

# MPC WEEKLY FRIDAY REPORT

DATE: APRIL 25, 2025  
 TO: DIRECTORS & MEMBERS  
 FROM: KEVIN ABERNATHY, GENERAL MANAGER  
 PAGES: 10



P.O. Box 4030, Ontario, CA 91761 • (909) 628-6018  
[Office@MilkProducers.org](mailto:Office@MilkProducers.org) • [www.MilkProducers.org](http://www.MilkProducers.org) • Fax (909) 591-7328

## MPC FRIDAY MARKET UPDATE

<b>CHICAGO CHEDDAR CHEESE</b>		<b>CHICAGO AA BUTTER</b>		<b>NON-FAT DRY MILK</b>	
Blocks	<b>-\$ .1350</b>	\$1.7000	WEEKLY CHANGE	<b>-\$ .0625</b>	\$2.2800
Barrels	<b>-\$ .1350</b>	\$1.7050	WEEKLY AVERAGE	<b>-\$ .0305</b>	\$2.3145
<b>WEEKLY AVERAGE CHEDDAR CHEESE</b>		<b>DRY WHEY</b>		<b>NAT'L PLANTS</b>	
Blocks	<b>-\$ .0655</b>	\$1.7420	DAIRY MARKET NEWS	W/E 04/25/25	\$ .5100
Barrels	<b>-\$ .1043</b>	\$1.7595	NATIONAL PLANTS	W/E 04/19/25	<b>\$.4899</b>
				<b>WEEK ENDING 04/19/25</b>	
				NAT'L PLANTS <b>\$1.1704</b> 20,275,642	
				<b>LAST WEEK ENDING 04/12/25</b>	
				NAT'L PLANTS \$1.1902 19,441,385	

## CALIFORNIA FEDERAL MILK MARKETING ORDER PRICE PROJECTIONS

PRICE PROJECTIONS	CLASS I ACTUAL (RANGE BASED ON LOCATION)	CLASS II PROJECTED	CLASS III PROJECTED	CLASS IV PROJECTED
APR 24 EST	No Change	<b>\$19.22</b>	<b>\$17.47</b>	No Change
LAST WEEK	\$21.17 - \$21.67	\$19.21	\$17.37	\$17.94



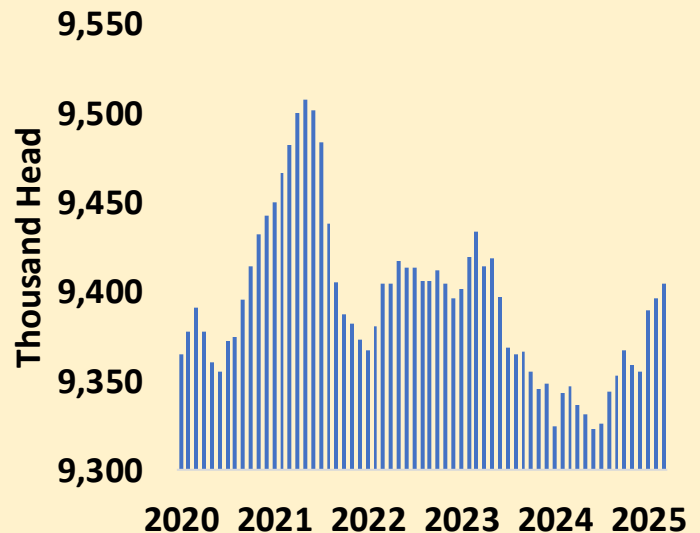
## Milk, Dairy and Grain Market Commentary

By Sarina Sharp, Daily Dairy Report  
[Sarina@DailyDairyReport.com](mailto:Sarina@DailyDairyReport.com)

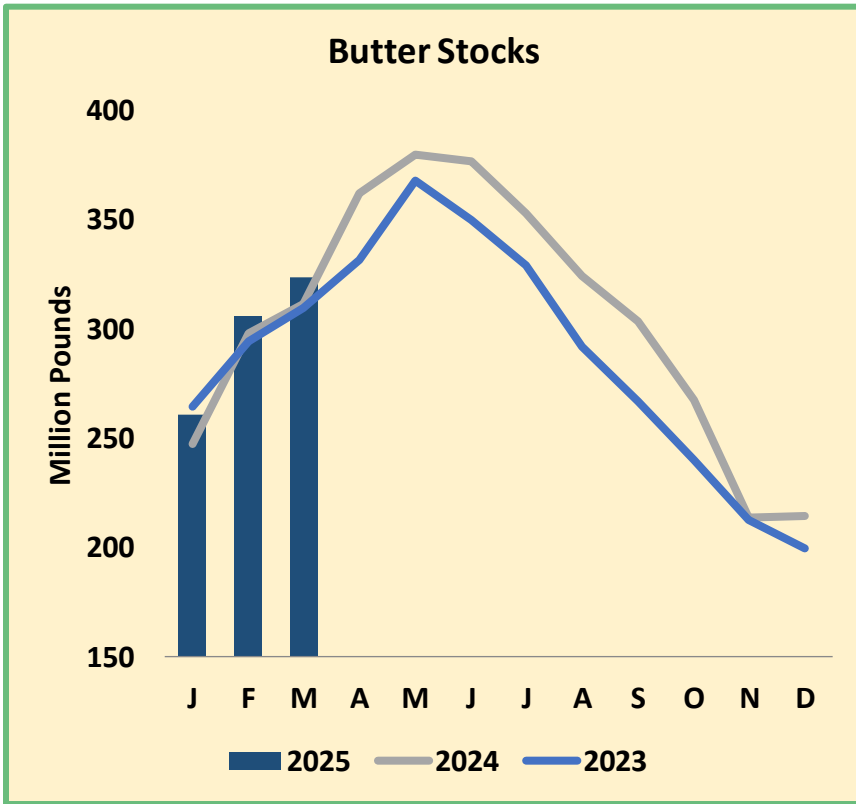
### Milk & Dairy Markets

Every week, U.S. dairy producers send about 10,000 fewer milk cows to beef packers than they used to. That's slowly adding up to more cows in the barn. Even so, dairy cow head counts are not as high as previously thought. After its quarterly survey, USDA trimmed its estimates of January and February milk cow inventories. The agency pegged the herd at 9.404 million head in March, up 57,000 head from a year ago and 8,000 head greater than USDA's revised February inventory. However, March's herd was still 1,000 head smaller than USDA's initial February number.

### U.S. Milk Cow Herd



There are a lot of new cows in the Plains. Texas is home to 45,000 more cows that it had in March 2024. Milk-cow head counts are up 8,000 head in Kansas, 9,000 in South Dakota and 29,000 in Idaho. But just across the state line, Washington is home to 9,000 fewer cows than it had in March 2024. The auction docket shows that many more cows will leave the state in the months to come. This will fuel expansion elsewhere and allow cull rates to creep upward.

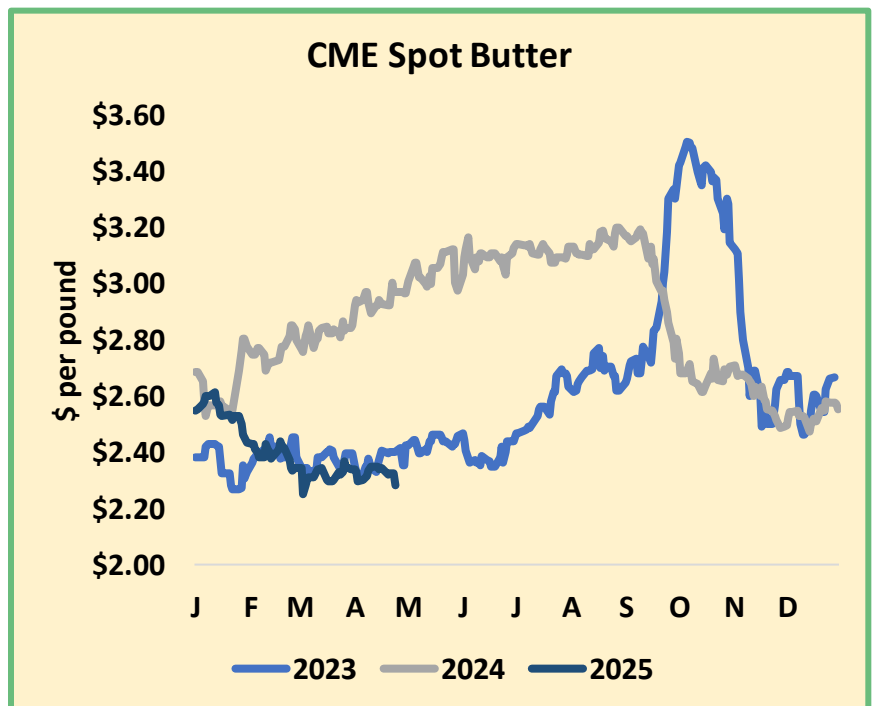


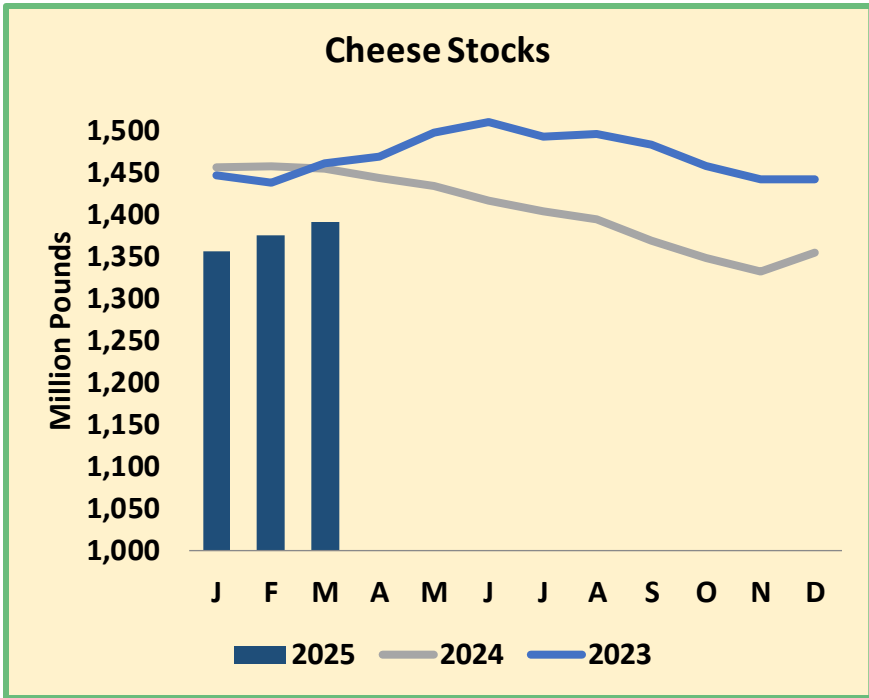
U.S. milk output topped 19.8 billion pounds last month, up 0.9% from March 2024 and on par with year-over-year growth in February. The trade had expected slightly bigger growth, counting on rising head counts to more than offset the lingering impact of avian influenza in California and financial troubles in Washington. The number of California herds actively facing the bird flu continued to dwindle, but the virus still took a toll on milk output. Production in the Golden State was 2.1% lower than in March 2024, an improvement on the 2.7% deficit in February.

High components have supercharged the modest growth in U.S. milk output.

Butterfat production outpaced the prior year by 2.8% in March, and churns ran hard. Butter stocks remain heavy. There were 323.7 million pounds of butter in cold storage at the end of last month, 4% more than in March 2024. But U.S. butter is inexpensive – especially after adjusting for currency effects – and exports are booming. Trade helped restrain even greater increases in butter stocks, and inventories grew at a normal seasonal rate in March. That’s helpful, but not enough to boost prices from here. Butter values plunged 6.25¢ at the CME spot market this week. Spot butter closed at \$2.28 per pound, not far from the early-March lows.

The cheese markets also took a big step back. Supplies are not heavy, but the trade is afraid that they will be in the future, as new production outpaces

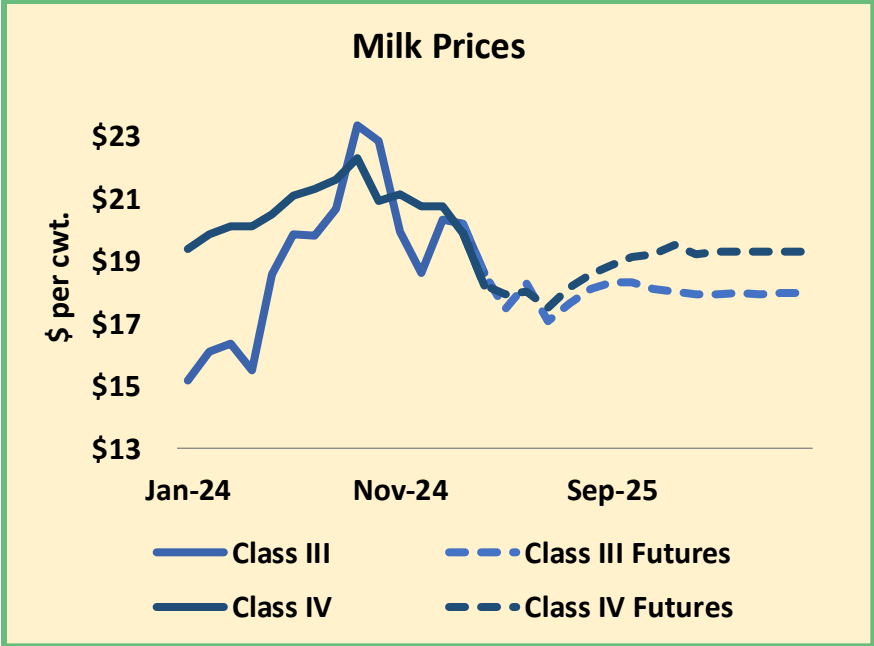




demand growth. Exports helped to whittle down cheese stocks in 2024, but the year-over-year deficit is clearly shrinking. Cheese stocks were 8% smaller than the year before in September to November and 7% smaller in January. But last month, the year-to-year shortfall narrowed to 4.3%. Amid rising output and lackluster domestic demand, U.S. cheese values must stay low enough to attract exports. With that in mind, CME spot Cheddar blocks and barrels both plummeted 13.5¢ this week. Blocks finished at \$1.70, and barrels closed at \$1.705.

The powder markets improved as the weak dollar made U.S. exports more attractive. CME spot nonfat dry milk (NDM) rallied 1.5¢ to \$1.1875. Spot whey powder climbed 2.25¢ to 50.5¢, likely buoyed by President Trump’s comments that the U.S. and China will work to pare back tariffs. However, officials in Beijing denied that negotiations were underway. If punitive border taxes are left in place, sharply lower whey prices are likely. But for now, the trade is hoping for a resolution.

The setback in the cheese markets took a toll on Class III values. The June contract retreated 36¢ to \$17.07 per cwt., a level that won’t quite pay the bills on many operations. Most Class III contracts lost around 15¢. Most Class IV contracts gained a little ground this week, holding in the \$18 and \$19 range. But the June contract lost 11¢ and closed at a disappointing \$17.50 per cwt. The milk checks on the horizon look much smaller than those in the rearview mirror.



**Grain Markets**

Spring is here and planters are rolling. Dry soils and sunny skies allowed farmers in the Plains and the western Corn Belt to get a jumpstart on planting, and now the forecast calls for big rains. Meanwhile, scattered sunshine and warmer temperatures will allow farmers in the eastern Corn Belt to get rolling this week. The 2025-26 crop year is off to a nearly ideal start. Prices fell accordingly. July corn futures closed at \$4.84 per bushel, down 6¢ this week. July soybean meal dropped \$5 to \$298.30. per ton.



## Outdated Water Regulations: A Call for Action

By Geoff Vanden Heuvel, Director of Regulatory and Economic Affairs  
[Geoff@MilkProducers.org](mailto:Geoff@MilkProducers.org)

Despite the fact that California has very full Northern California reservoirs and plenty of capacity in the major aqueducts and space to store water south of the delta, the state and federal delta pumping plants sit virtually idle, allowing tens of thousands of acre-feet of fresh water to flow out to the ocean every day. As the Water Blueprint for the San Joaquin Valley pointed out in a [statement this week](#), the reason this water is heading to ocean is a 25-year-old regulation called D-1641. This regulation, enforced by the State Water Resources Control Board, severely restricts pumping from the delta between April 15 and May 15 each year. The regulation is designed to help fish and water quality. What the Blueprint statement points out is that **“despite the longstanding implementation of all of the D-1641 requirements, fish populations have continued to decline, leaving biologists...and water users...questioning what, if any benefit this requirement is providing.”** This restriction will cost California water users about 250,000 acre-feet of water this month and is part of the reason that, despite having an above average precipitation year, State Water Project contractors and federal south-of-delta water contractors are only being allocated 40 percent of their contracted supplies. The Blueprint statement calls on both the state and federal governments to update the regulations to be more efficient in providing environmental benefits as well as increasing the water supply for human needs.

### Significant Change Proposed for Endangered Species Act

Another very important development this week that holds great promise to advance the idea of environmental efficiency and human flourishing is a [formal proposal](#) by the federal Fish and Wildlife Service (FWS) and the National Oceanic and Atmospheric Administration (NOAA) (these are the two federal agencies that administer the federal Endangered Species Act) to update the definition of “harm” in the federal Endangered Species Act (ESA).

The ESA was passed with the best of intentions in 1973. Its goal was to save endangered species from extinction. But the ESA has been weaponized to curb all sorts of important and vital human activities, from building houses to delivering water for farming, industrial, and urban needs. The ESA prohibits the “take” of endangered species and then defines what the term “take” means; **“[t]he term ‘take’ means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct.”** The word “harm” in this definition is what FWS and NOAA want to return to its original meaning. Over the past decades, the definition of harm was expanded by federal agencies to include **modifications of habitat** in addition to actions that actually injured or killed an endangered species. This expansion of the definition of harm to include large areas of habitat is the way the ESA was weaponized to greatly expand its power to control and stop human activity.

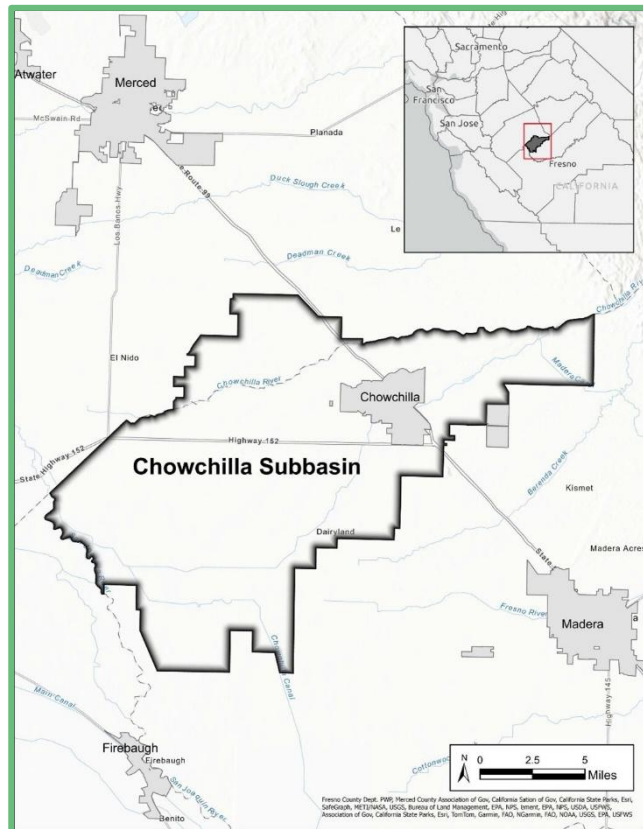
The proposed change would simply drop the previously adopted expansion of the definition of harm to include habitat and allow the original ESA statutory definition of “take” to apply to ESA regulations. This move could open the door to a substantial reform of the current, very onerous ESA regulations. A 30-day comment period is now open on the proposal.

## Late-Breaking News: State Water Board to Consider Returning Chowchilla Groundwater Subbasin to DWR Jurisdiction

Courtesy of the [State Water Resources Control Board](#)

At its June 3 Board meeting, the State Water Board will consider referring the Chowchilla Groundwater Subbasin back to the Department of Water Resources (DWR) for continued state evaluation and assessment consistent with Chapter 10 of the Sustainable Groundwater Management Act (SGMA).

In March 2023, DWR determined that the local plan to achieve groundwater sustainability in the Chowchilla Groundwater Subbasin was inadequate, triggering the State Water Board's [state intervention](#) process. The local groundwater sustainability agencies for the subbasin have since revised their plan. State Water Board staff prepared a [Staff Assessment](#) evaluating the Chowchilla Groundwater Subbasin's new 2025 Groundwater Sustainability Plan (GSP). Staff concluded that the plan makes significant progress toward sustainability and included a recommendation to the Board to **return the subbasin back to DWR's jurisdiction**.



### How to Provide Comments on the Staff Assessment

Send any comments to [SGMA-Chowchilla@waterboards.ca.gov](mailto:SGMA-Chowchilla@waterboards.ca.gov) and use the subject line: “Comments - Chowchilla Subbasin”. **The deadline for written comments on the Staff Assessment for the Chowchilla Subbasin is 12:00 noon on Friday, May 23, 2025.**

### How to Participate at the Board Meeting

**Tuesday, June 3, 2025, at 9:00 a.m.**

#### In-Person Location

Coastal Hearing Room

Joe Serna Jr. CalEPA Headquarter Building

1001 I Street, Second Floor, Sacramento, CA 95814

### How to Watch Online

If you do not wish to provide a comment, you can watch the Board meeting in English, Spanish, or Punjabi on the [CalEPA webcast](#).

Read the Staff Assessment Executive Summary [here](#).



## **May 5 in Modesto: Public Hearing Related to Petition to Terminate the Quota Implementation Plan**

*Courtesy of the California Department of Food and Agriculture*

TO ALL INTERESTED PARTIES:

The California Department of Food and Agriculture (Department) has scheduled a public hearing to receive comments from the California market milk producers and the general public on a petition titled “Petition to Terminate the QIP #5” resubmitted by Stop QIP to terminate the Quota Implementation Plan (Plan or QIP). The proposal in the petition was to ask the Secretary to call a referendum to immediately terminate the QIP.

The referendum process will begin with a public hearing scheduled as follows:

### **Date, Time, Location**

**Monday, May 5, 2025  
Beginning at 10:00 a.m.**

**Stanislaus County Ag Commissioner’s Office  
Harvest Hall – Room D&E  
3800 Cornucopia Way, Suite B  
Modesto, CA 95358**

**\*No teleconference option will be available.**

### **BACKGROUND**

On August 6, 2024, the Department received a petition to terminate the QIP entitled “Petition to Terminate the QIP #5”. A copy of the petition may be viewed [here](#).

The Department performed a review of the petition signatures and their respective reported volume and determined that the twenty-five (25%) threshold had been achieved. Per standard procedures, the petition was referred to the Producer Review Board (PRB) for consideration. At the meeting held on December 17, 2024, the PRB reviewed and discussed the merits of the petition and passed a motion recommending to the Secretary that the petition go to an industry referendum. After due consideration, the Secretary reviewed the PRB’s recommendation and approved it.

The referendum process will begin with a hearing to give producers the opportunity to provide input about the proposal.

## **New Start Time of 1 PM for May 5 Producer Review Board Meeting in Modesto**

*Courtesy of the [California Department of Food and Agriculture](#)*

Yesterday, CDFA released an agenda for the May 5 Producer Review Board (PRB) meeting, which will be held following the public hearing related to the petition to terminate the QIP. **Please note the new meeting start time of 1 p.m.** This meeting will be held in person, and no teleconference option will be available.

Agenda items include the election of the PRB Chairman and Vice Chairman, Quota Administration Program (QAP) updates, the 2025 referendum to terminate the QIP, and hardship consideration requests. The PRB will call for public comment following each agenda topic. A copy of the complete agenda is available [here](#).

### **Date, Time, Location**

**Monday, May 5, 2025  
Beginning at 1 p.m.**

**Stanislaus County Ag Commissioner's Office  
Harvest Hall – Room D&E  
3800 Cornucopia Way, Suite B  
Modesto, CA 95358**

**\*No teleconference option will be available. In person only.**

## **California Milk Advisory Board Meeting May 7-8 in Visalia**

*Courtesy of the [California Milk Advisory Board](#)*

The California Milk Advisory Board (CMAB) will host its next Board of Directors Meeting on:



**Wednesday, May 7 – 7:30 a.m.  
Thursday, May 8 – 8 a.m.**

Visalia Marriott  
300 S Court Street  
Visalia, CA 93291

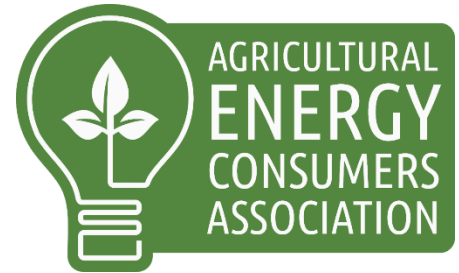
The CMAB Board meeting is open to any California dairy producer. If interested in attending, please RSVP to Tracy Garza at [tganza@cmab.net](mailto:tganza@cmab.net) or 209-690-8252.

## Net Energy Metering is on the Chopping Block Again

Courtesy of the [Agricultural Energy Consumers Association](#)

### AB 942: IOUs Trying to Break Ag Solar Contracts

AB 942 (Calderon) proposes to let the IOUs break the contracts that were signed by agricultural producers and processors who invested in solar energy. The bill would force customers who have been in the Net-Energy Metering (NEM) program for more than 10 years on NEM 1.0 or NEM 2.0 to transition to the newest NBT tariff (NEM 3.0).



Customers in NEM 1.0 and NEM 2.0 contracted a 20-year grandfather period on the tariff when they entered the program. AB 942 wants to break that contract.

The bill would also transition any solar installation to the newest tariff if a property is sold.

AECA is strongly opposed this legislation, and urges you to contact your local Assemblymembers and Senators to communicate your opposition. **Find your state assemblymember and senator [here](#).**

**Policymakers and regulators need to stand up to the IOUs and ensure they honor the agreements made with growers and processors.**

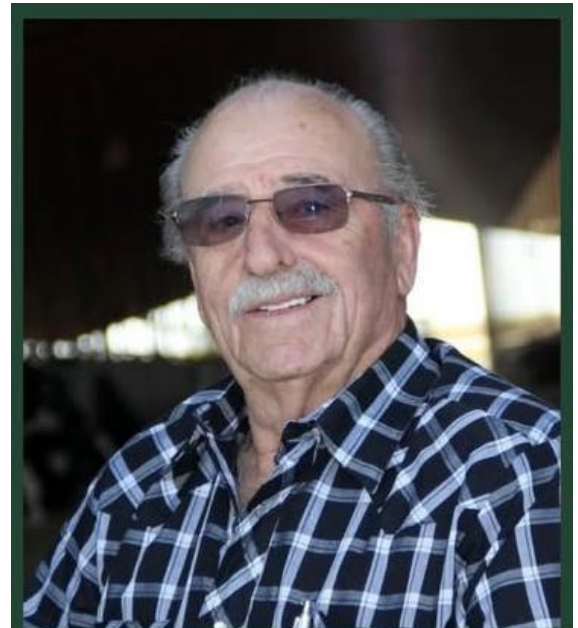
## In Memoriam: Mario Simoes

Courtesy of the Simoes Family

### **Note from Kevin Abernathy MPC General Manager**

You cannot think of Mario Simoes without a smile on your face from ear-to-ear. He always had a comment that would make you laugh for days. He provided me a lot of counseling and mentorship about “the business” as he put it, ripened with years of experience and institutional knowledge about dairy farming, cows, and the Portuguese culture. It was a blessing to know him, learn from him, and laugh with him. God speed, Mario.

Mario Martins Simoes, a leader, mentor, and pillar of his community, passed away peacefully on April 14, 2025, at the age of 89 years old. Mario leaves behind a lasting legacy of hard work, humility and unwavering love for others and a sense of humor that drew you in.



**Mario Simoes  
Rest in Peace**



Mario was born on August 30, 1935, in Santa Barbara, Terceira, Azores, to Isaias and Olivia Simoes. He was the eldest of 11 children and shared a unique bond with his identical twin brother, Joe. Mario is survived by his siblings Joe Simoes, Rico Simoes, Carolina Raulino, Nivia Fernandes, Zita Simoes, Olivia Souza, Frank Simoes, and Phyllis Lowe. He was preceded in death by both of his mothers, Olivia Mendes Simoes and Albertina Mendes Simoes, his father Isaias Simoes, his sister Mary Oliveira, brother John Simoes, brothers-in-law, Tony Oliveira, John Fernandes, Manuel Raulino, Danny Souza, Joe Souza, Tony Mathias and sisters-in-law Carolyn Miguel Souza and Clarice Souza Mathias, nephew Manuel Oliveira, and great-nieces Chandler Souza and Mia Marie Kumbel.

On November 10, 1958, Mario married the love of his life, Gloria Souza. Together they raised five children: Mario Jr. (Celeste), Leanne (David), Melvin (Glynette), Mark, and their youngest daughter Leslene (Robert, known as Chipper). He was preceded in death by his daughter Leslene, grandson Michael, and former son-in-law Mark Ribeiro.

Mario is survived by his loving wife Gloria of 66 years, his children, 11 grandchildren, and 3 great-grandchildren, with a new great-grandson expected this coming September.

From a young age, Mario knew the weight of responsibility. He lost his mother at the age of 9 and his father at 41—losses that shaped him into a man of grace and wisdom rather than hardness. In 1951, at just 15 years old, he emigrated from the Azores to America with four of his siblings, chasing a dream of a better life filled with hope and sacrifice.

In 1970, Mario and his twin brother Joe made those dreams a reality by founding their own dairy business. The brothers worked dawn to dusk, driven by faith, integrity and a deep love for the land and animals under their care. Those who knew Mario knew just how much he loved his cows.

Over the years, Mario made significant contributions to the dairy industry and his community. He served as SPDES President in 1986, a Delegate for Land O'Lakes in 1998, and a Director for Western United Dairymen. The Simoes twins became well-respected figures within the industry, earning titles as Farmers of the Year (2008), Tipton Community Council's "Men of the Year" (2015), and Dairy Family of the Year by the Tulare Chamber of Commerce (2018). In 2017, they proudly rode in the Rose Parade as the oldest active twin dairymen in California.

Despite numerous accolades, what truly defined Mario was his humility, generosity, and heart. He was a man who quietly lit up the lives of those around him. Whether sharing advice over a cup of coffee, helping a neighbor, or mentoring a young dairyman, Mario was always present for those who needed him. His door, and his heart, were always open.

Even in his later years, when health challenges made life more difficult, Mario remained full of gratitude, humor, and grace. Though he retired when his body could no longer allow him to work, while his memory failed him at times, his spirit remained sharp, always rooted in faith, family, and service to others.

## Services to Honor Mario's Life

A **memorial viewing** will be held on **Sunday, April 27, 2025**, from **4:30 p.m. to 6:00 p.m.**, with the **Rosary immediately following**.

The **funeral service** will take place on **Monday, April 28, 2025**, at **St. Aloysius Church in Tulare**, beginning at **10:30 a.m.**, followed by interment at **Tulare District Cemetery**.

Following the services, family and friends are invited to gather for a **Festa-style celebration of Mario's life at the SPDES Hall in Tipton**.

All are welcome to join us in remembering and honoring him.

## Signs of Progress Continue in De-escalation of Tariff Wars

*Courtesy of Gregg Doud, President & CEO*

[National Milk Producers Federation](#)

Tensions continued to cool this week in the roller coaster saga of U.S. trade relations with the rest of the world, a welcome contrast to where things were just a few weeks ago at the beginning of April. Treasury Secretary Bessent told reporters yesterday that talks with South Korea are progressing faster than expected and could generate an "understanding" between the two countries next week.

Regarding the biggest clash, with China, President Trump signaled earlier this week that he wants to cool down the conflict, as Bessent indicated separately that a prolonged tariff war between the two nations is not sustainable. The degree that tariffs are reduced, and the time frame for doing so, remain unclear, however. Trump said this week that the two nations are speaking about resolving the issue, something that the Chinese have denied.

I'm told that there have been meetings with a large number of countries here in Washington this week with solid progress occurring in some cases and little progress with others. NMPF trade staff are actively engaged with USTR as they work to address unresolved barriers to dairy trade across key markets.

