

How the pool will work for buyers

10 January 2017

PRODUCTS ON OFFER

As shown in the Product Information file, food-grade lactose is available in three different mesh sizes: Mesh 40, Mesh 100 and Mesh 200 (also referred to as M40, M100 and M200). As a buyer, you decide which of these mesh sizes suits your requirements. If needed, you can request samples for testing within your application.

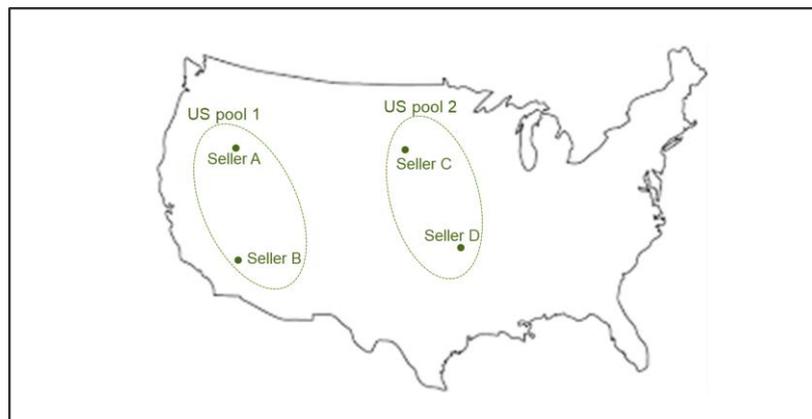
SELLER POOLS

Due to the large geographic distances across the United States, we have grouped the sellers into two pools, each of which offer identical lactose products on GDT Events. These pools are simply be called:

- US Pool 1, and
- US Pool 2.

This is necessary to provide effective averaging of the domestic freight charges included in the FAS starting price that you will bid on. You can bid on product from either US Pool 1 or 2 (or both), knowing that all products will meet the specification.

Figure 1: Seller pools



PRICING LOCATIONS

To minimise freight charges to buyers located in different parts of the world, products will be offered at the following two locations:

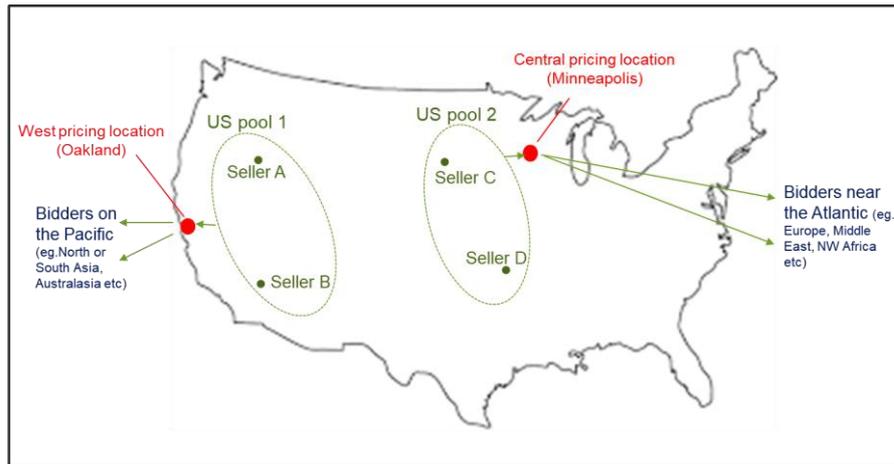
- West – Oakland
- Central - Minneapolis

Sellers on US pool 1, closest to the West coast, will offer their products from their nearest pricing location: West. Likewise, sellers within US pool 2 will offer their products from the Central location.

Buyers can choose which pool to bid on, and therefore which location to ship from, and the pricing will reflect the differences in freight rates from each pool.

The starting prices for products offered at each location may differ to reflect the different US domestic freight rates included in the FAS prices.

Figure 2: Pricing locations



YOUR BIDDING SCREEN

The Bidding Website screens will not change. You will see the available lactose products listed as shown in Figure 3 below, sitting alongside lactose offered by other sellers (Arla Foods Ingredients and Polish Dairy). Initially, US lactose will only be offered in contract period 2.

Figure 3: US Lactose shown on the GDT Bidding Website (showing US pool 2 only)

GDT EVENTS
User: demo1002 [LOGOUT](#)

Round 1 Is: OPEN
Round 1 Closes In: 01:47:29 (hh:mm:ss)

Current Time (GMT): 27-Dec-2017 20:12:31
 Preferred Phone #: [Not Set](#)

Pre-Event Info Trading Status Demand Indicator Messages Submit Bid Trading Schedule Results Auto-Bid Preferences Help CRA International

Round 1 Closes at 27-Dec-2017 22:00:00 (GMT) Duration of This Round: 150:00 (mm:ss)
Round 1 is open. Please click "Submit Bid" to enter your bid quantities. Duration Between Rounds: 30:00 (mm:ss)

demo1002 is eligible to submit a bid on up to a total of 6,800 MT.

Submit Bid and Continue Cancel

	Feb18 (Contract 1)		Mar18 (Contract 2)		Apr18 (Contract 3)		May18 (Contract 4)		Jun18 (Contract 5)		Jul18 (Contract 6)	
	Bid (MT)	USD/MT FAS										
LAC Food-M40 US Pool 2 - Central			0	@ \$380								
LAC Food-M100 US Pool 2 - Central			0	@ \$425								
LAC Food-M200 US Pool 2 - Central			0	@ \$470								

The view shown in Figure 3 shows only US pool 2. When US pool 1 product becomes available, the lines shown above will be replicated for West location, and bidders can choose their preferred location.

Assuming you are granted eligibility from both pools, you will be able to submit a bid on any of the specifications, following your assessment of which offering provides the best value to you. You will not know the identity of the seller when submitting your bid, but you will know that the lactose you win will be provided by one of the top US ingredients' producers, namely:

- Agropur Inc,
- Hilmar Ingredients, or
- Valley Queen Cheese.

CONFIRMING THE SELLER

Immediately after the trading event has closed, GDT will match winning bidders to sellers using an automated algorithm. The matching algorithm will seek to minimise overall freight charges and the number of instances where purchases are split between sellers, within the constraints of sellers' offer quantities and bidders' winning bids.

If you have been successful in bidding on US lactose, you will receive an email from GDT shortly after the trading event has closed, confirming the details of your purchase and the seller who will ship product to you. The email will include the following details:

- The specification you have purchased, along with winning price and quantity
- The identity of the seller/s you have been matched to
- The freight rates for international shipping (or domestic freight, if you are in the US) that will apply.

Shipments are then arranged directly with the seller as per current practice.

BUYER ASSISTANCE

If you need assistance at any stage, please email GDT at help@globaldairytrade.com, and during the auction you can call the CRA Helpdesk using the telephone numbers provided on the Bidding site.