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WEEKLY DAIRY OUTLOOK

July 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 Thursday July 10th and Friday July 17th, and their implied component prices.

	July 10 2026	July 17 2026	Change	Month to date
CME Cheddar blocks ($/lb)	1.5475	1.5950	+0.0450	1.5250
CME Butter ($/lb)	1.6500	1.5850	-0.0650	1.6242
CME Dry whey ($/lb)	0.6900	0.7000	+0.0100	0.6917
CME Nonfat dry milk ($/lb)	1.5550	1.5000	-0.0550	1.5200
-------	--------	Implied Prices	--------	-------
Butterfat ($/lb)	1.72	1.64	-0.08	1.69
Protein ($/lb)	2.37	2.60	+0.23	2.33
Other solids ($/lb)	0.44	0.45	+0.01	0.44
Nonfat solids ($/lb)	1.30	1.25	-0.05	1.27
Class III ($/cwt)	16.09	16.63	+0.54	15.86
Class IV ($/cwt)	17.72	16.96	-0.76	17.30

Comments

Prices of dairy commodities moved in synchrony on the cash and futures markets last week. Cheese block prices were up 2.9% in both markets (the futures being summarized as 6-month strips). Butter prices did fall by 3.9% and 2.8% on the cash and futures markets, respectively. Nonfat dry milk prices are all converging towards ~ $1.50/lb, which will put American powder more in line with prevailing world prices. Sweet dry whey has found its sweet spot (no pun intended) in the $0.65 to $0.70/lb range. Processors are moving as much whey protein to 80%+ whey protein concentrates and whey protein isolate, leaving less sweet dry whey to supply its demand.

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)
July	1.536	164.000	65.500	164.250	15.73	18.40
August	1.721	167.000	67.500	151.750	17.80	17.57
September	1.742	171.500	68.700	150.800	18.07	17.50
October	1.745	175.000	69.500	150.000	18.13	17.71
November	1.739	177.750	69.750	150.300	18.05	17.80
December	1.723	179.000	69.000	150.000	17.77	17.85
Average	1.701	172.375	68.325	152.850	17.59	17.81
Weekly Change	+0.048	-4.942	+1.192	-4.217	+0.54	-0.46

[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	1.71	2.34	0.40	1.39	*15.91*	*21.33*
August	1.75	2.90	0.42	1.27	12.92	18.46
September	1.80	2.91	0.43	1.26	12.10	17.79
October	1.84	2.88	0.44	1.25	12.21	18.09
November	1.88	2.82	0.44	1.25	12.14	18.17
December	1.89	2.75	0.44	1.25	11.98	18.13
Average	1.81	2.77	0.43	1.28	12.88	18.66
Weekly Change	-0.06	+0.22	+0.01	-0.04	-0.04	-0.22

[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 early-July, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of July 5, 2026.

	US$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	1.98	2.65	1.68	-3.8	nc	+6.0
SMP/NDM	1.39	1.66	1.59	-3.4	nc	-4.8
WMP	1.66	1.65	2.16	-3.5	nc	-8.1
Cheddar	1.60	2.04	1.43	-2.8	-1.4	-2.3

Source: DG Agri

- This week, the USDA will be releasing it *Milk Production* report for June, and its *Cold Storage* report for May. These two reports should confirm a strong milk supply in the U.S., but without unusual rises in stocks of dairy commodities. August prices for Class I butterfat and Class I and Class II skim milk used in the Federal Milk Marketing Orders will be released on Wednesday.