

Lactose - Central and Western U.S.

Report 36 - Released on September 09, 2021

While the lactose price range is unchanged, the top of the mostly price series moved lower. Industry contacts report spot sales are difficult to make. Buyer interest is light, and any interest that is present is predicated on the ability to ship the lactose. Lack of containers and vessel space is still a major concern for market participants. Some industry contacts suggest the shipping headaches are having a bigger impact on market conditions than actual supply and demand. Q4 contracting is moving forward with mixed results. In some cases, contracts are getting settled but with the caveat that the lactose will ship within certain timeframes. In other cases, buyers are in no hurry to sign contracts. Some contract prices in Southeast Asia are under pressure due to increased competition and growing inventories there. U.S. lactose stocks are heavy. Shipping congestion has created backups through primary and secondary market channels. Lactose production is steady.

DAIRY MARKET NEWS MONTHLY AVERAGES

The August 2021 Dairy Market News average of the mostly price series for Central and West lactose was \$0.4534, compared to \$0.4584 in July, and \$0.5136 one year ago.

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:	.3400 - .5600
Mostly Range - Non Pharmaceutical; \$/LB:	.4000 - .4800

Information for the period September 6 - 10, 2021, issued weekly

Secondary Sourced Information:

DAIRY PRODUCTS REPORT - LACTOSE SUMMARY

Released September 3, 2021, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Lactose Production - United States

Product	Monthly Production (1000 pounds)		Percent Change from	
	JUL 2020	JUN 2021	JUL 2021	JUL 2020
Lactose, human and animal	99,916	94,642	97,973	-1.9
				JUN 2021
				3.5

Cumulative Production January - July

Product	Cumulative Production		Percent Change from 2020
	(1000 pounds) 2020	(1000 pounds) 2021	
Lactose, human and animal	646,083	651,707	0.9

Manufacturers' stocks end of month 1

Product	End of month stocks (1000 pounds)		Percent Change from	
	JUL 2020	JUN 2021	JUL 2021	JUL 2020
Lactose, human and animal	97,687	125,435	128,252	31.3
				JUN 2021
				2.2

1. Stocks held by manufacturers at all points and in transit.

U.S. LACTOSE EXPORTS, H.S. CODE 1702110000(FAS)

	2021 Exports	% Change From
	(Million Lb.)	1 Year Ago
JULY Total	57.4	+ 1
TOTAL, JAN - JULY	416.0	+ 2
1 China	77.5	+ 25
2 New Zealand	57.1	+ 10

3 Japan	45.3	- 2
4 Mexico	44.3	+ 3
5 Indonesia	27.6	- 10

GLOBAL DAIRY TRADE (GDT) EVENT

At the GDT Event 291, on September 7, the lactose price for the November contract period was \$0.5293 per pound, up 6.4 percent from the last GDT event.

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