

## U.S. Exports

# Strong powder sales to Mexico drive August exports

U.S. exports improved in August, led by a 22-month high in shipments of nonfat dry milk/skim milk powder (NDM/SMP) to Mexico. In the first eight months of the year, exports of NDM/SMP, whey products and lactose all continued to run at a record pace.

Suppliers shipped nearly 190,000 tons of milk powders, cheese, butterfat, whey products, and lactose in August, up 12% from August 2017. Total U.S. exports were worth \$480.9 million, 3% above a year ago. In the first eight months of 2018, dairy exports totaled \$3.82 billion, 4% more than the same period in 2017, while overall volume was up 17%.

Exports of **NDM/SMP** totaled 62,313 tons, a 26% increase vs. a year ago. Shipments to Mexico (36,059 tons, +64%) were the most since October 2016, while sales to Southeast Asia (mostly Philippines, Indonesia and Vietnam) were up 35%. These gains offset declines in exports to China (-31%), Pakistan (-96%) and Japan (-76%). In 2018, U.S. exporters are shipping nearly 13,000 tons of NDM/SMP per month more than last year.

*(USDEC has adjusted official U.S. Bureau of Census trade data for NDM/SMP and WMP since June 2016 to account for shipments we believe are misclassified.)*

### U.S. Exports

	LATEST MONTH		AUGUST (VOLUME, MT)		% CHG
	2016	2017	2018		
NDM/SMP*	53,612	49,384	62,313		+26
WMP*	1,868	2,741	2,815		+3
Cheese	22,453	30,233	28,171		-7
Butterfat	957	2,651	4,146		+56
Total Whey	47,959	47,929	48,982		+2
-Dry whey	20,141	18,077	20,393		+13
-WPC	13,122	14,336	13,086		-9
-Modified whey	11,743	13,081	11,893		-9
-WPI	2,953	2,434	3,609		+48
Lactose	33,056	29,985	34,787		+16
MPC	1,379	1,565	3,041		+94
Food preps (blends)	5,018	5,761	5,642		-2
<b>Aggregate volume**</b>	<b>166,301</b>	<b>170,250</b>	<b>189,897</b>		<b>+12</b>
Milk/cream (000 liters)	10,604	10,150	10,152		+0
<b>Total Value (millions) **</b>	<b>\$ 401.0</b>	<b>\$ 468.9</b>	<b>\$ 480.9</b>		<b>+3</b>

**Whey** exports improved to 48,982 tons in August, up 2% vs. a year ago. However, newly implemented tariffs are affecting sales to China. Shipments of whey products to China (14,635 tons) were off significantly (-26%) for the second straight month, with nearly all the August decline from lower sales of modified whey (permeate). In contrast, U.S. suppliers continued to move greater volumes of whey products to Southeast Asia, where August sales reached a record-high 11,344 tons, 40% greater than the prior year.

**Lactose** exports totaled 34,787 tons in August, 16% greater than levels in August 2017.

**Cheese** exports were 28,171 tons in August, down 7% from last year. Cheese shipments to Mexico (6,610 tons, -21%) were lower for the second straight month. Results were mixed among other top markets. Strong gains were posted in exports to Central America (+33%). Exports to Australia were the most in nine months, while shipments to South Korea were the lowest in seven months. Sales to China and Canada were both off more than 40% vs. year-ago levels.

On a total milk solids basis, U.S. exports were equivalent to 16.8% of U.S. milk production in August, bringing the year-to-date percentage to 16.6%.

	YEAR-TO-DATE		JANUARY-AUGUST (VOLUME, MT)		% CHG
	2016	2017	2018		
NDM/SMP*	360,269	400,599	503,678		+26
WMP*	17,769	15,337	29,104		+90
Cheese	186,366	230,546	241,716		+5
Butterfat	14,910	16,685	28,853		+73
Total Whey	322,535	350,109	388,528		+11
-Dry whey	120,789	134,957	156,912		+16
-WPC	92,849	93,786	112,827		+20
-Modified whey	86,834	98,216	91,133		-7
-WPI	22,064	23,150	27,656		+19
Lactose	237,752	232,849	278,813		+20
MPC	13,896	16,109	20,298		+26
Food preps (blends)	42,797	43,801	42,613		-3
<b>Aggregate volume**</b>	<b>1,196,295</b>	<b>1,306,035</b>	<b>1,533,604</b>		<b>+17</b>
Milk/cream (000 liters)	68,742	70,849	76,199		+8
<b>Total Value (millions) **</b>	<b>\$ 3,034.3</b>	<b>\$ 3,654.8</b>	<b>\$ 3,819.1</b>		<b>+4</b>

\* U.S. Census Bureau data for NDM/SMP and WMP since June 2016 adjusted to reflect shipments to Mexico misclassified as WMP.

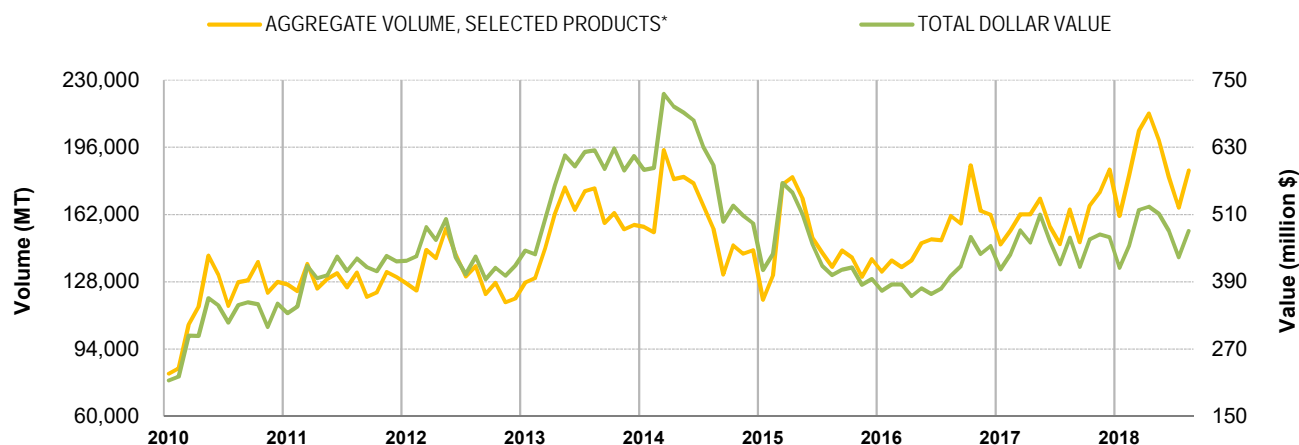
\*\* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDEC, U.S. Bureau of Census.

# U.S. Exports

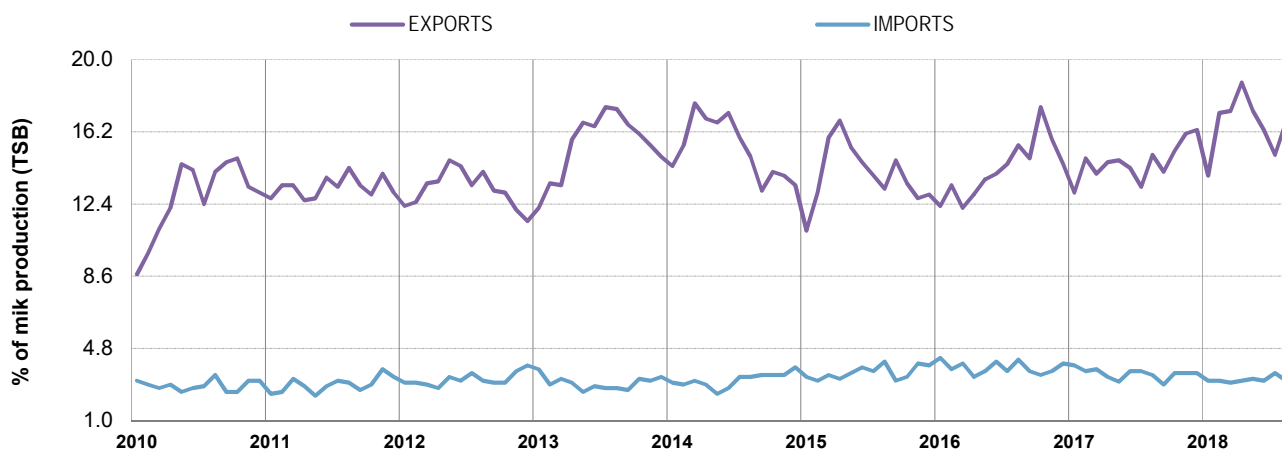
## U.S. EXPORTS

## 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 \$)	August 18	vs. yr ago
Mexico	\$ 126.4	+13%
Southeast Asia	63.4	+17%
Canada	61.2	+9%
China	34.3	-33%
Oceania	27.1	-2%
Japan	24.3	-14%
South America	22.0	-3%
So. Korea	21.3	+12%
Middle East/North Africa	20.5	+16%
Caribbean	19.6	-8%

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

	August	yr ago	Jan-Aug 18	yr ago
NDM/SMP	81%	60%	69%	54%
Total cheese	5.8%	6.4%	6.2%	6.1%
Butterfat	6.8%	4.5%	4.9%	2.9%
Dry sweet whey	56%	42%	49%	43%
Lactose	81%	68%	82%	68%
Total milk solids	16.8%	15.0%	16.6%	14.2%

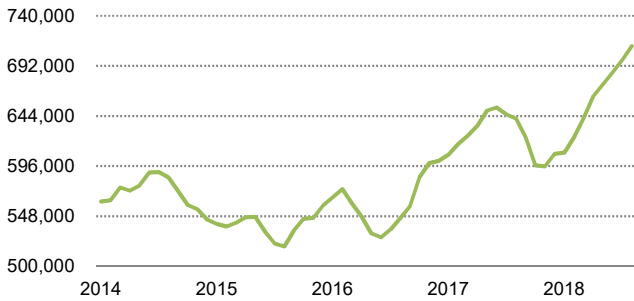
### ACCESS U.S. EXPORT DATA ONLINE

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

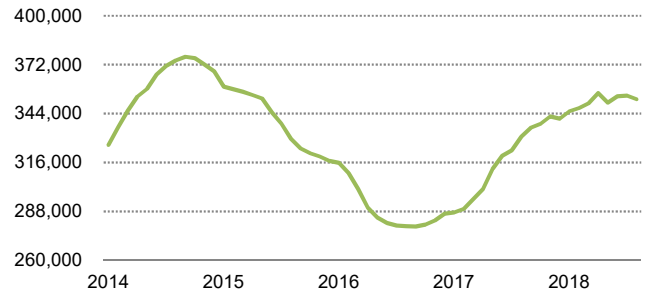
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

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

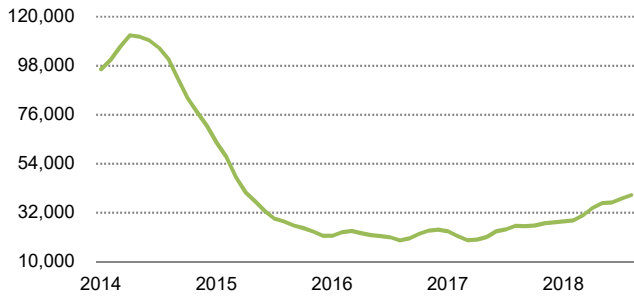
**U.S. NDM/SMP EXPORTS (MT)**



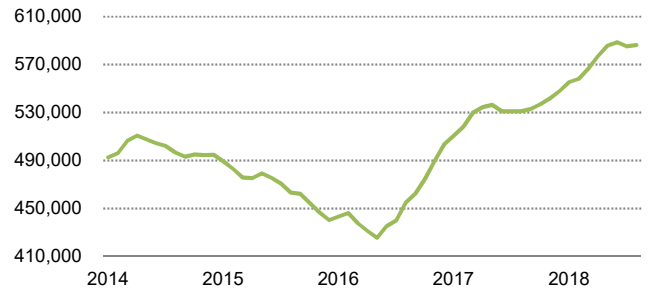
**U.S. CHEESE EXPORTS (MT)**



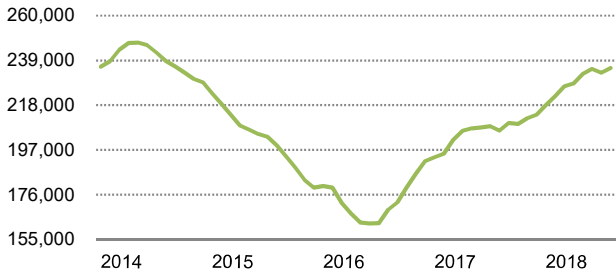
**U.S. BUTTERFAT EXPORTS (MT)**



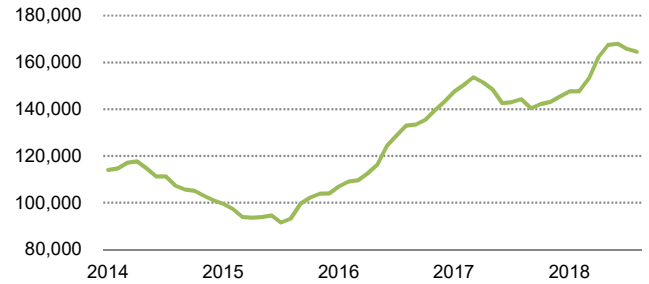
**U.S. TOTAL WHEY\* EXPORTS (MT)**



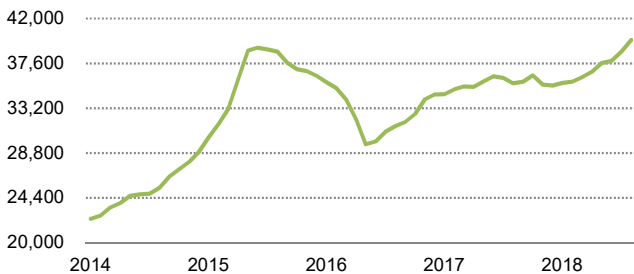
**U.S. DRY WHEY EXPORTS (MT)**



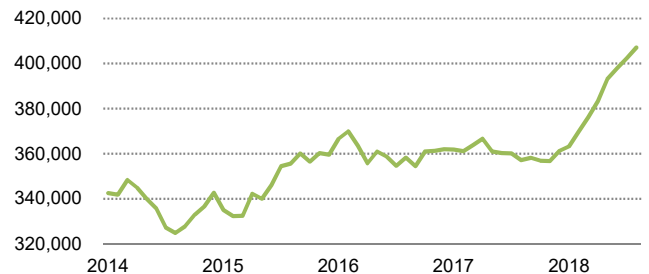
**U.S. WPC EXPORTS (MT)**



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



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



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

Source: USDEC, U.S. Bureau of Census.