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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 July 24th and Friday July 31st, and their implied component prices.

	July 24 2026	July 31 2026	Change	Month to date
CME Cheddar blocks ($/lb)	1.6075	1.5725	-0.0350	1.5510
CME Butter ($/lb)	1.5075	1.5150	+0.0075	1.5790
CME Dry whey ($/lb)	0.6800	0.6925	+0.0125	0.6895
CME Nonfat dry milk ($/lb)	1.4025	1.5600	+0.1575	1.5045
-------	--------	Implied Prices	--------	-------
Butterfat ($/lb)	1.55	1.56	+0.01	1.64
Protein ($/lb)	2.74	2.62	-0.12	2.47
Other solids ($/lb)	0.43	0.44	+0.01	0.44
Nonfat solids ($/lb)	1.15	1.31	+0.16	1.25
Class III ($/cwt)	16.63	16.34	-0.29	16.11
Class IV ($/cwt)	15.76	17.19	+1.43	16.97

Comments

Except for nonfat dry milk (NFDM), prices of dairy commodities remained relatively unchanged on the cash and futures markets last week. The rally on NFDM prices on both the cash and futures markets was apparently driven by Fairlife resuming production after a temporary shutdown. Based on current world market prices, the upswing in U.S. NFDM price might be short lived. Nationally, summer heat appears to have tightened milk supply. In the Central region, spot milk was sold at $1 to $5/cwt premium over Class III (normally the premium for spot milk this time of the year would be near $0/cwt).

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	1.527	161.275	65.375	156.500	15.67	18.44
August	1.655	157.975	67.200	159.050	17.12	17.34
September	1.686	160.750	69.250	158.550	17.58	17.80
October	1.693	162.675	70.500	157.550	17.74	17.80
November	1.697	164.500	70.750	157.000	17.76	17.80
December	1.690	166.750	70.750	155.200	17.73	17.81
Average	1.658	162.321	68.971	157.308	17.27	17.83
Weekly Change	+0.003	-0.771	+0.096	+8.450	+0.06	+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 August Class I Base Skim and Class I Butterfat prices were released on July 22 (the $13.18/cwt in Table 3 for skim, and $1.7259/lb for butterfat, the latter not being reported in the table, but used to calculate the $18.75/cwt for the August 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	1.68	2.35	0.40	1.31	*15.91*	*21.33*
August	1.64	2.81	0.42	1.34	*13.18*	*18.75*
September	1.67	2.87	0.44	1.33	12.44	17.74
October	1.69	2.87	0.45	1.32	12.39	17.81
November	1.72	2.86	0.45	1.32	12.30	17.80
December	1.74	2.81	0.45	1.30	12.25	17.83
Average	1.69	2.76	0.44	1.32	13.08	18.54
Weekly Change	-0.01	+0.02	+0.00	+0.08	+0.28	+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 late-July, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of July 19, 2026.

	US$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.01	2.52	1.61	+1.5	-4.7	-4.2
SMP/NDM	1.40	1.47	1.50	+1.0	-11.3	-5.5
WMP	1.69	1.58	2.13	+1.7	-4.5	-1.4
Cheddar	1.72	1.86	1.61	+7.4	-8.6	+12.4

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 July. 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: $1.63 to $1.73/lb (down $0.01/lb from last month)
    2. Protein: $2.25 to $2.35/lb (down $0.16/lb from last month)
    3. Other Solids: $0.38 to $0.42/lb (up $0.01/lb from last month)
    4. Nonfat Solids: $1.35 to $1.40/lb (down $0.30/lb from last month)
    5. Class III: $15.37 to $15.67/cwt (down $0.46/cwt from last month)
    6. Class IV: $18.07 to $18.37/cwt (down $2.74/cwt from last month)