

U.S. Exports

Export growth streak ends in July

After 12 straight months of year-over-year growth, U.S. dairy export volumes declined in July. Suppliers shipped 147,419 tons of milk powder, cheese, butterfat, whey and lactose during the month, down 1 percent from last year and the lowest since January. Exports of nonfat dry milk/skim milk powder (NDM/SMP) declined for the first time since June 2016, while sales of whey products and lactose were flat. The only major category to post a gain was cheese.

U.S. exports were valued at \$422 million. With stronger world prices than a year ago, this figure was up 11 percent from last July.

Exports of NDM/SMP were just 42,232 tons, down 13 percent from last year. Sales to Mexico were up just 1 percent (+145 tons) after posting a 27-percent gain (+31,044 tons) in the first half of the year. *(Note: these calculations reflect adjustments we've made to the USDA data to reflect shipments misclassified as WMP.)* Meanwhile, the slowdown in powder sales to Southeast Asia continued in July: sales were down 27 percent (-5,074 tons), with a large fall-off in shipments to Indonesia. Exports to China also plunged, down 45 percent after doubling in the first half of the year.

Exports of whey products totaled 42,553 tons in July, down fractionally from last year. Sales of dry whey and whey protein concentrate were

slightly higher, while shipments of modified whey and whey protein isolate (WPI) were slightly lower.

Total whey exports to China were 19,262 tons, down 3 percent (-532 tons) vs. a year ago. This is a sharp contrast to the first half of the year, when U.S. whey exports to China were up 43 percent. Exports to Southeast Asia also continued to slump, falling 13 percent in July (-938 tons), while sales to South Korea fell 55 percent (-484 tons).

Cheese exports in July were 27,253 tons, the lowest since January (on a daily-average basis), but still up 14 percent from a year ago. Shipments to Japan (+47 percent, +1,114 tons), South Korea (+29 percent, +1,105 tons) and Australia (+80 percent, +977 tons) all were significantly higher.

Lactose exports were down fractionally in July. Shipments to Southeast Asia plunged 36 percent (-3,069 tons), offsetting stronger sales to China and Japan.

On a total milk solids basis, U.S. exports were equivalent to 13.4 percent of U.S. milk production in July, the lowest figure since January. Imports were equivalent to 3.6 percent of production.

U.S. Exports

	LATEST MONTH		JULY (VOLUME, MT)			YEAR-TO-DATE		JANUARY - JULY (VOLUME, MT)		
	2015	2016	2017	% CHG		2015	2016	2017	% CHG	
NDM/SMP*	40,491	48,388	42,232	-13		329,406	306,606	351,408	+15	
WMP*	1,933	1,965	1,871	-5		23,196	15,958	12,586	-21	
Cheese	25,475	23,970	27,253	+14		200,966	163,931	200,243	+22	
Butterfat	1,846	1,244	2,063	+66		14,697	13,954	14,038	+1	
Total Whey	37,975	42,641	42,553	-0		274,851	274,545	302,310	+10	
-Dry whey	16,513	16,711	17,061	+2		117,204	100,617	117,048	+16	
-WPC	7,467	11,868	12,305	+4		54,978	79,727	79,304	-1	
-Modified whey	11,935	11,035	10,328	-6		78,093	75,090	85,184	+13	
-WPI	2,059	3,027	2,859	-6		24,577	19,110	20,774	+9	
Lactose	33,487	29,492	29,458	-0		209,773	204,758	202,590	-1	
MPC	1,402	1,404	1,990	+42		18,613	12,521	14,535	+16	
Aggregate volume**	142,610	149,104	147,419	-1		1,071,502	992,272	1,097,710	+11	
milk/cream (000 liters)	8,665	8,813	8,471	-4		63,714	58,132	61,095	+5	
Total Value (millions) **	\$ 418.4	\$ 378.1	\$ 421.6	+11		\$ 3,352.7	\$ 2,633.6	\$ 3,186.7	+21	

* USDA data for NDM/SMP and WMP for June 2016-March 2017 adjusted to reflect shipments to Mexico misclassified as WMP.

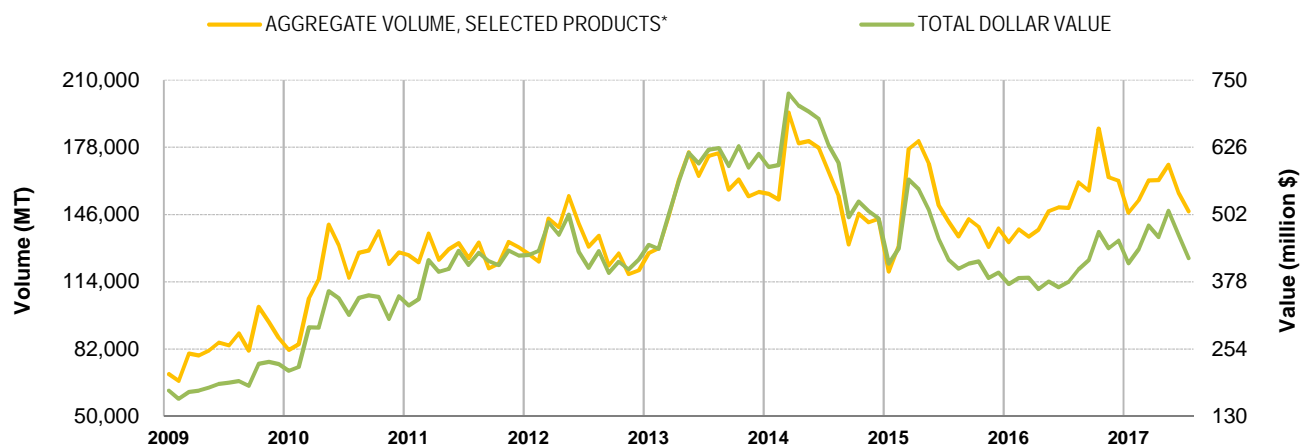
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

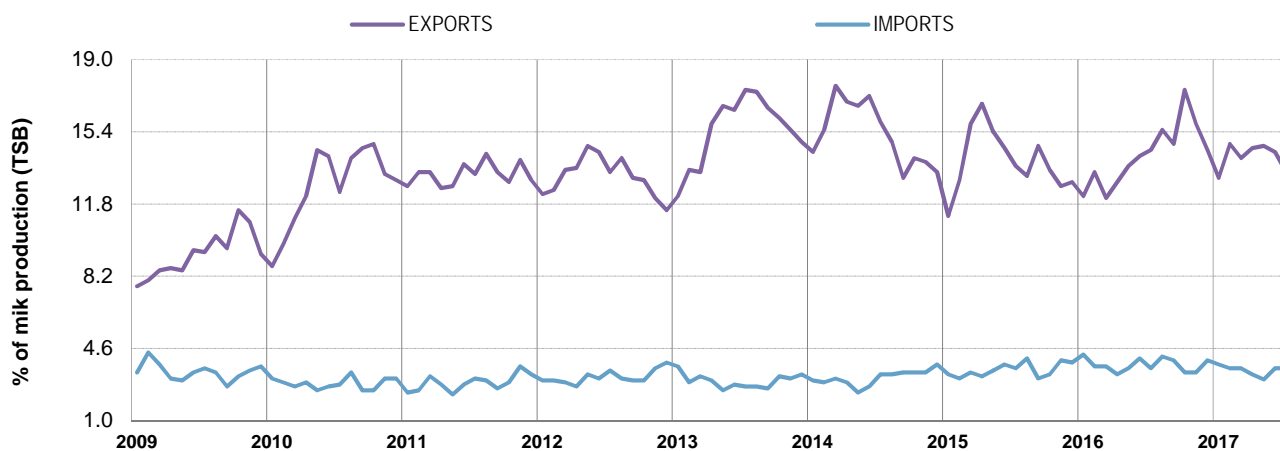
U.S. EXPORTS

VOLUME AND VALUE



* Volume includes SMP, WMP, 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 17	vs. yr ago
Mexico	\$ 95.5	+10%
Southeast Asia	54.6	-5%
Canada	48.3	+2%
China	47.8	+43%
Japan	26.9	+58%
So. Korea	25.0	+30%
Oceania	19.8	+72%
South America	18.4	-14%
Caribbean	17.1	-9%
Middle East/North Africa	16.8	+20%

U.S. EXPORTS AS % OF PRODUCTION

	July	yr ago	Jan-Jul 17	yr ago
NDM/SMP	47%	53%	54%	48%
Total cheese	5.9%	5.2%	6.1%	5.1%
Butterfat	3.3%	2.0%	2.8%	2.7%
Dry sweet whey	38%	45%	43%	39%
Lactose	65%	66%	67%	70%
Total milk solids	13.4%	14.5%	14.1%	13.3%

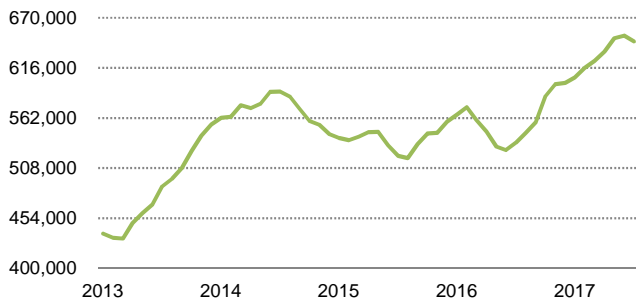
ACCESS U.S. EXPORT DATA ONLINE

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

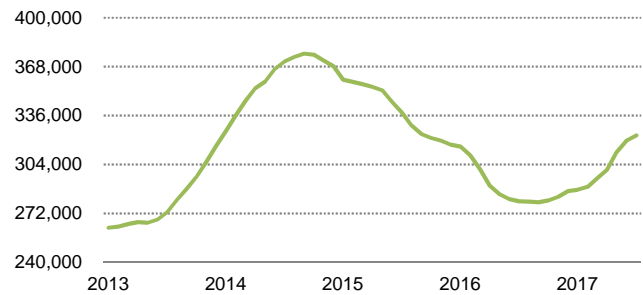
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

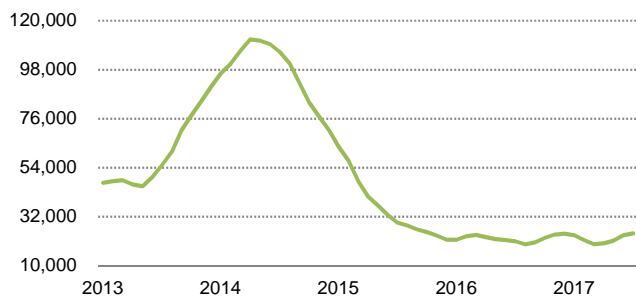
U.S. NDM/SMP EXPORTS (MT)



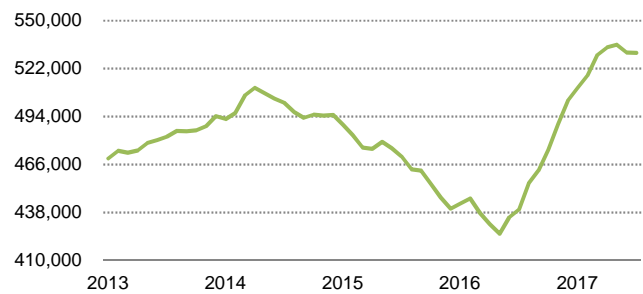
U.S. CHEESE EXPORTS (MT)



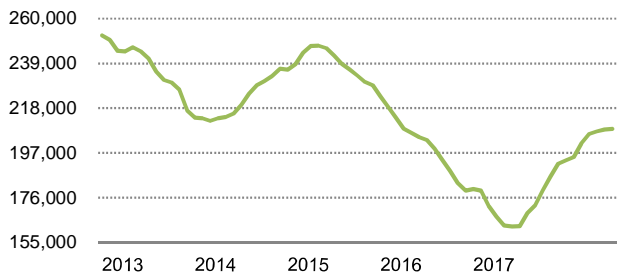
U.S. BUTTERFAT EXPORTS (MT)



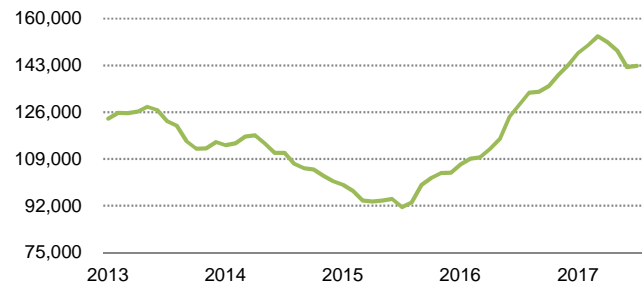
U.S. TOTAL WHEY* EXPORTS (MT)



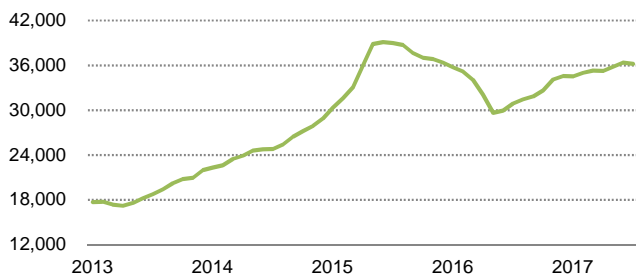
U.S. DRY WHEY EXPORTS (MT)



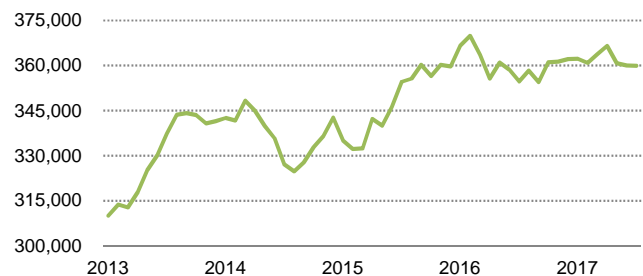
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



* Total whey includes dry whey, WPC, modified whey products and WPI.

Source: USDA, USDEC.