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Lactose - Central and Western U.S.

Report 49 - Released on December 08, 2022

Lactose prices are unchanged this week. Spot market activity is largely quiet, but a few transactions in the lower end of the price range occurred. Industry contacts speculate that a few manufacturers may have excess stocks of lactose that they want to clear off the books before the end of the year. In addition, the freight costs from the middle of the U.S. may take a bite out of the price points the manufacturers can get for the lactose. Inventories remain heavy, but processors still report much of the stockpile is committed. Contracted business for Q1 is taking shape but not at the same pace as previous years. Some contacts mention that they would normally have much of their Q1 business in place by now. Buyers seem more willing to hold back on purchases, waiting to see what the new year will bring. Lactose production is steady. However, a few manufacturers are contemplating making less of higher whey protein concentrations and more dry whey or whey protein concentrate 34%. If this occurs, industry contacts expect a little less lactose will be made.

DAIRY MARKET NEWS MONTHLY AVERAGES

The November 2022 Dairy Market News average of the mostly price series for Central and West lactose was \$0.4850, compared to \$0.4760 last month, and \$0.4129 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: .3500 - .6000
Mostly Range - Non Pharmaceutical; \$/LB: .4500 - .5200

Information for the period December 5 - 9, 2022, issued weekly

Secondary Sourced Information:

GLOBAL DAIRY TRADE (GDT) EVENT

At the GDT Event 321, on December 6, the lactose price for the February contract period was \$0.5543 per pound, down 0.8 percent from the previous GDT event.

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

	2022 Exports (Million Lb.)	% Change From 1 Year Ago
OCTOBER Total	69.5	+ 9
TOTAL, JAN - OCT	753.7	+ 28
1 China	194.1	+ 71
2 New Zealand	102.9	+ 26
3 Japan	86.9	+ 36
4 Mexico	65.3	---
5 Indonesia	47.7	+ 32

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