

U.S. Exports

Exports in first half reach three-year high

U.S. dairy exports in the first half of the year were the most in three years, led by record sales of nonfat dry milk/skim milk powder (NDM/SMP) and whey products, and a 24-percent year-over-year gain in cheese exports.

Suppliers shipped 950,291 tons of milk powder, cheese, butterfat, whey and lactose in the first six months of 2017, up 13 percent from last year, and the most since 2014. U.S. exports were valued at \$2.77 billion, up 23 percent. U.S. suppliers have capitalized on favorable pricing and exchange rates this year, and tapped into strong demand from Mexico and China.

Exports of **NDM/SMP** were 309,175 tons, up 20 percent from a year ago. Sales to Mexico were up 27 percent (+31,044 tons) and shipments to China were more than double (+10,107 tons). This offset declines in sales to Southeast Asia, Pakistan and the Middle East/North Africa (MENA) region.

Cheese exports in the first half reached 172,990 tons, up 24 percent. Shipments to South Korea were up 48 percent (+9,328 tons), while sales to Mexico (+16 percent, +7,237 tons), Australia (+68 percent, +5,004 tons) and Southeast Asia (+66 percent, +3,307 tons) ran at a record H1 pace.

Exports of **whey products** totaled 259,757 tons in the first half, 12 percent greater than last year. Sales of dry whey, modified whey and whey protein isolate (WPI) all posted double-digit gains.

Total whey exports to China were a record-high 122,596 tons, up 43 percent (+36,729 tons) vs. a year ago. Dry whey shipments to China more than doubled (+25,071 tons), while sales of modified whey were up 36 percent (+10,435 tons) and WPI exports were up 38 percent (+946 tons).

In contrast, whey exports to Southeast Asia were down 22 percent (-10,877 tons) in the first half, with drop-offs in shipments of dry whey, whey protein concentrate and modified whey. In addition, whey exports to South Korea fell 23 percent (-1,628 tons).

Butterfat exports in the first half were 11,975 tons, off 6 percent from last year and the lowest figure since 2009.

On a total milk solids basis, U.S. exports were equivalent to 14.3 percent of U.S. milk production in the first half of 2017. Imports were equivalent to 3.5 percent of production.

U.S. Exports

	LATEST MONTH				YEAR-TO-DATE			
	2015	2016	2017	% CHG	2015	2016	2017	% CHG
	JUNE (VOLUME, MT)				JANUARY - JUNE (VOLUME, MT)			
NDM/SMP*	46,703	42,775	45,777	+7	288,915	258,218	309,175	+20
WMP*	2,856	2,421	1,169	-52	21,262	13,994	10,715	-23
Cheese	26,112	23,056	30,542	+32	175,490	139,960	172,990	+24
Butterfat	1,470	989	3,504	+254	12,851	12,710	11,975	-6
Total Whey	38,012	47,695	43,057	-10	236,876	231,903	259,757	+12
-Dry whey	17,368	16,868	17,756	+5	100,691	83,906	99,987	+19
-WPC	7,869	15,923	10,012	-37	47,510	67,858	66,999	-1
-Modified whey	10,455	12,288	12,114	-1	66,158	64,055	74,856	+17
-WPI	2,320	2,617	3,175	+21	22,517	16,084	17,915	+11
Lactose	33,133	30,835	30,079	-2	176,286	175,266	173,133	-1
MPC	2,106	1,689	2,074	+23	17,211	11,117	12,545	+13
Aggregate volume**	150,391	149,461	156,203	+5	928,893	843,168	950,291	+13
milk/cream (000 liters)	10,811	7,018	9,124	+30	55,049	49,319	52,624	+7
Total Value (millions)**	\$ 457.1	\$ 368.1	\$ 463.8	+26	\$ 2,934.3	\$ 2,255.5	\$ 2,765.1	+23

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

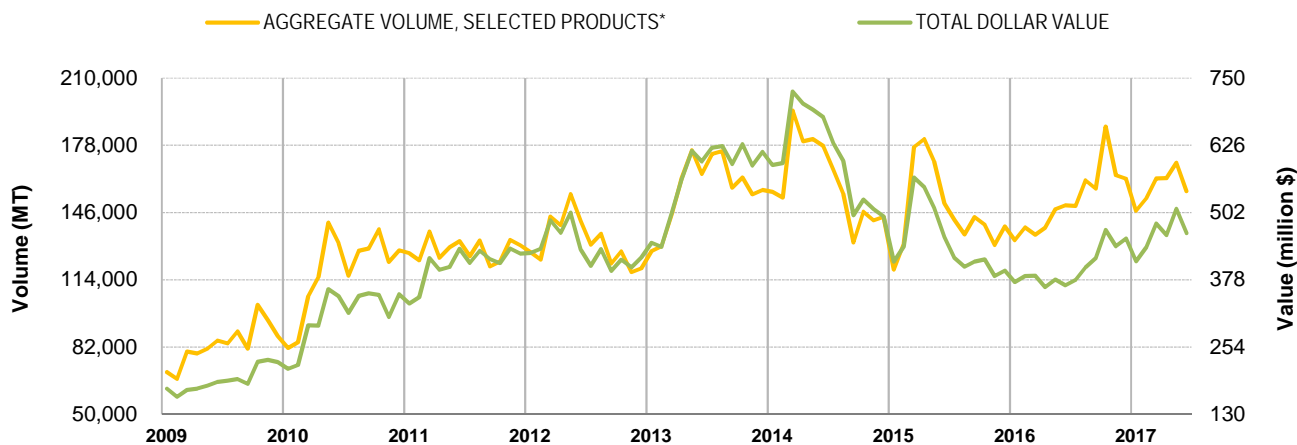
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

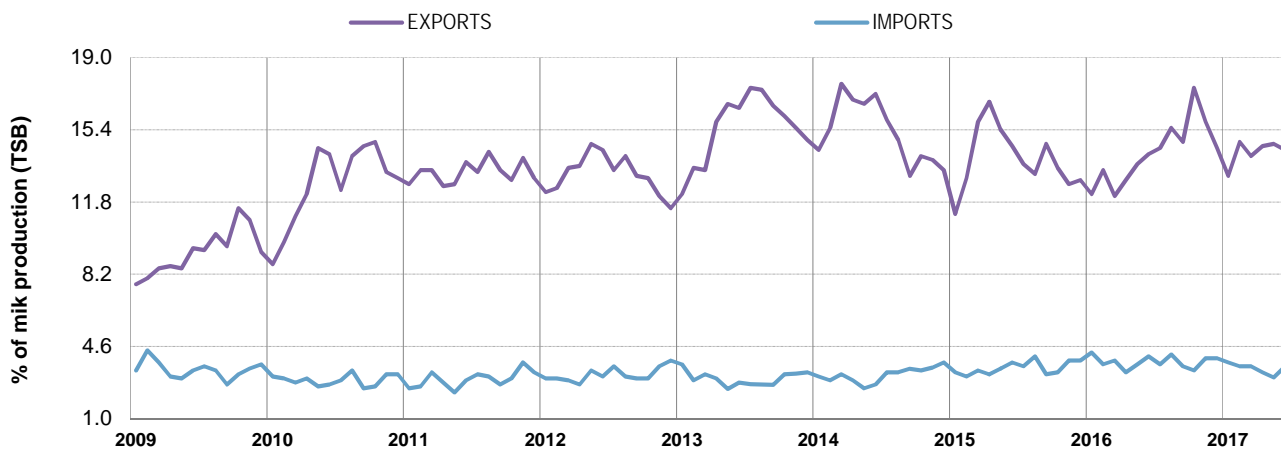
U.S. EXPORTS

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 \$)	June 17	vs. yr ago
Mexico	\$ 109.1	+32%
Canada	62.0	+17%
Southeast Asia	54.3	+12%
China	48.3	+60%
So. Korea	32.1	+111%
Japan	27.6	+51%
South America	20.2	+5%
Oceania	16.9	+10%
Caribbean	16.6	-2%
Middle East/North Africa	16.0	+19%

U.S. EXPORTS AS % OF PRODUCTION

	June	yr ago	Jan-Jun 17	yr ago
NDM/SMP	50%	46%	55%	47%
Total cheese	6.5%	5.1%	6.2%	5.1%
Butterfat	5.5%	1.5%	2.7%	2.8%
Dry sweet whey	45%	47%	44%	38%
Lactose	69%	73%	68%	71%
Total milk solids	14.4%	14.2%	14.3%	13.1%

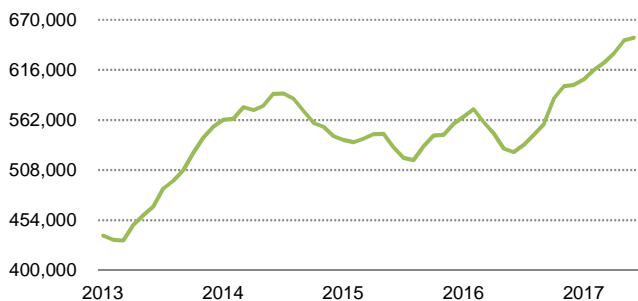
ACCESS U.S. EXPORT DATA ONLINE

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

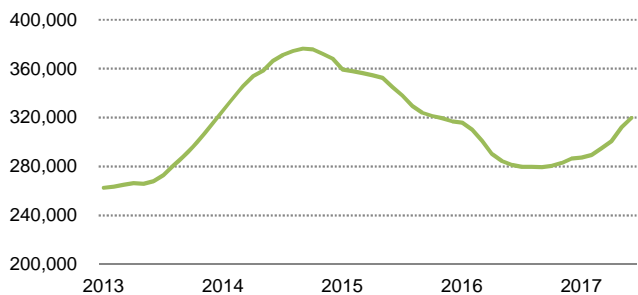
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

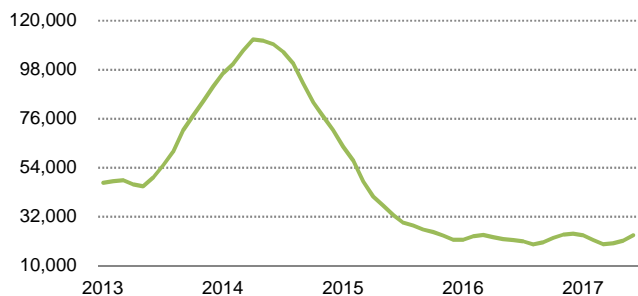
U.S. NDM/SMP EXPORTS (MT)



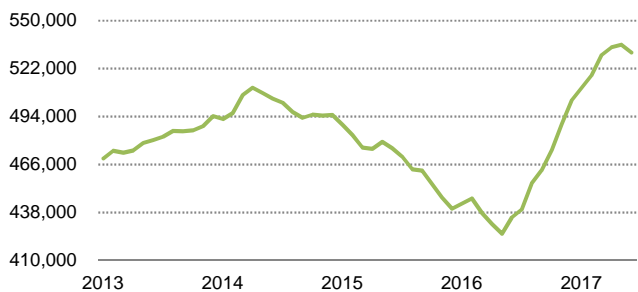
U.S. CHEESE EXPORTS (MT)



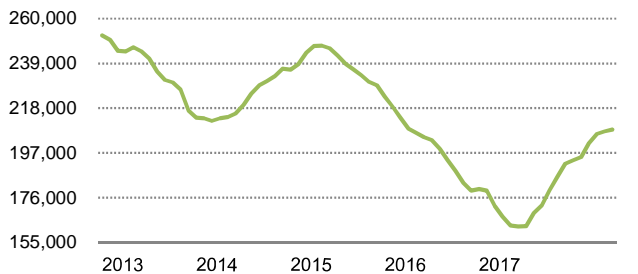
U.S. BUTTERFAT EXPORTS (MT)



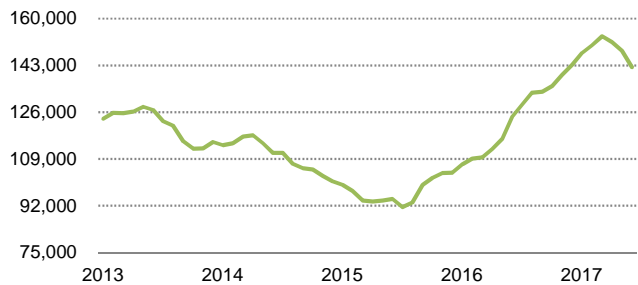
U.S. TOTAL WHEY* EXPORTS (MT)



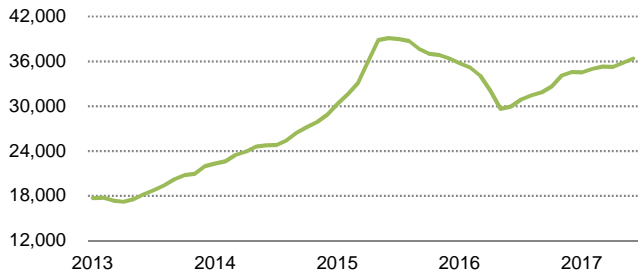
U.S. DRY WHEY EXPORTS (MT)



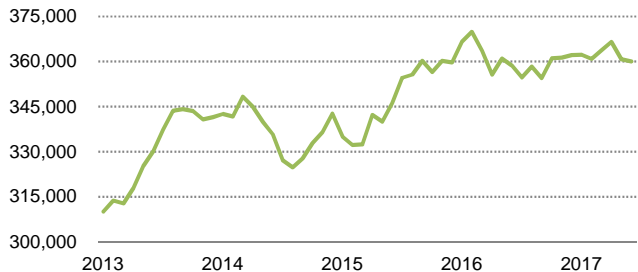
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



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

Source: USDA, USDEC.