CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **Sept. 2, 2026** — except where noted

Dairy Margin Coverage: For the Dairy Margin Coverage program, the USDA announced July's margin to be $9.93 per hundredweight (cwt). With the margin 43 cents per cwt above the $9.50 trigger, no indemnities were paid out at any coverage level ($4.00 up to $9.50 per cwt). July's margin was 95 cents below the prior month's margin at $10.88 per cwt and $1.01 under the $10.94 per cwt margin for July 2025. When compared to five years ago, the margin rose $4.46 from $5.47 per cwt in July 2021 to 2026.

Month over month, the all-milk price fell 80 cents from $21.10 to $20.30 per cwt, continuing to trend downwards from May's $21.30 per cwt. Year over year, the all-milk price also experienced a decrease of 50 cents. Looking back at the monthly data over the last five years, the all-milk price was down $2.40 from $17.90 per cwt in July 2021 to 2026.

Even though the all-milk price fell from June to July, the total feed costs increased by 15 cents to $10.37 per cwt, narrowing the margin month over month. Year over year, feed costs were up 51 cents from $9.86 per cwt. From the prior month, July's corn price was slightly down by 2 cents per bu. to $4.26. However, month over month, soybean meal and alfalfa hay prices rose by $18.28 and $3.00 to $337.96 per ton and 242.00 per ton, respectively.

Looking ahead over the next five months, higher feed prices are putting pressure on margins going forward, countering an increase in the all-milk price.

The DMC Decision tool (updated August 31, 2026) forecasts margins to drop to $8.29 per cwt in September, then rebound over the following three months to $9.31 in December. Currently, the margin is forecasted to average $8.90 per cwt and tighten as all-milk prices trend down and the total feed costs trend up. For the remaining month of program year 2026, the all-milk price projections average $20.38 per cwt, up 29 cents from the previous average of $20.09 from the prior month. After an initial drop from July to $19.35 per cwt in August, the milk price forecasts steadily increase to $21.10 per cwt in December.

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.

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Currently, total feed cost projections average $11.47 per cwt, a 98-cent climb from last month's $10.45 per cwt. Corn, soybean meal, and premium alfalfa hay are projected to mostly trend upward over the next five months. With the recent forecasts, the average all-milk price trigger is $20.97 per cwt, 59 cents above the forecasted average all-milk price.

If price and margin forecasts hold true, participating dairies could see indemnities triggered in August through December. At the current forecasted margins, a dairy with one million pounds of established production history could receive $2,361 (before sequestration) in addition to January and February payments (at the $9.50 coverage level and at 95 percent coverage). However, it is important to remember that these projections constantly change with the dairy and feed markets. They are not guaranteed.

Like the markets, the future holds plenty of uncertainty. Whether you're a dairy farmer or a financial consultant/lender working with dairies, planning for what is ahead can seem overwhelming, especially when you're shaping a farm's legacy.

Join the Center at our 2026 Dairy Financial and Risk Management Conference held on September 9 at the Pennsylvania Farm Show Complex from 8 a.m. to 2:30 p.m. This year's theme is "Rewriting the Future," and our speakers will cover how to help dairy families navigate difficult communications, dairy market outlook and trends, as well as risk management tools and strategies. The conference will also feature a panel of dairy producers who have expanded their operations and legacies through non-traditional partnerships with someone outside of their immediate family.

Participants will gain valuable skills and knowledge that they can bring into their own operation or utilize when working with their dairy clients. Secure your spot today by registering at *www.centerfordairyexcellence.org/financial-conference*

CME DAILY FUTURES TRADING - SEPT. 2, 2026 AT THE CLOSE

	SEP-26	OCT-26	NOV-26	DEC-26	JAN-27	FEB-27	MAR-27	APR-27	MAY-27	JUN-27	JUL-27	AUG-27	TREND
CLASS III MILK FUTURES ($/CWT) vs. week ago: *Sep26 dn $0.50, Oct26 up $0.10, Nov26-Jan27 dn $0.05-0.25, Feb-Apr27 steady, May-Aug27 up $0.02-0.10.* **12-Month Avg. 17.23**	16.27	16.58	16.87	16.91	17.12	17.30	17.40	17.44	17.59	17.66	17.75	17.81	MIXED
CLASS IV MILK FUTURES ($/CWT) vs. week ago: *Mostly $0.30 to $0.50 higher across the board, spots up $0.65 nearby.* **12-Month Avg. 19.02**	19.40	19.80	19.23	19.24	18.89	18.72	18.92	18.89	18.84	18.71	18.73	18.89	

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	19.27	18.75	20.20	19.76	20.58	20.17	20.25	19.64	19.22	18.75	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
Class III	17.60	17.60	18.72	18.72	19.07	19.07	17.30	17.30	16.81	16.81	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
BASIS	1.67	1.15	1.48	1.04	1.51	1.10	2.95	2.34	2.41	1.94	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

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
5.180	5.406	5.554	5.624	5.650	5.360	5.364	5.482	5.530	5.546	5.152	5.134	5.284	↑↑

SOYMEAL FUTURES ($/TON)

SEP-26	OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	AUG-27	SEP-27	OCT-27	DEC-27	JAN-28	MAR-28	TREND
339.5	342.5	349.3	351.9	353.5	354.7	356.1	353.4	349.5	344.8	344.8	345.5	343.5	↑↑

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

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	*JUL-26	
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	*247.56	↑↑

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

DMC	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	*JUL-26	
MARGIN	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	9.93	↓↓
ALL MILK	22.00	21.00	21.30	21.30	20.80	20.90	20.40	20.00	19.70	19.00	17.50	18.30	19.70	20.80	21.30	21.10	20.30	↓↓
FEED $	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	10.37	↑↑

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction ($/LB) 09/01/26
Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to $/LB
NEXT GDT AUCTION 09/15/26

ALL-PRODUCT INDEX	1.7740	↑↑ 0.9%	SKIM POWDER (SMP)	1.6765	↑↑ 5.3%
MILKFAT (AMF)	2.3847	↓↓ 1.3%	BUTTER	2.3094	↓↓ 2.0%
BUTTERMILK POWDER	1.8766	↑↑ 4.6%	CHEDDAR(BULK)	1.5894	↓↓ 6.6%
LACTOSE	0.8666	↑↑ 2.0%	MOZZARELLA (BULK)	1.9256	↑↑ 0.3%
			WHOLE POWDER (WMP	1.6266	↓↓ 0.1%

U.S. CME SPOT DAILY ($/LB) 09/02/26

	Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	34	1.8800 ↑↑	1.8833 ↑↑
BUTTER	86	1.4075 ↓↓	1.4167 ↓↓
CHEDDAR-40	56	1.4750 ↓↓	1.4775 ↓↓
CHEDDAR-500	0	1.5325 ↓↓	1.5433 ↓↓
DRY WHEY	5	0.7400 ↑↑	0.7392 ↑↑

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 08/29/26*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	17.3	1.6760 ↑↑
BUTTER	2.6	1.5143 ↑↑
CHEESE-40	10.4	1.6140 ↓↓
CHEESE-500	REPORT ENDED	
DRY WHEY	9.1	0.6530 ↓↓

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

NEW	USDA $/CWT* ALL-MILK	BF	*MAILBOX
*FL	$26.20	3.86	$25.47
*SE	$26.50	3.93	$24.63
*APP	$25.80	4.09	$23.20
*Pawestern PA only			$23.17
*OH	$22.80	4.23	$22.77
*NY	$22.70	4.36	$22.56
*IN	$22.50	4.10	$22.15
*N.ENG	$22.70	4.41	$22.05
*Paeast	$22.10	4.25	$21.54
*MI	$21.70	4.30	$21.41
*IL	$21.40	4.24	$20.81
*U.S.	$21.30	4.31	$20.43
*MO	N/A	N/A	$20.27
*TX	$22.00	4.49	$20.24
*NE/KS	$20.30	4.41	$19.59
*CA	$21.70	4.25	$19.47
*MN	$19.90	4.50	$19.42
*WA/OR	$21.90	4.39	$19.37
*IA	$19.90	4.36	$19.28
*NM	$20.30	4.13	$19.17
*WI	$19.50	4.29	$19.13
*SD	$19.90	4.60	N/A
*ID	$20.90	4.37	N/A

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
	17.04(SEP)	12.16(SEP)	*18.71(AUG)	*16.64(AUG)	*17.36(AUG)	*20.30(JUL) ↓↓	*21.50(JUL) ↓↓
AUG CL I Skim ESL Adj. (+0.81) ↑↑ **NEW RULE; ADV BF $1.52* ↓↓						4.19F	4.13F
MONTH AGO	18.76	13.88	21.89	15.52	18.34	21.10 4.23F	22.70 4.19F
YEAR AGO	18.70	9.34	19.18	17.24	18.50	20.80 4.13F	21.30 4.03F

CURRENT FEDERAL ORDER VALUES ($/LB) * = *NEW*
WEIGHTED AVG. 4-WK AUG. 1-29, 2026

PRODUCT	VALUE	*(New Make Allow vs Old)		NET VALUE		AUG 2026 COMPONENTS	
*CHEESE	1.6203	↑↑	*(0.2519)	0.2003	1.3684	↑↑ *PROT	2.8281 ↑↑
*BUTTER	1.4747	↓↓	*(0.2272)	0.1715	1.2475	↓↓ *B.FAT	1.5107 ↓↓
*NFDM	1.5985	↓↓	*(0.2393)	0.1678	1.3592	↓↓ *N.FAT	1.3456 ↓↓
*DRYWHEY	0.6602	↑↑	*(0.2668)	0.1991	0.3934	↑↑ *OS	0.4052 ↑↑

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	N/A	2700	N/A	N/A	N/A	N/A

CATTLE - DAIRY PURPOSES($/HD) USDA and other auction reports combined 4-week rolling average as of AUG. 31, 2026

	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)
	*$3260 Q2-26 ↑↑ *$3130 Q1-26	3300	AVG. 3800 *small 3200*	3000	3000	1800	N/A	2200	N/A	2400	1900
YEAR AGO	$3000 Q2-25 $2860 Q1-25	3200	3500	3100	3300	1600	N/A	2000	N/A	2300	1800

Price averages do not include lower-end 'common'

PA/NY, Aug. 27-Sep. 1, 2026, fed steers dn $10, Holst .dn $3, BxD dn $20, cows plunge $10-12, Holstein calves down $50; BxD calves down $100.

CULL MARKET COWS ($/CWT LIVEWEIGHT)

	Premium White	Breakers	Boners	Lean
	N/A	146.85 ↓↓	133.00 ↓↓	111.25 ↓↓
WEEK AGO	N/A	155.60	142.00	123.35
YEAR AGO	N/A	160.60	152.35	136.75

Average to high dressing

FED STEERS ($/CWT LIVEWEIGHT) Choice & Prime 1250-1700 lb

	HOLSTEIN	BEEF X DAIRY	BEEF
	187.50 ↓↓	204.75 ↓↓	216.75 ↓↓
WEEK AGO	190.50	223.75	226.00
YEAR AGO	212.50	237.35	250.25

BULL CALVES: No. 1 & 2, 75-125 lbs.

	HOLSTEIN	BEEF X DAIRY
	975.00 ↓↓	1250.00 ↓↓
WEEK AGO	1025.00	1350.00
YEAR AGO	1000.00	1425.00

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