

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JUNE 18, 2025 — except where noted

**Dairy margins and the beef market:** There's a unique and fascinating dynamic at play in the dairy industry today, fueled by record-high beef prices. For perhaps the first time in modern history, dairy producer margins and expansion appetites are increasingly tied to what's playing out in the beef market as profits from calves and cull cows balloon.

How did we get here? To keep it simple: The beef herd got tight, and it remains tight. In early 2025, USDA pegged the U.S. beef herd inventory at 87 million head, down from 2024's lows and marks the sixth consecutive year of declining numbers following a significant drought a few years ago. At the same time, like the dairy industry, heifer replacement inventories are snug, and ranchers still have little incentive to hold onto more brood cows. The dairy industry has helped to fill some of the gaps in recent years with a boom in beef x dairy breeding, but the beef industry continues to fall behind.

At the same time, we continue to see consumers spending right through sharply higher beef prices at the grocery store, with recent retail scanner data through April still showing healthy gains. A pound of ground beef in May cost \$5.98, up 16% year-over-year to a new record high.

The sky is not the limit in the beef market, however. There's growing pressure on margins throughout the supply chain, from the feedlots to the packers, as strong live cattle prices chip away at profitability. Though it's not unheard of for packer margins to stay underwater for a period of time, there will come a point when something has to give. Will packers further slow throughput, sending boxed beef cutout prices even higher while pushing live cattle weights up? Is there a risk of further plant closures and/or consolidation? Whatever the case, for now, the current strong cattle cycle persists.


What does all this ultimately have to do with dairy? The dairy industry is ultimately a major player in beef supply. And today, high beef prices are providing a profitable exit ramp for older and/or less productive animals. Yet over the past 18+ months,

we've seen a persistent slowdown in dairy animal slaughter even with high cull cow prices. Will there come a point when the milk margin pressure pushes more cows out the door? At the same time, however, the dairy industry is also sitting on a mine of brood cows. Beef x dairy breeding has exploded in recent years, and the returns have been, well, lucrative. Reports from across the country suggest that day-old calves are selling for \$1,000 or better in many cases. That's real money on the table for dairy producers. In my estimation, in an environment with relatively low feed costs, it wouldn't be a surprise to see more dairy producers hold on to lower-end producers and/or older cows longer than normal, so long as she's pregnant with a beef calf.


Given the dairy industry's growing reliance on the beef revenues, it's important for producers to consider risk management on that expanding income stream. Starting in July, USDA/RMA's Livestock Risk Protection (LRP) program will give dairy producers new price protection opportunities for day-old crossbred calves and cull cows. Like the Dairy Revenue Protection (DRP) program, this new offering allows producers a way to protect downside risk on beef assets by setting a minimum price, up to 100% of current feeder cattle futures, for your calves or cull cows for a small premium. Quite simply, if you want to protect beef revenues at record-high levels, USDA/RMA's expanded LRP programming could help.

The risk of loss trading commodity futures and options can be substantial. Investors should carefully consider the inherent risks in light of their financial condition. The information contained herein has been obtained from sources to be reliable, however, no independent verification has been made. The information contained herein is strictly the opinion of its author and not necessarily of Ever.Ag and is intended to be a solicitation. Past performance is not indicative of future results.



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CME DAILY FUTURES & OPTIONS TRADING — JUNE 18, 2025 AT THE CLOSE


| CME DAILY FUTURES & OPTIONS TRADING — JUNE 18, 2025 AT THE CLOSE  |  |        |        |        |        |        |        |        |        |        |        |        |                     |       |       |       |       |       |       |       |       |       |       |       |
|---|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   | JUN-25   | JUL-25 | AUG-25 | SEP-25 | OCT-25 | NOV-25 | DEC-25 | JAN-26 | FEB-26 | MAR-26 | APR-26 | MAY-26 | TREND               |       |       |       |       |       |       |       |       |       |       |       |
|    | CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Jun25 down \$0.15; Jul-Sep25 down \$0.50-0.60; rest of board down \$0.15-0.40, except Apr26 steady.  |        |        |        |        |        |        |        |        |        |        |        | 12-Month Avg. 18.32 |       | ↓↓    |       |       |       |       |       |       |       |       |       |
|   | 18.68  | 17.66  | 18.20  | 18.57  | 18.79  | 18.61  | 18.55  | 18.28  | 18.15  | 18.08  | 18.15  | 18.06  | ↓↓                  |       |       |       |       |       |       |       |       |       |       |       |
|    | CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Jun25 up \$0.05; Jul-Dec25 up \$0.10-0.30; rest of board down \$0.05-0.20, except Jan26 & Apr26 firm. |        |        |        |        |        |        |        |        |        |        |        | 12-Month Avg. 19.64 |       | ↑↑    |       |       |       |       |       |       |       |       |       |
|   | 18.45  | 19.13  | 19.49  | 19.83  | 20.08  | 20.15  | 20.22  | 19.75  | 19.60  | 19.65  | 19.73  | 19.65  | ↑↑                  |       |       |       |       |       |       |       |       |       |       |       |
| MILK BASIS (MAILBOX minus CLASS 3 \$/CWT) 2018-23 AVG FOR NORTHEAST & MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY |  |        |        |        |        |        |        |        |        |        |        |        |                     |       |       |       |       |       |       |       |       |       |       |       |
| Mailbox   | 18.68  | 18.38  | 18.65  | 18.35  | 18.62  | 18.41  | 19.27  | 18.75  | 20.20  | 19.76  | 20.58  | 20.17  | 20.25               | 19.64 | 19.22 | 18.75 | 18.82 | 18.25 | 18.96 | 18.48 | 18.64 | 18.27 | 18.52 | 18.15 |
| Class III   | 18.16  | 18.16  | 18.16  | 18.16  | 17.59  | 17.59  | 17.60  | 17.60  | 18.72  | 18.72  | 19.07  | 19.07  | 17.30               | 17.30 | 16.81 | 16.81 | 16.03 | 16.03 | 16.98 | 16.98 | 17.31 | 17.31 | 17.33 | 17.33 |
| BASIS   | 0.52   | 0.22   | 0.49   | 0.19   | 1.03   | 0.82   | 1.67   | 1.15   | 1.48   | 1.04   | 1.51   | 1.10   | 2.95                | 2.34  | 2.41  | 1.94  | 2.79  | 2.22  | 1.98  | 1.50  | 1.33  | 0.96  | 1.19  | 0.82  |



| CORN FUTURES (\$/BU) |        |        |        |        |        |        |        |        |        |        |        |        |    | TREND |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----|-------|
| JUL-25               | SEP-25 | DEC-25 | MAR-26 | MAY-26 | JUL-26 | SEP-26 | DEC-26 | MAR-27 | MAY-27 | JUL-27 | SEP-27 | DEC-27 |    |       |
| 4.334                | 4.290  | 4.440  | 4.592  | 4.686  | 4.746  | 4.652  | 4.716  | 4.836  | 4.896  | 4.920  | 4.680  | 4.694  | ↑↑ |       |



| SOYMEAL FUTURES (\$/TON) |        |        |        |        |        |        |        |        |        |        |        |        |    | TREND |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----|-------|
| JUL-25                   | AUG-25 | SEP-25 | OCT-25 | DEC-25 | JAN-26 | MAR-26 | MAY-26 | JUL-26 | AUG-26 | SEP-26 | OCT-26 | DEC-26 |    |       |
| 284.9                    | 289.1  | 292.2  | 293.8  | 298.3  | 301.1  | 305.3  | 309.1  | 313.2  | 314.0  | 313.6  | 311.4  | 313.5  | ↓↓ |       |



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U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report

| FEB-24 | MAR-24 | APR-24 | MAY-24 | JUN-24 | JUL-24 | AUG-24 | SEP-24 | OCT-24 | NOV-24 | DEC-24 | JAN-25 | FEB-25 | MAR-25 | APR-25 | *MAY-25 |    |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|----|
| 224.50 | 205.02 | 220.17 | 175.00 | 211.69 | 185.21 | 196.44 | 199.57 | 206.63 | 192.20 | 184.82 | 184.49 | 189.60 | 195.30 | 195.50 | *187.01 | ↓↓ |

| DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |         |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| DMC  | DEC-23 | JAN-24 | FEB-24 | MAR-24 | APR-24 | MAY-24 | JUN-24 | JUL-24 | AUG-24 | SEP-24 | OCT-24 | NOV-24 | DEC-24 | JAN-25 | FEB-25 | MAR-25 | *APR-25 |
|  | 8.44   | 8.48   | 9.44   | 9.65   | 9.60   | 10.52  | 11.66  | 12.33  | 13.72  | 15.57  | 15.17  | 14.29  | 13.38  | 13.85  | 13.12  | 11.55  | *10.42  |
| ALL MILK   | 20.60  | 20.10  | 20.60  | 20.70  | 20.50  | 22.00  | 22.80  | 22.80  | 23.60  | 25.50  | 25.20  | 24.20  | 23.30  | 24.10  | 23.60  | 22.00  | *21.00  |
| FEED \$  | 12.16  | 11.62  | 11.16  | 11.05  | 10.90  | 11.48  | 11.14  | 10.47  | 9.88   | 9.93   | 10.03  | 9.91   | 9.92   | 10.25  | 10.48  | 10.45  | *10.58  |

| <b>DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 06/17/25</b>        |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>U.S. CME SPOT DAILY (\$/LB) 06/18/25</b> |  |  |  | <b>U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 06/14/25*</b> |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|---|--|--|--|---|--|--|--|
| Weighted Avg. 1 to 6 mo. <b>FORWARD CONTRACTS</b> per metric ton converted to \$/LB |  |  |  |  |  |  |  |  |  |  |  |  |  | Prev. 5 day Lds                             |  |  |  | FMMO PROD   |  |  |  |
| NEXT GDT AUCTION 07/01/25   |  |  |  |  |  |  |  |  |  |  |  |  |  | Spot price                                  |  |  |  | MIL. LBS  |  |  |  |
| ALL-PRODUCT INDEX 1.9914 ↓ 1.0%   |  |  |  |  |  |  |  |  |  |  |  |  |  | Weekly Avg                                  |  |  |  | WTD AVG \$  |  |  |  |
| MILK FAT (AMF) 3.3301 ↓ 1.3%  |  |  |  |  |  |  |  |  |  |  |  |  |  | NFD   |  |  |  | 16.0  |  |  |  |
| BUTTERMILK POWDER N/A   |  |  |  |  |  |  |  |  |  |  |  |  |  | BUTTER                                      |  |  |  | 7.5   |  |  |  |
| LACTOSE 0.6003 ↓ 3.6%   |  |  |  |  |  |  |  |  |  |  |  |  |  | CHEDDAR-40                                  |  |  |  | 11.6  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | CHEDDAR-500                                 |  |  |  | REPORT ENDED  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | DRY WHEY                                    |  |  |  | 6.3   |  |  |  |


| <b>ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK (\$/CWT)</b>               |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW</b> |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|
| *CL I ADV ↑↑ *CL I SKIM ↑↑ *CL II ↓↓ *CL III ↑↑ *CL IV ↑↑ ALL-MILK-U.S. ALL-MILK-PA |  |  |  |  |  |  |  |  |  |  |  |  |  | *WEIGHTED AVG. 4-WK MAY 1-30, 2025                  |  |  |  |  |  |  |  |  |  |
| *18.82(JUL) *9.66(JUL) 18.72(MAY) 18.57(MAY) 18.13(MAY) 21.00(APR) ↑ 21.60(APR) ↓   |  |  |  |  |  |  |  |  |  |  |  |  |  | PRODUCT VALUE MAKE ALLOW NET                        |  |  |  |  |  |  |  |  |  |
| *CL I Skim ESL Adj. +1.14 ↓↓ *NEW RULE  |  |  |  |  |  |  |  |  |  |  |  |  |  | MAY 2025  |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | CHEESE 1.8404 0.2003 1.6401 ↑↑                      |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | BUTTER 2.3707 0.1715 2.1992 ↑↑                      |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | NFD 1.1925 0.1678 1.0247 ↑↑                         |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  | DRYWHEY 0.5119 0.1991 0.3128 ↑↑                     |  |  |  |  |  |  |  |  |  |

|  | U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report |        |        |        |        |        |        |        |        |        |           |        |        | IN       | \$25.10 | 4.35    | \$23.10 |         |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|--------|----------|---------|---------|---------|---------|
|  | APR-24   | MAY-24 | JUN-24 | JUL-24 | AUG-24 | SEP-24 | OCT-24 | NOV-24 | DEC-24 | JAN-25 | FEB-25    | MAR-25 | APR-25 | *MAY-25  | CA      | \$21.90 | 4.33    | \$20.02 |
|  | N/A  | 2115   | 2016   | N/A    | N/A    | 2800   | N/A    | 2250   | N/A    | N/A    | 2921(ltd) | N/A    | N/A    | *2650 ↑↑ | SD      | \$24.20 | 4.76    | N/A     |
|  | N/A  |        |        |        |        |        |        |        |        |        |           |        |        |          | ID      | \$23.30 | 4.47    | N/A     |
|  | N/A  |        |        |        |        |        |        |        |        |        |           |        |        |          | IA      | \$23.50 | 4.59    | \$22.59 |
|  | U.S. AVG. FRESH / MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report                |        |        |        |        |        |        |        |        |        |           |        |        | TX       | \$23.90 | 4.63    | \$22.05 |         |
|  | APR-24   | MAY-24 | JUN-24 | JUL-24 | AUG-24 | SEP-24 | OCT-24 | NOV-24 | DEC-24 | JAN-25 | FEB-25    | MAR-25 | APR-25 | *MAY-25  | NE/KS   | \$22.80 | 4.61    | \$21.97 |
|  | N/A  | 2120   | 2254   | 1624   | N/A    | N/A    | 2800   | 2489   | N/A    | N/A    | N/A       | N/A    | N/A    | *3021 ↑↑ | WY/RI   | \$24.30 | 4.55    | \$21.57 |


|  |  |          |                                |                                    |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
|--|--|----------|--------------------------------|------------------------------------|--|---|--|-----------------------|--------------|----------------|----------------------|--------------------|--|----|---------|------|---------|
| CATTLE - DAIRY PURPOSES (\$/HD) USDA and other East and Midwest auction reports combined 4-week rolling average as of JUNE 1, 2025 |  |          |                                |                                    |  |   |  |                       |              |                |                      |                    |  | NM | \$21.60 | 4.22 | \$20.36 |
| *MILK COWS (NASS) U.S. Avg.  |  | FRESH    | HEIFERS: Springing Bred Beef x |                                    |  | OPEN: 300-600 lbs Beef X 600-900 lbs Beef X |  |                       | 900-1100 lbs |                | BULLS (800-1300 lbs) |                    |  |    |         |      |         |
| *2870 Q1-25 ↑↑ *2660 Q4-24   |  | 3500     | 3200 3000 3000                 |                                    |  | 1600 N/A 1900                               |  |                       | N/A 2300     |                | 1800                 |                    |  |    |         |      |         |
|  |  | YEAR AGO |                                |                                    |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
| \$2120 Q1-24 \$1890 Q4-23  |  | 2550     | 2275 1950 2600                 |                                    |  | 800 N/A 1000                                |  |                       | N/A 1500     |                | 1200                 |                    |  |    |         |      |         |
| PA Auction Markets June 12-17, 2025  |  |          |                                |                                    |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
| CULL MARKET COWS (\$/CWT LIVEWEIGHT)   |  |          |                                |                                    |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
| Premium White Breakers Boners Lean   |  |          |                                | FED STEERS (\$/CWT LIVEWEIGHT)     |  |   |  | Holstein Beef-X-Dairy |              | WK AGO         |                      | YR AGO             |  |    |         |      |         |
|  |  |          |                                | Choice & Prime 1250-1550 lb        |  |   |  | Light Test 230.10↑↑   |              | Light 230.10   |                      | 164.50 185.50      |  |    |         |      |         |
|  |  |          |                                | BULL CALVES: No. 1 & 2, 90-130 lbs |  |   |  | 925.00↓ 1335.00↑↑     |              | 925.00 1335.00 |                      | 650.00 900.00      |  |    |         |      |         |
|  |  |          |                                | (\$/cwt liveweight) 70- 85 lbs     |  |   |  | 995.00↓↓ 1455.00↓↓    |              | 995.00 1455.00 |                      | LTD 725.00 1055.00 |  |    |         |      |         |
|  |  |          |                                | WEEK AGO                           |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
|  |  |          |                                | 157.35 148.85 139.50               |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
|  |  |          |                                | YEAR AGO                           |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |
|  |  |          |                                | 139.50 131.85 119.85               |  |   |  |                       |              |                |                      |                    |  |    |         |      |         |


Price  
verages do  
not include  
lower-end  
'common'

Average  
to high  
dressing



CENTER FOR  
DairyEXCELLENCE

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pennsylvania  
DEPARTMENT OF AGRICULTURE