



The T.C. Jacoby Weekly Market Report

WEEK ENDING June 13th, 2025

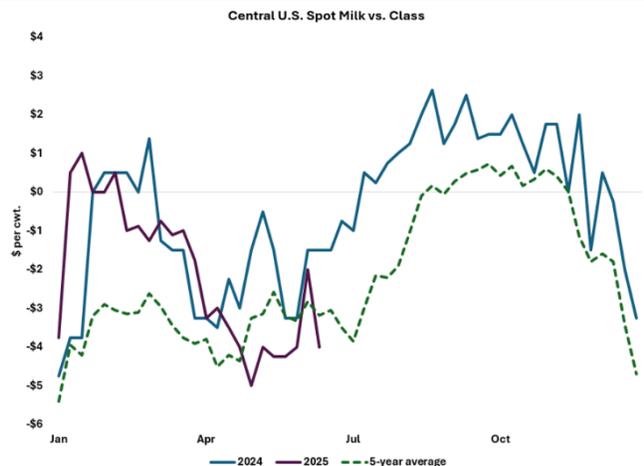
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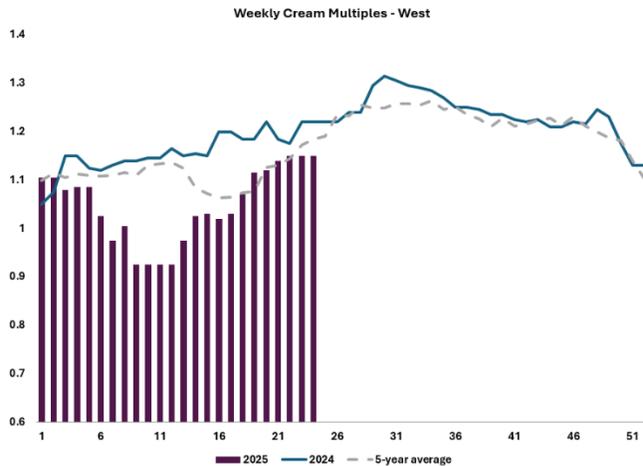
CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
6/9/2025 to 6/13/2025			\$ 0.5640	7	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.8595	26		\$ 1.8520	1	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 2.5400	135		\$ 1.2655	9	

Strong exports have assuaged concerns about rising U.S. cheese and butterfat output. Even after a significant spring and early-summer rally, U.S. cheese and butter remain the cheapest in the world, putting a firm floor under these dairy commodities. Domestic butter demand is holding strong, but Americans are eating a little less cheese than they did last year.

On the supply side, warm weather is tightening cream supplies as components drop seasonally and ice cream production ramps up. Cream multiples are climbing from the spring lows, but they're still well below the historic average. Butter churns are not running quite as hard as they did a couple months ago.



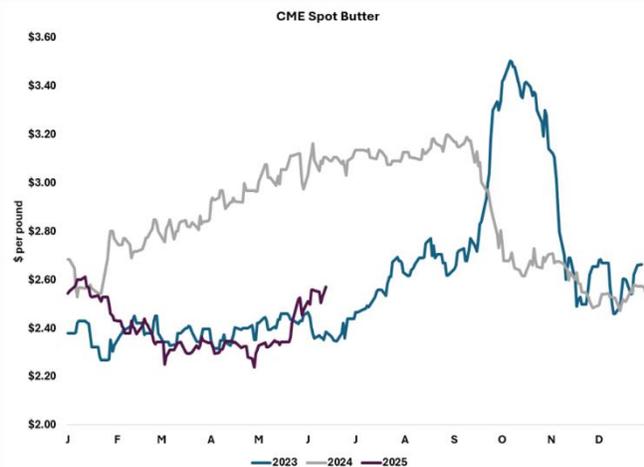
But cheese vats remain full. School milk programs are on hiatus, and bottlers are taking on less milk. USDA's *Dairy Market News* also notes that milk volumes and components are not fading as quickly as expected. Low feed prices and high milk prices have encouraged dairy producers to boost milk output through high-quality rations. There's a lot of milk around for cheese makers and milk dryers. Spot milk is heavily discounted, with loads changing hands from \$1 to \$7 under class in the Central region. Meanwhile, summer temperatures have tightened milk supplies in California and the Southwest.



With cheap milk sloshing around the Midwest, fresh Cheddar is getting easier to find. But formidable international prices will likely prevent a steep selloff in the near term. CME spot Cheddar retreated 2¢ this week to \$1.8375 per pound. Barrels fell 2.5¢ to \$1.835.

Buoyed by sky-high foreign markets, butter buyers were undeterred by rising prices. They snapped up 135 spot loads this week, one of the highest weekly trading volumes on record. Spot butter climbed 1.5¢ to a five-month high at \$2.57.

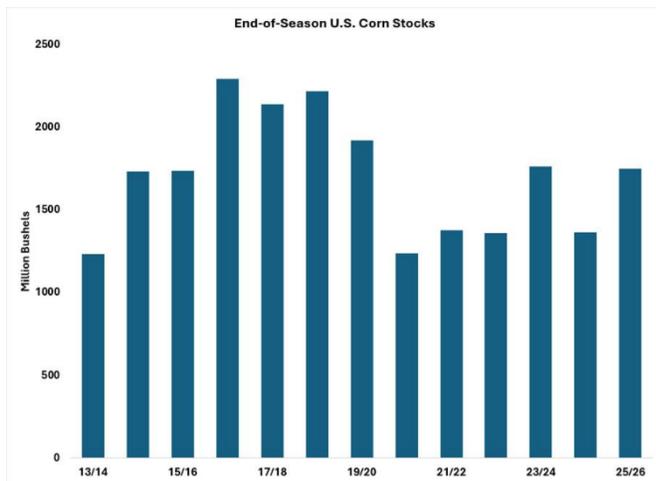
American milk powders don't hold the same advantage abroad. Both skim milk powder and whole milk powder prices took a step back at the Global Dairy Trade Pulse auction on Tuesday. U.S. exporters are maintaining sales to Mexico but losing ground in other markets. According to *Dairy Market News*, "Domestic demand is steady to lighter. Export demand is lighter." Nonetheless, CME spot nonfat dry milk gained a little ground this week. It advanced a half-cent to \$1.2675.



Whey powder prices took a step back. They fell 2.75¢ to 55.25¢. *Dairy Market News* reports, "Cheese manufacturing is supplying more than enough liquid whey for production of sweet whey, whey protein concentrates, and whey protein isolates" with some leftover for whey powder. And demand is steady to lighter. Southeast Asian buyers remain interested in U.S. whey products, but interest from China – our largest foreign market – is hit or miss. The U.S. and China agreed to trade terms that maintain China's extra 10% tariff on U.S. goods, including dairy. Chinese buyers will likely look to Europe for more of their whey needs.

Milk prices took a big step back this week, but they remain at levels that support prosperity on the farm. July Class III fell 75¢ to \$18.15 per cwt. Deferred Class III contracts clung to the high \$18s and low \$19s. July Class IV slipped 9¢ to \$19.07. These prices are stoking appetites for expansion. Dairy producers have added a lot of cows in the first half of 2025, and they plan to keep doing so. Big exports are largely absorbing the increase, for now. But continued expansion will lead to lower dairy product prices eventually.

In the monthly update to crop balance sheets, USDA acknowledged big shipments and hefty commitments to deliver more U.S. corn to foreign buyers over the next couple months. It raised its estimate of corn exports in the 2024-25 crop year. With no other changes to supply or demand, greater exports trimmed end-of-season corn stocks for the 2024-25 and 2025-26 crop years by 50 million bushels. USDA believes there will be 1.365 million bushels of corn left over at the 2024-25 crop year-end August 31. The estimate was on par with the 2021-22 and 2022-23 crop years, when corn



futures averaged roughly \$6.50 per bushel. Today, the July contract settled at \$4.44, signaling a lack of anxiety about corn supplies. New crop December corn, which reflects the value of the corn to be harvested this fall, was similarly inexpensive at \$4.43. USDA projected end-of-season corn stocks on August 31, 2026, at 1.75 billion bushels, a volume that is comfortable but not burdensome.

USDA will update its crop production forecasts after the June 28 Acreage survey, which will confirm how much land farmers seeded to corn. Many key farm states are in

good shape after speedy planting due to good spring weather. Regular rains are helping to alleviate drought in the Plains and western Corn Belt. But farmers in Ohio, Pennsylvania and the Southeast are mired in the mud. They'll have to leave some acres unplanted this year. For now, the trade clearly believes that "rain makes grain." But there are major contributors to U.S. corn production who are suffering through too much of a good thing. Conditions are good overall, but they may not be sufficiently perfect to meet USDA's forecast for a national average yield of 181 bushels per acre.

USDA made no changes to its soybean balance sheet. The numbers showcase adequate production, ho-hum exports and relentless growth in soybeans crushed for soybean meal and oil. Strong soybean oil production became more likely Friday, after the EPA finally published guidelines for tax credits for refiners who blend biodiesel into the fuel supply. Soybean and soybean oil prices jumped after the EPA called for greater biodiesel and advanced biofuel production and reduced the value of tax credits from biofuel made with foreign feedstocks. Greater soybean oil demand will incentivize soy crushers to make more soybean oil and soybean meal, but the legislation will have no impact on soybean meal demand. With that, July soybeans jumped 11¢ to \$10.59. July soybean meal fell \$3 to \$293 per ton.

