

U.S. Exports

Exports higher ahead of Covid-19 disruptions

Despite early indications of shipping disruptions resulting from the coronavirus outbreak, U.S. export volumes tracked above year-earlier levels in February. It's the sixth straight month of positive growth, but with the break in global demand in March, volumes are likely to be lower in the months ahead.

For February, U.S. suppliers shipped 170,556 tons of milk powders, cheese, whey products, lactose and butterfat during the month, 3% more than the year before. The value of all exports was \$529.0 million, up 9% (all percent changes adjusted for leap day).

Whey volumes continued to improve, posting a 17% gain. Volume of 39,786 tons was the highest in eight months (on a 30-day basis). Shipments of whey protein isolate were 5,200 tons, up 51% and the most ever (30-day month). In addition, suppliers realized gains in dry whey (+22%) and whey protein concentrate (+26%).

Whey exports to China picked up for the second straight month. January-February volume was up 24% vs. a year ago. Whey exports to Southeast Asia (+16%) also have been strong this year.

Meanwhile, total **cheese** exports were 30,913 tons, the most in nine months, though 8% below last year's level. Shipments to Mexico were a

20-month high of 9,610 tons, up 19%, while sales to Southeast Asia (led by Indonesia) were 2,950 tons, the most ever. In contrast, sales to South Korea (-32%), Japan (-34%) and Australia (-32%) failed to match the strong levels of a year ago.

A weakening Mexican economy, reflected in a significantly depreciated peso, led to a slowdown in Mexican purchases of dairy ingredients. Nonfat dry milk/skim milk powder (NDM/SMP) took the biggest hit, falling 28% to 19,909 tons, and whey imports were down 30% to 3,984 tons.

Overall dairy exports to Mexico were down 18%, to the lowest level since September 2017. In addition, shipments of fluid milk and cream were down 30% to the lowest in almost four years.

In all, **NDM/SMP** exports were 54,464 tons, down 5%, as increased sales to Southeast Asia (+10%) and the Middle East/North Africa (MENA) region (+414%) couldn't offset the declines in Mexico. This was a step down from the previous five months, when shipments averaged more than 68,000 tons/month.

On a total milk solids basis, U.S. exports were equivalent to 14.6% of U.S. milk solids production in February.

U.S. Exports

	LATEST MONTH				FEBRUARY (VOLUME, MT)					YEAR-TO-DATE				JANUARY-FEBRUARY (VOLUME, MT)			
	2018	2019	2020	% CHG	2018	2019	2020	% CHG		2018	2019	2020	% CHG	2018	2019	2020	% CHG
NDM/SMP*	66,345	55,164	54,464	-5	NDM/SMP*	115,709	104,550	124,014	+17								
WMP*	1,820	2,982	3,624	+17	WMP*	3,156	5,135	5,602	+7								
Cheese	27,884	32,515	30,913	-8	Cheese	54,774	60,400	58,907	-4								
Butterfat	2,181	2,924	1,797	-41	Butterfat	4,487	5,215	3,569	-33								
Total Whey	46,130	32,818	39,786	+17	Total Whey	94,919	67,738	80,924	+17								
-Dry whey	19,234	11,957	15,147	+22	-Dry whey	39,167	26,404	28,760	+7								
-WPC	11,909	8,254	10,781	+26	-WPC	27,493	15,022	21,633	+42								
-Modified whey	11,815	9,281	8,658	-10	-Modified whey	22,064	19,195	20,467	+5								
-WPI	3,173	3,326	5,200	+51	-WPI	6,195	7,117	10,063	+39								
Lactose	33,467	27,042	31,327	+12	Lactose	64,192	56,015	64,814	+14								
MPC	3,144	2,875	3,885	+30	MPC	4,856	4,971	7,028	+39								
Food preps (blends)	5,406	4,137	4,759	+11	Food preps (blends)	10,359	8,285	9,732	+16								
Aggregate volume**	186,376	160,457	170,556	+3	Aggregate volume**	352,452	312,308	354,589	+12								
Milk/cream (000 liters)	7,879	10,231	9,091	-14	Milk/cream (000 liters)	15,707	19,679	18,026	-10								
Total Value (millions) **	\$ 452.8	\$ 468.4	\$ 529.0	+9	Total Value (millions) **	\$ 866.6	\$ 899.1	\$ 1,083.8	+19								

* 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.

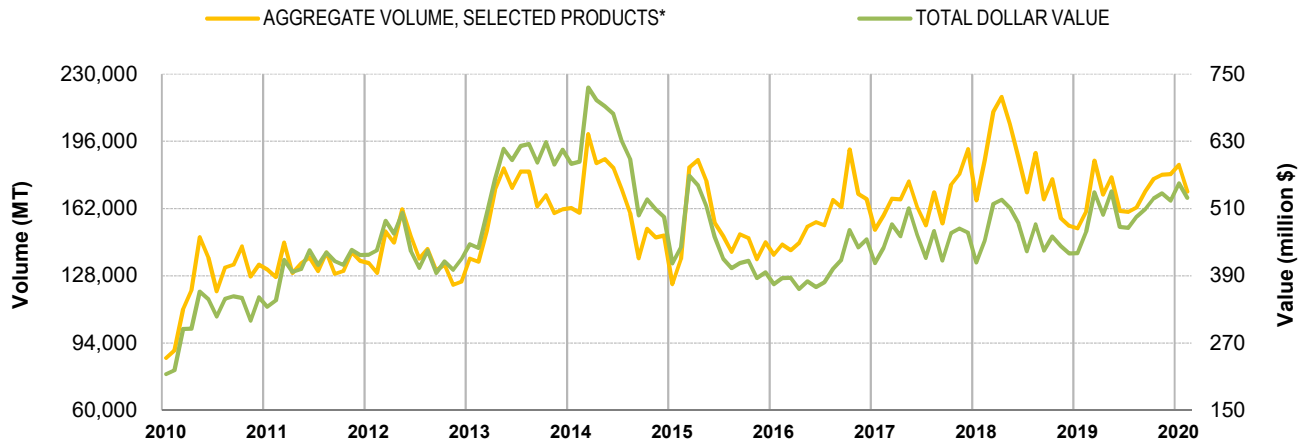
Percent changes adjusted for leap day in 2020.

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

U.S. Exports

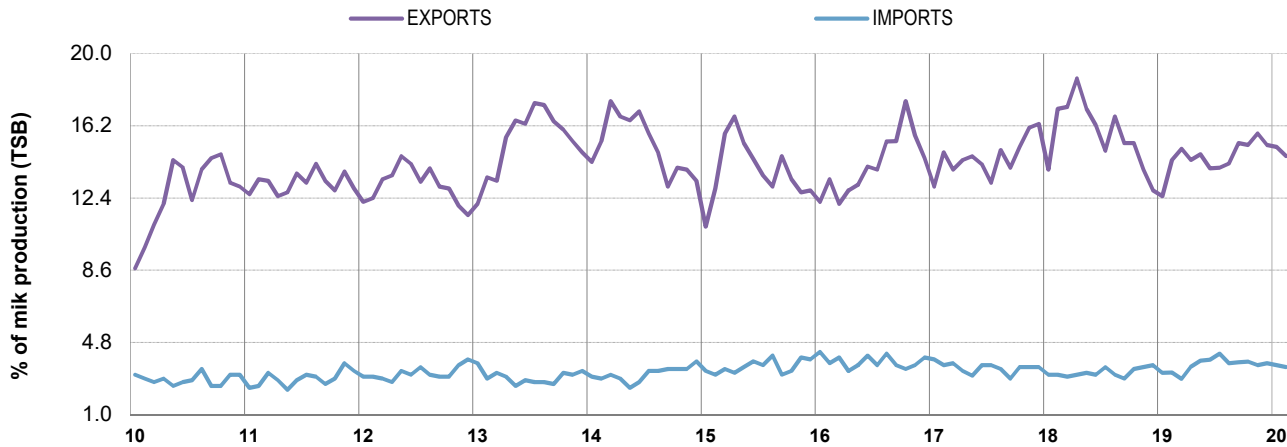
U.S. EXPORTS

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 \$)	Feb 20	vs. yr ago
Mexico	\$ 124.6	+4%
Southeast Asia	100.3	+42%
Canada	63.4	-10%
China	30.7	+2%
Middle East/North Africa	30.6	+54%
South America	29.7	+9%
So. Korea	27.3	-21%
Japan	25.7	+1%
Caribbean	24.2	+34%
Oceania	22.8	+9%

U.S. EXPORTS AS % OF PRODUCTION

	February	yr ago	Jan-Feb 20	yr ago
NDM/SMP	61%	64%	65%	57%
Total cheese	6.6%	7.2%	6.1%	6.4%
Butterfat	2.2%	3.9%	2.1%	3.2%
Dry sweet whey	44%	35%	39%	37%
Lactose	79%	61%	82%	59%
Total milk solids	14.6%	14.4%	14.8%	13.5%

ACCESS U.S. EXPORT DATA ONLINE

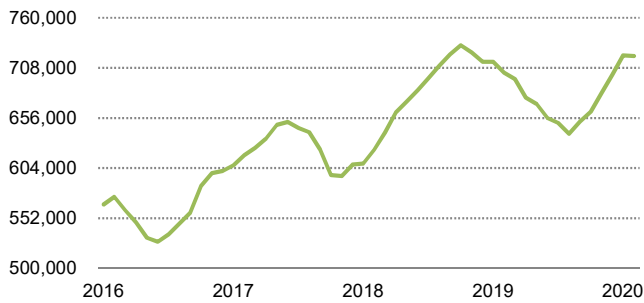
Visit usdec.org/research-and-data/market-data/us-export-data

Percent changes adjusted for leap day.

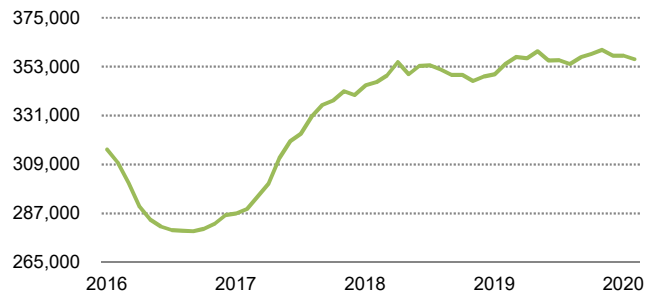
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

U.S. Exports: Rolling 12-Month Volume

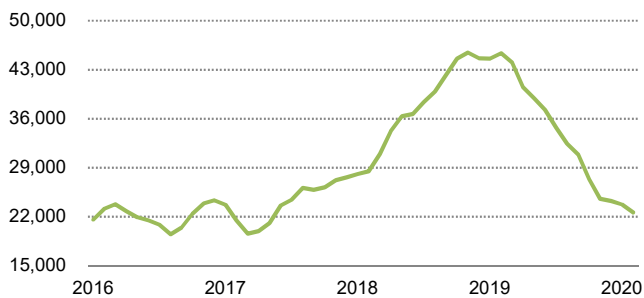
U.S. NDM/SMP EXPORTS (MT)



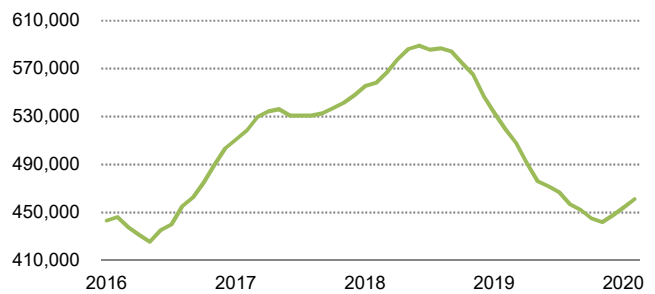
U.S. CHEESE EXPORTS (MT)



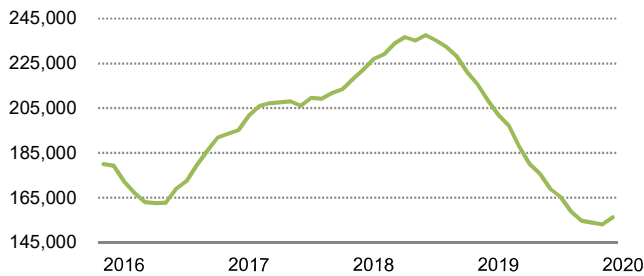
U.S. BUTTERFAT EXPORTS (MT)



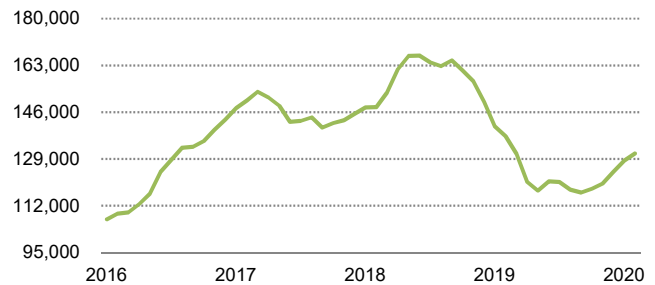
U.S. TOTAL WHEY* EXPORTS (MT)



U.S. DRY WHEY EXPORTS (MT)



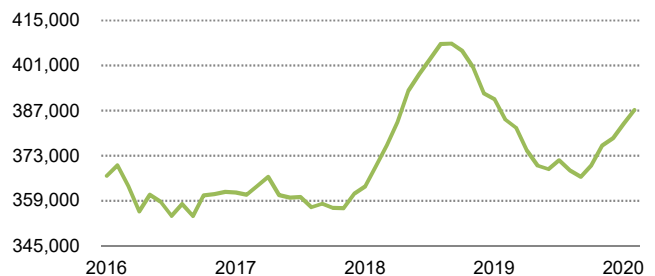
U.S. WPC EXPORTS (MT)



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.