

MD_DA770

Lactose - Central and Western U.S.

Report 3 - Released on January 21, 2021

Prices for lactose are unchanged this week and production is steady. Inventories are stable and generally well-balanced. A few manufacturers say they have stocks they would like to move out, but others relay their supplies are committed for the next few months. End users suggest they are not having any trouble getting the lactose needed. Manufacturers report demand has picked up the last few weeks. Infant formula and standardization segments are two arenas that manufacturers say they have seen more activity as of late. Some industry contacts are concerned about the challenges getting shipping containers for export markets. A few manufacturers indicate that some containers are getting unloaded at the coastal ports and shipped back empty to SE Asia. Others suggest their customers have sent some portions of their orders via air freight to maintain inventory levels. In either case, the limited availability of shipping containers is creating an imbalance that makes it more difficult to predict real demand accurately for lactose producers. Some manufacturers are worried that buyers may try to circumvent the shipping issue by placing more orders than normal, with the hopes that a few of the loads get shipped earlier. Processors feel this may artificially inflate demand and exacerbate the challenges to shipping in the near-term.

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:	.3100 - .5500
Mostly Range - Non Pharmaceutical; \$/LB:	.3500 - .4600

Information for the period January 18 - 22, 2021, issued weekly

Secondary Sourced Information:

GLOBAL DAIRY TRADE (GDT) EVENT

At the GDT Event 276 on January 19, the lactose price for the March contract period was \$0.5321 per pound, up 6.6 percent from the last GDT event.

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