

MD_DA770

Lactose - Central and Western U.S.

Report 34 - Released on August 20, 2020

Lactose prices moved slightly lower at the top of the price range and bottom of the mostly price series but are otherwise unchanged. Lactose is moving well through contracts, but spot market demand has gone mostly quiet. Some manufacturers are cleaning out various odds and ends of loads that missed on contracted end user specifications or have a bit more age. And a few buyers seem willing to take on deals to position themselves for the last few months of the year. However, manufacturers and shoppers have entered the quiescent period prior to and during Q4 contract negotiations. The market tone for lactose is unsettled, and there are a lot of mixed messages in the market. Initially, Q4 contracted prices mirrored Q3 prices. However, some manufacturers report seeing much more resistance to their offers over time. Industry contacts suggest lactose prices may not reach the historical ne plus ultra. They say market prices have peaked and may begin to retract. Manufacturers maintain their supplies are mostly committed through much of the end of the year. Supplies of lower mesh lactose are becoming more obtainable. And some market observers say they are seeing more EU lactose enter international markets. High mesh lactose is less available. Manufacturers say domestic demand is solid, but others suggest China and Southeast Asian markets are full of lactose. While most manufacturers and end users think a correction in lactose prices is imminent, the speed and size of the price movement is up for debate.

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

Price Range - Non Pharmaceutical; \$/LB:	.4000 - .6350
Mostly Range - Non Pharmaceutical; \$/LB:	.4450 - .5800

Information for the period August 17 - 21, 2020, issued weekly

Secondary Sourced Information:

GLOBAL DAIRY TRADE (GDT) EVENT

At the GDT Event 266 on August 18 the lactose price for the October contract period was \$0.5910 per pound, down 3.3 percent from the last GDT event.

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