

U.S. Exports

U.S. exports in February continue on trend

U.S. dairy export performance in February showed few surprises, continuing trends seen since last year. Exports of nonfat dry milk/skim milk powder (NDM/SMP) held up; cheese and dry whey remain in a lower gear; lactose keeps moving; fluid milk is steady; and sales of butterfat, whole milk powder (WMP) and milk protein concentrate (MPC) are just a fraction of what they were at their 2014 peak. One bright spot in February was a bump in exports of whey protein concentrate (WPC).

U.S. exporters shipped 143,069 tons of milk powders, cheese, butterfat, whey and lactose in February, up 4 percent from last year's depressed levels, when West Coast port slowdowns limited shipments, and about even with last year when adjusted for leap day. Overall exports were valued at \$375.2 million, down 13 percent from last year (and down 16 percent adjusted for leap day).

Exporters continued to focus on Mexico for NDM/SMP sales. In February, nearly half of the 41,350 tons of NDM/SMP went south of the border. For comparison, from 2010-14, Mexico accounted for 37 percent of U.S. NDM/SMP exports. Exporters also targeted the Philippines, where volume was 77 percent higher than last year (+70 percent adjusted for leap day).

Cheese exports in February were 24,389 tons, down 18 percent from last year (-20 percent leap-day adjusted), the 17th straight month cheese volume has lagged the prior year. Shipments to Mexico were about the same as a year ago, but exports to Japan, South Korea and the Middle East/North Africa region (MENA) were down by more than one-third.

Overall whey exports were 35,625 tons, up 9 percent from last year (+5 percent leap-day adjusted), due mostly to strong exports of WPC to China, which were up 39 percent (34 percent adjusted). Whey sales to Mexico continue to lag (-19 percent year-over-year, -22 percent adjusted). Further, overall exports of whey protein isolate (WPI) are just half of what they were last spring due to a significant drop-off from China. China bought U.S. WPI very heavily in the first five months of 2015 – 2,211 tons per month. Since then they've tapered down, taking just 302 tons in February.

On a total milk solids basis, U.S. exports were equivalent to 13.4 percent of U.S. milk production in February, the highest figure since October. Imports were equivalent to 3.8 percent of production.

U.S. Exports

	LATEST MONTH		FEBRUARY (VOLUME, MT)			YEAR-TO-DATE		JANUARY-FEBRUARY (VOLUME, MT)	
	2014	2015	2016	% CHG		2014	2015	2016	% CHG
NDM/SMP	36,170	35,610	41,350	+16	NDM/SMP	75,009	70,557	84,246	+19
WMP	4,995	3,725	3,007	-19	WMP	9,561	7,745	4,703	-39
Cheese	31,584	29,578	24,389	-18	Cheese	63,428	53,345	46,341	-13
Butterfat	8,745	2,472	4,025	+63	Butterfat	18,738	4,975	6,538	+31
Total Whey	39,067	32,831	35,625	+9	Total Whey	75,733	63,959	68,824	+8
-Dry whey	18,926	14,138	13,392	-5	-Dry whey	37,242	27,690	26,820	-3
-WPC	18,325	15,563	19,686	+26	-WPC	34,811	29,766	36,758	+23
-WPI	1,817	3,130	2,547	-19	-WPI	3,681	6,502	5,246	-19
Lactose	27,229	24,500	27,680	+13	Lactose	56,602	47,133	56,075	+19
MPC	5,267	3,466	1,981	-43	MPC	9,872	5,512	3,825	-31
Food preps (blends)	6,765	5,394	5,012	-7	Food preps (blends)	13,111	10,226	10,607	+4
Aggregate volume*	159,822	137,576	143,069	+4	Aggregate volume*	322,054	263,452	281,158	+7
Fluid milk (000 liters)	7,465	6,819	6,855	+1	Fluid milk (000 liters)	15,726	13,818	14,086	+2
Total Value (millions) *	\$ 583.1	\$ 433.7	\$ 375.2	-13	Total Value (millions) *	\$ 1,165.3	\$ 835.2	\$ 737.5	-12

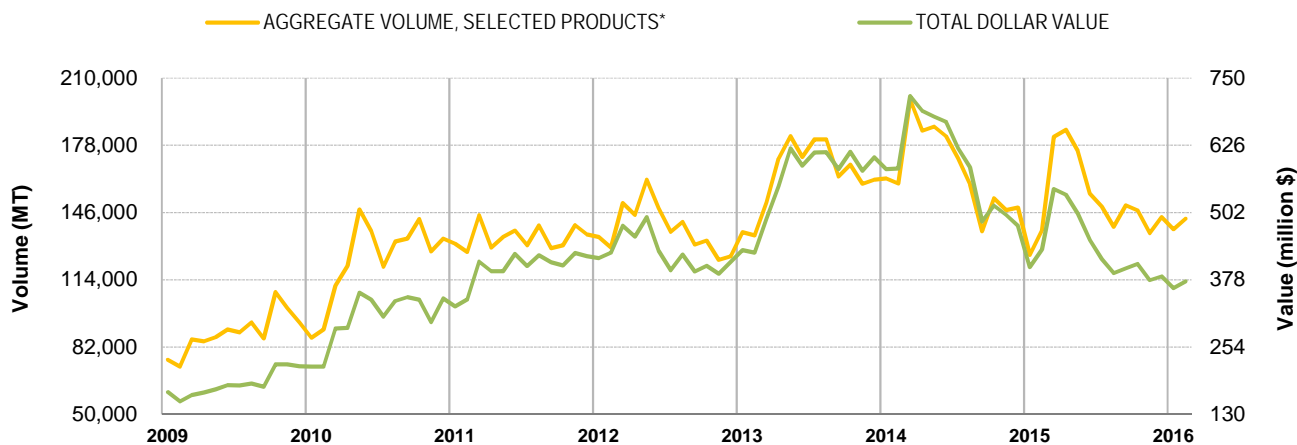
* Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

Source: USDA, USDEC.

U.S. Exports

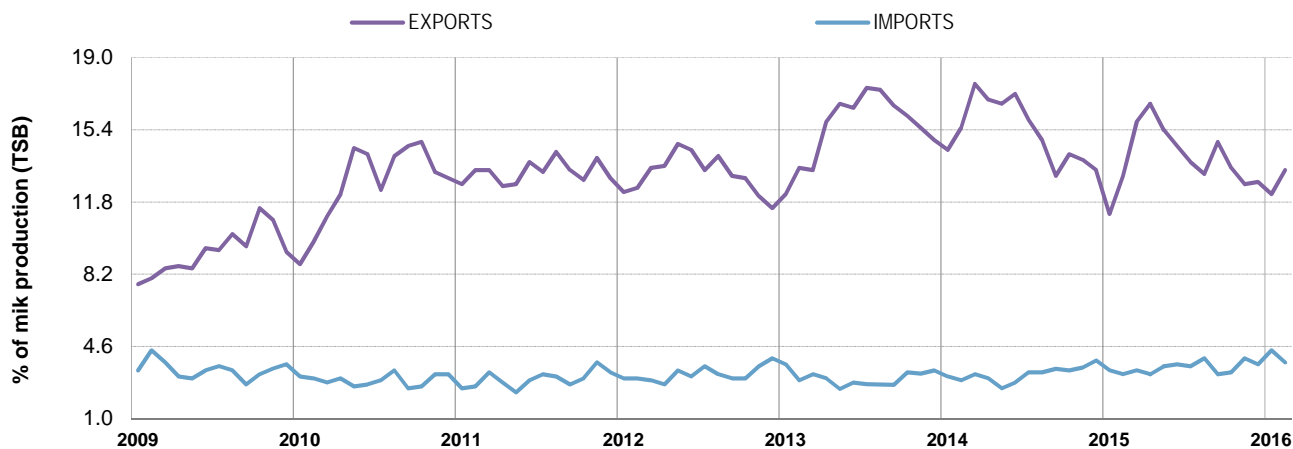
U.S. EXPORTS

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 \$)	Feb 16	vs. yr ago
Mexico	\$ 101.4	-0%
Southeast Asia	50.2	-26%
Canada	47.8	+6%
South America	25.7	+2%
China	24.8	-20%
Middle East/North Africa	19.9	-33%
So. Korea	18.5	-36%
Caribbean	17.5	+16%
Japan	15.7	-40%
Oceania	12.7	-38%

U.S. EXPORTS AS % OF PRODUCTION

	February	yr ago	Jan-Feb 16	yr ago
NDM/SMP	49%	43%	50%	40%
Total cheese	5.6%	7.3%	5.2%	6.3%
Butterfat	5.2%	3.5%	4.2%	3.3%
Dry sweet whey	40%	40%	37%	40%
Lactose	74%	67%	74%	61%
Total milk solids	13.4%	13.1%	12.8%	12.1%

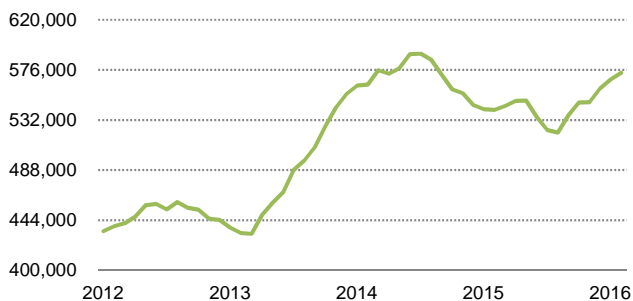
ACCESS U.S. EXPORT DATA ONLINE

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

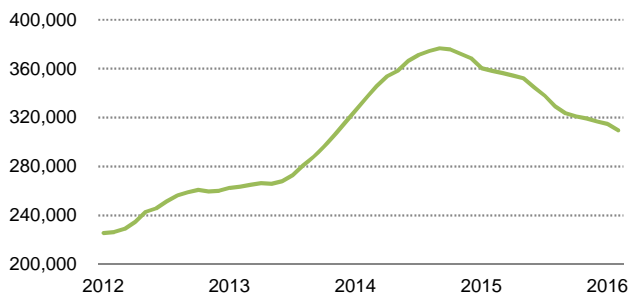
Source: USDA, USDEC, National Milk Producers Federation.

U.S. Exports: Rolling 12-Month Volume

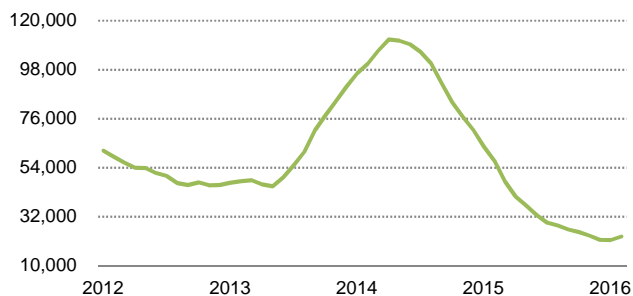
U.S. NDM/SMP EXPORTS (MT)



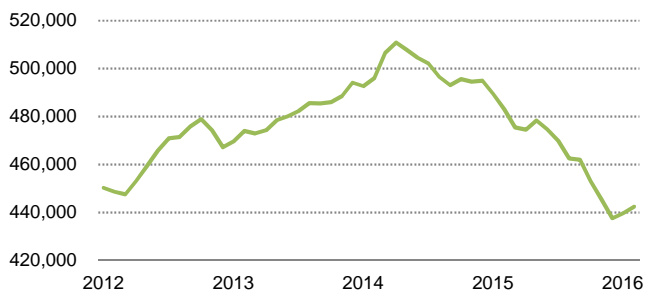
U.S. CHEESE EXPORTS (MT)



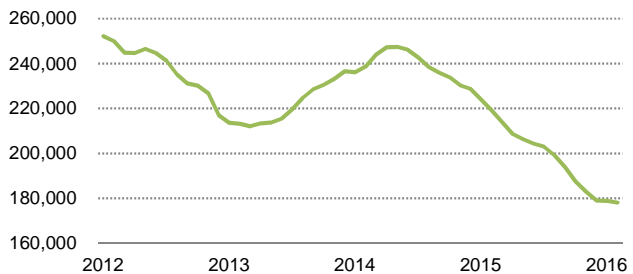
U.S. BUTTERFAT EXPORTS (MT)



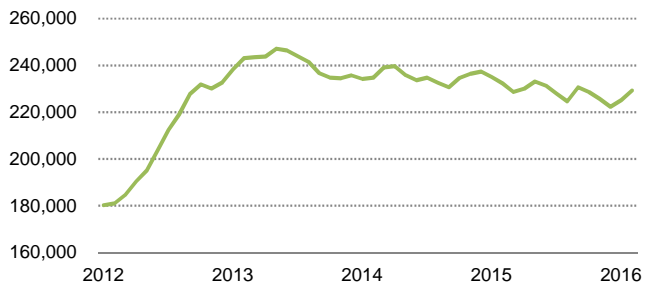
U.S. TOTAL WHEY EXPORTS (MT)



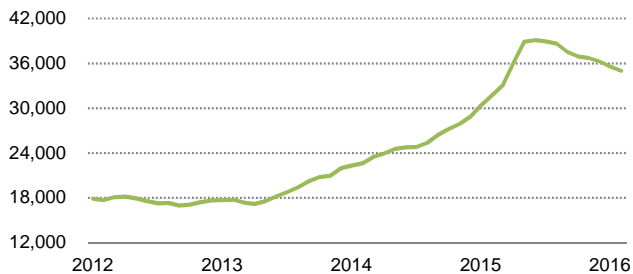
U.S. DRY WHEY EXPORTS (MT)



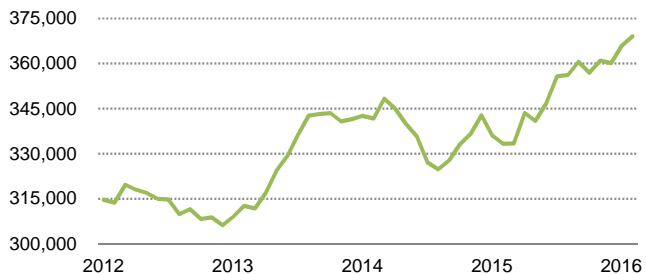
U.S. WPC EXPORTS (MT)



U.S. WPI EXPORTS (MT)



U.S. LACTOSE EXPORTS (MT)



Source: USDA, USDEC.