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Nonfat Dry Milk - Western U.S.

Report 10 - Released on March 05, 2020

Western low/medium heat nonfat dry milk (NDM) free on board spot prices are down this week on a puzzling market status. The coronavirus crisis remains as the wild card within the dairy industry, causing uncertainty and much speculation about the immediate future of the NDM market, and lower current NDM prices are one of the many effects. Having saying this, now with fairly low NDM indices, many NDM clients are signing Q2 contracts, anticipating a takeoff on prices in the next few weeks. On the other hand, some buyers are cutting back on spot orders, hoping and waiting to see a clearer picture of the market very soon. Interestingly, NDM future values and contract numbers for the rest of Q1 and Q2 increased, reflecting some spark of optimism despite the uncertainty prevailing in the market. Low/medium heat NDM production is constant and expected to grow during the spring flush. Demands from Mexico are reported as sluggish this week. According to some Mexican industry stakeholders, given the issue of coronavirus and uncertainty, Mexican buyers of US products have limited themselves to buy as little as possible. However, if the market stabilizes and confidence returns, NDM requests from Mexico are expected to be very strong since every week that passes less inventory sustains the market in that country. Back to western U.S., high heat NDM, prices are steady to lower, shadowing low/medium heat NDM downward pricing behavior. Production is limited, mostly driven by contractual needs. Inventories are steady to slightly higher.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk

Price Range - Low & Medium Heat; \$/LB: 1.0700 - 1.2200

Mostly Range - Low & Medium Heat; \$/LB: 1.1300 - 1.1600

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk

Price Range - High Heat; \$/LB: 1.2400 - 1.3100

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