

MD_DA770

Lactose - Central and Western U.S.

Report 20 - Released on May 17, 2018

Lactose prices moved higher on the top of the mostly prices series, but are otherwise unchanged. Lactose continues to move readily through regular contracts, but spot market sales were quieter this week. Industry contacts report demand is strong. Some manufacturers suggest that the recent increases in lactose prices are only a foretaste of what is about to transpire for Q3 prices. A number of processors say inventories are very tight, to the point of having to push back the ship dates for a few customer shipments. Production is generally steady. However, some contacts suggest there may be less lactose entering the market due to WPC 80% and WPI processors not pushing production of those higher protein products due to weak market conditions. While the market tone for lactose appears to be firming, a few industry contacts suggest there is still a need for caution. They hold a concern about whether lactose demand can maintain itself through the rest of the year, and also see signs of some low-priced lactose from the EU starting to show up in market channels.

Prices for: Central and Western U.S., Spot Sales And Up 3 Month Contracts, F.O.B., Conventional, and Edible Lactose

Price Range - Non Pharmaceutical; \$/LB:	.1800 - .3900
Mostly Range - Non Pharmaceutical; \$/LB:	.2200 - .2950

Information for the period May 14 - 18, 2018, issued weekly

Secondary Sourced Information:

At the GDT Event 212 on May 15, the lactose price for the July contract period was \$0.3116 per pound, down 3.5 percent. The U.S. lactose multi-seller pool is suspended while GDT Events Oversight Board evaluates options to enhance the U.S. lactose pool effectiveness.

Published by:

Dairy Market News - Madison, WI

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