ongoing weak demand for globally traded dairy commodities, GDT cleared 98 per cent of the quantity offered during auctions in Q2. The auction continues to attract bidders generating competition for the products on offer.”

In Q2, 154,400 metric tonnes of product was sold on the auction platform, valued at US\$390 million.

“The average supply of 26,000 metric tonnes per auction during Q2 was much the same as the previous quarter. These relatively low quantities reflect the normal seasonal cycle experienced in New Zealand.”

“We were pleased to see Arla Foods Ingredients' introduction of lactose to the platform in Q2, which has provided price transparency for this important product group. We look forward to further expansion of sellers and products on offer as the year progresses,” said Hansen.

ENDS

## Notes to editors

- **Average Price (US/MT, FAS)** – The average price for a product group, such as WMP, is the average of the published winning prices across all specifications in the product group.
- **GDT Price Index** – The change in a product group's price index is the average of the percentage changes in the **individual** published prices between auctions. This is one of the key numbers provided on the day of the auction. Changes in GDT price indices provide a more accurate measure of the overall price movement between auctions than that provided by the change in the product group average price. A more detailed explanation is available at <http://www.globaldairytrade.info/en/resources/gdt-price-index/>

In the above, all averages are weighted-averages using sold quantities.

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## About GDT

GlobalDairyTrade (GDT), the world's leading online dairy auction platform, connects sellers and buyers of internationally traded dairy commodity products.

GDT provides globally recognised market-based benchmark prices for more than 30 products including anhydrous milk fat, butter, cheese, casein, lactose and skim and whole milk powders. More than 900,000 metric tonnes of commodity dairy products have been traded on GDT in the past 12 months to the end of June 2015.

Through GDT's online trading platform, up to US\$5 billion of dairy commodity products are sold annually, by leading dairy companies in Europe, USA, India, Australia and New Zealand.

For more information about GDT please visit [www.globaldairytrade.info](http://www.globaldairytrade.info)