

# CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — JULY 9, 2025 — except where noted

**JAYNE SEBRIGHT**  
Executive Director, CDE  
717.346.0849  
jsebright@centerfordairyexcellence.org



**A shift in the balance:** Those who have been following their mailbox price over the first half of 2025 have likely seen a drop of more than \$3 per hundredweight (cwt) since February. That's due to declining prices on both the Class III and Class IV side of the market. USDA announced the all-milk price for May at \$21.30 per cwt, down \$3.20 from the beginning of the year and the lowest price so far. However, June's price is projected to be lower yet at \$20.91 per cwt before rebounding through the end of the year.

Why are we seeing milk prices erode? It's the basic law of supply and demand. When we started out 2025, U.S. milk production was trending down, with the 2024 annual milk production below year-earlier levels for the first time in four years, down 0.2% annually from 2023. Just five months later, that trend reversed, with the last three USDA Milk Production reports showing gains in production of more than 1%. Cow numbers are also coming back, with May's production report indicating that there are 9.445 million head in the nation's milking herd, up 5,000 from April and 14,000 from a year ago.

Total milk production in the U.S. was up 1.6% year-over-year in May at 19.93 billion pounds. Much of the increase resulted from the added cow numbers. However, milk production per cow was up slightly as well, increasing 7 pounds from a year ago, or 0.3%, to 2,110 pounds per cow for the month. That is down, however, on a daily basis from April by less than half a pound. States with more than a five percent increase in milk production included Kansas, Texas, Utah, Georgia, and Idaho. The nation's largest milk producing state, California, is still showing year-over-year losses, down 1.5% in May.

Among the top eight producing states, production was mixed. Wisconsin was down 0.1%, while Texas cemented their number three ranking with an 8.9% increase in milk production. Coming in fourth, Idaho still boasted a 6% gain. New York was up 1.3%, while Michigan was up 3.2% and Minnesota was down 0.4%. Pennsylvania's milk production was flat at 849 million pounds with 1,000 fewer cows in the state's dairy herd and 5 pounds more milk per cow. Despite the increase, the Commonwealth's

milk production per cow remains more than eight pounds per day below the national average.

With the increasing milk production, more milk is going into making cheese and butter. The latest USDA Dairy Products report is showing total cheese output (excluding cottage cheese) for May at 1.125 billion pounds, up 3.3% from a year ago and 1.4% above April's production levels. American-type cheese production was up 5.6% from a year ago, while Italian style cheese production was up 2.4%. Butter production was also up from a year ago, increasing 3.5% to 212 million pounds for the month of May.

Thankfully, though, despite the increased production, inventories are not yet growing year over year. The latest USDA Cold Storage report shows total natural cheese stocks declining 2% from a year ago to 1.412 billion pounds at the end of May. Butter inventories were also down from a year ago, dropping 5% to 361.56 million pounds. That may change as the year progresses, though, with month-over-month stocks for both cheese and butter increasing, up 1% and 7%, respectively.

The basic law of supply and demand tells us that the market price must find that balance between supply and demand. Right now, with milk production going up, the price is reflecting concerns that added demand won't support the increasing supply. The latest USDA Dairy Situation report is showing domestic disappearance for all milk products up 2.4% in April from a year ago, at 18.124 billion pounds on a milk-fat basis. On the export side, USDEC reported that total dairy product sales were down 2% on a milk solids basis in May, after falling 5% in April.

Based on Class III and IV milk futures, it looks like projections are for the market to find more balance coming into the fall and winter, with Class III increasing about 75 cents and Class IV up about \$1.00 through the end of the year.

Still, compared to a year ago, dairy farm families should prepare for continued lower year-over-year mailbox prices for the remainder of 2025, as more milk continues to come online in some of the major producing dairy states.

Prices change daily. This market information is an example for educational purposes. The market data shown below are compiled weekly by Farmshine, via CME & USDA reports.

## CME DAILY FUTURES & OPTIONS TRADING — JULY 9, 2025 AT THE CLOSE

	JUL-25	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	JAN-26	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	TREND											
<b>CLASS III MILK FUTURES (\$/CWT) vs. wk ago:</b> Jul25 firm, Aug-Nov25 down 10-30¢, Dec25-Jun26 generally steady, spots 10¢ higher.	17.34	17.94	18.54	18.89	18.74	18.55	17.91	18.05	18.08	18.04	18.04	18.15	↑↑											
<b>CLASS IV MILK FUTURES (\$/CWT) vs. wk ago:</b> Firm to 50¢ higher across the board.	19.01	19.36	19.70	19.93	20.02	20.00	19.74	19.63	19.65	19.70	19.75	19.79	↑↑											
<b>MILK BASIS (MAILBOX minus CLASS 3 \$/CWT) 2018-23 AVG FOR NORTHEAST &amp; MIDEAST STATES OF PA, NY, NEW ENGL., OH vs. NAT'L AVERAGE - YOUR INDIVIDUAL BASIS WILL VARY</b>																								
Mailbox	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	18.68	18.38
Class III	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	18.16	18.16
BASIS	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	0.52	0.22

	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	TREND
<b>CORN FUTURES (\$/BU)</b>	4.140	3.972	4.136	4.306	4.414	4.494	4.442	4.516	4.642	4.714	4.742	4.584	4.600	↓↓
<b>SOYMEAL FUTURES (\$/TON)</b>	265.1	268.1	272.1	275.6	281.8	285.5	292.0	297.1	301.8	303.6	305.0	302.8	306.6	↓↓
<b>U.S. AVG PREMIUM ALFALFA &amp; ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report</b>														
MAR-24	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
MAY-25														187.01
*JUN-25														188.00
														↑↑

DMC	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	*MAY-25
<b>DMC OFFICIAL GROSS MARGINS per cwt (USDA All-Milk, com, alfalfa &amp; Ill. soybean, feed for ALL CLASSES of dairy cattle on farm)</b>	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	*10.40
ALL MILK	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	*21.30
FEED \$	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	*10.90

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 07/01/25	U.S. CME SPOT DAILY (\$/LB) 07/09/25	U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 07/05/25*
<b>Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB</b>	Prev. 4 day Dly	FMMO PROD
NEXT GDT Auction 07/15/25	Spot prices	MIL. LBS
SKIM POWDER (SMP) 1.2332 ↑ 1.7%	Weekly Avg	WTED
BUTTER 3.4129 ↓ 4.3%	NFDN 26 1.2658 ↑↑	AVG \$
ALL-PRODUCT INDEX 1.9392 ↓ 4.1%	BUTTER 9 2.5625 ↓ 2.6000 ↑↑	*U.S. Weekly NDPSR is averaged for the Month & used in FMMO formulas.
MILK FAT (AMF) 3.1433 ↓ 4.2%	CHEDDAR-40 20 1.6950 ↑↑ 1.6908 ↓↓	*NEW: USDA \$/CWT MAR-25
BUTTERMILK POWDER 1.4174 ↑↑ 9.3%	CHEDDAR-500 2 1.7275 ↑↑ 1.7217 ↑↑	*FL \$26.00 3.97 \$25.37
LACTOSE 0.6239 ↑↑ 4.2%	DRY WHEY 11 0.5900 ↓ 0.6008 ↑↑	*SE \$26.10 4.05 \$24.17
WHOLE POWDER (WMP) 1.7509 ↓ 5.1%		*APP \$25.70 4.19 \$23.01
		*OH \$23.80 4.30 \$22.79
		*NEBG \$23.80 4.46 \$22.64
		*NY \$23.10 4.40 \$22.54
		*PAEAST \$29.00 4.35 \$22.13
		*IN \$23.50 4.27 \$22.07
		*IL \$21.60 4.33 \$21.84
		*WI \$21.80 4.36 \$21.63
		*PAWESTERN PA only \$21.57
		*F030 \$21.80 4.47 \$21.55
		*U.S. \$22.00 4.36 \$21.46
		*MI \$22.90 4.33 \$21.43
		*MN \$21.80 4.57 \$21.31
		*CA \$20.70 4.28 \$21.18
		*MO N/A N/A \$21.10
		*IA \$21.50 4.51 \$20.70
		*TX \$22.40 4.51 \$20.57
		*NEKS \$21.70 4.29 \$20.33
		*SD \$21.90 4.66 N/A
		*ID \$21.40 4.39 N/A
		*NM \$20.25 4.15 \$19.43
		*WYOR \$22.70 4.34 \$19.22

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT)	NASS ALL-MILK (\$/CWT)	CURRENT FEDERAL ORDER VALUES (\$/LB) * = NEW
CL I ADV TT 18.82 (JUL)	CL I SKIM TT 9.66 (JUL)	*WEIGHTED AVG. 4-WK JUNE 1-28, 2025
CL II (JUN) *18.43 (JUN)	*CL III TT *18.82 (JUN)	PRODUCT VALUE * (New Make Allow vs Old) NET VALUE
*NEW RULE	*CL IV TT *18.30 (JUN)	*COMPONENTS
	*ALL-MILK-U.S. *21.00 (MAY) ↑↑	*CHEESE 1.9322 ↑↑ *(0.2519) 0.2003 1.6803 ↑↑
	*ALL-MILK-PA 4.24F	*BUTTER 2.4880 ↑↑ *(0.2272) 0.1715 2.2608 ↑↑
		*NFDN 1.2531 ↑↑ *(0.2393) 0.1678 1.0138 ↓↓
		*DRYWHEY 0.5497 ↑↑ *(0.2668) 0.1991 0.2829 ↓↓
		*OTHER 0.2914 ↓↓

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report	U.S. AVG. FRESH/MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report
MAY-24 2115	MAY-24 2120
JUN-24 2016	JUN-24 2254
AUG-24 N/A	1624
SEP-24 2800	N/A
OCT-24 N/A	2800
NOV-24 2250	2489
DEC-24 N/A	N/A
JAN-25 N/A	N/A
FEB-25 2921 (Itd)	N/A
MAR-25 N/A	N/A
APR-25 N/A	3021
MAY-25 2650	N/A
JUN-25 N/A	N/A

CATTLE - DAIRY PURPOSES (\$/HD) USDA and other East and Midwest auction reports combined 4-week rolling average as of JUNE 27, 2025		FRESH		HEIFERS: Springing		Bred		Beef x		OPEN: 300-600 lbs		Beef X 600-900 lbs		Beef X 900-1100 lbs		BULLS (800-1300 lbs)	
*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	2000	N/A	2300	1800							
\$2120 Q1-24 \$1890 Q4-23	2900	2500	1900	2200	900	1500	1550	N/A	1800	1600							
PA Auction Markets July 3-8, 2025																	
CULL MARKET COWS (\$/CWT LIVELWEIGHT)																	
Premium White	Breakers	Boners	Lean														
N/A	160.25 ↑↑	155.50 ↑↑	145.00 ↑↑														
	WEEK AGO																
	156.10	149.85	135.50														
	YEAR AGO																
	N/A	139.75	128.50	115.85													

brought to you by: