

U.S. Exports

U.S. exporters continue to gain share in April

In April, U.S. dairy export volumes topped year-ago levels for the 11th straight month, with gains in most product categories and to most major destinations.

Exporters shipped 162,441 tons of milk powder, cheese, butterfat, whey and lactose, up 12 percent from last April. Overseas sales were valued at \$461 million, up 23 percent.

Sales to Mexico were valued at \$103 million in April, up 9 percent from last year. Among other top markets, sales to China (+91 percent), Southeast Asia (+23 percent) improved, while shipments to Japan were the highest in 21 months.

In the first four months of 2017, U.S. exports of NDM/SMP, whey products and lactose were running at record levels.

Exporters shipped 55,555 tons of **NDM/SMP** in April, up 9 percent year-over-year. Sales to our two largest markets – Mexico and Southeast Asia – were below year-ago levels, but this was offset by increased shipments to China (+2,447 tons) and Peru (+1,875 tons). In addition, exports to Japan (1,431 tons) were a five-year high.

Cheese exports in April reached 26,876 tons, up 27 percent from last April's depressed volume. Shippers posted increased sales to South Korea (+1,778 tons), Australia (+1,701 tons), Mexico (+1,455 tons), Japan (+610 tons) and Southeast Asia (+593 tons). At current trends, Australia will pass Japan in the upcoming months as the United States' third-largest cheese market.

Exports of **whey** products totaled 43,294 tons in April, 11 percent greater than last year. Shipments to China were 20,169 tons, up 51 percent (+6,835 tons), led by a large jump (+5,312 tons) in sales of dry whey. Meanwhile, whey exports to Southeast Asia were off 19 percent (-1,824 tons), with loss of sales of WPC to Malaysia and Vietnam. Whey exports to Canada, Mexico and South Korea also trailed year-ago levels in April.

Lactose exports were up 9 percent from last year, led by a 44 percent (+1,333 tons) increase in sales to Japan.

U.S. exports of **fluid milk and cream** have been steady from month-to-month this year; in April shipments were up 18 percent vs. a year ago. Sales to Mexico (+592,000 liters) and Taiwan (+539,000 liters) were higher, offsetting declines in sales to China/Hong Kong (-95,000 liters).

U.S. Exports

| | LATEST MONTH | | | | APRIL (VOLUME, MT) | | | | YEAR-TO-DATE | | | | JANUARY - APRIL (VOLUME, MT) | | | |
|---------------------------------|-----------------|-----------------|-----------------|------------|--------------------|-------------------|-------------------|------------|-------------------|-------------------|-------------------|------------|------------------------------|-------------------|-------------------|------------|
| | 2015 | 2016 | 2017 | % CHG | 2015 | 2016 | 2017 | % CHG | 2015 | 2016 | 2017 | % CHG | 2015 | 2016 | 2017 | % CHG |
| NDM/SMP* | 57,998 | 51,131 | 55,555 | +9 | 181,551 | 176,556 | 204,264 | +16 | 181,551 | 176,556 | 204,264 | +16 | 181,551 | 176,556 | 204,264 | +16 |
| WMP* | 4,181 | 1,904 | 2,181 | +15 | 15,803 | 8,493 | 8,158 | -4 | 15,803 | 8,493 | 8,158 | -4 | 15,803 | 8,493 | 8,158 | -4 |
| Cheese | 31,873 | 21,171 | 26,876 | +27 | 119,768 | 92,999 | 107,039 | +15 | 119,768 | 92,999 | 107,039 | +15 | 119,768 | 92,999 | 107,039 | +15 |
| Butterfat | 2,355 | 1,314 | 1,706 | +30 | 9,895 | 11,069 | 6,681 | -40 | 9,895 | 11,069 | 6,681 | -40 | 9,895 | 11,069 | 6,681 | -40 |
| Total Whey | 45,059 | 39,086 | 43,294 | +11 | 150,366 | 140,657 | 172,248 | +22 | 150,366 | 140,657 | 172,248 | +22 | 150,366 | 140,657 | 172,248 | +22 |
| -Dry whey | 17,650 | 12,699 | 16,956 | +34 | 62,763 | 50,312 | 64,630 | +28 | 62,763 | 50,312 | 64,630 | +28 | 62,763 | 50,312 | 64,630 | +28 |
| -WPC | 9,690 | 12,759 | 10,575 | -17 | 30,248 | 38,452 | 47,087 | +22 | 30,248 | 38,452 | 47,087 | +22 | 30,248 | 38,452 | 47,087 | +22 |
| -Modified whey | 12,872 | 10,761 | 12,897 | +20 | 42,287 | 41,121 | 49,030 | +19 | 42,287 | 41,121 | 49,030 | +19 | 42,287 | 41,121 | 49,030 | +19 |
| -WPI | 4,847 | 2,867 | 2,866 | -0 | 15,068 | 10,772 | 11,501 | +7 | 15,068 | 10,772 | 11,501 | +7 | 15,068 | 10,772 | 11,501 | +7 |
| Lactose | 35,933 | 28,180 | 30,854 | +9 | 117,476 | 113,110 | 117,915 | +4 | 117,476 | 113,110 | 117,915 | +4 | 117,476 | 113,110 | 117,915 | +4 |
| MPC | 3,482 | 2,083 | 1,975 | -5 | 13,295 | 7,698 | 8,034 | +4 | 13,295 | 7,698 | 8,034 | +4 | 13,295 | 7,698 | 8,034 | +4 |
| Aggregate volume** | 180,881 | 144,868 | 162,441 | +12 | 608,154 | 550,582 | 624,339 | +13 | 608,154 | 550,582 | 624,339 | +13 | 608,154 | 550,582 | 624,339 | +13 |
| milk/cream (000 liters) | 10,419 | 7,218 | 8,519 | +18 | 34,712 | 29,910 | 34,121 | +14 | 34,712 | 29,910 | 34,121 | +14 | 34,712 | 29,910 | 34,121 | +14 |
| Total Value (millions)** | \$ 549.1 | \$ 374.5 | \$ 460.7 | +23 | \$ 1,966.2 | \$ 1,516.5 | \$ 1,792.5 | +18 | \$ 1,966.2 | \$ 1,516.5 | \$ 1,792.5 | +18 | \$ 1,966.2 | \$ 1,516.5 | \$ 1,792.5 | +18 |

* USDA data for NDM/SMP and WMP for April 2016-January 2017 adjusted to reflect shipments to Mexico misclassified as WMP.

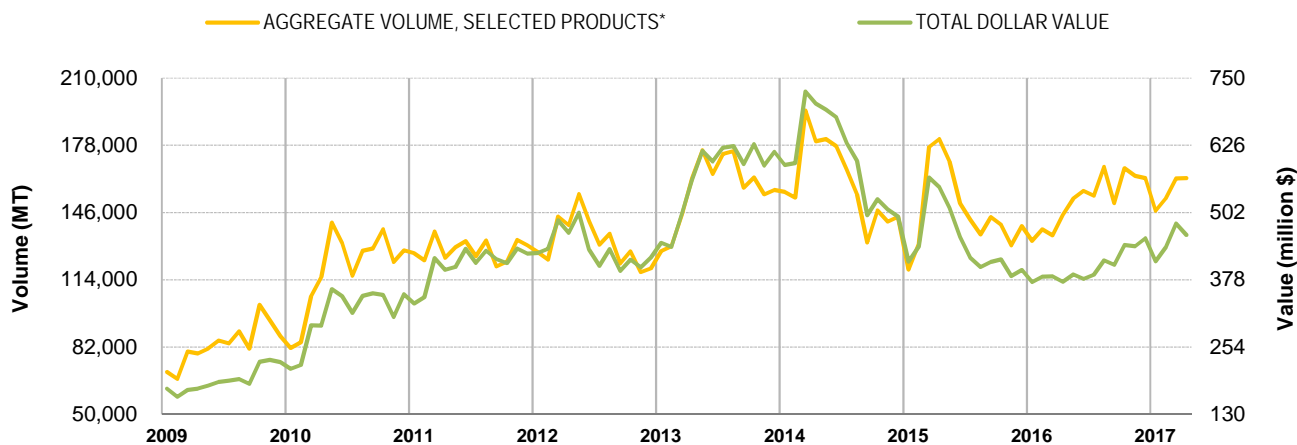
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

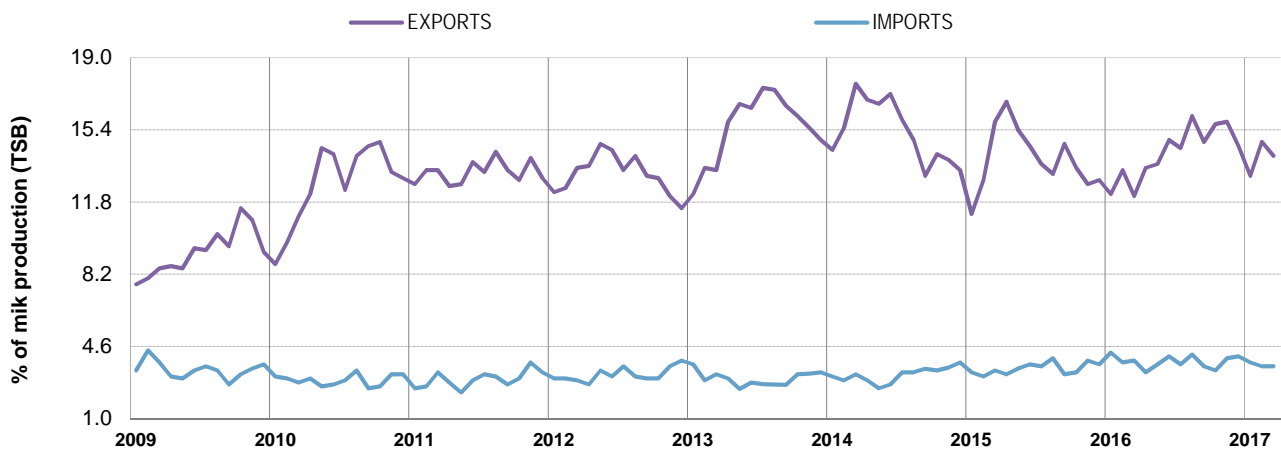
U.S. EXPORTS

VOLUME AND VALUE



* Volume includes SMP, WMP, MPC, whey, cheese, butterfat, lactose

U.S. EXPORTS AND IMPORTS AS A PERCENT OF MILK PRODUCTION



U.S. DAIRY EXPORTS, TOP 10 MARKETS

| (million \$) | Apr 17 | vs. yr ago |
|--------------------------|----------|------------|
| Mexico | \$ 103.2 | +9% |
| Southeast Asia | 68.3 | +23% |
| Canada | 53.1 | +2% |
| China | 47.7 | +91% |
| South America | 25.7 | +43% |
| So. Korea | 25.4 | +59% |
| Japan | 23.5 | +69% |
| Oceania | 19.7 | +84% |
| Caribbean | 18.4 | -3% |
| Middle East/North Africa | 18.1 | -16% |

U.S. EXPORTS AS % OF PRODUCTION

| | April | yr ago | Jan-Apr 17 | yr ago |
|-------------------|-------|--------|------------|--------|
| NDM/SMP | NA | 48% | NA | 49% |
| Total cheese | NA | 4.7% | NA | 5.1% |
| Butterfat | NA | 1.7% | NA | 3.6% |
| Dry sweet whey | NA | 34% | NA | 34% |
| Lactose | NA | 68% | NA | 70% |
| Total milk solids | NA | 13.5% | NA | 12.8% |

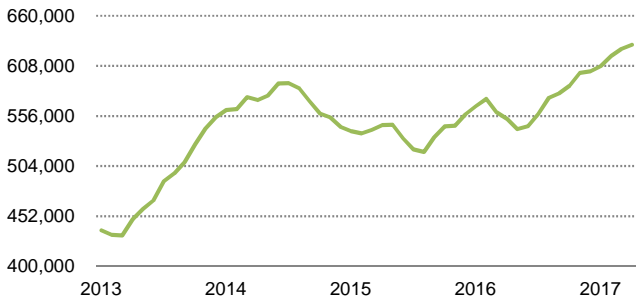
ACCESS U.S. EXPORT DATA ONLINE

Visit usdec.org/research-and-data/market-data/us-export-data

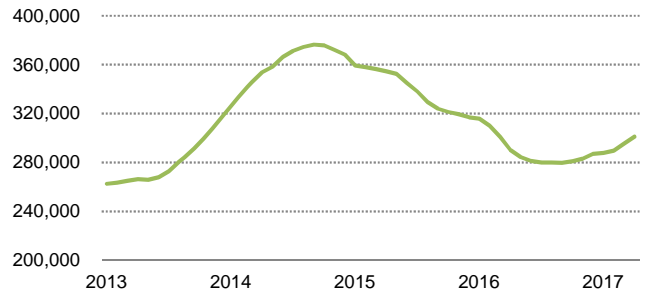
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

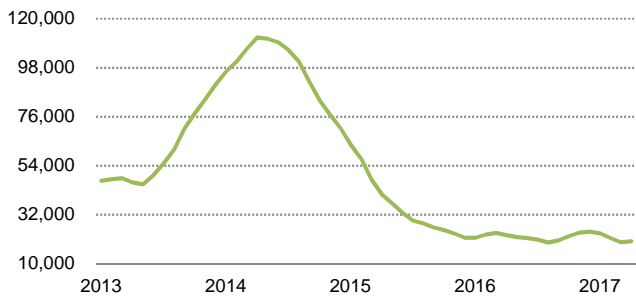
U.S. NDM/SMP EXPORTS (MT)



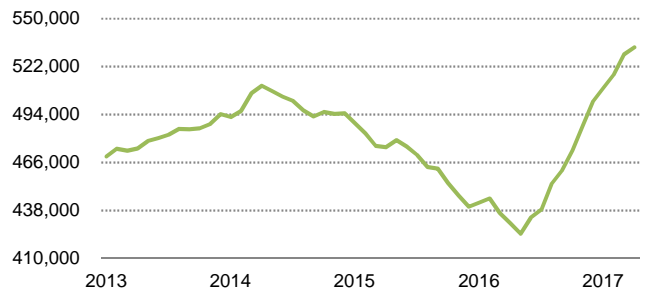
U.S. CHEESE EXPORTS (MT)



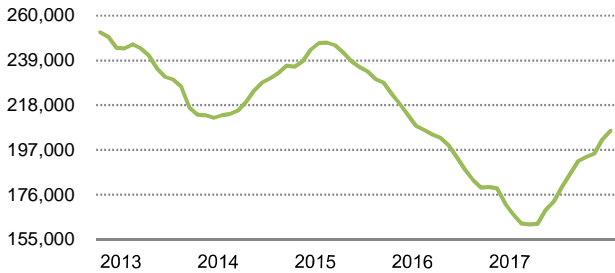
U.S. BUTTERFAT EXPORTS (MT)



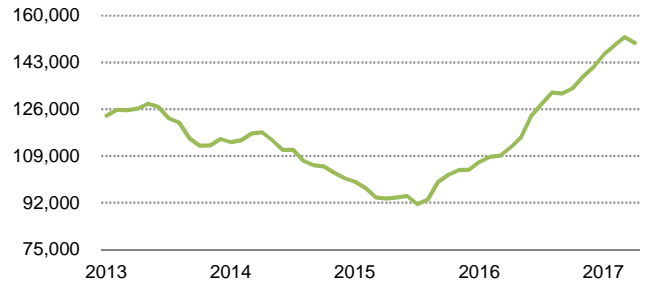
U.S. TOTAL WHEY* EXPORTS (MT)



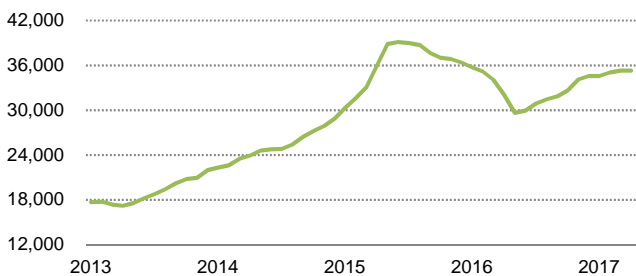
U.S. DRY WHEY EXPORTS (MT)



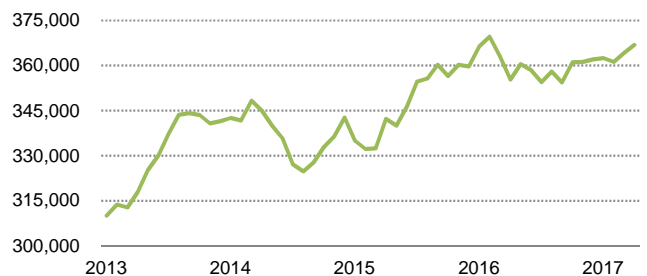
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



* Total whey includes dry whey, WPC, modified whey products and WPI.

Source: USDA, USDEC.