

June 29, 2026

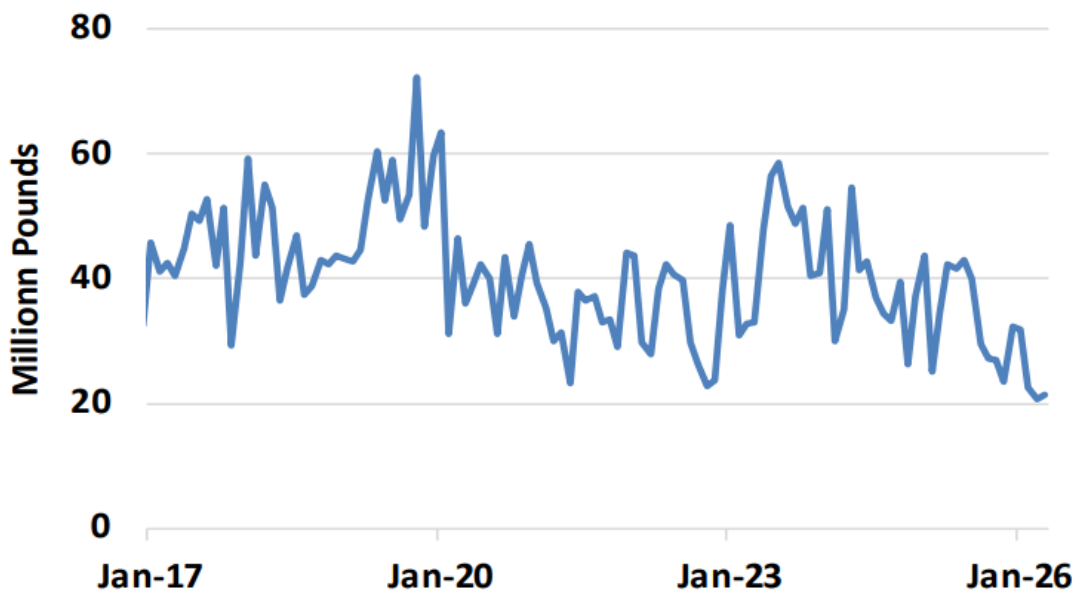
MARKET NEWS

Whey Powder Consumption Slumps

Daily Dairy Report | June 26, 2026

U.S. dairy processors are directing as much whey as possible to high-value products, including whey protein concentrates (WPCs) and whey protein isolates (WPIs). In 2025, manufacturers directed record-setting volumes of whey to high-protein WPCs and WPIs, leaving less whey for dryers. Commodity whey powder production dropped to 844.9 million pounds in 2025, the lowest annual total since 1982. But this year, due to record-shattering milk and cheese production, plenty of whey is available to supply makers of WPCs and WPIs and to fuel a rebound in whey powder output. January through April production of whey powder for human consumption was 11% higher than it was in the first four months of 2024 and marked the highest output for the period since 2021.

U.S. Dry Whey Utilization



While consumers continue to be hungry for dairy proteins, food processors clearly prefer WPCs and WPIs over whey powder. Domestic WPC consumption hit an all-time high last year, and January through April demand was up 11% from the same period in 2025, matching growth in WPC production pound for pound. In contrast, domestic demand for whey powder slumped to just over 20 million pounds per month in February, March, and April, marking the three lowest monthly consumption totals on record, aside from a curiously low showing in March 2014. Year-to-date consumption through April was the slowest in USDA data dating back to 1995, down 34% from January through April 2025.

Similar to cheese exports, whey exports have helped bridge the gap between robust output and tepid domestic demand. U.S. whey powder exports reached 26.5 million pounds in April, up 72% year over year and the second-highest monthly volume ever. Through April, annual U.S. whey powder exports were off to their strongest start on record, up 44% from the first four months of 2025.

Steady U.S. whey values and a steep increase in European whey prices have made the United States the go-to source for whey powder. Last week, German whey sold for €1,932/ metric ton, or 91¢ per pound, sharply higher than U.S. whey powder at 68¢. Competitive prices have boosted U.S. whey powder shipments to key destinations, including China, Canada, and Southeast Asia. Over the next few months, the United States will likely continue to capture market share from European exporters. April shipments reflected deals made several months before the sudden rise in European whey values, which accelerated dramatically in March.

That's welcome news for dairy producers and whey processors because today's prices depend on booming exports to prevent stocks from piling up. Every penny increase in the whey price boosts Class III revenues by 6¢ per hundredweight. So far this year, whey prices have lifted Class III values by 79¢ compared to the first six months of 2025. Dairy producers are already disappointed to see June through August Class III hovering near \$16/cwt. But that's about the best they can ask for with cheese prices at four-month lows. Class III prices would be much lower in the absence of historically high whey powder exports.

NMPF NEWS ALERT

- Senate Republicans on Tuesday unveiled the text of the long-awaited Senate version of what's been dubbed "Farm Bill 2.0". The proposal looks a lot like the House version passed in April that would provide additional support for farmers while boosting investment in federal farm loan programs.
- U.S. House Agriculture Committee Chairman Glenn "GT" Thompson, R-PA, is expected to release tomorrow the Securing Agriculture's Workforce Act, a bipartisan bill aimed at reforming ag labor and the H-2A visa program by controlling costs, expanding access and reducing red tape.
- The U.S.–Mexico–Canada Agreement is under formal reassessment as of July 1 for the first time since the pact was signed six years ago under President Trump's first term.

Boozman signals openness to delaying state SNAP cost-share

Agri-Pulse – June 26

Senate Ag Committee Chair John Boozman, who has consistently said he doesn't want to touch the state SNAP cost-sharing requirements enacted in last year's One Big Beautiful Bill Act, says he's open to providing some relief to states working to comply. The Arkansas Republican acknowledged states have had more difficulty than expected reducing payment error rates below the 6% threshold that triggers cost-sharing requirements for SNAP benefits beginning in October 2027.

Federal solution to Colorado River disagreement grows more likely

CBS News – June 26

Time is running out for states to come to some kind of consensus for rules under the Colorado River Compact. Twice already, in November of 2025 and February of this year, the seven states involved in re-negotiating water rights and use along with the 100-year old treaty kicked the can down the road and failed to come to an agreement on water sharing.

Texas officials issue quarantines across 21 counties for screwworm

Fox 7 (Austin, Texas) – June 27

Confirmed U.S. cases of the flesh-eating New World screwworm have reached 26, prompting Texas to issue strict emergency quarantine and animal movement orders across 21 counties. A new infested zone has been established covering parts of Jim Hogg, Starr, and Zapata counties following a recent detection in a bovine near the South Texas border.

America can't get enough of protein. U.S. dairy can't keep up

CNBC – June 28

Whey protein inventories have fallen roughly 50% since 2023, and prices keep rising. Dairy industry infrastructure required to process protein from cheesemaking takes years to scale and most plants were built for steady, predictable growth, making it difficult to commit to significant financial outlays for new capacity.



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