

Weekly Update

Date: May 16, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter finished up 1.25¢ versus last Friday's close, settling at \$2.3425. The forward curve was mixed this week as CME pricing remained in the mid to low \$2.30s. The butter market is struggling to find price direction as domestic supply remains healthy and demand improves. March stocks were up 4.0% YoY while production was up 8.6% YoY. Between impressive components in milk and available cream in the market, expectation is that production strength should continue. On the flip side, total use (domestic + export demand) was up 6.9% YoY in March as international buyers capitalized on the

US' discount to NZ + EU pricing. This week buyers and sellers were content to trade around current pricing, but USDA will release April's Cold Storage report next Friday which may change market sentiment.

Projected/Actual Milk Prices (Actual Bold, <i>Estimate Italicized</i>)					
	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Advance Price (cwt)	\$ 17.48	\$ 18.14	\$ 17.71	\$ 18.28	\$ 18.69
Butterfat Price (lb)	\$ 2.6594	\$ 2.6207	\$ 2.6915	\$ 2.7642	\$ 2.8129
Protein Price (lb)	\$ 2.4864	\$ 2.7233	\$ 2.6286	\$ 2.5544	\$ 2.5090
Other Solids Price (lb)	\$ 0.3274	\$ 0.3012	\$ 0.3020	\$ 0.2994	\$ 0.2943
LA County PPD (cwt)	\$ 0.92	\$ (0.85)	\$ 0.23	\$ 0.21	\$ 0.54
Tulare County PPD (cwt)	\$ 0.42	\$ (1.35)	\$ (0.27)	\$ (0.29)	\$ 0.04
Tulare Co. Blend* (cwt)	\$ 19.03	\$ 17.68	\$ 18.73	\$ 18.73	\$ 19.07
FMMO Class III	\$ 18.61	\$ 19.03	\$ 19.00	\$ 19.03	\$ 19.02
FMMO Class IV	\$ 18.14	\$ 17.71	\$ 18.28	\$ 18.69	\$ 19.05
Next Two Payment Dates	May 19, 2025 (April Final) June 2, 2025 (May Advance)* <i>*May 31 falls on a weekend</i>				
<i>*Blend price is after the PPD is accounted for, before the Quota Assessment, and is based on "standard" milk with 3.5% BF, 2.99% Pro and 5.69% OS</i>					

high and were up 8.3% YoY. Inventories remain tight, down 4.3% YoY in March. Weaker domestic demand and anticipation of elevated cheese production in coming months weren't enough to mitigate bullish market sentiment as pricing moved higher.

Powder – The spot NFDM rally pressed onward adding 1.75¢ vs prior week and closing at \$1.2250. Not much changed vs prior week in the way of fundamentals, but the 79MM lb revision lower in February NFDM stocks the USDA released last week still is creating support in the market. GDT Pulse traded lower on Tuesday, but spot pricing tracked steadily higher as a persistent bid led to 35 car-lots trading hands. In turn, the forward curve added 1-2¢.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/16/2025)

- Class III**
- 3rd Quarter 2025: \$18.19 floor for \$0.29/cwt
 - 4th Quarter 2025: \$17.81 floor for \$0.39/cwt
 - 1st Quarter 2026: \$17.13 floor for \$0.44/cwt
 - 2nd Quarter 2026: \$17.20 floor for \$0.51/cwt
 - 3rd Quarter 2026: \$17.25 floor for \$0.57/cwt

- Class IV**
- 3rd Quarter 2025: \$17.74 floor for \$0.12/cwt
 - 4th Quarter 2025: \$18.51 floor for \$0.31/cwt
 - 1st Quarter 2026: \$18.40 floor for \$0.43/cwt
 - 2nd Quarter 2026: \$18.41 floor for \$0.50/cwt
 - 3rd Quarter 2026: \$18.25 floor for \$0.62/cwt

Did you know... that a [video highlighting the ribbon-cutting ceremony at Valley Natural Beverages](#) was made available this week? For those members who were able to make it to the annual meeting and event, thanks so much for your participation. Hopefully you walked away as excited as the board and management are about the transformational opportunities unlocked with that investment. If you weren't able to make it, hopefully the video gives you a glimpse of what you missed.

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 5/10/2025	Last Week
Butter	\$2.3538	\$2.3576
Cheddar Cheese	\$1.8200	\$1.8243
Nonfat Dry Milk	\$1.1780	\$1.1736
Dry Whey	\$0.5023	\$0.5016
<i>The NDPSR is USDA's survey of U.S. sales prices from the previous week. These are used to calculate FMMO prices. CME markets are discussed below as a near-term market indicator.</i>		