



## WEEKLY DAIRY OUTLOOK

December 15<sup>th</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 December 5<sup>th</sup> and Friday December 12<sup>th</sup>, and their implied component prices.

	December 5 2025	December 12 2025	Change	Month to date
CME cheddar blocks (\$/lb)	1.3800	1.3500	-0.0300	1.3650
CME butter (\$/lb)	1.4775	1.4800	+0.0025	1.4788
CME Dry whey (\$/lb)	0.7450	0.7650	+0.0200	0.7550
CME Nonfat dry milk (\$/lb)	1.1700	1.1600	-0.0100	1.1650
-----	-----	Implied Prices	-----	-----
Butterfat (\$/lb)	1.51	1.52	+0.01	1.52
Protein (\$/lb)	2.05	1.94	-0.11	2.00
Other solids (\$/lb)	0.49	0.51	+0.02	0.50
Nonfat solids (\$/lb)	0.92	0.91	-0.01	0.92
Class III (\$/cwt)	14.66	14.47	-0.19	14.57
Class IV (\$/cwt)	13.57	13.49	-0.18	13.53

### Comments

Overall, dairy prices changed very little on both the cash and futures markets last week. The curious thing was that the price changes on the cash market were in the opposite direction to those on the 6-month strips of dairy futures. There is no question that current dairy prices are low by historical standards, but they are not the lowest seen in the last 5 years. I will provide details on this subject in next week's newsletter. As for now, the futures are not projecting any significant upward trends until Spring 2026, and the projected price recovery remains relatively bleak.

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)
December	1.526	155.975	69.475	116.025	15.88	13.77
January	1.523	156.000	70.000	114.850	15.80	13.70
February	1.511	157.500	68.750	113.900	15.69	13.52
March	1.568	170.000	66.300	111.900	16.00	14.06
April	1.621	176.750	64.800	112.250	16.53	14.40
May	1.665	181.575	62.500	113.000	16.80	14.70
Average	1.569	166.300	66.971	113.654	16.12	14.03
Weekly Change	+0.027	-0.0692	-0.246	+0.454	+0.21	-0.03

<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 December Class I Skim Mover was released on November 19<sup>th</sup> (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) <sup>1</sup>
December	1.61	2.41	0.44	0.91	12.74	+0.32
January	1.61	2.40	0.45	0.90	10.61	+0.38
February	1.63	2.34	0.43	0.89	10.61	+0.29
March	1.78	2.37	0.41	0.87	10.34	+0.34
April	1.87	2.45	0.39	0.87	10.26	+0.42
May	1.92	2.53	0.37	0.88	10.45	+0.45
Average	1.74	2.42	0.41	0.89	10.83	+0.37
Weekly Change	-0.01	+0.10	-0.00	+0.00	+0.25	+0.13

<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 early-December, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of December 7, 2025.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.63	2.55	1.46	-13.0	-9.5	-2.6
SMP/NDM	1.10	1.15	1.16	-3.0	-1.5	-2.5
WMP	1.67	1.53	1.81	-8.1	-2.2	-1.1
Cheddar	2.21	2.10	1.41	-3.6	+3.9	-9.5

Source: DG Agri