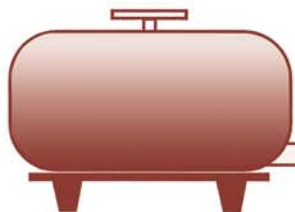


MARKETING SERVICE

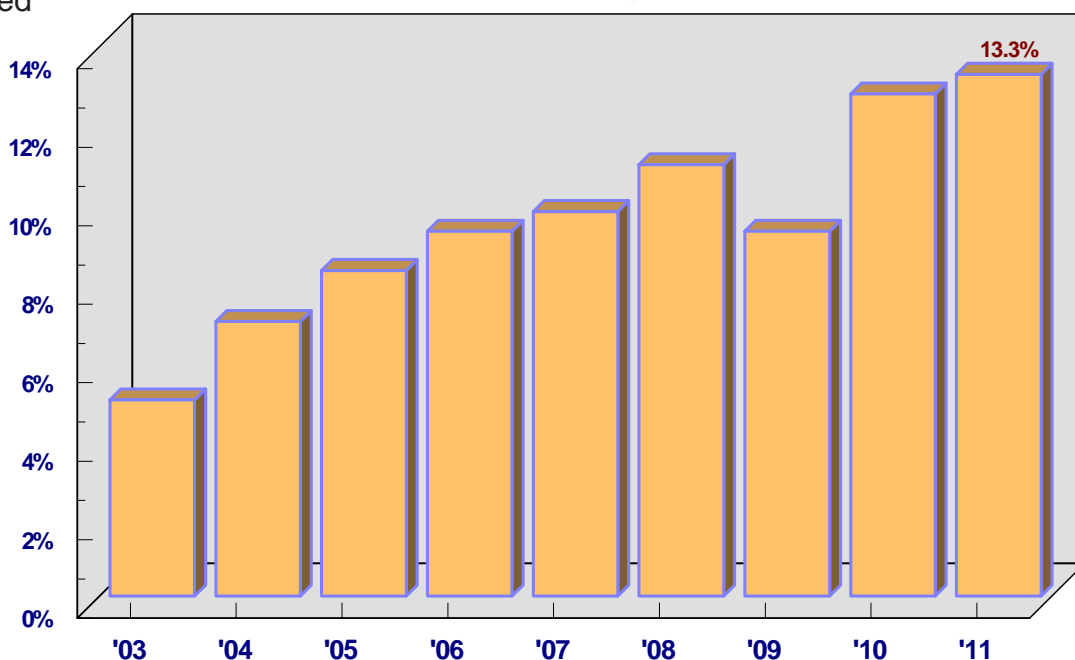
BULLETIN



U.S. Dairy Export Volume

(Total Solids)

As a Percentage of Total Milk Solids Produced



The international marketplace has become increasingly important to U.S. agriculture, as revealed by a cursory examination of foreign trade data. The dollar value of agricultural exports has increased in eight of the last nine years, and the U.S. has recorded a positive agricultural trade balance every year since 1960*. Additionally, the monetary value of agriculture exports reached an all-time high in 2011 at

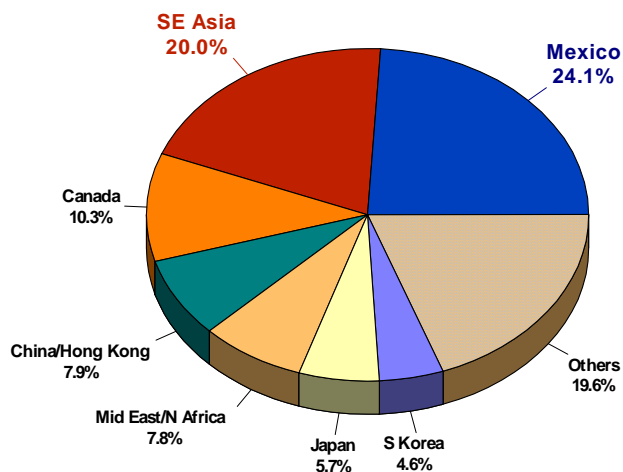
\$136.3 billion, while U.S. agriculture posted a record \$37.4 billion trade balance. The monetary value of agricultural products accounted for 10 percent of all U.S. exports during 2011.

The importance and influence of international trade is a relatively recent phenomenon for the U.S. dairy industry. Prior to 2004, exports of dairy products represented a relatively low

percentage of total U.S. milk production - typically five percent or less. Moreover, the U.S. was often a net importer in terms of monetary value prior to the last few years.

U.S. 2011 Dairy Export Sales

Percentage of Total Sales (Dollars)



Exports have taken on a more important role for the U.S. dairy industry recently, however, as indicated by the top graph on this page. Dairy export volume as a percentage of total U.S. milk solids produced reached an all-time high of 13.3 percent in 2011, and have been above eight percent since 2005. The monetary value of dairy exports also recorded its all-time high in 2011, totaling more than \$4.8 billion. This amount is an increase of around 30 percent versus 2010, and is approximately 4.5 times the annual value reported during 2000-2003 when

A
P
R
I
L

2
0
1
2

* Sources for data used in this publication include the Economic Research Service (ERS) and the Foreign Agriculture Service (FAS) of the USDA, along with the U.S. Dairy Export Council (USDEC).

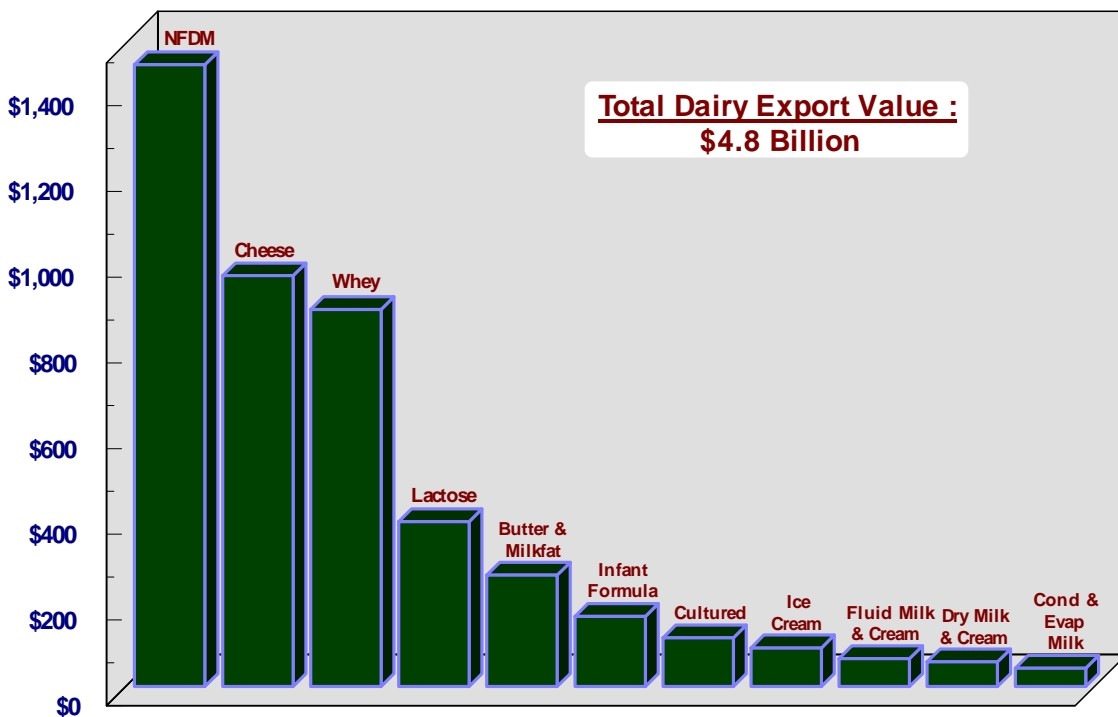


dairy product exports were slightly more than \$1 billion per year.

U.S. 2011 Export Value for Selected Dairy Products

(Thousand Dollars)

The top graph on this page depicts the 2011 monetary export value of selected dairy products. Nonfat dry milk (NFDM) exports ranked first with sales of more than \$1.450 billion, followed by cheese with \$0.958 billion and whey with \$0.879 billion. Lactose along with the butter & milkfat category were the only other products to record more than one quarter of a billion dollars in 2011 export sales.

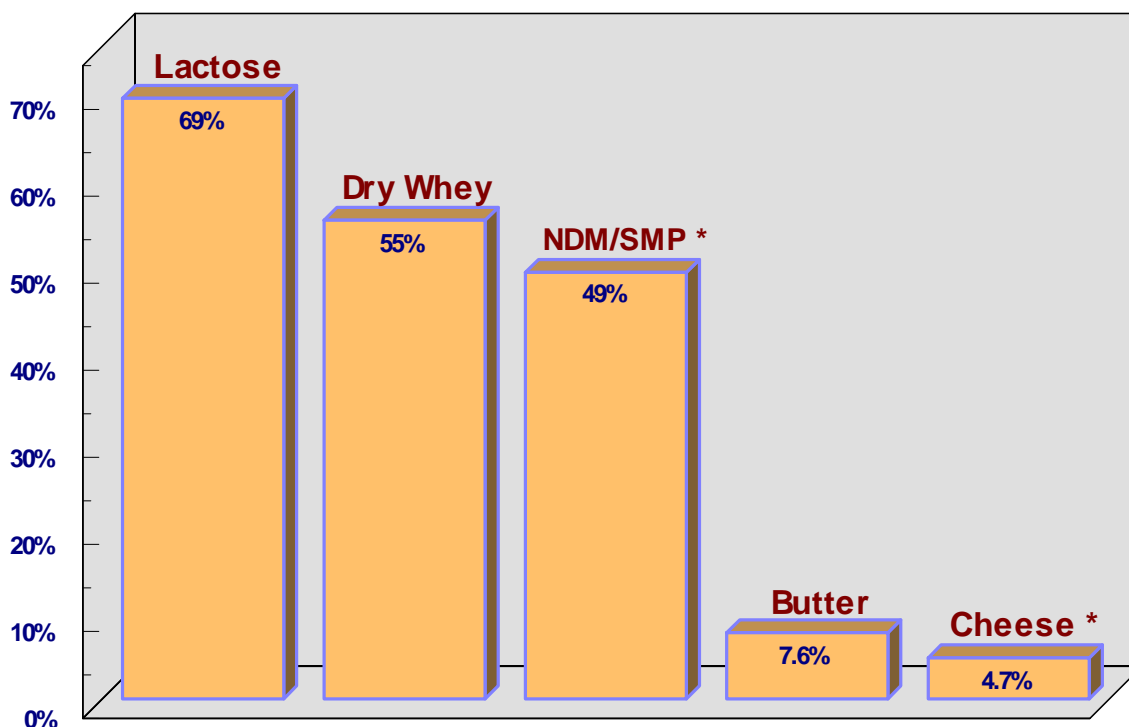


The proportion of 2011

U.S. dairy export sales by country/region are depicted in the pie chart on page one. Mexico was the number one destination for U.S. dairy products in 2011, with purchases accounting for over 24 percent of the total. Sales to Southeast Asia accounted for approximately 20 percent of the total value of dairy exports, while Canada accounted for more than 10 percent.

U.S. 2011 Export Volume for Selected Dairy Products

As a Percentage of Total Production

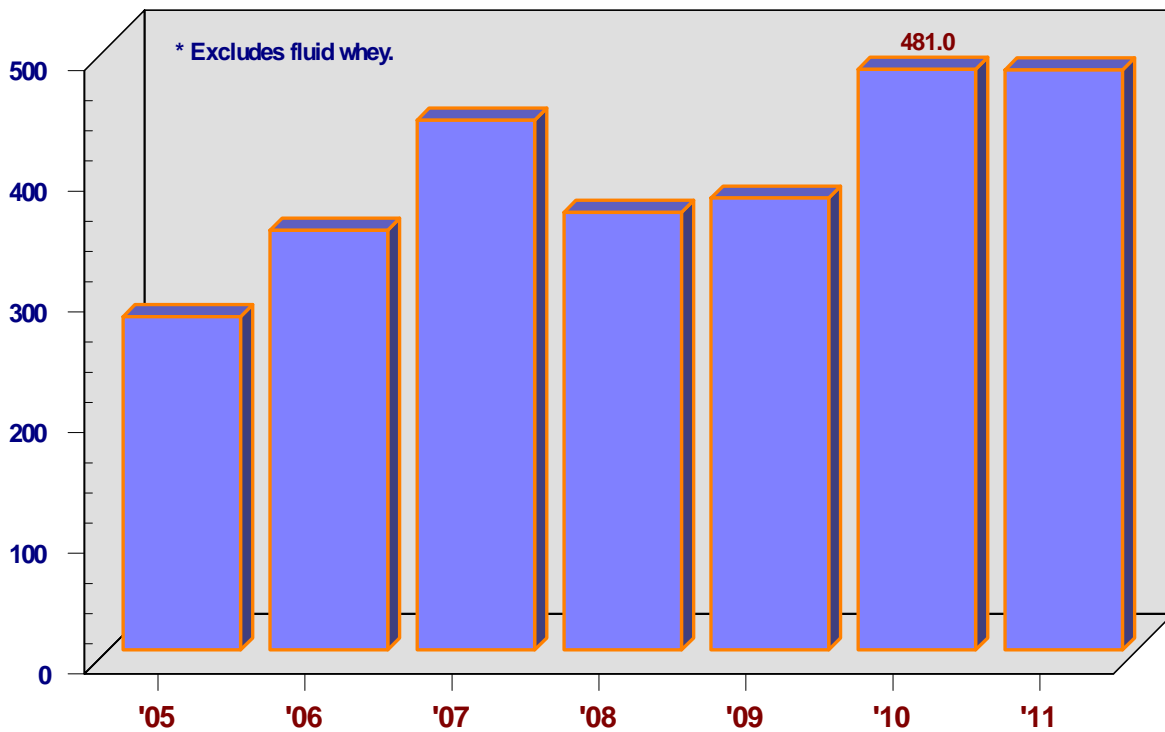


* All-time high

The bottom graph on this page details the proportion of total 2011 production represented by exports for several dairy products. Exports accounted for substantial portions of the total production for three product categories - lactose, dry whey, and nonfat dry milk/skim milk powder (NDM/SMP). Export volumes were more than half of production for lactose and whey, while they accounted for slightly less than half of the NDM/SMP category. For cheese and the

Whey Export Volume *

(Thousand Metric Tons)



NDM/SMP categories, the percentage of total production represented by exports reached all-time highs in 2011.

The remaining six graphs in this bulletin depict 2005 through 2011 export volumes for various dairy products. The volumes represented in are in thousand metric tons, and the largest yearly export total during this time period is noted in each graph.

Whey exports,

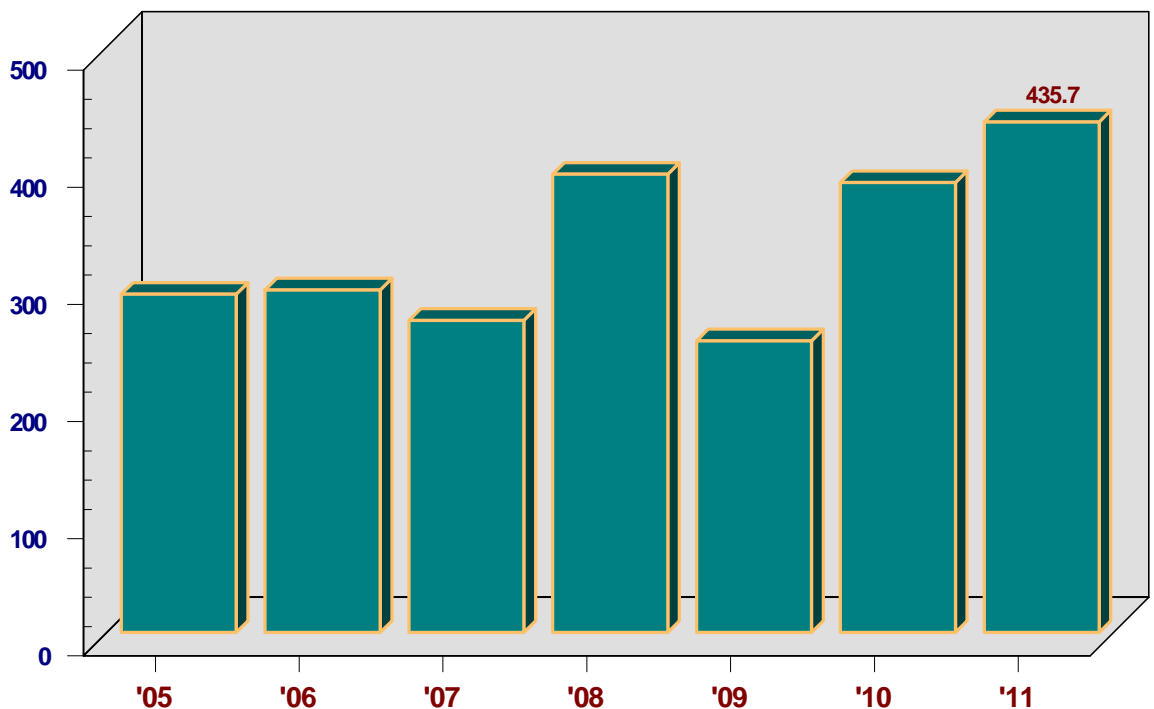
depicted in the top graph on this page, have increased by nearly 75% comparing 2010 and 2011 volumes with those recorded in 2005. Exports of dry whey surpassed 480 thousand metric tons during each of the last two years, with the 2010 volume of 481 thousand the highest recorded. Whey exports ranked first among all dairy products by volume during 2011, but were third in monetary value.

Nonfat dry milk exports

totalled over 435 thousand metric tons during 2011, and the yearly export volumes for this product are represented by the bottom graph on this page. The 2011 total was the largest recorded during this time period, and represents an increase of over 50 percent compared with 2005. Nonfat dry milk export volumes ranked second among all dairy products in 2011, but were first in terms of total dollar value.

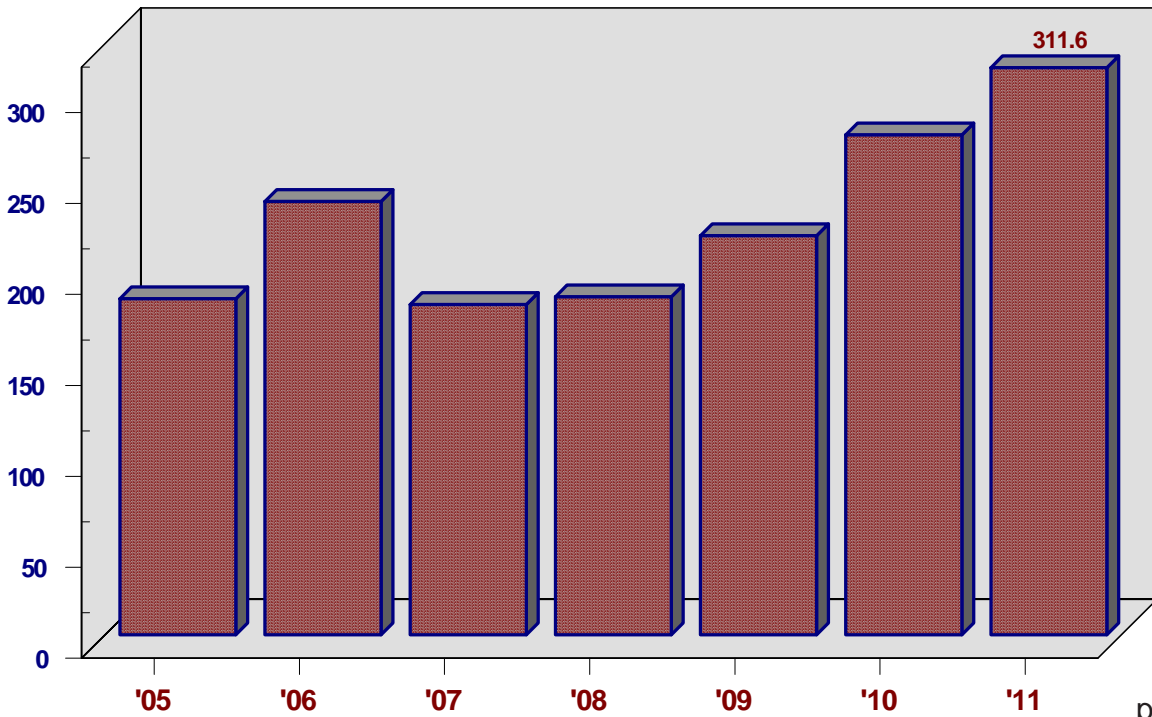
Nonfat Dry Milk Export Volume

(Thousand Metric Tons)



Lactose Export Volume

(Thousand Metric Tons)



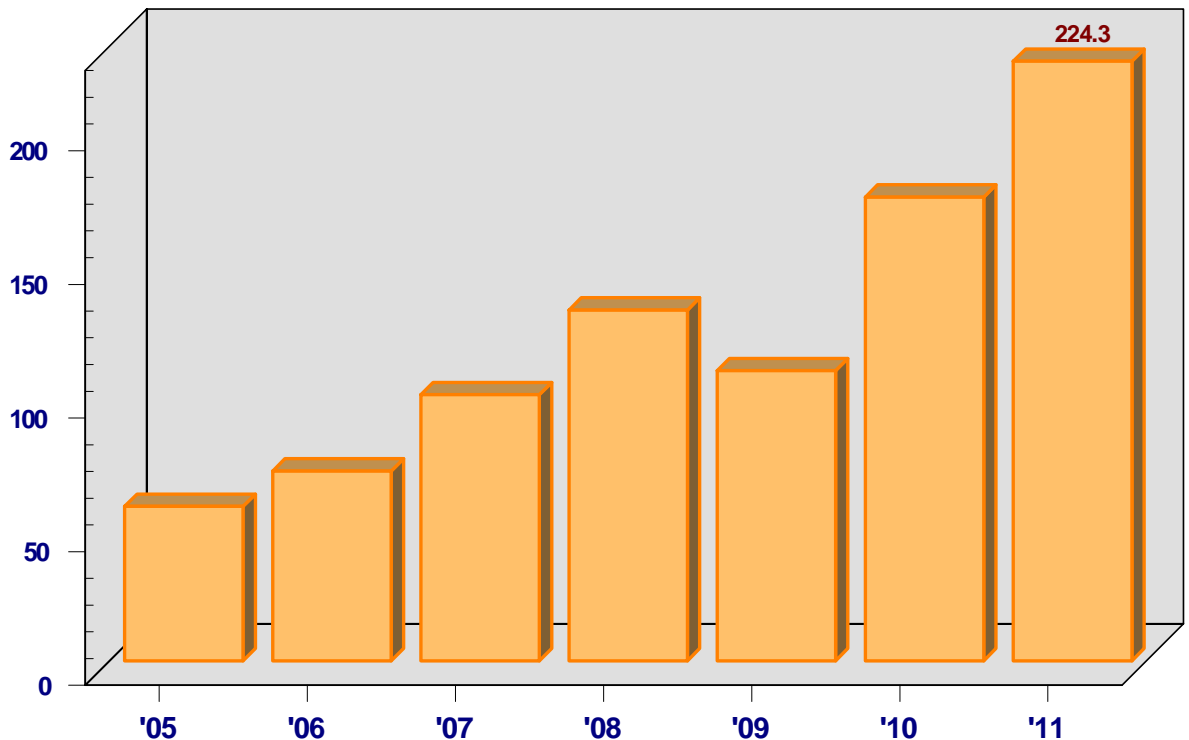
The volume of **lactose exports** for the last seven years is displayed in the top graph on this page. Lactose exports ranked third in volume among all dairy products in 2011, and the 311.6 thousand metric ton total represents the high during this period of time. In terms of dollar value, 2011 exports of lactose ranked fourth among all dairy products. Comparing 2011 with 2005, lactose exports have increased by approximately 69 percent. In addition,

lactose exports have increased in volume during each of the last four years, and accounted for nearly 70 percent of the total produced in the U.S. during 2011.

Cheese exports have risen dramatically during the last seven years, increasing from less than 58 thousand metric tons in 2005 to over 224 thousand in 2011. This change represents an increase of over 288 percent, and year-over-year export volumes during this period registered increases every year except 2009. Cheese export volume data is depicted in the bottom graph on this page.

Cheese Export Volume

(Thousand Metric Tons)

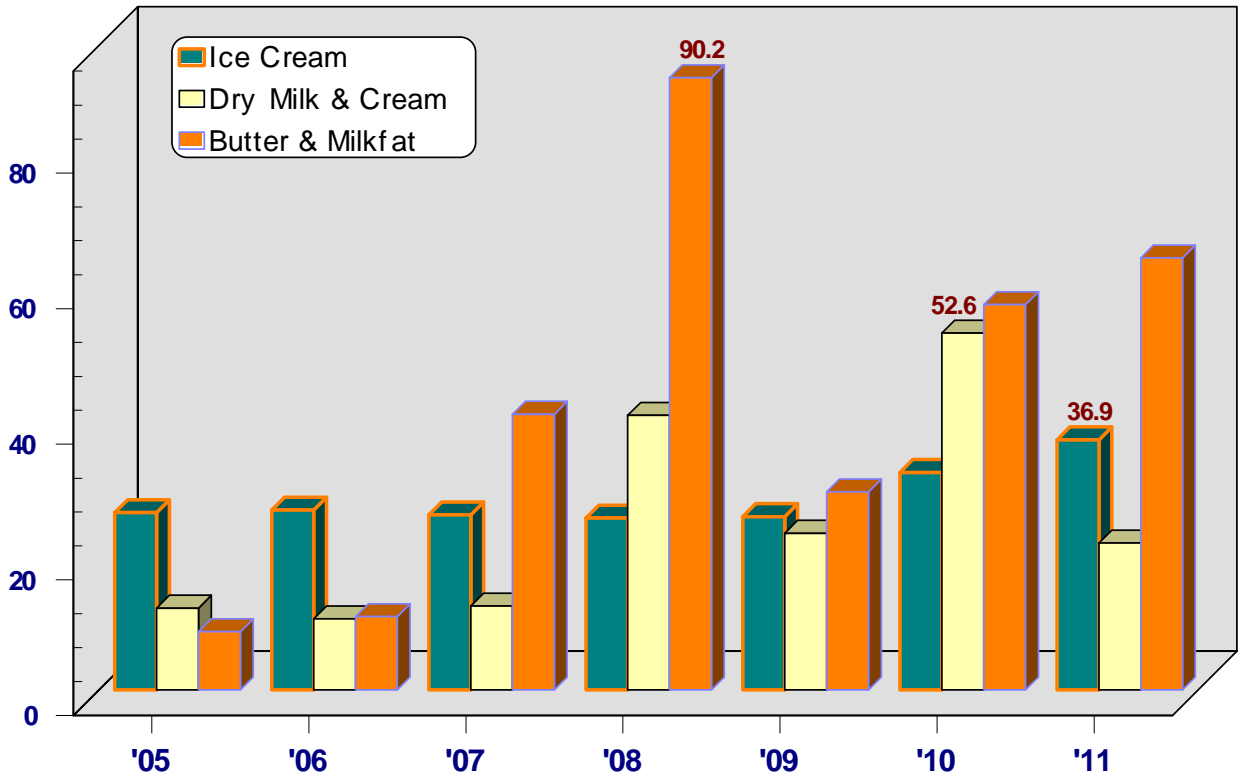


Although cheese exports ranked fourth in volume during 2011, it was the second highest dairy product category in terms of export monetary value. Export volumes accounted for 4.7% of all U.S. cheese production in 2011, the largest proportion ever recorded for this product.

The graphs on this page depict export sale volumes over the last seven years for a selected group of dairy products.

Ice Cream, Dry Milk, & Butter Export Volumes

(Thousand Metric Tons)

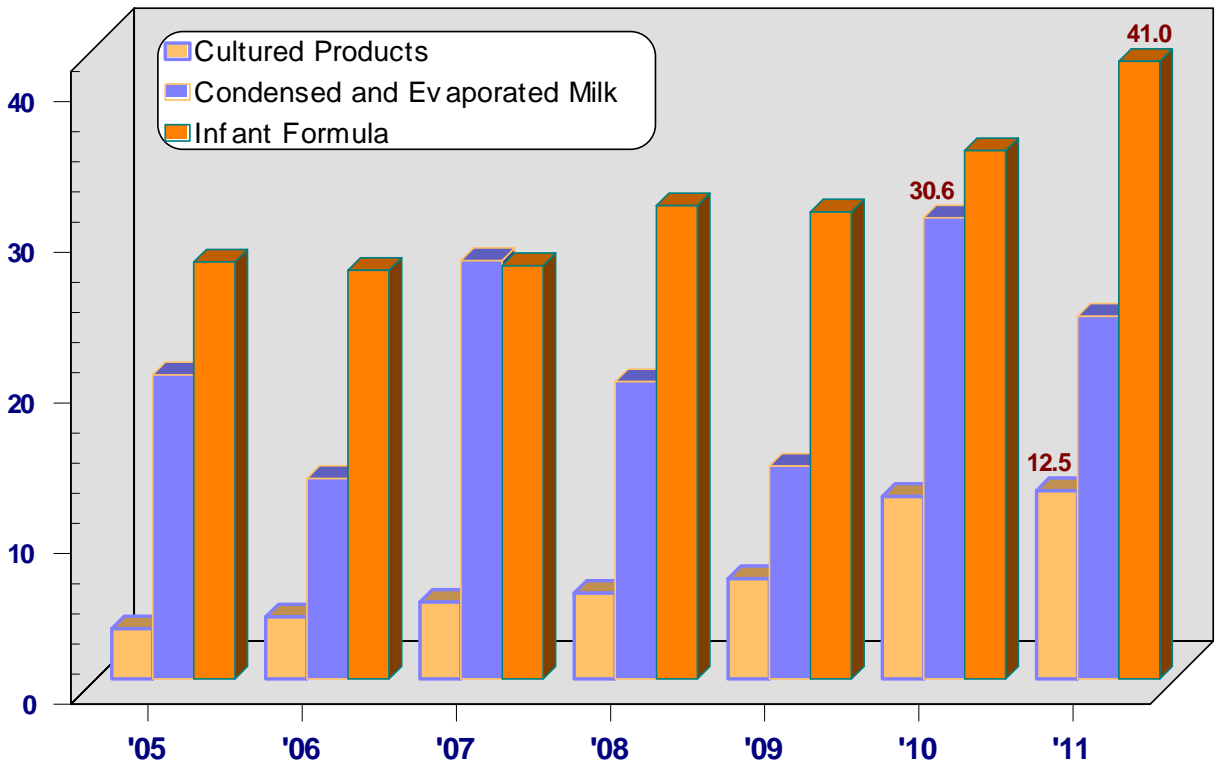


The top graph details export volumes for three product categories: ice cream; dry milk & cream; and butter & milkfat.

The bottom graph depicts export sale volumes for three additional product categories:

Cultured, Cond/Evap, & Infant Formula Export Volumes

(Thousand Metric Tons)



cultured dairy products, condensed and evaporated milk: and infant formula. Overall, the export volumes for these products have increased substantially during the time period depicted.

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar '12	Feb '12	Mar '12	Feb '12	Mar '12	Feb '12
Northeast	17.64	18.09	1.92	2.03	39.84	39.92
Appalachian	18.48	19.22	-----	-----	64.44	69.30
Florida	20.83	21.34	-----	-----	86.36	84.50
Southeast	18.62	19.38	-----	-----	58.88	64.44
Upper Midwest	15.98	16.35	0.26	0.29	11.01	11.38
Central	16.22	16.63	0.50	0.57	27.55	28.59
Mideast	16.55	16.98	0.83	0.92	34.29	34.66
Pacific Northwest	16.14	16.64	0.42	0.58	26.60	26.74
Southwest	17.18	17.58	1.46	1.52	32.40	32.54
Arizona	16.40	16.94	-----	-----	27.92	28.28

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.



FIRST CLASS
 U.S. POSTAGE
 PAID
 SHAWNEE MISSION, KS
 PERMIT NO. 377

FEDERAL MILK MARKET ADMINISTRATOR
 P.O. BOX 14650
 SHAWNEE MISSION, KANSAS 66285-4650

FIRST CLASS

Website: www.fmmacentral.com
 E-mail: market.administrator@fmmacentral.com
 Phone: 913-495-9300