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Dairy EXCELLENCE
Dairy Week In Review



Dated June 25, 2025

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jun)	\$18.67/cwt.	▼ 0.1 %	▲ 0.3 %	▼ 6.1 %
Class IV Milk Price (Jun)	\$18.45/cwt.	—	▲ 1.9 %	▼ 12.8 %
Corn (Jul.)	\$ 4.16/bushel	▼ 3.5 %	▼ 9.4 %	▼ 2.1 %
SBean Meal (Jul.)	\$ 280.5/ton	▼ 1.6 %	▼ 4.4 %	▼ 23.3 %
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 the May USDA Milk Production report, U.S. milk output totaled 19.9 billion pounds, a 1.6 percent increase from May 2024's levels. This marks the second consecutive month of production gains for 2025. May U.S. production per cow averaged 2,110 pounds, up 7 pounds from May 2024 to May 2025. The U.S. milking herd rose 114,000 head and 5,000 head year over year and month over month, respectively. This is the highest number of cows reported since August 2021. April's revised cow numbers showed a 15,000 head increase from March to April 2025. Strong beef prices continue to lead to tightening heifer inventories and high replacement costs. Dairy farmers are still retaining more of their cull cows in lieu of buying replacement heifers, thus bolstering the U.S. cow numbers.
- At the state level, Kansas, South Dakota, and Texas experienced 15.7, 9.5, 8.9-percent year over year increases in milk production. Overall, sixteen states reported growth in their milk production from May 2024 to May 2025. However, Illinois, Washington, and Oregon felt 4.0, 3.3, and 2.3-percent losses in production over the same timeframe. Pennsylvania's milk production holds steady at 849 million pounds with no change reported from May 2024 to May 2025.
- On July 18, the USDA announced July's advance prices. Base Class I price increased \$1.56 per hundredweight (cwt) from June to \$18.82 per cwt. The Base Skim Milk price reached \$9.66 per cwt, up \$1.11 per cwt from June to July. July's Class I Extended Shelf Life (ESL) Adjustment was \$1.14 per cwt, down 24 cents from the prior month.
- For July, the Advanced Class III and Class IV Pricing Factors were announced at \$9.66 per cwt and \$8.97 per cwt, respectively. The two-week product price averages for butter, nonfat dry milk, cheese (40-lb block), and dry whey were as follows: \$2.4685 per lb., \$1.2463 per lb., \$1.9373 per lb., and \$0.5436 per lb. July's two-week product price averages were up across the board from June's advance price averages; however, year over year, all price averages were down compared to July 2024's advance numbers.

Government/Industry:

- According to the American Farm Bureau Federation's economist, Faith Parum, due to increasing import demand and changes in global trade, the 2025 U.S. agricultural trade deficit grows further. Between January and April of this year, the U.S. reported \$78.2 billion in imports with only \$58.5 billion in exports, a whopping \$19.7 billion shortfall. This the largest deficit ever recorded for the first four months of year, which could mean 2025's gap might exceed previous records. The trade imbalance is a result of rising U.S. export costs, increasing domestic demand for high-value, consumer-ready products, as well as a projected hike in U.S. horticultural product imports. However, to explore global market opportunities, the U.S. and U.K. announced a new trade deal that would eliminate U.K. tariffs on U.S. beef and ethanol, which could lead to new avenues for U.S. beef and corn exports.
- On July 9 at 1 p.m., the Center will host next "All Things Dairy" call, where Beth Meyer from the American Dairy Association North East will provide tips and advice on fair preparation and interacting with the public. Seth Confer, Biosecurity Program Specialist, will touch on biosecurity tips for exhibitors and how to keep their animals safe when traveling for fair season. These monthly conference calls were designed to provide a space for organizations, agencies, resources, and other industry partners to share updates, programs, and upcoming events with the dairy community. To add this call to your calendar or for more information, scan the QR code.

