



WEEKLY DAIRY OUTLOOK

April 14th, 2025

This short weekly newsletter provides you with a summary of current dairy prices, translates product prices into component prices, and summarizes major dairy related news.

Table 1. Spot dairy products prices on Friday April 4th and Friday April 11th, and their implied component prices.

	April 4, 2025	April 11, 2025	Change	Month to date
CME cheddar cheese				
- blocks (\$/lb)	1.6400	1.7450	+0.1050	1.6925
- barrels (\$/lb)	1.6600	1.8050	+0.1450	1.7325
CME butter (\$/lb)	2.2950	2.3475	+0.0525	2.3213
CME Dry whey (\$/lb)	0.4900	0.46540	-0.0250	0.4775
CME Nonfat dry milk (\$/lb)	1.1575	1.1675	+0.0100	1.1625
		Implied Prices		
Butterfat (\$/lb)	2.57	2.64	+0.07	2.61
Protein (\$/lb)	1.96	2.30	+0.34	2.13
Other solids (\$/lb)	0.30	0.27	-0.03	0.29
Class III (\$/cwt)	16.58	17.66	+1.08	17.12
Class IV (\$/cwt)	17.51	17.82	+0.31	17.67

Comments

Some of us still remember when Wham-O introduced the Super Ball in 1964. The ball was made of Zectron, a synthetic rubber. Peak production reached an amazing 170,000 Super Balls per day. The ball bounced to 92% of the height of its prior bounce. Hence the height after eight bounces was still over 50% the height of its initial bounce. Rumors have it that a then young Canuck dropped a Super Ball from the top of an eight-floor building only to see it crash through a car windshield... Right now, the U.S. cheese markets are behaving like a Super Ball... and hopefully will not end up in a crash.

Table 2. Six-month strip of dairy futures at closing time last Friday, and changes in their 6-month averages from the prior Friday closings¹.

	Cheese (\$/lb)	Butter (\$/cwt)	Dry Whey (\$/cwt)	NFDM (\$/cwt)	Class III (\$/cwt)	Class IV (\$/cwt)
April	1.722	236.000	47.300	117.500	17.22	17.91
May	1.747	238.750	43.775	116.850	17.21	17.99
June	1.790	244.725	45.000	119.200	16.83	17.54
July	1.846	247.500	46.500	121.600	17.45	17.92
August	1.890	251.500	47.900	124.000	17.96	18.23
September	1.930	254.350	48.000	124.775	18.36	18.49
Average	13.821	245.471	46.413	120.654	17.51	18.01
Weekly Change	+0.028	+2.771	-2.037	-0.096	+0.19	+0.03

¹ Futures prices on the Chicago Mercantile Exchange

Based on the next 6-month of futures, the implied 6-month prices of milk components used in Class III and nonfat solids used in Class I, II, and IV pricings are reported in Table 3.

Table 3. Translation of futures dairy product prices into implied futures component prices.

	Butterfat (\$/lb)	Protein (\$/lb)	Other Solids (\$/lb)	Nonfat Solids (\$/lb)
April	2.65	2.11	0.28	1.00
May	2.68	2.16	0.25	0.99
June	2.69	2.12	0.19	0.94
July	2.72	2.27	0.20	0.97
August	2.77	2.36	0.22	0.97
September	2.81	2.45	0.22	1.00
Average	2.72	2.25	0.23	0.98
Weekly Change	+0.03	+0.06	-0.02	-0.00

- Table 4 reports price quotations for butter, skim milk powder/nonfat dry milk (SMP/NFDM), whole milk powder (WMP), and cheddar from the top three exporting blocks of countries (the European Union taken as a whole) in late-March and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of March 30th, 2025.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	3.63	3.42	2.34	+1.3	n.c.	+0.3
SMP/NDM	1.24	1.30	1.15	+0.5	-2.5	-0.6
WMP	2.15	1.79	2.04	+1.1	-2.2	-1.2
Cheddar	2.30	2.26	1.63	-1.6	+0.5	-3.6

Source: DG Agri

- Commodity markets go up and down. That’s just their nature. But the U.S. whey markets, both cash and futures, have dropped precipitously in the last 3 months. In early January, the whey cash market on the CME stood at \$0.74/lb, translating to an implied price of \$0.57/lb for ‘other solids’ in the Federal Milk Marketing Orders (FMMOs). At the same time, the average of whey futures contracts for April, May and June averaged \$0.69/lb, translating to an average ‘other solids’ price of \$0.51/lb in the FMMOs. This was making the production of milk ‘other solids’ a viable, albeit it not a highly profitable endeavor once the nutritional cost of producing a pound of other solids (somewhere around \$0.15 to \$0.20/lb) plus shipping and marketing costs were considered. Whey prices have dropped into the \$0.45 to \$0.50/lb range, resulting in implied ‘other solids’ prices barely above \$0.20/lb. Hence, we are back where producing additional milk volume (i.e., other solids and their associated water) without additional butterfat and/or protein is a break-even proposition at best for most dairy producers (producers in Orders with a substantial proportion of the milk being pooled in Class I being the exception). Currently, profitability on the milk revenue side is found primarily from shipping butterfat and also, but to a lesser extent, from shipping true milk protein.