

Summary of U.S. Dairy Exports

September export data – top-line analysis

In September, U.S. dairy export performance of most products was flat to lower than prior months, but lactose and butterfat continued to show improvement.

Overall BICO dairy exports in September were valued at \$182.4 million, down slightly from August, and down 38 percent from a year ago, according to trade data released by USDA's Foreign Agricultural Service Nov. 13. For the first nine months of the year, exports were off 48 percent, at \$1.60 billion.

In September, U.S. suppliers exported 19,778 tons of NDM/SMP, down 32 percent from a year ago, says USDA/FAS. Shipments to Southeast Asia, once our largest market, were just half of what they were a year ago, and sales to Mexico were off by 23 percent. Meanwhile, large shipments to Algeria were registered in September. During the January-September period, exports of NDM/SMP were 185,271 tons, down 44 percent from last year's pace.

Cheese exports in September were 8,815 tons, down 18 percent from last year. Sales to Mexico and the Caribbean were higher, but that was offset by declines in shipments to Japan, South Korea and the Middle East. In the first nine months of the year, exports were 77,395 tons, down 26 percent from last year.

Exports of whey protein concentrate and isolate continued to track higher in September, but shipments of dry whey remained below year-earlier levels. Dry whey exports in September were just 15,616 tons, down 8 percent from September 2008. Meanwhile, exports of whey protein concentrate were 10,615 tons, up 23 percent, while shipments of whey protein isolate were 1,143 tons, up 13 percent. Total whey protein exports were up 3 percent from a year ago. Year-to-date, total whey protein exports were 246,933 tons, down 4 percent.

U.S. suppliers exported 18,603 tons of lactose in September, up 35 percent from last year. Leading customers were Japan, China and Mexico. Year-to-date exports were 163,203 tons, up 15 percent.

Butterfat exports improved in September with their best showing of the year. In September, shipments were 2,284 tons, up from an average of 1,430 per month in the first eight months of the year. Leading destinations were Egypt, Saudi Arabia, South Africa and Canada. However, September's figure was still 65 percent below a year ago, and year-to-date exports were off 82 percent.

Among other key products:

Fluid milk: September -47 percent; YTD -7 percent
Food preps: September -28 percent; YTD -16 percent
Whole milk powder: September -40 percent, YTD -48 percent
Ice cream: September -9 percent; YTD -6 percent.

Overall, exports were down to nearly all destinations in September. The value of shipments to Southeast Asia plunged 64 percent, sales to the Middle East/North Africa were down 35 percent, and exports to Mexico and Japan declined 39 and 47 percent, respectively.

In the first nine months of the year, U.S. exports were equivalent to 31 percent of the NDM/SMP produced, 47 percent of the whey proteins, 68 percent of the lactose, 2.3 percent of the cheese and 2.6 percent of the butter.