

U.S. Exports

U.S. dairy exports up 16% in first eight months

U.S. dairy export volume (milk solids basis) grew 17% in August (vs. the previous year), putting year-to-date volume up 16%. August export value rose 11% to \$548.8 million. Through the first eight months, value is up 14% to \$4.46 billion, the second highest January-August total ever.

Most major product categories booked strong gains in August. U.S. suppliers shipped 190,435 tons of milk powder, cheese, whey products, lactose and butterfat—a record for the month. The August increase capped a full year—12 straight months—of year-over-year increases in aggregate U.S. dairy export volume.

NDM/SMP trends were consistent with recent-month performances. With the aid of competitive pricing, total exports rose 35% to 68,798 tons, driven primarily from a doubling of shipments to Southeast Asia. Total U.S. NDM/SMP exports were up by 17,714 tons; shipments to Southeast Asia grew 14,288 tons.

Another bright spot: Shipments to China went from virtually nothing in August 2019 (173 tons) to 5,343 tons in August 2020, making it the third largest destination for U.S. milk powder for the month. Our No. 2 market Mexico continues to underperform, with U.S. NDM/SMP shipments down 15% to 23,754 tons.

Cheese enjoyed a surprisingly strong month: U.S. exports grew 17% to 31,009 tons, with impressive growth across the core U.S. markets. U.S. cheese exports to Mexico rebounded in August with a 29% increase to 8,807 tons, while sales to South Korea (+88%), Japan (+49%) and Australia (+53%) soared. U.S. cheese export prices were well below May-June U.S. domestic prices, suggesting U.S. exporters might have accepted lower margins to maintain international relationships.

August **whey** shipments recorded double-digit gains in all categories. U.S. whey strength was almost entirely due to China and its continuing attempts to rebuild its hog herd. Total U.S. whey exports grew 29% in August, an increase of 11,281 tons; U.S. shipments to China for the month jumped 17,212 tons. It was a significant month-to-month increase that could be a signal of solid ongoing Chinese whey demand—and possibly an increase in U.S. whey market share, which has lagged even as export volumes have risen this year.

In other products, U.S. **butterfat** exports rose 4% with gains to Canada, Saudi Arabia and Japan. **MPC** exports rose 37% and Canada reassumed its position as the top U.S. MPC market, a hopeful sign of USMCA effectiveness. On the downside, **lactose** volume fell 8% to 29,168 tons, with declines to Mexico, China and South America.

U.S. Exports

	LATEST MONTH		AUGUST (VOLUME, MT)		% CHG
	2018	2019	2020		
NDM/SMP*	62,404	51,083	68,798		+35
WMP*	2,844	6,216	2,162		-65
Cheese	28,253	26,547	31,009		+17
Butterfat	4,146	1,880	1,949		+4
Total Whey	48,944	38,684	49,965		+29
-Dry whey	20,493	13,772	21,261		+54
-WPC	12,929	10,181	11,354		+12
-Modified whey	11,893	10,782	12,192		+13
-WPI	3,628	3,948	5,158		+31
Lactose	34,500	31,755	29,168		-8
MPC	2,980	2,388	3,281		+37
Food preps (blends)	5,688	4,190	4,104		-2
Aggregate volume**	189,759	162,743	190,435		+17
Milk/cream (000 liters)	10,152	11,485	11,267		-2
Total Value (millions)**	\$ 481.4	\$ 494.9	\$ 548.8		+11

	YEAR-TO-DATE		JANUARY-AUGUST (VOLUME, MT)		% CHG
	2018	2019	2020		
NDM/SMP*	503,104	428,488	553,382		+29
WMP*	29,142	24,999	25,795		+3
Cheese	241,897	246,398	253,306		+2
Butterfat	28,933	16,766	16,138		-4
Total Whey	388,968	298,663	352,204		+17
-Dry whey	159,028	106,376	137,288		+28
-WPC	111,025	79,430	91,154		+14
-Modified whey	91,117	83,421	85,436		+2
-WPI	27,797	29,436	38,325		+30
Lactose	279,033	254,874	261,665		+2
MPC	20,281	22,825	30,444		+33
Food preps (blends)	42,733	34,442	36,903		+7
Aggregate volume**	1,534,091	1,327,454	1,529,837		+15
Milk/cream (000 liters)	75,994	87,995	88,197		-0
Total Value (millions)**	\$ 3,820.0	\$ 3,920.7	\$ 4,468.7		+13

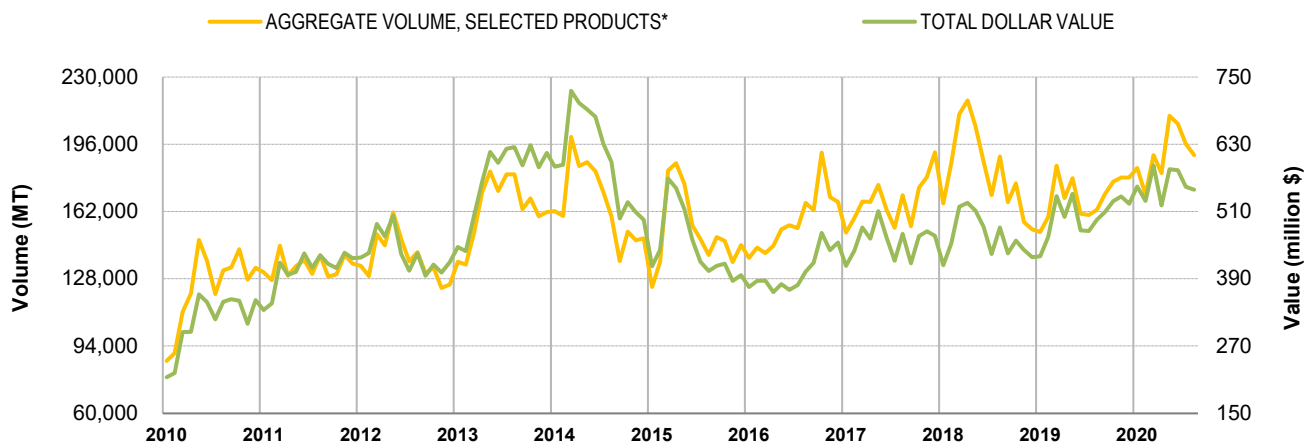
* U.S. Census Bureau data for NDM/SMP and WMP since June 2016 adjusted to reflect shipments to Mexico misclassified as WMP.

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

U.S. Exports

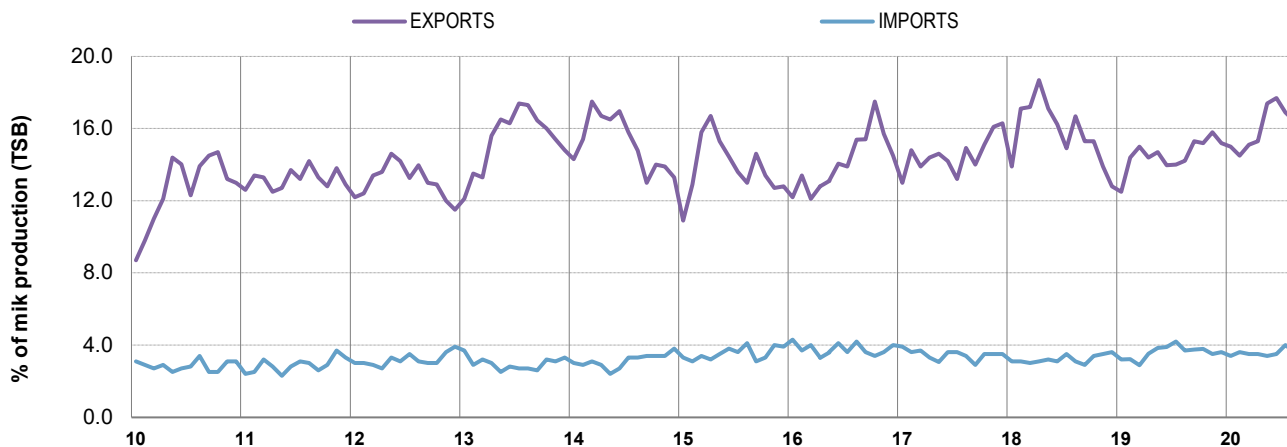
U.S. EXPORTS

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 \$)	Aug 20	vs. yr ago
Mexico	\$120.0	-5%
Southeast Asia	102.2	+40%
Canada	74.2	+9%
China	54.9	+109%
So. Korea	31.2	+36%
South America	29.7	-15%
Oceania	27.3	+20%
Japan	25.7	+37%
Middle East/North Africa	19.7	-29%
Caribbean	17.9	-14%

U.S. EXPORTS AS % OF PRODUCTION

	August	yr ago	Jan-Aug 20	yr ago
NDM/SMP	74%	58%	72%	57%
Total cheese	6.3%	5.3%	6.4%	6.2%
Butterfat	2.8%	2.9%	2.5%	2.8%
Dry sweet whey	58%	36%	46%	37%
Lactose	66%	74%	77%	66%
Total milk solids	16.4%	14.3%	16.0%	14.1%

ACCESS U.S. EXPORT DATA ONLINE

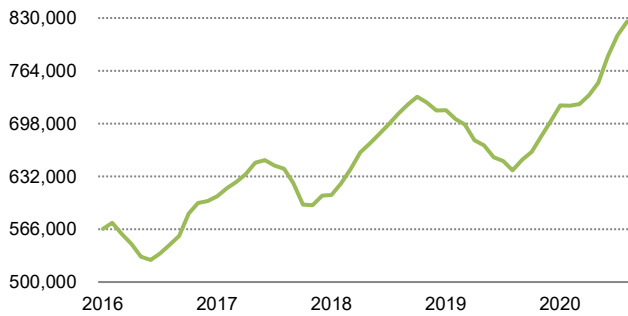
Visit usdec.org/research-and-data/market-data/us-export-data

Percent changes adjusted for leap day.

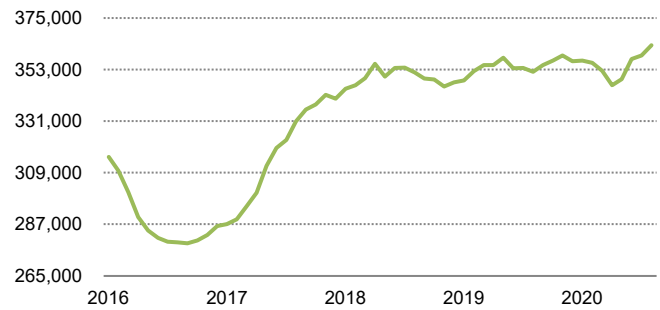
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

U.S. Exports: Rolling 12-Month Volume

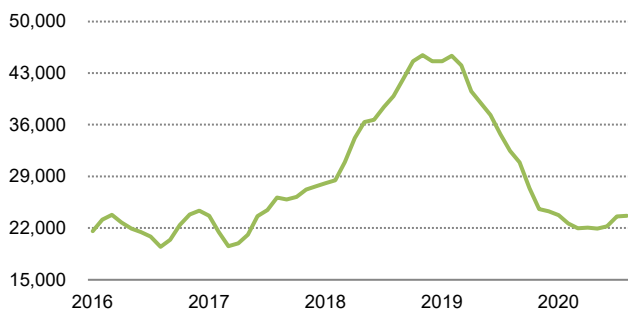
U.S. NDM/SMP EXPORTS (MT)



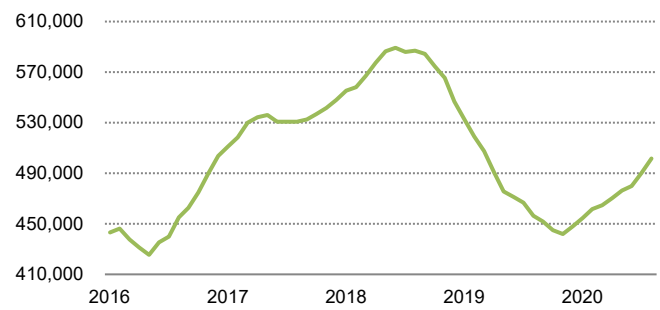
U.S. CHEESE EXPORTS (MT)



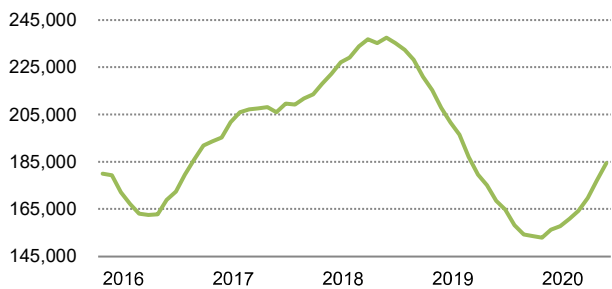
U.S. BUTTERFAT EXPORTS (MT)



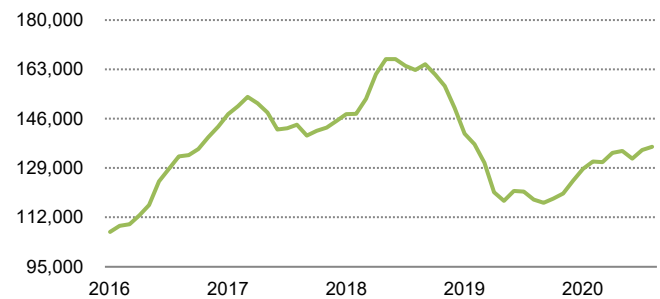
U.S. TOTAL WHEY* EXPORTS (MT)



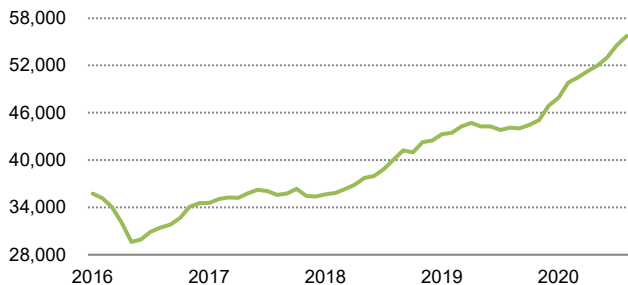
U.S. DRY WHEY EXPORTS (MT)



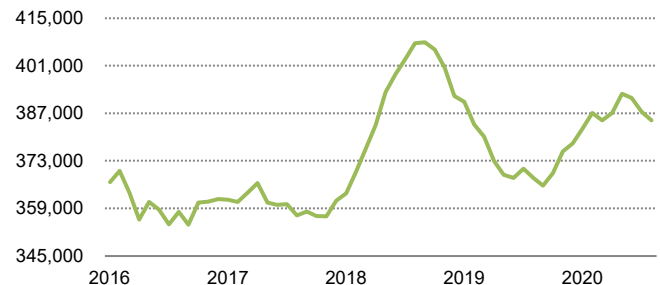
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



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