



## WEEKLY DAIRY OUTLOOK

April 21<sup>st</sup>, 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 11<sup>th</sup> and Thursday April 17<sup>th</sup>, and their implied component prices.

	April 11, 2025	April 17, 2025	Change	Month to date
<b>CME cheddar cheese</b>				
- blocks (\$/lb)	1.7450	1.8350	+0.0900	1.7400
- barrels (\$/lb)	1.8050	1.8400	+0.0350	1.7683
<b>CME butter (\$/lb)</b>	2.3475	2.3425	-0.0050	2.3283
<b>CME Dry whey (\$/lb)</b>	0.4654	0.4825	+0.0175	0.4792
<b>CME Nonfat dry milk (\$/lb)</b>	1.1675	1.1725	+0.0050	1.1658
		<b>Implied Prices</b>		
Butterfat (\$/lb)	2.64	2.63	-0.01	2.61
Protein (\$/lb)	2.30	2.51	+0.21	2.26
Other solids (\$/lb)	0.27	0.29	+0.02	0.29
Class III (\$/cwt)	17.66	18.36	+0.70	17.53
Class IV (\$/cwt)	17.82	17.84	+0.02	17.72

### Comments

Cheese prices continued their recent ascents on both the cash and futures markets. As reported in Table 4, U.S. cheddar cheese is still priced well below prevailing prices from other major exporting countries. In fact, all major dairy commodities, except for WMP which is irrelevant, are priced in the U.S. well below prices from other exporting countries. Price differences are such that one would expect a substantial surge in foreign demand for U.S. dairy products. Although U.S. dairy exports remain strong, such surge is not happening because of the uncertain trade climate.

Table 2. Six-month strip of dairy futures at closing time last Thursday, and changes in their 6-month averages from the prior Friday closings<sup>1</sup>.

	Cheese (\$/lb)	Butter (\$/cwt)	Dry Whey (\$/cwt)	NFDM (\$/cwt)	Class III (\$/cwt)	Class IV (\$/cwt)
<b>April</b>	1.730	235.000	48.750	118.500	17.36	17.94
<b>May</b>	1.849	235.750	45.100	119.000	18.27	17.99
<b>June</b>	1.850	241.000	45.100	121.725	17.44	17.61
<b>July</b>	1.891	246.000	46.525	125.225	17.90	18.03
<b>August</b>	1.915	249.925	46.525	127.475	18.28	18.37
<b>September</b>	1.940	253.900	47.000	128.625	18.50	18.65
<b>Average</b>	1.863	243.596	46.500	123.425	17.96	18.10
<b>Weekly Change</b>	+0.042	-1.875	+0.087	+2.771	+0.45	+0.09

<sup>1</sup> 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	2.64	2.15	0.30	1.01
May	2.65	2.52	0.26	1.01
June	2.64	2.37	0.19	0.97
July	2.70	2.44	0.20	1.00
August	2.75	2.46	0.20	1.03
September	2.80	2.49	0.21	1.04
Average	2.70	2.41	0.23	1.01
Weekly Change	-0.02	+0.16	+0.00	+0.03

- 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 mid-April and their relative biweekly price changes.

Table 4. World price quotations of 4 major dairy commodities as of April 13, 2025.

	US\$/lb			Biweekly Change (%)		
	E.U.	Oceania	U.S.	E.U.	Oceania	U.S.
Butter	3.71	3.40	2.32	+2.1	-0.7	-0.8
SMP/NDM	1.25	1.34	1.16	+0.5	+3.0	+0.8
WMP	2.18	1.82	2.04	+1.3	+1.6	Nc
Cheddar	2.31	2.31	1.71	+0.1	+2.3	+4.8

Source: DG Agri

- Overseas, the Global Dairy Trade index was **up 1.6%** at the GDT auction held April 15<sup>th</sup>. Whole milk powder price, which makes more than 50% of the index was noticeably up. Fat based product prices were also up. Cheddar and skim milk powder prices retreated some from the prior session. Average prices and changes from the prior session were as follows:
  - Anhydrous milkfat: US\$ 3.10/lb +2.1%
  - Butter: US\$ 3.48/lb +1.5%
  - Cheddar: US\$ 2.23/lb - 1.8%
  - Lactose US\$ 0.62/lb +22.0%
  - Mozzarella: US\$ 2.16/lb +5.4%
  - Skim milk powder: US\$ 1.27/lb - 2.3%
  - Whole milk powder: US\$ 1.89/lb +2.8%