



U.S. Dairy
Export Council®

Ingredients | Products | Global Markets

Outlook and Price Drivers

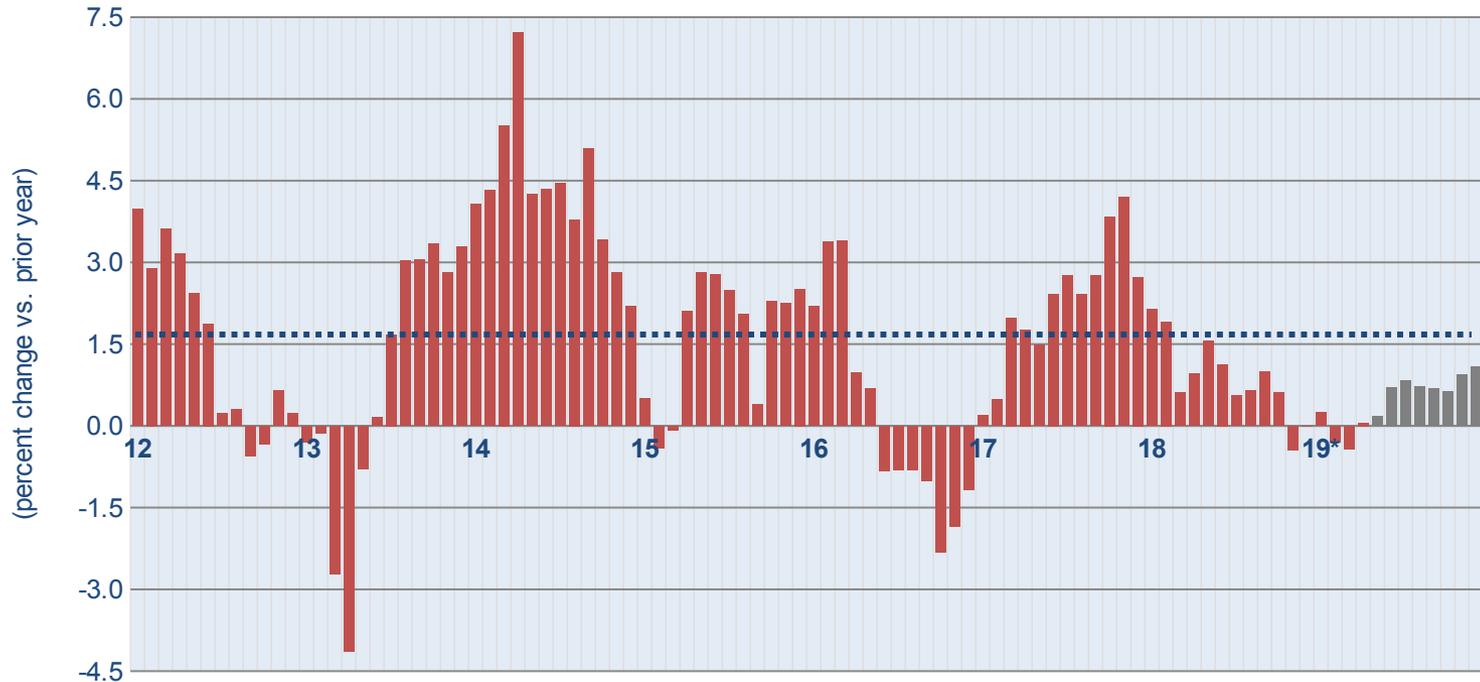
Marc A.H. Beck
Executive vice president, U.S. Dairy Export Council

XI Dairy Olympics
St. Petersburg
May 26-28, 2019



Global Markets Are Rebalancing

Milk production (Top 4) - change from prior year

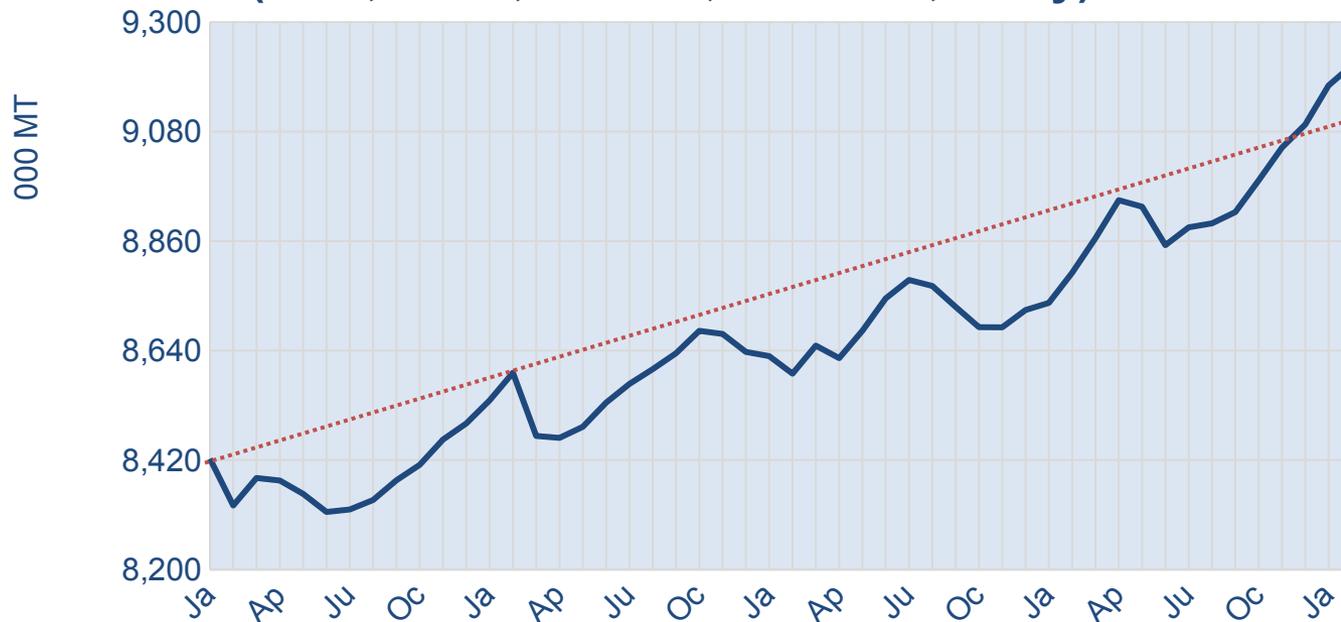


Includes EU-28, United States, New Zealand and Australia. April-December 2019 are USDEC forecasts.
Sources: USDEC, government reporting agencies



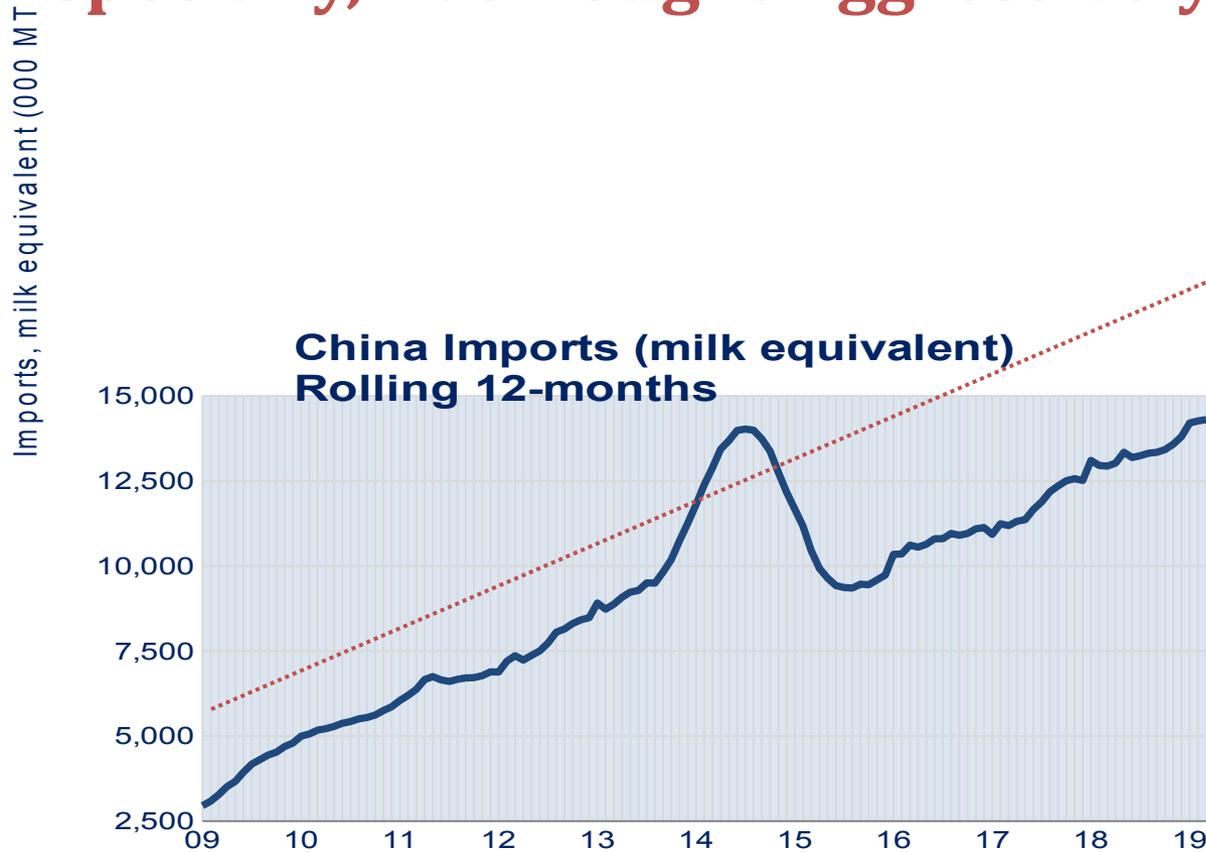
Global Trade Has Been Robust Last 6 Months

**Global Trade - Rolling 12 months
(SMP, WMP, cheese, butterfat, whey)**





China, Especially, Has Bought Aggressively



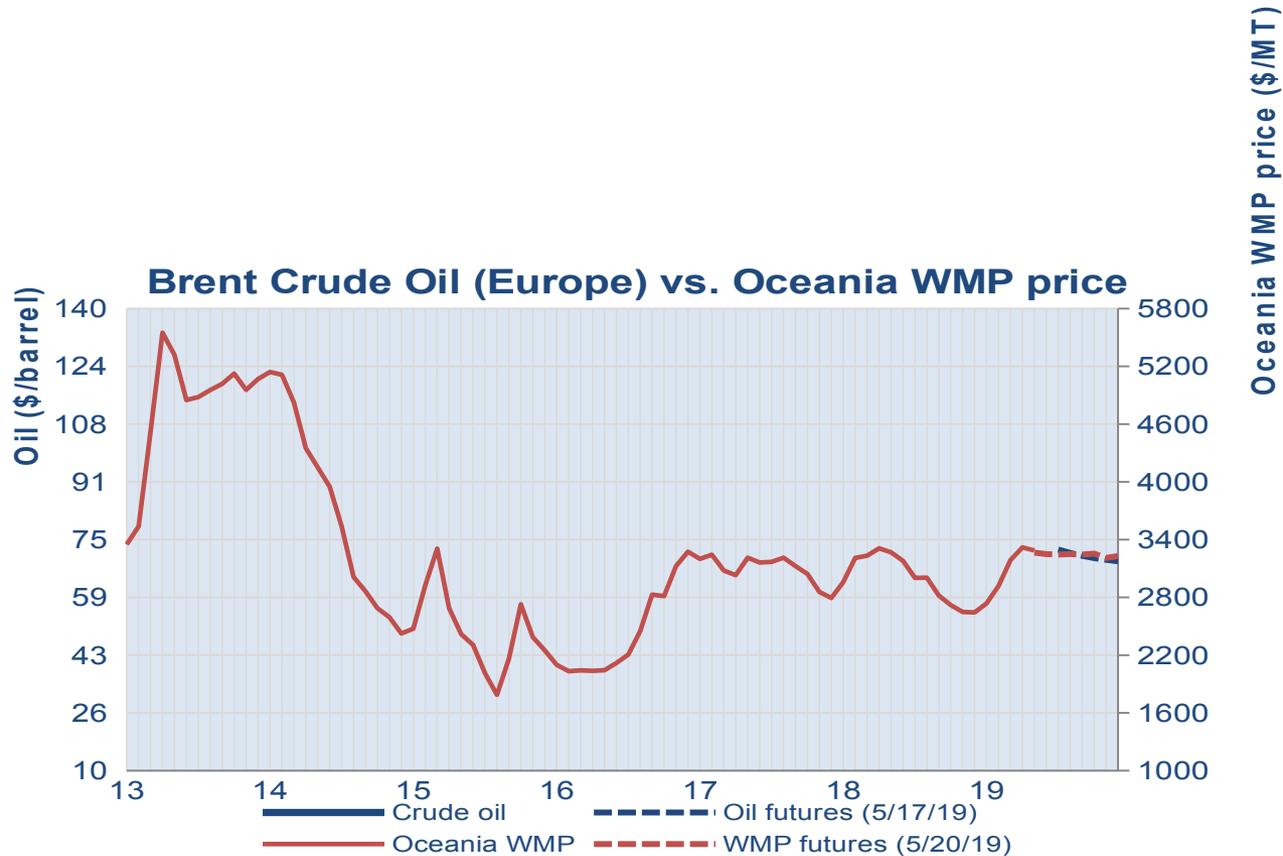


Macro: Corn Below \$4 for Last Five Years





Macro: Oil Prices Will Struggle to Break Out of Range





Macro: U.S. Dollar Stronger in Recent Weeks

Selected Currencies vs. U.S. Dollar (Indexed to 1/1/19)

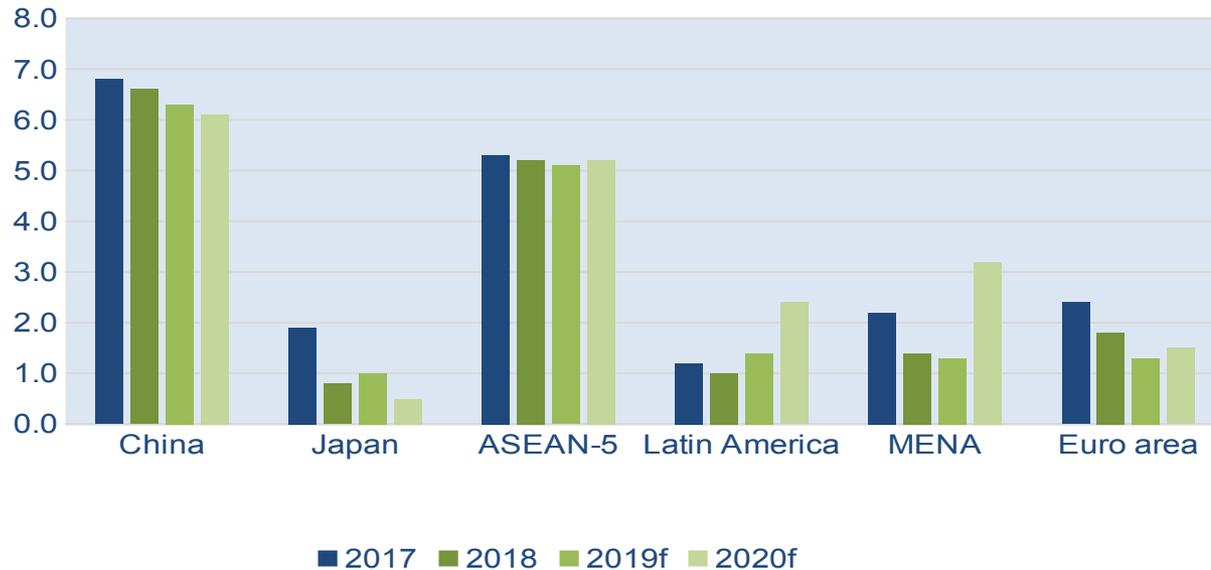




Macro: Slower GDP Growth in 2019, Improvement in 2020

% change vs. prior year

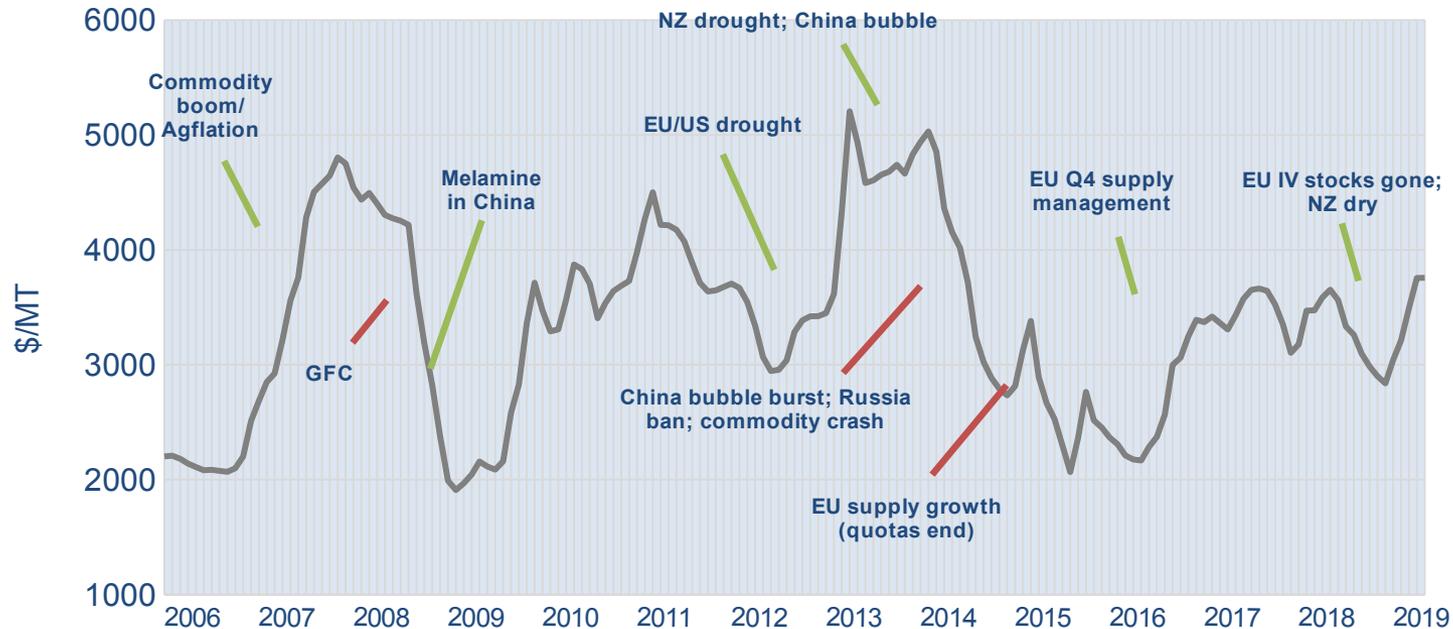
GDP Growth





It Will Take a Shock to Break Out of 4-yr Range

Average Oceania price (WMP, Butterfat, SMP, Cheese - trade weighted)



Source: USDEC and commercial sources.