

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — FEB. 25, 2026 — except where noted

Mitigating the risk of farm transition complications:

For many dairy farm families, an important component of their purpose is to build something lasting so the next generation has the chance to continue the farming operation in the future. Many times, there is a family legacy component to their farm's history that comes with a desire to keep the tradition going. Some people even feel a weight of obligation to not be the generation that breaks this chain that often goes back many generations.

Other farms may not feel the same pressure from a family legacy perspective, but they can still be challenged with decisions about what their retirement, eventual sale and transfer of the farm, and estate plan will look like. Even if they don't have a family member interested in continuing to actively operate a farm, maybe they want to help a non-family member continue on the farm in the future.

The perspective of this column is related to markets, management and risks important to dairy farms. If you see your goals or concerns related to any of the things I described above, a successful farm transition is important to your future.

It is an important risk management topic that needs attention and effective planning to have a successful outcome.

There are two main factors that can make this process difficult: money and humans with various opinions. When combined and simmered for decades, these two factors are the perfect recipe for a challenging situation. They also present risk for the overall farming operation continuing successfully into the future.

Family communications and sharing of goals, dreams, concerns and possible plans to achieve a farm transition is a major starting point for planning this process. Exploring various tactics and sources of funding related to the farm transition is another important topic for consideration. Whatever plans that are developed must be feasible for everyone involved.

To develop these plans, the retiring or outgoing generation needs to consider their needs for the coming years to assure these needs are met in the process. The younger generation needs to develop their plans for their career on the farm, as it will now be

their turn to make the decisions on the farm to meet their interests and determine the future of the farm. Hopefully all of these considerations can be pulled together to develop a plan that can work.

Once many of these initial plans are developed, considerations for tax implications as well as developing the legal frameworks, business entities, and various estate planning documents and structures need to be put into place.

This process can seem overwhelming for many family farms. Luckily, there are resources available that can help families along this pathway of planning. There are numerous organizations such as the Center for Dairy Excellence, Penn State Extension, Pennsylvania Department of Agriculture, and independent legal, accounting, lending and advisory services that can help.

If you are interested in exploring a path to farm transition planning for your family farm, you may want to join a team of speakers at the "Passing the Torch" Transition Planning Workshop for dairy farm families on March 24 in Union County, Pa.

A variety of speakers will be discussing all of the topics I discussed in this article and offering one-on-one roundtable style discussions to help move your family forward with your farm transition planning. Hosted by Penn State Extension and the Center for Dairy Excellence, the day-long workshop is \$25 for the first two family members and \$5 for each additional family member, with lunch included.

When and Where:

March 24 from 8:30 am – 3:30 pm – Rail Center (184 Young Road, Lewisburg, Pa 17831). Check-in starts at 8:30, and the workshop begins promptly at 9 a.m.

Call Emily Fread from Penn State Extension at 704-301-3441 or call Allen Hess from the Center at 717-788-0304 to register over the phone.

Visit www.centerfordairyexcellence.org/passing-the-torch to register online.



By **BRIAN REED, DVM MBA**
bcreeddvm@outlook.com



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. 25, 2026 AT THE CLOSE

	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 MILK FUTURES (\$/CWT) vs. week ago: Feb26 down 10¢, Mar-Aug26 up 20 to 60¢, Oct26-Jan27 steady to 10¢ higher. 12-Month Avg. 17.70 ↑↑	14.95	16.90	17.85	18.11	18.27	18.30	18.33	18.29	18.36	18.10	17.65	17.20	↑↑											
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: Feb26 up 50¢, Mar-Sep26 up \$1.25 to \$1.75¢, Oct26-Jan27 up 60¢. 12-Month Avg. 18.90 ↑↑	16.03	19.75	19.80	19.40	19.35	19.40	19.35	19.40	18.85	18.74	18.57	18.17	↑↑											
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

	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			
CORN FUTURES (\$/BU)	4.304	4.416	4.500	4.520	4.666	4.786	4.846	4.890	4.706	4.760	4.870	4.924	4.946	↑↑			
SOYMEAL FUTURES (\$/TON)	319.0	322.5	324.8	323.7	321.6	318.6	320.7	320.7	319.6	319.1	320.8	319.2	317.0	↑↑			
U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report																	
OCT-24	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, com, 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% BUTTER 2.8798↑↑ 10.7%																							
MILKFAF (AMF) 3.0631↑↑ 3.8% CHEDDAR(BULK) 2.1488↓ 1.0%																							
BUTTERMILK POWDER N/A N/A MOZZARELLA (BULK) 1.7600↑ 5.0%																							
LACTOSE 0.6892↑↑ 7.8% WHOLE POWDER (WMP) 1.6815↑ 2.5%																							
US. CME SPOT DAILY (\$/LB) 02/25/26	Prev. 5 day Dly	Spot price	Weekly Avg	NFDM	11	1.6725↑↑	1.6558↓	BUTTER	80	1.8350↑↑	1.8200↑↑	CHEDDAR-40	22	1.6025↑↑	1.5592↑↑	CHEDDAR-500	0	1.5600↑↑	1.5133↑↑	DRY WHEY	2	0.6375↓	0.6433↓
U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 02/21/26*	FMMO PROD	MIL. LBS	WTED	AVG \$	FMMO	13.7	1.4246↑↑	BUTTER	4.3	1.6654↑↑	CHEESE-40	9.6	1.4400↑↑	CHEESE-500	REPORT ENDED	DRY WHEY	9.3	0.6938↓					

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK (\$/CWT)														
*CL I ADV↑↑	*CL I SKIM↓	CL II↓	CL III↓	CL IV↓	ALL-MILK-US	ALL-MILK-PA								
*15.47(MAR)	*9.91(MAR)	13.92(JAN)	14.59(JAN)	13.55(JAN)	19.00(DEC)↓	18.90(DEC)								
FEB. CL I Skim ESL Adj. +0.80↑↑ *NEW RULE: ADV BF \$1.69↑↑ 4.51F 4.50F														
14.70	9.99	14.41	15.86	13.64	19.70 4.46F	19.30 4.42F								
21.02	11.42	21.58	20.34	20.73	23.30 4.46F	24.20 4.36F								

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) 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	
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	
U.S. AVG. FRESH/MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report														
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	3300	All Dairy	3600	2800	3000	1400	N/A	2300	N/A	2600	2000			
\$2660 Q4-24	\$2600 Q3-24	3200		3100	2800	2200	1200	1500	1400	N/A	2000	1800			

PA Auction Markets Feb. 12-16, 2026														
CULL MARKET COWS (\$/CWT LIVELWEIGHT)														
Premium White	Breakers	Boners	Lean											
N/A	167.00↓	155.00↓	138.50↓											
WEEK AGO														
N/A	174.75	157.85	152.50											
YEAR AGO														
N/A	140.50	138.75	128.25											

FED STEERS (\$/CWT LIVELWEIGHT)														
Choice & Prime	1250-1550 lb	Holstein	Beef-X-Dairy	WK AGO	YR AGO									
N/A	230.25↓	N/A	N/A	230.25	N/A									
BULL CALVES: No. 1 & 2, 90-130 lbs														
1300.00↑↑	1675.00↑↑	1225.00	1625.00	725.00	1000.00									
(\$/cwt livelweight) 70- 85 lbs														
1525.00↑↑	2025.00↑↑	1390.00	1900.00	725.00	1200.00									

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