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**Dairy** EXCELLENCE  
Dairy Week In Review



Dated February 4, 2026

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb.)	\$ 15.32/cwt.	▲ 4.0 %	▼ 3.5 %	▼ 24.6 %
Class IV Milk Price (Feb.)	\$ 15.40/cwt.	▲ 13.7 %	▲ 13.7 %	▼ 23.3%
Corn (Mar.)	\$ 4.28/bushel	▲ 0.5 %	▼ 3.2 %	▼ 13.4 %
SBean Meal (Mar.)	\$ 291.9/ton	▼ 0.7 %	▼ 2.3 %	▼ 7.0 %
DMC Margin (Dec.)*	\$ 9.42/cwt.	—	▼ 10.5 %	▼ 29.6 %

*\*Each issue of "Dairy Week in Review" will report on the most recent Milk Margin published through USDA's Dairy Margin Coverage Program. This margin is published each month after the USDA Ag Prices Report is released.*

### Markets:

- Based on the January 2026 USDA Cattle Inventory Report, all cows and heifers that have calved totaled 37.2 million head, down slightly from 37.3 million head from January 2025. Milk cow numbers reached 9.57 million head, up 2.0 percent from the prior year and the highest since 1993. However, U.S. milk cow number growth has slowed over the past couple years as fewer cows leave the herd but replacements become increasingly more difficult to source. U.S. dairy cow slaughter rates totaled 2.53 million head in 2025, a new low for the decade and well below approximately 3 million head slaughtered annually in several prior years before 2024.
- U.S. dairy replacements heifer inventories fell from 3.91 million head in 2025 to 3.90 million head in January 2026, the lowest level since 1978. Milk cow replacement heifer numbers fell to 2.5 million head, down significantly from a few year ago at almost 3 million head.
- With beef on dairy remaining popular due to high beef prices as a major contributing factor to the contraction of replacement inventories, fewer dairy heifers are entering U.S. dairy herds. Even with historically high milk cow numbers, the dairy industry will start to feel the effects if culling rates increase or productivity decreases. Once these U.S. dairy cows begin to start aging out of production and the dairy heifer replacement inventories continue to tighten, there could be additional volatility in the dairy markets.

### Government/Industry:

- 2026 Dairy Margin Coverage (DMC) enrollment is open through February 26. With the passage of The One Big Beautiful Bill Act, there have been several changes to the DMC program. DMC's tier 1 coverage level increased from five to six million pounds. All dairy operations that elect to enroll in DMC for 2026 will establish a new production history based on the higher of milk marketings for 2021, 2022, or 2023. New dairy operations starting after January 1, 2023, will use their first year of monthly milk marketings, even for a partial year. Milk marketing statements or production evidence are required at time of enrollment. Dairy operations also have the option to lock in coverage levels for six years (2026-2031) with premium fees discounted by 25%. This coming year, dairy farms will need price risk protection more than ever, and DMC can help safeguard dairies' bottom lines. To learn more about the program or to sign up, visit or call your local USDA Farm Service Agency office.
- Coming up, Penn State Extension will be hosting a live webinar on February 19 on how the DMC program works, 2026 program updates, how to calculate premium costs, and potential payments estimates. The webinar will cover real-world examples to help illustrate various scenarios to better understand how the program can work for farmers and their operation. There will be a Q&A segment at the end of the webinar for participants to engage in discussion to address questions or concerns. The webinar is free, but pre-registration is required. For more details or to pre-register, visit [www.extension.psu.edu/dairy-margin-coverage-enrollment-and-strategies](http://www.extension.psu.edu/dairy-margin-coverage-enrollment-and-strategies).