



Dairy Economist Ingredient Outlook™

MARCH 2026

Dairy Market Situation & Outlook

SUMMARY

Dairy markets have been mostly unaffected by Middle East fighting

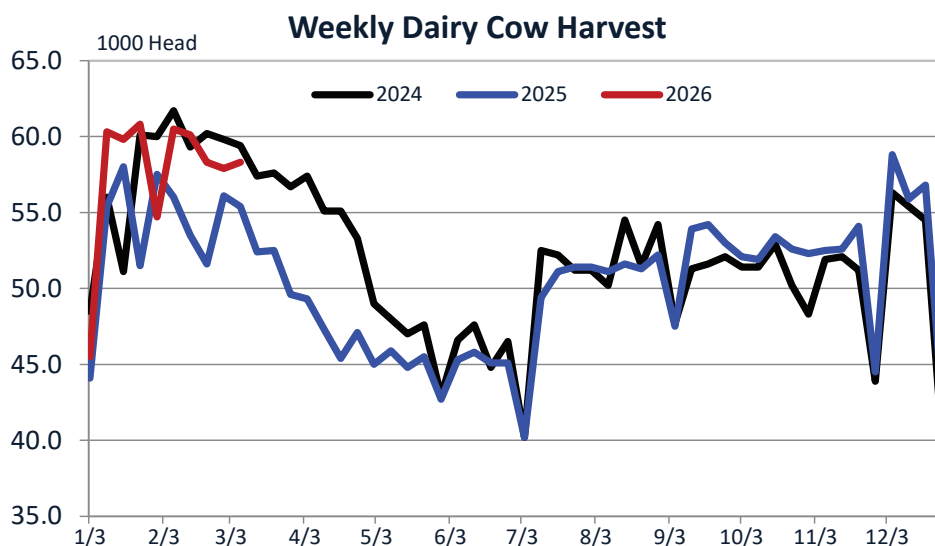
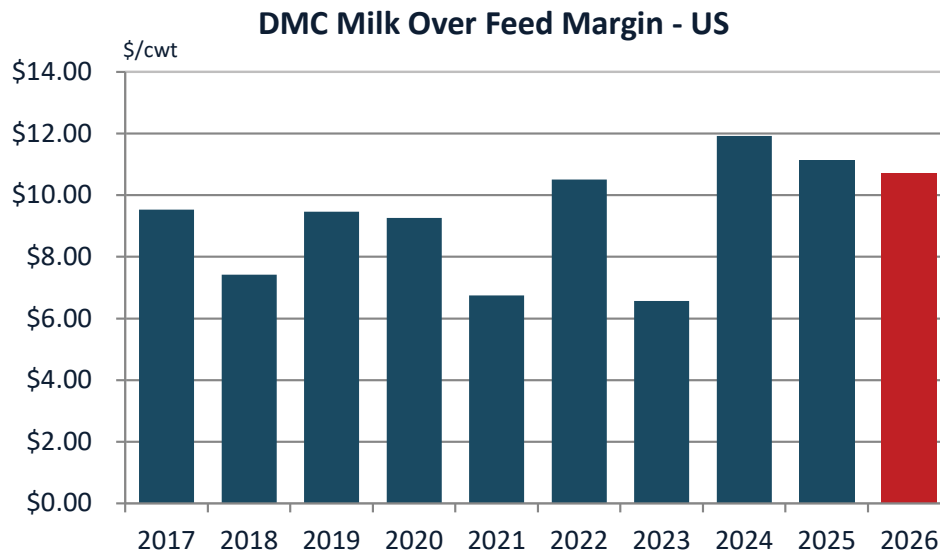
- Milk production in February was up 2.9% vs. YA with the dairy herd back in expansion mode with cow numbers exceeding last September's high
- Export data for January showed solid gains in cheese and butter shipments
- NFDM prices rallied to the \$1.90's, highest since April 2014, on tight supplies
- Butter jumped up to \$2.10 on USDA purchase news and lower stocks, but then dropped back below \$1.80 on export cancellations
- Cheese prices have stabilized in the \$1.50-1.60's on higher European prices and improved demand
- Whey prices are mixed with continued record highs for WPC 80 and WPI, but slightly lower prices for sweet whey powder



DAIRY FARM MARGINS

Dairy farm margin outlook has improved with the rally in milk prices

- DMC milk over feed margin will hit lows in Q1 before moving higher
- As milk prices dropped, the culling rate increased although this is likely to slow as milk prices and margins have recovered
- Through early March, cow culling was up 37K head from 2025.

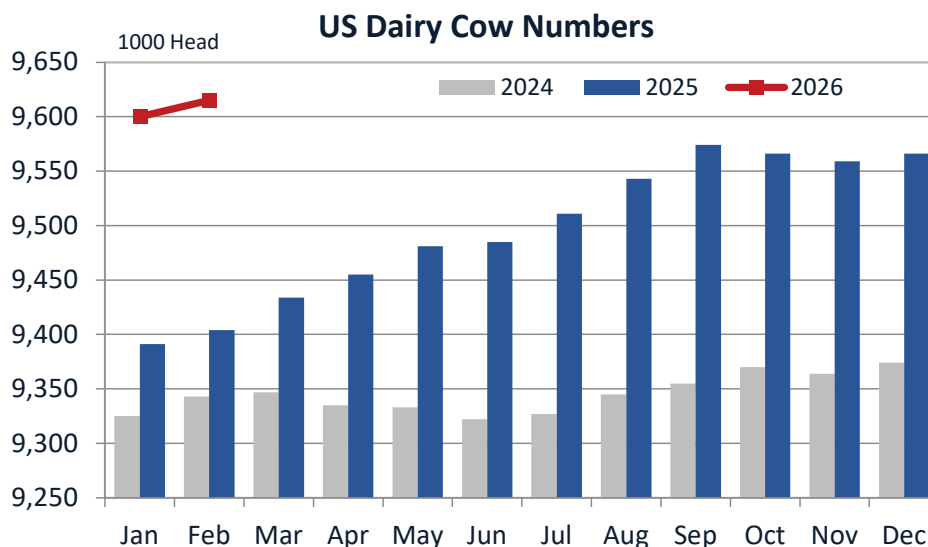
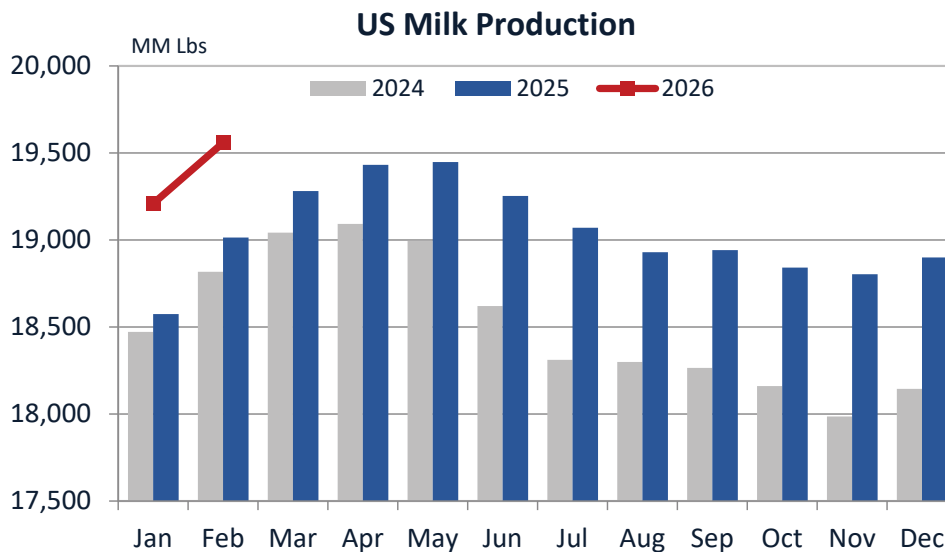




MILK PRODUCTION & COW NUMBERS

US milk production growth continued in February with cow numbers hitting new highs

- February milk production was up 2.9% vs. YA with growth in 19 of the top 23 states
- Cow numbers were revised up with another increase in February to 9.615MM head – most since 1993
- YOY cow numbers were up 211K vs. YA and up 56K from November



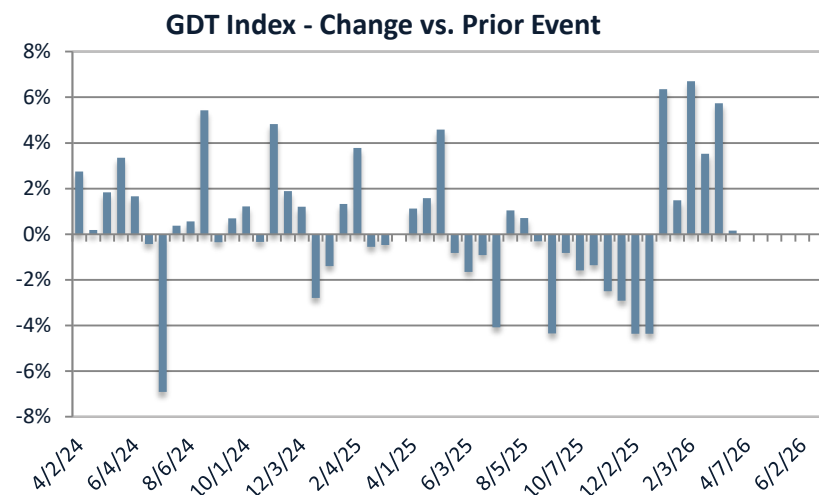
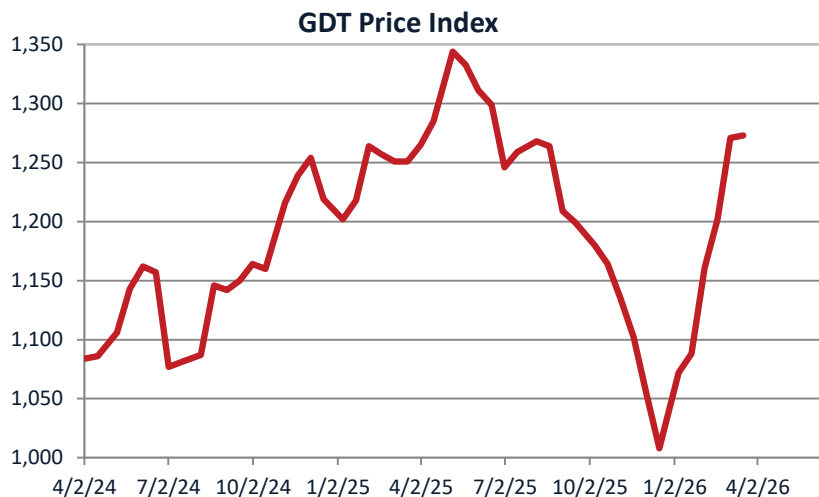


GDT PRICES

The GDT index had only a small gain on March 17 with lower WMP offset by other products

- WMP prices lost 4% - erasing prior Event gains
- SMP increased another \$0.08 to \$1.55
- Cheddar cheese (NZ) price was unchanged at \$2.23 while European Mozzarella was up \$0.01 to \$1.91
- Butter gained \$0.06 to \$3.04 while AMF increased 6.4% near a record high

Latest Results		3/17
Product	Price	% Change
Index	1,273	0.2%
WMP	1.68	-4.0%
SMP	1.55	5.1%
Cheddar	2.23	0.1%
Mozzarella	1.91	0.5%
Butter	3.04	2.1%
AMF	3.45	6.4%



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.

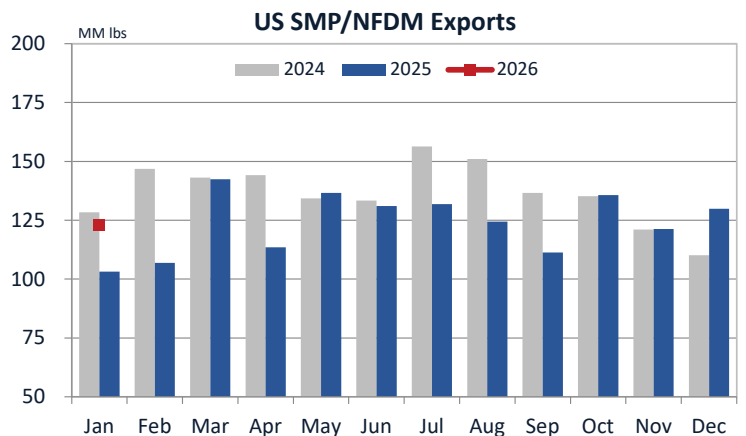
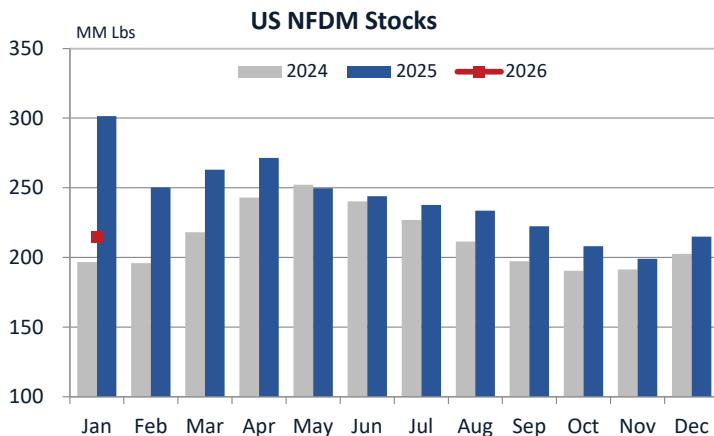
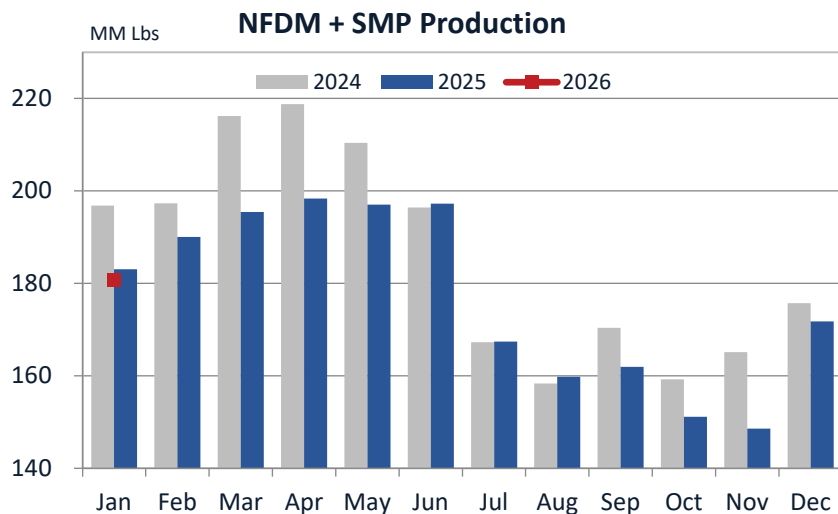
Visit www.globaldairytrade.info for more information



Milk Powder Key Drivers

Milk powder production trailed YA for the last 5 months

- Combined milk powder production was down 1.3% vs. YA in January (NFDM -6.4%, SMP +21.2%)
- Stocks ended January down 29% vs. YA but about flat with prior month (-0.1%)
- Exports in January were up 19% vs. YA

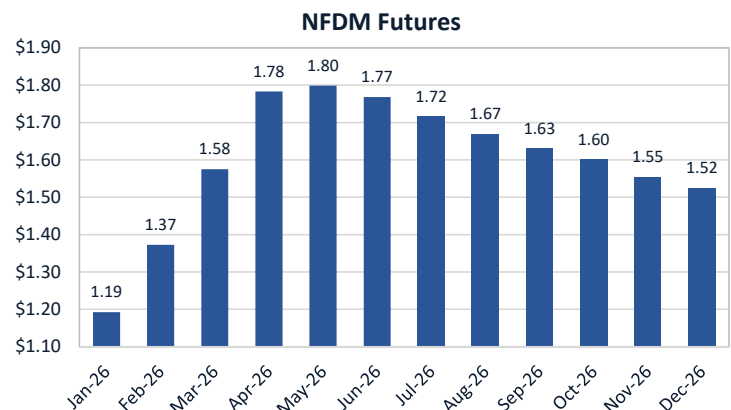
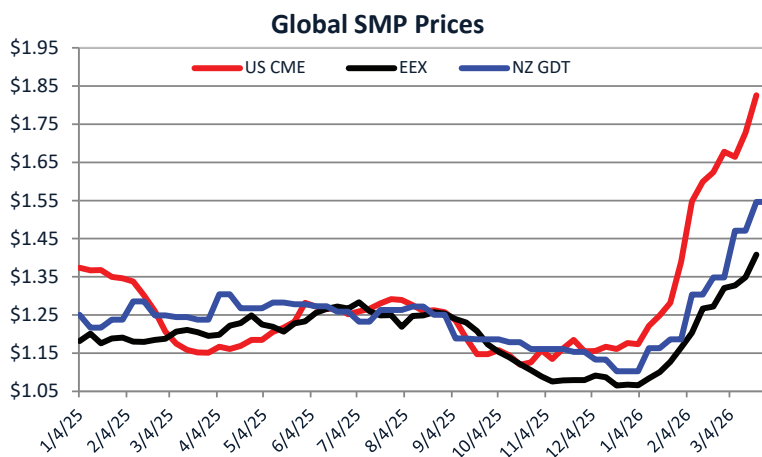




MILK POWDER PRICES

CME NFDM prices rallied into the \$1.90's on continued tight supplies

- CME NFDM prices are at the highest level since April 2014
- Global prices (vs. prior week):
 - » NZ/GDT \$1.55 (+0.08)
 - » Europe \$1.41 (+0.06)
- Bullish
 - » Tight US supplies – Jan 31 stocks down 29% vs. YA
 - » IF recall
 - » Traders short of product
- Bearish
 - » US prices above NZ and Europe limits export competitiveness

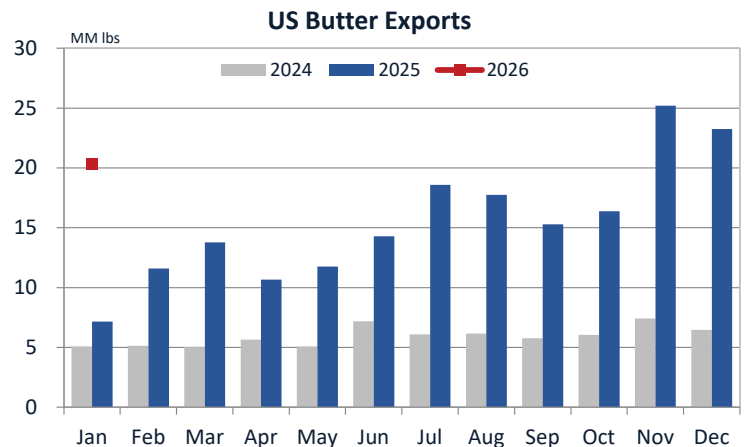
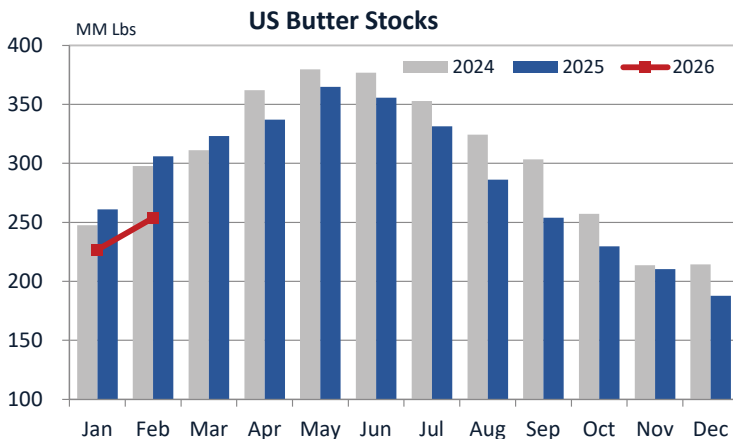
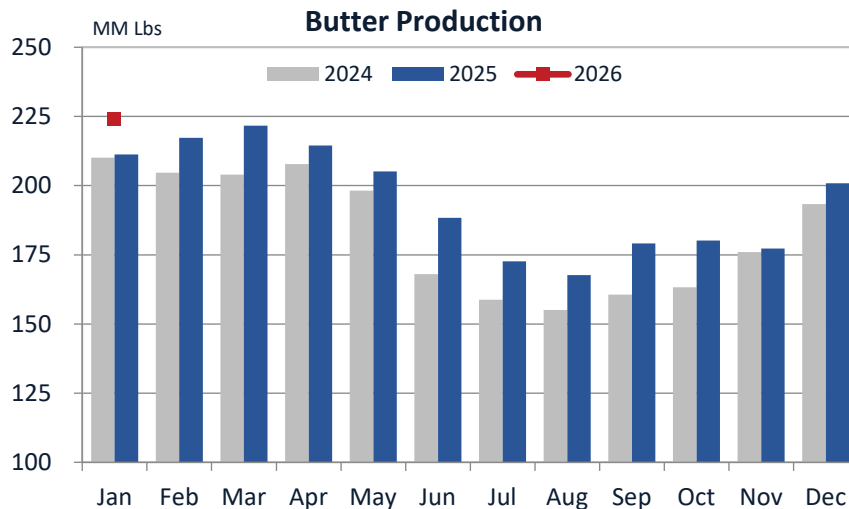




BUTTER KEY DRIVERS

Butter stocks started the year at the lowest point since 2019

- Butter production was up 6% vs. YA in January
- Butter stocks on February 28 were 17.0% below YA; stocks rose 27MM lbs. during the month vs. 5-year average of 38MM
- January exports +184% vs. YA
- Domestic disappearance in January was 7.8% above YA

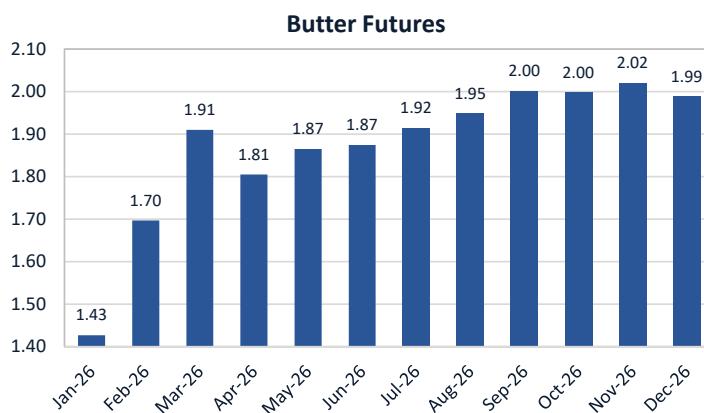
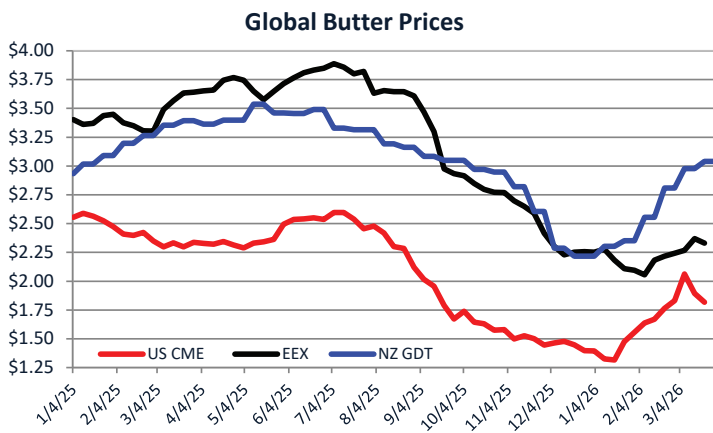




BUTTER PRICES

CME butter prices fell sharply to \$1.80 on rumors of cancelled export orders

- CME butter prices have fallen from \$2.14 on March 3 to near \$1.80
- Month-to-date CME trading volume is almost 300 loads vs. 164 (2025) and 53 (2024)
- Global prices (vs. prior week):
 - » NZ/GDT \$3.04 (+0.06)
 - » Europe \$2.33 (-0.04)
- Bullish
 - » Tight fresh butter stocks – February 28 stocks down 17% vs. YA
 - » Strong exports to start the year
- Bearish
 - » Milk and cream supply growth
 - » Narrower gap to European prices

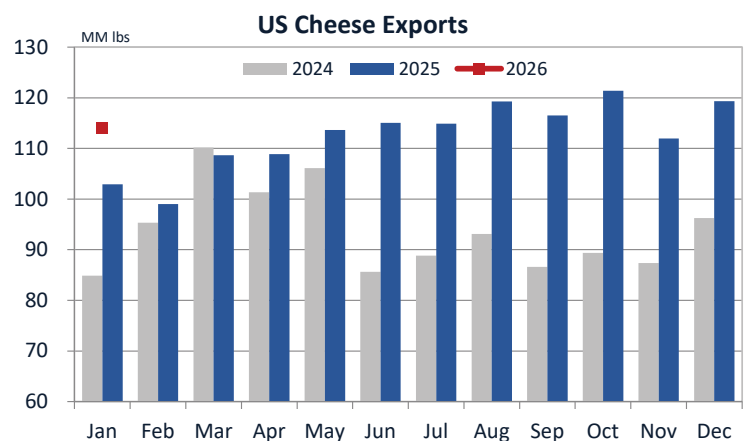
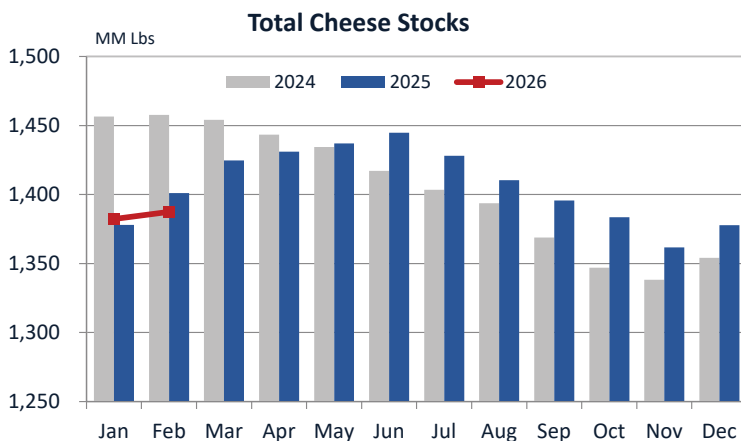
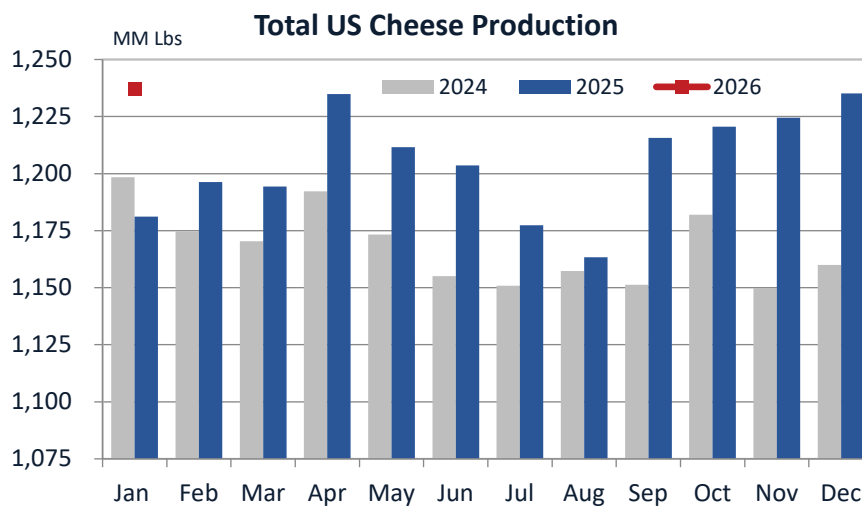




CHEESE KEY DRIVERS

Cheese production growth offset by strong demand

- Total cheese production in January was up 4.7% vs. YA; American +3.9%, Mozzarella +4.4%
- February total cheese stocks were down 1.0% vs. YA; American cheese -2.6%
- Commercial disappearance in January was up 5.7% vs. YA (exports +10.7%; domestic +5.2%)

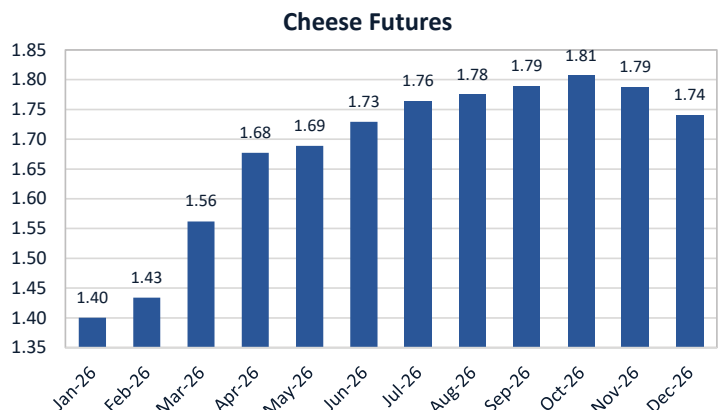
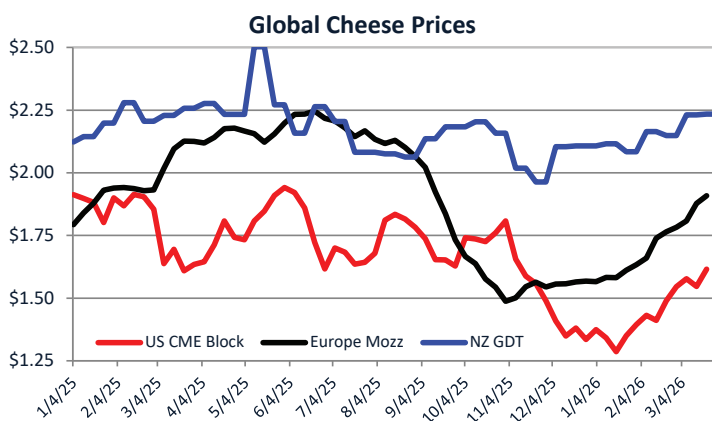




CHEESE PRICES

CME block cheese prices are trading in the mid-1.60's

- CME block cheese prices dropped to \$1.51 before recovering back into the mid-\$1.60's
- Global prices (vs. prior week):
 - » NZ GDT Cheddar \$2.23 (NC)
 - » Europe Cheddar \$1.86 (+0.02)
 - » Europe Mozzarella \$1.91 (+0.03)
 - » Europe GDT Mozzarella \$1.92 (+0.01)
 - » Europe Gouda \$1.91 (+0.04)
- Bullish
 - » Higher European prices raises US ceiling for US prices and export competitiveness
 - » Stronger domestic demand in recent months
- Bearish
 - » Milk & cheese production growth



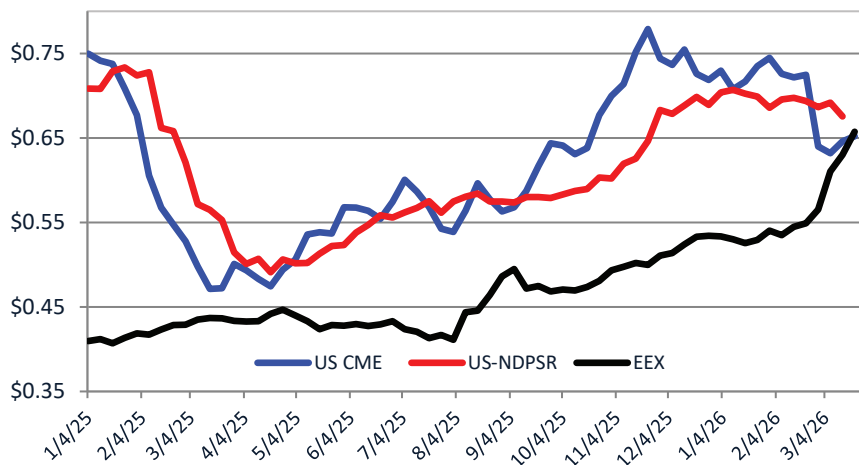


WHEY PRICES

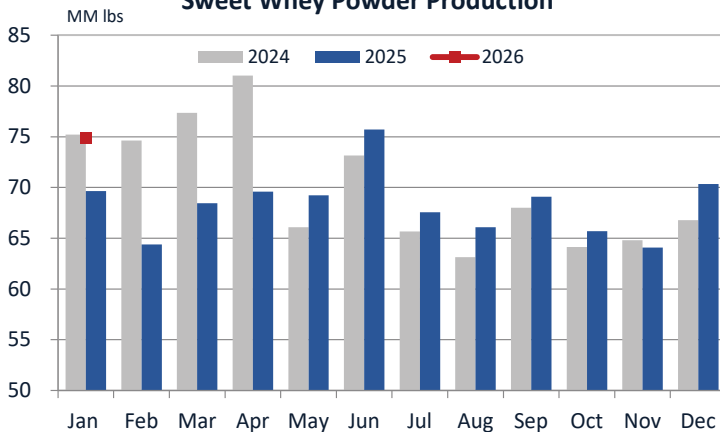
US sweet whey prices have stabilized in the mid-\$0.60's

- NDPSR sweet whey price fell \$0.016 to \$0.6755 last week while the CME price held in the mid-\$0.60's
- January SWP production +7.5% vs. YA
- January 31 sweet whey stocks were up 3.7% vs. YA (+7% vs. prior month)
- January disappearance was up 1.9% vs. YA (domestic -24%, exports +33%)

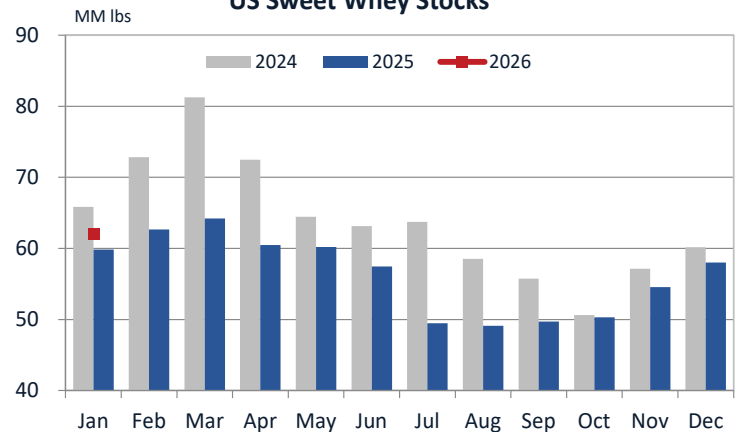
Global Sweet Whey Prices



Sweet Whey Powder Production



US Sweet Whey Stocks





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