

## Weekly Update

**Date:** August 8, 2025  
**To:** CDI Member-Owners  
**From:** CDI Staff  
**Subject:** CDI Weekly Update

### COMMODITY MARKETS

**Butter** – Spot butter pricing continued to tumble lower as it finished down 9.00¢ versus last Friday’s close and settled at \$2.3550. This marked the lowest spot price settle since the end of May ’25. The forward curve shed value in kind as it fell 5-10¢ through EOY ’25. Buyers on the spot market were hard to find this week as market participants don’t seem concerned about the YoY deficit in butter in storage or elevated butterfat exports in June. On Tuesday, June butter exports were reported at 14.2MM lbs (up 100% YoY) while AMF exports were up +34% YoY, yet the market accelerated lower to end the week. Market sentiment was more compelled by the June butter production strength (up 10.4% YoY) and the anticipation of healthy butter supply growth in coming months. As milk production prospects strengthen, so too does the likelihood of cream availability. That cream would likely find a home in the additional churn capacity set to come online through year-end. The market bears believe that this will support butter production and leave product available for sale on the CME, putting downward pressure on the market.

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/2/2025	Last Week
<b>Butter</b>	<b>\$2.5301</b>	\$2.5454
<b>Block Cheddar</b>	<b>\$1.7122</b>	\$1.7273
<b>Nonfat Dry Milk</b>	<b>\$1.2746</b>	\$1.2792
<b>Dry Whey</b>	<b>\$0.5747</b>	\$0.5615
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.		

Projected/Actual Milk Prices (Actual Bold, <i>Estimate Italicized</i> )					
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Advance Price (cwt)	\$ 18.30	\$ 17.32	\$ 17.35	\$ 18.58	\$ 18.44
Butterfat Price (lb)	\$ 2.8435	\$ 2.7221	\$ 2.7354	\$ 2.7954	\$ 2.7993
Protein Price (lb)	\$ 1.8730	\$ 2.0204	\$ 2.4180	\$ 2.3541	\$ 2.3467
Other Solids Price (lb)	\$ 0.3092	\$ 0.3123	\$ 0.3174	\$ 0.2835	\$ 0.2711
LA County PPD (cwt)	\$ 1.35	\$ 1.45	\$ 0.68	\$ 0.86	\$ 0.84
Tulare County PPD (cwt)	\$ 0.75	\$ 0.85	\$ 0.08	\$ 0.26	\$ 0.24
Tulare Co. Blend* (cwt)	\$ 18.06	\$ 18.20	\$ 18.69	\$ 18.70	\$ 18.60
FMMO Class III	\$ 17.32	\$ 17.35	\$ 18.62	\$ 18.44	\$ 18.36
FMMO Class IV	\$ 18.89	\$ 18.64	\$ 18.58	\$ 18.73	\$ 18.66
Next Two Payment Dates	August 19, 2025 (July Final)				
	September 2, 2025 (August Advance)*				
	*August 31 falls on a holiday weekend				
*Blend price is <u>after</u> the PPD is accounted for; <u>before</u> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 2.99% Pro and 5.69% OS					

**Cheese** – Spot block cheddar jumped 14.50¢ to \$1.8500 this week. The forward curve was mixed as the 3 nearby contracts saw gains, while the back months moved 1¢ lower. Momentum higher this week was spurred on by a supportive result for cheese in the June export data. Total cheese exports set an all-time high at 115.1MM lbs and Cheddar Cheese exports were up 108% YoY, serving to tighten product available for sale on the CME.

**Powder** – Spot NFDM fell 2.25¢ versus last Friday, closing at \$1.2650. June NFDM/SMP exports were

disappointing, coming in down 1.7% YoY despite Mexican purchasing increasing by 14% YoY. June stock levels remained below YA levels (down 1.5% YoY); however, production exceeded industry expectations. As both domestic and international milk outlooks improve and demand remains subdued, the NFDM forward curve has slid 1-2¢ lower.

### DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/8/2025)

- Class III**
- 4<sup>th</sup> Quarter 2025: \$17.39 floor for \$0.26/cwt
  - 1<sup>st</sup> Quarter 2026: \$16.95 floor for \$0.33/cwt
  - 2<sup>nd</sup> Quarter 2026: \$17.04 floor for \$0.41/cwt
  - 3<sup>rd</sup> Quarter 2026: \$17.23 floor for \$0.48/cwt
  - 4<sup>th</sup> Quarter 2026: \$17.31 floor for \$0.53/cwt

- Class IV**
- 4<sup>th</sup> Quarter 2025: \$17.85 floor for \$0.17/cwt
  - 1<sup>st</sup> Quarter 2026: \$17.95 floor for \$0.31/cwt
  - 2<sup>nd</sup> Quarter 2026: \$18.47 floor for \$0.39/cwt
  - 3<sup>rd</sup> Quarter 2026: \$18.62 floor for \$0.51/cwt
  - 4<sup>th</sup> Quarter 2026: \$18.59 floor for \$0.57/cwt

**Did you know...** that CDFA currently holds more than \$7 million in leftover funds from the “Dairy Marketing Branch” and “Milk Pooling Branch” that were utilized to run the State marketing order prior to the California Federal Order starting in 2018? CDI’s Sacramento representatives have been working with industry partners to get those funds released on behalf of the industry. About half of the funds were contributed exclusively by dairy farmers, and the other half was a mix of payments from farmers and processors. This year’s California Budget includes provisions to return half of the funds to dairy farmers and make the other half available for research projects that benefit the California dairy industry. More information should be forthcoming in the months to come as the distribution plan is finalized.