

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JAN. 7, 2026 — except where noted



By VALERIE MASON-FAITH
Center for Dairy Excellence
vmason@centerfordairyexcellence.org



Dairy Margins: Based on the most recent USDA Agricultural Prices report, November's margin was calculated to be \$10.04 per cwt, just 54 cents above the \$9.50 per cwt trigger. Even though November's margin fell from October's \$10.87, no indemnities were paid out at any coverage level. For the 2025 program year, this would be the eleventh consecutive month where participating dairies did not receive payments.

The falling milk prices are one of the main drivers narrowing the milk margin above feed costs. From September to November, the all-milk price continued to fall from August's \$20.90 per cwt to \$19.70 in November, down \$1.20 per cwt. November 2025's all-milk price dropped by 30 cents month over month and by \$4.50 year over year. Looking back over the past five years, the all-milk price decreased by \$1.60 per cwt from \$21.30 per cwt in November 2020 to November 2025. November's all-milk price has reached a low not seen since August 2023.

While milk prices experienced a steady decline over the past few months, total feed costs fluctuated, rising from August's \$9.38 to \$9.53 in September, then falling to \$9.48 per cwt in October. November's calculated feed costs experienced an 18-cent uptick from October to \$9.66 per cwt.

Looking at the feedstuffs that factor into the total feed costs calculations, premium alfalfa hay fell \$7.00 per ton from October's \$223 to November's \$216 per ton. Month over month, corn prices experienced a 5-cent bump to \$3.98 per bushel for November. From October to November, soybean meal increased from \$300.68 per ton to \$330.87 in November, a \$30.19 per ton increase.

Updated January 2, the DMC Decision Tool forecasts December's margin to fall below the \$9.50 per cwt trigger to \$8.83 per cwt. If these projections hold true, December will be the only month for program year 2025 in which participants will receive an indemnity of 67 cents per cwt. This is driven mostly by a forecasted drop in the all-milk price from \$19.70 per cwt to \$18.52, a \$1.18 per cwt decline from November to December. December's total feed cost is currently projected at \$9.69 per cwt, up 3 cents from November's \$9.66 per cwt. From November to December, corn and premium alfalfa hay price forecasts are up by 7 cents per bushel and \$13.00 per ton, while soybean meal is projected to fall \$29.87 per ton.

As of today, there has been no information released on DMC enrollment for program year 2026. Under the "Big Beautiful Bill"

passed in July 2025, coverage levels in the program increase from a maximum of 5 million pounds to 6 million pounds beginning in January 2026. There are also a few disaster relief programs for crops that have opened up. Payment rates for the Farmer Bridge Assistance (FBA) program have been released. Ahead of the DMC enrollment window opening and to learn more about the FBA program, reach out to your local FSA office to ask what documents you will need to bring to sign up.

With milk prices continuing to drop, Dairy Margin Coverage can be a cost-effective price risk management tool to help safeguard your bottom line from market volatility. However, incorporating other risk management programs, such as Dairy Revenue Protection, to take an integrated approach could help cover the gaps between the national average all-milk prices and regional prices.

With the component pricing option, the component milk prices for butterfat, protein, and other solids can be used as the basis, and producers can choose the butterfat and protein test percentages to determine your specific insured milk price. Coverage is built by adding quarterly coverage endorsements and ranges from 80-95 percent. Overall, DRP offers protection on your milk production in the event of an unexpected drop in revenue, yield or price. Reach out to your local crop insurance provider to learn more.

If you're interested in learning more about dairy farm management by networking with other producers or through engaging sessions with industry professionals, consider joining us for the 2026 Pennsylvania Dairy Summit. Hosted by the Professional Dairy Managers of Pennsylvania and Center for Dairy Excellence, the Summit will be held on February 4-5 in Grantville, PA.

The Summit program is packed with speakers that will help you and your farm to find your True North. With producer-led sessions on relevant, real-time issues, attendees can drill down their strengths, network with peers, and discover their passion. Dairy producers can attend the full, two-day Dairy Summit for a discounted rate of \$100, with one-day rates available. To register or check out the program, visit www.padayrsummit.org. To register, visit www.centerfordairyexcellence.org/events

Prices change daily. This market information is an example for educational purposes. The market data shown below are compiled weekly by Farmshine, via CME & USDA reports.

CME DAILY FUTURES & OPTIONS TRADING — JAN. 7, 2026 AT THE CLOSE

	JAN-26	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	JUL-26	AUG-26	SEP-26	OCT-26	NOV-26	DEC-26	TREND				
CLASS III MILK FUTURES (\$/CWT) vs. 2 weeks ago: <i>Jan-July26 down 20 to 35¢, except Feb-Mar up 5¢, Aug-Dec26 5 to 15¢ higher.</i>	15.04	15.45	15.66	16.01	16.50	16.92	17.24	17.52	17.68	17.80	17.68	17.35	MIXED				
CLASS IV MILK FUTURES (\$/CWT) vs. 2 weeks ago: <i>Jan-Apr down 5 to 35¢, May-Dec26 up 5 to 25¢.</i>	13.45	13.63	14.14	14.48	14.72	15.06	15.36	15.65	15.87	16.10	16.21	16.28	↑↑				
CORN FUTURES (\$/BU)	MAR-26	MAY-26	JUL-26	SEP-26	DEC-26	MAR-27	MAY-27	JUL-27	SEP-27	DEC-27	MAR-28	MAY-28	JUL-28	TREND			
	4.456	4.532	4.594	4.524	4.636	4.764	4.832	4.872	4.680	4.720	4.850	4.876	4.904	↑↑			
SOYMEAL FUTURES (\$/TON)	JAN-26	MAR-26	MAY-26	JUL-26	AUG-26	SEP-26	OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	AUG-27	TREND			
	301.7	304.9	308.4	312.8	314.0	314.7	314.8	318.6	320.3	321.8	324.8	327.6	327.6	↑↑			
U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: <i>USDA Monthly National Dairy Comprehensive Report</i>	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	*NOV-25	TREND
	196.44	199.57	206.63	192.20	184.82	184.49	189.60	195.30	195.50	187.01	188.00	195.00	202.00	179.00	192.00	*202.00	↑↑

DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm)

DMC	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	*NOV-25
MARGIN	12.33	13.72	15.57	15.17	14.29	13.38	13.85	13.12	11.55	10.42	10.40	11.10	10.94	11.52	10.87	10.52	*10.04
ALL MILK	22.80	23.60	25.50	25.20	24.20	23.30	24.10	23.60	22.00	21.00	21.30	21.30	20.80	20.90	20.40	20.00	*19.70
FEED \$	10.47	9.88	9.93	10.03	9.91	9.92	10.25	10.48	10.45	10.58	10.90	10.20	9.86	9.38	9.53	9.48	*9.66

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 01/06/26

Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB	Next GDT Auction 01/20/26	SKIM POWDER (SMP)	BUTTER		
ALL-PRODUCT INDEX	1.6029↑↑	6.3%	2.3620↑↑	3.8%	
MILKFAF (AMF)	2.7273↑↑	7.4%	2.1166↑↑	0.6%	
BUTTERMILK POWDER	1.3734↑↑	5.1%	MOZZARELLA (BULK)	1.5508↑↑	0.7%
LACTOSE	0.6411	NC	WHOLE POWDER (WMP)	1.5458↑↑	7.2%

U.S. CME SPOT DAILY (\$/LB) 01/07/26

Prev. 4 day Lds	Spot price	Weekly Avg	
NFDM	7	1.2175↑↑	1.1983↑↑
BUTTER	60	1.3225↑↑	1.3408↑↑
CHEDDAR-40	34	1.3650↑↑	1.3550↑↑
CHEDDAR-500	0	1.4000NC	1.4000NC
DRY WHEY	4	0.7000↓	0.7133↑↑

U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 01/03/26*

FMMO PROD	MIL. LBS	WTED AVG \$	*U.S. Weekly NDPSR is averaged for the Month & used in FMMO formulas.
NFDM	14.0	1.1654↑↑	
BUTTER	8.3	1.4341↑↑	
CHEESE-40	8.4	1.4174↑↑	
CHEESE-500	REPORT ENDED		
DRY WHEY	4.1	0.7040↑↑	

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK (\$/CWT)

CL I ADV	CL I SKIM	*CL II	*CL III	*CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
16.35(JAN)	11.17(JAN)	*14.41(DEC)	*15.86(DEC)	*13.64(DEC)	*19.70(NOV)↓	*19.30(NOV)
NOV. CL I Skim ESL Adj.	-0.17↑↑	*NEW RULE	4.46F	4.42F		
18.21	12.74	14.54	17.18	13.89	20.00	19.80
20.38	10.49	21.28	18.62	20.74	24.20	25.00

CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW

*WEIGHTED AVG. 4-WK DEC. 1-27, 2025	*DEC. 2025 COMPONENTS
PRODUCT VALUE *(New Make Allow vs Old) NET VALUE	
*CHEESE 1.5271↑↑ *(0.2519) 0.2003 1.2752↑↑	*PROT 2.4563↑↑
*BUTTER 1.5287↑↑ *(0.2272) 0.1715 1.3015↑↑	*B.FAT 1.5761↑↑
*NFDM 1.1541↑↑ *(0.2393) 0.1678 0.9148↑↑	*N.FAT 0.9057↑↑
*DRYWHEY 0.6893↑↑ *(0.2668) 0.1991 0.4225↑↑	*OS 0.4352↑↑

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report

OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25
N/A	2250	N/A	N/A	2921(ttd)	N/A	N/A	2650	N/A	N/A	N/A	2600	N/A	N/A

U.S. AVG. FRESH/MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report

2800	2489	N/A	N/A	N/A	N/A	N/A	3021	N/A	3010	N/A	N/A	N/A	N/A
------	------	-----	-----	-----	-----	-----	------	-----	------	-----	-----	-----	-----

CATTLE - DAIRY PURPOSES(\$/HD) USDA and other auction reports combined 4-week rolling average as of DEC. 18, 2025

MILK COWS (NASS) U.S. Avg.	MILKING HEIFERS: Springing	Bred	BxD	OPEN: 300-600 lbs	BXD	600-900 lbs	BXD	900-1100 lbs	BULLS(800-1300lbs)		
*\$3110 Q3-25 ↑↑	\$3010 Q2-25	3200	All Dairy	3100	2500	3000	1400	N/A	1900	2100	2000
\$2600 Q3-24	\$2300 Q2-24	3200		3100	2800	2200	1200	1500	1400	N/A	2000

PA Auction Markets Jan. 1-6, 2026

CULL MARKET COWS (\$/CWT LIVELWEIGHT)	FED STEERS (\$/CWT LIVELWEIGHT)	Holstein	Beef-X-Dairy	2 WKS AGO	YR AGO
Premium White	Choice & Prime 1250-1550 lb	203.00↑↑	225.00↑↑	196.75	N/A
Breakers	BULL CALVES: No. 1 & 2, 90-130 lbs	1200.00↑↑	1400.00↑↑	950.00	1325.00
Boners	(\$/cwt livelweight) 70- 85 lbs	1275.00↑↑	1625.00↑↑	1030.00	1450.00
Lean				650.00	850.00
N/A				650.00	875.00
N/A					
N/A					

PA Auction Markets Jan. 1-6, 2026

CULL MARKET COWS (\$/CWT LIVELWEIGHT)	FED STEERS (\$/CWT LIVELWEIGHT)	Holstein	Beef-X-Dairy	2 WKS AGO	YR AGO
Premium White	Choice & Prime 1250-1550 lb	203.00↑↑	225.00↑↑	196.75	N/A
Breakers	BULL CALVES: No. 1 & 2, 90-130 lbs	1200.00↑↑	1400.00↑↑	950.00	1325.00
Boners	(\$/cwt livelweight) 70- 85 lbs	1275.00↑↑	1625.00↑↑	1030.00	1450.00
Lean				650.00	850.00
N/A				650.00	875.00
N/A					
N/A					

brought to you by: