

## U.S. Exports

# U.S. exports up 15 percent in December

U.S. dairy exports finished the year on a strong note, with year-over-year gains across most product categories. Overall export value was \$443 million in December, up 15 percent from a year ago. U.S. dairy exporters shipped 167,373 tons of milk powders, cheese, butterfat, whey and lactose during the month, also up 15 percent.

Whey exports remain particularly strong. Total whey shipments of 47,162 tons were up 43 percent from last year, led by record sales to China. In December, exports of dry whey to China were nearly triple year-ago levels, while sales of whey protein concentrate and modified whey products were more than double. In the last seven months of the year, U.S. whey exports to China were up 71 percent vs. 2015. Meanwhile, whey sales to Southeast Asia were up 26 percent in December.

Cheese exports totaled 28,602 tons in December, up 16 percent and the highest figure since May 2015. Sales to South Korea and Japan were up 52 percent and 25 percent, respectively, while shipments to Mexico were off slightly.

Official USDA data continues to show an increase in WMP exports to Mexico. However, Mexican import data and trade sources don't corroborate this, and we believe this volume represents SMP sales that were misclassified at the port. Therefore, we've adjusted NDM/SMP and WMP trade data for April-December to account for this misclassification.

With this adjustment, exports of nonfat dry milk/skim milk powder (NDM/SMP) were down from prior months due to reduced shipments to Mexico (the lowest since March). However, exporters continue to move greater volumes to Southeast Asia (+45 percent in December), focusing on Indonesia, Vietnam and Malaysia.

U.S. exports of fluid milk and cream reached record highs in 2016, reflecting a surge in shipments to Canada. In the fourth quarter, milk/cream exports to Canada were nearly triple year-ago levels. Canada also was responsible for more than two-thirds of U.S. butter exports in the fourth quarter, as total U.S. butterfat exports doubled year-over-year.

On a total milk solids basis, U.S. exports were equivalent to 14.5 percent of U.S. milk production in December, bringing the full-year proportion to 14.2 percent. Imports were equivalent to 4.1 percent of production during the month.

*Note: beginning this month we've separated Whey Protein Concentrate (HS 04041005) and Modified Whey Products (HS 040410085). This latter category is mostly whey permeate, though it likely includes some WPC and other whey products as well. In addition, we've expanded the fluid milk category to include cream exports.*

### U.S. Exports

	LATEST MONTH				DECEMBER (VOLUME, MT)					YEAR-TO-DATE				JANUARY-DECEMBER (VOLUME, MT)			
	2014	2015	2016	% CHG	2014	2015	2016	% CHG		2014	2015	2016	% CHG				
NDM/SMP*	34,134	46,179	47,514	+3	544,541	557,991	602,268	+8									
WMP*	4,275	776	3,053	+294	54,479	33,807	25,456	-25									
Cheese	27,332	24,705	28,602	+16	368,200	316,935	287,028	-9									
Butterfat	3,798	1,856	2,358	+27	70,913	21,535	24,332	+13									
Total Whey	39,549	32,967	47,162	+43	494,752	440,222	501,751	+14									
-Dry whey	16,431	12,776	18,894	+48	228,615	179,284	191,763	+7									
-WPC	8,264	8,378	11,886	+42	100,918	103,987	141,402	+36									
-Modified whey	11,376	8,800	12,893	+47	136,348	120,587	134,013	+11									
-WPI	3,477	3,014	3,489	+16	28,872	36,364	34,573	-5									
Lactose	30,946	30,362	31,212	+3	342,652	359,725	362,110	+1									
MPC	3,872	2,624	2,507	-4	51,724	30,757	21,577	-30									
Food preps (blends)	4,419	5,607	4,965	-11	63,977	65,159	63,898	-2									
<b>Aggregate volume**</b>	<b>148,324</b>	<b>145,076</b>	<b>167,373</b>	<b>+15</b>	<b>1,991,238</b>	<b>1,826,131</b>	<b>1,888,420</b>	<b>+3</b>									
Fluid milk/cream (000 liters)	7,973	6,904	12,276	+78	97,830	97,989	114,429	+17									
<b>Total Value (millions) **</b>	<b>\$ 477.2</b>	<b>\$ 385.3</b>	<b>\$ 442.6</b>	<b>+15</b>	<b>\$ 7,095.4</b>	<b>\$ 5,240.0</b>	<b>\$ 4,704.0</b>	<b>-10</b>									

\* USDA data for NDM/SMP and WMP adjusted to reflect shipments to Mexico misclassified as WMP.

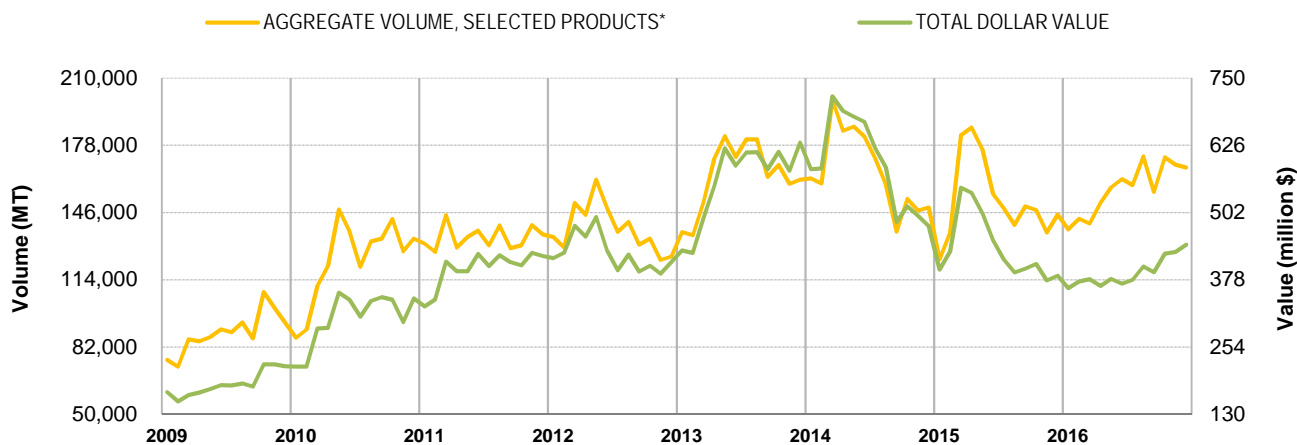
\*\* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

# U.S. Exports

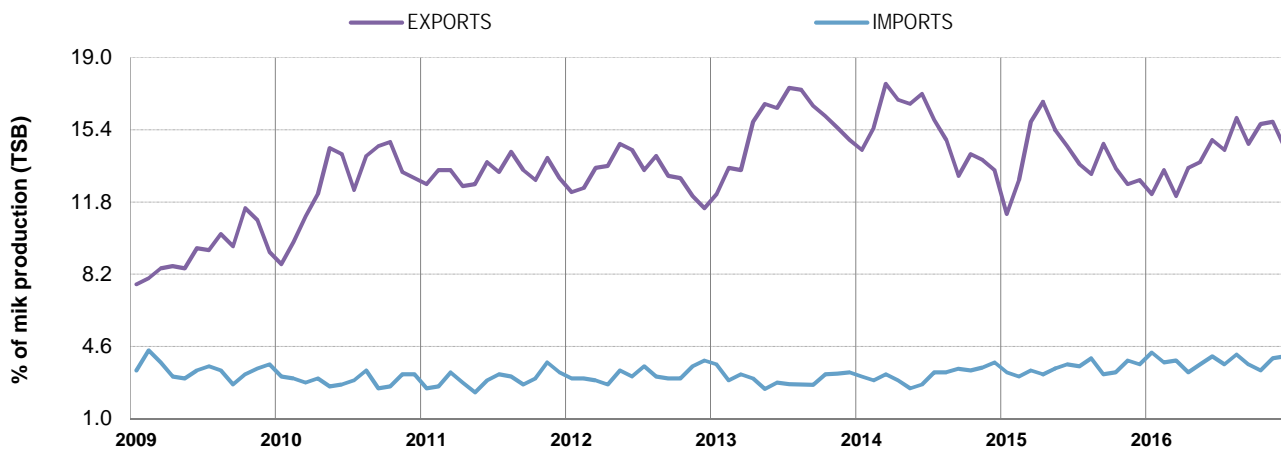
## U.S. EXPORTS

## VOLUME AND VALUE



\* Volume includes SMP, WMP, food preps, MPC, whey, cheese, butterfat, lactose

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



### U.S. DAIRY EXPORTS, TOP 10 MARKETS

(million \$)	Dec 16	vs. yr ago
Mexico	\$ 106.0	-2%
Canada	60.0	+34%
Southeast Asia	56.1	+16%
China	48.9	+57%
South America	30.1	+1%
So. Korea	25.2	+53%
Japan	21.2	+7%
Oceania	19.4	+37%
Caribbean	18.5	+2%
Middle East/North Africa	13.6	-21%

### U.S. EXPORTS AS % OF PRODUCTION

	December	yr ago	Jan-Dec 16	yr ago
NDM/SMP	50%	52%	54%	54%
Total cheese	6.0%	5.3%	5.2%	5.9%
Butterfat	3.1%	2.3%	2.8%	2.6%
Dry sweet whey	52%	31%	44%	41%
Lactose	74%	73%	73%	76%
Total milk solids	14.5%	12.9%	14.2%	14.0%

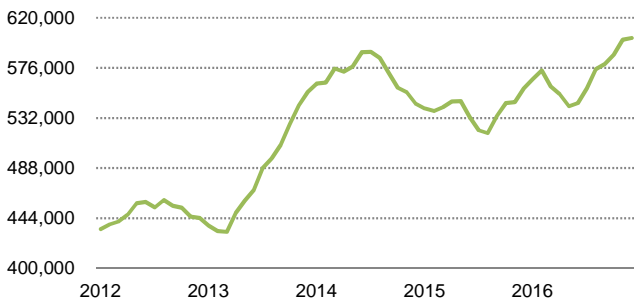
#### ACCESS U.S. EXPORT DATA ONLINE

Visit [usdec.org/research-and-data/market-data/us-export-data](http://usdec.org/research-and-data/market-data/us-export-data)

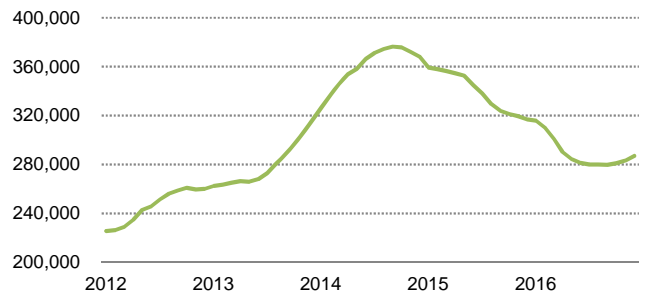
Source: USDA, USDEC, National Milk Producers Federation.

# U.S. Exports: Rolling 12-Month Volume

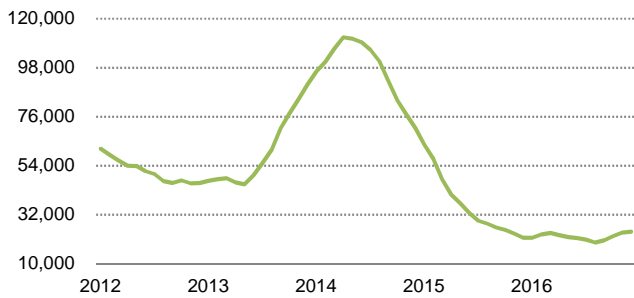
**U.S. NDM/SMP EXPORTS (MT)**



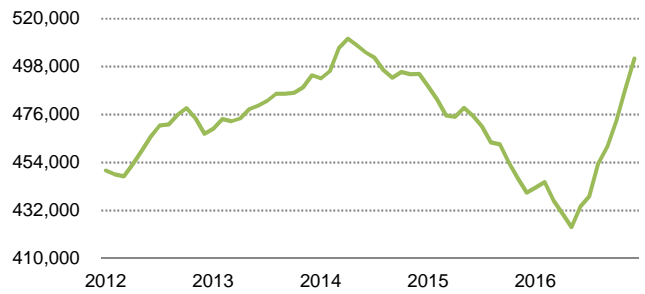
**U.S. CHEESE EXPORTS (MT)**



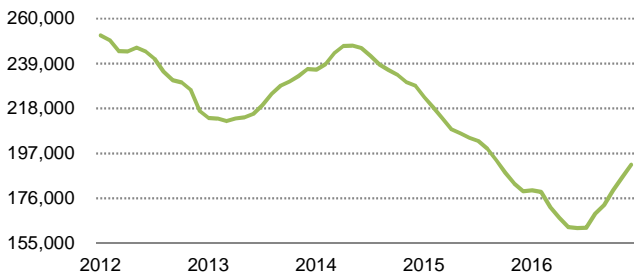
**U.S. BUTTERFAT EXPORTS (MT)**



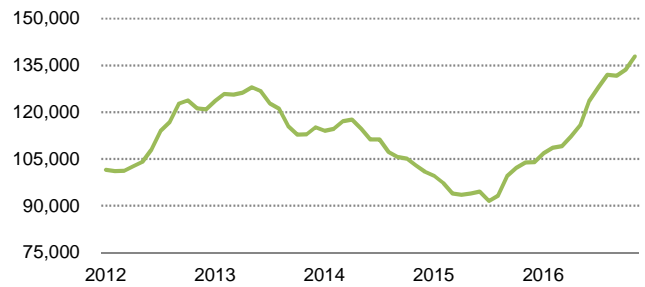
**U.S. TOTAL WHEY\* EXPORTS (MT)**



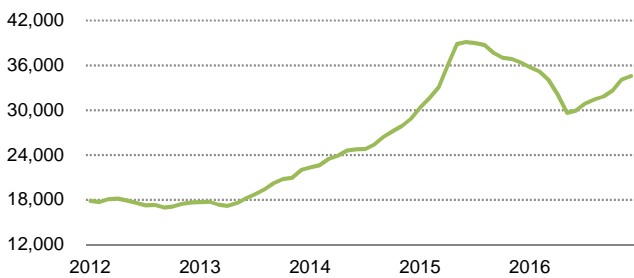
**U.S. DRY WHEY EXPORTS (MT)**



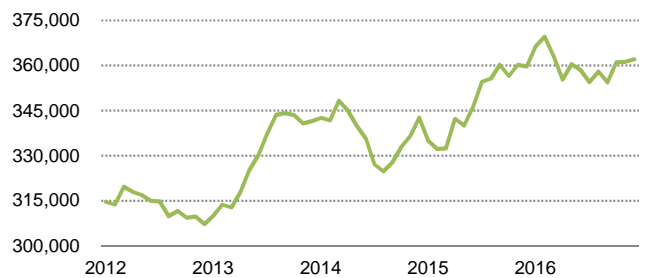
**U.S. WPC EXPORTS (MT)**



**U.S. WPI EXPORTS (MT)**



**U.S. LACTOSE EXPORTS (MT)**



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

Source: USDA, USDEC.