

U.S. Exports

July exports paced by increased sales to Mexico

U.S. exporters shipped nearly 48,000 tons of milk powders, cheese, whey, lactose and butterfat to Mexico in July, 12% more than a year ago. Dairy products moving south of the border were valued at \$134.7 million, up 30%. Nonfat dry milk/skim milk powder (NDM/SMP) and cheese volume were up 9% and 16%, respectively, while lactose shipments reached a record high 6,396 tons, a 74% increase.

Suppliers also moved greater volumes into the Middle East/North Africa region (MENA) in July. Overall volume was up 50%, and value was 56% higher, led by increased sales of whole milk powder (WMP), ice cream, cheese and milk protein concentrate (MPC).

Exports to South America were higher as well, with expanded sales of cheese (+41% by volume) and NDM/SMP (+79%). On a value basis, total exports to South America were 37% higher.

In contrast, sales to Asian markets were lower.

Shipments to China remain limited due to high retaliatory tariffs that make U.S. commodities uncompetitive. At this point, more than 90% of U.S. exports to China are whey and lactose, and China's overall whey and lactose imports are significantly reduced as a result of African Swine Fever.

Suppliers moved just 15,845 tons of milk powders, cheese, whey, lactose and butterfat to China in July, down 35% from a year ago. Total whey exports were down 41% (with a 65% loss in sales of dry whey) while lactose volume was off 20%. On a value basis, exports to China in July were down 16% from last year.

After buying aggressively earlier this year, importers in Southeast Asia pulled back this summer. U.S. exports of dairy ingredients (SMP, WMP whey products and lactose) were 30,221 tons in July, down 21% from a year ago. The Philippines, Indonesia and Vietnam all bought less. Total export value was \$61.2 million, down 9%. The bright spot in the region was a 30% gain in sales of cheese.

Overall value of U.S. dairy exports topped \$474 million in July, up 10% from a year earlier. In the first seven months of the year, exports were valued at \$3.4 billion, up 3% and the highest since 2014.

Total shipments of milk powders, cheese, butterfat, whey products and lactose were 160,361 tons in July, down 6% from a year ago.

On a total milk solids basis, U.S. exports were equivalent to 14.0% of U.S. milk solids production in July. In the first seven months of the year exports accounted for 14.1% of production.

U.S. Exports

	LATEST MONTH		JULY (VOLUME, MT)			YEAR-TO-DATE		JANUARY-JULY (VOLUME, MT)	
	2017	2018	2019	% CHG		2017	2018	2019	% CHG
NDM/SMP*	41,873	54,410	49,530	-9	NDM/SMP*	351,214	440,660	377,285	-14
WMP*	1,871	4,193	3,488	-17	WMP*	12,512	26,269	18,722	-29
Cheese	27,224	27,535	27,716	+1	Cheese	200,203	213,624	220,884	+3
Butterfat	2,063	3,791	1,206	-68	Butterfat	14,031	24,787	14,864	-40
Total Whey	42,664	39,374	34,717	-12	Total Whey	302,029	340,030	260,344	-23
-Dry whey	17,179	15,570	11,223	-28	-Dry whey	116,879	138,545	93,216	-33
-WPC	12,299	9,898	9,597	-3	-WPC	79,344	98,092	68,960	-30
-Modified whey	10,328	10,144	10,547	+4	-Modified whey	85,135	79,223	72,640	-8
-WPI	2,859	3,763	3,350	-11	-WPI	20,671	24,169	25,528	+6
Lactose	29,378	33,886	36,669	+8	Lactose	202,839	244,447	223,646	-9
MPC	1,983	2,433	3,030	+25	MPC	14,545	17,301	20,495	+18
Food preps (blends)	6,540	4,603	4,005	-13	Food preps (blends)	38,047	37,005	30,240	-18
Aggregate volume**	153,596	170,225	160,361	-6	Aggregate volume**	1,135,419	1,344,124	1,166,481	-13
Milk/cream (000 liters)	8,471	9,656	11,032	+14	Milk/cream (000 liters)	60,699	65,847	76,487	+16
Total Value (millions) **	\$ 421.3	\$ 432.8	\$ 474.7	+10	Total Value (millions) **	\$ 3,184.5	\$ 3,332.1	\$ 3,423.9	+3

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

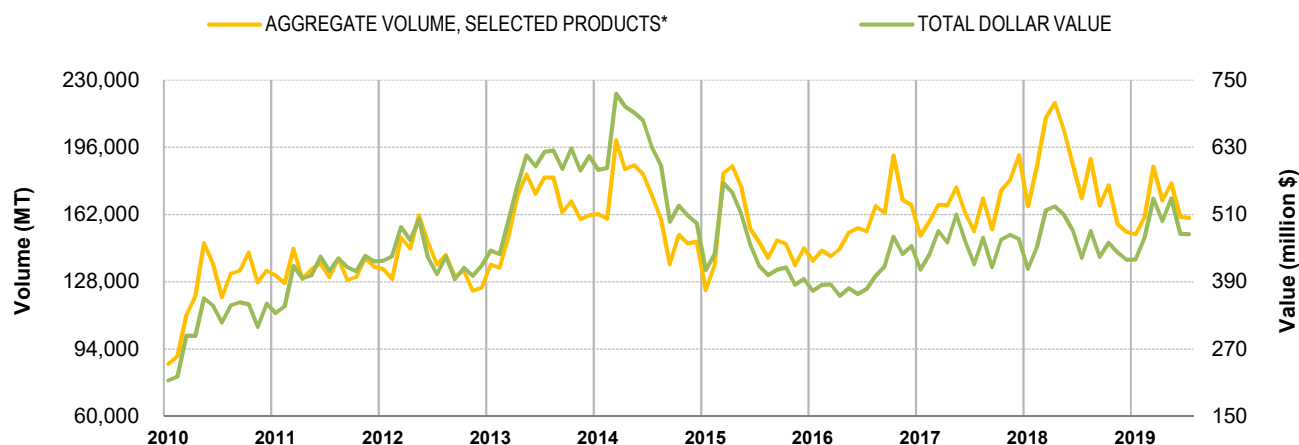
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

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

U.S. Exports

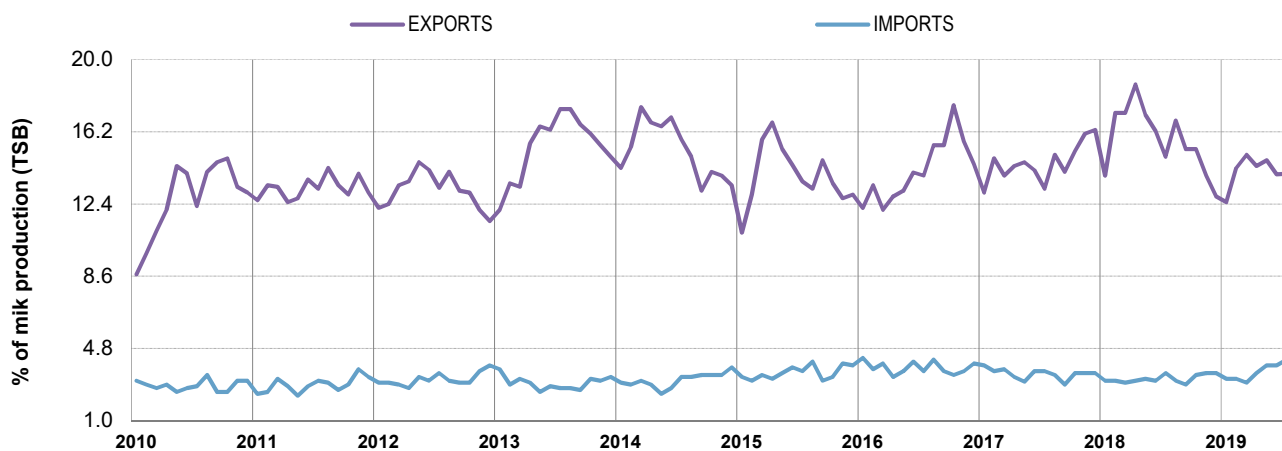
U.S. EXPORTS

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 \$)	July 19	vs. yr ago
Mexico	\$ 134.7	30%
Southeast Asia	61.2	-9%
Canada	50.9	+8%
China	29.2	-16%
South America	27.9	+37%
Middle East/North Africa	27.0	+56%
Oceania	22.4	+6%
Japan	21.1	-0%
So. Korea	20.1	-25%
Caribbean	18.6	+2%

U.S. EXPORTS AS % OF PRODUCTION

	July	yr ago	Jan-Jul 19	yr ago
NDM/SMP	53%	61%	58%	66%
Total cheese	5.6%	5.6%	6.4%	6.3%
Butterfat	1.9%	6.2%	2.9%	4.7%
Dry sweet whey	30%	38%	37%	49%
Lactose	75%	76%	65%	81%
Total milk solids	14.0%	14.9%	14.1%	16.5%

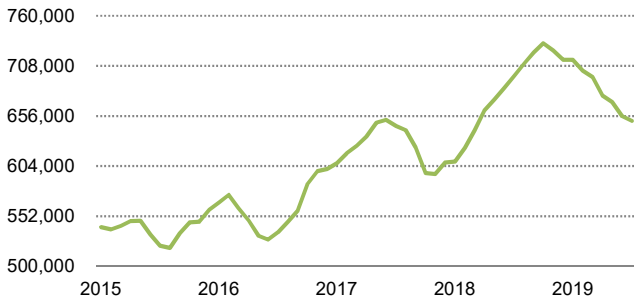
ACCESS U.S. EXPORT DATA ONLINE

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

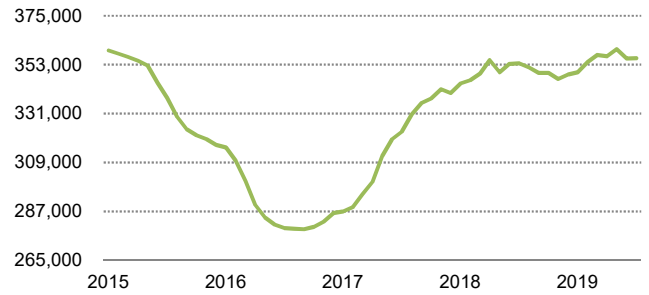
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

U.S. Exports: Rolling 12-Month Volume

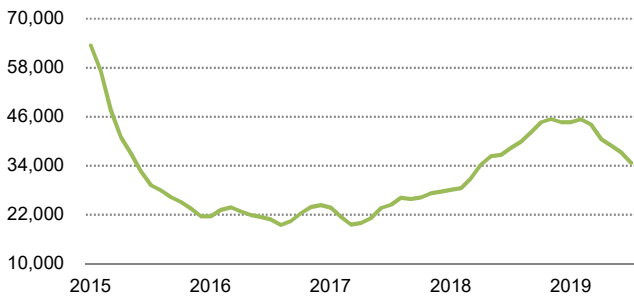
U.S. NDM/SMP EXPORTS (MT)



U.S. CHEESE EXPORTS (MT)



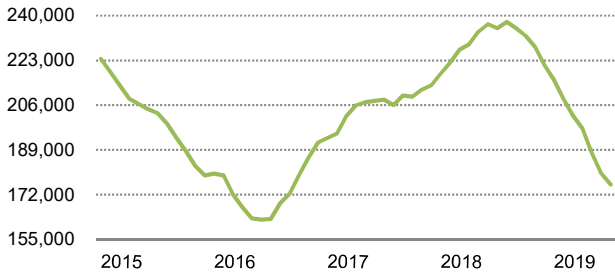
U.S. BUTTERFAT EXPORTS (MT)



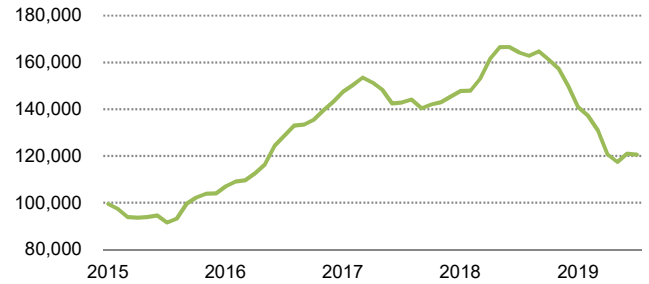
U.S. TOTAL WHEY* EXPORTS (MT)



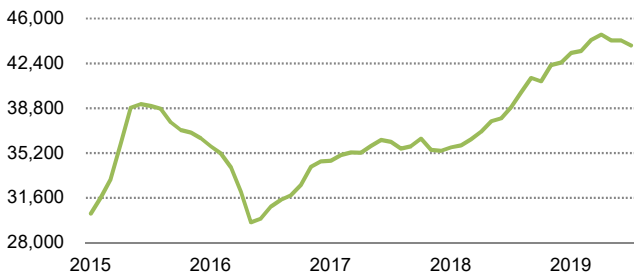
U.S. DRY WHEY EXPORTS (MT)



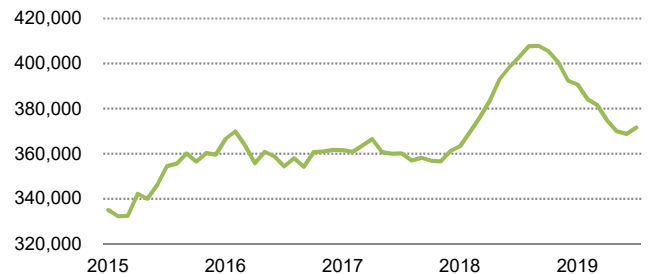
U.S. WPC EXPORTS (MT)



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.