

# MEDIA RELEASE



*For Immediate Release*

10<sup>th</sup> March 2026

## Dairy Prices Rise Despite Record Milk Output

### Global Dairy Commodity Update March 2026

Milk solids output in the EU, US and NZ reached an all-time high in 2025, adding nearly as much supply as in the previous four years combined. Milk growth remains robust in early 2026, but commodity prices are lifting off their recent lows. Fear and short-term demand is driving the market rally, but will prices soften, especially as we head into the Northern Hemisphere's spring flush?

EU milk growth shows amazing strength and will be seasonally increasing. Spot milk prices are low, with plants reportedly full and processors prioritizing SMP/butter production. Farmgate prices appear to have stabilised near breakeven levels. But will it be enough to slow milk growth in coming months?

NZ supply is seasonally falling but continues to exceed expectations, with profitable milk prices and high imports of supplementary feed. With strong GDT performance, Fonterra lifted its 2025-26 forecast farmgate milk price.

January US milk production was below expectations, but the herd continues to grow. Meanwhile, pizza sales are weak, with major chains closing stores. USDA's announcement for Section 32 food purchases is a positive development for demand.

Global dairy trade rose to an all-time high in 2025. Large exportable surplus in 2H-25 and a weaker US dollar boosted shipments despite trade wars and geopolitical uncertainty.

Australia's milk supplies were better-than-expected in December and January. The March-May BoM forecast shows rainfall is likely to be below average for most of southern Australia with above-average daytime temperatures.

Average water prices are near six-year high and feed prices remain relatively steady. Saleyard transactions of dairy cow culls increased 13% YOY season-to-date (July-January). January alone was -28% YOY.

Our 2026-27 season CMV estimate sits at A\$7.70/kgms as higher commodity prices are offset by a stronger currency. The milk price outlook for next season remains uncertain, but processors willing to grow supplies should expect to pay a market premium.

*Graph Reference: Fresh Agenda*

**- Ends -**

*Maxum Foods – Global Dairy Commodity Update*



Your partner in dairy

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**About Maxum Foods:** Maxum Foods is one of Australia and New Zealand's principal suppliers of dairy ingredients to the Human Health and Nutrition, as well as the Animal Nutrition industries. Maxum Foods specialises in supplying medium to large-scale food manufacturers with high-quality dairy ingredients such as milk powders, cheese and butter. Backed by top-level technical support and a huge dairy ingredient range, Maxum Foods have open global supply channels to source exactly what our customers need.

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