



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review



Dated June 10, 2025

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|----------------------------|----------------|---------------------|----------------------|---------------------|
| Class III Milk Price (Jun) | \$18.81/cwt. | ▲ 1.1 % | ▲ 1.8 % | ▼ 4.9 % |
| Class IV Milk Price (Jun) | \$18.42/cwt. | ▲ 1.6 % | ▲ 2.0 % | ▼ 12.9 % |
| Corn (Jul.) | \$ 4.39/bushel | ▲ 0.2 % | ▲ 0.7 % | ▼ 2.2 % |
| SBean Meal (Jul.) | \$ 295.9/ton | ▲ 0.5 % | ▲ 3.5 % | ▼ 17.6 % |
| DMC Margin (Apr)* | \$ 10.42/cwt. | — | ▼ 9.8 % | ▲ 8.5 % |

**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 April's USDA Dairy Product report, U.S. cheese production totaled 1.23 billion pounds, a 3.1 percent increase year over year. From April 2024 to April 2025, Italian-type cheese output rose 2.2 percent to 517 million pounds. Mozzarella saw modest gains with a 1.1 percent increase year over year.
- American-type cheese production equaled 492 million pounds, up 6.1 percent from the same month the prior year. Due to strong CME prices and new U.S. processing capacity coming online, Cheddar output, specifically, experienced a whopping 8.1 percent increase from April 2024's 312.7 million to April 2025's 338.1 million pounds.
- With fat tests trending upward and cream supplies growing, U.S. butter production continues to experience significant gains through April, totaling 216 million pounds and up 3.9 percent year over year. Domestic and international butter demand fueled the uptick in production and kept prices up, as well as cold storage inventories down.
- From April 2024 to April 2025, whey protein isolates and whey protein concentrates production increased by 6.5 percent and 8.7 percent, respectively. However, dry whey production for human consumption dropped 11 percent year over year. Due to rising trade-related tensions between China and the U.S., processors could be shifting their attention to products that are largely unaffected by the retaliatory tariffs.

Government/Industry:

- After the House passed Trump's "big beautiful bill" in May, Senators have been reviewing the act closely. House Speaker Mike Johnson firmly believes that the budget reconciliation package will be passed in the Senate by July 4. The current, House-passed version of the bill would allocate an additional \$52.3 billion to agriculture safety net programs, including ARC, PLC, DMC, marketing assistance loans, and crop insurance. Specifically for DMC, the legislation, if passed, would increase Tier 1 coverage from 5 million to 6 million pounds, allow farmers to update production history using the highest production year from 2021 to 2023, and add a lock-in premium discount of 25 percent.
- As of June 1, most of the Federal Milk Marketing Order (FMMO) reform rules are in effect. This includes switching from the "average of" to the "higher of" Class I pricing formula, increasing location differentials, removing barrel cheese from the protein and Class III pricing formulas, and updating make allowances. The skim milk composition factors will not be enacted until December 31. The new FMMO rules were implemented to overhaul the pricing formulas to better reflect the current dairy market climate.
- On June 11, the Center hosted the first of a new monthly "All Things Dairy" conference call series. These calls will provide a platform for industry partners and organizations to share timely updates, resources, programs, and upcoming events relevant to the dairy community. June's call featured Dr. Hamberg and Dr. Kalley from the PA Dept. of Agriculture, who provided updates on foot and mouth disease, HPAI, and New World Screwworm. Visit the Center's website www.centerfordairyexcellence.org to read a call summary.