



US Dairy Supply and Utilization

January 2023

US Dairy Supply and Utilization: Key Takeaways Within Report

- Total cheese utilization eked above prior year levels driven by nearly flat year-over-year domestic demand while exports made up the bulk of growth climbing to an all-time high for the month of January.
- Butter utilization saw further weakness in January falling to the lowest volume since July 2020. The decline was primarily attributed a poor domestic consumption while exports remained unchanged from the prior month and only slightly below year ago levels.
- Total nonfat dry milk utilization dipped below the previous year due to domestic demand falling to the lowest January reading since 2020. In contrast, exports climbed to the highest January level since 2020.

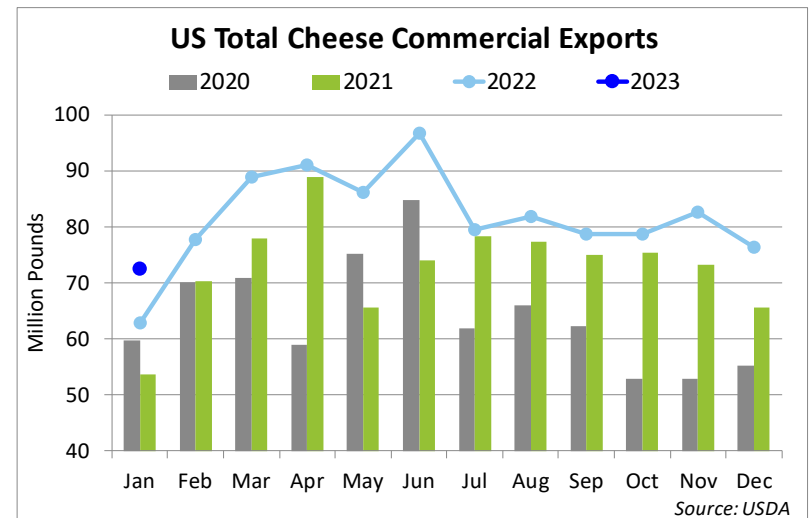
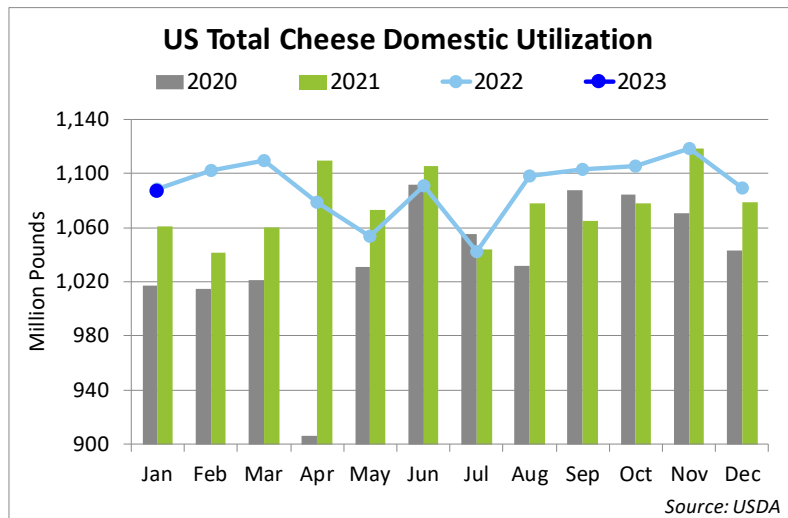
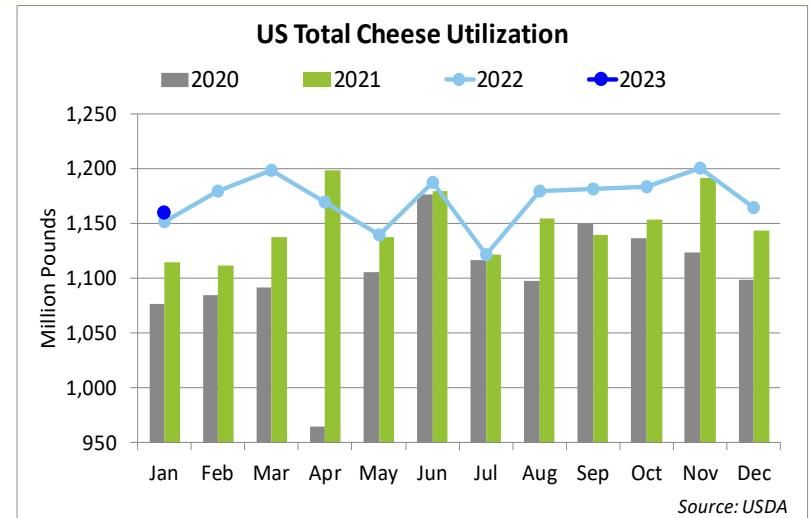
January 2023 U.S. Dairy Product Supply and Utilization

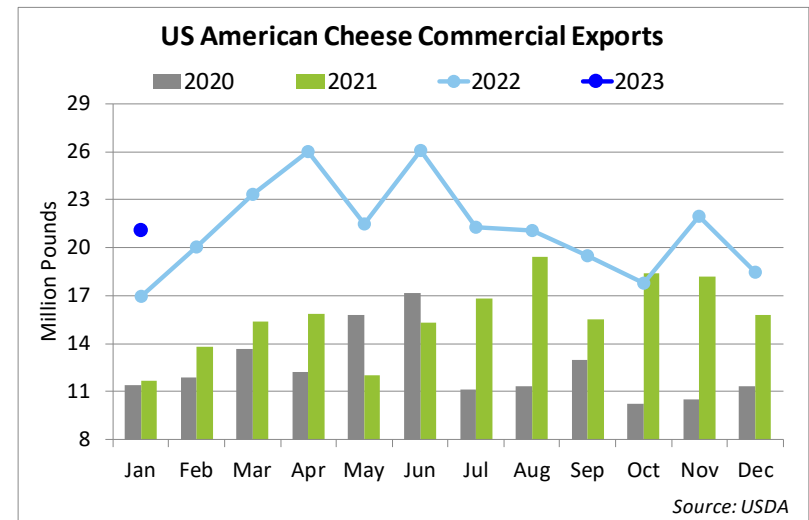
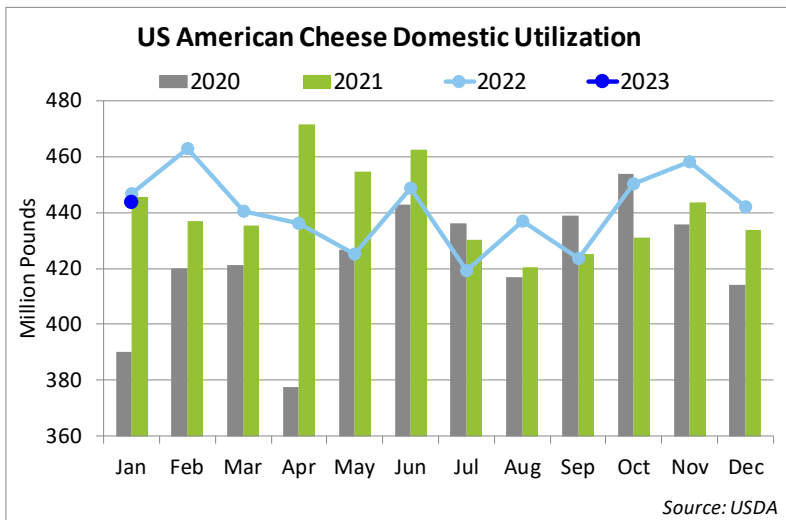
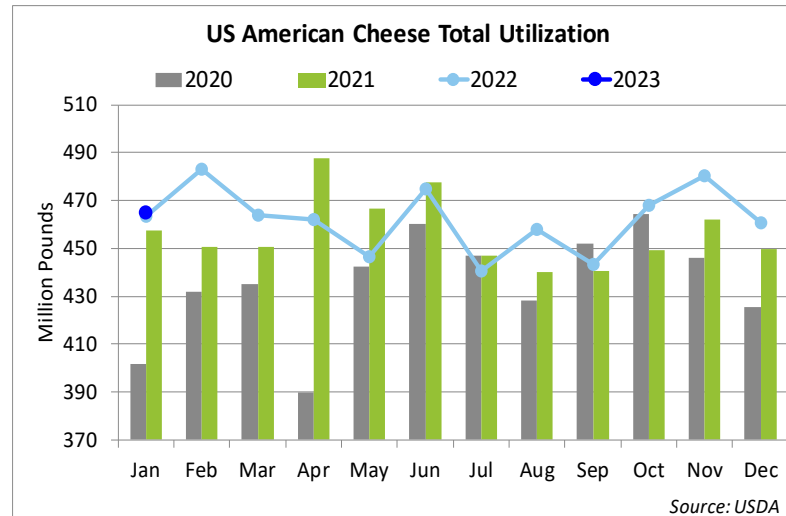
Commodity	Total					Domestic					Export				
	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year	Million Pounds	Metric Tons	vs. last year	vs. last month	YTD vs. prior year
American Cheese	480.3	217,860	+ 0.3%	+ 0.9%	+ 0.3%	458.5	207,972	- 0.7%	+ 0.4%	- 0.7%	21.8	9,888	+ 24.6%	+ 14.1%	+ 24.6%
Other Cheese	718.0	325,679	+ 1.0%	- 1.4%	+ 1.0%	664.8	301,548	+ 0.2%	- 0.5%	+ 0.2%	53.2	24,131	+ 12.2%	- 11.0%	+ 12.2%
Total Cheese	1,198.3	543,540	+ 0.7%	- 0.5%	+ 0.7%	1,123.3	509,520	- 0.2%	- 0.2%	- 0.2%	75.0	34,019	+ 15.6%	- 4.9%	+ 15.6%
Butter	156.4	70,942	- 13.2%	- 13.2%	- 13.2%	148.9	67,540	- 13.6%	- 13.7%	- 13.6%	7.5	3,402	- 3.8%	N/C	- 3.8%
NDM & SMP	199.1	90,310	- 3.8%	- 11.9%	- 3.8%	48.7	22,090	- 35.8%	- 43.6%	- 35.8%	150.4	68,220	+ 14.8%	+ 7.7%	+ 14.8%
Dry Whey	81.0	36,741	+ 0.1%	+ 4.8%	+ 0.1%	52.0	23,587	- 4.1%	+ 36.8%	- 4.1%	29.0	13,154	+ 8.6%	- 26.2%	+ 8.6%
WPC	49.9	22,634	- 9.8%	+ 21.4%	- 9.8%	25.3	11,476	- 25.1%	+ 75.7%	- 25.1%	24.6	11,158	+ 14.4%	- 7.9%	+ 14.4%
Lactose	112.7	51,120	+ 13.8%	+ 17.6%	+ 13.8%	28.4	12,882	- 16.7%	+ 130.9%	- 16.7%	84.3	38,238	+ 29.9%	+ 1.0%	+ 29.9%

Source: USDA

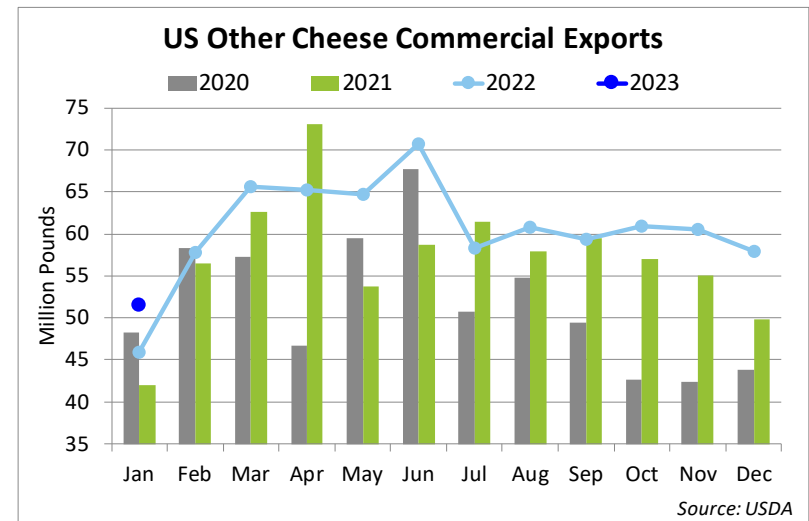
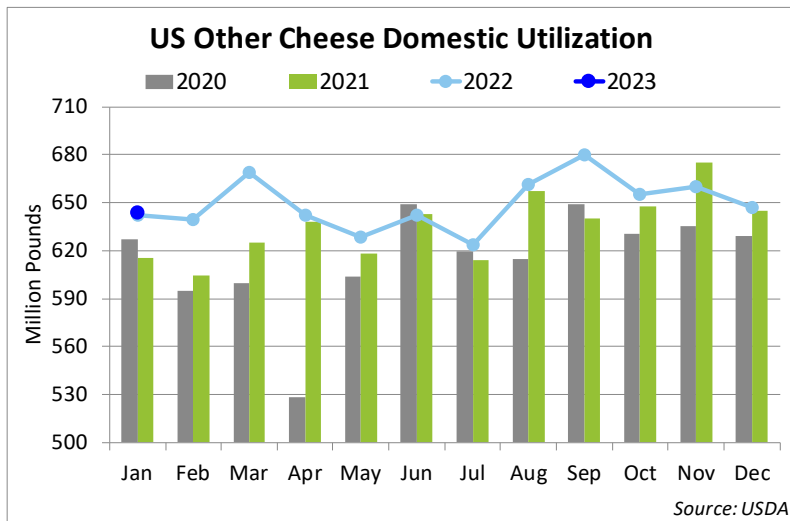
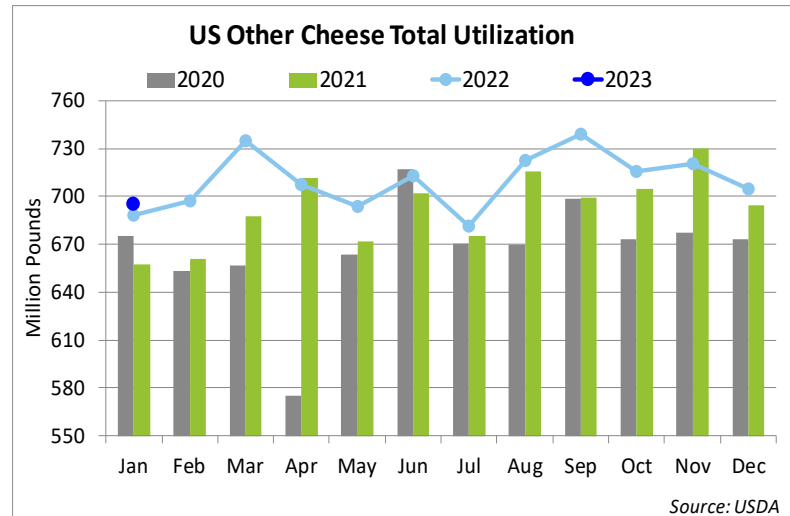
(all percentages adjusted to 30-day months)

- Total cheese utilization eked above prior year levels driven by nearly flat year-over-year domestic demand while exports made up the bulk of growth climbing to an all-time high for the month of January.
- US American cheese utilization was just 1.2 million pounds above the prior year despite commercial exports posting strong gains. Although, domestic utilization was only down three million pounds from 2022, it makes up 95% of total American cheese disappearance stymieing total growth.
- US Other-cheese utilization was UP versus the previous year lifted by a slight increase in domestic demand while exports posted the largest January volume on record with data back to 2011.



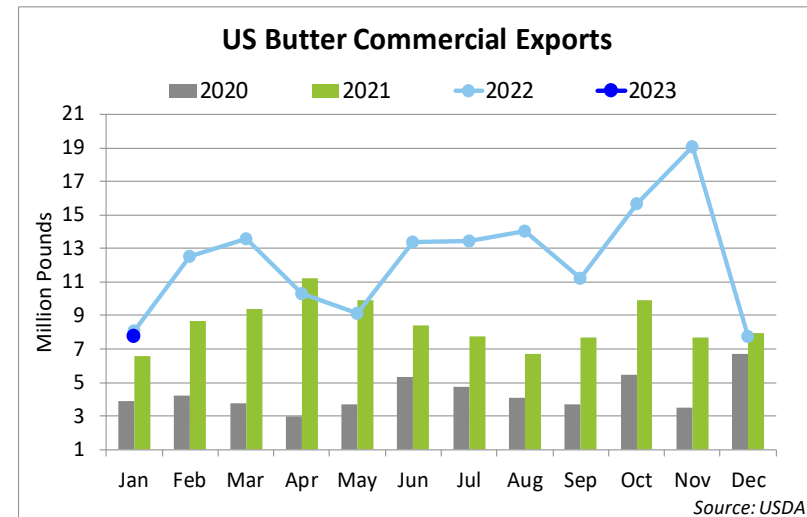
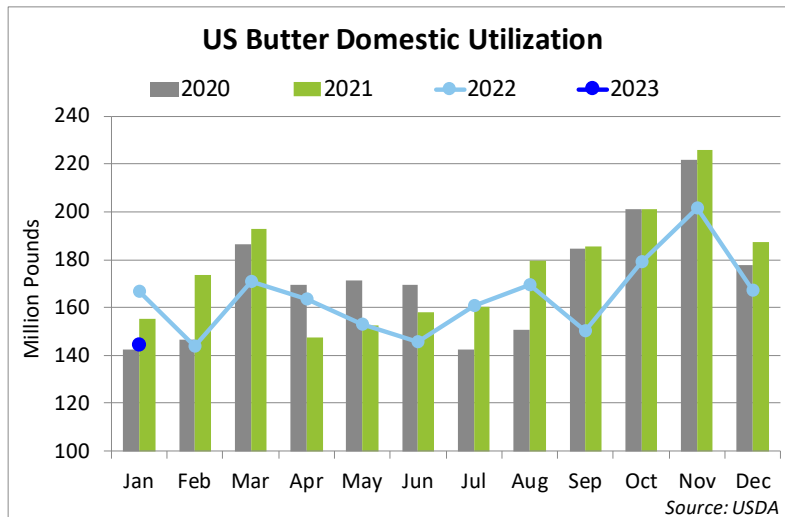
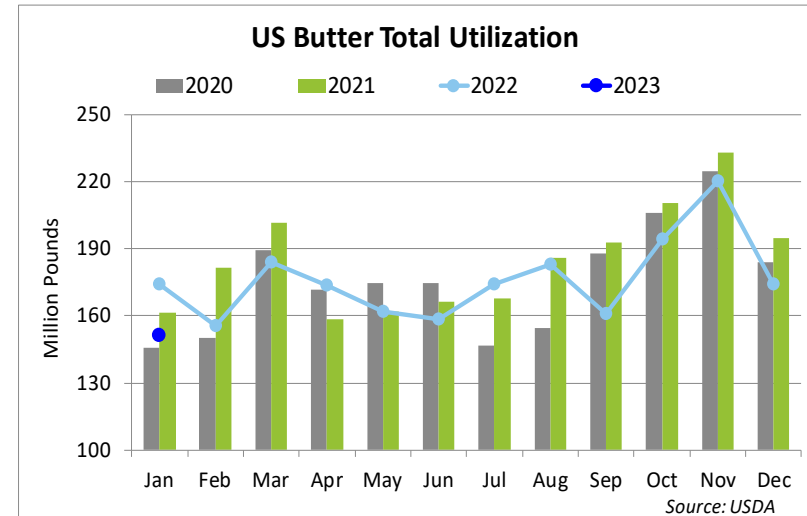


(All graphs in this report are in millions of pounds, adjusted for 30 day months unless stated otherwise.)



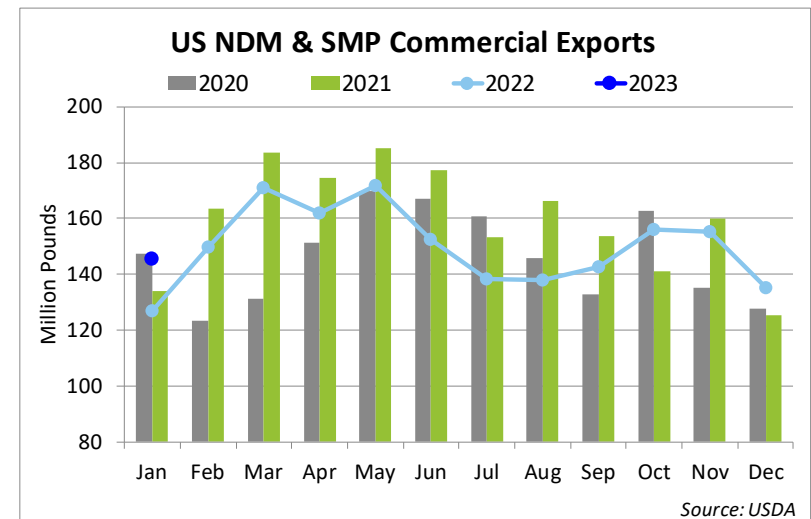
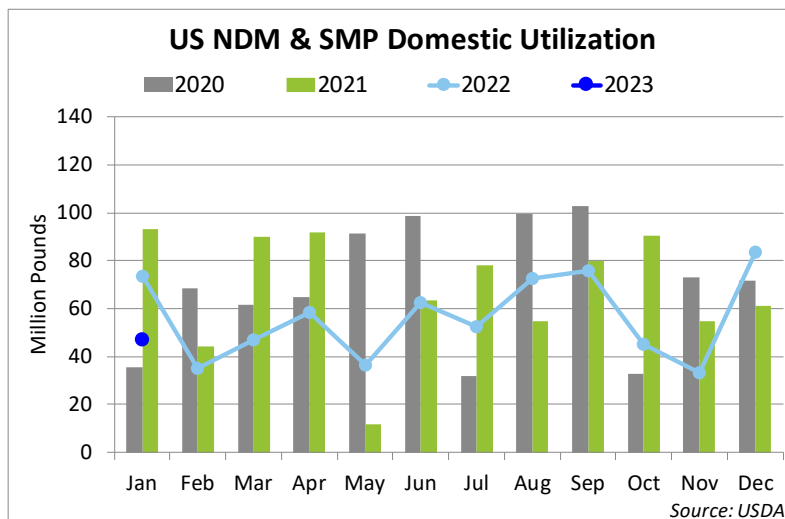
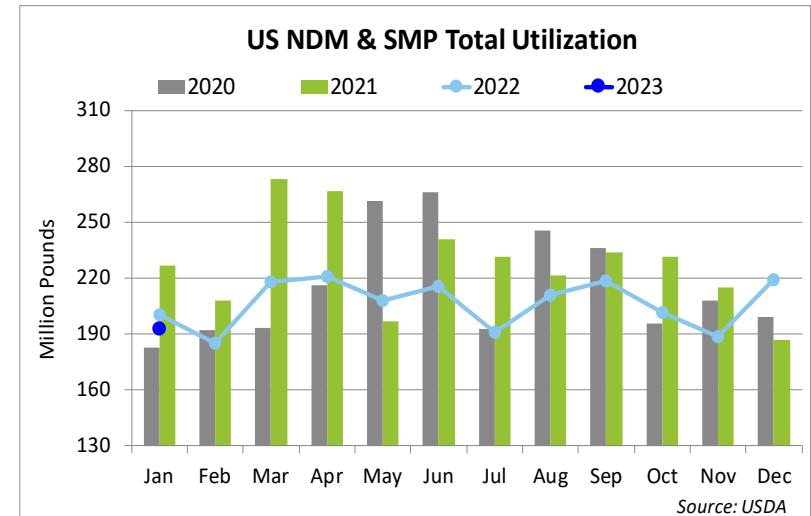
(All graphs in this report are in millions of pounds, adjusted for 30 day months unless stated otherwise. Source: USDA)

- Butter utilization saw further weakness in January, falling to the lowest volume since July 2020.
- The seasonal decline in domestic consumption was the primary driver for lower total butter utilization.
- Interestingly, butter exports in January were unchanged from December and just slightly below the previous year. The sharp fall in exports was likely a result of butter prices climbing to record highs in late 2022.



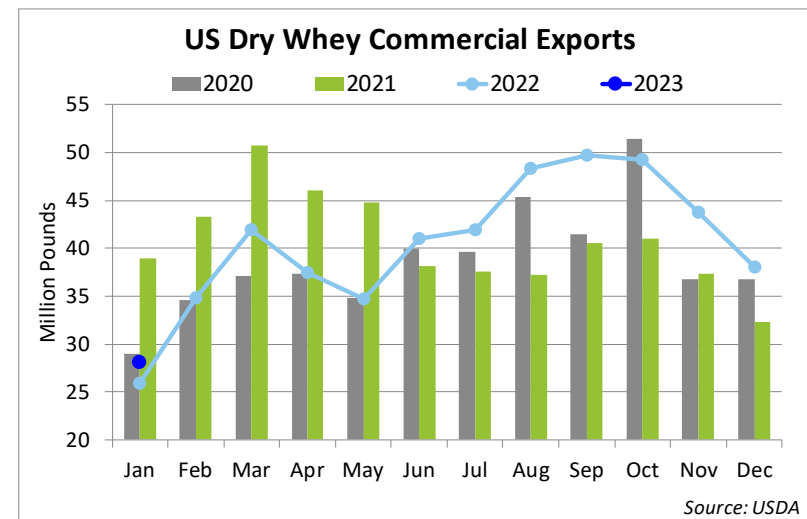
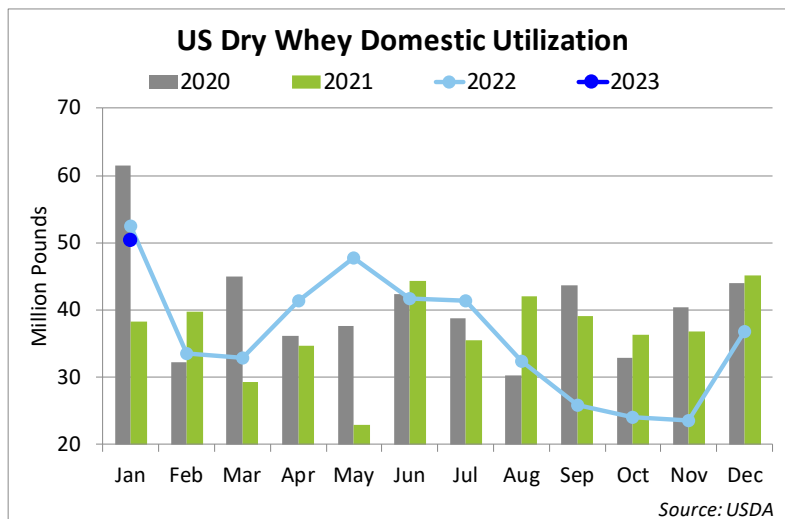
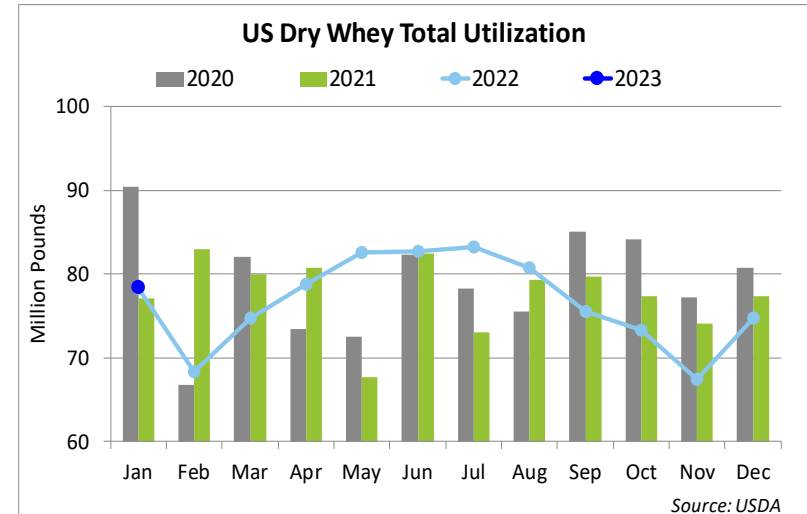
(All graphs in this report are in millions of pounds, adjusted for 30 day months unless stated otherwise.)

- Total nonfat dry milk utilization reversed course from December to mark the steepest month-over-month decline since December 2021.
- Domestic utilization fell to the lowest January reading since 2020.
- However, commercial exports increased to the highest January volume since 2020, falling just short of that total by 1.7 million pounds.



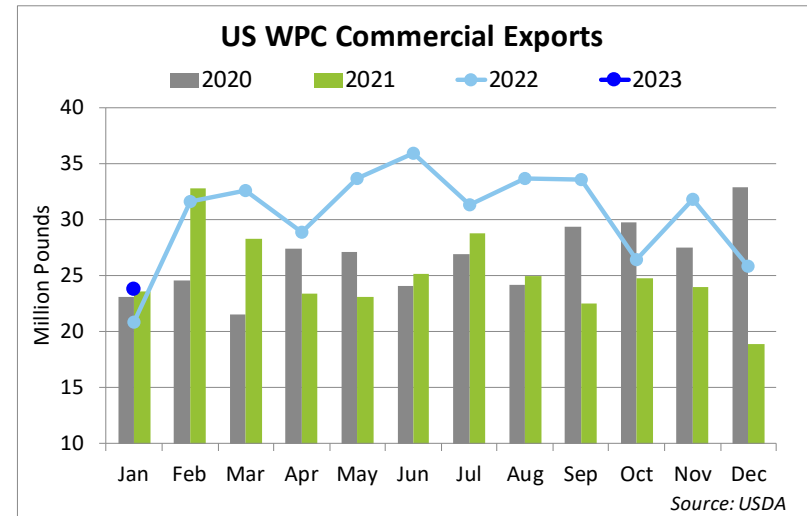
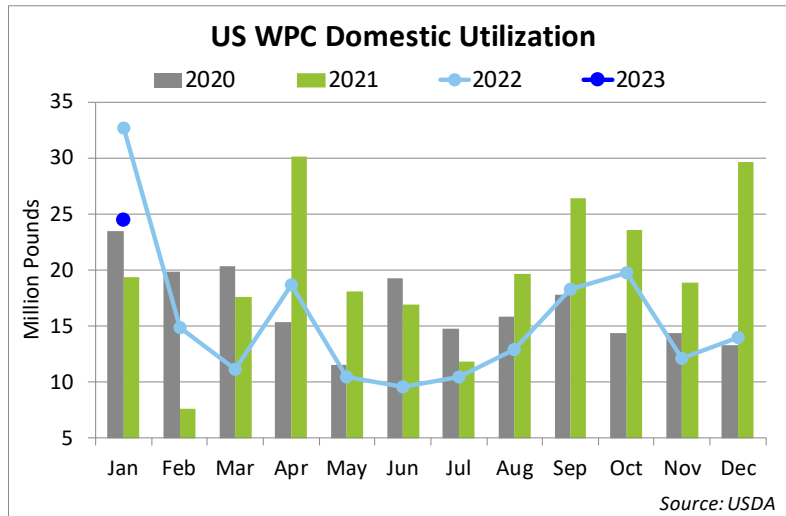
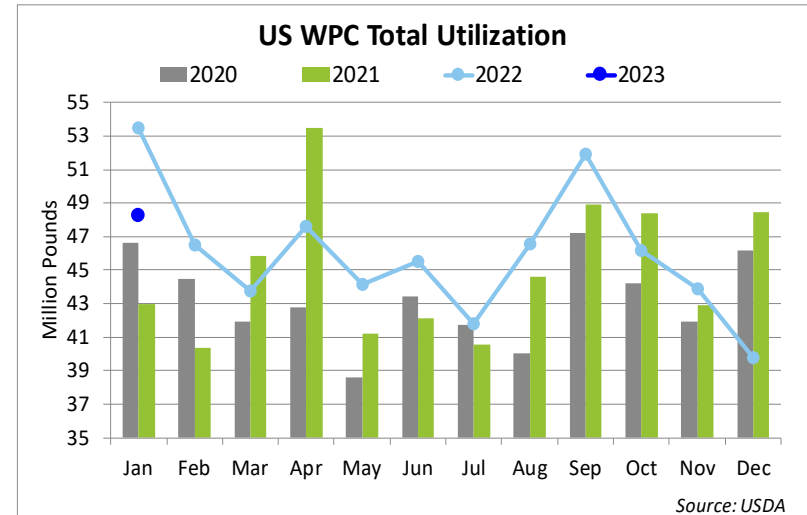
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- After rebounding from the prior month in December, total dry whey utilization posted a near null increase, UP 0.1 million pounds compared to the same time last year.
- Domestic demand climbed from the previous month but was unable to overcome the significant strength that was observed in January 2022.
- Dry whey exports saw the sharpest month-over-month decline since November 2020. However, exports were UP compared to the previous year.



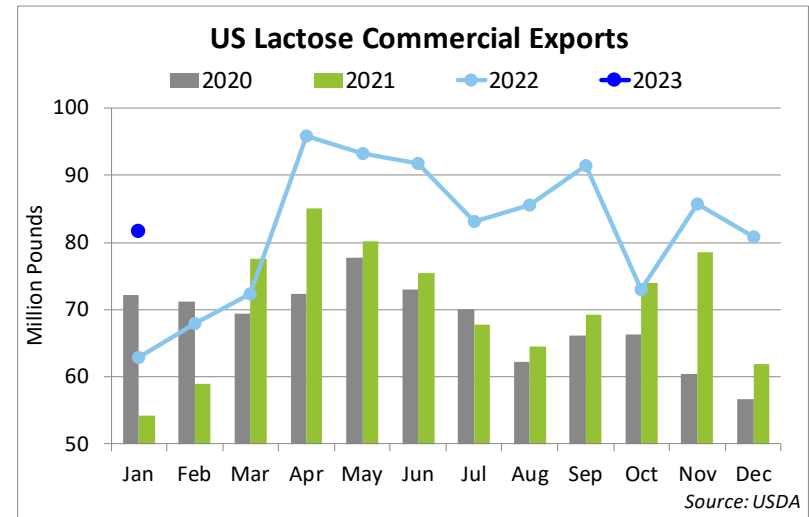
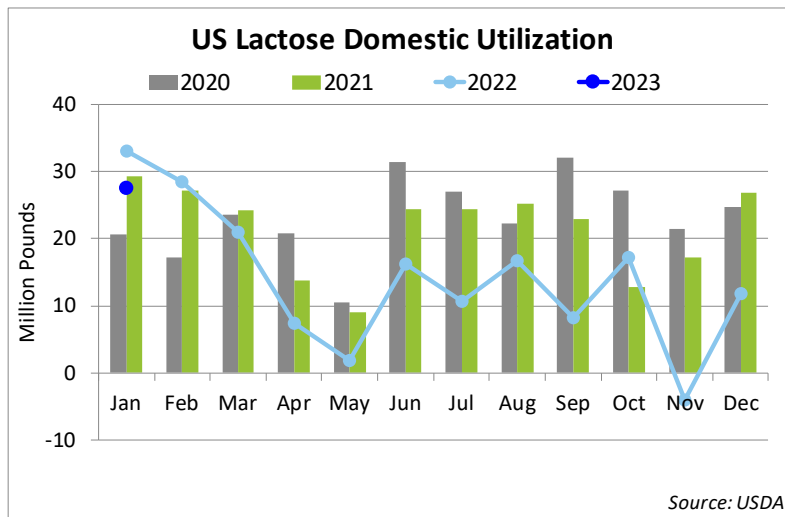
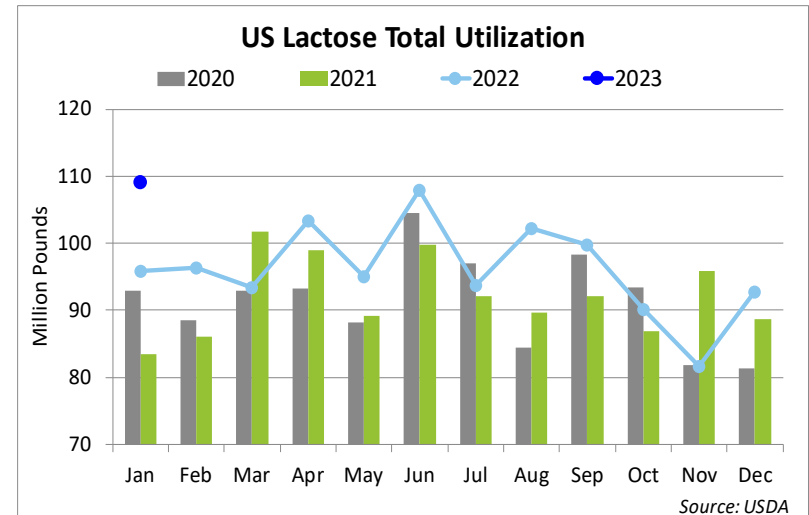
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- January total whey protein concentrate (WPC) utilization fell below strong 2022 comparables but moved up versus the prior month.
- Domestic WPC demand followed a similar trend, reaching the largest month-over-month gain since March 2021 while falling below January 2022 volumes.
- In contrast, exports declined versus the prior month but grew over the previous year to reach the highest January volume since 2018.



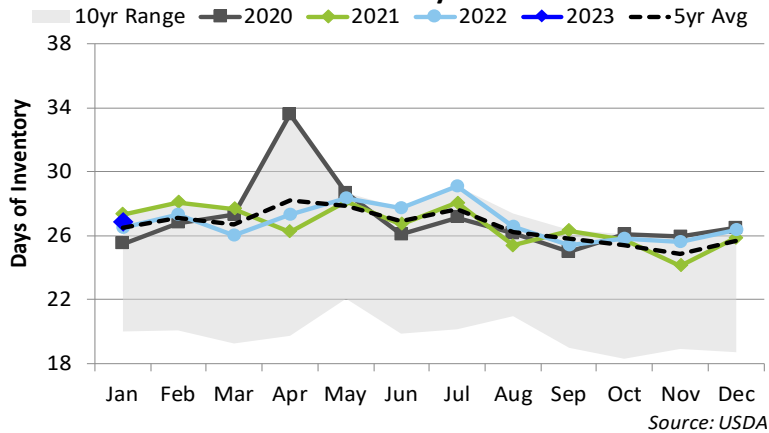
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- Total lactose utilization reached the highest monthly volume since June 2019 and the largest January volume on record with data back to 2011.
- While domestic demand marked its steepest increase since June 2022, it remains well below prior year levels.
- Total utilization growth was primarily due to strong exports, the largest January volume on record with data back to 2011 as well. Although, exports were only up slightly from the prior month they are uncommonly high for this time of year.

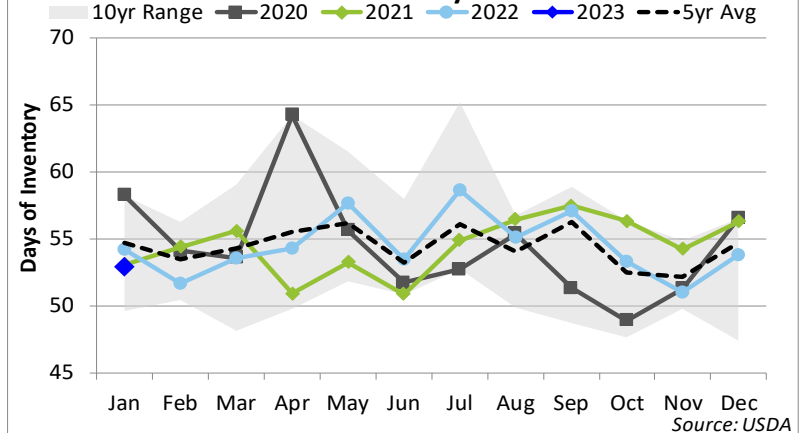


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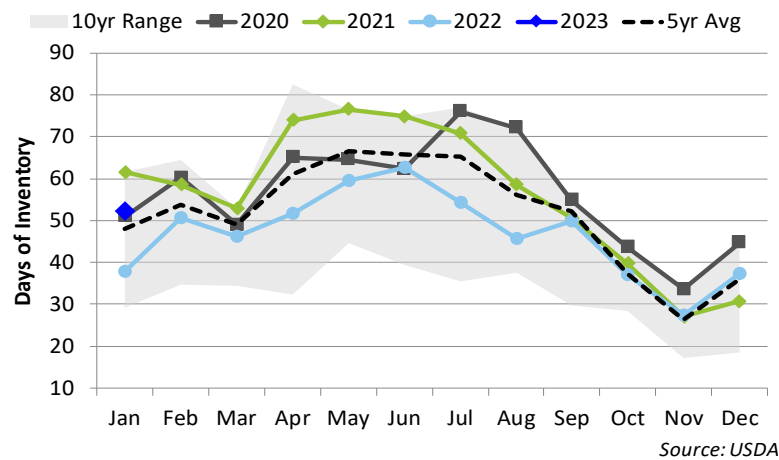
US Other Cheese Days of Use Remaining in Inventory



US American Cheese Days of Use Remaining in Inventory

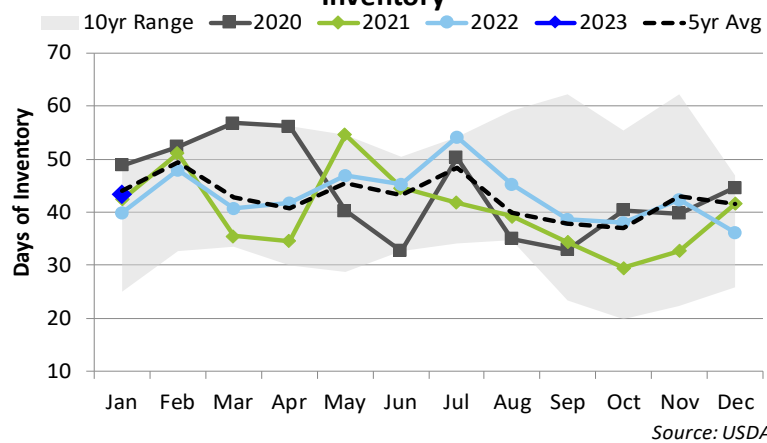


US Butter Days of Use Remaining in Inventory

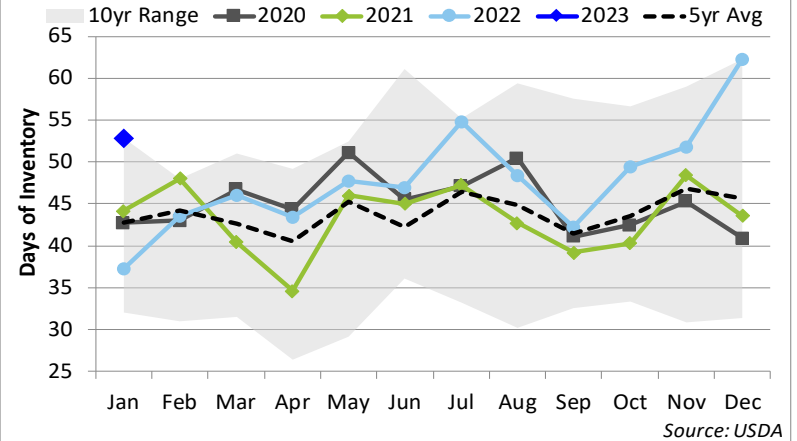


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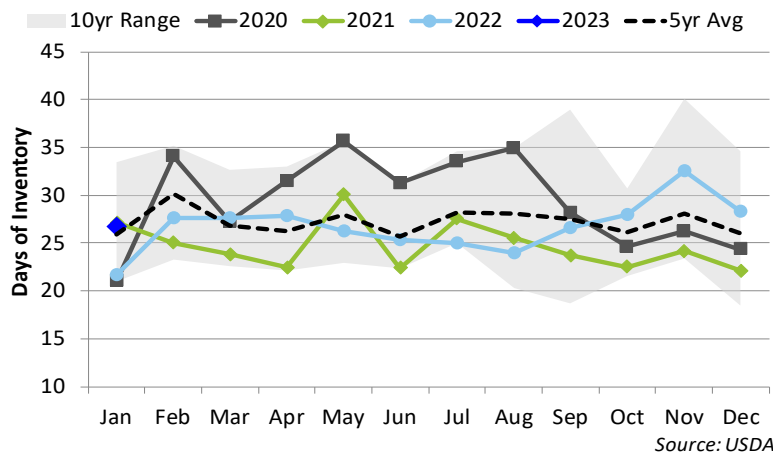
US NDM & SMP Days of Use Remaining in Inventory



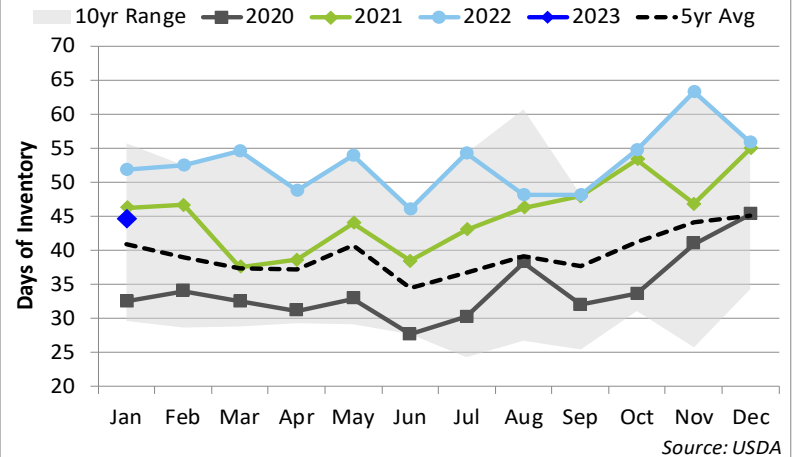
US WPC Days of Use Remaining in Inventory



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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