

Weekly Update

Date: September 12, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter pricing settled Friday at \$1.8600 down 16.25¢ from prior week. The forward curve has seen even greater pressure with losses of 15-30¢ all the way through December 2026. The decisive move lower comes against July fundamentals that lean supportive. Stocks were down 6.1% YoY as the strength in butter production was outweighed by surging international demand and flat domestic demand. Despite the backdrop of supportive fundamental data, futures continue to forge lower because market participants seem to be more concerned with elevated milk production expectations. Bearish participants would argue that while the July data indicates we are tight, heavy milk flows will soon put the market into oversupply. Simultaneously, New Zealand and Europe's milk production outlooks have strengthened

Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)					
	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Advance Price (cwt)	\$ 17.24	\$ 16.74	\$ 15.71	\$ 15.17	\$ 15.62
Butterfat Price (lb)	\$ 2.3164	\$ 2.1351	\$ 2.1199	\$ 2.1590	\$ 2.1820
Protein Price (lb)	\$ 2.5626	\$ 2.3568	\$ 2.3406	\$ 2.3735	\$ 2.3912
Other Solids Price (lb)	\$ 0.3185	\$ 0.3277	\$ 0.3149	\$ 0.2865	\$ 0.2814
LA County PPD (cwt)	\$ 0.25	\$ 0.73	\$ 0.26	\$ 0.19	\$ 0.17
Tulare County PPD (cwt)	\$ (0.35)	\$ 0.13	\$ (0.34)	\$ (0.41)	\$ (0.43)
Tulare Co. Blend* (cwt)	\$ 17.24	\$ 16.52	\$ 15.87	\$ 16.36	\$ 16.45
FMMO Class III	\$ 17.58	\$ 16.39	\$ 16.21	\$ 16.77	\$ 16.88
FMMO Class IV	\$ 16.74	\$ 15.71	\$ 15.17	\$ 15.62	\$ 15.69
Next Two Payment Dates	September 19, 2025 (August Final) September 30, 2025 (September Advance)				
*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					

domestic demand in Europe is anecdotally weakening.

Powder – Spot NFDM pricing settled at \$1.1650, down 5.50¢ versus last week. The forward curve shed 3-5¢ as powder pricing in the US and EU saw losses. GDT Pulse saw a slight uptick in SMP pricing. The market has found its way lower against an improving milk production outlook and generally weak global demand. Domestic fundamentals indicate that powder supply lengthened, up 4.1% YoY in July, while exports struggled down 15.7% YoY.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (9/12/2025)

- Class III**
- 4th Quarter 2025: \$15.58 floor for \$0.12/cwt
 - 1st Quarter 2026: \$16.08 floor for \$0.26/cwt
 - 2nd Quarter 2026: \$16.20 floor for \$0.34/cwt
 - 3rd Quarter 2026: \$16.50 floor for \$0.41/cwt
 - 4th Quarter 2026: \$16.58 floor for \$0.46/cwt

- Class IV**
- 4th Quarter 2025: \$14.84 floor for \$0.06/cwt
 - 1st Quarter 2026: \$15.15 floor for \$0.14/cwt
 - 2nd Quarter 2026: \$16.00 floor for \$0.33/cwt
 - 3rd Quarter 2026: \$16.95 floor for \$0.49/cwt
 - 4th Quarter 2026: \$17.26 floor for \$0.54/cwt

Did you know... that USDA [announced](#) the availability of “\$1 billion to flood and wildfire-impacted livestock producers”? Named the Emergency Livestock Relief Program (ELRP), the program includes coverage of the 2023 flood conditions in California. Signups are from September 15 through October 31, 2025, and are available through your FSA office. The program appears to be quite streamlined, with dairies in nearly all California counties eligible and a pre-set formula based on the number of mature animals and young stock. There is a payment limitation of \$250,000 per person or entity (unless less than 75% of your income is from farming/ranching, in which case the payment limit moves to \$125,000). Check with your local FSA office for more information.

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 9/6/2025	Last Week
Butter	\$2.2688	\$2.3902
Block Cheddar	\$1.8470	\$1.8352
Nonfat Dry Milk	\$1.2897	\$1.2794
Dry Whey	\$0.5739	\$0.5750
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.		

as SGX and EEX butter futures have collapsed lower.

Cheese – Spot block cheddar traded down 7.5¢ down to \$1.6150 this week. Behind spot pressure, futures out through 1H '26 fell 3-7¢. Blocks were unable to escape the drift lower in dairy commodity prices this week. Export demand remains elevated, but domestic demand is sluggish. Production prospects are improving, which is contributing to the downward pressure. EEX pricing is also declining as