

WEEKLY DAIRY OUTLOOK

September 14th, 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 September 4th and Friday September 11th, and their implied component prices.

	September 4 2026	September 11 2026	Change	Month to date
CME Cheddar blocks (\$/lb)	1.4650	1.4600	-0.0050	1.4625
CME Butter (\$/lb)	1.4400	1.3700	-0.0700	1.4050
CME Dry whey (\$/lb)	0.7525	0.7600	+0.0075	0.7563
CME Nonfat dry milk (\$/lb)	1.8800	1.9700	+0.0900	1.9250
-----	-----	Implied Prices	-----	-----
Butterfat (\$/lb)	1.47	1.38	-0.09	1.43
Protein (\$/lb)	2.37	2.44	+0.07	2.41
Other solids (\$/lb)	0.50	0.51	+0.01	0.51
Nonfat solids (\$/lb)	1.62	1.71	+0.09	1.67
Class III (\$/cwt)	15.58	15.57	-0.01	15.58
Class IV (\$/cwt)	19.72	20.22	+0.50	19.97

Comments

Butter prices plunged on both the cash and futures markets last week, the former losing 4.9% while the six-month strip of futures lost 4.7%. Year to date at the end of July, butter exports were up 66.5% (+40,544 MT). However, exports were only up 1.3% year-over-year in July. Importantly, 35% of all U.S. butter exports in 2025 were to Canada and 12% were to Mexico. Most of these exports were for standard U.S. butter (salted and 80% butterfat), whereas exports to the rest of the world are nearly totally for standard international butter (unsalted, 82% butterfat). The ongoing trade war with Canada will unquestionably affect dairy prices, especially butterfat/butter.

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)
September	1.563	145.500	67.700	180.000	16.15	19.11
October	1.550	140.750	69.000	188.500	16.11	19.50
November	1.564	143.950	71.475	183.675	16.40	19.24
December	1.574	147.500	71.250	176.725	16.55	18.81
January	1.603	151.250	71.850	172.500	16.82	18.62
February	1.635	154.000	71.500	169.925	17.07	18.35
Average	1.582	147.158	70.296	178.554	16.52	18.94
Weekly Change	-0.016	-7.217	-0.250	+5.250	-0.13	+0.10

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 Base Class I are reported in Table 3. Note that the September Class I Base Skim and Class I Butterfat prices were released on August 20 (the \$12.16/cwt in Table 3 for skim, and \$1.5164/lb for butterfat, the latter not being reported, but used to calculate the \$17.04/cwt for the September 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 and base Class I (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
September	1.49	2.67	0.42	1.55	(12.16)	(17.04)
October	1.43	2.69	0.44	1.63	14.37	19.07
November	1.47	2.69	0.45	1.58	15.15	19.62
December	1.51	2.68	0.46	1.51	14.71	19.33
January	1.56	2.72	0.47	1.47	14.07	18.86
February	1.59	2.79	0.46	1.45	13.68	18.65
Average	1.51	2.71	0.45	1.53	14.02	18.76
Weekly Change	-0.09	+0.04	+0.00	+0.05	+0.42	+0.16

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-August, and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of August 30, 2026.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	2.14	2.35	1.46	+3.4	-2.1	-0.9
SMP/NFDM	1.54	1.54	1.83	+4.8	+3.4	+10.2
WMP	1.88	1.61	2.25	+5.9	+2.5	+6.4
Cheddar	1.77	1.75	1.51	+0.2	-0.3	-6.0

Source: DG Agri

- Milk collections during the month of **July 2026** for the 26 countries making the European Union totaled 12,914,000 metric tons (28.47 billion pounds), reportedly **up 251,000 tons (+0.55 billion pounds) or +1.98% from July 2025**. Based on the preliminary report, five countries accounted for 64.6% of the total milk collected (Germany, France, The Netherlands, Poland, and Italy). Altogether, collections in these 5 countries were up 2.35% (191,600 metric tons, or 422 million pounds) from last year.

Milk deliveries were up in 17 of the 26 countries.

One must be careful with the preliminary releases of milk collections in the European Union. Sometimes, there are 'goofy' numbers in the preliminary report. For example, reported milk collections in Latvia for July 2026 were 7,510 MT. For the same month last year, they were 75,540 MT, and in June 2026, they were 72,770 MT. So, unless Latvia dried up 90% of its milking

herd in July, the reported 7,510 MT looks 'goofy'. A similar severe underreporting appears likely for Croatia. In the two figures appearing in this newsletter, I arbitrarily set the monthly collections for these two countries as unchanged from last July.

The reported milk collections in July of this year for both Poland and Spain were identical to those in July 2025 to the second decimal. Somebody was on vacation during the month and AI must have taken over.

Milk production has been on an increase for 16 consecutive months in the E.U., the peak increase (+6.0%) took place in December 2025. As in the U.S., the increase production is coming from both an increase in animal productivity and an increase in the number of animals being milked. Data on cow numbers in the E.U. suffer from similar issues as to the same statistics in the U.S. Slaughter data are much more reliable. Dairy cow slaughters in the first 5 months of 2026 were down 9% from the same months of 2024. Apparently, E.U. dairy farmers are doing the same thing as U.S. dairy farmers: keeping cows in the herd and milking more cows.



