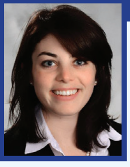
CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **FEB. 18, 2026** — except where noted



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Navigating volatility: Coming into 2026, the milk price talk was downright depressing. Too much milk. Not enough demand. Plenty of global competition. Yet even amongst the bearish talk, the dairy markets have been full of surprises over the past few weeks – especially the nonfat dry milk market. After spending the better part of 2025 trudging in a 20-cent range between $1.10 and $1.30 per pound, CME spot prices for nonfat dry milk started showing some life in late January. Like kicking and screaming kind of life. Fast forward to early February and prices rocketed up above $1.60 per pound for the first time since 2022. Butter got caught in the blaze, too, rallying back above $1.70 per pound.

Supply tightness appears to be the genesis of the rally with market reports citing limited NDM availability in the U.S. The snug market left a lot of market participants scratching their heads. How could powder markets be this tight in an environment with +4% growth in domestic milk supply, soft exports and seemingly lackluster domestic demand? Ultimately, it seems to be stemming from lighter-than-anticipated production. There's certainly plenty of milk available, but it doesn't appear to be making it into dryers. Strong demand for wet solids – think ultrafiltered and skim condensed milk – to feed other manufacturing plants is diverting milk away from powder production. And don't forget about the billions of dollars of new plant investment that is now running and demanding milk. The result: December nonfat dry milk and skim milk powder production fell a combined 6% year-over-year.

Powder may not be heading for a moon landing though. It seems likely that the rocket ship jump in prices in late January and early February was intensified by short buyers jumping in. Higher prices will likely curb some demand. At the same time, seasonally stronger milk supplies will likely lead to more milk hitting the dryers in the months ahead. And let's not lose sight of the global market. European milk production jumped an estimated +5% year-over-year in December. New Zealand is making more, too. That will bolster SMP output in those regions, potentially displacing some U.S. export opportunities into places like Southeast Asia.

In the butter market, price support appears to be stemming in part from export strength. November butter exports reached 25 million pounds, a 245% increase year-over-year. And anhydrous milkfat (99% butterfat) topped 8 million pounds, more than doubling from last year. Reports suggest that still competitive U.S. prices are keeping the export sales pipeline filled to start the year. While there appears to be plenty of fat available in the marketplace, it seems possible that a greater percentage of churn activity is focused on making 82% unsalted butter for export rather than domestic 80% salted production. That shift in output may be stirring up some concern around longer-term availability for buyers. Meanwhile, lower price points heading into the spring holidays appear to be driving some more aggressive retail promotions.

Producers should consider looking at this uptick in the Class IV space to manage some 2026 price risk, starting with the Dairy Margin Coverage (DMC) program. Sign-ups for DMC run through February 26, and producers can protect six million pounds of milk at the $9.50 per hundredweight margin level. In the past decade, the program (as it's constructed today) would have paid out 55% of the time. Outside of DMC, risk management options like the Dairy Revenue Protection program allow producers to place floors under their milk price, protecting the downside while leaving the upside open to higher prices. As of mid-February, producers could protect a Class IV price at standard test and net of premium cost for the rest of 2026 above $16.60 per hundredweight. Any lift in milk powder and butter futures prices from here may provide a good opportunity to layer in coverage.

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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 — FEB. 18, 2026 AT THE CLOSE

CLASS III MILK FUTURES ($/CWT) vs. week ago: *Feb26 down 10¢, Mar-Sep26 up 35 to 65¢, Oct-Dec26 up 20 to 30¢, Jan27 off 5¢.* *12-Month Avg. 17.50* ↑↑

CLASS IV MILK FUTURES ($/CWT) vs. week ago: *Feb26 firm, Mar-Jun26 up 70 to 90¢; rest of board up 30 to 50¢, except Dec26 up to $1.00.* *12-Month Avg. 17.78* ↑↑

	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	JUL-26	AUG-26	SEP-26	OCT-26	NOV-26	DEC-26	JAN-27	TREND
Class III	15.07	16.68	17.22	17.60	17.97	18.05	18.18	18.30	18.25	18.10	17.63	16.97	↑↑
Class IV	15.53	18.30	18.25	17.80	17.76	17.96	18.02	18.12	18.10	18.07	18.00	17.45	↑↑

MILK BASIS (MAILBOX minus CLASS 3 $/CWT) **2018-23 AVG FOR NORTHEAST & MIDEAST STATES OF PA, NY, NEW ENGL., OH vs.** *NAT'L AVERAGE* - *YOUR INDIVIDUAL BASIS WILL VARY*

Mailbox	18.82 18.25	18.96 18.48	18.64 18.27	18.52 18.15	18.68 18.38	18.65 18.35	18.62 18.41	19.27 18.75	20.20 19.76	20.58 20.17	20.25 19.64	19.22 18.75
Class III	16.03 16.03	16.98 16.98	17.31 17.31	17.33 17.33	18.16 18.16	18.16 18.16	17.59 17.59	17.60 17.60	18.72 18.72	19.07 19.07	17.30 17.30	16.81 16.81
BASIS	2.79 2.22	1.98 1.50	1.33 0.96	1.19 0.82	0.52 0.22	0.49 0.19	1.03 0.82	1.67 1.15	1.48 1.04	1.51 1.10	2.95 2.34	2.41 1.94

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
4.270	4.366	4.446	4.456	4.610	4.732	4.792	4.826	4.662	4.716	4.824	4.876	4.900	*MIXED*

SOYMEAL FUTURES ($/TON)

MAR-26	MAY-26	JUL-26	AUG-26	SEP-26	OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	AUG-27	SEP-27	TREND
303.9	308.5	313.2	313.6	313.0	311.6	314.2	315.3	316.1	317.4	319.7	318.8	317.2	↓↓

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - *Source: 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	DEC-25	*JAN-26	
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	206.60	*208.60	↑↑

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

DMC	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	*DEC-25	
MARGIN	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	* 9.42	↓↓
ALL MILK	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	* 19.00	↓↓
FEED $	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	* 9.58	↓↓

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction ($/LB) 02/17/26

Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to $/LB

NEXT GDT AUCTION 03/03/26

ALL-PRODUCT INDEX	1.8276↑↑	3.6%	SKIM POWDER (SMP)	1.3489↑↑	3.0%
MILKFAT (AMF)	3.0631↑↑	3.8%	BUTTER	2.8798↑↑	10.7%
BUTTERMILK POWDER	N/A	N/A	CHEDDAR (BULK)	2.1488↓↓	1.0%
LACTOSE	0.6892↑↑	7.8%	MOZZARELLA (BULK)	1.7600↑↑	5.0%
			WHOLE POWDER (WMP)	1.6815↑↑	2.5%

U.S. CME SPOT DAILY ($/LB) 02/18/26

	Prev. 4 day Lds	Spot price	Weekly Avg
NFDM	13	1.5975↑↑	1.5938↓↓
BUTTER	56	1.7050↑↑	1.7050↑↑
CHEDDAR-40	9	1.5000↑↑	1.4750↑↑
CHEDDAR-500	1	1.4700↑↑	1.4600↑↑
DRY WHEY	0	0.7400↑↑	0.7400↑↑

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 02/07/26*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	18.8	1.2604↑↑
BUTTER	3.6	1.5758↑↑
CHEESE-40	10.4	1.3978↑↑
CHEESE-500	REPORT ENDED	
DRY WHEY	9.4	0.6967↑↑

**U.S. Weekly NDPSR is averaged for the Month & used in FMMO formulas.*

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
	14.70 (FEB)	9.99 (FEB)	13.92 (JAN)	14.59 (JAN)	13.55 (JAN)	19.00 (DEC)↓↓ 4.51F	18.90 (DEC) 4.50F
MONTH AGO	16.35	11.17	14.41	15.86	13.64	19.70 4.46F	19.30 4.42F
YEAR AGO	21.27	10.32	21.58	20.34	20.73	23.30 4.46F	24.20 4.36F

*FEB. CL I Skim ESL Adj. +0.57↑↑ *NEW RULE; ADV BF $1.4446↓↓*

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

*WEIGHTED AVG. 4-WK JAN. 1-31, 2026

PRODUCT	VALUE	*(New Make Allow	vs Old)	NET VALUE
CHEESE	1.4003↓↓	*(0.2519)	0.2003	1.1484↓↓
BUTTER	1.4266↓↓	*(0.2272)	0.1715	1.1994↓↓
NFDM	1.1921↑↑	*(0.2393)	0.1678	0.9528↑↑
DRYWHEY	0.6986↑↑	*(0.2668)	0.1991	0.4318↑↑

*JAN. 2026 COMPONENTS	
PROT	2.1768↓↓
B.FAT	1.4525↓↓
N.FAT	0.9433↑↑
OS	0.4448↑↑

NEW USDA $/CWT* OCT-25

	ALL-MILK	BF	*MAILBOX
*FL	$23.70	3.99	$23.24
*SE	$24.70	4.02	$22.91
*APP	$24.00	4.20	$21.28
*OH	$21.50	4.29	$20.27
*N.ENG	$20.40	4.41	$19.78
*IL	$19.80	4.28	$19.68
*MN	$20.40	4.55	$19.61
*MO	N/A	N/A	$19.47
*NY	$20.10	4.37	$19.46
*IN	$20.90	4.18	$19.18
*PAeast	$19.80	4.32	$19.34
*FO30	N/A	N/A	$19.25
*WI	$19.50	4.31	$19.08
*PAwestern PA only			$19.01
*U.S.	$20.00	4.33	$18.70
*IA	$19.50	4.45	$18.47
*MI	$20.10	4.31	$18.44
*TX	$20.10	4.47	$18.15
*CA	$19.70	4.26	$18.03
*SD	$20.00	4.63	N/A
*ID	$20.50	4.49	N/A
*NE/KS	$18.50	4.48	$17.71
*NM	$18.20	4.24	$17.10
*WA/OR	$20.00	4.54	$16.22

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

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

	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	JAN-26
Bred Cows & Heifers	N/A	N/A	2921(ltd)	N/A	N/A	2650	N/A	N/A	N/A	2600	N/A	N/A	N/A	N/A
Fresh/Milking Cows	N/A	N/A	N/A	N/A	N/A	3021	N/A	3010	N/A	N/A	N/A	N/A	N/A	N/A

CATTLE - DAIRY PURPOSES ($/HD) USDA and other auction reports combined 4-week rolling average as of JAN. 19, 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)
*$2860 Q4-25 ↓↓	$3110 Q3-25	3200	All Dairy 3200	2650	3000	1200	N/A	2100	N/A	2500	2000
YEAR AGO											
$2660 Q4-24	$2600 Q3-24	3200	3100	2800	2200	1200	1500	1400	N/A	2000	1800

Price averages do not include lower-end 'common'

PA Auction Markets Feb. 12-16, 2026

CULL MARKET COWS ($/CWT LIVEWEIGHT

	Premium White	Breakers	Boners	Lean
Average to high dressing	N/A	174.75↑↑	157.85↑↑	152.50↑↑
WEEK AGO	N/A	167.10	156.00	145.50
YEAR AGO	N/A	137.50	124.00	112.60

		Holstein	Beef-X-Dairy	WK AGO		YR AGO	
FED STEERS ($/CWT LIVEWEIGHT)	Choice & Prime 1250-1550 lb	N/A	230.25LTD	215.00	233.00	N/A	206.00
BULL CALVES: No. 1 & 2, ($/cwt liveweight)	90-130 lbs	1225.00↓↓	1625.00↑↑	1275.00	1600.00	755.00	970.00
	70- 85 lbs	1390.00↑↑	1900.00↑↑	1325.00	1850.00	765.00	1150.00