USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

DAIRY MARKET NEWS

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WEEK OF JUNE 29 – JULY 3, 2026
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DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (7/2)
BUTTER: Grade AA closed at $1.6375. The weekly average for Grade AA is $1.6788 (+0.1318).
CHEESE: Barrels closed at $1.4750 and 40# blocks at $1.4325. The weekly average for barrels is $1.4763 (+0.0053) and blocks $1.4288 (+0.0078).
NONFAT DRY MILK: Grade A closed at $1.5050. The weekly average for Grade A is $1.5919 (-0.0016).
DRY WHEY: Extra grade dry whey closed at $0.6850. The weekly average for dry whey is $0.6850 (+0.0040).

BUTTER HIGHLIGHTS: Domestic butter demand is steady throughout the country. Demand from international buyers varies from steady to strong. Spot loads of cream were available for the holiday week. Demand from butter manufacturers varies from moderate to lighter. Butter production is stable. Butter makers are building inventories ahead of anticipated heavier demands down the road. A few butter producers are prioritizing unsalted butter production. 80 and 82 percent butterfat butter loads are available. Bulk butter overages range from 3 below to 5 above market across all regions.

CHEESE HIGHLIGHTS: East region cheese markets remain steady as ample milk supplies support full production schedules. Retail demand for premium brands is stable. Bulk demand is strengthening, with loads moving to Midwest converters to support domestic demand. Northeast export interest continues to bolster overall market firmness. Central region milk output is steady to lighter after recent heat-related declines. Strong Class II demand limits spot milk availability. Cheese plants are running full schedules. Barrel inventories are tight, while curd demand is soft but expected to improve. West region cheese markets remain steady as seasonally lower milk and cream output continues to meet industry needs. Spot demand is moderate, production schedules are stable, and domestic demand ranges from steady to lighter. Export demand is steady, and traders report spot loads remain available.

FLUID MILK HIGHLIGHTS: Milk volumes are declining seasonally. Extreme temperatures in the Midwest and Northeast are affecting cow comfort and milk component levels. Across the nation, many facilities are undergoing downtime for the holiday, providing ample amounts of milk and cream for the spot market. Class I demand is steady to lighter this week. Class II manufacturers continue to experience strong demand this week, specifically for ice cream and yogurt. Contacts expect a seasonal decrease in demand after the holiday. Class III production is steady this week. Spot milk sales for cheese manufacturers were quiet this week, mostly due to planned downtime. Class III spot prices range from $3.00-under to $0.50-over Class. Class IV production is steady. Many facilities are maintaining busy production schedules to build inventories ahead of the expected demand in the fall. The condensed skim market experienced a large shift this week; condensed skim is readily available and demand dropped. Cream multiples for all Classes range: 1.10 – 1.30 in the East; 1.05 – 1.30 in the Midwest;1.00 – 1.24 in the West.

DRY PRODUCTS HIGHLIGHTS: Nonfat dry milk prices were mostly lower across all regions and heat levels, with the largest declines in the Central and East at the top of the range and at both ends of the high heat range in the West. Dry buttermilk prices in the Central and East were steady at the bottom of the range but lower at the top, while the West region price series strengthened except for holding firm at the top of the price range. Dry whey prices were largely unchanged, aside from a slight decrease at the bottom of the East region range. Lactose prices moved higher at the top of the mostly range while holding steady elsewhere in the series.

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PRICES ($/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity		Range		Mostly	
NDM					
Central Low/Med. Heat		1.5400	1.7900	1.6000	1.6800
	Change	-0.0200	-0.2600	N.C.	-0.0400
Central High Heat		1.6800	2.0900		
	Change	-0.0600	-0.0900		
West Low/Med. Heat		1.6000	1.8000	1.6400	1.7200
	Change	0.0200	-0.1500	-0.0100	-0.1300
West High Heat		1.6750	1.8600		
	Change	-0.1500	-0.1600		
DRY WHOLE MILK					
National		2.0600	2.2600		
	Change	-0.0600	-0.1400		

Commodity		Range		Mostly	
DRY BUTTERMILK					
Central/East		1.6200	1.7800		
	Change	N.C.	-0.0700		
West		1.6000	1.8500	1.7000	1.8000
	Change	0.0700	N.C.	0.1000	0.0500
DRY WHEY					
Central		0.6000	0.7200	0.6200	0.6800
	Change	N.C.	N.C.	N.C.	N.C.
West		0.6500	0.7600	0.6600	0.7100
	Change	N.C.	N.C.	N.C.	N.C.
Northeast		0.6200	0.6900		
	Change	-0.0200	N.C.		

Commodity		Range		Mostly	
LACTOSE					
Central/West		0.5000	0.7500	0.5500	0.6500
	Change	N.C.	N.C.	N.C.	0.0200
WPC 34%					
Central/West		1.6300	2.0500	1.8500	1.9500
	Change	N.C.	N.C.	N.C.	N.C.
CASEIN					
Rennet		3.9000	5.5000		
	Change	N.C.	N.C.		
Acid		4.0000	4.7500		
	Change	N.C.	N.C.		
ANIMAL FEED WHEY					
Central		0.3500	0.3800		
	Change	N.C.	N.C.		

DAIRY MARKET NEWS PRICE SUMMARY FOR JUNE 22 - JULY 3, 2026
PRICES ($/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity		Range	
SMP			
Europe		2950	3225
	Change	-100	-175
Oceania		3375	3950
	Change	N.C.	N.C.
S. America		3500	3750
	Change	100	-100
DRY WHEY			
W. Europe		1475	2400
	Change	-125	N.C.

Commodity		Range	
WHOLE MILK POWDER			
Europe		3325	3625
	Change	-150	-150
Oceania		3550	3575
	Change	N.C.	-150
S. America		3600	4500
	Change	N.C.	N.C.

Commodity		Range	
BUTTER			
W. Europe		4250	4500
	Change	-150	-300
Oceania		5625	6050
	Change	N.C.	N.C.
BUTTEROIL			
W. Europe		6125	6250
	Change	N.C.	-325
CHEDDAR CHEESE			
Oceania		4300	4675
	Change	-125	N.C.

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Whey protein concentrate (WPC) 34% prices held steady across the price series and remained above year ago levels. Dry whole milk prices eased at both ends of the range and are now more aligned with year ago levels. Acid and rennet casein prices were unchanged.

INTERNATIONAL DAIRY MARKET NEWS: WEST EUROPE: Prolonged hot and dry weather in Europe is raising concerns about dairy production as heat stress reduces milk yields and places additional strain on livestock. European milk prices continued to weaken in April, marking the tenth consecutive monthly decline as abundant milk supplies and softer dairy commodity markets weighed on farmgate values. Average prices remained well below year-earlier levels, reflecting persistent pressure on producer profitability. **EAST EUROPE:** Record-breaking heat has intensified across Eastern Europe, with countries including Hungary, the Czech Republic, Romania, Serbia, and parts of the western Balkans experiencing exceptionally high temperatures. Rising production costs are increasing financial pressure on Ukraine's dairy sector, prompting some producers to consider reducing herd sizes as input expenses continue to outpace milk returns. **OCEANIA: AUSTRALIA:** Milk production data from Australia for May 2026 was recently released by Dairy Australia. These data show total May 2026 milk production was 654.0 million liters, up 33.7 million liters (5.4 percent) year-over-year (YoY). A group in Australia that forecasts milk prices has raised its opening milk price just before the June 30th deadline, increasing 2026/2027 payments by 15 cents per kilogram of milk solids (kgMS) to $8.80-$9.60/kgMS. **NEW ZEALAND:** Milk production data from New Zealand shows May 2026 output at 1.02 million metric tons, up 3.6 percent YoY with milk solids rising 5.0 percent to 108.7 million kg. Export data for New Zealand was recently released showing the value of milk powder, butter, and cheese exports in May 2026 totaled $2.3 billion, an increase of 6.9 percent compared to May 2025. **SOUTH AMERICA:** Milk production is lighter in South America as seasonal patterns shift into the winter phase. Stakeholders note wet weather for some pastures in South America is also taking a toll on cow comfort. Some stakeholders indicate margins for milk producers are stable, while others note they continue to slowly decline.

MAY AGRICULTURAL PRICES (NASS): The All-Milk price received by farmers was $21.30 in May, down $0.10 from May 2025. The alfalfa hay price was $195.00 in May, up $4.00 from May 2025. The corn price was $4.48 in May, down $0.16 from May 2025. The soybean price was $11.60 in May, up $1.20 from May 2025. The milk-feed price ratio was 2.21 in May, down 0.04 from May 2025. The index of prices received by farmers during the month of May 2026 was up 5.5 to 140.9 compared to the prior month and up 0.3 points (0.2 percent) from the prior year. The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 2026 was 163.7, up 0.4 from the prior month and up 14.4 points (9.6 percent) from the prior year.

FINAL CLASS PRICES (FMMO): The following are the June 2026 class prices under the Federal milk order pricing system and changes from the previous month: Class II: $22.78 ($+2.50), Class III: $15.98 ($-0.94), and Class IV: $20.96 ($-1.36). Under the Federal milk order pricing system, the butterfat price for June 2026 is $1.6900 per pound. Thus, the Class II butterfat price is $1.6970 per pound. The protein and other solids prices for June 2026 are $2.4553 and $0.3873 per pound, respectively. These component prices set the Class III skim milk price at $10.43 per cwt. The June 2026 Class IV skim milk price is $15.59, which is derived from the nonfat solids price of $1.6765 per pound. The product price averages for June 2026 are: butter $1.6227, nonfat dry milk $1.9327, cheese $1.5642, and dry whey $0.6428.

MAY DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 224 million pounds, 3.5 percent above May 2025 but slightly below April 2026. American type cheese production totaled 499 million pounds, 2.6 percent below May 2025 but 1.5 percent above April 2026. Total cheese output (excluding cottage cheese) was 1.28 billion pounds, 2.0 percent above May 2025 and 1.1 percent above April 2026. Nonfat dry milk production, for human food, totaled 173 million pounds, 10.3 percent above May 2025, but 3.8 percent below April 2026. Dry whey production, for human food, was 82.6 million pounds, 12.2 percent above May 2025, and 7.4 percent above April 2026. Ice cream, regular hard production, totaled 69.2 million gallons, 7.1 percent above May 2025, and 4.0 percent above April 2026.

MEASURES OF GROWTH: Total Receipts of milk pooled under Federal Milk Marketing Orders totaled 148.8 billion pounds marketed by 18,930 dairy producers across all Federal orders in 2025. Total receipts were 1.4 percent higher than 2024. Pooled producer numbers were 6.1 percent lower than 2024. The average daily delivery of producer milk per pooled producer was 7.9 percent higher compared to 2024. In 2025, milk marketed through Federal orders accounted for 64 percent of all milk sold and 65 percent of fluid grade milk sold to U.S.

WEEKLY GROCERY STORE ACTIVITY: This week conventional dairy ads increased 14 percent, but organic ads are down 27 percent. Most conventional commodities appeared in more ads in week 27, but ads for flavored milk, milk, and yogurt declined. In the organic aisle, the only commodity present in last week's survey that appeared in more ads this week is ice cream.