

# Weekly Update

**Note: There will be no Weekly Update next Friday (December 26). The next issue will be January 2.**

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



**Date:** December 19, 2025  
**To:** CDI Member-Owners  
**From:** CDI Staff  
**Subject:** CDI Weekly Update

## COMMODITY MARKETS

**Butter** – Spot butter pricing settled Friday at \$1.4150, down 6.50¢ from prior week and marking the lowest daily spot price since February 2021. The forward curve reacted strongly in the nearby contracts as they lost ~6¢ while deferred contracts fell 1-2¢. Activity on the spot market picked up as sentiment turned increasingly unsupportive this week with 61 car-lots trading hands. The market is entering seasonal demand weakness with the surge of holiday purchasing interest now past. This demand relief typically guides cream multiples lower and pushes more cream to the churn. Near-term outlook remains unsupportive as the weight of anticipated supply growth returns to focus.

## National Dairy Product Sales Report (NDPSR)

	Wk Ending 12/13/2025	Last Week
Butter	\$1.5209	\$1.5963
Block Cheddar	\$1.5451	\$1.6048
Nonfat Dry Milk	\$1.1581	\$1.1522
Dry Whey	\$0.6885	\$0.6792

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
<b>Advance Price (cwt)</b>	<b>\$ 13.89</b>	\$ 13.63	\$ 13.65	\$ 13.63	\$ 14.24
<b>Butterfat Price (lb)</b>	<b>\$ 1.5656</b>	\$ 1.5626	\$ 1.5632	\$ 1.7593	\$ 1.8384
<b>Protein Price (lb)</b>	<b>\$ 2.4445</b>	\$ 2.3860	\$ 2.3627	\$ 2.2998	\$ 2.4393
<b>Other Solids Price (lb)</b>	<b>\$ 0.4359</b>	\$ 0.4413	\$ 0.4076	\$ 0.3829	\$ 0.3754
<b>LA County PPD (cwt)</b>	<b>\$ (0.31)</b>	\$ (0.48)	\$ (0.31)	\$ (0.13)	\$ (0.65)
<b>Tulare County PPD (cwt)</b>	<b>\$ (0.91)</b>	\$ (1.08)	\$ (0.91)	\$ (0.73)	\$ (1.25)
<b>Tulare Co. Blend* (cwt)</b>	<b>\$ 14.88</b>	<b>\$ 14.54</b>	<b>\$ 14.45</b>	<b>\$ 14.97</b>	<b>\$ 15.13</b>
<b>FMMO Class III</b>	<b>\$ 15.79</b>	<b>\$ 15.62</b>	<b>\$ 15.35</b>	<b>\$ 15.70</b>	<b>\$ 16.37</b>
<b>FMMO Class IV</b>	<b>\$ 13.63</b>	<b>\$ 13.65</b>	<b>\$ 13.63</b>	<b>\$ 14.24</b>	<b>\$ 14.44</b>
<b>Next Two Payment Dates</b>	<b>December 19, 2025 (November Final)</b> <b>December 31, 2025 (December Advance)</b>				

\*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

growth continues to pressure domestic block pricing.

**Powder** – Spot NFDM pricing settled at \$1.1575, down 0.25¢ versus last week as the forward curve appreciated by 1-3¢ through July '26. GDT Event 394 marked the 9<sup>th</sup> consecutive index loss, led by losses in SMP and WMP. The US remains uncompetitive as an exporter against NZX and EEX pricing, which will make exporting domestic production a challenge. Milk growth remains positive in New Zealand and the EU and that trend is expected to continue in nearby months as the international market puts pressure on domestic pricing.

## DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (12/19/2025)

<p><b>Class III</b></p> <ul style="list-style-type: none"> <li>• 2<sup>nd</sup> Quarter 2026: \$15.83 floor for \$0.27/cwt</li> <li>• 3<sup>rd</sup> Quarter 2026: \$16.63 floor for \$0.38/cwt</li> <li>• 4<sup>th</sup> Quarter 2026: \$16.62 floor for \$0.45/cwt</li> <li>• 1<sup>st</sup> Quarter 2027: \$16.26 floor for \$0.46/cwt</li> <li>• 2<sup>nd</sup> Quarter 2027: \$16.40 floor for \$0.54/cwt</li> </ul>	<p><b>Class IV</b></p> <ul style="list-style-type: none"> <li>• 2<sup>nd</sup> Quarter 2026: \$13.97 floor for \$0.19/cwt</li> <li>• 3<sup>rd</sup> Quarter 2026: \$14.66 floor for \$0.29/cwt</li> <li>• 4<sup>th</sup> Quarter 2026: \$15.18 floor for \$0.39/cwt</li> <li>• 1<sup>st</sup> Quarter 2027: \$15.34 floor for \$0.48/cwt</li> <li>• 2<sup>nd</sup> Quarter 2027: \$15.34 floor for \$0.54/cwt</li> </ul>
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**Did you know...**that this week the U.S. House of Representatives approved the "Whole Milk for Healthy Kids Act of 2025"? This followed Senate approval, which was given last month, and now just awaits a final signature by President Trump. Once signed into law, this will once again allow (but not require) schools that participate in USDA's National School Lunch Program to offer whole and/or 2% milk again, which has not been allowed under that Federal program since 2012, when USDA restricted the allowable milk options with a stated goal of combatting childhood obesity (only the government could come up with an argument that milk in a child's lunch is what's driving obesity, not the candy bar and soda the kids have when they get home).