

Weekly Update

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Date: August 15, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

	Wk Ending 8/9/2025	Last Week
Butter	\$2.5240	\$2.5256
Block Cheddar	\$1.7029	\$1.7122
Nonfat Dry Milk	\$1.2870	\$1.2748
Dry Whey	\$0.5809	\$0.5747

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.

COMMODITY MARKETS

Butter – Spot butter pricing seemed to have found a near-term bottom at \$2.28 this Wednesday, as buying interest returned and carried market to a \$2.30 close this Friday. The spot market shed 5.50¢ while the futures market fell another 4-7¢ versus last Friday’s close. The shocking, counter-seasonal move lower seen over the past few weeks seems to have ignored a YoY deficit in stocks, improving export demand, and steadily higher YTD domestic demand. Instead, market sentiment has soured with anticipation of ample milk and cream powering burdensome supply growth into year end. Market bears also cite significant holdings of bulk butter in the hands of traders, which will have to come back to the CME and will create further downward pressure. EU butter pricing has eased versus prior week. Participants will continue to weigh current fundamental support and anticipated future bearishness as they eagerly await both July Milk Production and Cold Storage reports (released at end of next week) to guide near-term direction.

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Advance Price (cwt)	\$ 17.32	\$ 17.36	\$ 18.16	\$ 18.09	\$ 18.10
Butterfat Price (lb)	\$ 2.7175	\$ 2.6313	\$ 2.6918	\$ 2.7124	\$ 2.7039
Protein Price (lb)	\$ 2.0188	\$ 2.4219	\$ 2.2602	\$ 2.2642	\$ 2.1824
Other Solids Price (lb)	\$ 0.3174	\$ 0.3329	\$ 0.3350	\$ 0.3226	\$ 0.2878
LA County PPD (cwt)	\$ 1.48	\$ 0.58	\$ 0.76	\$ 0.68	\$ 0.95
Tulare County PPD (cwt)	\$ 0.88	\$ (0.02)	\$ 0.16	\$ 0.08	\$ 0.35
Tulare Co. Blend* (cwt)	\$ 18.24	\$ 18.33	\$ 18.25	\$ 18.18	\$ 18.43
FMMO Class III	\$ 17.36	\$ 18.35	\$ 18.09	\$ 18.10	\$ 18.08
FMMO Class IV	\$ 18.50	\$ 18.16	\$ 18.24	\$ 18.23	\$ 18.50
Next Two Payment Dates	August 19, 2025 (July Final) September 2, 2025 (August Advance)* *August 31 falls on a holiday weekend				
<small>*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</small>					

Cheese – Spot block cheddar saw a reversal of recent strength, settling 7.50¢ lower to \$1.7750 this week. The forward curve moved decisively lower, with 2025 contracts falling 3-4¢. Spot block pricing moved to the highest level seen since early June (\$1.880 on Tuesday), before cratering to end the week as growing milk supply and additional production capacity are keeping a lid on upside.

Powder – Spot NFDM rose 0.50¢ versus last Friday, closing at \$1.2700. Spot tested as low as \$1.2500 on Tuesday, before buyer interest returned and created support into Friday’s close.

The forward curve shifted lower and is backwardated into January '26. Near-term contracts have held together as spot product hasn't been readily available, while deferred contracts have come under pressure as many expect heavy milk flows to create a glut of supply that lackluster international demand will not be able to fully clear. Near-term upside exists if Mexican and Algerian demand returns in late August and September.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/15/2025)

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|------------------|--|-----------------|--|
| Class III | • 4 th Quarter 2025: \$17.17 floor for \$0.24/cwt | Class IV | • 4 th Quarter 2025: \$17.43 floor for \$0.14/cwt |
| | • 1 st Quarter 2026: \$16.89 floor for \$0.32/cwt | | • 1 st Quarter 2026: \$17.59 floor for \$0.32/cwt |
| | • 2 nd Quarter 2026: \$17.01 floor for \$0.39/cwt | | • 2 nd Quarter 2026: \$18.05 floor for \$0.38/cwt |
| | • 3 rd Quarter 2026: \$17.21 floor for \$0.44/cwt | | • 3 rd Quarter 2026: \$18.39 floor for \$0.49/cwt |
| | • 4 th Quarter 2026: \$17.25 floor for \$0.50/cwt | | • 4 th Quarter 2026: \$18.44 floor for \$0.56/cwt |

Did you know... that Governor Gavin Newsom announced this week that California Democrats will be moving forward with a plan to redraw Congressional districts to build on the current 43-9 Democrat advantage in the State. Through a [leaked memo](#), the goal of these new gerrymandered districts would be to convert four districts that currently are held by Republicans into either “Safe” or “Leaning” Democrat seats. The plan also takes four borderline seats currently held by Democrats and attempts to make them safer for Democrats. Among the districts being targeted appear to be Republican Congressmen Doug LaMalfa, Kevin Kiley, Ken Calvert and Darrell Issa. Congressman David Valadao, great friend of the industry and the only dairyman in Congress, already operates in a “Leans Democrat” district, which would continue under the leaked charts. This change in the maps would require a change to the California Constitution, which currently requires an independent commission to draw lines, so the vote to change the Constitution is now slated for November 2025.