CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **Oct. 28, 2026** — except where noted



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Market volatility. Did anyone have a run in the CME nonfat dry milk market back above $2.20 per pound for a second time this year on their bingo card? How about a 53-cent rally in the spot cheese market from lowest levels since May 2020 to highest since October 2025 in less than a three-week period? What about cow numbers above 9.743 million – the largest milking herd going back 30+ years? I can absolutely confirm that those things were, indeed, NOT on mine! It's been a wild ride in the dairy markets this year, creating significant volatility and uncertainty at the farm level. So, as we sit here at the end of October, what are the key influences driving the market to round out the year, and how might that impact early 2027?

Let's start with milk supply. On paper, there's a lot of milk out there. Milk production increased by 2.6% year-over-year in September, a much larger gain than forecasted. Cow numbers remain the big driver of growth. The herd now sits at 9.743 head, gaining 169,000 cows from September 2025 and adding 26,000 head from August. The Northeast contributed to the notable jump in both production and cow numbers, with New York and Pennsylvania production up a combined 2.8% year-over-year, while cow numbers jumped 10,000 head from 2025. With new capacity demanding more milk in the region and more stainless steel to come, we would expect to see a continued focus on expansion in the Northeast. In our estimation, broader cow number gains will continue to drive milk output growth in the U.S.

With all this new Northeast capacity, there's less and less milk hitting balancing plants in the region. And in our estimation, that's at least part of the story behind the recent run in the powder market and what might ultimately lend a supportive hand into the future (though off the current high levels). Year-to-date through August, Atlantic coast producers made 32 million fewer pounds of nonfat dry milk, a 17% drop from 2025 levels. Though Western producers have more than made up the difference, shifting capacity dynamics will likely keep milk out of nonfat dry milk production. But that's not the only reason why we're seeing higher NDM and ultimately Class IV values. A price drop toward early-year levels combined with reports of ongoing quality concerns from a major manufacturer and weather uncertainty in the rest of the world. Those factors, plus just plain nervous buyers, seemed to put this market on edge. Buyers appear a little less eager to jump in with two feet today, putting some downward pressure on recent price movement.

The cheese market experienced its own surprising rally over the past few weeks. After hitting the lowest price levels since 2020, CME block prices climbed back to $1.80 per pound by mid-Oct The driver? Likely a few different factors, but historic low prices, reports of bird flu in the Pacific Northwest, and rumors of a production issue at a large cheese manufacturer likely gave the market the fuel it needed to make a notable run. But like any good fire, you need to keep adding fuel, and the log pile is running low. The mid-October cheese stock report showed inventories up 2.4% year-over-year, the largest gain going back to October 2025. And with continued strong whey returns for both high protein and dry whey, there's little incentive for manufacturers to slow down production.

At the same time, demand in the U.S. market continues to do a whole lot of nothing. Retail sales are flat to lower. Foot traffic in restaurants is sluggish. That's pushing cheese makers to increasingly rely on growing exports. They've proven it can be done, with exports up 22% year-over-year through August. Staying competitive is critical. With higher cheese prices in the U.S. market and growing competition in the global space, there may not be room for sustaining higher cheese prices.

What about the other markets? For butter, there's not much new to report. Prices are weak. Domestic demand is okay. Output is growing and exports remain key. Whey markets hit a record high at the CME in mid-October, supported by good export demand and some recent plant production issues. With those issues in the rearview and high prices unpalatable to buyers, prices may take a step back.

Volatility will remain a mainstay in the US market through the end of this year and beyond. In our estimation, producers should be looking ahead to 2027 to limit future margin risk. Reach out to your risk manager to make a plan for the year ahead.

The risk of loss trading commodity futures and options can be substantial. Investors should carefully consider the inherent risks in light of their financial condition. The information contained herein has been obtained from sources to be reliable, however, no independent verification has been made. The information contained herein is strictly the opinion of its author and not necessarily of EA Risk and is intended to be a solicitation. Past performance is not indicative of future results.

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. 28, 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 up $0.50, rest of board down $0.15-0.40.*											*12-Month Avg. 17.10*	↓↓
15.24	18.06	16.91	16.60	16.72	16.99	17.03	17.13	17.33	17.56	17.70	17.78	↓↓
CLASS IV MILK FUTURES ($/CWT) vs. week ago: *Oct26 firm, Nov26 dn $0.40, Dec26-Feb27 dn $0.75, Mar27 firm, Apr-Sep27 weak to $0.30 lower.*											*12-Month Avg. 19.28*	↓↓
20.39	20.45	19.47	19.05	18.90	19.08	18.95	19.04	19.06	18.95	18.95	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
4.506	4.640	4.716	4.780	4.754	4.892	5.032	5.114	5.142	4.922	4.942	5.132	4.956	↓↓

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
334.1	333.6	333.8	336.3	340.0	338.5	336.5	332.4	334.6	335.7	335.0	335.9	338.2	↓↓

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) 10/28/26

	Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	15	2.0400 ↓↓	2.0514 ↓↓
BUTTER	56	1.2850 ↓↓	1.2983 ↓↓
CHEDDAR-40	14	1.7450 ↑↑	1.7383 ↑↑
CHEDDAR-500	0	1.7250 ↑↑	1.7217 ↑↑
DRY WHEY	5	0.8100 ↓↓	0.8317 ↓↓

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 10/24/26*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	16.1	2.0538 ↑↑
BUTTER	2.8	1.3627 ↑↑
CHEESE-40	10.5	1.4178 ↑↑
CHEESE-500	REPORT ENDED	
DRY WHEY	7.3	0.7374 ↑↑

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

NEW USDA $/CWT *JUL-26	ALL-MILK	BF	*MAILBOX
*FL	$27.50	3.83	$26.93
*SE	$27.70	3.87	$25.82
*APP	$26.80	4.01	$24.48
*PAwestern PA only	$22.50		
*NY	$21.70	4.21	$21.85
*OH	$22.30	4.08	$21.69
*IN	$22.50	4.01	$21.39
*NENG	$21.90	4.26	$21.17
*PAeast	$21.50	4.13	$20.64
*MI	$20.70	4.15	$20.61
*IL	$20.30	4.12	$19.50
*U.S.	$20.30	4.19	$19.23
*TX	$21.40	4.34	$18.77
*MO	N/A	N/A	$18.26
*CA	$21.00	4.20	$18.11
*NE/KS	$18.30	4.23	$17.97
*ID	$19.20	4.28	N/A
*MN	$18.70	4.33	$17.90
*WA/OR	$20.75	4.35	$17.88
*IA	$18.10	4.26	$17.63
*NM	$19.90	4.05	$17.45
*WI	$18.20	4.12	$17.28
*SD	$18.00	4.42	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
*20.27 (NOV)	*16.03 (NOV)	17.60 (SEP)	16.04 (SEP)	18.94 (SEP)	19.80 (AUG) ↓↓	20.10 (AUG)
*NOV CL I Skim ESL Adj. –1.80 ↓↓ *ADV BF $1.3730 ↓↓					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

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 up $3, BxD up $5, Holstein up $1, Cull cows up $2, BxD calves up $100, Holstein bull calves down $25.

CULL MARKET COWS ($/CWT LIVEWEIGHT)

Premium White	Breakers	Boners	Lean
N/A	143.85 ↑↑	128.85 ↑↑	105.00 ↑↑
WEEK AGO			
N/A	141.35	127.00	104.35
YEAR AGO			
N/A	159.50	143.35	132.75

Average to high dressing

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

HOLSTEIN		BEEF X DAIRY		BEEF	
179.00 ↑↑		205.00 ↑↑		220.60 ↑↑	
WEEK AGO					
178.50		192.75		217.35	
YEAR AGO					
N/A		223.00		245.50	

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

HOLSTEIN		BEEF X DAIRY	
1000.00 ↓↓		1400.00 ↑↑	
WEEK AGO			
1025.00		1300.00	
YEAR AGO			
1100.00		1550.00	

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