



The Babcock Institute

for International Dairy Research and Development



International Dairy Notes

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2007 IS A BIG YEAR FOR U.S. WHEY EXPORTS

U.S. exports of whey products hit new highs in 2007, reaching 418,300 metric tons. This was up more than 20 percent from 2006 and nearly four times the volume exported in 1996. Much higher world prices in 2007 nearly doubled whey export value from year-earlier. Whey exports of \$657 million represented more than 20 percent of the total value of all dairy products exported from the United States in 2007 (\$3.04 billion).

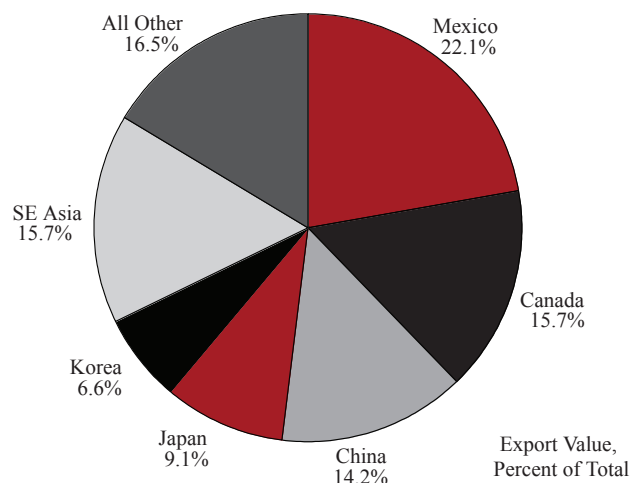
Our biggest foreign whey customers are next door—Mexico and Canada together took 38 percent of U.S. whey exports in 2007 (measured by value). Another 30 percent went to three East Asian countries, and 16 percent was shipped to several countries in Southeast Asia.

International demand for dry whey and whey derivatives has been increasing rapidly because of the functionality of these products as an ingredient in many food items. Much of the increase in U.S. exports has been in higher-protein whey protein concentrates and whey protein isolate, which are used extensively in nutritional supplements, especially sports drinks and energy bars. In 2007, demand for whey intensified because of a run-up in world prices for nonfat dry milk—whey can be substituted for nonfat dry milk in many ingredient applications. Further fueling whey and lactose price increases was lower milk production in several major dairy countries, including the European Union and Australia.

The U.S. is a major cheese-producing country and nearly all of the whey produced in cheesemaking is processed. This places us in a favorable position to compete in world markets. In 2007, nearly half the whey made in the U.S. was sold overseas.

Strong world whey markets and large U.S. exports provided a substantial benefit to U.S. dairy farmers in 2007. Whey prices are used in federal milk marketing order formulas that determine farm milk prices. Compared to 2006, whey added an extra \$1.60 per hundredweight to Wisconsin farmer's milk checks.

Destination for U.S. Whey Exports, 2007



U.S. Exports of Whey Products

