

Weekly Update

Date: August 1, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter finished down 2.00¢ versus last Friday's close, settling at \$2.4450, while the forward curve ended the week largely unchanged versus last. Butter caught a bid in both spot and futures coming into the week after last Fridays supportive Cold Storage report showed stocks declined 5.9% YoY. However, those gains faded throughout the week as a lack of spot buyers and an overall concern for strong milk production weighed on market participants. Only 11 loads of spot butter traded this week, the second lowest weekly total going back to April 25th, highlighting the market's cautious approach to owning butter at these levels despite a respectable carry opportunity.

<i>National Dairy Product Sales Report (NDPSR)</i>		
	Wk Ending 7/26/2025	Last Week
Butter	\$2.5454	\$2.5885
Block Cheddar	\$1.7273	\$1.7164
Nonfat Dry Milk	\$1.2787	\$1.2719
Dry Whey	\$0.5615	\$0.5751
<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>		

Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)					
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Advance Price (cwt)	\$ 18.30	\$ 17.32	\$ 17.23	\$ 17.72	\$ 18.05
Butterfat Price (lb)	\$ 2.8435	\$ 2.7832	\$ 2.8229	\$ 2.9158	\$ 2.9280
Protein Price (lb)	\$ 1.8730	\$ 1.9294	\$ 2.1011	\$ 2.1125	\$ 2.1449
Other Solids Price (lb)	\$ 0.3092	\$ 0.3020	\$ 0.2721	\$ 0.2685	\$ 0.2685
LA County PPD (cwt)	\$ 1.35	\$ 1.37	\$ 1.37	\$ 1.18	\$ 1.28
Tulare County PPD (cwt)	\$ 0.75	\$ 0.77	\$ 0.77	\$ 0.58	\$ 0.68
Tulare Co. Blend* (cwt)	\$ 18.06	\$ 18.00	\$ 18.48	\$ 18.63	\$ 18.87
FMMO Class III	\$ 17.32	\$ 17.23	\$ 17.72	\$ 18.05	\$ 18.19
FMMO Class IV	\$ 18.89	\$ 18.85	\$ 19.04	\$ 19.24	\$ 19.29
Next Two Payment Dates	August 19, 2025 (July Final) September 2, 2025 (August Advance)* <i>*August 31 falls on a holiday 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>					

Cheese – Spot block cheddar jumped 6.50¢ to \$1.7050 this week, marking its first close above \$1.70 since July 1st. The forward curve was mixed as the front months saw green while the back months moved 1-2¢ lower as milk production prospects weighed on prices. Heavier than expected cheese inventories likely also weighed on prices as cheese stocks grew counter-seasonally in June (+2.6mm lbs vs -14.7mm 5yr avg).

ending the week at \$1.2875. Activity was slow most of the week as only 4 loads traded through Thursday, but a healthy two-sided trade emerged on Friday when 9 loads traded. There was a second consecutive GDT Pulse on Tuesday which showed mixed results for WMP and SMP, although neither moved with much conviction. Market participants will be closely watching next week's GDT event to see if WMP can continue its impressive run and keep pace with NZX futures which are implying another gain for both WMP (+2.3%) and SMP (+.50%). Domestic sellers are cautiously watching the dollar strength that emerged this week (+3%) as the Fed elected to keep the Federal Funds rate unchanged and provided hawkish commentary in the face of anticipated inflation.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (7/24/2025)

Class III	• 4 th Quarter 2025: \$17.25 floor for \$0.26/cwt	Class IV	• 4 th Quarter 2025: \$18.45 floor for \$0.19/cwt
	• 1 st Quarter 2026: \$16.84 floor for \$0.33/cwt		• 1 st Quarter 2026: \$18.22 floor for \$0.32/cwt
	• 2 nd Quarter 2026: \$16.94 floor for \$0.42/cwt		• 2 nd Quarter 2026: \$18.53 floor for \$0.39/cwt
	• 3 rd Quarter 2026: \$17.17 floor for \$0.48/cwt		• 3 rd Quarter 2026: \$18.72 floor for \$0.56/cwt
	• 4 th Quarter 2026: \$17.29 floor for \$0.55/cwt		• 4 th Quarter 2026: \$18.59 floor for \$0.59/cwt

Did you know... that according to an [LA Times report](#) this week (link may require an account to view), from November 2024 through June 2025, 359 California dairy farms collected \$231 million in payments under the ELAP program in order to mitigate the impact of HPAI? The report was based on a Freedom of Information Act request by the activist group Farm Forward and detailed that payments to individual farms averaged \$645,000, ranging from \$2,058 to \$4.4 million. Those figures are expected to climb higher as more claims are processed from the more than 700 total California farms impacted and quarantined over the term of the outbreak.