

## U.S. Exports

### July exports on par with prior months

Overall U.S. export performance in July was in line with recent months. Exporters shipped 159,025 tons of milk powders, cheese, butterfat, whey and lactose during the month, up 7 percent from the prior year. Shipments of milk powder and whey proteins made the strongest showing.

Official USDA data continues to show a spike 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-July to account for this misclassification.

Adjusted NDM/SMP exports in July were 53,246 tons, up 31 percent year-over-year. U.S. suppliers posted a large jump (+80 percent) in shipments to Southeast Asia, led by Indonesia, the Philippines and Vietnam. Sales to China picked up as well (+51 percent). Meanwhile, adjusted WMP exports in July were up 2 percent from a year ago.

Whey exports outpaced the depressed levels of last summer, with a significant gain in sales to China. In July, exporters shipped 22,934 tons of whey protein concentrate (WPC), up 18 percent from last year,

and 3,027 tons of whey protein isolate (WPI), up 47 percent. They also moved 16,729 tons of dry whey, up 1 percent. Nearly half of U.S. whey exports went to China, where sales were up 29 percent from the prior year. China took nearly 7,000 tons of dry whey, the most since April 2014.

With U.S. cheese prices at a sizeable premium to the world market, cheese exports remained below year-earlier levels for the 22nd straight month. Shipments totaled 23,969 metric tons, 6 percent less than last year and 26 percent below two years ago. Sales to Mexico (-18 percent) and Japan (-21 percent) trailed prior-year levels, but exports to South Korea were up 11 percent.

Butterfat exports faced the same price pressure, with U.S. prices well above world market levels. Exports totaled just 1,244 tons, down 33 percent from July 2015.

Among other products, lactose exports were off 12 percent, food preps (blends) were down 7 percent and fluid milk shipments were flat compared with a year ago. Exports of milk protein concentrates were just 1,392 tons, the lowest figure since February 2008.

#### U.S. Exports

	LATEST MONTH		JULY (VOLUME, MT)			YEAR-TO-DATE		JANUARY-JULY (VOLUME, MT)	
	2014	2015	2016	% CHG		2014	2015	2016	% CHG
NDM/SMP*	51,904	40,491	53,246	+31	NDM/SMP*	352,633	329,367	329,358	-0
WMP*	5,903	1,933	1,965	+2	WMP*	36,043	23,196	15,879	-32
Cheese	32,232	25,477	23,969	-6	Cheese	231,071	200,969	163,919	-18
Butterfat	5,298	1,846	1,244	-33	Butterfat	56,462	14,697	13,949	-5
Total Whey	42,818	37,973	42,690	+12	Total Whey	299,052	274,853	273,204	-1
-Dry whey	17,933	16,513	16,729	+1	-Dry whey	143,007	117,208	100,206	-15
-WPC	22,691	19,403	22,934	+18	-WPC	141,581	133,068	153,890	+16
-WPI	2,194	2,058	3,027	+47	-WPI	14,464	24,578	19,108	-22
Lactose	25,051	33,505	29,452	-12	Lactose	197,837	209,791	204,538	-3
MPC	3,165	1,402	1,392	-1	MPC	35,152	18,613	12,475	-33
Food preps (blends)	5,262	5,443	5,068	-7	Food preps (blends)	39,155	36,901	38,125	+3
<b>Aggregate volume*</b>	<b>171,633</b>	<b>148,069</b>	<b>159,025</b>	<b>+7</b>	<b>Aggregate volume*</b>	<b>1,247,405</b>	<b>1,108,387</b>	<b>1,051,446</b>	<b>-5</b>
Fluid milk (000 liters)	7,043	6,719	6,703	-0	Fluid milk (000 liters)	53,269	52,662	48,807	-7
<b>Total Value (millions) *</b>	<b>\$ 620.1</b>	<b>\$ 415.3</b>	<b>\$ 377.8</b>	<b>-9</b>	<b>Total Value (millions) *</b>	<b>\$ 4,538.9</b>	<b>\$ 3,280.0</b>	<b>\$ 2,611.2</b>	<b>-20</b>

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

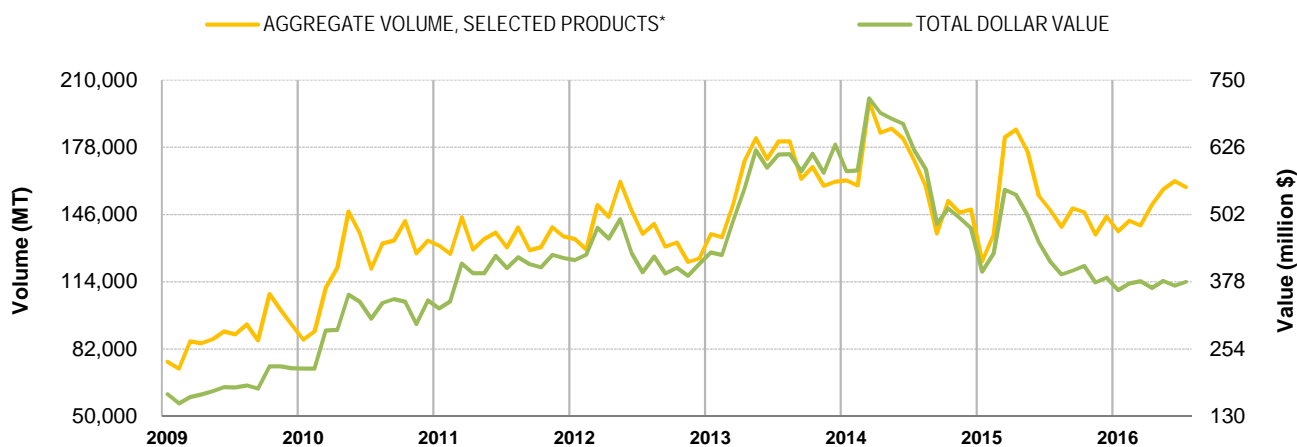
\*\* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

# U.S. Exports

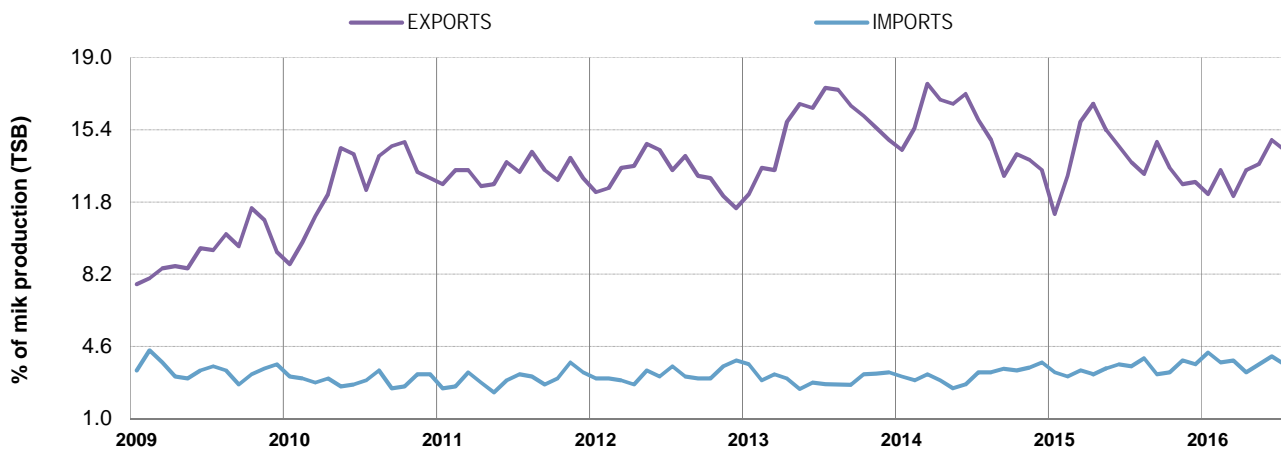
## U.S. EXPORTS

## 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 \$)	July 16	vs. yr ago
Mexico	\$ 94.9	-8%
Southeast Asia	57.1	-2%
Canada	47.4	+11%
China	33.4	-10%
South America	21.5	+13%
So. Korea	19.2	+4%
Caribbean	18.9	-5%
Japan	16.9	-37%
Middle East/North Africa	14.1	-33%
Oceania	11.5	-26%

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

	July	yr ago	Jan-Jul 16	yr ago
NDM/SMP	59%	47%	51%	51%
Total cheese	5.2%	5.6%	5.2%	6.5%
Butterfat	1.9%	3.0%	2.6%	2.9%
Dry sweet whey	44%	45%	39%	46%
Lactose	66%	82%	71%	75%
Total milk solids	14.4%	13.8%	13.5%	14.4%

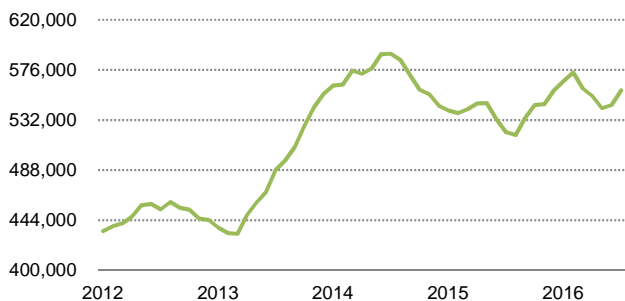
### ACCESS U.S. EXPORT DATA ONLINE

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

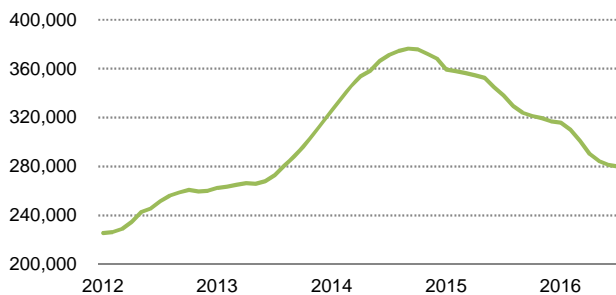
Source: USDA, USDEC, National Milk Producers Federation.

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

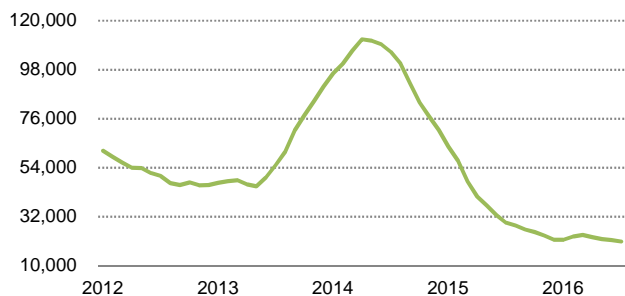
**U.S. NDM/SMP EXPORTS (MT)**



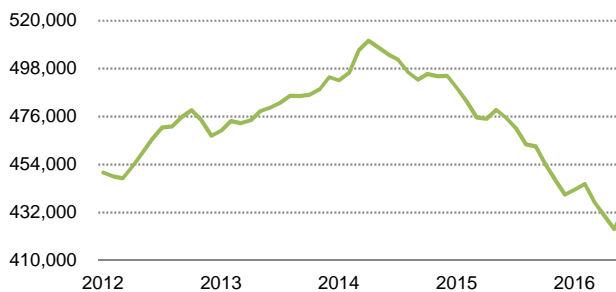
**U.S. CHEESE EXPORTS (MT)**



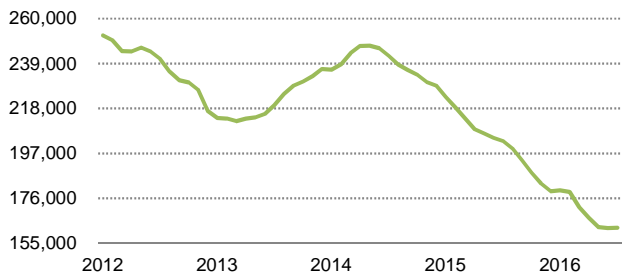
**U.S. BUTTERFAT EXPORTS (MT)**



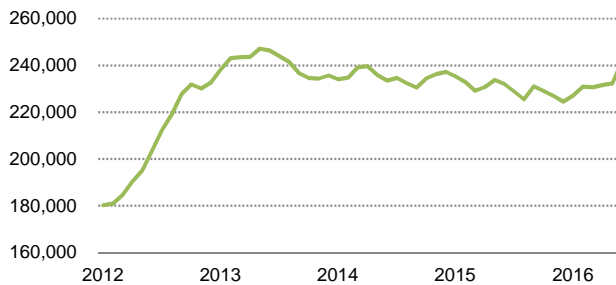
**U.S. TOTAL WHEY EXPORTS (MT)**



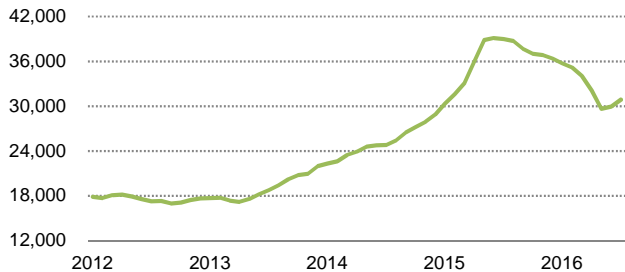
**U.S. DRY WHEY EXPORTS (MT)**



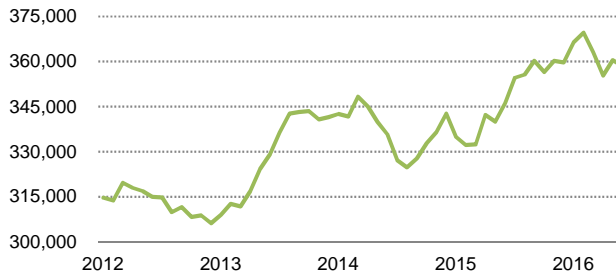
**U.S. WPC EXPORTS (MT)**



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



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



Source: USDA, USDEC.