CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **Sept. 16, 2026** — except where noted

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What's the value of implementing a risk management strategy? Well, it depends, but it is certainly positive if we were to assign a dollar value to it.

As a dairy producer, you are exposed to various risks throughout the day. Farming is risky, but having protocols in place can mitigate risk and help your operation weather the storm when it arises.

I recently had the opportunity to speak at the Ag Progress Days Agricultural Industry Breakfast, where I shared some thoughts on risk and how to manage it. As I was preparing for that presentation, an analogy struck me – having a risk management strategy is like using the bumpers on a bowling lane.

Growing up, I thought using the bumpers was for rookies, and I was eager to become more skilled, so I wouldn't need to use them. However, not using the bumpers leaves the risk for a gutter ball, and unfortunately for me, these are frequent occurrences. Using bumpers is analogous to having a risk management strategy. If the bumpers are up, I might still roll my ball along the edge and end up not knocking down any pins, but the bumpers gave me the opportunity to possibly hit a pin and not end up empty-handed.

Your risk management strategy isn't going to make you score a strike every time, but it helps when markets and situations begin to falter.

We have seen a rollercoaster of milk prices over the past 24 months. The U.S. all-milk price was $25.50/cwt in September 2024, and in 2025, the milk price fell month after month. It bottomed out at $17.50/cwt in January 2026 and has crept up to the $21/cwt mark through mid-year.

The difference between the high and low prices noted is over a 30% decrease in milk prices! This rollercoaster of milk prices shows up on your bottom line. If you are not protected against price swings, they can put a lot of pressure on the viability of your operation, so having a risk management strategy that fits your operation can be crucial.

There are two strategies I shared that should be a part of your risk management toolbox – protecting your margin and optimizing your output on the farm. Protecting your margin points to the example above with milk price changes.

The key here is the margin – that's what we are interested in. Knowing what it costs you to produce milk or other commodities allows you to impose price floors through various marketing techniques, but this can be extremely challenging if you don't know the cost to produce the commodity..

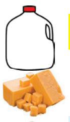
The second strategy is to optimize your output. Here, I want to make a distinction between maximizing and optimizing your output. If one is maximizing their output, their goal is to make the most amount of milk, irrespective of the costs to obtain that level of output. When optimizing output, we consider costs and do not necessarily throw the kitchen sink of inputs in.

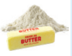
If adding a feed supplement costs $2/cow, then I would need that cow to produce ~10 additional pounds of milk to make the investment worthwhile, assuming an average milk price of $20/cwt. Optimizing output is really thinking about the cost-benefit of inputs and expense management.

Risk management is an extremely important aspect of agriculture, given market volatility, and we have two upcoming workshops to address this concept. The Center for Dairy Excellence and Penn State Extension are collaborating to offer two free workshops to sharpen your skills and deepen your understanding of risk management and financial literacy. We invite you to join us on October 8th at the Lancaster Farm and Home Center or on October 15th at the Franklin County Extension Office. For more information and to register, visit https://www.centerfordairyexcellence.org/rm-workshop/ or call the Center for Dairy Excellence at 717-346-0849. We look forward to seeing you there!

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 TRADING - SEPT. 16, 2026 AT THE CLOSE





CLASS III MILK FUTURES ($/CWT) vs. week ago: *Sep26 steady, rest of the board $0.20 to $0.40 lower.* *12-Month Avg.* *16.83* ↓↓

CLASS IV MILK FUTURES ($/CWT) vs. week ago: *Sep-Nov26 up $0.05, Dec26-May27 down $0.05-0.30, Jun-Aug27 down $0.30-0.40.* *12-Month Avg.* *18.59* ↓↓

	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	16.11	15.92	16.21	16.32	16.55	16.89	17.09	17.16	17.27	17.39	17.45	17.56	↓↓
CLASS IV	19.05	19.29	19.03	18.47	18.31	18.30	18.60	18.28	18.50	18.50	18.34	18.40	↓↓

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***

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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

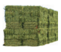
CORN FUTURES ($/BU)

DEC-26	MAR-27	MAY-27	JUL-27	SEP-27	DEC-27	MAR-28	MAY-28	JUL-28	SEP-28	DEC-28	JUL-29	DEC-29	TREND
5.344	5.490	5.554	5.586	5.306	5.344	5.436	5.504	5.534	5.184	5.162	5.316	5.040	↑↑

SOYMEAL FUTURES ($/TON)

OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	AUG-27	SEP-27	OCT-27	DEC-27	JAN-28	MAR-28	MAY-28	TREND
366.8	370.6	370.5	369.8	370.0	370.9	366.0	360.4	352.1	356.2	353.5	351.2	351.6	↑↑

U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - *Source: 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	JUL-26	*AUG-26	
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	*267.75	↑↑

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 ($/LB) 09/15/26
***Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS** per metric ton converted to* **$/LB**

NEXT GDT AUCTION 10/06/26

			SKIM POWDER (SMP)	1.6738 ↑↑	0.1%
ALL-PRODUCT INDEX	1.7550 ↓↓	1.1%	BUTTER	2.1597 ↓↓	5.7%
MILKFAT (AMF)	2.6039 ↓↓	3.0%	CHEDDAR(BULK)	1.8489 ↑↑	16.5%
BUTTERMILK POWDER	2.0640 ↓↓	0.5%	MOZZARELLA (BULK)	1.8113 ↓↓	6.0%
LACTOSE	0.8140 ↓↓	4.3%	WHOLE POWDER (WMP	1.6175 ↓↓	0.8%

U.S. CME SPOT DAILY ($/LB) 09/16/26

	Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	17	2.0500 ↑↑	2.0267 ↑↑
BUTTER	85	1.3550 ↓↓	1.3600 ↓↓
CHEDDAR-40	21	1.4325 ↓↓	1.4292 ↓↓
CHEDDAR-500	11	1.4525 ↓↓	1.4442 ↓↓
DRY WHEY	2	0.7625 ↑↑	0.7617 ↑↑

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 09/12/26*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	15.0	1.7509 ↑↑
BUTTER	2.6	1.4920 ↑↑
CHEESE-40	8.8	1.5790 ↓↓
CHEESE-500	REPORT ENDED	
DRY WHEY	6.5	0.6623 ↓↓

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

***NEW* USDA $/CWT* MAY-26**

	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) ↓↓ 4.19F	21.50(JUL) ↓↓ 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

AUG CL I Skim ESL Adj. (+0.81) ↑↑ **NEW RULE; ADV BF $1.52* ↓↓

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

WEIGHTED AVG. 4-WK AUG. 1-29, 2026

PRODUCT	VALUE	*(New Make Allow	*vs Old*)	NET VALUE
CHEESE	1.6203 ↑↑	*(0.2519)	0.2003	1.3684 ↑↑
BUTTER	1.4747 ↓↓	*(0.2272)	0.1715	1.2475 ↓↓
NFDM	1.5985 ↓↓	*(0.2393)	0.1678	1.3592 ↓↓
DRYWHEY	0.6602 ↑↑	*(0.2668)	0.1991	0.3934 ↑↑

AUG 2026 COMPONENTS

PROT	2.8281 ↑↑
B.FAT	1.5107 ↓↓
N.FAT	1.3456 ↓↓
OS	0.4052 ↑↑

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*

	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
BRED COWS & HEIFERS	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
FRESH/MILKING COWS	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, Sep. 10-15, 2026, Choice fed beef and BxD up $5, Holst light test, cows firm to $10 higher, Holstein calves down $25; BxD calves up $25.

CULL MARKET COWS ($/CWT LIVEWEIGHT)

	Premium White	Breakers	Boners	Lean
Average to high dressing	N/A	143.75 ↑↑	130.10 ↑↑	111.35 ↑↑
WEEK AGO	N/A	143.10	124.60	101.00
YEAR AGO	N/A	169.25	153.00	137.35

FED STEERS ($/CWT LIVEWEIGHT) Choice & Prime 1350-1800 lb — **BULL CALVES:** No. 1 & 2, 75-125 lbs.

	FED STEERS HOLSTEIN	FED STEERS BEEF X DAIRY	FED STEERS BEEF	BULL CALVES HOLSTEIN	BULL CALVES BEEF X DAIRY
	185.00 ↓↓	220.50 ↑↑	228.10 ↑↑	950.00 ↓↓	1300.00 ↑↑
WEEK AGO	188.75	211.75	226.10	985.00	1275.00
YEAR AGO	N/A	240.25	250.25	1125.00	1600.00

CENTER FOR **Dairy**EXCELLENCE — FARMSHINE — pennsylvania DEPARTMENT OF AGRICULTURE