



Navigating Dairy Trends in 2026 & Beyond

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A large, illuminated sign with the word "DAIRY" in bold, white, outlined letters mounted on a dark base above a refrigerated dairy aisle in a grocery store.

DAIRY



The current state of dairy

Dairy is dynamic and growing

\$80.3 billion
Retail dairy sales in 2025



Largest category
in retail grocery
(alcohol is no. 2)



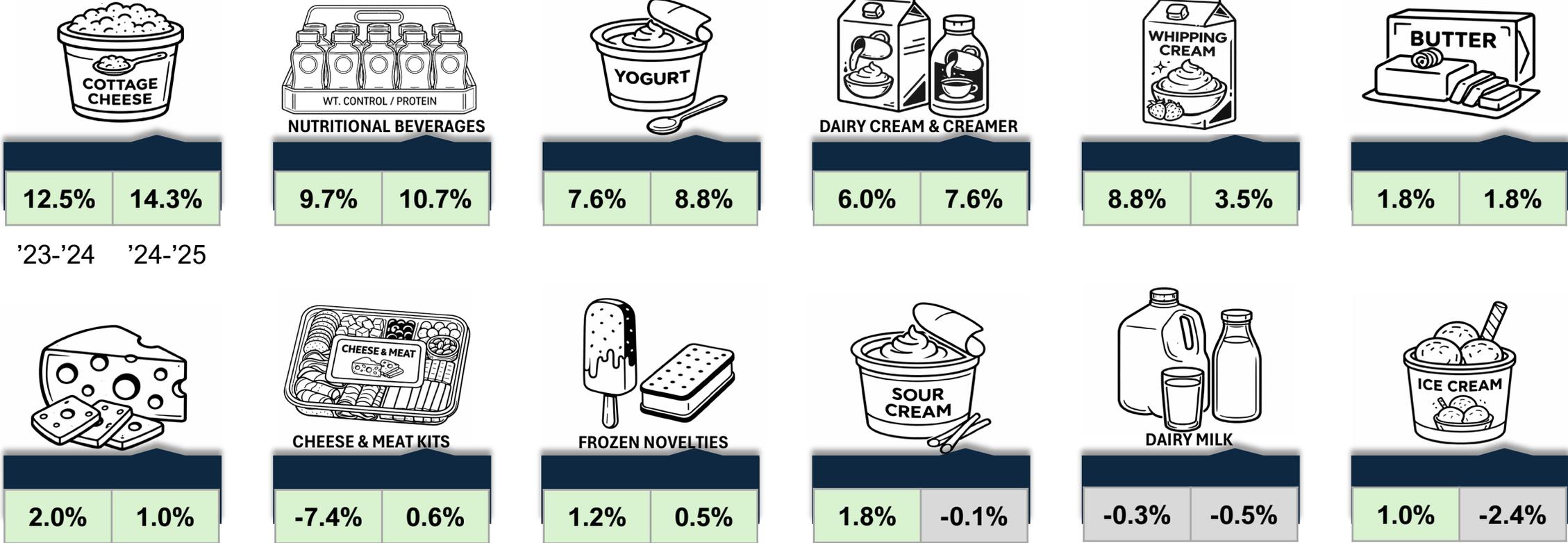
Up 3.2% from 2024



Dairy is the world's
largest refrigerated
supply chain

Nearly all dairy categories in the U.S. saw retail volume gains

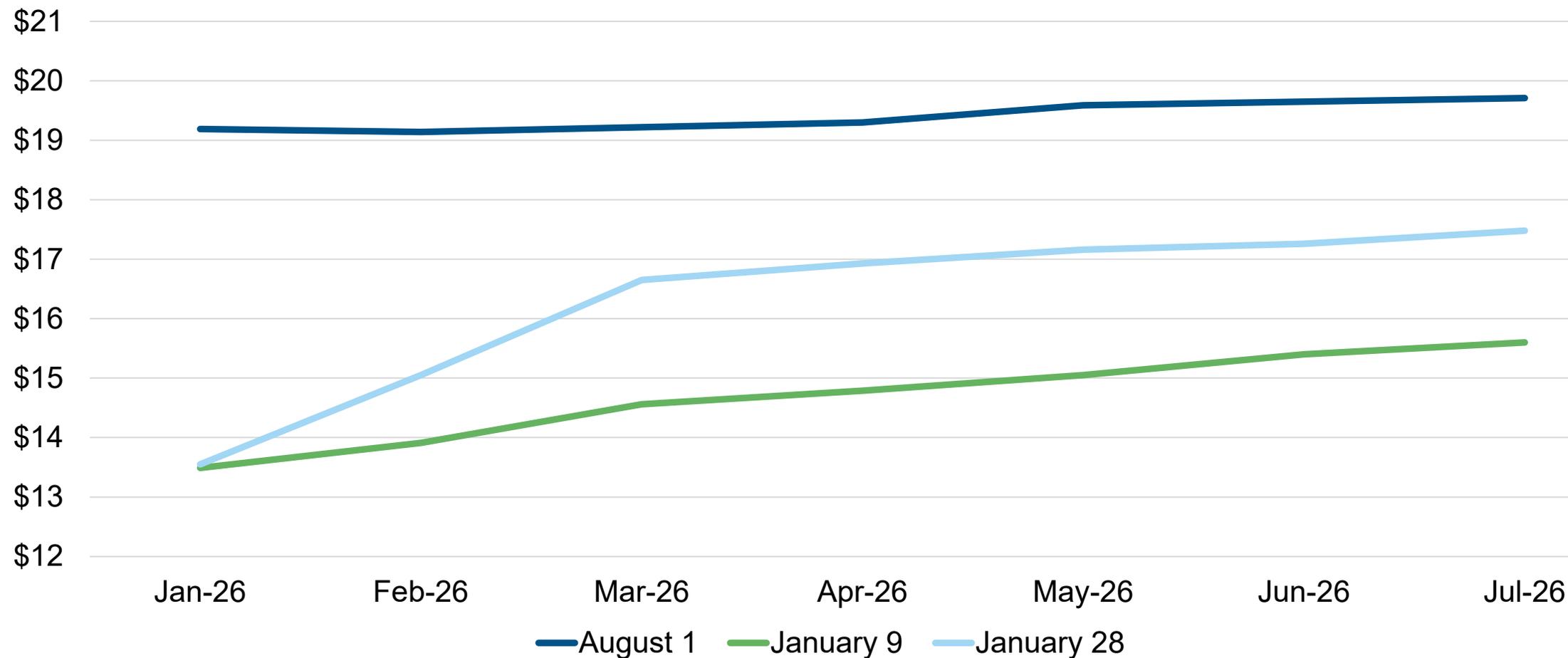
Total U.S. retail volume growth for 2024 and 2025 % Change versus the previous



Source: slide courtesy of Dairy Management Inc. with data source from Circana MULO+ with convenience.
 Note: Butter includes butter blends, Ice Cream includes sherbet, Yogurt is dairy yogurt, Creams include half & half, regular and light cream & dairy creamers, Cheese excludes imitation/vegan; weight control/protein beverages include both shelf stable and refrigerated.

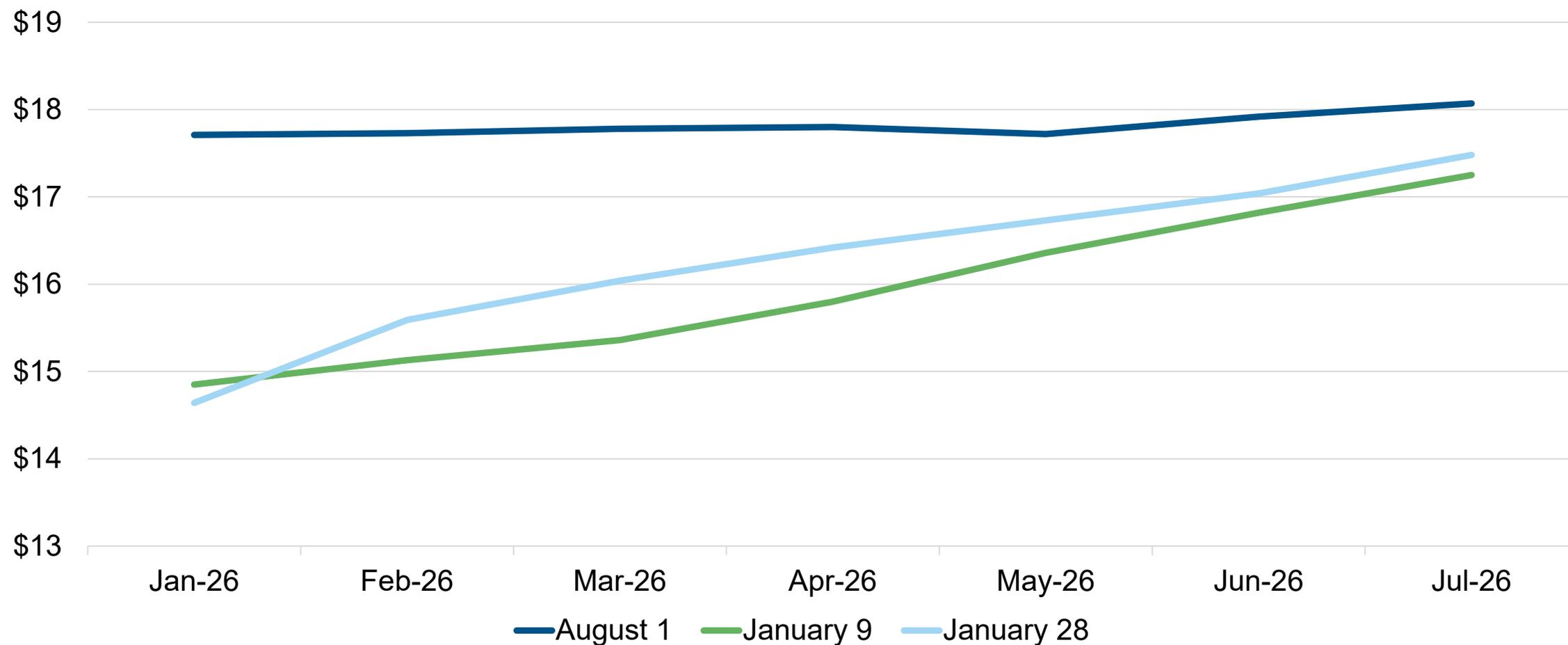
CME Class IV futures quickly turned bearish

Class IV Milk (in \$ per hundredweight)



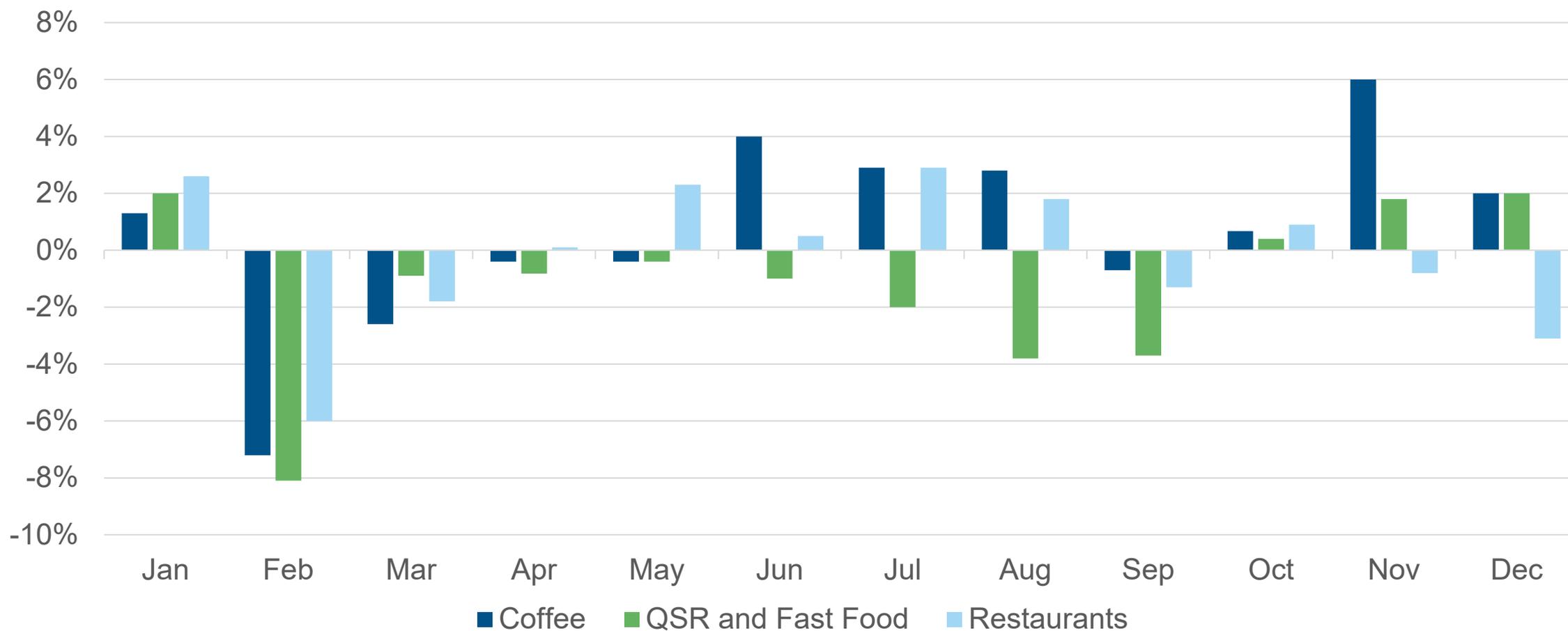
Class III Milk Futures Have Turned Lower

Class III Milk (in \$ per hundredweight)



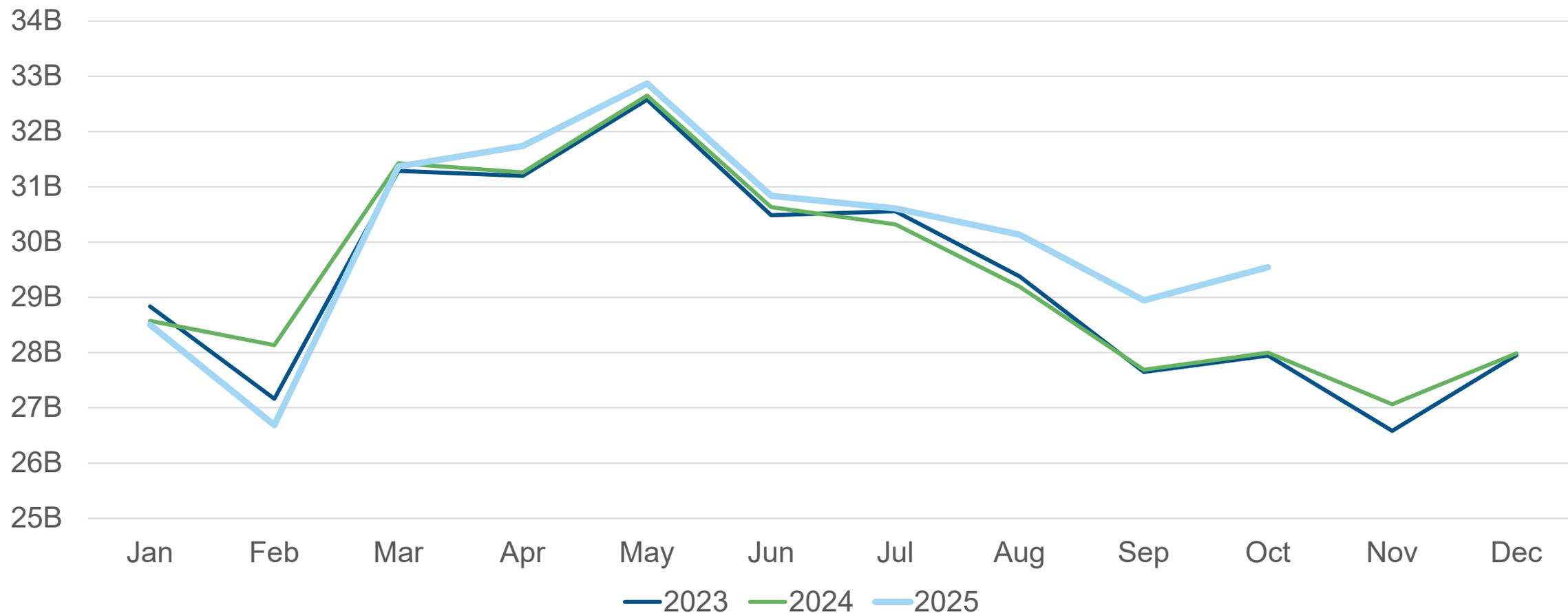
Restaurant visits show a shift in consumer behavior in 2025

Restaurant visits per location by restaurant type (% change YoY)



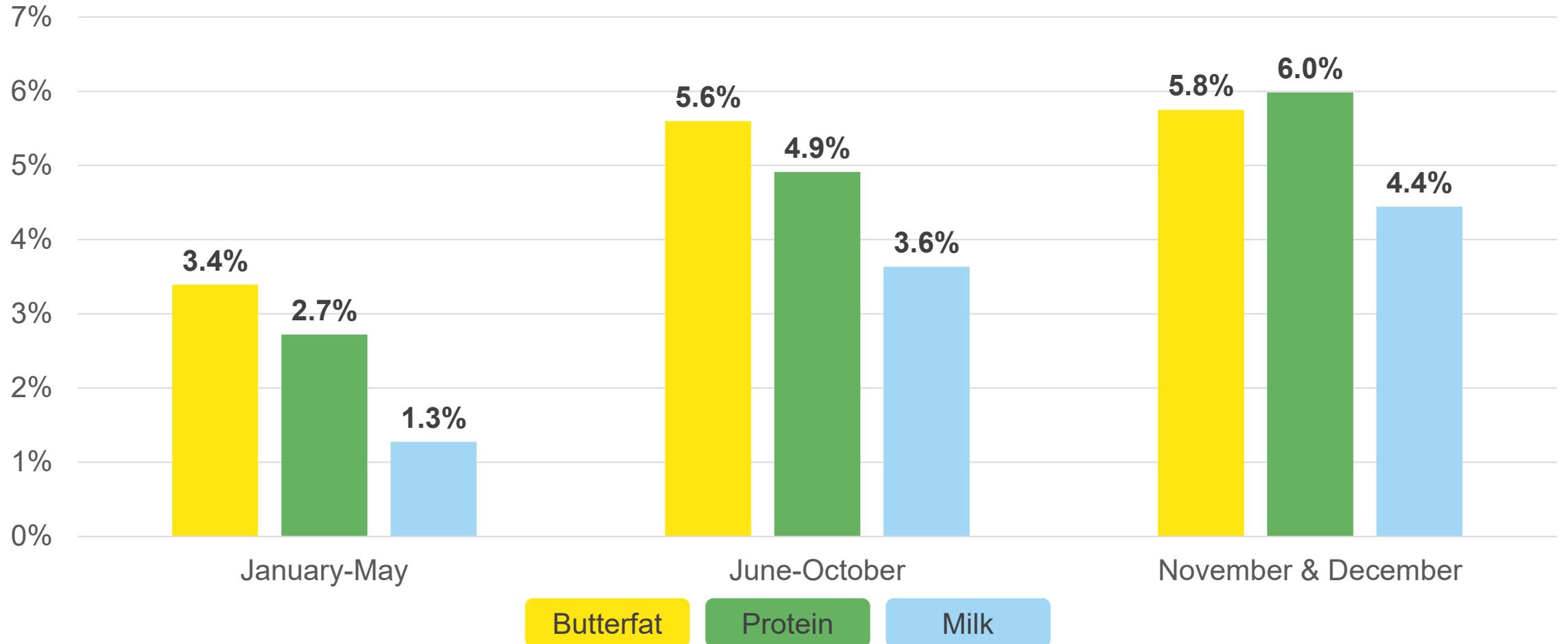
EU milk production has been moving higher

EU milk production (pounds)



Butterfat continues to outpace milk and protein

% change year-over-year



Largest dairy cow herd in 30 years

Monthly dairy cow inventory



Why cow numbers and milk may not contract quickly

Pennsylvania beef-on-dairy calf pricing (price per calf)



The triple play has transformed dairy

Dairy herd is growing based due to fewer cull cows

529,300

Pullback on dairy cow culling since Labor Day 2023



So far, 90,700 fewer cows in 2025 than last year



Fewer heifer replacements leading to fewer cows culled



Culling has picked up since August

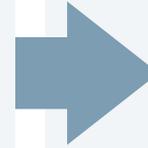
The dairy triple play

Sexed semen

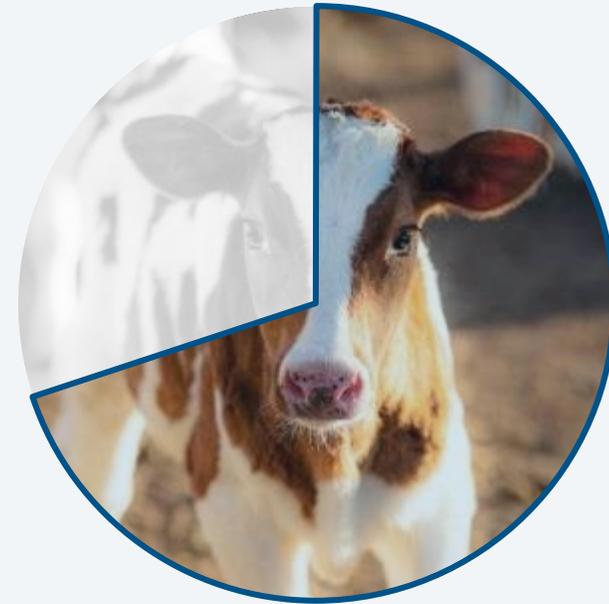
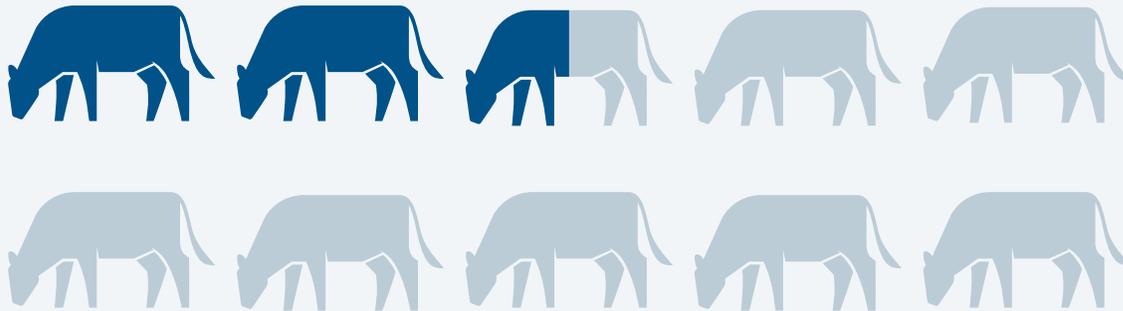
Genomics

Beef-on-dairy

20%-25% of U.S. dairy heifers have genomic tests



Revealing **70%** of genetic ability while still a calf



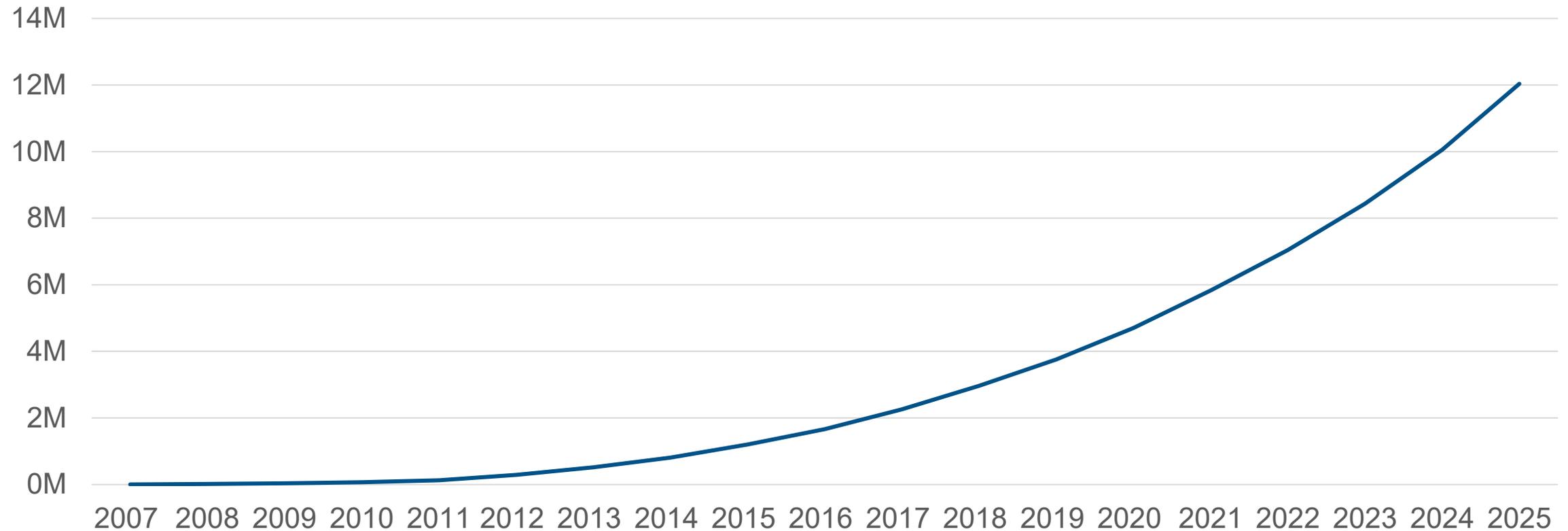
The dairy triple play

Sexed semen

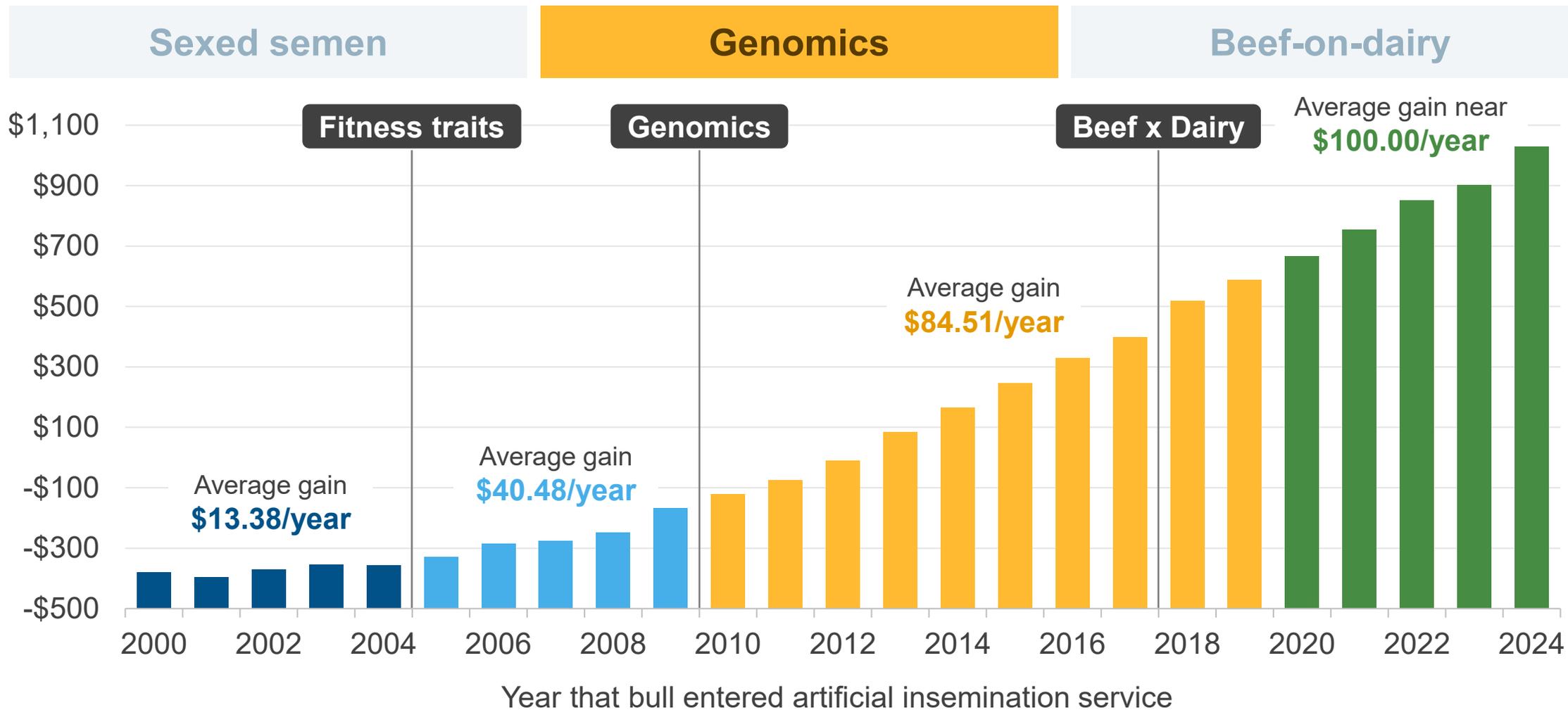
Genomics

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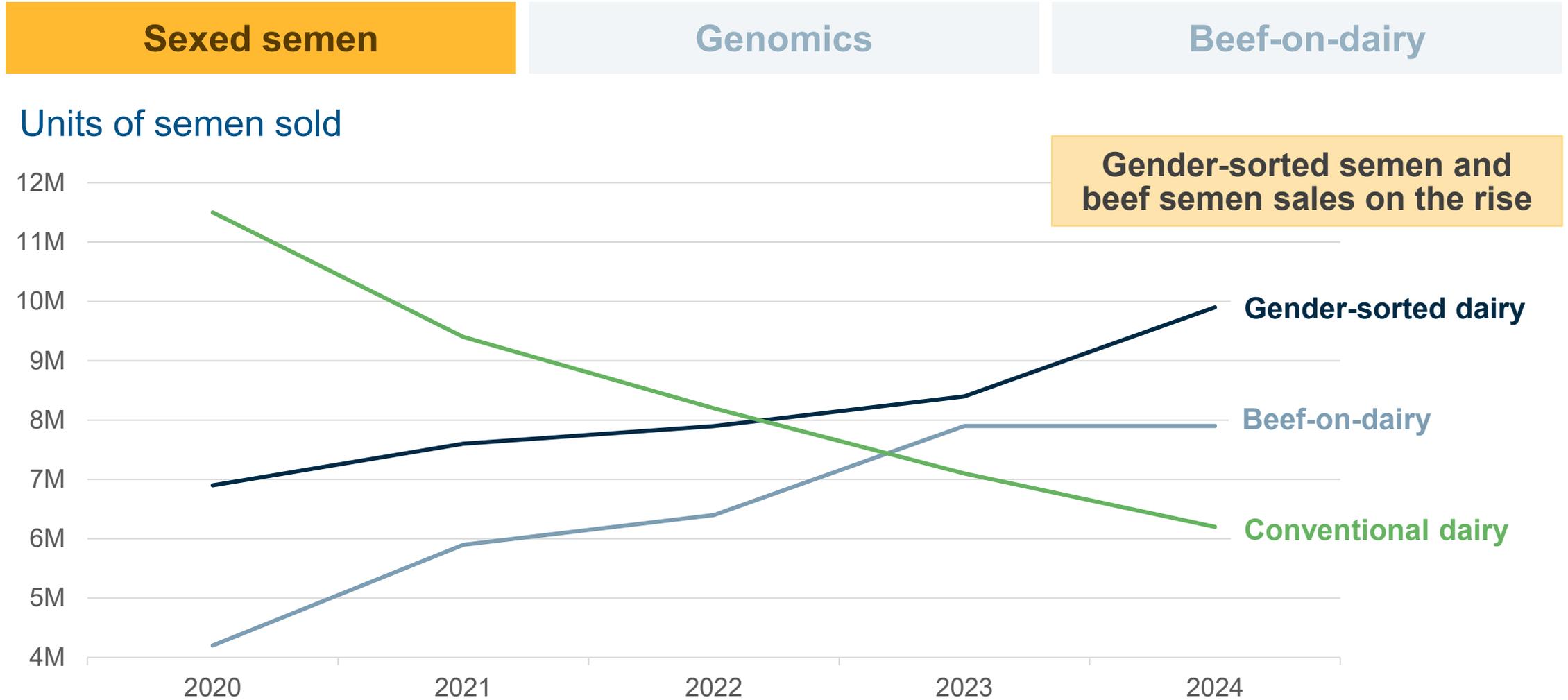
Animals genotyped in National Cooperator Database



Genetic merit of marketed Holstein bulls



Conventional semen sales continue to plummet



Beef-on-dairy continues to transform category

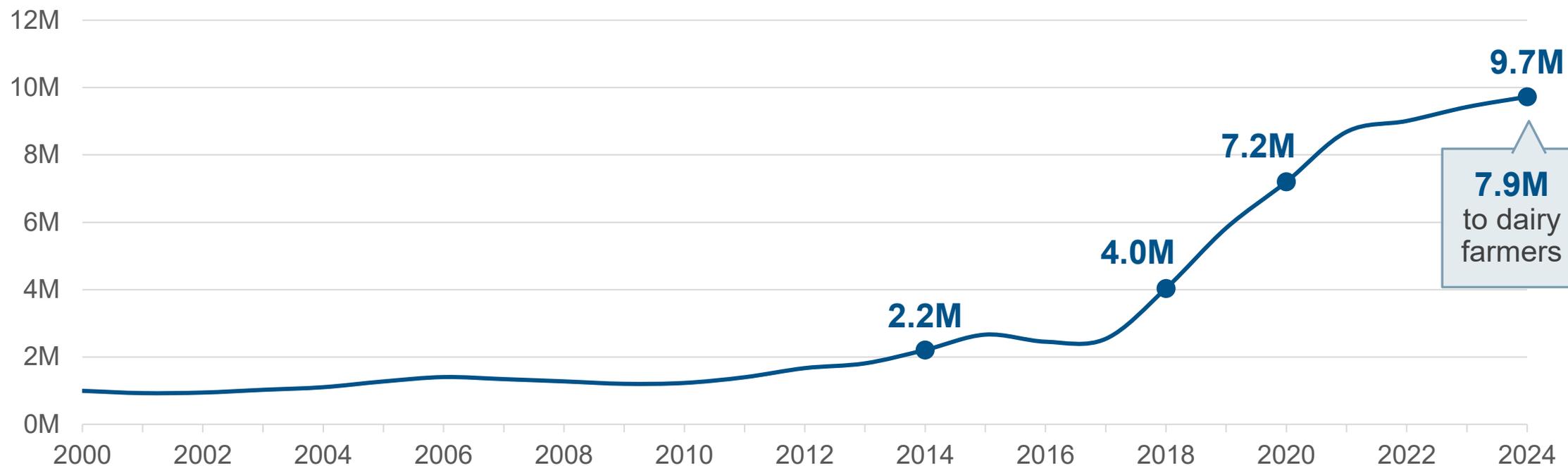
Sexed semen

Genomics

Beef-on-dairy

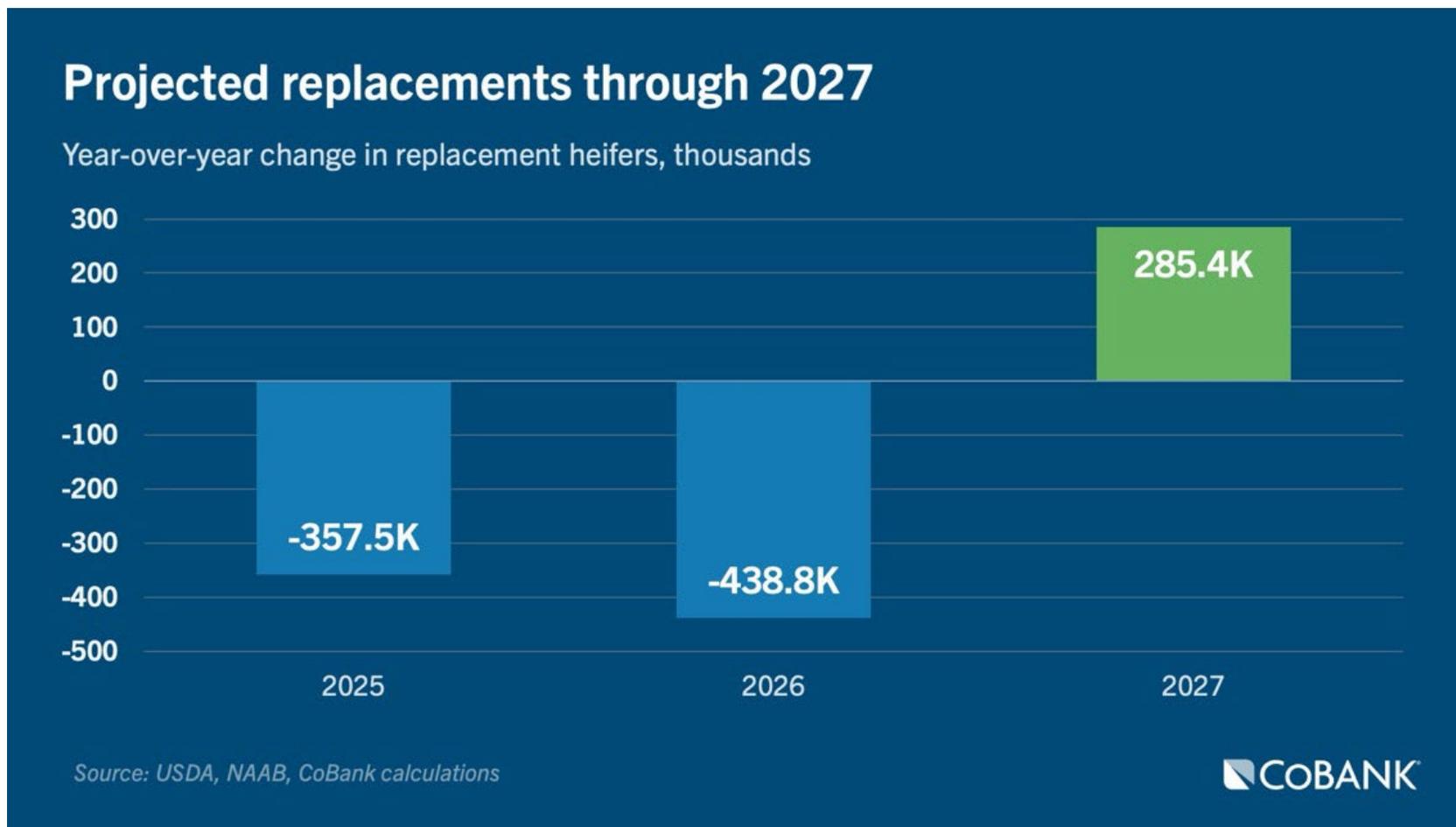
Domestic beef semen sales climbed substantially

Units sold



Dairy replacements will shrink further until 2027

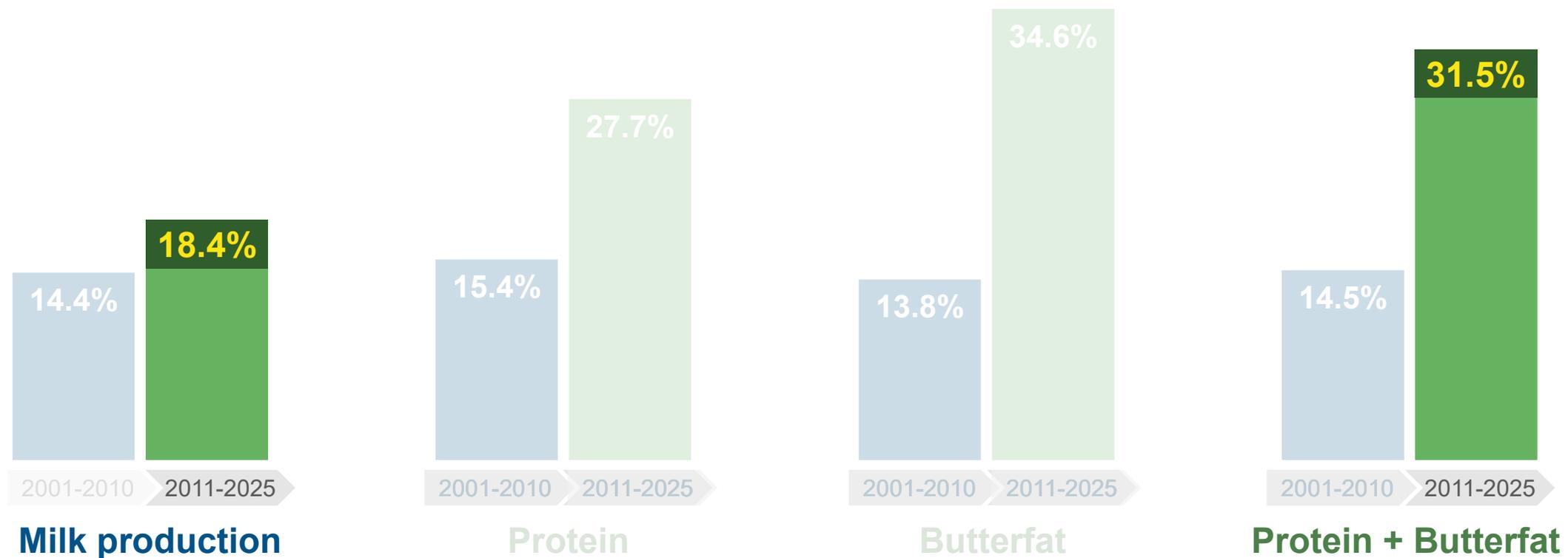
Dairy replacements available to enter the milking string on U.S. dairy farm (year over year)



Production and processing trends

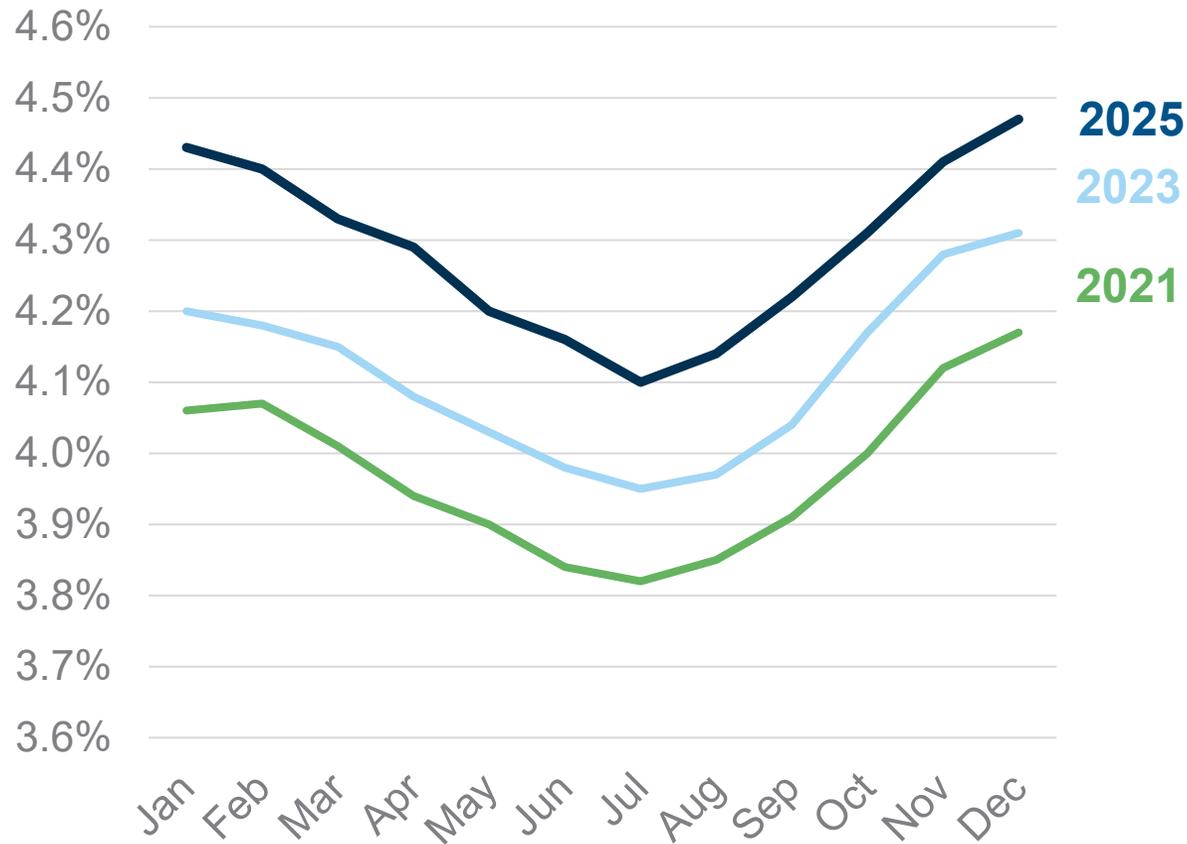
Milk components matter more than milk production

Percent change

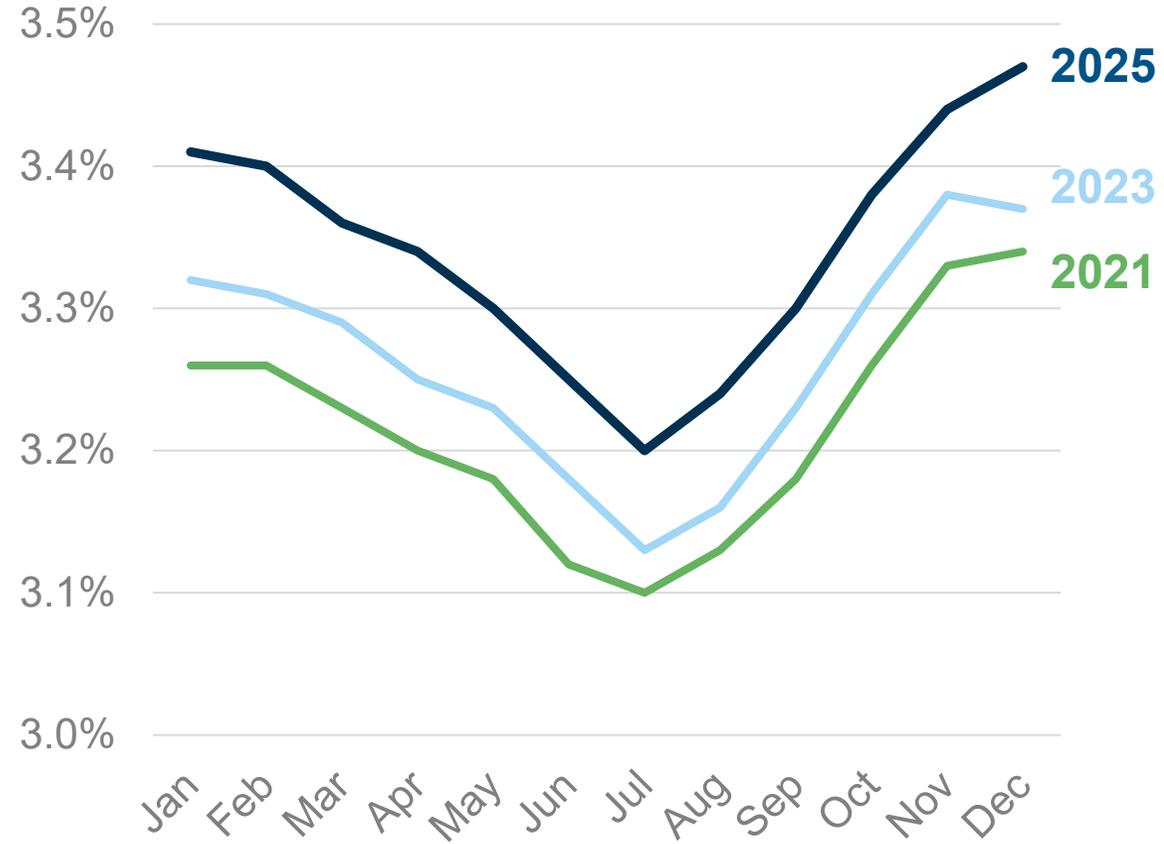


Big shifts in butterfat and protein levels

FMMO butterfat 2021 to 2025

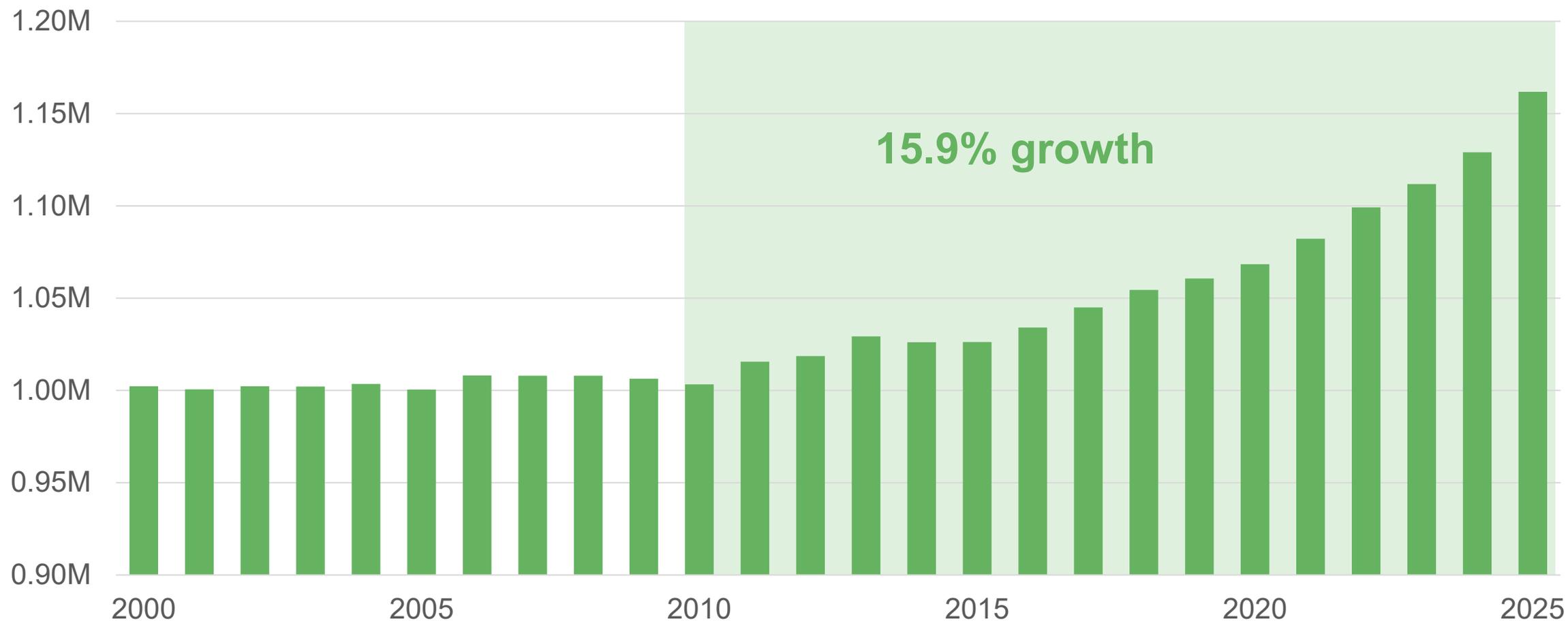


FMMO protein 2021 to 2025

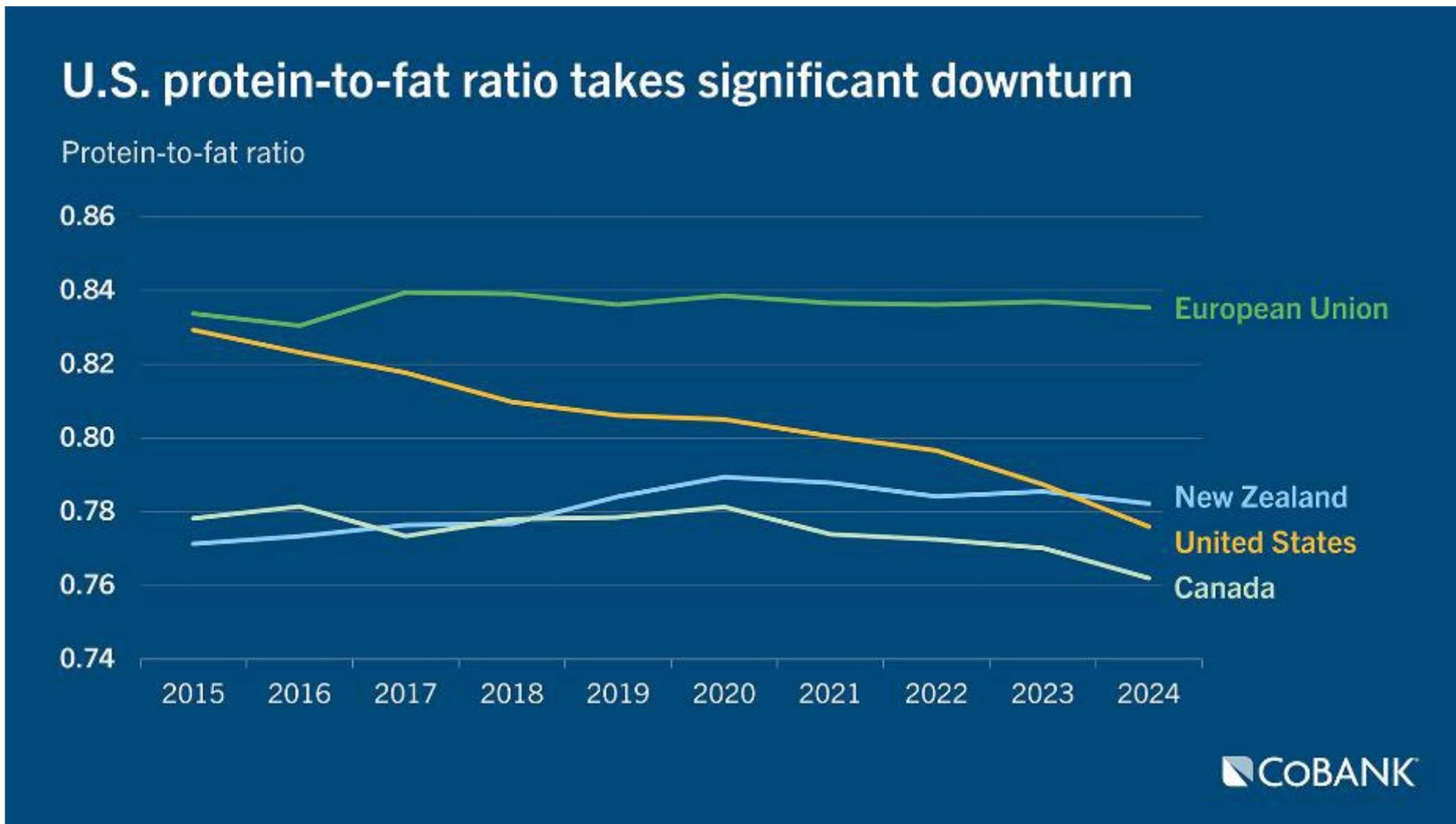


Cheddar cheese yield at a 3-million-per-pound cheese plant

Pounds of **Cheddar cheese** produced from 10 million pounds of milk per day

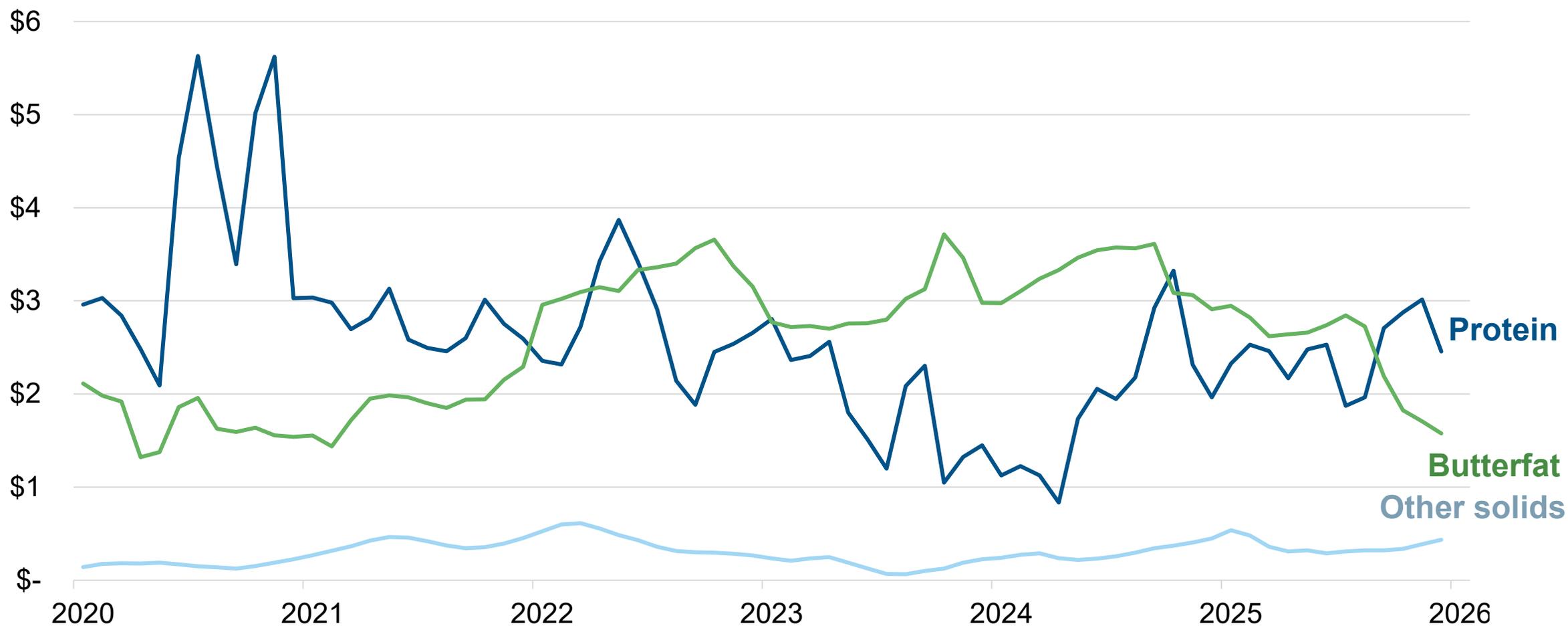


U.S. protein-to-fat ratio brings issues to cheesemakers



Over 90% of milk priced on Multiple Component Pricing

Monthly federal order butterfat, protein, and other solids prices (dollars per pound)



Dairy processing expansion is moving quickly

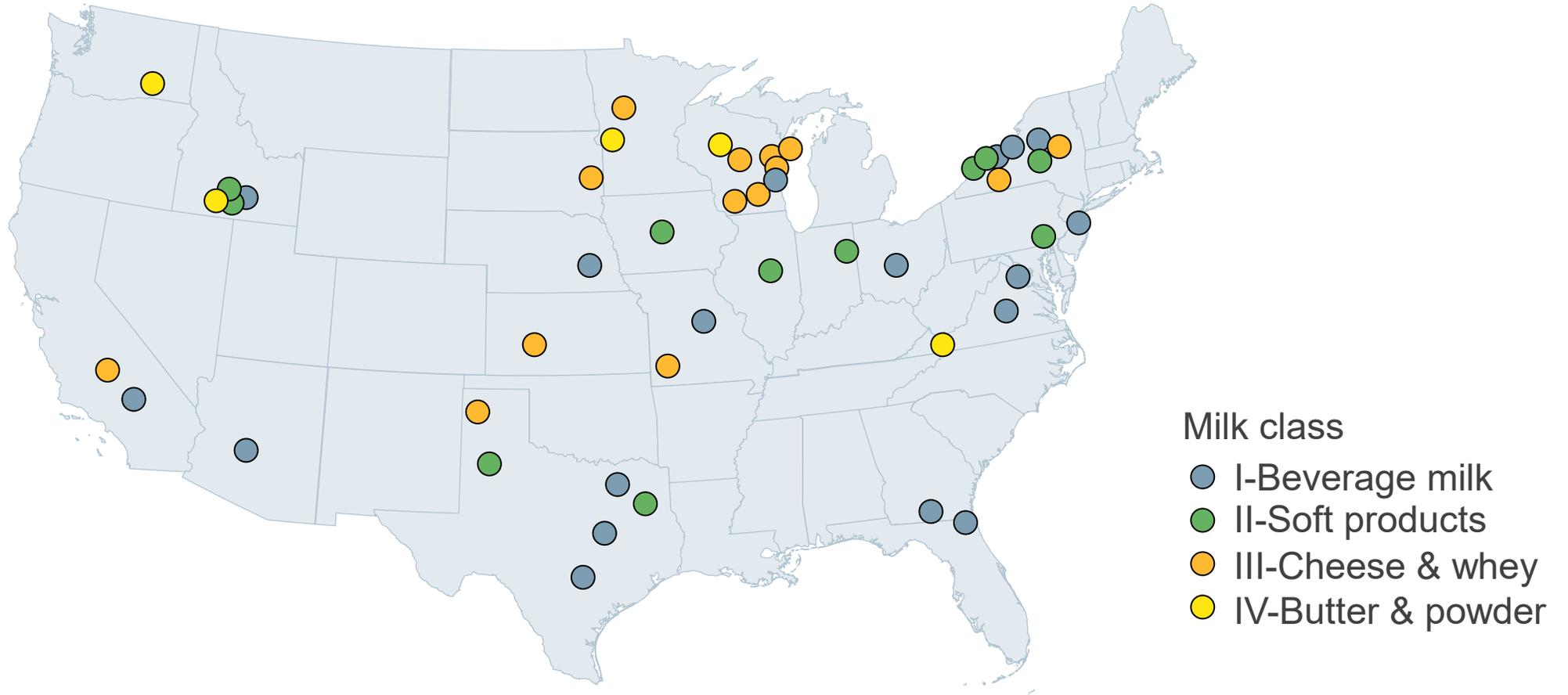


\$12 billion

Generational investment in the U.S. dairy industry

What's the future for U.S. dairy consumption?

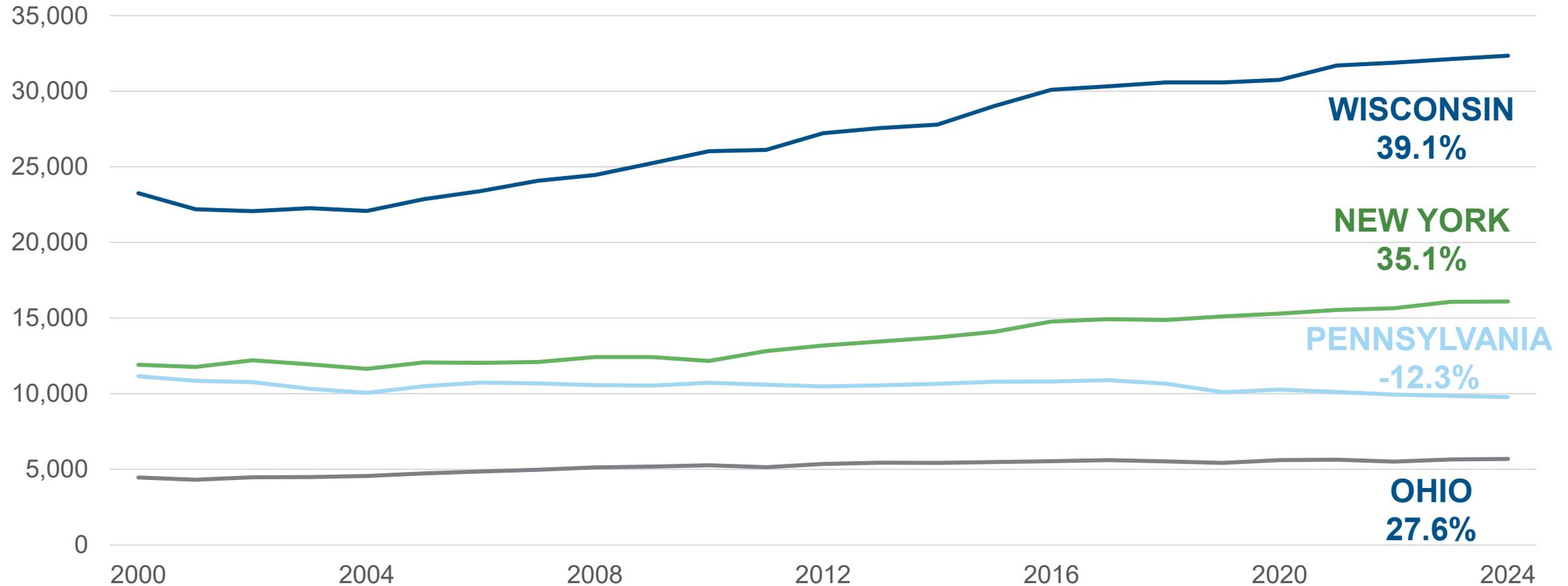
New or recently completed plants through 2028 – \$12 billion



The winds of change in traditional dairy states

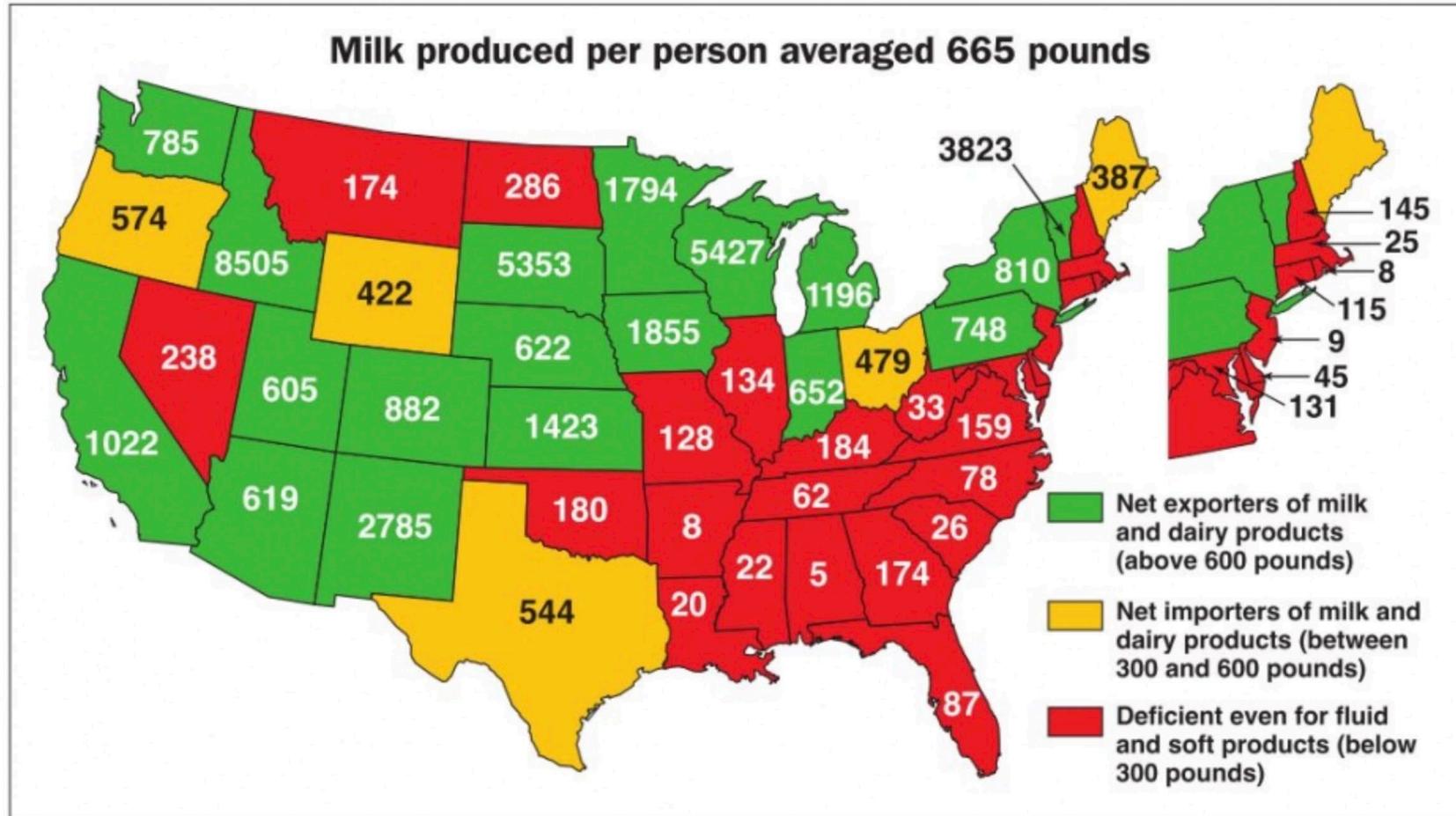
Annual milk production by state (in million pounds)

Percent change 2000-2024



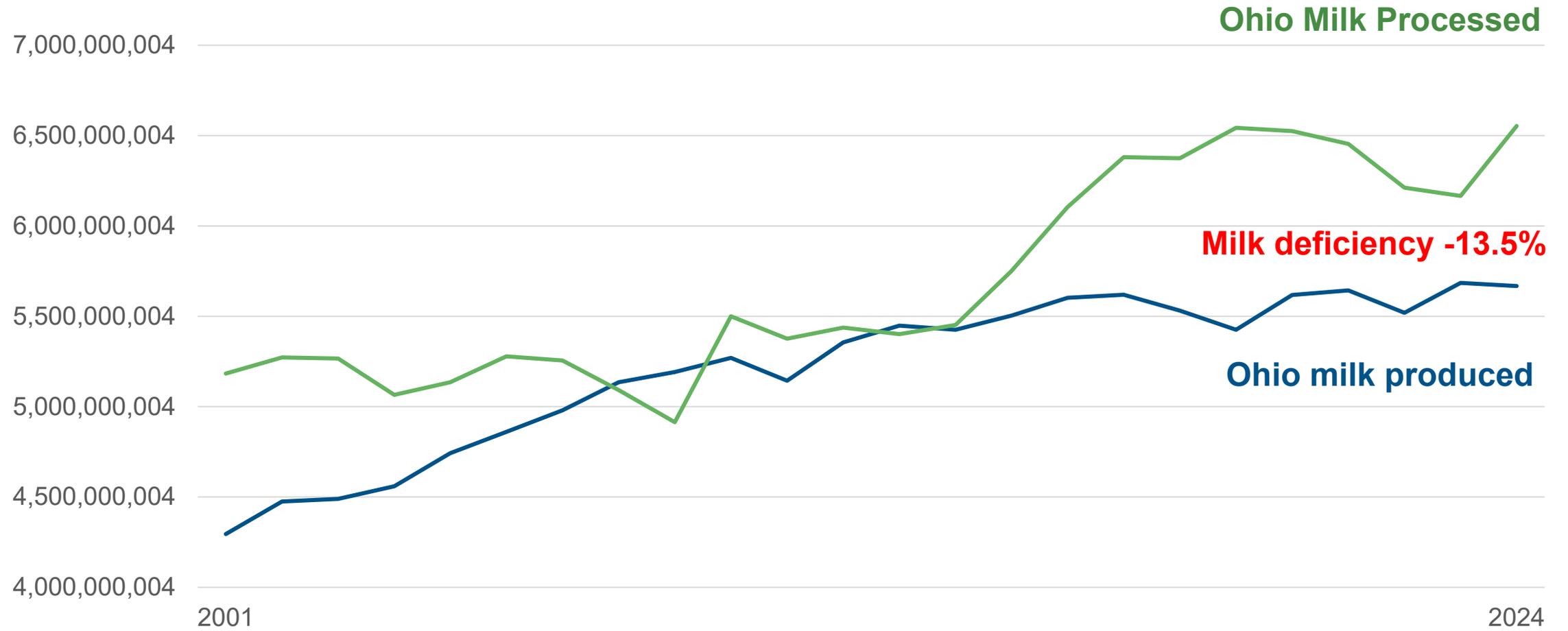
The winds of change in traditional dairy states

Annual milk produced per person – 2024



Ohio is milk deficit for its state's processors

(in million pounds)



Key themes



Dairy is a growing food category

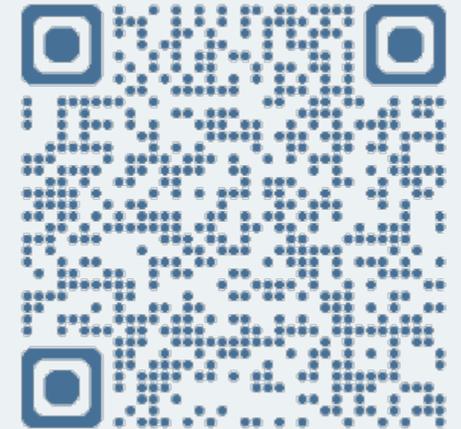


Historic growth in milk components



Ohio has an opportunity to grow

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