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WEEKLY DAIRY OUTLOOK

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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 November 21st and Wednesday November 26th, and their implied component prices.

	November 21 2025	November 26 2025	Change	Month to date
CME cheddar blocks ($/lb)	1.5500	1.4700	-0.0800	1.5550
CME butter ($/lb)	1.4775	1.4500	-0.0275	1.4944
CME Dry whey ($/lb)	0.7600	0.7325	-0.0275	1.7456
CME Nonfat dry milk ($/lb)	1.1825	1.1425	-0.0400	1.1631
-------	--------	Implied Prices	--------	-------
Butterfat ($/lb)	1.51	1.48	-0.03	1.53
Protein ($/lb)	2.60	2.37	-0.23	2.59
Other solids ($/lb)	0.51	0.48	-0.03	0.50
Nonfat solids ($/lb)	0.93	0.89	-0.04	0.91
Class III ($/cwt)	15.96	15.01	-0.95	15.93
Class IV ($/cwt)	13.41	12.95	-0.46	13.32

Comments

Prices of all dairy commodities were down on the cash markets at closing time last Wednesday. The futures markets were unsurprisingly much less volatile. Butter futures continued their decent: the 6-month strip of butter futures dropped an additional 2% from the prior week. The average of the implied 6-month prices of milk protein is now nearly $1/lb above the average of the implied butterfat prices. Nutritionally, it costs somewhere around $0.50/lb more to produce a pound of protein than a pound of butterfat. Thus, the markets are currently signaling greater profitability from protein than butterfat production, albeit that both remain profitable.

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[1].

	Cheese ($/lb)	Butter ($/cwt)	Dry Whey ($/cwt)	NFDM ($/cwt)	Class III ($/cwt)	Class IV ($/cwt)
November	1.745	160.550	63.750	116.125	17.20	13.83
December	1.563	150.000	65.400	115.050	15.87	13.50
January	1.496	151.025	65.750	112.175	15.18	13.44
February	1.510	154.000	65.000	111.325	15.36	13.46
March	1.554	169.000	63.500	111.000	15.61	13.98
April	1.600	173.250	63.000	111.850	16.14	14.28
Average	1.578	159.638	64.400	112.921	15.89	13.75
Weekly Change	+0.003	-3.242	-0.413	-0.796	-0.08	-0.20

[1] 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 22nd (the $10.62/cwt in Table 3), and that the December Class I Skim Mover was also released on November 19th (the $12.74/cwt in Table 3).

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)[1]
November	1.67	3.06	0.38	0.91	*10.62*	+1.03
December	1.54	2.61	0.40	0.90	*12.74*	+0.57
January	1.55	2.38	0.40	0.87	11.00	+0.33
February	1.59	2.39	0.39	0.87	10.27	+0.36
March	1.77	2.34	0.38	0.86	10.24	+0.24
April	1.82	2.43	0.37	0.87	9.98	+0.34
Average	1.66	2.53	0.39	0.88	10.81	+0.48
Weekly Change	-0.04	+0.05	+0.00	-0.01	+0.12	+0.05

[1] 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-November, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of November 23, 2025.

	US$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	3.02	2.81	1.50	+6.0	-5.9	+0.2
SMP/NDM	1.14	1.17	1.18	+0.7	nc	+4.5
WMP	1.82	1.56	1.83	-0.0	-2.8	-0.5
Cheddar	2.30	2.02	1.56	-0.9	-2.7	-5.9

Source: DG Agri

- This coming week, the USDA will be releasing component and minimum class prices in effect in the Federal Milk Marketing Orders (FMMOs) for the month of November. Of course, we do not know precisely what these prices will be, but based on the current information the following prices are expected:
    1. Butterfat: $1.64 to $1.74/lb (down $0.14/lb from last month)
    2. Protein: $3.02 to $3.12/lb (up $0.20/lb from last month)
    3. Other Solids: $0.36 to $0.40/lb (up $0.04/lb from last month)
    4. Nonfat Solids: $0.89 to $0.94/lb (unchanged from last month)
    5. Class III: $17.09 to $17.39/cwt (up $0.33/cwt from last month)
    6. Class IV: $13.67 to $13.97/cwt (down $0.48/lb from last month)