CDE DAIRY MARKETS & MANAGEMENT UPDATE

Record exports continue: Last week, I reported from USDA and U.S. Dairy Export Council data that 2022 dairy exports set a record high for the 3rd year in a row at over 2.4 million metric tons (MT) of milk solids equivalent dairy products, which is about 2.6 million MT of actual volume exported. Export value also set a record for the 2nd consecutive year at \$9.6 billion.

The U.S. exported over 18% of its total production on a milk solids basis during 2022. This week, I would like to highlight the top markets where U.S. dairy products were destined. The top 5 markets were Mexico, Southeast Asia, and China with South America and Japan coming in at a distant 4th and 5th.

A record 593,373 MT of dairy products traveled to our Southern neighbors during 2022. This was 9.5% more than 2021. During 2022, Mexico was the top market for U.S. cheese and nonfat dry milk (NDM) exports and the 2nd largest market for butterfat and whole milk powder (WMP). At 359,433 MT exported to Mexico, NDM exports were up 6.4% year-over-year (YOY) and represented nearly 61% of total exports to Mexico. Cheese exports were up 18% YOY at 123,579 MT and accounted for 21% of total exports to Mexico. Butterfat exports were up an astounding 340% YOY to 14,461 MT. 2021 butterfat exports equaled 3,288 MT. WMP exports decreased by nearly 5% at 5,178 MT.

dairy exports. Exports to SE Asia were down 3.4% during 2022 but remained an important outlet for U.S. dairy products, importing 554,233 MT of dairy products. SE Asia was not a leader in any of the major export categories, but it was the 2nd largest market for NDM, whey products, and lactose. Of this total, 52% was NDM at 290,866 MT, 24% (133,318 MT) were whey products, and 17% was lactose which was the 3rd largest category imported from the U.S. at 96,419 MT.

Southeast Asia (SE Asia) was the second largest region for U.S.

Dairy exports to China have been challenged since 2020 by the COVID-19 pandemic. However, despite slower growth during the

Prices change daily. This market information is an example for educational purposes The market data below are compiled weekly by Farmshine, via CME & USDA reports

YEAR AGO

81.10

N/A

74.50

65.75

*AVG =

early part of the year, exports during the latter part picked up and resulted in a YOY increase in exports of 11% to

ZACH MYERS ation Manager 336-468-0726 excellence.o

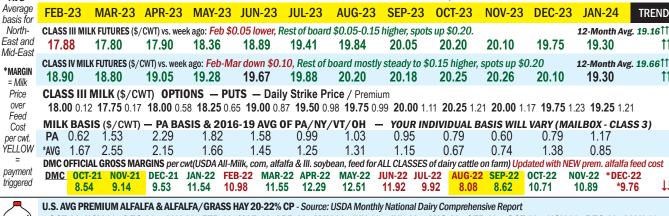
482,134 MT total. China is the largest export market for U.S. whey products and lactose. China, a world

leader in pork production, uses whey and lactose as key components in swine diets. Increased exports to China were driven mainly by increases of 6% and 36%, respectively, for whey products and lactose. Whey product exports totaled 300,134 MT or 62% of the total volume exported. At 118,492 MT, lactose represented 25% of total exports to China. This leaves just 13% for the other export categories.

South America (SA) and Japan are the 4th and 5th largest export markets for the U.S., respectively. During 2022, SA imported 137,630 MT (+7% YOY) of U.S. dairy products, and Japan imported 137,363 MT (+20% YOY). However, Central America/Caribbean at 136,764 MT and South Korea at 122,915 MT are not too far behind at 6th and 7th With 95% of the world population outside of the U.S., there are

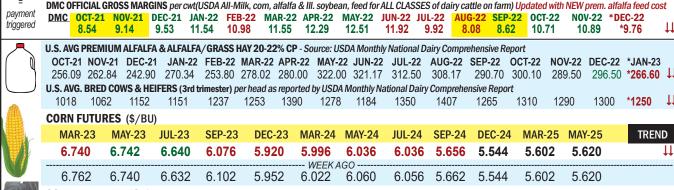
plenty of opportunities to increase exports in these developing

markets. In the span of less than two decades, the U.S. has come from a nation that generally balanced the world market and was a non-player interna-2022 Top Five U.S. Dairy Export Markets (1,000s MT) tionally to becoming the 2nd largest dairy exporting country behind New Zealand and the 3rd largest exporter in terms of economies. The European Union bloc is the world's larg-



est dairy exporter.

CME DAILY FUTURES & OPTIONS TRADING — FEB. 22, 2023 AT THE CLOSE





10 W	432.0	4//.5	403.0 43	0.5 440.	4 421.2	424	4	10.0	400.2	402	.4 3	33.0	333.0		11
0 -					WEEK	(AGO									
-	491.1	474.9			8 417.0						.7 3	92.6	388.8		
*=NFW	PA MILK N	IARGIN & IOF	C-LATEST PSU V	ALUES - *D	EC 2022	CME DA	AIRY CA	SH-SETT	LED FUT	TURES (\$/LB)	02/22	/23 5		ASH TREND
71277		FEED COST	IOFC (\$/COV	V PA MILK I	// ARGIN		FEB	MAR	APR	MAY	JUN	JUL	AUG		02/22/23
FEED =		(\$/CWT milk)				NFDM	1.250	1.225	1.242	1.269	1.297	1.314	1.330	1.1	1.2150↓↓
\$/CWT.	*DEC (estin	mated) *9.4511	*12.04	₩ *1	9.13↓↓	WHEY	0.401	0.407	0.404	0.404	0.400	0.410	0.415	11	0.460011
IOFC =		9.22	13.01	1	9.95	BUTTER	2.420	2.459	2.501	2.520	2.510	2.530	2.548	††	2.3800↓↓
\$/COW	YR AGO	8.51	10.34	1	3.79	CHEESE	1.838	1.820	1.838	1.874	1.927	1.980	2.017	MIXED	See Below
		Y lactating feed,	based on 75 lb her				CME SP	OT CHEE	SE: BAR	RELS 1	.6000 /	40 LB I	BLOCKS	1.9600	11 / 11
**ISDA OCT-22 NEW* * = NEW ANNOLINCED FEDERAL ORDER PRICES (\$/CWD) *CURRENT FEDERAL ORDER VALUES (\$/LB) * = *NEW															

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**USDA OCT-22 NEW * ALL-MILK BF *MAILBOX									*CURRENT FEDERAL ORDER VALUES (\$/LB) * = *NEW									
*FL \$28.70 3.75 \$ *SE \$28.70 3.93 \$	\$26.04						ALL-MILK-PA	WEIGHTED	AVG. 4-W	*JAN 2023								
*APP \$28.50 4.06 \$ *N.ENG \$27.00 4.10 \$	26.46						25.50(DEC)↓↓	PRODUCT	VALUE	MAKE ALL	LOW NET		COMI	PONENTS				
*MO N/A N/A S *NY \$26.70 4.08	25.97			MONTH AG	60	4.27F	4.18F	CHEESE	1.9767	0.2003	1.7667	11	PROT	2.8058	1			
*PAeast\$26.90 4.09 5 *WA/OR\$27.70 4.31 5	\$23.04	22.41				25.60 4.23F		BUTTER	2.4599	0.1715	2.2884	$\downarrow\downarrow$	B.FAT	2.7713	1			
								NFDM	1.3662	0.1678	1.1984	$\downarrow\downarrow$	N.FAT	1.1864	1			
*OH \$26.20 4.08 5	\$25.19	10 71	22.83	20.38	23.09	21.80 4.20F	22.30 4.11F	\DRYWHEY	0.4266	0.1991	0.2275	$\downarrow\downarrow$	OTHER	0.2343	1			
*11 9 \$25 00 4 14 9	38 15		RY PHRPA	SES(¢ /HD) N	IORTHEAS	T (Avg Feb 15	5, 2023 sale Ne	w Holland D	Λ)									
*MI \$24.20 4.04	\$23.87	COWS: Froch	Drod Cn	vinging *UE	IEEDS: Dro.	d Springing	Beefx Open:	200 600 lbc	n) Poof V 60	000 lbc	Poof V 000	1100	lhe Di	III C/000 . Iba				
*MN \$25.90 4.47 \$ *TX \$25.90 4.31 \$	\$25.37 \$24.16	1575	N/A	1450 LTD	130	10 1350	1200	800 ITD	N/A	201 006-00	N/Δ 11		, 103 B ()50				

WEEK AGO COMPARISON 1400 1325 LTD 1650 LTD 1375 1475 850 **525** LTD N/A 500 LTD N/A 900 N/A WEEK AGO Avg. of prices reported by USDA Maket News for FED HOLSTEIN STEERS (\$/CWT LIVEWEIGHT) CURRENT Beef X YR AGO Price PA Auction Markets Feb. 16-21, 2023
CULL MARKET COWS (\$/CWT LIVEWEIGHT Choice & Prime 1250-1550 lbs light test 129.00 114.00 128.00 155.00 135.00 375

350.00 143.00 11 **BULL CALVES:** No. 1 & 2, 90-130 lbs **Premium White Boners Breakers** Lean 130.00 125.00 400 130.00 89.7511 81.8511 73.1011 Average to high dressing brought to you by: WEEK AGO 75.85 85 75 N/A 92 60 **Dairy** EXCELLENCE



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