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Nonfat Dry Milk - Western U.S.

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Western free on board spot prices for low/medium heat nonfat dry milk (NDM) are mostly higher this week. According to some processors, recent upward trending SMP prices at some offshore auctions have fueled interest in NDM, both domestically and internationally. On the other hand, some buyers say that NDM stocks are enough to meet their demands, therefore, there is no logical economic justification for NDM spot prices to rise. Some Q3 contracts negotiations, based on variable indices, are finalizing this week. Meanwhile, in the futures markets, NDM values for Q3/Q4 contracts shifted down, but remained above \$1.01 per pound for the rest of the year. Given the COVID-19 threat to the NDM market supply chain, a sense of uncertainty is palpable in the market. However, the NDM market tone shows no significant signs of weakness at least for now. In fact, NDM spot sales have been more active than the previous shortened holiday week, while requests from cheese makers and bakers are improving. Albeit regional farm milk outputs are seasonally down, NDM production is ongoing as condensed skim volumes are enough to meet most drying needs. Meanwhile, NDM/SMP exports to Mexico are reported as steady to strong as milk production is seasonally decreasing in the main dairy basins of that country. Back to western United States, high heat NDM prices are steady to slightly higher. Production is sporadic, mostly driven by contractual requirements. Inventories are mixed throughout the region.

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:	.9550 - 1.0925
Mostly Range - Low & Medium Heat; \$/LB:	1.0100 - 1.0350

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:	1.0800 - 1.2200
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