

Weekly Update

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

COMMODITY MARKETS

Butter – Spot butter pricing settled Friday at \$1.4800, up 0.25¢ from prior week. The forward curve was largely flat to slightly lower in the nearby contracts while 2H 2026 contracts added 1-3¢. It was a relatively

quiet week in butter as only 8 car-lots traded hands on the CME. September exports fell slightly short of expectations at 15MM lbs (up 169% YoY); however, competitive pricing from the US has encouraged continued export interest. The US should be able to maintain export momentum in coming months despite EEX Butter pricing moving lower, but that may not be enough to offset the anticipated supply growth and give pricing a meaningful and sustained lift from current levels. Market sentiment could be set to change in the next two weeks as the USDA will release the “catch up” reports

(from government shutdown) as well as current data for Dairy Products, Milk Production, and Cold Storage.

Cheese – Spot block cheddar traded down 3.00¢ to \$1.3500 while futures through Q3 2026 saw a 2-5¢ bounce. September Cheese exports set a new record high and were up ~35% YoY; however, into Q1 2026 they are set to weaken behind the competitive pricing offered out of the EU.

Powder – Spot NFDM pricing settled at \$1.1600,

down 1.00¢ versus last week as the forward curve appreciated slightly through 1H 2026, while 2H 2026 lost value. GDT Pulse saw both SMP + WMP trend lower, while EEX futures also saw modest weakness. September NFDM/SMP exports were dismal, down ~19% YoY, as key importers (MEX, PHI, IDN) all saw declines in purchasing versus prior year. The US continues to find relative support from short-term limited product availability, but as milk production growth impresses and export activity disappoints market sentiment has turned less supportive in deferred contracts.

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

- Class III**
- 1st Quarter 2026: \$15.15 floor for \$0.12/cwt
 - 2nd Quarter 2026: \$15.95 floor for \$0.28/cwt
 - 3rd Quarter 2026: \$16.47 floor for \$0.39/cwt
 - 4th Quarter 2026: \$16.48 floor for \$0.45/cwt
 - 1st Quarter 2027: \$16.24 floor for \$0.46/cwt

- Class IV**
- 1st Quarter 2026: \$13.07 floor for \$0.08/cwt
 - 2nd Quarter 2026: \$13.94 floor for \$0.20/cwt
 - 3rd Quarter 2026: \$14.65 floor for \$0.29/cwt
 - 4th Quarter 2026: \$15.27 floor for \$0.39/cwt
 - 1st Quarter 2027: \$15.34 floor for \$0.49/cwt

Did you know...that [CDFA announced](#) last Friday evening that the producer referendum vote on the “Petition to Terminate QIP #5”, submitted by Stop QIP in August 2024, failed to secure enough votes for approval? In total, 482 ballots were received, representing 63.76% of the 756 eligible producers. Of those ballots, 195 of them (representing 40.46% of the total ballots, and 47.55% of the total voting milk volume) voted to approve the referendum (which would have terminated the QIP program). Approval of the referendum required at least 51% of the voting producers and 65% of the represented milk (or vice-versa) – so the referendum fell short on both counts. There was also some drama around “ineligible, invalid and special extension ballots,” so CDFA [released details](#) demonstrating that those ballots would not have changed the outcome of the referendum.

National Dairy Product Sales Report (NDPSR)

	Wk Ending 12/6/2025	Last Week
Butter	\$1.6063	\$1.6398
Block Cheddar	\$1.6049	\$1.6551
Nonfat Dry Milk	\$1.1521	\$1.1639
Dry Whey	\$0.6792	\$0.6839

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)

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Advance Price (cwt)	\$ 13.89	<i>\$ 13.83</i>	<i>\$ 13.67</i>	<i>\$ 13.60</i>	<i>\$ 14.05</i>
Butterfat Price (lb)	<i>\$ 1.6137</i>	<i>\$ 1.6080</i>	<i>\$ 1.6225</i>	<i>\$ 1.7836</i>	<i>\$ 1.8653</i>
Protein Price (lb)	<i>\$ 2.4127</i>	<i>\$ 2.3831</i>	<i>\$ 2.3612</i>	<i>\$ 2.3518</i>	<i>\$ 2.4431</i>
Other Solids Price (lb)	<i>\$ 0.4410</i>	<i>\$ 0.4619</i>	<i>\$ 0.4385</i>	<i>\$ 0.4140</i>	<i>\$ 0.3926</i>
LA County PPD (cwt)	<i>\$ (0.24)</i>	<i>\$ (0.81)</i>	<i>\$ (0.70)</i>	<i>\$ (0.77)</i>	<i>\$ (0.89)</i>
Tulare County PPD (cwt)	<i>\$ (0.84)</i>	<i>\$ (1.41)</i>	<i>\$ (1.30)</i>	<i>\$ (1.37)</i>	<i>\$ (1.49)</i>
Tulare Co. Blend* (cwt)	<i>\$ 15.04</i>	<i>\$ 14.48</i>	<i>\$ 14.44</i>	<i>\$ 14.76</i>	<i>\$ 15.09</i>
FMMO Class III	<i>\$ 15.89</i>	<i>\$ 15.90</i>	<i>\$ 15.73</i>	<i>\$ 16.12</i>	<i>\$ 16.58</i>
FMMO Class IV	<i>\$ 13.83</i>	<i>\$ 13.67</i>	<i>\$ 13.60</i>	<i>\$ 14.05</i>	<i>\$ 14.37</i>

Next Two Payment Dates
December 19, 2025 (November Final)
December 31, 2025 (December Advance)

*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