



US Dairy Supply and Utilization

December 2022

US Dairy Supply and Utilization: Key Takeaways Within Report

- Total cheese utilization saw further advancement over the previous year in December supported by strong commercial exports and a return to year-on-year growth in domestic demand after a decline in November.
- Butter utilization ended the year below 2021 levels and just 3.6 million pounds above 2020 driven by lower exports which declined in December versus the prior year for the first time since May 2022.
- Total nonfat dry milk utilization turned positive in December after six consecutive months below 2021 levels as domestic utilization increased over the prior year for the first time since August 2022 while export demand grew to the largest December volume since 2019.

December 2022 U.S. Dairy Product Supply and Utilization

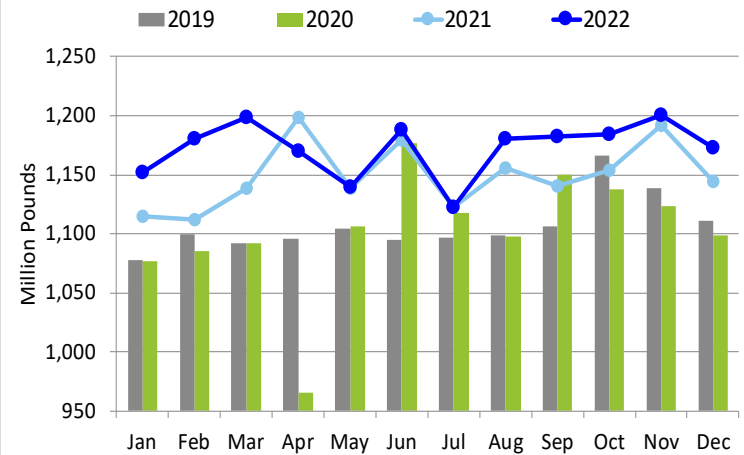
Commodity	Total					Domestic					Export				
	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year
American Cheese	475.3	215,592	+ 2.3%	- 4.3%	+ 1.2%	456.2	206,929	+ 1.8%	- 3.7%	- 0.0%	19.1	8,664	+ 17.2%	- 16.0%	+ 34.9%
Other Cheese	736.7	334,161	+ 2.6%	- 1.0%	+ 2.6%	676.9	307,037	+ 1.6%	- 0.7%	+ 2.3%	59.8	27,125	+ 16.1%	- 4.5%	+ 5.9%
Total Cheese	1,212.0	549,754	+ 2.5%	- 2.3%	+ 2.0%	1,133.1	513,966	+ 1.7%	- 1.9%	+ 1.4%	78.9	35,788	+ 16.4%	- 7.6%	+ 12.1%
Butter	179.3	81,329	- 10.9%	- 21.1%	- 4.6%	171.8	77,927	- 11.3%	- 17.4%	- 7.0%	7.5	3,402	- 2.6%	- 61.0%	+ 48.4%
NDM & SMP	222.6	100,970	+ 15.5%	+ 14.2%	- 9.5%	82.9	37,603	+ 31.0%	+ 140.2%	- 17.2%	139.7	63,367	+ 8.0%	- 12.9%	- 6.2%
Dry Whey	70.4	31,933	- 12.0%	+ 1.1%	- 2.0%	31.1	14,107	- 33.3%	+ 27.5%	- 3.8%	39.3	17,826	+ 17.7%	- 13.2%	- 0.3%
WPC	43.7	19,822	- 12.8%	- 3.7%	+ 2.5%	17.0	7,711	- 44.4%	+ 36.0%	- 21.8%	26.7	12,111	+ 36.9%	- 18.7%	+ 22.0%
Lactose	97.2	44,089	+ 6.0%	+ 15.1%	+ 4.4%	13.7	6,214	- 50.5%	- 431.5%	- 33.8%	83.5	37,875	+ 30.5%	- 5.7%	+ 16.1%

Source: USDA

(all percentages adjusted to 30-day months)

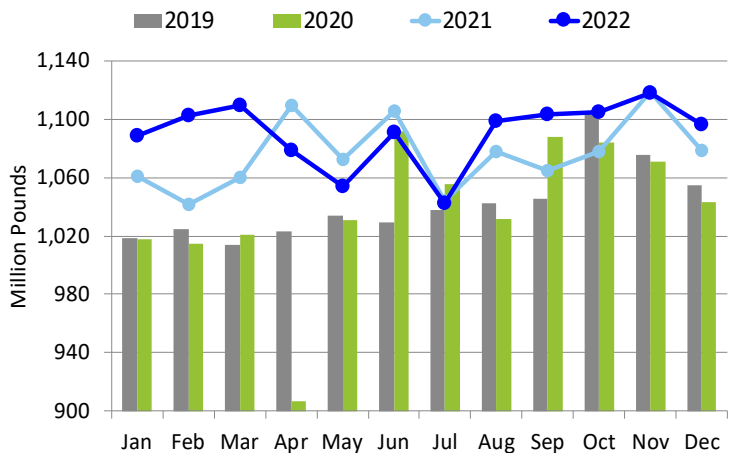
- Total cheese utilization saw further advancement over the previous year in December supported by strong commercial exports and a return to year-on-year growth in domestic demand after a decline in November.
- Year-to-date, US American cheese utilization was UP versus the prior year. Throughout 2022, domestic disappearance and exports moved inversely of each other as export strength began to wane into the second half of the year while weak domestic utilization began to grow.
- US Other-cheese utilization returned to the growth over the prior year after dipping below in November primarily lifted by higher commercial exports. Domestic utilization turned positive as well in December after declining year-over-year in November to help support greater total Other-cheese utilization.

US Total Cheese Utilization



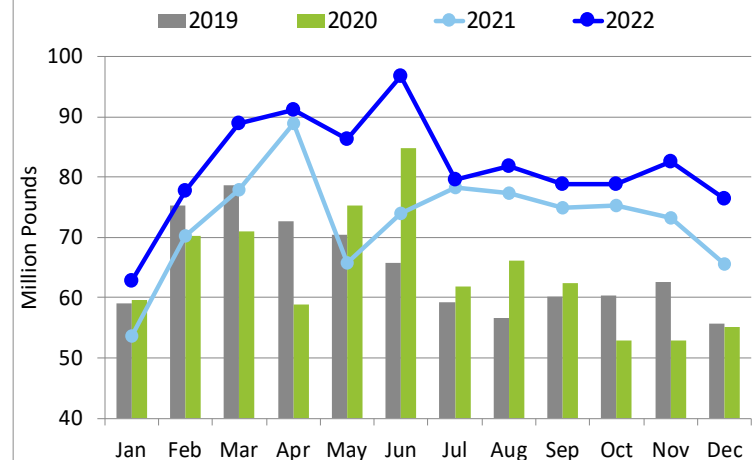
Source: USDA

US Total Cheese Domestic Utilization

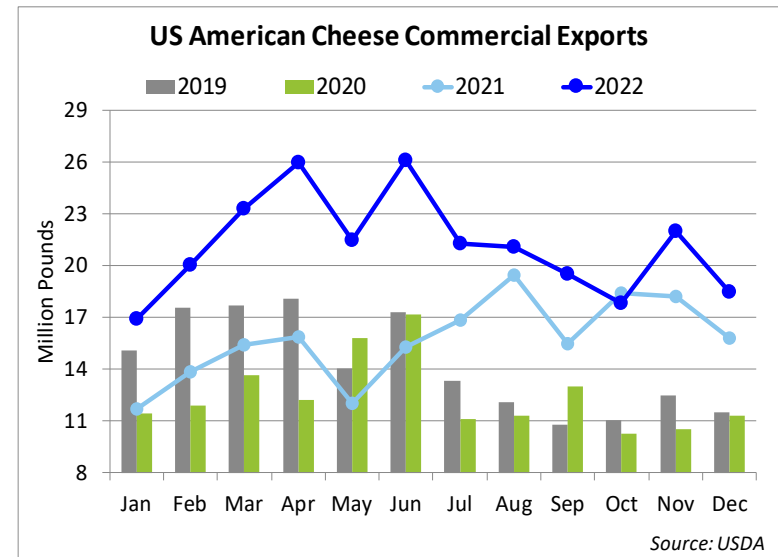
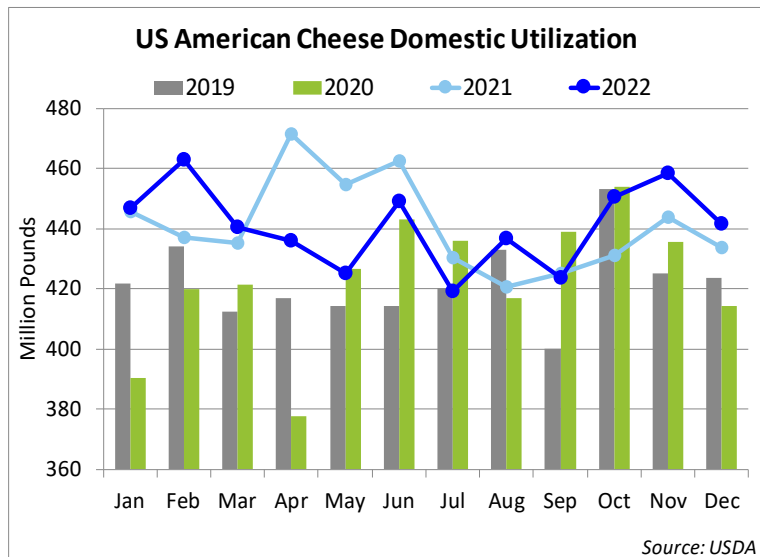
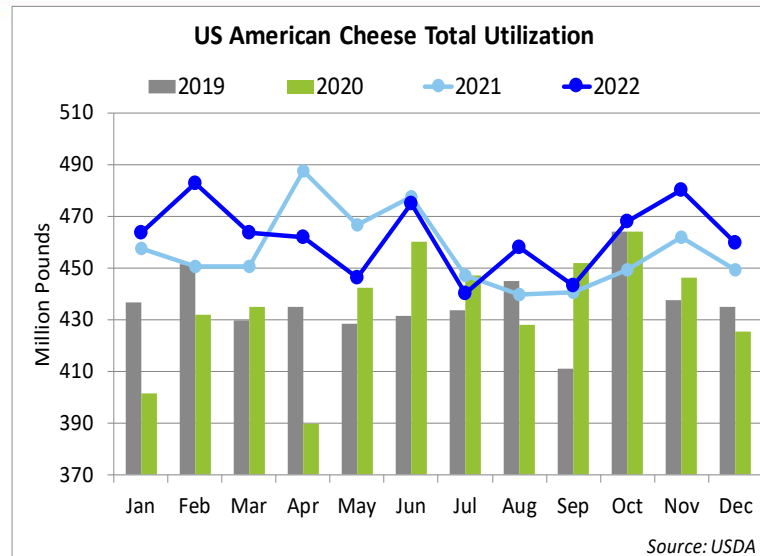


Source: USDA

US Total Cheese Commercial Exports

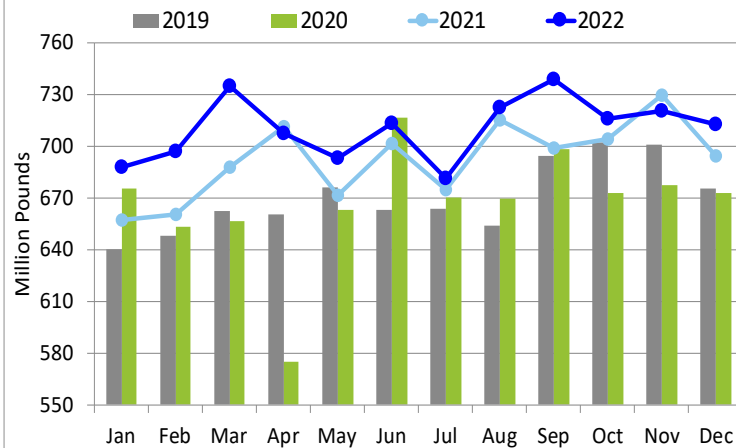


Source: USDA



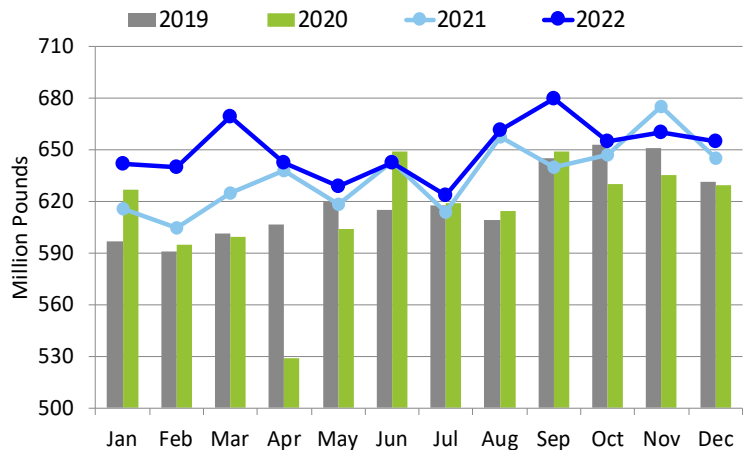
(All graphs in this report are in millions of pounds, adjusted for 30 day months unless stated otherwise.)

US Other Cheese Total Utilization



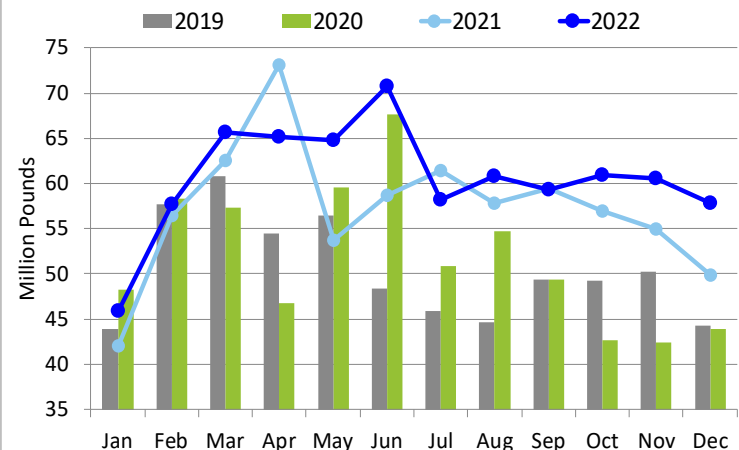
Source: USDA

US Other Cheese Domestic Utilization



Source: USDA

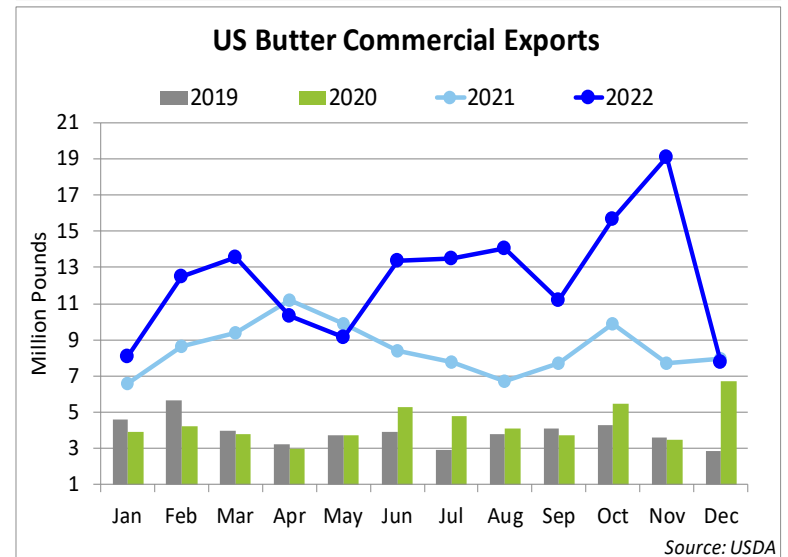
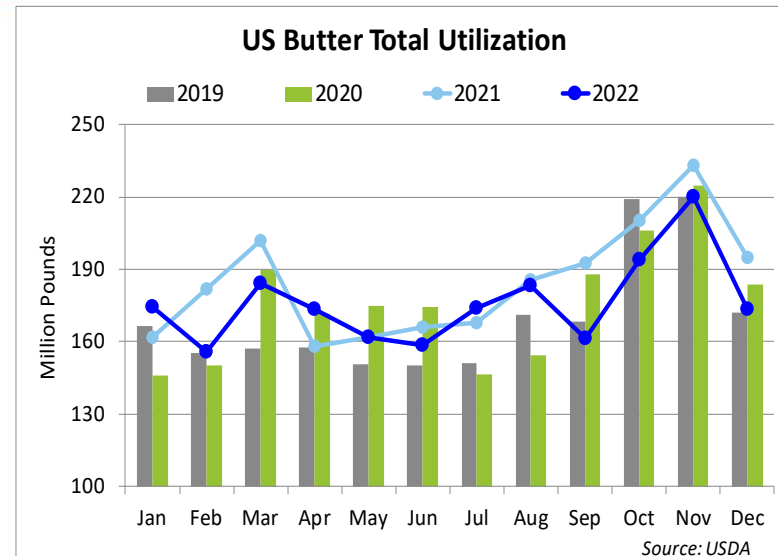
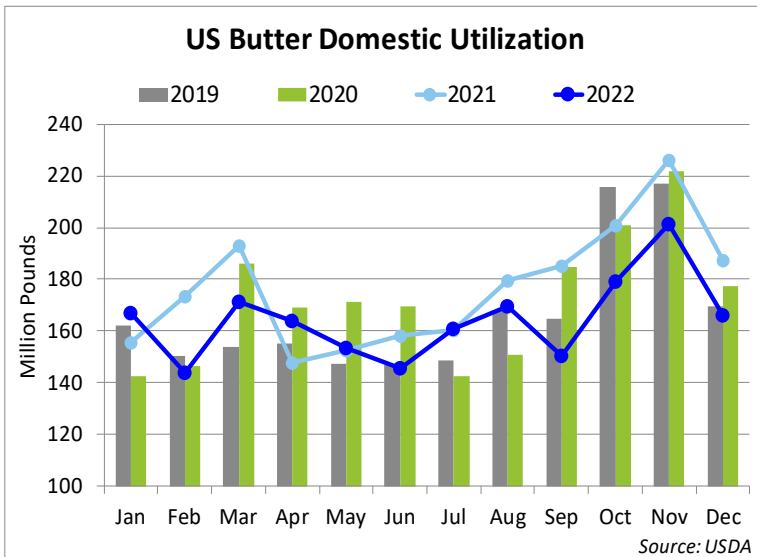
US Other Cheese Commercial Exports



Source: USDA

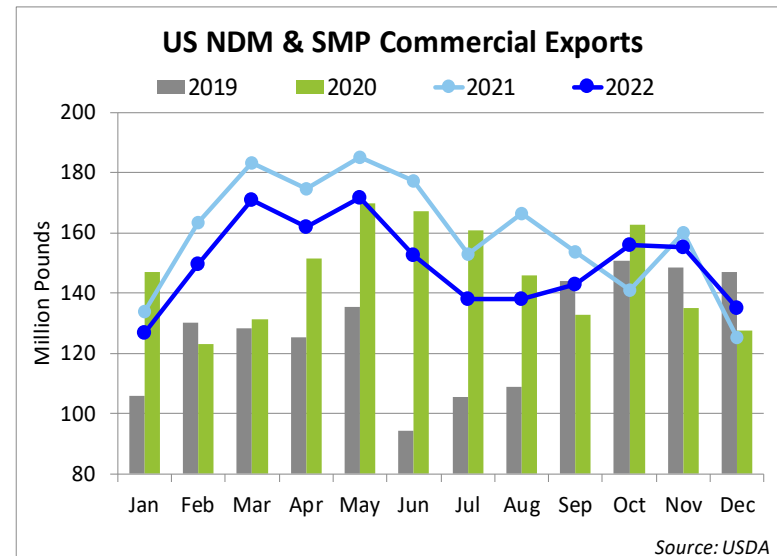
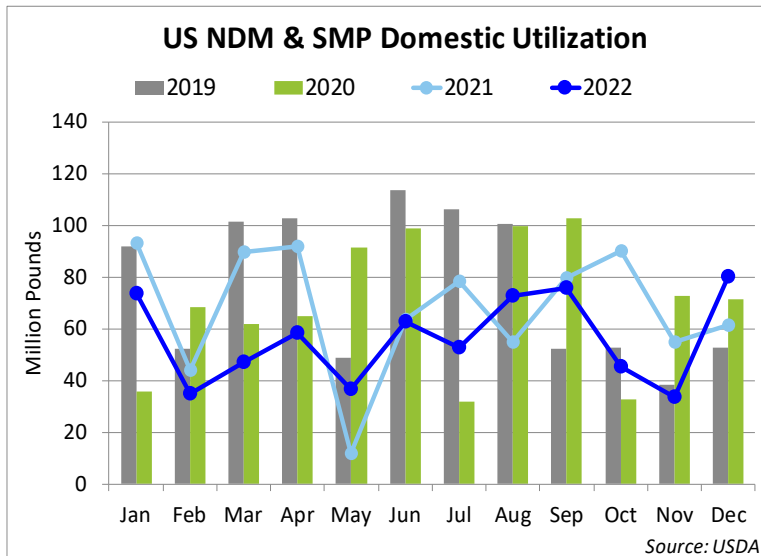
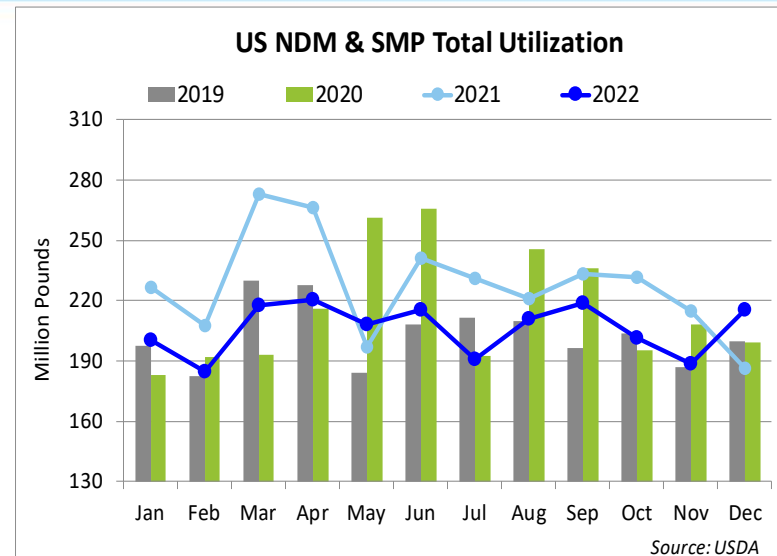
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- December butter utilization declined for the fourth consecutive month to the lowest December volume since 2019.
- Exports sharply declined in December from the previous month to mark the first year-over-year fall since May 2022.
- Domestic butter utilization remained at three-year lows for the fourth consecutive month in December.
- Lower domestic utilization throughout 2022 overcame elevated exports to push 2022 total butter utilization below 2021 levels and just 3.6 million pounds above 2020.



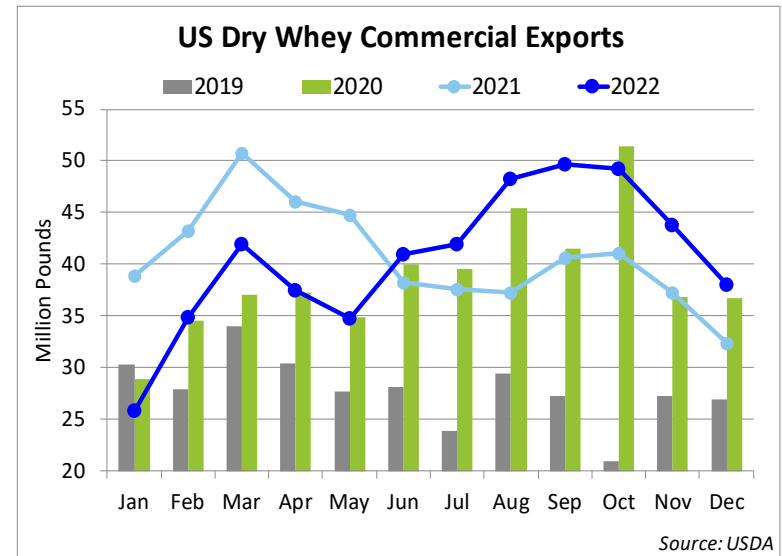
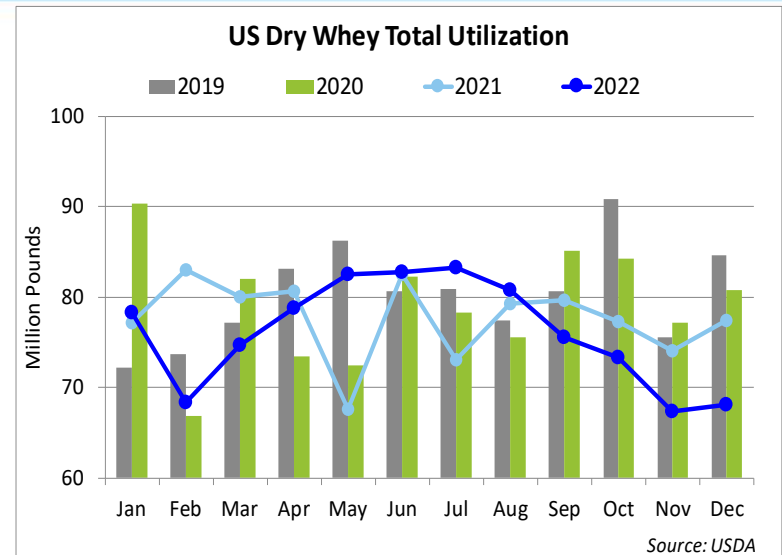
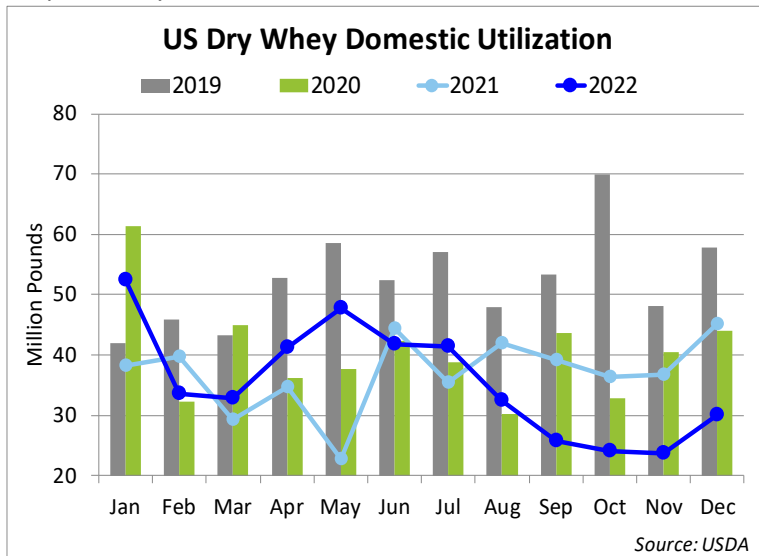
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- Total nonfat dry milk utilization turned positive in December after six consecutive months below 2021 levels. Even so, total NFDM utilization remains DOWN compared to the prior year on a year-to-date basis.
- Domestic utilization moved UP versus the prior year for the first time since August 2022 to record the highest monthly volume since October 2021.
- Exports also returned to growth over the previous year after falling below 2021 levels in November, however, exports also marked the largest month-over-month decline since December 2022.



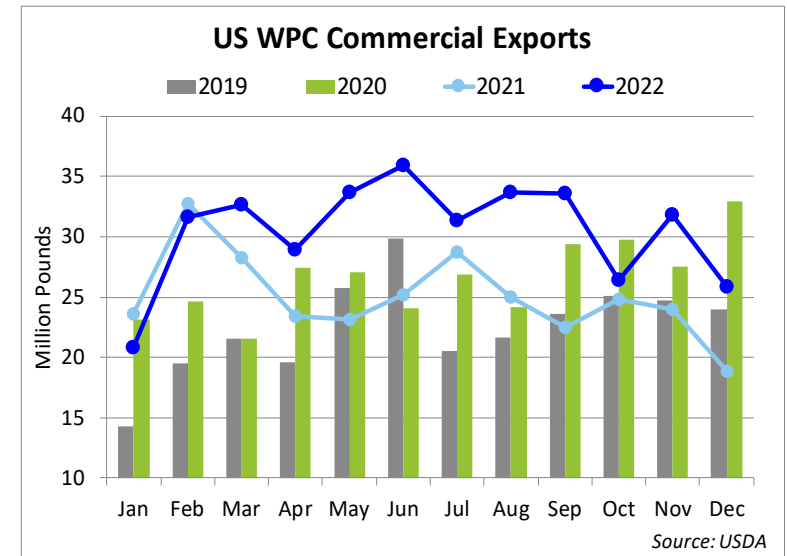
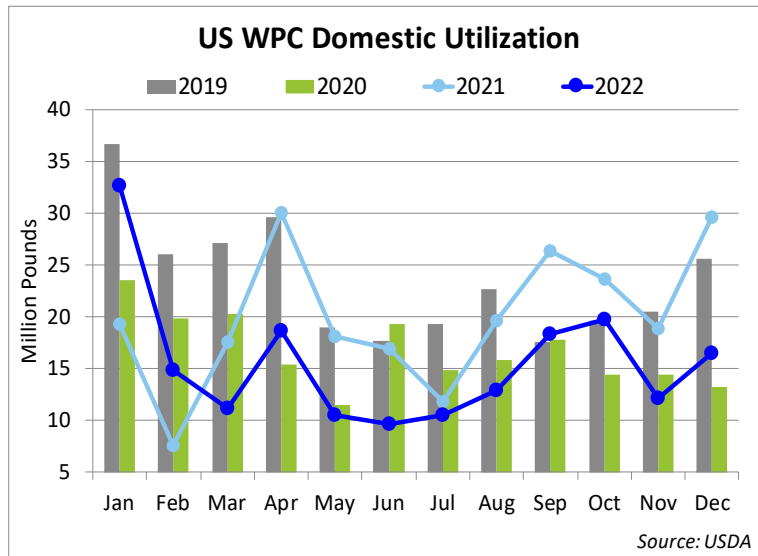
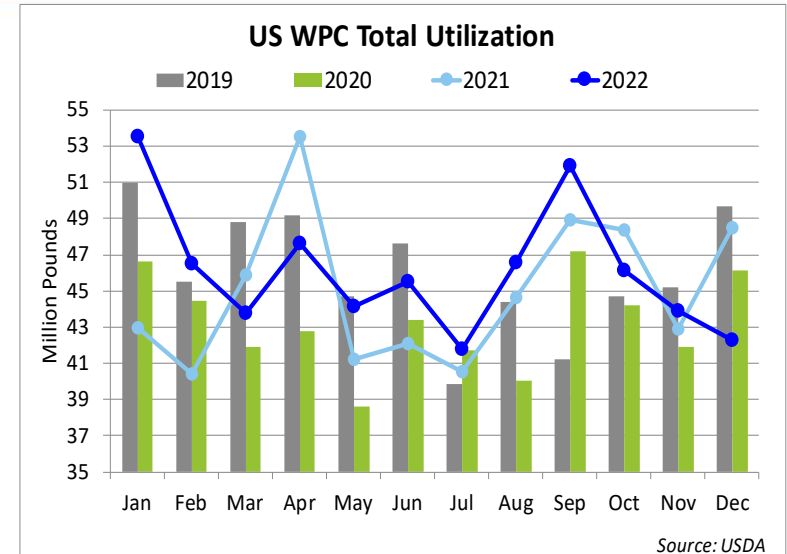
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- Total dry whey utilization saw further weakness marking the largest year-over-year fall since February 2022.
- Domestic utilization increased over the previous month for the first time since May 2022, however, extreme weakness observed in the second half of 2022 overcame strength seen in the first half of the year to push year-to-date domestic demand below 2021.
- In opposition, exports were UP versus the prior year in the second half of 2022 but lower volumes in the first half of the year against record volumes in 2021 resulted in year-to-date 2022 exports falling 1.3 million pounds below the previous year.



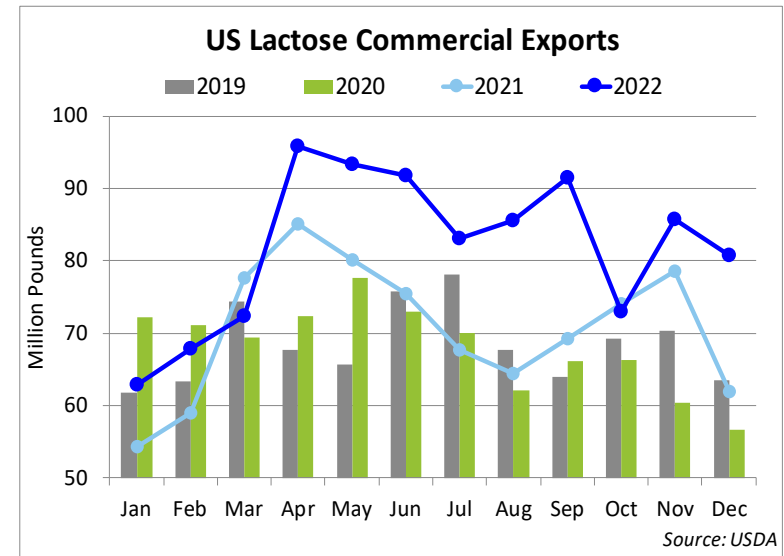
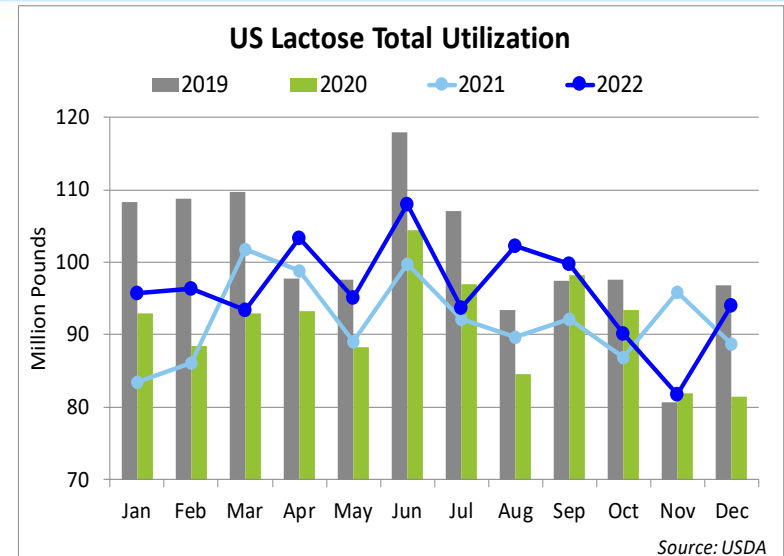
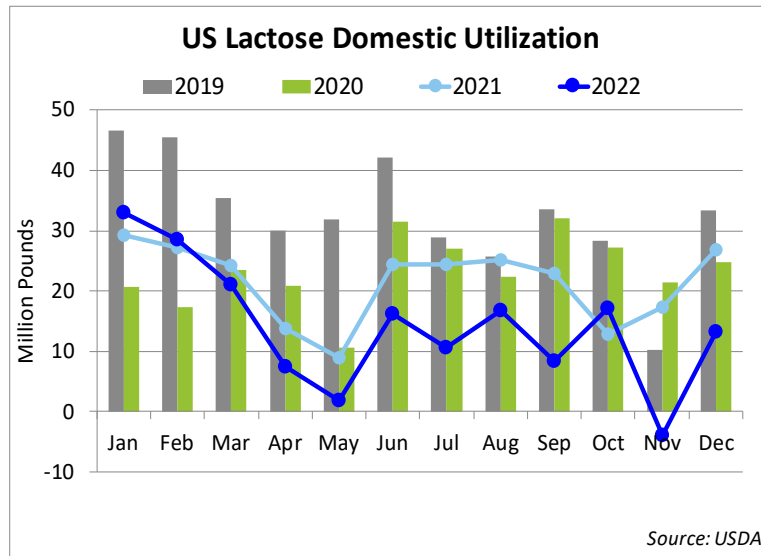
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- December 2022 total WPC utilization marked the largest year-over-year decline since May 2020.
- Monthly total WPC utilization was primarily held down by domestic utilization which also recorded the largest year-over-year decline since February 2021.
- December marked the 10th consecutive month of export growth versus the prior year. Year-to-date export strength was enough to overcome declines in domestic consumption to push year-to-date total WPC utilization above 2021.



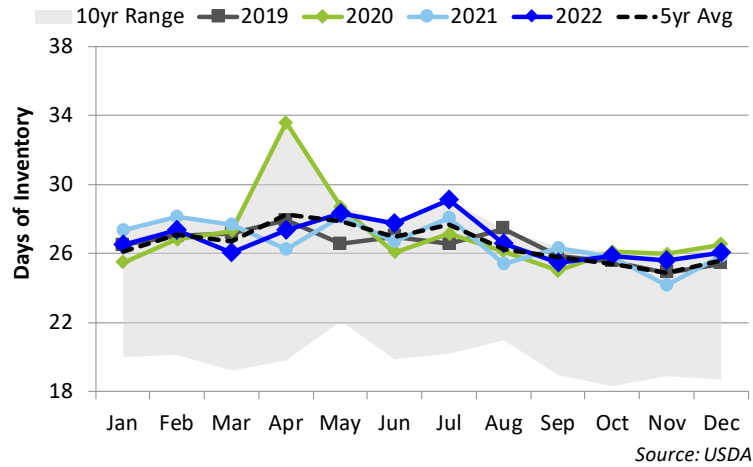
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- Total lactose utilization reversed course from November to move above the prior year in December. Year-to-date total lactose utilization remains positive as well boosted by elevated exports throughout the year.
- Exports reached an all-time high for December with data going back to 2011.
- However, domestic utilization declined to its lowest December reading on record with data back to 2011.

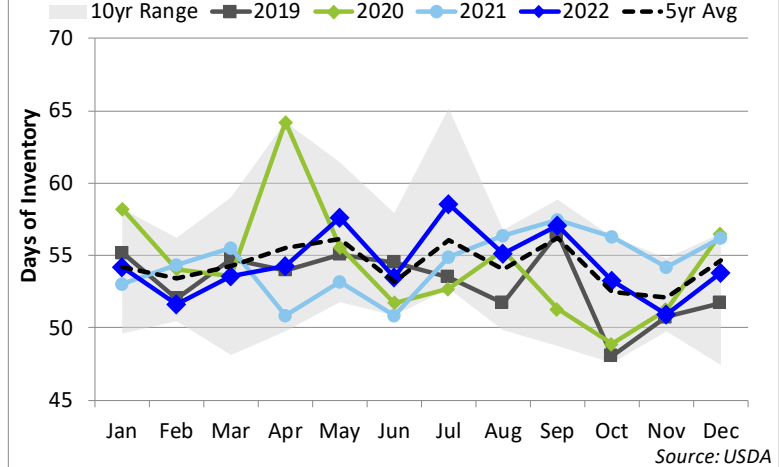


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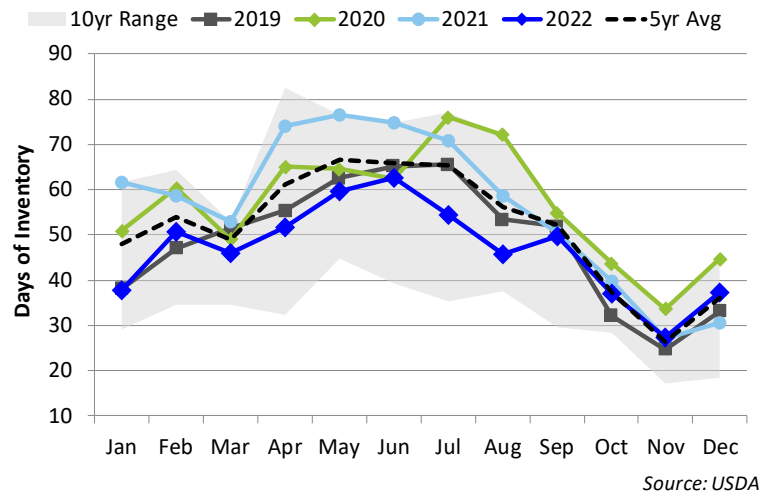
US Other Cheese Days of Use Remaining in Inventory



US American Cheese Days of Use Remaining in Inventory

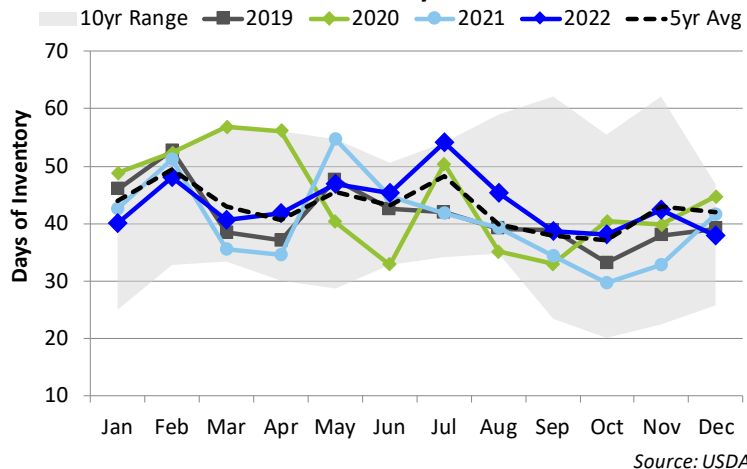


US Butter Days of Use Remaining in Inventory

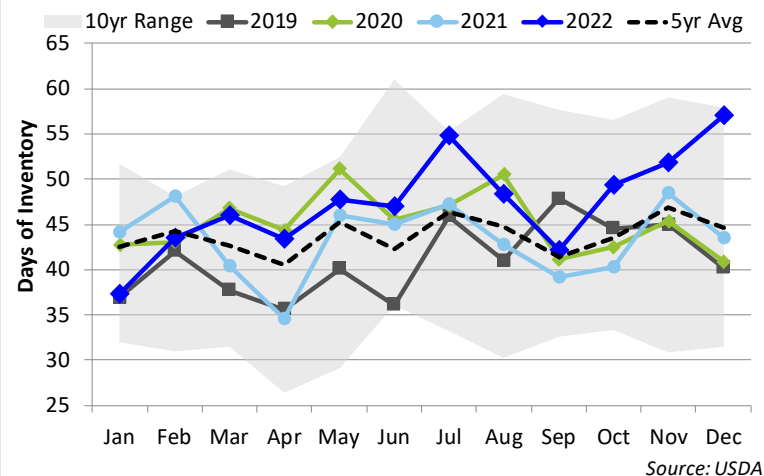


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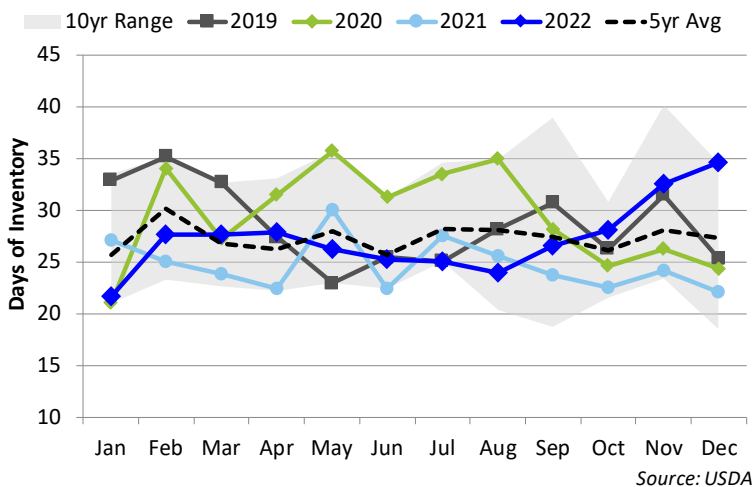
US NDM & SMP Days of Use Remaining in Inventory



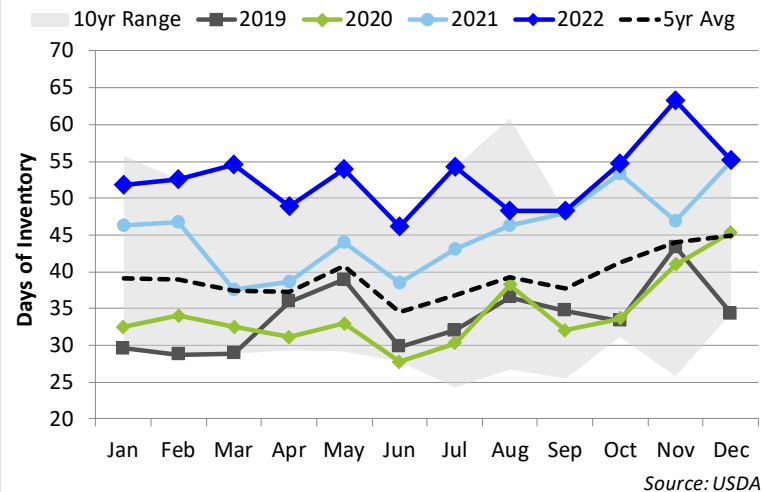
US WPC Days of Use Remaining in Inventory



US Dry Whey Days of Use Remaining in Inventory



US Lactose Days of Use Remaining in Inventory



(All graphs in this report are in millions of pounds.)

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