CENTER FOR Dairy EXCELLENCE

Dairy Week in Review

August 19, 2026

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Aug.)	$16.53/cwt	-0.5%	+4.9%	-5.1%
Class IV Milk Price (Aug.)	$17.25/cwt	+0.7%	-6.3%	-7.0%
Corn (Sep.)	$4.63/bu.	+6.2%	+6.7%	+22.2%
SBean Meal (Aug.)	$313.0/ton	+3.2%	-2.1%	+8.9%
DMC Margin (Jun.)	$10.88/cwt	–	+2.4%	-2.0%

**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 World Agricultural Supply and Demand Estimates (WASDE) report, the USDA decreased the expected U.S. corn yield to 180.7 bu., a 2.3 bu.-decrease from the prior report and a 5.8-bu. decrease from the same time last year. While yield projections were down, corn production was projected to experience a slight 0.1 percent increase from July's report to 16.013 billion bushels, related to an increase of 1.3 million harvested acres. The average farm price for corn raised to a projected $4.50 per bu.,up 10 cents from the prior estimates.
- From July's to August's report, U.S. soybean projections remained mostly unchanged. The USDA estimates soybean production at 4.519 billion bushels, which if it holds true, this would be the largest soybean crop recorded. This follows an estimated slight increase in harvest acreage and a slight decrease in soybean yield. Currently, the projected average prices for soybeans and soybean meal are $11.40 per bu. and $310.00 per ton, respectively.
- U.S. milk production forecasts remain unchanged for 2026 but were lowered for 2027. Milk cow inventories were also raised for 2026, while milk output per cow fell for 2026 and 2027. For 2026, dairy export projections decreased on a skim-solids basis but rose on a fat basis due to the increased butter shipments. Due to increased milk protein, cheese, and butter import estimates, total dairy import projections are up for 2026. For 2026, the Class III milk price forecast increased, while the Class IV price dropped. The 2026 and 2027 all-milk prices were forecasted to fall to $19.85 per cwt and $19.80 per cwt, respectively.

Government/Industry:

- During the extensive trade discussion between Canada and the U.S., the midnight deadline was pushed from Wednesday to Friday. If that deadline is missed, Canada would see 50 percent tariffs enacted against additional goods, which would impact Canada's aluminum, steel, and timber industries. In response to the U.S.' demands, Canada rolled back most of their retaliatory tariffs, as well as agreed to address several issues that followed earlier U.S. tariffs, including unfair practices in their dairy sector, auto export tariffs, and boycotts of American wine and spirits in certain territories. With uncertainty surrounding the U.S.-Mexico-Canada agreement and sectoral tariffs on track to be implemented, even if they are reduced, the U.S. and Canada tariff-discussion will persist beyond the deadline.
- Join the Center at our 2026 Dairy Financial and Risk Management Conference held on September 9 at the Pennsylvania Farm Show Complex from 8 a.m. to 2:30 p.m. This year's theme is "Rewriting the Future," and the speakers will cover navigating difficult communications, dairy markets, and risk management. There will also be a producer panel featuring dairies that have expanded by pursuing non-traditional partnerships with someone outside of their immediate family. Secure your spot today by registering at www.centerfordairyexcellence.org/financial-conference.

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