

## U.S. Exports

# Exporters still moving milk powder, whey products

U.S. dairy exporters shipped 155,885 tons of milk powders, cheese, butterfat, whey and lactose in September, topping year-ago levels for the fourth straight month. Exporters continued to post gains in shipments of milk powder and whey products. Overall export value was \$392.2 million in September, down 2 percent from a year ago, but the highest figure of the year (on a daily-average basis).

Milk powder exports were up 6 percent from last year. Official USDA data continues to show a spike in WMP exports to Mexico. However, Mexican import data and trade sources don't corroborate this, and we believe this volume represents SMP sales that were misclassified at the port. Therefore, we've adjusted NDM/SMP and WMP trade data for April-September to account for this misclassification.

Adjusted total NDM/SMP exports in September were 51,847 tons. Exporters shipped less to Mexico than the prior year, but more to Southeast Asia. During the third quarter, SMP exports to Southeast Asia were up 49 percent, with increased sales to Indonesia, the Philippines, Malaysia and Vietnam. Meanwhile, adjusted WMP exports in September were down 56 percent from a year ago.

Whey exports were 41,938 tons, less than recent months, but still well-above a year ago (+22 percent). Sales volume to China, our largest market, was the lowest in five months, but still topped year-ago levels. Shipments of whey protein concentrate (WPC) remained on a record pace; in the first nine months

of the year exports were up 19 percent from 2015 levels. In September, total whey exports to Southeast Asia were up 86 percent, led by the largest volume of WPC to Southeast Asia in four years.

Cheese exports were 22,046 tons, down 1 percent from last September. Volumes have been fairly steady for the last 15 months, between 21,000 tons and 25,000 tons almost every month. September sales to the Middle East/North Africa region were just 959 tons, the lowest since January 2010. Sales to Japan continued to lag as well, with third-quarter volume down 24 percent from a year ago. In contrast, September cheese exports to South Korea were up 19 percent, year-over-year.

U.S. butterfat exports were 1,642 tons, a six-month high and more than double year-ago levels, but still just a fraction of 2013 volume.

Among other products, fluid milk exports were up 28 percent, lactose exports were down 11 percent, food preps (blends) were up 2 percent and MPC was down 29 percent compared with a year ago.

On a total milk solids basis, U.S. exports were equivalent to 14.7 percent of U.S. milk production in September, bringing the year-to-date proportion to 13.9 percent. Imports were equivalent to 3.7 percent of production, the lowest since April.

### U.S. Exports

	LATEST MONTH				SEPTEMBER (VOLUME, MT)					YEAR-TO-DATE				JANUARY-SEPTEMBER (VOLUME, MT)				
	2014	2015	2016	% CHG	2014	2015	2016	% CHG		2014	2015	2016	% CHG	2014	2015	2016	% CHG	
NDM/SMP*	32,136	47,340	51,847	+10	430,076	419,485	440,862	+5	NDM/SMP*	430,076	419,485	440,862	+5	430,076	419,485	440,862	+5	
WMP*	3,196	2,974	1,299	-56	38,175	39,744	33,691	-15	WMP*	38,175	39,744	33,691	-15	38,175	39,744	33,691	-15	
Cheese	27,717	22,190	22,046	-1	290,051	245,855	208,675	-15	Cheese	290,051	245,855	208,675	-15	290,051	245,855	208,675	-15	
Butterfat	2,344	692	1,642	+137	62,354	17,703	16,547	-7	Butterfat	62,354	17,703	16,547	-7	62,354	17,703	16,547	-7	
Total Whey	35,267	34,353	41,938	+22	374,521	342,182	363,284	+6	Total Whey	374,521	342,182	363,284	+6	374,521	342,182	363,284	+6	
-Dry whey	16,588	11,206	15,217	+36	-Dry whey	177,263	142,377	135,885	-5	-Dry whey	177,263	142,377	135,885	-5	177,263	142,377	135,885	-5
-WPC	15,609	21,168	24,318	+15	-WPC	177,064	170,828	202,935	+19	-WPC	177,064	170,828	202,935	+19	177,064	170,828	202,935	+19
-WPI	3,069	1,980	2,403	+21	-WPI	20,195	28,978	24,464	-16	-WPI	20,195	28,978	24,464	-16	20,195	28,978	24,464	-16
Lactose	29,014	33,568	29,857	-11	Lactose	255,194	272,799	267,427	-2	Lactose	255,194	272,799	267,427	-2	255,194	272,799	267,427	-2
MPC	2,072	2,641	1,876	-29	MPC	39,621	23,717	15,750	-34	MPC	39,621	23,717	15,750	-34	39,621	23,717	15,750	-34
Food preps (blends)	5,153	5,296	5,381	+2	Food preps (blends)	49,055	46,710	48,506	+4	Food preps (blends)	49,055	46,710	48,506	+4	49,055	46,710	48,506	+4
Aggregate volume**	136,899	149,054	155,885	+5	Aggregate volume**	1,539,046	1,408,196	1,394,741	-1	Aggregate volume**	1,539,046	1,408,196	1,394,741	-1	1,539,046	1,408,196	1,394,741	-1
Fluid milk (000 liters)	6,919	6,882	8,821	+28	Fluid milk (000 liters)	67,641	67,629	66,111	-2	Fluid milk (000 liters)	67,641	67,629	66,111	-2	67,641	67,629	66,111	-2
Total Value (millions) **	\$ 484.6	\$ 398.6	\$ 392.2	-2	Total Value (millions) **	\$ 5,608.9	\$ 4,070.2	\$ 3,406.0	-16	Total Value (millions) **	\$ 5,608.9	\$ 4,070.2	\$ 3,406.0	-16	\$ 5,608.9	\$ 4,070.2	\$ 3,406.0	-16

\* USDA data for NDM/SMP and WMP adjusted to reflect shipments to Mexico misclassified as WMP.

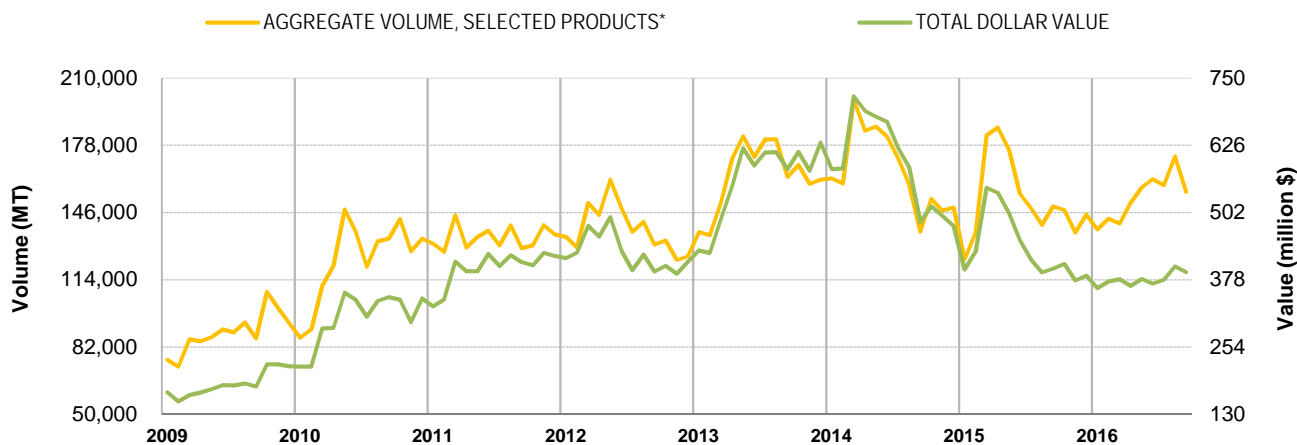
\*\* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

# U.S. Exports

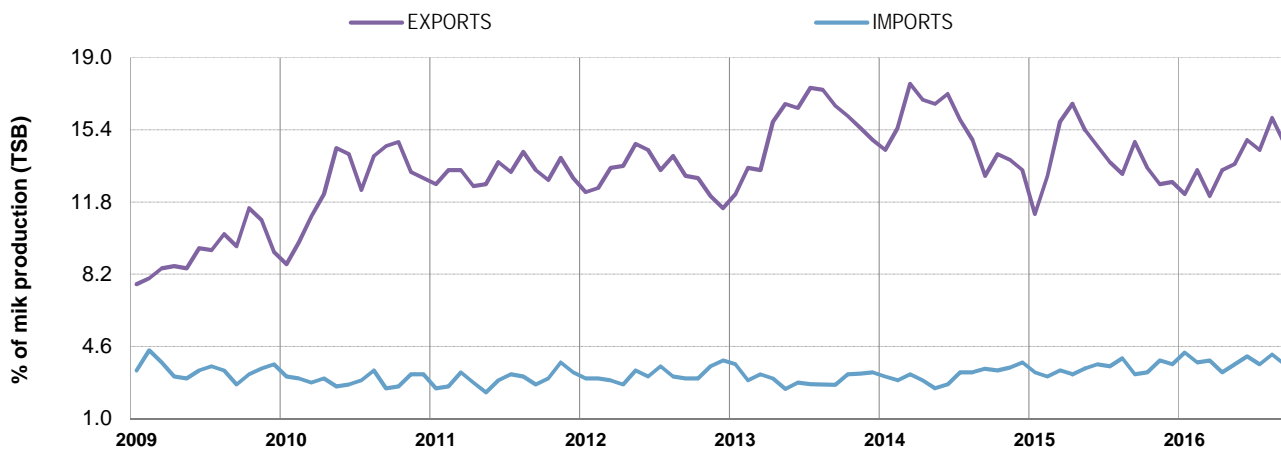
## U.S. EXPORTS

## VOLUME AND VALUE



\* Volume includes SMP, WMP, food preps, MPC, whey, cheese, butterfat, lactose

## U.S. EXPORTS AND IMPORTS AS A PERCENT OF MILK PRODUCTION



### U.S. DAIRY EXPORTS, TOP 10 MARKETS

(million \$)	Sep 16	vs. yr ago
Mexico	\$ 100.7	-11%
Southeast Asia	58.8	+7%
Canada	54.7	+15%
China	28.5	-10%
South America	22.7	-2%
So. Korea	20.6	+21%
Caribbean	18.6	+19%
Middle East/North Africa	15.6	+16%
Oceania	15.6	-20%
Japan	15.4	-19%

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

	September	yr ago	Jan-Sep 16	yr ago
NDM/SMP	70%	71%	56%	53%
Total cheese	5.0%	5.1%	5.1%	6.2%
Butterfat	2.7%	1.1%	2.5%	2.8%
Dry sweet whey	45%	31%	42%	43%
Lactose	72%	87%	72%	76%
Total milk solids	14.7%	14.8%	13.9%	14.3%

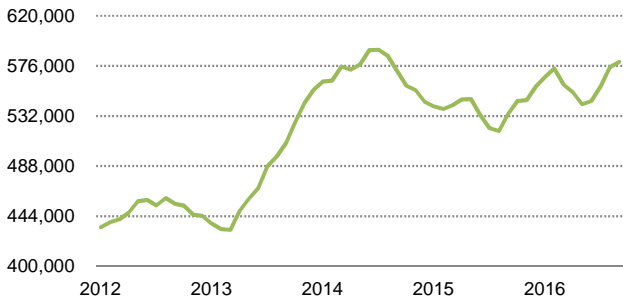
#### ACCESS U.S. EXPORT DATA ONLINE

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

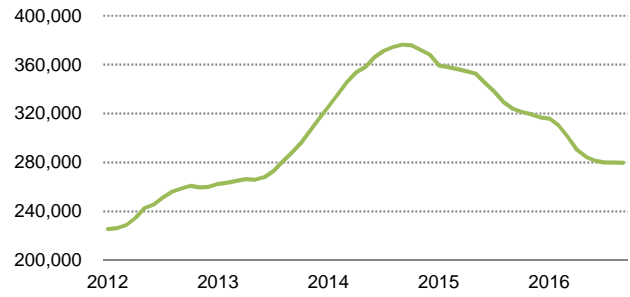
Source: USDA, USDEC, National Milk Producers Federation.

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

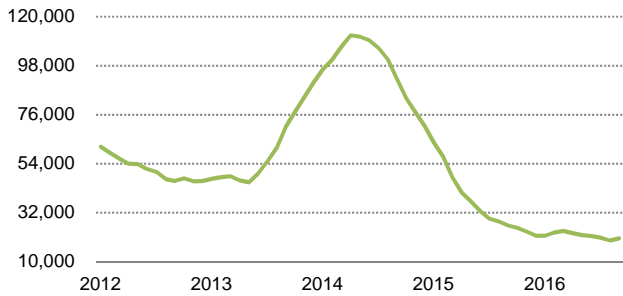
**U.S. NDM/SMP EXPORTS (MT)**



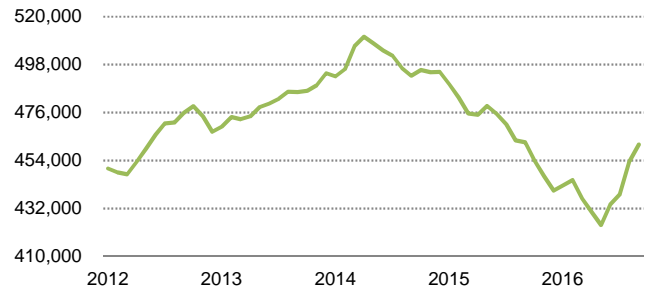
**U.S. CHEESE EXPORTS (MT)**



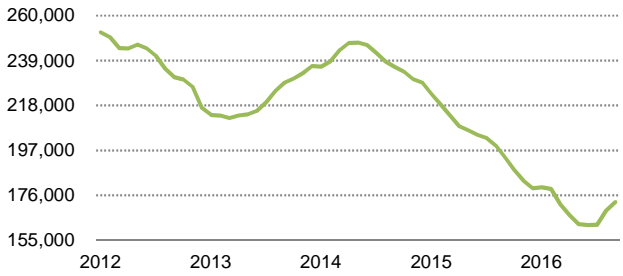
**U.S. BUTTERFAT EXPORTS (MT)**



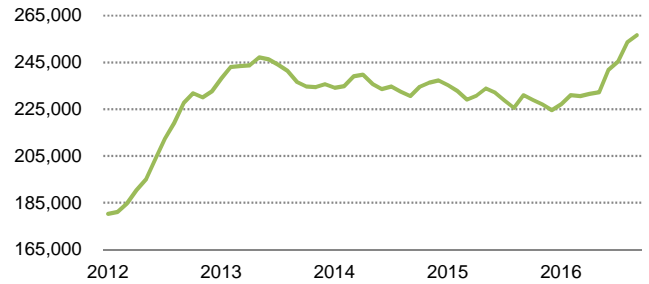
**U.S. TOTAL WHEY EXPORTS (MT)**



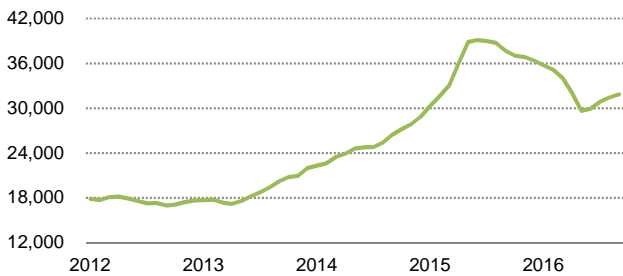
**U.S. DRY WHEY EXPORTS (MT)**



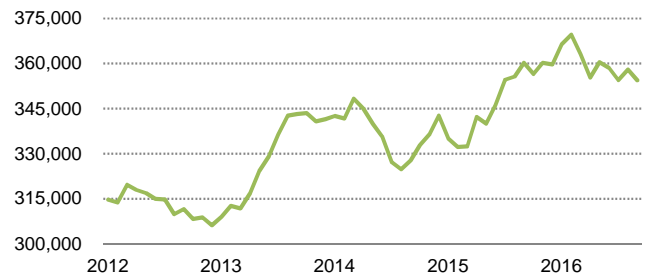
**U.S. WPC EXPORTS (MT)**



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



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



Source: USDA, USDEC.