

May export data – top-line analysis

U.S. dairy exports more than doubled to \$357.4 million in May, the highest monthly total since May 2008, according to trade data released July 13 by USDA's Foreign Agricultural Service. The increase pushed year-to-date export value to \$1.384 billion, a rise of 62 percent over the first five months of 2009.

Volume gains were across the board in all major categories.

NDM/SMP exports grew 98 percent (compared to May 2009) to 40,076 tons, the highest monthly total since June 2008. U.S. NDM/SMP and cheese volume have both now increased every month since January, according to USDA/FAS data. Southeast Asia fueled milk powder sales: May purchases jumped more than four-fold to 19,952 tons, with Indonesia, the Philippines and Malaysia posting the largest volumes and strongest gains.

Year-to-date (YTD), U.S. NDM/SMP exports increased 37 percent to 121,261 tons. One of the few down notes came in Mexico, where U.S. sales fell 23 percent during the first five months.

Whey protein exports set a new record in May, rising 54 percent to 44,272 tons. Dry sweet whey volume increased 52 percent to 25,847 tons (also a record) and WPC shipments grew 64 percent to 17,271 tons (the highest level since October 2007). WPI exports declined 10 percent to 1,155 tons. China and Southeast Asia continued to drive volume, accounting for more than half of all May shipments. U.S. whey protein sales to China increased 57 percent in May to 12,744 tons and Southeast Asia volume doubled to 9,724 tons. For the year, U.S. whey protein shipments grew 36 percent to 188,277 tons.

Cheese exports posted a record for the second consecutive month, besting the April total (and former all-time high) by nearly 2,000 tons. Shipments grew 105 percent to 16,338 tons vs. May 2009, driven by strong business in Mexico (+85 percent), South Korea (+142 percent) and Japan (+90 percent)—the top three U.S. markets last year. Egypt purchased nearly 1,600 tons of U.S. cheese in May after buying 1,268 tons in all of 2009. For the year, U.S. cheese exports increased 55 percent to 63,651 tons.

U.S. suppliers exported 24,041 tons of lactose in May, up 30 percent from last year. January-May shipments were 99,008 tons, up 20 percent. YTD lactose sales to Japan grew 20 percent and shipments to Southeast Asia rose 28 percent. Together, the two accounted for 41 percent of U.S. volume to date.

May butterfat exports grew 266 percent to 6,326 tons, the highest monthly total since October 2008. South Korea moved up the ranks of U.S. butterfat markets in May, buying almost 900 tons and putting its year-to-date purchases at 1,943 tons (more than five times the first five months of 2009). Total U.S. YTD butterfat shipments increased 132 percent to 19,587 tons. Saudi Arabia, Morocco and Egypt purchased 7,591 tons in the first five months (more than double the same period the previous year), accounting for 39 percent of all volume.

Among other key products:

Fluid milk: May +54 percent; YTD +38 percent

Food preps: May +17 percent; YTD -4 percent

Whole milk powder: May +205 percent; YTD +170 percent

Ice cream: May +22 percent; YTD +13 percent

In the January-May period, exports (by value) were up to nearly all destinations compared with the prior year. Shipments to Southeast Asia grew 174 percent, while sales to Mexico, our largest market, increased 14 percent. Large gains also were posted in exports to China (+96 percent), the Caribbean (+45 percent), Japan (+45 percent), the Middle East (+73 percent), South Korea (+91 percent) and North Africa (+267 percent).

In the first five months of the year, U.S. exports were equivalent to 11.4 percent of the total milk solids produced in the United States. On a product basis, exports were equivalent to 34 percent of the NDM/SMP produced, 66 percent of the whey proteins, 62 percent of the lactose, 3.3 percent of the cheese and 6.1 percent of the butter.