

WEEKLY DAIRY OUTLOOK

July 6th, 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 June 26th and Thursday July 2nd, and their implied component prices.

	June 26 2026	July 2 2026	Change	Month to date
CME Cheddar blocks (\$/lb)	1.4200	1.4325	+0.0125	1.4325
CME Butter (\$/lb)	1.6500	1.6375	-0.0125	1.6375
CME Dry whey (\$/lb)	0.6850	0.6850	+0.0000	0.6850
CME Nonfat dry milk (\$/lb)	1.5975	1.5050	-0.0925	1.5050
-----	-----	Implied Prices	-----	-----
Butterfat (\$/lb)	1.72	1.71	-0.01	1.71
Protein (\$/lb)	1.95	2.01	+0.06	2.01
Other solids (\$/lb)	0.43	0.43	+0.00	0.43
Nonfat solids (\$/lb)	1.34	1.25	-0.09	1.25
Class III (\$/cwt)	14.74	14.87	+0.13	14.87
Class IV (\$/cwt)	18.10	17.22	-0.88	17.22

Comments

Except for nonfat dry milk (NDM) price, prices of dairy commodities were basically unchanged on the CME cash market last week. As explained previously in this newsletter, the abrupt drop in the price of NFDN that occurred over the last few weeks was both needed and expected considering that cash domestic prices were far above prevailing world prices. On the futures markets, prices also remained relatively unchanged, except for NFDN for which the 6-month strip of futures dropped another 3.5% from last week's Friday closing. Although traders foresee NFDN plateauing at roughly \$1.50/lb, this may not be sufficient because European SMP is currently selling under \$1.50/lb.

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)	NFDN (\$/cwt)	Class III (\$/cwt)	Class IV (\$/cwt)
July	1.517	166.125	65.550	158.275	15.55	18.00
August	1.570	171.800	65.750	152.000	16.14	17.70
September	1.632	175.000	66.200	151.850	16.79	17.86
October	1.676	179.900	67.900	150.750	17.23	17.91
November	1.710	182.000	67.975	150.475	17.56	17.98
December	1.700	181.000	69.000	150.000	17.53	18.04
Average	1.634	175.971	67.063	152.225	16.80	17.92
Weekly Change	-0.012	-0.380	-0.800	-5.655	-0.23	-0.51

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 July Class I Base Skim and Class I Butterfat prices were released on June 17 (the \$15.91/cwt in Table 3 for skim, and \$1.7075/lb for butterfat, the latter not being reported in the table, but used to calculate the \$21.33/cwt for the July Base Class I price, which in this instance is not a projection but an actual price since Class I milk 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
July	1.74	2.25	0.40	1.33	<i>16.75</i>	<i>22.18</i>
August	1.81	2.35	0.40	1.27	<i>15.91</i>	<i>21.33</i>
September	1.84	2.51	0.41	1.27	11.79	17.70
October	1.90	2.59	0.42	1.26	11.78	17.82
November	1.93	2.67	0.43	1.25	11.68	17.93
December	1.92	2.65	0.44	1.25	11.65	17.99
Average	1.86	2.51	0.42	1.27	13.26	19.16
Weekly Change	-0.00	-0.04	-0.01	-0.06	+0.46	+0.42

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-June, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of June 21, 2026.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.05	2.65	1.58	-1.6	-2.3	-6.4
SMP/NDM	1.43	1.66	1.67	-4.1	-0.3	-21.0
WMP	1.72	1.65	2.35	-3.2	-2.0	-3.7
Cheddar	1.64	2.06	1.46	-1.1	-1.9	-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 **June 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 June butterfat price of \$1.69/lb was well below its long-term time-detrended range (\$2.78 to \$2.88/lb) and stood near the 6th percentile of butterfat prices between January 2021 and December 2025.

The June protein price of \$2.46/lb stood below its long-term time de-trended range (\$2.70 to \$2.80/lb) but right at the 50th percentile of protein prices between January 2021 and December 2025.

The June other solids price of \$0.39/lb was slightly 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 June nonfat solids price of \$1.68/lb was dramatically above its long-term time de-trended range (\$1.05-\$1.11) and remained above the 100th percentile of nonfat solids prices between January 2021 and December 2025.

At \$15.98/cwt, Class III price was well below its long-term time-detrended price range (\$19.95 to \$20.25/cwt) and near the 12th percentile of Class III prices between January 2021 and December 2025.

The Class IV price (\$20.96/cwt) was above its long-term time detrended range (\$19.41 to \$19.71/cwt) and near the 70th percentile of Class IV prices between January 2021 and December 2025.

In short, prices of nonfat solids were historically very high, prices of other solids and Class IV milk were high, protein price was near normal from a historical basis, while prices of butterfat and Class III prices were historically very low.

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

	June 2026	May 2026	Change (June vs. May)	June 2025	Change (J '26 vs. J '25)
Cheese Blocks(\$/lb)	1.564	1.658	-0.093	1.932	-0.368
Butter (\$/lb)	1.623	1.631	-0.008	2.488	-0.865
Nonfat Dry Milk (\$/lb)	1.933	2.081	-0.148	1.253	+0.680
Dry Whey (\$/lb)	0.643	0.640	+0.003	0.550	+0.093
Butterfat (\$/lb)	1.69	1.70	-0.01	2.74	-1.05
Protein (\$/lb)	2.46	2.75	-0.29	2.53	-0.08
Other Solids (\$/lb)	0.39	0.38	+0.01	0.29	+0.10
Nonfat Solids (\$/lb)	1.68	1.82	-0.15	1.00	+0.67
Class III (\$/cwt)	15.98	16.92	-0.94	18.82	-2.84
Class IV (\$/cwt)	20.96	22.32	-1.36	18.30	+2.66