

U.S. Exports

U.S. cheese exports hit record highs in March

U.S. suppliers moved record volumes of cheese in March, finding a growing customer base in South Korea, Japan, Southeast Asia, the Middle East/North Africa (MENA) region and Central America.

Overall, suppliers shipped 186,185 tons of milk powders, cheese, butterfat, whey products, and lactose in March, the most in seven months, but down 12% from the strong performance of March 2018. Total U.S. exports were worth \$538.3 million, up 4%, year-over-year. On a value basis, sales to Southeast Asia were up 41%, while sales to South Korea, Japan, the Caribbean and the MENA region were the most in at least three years.

Sales to China plummeted, with overall March volume just half of what it was a year ago, before retaliatory tariffs hurt U.S. competitiveness. China has been on a dairy spending spree so far this year with imports growing by 13% in the first quarter compared to the same period a year ago, according to data reported in Global Trade Atlas. But the United States has been left out of the China expansion. Since the tariffs went into effect in July, U.S. dairy volume to China has fallen 43%.

Global U.S. cheese exports were a March bright spot, totaling 37,190 tons, up 10% from the prior year. For the first time in four years, South Korea was the number-one market for U.S. cheese, buying 8,472 tons

(+39%). U.S. suppliers also posted record sales to Southeast Asia (+33%) and boosted shipments to Japan (+28%), MENA (+22%) and Central America (+35%). Meanwhile, cheese exports to Mexico were down 17% in March as retaliatory tariffs on U.S. cheese shipments remain in place.

Total U.S. whey exports were 41,469 tons, down 22% from last year. Shipments to China were just 10,946 tons, down 52%, with steep declines in volumes of whey protein concentrate (WPC) and modified whey products (mostly permeate). Sales to Japan also were lower (-37%). On the positive side, whey exports to Southeast Asia were just shy of the record high reached in August 2018.

Exports of NDM/SMP were 60,151 tons, down 10%. Sales to Southeast Asia, mostly Vietnam and Indonesia, were up 37% and the most in nearly a year. But these gains were offset by a steep drop in sales to Mexico (-21%), plus declines in shipments to Pakistan (-74%), China (-86%) and the MENA region (-46%).

(USDEC has adjusted official U.S. Bureau of Census trade data for NDM/SMP and WMP since June 2016 to account for shipments we believe are misclassified.)

U.S. Exports

	LATEST MONTH				MARCH (VOLUME, MT)					YEAR-TO-DATE				JANUARY-MARCH (VOLUME, MT)			
	2017	2018	2019	% CHG	2017	2018	2019	% CHG		2017	2018	2019	% CHG	2017	2018	2019	% CHG
NDM/SMP*	48,932	67,154	60,151	-10	NDM/SMP*	149,404	183,519	164,701	-10								
WMP*	2,462	6,213	1,485	-76	WMP*	5,542	9,369	6,619	-29								
Cheese	31,137	33,844	37,190	+10	Cheese	80,239	88,940	97,591	+10								
Butterfat	1,329	3,714	2,503	-33	Butterfat	4,971	8,202	7,718	-6								
Total Whey	44,467	53,079	41,469	-22	Total Whey	129,199	147,904	109,207	-26								
-Dry whey	17,322	21,825	15,968	-27	-Dry whey	47,835	61,061	42,373	-31								
-WPC	11,435	16,803	10,099	-40	-WPC	36,498	44,094	25,121	-43								
-Modified whey	12,766	11,071	11,162	+1	-Modified whey	36,193	33,235	30,357	-9								
-WPI	2,944	3,379	4,240	+25	-WPI	8,673	9,514	11,357	+19								
Lactose	31,692	37,966	35,584	-6	Lactose	87,375	102,290	91,599	-10								
MPC	2,041	2,482	3,395	+37	MPC	6,070	7,338	8,365	+14								
Food preps (blends)	5,088	6,185	4,409	-29	Food preps (blends)	14,402	16,469	12,694	-23								
Aggregate volume**	167,147	210,638	186,185	-12	Aggregate volume**	477,202	564,031	498,494	-12								
Milk/cream (000 liters)	9,574	10,011	10,329	+3	Milk/cream (000 liters)	25,182	25,880	30,008	+16								
Total Value (millions) **	\$ 481.7	\$ 518.5	\$ 538.3	+4	Total Value (millions) **	\$ 1,332.9	\$ 1,387.5	\$ 1,436.3	+4								

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

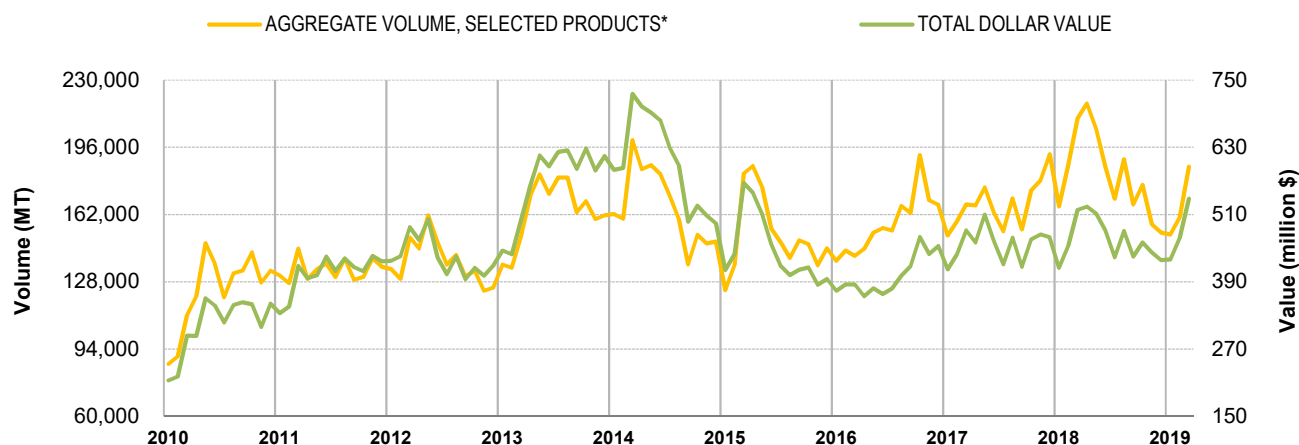
** Aggregate volume includes the products listed above, except fluid milk. Total value includes other products in addition to the ones listed here.

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

U.S. Exports

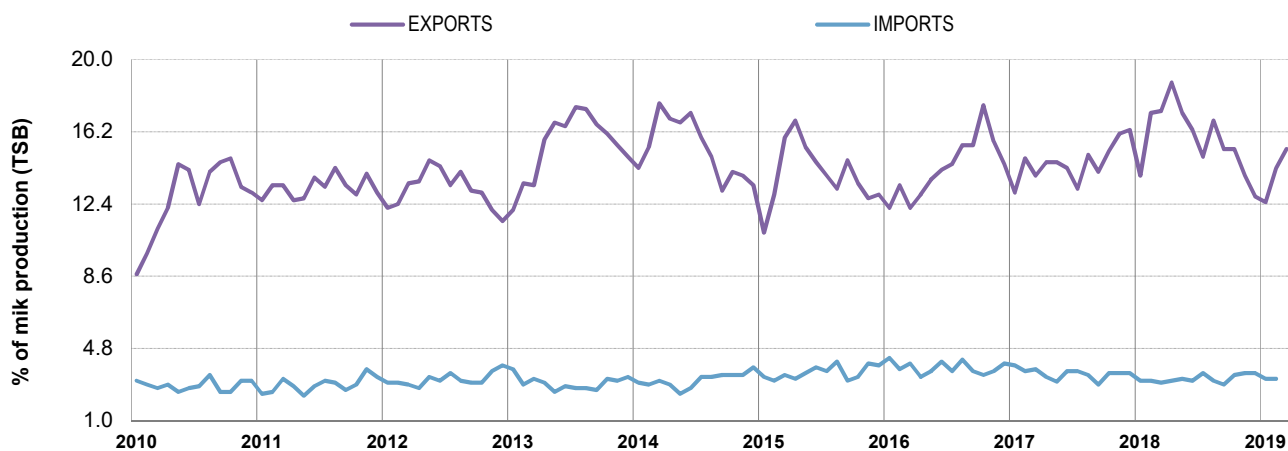
U.S. EXPORTS

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 \$)	March 19	vs. yr ago
Mexico	\$ 112.9	-6%
Southeast Asia	90.9	+41%
Canada	59.6	+8%
So. Korea	40.3	+31%
China	39.2	-30%
Japan	28.4	+5%
South America	26.0	-7%
Middle East/North Africa	26.8	+1%
Caribbean	24.7	+14%
Oceania	23.3	+18%

U.S. EXPORTS AS % OF PRODUCTION

	March	yr ago	Jan-Mar 19	yr ago
NDM/SMP	62%	67%	59%	65%
Total cheese	7.4%	6.7%	6.7%	6.1%
Butterfat	3.2%	4.5%	3.2%	3.4%
Dry sweet whey	45%	53%	40%	50%
Lactose	71%	83%	63%	80%
Total milk solids	NA	17.3%	NA	16.1%

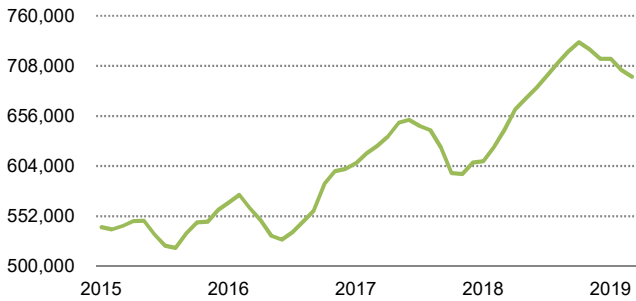
ACCESS U.S. EXPORT DATA ONLINE

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

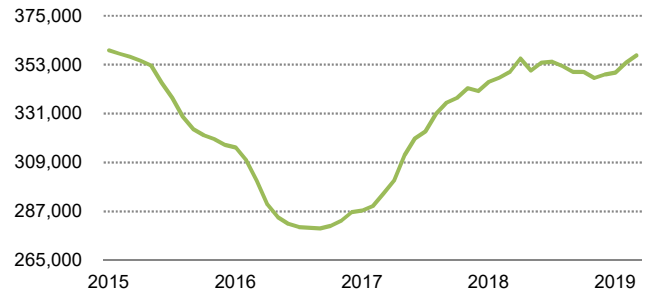
Source: USDEC, National Milk Producers Federation, U.S. Bureau of Census.

U.S. Exports: Rolling 12-Month Volume

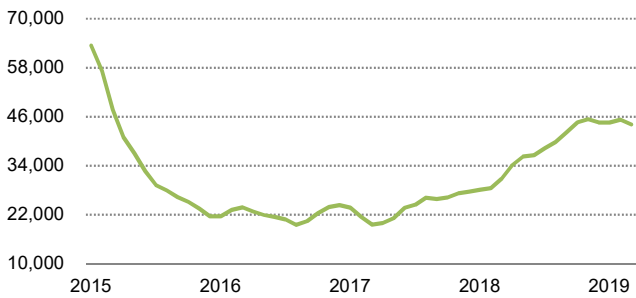
U.S. NDM/SMP EXPORTS (MT)



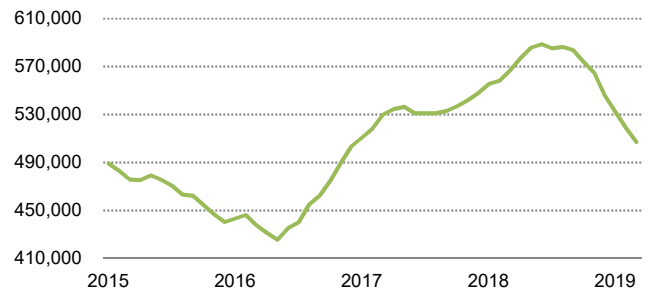
U.S. CHEESE EXPORTS (MT)



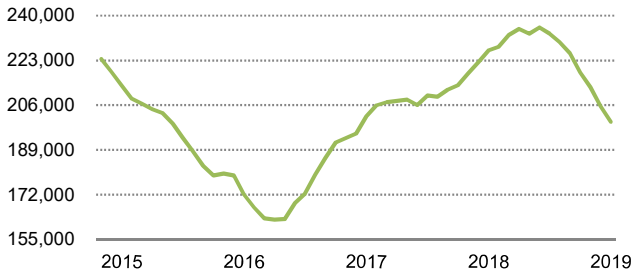
U.S. BUTTERFAT EXPORTS (MT)



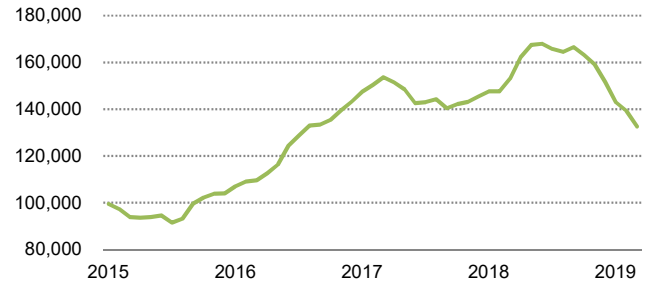
U.S. TOTAL WHEY* EXPORTS (MT)



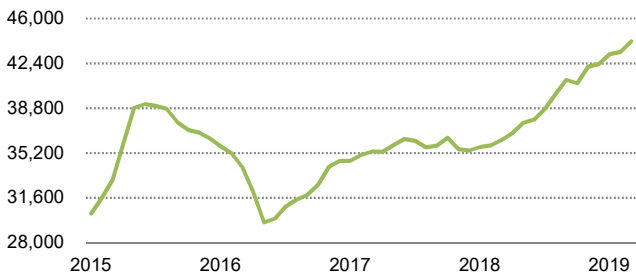
U.S. DRY WHEY EXPORTS (MT)



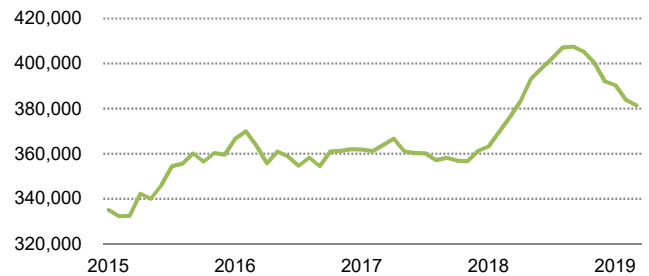
U.S. WPC EXPORTS (MT)



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.