

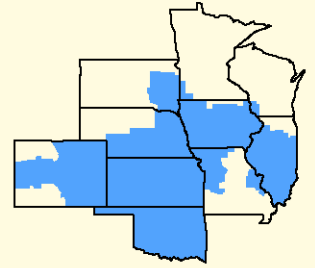
OCTOBER 2026

Marketing Service



Bulletin

Facilitating the efficient
marketing of milk and
dairy products.

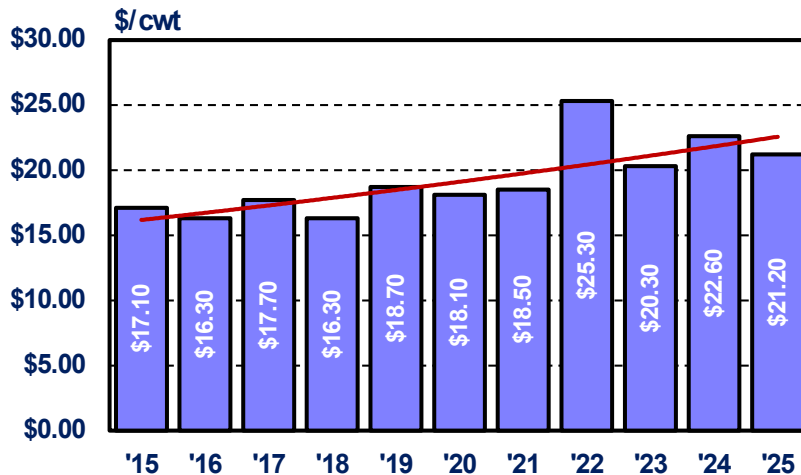


CENTRAL MARKETING AREA

What About the "Bottom Line"?

U.S. Average All-Milk Price

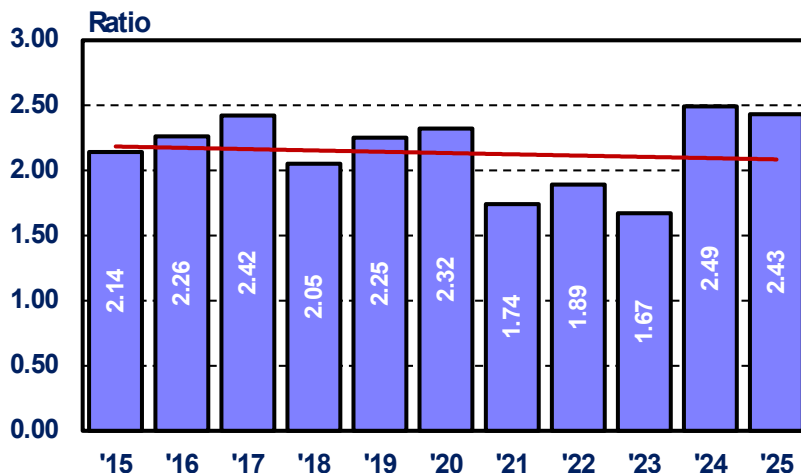
Price at Test



The All Milk price¹ averaged \$21.20 in 2025 down \$1.40 (-6.19%) from the previous year. The first graph on this page depicts annual averages for this price series over the last 10 years. The 2025 average was \$1.92 (+9.96%) greater than the 10-year average of \$19.28. The All Milk price has been trending up consistently over this time period based on that one can assume farm-level profits must have also been increasing as well. This seemingly logical conclusion ignores the expense portion of the profitability equation, however. Since many milk production input costs skyrocketed during 2022 and have remained elevated, the "bottom line" may be less favorable than expected. This bulletin examines some of the revenue and cost items² relevant in "bottom line" calculations for dairy farmers.

Milk-Feed Ratio Comparisons

2015 - 2025



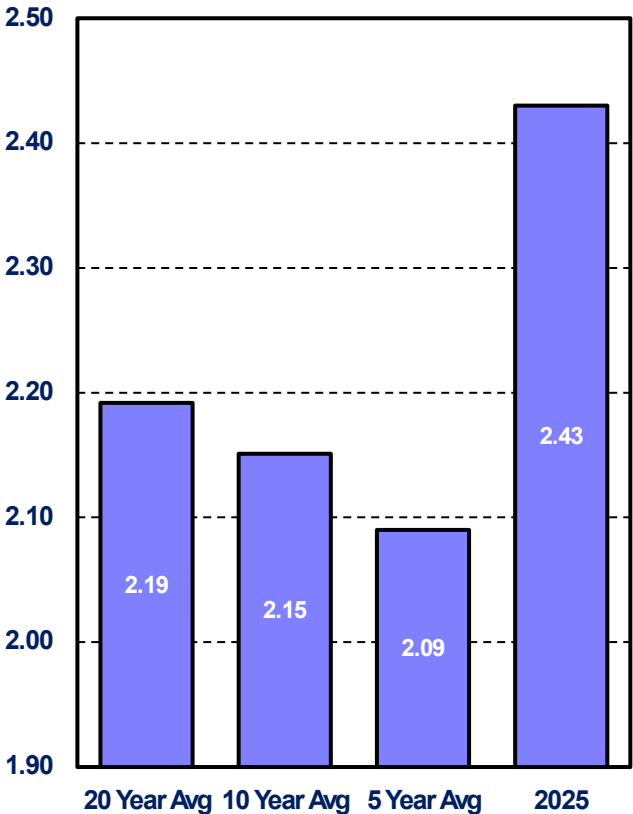
The milk-feed ratio is a statistical measure that calculates the pounds of 16% mixed dairy feed³ equal in value to one pound of whole milk. This ratio is frequently referenced in regard to milk production profitability. However, the milkfeed ratio measures only one aspect of the revenue/cost structure for milk production - that being the relationship between milk prices and feed costs. Many other costs are involved in the milk production process. Moreover, this ratio is an average for the entire U.S. and may not accurately reflect local or regional conditions. It does not incorporate changes in production efficiency or farm size. Finally, the milk-feed ratio reflects only one out of many possible dairy feed rations. Keeping these limitations in mind, this ratio can be used as a general reference point in examining the "bottom line" for milk production in the U.S. The bottom graph on this page depicts annual averages for the milk-feed ratio from 2015 to 2025. The 2.43 recorded for 2025 was 0.28 points above the 10-year average of 2.15.

The top graph on this page compares the 2025 milk-feed ratio with the previous 5 year, 10 year, and 20 year averages. As indicated, the 2025 ratio was higher than all of these historical averages. This data implies that 2025 may have actually been more profitable for U.S. milk producers. The bottom graph on this page compares monthly milk-feed ratios for January 2025 through August 2026 with monthly averages for the previous 5 and 10 years. The 2025 monthly averages were above both averages in every month for that year. Data for 2026 indicates an initial decrease in this "bottom line" measure for dairy farmers with every month showing a year over year decline and August being below both 5 and 10 year averages.

The graphs on the third page of this bulletin portray milk prices and selected milk production cost items over the last 10 years. All of the data depicted by these graphs has been indexed, with 2011 as the base period. The indexed All Milk Price is portrayed in the top left graph, while milk production input cost items are depicted in the other five graphs. The 2025 index for most of the selected production cost items exceeds the All Milk Price index, with fuel being the only one lower. The 2025 All Milk Price index of 105 is down from the previous years 112. The index for production, interest, taxes, and wage rates (PITW) provides a look at expenses as a whole for a farm. The PITW rose from 140 to 151 year over year and is up 42 points from 2020 to 2025. The index for milk cow replacement prices has seen the highest increase of all inputs in recent years going from 92 in 2020 to 205 in 2025, a 122.8% increase. Mixed fertilizer prices were trending down until 2021 where they increased by 63.6% over the next 3 years and have remained relatively flat since. Feed prices saw their largest increases in 2021 and 2022 but have decreased since then by 17.4%. Fuel prices also saw a decline from their peaks in 2022 decreasing by 21.6% and remaining 13 points below their index from 2011. Additional cost data can be obtained from Agricultural Prices². The data included in this bulletin is not intended to be a comprehensive analysis of milk production

Milk-Feed Ratio Comparisons

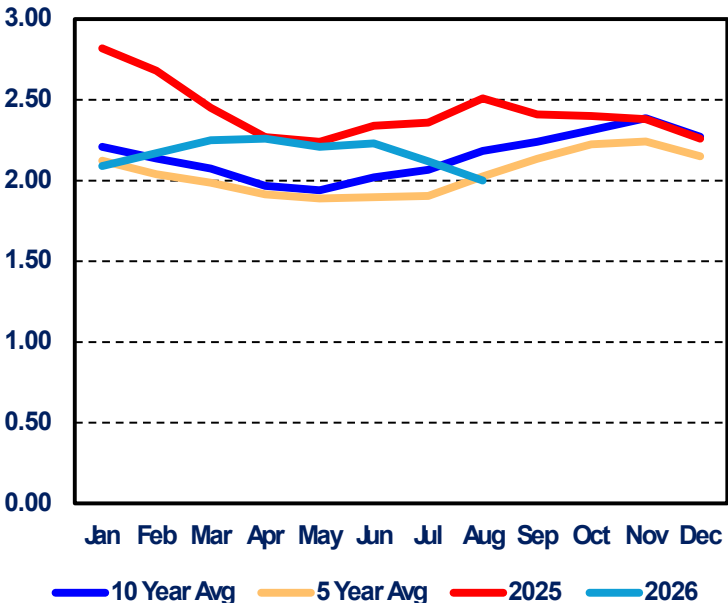
16% Mixed Dairy Feed Ration



profitability, but rather a cursory look at a few of the relevant factors.

Milk-Feed Ratio Comparisons

Monthly U.S. Data



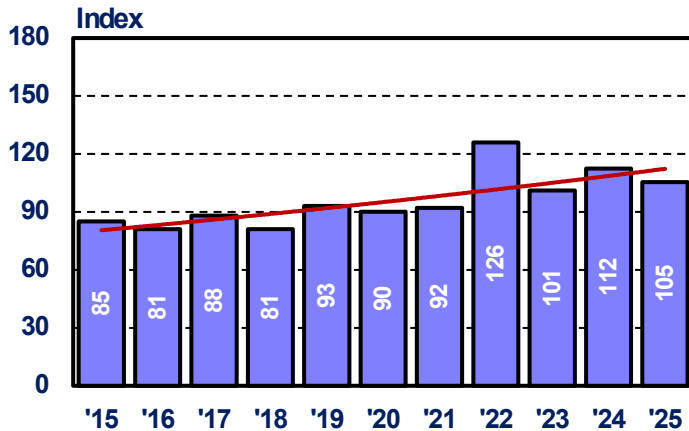
¹ The All Milk Price is the average price, at test, for all milk sold at plants

² The source for data in this bulletin is Agricultural Prices, United States Department of Agriculture, National Agricultural Statistics Service. (www.nass.usda.gov/publications/)

³ The price of commercially prepared dairy feed is based on U.S. prices received for corn, soybeans, and alfalfa. The mixed dairy feed ration uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa.

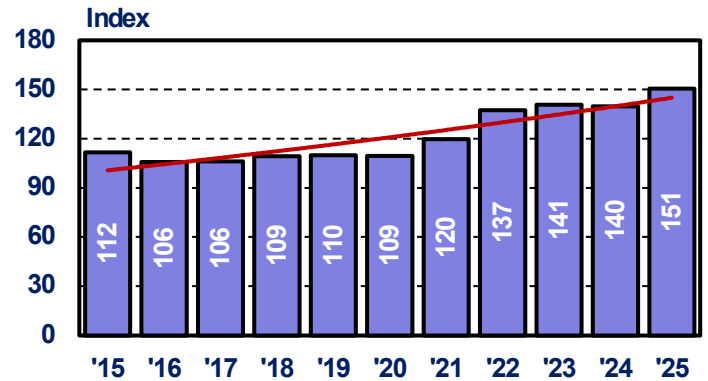
U.S. All-Milk Prices

Indexed Data : 2011 = 100



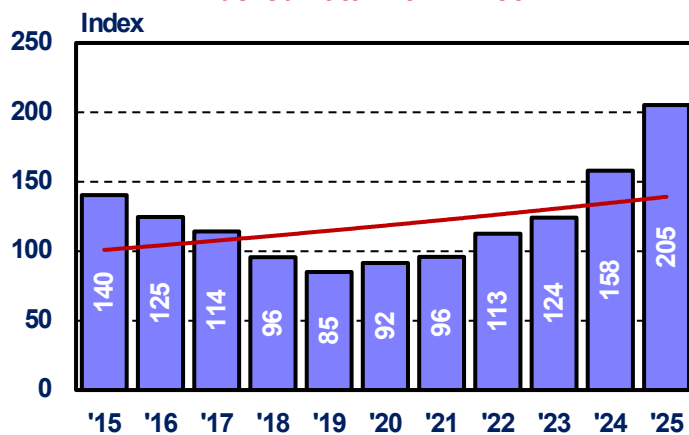
Production, Interest, Taxes, and Wage Rates (PITW)

Indexed Data : 2011 = 100



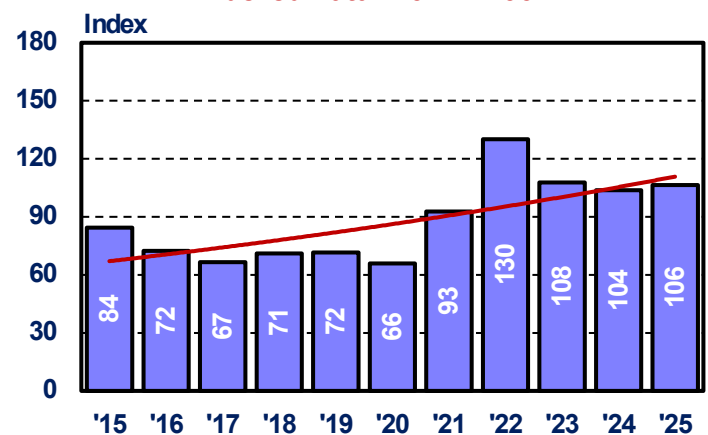
Milk Cow Replacement Prices

Indexed Data : 2011 = 100



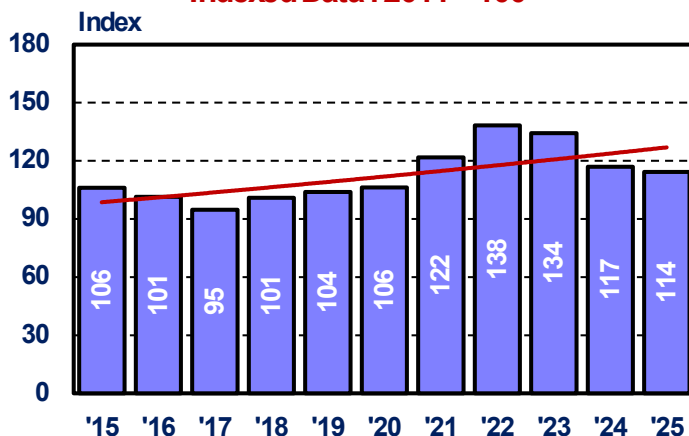
Mixed Fertilizer Prices

Indexed Data : 2011 = 100



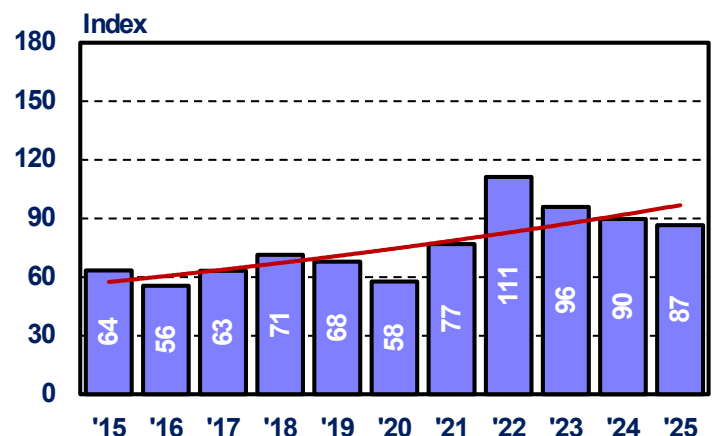
Feed Prices

Indexed Data : 2011 = 100



Fuel Prices

Indexed Data : 2011 = 100





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	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Sep '26	Aug '26	Sep '26	Aug '26	Sep '26	Aug '26
Northeast	19.19	19.80	3.15	3.16	28.50	25.90
Appalachian	21.64	22.71	-----	-----	76.71	73.75
Florida	22.68	23.97	-----	-----	82.94	81.81
Southeast	21.96	22.93	-----	-----	78.80	72.16
Upper Midwest	16.62	17.24	0.58	0.60	6.39	5.66
Central	17.82	18.44	1.78	1.80	25.28	24.40
Mideast	18.15	18.89	2.11	2.25	31.83	31.24
California	17.30	18.00	1.26	1.36	19.92	17.36
Pacific Northwest	17.23	17.96	1.19	1.32	19.21	17.18
Southwest	17.96	18.81	1.92	2.17	26.46	25.72
Arizona	18.20	18.63	-----	-----	36.50	34.78

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