

U.S. Exports

U.S. exports post double-digit gains in Q1

U.S. dairy exports in the first quarter of 2017 were up 14 percent by volume and 17 percent by value compared with a year ago – the best Q1 result since 2014. Exporters realized gains to nearly all markets and across nearly all product categories, with only butterfat and whole milk powder lagging.

During the quarter, exporters shipped 461,898 tons of milk powder, cheese, butterfat, whey and lactose. Total dairy exports were valued at \$1.32 billion. March export value of \$482 million was the most in 22 months, and export volume has topped year-ago levels for 10 straight months.

After a slower start to the year, exports to Mexico rebounded in February and March. During the quarter, U.S. dairy exports were valued at \$328 million, up 10 percent from last year. Among other top markets, sales to China (+74 percent), Southeast Asia (+16 percent) and Canada (+8 percent) trended higher.

Cheese, milk powder and whey products now make up more than two-thirds of U.S. dairy exports. By volume, whey exports were up 27 percent in Q1, nonfat dry milk/skim milk powder (NDM/SMP) exports were up 19 percent and cheese shipments were up 12 percent.

Continuing a volume surge that began last July, total U.S. whey exports to China topped 60,000 tons in Q1, up 90 percent from last year. Exports of dry whey (+146 percent), whey protein concentrate (+87 percent) and modified whey (+58 percent) to China were all higher.

U.S. shipments of (NDM/SMP) to Mexico in Q1 were nearly 68,000 tons, up 18 percent. In addition, exporters sold more SMP to China in the first quarter – 8,895 tons, more than double year-ago levels. Shipments to Pakistan (6,843 tons, +61 percent) also were higher. In contrast, SMP exports to Southeast Asia fell off in March: just 8,430 tons, the lowest since November 2012.

Cheese exports topped year-ago levels in Q1, though volumes still trail 2014 and 2015 levels. During the quarter, sales to South Korea were up 29 percent (to 12,656 tons) and shipments to Australia nearly doubled (to 6,918 tons). Meanwhile, exports to Mexico were down 5 percent in Q1, as record volumes (10,377 tons) in March couldn't quite make up for soft sales in January.

On a total milk solids basis, U.S. exports were equivalent to 14.0 percent of U.S. milk production in the first quarter. Imports were equivalent to 3.6 percent of production.

U.S. Exports

	LATEST MONTH				MARCH (VOLUME, MT)					YEAR-TO-DATE				JANUARY - MARCH (VOLUME, MT)			
	2015	2016	2017	% CHG	2015	2016	2017	% CHG		2015	2016	2017	% CHG	2015	2016	2017	% CHG
NDM/SMP*	55,089	41,180	48,389	+18	NDM/SMP*	123,553	125,425	148,709	+19								
WMP*	3,852	1,886	2,898	+54	WMP*	11,622	6,589	5,978	-9								
Cheese	34,657	25,488	31,146	+22	Cheese	87,895	71,829	80,163	+12								
Butterfat	2,565	3,217	1,329	-59	Butterfat	7,540	9,755	4,975	-49								
Total Whey	41,358	32,747	44,426	+36	Total Whey	105,307	101,571	128,954	+27								
-Dry whey	17,992	10,792	17,322	+61	-Dry whey	45,113	37,612	47,674	+27								
-WPC	7,683	8,166	11,415	+40	-WPC	20,558	25,693	36,513	+42								
-Modified whey	11,908	11,130	12,766	+15	-Modified whey	29,415	30,360	36,133	+19								
-WPI	3,775	2,659	2,923	+10	-WPI	10,222	7,906	8,634	+9								
Lactose	35,369	28,855	31,930	+11	Lactose	81,542	84,930	87,061	+3								
MPC	4,297	1,791	2,060	+15	MPC	9,813	5,615	6,059	+8								
Aggregate volume**	177,187	135,163	162,178	+20	Aggregate volume**	427,273	405,714	461,898	+14								
milk/cream (000 liters)	8,675	7,690	9,560	+24	milk/cream (000 liters)	24,293	22,692	25,602	+13								
Total Value (millions)**	\$ 566.5	\$ 384.3	\$ 481.6	+25	Total Value (millions)**	\$ 1,417.1	\$ 1,142.0	\$ 1,331.8	+17								

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

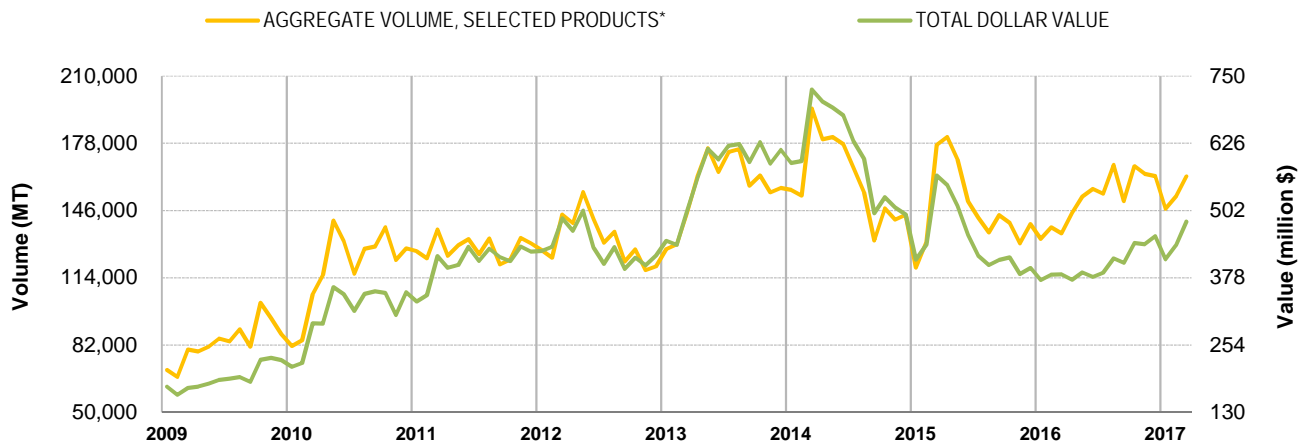
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

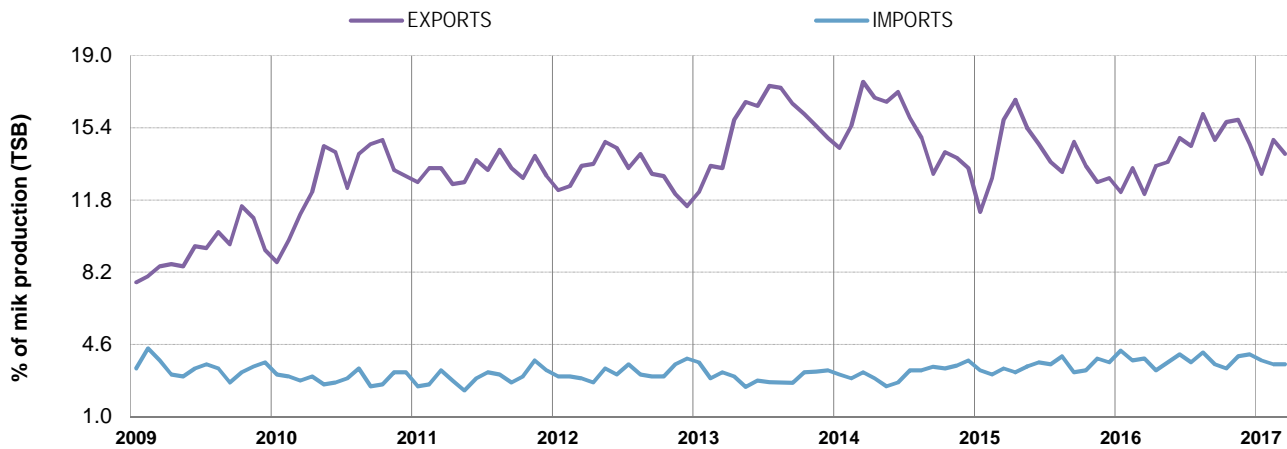
U.S. EXPORTS

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 \$)	Mar 17	vs. yr ago
Mexico	\$ 120.4	+19%
Canada	56.9	+1%
Southeast Asia	50.5	+20%
China	48.8	+91%
South America	32.5	+29%
So. Korea	27.9	+52%
Oceania	23.3	+82%
Japan	22.7	+18%
Caribbean	22.1	-1%
Middle East/North Africa	17.5	+7%

U.S. EXPORTS AS % OF PRODUCTION

	March	yr ago	Jan-Mar 17	yr ago
NDM/SMP	50%	43%	54%	47%
Total cheese	6.5%	5.5%	5.8%	5.3%
Butterfat	1.7%	4.1%	2.1%	4.2%
Dry sweet whey	43%	29%	42%	34%
Lactose	72%	69%	70%	71%
Total milk solids	14.1%	12.1%	14.0%	12.6%

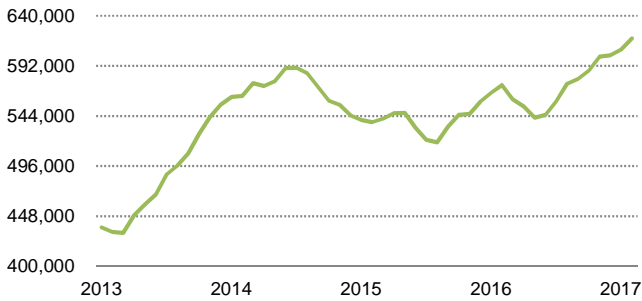
ACCESS U.S. EXPORT DATA ONLINE

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

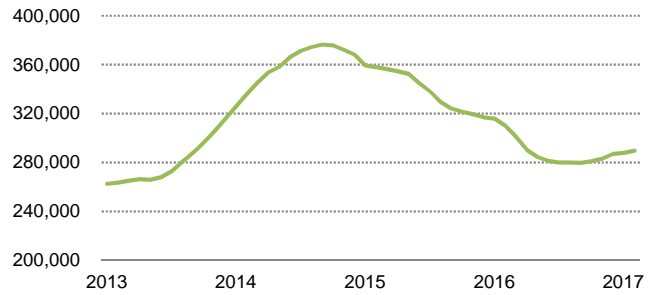
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

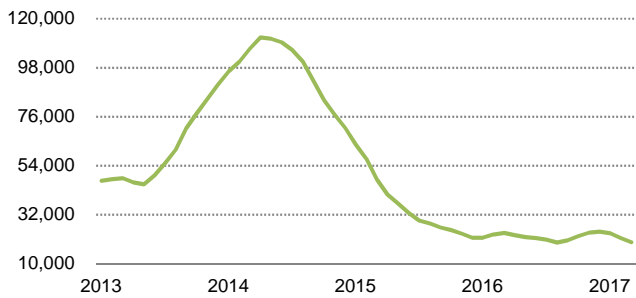
U.S. NDM/SMP EXPORTS (MT)



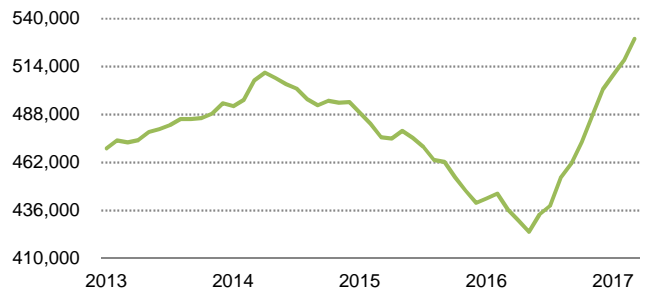
U.S. CHEESE EXPORTS (MT)



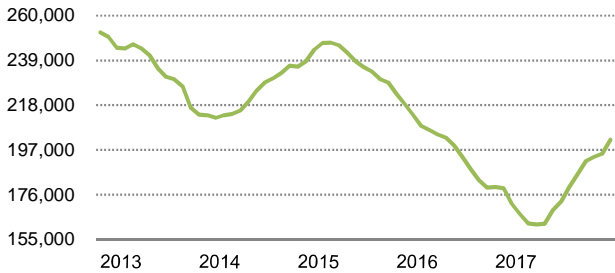
U.S. BUTTERFAT EXPORTS (MT)



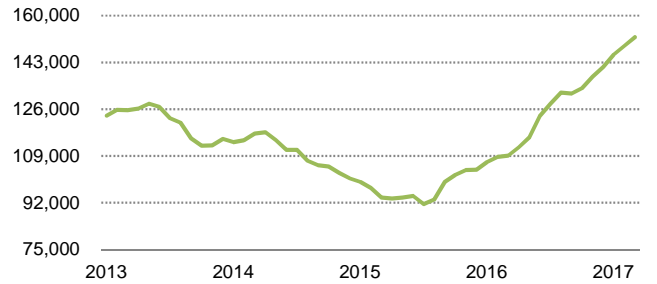
U.S. TOTAL WHEY* EXPORTS (MT)



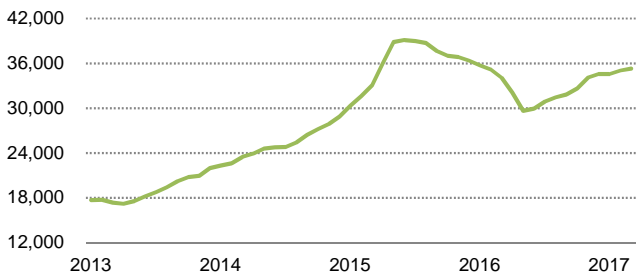
U.S. DRY WHEY EXPORTS (MT)



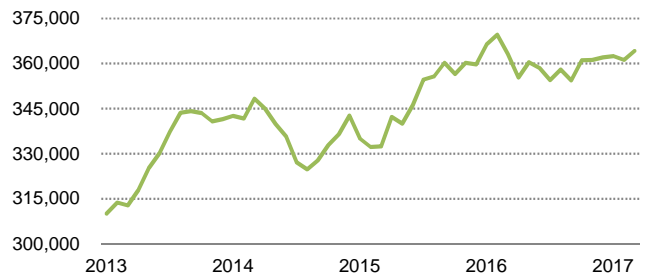
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



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

Source: USDA, USDEC.