

Weekly Update

2000 N. Plaza Drive
Visalia, CA 93291
559-625-2200
Fax: 559-625-5433



Date: August 29, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter pricing settled Friday at \$2.0450, the lowest price seen on spot since December 2021, as it fell 19¢ from prior week. Offers were stacked on the exchange with bidders nowhere to be found for much of the week. Through EOY '25, domestic futures dropped between 7-12¢. Both EEX and SGX futures also tumbled as all major butter exporters' milk production outlooks are becoming heavier. While July's Cold Storage result suggested that butter availability is tight (down 6.1% YoY), the weight of the offer on the CME has market participants in doubt. Market sentiment has become increasingly bearish as many expect continued strength in milk production and ample cream

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/23/2025	Last Week
Butter	\$2.4470	\$2.4939
Block Cheddar	\$1.7812	\$1.7366
Nonfat Dry Milk	\$1.2822	\$1.2882
Dry Whey	\$0.5730	\$0.5828
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, Estimate Italicized)					
	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Advance Price (cwt)	\$ 17.32	\$ 17.26	\$ 17.24	\$ 17.31	\$ 17.31
Butterfat Price (lb)	\$ 2.7130	\$ 2.4254	\$ 2.4817	\$ 2.4999	\$ 2.5071
Protein Price (lb)	\$ 1.9847	\$ 2.6151	\$ 2.4579	\$ 2.3575	\$ 2.3012
Other Solids Price (lb)	\$ 0.3216	\$ 0.3149	\$ 0.3154	\$ 0.3020	\$ 0.2865
LA County PPD (cwt)	\$ 1.34	\$ 0.42	\$ 0.56	\$ 0.63	\$ 0.90
Tulare County PPD (cwt)	\$ 0.74	\$ (0.18)	\$ (0.04)	\$ 0.03	\$ 0.30
Tulare Co. Blend* (cwt)	\$ 18.00	\$ 17.92	\$ 17.79	\$ 17.55	\$ 18.06
FMMO Class III	\$ 17.26	\$ 18.10	\$ 17.83	\$ 17.52	\$ 17.76
FMMO Class IV	\$ 18.44	\$ 17.24	\$ 17.31	\$ 17.31	\$ 17.58
Next Two Payment Dates	September 2, 2025 (August Advance)* September 19, 2025 (August Final) *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					

availability. Next week the USDA will report fundamentals on July butter demand, which could provide some support if the numbers are as strong as the Cold Storage report implies.

Cheese – Spot block cheddar traded 2.50¢ higher to \$1.7750 this week. Despite this, the forward curve shed 1-2¢ in Q4 '25 and Q1 '26. Exports have been impressive (up 34% YoY in June) and stocks aren't burdensome, but cheese couldn't escape overall dairy complex weakness

as futures moved lower this week.

Powder – Spot NFDM pricing settled at flat to prior week, closing at \$1.2600. GDT Pulse was unsupportive with both SMP and WMP moving lower. EEX and SGX futures both were both down slightly as milk production prospects improved. The domestic forward curve came under pressure as domestic milk growth is likely to create substantial supply-side length in the coming months while demand remains lukewarm.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/29/2025)

Class III	• 4 th Quarter 2025: \$16.82 floor for \$0.19/cwt	• 4 th Quarter 2025: \$16.55 floor for \$0.11/cwt
	• 1 st Quarter 2026: \$16.70 floor for \$0.30/cwt	• 1 st Quarter 2026: \$16.93 floor for \$0.24/cwt
	• 2 nd Quarter 2026: \$16.70 floor for \$0.37/cwt	• 2 nd Quarter 2026: \$17.56 floor for \$0.34/cwt
	• 3 rd Quarter 2026: \$16.94 floor for \$0.44/cwt	• 3 rd Quarter 2026: \$18.05 floor for \$0.55/cwt
	• 4 th Quarter 2026: \$16.95 floor for \$0.48/cwt	• 4 th Quarter 2026: \$18.15 floor for \$0.50/cwt

Did you know...that CDFA has scheduled a Producer Review Board (PRB) meeting on Monday, September 22nd at 10 am? This meeting, which will review current issues relating to the Quota Implementation Plan (QIP), will be held at Cal-Expo – Clubhouse in Sacramento (1600 Exposition Blvd). These meetings are open to the public, but there are no teleconference options, so the only way to listen into the discussion is to attend in-person. No agenda has been published yet, but issues covered at the last PRB meeting in May included an overall update on the operation of the QIP, a financial update on the program, an update on the current referendum to terminate the program, and discussions around hardship requests submitted by individual dairies.