

Weekly Update

Date: October 3, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter pricing settled Friday at \$1.7500, up 3¢ from prior week. CME spot activity has increased in the past two weeks as a bid has re-entered the market and lifted pricing. 132 car-lots have traded hands in the past 2 weeks versus 89 car-lots in the 4 weeks before that. The forward curve has appreciated following August's supportive Cold Storage report, with deferred contracts seeing the largest increases (7-10¢). Spot cream markets moved lower in the Midwest + Western regions as plant downtime of non-CDI plants pushed milk into balancing plants creating excess supply of cream. USDA did not release August's Dairy Products report due to the government shutdown and the

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 9/27/2025	Last Week
Butter	\$1.9119	\$1.9837
Block Cheddar	\$1.7569	\$1.7882
Nonfat Dry Milk	\$1.1695	\$1.2546
Dry Whey	\$0.5793	\$0.5800
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)					
	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Advance Price (cwt)	\$ 17.24	\$ 16.17	\$ 14.71	\$ 15.25	\$ 15.82
Butterfat Price (lb)	\$ 2.1925	\$ 1.9168	\$ 2.0379	\$ 2.1226	\$ 2.2256
Protein Price (lb)	\$ 2.7062	\$ 2.8551	\$ 2.6613	\$ 2.4836	\$ 2.3675
Other Solids Price (lb)	\$ 0.3207	\$ 0.3424	\$ 0.3329	\$ 0.3174	\$ 0.3092
LA County PPD (cwt)	\$ (0.27)	\$ (1.35)	\$ (0.67)	\$ 0.16	\$ 0.61
Tulare County PPD (cwt)	\$ (0.87)	\$ (1.95)	\$ (1.27)	\$ (0.44)	\$ 0.01
Tulare Co. Blend* (cwt)	\$ 16.72	\$ 15.25	\$ 15.72	\$ 16.74	\$ 17.13
FMMO Class III	\$ 17.59	\$ 17.20	\$ 16.99	\$ 17.18	\$ 17.12
FMMO Class IV	\$ 16.17	\$ 14.71	\$ 15.25	\$ 15.82	\$ 16.19
Next Two Payment Dates	October 20, 2025 (September Final)* October 31, 2025 (October Advance) <i>*October 19 falls on a weekend</i>				
<i>*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</i>					

expectation is that future fundamental data reports will also be delayed or not released at all.

Cheese – Spot block cheddar traded up 16.5¢ to \$1.7900 this week. The forward curve jumped 5-8¢ higher from Oct '25 to Jan '26 in response. Unplanned downtime at cheese plants has likely tightened output and provided near-term support for CME spot. EU cheese pricing has continued slide, which is threatening the US'

ability to maintain a record-setting export pace in coming months. Short-term production issues could provide limited near-term support, but EU price weakness should put pressure on domestic price in the medium term.

Powder – Spot NFDM pricing settled at \$1.1600, up 0.50¢ versus last week and the forward curve has continued to add value. NZ SMP prices moved slightly lower in this week's Pulse Event and futures point towards a near-flat result in GDT Event 389 next Tuesday. Milk production in the EU has exceeded expectations and could limit near-term upside to pricing. NFDM stocks for August were expected to climb +10% YoY but without an official report, those numbers cannot be confirmed just yet.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (10/3/2025)

- Class III**
- 1st Quarter 2026: \$16.15 floor for \$0.29/cwt
 - 2nd Quarter 2026: \$16.24 floor for \$0.36/cwt
 - 3rd Quarter 2026: \$16.58 floor for \$0.43/cwt
 - 4th Quarter 2026: \$16.64 floor for \$0.48/cwt
 - 1st Quarter 2027: \$16.47 floor for \$0.52/cwt

- Class IV**
- 1st Quarter 2026: \$15.66 floor for \$0.22/cwt
 - 2nd Quarter 2026: \$16.55 floor for \$0.31/cwt
 - 3rd Quarter 2026: \$17.03 floor for \$0.45/cwt
 - 4th Quarter 2026: \$17.04 floor for \$0.51/cwt
 - 1st Quarter 2027: Not Offered

Did you know... that the Federal government shutdown that began on October 1st is impacting most U.S. Department of Agriculture operations? (By the way, if you haven't seen USDA's website lately, it's worth checking out the note posted on the [main page](#).) While this shutdown will obviously impact some regular reporting (such as the Dairy Products Report that was scheduled to come out today), it will also delay signups for the Emergency Livestock Relief Program (ELRP), which was recently opened up for claims related to the 2023 flood conditions in California. Once the shutdown is resolved and regular operations resume, we will learn what the updated signup window is.