

Summary of U.S. Dairy Exports

November export data – top-line analysis

U.S. dairy exports continued to trend higher in November, as suppliers capitalized on stronger world markets in the second half of 2009. Cheese, butterfat and whey proteins all posted their highest totals of the year.

Total BICO dairy exports in November were valued at \$224.5 million, 2 percent higher than prior year, according to trade data released by USDA's Foreign Agricultural Service Jan. 12. This is the first time since September 2008 that exports were above year-earlier levels. The November performance puts year-to-date exports at \$2.05 billion, down 43 percent from 2008's record pace but above the 2004-07 average.

In November, U.S. suppliers exported 19,820 tons of NDM/SMP, up 24 percent from a year ago, says USDA/FAS. This follows a 19 percent gain in October. Shipments to Mexico, our largest market, more than doubled and large shipments were reported on sales to Dominican Republic and China. Shipments to Southeast Asia were off 32 percent. During the January-November period, exports of NDM/SMP were 234,366 tons, down 37 percent from 2008.

Cheese exports in November were 9,583 tons, up 13 percent from 2008, and the first positive showing of the year. Sales to South Korea, Japan, the Caribbean and Saudi Arabia were higher, while exports to Mexico and Central America were slightly lower. In the first 11 months of the year, exports were 96,221 tons, down 21 percent.

Exports of whey proteins were significantly higher in November. Dry whey exports were 21,332 tons, up 43 percent from November 2008. Exports of whey protein concentrate were 13,901 tons, up 60 percent, and shipments of whey protein isolate were 1,107 tons, down 4 percent. Total whey protein exports were up 47 percent from the prior year. Year-to-date, total whey protein exports were 318,104 tons, up 2 percent.

U.S. suppliers exported 18,300 tons of lactose in November, up 21 percent from last year. Leading customers were Japan, China and Southeast Asia. Year-to-date exports were 201,207 tons, up 17 percent.

Butterfat exports continued to improve in November, with shipments of 6,221 tons, up 59 percent from last year. This is a significant turnaround from the first 10 months of the year, when butterfat exports were down 79 percent. Leading destinations in November were Saudi Arabia and Egypt.

Among other key products:

Fluid milk: November +114 percent; YTD +3 percent
Food preps: November -4 percent; YTD -15 percent
Whole milk powder: November -51 percent, YTD -45 percent
Ice cream: November -24 percent; YTD +2 percent.

In November, exports to Mexico and China were up 19 percent and 18 percent, respectively, compared with the prior year. Gains were also posted in shipments to South Korea (+91 percent), the Caribbean (+10 percent) and the Middle East (+13 percent). However, sales to Southeast Asia fell 40 percent and exports to Japan were 14 percent below a year ago.

In the first 11 months of the year, U.S. exports were equivalent to 33 percent of the NDM/SMP produced, 50 percent of the whey proteins, 67 percent of the lactose, 2.3 percent of the cheese and 3.7 percent of the butter.