

Weekly Update

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Date: October 17, 2025
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter pricing settled Friday at \$1.5950, down 1.00¢ from prior week. The butter forward curve continues to plummet, with 7-11¢ losses in the Dec '25 through Mar '26 contracts. Spot butter found support to start the week but fell short of the \$1.70 mark as an inconsistent buy-side caved to the weight of the sell-side. Despite the downward pressure on the curve, there are a few supportive data points to consider moving forward. First, cream multiples tightened in all regions and Central multiples saw a significant jump as Class II cream demand seasonally increases. A sloppy cream market year-to-date has been a key contributor to the current bearish state of the market and should that turn, so too could price direction. Second, the US has been a net exporter of butter YTD, and although global prices are moving lower the US holds a significant discount that should incentivize continued export activity into 2026. If export volume grows into 2026, that could help offset a domestic supply that is expected to be burdensome. Finally, domestic demand has been strong and could accelerate behind

promotional activity entering holiday season.

Cheese – Spot block cheddar traded up 7.50¢ to \$1.7750 this week while the forward curve was mixed, with gains in the nearby contracts and losses in the deferred contracts. This reflects the disconnect between the snugness of the current CME eligible supply and the anticipated glut of supply into the start of next year. The decline in EU pricing will limit US export opportunity at current pricing and should put downward pressure on

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 10/11/2025	Last Week
Butter	\$1.7959	\$1.7469
Block Cheddar	\$1.7183	\$1.7037
Nonfat Dry Milk	\$1.1729	\$1.1805
Dry Whey	\$0.5873	\$0.5832
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 <i>Italicized</i>)					
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Advance Price (cwt)	\$ 16.17	\$ 14.09	\$ 13.99	\$ 14.15	\$ 14.32
Butterfat Price (lb)	\$ 1.7808	\$ 1.7975	\$ 1.8444	\$ 1.9034	\$ 1.9652
Protein Price (lb)	\$ 2.9416	\$ 2.7649	\$ 2.5237	\$ 2.4285	\$ 2.3951
Other Solids Price (lb)	\$ 0.3380	\$ 0.3561	\$ 0.3458	\$ 0.3380	\$ 0.3277
LA County PPD (cwt)	\$ (1.50)	\$ (1.45)	\$ (0.47)	\$ (0.61)	\$ (0.43)
Tulare County PPD (cwt)	\$ (2.10)	\$ (2.05)	\$ (1.07)	\$ (1.21)	\$ (1.03)
Tulare Co. Blend* (cwt)	\$ 14.86	\$ 14.54	\$ 15.42	\$ 15.14	\$ 15.37
FMMO Class III	\$ 16.95	\$ 16.59	\$ 16.49	\$ 16.35	\$ 16.40
FMMO Class IV	\$ 14.09	\$ 13.99	\$ 14.15	\$ 14.32	\$ 14.57
Next Two Payment Dates	October 20, 2025 (September Final)* October 31, 2025 (October Advance) <i>*October 19 falls on a weekend</i>				
*Blend price is <i>after</i> the PPD is accounted for, <i>before</i> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 2.99% Pro and 5.69% OS					

the market in the medium term.

Powder – Spot NFDM pricing settled at \$1.1100, down 1.75¢ versus last week and the forward curve has dropped 2-3¢. GDT Pulse pricing moved lower for both SMP and WMP. Growth in EU milk production and EU SMP pricing weakness has put pressure on both SGX + CME futures pricing. Global supply-side dynamics have become increasingly unsupportive, while the demand picture remains unimpressive.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (10/17/2025)

- Class III**
- 1st Quarter 2026: \$15.55 floor for \$0.24/cwt
 - 2nd Quarter 2026: \$16.05 floor for \$0.35/cwt
 - 3rd Quarter 2026: \$16.63 floor for \$0.42/cwt
 - 4th Quarter 2026: \$16.62 floor for \$0.48/cwt
 - 1st Quarter 2027: \$16.54 floor for \$0.58/cwt

- Class IV**
- 1st Quarter 2026: \$13.98 floor for \$0.16/cwt
 - 2nd Quarter 2026: \$15.37 floor for \$0.29/cwt
 - 3rd Quarter 2026: \$16.48 floor for \$0.44/cwt
 - 4th Quarter 2026: \$16.76 floor for \$0.46/cwt
 - 1st Quarter 2027: Not Offered

Did you know... that CDI will be holding regional membership meetings later this week? These meetings, which are open only to CDI member-owners, will be held throughout the Central Valley the week of October 27. Member-owners should have received an email earlier today with the detailed schedule, but in general, the meetings will be held in Bakersfield (10/27 @ 9:30 am), Tulare (10/27 @ 1:30 pm), Riverdale (10/29 @ 9:30 am), Chowchilla (10/29 @ 1:30 pm) and Modesto (10/30 @ 10 am). If members have any questions or need a copy of the meeting schedule, please reach out to your field representative.