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MD DA640 Nonfat Dry Milk - West

MADISON, WI. July 6, 2017 (REPORT 27)

NONFAT DRY MILK - WEST

F.O.B spot prices for Western low/medium heat nonfat dry milk (NDM) moved lower on the bottom of the price range and stayed steady on the mostly price series. A number of processors are trying their best to sell their NDM at the top of the price range. Inventories are fair to plentiful in most parts of the West. However, some contacts report that in California, some manufacturers have limited stocks of NDM and the ones who have a decent supply are holding on to it. Production is active; however, it is expected to start declining as the summer advances. Industry contacts suggest that during the Fourth of July holiday, buying slowed down a little bit. Contracts are being fulfilled as planned, and spot sales are steady. The market undertone is weak, but starting to settle. Prices for high heat nonfat dry milk moved slightly down on the top of the price range, but remain constant on the bottom. Supplies are still tight and mostly geared toward fulfilling contractual needs. Production is light as priority is given to low/medium heat nonfat dry milk manufacturing. The market tone is fairly balanced. The CME Group monthly average price for Grade A NDM during June was \$0.8902, compared to \$0.8476 a year ago. The June 2017 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.9257 compared to \$0.8209 a year ago. The average for Western high heat nonfat dry milk is \$1.0340 compared to \$.9491 a year ago. At the GDT Event 191 on July 4, skim milk powder (SMP) prices across all contract periods averaged \$0.9480 per pound, down 4.5 percent from the last event.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8000 - .9500 MOSTLY: .8500 - .9300

HIGH HEAT: .9800 - 1.0600

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