

Weekly Dairy Report June 10

WASDE Report

Milk production for 2022 is forecast lower than last month on slower growth in milk-per-cow than previously expected. Milk per cow is also reduced slightly for 2023, resulting in lower forecast milk production. For 2022, commercial exports on a fat basis are unchanged from last month, but skim-solids exports are raised on stronger exports of whey and lactose. For 2023, exports are raised on a fat basis due to stronger expected cheese exports but reduced on a skim-solids basis due to weaker expected sales of skim milk powder. Imports for 2022 are raised on stronger expected demand for cheese, butterfat products, and a number of other dairy products; strength in butterfat product imports is expected to carry into next year and the 2023 forecast is increased. Skim-solids imports are raised for 2022 but are unchanged for 2023. Price forecasts for cheese, butter, and nonfat dry milk (NDM) are raised from the previous month on recent price strength and stronger anticipated demand. The whey price forecast is lowered on observed prices. With mostly stronger product prices, both Class III and Class IV prices are raised. The all milk price forecast is raised to \$26.20 per cwt for 2022. Continued strengthening in demand, coupled with modest growth in production, is expected to support cheese, butter, and NDM prices in 2023. Thus, prices for those products are raised but whey prices are expected to remain under pressure and the forecast for 2023 is lowered. Nonetheless, the higher price for cheese more than offsets a weaker forecast whey price and the Class III price is forecast higher. Higher forecast butter and NDM prices result in a higher Class IV price. The 2023 all milk price is forecast higher at \$23.80 per cwt.