

## U.S. Exports

# U.S. export volume down 14% in H1-19

Lost sales to China due to retaliatory tariffs and African swine fever, plus strong competition from European and New Zealand suppliers, resulted in lower U.S. export volume in the first half of 2019. Shipments of milk powders, cheese, butterfat, whey and lactose were 1.0 million tons, down 14% from last year's record pace.

Overall value of U.S. dairy exports reached \$2.95 billion in the first half, up for the third straight year. Suppliers saw notable gains in sales value to Mexico, Southeast Asia, South Korea, Canada and South America, offsetting a large decline in sales to China.

Bright spots for the first half of the year included increased cheese exports; record whey and lactose sales to Southeast Asia; and record fluid milk/cream shipments.

**Cheese** exports in the first half of 2019 were 193,169 tons, up 4% from a year ago, and the most since 2014. U.S. suppliers posted record volumes to South Korea (+26%), Southeast Asia (+16%) and Central America (+28%).

Exports of **nonfat dry milk/skim milk powder (NDM/SMP)** failed to match last year's record pace. First-half volume was 327,755 tons, down 15%. Volume was lower in all major markets, including top customers

Mexico (-5%) and Southeast Asia (-10%). The United States lost share European suppliers, who were aggressive in moving powder that had been liquidated from government stocks, and New Zealand exporters, who sought to clear production from a record flush in 2018/19.

Overall **whey** exports were 225,627 tons in the first six months of 2019 down 25%. This is the lowest figure since 2011, and attributable almost entirely to reduced demand from China. In addition to tariffs that have made U.S. whey less competitive, African swine fever has led to widespread hog culling, reducing the need for feed-use dry whey and whey permeate. Total U.S. whey exports to China were down 58% in the first half, a loss of more than 12,000 tons per month.

Suppliers partially compensated with increased whey sales to Southeast Asia (+5%, to a new record volume) and Mexico (+12%).

**Lactose** exports were 186,977 tons in the first half, down 11% from last year's record pace, but still the second most ever. Exports to Southeast Asia (+9%) were an all-time high.

On a total milk solids basis, U.S. exports were equivalent to 14.1% of U.S. milk solids production in the first half of 2019. Over the previous five years, exports have averaged 14.7% of production.

### U.S. Exports

	LATEST MONTH				JUNE (VOLUME, MT)					YEAR-TO-DATE				JANUARY-JUNE (VOLUME, MT)			
	2017	2018	2019	% CHG	2017	2018	2019	% CHG		2017	2018	2019	% CHG	2017	2018	2019	% CHG
NDM/SMP*	45,816	57,416	42,777	-25	309,341	386,251	327,755	-15	309,341	386,251	327,755	-15	309,341	386,251	327,755	-15	
WMP*	1,169	3,510	3,454	-2	10,641	22,076	15,234	-31	10,641	22,076	15,234	-31	10,641	22,076	15,234	-31	
Cheese	30,578	34,298	30,022	-12	172,979	186,089	193,169	+4	172,979	186,089	193,169	+4	172,979	186,089	193,169	+4	
Butterfat	3,504	3,812	2,188	-43	11,969	20,996	13,658	-35	11,969	20,996	13,658	-35	11,969	20,996	13,658	-35	
Total Whey	42,578	45,534	41,222	-9	259,365	300,655	225,627	-25	259,365	300,655	225,627	-25	259,365	300,655	225,627	-25	
-Dry whey	17,347	20,272	12,444	-39	99,700	122,975	81,994	-33	99,700	122,975	81,994	-33	99,700	122,975	81,994	-33	
-WPC	10,123	10,199	13,670	+34	67,046	88,195	59,363	-33	67,046	88,195	59,363	-33	67,046	88,195	59,363	-33	
-Modified whey	12,005	11,733	11,788	+0	74,807	69,080	62,093	-10	74,807	69,080	62,093	-10	74,807	69,080	62,093	-10	
-WPI	3,103	3,330	3,319	-0	17,812	20,406	22,178	+9	17,812	20,406	22,178	+9	17,812	20,406	22,178	+9	
Lactose	30,108	35,339	34,264	-3	173,460	210,561	186,977	-11	173,460	210,561	186,977	-11	173,460	210,561	186,977	-11	
MPC	2,074	2,204	2,746	+25	12,562	14,869	17,464	+17	12,562	14,869	17,464	+17	12,562	14,869	17,464	+17	
Food preps (blends)	6,914	5,142	4,047	-21	31,506	32,402	26,235	-19	31,506	32,402	26,235	-19	31,506	32,402	26,235	-19	
<b>Aggregate volume**</b>	<b>162,741</b>	<b>187,255</b>	<b>160,719</b>	<b>-14</b>	<b>981,823</b>	<b>1,173,899</b>	<b>1,006,120</b>	<b>-14</b>	<b>981,823</b>	<b>1,173,899</b>	<b>1,006,120</b>	<b>-14</b>	<b>981,823</b>	<b>1,173,899</b>	<b>1,006,120</b>	<b>-14</b>	
Milk/cream (000 liters)	9,144	10,360	11,532	+11	52,229	56,191	65,455	+16	52,229	56,191	65,455	+16	52,229	56,191	65,455	+16	
<b>Total Value (millions) **</b>	<b>\$ 462.1</b>	<b>\$ 482.0</b>	<b>\$ 475.7</b>	<b>-1</b>	<b>\$ 2,763.2</b>	<b>\$ 2,899.3</b>	<b>\$ 2,949.2</b>	<b>+2</b>	<b>\$ 2,763.2</b>	<b>\$ 2,899.3</b>	<b>\$ 2,949.2</b>	<b>+2</b>	<b>\$ 2,763.2</b>	<b>\$ 2,899.3</b>	<b>\$ 2,949.2</b>	<b>+2</b>	

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

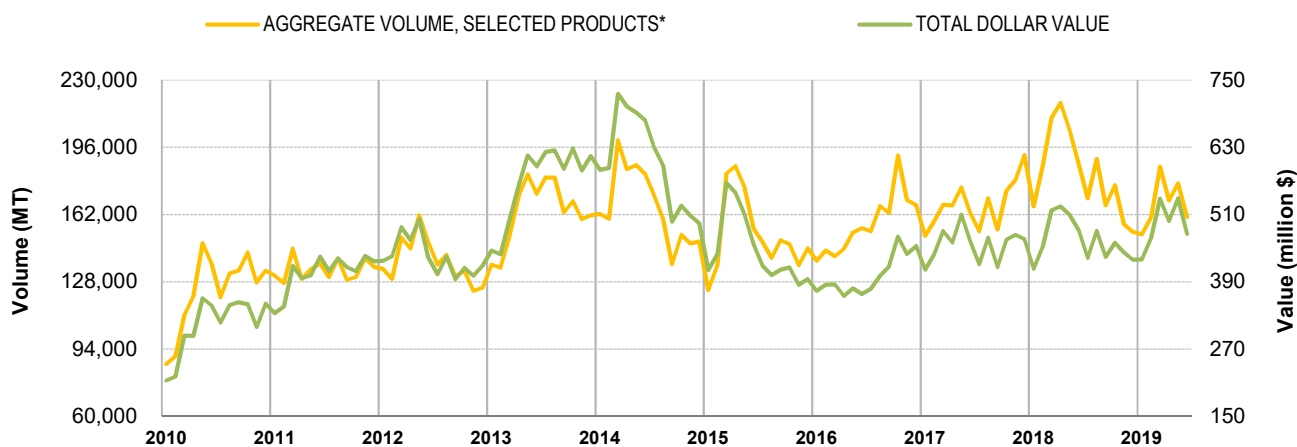
\*\* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

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

# U.S. Exports

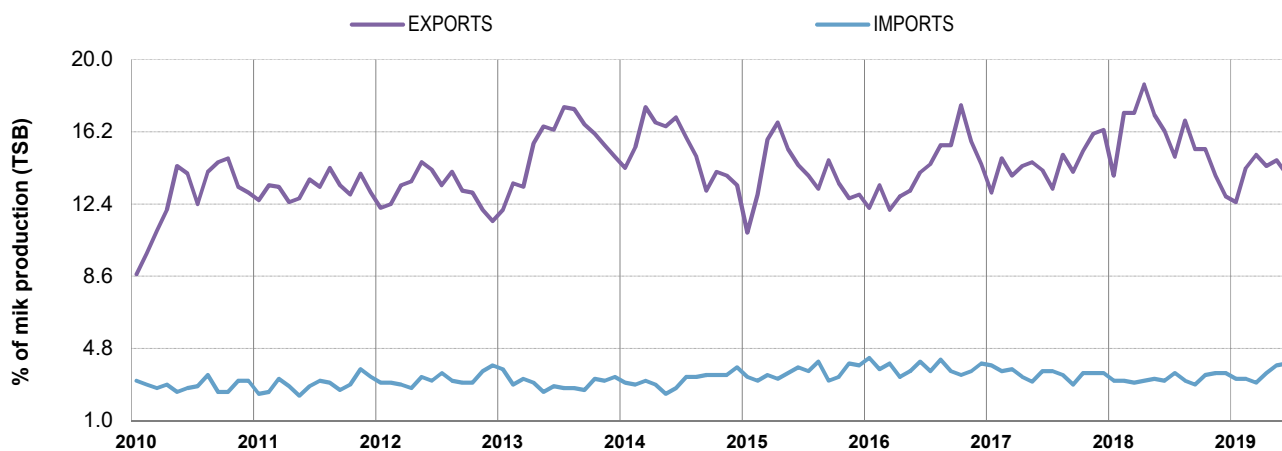
## U.S. EXPORTS

## 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 \$)	June 19	vs. yr ago
Mexico	\$ 118.7	-4%
Southeast Asia	62.3	+4%
Canada	53.0	-2%
So. Korea	31.6	+13%
China	30.2	-35%
South America	29.7	+49%
Japan	29.2	+11%
Oceania	20.7	+4%
Caribbean	19.4	+9%
Middle East/North Africa	18.6	-9%

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

	June	yr ago	Jan-Jun 19	yr ago
NDM/SMP	47%	60%	59%	67%
Total cheese	6.2%	7.1%	6.6%	6.4%
Butterfat	3.3%	5.9%	3.0%	4.5%
Dry sweet whey	34%	52%	39%	51%
Lactose	70%	81%	63%	82%
Total milk solids	14.0%	16.2%	14.1%	16.7%

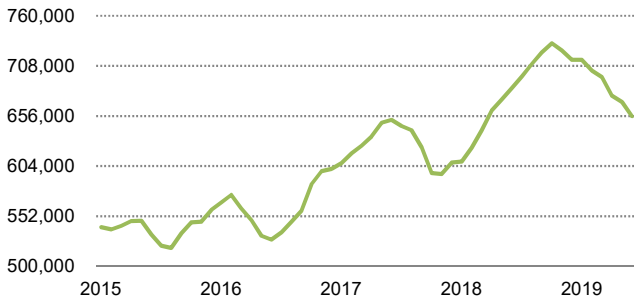
### ACCESS U.S. EXPORT DATA ONLINE

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

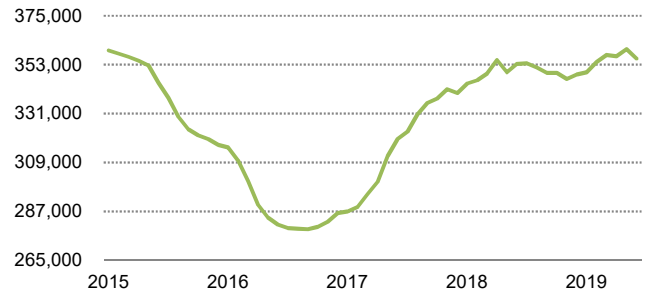
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

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

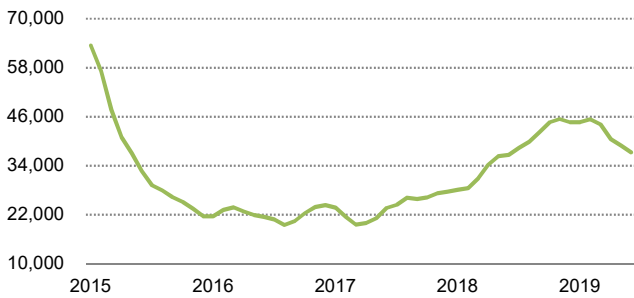
**U.S. NDM/SMP EXPORTS (MT)**



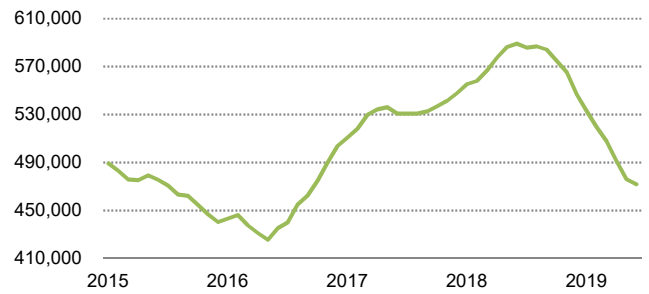
**U.S. CHEESE EXPORTS (MT)**



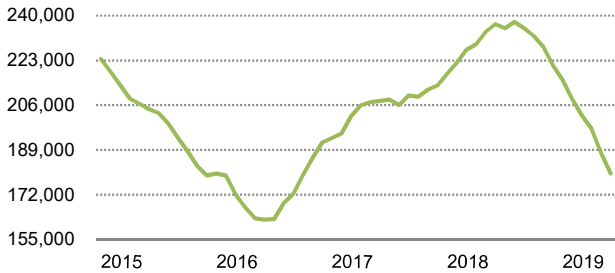
**U.S. BUTTERFAT EXPORTS (MT)**



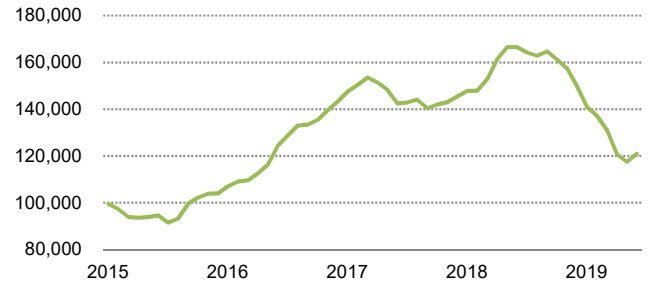
**U.S. TOTAL WHEY\* EXPORTS (MT)**



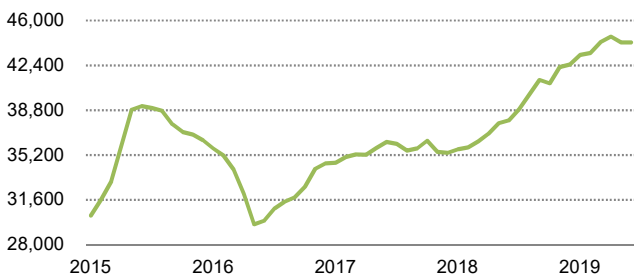
**U.S. DRY WHEY EXPORTS (MT)**



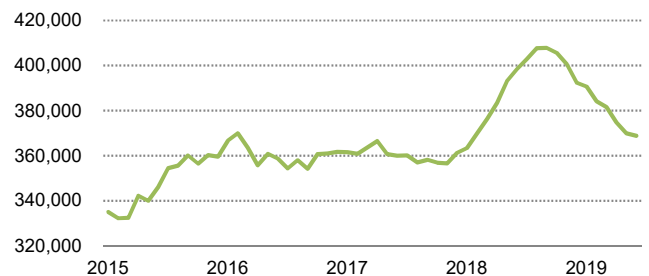
**U.S. WPC EXPORTS (MT)**



**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.