PERDUE Animal Nutrition

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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 April 24th and Friday May 1st, and their implied component prices.

	April 124 2026	May 1 2026	Change	Month to date
CME Cheddar blocks ($/lb)	1.6450	1.6400	-0.0050	1.6400
CME Butter ($/lb)	1.7050	1.5950	-0.1100	1.5950
CME Dry whey ($/lb)	0.6975	0.6975	+0.0000	0.6975
CME Nonfat dry milk ($/lb)	2.2600	2.2625	+0.0025	2.2625
-------	--------	Implied Prices	--------	-------
Butterfat ($/lb)	1.79	1.66	-0.13	1.66
Protein ($/lb)	2.61	2.61	+0.00	2.61
Other solids ($/lb)	0.44	0.44	+0.00	0.44
Nonfat solids ($/lb)	2.00	2.00	+0.00	2.00
Class III ($/cwt)	17.15	16.67	-0.48	16.67
Class IV ($/cwt)	24.22	23.77	-0.45	23.67

Comments

On the cash market last week, butter price went down by more than a dime while prices of other dairy commodities remained basically unchanged. This was in contrast to the futures markets where the 6-month strips of all dairy commodities went down: -2.3%, -5.0%, -3.1%, and -3.0% for cheese, butter, dry whey, and NFDM, respectively Because component prices are algebraically calculated from dairy commodity prices, the implied 6-month strips of components prices also went down: -5.7%, -0.7%, -4.9%, and -3.4% for fat, protein, other solids and nonfat solids, respectively.

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)
May	1.661	167.000	66.050	201.500	17.09	21.91
June	1.684	163.000	66.900	196.500	17.33	21.20
July	1.736	166.725	68.750	188.500	17.99	20.65
August	1.772	170.750	70.350	179.625	18.41	20.14
September	1.799	175.250	71.450	173.725	18.75	19.60
October	1.818	179.650	71.500	166.100	18.90	19.20
Average	1.745	170.396	69.167	184.325	18.08	20.45
Weekly Change	-0.041	-8.810	-2.185	-5.760	-0.62	-0.87

[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]
May	1.75	2.71	0.41	1.76	*14.12*	*20.15*
June	1.70	2.83	0.41	1.71	16.35	21.89
July	1.74	2.95	0.43	1.63	15.89	21.28
August	1.79	3.02	0.45	1.54	15.15	20.73
September	1.85	3.05	0.46	1.48	14.33	20.11
October	1.90	3.05	0.46	1.41	13.79	19.77
Average	1.79	2.94	0.44	1.59	14.94	20.65
Weekly Change	-0.11	-0.02	-0.02	-0.06	-0.42	-0.72

[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 late-April, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of April 26, 2026.

	US$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.26	2.81	1.70	-1.4	-6.9	-2.4
SMP/NDM	1.38	1.60	2.24	+2.4	-3.1	+10.2
WMP	1.79	1.66	2.52	+1.6	-1.0	+6.3
Cheddar	1.69	2.19	1.62	+3.4	Nc	+0.7

Source: DG Agri

- Last Wednesday, the USDA released average national dairy product prices, component prices and minimum Class prices in effect in the Federal Milk Marketing Orders (FMMOs) for the month of **April 2026**. Take note that in the following discussion, the label 'time-detrended range' is simply the *linear* time effect on prices over the last 26 years (January 2000 to December 2025). They do not imply that prices should be in these ranges for economic reasons.

  The April butterfat price of $1.87/lb was well below its long-term time-detrended range ($2.78 to $2.88/lb) and stood near the 12th percentile of butterfat prices between January 2021 and December 2025.

  The April protein price of $2.52/lb stood slightly below its long-term time de-trended range ($2.70 to $2.80/lb) but at the 57th percentile of protein prices between January 2021 and December 2025.

The April other solids price of $0.39/lb was above its long-term time de-trended range ($0.33-$0.37) and stood near the 72nd percentile of other solids prices between January 2021 and December 2025.

The April nonfat solids price of $1.22/lb was substantially above its long-term time de-trended range ($1.05-$1.11) and was near the 90th percentile of nonfat solids prices between January 2021 and December 2025.

At $16.82/cwt, Class III price was well below its long-term time-detrended price range ($19.95 to $20.25/cwt) and near the 27th percentile of Class III prices between January 2021 and December 2025.

The Class IV price ($20.22/cwt) was above its long-term time detrended range ($19.41 to $19.71/cwt) and near the 62th percentile of Class IV prices between January 2021 and December 2025.

In short, regardless of whether we look at the April prices using the last 26 years or the last 5 years as references, prices of other solids and nonfat solids were historically high, price of Class IV milk was above its normal level, protein price was near where it should be from a historical basis, while prices of butterfat and Class III prices were historically low.

Table 5. Minimum Class and component prices in the Federal Milk Marketing Orders during the month of April 2026, and changes from March 2026 and April 2025.

	April 2026	March 2026	Change (Apr vs. Mar)	April 2025	Change (A '26 vs. A '25)
Cheese Blocks($/lb)	1.643	1.561	+0.082	1.736	-0.093
Butter ($/lb)	1.771	1.897	-0.126	2.352	-0.581
Nonfat Dry Milk ($/lb)	1.779	1.574	+0.205	1.177	+0.602
Dry Whey ($/lb)	0.644	0.672	-0.028	0.499	+0.146
Butterfat ($/lb)	**1.87**	**2.02**	**-0.15**	**2.64**	**-0.77**
Protein ($/lb)	**2.52**	**2.09**	**+0.43**	**2.17**	**+0.35**
Other Solids ($/lb)	**0.39**	**0.42**	**-0.03**	**0.31**	**+0.08**
Nonfat Solids ($/lb)	**1.52**	**1.32**	**+0.20**	**1.00**	**+0.52**
Class III ($/cwt)	**16.82**	**16.16**	**+0.66**	**17.48**	**-0.66**
Class IV ($/cwt)	**20.22**	**18.94**	**+1.28**	**17.92**	**+2.30**