

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — MARCH 18, 2026 — except where noted

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Volatility persists: It's been a topsy-turvy couple of weeks in the dairy market. Despite growing milk supply around the globe – the US included – product availability appears to be running a bit light. That's giving commodity prices a boost from earlier this year. Class III prices for April through December are now sitting at \$18 per hundredweight – up about a dollar from the January lows, while Class IV prices over the same period staged a near \$4 rally from mid-January to reach \$19.60 per hundredweight.

How did we get here? Quick answer: it's likely all about exports. Even with a 5% bump in January cheese production year-over-year and a 6% gain in butter production over the same period, seasonal stock building for the month underperformed – and by a fairly wide margin. Last week's January trade data helped answer some of the lingering questions around demand.

Let's dig into cheese first. Cheese exports totaled 114 million pounds in January, an 11% uptick (+11 million pounds) from 2025 levels. That's a solid start to the year, proving once again that competitive prices help move the needle on international sales. More volume moved south, with sales to Mexico up 23% year-over-year to 35 million pounds, while shipments to the remainder of Latin America increased 35% to 30 million pounds. Volume sales into "contested" regions like South Korea and Japan stalled, a likely reflection of lower priced EU mozzarella in early Q4 2025.

With trade data in hand, the back of the envelope math on domestic cheese consumption looked better than anticipated. But headwinds persist, especially considering quickly rising energy prices.

Low prices tend to cure low prices, and that appears to be the case in butter. Weak U.S. prices relative to international competitors like New Zealand and Europe helped propel butter exports to a strong finish in 2025 and kept the ball rolling in January. Total butter shipments reached 20 million pounds during the month, nearly triple the January 2025 volume. Sales of concentrated butterfat in the form of anhydrous milkfat (AMF) jumped, too. All this additional fat moving into the global market has helped the US utilize some of its excess butterfat. Jan. 2026 fat production at the farm level grew by 31 million pounds year-over-year. Whereas Jan. 2025 exports only soaked up 55% of the growth in farm level fat output, 2026 shipments accounted for 85% of the gain.

The road ahead may not be quite as smooth. Much of the growth in U.S. exports in 2025 and into 2026 has been supported by Middle East and North Africa sales. Ongoing tensions in the region appear to be disrupting trade flows, leaving butter looking for new outlets. It seems likely that some of this trade disruption is already creating waves in the butter market, with prices taking a notable step back between the first and second weeks of March. Expanding domestic demand for butter, however, may help keep prices supported.

While trade is the top story in butter and cheese, it's all about supply in the nonfat dry milk market. Between new manufacturing capacity in the Southwest and Northeast and strong demand for protein from other manufacturers to help bolster the ratio of protein-to-fat in milk, dryers have been quiet. Limited production has ultimately pushed up U.S. prices. While global markets tagged along with the U.S. upswing, geopolitical uncertainty may be pushing global buyers to step up and own product.

Where do we go from here? In our estimation, it'll be far from smooth sailing in the months ahead. Higher milk prices combined with still strong beef prices today will likely support milk output growth as the year unfolds. That'll keep the commodity products flowing. Meanwhile, disrupted trade flows and uncertainty surrounding gas prices at the U.S. consumer level may create some uneven demand. With all that in mind, it's worth taking a hard look at managing some risk for the remainder of the year. Third quarter Class III DRP net of premium coverage is sitting near \$17.00 per cwt – a level that could have paid out 5 of the past 10 years. Similarly, third quarter Class IV net of premium trigger prices are hanging around \$17.80 – that's about 40 cents above the 10-year average. Talk to your risk management advisor to learn more about how you can protect against downside risk.

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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 — MAR. 18, 2026 AT THE CLOSE

	MAR-26	APR-26	MAY-26	JUN-26	JUL-26	AUG-26	SEP-26	OCT-26	NOV-26	DEC-26	JAN-27	FEB-27	TREND
CLASS III MILK FUTURES (\$/CWT) vs. week ago: <i>Mar26 weak, Apr-Aug26 up 70 to 80¢, Sep-Nov26 up 20 to 30¢, Dec26-Feb27 generally steady. 12-Month Avg. 17.85</i>	16.14	17.06	17.64	18.08	18.47	18.60	18.58	18.66	18.45	17.94	17.30	17.38	↑↑
CLASS IV MILK FUTURES (\$/CWT) vs. week ago: <i>Mar26 dn 25¢, Apr-Nov26 up 50¢ to mostly \$1.00, Dec26-Feb27 firm to 30¢ higher. 12-Month Avg. 19.39</i>	19.25	20.10	20.43	20.08	19.86	19.60	19.49	19.35	19.13	18.84	18.49	18.11	↑↑

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

	MAY-26	JUL-26	SEP-26	DEC-26	MAR-27	MAY-27	JUL-27	SEP-27	DEC-27	MAR-28	MAY-28	JUL-28	SEP-28	TREND
CORN FUTURES (\$/BU)	4.632	4.744	4.770	4.896	4.994	5.054	5.080	4.830	4.852	4.944	4.986	5.002	4.690	↑↑
SOYMEAL FUTURES (\$/TON)	321.7	319.2	316.5	313.9	311.8	314.7	315.0	314.4	314.7	316.6	315.5	313.5	310.6	↑↑

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report

	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	*FEB-26
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	208.60	*215.90

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

	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	*JAN-26
MARGIN	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	*7.81
ALL MILK	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	*17.50
FEED \$	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	*9.69

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 03/17/26

	Weighted Avg. 1 to 6 mo	FORWARD CONTRACTS	per metric ton converted to \$/LB
NEXT GDT AUCTION 04/07/26			
ALL-PRODUCT INDEX	1.9646↑↑	0.1%	BUTTER 3.1162↑↑ 5.2%
MILK/AMF	3.4491↑↑	6.4%	CHEDDAR(BULK) 2.2346↑↑ 0.1%
BUTTERMILK POWDER	N/A	N/A	MOZZARELLA (BULK) 1.9093↑↑ 0.5%
LACTOSE	0.6579↓	0.3%	WHOLE POWDER (WMP) 1.6828↓ 4.0%

U.S. CME SPOT DAILY (\$/LB) 03/18/26

	Prev. 5 day Dlys	Spot price	Weekly Avg
NFDM	26	1.8200↑↑	1.8050↑↑
BUTTER	41	1.8000↓	1.8333↓
CHEDDAR-40	16	1.6200↑↑	1.5900↑↑
CHEDDAR-500	0	1.5700↑↑	1.5467↓
DRY WHEY	3	0.6350↓	0.6517↑↑

U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 03/14/26*

	FMMO PROD	MIL. LBS	WTED AVG \$
NFDM	20.9	1.5451↑↑	
BUTTER	5.1	1.9373↑↑	
CHEESE-40	10.3	1.5592↑↑	
CHEESE-500	REPORT ENDED		
DRY WHEY	7.9	0.6755↓	

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
*18.66(APR)	*12.00(APR)	15.34(FEB)	14.94(FEB)	16.29(FEB)	17.50(JAN)↓	17.50(JAN)↓	
*APRIL CL I Skim ESL Adj. (-0.25)↓	*NEW RULE; ADV BF \$2.02↑↑				4.48F	4.44F	
15.47	9.99	13.92	14.89	13.55	19.00 4.51F	18.90 4.50F	
19.57	10.75	21.08	20.18	19.90	24.10 4.46F	24.70 4.39F	

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

	*WEIGHTED AVG. 2-WK MAR. 1-14, 2026	*FEB. 2026
PRODUCT VALUE	(New Make Allow vs Old)	NET VALUE
*CHEESE	1.5297↑↑	(0.2519) 0.2003 1.2778↑↑
*BUTTER	1.8970↑↑	(0.2272) 0.1715 1.6698↑↑
*NFDM	1.5431↑↑	(0.2393) 0.1678 1.3038↑↑
*DRYWHEY	0.6840↓	(0.2668) 0.1991 0.4172↓

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

	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	*FEB-26
N/A	2921(ltd)	N/A	N/A	2650	N/A	N/A	N/A	2600	N/A	N/A	N/A	N/A	2750	

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

	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	*FEB-26
N/A	N/A	N/A	N/A	3021	N/A	N/A	3010	N/A	N/A	N/A	N/A	N/A	2700	

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 Mar. 12-17, 2026

	CULL MARKET COWS (\$/CWT LIVELWEIGHT)	FED STEERS (\$/CWT LIVELWEIGHT)	Holstein	Beef-X-Dairy	WK AGO	YR AGO
Premium White	Breakers	Boners	Lean	N/A	225.00	164.00
N/A	167.25↑↑	154.10↑↑	138.85↑↑	N/A	225.00	164.00
N/A	162.25	150.50	133.10	N/A	225.00	164.00
N/A	149.00	139.25	129.00	N/A	225.00	164.00

BULL CALVES: No. 1 & 2, 90-130 lbs (\$/cwt livelweight)

	70- 85 lbs	1550.00↑↑ <th>1775.00↓ <th>1475.00 <th>1850.00 <th>785.00 </th></th></th></th>	1775.00↓ <th>1475.00 <th>1850.00 <th>785.00 </th></th></th>	1475.00 <th>1850.00 <th>785.00 </th></th>	1850.00 <th>785.00 </th>	785.00
		1625.00↑↑	2050.00↓	1550.00	2165.00	785.00

Price averages do not include lower-end 'common'

Average to high dressing

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