



South American Dairy Market Overview

Agricultural Marketing Service
Dairy Market News

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Milk production in South America varies from steady to lighter as seasonal changes take hold. Argentina handlers note February 2026 milk production reached a twelve year high for the month, and milk solids are up by double digit percentages. For South America, milk output is up year over year. Some handlers indicate year over year milk production gains are starting to slow. Stakeholders cite rising energy and fertilizer costs could negatively impact crop production and, in turn, milk production. An El Nino weather phenomenon is anticipated this year, which could bring wet weather to dairy areas in Argentina, Uruguay, and Brazil, potentially impacting cow comfort and developing crops.

Milk powder demands are mixed. For Brazil, industry sources indicate imports of skim milk powder and whole milk powder for January and February of 2026 are down compared to the same time frame in 2025. However, global demand is generally strengthening, and shorter lead times are anticipated to positively contribute to demands for milk powders produced in South America. Contacts indicate imports of mozzarella cheese are generally down year over year for South America. According to CLAL.it data, cheese production is up in major South America dairy-producing countries.

Information for the period March 16 - 27, 2026, issued biweekly

Secondary Sourced Information:

At GDT Event 400 (March 17)

- SMP prices across all contracts averaged \$3,409 per metric ton, up 5.2% from the previous GDT event.
- WMP prices across all contracts averaged \$3,709 per metric ton, down 4.0% from the previous GDT event.

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