

Price flexibility.
Supply certainty.



Case Study

THE CHALLENGE

A customer with expertise in nutritional products was seeking increased price certainty with some flexibility for their purchase of NZMP Wholemilk Powder (WMP). This would give them greater certainty in setting budget targets, guarantee ingredient supply for manufacturing and also allow them to benefit if prices fell.

THE SOLUTION

In March 2018, we offered our customer NZMP PriceCollar for NZMP WMP for September to December 2018. NZMP PriceCollar allowed them to choose the maximum price which met their needs and also gave them the opportunity to benefit from downward market movement within the range agreed.

THE RESULT

The level of maximum/cap price ensured the customer would meet their annual budget targets, while also being able to gain some benefit from lower market prices.

NZMP PRICECOLLAR SOLUTION

Locked in supply

150MT (50MT/Month)

Locked in time

4 months

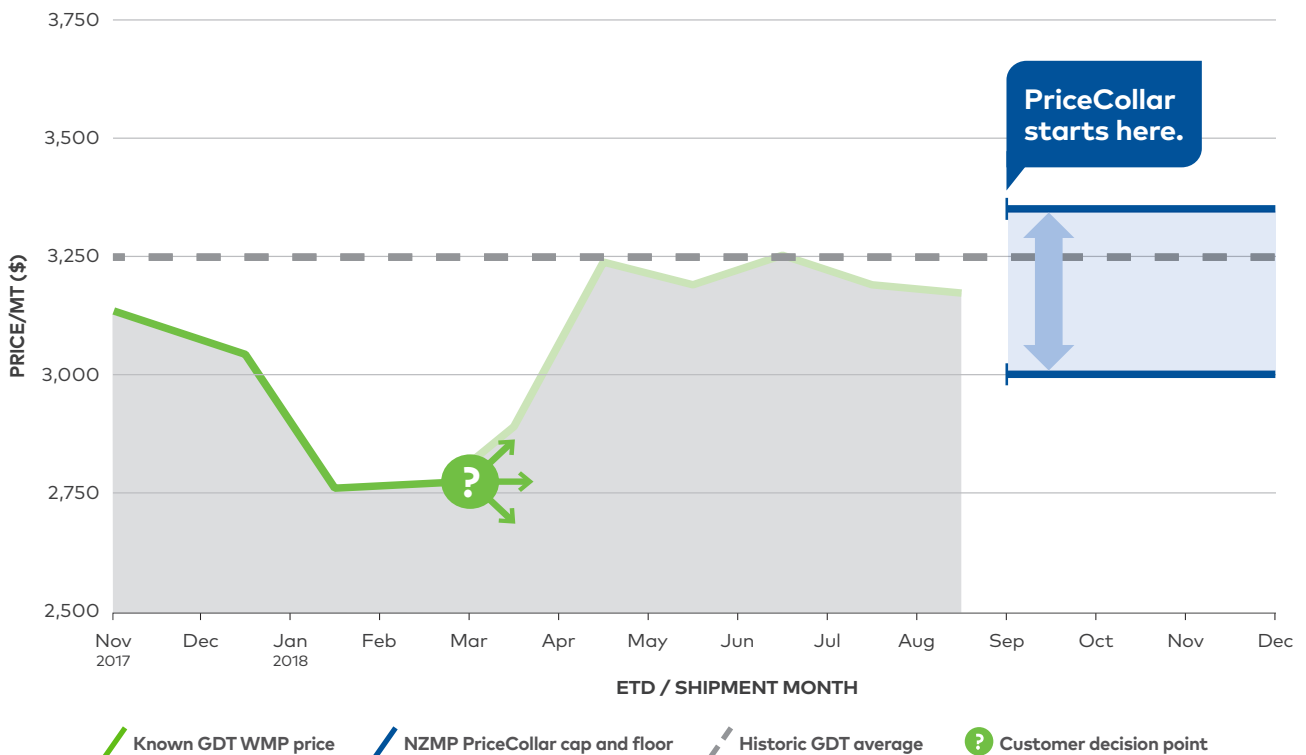
Cap (maximum price)

\$3,350/MT

Floor (minimum price)

\$3,000/MT

NZMP PriceCollar vs GDT WMP



To find out more about our ingredients and solutions, please visit nzmp.com/pricecollar