



Dairy Week In Review

Dated July 9, 2025

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jul)	\$17.23/cwt.	▼ 3.0 %	▼ 8.4 %	▼ 12.8 %
Class IV Milk Price (Jul)	\$ 19.01/cwt.	▲ 1.0 %	▲ 3.2 %	▼ 11.2 %
Corn (Jul.)	\$ 4.11/bushel	▼ 2.1 %	▼ 3.7 %	▲ 2.8 %
SBean Meal (Jul.)	\$ 267.2/ton	▼ 1.5 %	▼ 9.7 %	▼ 29.0 %
DMC Margin (May)*	\$ 10.40/cwt.	—	▼ 0.2 %	▼ 1.1 %

**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 Dairy Products report, total cheese output, excluding cottage cheese, reached 1.52 million pounds, up 3.3 percent year over year. Italian type cheese production rose 2.4 percent from May 2024's levels, and American type cheese hit 512 million pounds, a 5.6 increase year over year, with cheddar down 2.7 percent from May 2024 to 156 million pounds.
- For May, U.S. butter production climbed 3.5 percent from the same month the prior year to 212 million pounds as butter processors capitalize on the abundant cream supplies and strong global export demand. Pennsylvania butter production fell 6.8 percent year over year while the Central U.S. states saw a combined 7.6 percent increase in butter output.
- While U.S. butter output saw strong gains, regular and low-fat ice cream saw 4.4 and 1.9 percent decreases in production, respectively. While experiencing a 3.8 percent increase month over month, cream and Neufchatel cheeses felt a 0.5 year over year decrease in production. However, while curd cottage cheese totaled 43.3 million pounds for May, up a whopping 12.5 percent from May 2024's levels. This could be fueled by consumer preferences rooted in health and wellness.
- With U.S.-China trade tensions continuing, May's dry whey for animal consumption production fell 31.9 percent year over year while manufacturers' end of month stocks fell 33.3 percent.
- Looking at May's USDA Cold Storage report, total natural cheese stocks were down 2 percent from May 2024's totals to 1.412 billion pounds. Butter stocks fell 5 percent to 361.6 million pounds from the same month a year ago. With global demand for U.S. butter and cheese strong, there are less stocks in warehouse inventories. However, cheese and butter stocks felt month over month increases of 1 percent and 7 percent, respectively, so the tides could shift in the coming months.

Government/Industry:

- On July 4, President Trump signed the "One Big Beautiful Bill" Act into law after the legislation barely made it through the U.S. Senate and House of Representative early last week. There are several proposed changes that could directly affect dairy farmers and cooperatives. In the bill, additional funds have been allocated to develop the Supplemental Agricultural Trade Promotion Program, which would amplify U.S. agricultural products promotion on a global scale. The act also designates \$9 million for USDA-implemented mandatory dairy plant cost surveys to more gauge dairy manufacturing costs to keep make allowances more accurate. The bill also outlines several beneficial updates to the Dairy Margin Coverage program, as well as several other pieces of legislation that would impact the U.S. dairy industry.
- The 90-day delay on reciprocal tariffs on several countries has been extended from July 1 to August 1. The affected countries will be notified of the new rates today, but the tariffs will not take effect until August 1.
- Since cattle imports from Mexico were suspended in May of this year to prevent the spread of New World Screwworm, the USDA announced that on July 7 that they would resume accepting cattle imports through a singular border entry point in Arizona. Going forward, the USDA plans to open four more border entry points in the coming months.