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USDA releases Japan's Dairy industry analytics for FY 2023

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The surge in milk prices started in late 2022 and has not eased. As a result, retail milk consumption from January through September in 2023 dipped by 12 percent compared to 2020.

For butter, the impact was delayed due to a buildup in stocks during the COVID-19 pandemic as school closures and other factors depressed liquid milk consumption, forcing dairy producers to divert large quantities of raw milk to butter production (see JA2020-0174).

However, by April retail butter prices also started to rise, pushing consumption down 13 percent from January to September compared to 2020. Meanwhile, prices for both domestic and imported cheese remain high. The average CIF price for imported natural cheese was 792 yen ($5.28) per kilogram, up 68 percent from 2020, leading to a 15 percent drop in retail consumption.