South American Dairy Market Overview

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In South America farm level milk output varies from steady to lighter. Stakeholders report interest in milk production is growing, while year-over-year milk output paces are slowing. Some stakeholders indicate October looks to be the peak month for volumes. In some parts of South America wetter pastures are negatively impacting milk output and heavier rain is making road conditions more challenging for hauling. Industry sources note 2026 October milk production for Argentina is up year-over-year and year-to-date compared to October 2025 figures. According to the latest data from CLAL.it farm gate prices of raw milk are up for Chile and Brazil, but down for Uruguay and Argentina.

Demands for whole milk powder (WMP), skim milk powder (SMP), and fats vary from steady to lighter. Market participants indicate WMP and SMP spot load availability is not abundant, while cream is plenty available. Some handlers note excess cream is becoming a challenge and putting pressure on fat components. Sellers report weaker global markets for butter and anhydrous milk fat are impacting South American sellers and further downside is not out of the picture. Butter offers are noted around the mid $3,000s per metric ton. Anhydrous milk fat offers are noted around the mid $5,000s per metric ton.

Information for the period November 9 - 20, 2026, issued biweekly

Secondary Sourced Information:

At GDT Event 416 (November 17):
- SMP prices across all contracts averaged $4,187 per metric ton, up 2.2% from the previous event.
- WMP prices across all contracts averaged $4,081 per metric ton, up 2.7% from the previous event.

Per CLAL.it for January through October 2026 (compared to the same period in 2025)
- SMP imports for Brazil were 49,900 MT (+2.37%)
- WMP imports for Brazil were 136,800 MT (+22.04%)

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Dairy Market News - Madison, WI
ANDREW MATTHEIS, 608-422-8590
Email: andrew.mattheis@usda.gov

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