CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — **DEC. 10, 2025** — except where noted

A growing milk supply has pushed Class III and IV milk prices down significantly over the past few months. USDA announced November's Class III milk price at $17.18 per hundredweight, up 27 cents from October but down $2.77 from a year ago levels. This is the lowest Class III milk price seen since April 2024.

Class III milk futures prices on the CME drop to $15.38 in January 2026 before rebounding slightly to above $16 in April. Prices for the next twelve months average $16.65 per cwt., which is $1.97 below the five-year average of $18.62 per cwt.

Class IV milk prices have fallen even more significantly, with November's Class IV price announced at $13.89 per cwt., the lowest price since March 2021. It is 41 cents below October's price and $7.23 under the Class IV price from November 2024. Class IV milk futures prices on the CME drop to $13.70 in January before rebounding to above $14 in March and then to above $15 in July, not reaching $16 until November 2026. Class IV prices for the next 12 months average $14.79 per cwt., which is $4.01 below the five-year average of $18.80 per cwt.

Part of what is pushing the milk supply up and milk prices down is a huge increase in the nation's dairy herd, with USDA reporting 9.545 million head of dairy cattle in the U.S. in October. This number is up 208,000 head from a year ago, but down 6,000 head from a month ago.

The nation's dairy herd is now at its largest, aside from October's numbers, seen in several decades. Despite dairy heifer replacements reported at a 20-year low in January 2025, the nation's herd kept growing up until this month, with farms reportedly holding onto later lactation cows longer.

Now, with record high beef prices helping to bolster cull cow prices, the decline in milk prices over the past couple of months seems to be pushing more cows to market. The latest USDA Livestock Slaughter report had October's dairy cow slaughter numbers at 243,000 head, up 6,400 head from year-ago numbers. Despite the increase, year-to-date dairy cow slaughter numbers are still well below 2024, with January-to-October slaughter numbers at 2,188,900 head, down 101,800 head from 2024 numbers over the same time period.

Many industry analysts are speculating how low dairy prices have to get to spur more culling and further herd consolidation. Historically, it takes at least six months of low milk prices to see the nation's herd contract. W

ith commodity feed prices also at record low prices, the margin under the USDA's Dairy Margin Coverage Program just dips below the $9.50 maximum threshold for an indemnity in the program in November before falling to about a dollar below in December.

Estimates are that nearly half the nation's milk supply is covered against very low milk margins in 2025 by the DMC Program and the Dairy Revenue Protection Program.

Enrollment for the 2026 DMC Program still is not opened, with coverage in the current program expiring in December. Under the "Big Beautiful Bill" passed in July 2025, coverage levels in the program increase from a maximum of 5 million pounds to 6 million pounds beginning in January 2026.

In the past, when enrollment was delayed into the new year, dairy producers received any announced indemnity payments retroactively once the program opened up enrollment. Typically, margins are announced one month after the closing month. However, with the budget impasse, USDA hasn't caught up with announcing the September and October price margins yet.

JAYNE SEBRIGHT
Executive Director, CDE
717.346.0849
jsebright@centerfordairyexcellence.org

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 & OPTIONS TRADING — DEC. 10, 2025 AT THE CLOSE

DEC-25	JAN-26	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	JUL-26	AUG-26	SEP-26	OCT-26	NOV-26	TREND
CLASS III MILK FUTURES ($/CWT) vs. wk ago: *Mostly steady to 10¢ higher, except Dec25, Feb26, and Oct-Nov26 5 to 10¢ lower.*											*12-Month Avg. 16.61*↑↑	
15.88	15.42	15.40	15.87	16.24	16.65	16.94	17.17	17.30	17.50	17.55	17.40	↑↑
CLASS IV MILK FUTURES ($/CWT) vs. wk ago: *Mostly 5 to 25¢ higher, except Sep-Nov26 weak to 5¢ lower.*											*12-Month Avg. 14.77*↑↑	
13.77	13.70	13.52	14.04	14.39	14.70	14.92	15.14	15.43	15.65	15.96	16.06	↑↑

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	20.25	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	20.20	19.76	20.58	20.17
Class III	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	18.72	18.72	19.07	19.07
BASIS	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	1.48	1.04	1.51	1.10

CORN FUTURES ($/BU)

DEC-25	MAR-26	MAY-26	JUL-26	SEP-26	DEC-26	MAR-27	MAY-27	JUL-27	SEP-27	DEC-27	JUL-28	DEC-28	TREND
4.366	4.436	4.516	4.576	4.516	4.632	4.766	4.832	4.862	4.682	4.720	4.906	4.694	↑↑

SOYMEAL FUTURES ($/TON)

DEC-25	JAN-26	MAR-26	MAY-26	JUL-26	AUG-26	SEP-26	OCT-26	DEC-26	JAN-27	MAR-27	MAY-27	JUL-27	TREND
298.2	301.1	306.3	311.5	317.2	319.0	319.5	319.4	323.6	325.3	326.3	328.3	331.2	↓↓

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

AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	*NOV-25	
196.44	199.57	206.63	192.20	184.82	184.49	189.60	195.30	195.50	187.01	188.00	195.00	202.00	179.00	192.00	***202.00**	↑↑

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

DMC	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	*AUG-25	
MARGIN	9.60	10.52	11.66	12.33	13.72	15.57	15.17	14.29	13.38	13.85	13.12	11.55	10.42	10.40	11.10	10.94	*11.52	↑↑
ALL MILK	20.50	22.00	22.80	22.80	23.60	25.50	25.20	24.20	23.30	24.10	23.60	22.00	21.00	21.30	21.30	20.80	*20.90	↑↑
FEED $	10.90	11.48	11.14	10.47	9.88	9.93	10.03	9.91	9.92	10.25	10.48	10.45	10.58	10.90	10.20	9.86	* 9.38	↓↓

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction ($/LB) 12/02/25
Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to $/LB
NEXT GDT AUCTION 12/16/25

ALL-PRODUCT INDEX	1.5912↓↓	4.3%	SKIM POWDER (SMP)	1.1334↓↓	1.6%
MILKFAT (AMF)	2.6779↓↓	9.8%	BUTTER	2.3453↓↓	12.4%
BUTTERMILK POWDER	2.3453↑↑	1.8%	CHEDDAR(BULK)	2.1048↑↑	7.2%
LACTOSE	0.5672↑↑	4.2%	MOZZARELLA (BULK)	1.4437↓↓	1.0%
			WHOLE POWDER (WMP)	1.5263↓↓	2.4%

U.S. CME SPOT DAILY ($/LB) 12/10/25

	Prev. 5 day Lds	Spot price	Weekly Avg
NFDM	6	1.1700↑↑	1.1700↑↑
BUTTER	13	1.4775↑↑	1.4775↑↑
CHEDDAR-40	29	1.3475↓↓	1.3500↓↓
CHEDDAR-500	0	1.4125↓↓	1.4125↓↓
DRY WHEY	4	0.7600↑↑	0.7500↑↑

U.S. WEEKLY USDA NDPSR ($/LB) WK ENDING 12/06/25*

FMMO PROD	MIL. LBS	WTED AVG $
NFDM	21.1	1.1521↑↑
BUTTER	2.1	1.6063↓↓
CHEESE-40	13.1	1.6049↓↓
CHEESE-500	REPORT ENDED	
DRY WHEY	5.0	0.6792↓↓

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

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
18.21(DEC)	12.74(DEC)	*14.54(NOV)	*17.18(NOV)	*13.89(NOV)	20.90(AUG)↑↑	21.30(AUG)
NOV. CL I Skim ESL Adj. +0.91↑↑ *NEW RULE*					4.16F	4.07F
MONTH AGO						
16.75	10.62	16.02	16.91	14.30	20.80 4.13F	21.30 4.03F
YEAR AGO						
21.43	10.98	22.52	19.95	21.12	23.60 4.09F	24.10 4.00F

CURRENT FEDERAL ORDER VALUES ($/LB) * = *NEW*
*WEIGHTED AVG. 2-WK NOV. 1-29, 2025

PRODUCT	VALUE	*(New Make Allow vs Old)		NET VALUE	*NOV 2025 COMPONENTS	
*CHEESE	1.7419↑↑	*(0.2519)	0.2003	1.4900↑↑	*PROT	3.0143↑↑
*BUTTER	1.6360↓↓	*(0.2272)	0.1715	1.4088↓↓	*B.FAT	1.7061↓↓
*NFDM	1.1609↑↑	*(0.2393)	0.1678	0.9216↑↑	*N.FAT	0.9124↑↑
*DRYWHEY	0.6415↑↑	*(0.2668)	0.1991	0.3747↑↑	*OS	0.3859↑↑

WK ENDING 12/06/25*

"NEW" USDA $/CWT	ALL-MILK	BF	*MAILBOX
*SE	$26.00	3.86	$24.27
*FL	$25.20	3.86	$24.48
*APP	$24.90	3.99	$22.57
*NENG	$22.10	4.22	$21.36
*OH	$22.20	4.08	$21.15
*NY	$21.70	4.14	$21.27
*IL	$20.20	4.12	$20.51
*Paeast	$21.30	4.07	$20.62
*IN	$22.00	4.01	$20.35
*CA	$20.90	4.17	$20.18
*U.S.	$21.90	4.16	$20.03
*Pawestern PA only			$20.13
*MI	$20.80	4.13	$19.38
*MO	N/A	N/A	$20.25
*WI	$19.90	4.11	$19.27
*FO30	N/A	N/A	$19.40
*TX	$20.90	4.32	$19.27
*MN	$20.40	4.34	$19.78
*IA	$19.80	4.24	$19.17
*SD	$20.10	4.37	N/A
*ID	$21.20	4.18	N/A
*NE/KS	$19.30	4.17	$18.61
*NM	$19.20	4.01	$18.07
*WA/OR	$21.20	4.30	$17.63

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) *per head as reported by USDA Monthly National Dairy Comprehensive Report*

OCT-24	NOV-24	DEC-24	JAN-25	FEB-25	MAR-25	APR-25	MAY-25	JUN-25	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25
N/A	2250	N/A	N/A	2921(ltd)	N/A	N/A	2650	N/A	N/A	N/A	2600	N/A	N/A

U.S. AVG. FRESH/MILKING COWS *per head as reported by USDA Monthly National Dairy Comprehensive Report*

2800	2489	N/A	N/A	N/A	N/A	N/A	3021	N/A	3010	N/A	N/A	N/A	N/A

CATTLE - DAIRY PURPOSES($/HD) USDA and other auction reports combined 4-week rolling average as of NOV. 18, 2025

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)
*$3010 Q2-25 ↑↑	$2900 Q1-25	3400	All Dairy	3300	2800	3000	1600	N/A	2000	N/A	2200	2000
YEAR AGO												
$2300 Q2-24	$2120 Q1-24	3200		3100	2800	2200	1200	1500	1400	N/A	2000	1800

Price averages do not include lower-end 'common'

PA Auction Markets Dec. 4-9, 2025
CULL MARKET COWS ($/CWT LIVEWEIGHT)

Premium White	Breakers	Boners	Lean
Average to high dressing			
N/A	150.40↓↓	137.85↓↓	124.10↓↓
WEEK AGO			
N/A	151.50	139.85	125.35
YEAR AGO			
N/A	120.25	115.85	108.58

FED STEERS ($/CWT LIVEWEIGHT)

	Holstein	Beef-X-Dairy	WK AGO		YR AGO	
Choice & Prime 1250-1550 lb	N/A	207.40 CPL	N/A	214.00	172.50	180.60
BULL CALVES: No. 1 & 2, 90-130 lbs	950.00↑↑	1300.00↑↑	875.00	1185.00	625.00	850.00
($/cwt liveweight) 70- 85 lbs	1025.00↑↑	1300.00↑↑	900.00	1250.00	700.00	950.00

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