

## WEEKLY DAIRY OUTLOOK

November 3<sup>rd</sup>, 2025

This short weekly newsletter provides you with a summary of current dairy prices, translates product prices into component prices, and summarizes major dairy related news.

Table 1. Spot dairy products prices on Friday October 24<sup>th</sup> and Friday October 31<sup>st</sup>, and their implied component prices.

	October 24 2025	October 31 2025	Change	Month to date
CME cheddar blocks (\$/lb)	1.7775	1.7675	-.0100	1.7620
CME butter (\$/lb)	1.6025	1.6100	+0.0075	1.6325
CME Dry whey (\$/lb)	0.6900	0.7100	+0.0200	0.6640
CME Nonfat dry milk (\$/lb)	1.1600	1.1325	-0.0275	1.1380
-----	-----	<b>Implied Prices</b>	-----	-----
Butterfat (\$/lb)	1.67	1.67	+0.00	1.70
Protein (\$/lb)	3.17	3.13	-0.04	3.08
Other solids (\$/lb)	0.44	0.46	+0.02	0.41
Nonfat solids (\$/lb)	0.91	0.88	-0.03	0.89
Class III (\$/cwt)	17.80	17.83	+0.03	17.51
Class IV (\$/cwt)	13.75	13.54	-0.21	13.68

### Comments

Last week, cash butter price plateaued while the 6-month strip of butter futures lost another 2.2%. Except for dry whey, all 6-month strips of dairy product and class futures lost ground compared to the prior Friday's closings. Consequently, the implied 6-month strip of fat and protein futures were down. At closing time on Friday, the 6-month strip of Class III futures was \$2.71 greater than the 6-month strip of Class IV futures. Brace yourself for much of the milk going to cheese production being de-pooled in many FMMOs. It will look like Wisconsin doesn't know how to make cheese anymore.

Table 2. Six-month strip of dairy futures at closing time last Friday, and changes in their 6-month averages from the prior Friday closings<sup>1</sup>.

	Cheese (\$/lb)	Butter (\$/cwt)	Dry Whey (\$/cwt)	NFDM (\$/cwt)	Class III (\$/cwt)	Class IV (\$/cwt)
October	1.741	173.025	59.425	115.625	16.92	14.25
November	1.764	168.000	65.000	113.650	17.40	13.90
December	1.664	169.925	67.500	112.750	17.23	14.06
January	1.606	172.400	67.800	111.500	16.60	14.19
February	1.616	174.800	67.400	110.375	16.57	14.11
March	1.638	187.975	65.550	110.800	16.72	14.70
Average	1.672	174.354	65.446	112.450	16.91	14.20
Weekly Change	-0.019	921	+0.475	-1.425	-0.23	-0.27

<sup>1</sup> Futures prices on the Chicago Mercantile Exchange

Based on the next 6-month of futures, the implied 6-month prices of milk components used in Class III and nonfat solids used in Class I, II, and IV pricings, and advanced Class I Base Skim Mover are reported in Table 3. Note that the November Class I Skim Mover price was released by the USDA on October 22<sup>nd</sup> (the \$10.62/cwt in Table 3). We also know that the Advanced Butterfat price for Class I in November will be \$1.8583/lb. Put differently, we know exactly what the Class I price will be in November. We just don't know how much milk will be used in Class I and the proportion of Class I utilization across the 4 classes in each of the FMMOs.

Table 3. Translation of futures dairy product prices into implied futures component prices and Class I Base Skim Mover.

	Butterfat (\$/lb)	Protein (\$/lb)	Other Solids (\$/lb)	Nonfat Solids (\$/lb)	Class I Skim Mover (\$/cwt)	Class I Skim Formula Change (\$/cwt) <sup>1</sup>
October	1.82	2.89	0.34	0.91	-	+0.65
November	1.76	3.03	0.39	0.89	10.62	+1.12
December	1.78	2.68	0.42	0.88	11.37	+0.85
January	1.81	2.46	0.42	0.87	10.66	+0.56
February	1.84	2.46	0.42	0.86	10.64	+0.60
March	2.00	2.36	0.40	0.86	10.20	+0.36
Average	1.84	2.65	0.40	0.88	10.70	+0.69
Weekly Change	-0.05	-0.01	+0.00	-0.01	-0.23	+0.06

<sup>1</sup> Beginning in June 2025, pricing of Class I skim milk changed from averaging the values of Class III and Class IV advanced skim prices plus \$0.74/cwt to the higher of Class III and Class IV advanced skim prices. This column reports the resulting change in the calculated price of the Class I skim.

- Table 4 reports price quotations for butter, skim milk powder/nonfat dry milk (SMP/NFDM), whole milk powder (WMP), and cheddar from the top three exporting blocks of countries (the European Union taken as a whole) in late-October, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of October 26, 2025.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	3.09	3.06	1.57	-4.2	-1.6	-4.3
SMP/NFDM	1.16	1.18	1.13	-2.5	-0.5	-1.6
WMP	1.95	1.64	1.83	-2.6	-2.4	-2.7
Cheddar	2.32	2.17	1.76	-1.8	-0.3	+1.4

Source: DG Agri

- Milk collections during the month of September 2025 for the 26 countries making the European Union totaled 11,989,000 metric tons (26.43 billion pounds), reportedly up an astounding 561,000 tons (1.2 billion pounds) or +4.91% from September 2024. Five countries accounted for 64.7% of the total milk collected (Germany, France, The Netherlands, Poland, and Italy). Altogether, collections in these 5 countries were up 4.2% (309 million metric tons) from last year.

Milk deliveries were up in 18 of the 26 countries.

On a percentage basis, the 3 countries with the largest increase were: Ireland (23.4%), Cyprus (11.8%), and Austria (8.5%); the 3 countries with the largest decrease were: Greece (-9.0%), Romania (-6.3%), and a bunch of countries with no change in production.

On a volume basis, the 3 countries with the largest increase were: Ireland (+184,800 MT), Germany (+124,200 MT), and France (+107,000 MT); the 3 countries with the largest decline were: Romania (-6,000 MT), Greece (-4,500 MT), and many countries reporting no change.

