

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — Aug. 12, 2026 — except where noted

Looking upstream: Imagine you are picnicking with a friend beside a creek on a warm summer day. Suddenly, you hear a child screaming in the water. You both rush in and pull her to safety. Before she can catch her breath, another child cries out. Again, you save the child. Then another appears. Exhausted and frustrated, you hear yet another child being swept downstream. As you run toward the water, your friend runs upstream. "Where are you going?" you shout. Your friend calls back, "I'm going upstream to find the problem!"

This parable applies perfectly to dairy management. Too often, farms operate in constant crisis mode, spending their days putting out fires caused by upstream problems. When emergencies become routine, it is easy to stop looking for root causes. Some issues become so common that they fade into the background. This is problem blindness: those closest to the issue no longer notice it, while someone with fresh eyes sees it immediately. Farms become stronger and more profitable when they prevent problems instead of simply reacting to them.

What common emergencies could be reduced with an upstream mindset? LDA, or twisted stomachs, is one example. Incidence should stay below 3%. Nutrition is part of the equation, but many non-nutritional causes are tied to overcrowding and poor transition-cow management. Close-up and fresh cows need adequate feedbunk and resting space, roughly 30 inches of bunk space per cow, 100 to 150 square feet of bedpack space per cow, and freestall stocking below 90% when deeply bedded freestalls are 48 inches wide. Cows should also avoid pen moves within 10 days of calving. In many herds, DA spikes follow calving slugs that overcrowd close-up pens. If those slugs can be anticipated, facilities and grouping can be adjusted before trouble starts.

Lameness is another problem that often becomes normalized. Grade 3 lameness, or severely lame cows, should remain below 5%. Wet, uncomfortable, or overcrowded pens force cows to stand too long on manure-laden concrete. To stay sound, cows need time off their feet and a comfortable place to rest. If mattresses no longer provide enough cushion, deep bedding becomes essential. Research shows deep bedding can reduce lameness by as much as 40% while also improving longevity. Heat stress reduces lying time and increases metabolic acidosis, both of which contribute to hoof issues. Rubber flooring in high-traffic areas and routine hoof trimming are additional upstream tools.

Dead cows and calves are among the costliest losses on a dairy. Cow mortality should be under 3%, and heifer completion should approach 90%. Actual heifer completion rate hovers around 79-89%. If



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your numbers fall short, the answer is to look upstream for breakdowns in management, facilities, nutrition, or animal flow.

Overcrowding and poor cow comfort often push animals beyond their limits, while broken legs and split cows usually point to footing issues. It also matters when losses occur. Transition failures often show up as greater death loss in cows under 30 days in milk with cull rates > 4% and higher loss in pre-weaned calves. Underfeeding calves and young heifers leads to poor growth, more disease, and higher mortality. Necropsies can provide important clues and reveal patterns that might otherwise go unseen.

Low pregnancy rates are another area where upstream thinking pays off. Years ago, herds aimed for pregnancy rates of 21% to 24%. Today, rates above 30% are common, and some herds exceed 40%. Activity monitors, timed AI, better compliance with protocols, and stronger employee consistency have all improved reproductive performance. Herds stuck below 20% pregnancy rate restrict replacement inventory and increase average days in milk, lowering efficiency. Because the first 100 days in milk generate the highest returns, cows should ideally be pregnant by 130 DIM. Reproductive success depends on the whole system, including transition performance, feed quality, and cow comfort.

High somatic cell count is another issue that worsens when farms stay in reaction mode. For every 100,000 cells/mL increase in bulk tank SCC, milk yield drops about 5.5 pounds and quality premiums shrink. Most milk quality problems begin in the parlor. Milking systems must be maintained on schedule, and employees, including family members, need regular training to keep routines consistent. If organic bedding is used, fresh bedding should be added often, and lime may help reduce bacterial growth. DHIA data can also identify chronic cows that are unlikely to respond to treatment.

Looking upstream improves profitability. A first-calf heifer produces about 15% less milk than a second-lactation cow and 25% less than a third-lactation cow. Replacing mature cows too early reduces both production and cash flow. Preventing problems before they begin keeps healthier cows in the herd longer, improves energy-corrected milk, and increases productive longevity. An upstream focus is not just good management. It is essential to long-term herd success.

CME DAILY FUTURES TRADING - AUG. 12, 2026 AT THE CLOSE

DAILY FUTURES TRADING - AUG 12, 2026 AT THE CLOSE																
	AUG-26	SEP-26	OCT-26	NOV-26	DEC-26	JAN-27	FEB-27	MAR-27	APR-27	MAY-27	JUN-27	JUL-27	TREND			
	CLASS III MILK FUTURES (\$/CWT) vs. week ago: Aug26 dn \$0.10 , Sep-Oct26 up \$0.20-0.40 , Nov26-May27 unevenly steady , Jun-Jul27 up \$0.10-0.15 . 12-Month Avg. 17.47 ↑↑															
	16.62	17.41	17.51	17.42	17.55	17.44	17.40	17.40	17.56	17.66	17.76	17.94	↑↑			
	CLASS IV MILK FUTURES (\$/CWT) vs. week ago: Aug26 dn \$0.30 , Sep26 up \$0.05 , Oct up \$0.65 , Nov26-Apr27 dn \$0.05-0.15 , May-Jul27 firm . 12-Month Avg. 17.96 ↑↑															
	16.95	17.85	18.30	17.85	17.79	17.71	17.69	18.01	18.19	18.29	18.38	18.50	MIXED			
	CORN FUTURES (\$/BU)															
	SEP-26	DEC-26	MAR-27	MAY-27	JUL-27	SEP-27	DEC-27	MAR-28	MAY-28	JUL-28	SEP-28	DEC-28	JUL-29	TREND		
	4.560	4.794	4.950	5.030	5.070	4.894	4.956	5.074	5.132	5.172	4.914	4.956	5.122	↑↑		
	SOYMEAL FUTURES (\$/TON)															
	AUG-26	SEP-26	OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	AUG-27	SEP-27	OCT-27	DEC-27	JAN-28	TREND		
	311.0	309.0	310.8	315.4	317.7	320.5	323.5	326.9	326.0	324.2	320.5	322.5	322.3	↓↓		
	U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report															
	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	JAN-26	FEB-26	MAR-26	APR-26	MAY-26	*JUN-26
	195.30	195.50	187.01	188.00	195.00	202.00	179.00	192.00	202.00	206.60	208.60	215.90	193.75	211.24	220.22	*233.00 ↑↑

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

DMC	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	MAR-26	APR-26	MAY-26	*JUN-26
MARGIN	13.12	11.55	10.42	10.40	11.10	10.94	11.52	10.87	10.52	10.04	9.42	7.81	8.46	9.57	10.54	10.62	*10.88 ↑↑
ALL MILK	23.60	22.00	21.00	21.30	21.30	20.80	20.40	20.00	20.00	19.70	19.00	17.50	18.30	19.70	20.80	21.30	*21.10 ↓↓
FEED \$	10.48	10.45	10.58	10.90	10.20	9.86	9.38	9.53	9.48	9.66	9.58	9.69	9.84	10.31	10.26	10.68	*10.22 ↓↓

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 08/04/26

Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB	08/18/26	08/18/26
NEXT GDT AUCTION	SKIM POWDER (SMP)	1.4673 ↑↑ 2.8%
ALL-PRODUCT INDEX	BUTTER	2.3707 ↓↓ 2.3%
MILK-FAT (AMF)	CHEDDAR (BULK)	1.6892 ↑↑ 3.8%
BUTTERMILK POWDER	MOZZARELLA (BULK)	1.8113 ↑↑ 1.0%
LACTOSE	WHOLE POWDER (WMP)	1.5830 ↑↑ 0.2%

U.S. CME SPOT DAILY (\$/LB) 08/12/26

Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	44	1.6500 ↑↑ 1.6100 ↑↑
BUTTER	172	1.4625 ↓↓ 1.4757 ↓↓
CHEDDAR-40	21	1.6050 ↑↑ 1.6050 ↑↑
CHEDDAR-500	0	1.5475 NC 1.5475 NC
DRY WHEY	2	0.6975 ↑↑ 0.6958 ↑↑

U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 08/08/26*

FMMO PROD	MIL. LBS	WTED AVG \$
NFDM	21.4	1.5428 ↑↑
BUTTER	4.2	1.5048 ↓↓
CHEESE-40	9.6	1.6095 ↑↑
CHEESE-500	REPORT ENDED	
DRY WHEY	7.2	0.6555 ↓↓

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

NEW-USA \$/CWT APR-26	*ALL-MILK BF* MAILBOX
FI \$24.90 3.88	*24.33
SE \$25.30 3.96	*23.35
*PAWSTERN PA only	*22.31
*OH	*22.30 4.26
*NY	*21.70 4.40
*NEIG	*21.90 4.48
*APP	*22.00 4.13
*PEAST	*21.20 4.29
*IN	*21.70 4.11
*IL	*21.10 4.28
*MI	*21.10 4.33
*MN	*20.20 4.59
*MO	*N/A 4.19
*U.S.	*20.80 4.35
*WI	*19.60 4.33
*IA	*19.70 4.47
*TX	*21.70 4.51
*WV	*21.50 4.47
*NEKS	*19.70 4.45
*CA	*20.70 4.26
*NM	*19.60 4.18
*SD	*20.10 4.67
*ID	*21.10 4.43

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

CL I ADV	CL I SKIM	*CL III	*CL III	*CL IV	*ALL-MILK-U.S.	*ALL-MILK-PA
18.76(AUG)	13.88(AUG)	*21.89(JUL)	*15.52(JUL)	*18.34(JUL)	*21.10(JUN)	*22.70(JUN) ↑↑
AUG CL I Skim	ESL Adj. (-0.72) ↑↑	*NEW RULE: ADV BF 1.73 ↑↑	4.23F	4.19F		
21.33	15.91	22.78	15.98	20.96	21.30 4.31F	22.10 4.25F
18.82	9.66	19.31	17.32	18.89	21.30 4.19F	21.30 4.14F

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

WEIGHTED AVG. 4-WK JULY 1-31, 2026

PRODUCT VALUE * (New Make Allow vs Old) **NET VALUE** **COMPONENTS**

*CHEESE	1.5149 ↓↓	*(0.2519)	0.2003	1.2630 ↓↓	*PROT	2.3202 ↓↓
*BUTTER	1.6036 ↓↓	*(0.2272)	0.1715	1.3764 ↓↓	*B.FAT	1.6668 ↓↓
*NFDM	1.6474 ↓↓	*(0.2393)	0.1678	1.3535 ↓↓	*N.FAT	1.3940 ↓↓
*DRYWHEY	0.6522 ↑↑	*(0.2668)	0.1991	0.3854 ↑↑	*OS	0.3970 ↑↑

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

MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	JAN-26	FEB-26	MAR-26	APR-26	MAY-26	JUN-26
2650	N/A	N/A	N/A	2600	N/A	N/A	N/A	N/A	2750	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

3021	N/A	3010	N/A	N/A	N/A	N/A	N/A	2700	N/A	N/A	N/A	N/A	N/A
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CATTLE - DAIRY PURPOSES (\$/HD) USDA and other auction reports combined 4-week rolling average as of JULY 15, 2026

Price averages do	YEAR AGO										
	\$3000 Q2-25	\$2860 Q1-25	3000	3000	2800	1600	N/A	2000	N/A	2300	1800

PA/NY Auctions, Aug. 6-11, 2026, cull cows lower, calves higher.

CULL MARKET COWS \$/CWT LIVEWEIGHT

Premium White Breakers Boners Lean

N/A 173.00 ↓↓ 165.10 ↓↓ 148.25 ↓↓

WEEK AGO

175.00 166.25 150.60

YEAR AGO

N/A 162.35 157.85 144.50

FED STEERS (\$/CWT LIVEWEIGHT)

Choice & Prime 1250-1550 lb

BULL CALVES: No. 1 & 2, 90-130 lbs

(\$/cwt liveweight) 70- 85 lbs

1075.00 ↑↑ 1560.00 ↑↑

1150.00 ↑↑ 1650.00 ↑↑

950.00 1600.00 975.00 1605.00

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