



WEEKLY DAIRY OUTLOOK

April 20th, 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 April 10th and Friday April 17th, and their implied component prices.

	April 10 2026	April 17 2026	Change	Month to date
CME Cheddar blocks (\$/lb)	1.5775	1.5775	+0.0000	1.6092
CME Butter (\$/lb)	1.7475	1.6900	-0.0575	1.7425
CME Dry whey (\$/lb)	0.7050	0.6900	-0.0150	0.6942
CME Nonfat dry milk (\$/lb)	2.1150	2.2000	+0.0850	2.0958
		Implied Prices		
Butterfat (\$/lb)	1.84	1.77	-0.07	1.83
Protein (\$/lb)	2.34	2.41	+0.07	2.45
Other solids (\$/lb)	0.45	0.44	-0.01	0.44
Nonfat solids (\$/lb)	1.86	1.94	+0.08	1.84
Class III (\$/cwt)	16.50	16.40	-0.10	16.76
Class IV (\$/cwt)	23.11	23.62	+0.51	22.92

Comments

Nonfat dry milk prices kept on surging on both the cash and futures markets last week. The \$2.20/lb price on the cash market is the highest price ever posted on this market in the 18 years since its inception on the CME. As of now, the U.S. price for NFDM far exceeds world prices (Table 4).

California produces nearly 50% of the U.S. NFDM, a large proportion of which is exported to Mexico. In fact, Mexico buys about 1/3 of all U.S. NFDM/SMP production. California has an advantage over world's competitors simply from its proximity to Mexico, hence with lower transportation/delivery costs. However, the ~ 70¢/lb premium over European price is simply unsustainable.

Table 2. Six-month strip of dairy futures at closing time last Friday, and changes in their 6-month averages from the prior Friday closings¹.

	Cheese (\$/lb)	Butter (\$/cwt)	Dry Whey (\$/cwt)	NFDM (\$/cwt)	Class III (\$/cwt)	Class IV (\$/cwt)
April	1.643	178.275	65.050	177.125	16.85	20.20
May	1.650	173.025	66.900	193.475	17.00	21.42
June	1.706	175.725	70.750	193.250	17.88	21.48
July	1.755	180.425	71.500	181.500	18.40	20.55
August	1.790	185.500	71.500	172.745	18.74	19.93
September	1.812	190.000	71.500	166.225	19.00	19.61
Average	1.726	180.492	69.533	180.675	17.98	20.53
Weekly Change	+0.003	-6.100	-0.792	+5.029	+0.00	+0.13

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, Class I Base Skim, and projected Base Class I are reported in Table 3. Note that the April Class I Base Skim and Class I Butterfat prices were released on March 18 (the \$12.00/cwt in Table 3 for skim, and \$2.0221/lb for butterfat, the latter not being reported in the Table, but used to calculate the \$18.66/cwt for the April 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) ¹
April	1.88	2.50	0.40	1.52	<i>12.00</i>	<i>18.66</i>
May	1.82	2.59	0.41	1.68	14.10	20.20
June	1.85	2.74	0.45	1.68	15.61	21.43
July	1.91	2.84	0.46	1.56	15.59	21.53
August	1.97	2.89	0.46	1.47	14.51	20.68
September	2.03	2.90	0.46	1.41	13.68	20.10
Average	1.91	2.74	0.44	1.55	14.25	20.43
Weekly Change	-0.07	+0.09	-0.01	+0.05	+0.38	+0.17

¹ 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-April, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of April 12, 2026.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.25	3.02	1.74	-1.8	-4.7	-4.0
SMP/NDM	1.33	1.65	2.03	-2.2	+5.8	+6.0
WMP	1.76	1.68	2.37	-1.3	-1.0	+2.8
Cheddar	1.71	2.19	1.61	+0.1	-1.8	-1.4

Source: DG Agri

- The USDA will release both its *Milk Production* and *Cold Storage* reports this coming week. The information from these two reports should provide a better insight on the state of domestic milk supply and demand and their current balance.