



WEEKLY DAIRY OUTLOOK

June 1st, 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 May 22nd and Friday May 29th, and their implied component prices.

	May 22 2026	May 29 2026	Change	Month to date
CME Cheddar blocks (\$/lb)	1.5050	1.4750	-0.0300	1.5595
CME Butter (\$/lb)	1.5350	1.6675	+0.1325	1.6205
CME Dry whey (\$/lb)	0.6800	0.7000	+0.0200	0.6925
CME Nonfat dry milk (\$/lb)	2.0725	2.0900	+0.0175	2.1975
-----	-----	Implied Prices	-----	-----
Butterfat (\$/lb)	1.58	1.74	+0.16	1.69
Protein (\$/lb)	2.38	2.11	-0.27	2.42
Other solids (\$/lb)	0.43	0.45	+0.02	0.44
Nonfat solids (\$/lb)	1.81	1.83	+0.02	1.94
Class III (\$/cwt)	15.58	15.40	-0.18	16.14
Class IV (\$/cwt)	21.83	22.55	+0.72	23.30

Comments

Butter prices surged on both the cash and futures markets this last week, gaining a little over 13 ¢/lb on the cash market while the 6-month strip of butter futures gained over 8 ¢/lb, which translates to a gain of 10 ¢/lb in the implied 6-month strip of butterfat prices. U.S. butter is still priced at a significant discount to both European and New Zealand butter prices. Hence the price hikes this last week should have little to no effect on U.S. butter exports. On the cheese side, cheddar prices continued their downward trend. Domestic supply is abundant, domestic demand is lukewarm, and our ability to export depends on U.S. price being at a discount to European and New Zealand prices.

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)
May	1.657	164.000	63.850	208.825	16.91	22.36
June	1.583	163.750	65.500	204.000	16.24	21.90
July	1.625	171.500	66.750	184.975	16.73	20.50
August	1.670	176.000	67.650	167.475	17.28	19.15
September	1.721	179.300	68.350	161.000	17.79	18.85
October	1.770	184.550	69.250	158.475	18.32	18.67
Average	1.670	173.183	66.892	180.788	17.21	20.24
Weekly Change	-0.013	+8.225	+0.433	+5.562	-0.08	+0.77

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 June Class I Base Skim and Class I Butterfat prices were released on May 20 (the \$16.75/cwt in Table 3 for skim, and \$1.7185/lb for butterfat, the latter not being reported in the Table, but used to calculate the \$22.18/cwt for the June 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	1.71	2.73	0.38	1.83	<i>14.12</i>	<i>20.15</i>
June	1.71	2.50	0.40	1.78	<i>16.75</i>	<i>22.18</i>
July	1.80	2.53	0.41	1.59	16.58	21.98
August	1.86	2.62	0.42	1.42	14.83	20.61
September	1.90	2.74	0.43	1.36	13.22	19.25
October	1.96	2.84	0.44	1.33	12.62	18.81
Average	1.82	2.66	0.41	1.55	14.69	20.50
Weekly Change	+0.10	-0.15	+0.00	+0.06	+0.36	+0.62

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-May, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of May 24, 2026.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.09	2.66	1.57	-1.8	-1.5	-3.1
SMP/NDM	1.47	1.67	2.18	+2.4	+2.8	-4.6
WMP	1.76	1.70	2.40	-1.0	+1.4	-6.4
Cheddar	1.65	2.10	1.54	-3.2	-1.9	-5.5

Source: DG Agri

- 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 May. 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: \$1.67 to \$1.77/lb (down \$0.15/lb from last month)
 2. Protein: \$2.67 to \$2.77/lb (up \$0.20/lb from last month)
 3. Other Solids: \$0.36 to \$0.40/lb (down \$0.01/lb from last month)
 4. Nonfat Solids: \$1.80 to \$1.85/lb (up \$0.30/lb from last month)
 5. Class III: \$16.75 to \$17.05/cwt (up \$0.08/cwt from last month)
 6. Class IV: \$22.23 to \$20.53/cwt (up \$2.16/cwt from last month)