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**Dairy** EXCELLENCE  
 Dairy Week In Review



Dated August 6, 2025

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Aug)	\$ 17.39/cwt.	▲ 0.5 %	▼ 2.7 %	▼ 12.8 %
Class IV Milk Price (Aug)	\$ 18.95/cwt.	▲ 0.2 %	▲ 3.0 %	▼ 11.8 %
Corn (Sep.)	\$ 3.81/bushel	▼ 2.1 %	▲ 0.4 %	▲ 0.3 %
SBean Meal (Aug.)	\$ 273.6/ton	▲ 4.4 %	▼ 3.5 %	▼ 25.7 %
DMC Margin (June)*	\$ 11.10/cwt.	—	▲ 6.7 %	▼ 4.9 %

*\*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:**

- The USDA announced June's margin under the Dairy Margin Coverage (DMC) Program to be \$11.10 per hundredweight (cwt), up 70 cents from May's margin and down 56 cents from June 2024. With June marking the halfway point for this program year, participating producers have not received any indemnities thus far.
- From May to June, the all-milk price held steady at \$21.30 per cwt. Compared to prior years, the all-milk price decreased by \$1.50 or 6.6 percent from \$22.80 per cwt in June 2024 and increased by \$3.20 or 17.7 percent from \$18.10 per cwt in June 2020. While the all-milk price remained unchanged, lower feed costs widened the margin from May to June, down 70 cents from \$10.90 to \$10.20 per cwt. Year over year, feed costs fell 56 cents from June 2024's \$11.66 per cwt. However, from June 2020 to 2025, we notice that total feed costs rose by \$1.93 per cwt.
- Across the board, feed commodity prices decreased from May's values. Soybean meal (SBM) experienced a slight decline of \$8.05 month over month from \$288.75 to \$280.70 per ton. Premium alfalfa hay was reported to be \$244.00 per ton, a \$33.00 decline from the previous month's \$277.00 per ton. Although, the drop in corn price really drove the total feed costs lower. From May to June, the corn price fell 17 cents from \$4.64 to \$4.47 per bu.
- Updated August 1, the DMC Decision Tool forecasts that margins will be above the \$9.50 trigger for the second half of the program year. If the projections hold true, we may not see indemnities for the rest of program year 2025. As of now, projected DMC margins will dip slightly to \$11.04 per cwt, then trend upward to \$13.28 per cwt, then fall to \$13.03 per cwt in December. For the rest of the year, the forecasted DMC margins average \$12.38 per cwt.
- USDA announced the July Class III and IV milk prices late last week. The Class III price was announced at \$17.32 per hundredweight, down \$1.50 from June and \$2.55 below year ago levels. The Class IV price was announced at \$18.89 per hundredweight, up 59 cents from June, but down \$2.42 from a year ago levels.
- A growing dairy herd and higher dairy supplies globally are weighing on milk price futures right now as we head into the fall. Looking ahead, Class III milk futures prices are averaging \$18.20 per cwt., while Class IV milk futures prices average \$19.25 per cwt. As a comparison, the annual average for Class III prices in 2024 was \$18.89 per cwt. while the annual average for Class IV prices was \$20.75 per cwt.

**Government/Industry:**

- Effective July 1, the Livestock Risk Protection Program will cover dairy cull cows and dairy-beef calf crosses. We've been seeing record high cull cow and beef prices, and this program would allow enrolled dairies to mitigate price risk on their beef animals by setting a minimum price, up to 100 percent, on recent feeder cattle futures, on calves and cull cows for a premium.
- Another risk management tool is Dairy Revenue Protection (DRP), where dairy farmers cover revenue on a quarterly basis, up to five quarters. Through this program, producers can choose between Class Pricing, based on Class III and Class IV milk prices, and Component Pricing, based on butterfat, protein, and other solids values. In August, producers can opt in to coverage for the fourth quarter of 2025 (October to December) through 2026's fourth quarter.