



WEEKLY DAIRY OUTLOOK

April 27th, 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 17th and Friday April 24th, and their implied component prices.

	April 17 2026	April 24 2026	Change	Month to date
CME Cheddar blocks (\$/lb)	1.5775	1.6450	+0.0675	1.6181
CME Butter (\$/lb)	1.6900	1.7050	+0.0150	1.7331
CME Dry whey (\$/lb)	0.6900	0.6975	+0.0075	0.6950
CME Nonfat dry milk (\$/lb)	2.2000	2.2600	+0.0600	2.1369
		Implied Prices		
Butterfat (\$/lb)	1.77	1.79	+0.02	1.82
Protein (\$/lb)	2.41	2.61	+0.20	2.49
Other solids (\$/lb)	0.44	0.44	+0.00	0.44
Nonfat solids (\$/lb)	1.94	2.00	+0.06	1.84
Class III (\$/cwt)	16.40	17.15	+0.75	16.86
Class IV (\$/cwt)	23.62	24.22	+0.60	23.26

Comments

Nonfat dry milk prices kept their upward trajectories on both the cash and futures markets last week. These prices are unsustainable. The bubble will eventually burst. The unknown is when. As for other dairy commodities, all cash prices were up. Except for butter, all 6-month strips of dairy commodity futures were also up, resulting in interesting implied prices for protein and nonfat solids. Advanced Class I prices for May were announced. Dairy producers in high Class I utilization should be pleased for what they will receive for their milk in May.

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	1.644	177.000	64.800	177.500	16.85	20.20
May	1.703	173.425	67.100	203.125	17.56	22.29
June	1.735	174.000	70.900	204.000	18.14	22.33
July	1.779	176.600	72.750	195.275	18.72	21.74
August	1.813	180.625	72.150	186.500	19.09	21.05
September	1.829	182.125	71.525	179.750	19.18	20.46
Average	1.751	177.296	69.871	191.025	18.26	21.35
Weekly Change	+0.025	-3.196	+0.337	+10.350	+0.28	+0.81

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 May Class I Base Skim and Class I Butterfat prices were released on April 22 (the \$14.12/cwt in Table 3 for skim, and \$1.8649/lb for butterfat, the latter not being reported in the Table, but used to calculate the \$20.15/cwt for the May 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	1.87	2.52	0.39	1.52	<i>12.00</i>	<i>18.66</i>
May	1.83	2.76	0.42	1.77	<i>14.12</i>	<i>20.15</i>
June	1.83	2.86	0.46	1.78	16.50	22.31
July	1.86	2.97	0.47	1.70	16.58	22.41
August	1.91	3.03	0.47	1.61	15.78	21.75
September	1.93	3.06	0.46	1.54	14.97	21.14
Average	1.87	2.87	0.44	1.65	14.99	21.07
Weekly Change	-0.04	+0.12	+0.00	+0.10	+0.74	+0.63

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

- Overseas, the Global Dairy Trade index went **down 2.7%** at the GDT auction held April 7th. This marked the second time in a row that the index has dropped. Prices of anhydrous milkfat and butter prices took a nosedive and explain most of the drop in the index. Both commodity prices remain above prevailing world and U.S. prices.
 - Anhydrous milkfat: US\$ 2.88/lb - 9.6%
 - Butter: US\$ 2.59/lb - 7.9%
 - Cheddar: US\$ 2.18/lb +1.1%
 - Lactose US\$ 0.71/lb +7.2%
 - Mozzarella: US\$ 1.75/lb - 3.1%
 - Skim milk powder: US\$ 1.56/lb +3.2%
 - Whole milk powder: US\$ 1.66/lb - 0.6%

- Last week, the USDA released its March *Milk Production* report.

Revised Data for February. For the 24 major States, the **February** milk production stood at 17.5 billion pounds, up 3.0% from February 2025. The revision represented a decrease of 11 million pounds, or 0.1% below the preliminary estimate.

All 50 States, March 2026. For all 50 States in March, estimated milk production stood at 20.391 billion pounds, *up 466 million pounds or +2.3%* from last year. The number of milk cows in the whole country was estimated at 9.621 million head, 187,000 more than at this time last year, and 8,000 more than what was reported last month. The estimated year-to-year increase in cow number is greater than the margin of error for this statistic (i.e., the USDA never goes out to count cows; the statistic is derived from a survey, which inevitably implies an uncertainty, which is estimated at +/- 19,000 head, which means that the 90% confidence interval is basically +/- 38,000 head). However, this also means that one should be careful at over-interpreting the monthly change in cow number.

24 Major states, March 2026. Total milk production in the top 24 dairy States was estimated at 19.591 billion pounds, *up 467 million pounds (+2.44%)* from March 2025. Twenty of the 24 dairy States reported increased production. Of the 4 States that reported a decline, Washington reported the most drastic reduction in milk volume, down 30 million pounds or 5.8% from March of last year. The combined decrease in milk production by the States reporting a decrease (-68 million pounds combined) was more than completely negated by the increase production in Kansas alone (+100 million pounds).

Eighteen of the 24 States reported a year-to-year increase in cow number; ID, KS, MI, MN, NY, SD, TX and WI each having added 10,000 or more cows.

For the 24 States, milk per cow averaged 68.81 lbs/d during the month, up 0.33 lb/day from March 2025. The dairy herd in the 24 major States (9.183 million head) was up an estimated 188,000 head from March 2025. Therefore, about 14% of the production increase came from improved cow productivity and 86% from the increased number of head.

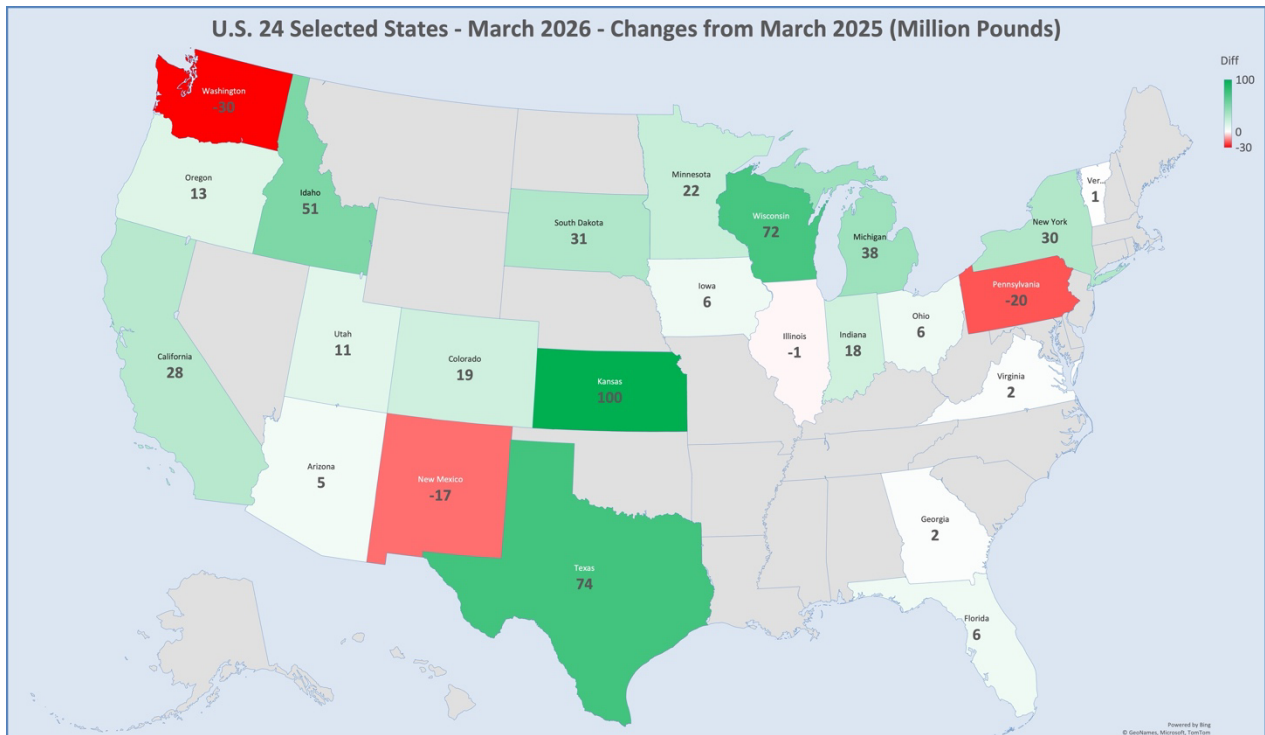
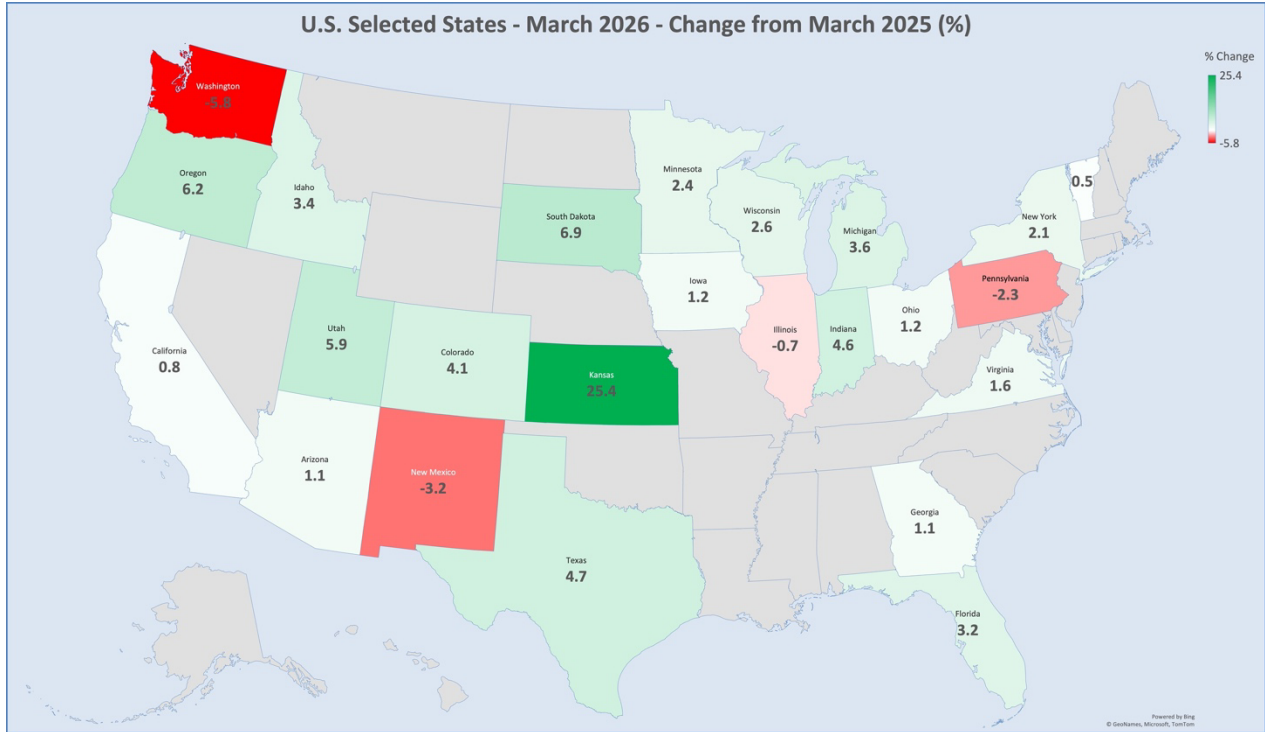
Relative and absolute changes in milk produced in each of the top 24-States are shown in the next two figures.

Regional Summaries, March 2026

- In the Western states, production was way down in WA. Production in ID, OR and UT was measurably up, and also up, but less so in AZ. CA production was also up, adding 28 million lbs of milk from its production in March of last year.
- In the central region, production was substantially up in all states except NM; up in the 2 digits percentages in KS.
- Milk production in the Cornbelt states was also up, except in IL this last month. Production increases were particularly significant in IN, MI, MN, and WI.
- In the Northeast, production was up in NY and even VT (+0.5%), but significantly down in PA. The production decline in PA has been consistent for quite a while. The dairy industry in that State is facing an inherent competitive challenge due to its significantly smaller average herd size compared to NY, and significantly less productive cows (60.3 lbs/d compared to 71.0 lbs/d).
- In the Mid-Atlantic and Southeast regions, production was substantially up in all 3 states.

Five largest dairy producing States

In March, the 5 largest dairy producing States (CA, ID, NY, TX, and WI) accounted for 54.3% of the national milk production. Their combined production (11.080 billion pounds) was up 255 million lbs, or 2.4%.



- The USDA *Cold Storage* report for March was released last week. Stocks of American cheese were down 2.5% from March 2025, but up 1.4% from the end of February. Total cheese stocks were down 1.6% from March 2025, but up 1.0%, or 13.5 million pounds from the end of the previous month. A normal increase this time of the year would have been nearer 15 million pounds. In short, what the *Cold Storage* report is showing is that the additional cheese being produced from the new cheese plants is not piling up in warehouses; it is either sold domestically or exported. The increased cheese stocks last month was what should be expected this time of the year.

As for butter, stocks were considerably down compared to March '25, but up 12.7% from the end of February '26. Butter stocks grew by 32 million pounds between the end of February and the end of March. However, the typical increase in butter stocks from February to March is around 40 million pounds. Therefore, the increased butter stocks last month **were somewhat smaller than expected.**

Table 5. USDA March 31, 2026 *Cold Storage* report.

	Stocks in all warehouses (1,000 pounds)			March 2026 as a percent of	
	March 31 2025	February 28 2026	March 31 2026	March 2025	February 2026
Butter	323,184	256,257	288,834	-10.6	+12.7
Natural cheese					
American	822,613	790,914	801,639	-2.5	+1.4
Swiss	23,752	24,642	24,769	+4.3	+0.5
Other	578,323	572,296	574,953	-0.6	+0.5
Total natural cheese	1,424,688	1,387,852	1,401,361	-1.6	+1.0

- This coming Wednesday, the USDA will be releasing component and minimum class prices in effect in the Federal Milk Marketing Orders (FMMOs) for the month of April. 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: \$1.83 to \$1.93/lb (down \$0.15/lb from last month)
 2. Protein: \$2.46 to \$2.56/lb (up \$0.42/lb from last month)
 3. Other Solids: \$0.37 to \$0.41/lb (down \$0.02/lb from last month)
 4. Nonfat Solids: \$1.48 to \$1.53/lb (up \$0.18/lb from last month)
 5. Class III: \$16.68 to \$16.98/cwt (up \$0.67/cwt from last month)
 6. Class IV: \$19.92 to \$20.22/cwt (up \$1.13/cwt from last month)