

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — Oct. 14, 2026 — except where noted

A Modern Cost to Milking Cows.

Thirty years ago, dairy farming was never easy, but the milk check seemed to stretch a little further – or at least felt less volatile. A load of milk helped cover feed, fuel, labor, repairs, and the next round of bills. Today, that same check is asked to do far more while its value rises and falls with cheese, butter, nonfat dry milk (NFDM), exports, and national milk production. Dairy producers have responded with tremendous gains in productivity, efficiency, technology, genetics, and herd management. That progress provides a strong foundation for navigating tighter margins and building dairy's next chapter.

Feed tells much of the story. Corn, soybean meal, forage, minerals, and supplements remain the largest expense on many dairies. Even homegrown feed carries a longer bill for seed, fertilizer, chemicals, drying, storage, fuel, and custom harvest. A poor crop or lower-quality forage can quickly force additional purchases while reducing the amount of milk produced from every feed dollar. However, continued advances in feed and crop management help producers get more value from every acre and pound of feed.

Labor costs illustrate how dairy management has evolved. Today's investment extends beyond hourly pay to housing, transportation, benefits, recruitment, training, overtime, and compliance. Maintaining a reliable workforce requires significant time and management attention, especially as farms compete with other industries for skilled employees. Producers have adopted automation, better training, and new technology to improve efficiency and address shortages. Although these solutions bring capital and service costs, they also support safer work, consistent performance, and stronger long-term dairy careers.

Fuel offers an even sharper comparison. U.S. on-highway diesel averaged about \$1.24 per gallon in 1996. For the week of October 5, 2026, it was \$6.20. That increase follows the tractor across every acre, then appears again in feed deliveries, milk hauling, fieldwork, and nearly every supply brought onto the farm. Electricity for milking, cooling, ventilation, water heating, and manure handling adds another expense that cannot simply be shut off when milk prices fall.

Other operating costs add additional pressure on repair, loan payment, or service call at a time. Higher interest rates raise the cost of land, cattle, equipment, facilities, and operating credit, while veterinary care, insurance, accounting, and technology take



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another share of the milk check. Yet these expenses are also investments in a farm's productivity and stability. With thoughtful management, they can strengthen the operation today and position it to capture future growth opportunities as they arise.

While milk prices have increased over time, many key expenses have risen faster. Producers have responded by improving cow productivity, feed efficiency, genetics, and management practices, helping many operations remain competitive despite tighter margins. However, sustaining profitability still requires balancing rising costs with highly variable milk prices.

That squeeze is especially clear in the 2026 pricing. Class III opened the year at \$14.59 per hundredweight in January, \$5.75 behind January 2025, and reached \$16.92 in May, still \$1.65 below May 2025 Class III price. Abundant milk supply keeps cheese plants running, but when cheese production outruns demand, inventories build and cheddar prices weaken. Because cheddar cheese and dry whey drive the federal Class III formula, a flooded cheese market quickly lowers the value of milk going into that vat. Exports can help clear abundant production, but freight costs, currency values, and competition from other global dairy regions can change that outlet quickly.

The 2026 Class IV price paints a different picture because it follows butter and NFDM. We started the year with a January Class IV price of \$13.55, and by May, the Class IV reached \$22.32 per hundredweight—\$5.40 above Class III—as NFDM rallied. Powder values, however, can turn quickly with export demand, and production changes. We quickly saw the Class IV price retreat to \$17.36 for the month of August when the NFDM price backed off and buyers had their fill.

The margin remains the message. Risk management, operational efficiency, and financial discipline are increasingly important in today's dairy economy. Producers continue to adapt through improvements in feed efficiency, milk components, genetics, technology, and labor management. While market volatility and global dairy dynamics remain outside an individual farm's control, the industry's ability to innovate and respond to changing conditions has been a defining strength. The challenges are real, but so are the experience, resilience, and ingenuity that continues to move dairy farms forward every day.

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 - OCT. 14, 2026 AT THE CLOSE

 	OCT-26	NOV-26	DEC-26	JAN-27	FEB-27	MAR-27	APR-27	MAY-27	JUN-27	JUL-27	AUG-27	SEP-27	TREND			
	CLASS III MILK FUTURES (\$/CWT) vs. week ago: Oct26 firm; Nov26-Jun27 \$0.45-1.25 higher, Jul-Sep27 up \$0.30-0.40.												12-Month Avg. 17.35 ↑↑			
	15.05	17.04	17.18	17.30	17.45	17.59	17.61	17.64	17.70	17.80	17.90	17.96	↑↑			
 	CLASS IV MILK FUTURES (\$/CWT) vs. week ago: Oct26 off \$0.08, Nov26 off \$0.35, rest of board mostly \$0.10 to \$0.15 lower, Aug27 firm.												12-Month Avg. 19.42 ↓↓			
	20.42	20.67	20.09	19.72	19.44	19.40	19.20	18.94	18.93	18.77	18.90	18.66	↓↓			
 	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		
	4.806	4.942	5.014	5.072	4.992	5.114	5.104	5.236	5.342	5.082	5.100	5.262	5.014	↓↓		
 	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		
	370.1	364.1	361.3	358.8	358.6	360.6	357.4	352.0	345.9	347.6	347.8	345.6	345.9	↓↓		
 	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	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	*AUG-26
MARGIN	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	*9.34 ↓↓
ALL MILK	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	19.80 ↓↓
FEED \$	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	10.46 ↑↑

DAIRY COMMODITIES - GLOBAL BIWEEKLY	Internet Auction (\$/LB) 10/06/26	U.S. CME SPOT DAILY (\$/LB) 10/14/26	U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 10/10/26*
Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB		Prev. 5 day Lds	FMMO PROD
NEXT GDT AUCTION 10/20/26	SKIM POWDER (SMP) 1.7455 ↑↑ 4.3%	Spot price	MIL. LBS
ALL-PRODUCT INDEX 1.7822 ↑↑ 1.2%	BUTTER 2.1506 ↓↓ 0.3%	Weekly Avg	WTD AVG \$
MILKFAT (AMF) 2.5785 ↓↓ 1.1%	CHEDDAR (BULK) 1.7809 ↓↓ 3.7%	NET VALUE	NFDM 16.3 1.9369 ↑↑
BUTTERMILK POWDER 1.8707 ↑↑ 0.7%	MOZZARELLA (BULK) 1.7391 ↓↓ 3.9%	PRODUCT VALUE *(New Make Allow vs Old)	BUTTER 5.2 1.3694 ↓↓
LACTOSE 0.7609 ↓↓ 6.9%	WHOLE POWDER (WMP) 1.6357 ↑↑ 1.2%	NET VALUE	CHEDDAR-40 32 1.5300 ↑↑ 1.4542 ↑↑
			CHEESE-40 10.1 1.4579 ↓↓
			CHEESE-500 REPORT ENDED
			DRY WHEY 6.8 0.6814 ↑↑

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	NASS ALL-MILK (\$/CWT)	CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW
CL I ADV ↑↑ CL I SKIM ↑↑ CL II ↓↓ CL III ↓↓ CL IV ↑↑ ALL-MILK-U.S ALL-MILK-PA		WEIGHTED AVG. 4-WK SEPT. 1-26, 2026
18.88(OCT) 14.12(OCT) 17.60(SEP) 16.04(SEP) 18.94(SEP) 19.80(AUG) ↓↓ 20.10(AUG)		*SEPT. 2026
OCT CL I Skim ESL Adj. -0.46 ↓↓ ADV BF 1.50 ↓↓		PRODUCT VALUE *(New Make Allow vs Old) NET VALUE
17.04 12.16 18.71 16.64 17.36 20.30 4.19F 21.50 4.13F		CHEESE 1.5577 ↓↓ *(0.2519) 0.2003 1.3058 ↓↓ PROT 2.6619 ↓↓
18.04 10.03 17.39 17.59 16.17 20.90 4.16F 21.30 4.07F		BUTTER 1.4462 ↓↓ *(0.2272) 0.1715 1.2190 ↓↓ B.FAT 1.4762 ↓↓
		NFDM 1.7891 ↑↑ *(0.2393) 0.1678 1.5498 ↑↑ N.FAT 1.5343 ↑↑
		DRYWHEY 0.6694 ↑↑ *(0.2668) 0.1991 0.3934 ↑↑ OS 0.4026 ↑↑

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	
2650 N/A N/A N/A 2600 N/A N/A N/A 2750 N/A N/A N/A N/A	
3021 N/A 3010 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 OCT. 1, 2026										SD	\$18.50	4.46	N/A
MILK COWS (NASS) U.S. Avg.		MILKING HEIFERS: Springing		Bred	BxD	OPEN: 300-600 lbs	BXD	600-900 lbs	BXD	900-1100 lbs	BULLS (800-1300 lbs)		
*\$3260 Q2-26 ↑↑ *\$3130 Q1-26		3400	AVG. 3500 small 3000	3300	2800	1500	N/A	2000	N/A	2400	2000		
YEAR AGO													
\$3000 Q2-25 \$2860 Q1-25		3200	3500	3100	3300	1600	N/A	2000	N/A	2300	1800		
PA/NY, Oct. 8-12, 2026, Choice native up \$5, BxD and Holstein up \$10, Cull cows down \$2 to \$6, Holstein & BxD calves up \$25.				FED STEERS (\$/CWT LIVELWEIGHT) Choice & Prime 1350-1800 lb				BULL CALVES: No. 1 & 2, 75-125 lbs.					
				HOLSTEIN 187.00↑↑ BEEF X DAIRY 205.00↑↑ BEEF 218.35↑↑				HOLSTEIN 1000.00↑↑ BEEF X DAIRY 1275.00↑↑					
CULL MARKET COWS (\$/CWT LIVELWEIGHT)													
Premium White		Breakers	Boners	Lean	WEEK AGO								
N/A		140.85↓↓	127.00↓↓	105.25↓↓	176.00		195.00		213.50		975.00		1250.00
					YEAR AGO								
N/A		146.85		129.00	110.00								
					YEAR AGO								
N/A		161.25		149.50	129.50								
Price averages do not include lower-end 'common'													
Average to high dressing													
						CENTER FOR Dairy EXCELLENCE							