

U.S. Exports

Cheese sales lift August export volumes

U.S. dairy exports improved in August, posting the second-highest volume in the last 10 months. Cheese led the way and butterfat shipments picked up, offsetting a slowdown in sales of nonfat dry milk/skim milk powder (NDM/SMP), whey products and lactose.

Suppliers shipped 164,279 tons of milk powder, cheese, butterfat, whey and lactose during the month, up 2 percent from last year. U.S. exports were valued at \$469 million, up 17 percent, and slightly above the monthly average since last October. Though export volumes to most destinations were above year-earlier levels, suppliers continue to see slower ingredient sales to Southeast Asia. Shipments of NDM/SMP, whey and lactose were down 21 percent in August. Meanwhile, exports to Mexico were flat, with stronger cheese and whey sales offset by lower milk powder shipments.

Cheese exports in August were 30,370 tons, exceeding last year's volume by 35 percent. For the first time, Australia was the number-two destination for U.S. cheese, taking 3,900 tons, nearly triple the volume of a year ago. Exports to Mexico (+32 percent, +2,047 tons, year-over-year) and Japan (+113 percent, +1,552 tons) were higher as well, and sales to the Middle East/North Africa region (2,075 tons) were the most since December 2015.

Exports of **NDM/SMP** were 49,046 tons (-9 percent) in August, down for the second straight month. Sales to the top two markets were lower; Mexico was down -18 percent (-4,845 tons) and Southeast Asia was down -26 percent (-4,489 tons). (*Note: these calculations reflect adjustments we've made to the USDA data to reflect shipments misclassified as WMP.*)

Whey exports were flat for the second straight month. Total shipments were 47,992 tons, with gains in whey protein concentrate (WPC) and modified whey offsetting double-digit declines in dry whey and whey protein isolate (WPI). August WPC exports were the most in more than a year, while WPI sales were the lowest in nearly two years (on a daily average basis).

Suppliers have seen a slowdown in whey sales to China in recent months. In the June-August period, shipments were down 7 percent from last year. Meanwhile, whey exports to Mexico were up 60 percent (+2,629 tons) in August.

In the June-August period, U.S. suppliers exported 8,219 tons of **butterfat**, up 158 percent from last year. Canada has been the major customer, taking 4,187 tons in three months, more than triple year-earlier purchases.

U.S. Exports

	LATEST MONTH				AUGUST (VOLUME, MT)					YEAR-TO-DATE				JANUARY - AUGUST (VOLUME, MT)				
	2015	2016	2017	% CHG	2015	2016	2017	% CHG		2015	2016	2017	% CHG	2015	2016	2017	% CHG	
NDM/SMP*	42,779	53,612	49,046	-9	372,185	360,219	400,454	+11	NDM/SMP*	372,185	360,219	400,454	+11					
WMP*	2,894	1,868	2,741	+47	WMP*	26,090	17,826	15,327	-14	WMP*	26,090	17,826	15,327	-14				
Cheese	22,687	22,453	30,370	+35	Cheese	223,653	186,383	230,613	+24	Cheese	223,653	186,383	230,613	+24				
Butterfat	2,314	957	2,652	+177	Butterfat	17,011	14,910	16,690	+12	Butterfat	17,011	14,910	16,690	+12				
Total Whey	32,975	47,959	47,992	+0	Total Whey	307,827	322,504	350,302	+9	Total Whey	307,827	322,504	350,302	+9				
-Dry whey	13,963	20,141	18,218	-10	-Dry whey	131,167	120,758	135,265	+12	-Dry whey	131,167	120,758	135,265	+12				
-WPC	8,827	13,122	14,337	+9	-WPC	63,805	92,849	93,641	+1	-WPC	63,805	92,849	93,641	+1				
-Modified whey	7,765	11,743	13,021	+11	-Modified whey	85,858	86,834	98,205	+13	-Modified whey	85,858	86,834	98,205	+13				
-WPI	2,420	2,953	2,415	-18	-WPI	26,997	22,064	23,189	+5	-WPI	26,997	22,064	23,189	+5				
Lactose	29,440	33,059	29,906	-10	Lactose	239,213	237,816	232,496	-2	Lactose	239,213	237,816	232,496	-2				
MPC	2,463	1,379	1,573	+14	MPC	21,076	13,899	16,107	+16	MPC	21,076	13,899	16,107	+16				
Aggregate volume**	135,552	161,287	164,279	+2	Aggregate volume**	1,207,054	1,153,558	1,261,989	+9	Aggregate volume**	1,207,054	1,153,558	1,261,989	+9				
milk/cream (000 liters)	8,950	10,598	10,151	-4	milk/cream (000 liters)	72,664	68,730	71,245	+4	milk/cream (000 liters)	72,664	68,730	71,245	+4				
Total Value (millions)**	\$ 401.9	\$ 401.0	\$ 468.5	+17	Total Value (millions)**	\$ 3,754.6	\$ 3,034.5	\$ 3,655.2	+20	Total Value (millions)**	\$ 3,754.6	\$ 3,034.5	\$ 3,655.2	+20				

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

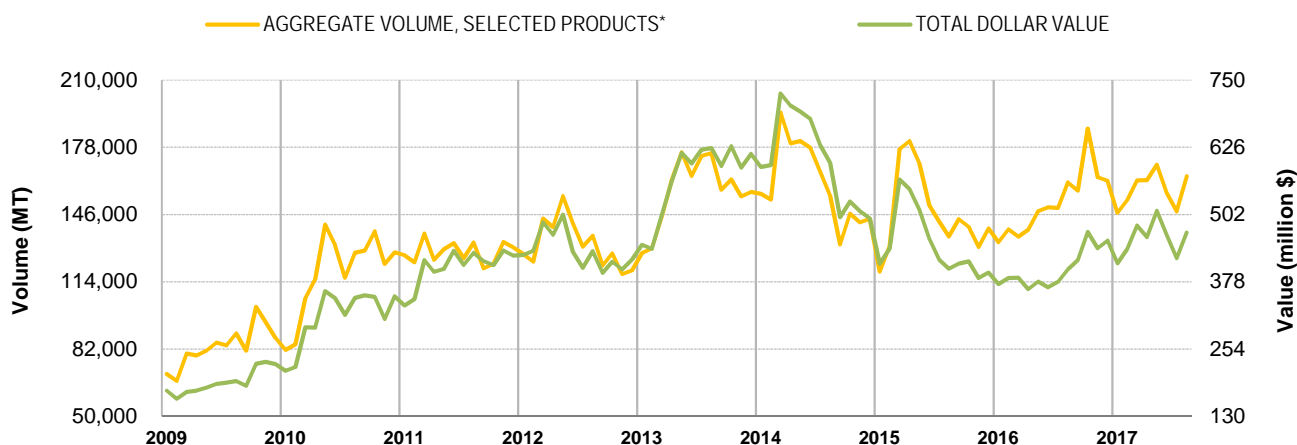
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

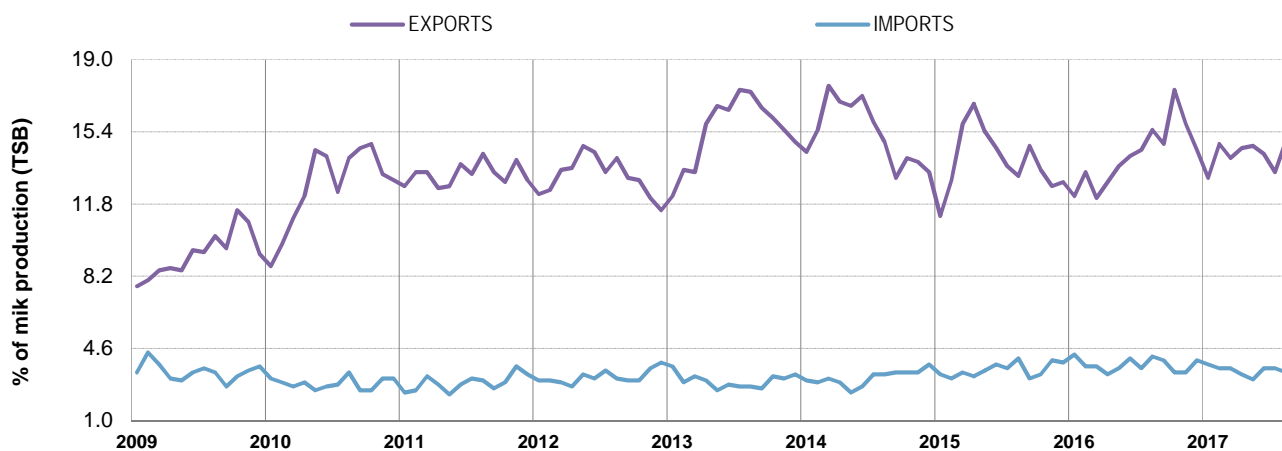
U.S. EXPORTS

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 \$)	August 17	vs. yr ago
Mexico	\$ 112.3	+4%
Canada	56.2	+20%
Southeast Asia	54.2	+0%
China	51.2	+52%
Japan	28.3	+89%
Oceania	27.7	+65%
South America	22.8	-2%
Caribbean	21.4	+26%
So. Korea	19.0	+7%
Middle East/North Africa	17.6	+17%

U.S. EXPORTS AS % OF PRODUCTION

	August	yr ago	Jan-Aug 17	yr ago
NDM/SMP	59%	70%	54%	50%
Total cheese	6.5%	4.9%	6.2%	5.1%
Butterfat	4.5%	1.7%	2.9%	2.6%
Dry sweet whey	42%	58%	43%	41%
Lactose	67%	79%	67%	71%
Total milk solids	15.0%	15.5%	14.2%	13.6%

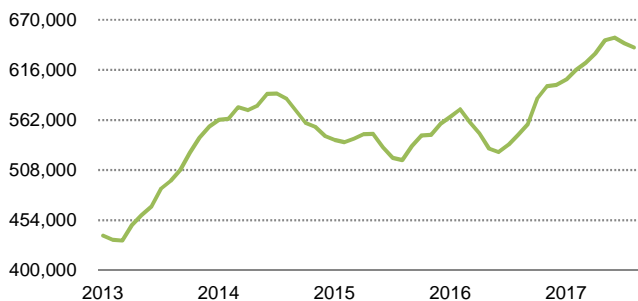
ACCESS U.S. EXPORT DATA ONLINE

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

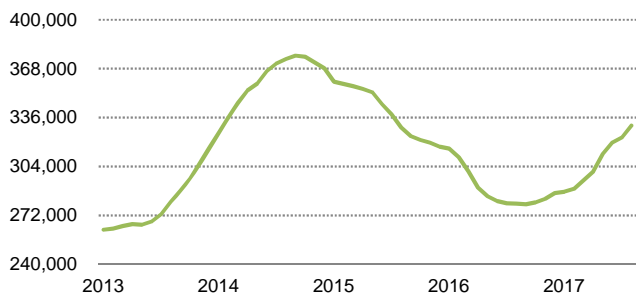
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

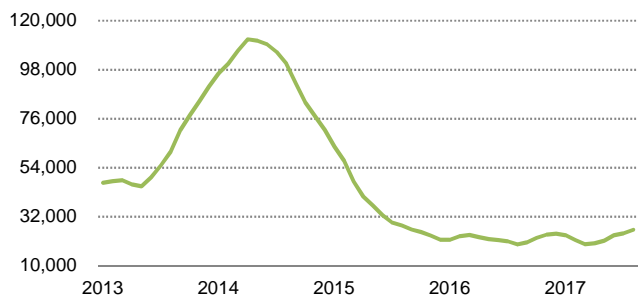
U.S. NDM/SMP EXPORTS (MT)



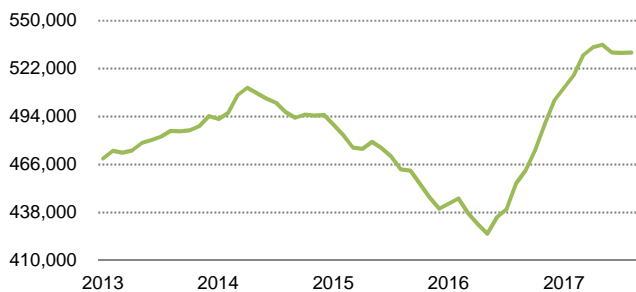
U.S. CHEESE EXPORTS (MT)



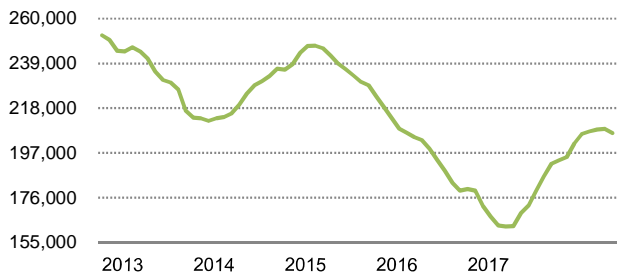
U.S. BUTTERFAT EXPORTS (MT)



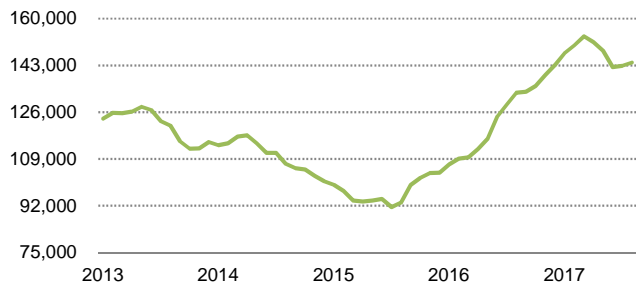
U.S. TOTAL WHEY* EXPORTS (MT)



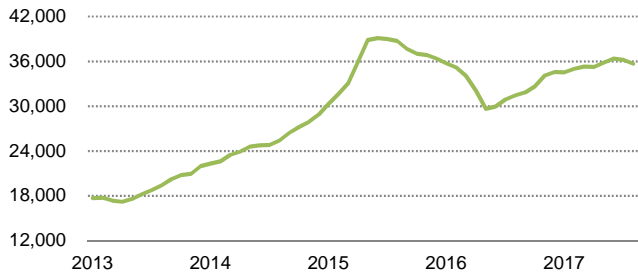
U.S. DRY WHEY EXPORTS (MT)



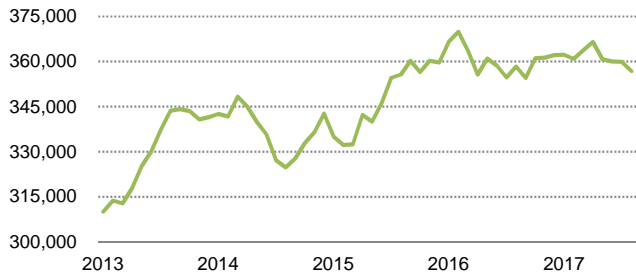
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



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

Source: USDA, USDEC.