

CDE DAIRY MARKETS & MANAGEMENT UPDATE

All prices — AUG. 20, 2025 — except where noted

BRYCE WINDECKER
Ever.Ag
bmw@ever.ag



Grain markets, August 2025: If you haven't been paying attention to the grain markets over the past few weeks, it's time to tune in. December corn prices are trading around \$4 per bushel — near life-of-contract lows — while soybean meal prices are still hanging below \$300 per ton. These lower grain futures are pushing 2025 and 2026 feed costs based on the Dairy Margin Coverage (DMC) calculations down to the lowest levels since 2020. In an environment where milk prices — Class III, in particular — are struggling to find stronger footing, lower feed costs should help dairies maintain margin. In fact, DMC margin estimates for the remainder of 2025 and 2026, based on mid-August futures, point to better than \$11 per hundredweight margins. If realized, that would mark three consecutive years of \$11+ margins and would almost certainly encourage further milk supply expansion.

What's putting all this pressure on grain prices? Outside of the Northeast, the growing season has been pretty spectacular. Crops went into the ground with few issues. Rains were timely. Heat hit when it needed to. USDA's crop condition ratings for both corn and soybeans have been running well above the five-year average range for most of the summer. While soybeans tend to be a crop of August, general consensus suggests crops are in solid shape.

USDA's August WASDE estimates doubled down on that notion — particularly for corn. Production estimates for the 2025/2026 corn crop came in at 16.742 billion bushels — well above industry expectations and, if realized, would be the largest U.S. crop on record. A substantial jump in yield supported the upswing with USDA predicting corn yields at 188.8 bushels to the acre, up from 181.0 bushels in July and topping average industry estimates by more than four bushels.

The August WASDE report was less enthusiastic about soybean production with estimates falling below the range of industry estimates. USDA's August forecast pegged production at 4.292 billion bushels, down from 4.335 billion bushels from the month before. The decline was primarily the result of a 2.5-million-acre trim to planted acre projections. While USDA's latest estimates leaned a bit more bullish, solid crush margins should keep processors buying

beans for the oil, ultimately keeping a lid on meal prices.

Outside of supply dynamics, political forces could cause some noise in the grain markets ahead of harvest. Keep an eye on U.S.-China relations, in particular. Will the U.S. push China to buy more American ag products?

Locally, supply dynamics do not mirror the broader U.S. Planting delays across much of the Northeast are creating some concerns around regional supply availability and quality. Generally, we expect to see stronger basis this year on the back of lighter supply combined with greater needs in New York from expanding dairy demand. Ultimately, basis may remain strong until Midwest corn starts to show up. We're less concerned about basis on proteins. Recently, soybean meal has been the better buy as canola supply in Canada has been snug ahead of harvest. At the same time, the recent rally in soybean meal has put pressure on basis values. Looking ahead, we expect that a solid canola crop out of Canada this fall will keep basis under control.

It is important for producers in the Northeast to manage their feed price risk to help protect margin and limit input volatility. That's especially true for corn this year as the growing season has compromised crop quality. We expect that much of the corn crop will be chopped for silage, potentially leaving little corn available for combining. The current New York rail basis for whole corn at local feed mills is running anywhere from \$1.50 to \$2.00 per bushel over the CME board price. With the ensuing large new crop from the Midwest, keep an eye on corn prices off the railroad to figure out which direction prices may move.

Dairies should also be looking to manage futures price risk to take advantage of some of the lowest feed values in some time. Call your local feed broker to better understand market dynamics in your area and what options are available to you to manage your feed risk.

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.

CME DAILY FUTURES & OPTIONS TRADING — AUG. 20, 2025 AT THE CLOSE

| | AUG-25 | SEP-25 | OCT-25 | NOV-25 | DEC-25 | JAN-26 | FEB-26 | MAR-26 | APR-26 | MAY-26 | JUN-26 | JUL-26 | TREND | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| CLASS III MILK FUTURES (\$/CWT) vs. wk ago: Aug-Sep25 firm to up 10¢, Oct-Dec25 weak to dn 10¢, Jan-26 up 6¢, Feb-Jul26 dn 5-15¢, but May up 5¢. 12-Month Avg. 18.02 ↓↓ | 17.41 | 18.86 | 18.25 | 18.20 | 18.20 | 17.88 | 17.76 | 17.83 | 17.89 | 17.95 | 17.95 | 18.08 | MIXED | | | | | | | | | | | |
| CLASS IV MILK FUTURES (\$/CWT) vs. wk ago: Aug25 firm, Sep25-Mar26 up 5 to 35¢, Apr-Jul26 down 5 to 35¢. 12-Month Avg. 18.73 ↑↑ | 18.54 | 18.42 | 18.56 | 18.57 | 18.70 | 18.55 | 18.59 | 18.62 | 18.84 | 19.07 | 19.12 | 19.20 | MIXED | | | | | | | | | | | |
| 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 | 18.82 | 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 | 18.65 | 18.35 |
| Class III | 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 | 18.16 | 18.16 |
| BASIS | 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 | 0.49 | 0.19 |

| CORN FUTURES (\$/BU) | | | | | | | | | | | | | TREND | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| SEP-25 | DEC-25 | MAR-26 | MAY-26 | JUL-26 | SEP-26 | DEC-26 | MAR-27 | MAY-27 | JUL-27 | SEP-27 | DEC-27 | JUL-28 | ↑↑ | | |
| 3.800 | 4.040 | 4.220 | 4.326 | 4.396 | 4.410 | 4.500 | 4.624 | 4.690 | 4.722 | 4.582 | 4.602 | 4.782 | | | |
| SOYMEAL FUTURES (\$/TON) | | | | | | | | | | | | | TREND | | |
| SEP-25 | OCT-25 | DEC-25 | JAN-26 | MAR-26 | MAY-26 | JUL-26 | AUG-26 | SEP-26 | OCT-26 | DEC-26 | JAN-27 | MAR-27 | ↓↓ | | |
| 292.0 | 291.1 | 297.2 | 300.9 | 306.9 | 312.2 | 316.8 | 318.2 | 318.5 | 317.1 | 319.8 | 320.8 | 322.2 | | | |
| U.S. AVG PREMIUM ALFALFA & ALFALFA/GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report | | | | | | | | | | | | | | | |
| 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 | JUN-25 | *JUL-25 |
| 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 | 188.00 | *195.00 ↑↑ |

| DMC OFFICIAL GROSS MARGINS per cwt (USDA All-Milk, com, alfalfa & Ill. soybean, feed for ALL CLASSES of dairy cattle on farm) | | | | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| DMC | 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 | *JUN-25 |
| ALL MILK | 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 | *11.10 ↑↑ |
| FEED \$ | 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 | *10.20 ↓↓ |

| DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 08/19/25 | | | | | | | | | | | | | U.S. CME SPOT DAILY (\$/LB) 08/20/25 | | | | U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 08/16/25* | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------------------------------|--|--|--|--|--|--|--|------------------------|--|--|--|
| Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton converted to \$/LB | | | | | | | | | | | | | Prev. 5 day Dly | | | | FMMO PROD | | | | | | | |
| NEXT GDT AUCTION 09/02/25 | | | | | | | | | | | | | Spot price | | | | MIL. LBS | | | | | | | |
| SKIM POWDER (SMP) 1.2505 ↓ 1.8% | | | | | | | | | | | | | Weekly Avg | | | | WTD AVG \$ | | | | | | | |
| ALL-PRODUCT INDEX 2.2328 ↓ 0.3% | | | | | | | | | | | | | NFDM 24 1.2575 ↓ 1.2642 ↑↑ | | | | 13.3 1.2878 ↑↑ | | | | | | | |
| BUTTER 3.2414 ↓ 1.0% | | | | | | | | | | | | | BUTTER 16 2.2900 ↑↑ 2.3142 ↑↑ | | | | BUTTER 1.7 2.4959 ↓↓ | | | | | | | |
| MILKFAT (AMF) 3.2114 ↑↑ 0.1% | | | | | | | | | | | | | CHEDDAR-40 13 1.8675 ↓ 1.8492 ↓↓ | | | | CHEDDAR-40 11.9 1.7359 ↑↑ | | | | | | | |
| BUTTERMILK POWDER N/A N/A | | | | | | | | | | | | | CHEDDAR-500 4 1.8100 ↓ 1.8100 ↓↓ | | | | CHEESE-500 REPORT ENDED | | | | | | | |
| LACTOSE N/A N/A | | | | | | | | | | | | | WHOLE POWDER (WMP) 1.8312 ↑↑ 0.3% | | | | DRY WHEY 8 0.5675 ↓ 0.5875 ↓↓ | | | | DRY WHEY 4.8 0.5823 ↑↑ | | | |

| ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) NASS ALL-MILK (\$/CWT) | | | | | | | | | | | | | | | |
|--|---------------|-------------|-------------|-------------|----------------|----------------|--|--|--|--|--|--|--|--|--|
| *CL I ADV ↓ | *CL I SKIM ↑↑ | CL II ↑↑ | CL III ↓↓ | CL IV ↑↑ | ALL-MILK-U.S. | ALL-MILK-PA | | | | | | | | | |
| *18.70 (SEP) | *9.34 (SEP) | 19.31 (JUL) | 17.32 (JUL) | 18.89 (JUL) | 21.30 (JUN) NC | 21.30 (JUN) NC | | | | | | | | | |
| *SEPT. CL I Skim ESL Adj. +0.53 ↓↓ *NEW RULE | | | | | | | | | | | | | | | |
| MONTH AGO | | | | | | | | | | | | | | | |
| 18.93 | 9.26 | 18.43 | 18.82 | 18.30 | 21.30 4.24F | 21.30 4.16F | | | | | | | | | |
| YEAR AGO | | | | | | | | | | | | | | | |
| 21.60 | 9.49 | 21.82 | 19.79 | 21.32 | 22.80 4.10F | 23.20 4.00F | | | | | | | | | |

| U.S. AVG. BRED COWS & HEIFERS (3rd trimester) per head as reported by USDA Monthly National Dairy Comprehensive Report | | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|------------|--------|--------|--------|--------|--------|--|--|
| JUN-24 | JUL-24 | AUG-24 | SEP-24 | OCT-24 | NOV-24 | DEC-24 | JAN-25 | FEB-25 | MAR-25 | APR-25 | MAY-25 | JUN-25 | JUL-25 | | |
| 2016 | N/A | N/A | 2800 | N/A | 2250 | N/A | N/A | 2921 (ltd) | N/A | N/A | 2650 | N/A | N/A | | |
| U.S. AVG. FRESH/MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report | | | | | | | | | | | | | | | |
| 2254 | 1624 | N/A | N/A | 2800 | 2489 | N/A | N/A | N/A | N/A | N/A | 3021 | N/A | 3010 | | |

| CATTLE - DAIRY PURPOSES (\$/HD) USDA and other East and Midwest auction reports combined 4-week rolling average as of AUG. 19, 2025 | | | | | | | | | | | | | | | |
|---|--------------|-----------|--------------------|------|--------|-------------------|--------|-------------|--------|--------------|----------------------|--|--|--|--|
| 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) | | | | |
| *\$3010 Q2-25 ↑↑ | \$2900 Q1-25 | 3100 | 3300 | 2900 | 2900 | 1300 | N/A | 1700 | N/A | 1800 | 1800 | | | | |
| YEAR AGO | | | | | | | | | | | | | | | |
| \$2300 Q2-24 | \$2120 Q1-24 | 2850 | 2450 | 1900 | 2200 | 900 | 1500 | 1550 | N/A | 1800 | 1600 | | | | |
| PA Auction Markets Aug. 14-19, 2025 | | | | | | | | | | | | | | | |
| CULL MARKET COWS (\$/CWT LIVELWEIGHT) | | | | | | | | | | | | | | | |
| Premium White | Breakers | Boners | Lean | | | | | | | | | | | | |
| N/A | 163.75 ↑↑ | 157.10 ↓↓ | 145.25 ↑↑ | | | | | | | | | | | | |
| WEEK AGO | | | | | | | | | | | | | | | |
| N/A | 162.35 | 157.85 | 144.50 | | | | | | | | | | | | |
| YEAR AGO | | | | | | | | | | | | | | | |
| N/A | 145.00 | 138.75 | 125.75 | | | | | | | | | | | | |

| FED STEERS (\$/CWT LIVELWEIGHT) | | | | Holstein | | | | Beef-X-Dairy | | | | WK AGO | | | | YR AGO | | | |
|------------------------------------|--|--|--|------------|--|--|--|--------------|--|--|--|------------|--|--|--|---------|--|--|--|
| Choice & Prime 1250-1550 lb | | | | N/A | | | | 242.50 ↑↑ | | | | N/A | | | | 234.50 | | | |
| BULL CALVES: No. 1 & 2, 90-130 lbs | | | | 925.00 NC | | | | 1300.00 ↓↓ | | | | 925.00 | | | | 1385.00 | | | |
| (\$/cwt livelweight) | | | | 70- 85 lbs | | | | 1000.00 ↑↑ | | | | 1550.00 ↓↓ | | | | 975.00 | | | |
| | | | | | | | | | | | | 1605.00 | | | | 575.00 | | | |
| | | | | | | | | | | | | | | | | 1000.00 | | | |

brought to you by: CENTER FOR DAIRY EXCELLENCE FARMSHINE DEPARTMENT OF AGRICULTURE