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Dairy Week In Review



Dated May 28, 2025

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$18.61/cwt.	▲ 4.3 %	▲ 6.6 %	▲ 0.3 %
Class IV Milk Price (May)	\$18.10/cwt.	—	▲ 7.8 %	▼ 12.0 %
Corn (Jul.)	\$ 4.59/bushel	▲ 1.1 %	▼ 0.2 %	▼ 0.6 %
SBean Meal (Jul.)	\$ 293.3/ton	▲ 2.4 %	▲ 1.0 %	▼ 22.1 %
DMC Margin (Mar)*	\$ 11.55/cwt.	—	▼ 12.0 %	▲ 19.7 %

**Each issue of "Dairy Week in Review" will report on the most recent Milk Margin published through USDA's Dairy Margin Coverage Program. This margin is published each month after the USDA Ag Prices Report is released.*

Markets:

- Based on the National Milk Producers Federation Market Report, butter, yogurt, and American-type cheese all experienced domestic growth in the first quarter of 2025, up 3.6, 7.6, and 0.2 percent, respectively, from the first quarter of 2024. For March, fluid milk sales fell 1.5% year over year, resulting in Q1 fluid sales decreasing 0.3 percent from Q1 2024's levels. While Q1 milkfat equivalent domestic use dropped 1.0 percent year over year, skim milk solids use increased 1.8 percent over the same timeframe.
- April's National Dairy Product Sales Report (NDPSR) survey showed decreases in nonfat dry milk, whey, and butter prices, year over year. This resulted in Federal Order Class II and IV prices falling \$2.01 per hundredweight (cwt) and \$2.19 per cwt from a year ago to April 2025. Over the same timeframe, cheddar block and barrel prices increased, which spurred a \$1.98 per cwt hike in Class III prices from \$15.50 per cwt to \$17.48 per cwt.
- In March, global low protein whey trade grew 8.0 percent from March 2024's numbers. The increase driven primarily by China's strong demand as China's low protein whey imports climbed 24.0 percent or 103,875 metric tons (MT) from the same time last year. Year over year, whey protein concentrate (WPC80+) numbers dropped marginally by 2.1 percent; however, prices are elevated compared to historical data at \$12,019 per MT. Even with high WPC80+ prices posing a risk, consumer demand continues to fuel the increase in the global trade.
- Global butter demand persists into March with U.S. and New Zealand (NZ) exports increasing significantly, propelled by the growing price gap between the European Union (EU) and the rest of the globe. With the EU's limited milkfat supplies and rising butter prices, ample U.S. cream inventories and an increased interest in NZ's skim/butter allowed both regions to become more competitive in the global butter market. Year over year, global butter trade increased by 17.4 percent with U.S. butter imports up 39.0 percent or 1,774 MT.

Government/Industry:

- The U.S. House of Representatives passed several budget items in their bill for budget reconciliation that could be really beneficial for dairy farmers. This includes extending the Dairy Margin Coverage (DMC) program through 2031, as well as allowing participating farmers to update their production history. The bill would also mandate processor cost-of-production surveys, which would be used to calculate make allowances. The same legislation would extend Section 199A tax deductions for dairy farmers and processors. Both groups depend on this deduction, which if this legislation is not passed, the deduction would cease the end of 2025. Currently, the bill awaits approval from the U.S. Senate.
- With the uptick in enforcement activity from the Dept. of Homeland Security (DHS) and U.S. Customs and Immigration Services (USCIS), the question is "what can farms do to protect their workforce and what do they need to know?" Join us on June 3 from 6:30 to 7:30 p.m. for a "nuts & bolts webinar" featuring Brook Duer with Penn State's Center for Agricultural and Shale Law. He will cover everything farmers need to know about I-9 audits and "ICE raids" and how to develop farm-specific protocols and plans. Scan the QR code for more information or to register.

