

2026 US Dairy Market Situation & Outlook

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Annual Average Dairy Margin Coverage Program IOFC

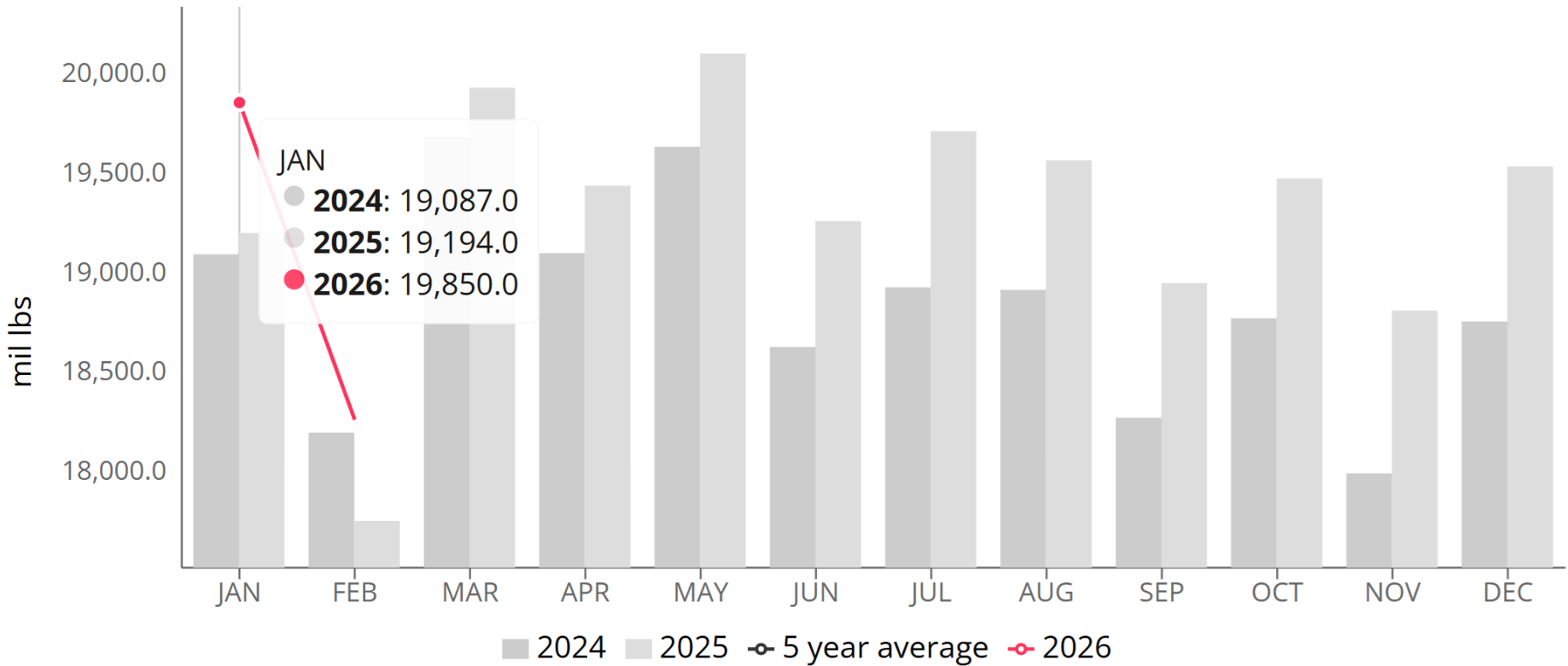
	All Milk Price	Feed Cost	IOFC
	\$/cwt		
2020	18.32	8.87	9.45
2021	18.69	11.78	6.92
2022	25.56	14.85	10.71
2023	20.48	13.76	6.71
2024	22.93	10.51	12.42
2025	21.14	10.04	11.10

Cornell DFBS

	Milk Price	ROA (w/out appreciation)
2021	19.83	4.2
2022	27.05	11.7
2023	22.72	3.8
2024	24.57	8.3
2025P	22.72	5.6

US Milk Production

Milk Production - United States
Three Year Comparison

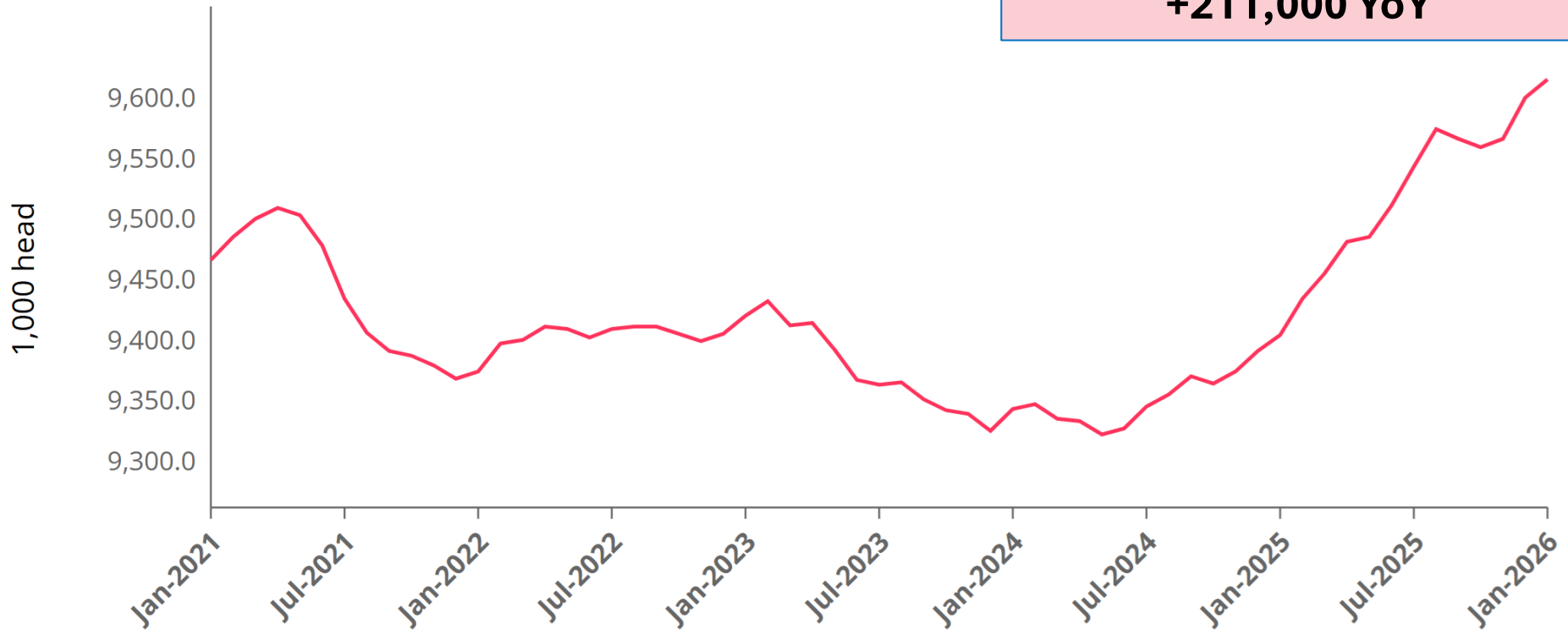


US Milk Cows

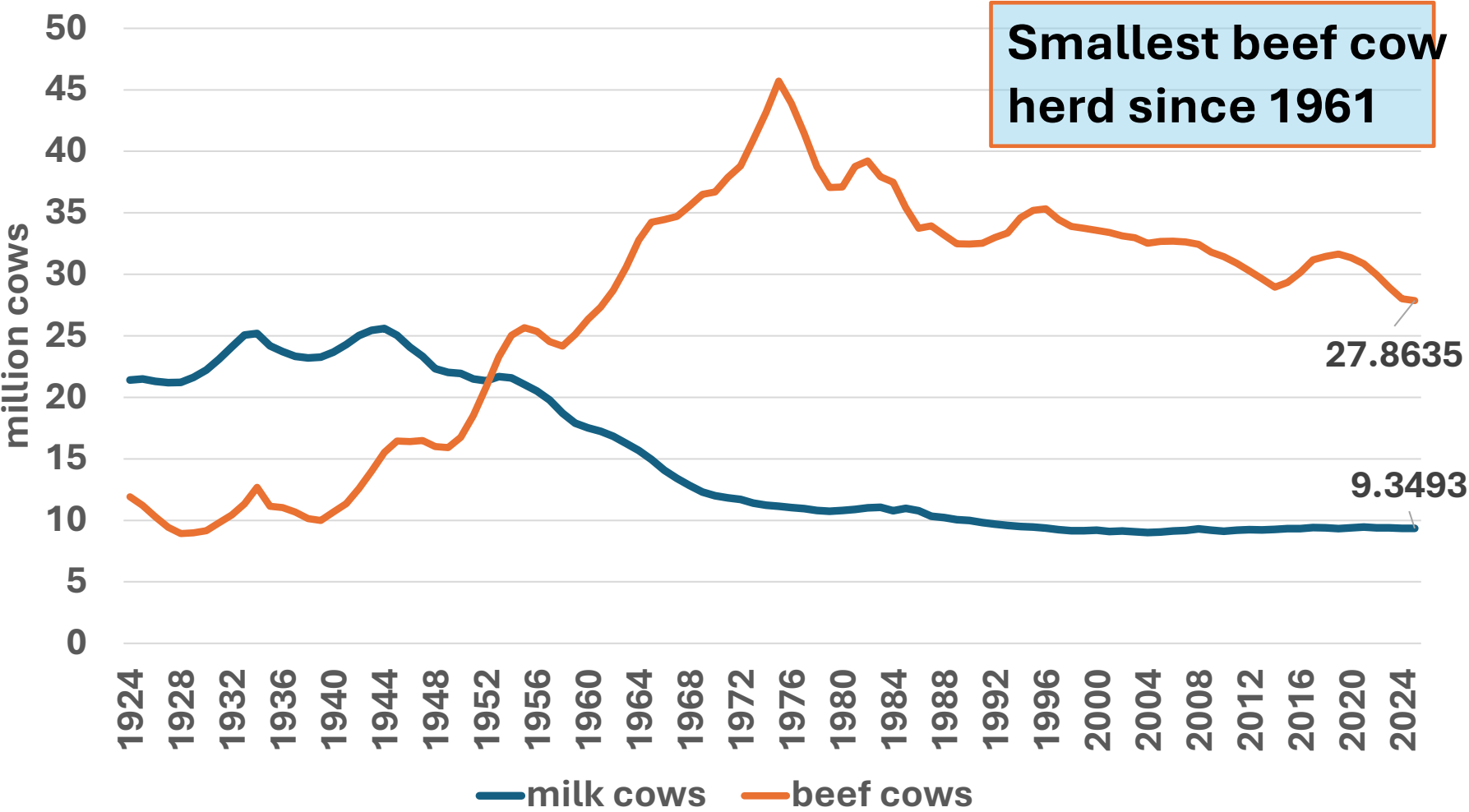
Milk Cows - United States

Simple Line Chart

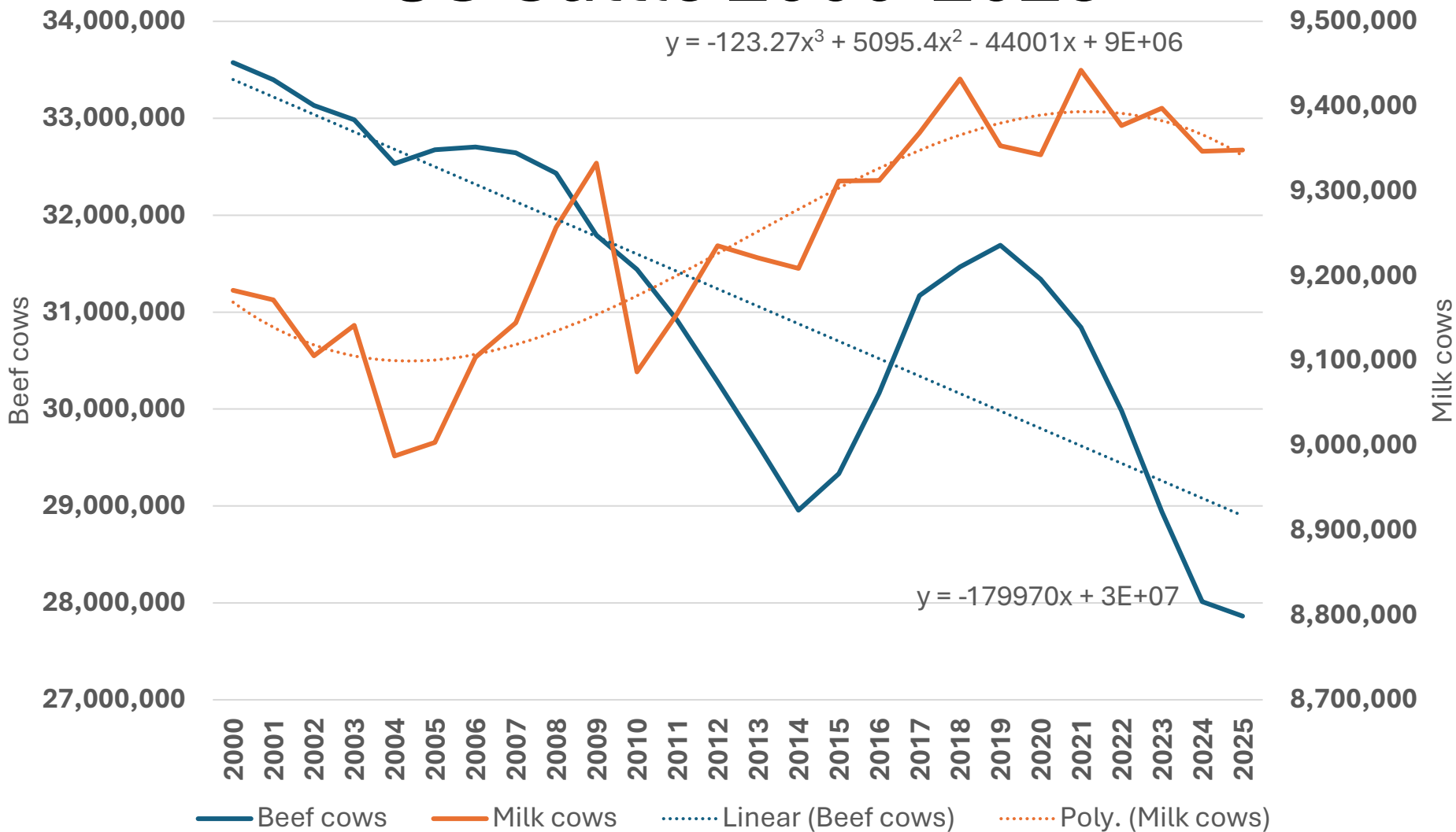
**January 2026 9.615million
+211,000 YoY**



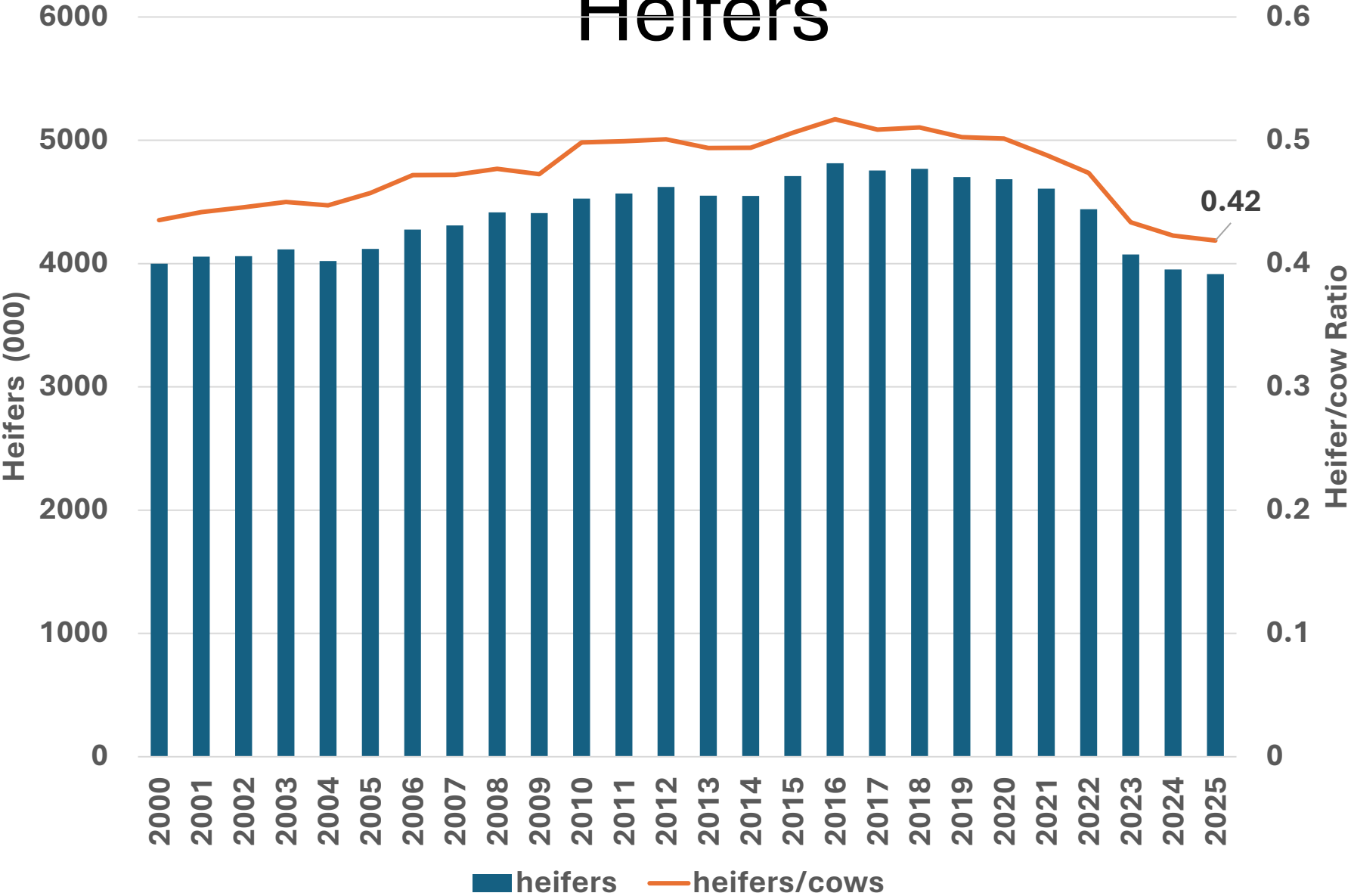
Beef and Dairy Cows



US Cattle 2000-2025

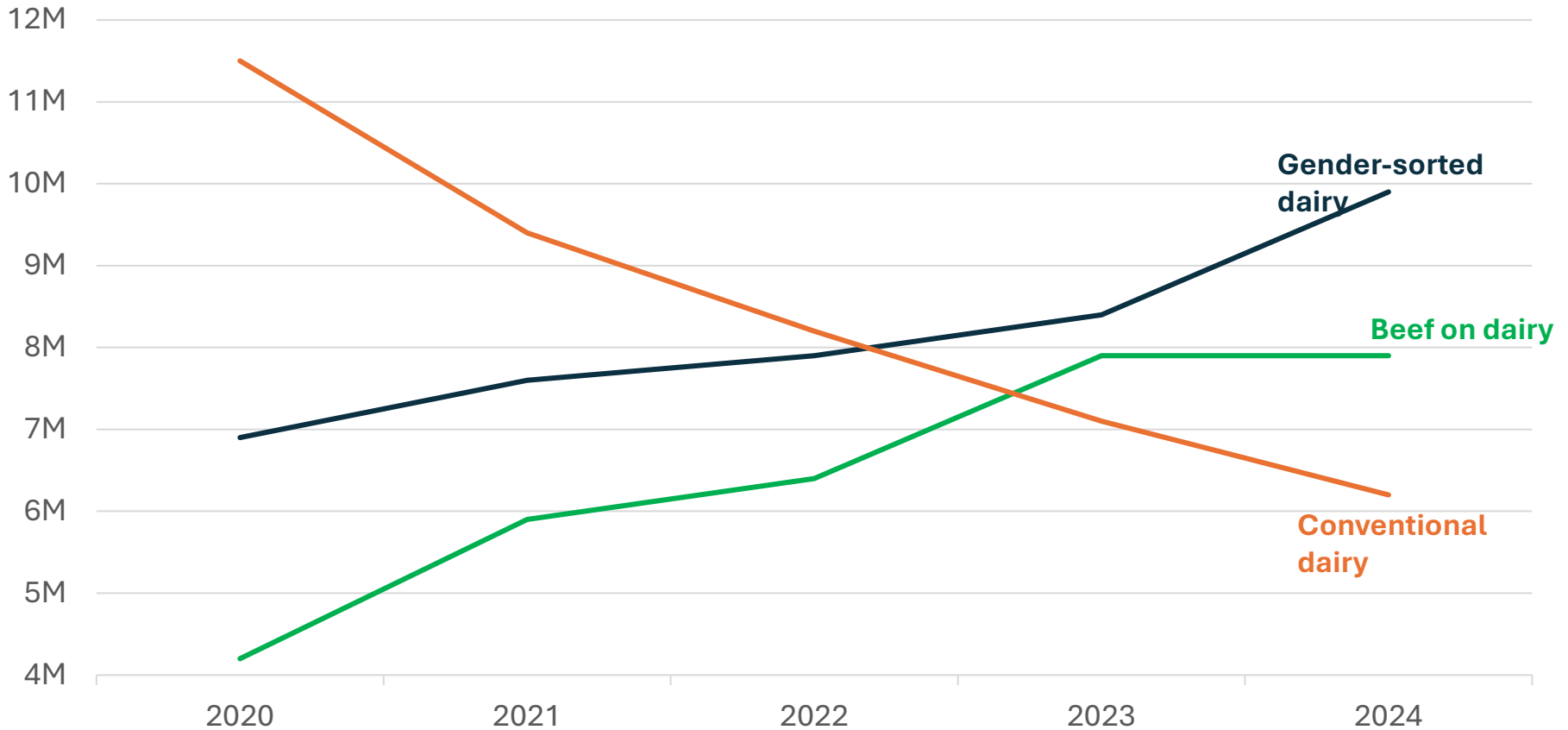


Heifers



US Semen Sales

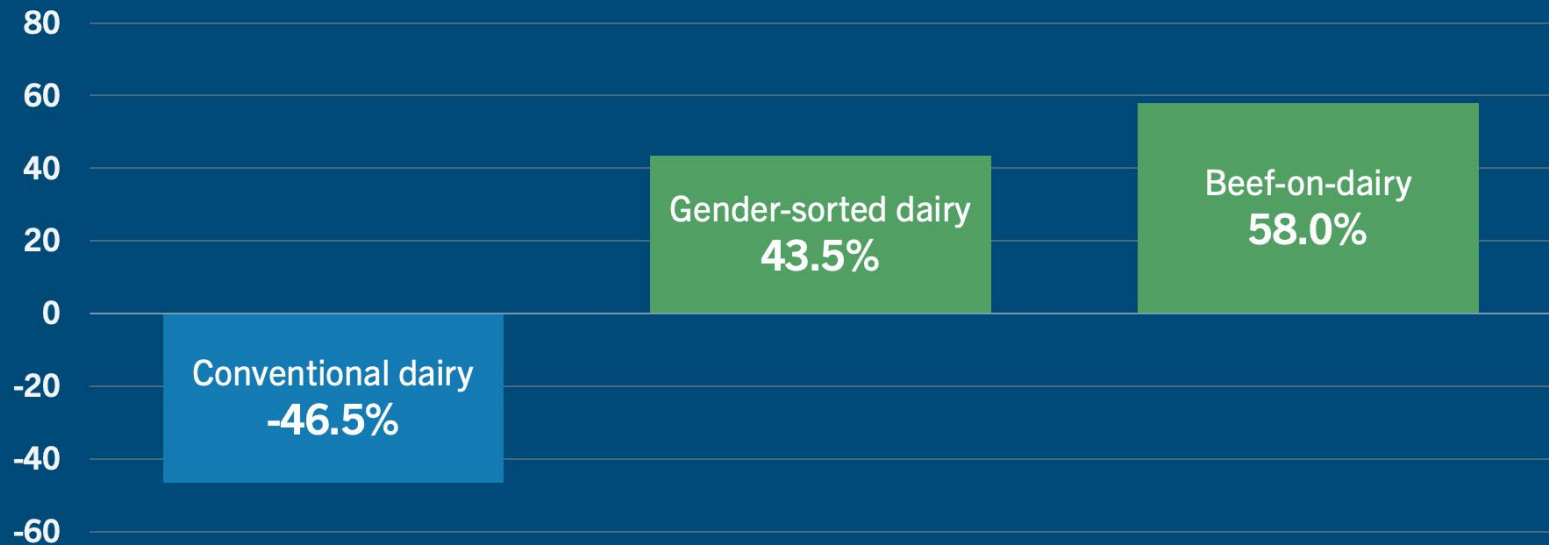
Annual Units Sold



Source: National Association of Animal Breeders

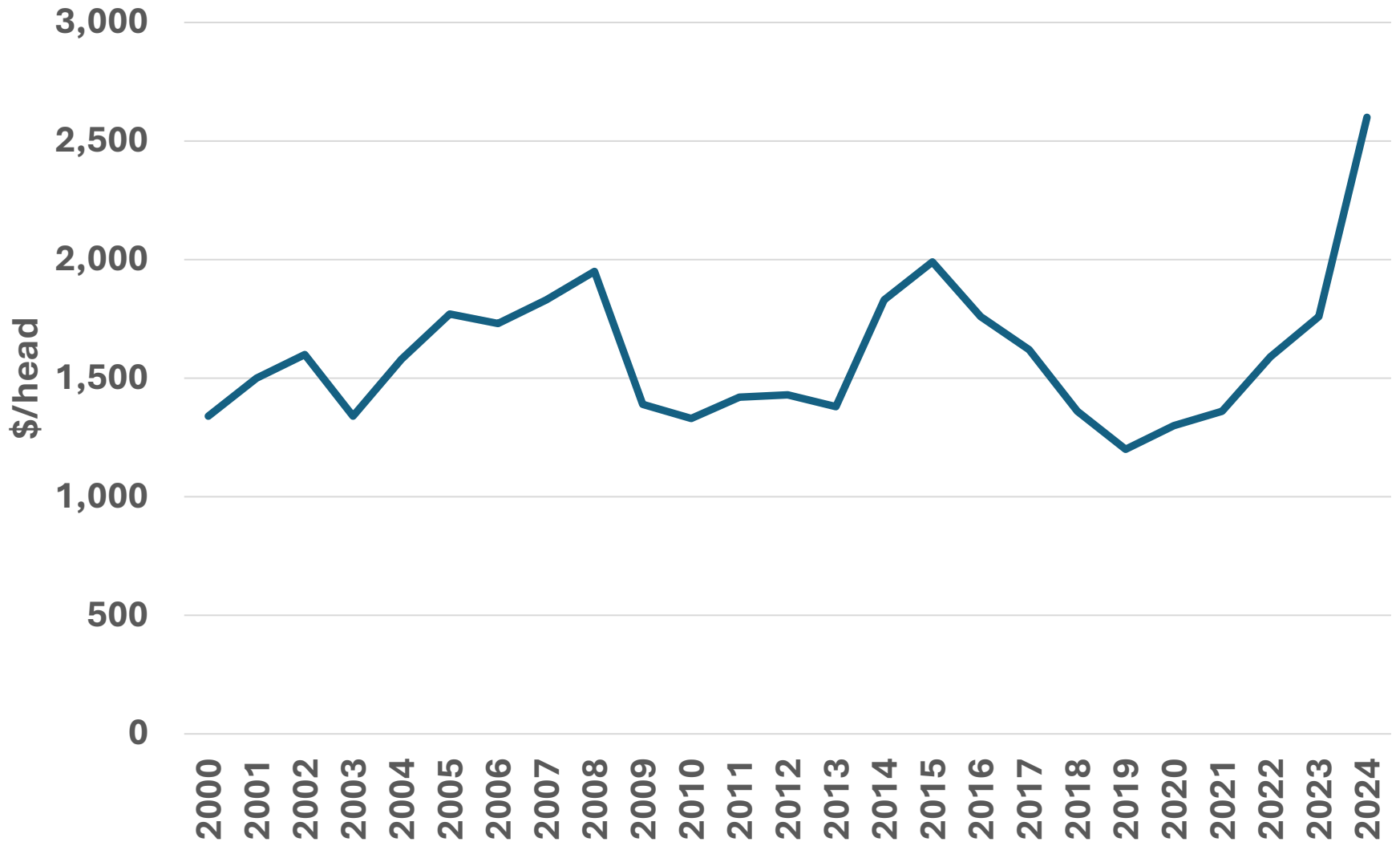
The 2020 to 2024 shift in semen sales to dairy farmers

Gains and losses of sales (percentage)

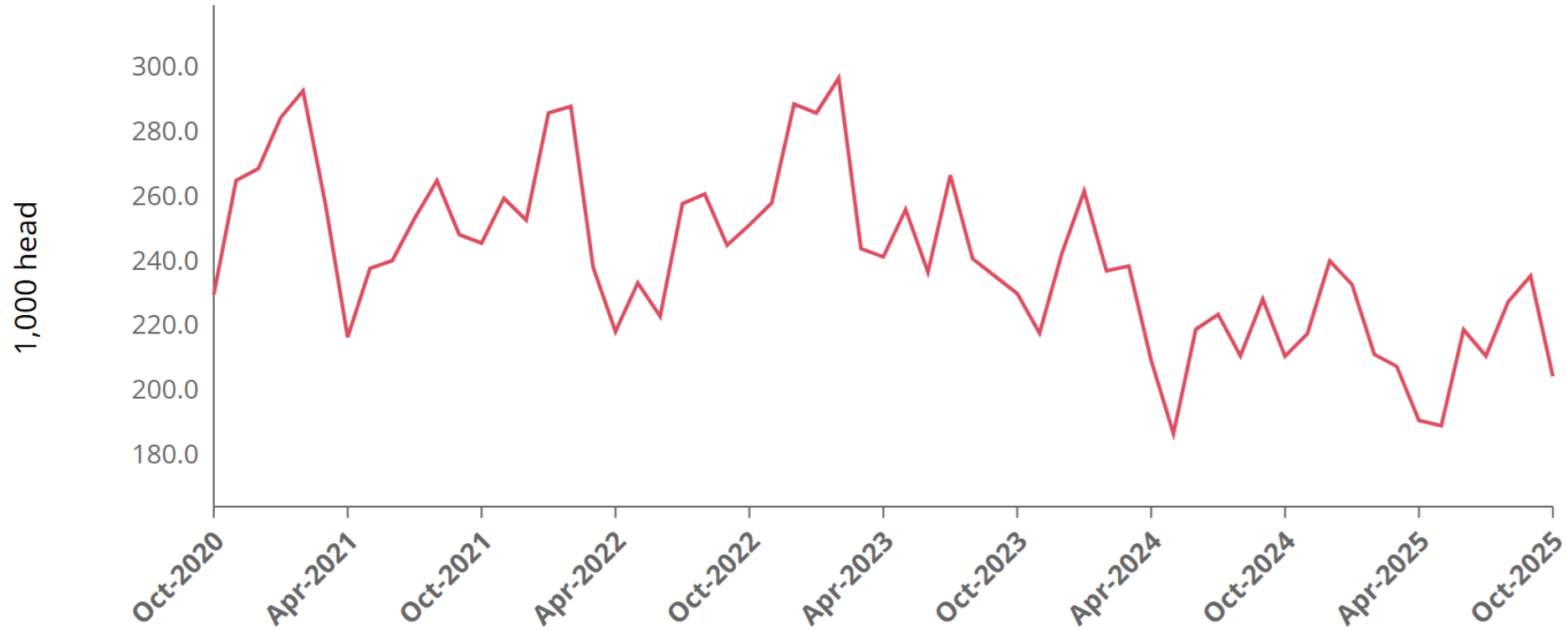


Source: National Association of Animal Breeders

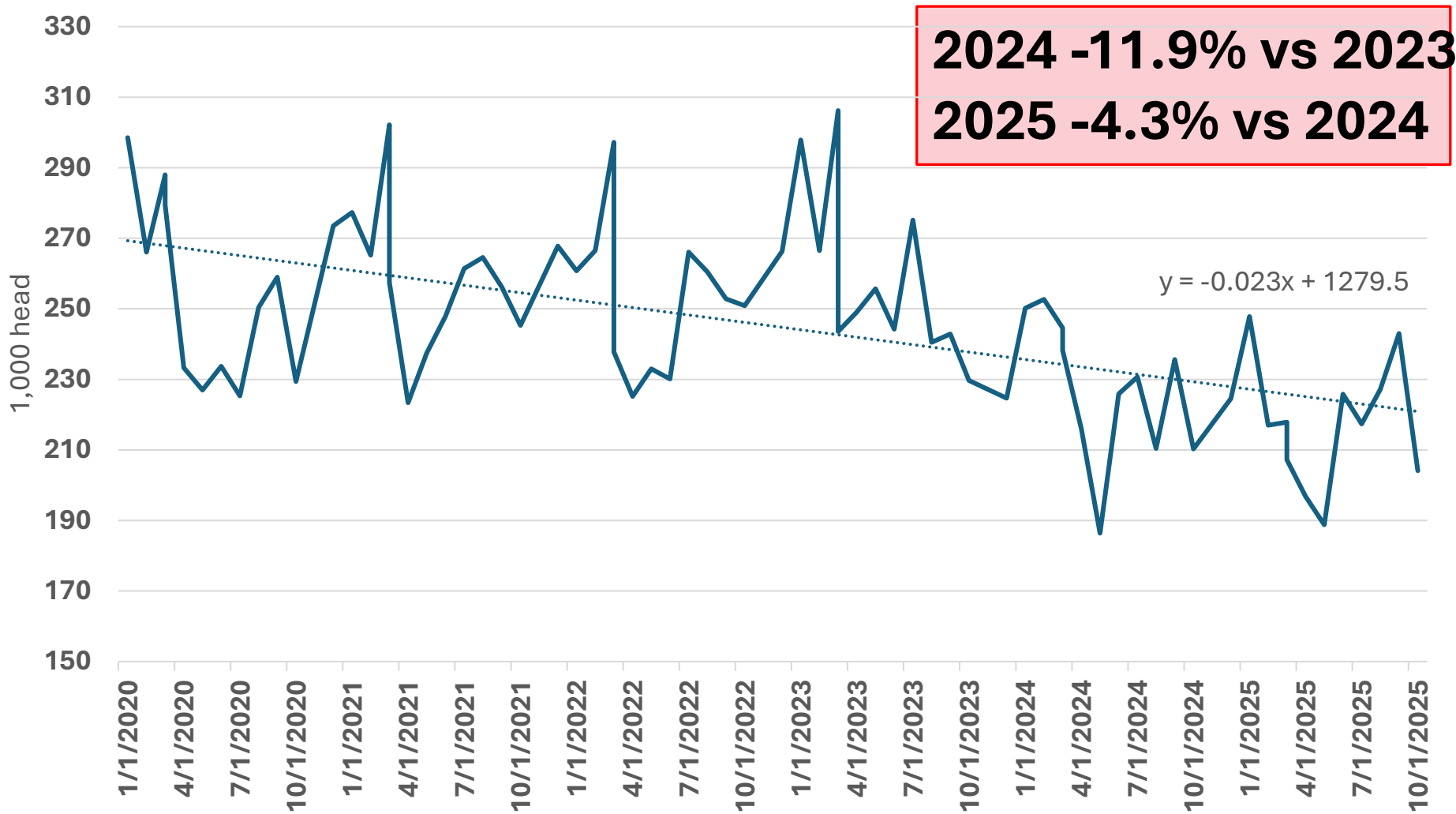
US Replacement Prices



Dairy Cow Slaughter

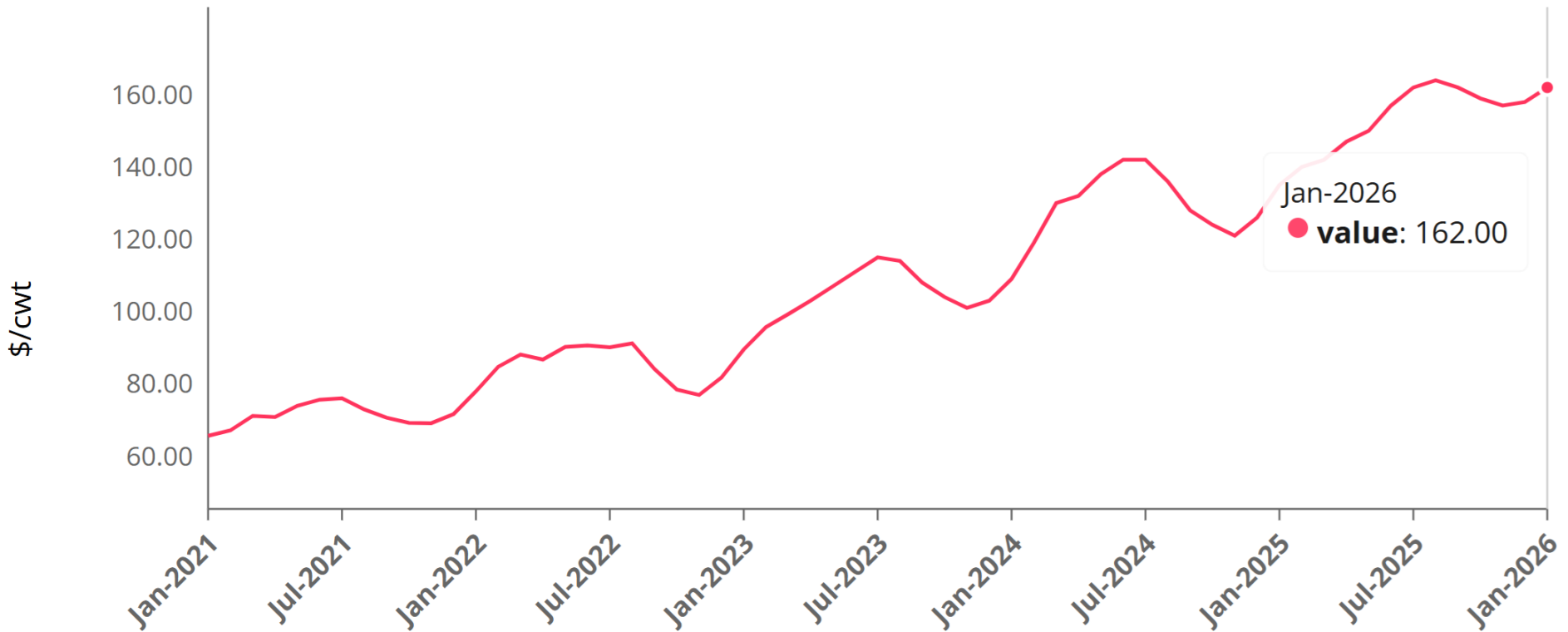


Dairy Cow Slaughter



Cull Cow Price

Cows, Slaughter, Price - United States
Simple Line Chart

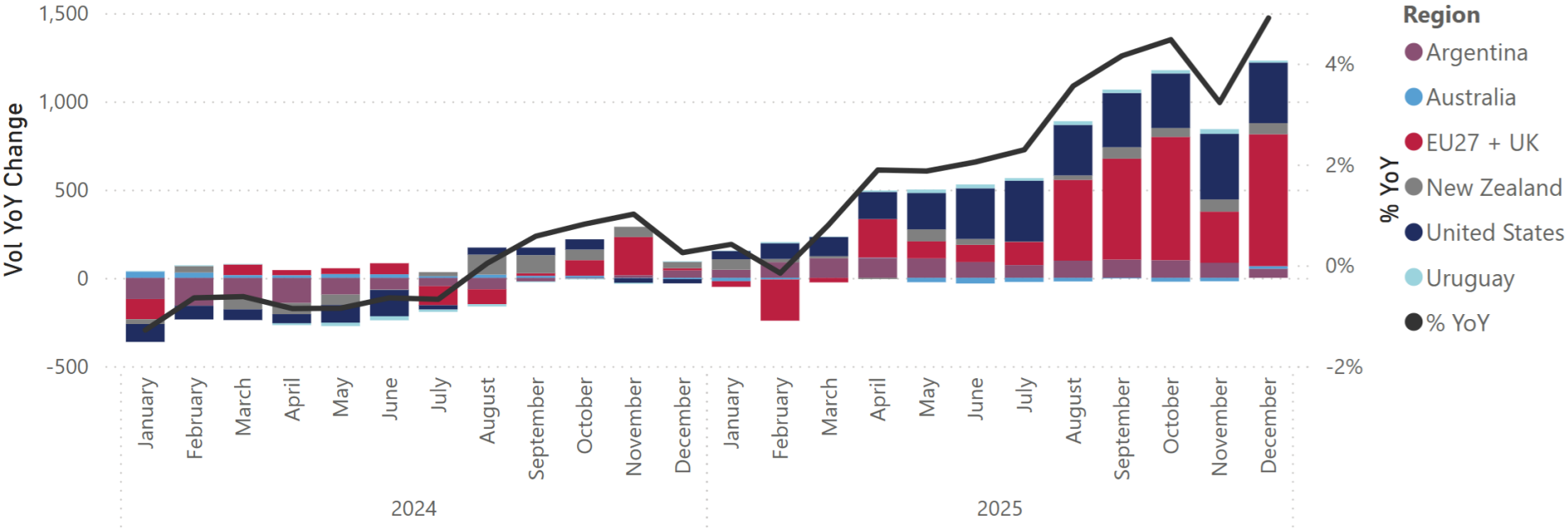


Cornell Dairy Farm Business Summary

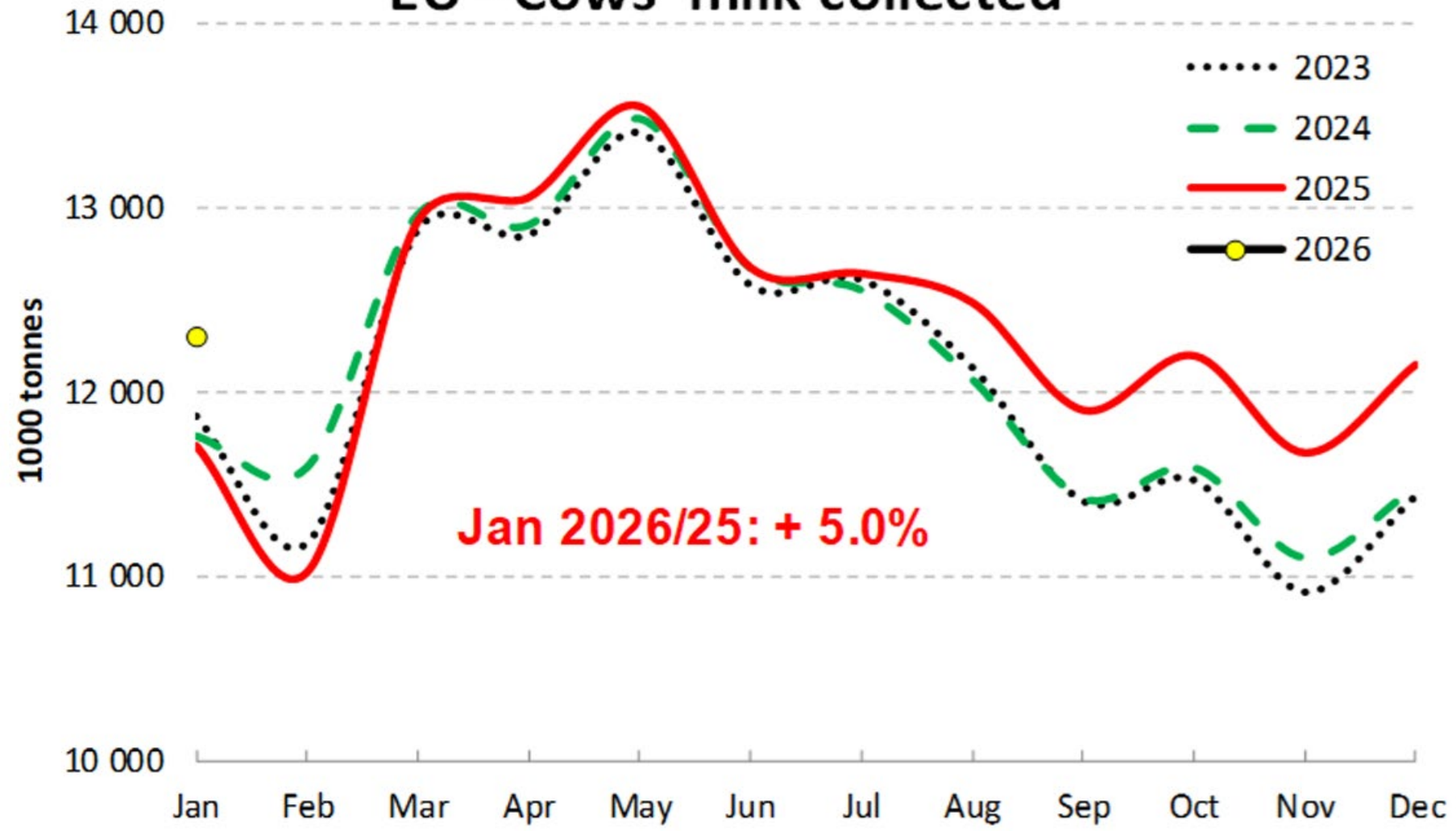
Operating Receipts, 2015-2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P
	\$/cwt										
Milk	18.32	17.06	18.48	17.24	19.41	18.55	19.83	27.11	22.72	24.54	22.72
Cull cattle	1.88	1.55	1.52	1.21	1.11	1.01	1.01	1.28	1.47	1.97	2.62
Calves	0.45	0.20	0.19	0.09	0.08	0.15	0.24	0.37	0.62	1.31	2.13
Other livestock	0.06	0.04	0.05	0.09	0.04	0.05	0.09	0.08	0.05	0.09	0.03
Crops	0.39	0.31	0.49	0.40	0.19	0.30	0.90	0.54	0.72	0.61	0.05
Misc	0.59	0.62	0.59	0.67	0.73	2.80	0.57	0.52	0.60	0.67	0.75
Total	21.69	19.78	21.32	19.70	21.56	22.86	22.64	29.90	26.18	29.24	28.31

Change in Global Production from Prior Year



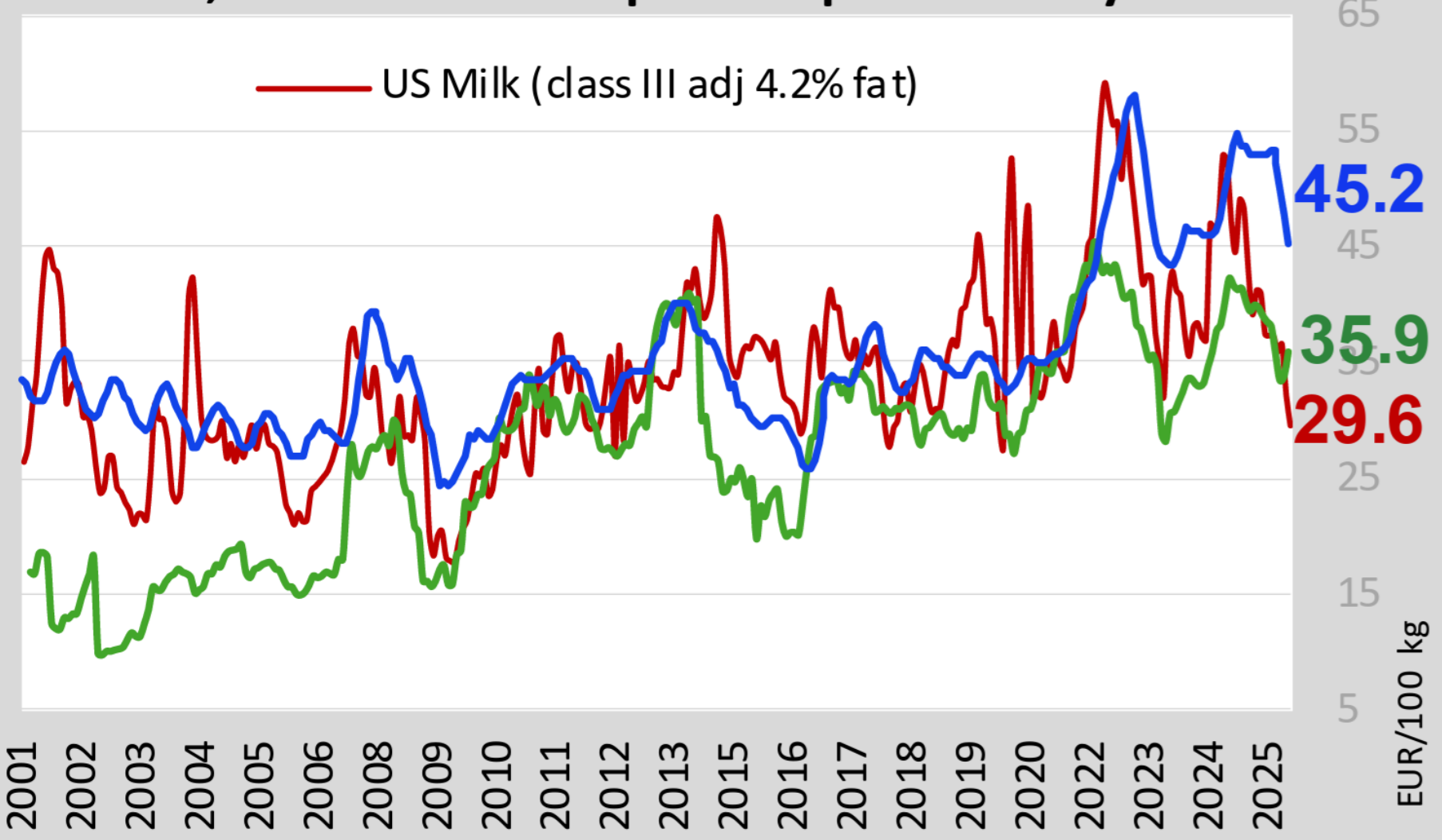
EU - Cows' milk collected



Jan 2026/25: + 5.0%

Source: Estat - MS notifications - IT: CLAL.it (ToU)

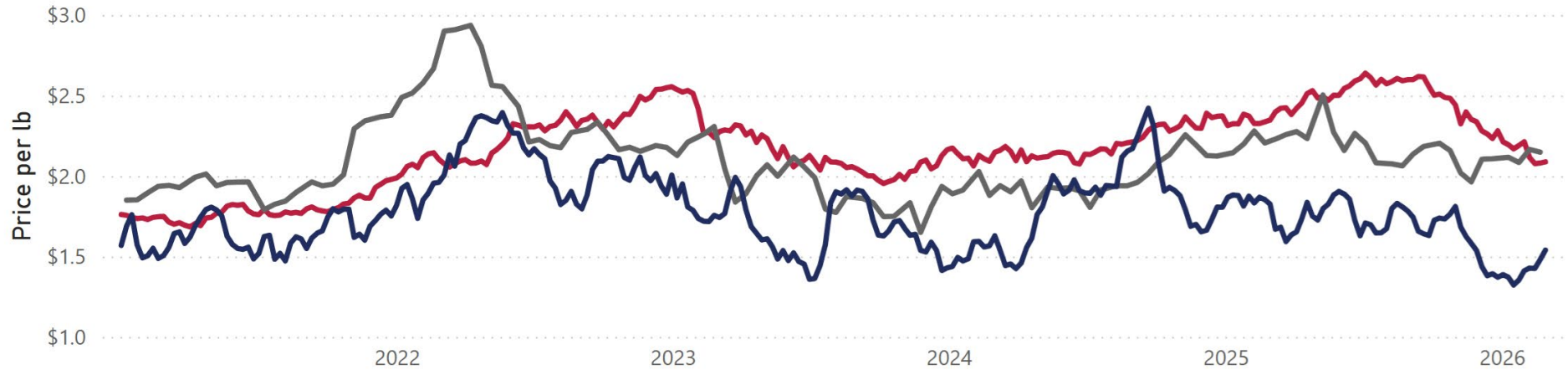
US, NZ and EU milk prices up to January 2026



Avg Price Over Time for Cheese

Region ● EU ● NZ ● U.S.

1/1/2021  2/28/2026 

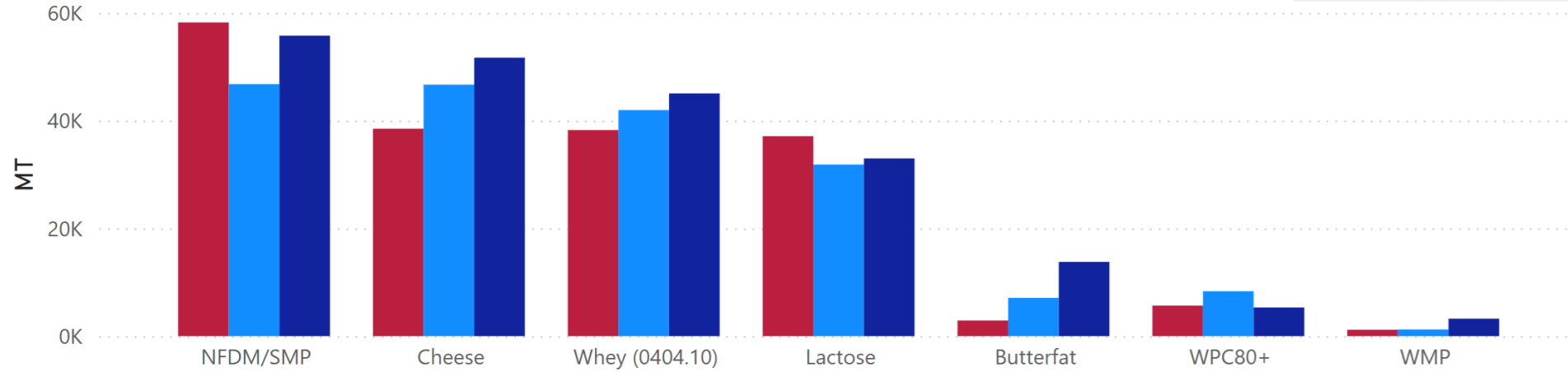
Exports

U.S. Exports

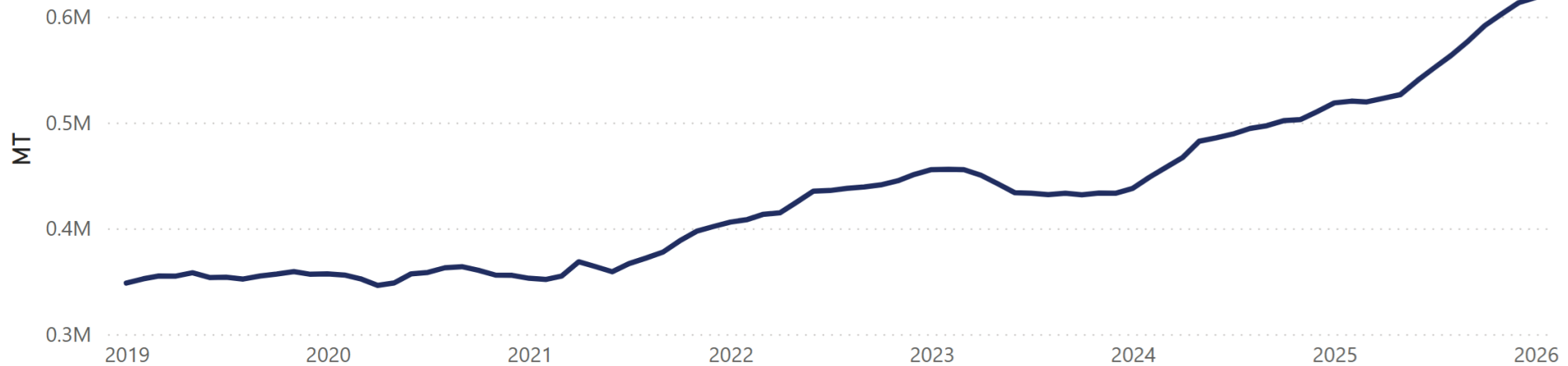
Year ● 2024 ● 2025 ● 2026

Show:

Current Month

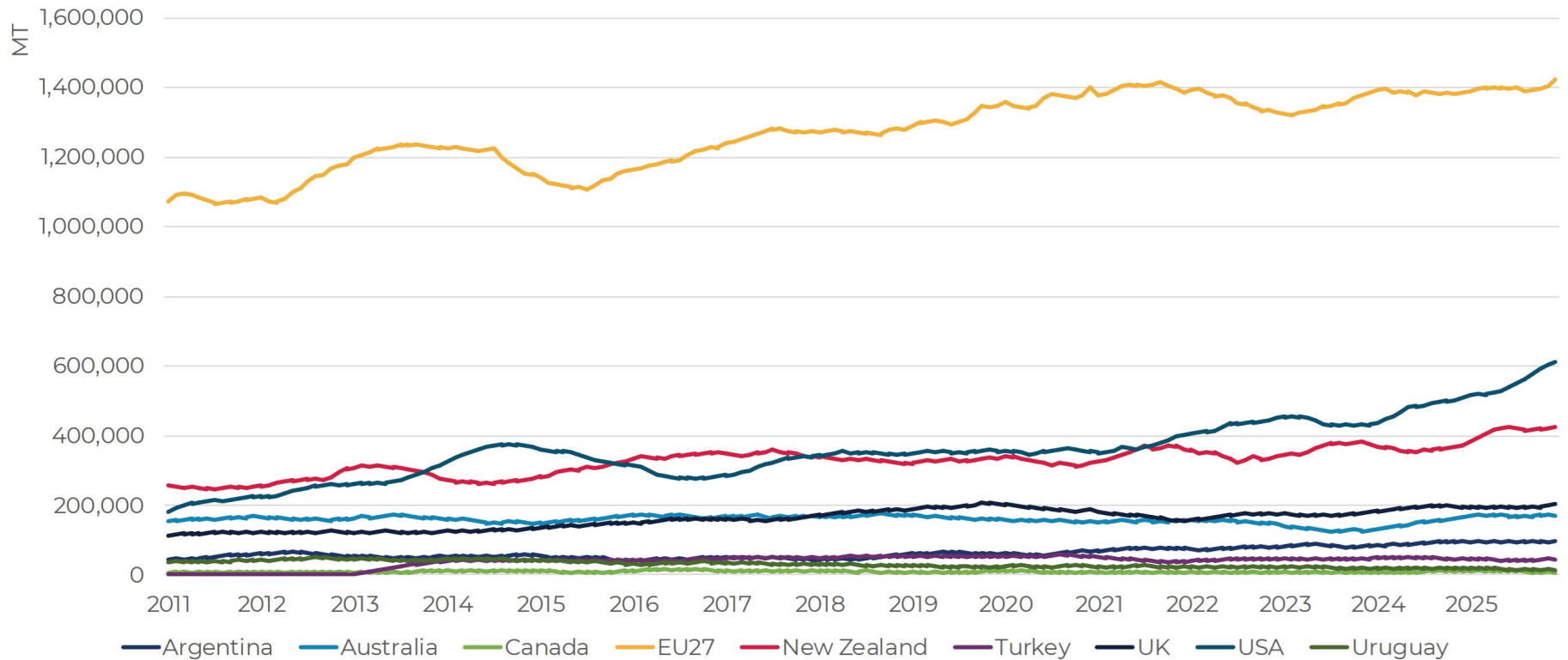


U.S. Cheese Exports (Rolling 12-Month)



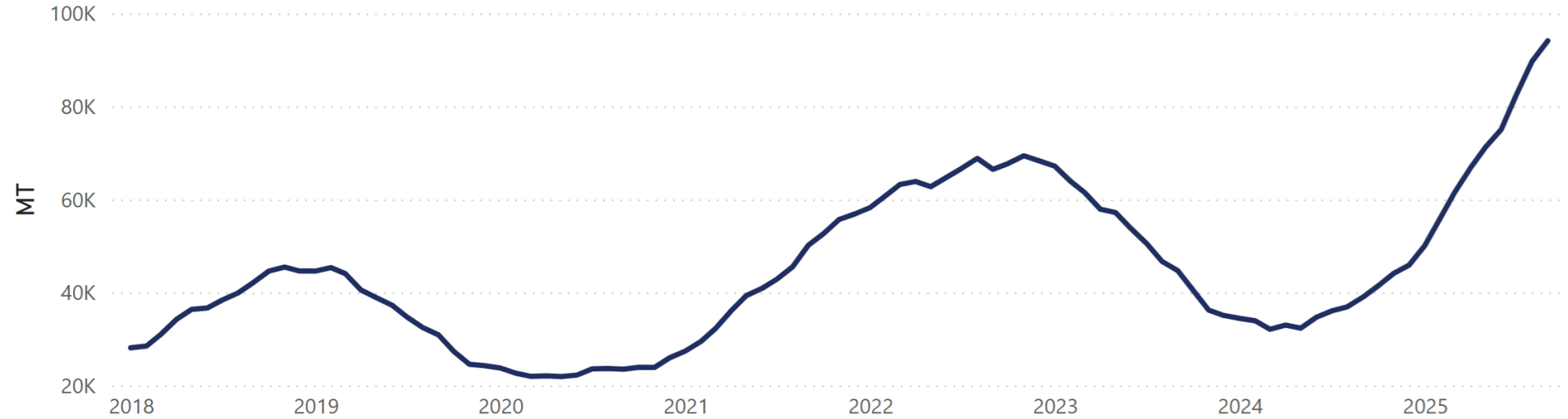
Trade Flows: Cheese

Global Cheese Trade to World



Exports

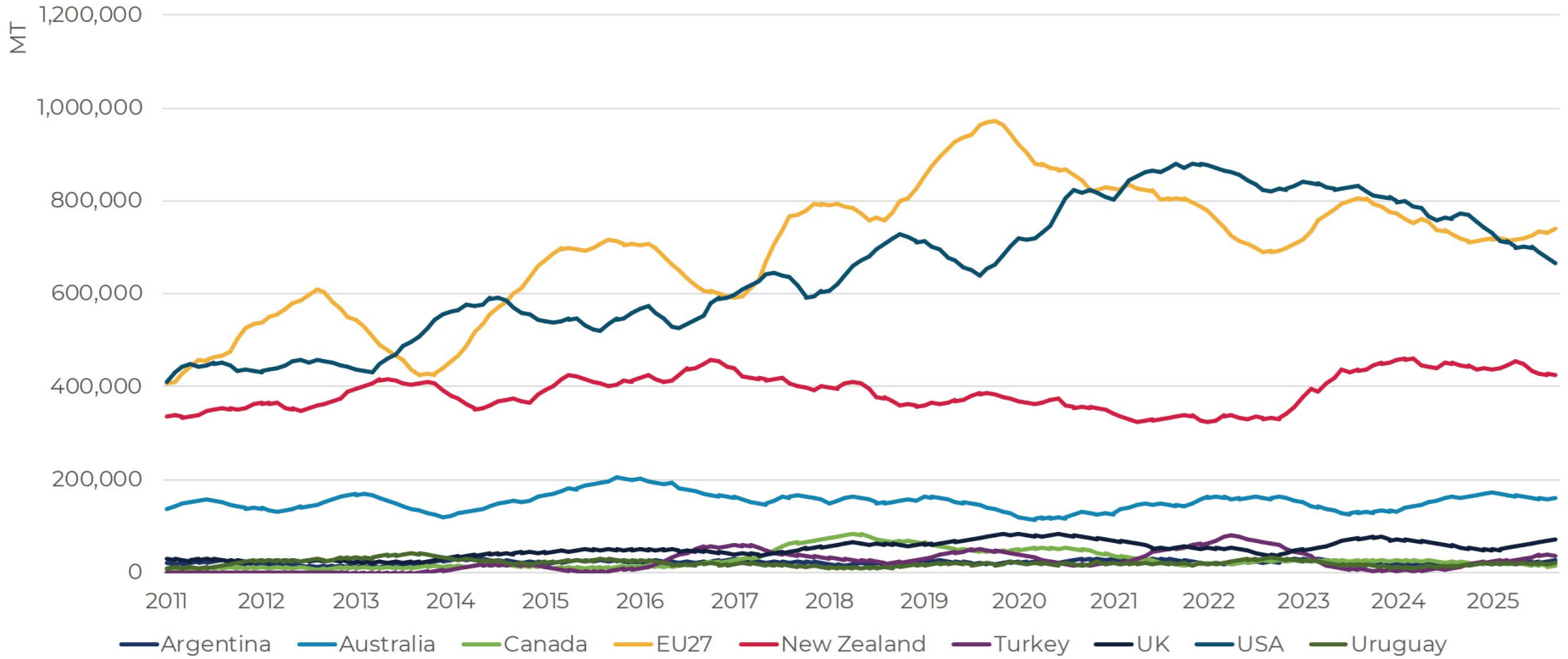
U.S. Butterfat Exports (Rolling 12-Month)



U.S. NFDM/SMP Exports (Rolling 12-Month)

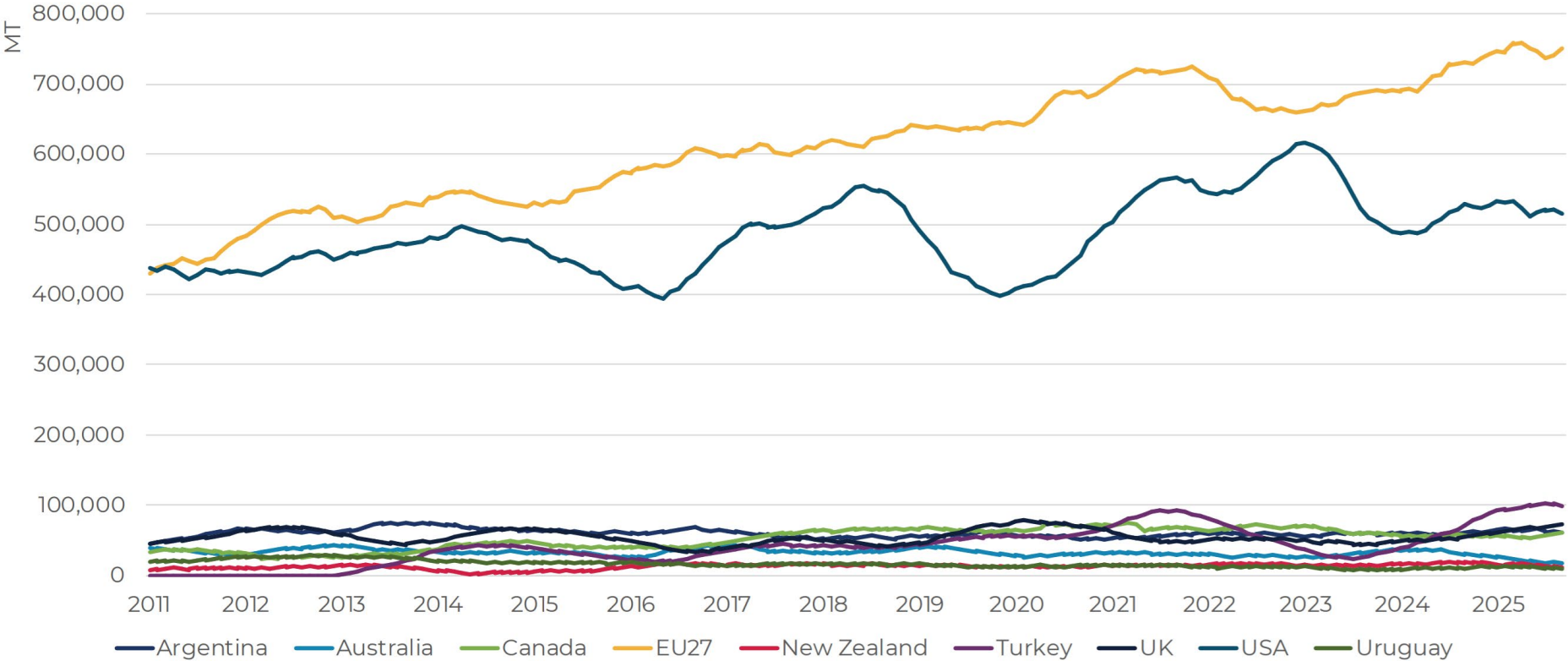


Global NFDM/SMP Trade to World



Source: USDEC

Global Whey (0404.10) Trade to World

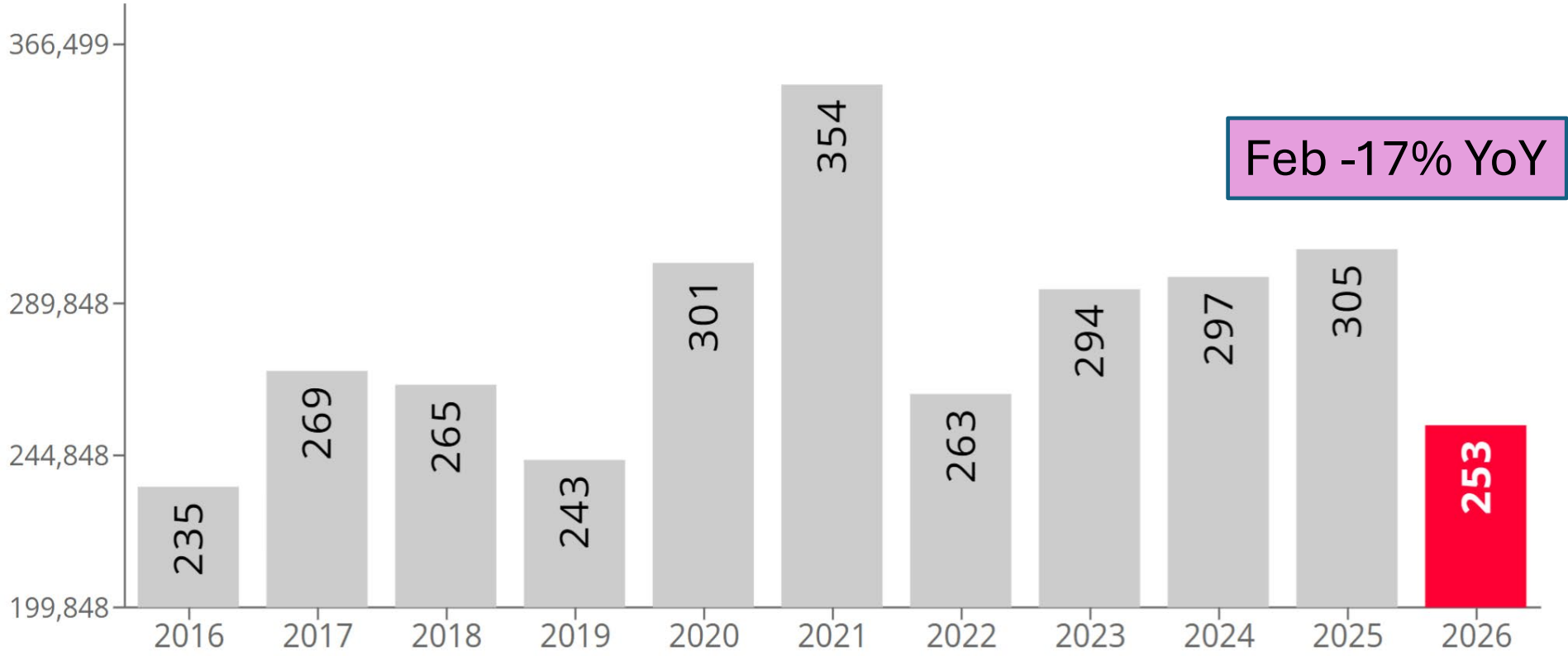


Source: USDEC

Butter Stocks

Butter, Stocks in All Warehouses - United States

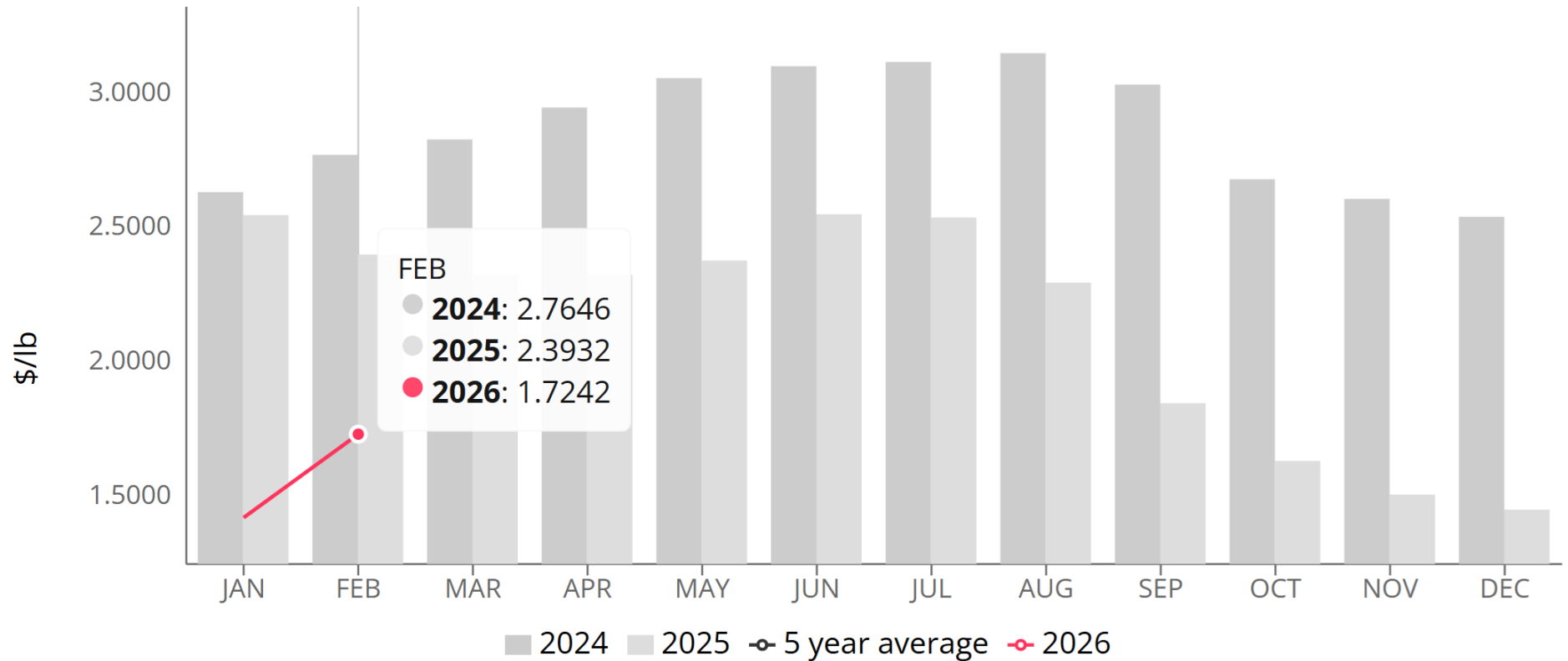
Same Month, 10 Year Comparison



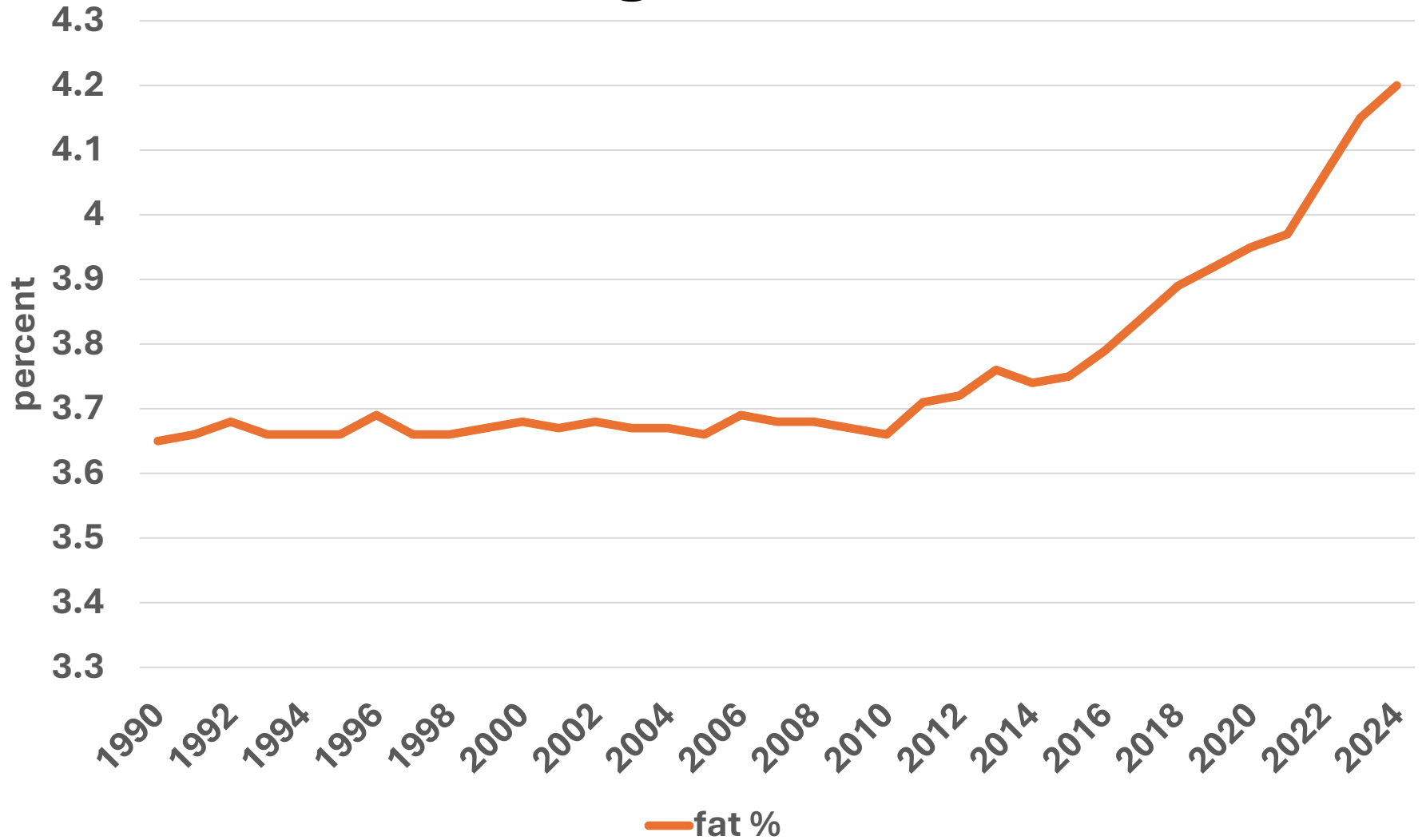
Butter Spot Price

-43%

CME Butter, Grade AA, Spot Price - United States
Three Year Comparison

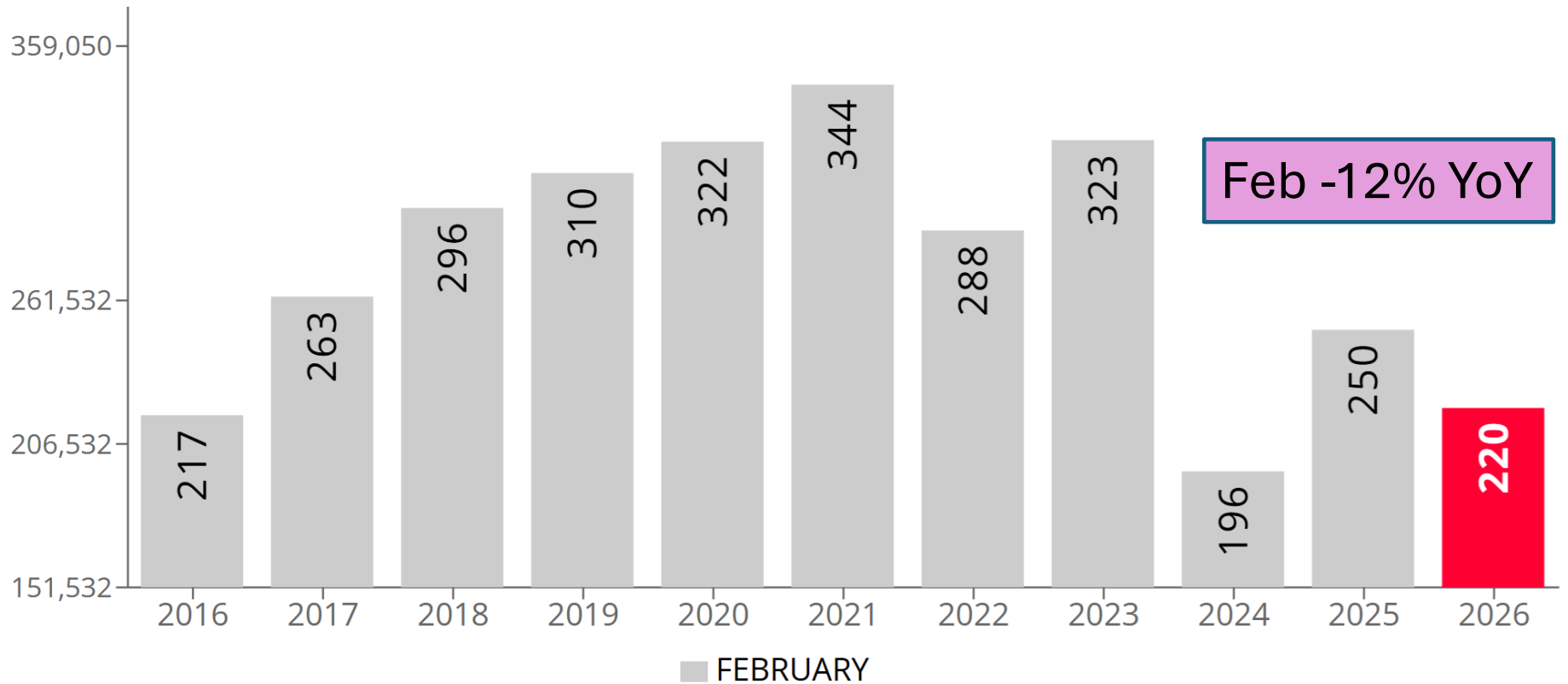


US Average Butterfat Test



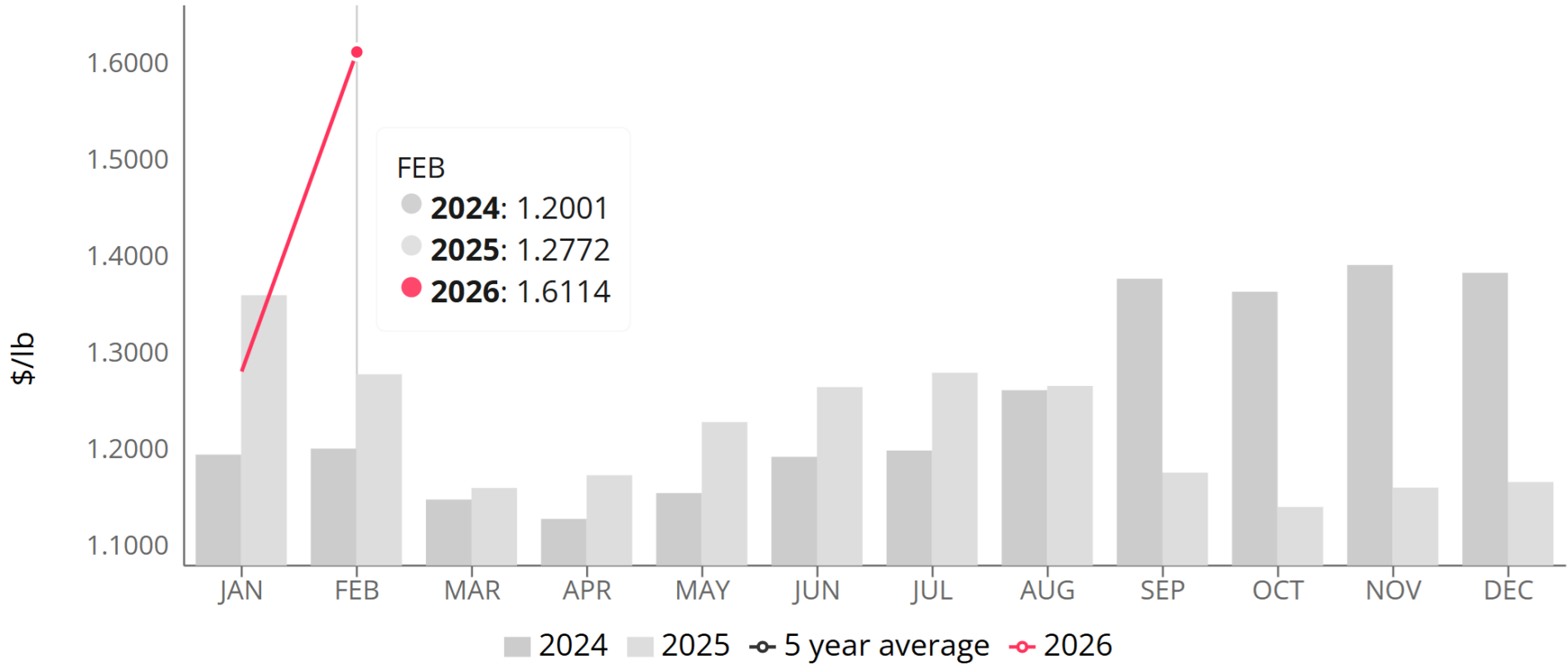
Nonfat Dry Milk

Nonfat Dry Milk, Human, Manufacturers' Stocks - United States
Same Month, 10 Year Comparison



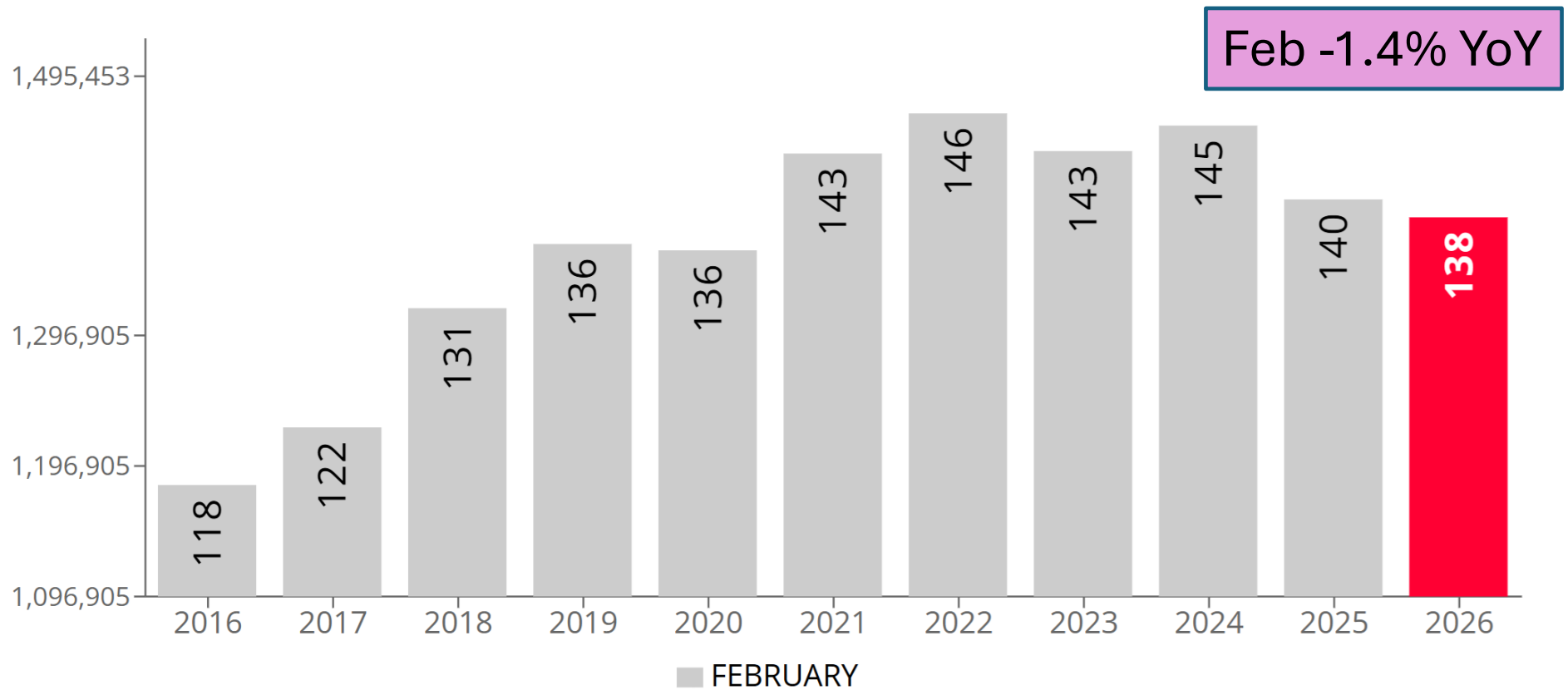
Nonfat Dry Milk Spot Price

CME Nonfat Dry Milk, Grade A, Spot Price - United States
Three Year Comparison



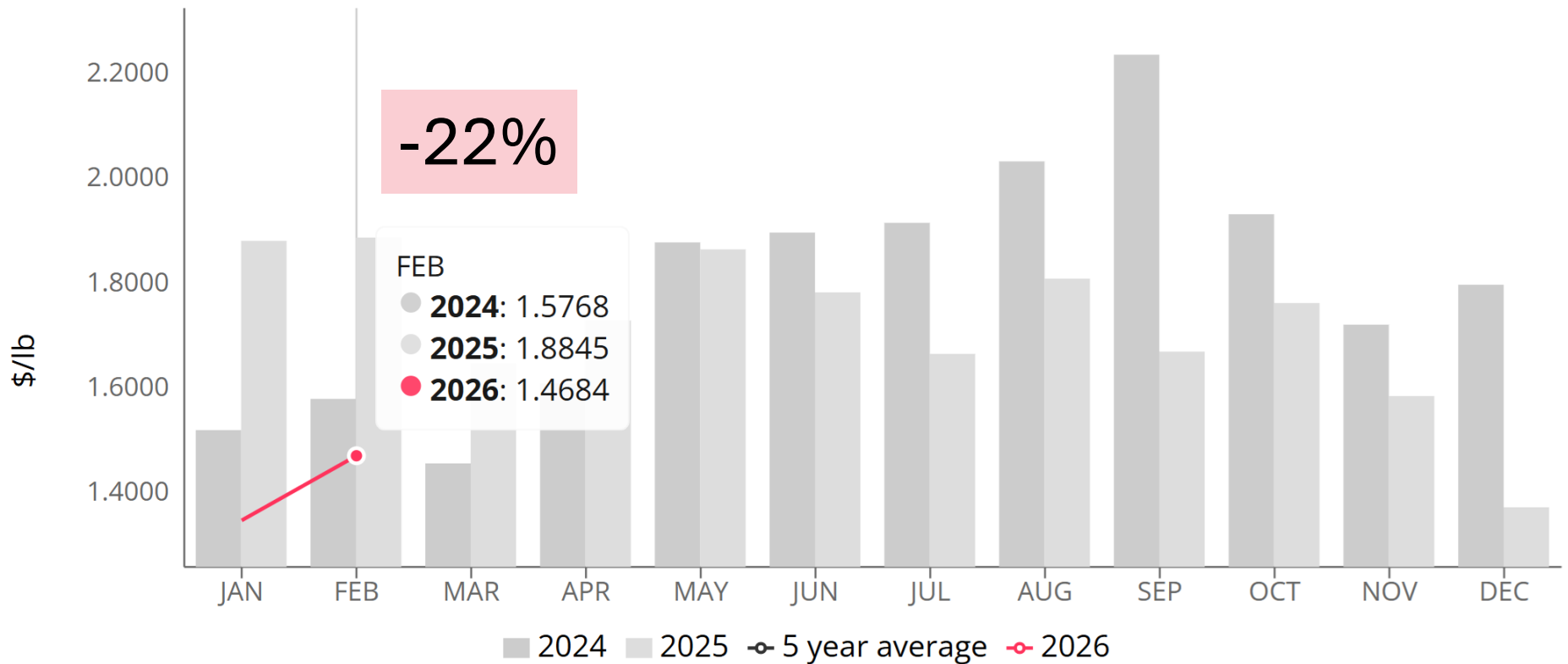
Natural Cheese Stocks

Total Natural Cheese, Stocks in All Warehouses - United States
Same Month, 10 Year Comparison



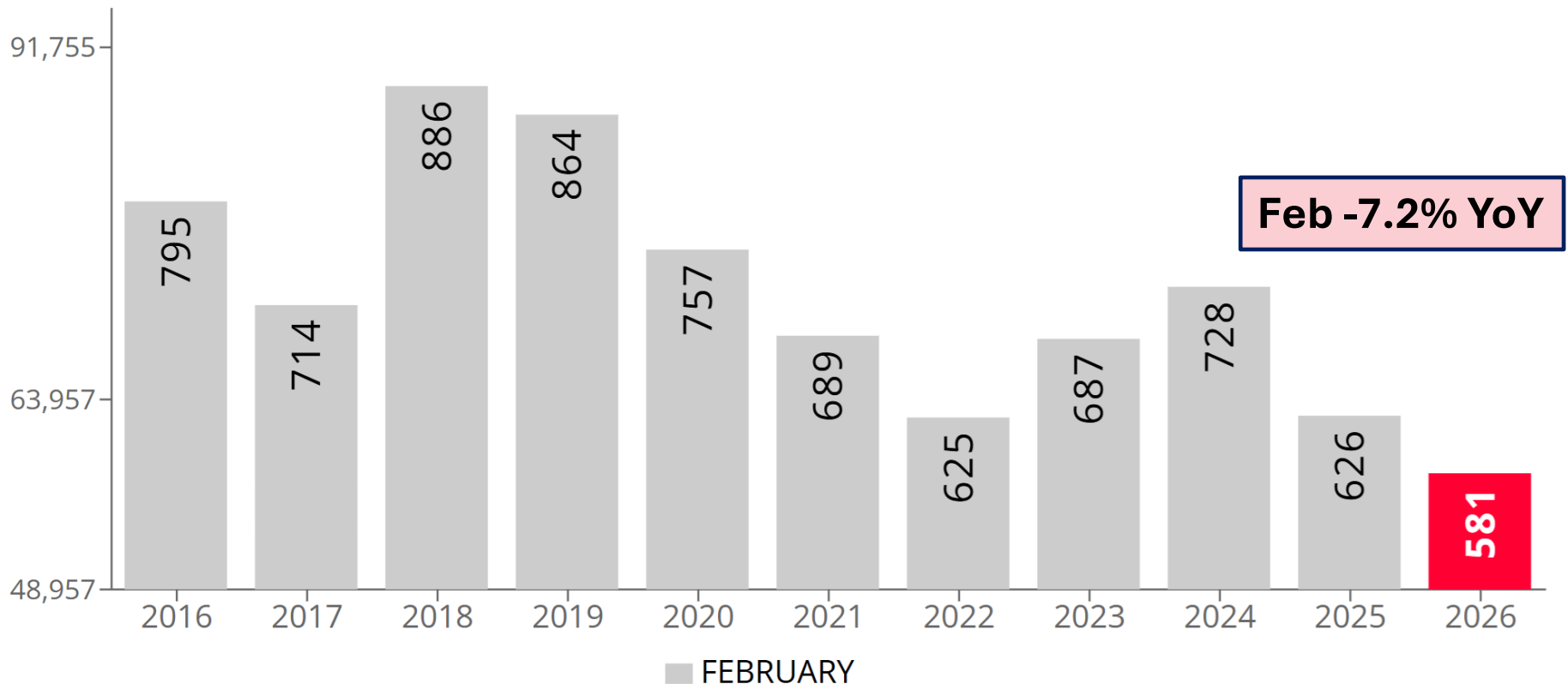
Cheese Spot Price

CME Cheese, 40# Blocks, Spot Price - United States
Three Year Comparison



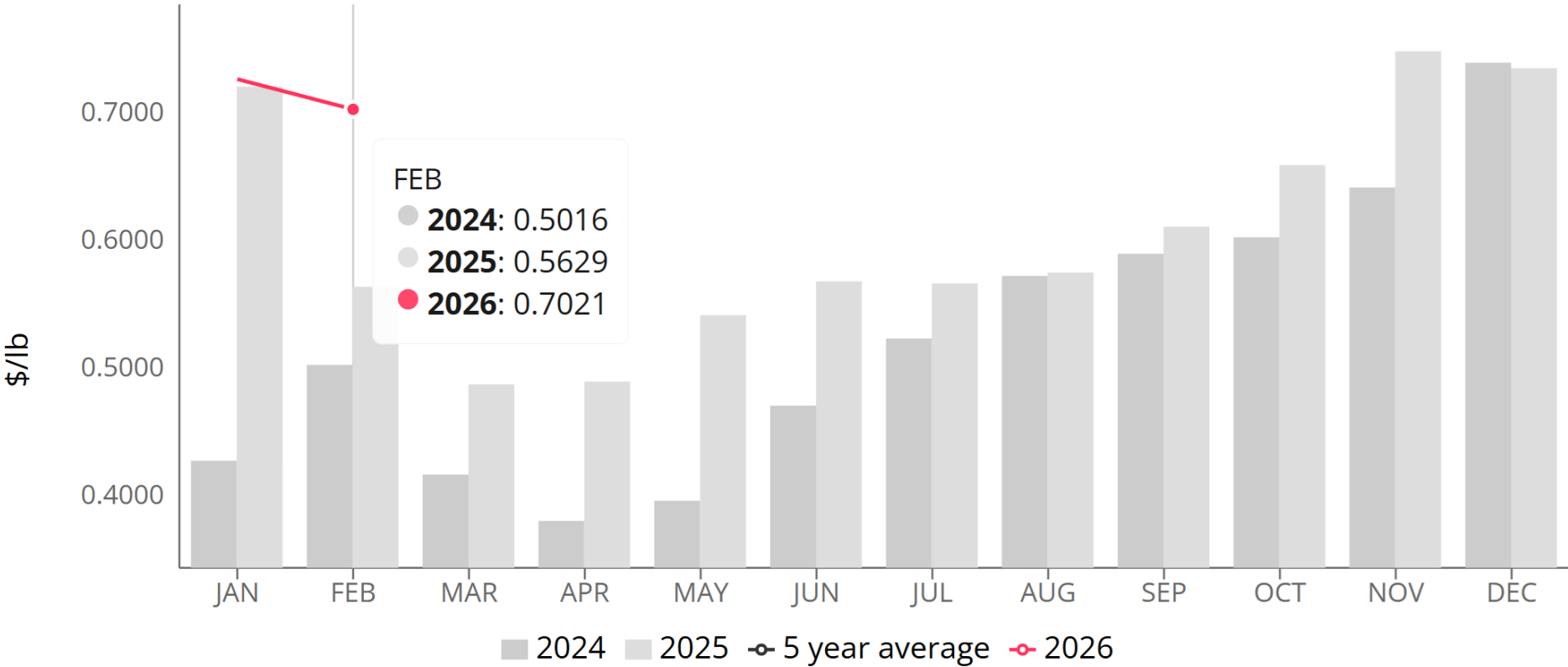
Dry Whey

Dry Whey, Total, Manufacturers' Stocks - United States
Same Month, 10 Year Comparison



Dry Whey Spot Price

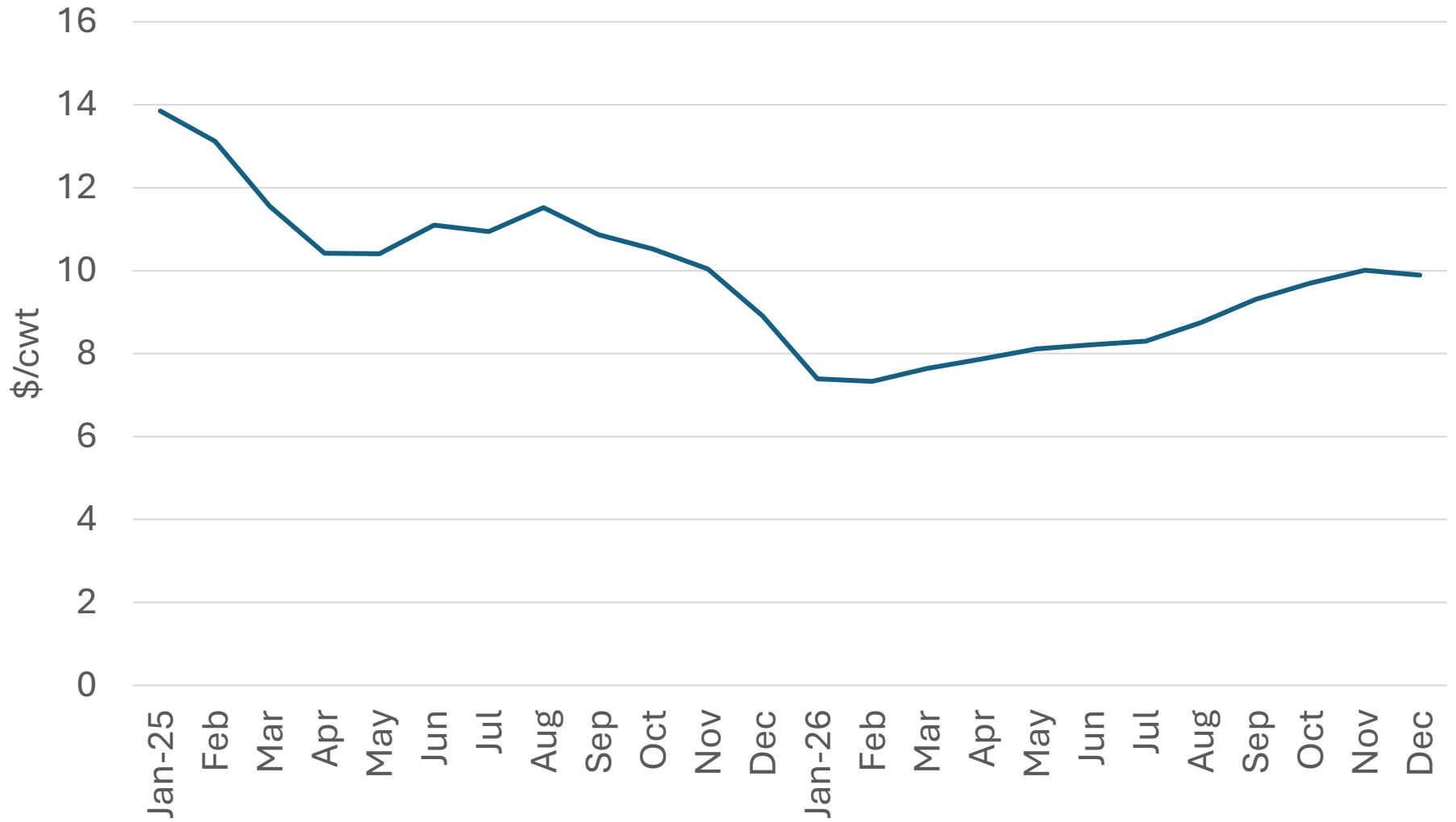
CME Dry Whey, Extra Grade, Spot Price - United States
Three Year Comparison



Dairy Margin Coverage

- Tier 1 increased from 5 to 6 million lbs/year
- Participants establish new production history
= $\max(2021, 2022, 2023)$
- If lock in coverage level and percentage from 2026-2031 (6 years) then 25% premium discount

DMC Margin Forecasts

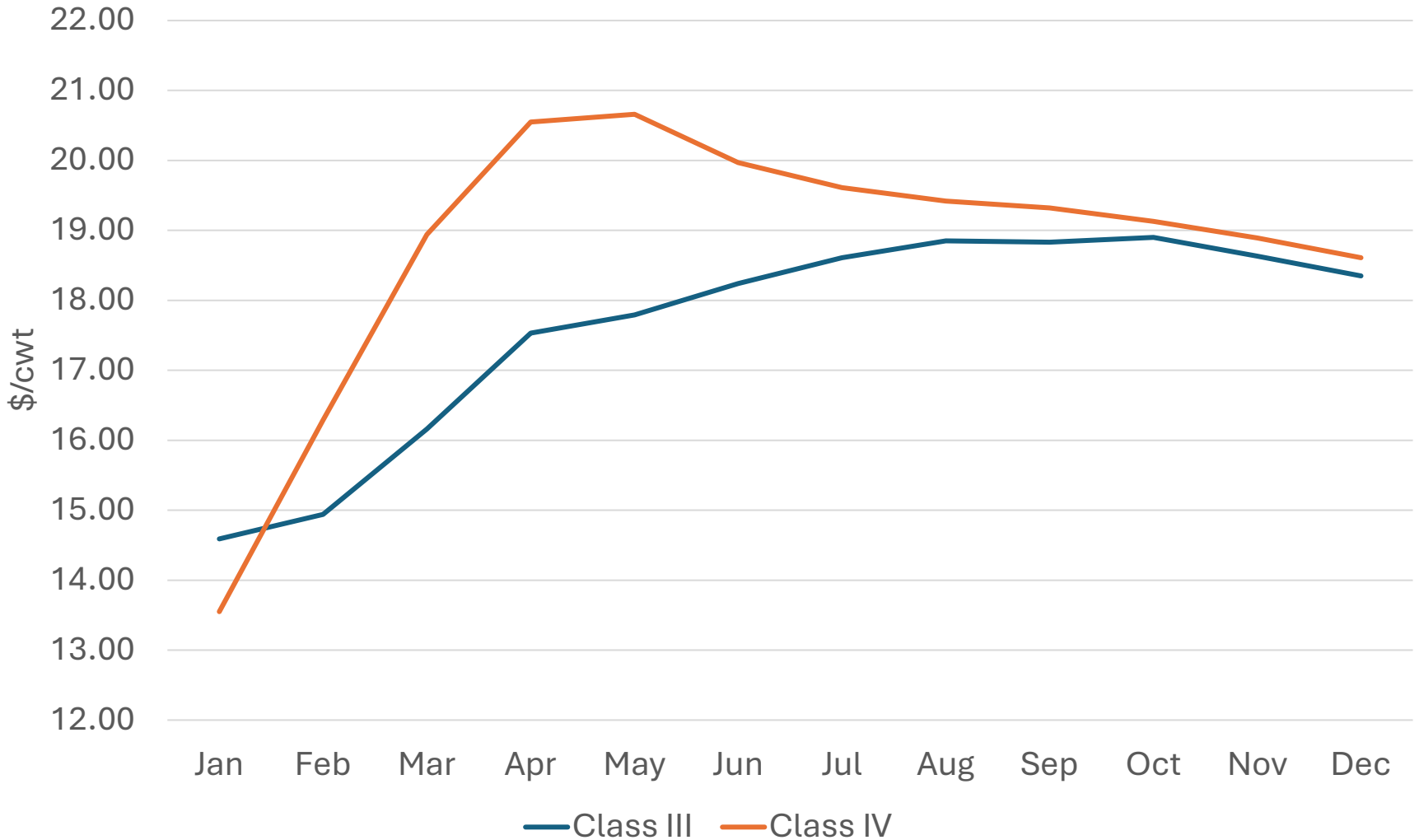


Dairy Margin Coverage 2026

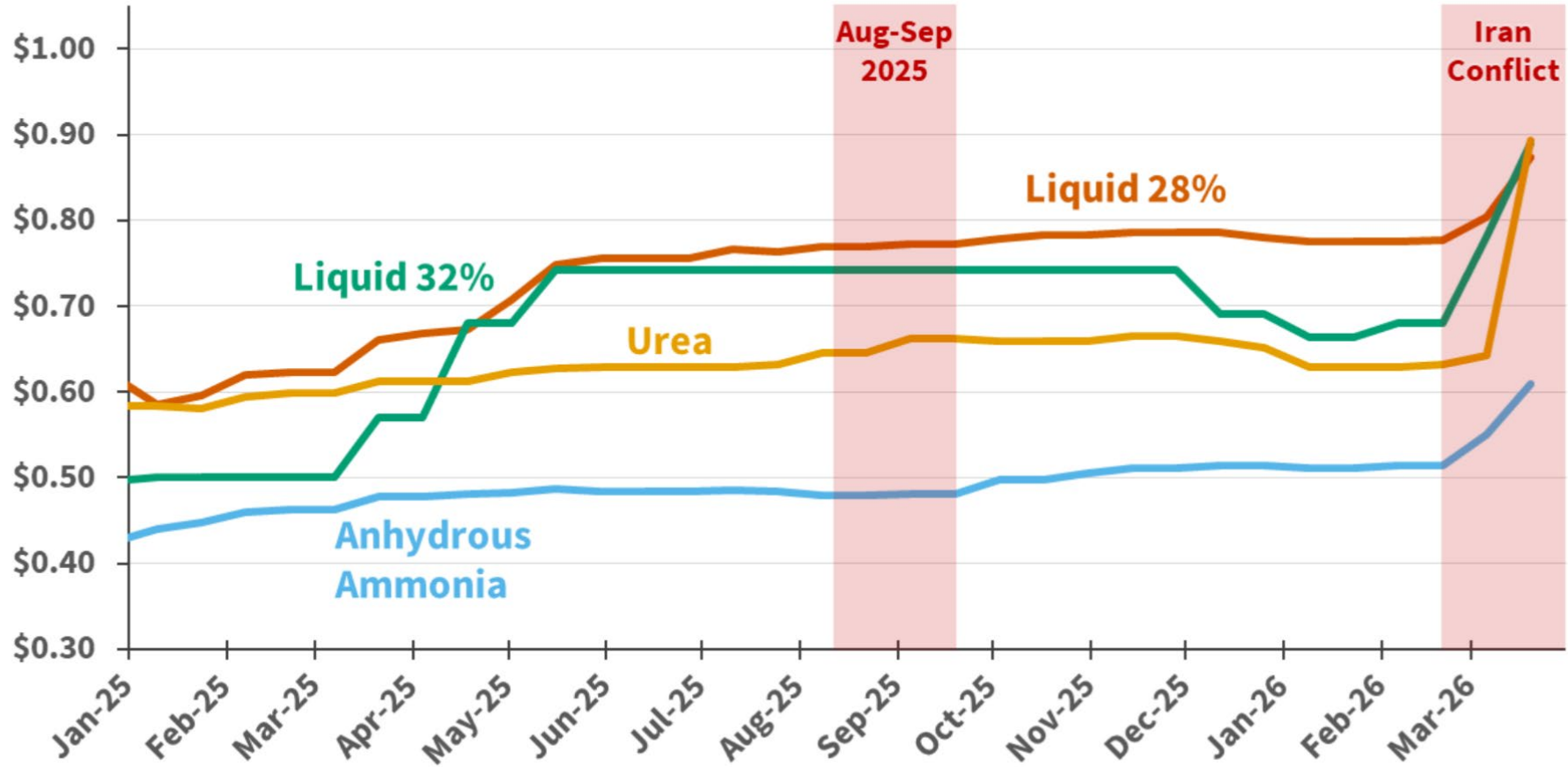
MONTH	ALL MILK PRICE FORECAST (\$/CWT)	CORN PRICE FORECAST (\$/BU)	PREMIUM/SUPREME ALFALFA HAY PRICE FORECAST (\$/TON)	SOYBEAN MEAL PRICE FORECAST (\$/TON)	FEED COST FORECAST (\$/CWT)	DMC MARGIN FORECAST (\$/CWT)
Jan	\$17.50	\$4.10	\$226	\$299.25	\$9.69	\$7.81
Feb	\$18.30	\$4.11	\$229	\$312.38	\$9.84	\$8.46
Mar	\$19.57	\$4.30	\$223	\$326.80	\$10.07	\$9.50
Apr	\$21.29	\$4.31	\$218	\$321.02	\$9.98	\$11.31
May	\$21.61	\$4.32	\$218	\$321.82	\$9.99	\$11.62
Jun	\$21.55	\$4.48	\$219	\$320.22	\$10.16	\$11.39
Jul	\$21.46	\$4.64	\$219	\$317.02	\$10.31	\$11.15
Aug	\$21.57	\$4.75	\$219	\$320.52	\$10.45	\$11.12
Sep	\$21.76	\$4.58	\$217	\$322.11	\$10.26	\$11.50
Oct	\$21.94	\$4.57	\$218	\$320.35	\$10.25	\$11.69
Nov	\$22.06	\$4.56	\$220	\$317.67	\$10.24	\$11.82
Dec	\$21.81	\$4.60	\$220	\$316.99	\$10.28	\$11.53
2026	\$20.87	\$4.44	\$220.54	\$318.01	\$10.13	\$10.74

Milk Prices 2026

April 6 Futures



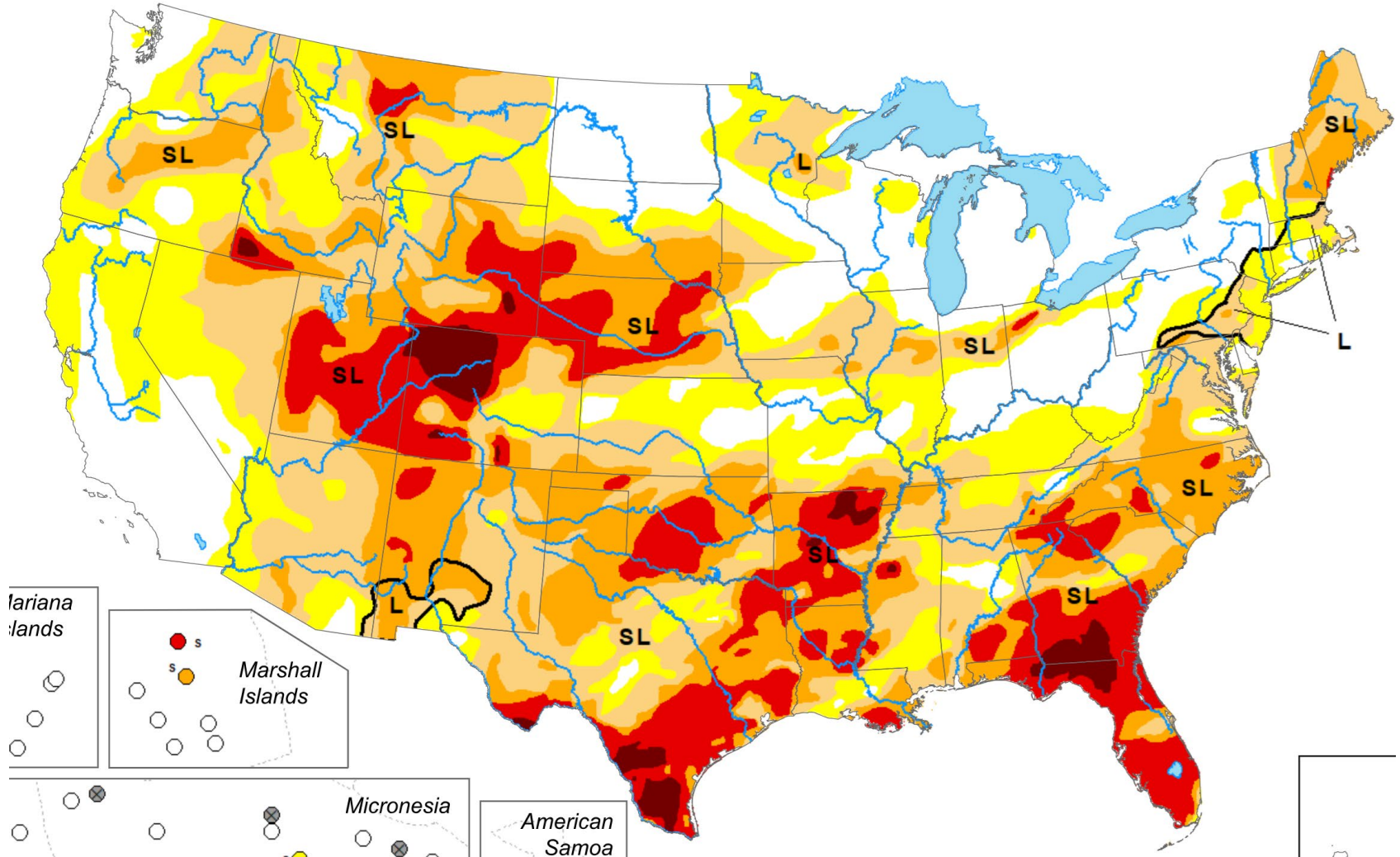
**Figure 1. Illinois Nitrogen Fertilizer Prices in U.S. Dollars per lb of N
January 1, 2025 to March 20, 2026**



Current Weather Status & Forecast

- **Present (April 2026):** Transitioning from La Niña to neutral.
- **Summer 2026:** El Niño is likely to develop, with official forecasts citing a 62% chance of emergence between June and August.
 - Warmer, drier conditions in corn belt
 - Drought in Amazon
- **Outlook:** If it develops, it is expected to persist through the end of 2026.

US Drought Monitor, April 2 2026



Forecast Prices

March 2026 WASDE and Apr 7 Futures

Commodity	2023/24	2024/25	2025/26F	'26 futures
Corn	\$4.55/bu	\$4.24/bu	\$4.00/bu	\$4.49/bu
Soybeans	\$12.40/bu	\$10.00/bu	\$10.50/bu	\$10.70/bu
Soybean meal	\$384/ton	\$300/ton	\$300/ton	\$312/ton
	2024	2025	2026F	2026F
All Milk	\$22.65/cwt	\$21.00/cwt	\$19.70/cwt	\$20.12/cwt
Class III	\$18.90/cwt	\$18.10/cwt	\$16.65/cwt	\$17.62/cwt
Class IV	\$20.75/cwt	\$17.40/cw	\$17.15/cwt	\$18.75/cwt

Thank You

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