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Dairy Week In Review



Dated May 13, 2026

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$ 17.06/cwt.	▼ 4.0 %	▼ 1.9 %	▼ 8.7 %
Class IV Milk Price (May)	\$ 22.42/cwt.	▼ 1.3 %	▲ 4.9 %	▲ 22.1 %
Corn (May)	\$ 4.67/bushel	—	▲ 3.6 %	▲ 4.3 %
SBean Meal (May)	\$332.9/ton	▼ 3.2 %	▲ 3.5 %	▲ 11.7 %
DMC Margin (Mar.)*	\$ 9.57/cwt.	—	▲ 13.1 %	▼ 17.1 %

*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 most recent USDA Dairy Products report, for March 2026, total cheese output reached 1.26 billion pounds, up 1.2 percent from March 2025 and up 8.1 percent from February. American type cheese production totaled 488 million pounds, 2.3 percent above March 2025 and 7.4 percent above last month's output. Italian type cheese production rose 2.3 percent year over year and 6.6 percent month over month to 542 million pounds for March 2026. Currently, cheese markets are holding steady with sufficient supply. With weaker domestic demand, more focus has been placed on exporting cheese to international markets.
- For March 2026, butter production totaled 232 million pounds, up 1.2 percent from March 2025 and 4.1 percent from February. California's butter output decreased by 5.0 percent year over year. From March 2025 to 2026, Pennsylvania's butter production fell by 7.0 percent to 6.85 million pounds. Domestically and globally, butter demand has been strong with supplies remaining abundant as farms' fat tests and milk outputs continue to rise.
- Shifting focus to the USDA Milk Production report, the U.S. milk supply totaled 20.4 billion pounds in March 2026, a 2.3 percent increase from the same month the prior year. The nation's herd averaged 9.6 million head, up 187,000 head from March 2025.
- Twenty out of the 24 selected states reported milk production growth year over year. Kansas led the U.S. in milk production growth, rising 25.4 percent from March 2025 to 2026 as the state's herd increased by 25.1 percent and more processing capacity comes online. Washington reported the most significant loss in milk production of 5.8 percent over the same timeframe. Pennsylvania experienced a 2.3 percent drop in milk output and a 12,000 head decrease in the state's cow numbers from March 2025 to 2026.

Government/Industry:

- On May 8, the USDA announced their Final Rule, "Expanding Fluid Milk Options in Child Nutritional Programs," which incorporates whole and 2% milk choices in school breakfasts and other programs. The passage of this rule is a crucial next step in the implementation of the Whole Milk for Healthy Kids Act of 2025 that was signed into law last January. For the first time since they were cut from federal rules in 2012, schools will have the choice to offer whole and 2% in addition to the current options. The Final Rule will take effect in June.
- On June 11, the Dairy Excellence Foundation will host their annual "A Toast to Dairy" event at Melhorn Manor in Mount Joy, PA, from 6 to 9 p.m. All proceeds from the event directly support the Foundation's dairy education programs. This farm-to-fork event features food stations, tasting passports with samples from local wineries and breweries, guided cheese tasting experiences, and other fun surprises. Tickets are \$85 per person with group discounts available. With 400 people attending last year, buy your tickets now before they sell out. Visit www.centerfordairyexcellence.org/toastodairy to purchase your tickets.