



CENTER FOR  
**Dairy**EXCELLENCE  
**Dairy Week in Review**  
September 2, 2026



| Dairy Prices                | Price       | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|-----------------------------|-------------|---------------------|----------------------|---------------------|
| Class III Milk Price (Sep.) | \$16.34/cwt | -1.6%               | -3.7%                | -8.9%               |
| Class IV Milk Price (Sep.)  | \$19.40/cwt | +12.0%              | +11.4%               | +12.5%              |
| Corn (Sep.)                 | \$5.21/bu.  | +4.2%               | +17.9%               | +29.3%              |
| SBean Meal (Aug.)           | \$342.0/ton | +6.8%               | +10.1%               | +24.1%              |
| DMC Margin (Jul.)           | \$9.93/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:

- For the Dairy Margin Coverage program, the USDA announced July’s margin to be \$9.93 per hundredweight (cwt). With the margin 43 cents per cwt above the \$9.50 trigger, no indemnities were paid out at any coverage level. July’s margin was 95 cents below the prior month’s margin at \$10.88 per cwt and \$1.01 under the \$10.94 per cwt margin for July 2025. When compared to five years ago, the margin rose \$4.46 from \$5.47 per cwt in July 2021 to 2026.
- Month over month, the all-milk price fell 80 cents from \$21.10 to \$20.30 per cwt, continuing to trend downwards from May’s \$21.30 per cwt. Year over year, the all-milk price also experienced a decrease of 50 cents. For July, total feed costs increased by 15 cents from June to \$10.37 per cwt, narrowing the margin month over month. Year over year, feed costs were up 51 cents from \$9.86 per cwt. From the prior month, July’s corn price was slightly down by 2 cents per bu. to \$4.26. However, month over month, soybean meal and alfalfa hay prices rose by \$18.28 and \$3.00 to \$337.96 per ton and 242.00 per ton, respectively.
- Looking ahead over the next five months, higher feed prices are putting pressure on margins going forward, countering an increase in the all-milk price. The DMC Decision tool (updated August 31, 2026) forecasts margins to drop to \$8.29 per cwt in September, then rebound over the following three months to \$9.31 in December. If true, participating dairies could see indemnities every month for the rest of the program year.

#### Government/Industry:

- On September 1, Pennsylvania Governor Josh Shapiro and Hamdi Ulukaya, Chobani CEO, announced Chobani’s \$1.2 billion investment to open their first Pennsylvania-based, dairy processing facility in Allentown, Pa. In the former Keurig Dr Pepper (KDP) manufacturing facility, Chobani plans to produce Class I or Class II dairy products, outside of yogurt. At full capacity, the plant will be able to process 3 billion pounds of milk annually and expand market opportunities for not only Pennsylvania’s dairies but farms across the Mid-Atlantic region. This will be the largest ever investment in Pennsylvania’s agricultural industry and is projected to create 900 full-time jobs over the next five years. In response to the increased milk supply demand, the Commonwealth announced their plan to drive out \$127 million in loans and grants to Pennsylvania dairy farmers, although further details about the funds were not provided.
- 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](http://www.centerfordairyexcellence.org/financial-conference).