



Dairy Economist Ingredient Outlook™

NOVEMBER 2025

Dairy Market Situation & Outlook

SUMMARY

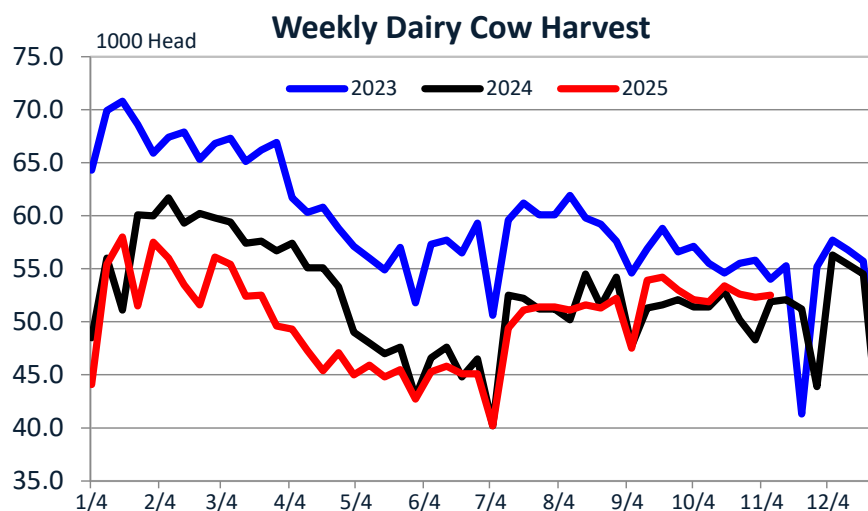
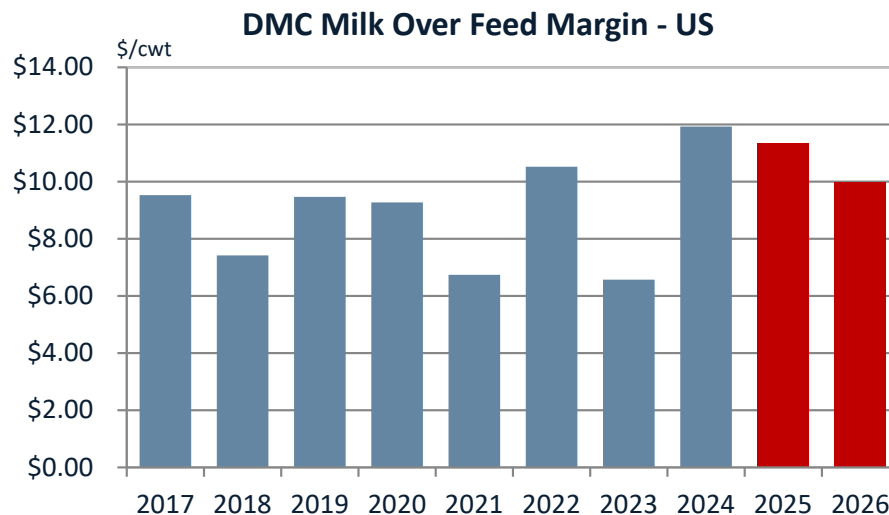
The tone in dairy markets has turned mostly bearish

- Cheese prices rallied on improved domestic and export demand, but were pulled lower by weaker European prices
- Butter prices hit the lowest point since February 2021 (<\$1.50) with additional downside likely after holiday demand wraps up
- NFDM (milk powder) prices briefly bounced higher, but are moving lower given weakness in global markets
- Whey prices continue to move higher at or above historic highs

DAIRY FARM MARGINS

Dairy farm margin outlook is slipping lower

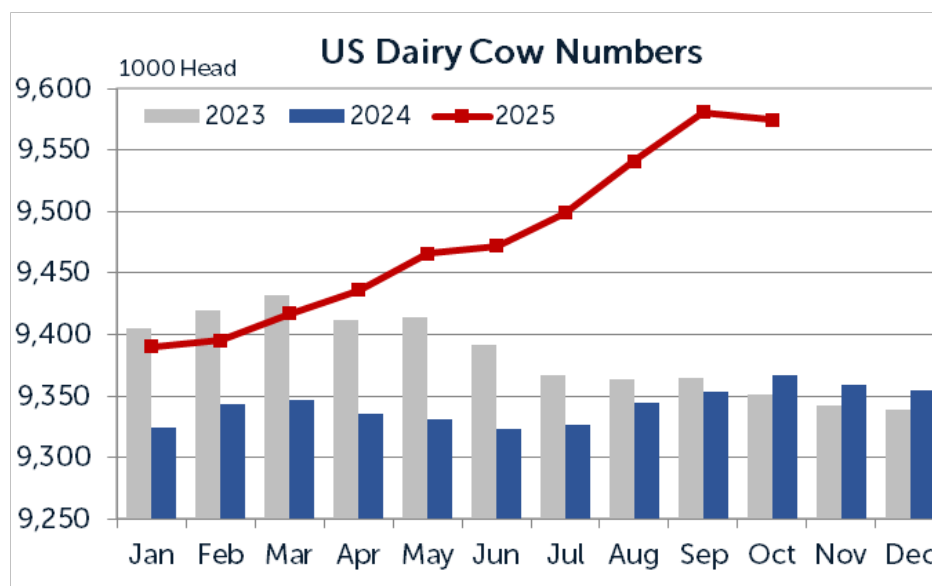
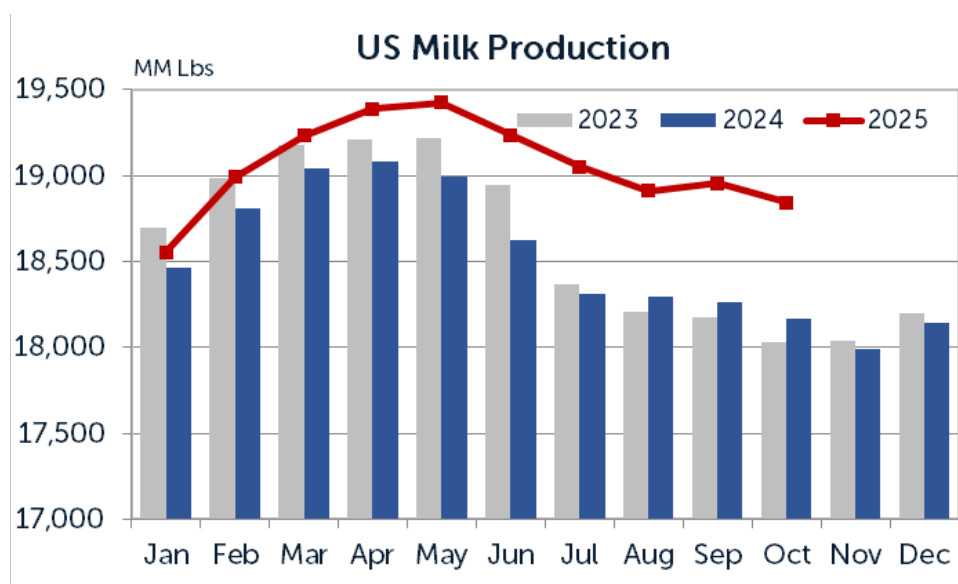
- The DMC milk over feed margin continues to fall given lower milk futures prices, partly offset by lower feed costs.
- However, revenue from record high beef prices more than offsets losses in milk for now.
- Cow culling has tracked close to YA levels through early November. This will be closely watched to see if farmers start to cut back on cow numbers given lower milk prices.



MILK PRODUCTION & COW NUMBERS

US milk production posted another month of strong growth in October

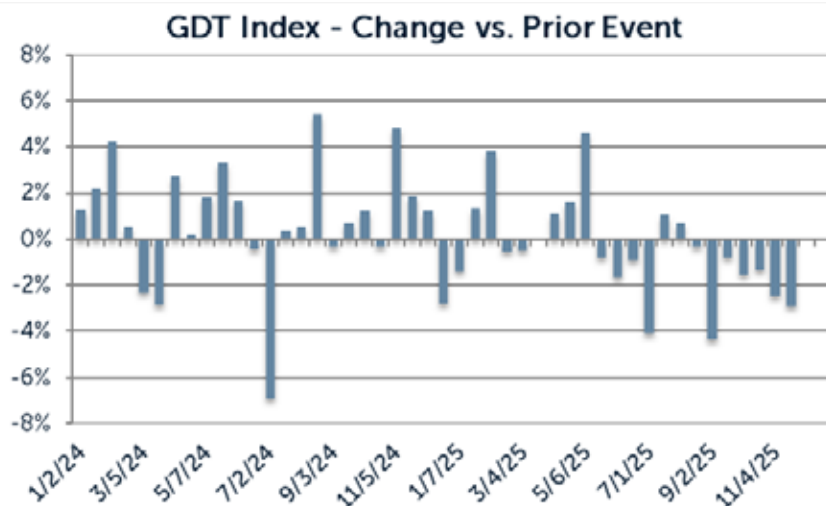
- October milk production was up 3.7% vs. YA with growth in 20 of the top 23 states
- Cow numbers fell for the first time in 10 months but remain at the highest point since 1993
- YOY cow numbers were up 208K



GDT PRICES

The GDT index lost 2.9% on November 18 with losses in all products

- Index has fallen nearly 14% since mid- August (-20% from early May peak)
- WMP prices fell 1.5%
- SMP edged down \$0.01 to \$1.15
- Cheddar cheese (NZ) price dropped \$0.06 to \$1.96
- European Mozzarella was lost \$0.04 to \$1.46
- Butter fell \$0.22 to \$2.60 while AMF lost 5%



About Global Dairy Trade

Global Dairy Trade (GDT) is the world's leading trading platform for core dairy products and supports efficient dairy derivative trading.

The GDT Events auction service is the world's pre-eminent price discovery platform for globally traded dairy products, bringing together buyers and sellers of dairy ingredients from 70 countries to trade US\$2-3 billion annually. GDT's credible, market-based reference prices play an important role in allowing buyers and sellers to trade with confidence in global and regional dairy markets.

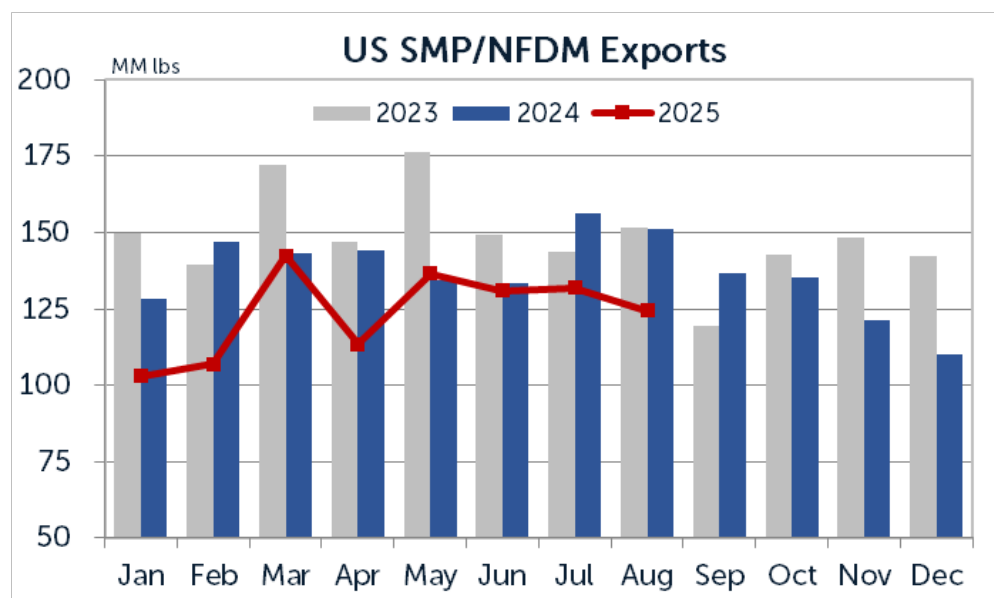
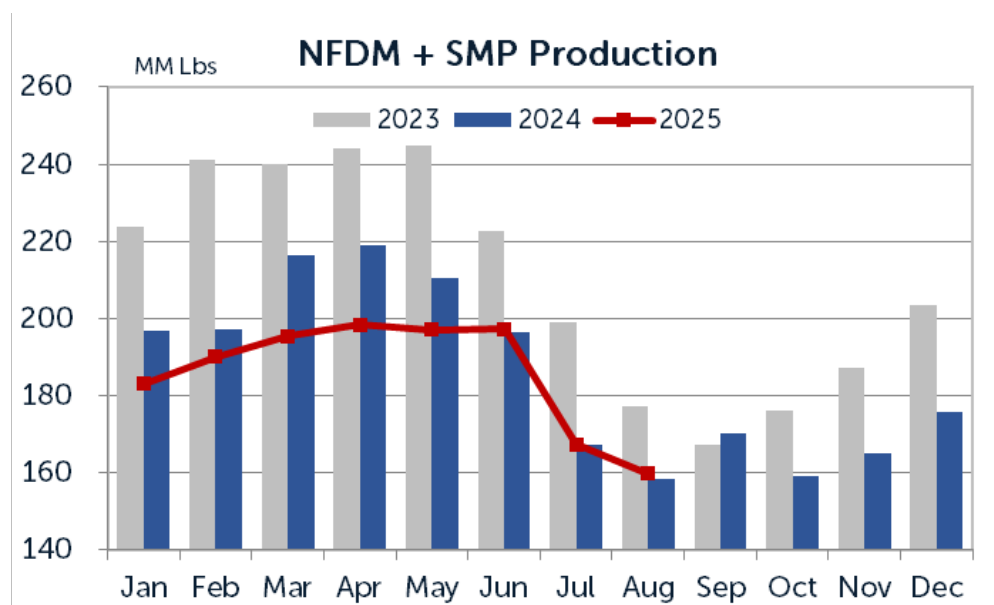
Data generated from the auction process is available through our GDT Insight subscription service to support the global dairy industry and associated financial trading.

Visit www.globaldairytrade.info for more information

Milk Powder Key Drivers

Milk powder stocks increased as exports fell in August

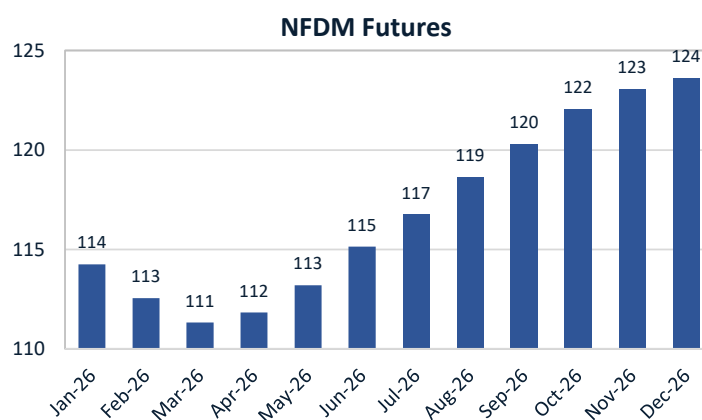
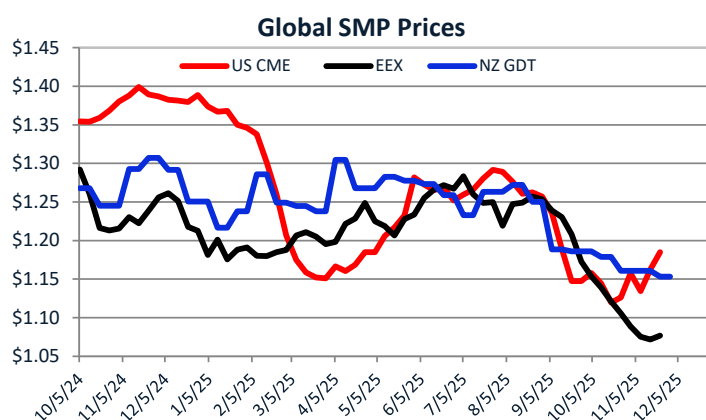
- Combined milk powder production was up 0.9% vs. YA in August
- Stocks ended August up 10.4% vs. YA
- Exports in August were down 18% vs. YA



MILK POWDER PRICES

While global SMP prices edge lower, US NFDM moved up to near \$1.20

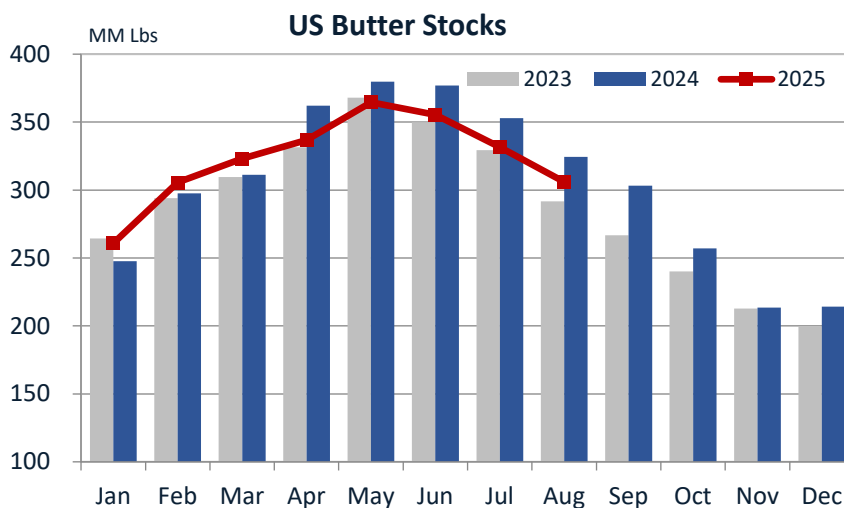
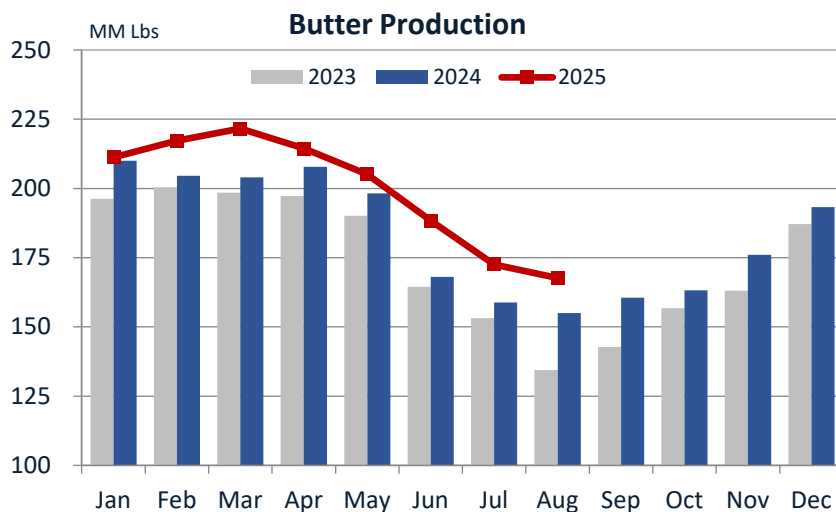
- CME NFDM prices surprisingly advanced to \$1.1950 despite lower global prices and declining export interest
- The NDPSR price held near \$1.16 last week
- Global prices (vs. prior week):
 - » NZ/GDT \$1.15 (-0.01)
 - » Europe \$1.08 (+0.01)
- Bullish
 - » Buyer interest in 2026 coverage
- Bearish
 - » Growing global supplies
 - » Quiet global market
 - » Exports down 18% vs. YA in August
 - » US stocks up 10% vs. YA on August 31



BUTTER KEY DRIVERS

Butter production has grown, but demand has been strong

- Butter production was up 8% vs. prior year in August
- Stocks on August 31 were 5.7% below YA but the drop during the month was less than the last 4 years
- July commercial disappearance was up 5.4% vs. YA (domestic -0.8%)
- August exports +188% vs. YA

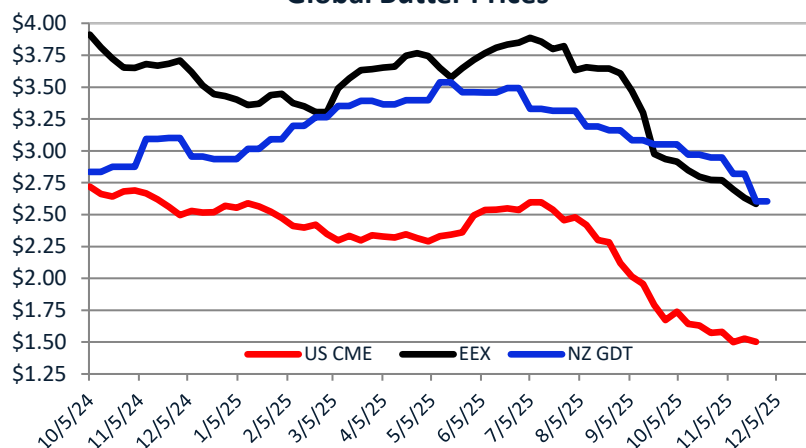


BUTTER PRICES

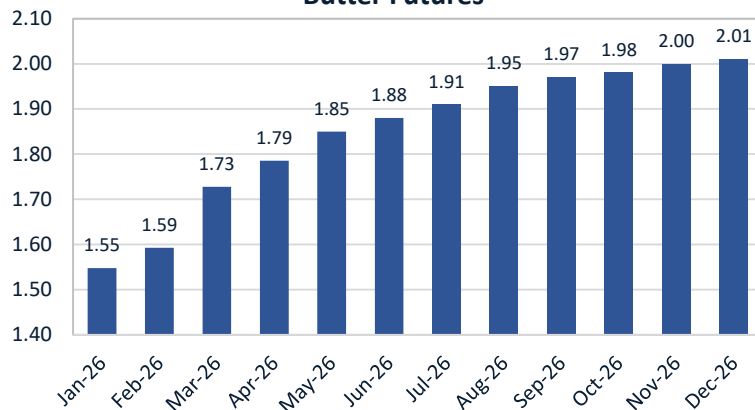
CME butter prices bounced higher on late holiday demand, but fell back under \$1.50

- CME butter prices dropped back into the \$1.40's as holiday demand is mostly complete
- Global prices (vs. prior week): NZ/GDT \$2.60 (-0.22) and Europe \$2.58 (-0.05)
- Bullish
 - » Low US prices attract export demand for butter and AMF
 - » August exports nearly triple last year
- Bearish
 - » Heavy cream and butter supplies
 - » Buyers appear well covered
 - » Falling global prices

Global Butter Prices



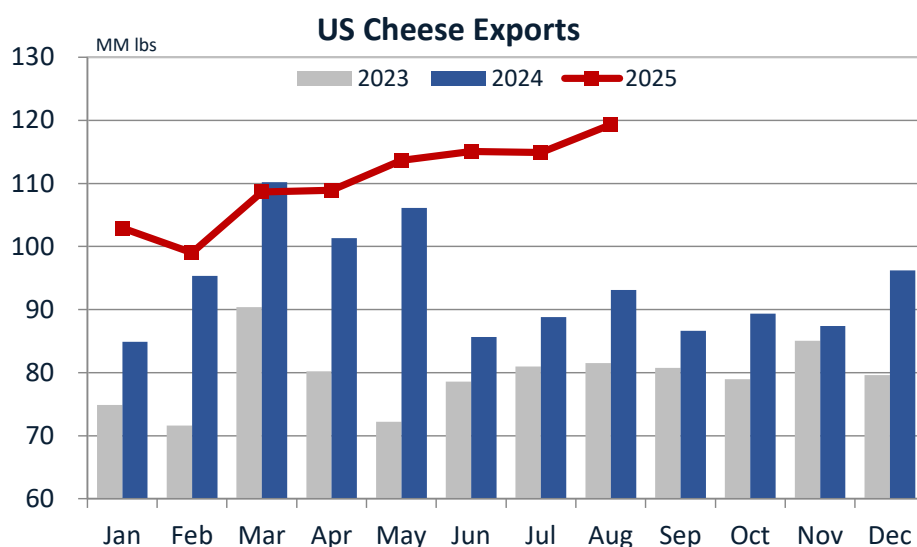
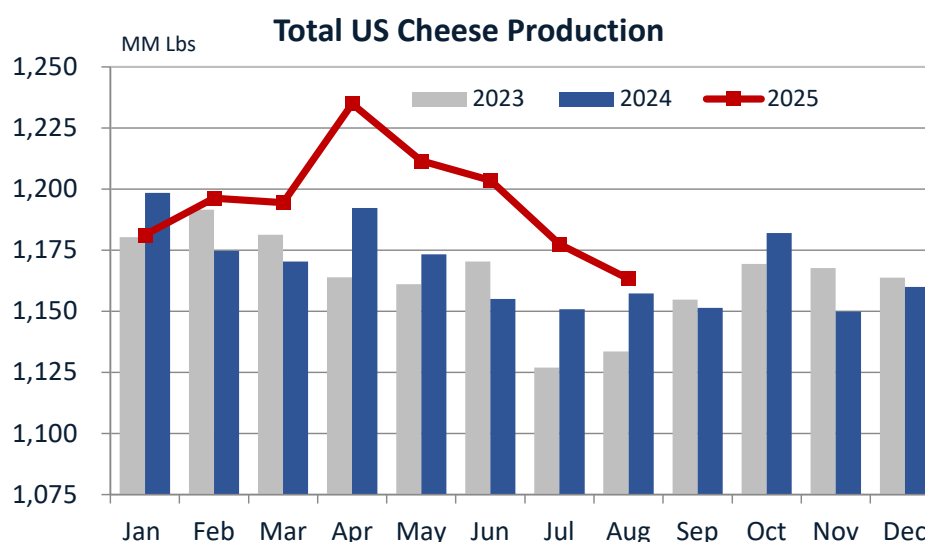
Butter Futures



CHEESE KEY DRIVERS

Cheese exports have been at record high pace

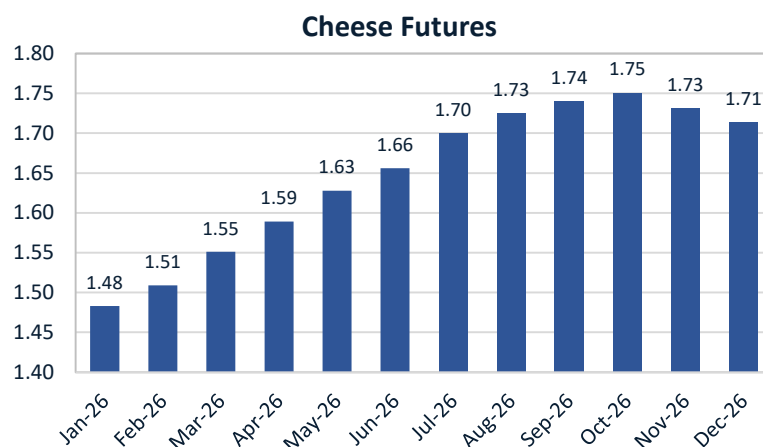
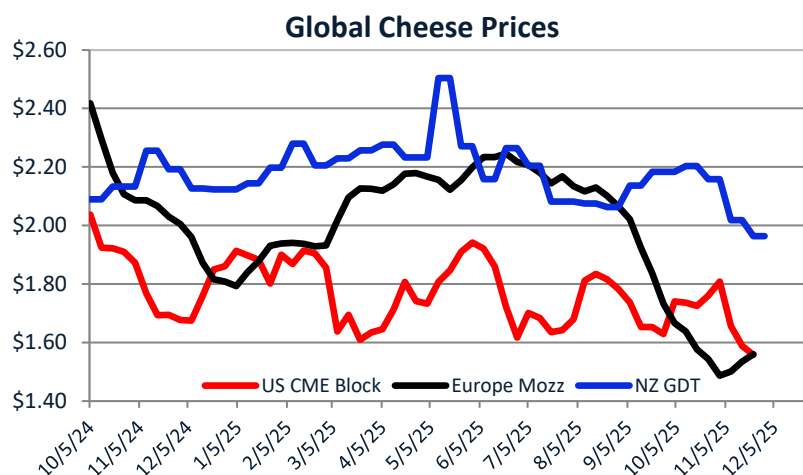
- Total cheese production in August was up 0.5% vs. YA; American +0.3%, Mozzarella +0.9%
- August 31 total cheese stocks were up 1.7% vs. YA with American stocks up 3.1%
- Exports in August set another record high of 119MM lbs. (+28% vs. YA)
- Domestic disappearance in July was down 2.7% vs. YA



CHEESE PRICES

Amid growing concerns over supply growth and export demand, CME block cheese prices fell to the lowest point since April 2024

- CME block cheese prices dropped to the mid-\$1.50's (barrels \$1.58)
- Global prices (vs. prior week): NZ GDT Cheddar \$1.96 (-0.06); Europe Cheddar \$1.72 (+0.01) and Europe GDT Mozzarella \$1.46 (-0.04)
- Bullish
 - » Retail demand for Q4
 - » Strong export demand in Q4
- Bearish
 - » Milk & cheese production growth
 - » Lower European prices negatively impacts export prospects in Q1

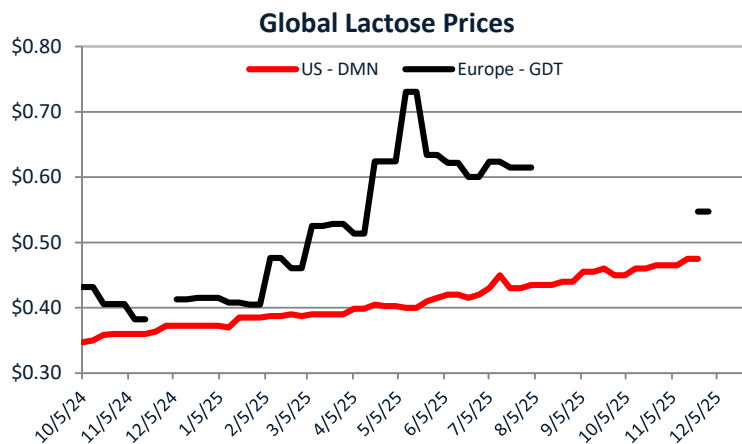
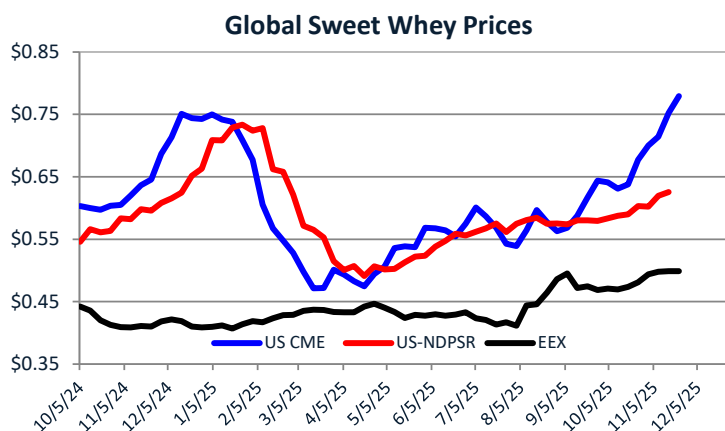




WHEY PRICES

US sweet whey prices continue to move higher on tight supplies

- NDPSR sweet whey price was \$0.6256 last week while the CME price eased lower to \$0.76
- August SWP production +4.7% vs. YA
- August 31 sweet whey stocks were down 16% vs. YA (-0.7% vs. prior month)
- July disappearance was up 12.5% vs. YA (domestic +7.6%)
- August exports +10.6%
- Lactose prices are slowly moving higher
- WPC 80 and WPI prices are making new highs each week as buyers scramble for product with minimal availability



2025 OUTLOOK

- Milk production in the US and other key regions is outpacing demand growth. This is forecast to continue to mid-2026 or longer.
- Milk and dairy prices may move lower than current projections
- Financial pressures could increase in 2026 – farms and plants
- Record high beef revenue will continue in 2026 offsetting losses on milk margins.

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