



CENTER FOR
DairyEXCELLENCE
Dairy Week in Review
October 7, 2026



Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct.)	\$15.05/cwt	+5.8%	-7.0%	-12.2%
Class IV Milk Price (Oct.)	\$20.48/cwt	+7.3%	+7.3%	+40.2%
Corn (Dec.)	\$5.08/bu.	-2.7%	-0.8%	+21.0%
SBean Meal (Oct.)	\$353.4/ton	-1.9%	+2.3%	+31.4%
DMC Margin (Aug.)	\$9.34/cwt	–	-14.2%	-14.6%

**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:

- For the Dairy Margin Coverage (DMC) program, the USDA announced August’s margin to be \$9.34 per hundredweight (cwt). Participating producers enrolled at the \$9.50 coverage level received an indemnity of 16 cents per hundredweight (cwt). When compared month over month and year over year, the margin was down by 59 cents and \$2.18 per cwt, respectively.
- For August, the lower margin is linked both to a decrease in the milk price and slightly higher feed costs. The all-milk price fell 50 cents from \$20.30 in July to \$19.80 per cwt in August, continuing to trend downwards from \$21.30 per cwt in May. From August 2025 to 2026, the all-milk price experienced a steeper decline of \$1.10 per cwt.
- Along with the all-milk price dropping, the total feed costs increased by 9 cents to \$10.46 per cwt, narrowing the margin for the second month in a row. Year over year, feed costs were up \$1.08 from \$9.38 per cwt. For increasing feed costs, the primary driver was corn. Month over month, the corn price increased by 19 cents.
- Looking ahead to the next four months, feed costs are projected to rise significantly, placing pressure on the margins for the rest of program year 2026. The DMC Decision Tool (updated October 5, 2026) forecasts margins to fall below the \$9.50 trigger September through November with December just three cents above.

Government/Industry:

- Last week, the USDA announced 2027 Dairy Margin Coverage program enrollment will run from October 5 through December 18, 2026. For program year 2027, DMC margins are currently forecasted to be under the \$9.50 trigger from January through September. However, it is important to remember that these projections are not guaranteed and constantly change with the shifting dairy and feed markets. For more information or to enroll in DMC for program year 2027, please contact your local Farm Service Agency office
- Coming up, the Center and Penn State Extension will be jointly hosting a Risk Management & Financial Literacy Workshop from 10 a.m. to 2:30 p.m. at the Franklin County Extension Office on October 15. This workshop will feature three practical sessions covering decoding the dairy markets, breaking down the price risk management programs, and diving into the key financial statements and metrics to make informed farm management decisions. With DMC enrollment open for program year 2027, Dr. Weir will share insights and examples to help attendees understand how DMC can fit into their risk management strategies. During lunch, participants have the option to talk one-on-one with an industry professional. These workshops are free, but registration is required. Visit www.centerfordairyexcellence.org/events to learn more or to register.