CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **Oct. 21, 2026** — except where noted

Milk production expands globally

The U.S. isn't the only dairy region that has expanded its milk production over the past year. Along with a 1.7% increase in the U.S. milk production in August, several other major dairy regions are on the upswing. In the 27 member states of the European Union, milk production grew by 3.3% year over year in August, despite a 3.2% decline in the United Kingdom, which includes England, Scotland, Wales and Northern Ireland. In New Zealand, milk production is up 2.2% in August, with milk solids production up 3.3%. Collectively, the five largest dairy exports, which include the European Union, United States, New Zealand, Argentina, and Australia, were up 2.9% in milk production over the first eight months of 2026, producing nearly 211 million metric tons of milk from January to August.

Despite the growing global supply, US dairy exports remain strong. The USDA's "Dairy: World Markets & Trade" report projects that global demand for dairy will continue to expand, with the U.S. having a strong price advantage over other major dairy regions right now. Year to date, U.S. dairy exports are up 6.7% in total milk solid volumes, while the value of dairy exports is up 12%. Cheese exports are up 22%, while butterfat exports are up 56%. Dry whey product exports are up 14%, while whole milk powder exports are up 11%. Fluid milk and cream exports are up 20%. On the flip side, nonfat and skim milk powder exports are down 8% year over year.

In the past couple of years, US dairy exports have utilized somewhere between 15 and 18% of the nation's milk supply on a milk solids basis. That means that, essentially, just over 1 in every six tractor trailer loads of milk on the road in the US are headed for destinations overseas. According to the U.S. Dairy Export Council, cheese represents the largest share of those exports, with 59,007 metric tons of cheese exported in August, with much of that exported to Mexico, South America, and Central America. Mexico's imports of US cheese were up 19 percent in August. Nonfat dry milk, skim milk powder and dry whey products also represent a large portion of dairy products moving overseas. While butterfat exports are growing, they represent a much smaller portion of the US's total export sales.



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According to a report released by USDA's World Agricultural Outlook Board, the value of dairy exports for the US has quadrupled since 2004. The U.S. is now the third largest dairy product exporter, behind New Zealand and the European Union. With New Zealand's topography limiting their growth potential and the EU's policies limiting their ability to grow, the U.S. is well positioned to continue to gain market share. Much of the growth in U.S. dairy exports over the past two decades has come from developing countries, where income levels are increasing. As these countries become more developed, higher protein foods like dairy and beef replace grain consumption.

Underdeveloped countries are defined as countries with per capita incomes of less than 15% of the U.S. level, while developing countries have per capita incomes from 15 to 45% of the U.S. level. In those underdeveloped countries, people spend about 23.3 of their food budgets on cereal products and 7.8% on dairy products in 2005. In developing countries during the same period, about 12.4% of the food budget went to cereal foods and 9.9% went to dairy.

The increase in exports has helped to support milk prices, with the U.S. growing its milk production by more than 35% in the past two decades. The nation's milk production was just over 170 billion pounds in 2005. In 2025, the US dairy herd produced more than 230 billion pounds. That is more than a 60-billion-pound increase over the same time period when we saw significant growth in dairy exports. While the increase in exports haven't absorbed all the additional milk, it has helped to utilize a large portion of that increased supply.

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. 21, 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 up $0.15, Nov26 up $0.40, Dec26-Jul27 down $0.15-0.30, Aug-Sep27 down $0.05.*											*12-Month Avg. 17.26*	↓↓
15.21	17.45	17.03	17.01	17.11	17.31	17.43	17.49	17.61	17.73	17.85	17.90	↓↓
CLASS IV MILK FUTURES ($/CWT) vs. week ago: *Oct26 off $0.03, rest of board up $0.10-0.40, except Feb27 firm, and Mar27 off $0.40.*											*12-Month Avg. 19.58*	↑↑
20.39	20.83	20.27	19.85	19.60	19.00	19.26	19.32	19.25	19.10	19.01	19.05	↑↑

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	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	19.27	18.75
Class III	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	17.60	17.60
BASIS	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	1.67	1.15

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
4.640	4.780	4.860	4.924	4.892	5.020	5.162	5.234	5.266	5.006	5.026	5.202	4.996	↓↓

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	347.3	345.5	344.2	345.6	348.8	346.6	343.8	339.9	341.9	342.0	340.6	341.2	↓↓

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	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) 10/20/26
Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to $/LB
NEXT GDT AUCTION 11/03/26

ALL-PRODUCT INDEX	1.8200↑↑	2.5%	SKIM POWDER (SMP)	1.8035↑↑	3.4%
MILKFAT (AMF)	2.4900↓↓	3.4%	BUTTER	2.1420↓↓	0.4%
BUTTERMILK POWDER	2.1298↑↑	8.4%	CHEDDAR(BULK)	1.6538↓↓	7.4%
LACTOSE	0.7554↑↑	0.6%	MOZZARELLA (BULK)	1.7604↑↑	1.3%
			WHOLE POWDER (WMP	1.7060↑↑	4.4%

U.S. CME SPOT DAILY ($/LB) 10/21/26

	Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	25	1.2350↓↓	1.2817↓↓
BUTTER	14	1.3300↑↑	1.3583↑↑
CHEDDAR-40	10	1.7025↑↑	1.7442↑↑
CHEDDAR-500	0	1.7200↑↑	1.6933↑↑
DRY WHEY	5	0.8425↓↓	0.8775↑↑

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 10/17/26*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	19.4	1.9959↑↑
BUTTER	2.4	1.3547↓↓
CHEESE-40	9.1	1.3856↓↓
CHEESE-500	REPORT ENDED	
DRY WHEY	5.5	0.7260↑↑

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

ANNOUNCED FEDERAL ORDER PRICES ($/CWT)

*CL I ADV↑↑	*CL I SKIM↑↑	CL II↓↓	CL III↓↓	CL IV↑↑
*20.27(NOV)	*16.03(NOV)	17.60(SEP)	16.04(SEP)	18.94(SEP)
*NOV CL I Skim ESL Adj. –1.80↓↓		*ADV BF $1.3730↓↓		

	ALL-MILK-U.S	ALL-MILK-PA
	19.80(AUG)↓↓	20.10(AUG)
	4.20F	4.15F
MONTH AGO		
18.88	14.12	18.71	16.64	17.36	20.30 4.19F	21.50 4.13F
YEAR AGO						
16.75	10.62	17.39	17.59	16.17	20.90 4.16F	21.30 4.07F

NASS ALL-MILK ($/CWT)

*"NEW"	USDA $/CWT*	*JUN-26	*MAILBOX
	ALL-MILK	BF	
*FL	$28.00	3.85	$27.59
*SE	$28.60	3.88	$26.75
*APP	$27.40	4.05	$25.16
*PAwestern PA only			$23.62
*NY	$23.20	4.28	$23.34
*OH	$23.30	4.15	$23.24
*NENG	$23.20	4.32	$22.51
*IN	$23.50	4.07	$22.41
*PAeast	$22.70	4.19	$22.05
*MI	$22.20	4.21	$21.77
*IL	$21.60	4.15	$20.54
*U.S.	$21.10	4.23	$20.18
*TX	$21.40	4.38	$19.45
*MO	N/A	N/A	$19.39
*NE/KS	$19.90	4.25	$19.26
*CA	$22.00	4.21	$18.97
*ID	$19.70	4.31	N/A
*NM	$19.60	4.08	$18.75
*WA/OR	$21.35	4.35	$18.54
*IA	$18.70	4.25	$18.29
*WI	$18.60	4.20	$18.13
*MN	$18.70	4.38	$18.04
*SD	$18.50	4.46	N/A

CURRENT FEDERAL ORDER VALUES ($/LB) * = *NEW*
WEIGHTED AVG. 4-WK SEPT. 1-26, 2026

PRODUCT	VALUE	*(New Make Allow vs Old)		NET VALUE
CHEESE	1.5577↓↓	*(0.2519)	0.2003	1.3058↓↓
BUTTER	1.4462↓↓	*(0.2272)	0.1715	1.2190↓↓
NFDM	1.7891↑↑	*(0.2393)	0.1678	1.5498↑↑
DRYWHEY	0.6694↑↑	*(0.2668)	0.1991	0.3934↑↑

*SEPT. 2026 COMPONENTS	
PROT	2.6619↓↓
B.FAT	1.4762↓↓
N.FAT	1.5343↑↑
OS	0.4026↑↑

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 OCT. 1, 2026**

MILK COWS (NASS) U.S. Avg.	MILKING HEIFERS: Springing	Bred	Cross	OPEN: 300-600 lbs	BXD	600-900 lbs	BXD	900-1100 lbs	BULLS(800-1300lbs)
*$3260 Q2-26 ↑↑ *$3130 Q1-26	3000 AVG.	3500 *small 2000*	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

Price averages do not include lower-end 'common'

PA/NY, Oct. 8-12, 2026, Choice native down $1, BxD and Holstein off $10. Cull cows mixed, steady to $1 lower, Holstein & BxD calves up $25.

CULL MARKET COWS ($/CWT LIVEWEIGHT)

Premium White	Breakers	Boners	Lean
Average to high dressing			
N/A	141.35↑↑	127.00NC	104.35↓↓
WEEK AGO			
N/A	140.85	127.00	105.25
YEAR AGO			
N/A	161.25	149.50	129.50

FED STEERS ($/CWT LIVEWEIGHT) Choice & Prime 1350-1800 lb

HOLSTEIN	BEEF X DAIRY	BEEF
178.50↓↓	192.75↓↓	217.35↓↓
WEEK AGO		
187.00	205.00	218.35
YEAR AGO		
N/A	236.50	241.75

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

HOLSTEIN	BEEF X DAIRY
1025.00↑↑	1300.00↑↑
WEEK AGO	
1000.00	1275.00
YEAR AGO	
1150.00	1575.00

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