

U.S. Exports

U.S. exports continue weaker in December

U.S. dairy exports reached record-high levels in 2018 but volumes slumped in the final months of the year. Exports were down 11 percent in the fourth quarter, after posting a 16-percent increase in the first three quarters.

Suppliers shipped 152,952 tons of milk powders, cheese, butterfat, whey products, and lactose in December, the lowest figure in nearly two years, and down 21% from December 2017. Total U.S. exports were worth \$428.9 million, down 9%. For the year, dairy exports totaled \$5.59 billion, 2% more than 2017, while overall volume was up 9%.

On a value basis, sales to China were down 40% in December, while sales to Southeast Asia were down 27%. This was only partially offset by a 17% increase in sales to Mexico.

U.S. exports of **NDM/SMP** totaled 50,367 tons in December, a 17% decline vs. the year before. Shipments to Mexico (26,883 tons, +22%) remained good, but exports to Southeast Asia continued to slump, falling to a 15-month low of just 12,167 tons (-28%). In addition, exports to China, Peru, Pakistan, Japan and the MENA region combined were just 2,393 tons, down 82%.

Whey exports in December were just 34,266 tons, the lowest in 33 months, and down 35% from the previous year. Total whey exports to China in December were 12,387 tons, just half of the prior year's record level. U.S. suppliers were unable to divert lost sales to other markets; December shipments to Southeast Asia and Japan were off 23% and 30%, respectively. In the six months since retaliatory tariffs were put in place (July-December), U.S. whey exports to China were down 39% (-8,078 tons/month).

Cheese exports improved in December to 28,854 tons, up 6% from December 2017. Sales increased to Mexico (+12%), South Korea (+18%), Japan (+27%) and the Middle East/North Africa region (+31%).

Lactose exports totaled 27,448 tons in December, down 23%. Suppliers saw double-digit declines to Southeast Asia, China and Mexico.

On a total milk solids basis, U.S. exports were equivalent to 12.8% of U.S. milk production in December, bringing the full-year percentage to 15.8%.

U.S. Exports

	LATEST MONTH				DECEMBER (VOLUME, MT)					YEAR-TO-DATE				JANUARY-DECEMBER (VOLUME, MT)			
	2016	2017	2018	% CHG	2016	2017	2018	% CHG		2016	2017	2018	% CHG	2016	2017	2018	% CHG
NDM/SMP*	48,405	60,360	50,367	-17	NDM/SMP*	601,006	607,880	715,491	+18								
WMP*	2,243	2,940	2,083	-29	WMP*	24,397	25,420	45,706	+80								
Cheese	28,572	27,248	28,854	+6	Cheese	286,633	341,113	348,561	+2								
Butterfat	2,366	2,792	1,949	-30	Butterfat	24,336	27,629	44,538	+61								
Total Whey	46,806	53,058	34,266	-35	Total Whey	503,568	548,051	545,890	-0								
-Dry whey	18,639	20,358	13,060	-36	-Dry whey	191,847	213,563	218,426	+2								
-WPC	12,065	14,434	6,848	-53	-WPC	143,279	145,486	151,605	+4								
-Modified whey	12,612	14,884	10,771	-28	-Modified whey	133,885	153,596	133,530	-13								
-WPI	3,490	3,383	3,587	+6	-WPI	34,557	35,407	42,328	+20								
Lactose	31,121	35,641	27,448	-23	Lactose	362,015	361,215	392,166	+9								
MPC	2,465	2,651	2,940	+11	MPC	21,545	23,286	32,701	+40								
Food preps (blends)	4,965	7,768	5,046	-35	Food preps (blends)	63,593	71,939	62,721	-13								
Aggregate volume**	166,943	192,458	152,952	-21	Aggregate volume**	1,887,094	2,006,533	2,187,773	+9								
Milk/cream (000 liters)	12,091	7,869	9,293	+18	Milk/cream (000 liters)	117,679	105,600	115,393	+9								
Total Value (millions) **	\$ 453.9	\$ 469.2	\$ 428.9	-9	Total Value (millions) **	\$ 4,815.3	\$ 5,480.9	\$ 5,585.2	+2								

* 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

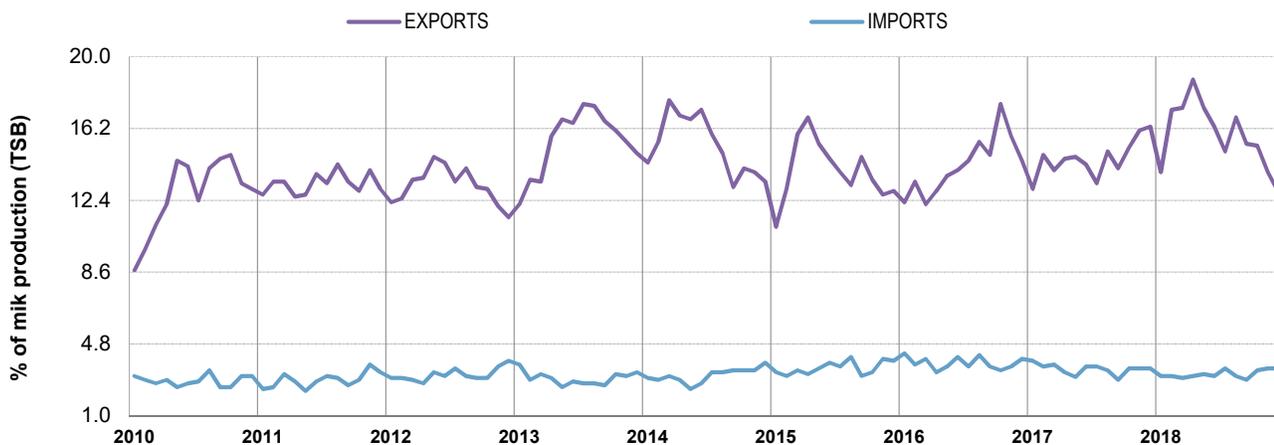
U.S. EXPORTS

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 \$)	Dec. 18	vs. yr ago
Mexico	\$ 114.0	+17%
Canada	49.9	+18%
Southeast Asia	46.5	-27%
China	33.0	-40%
South America	27.9	-8%
So. Korea	23.4	+13%
Japan	21.1	-12%
Middle East/North Africa	20.2	-31%
Caribbean	19.9	+3%
Oceania	19.3	-24%

U.S. EXPORTS AS % OF PRODUCTION

	December	yr ago	Jan-Dec 18	yr ago
NDM/SMP	57%	62%	69%	57%
Total cheese	5.8%	5.4%	5.9%	5.9%
Butterfat	2.5%	3.6%	5.2%	3.3%
Dry sweet whey	39%	52%	48%	45%
Lactose	57%	81%	77%	71%
Total milk solids	12.8%	16.3%	15.8%	14.5%

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)



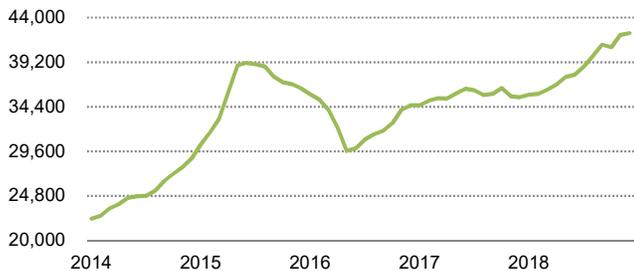
U.S. DRY WHEY EXPORTS (MT)



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.