

U.S. Exports

Exports of SMP, cheese, lactose gain in October

U.S. exports in October were paced by record shipments of nonfat dry milk/skim milk powder (NDM/SMP) to Southeast Asia, plus strong sales of cheese to Mexico and lactose to New Zealand.

U.S. suppliers shipped 176,896 tons of milk powders, cheese, whey products, lactose and butterfat in October, almost identical to last year. The value of all exports was \$527.7 million, up 15% and the most since May.

Exports of NDM/SMP were 70,726 tons in October, the most in 18 months and the third-highest volume ever. This figure was up 17% from a year ago. Exports to Southeast Asia were a record-high 25,081 tons, up 23% from last year. Gains were primarily driven by Indonesia (all-time high) and Vietnam. Exporters found new customers in Colombia and New Zealand as well. Meanwhile, powder exports to Mexico exceeded 32,000 tons for the second straight month but lagged the strong level of a year ago.

Cheese exports were 28,417 tons in October, up 6% from last year. However, in October, results were mixed across markets. Shipments to Mexico were 9,025 tons, up 29% and the most in 16 months. Sales to Southeast Asia were up 43%, led by a jump in sales to Indonesia. However, volume to most other top customers were lower, likely a

function of higher U.S. benchmark prices this fall relative to world prices. Japan was down 28% and the lowest in more than three years; Middle East/North Africa was down 32% and a 20-month low; South Korea was down 21%; and Australia was off 10%.

Lactose exports also were higher in October, totaling 32,496 tons, up 12%. Gains were led by a large increase in shipments to New Zealand (+161%) relative to very light activity a year ago when volume was an eight-year low.

Meanwhile, whey sales remain depressed in the face of continued lost demand from China. Total whey exports were just 33,726 tons in October, down 17% from last year and the lowest monthly figure in three-and-a-half years (on a daily-average basis). Dry whey exports were the lowest in more than 15 years: 9,823 tons, down 40%. Modified whey exports also plunged, falling 23% to 8,358 tons, a four-year low. Gains in sales of whey protein concentrate and isolate (each up 14%) weren't enough to make up the difference.

Whey exports to China were down 37% in October, bringing the total to -53% for the year. In addition, October shipments to Southeast Asia, Japan and South Korea were the lowest of 2019.

U.S. Exports

	OCTOBER (VOLUME, MT)					JANUARY-OCTOBER (VOLUME, MT)			
	LATEST MONTH 2017	2018	2019	% CHG		YEAR-TO-DATE 2017	2018	2019	% CHG
NDM/SMP*	51,067	60,651	70,726	+17	NDM/SMP*	492,349	616,121	564,333	-8
WMP*	1,890	4,227	1,717	-59	WMP*	19,659	39,996	30,067	-25
Cheese	26,908	26,923	28,417	+6	Cheese	284,302	293,299	303,328	+3
Butterfat	3,198	5,603	2,083	-63	Butterfat	21,263	38,238	20,970	-45
Total Whey	50,512	40,810	33,726	-17	Total Whey	444,325	470,912	369,261	-22
-Dry whey	19,336	16,389	9,823	-40	-Dry whey	172,647	191,416	129,100	-33
-WPC	13,858	10,331	11,787	+14	-WPC	117,323	133,137	101,634	-24
-Modified whey	13,750	10,793	8,358	-23	-Modified whey	125,154	111,570	101,693	-9
-WPI	3,568	3,296	3,758	+14	-WPI	29,201	34,789	36,835	+6
Lactose	31,153	28,908	32,496	+12	Lactose	294,776	339,068	316,682	-7
MPC	1,559	3,362	2,911	-13	MPC	19,393	26,874	28,509	+6
Food preps (blends)	7,780	6,318	4,820	-24	Food preps (blends)	58,026	53,073	43,485	-18
Aggregate volume**	174,065	176,801	176,896	+0	Aggregate volume**	1,634,093	1,877,581	1,676,636	-11
Milk/cream (000 liters)	8,568	10,078	11,064	+10	Milk/cream (000 liters)	88,443	96,162	110,149	+15
Total Value (millions) **	\$ 465.4	\$ 459.6	\$ 527.7	+15	Total Value (millions) **	\$ 4,535.0	\$ 4,706.9	\$ 4,954.7	+5

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

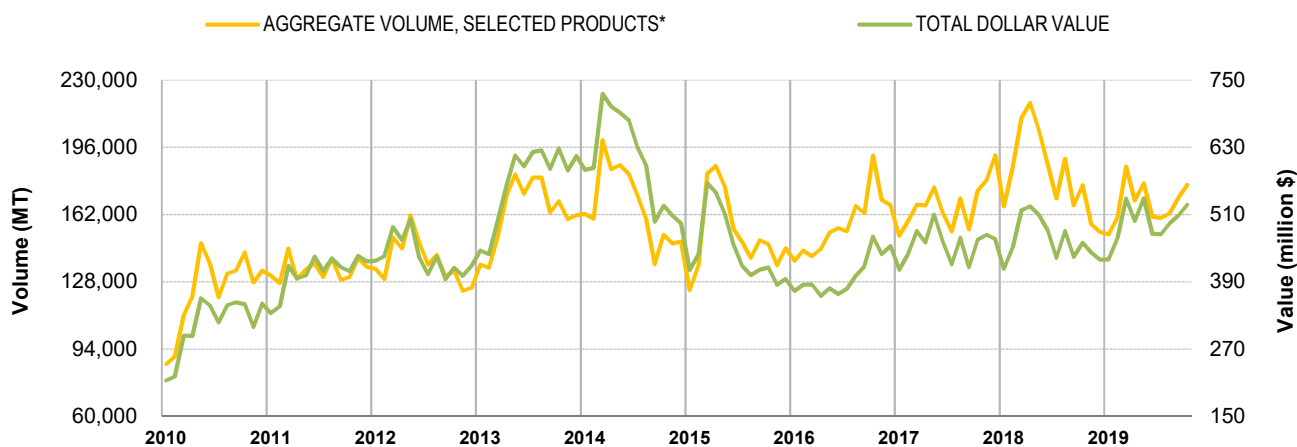
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

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

U.S. Exports

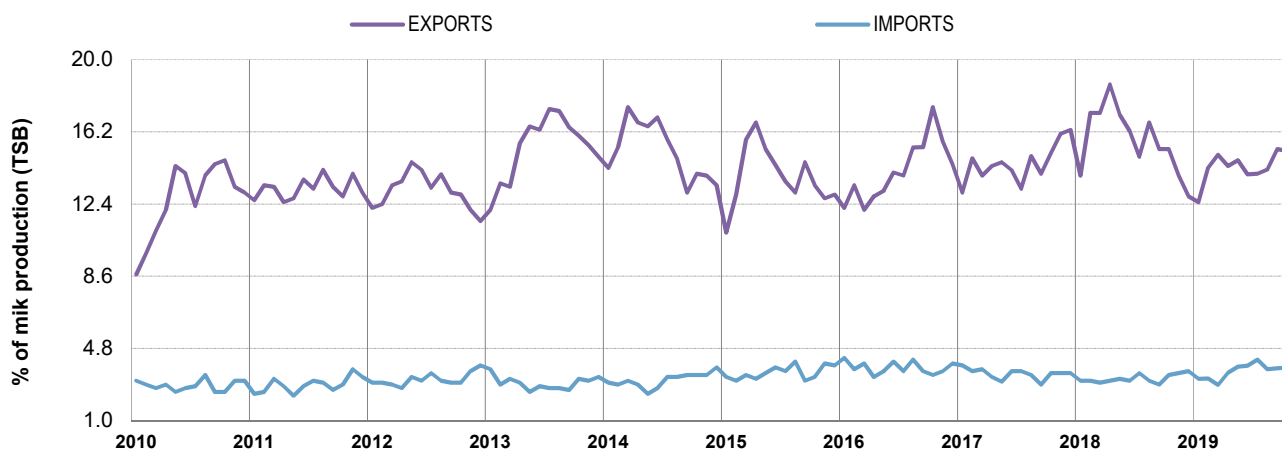
U.S. EXPORTS

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 \$)	Oct 19	vs. yr ago
Mexico	\$ 153.6	+19%
Southeast Asia	95.1	+28%
Canada	58.5	+19%
China	26.9	-18%
South America	26.2	+40%
Oceania	25.2	+26%
So. Korea	23.0	-10%
Caribbean	21.5	+29%
Middle East/North Africa	17.4	-10%
Japan	17.0	-20%

U.S. EXPORTS AS % OF PRODUCTION

	October	yr ago	Jan-Oct 19	yr ago
NDM/SMP	87%	79%	63%	69%
Total cheese	5.5%	5.1%	6.1%	6.0%
Butterfat	2.9%	8.3%	2.9%	5.4%
Dry sweet whey	24%	43%	35%	49%
Lactose	74%	71%	67%	79%
Total milk solids	15.2%	15.3%	14.4%	16.3%

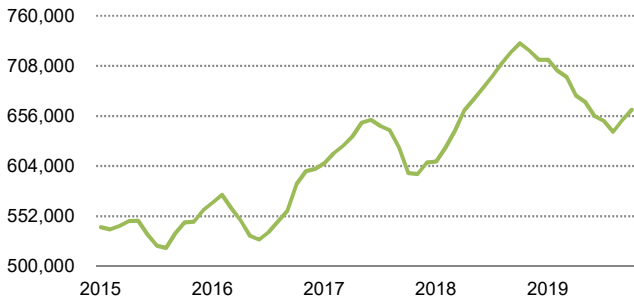
ACCESS U.S. EXPORT DATA ONLINE

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

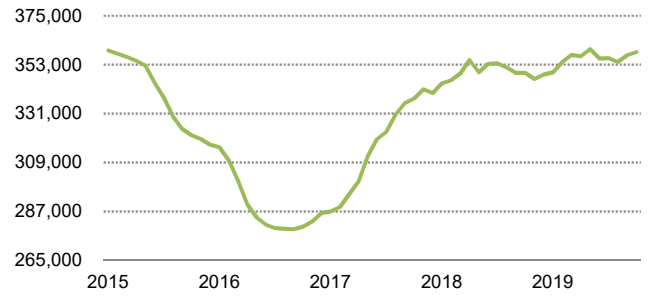
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

U.S. Exports: Rolling 12-Month Volume

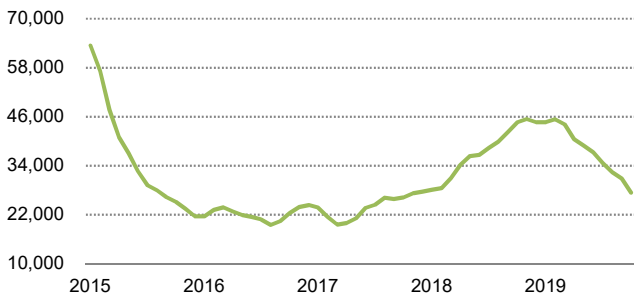
U.S. NDM/SMP EXPORTS (MT)



U.S. CHEESE EXPORTS (MT)



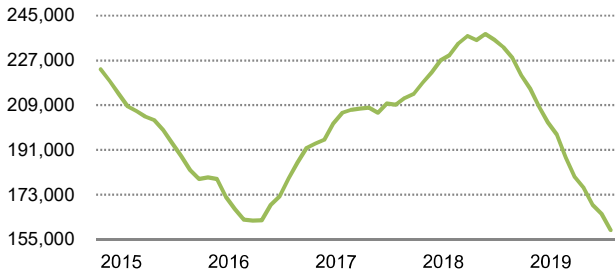
U.S. BUTTERFAT EXPORTS (MT)



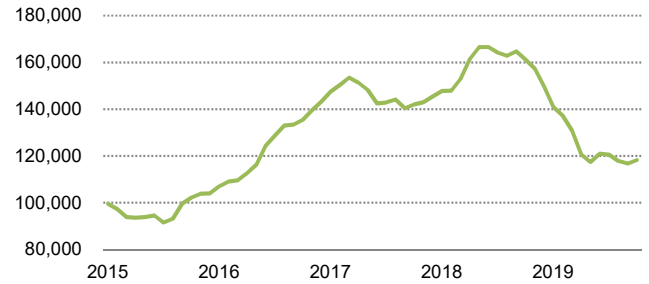
U.S. TOTAL WHEY* EXPORTS (MT)



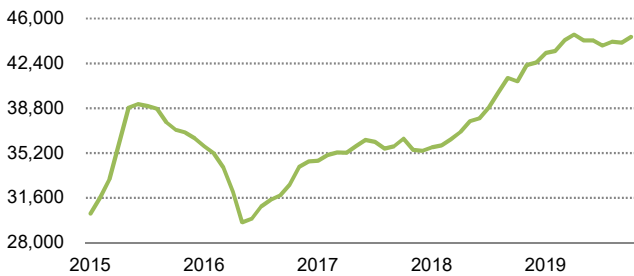
U.S. DRY WHEY EXPORTS (MT)



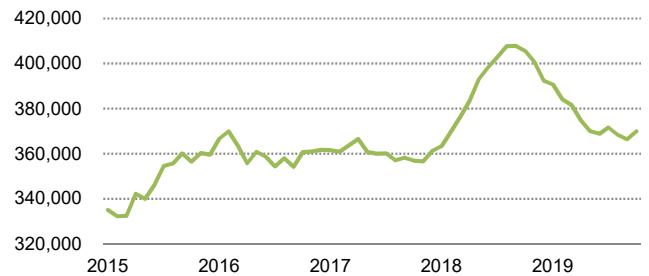
U.S. WPC EXPORTS (MT)



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.