



## WEEKLY DAIRY OUTLOOK

February 2<sup>nd</sup>, 2026

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 January 23<sup>rd</sup> and Friday January 30<sup>th</sup> and their implied component prices.

	January 23 2026	January 30 2026	Change	Month to date
CME cheddar blocks (\$/lb)	1.3550	1.3625	+0.0075	1.3425
CME butter (\$/lb)	1.5750	1.5800	+0.0050	1.4370
CME Dry whey (\$/lb)	0.7350	0.7500	+0.0150	0.7290
CME Nonfat dry milk (\$/lb)	1.3250	1.4600	+0.1350	1.2960
-----	-----	Implied Prices	-----	-----
Butterfat (\$/lb)	1.63	1.64	+0.01	1.47
Protein (\$/lb)	1.84	1.86	+0.02	1.98
Other solids (\$/lb)	0.48	0.50	+0.02	0.48
Nonfat solids (\$/lb)	1.07	1.21	+0.14	1.05
Class III (\$/cwt)	14.36	14.53	+0.17	14.18
Class IV (\$/cwt)	15.36	16.58	+1.22	14.52

### Comments

On the cash markets last week, dairy product prices were largely unchanged, except for nonfat dry milk whose price jumped up 10.2%. Nonfat dry milk prices were also decidedly up on the futures market, the six-month strip of futures up 6.4% from the prior Friday's closing. All six-month strips of futures were up, except for butter which remained basically unchanged after having gone up 10.4% the prior week. The recent price changes have brought the Class III and Class IV futures much closer to each other: from February and thereafter, the two class prices are within \$0.50/cwt of each other for the next 5 months – a big change from just a few weeks ago.

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)
January	1.402	141.275	70.250	119.525	14.64	13.57
February	1.479	157.500	70.600	137.150	15.46	15.71
March	1.599	183.950	68.175	139.000	16.55	16.92
April	1.650	190.550	65.250	137.750	16.92	17.35
May	1.701	195.000	64.500	137.350	17.34	17.27
June	1.712	196.250	62.000	137.150	17.49	17.36
Average	1.591	177.421	66.796	134.654	16.40	16.36
Weekly Change	+0.041	-0.063	+2.883	+8.088	+0.58	+0.76

<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, Class I Base Skim, and projected Base Class I are reported in Table 3. Note that the February Class I Base Skim and Class I Butterfat prices were released on January 23 (the \$9.99/cwt in Table 3 for skim, and \$1.4446/lb for butterfat, the latter not being reported in the Table, but is used to calculate the \$14.91/cwt for the February Base Class I price, which in this instance is not a projection but an actual price since Class I price is forward priced).

Table 3. Translation of futures dairy product prices into implied futures component prices and Class I Base Skim Mover (numbers in italics have already been announced by USDA).

	Butterfat (\$/lb)	Protein (\$/lb)	Other Solids (\$/lb)	Nonfat Solids (\$/lb)	Class I Base Skim (\$/cwt)	Projected Base Class I (\$/cwt) <sup>1</sup>
January	1.44	2.20	0.45	0.95	<i>11.17</i>	<i>16.35</i>
February	1.63	2.24	0.45	1.12	<i>9.99</i>	<i>14.70</i>
March	1.95	2.29	0.43	1.14	10.42	16.89
April	2.03	2.37	0.40	1.13	10.59	17.34
May	2.09	2.48	0.39	1.12	10.48	17.41
June	2.10	2.50	0.36	1.12	10.51	17.50
Average	1.87	2.35	0.41	1.10	10.53	16.81
Weekly Change	+0.00	+0.13	+0.03	+0.08	+0.60	+0.73

<sup>1</sup> Adding the location specific Class I differential to the Projected Base Class I would give a 'raw' projected Class I price for a given location. It is a 'raw' projection because this does not include any processor assessments and Class I ESL adjustments. Class I is for milk standardized to 3.5% butterfat and 96.5% skim.

See <https://www.ams.usda.gov/sites/default/files/media/ProposedClassIDifferentialsMap.pdf> for a map of Class I differentials.

- 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 mid-January, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of January 18, 2026.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.25	2.38	1.32	-5.6	+1.5	-5.7
SMP/NDM	1.09	1.16	1.25	-0.0	+2.0	+6.4
WMP	1.60	1.49	1.82	-1.9	+0.8	+0.6
Cheddar	1.98	2.12	1.29	-9.8	+0.3	-6.4

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 January. Of course, we do not know precisely what these prices will be, but based on the current information the following prices are expected:

- Butterfat: \$1.38 to \$1.48/lb (**down \$0.14/lb** from last month)
- Protein: \$2.15 to \$2.25/lb (**down \$0.26/lb** from last month)
- Other Solids: \$0.43 to \$0.47/lb (up \$0.01/lb from last month)
- Nonfat Solids: \$0.92 to \$0.97/lb (up \$0.04/lb from last month)
- Class III: \$14.24 to \$14.54/cwt (**down \$1.47/cwt** from last month)
- Class IV: \$13.18 to \$13.48/cwt (**down \$0.31/cwt** from last month)