

MPC WEEKLY FRIDAY REPORT

DATE: MARCH 21, 2025
 TO: DIRECTORS & MEMBERS
 FROM: KEVIN ABERNATHY, GENERAL MANAGER
 PAGES: 8



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

MPC FRIDAY MARKET UPDATE

CHICAGO CHEDDAR CHEESE		CHICAGO AA BUTTER		NON-FAT DRY MILK	
Blocks	-\$.0900	\$1.6025	WEEKLY CHANGE	-\$.0400	\$2.3025
Barrels	-\$.1400	\$1.5500	WEEKLY AVERAGE	-\$.0345	\$2.2980
WEEKLY AVERAGE CHEDDAR CHEESE		DRY WHEY		WEEK ENDING 03/15/25	
Blocks	-\$.0855	\$1.6095	DAIRY MARKET NEWS	W/E 03/21/25	\$.5550
Barrels	-\$.0930	\$1.5750	NATIONAL PLANTS	W/E 03/15/25	\$.5679
				LAST WEEK ENDING 03/08/25	
				NAT'L PLANTS	\$1.2394 20,046,362
				NAT'L PLANTS	\$1.2538 18,120,545

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
MAR 20 EST	No Change	\$20.22	\$18.53	\$18.43
LAST WEEK	\$22.62 - \$23.12	\$20.25	\$18.59	\$18.58

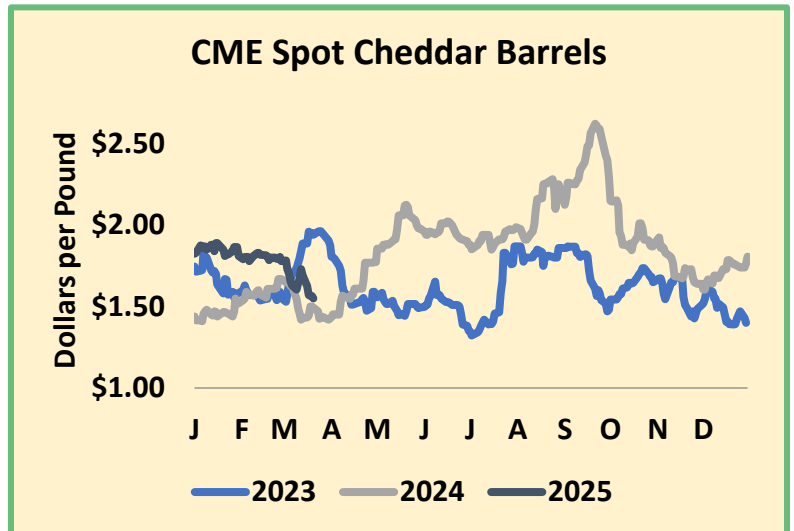


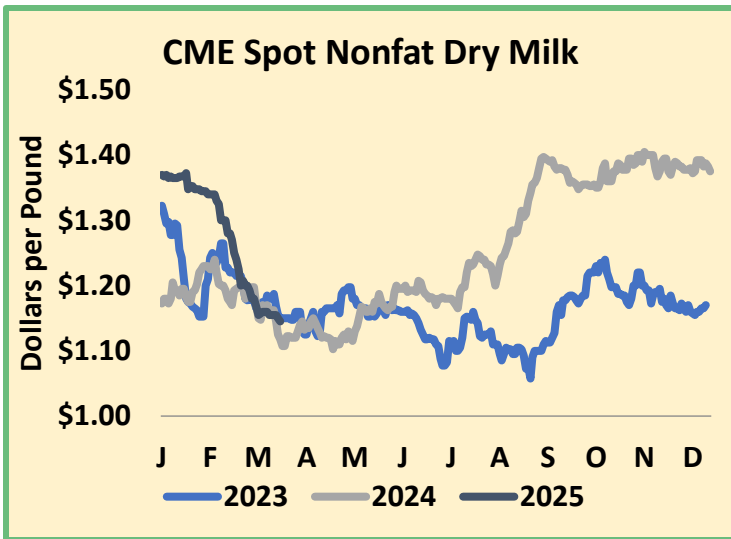
Milk, Dairy and Grain Market Commentary

By Sarina Sharp, Daily Dairy Report
Sarina@DailyDairyReport.com

Milk & Dairy Markets

The days are getting longer and milk production is climbing. It's officially spring. The Midwest welcomed in the new season with a few days of sunshine and then a snowstorm. The dairy markets were similarly tempestuous. After a long, cold winter the whey complex was unexpectedly sunny. CME spot whey powder jumped a nickel to 50¢. However, industry stakeholders tell USDA's Dairy Market News that demand is "lackluster" and inventories are growing. Buyers are much easier to find when whey is south of 50¢. These comments and rising milk output suggest that the rebound may be temporary. The bears are still circling the whey market.



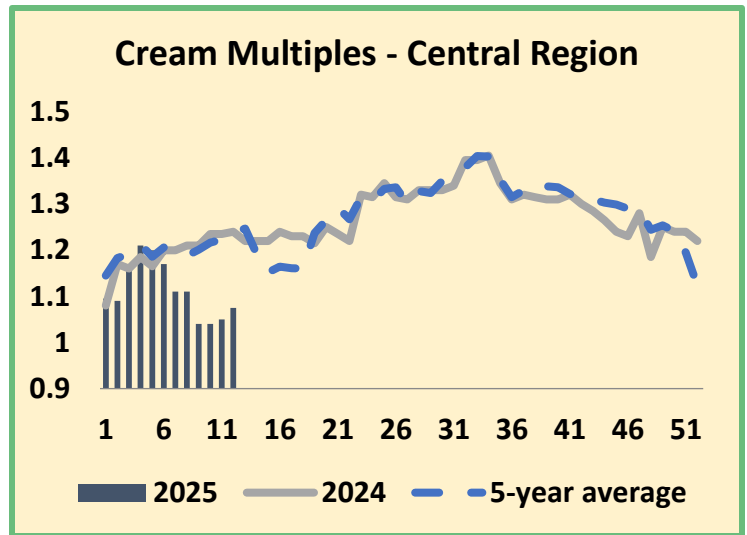


The other dairy products took sizeable steps back this week. CME spot butter fell 4¢ to \$2.3025 per pound. Blocks dropped 9¢ to \$1.6025. Barrels plummeted 14¢ to an 11-month low at \$1.55. Spot nonfat dry milk slipped a penny to \$1.145, its lowest price since May 2024.

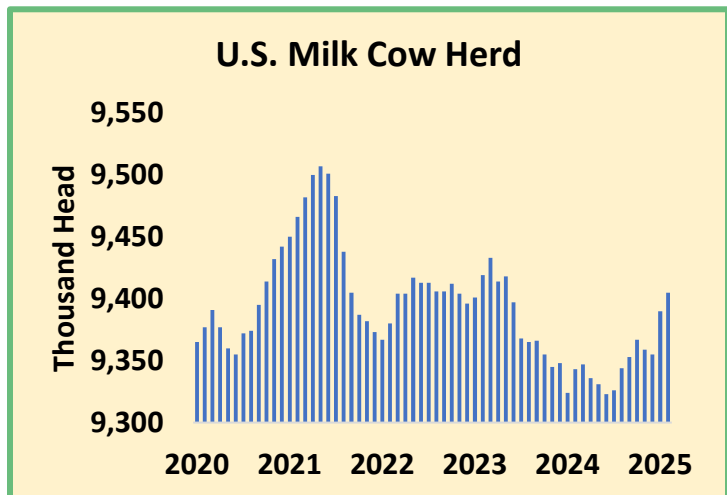
The spot milk and cream markets reflect the season. Most loads of spot milk are changing hands at a discount, although the deductions are not as steep as they often are in late March. Cream multiples are extremely low, but market signals are working. Ice cream makers and other

Class II manufacturers are ramping up production. Still, there's more than enough cream to go around, and USDA's latest Milk Production report suggests milk and cream will remain abundant.

Dairy producers added more cows than previously thought in January. USDA raised its estimate of the January milk-cow herd by 25,000 head compared to last month's initial figure. That put the dairy-cow head count at 9.39 million in January, 35,000 head more than in December 2024. Producers continued to fill their barns in February, adding another 15,000 cows. Last month, the herd stood at 9.405 million head, up 62,000 from February 2024 and the highest monthly total since May 2023.



Lower cull rates have allowed producers to fill their parlors despite the heifer shortage. In the first nine weeks of 2025, they sent 89,000 fewer milk cows to beef packers than they would have at historical slaughter volumes. The increase in cow power boosted U.S. milk output to 17.73 million pounds last month, up 1% from February 2024 after adjusting for leap day. While 1% growth is historically unremarkable, it marks the largest year-over-year increase in U.S. milk output since February 2023.

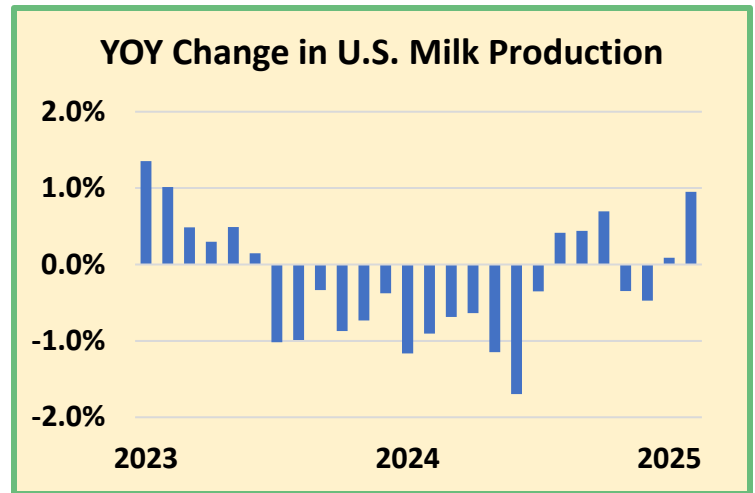


Nearly 18 months of very low cull rates and avian influenza have slowed growth in U.S. milk yields. Milk production per cow was 0.3% greater than in February 2024 and just 0.2% larger than in February 2023. Milk yields remained under duress in California, where most herds have suffered through the bird flu. Milk production and milk yields dropped 3.8% year over year in

the Golden State after adjusting for leap day. Milk output also lagged year-ago volumes in Arizona, Illinois, Minnesota, New Mexico, Vermont, Virginia, and Washington. Meanwhile, output continued to grow at a rapid clip in Idaho, South Dakota, and Texas.

Greater milk output added to substantially higher cream production in both January and February. Thanks to higher butterfat tests, U.S. cream output surpassed the already lofty volumes of January 2024 by 9.1 million pounds.

February cream output topped the prior year by 12.7 million pounds, a 4% increase. That's enough cream to make an additional 15.5 million pounds of butter. Higher component levels lifted February milk protein production by 3.1%, while output of nonfat solids was 2.3% greater than in February 2024. Dairy processors have plenty of raw material to convert to dairy products.



High milk prices motivated dairy producers to add cows and boost milk production in 2024. But prices are much lower today. This week April Class III dropped 66¢ to an unpalatable \$16.90 per cwt. May through July Class III futures settled in the \$17s. Most Class IV contracts lost around 30¢ and closed in the low \$18s. These are prices that may not pay the bills, especially in the Pacific Northwest, where some producers are suffering very steep discounts to their milk checks.

Most dairy producers will face this latest dairy downturn just as they did the previous ones, by trying to keep the milk tank full and watching costs. They're not likely to cull cows at rates that result in empty stalls and reduce efficiency. However, the number of herds for sale is already starting to climb. Today's high beef and dairy cow values offer an easy exit ramp for those contemplating retirement. And duress in the Evergreen State is pushing cattle to greener pastures. A busier auction docket will allow some dairy producers to cull cows they would have sent to slaughter long ago if they had a heifer ready to fill the stall. Over time, this could result in a smaller dairy herd and, eventually, higher prices.

Better demand could also lift the dairy markets out of the bargain basement. Even after accounting for new tariffs, U.S. dairy products are competitively priced, especially when compared to dairy products priced in euros rather than dollars. The invisible hand will slowly bring U.S. dairy products to new buyers and boost prices, but it could be a slow, painful process.

Grain Markets

May corn futures bounced back this week. They rallied 4¢ to \$4.63. May soybeans lost another 7¢ and closed at \$4.10. Soybean meal dropped a sizeable \$6 and closed just shy of \$300 per ton. The corn market has been buoyed by big exports. There are a lot of sales on the books. If exports continue at this pace, USDA could raise its estimate of corn demand in the final five months of the 2024-25 crop year. However, anxiety about tariffs remains at the fore. The grain and oilseed markets are in a holding pattern as they await the March 31 Prospective Plantings report and the proposed implementation of reciprocal tariffs on April 2.

Ignoring Role of Bass in Salmon Decline is Negligence

By Edward Ring, Director of Water and Energy Policy, [California Policy Center](#)

A March 5 “Perspective” in the Manteca Bulletin highlights a chronically [underemphasized problem](#) impacting every Californian. Bass, as editor Dennis Wyatt succinctly explains, are a “destructive, invasive species, that are a serious threat to the sustainability of the ecosystem.”

Wyatt proposes a solution that has been implemented in Oregon, a [bounty system](#). As he puts it, “The state would need to allow bass fishing year round with no limits. Then they would need to put in place a bounty program where authorized bait stores are contracted to serve as agents. For every bass a customer brings in, they would receive \$5. The head would be cut off and the rest of the fish returned to the angler so it doesn’t go to waste. It is a proven and effective way to protect struggling native fish populations.”

Why hasn’t this happened?

Instead, the California Department of Fish and Wildlife manages striped bass in California to ensure a healthy population for recreational fishing, including bag limits and commercial fishing restrictions. These protections for non-native predatory fish allow bass to continue eating native salmon, which drive the flow regulations in California. Less salmon means more water flows to the ocean instead of irrigating crops and supplying our cities.

We covered this in [WC 47](#) and it’s one of these issues that needs to be brought up repetitively until something changes. The variables affecting salmon are hydrology, hatcheries, habitat, and harvest. All four have been public policy priorities. Since the [State Water Project](#) was largely completed in 1967, California’s rivers have never had such a high a percentage of [unimpaired flows](#) combined with timed releases for the fish. California’s six salmon hatcheries release 30 million salmon smolts every year. The tide has long turned in the battle to restore and improve habitat faster than it is degraded by development. And there is a good chance that commercial salmon fishing in California is going to be restricted in 2025 for the third consecutive year.

But salmon populations continue to decline.

Meanwhile, Wyatt notes that thanks to predation “almost 90 percent of the salmon that enter the Delta never made it past Vernalis — a point near the Airport Way bridge south of Manteca — to eventually reach breeding areas on the Stanislaus, Tuolumne, and Merced rivers.” Fishermen on the American River report bass congregating in the shallows downstream from the Nimbus Fish Hatchery, showing up to feast whenever salmon fingerlings are released to swim downstream.

While anecdotes are plentiful and unequivocal, [scientific studies](#) remain nuanced.

Continu reading [here](#).

What Manure Technology Did You See at World Ag Expo?

By Deanne Meyer, Ph.D., Livestock Waste Management Specialist Dept. of Animal Science, UC Davis and UC ANR; Courtesy of the [California Dairy Quality Assurance Program](#)

Thankfully the first two days of the Expo had great weather. There were some exciting new creations for agriculture. Like you, I clocked miles walking around, kicked tires, listened to pitches, and asked questions. I listened to talks and enjoyed talking with producers and consultants. Afterward, I sifted through what I heard.



Will I need a permit? Most vendors promoting technologies to solve your problem didn't fully understand your problem. Let's start with the ability to install the equipment or technology. Anything that changes the character, volume, or location of manure on a dairy requires that a producer (or vendor on your behalf) submit information to your Regional Water Quality Control Board prior to any construction. If the Water Board staff have questions, they will request additional information. It is mandatory to notify them prior to construction and installation. Note: they have 140 days to respond, although it doesn't necessarily take that long. In the San Joaquin Valley, all changes in manure management should go through the Air District. Staff will identify if an Authority to Construct is needed or not.

Can I monetize installation? Vendors promised to capture and use or reduce or eliminate methane while seeking carbon credits. Some have knowledge of California dairy operations and management and can accomplish the technical reduction in methane emissions AND deliver carbon credits. Some cannot. CAREFULLY READ statements and ALL CONTRACTS to ensure you understand ramifications on your animal and manure management options based on the vendor's or supply chain's use of your carbon credits. Understand implications of different carbon management scenarios in 5 to 10 years. This is especially important if your current manure application to land is important for soil health (organic matter, moisture holding capacity, porosity....) or if a technology requires carbon inputs. Does the company have a track record in getting carbon credits? Who will do the verification?

Will this improve my nitrogen exports? Many dairy producers seek opportunities to densify nutrients and remove them from their inventory and fields. A few vendors promoted the ability to densify nutrients to enable more efficient export of nutrients off site. The fallacy arose when they said the value of a unit of nitrogen, phosphate, and potash was x, y, and z, so the densified material from the dairy had a value of the sum of those values. Theoretically, this is how one would make the calculation. However, if someone only needs one of those constituents, it's highly unlikely they will pay top dollar for the other two. Consider likely "market" value when evaluating. Don't forget to think about form, consistency, need to store material prior to export, and transportation costs.

Are there benefits? If you're considering something new, ask for a copy of the research that was done supporting claims. Then, READ the material. Focus on the methods.

Continue reading [here](#).

Western Dairy Management Conference March 31-April 3 in Reno

Courtesy of the [University of California Agriculture and Natural Resources](https://ucanr.edu/)

Scan the QR code or visit WDMC.org to register.



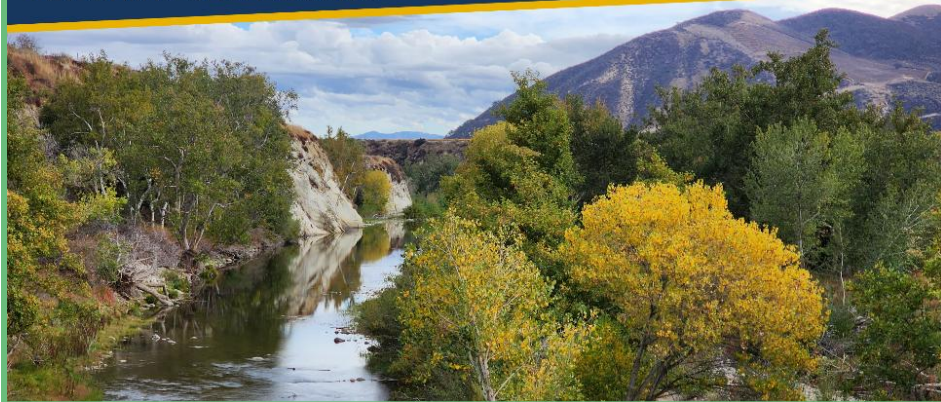
Speakers and Topics:

- “Armstrong’s Folly”: The Development of the Saudi Barn and Evaporative Cooling for the Southwest Dairy Industry | **Dr. Robert Collier**
- How Health and Wellness, Product Science, and Technology Will Drive Dairy Innovation and Sales Growth | **DMI panel members - Paul Ziemnisky and Eve Pollet moderated by Stan Erwin**
- Understanding How the U.S. Fits Into Global Dairy Developments | **Dr. Torsten Hemme**
- How U.S. Dairy Processing Has Evolved and Where Is It Going? | **Corey Geiger**
- Needle-less Injection Systems for Managing Hormonal Synch Protocols | **Dr. Don Niles**
- Where Will My Workers Come From? | **Dr. Richard Stup**
- Domestic Investments in Dairy, Future Is Still Bright | **Gregg Doud**
- Group Feeding Economics – Milking the Feed Margin | **Dr. Albert DeVries**
- Factors Affecting Heifer Completion Rate and the Impact on Replacement Herd | **Dr. Michael Overton**
- Real-time Measurements, Monitoring Tools and Using Forage in Large Silage Piles | **Dr. Hugo Ramirez** • Building an Effective Management Team for Your Dairy | **Dr. Greg Bethard**
- Unlock Forage Potential with Precision Chewing Management | **Dr. Richard Grant**
- Feeding for Milk Fat...How Can We Continue to Increase Milk Fat Yields? | **Dr. Adam Lock**
- Equipping Employees with Effective, Humane, and Efficient Cow Handling Techniques | **Dr. Jennifer Van Os**
- Beef on Dairy: From Conception to Harvest | **Dr. Pedro Carvalho**
- Using Genomics to Optimize Breeding Decisions for Beef and Sexed Semen | **Dr. Francisco Peñagaricano**
- Improving Dairy Herd Health Monitoring and Management Using Automated Monitoring Technologies | **Dr. Julio O. Giordano**
- How Will Soybean Production and Biodiesel Impact Protein Nutrition of Dairy Cattle? | **Dr. Paul Kononoff**
- Precision Management of Dairy Calves | **Dr. Melissa Cantor**

Introduction to Groundwater, Watersheds, and Groundwater Sustainability Plans: Online Short Course

Courtesy of [University of California Agriculture and Natural Resources](#)

Introduction to **Groundwater, Watersheds, and Groundwater Sustainability Plans** An Online Short Course



Understanding groundwater and watersheds and how we monitor, assess, and sustainably manage these resources remains critical and integral to California Groundwater Sustainability Plan (GSP) implementation and other water management programs. Private citizens, professionals, decision makers, executives, agency employees, and stakeholders with diverse backgrounds and in a wide

variety of private, non-profit, and government responsibilities are increasingly engaged in the sustainable management and assessment of groundwater and surface water.

This online short course will review the fundamental principles of groundwater and watershed hydrology, water budgets, water quality, and water law and regulation in an intuitive, highly accessible fashion. Through real world examples, participants learn about the most common tools for measuring, monitoring, and assessing groundwater and surface water resources. We then review the key steps and elements of assessing groundwater sustainability and implementing projects and management actions (see [Program](#) for details).

Thursdays: April 3, 17, May 1, 15, and 29, 2025

9:00am – 12:00pm PDT

Cannot make it every time? Signed up later?

Video recordings of past lectures will be available to all participants (including new registrants).

Registration: \$100/\$70 (includes [textbook](#)); Register [here](#).

Reduced fees (\$70) are available to members of California Groundwater Sustainability Agencies (board, staff, advisory committees), to California state employees and to participants of the [WEF Water 101 Workshop](#), April 10, 2025 and the [GRA SGMA Implementation Summit](#), June 2025 (TBD).

For reduced fee coupon and questions please contact: GroundwaterUCD@gmail.com

NMPF: Feed Additive Legislation; New Crop-Focused Economic Disaster Plan

*Courtesy of Gregg Doud, President & CEO
[National Milk Producers Federation](#)*

Feed Additive Approval Legislation Introduced in House

NMPF continues to advocate for better tools that support dairy farmers' ongoing environmental stewardship work and is backing legislation introduced this week to speed up the regulatory approval process for new feed additives. Toward that end, we are endorsing the Innovative FEED Act (H.R. 2203), which was reintroduced in the House by Reps. Nick Langworthy (R-NY), Kim Schrier (D-WA), Jim Baird (R-IN), Chellie Pingree (D-ME), Erin Houchin (R-IN), and Jim Costa (D-CA).

As you'll recall, this bill is part of our ongoing effort to modernize the Food and Drug Administration's process for reviewing and approving animal feed ingredients. The bill made progress in the last Congress – passing out of the Senate HELP Committee as an amendment to another bill and passing the Senate Appropriations Committee as part of a spending measure. However, the bill didn't become law, so we are working to enact it in this Congress. The bill will soon be reintroduced in the Senate as well.

USDA Announces Sign Up for New Crop-Focused Economic Disaster Program

USDA this week unveiled the Emergency Commodity Assistance Program (ECAP), which Congress enacted in December to support row crop producers on account of low prices last year. Milk is not an eligible commodity under the program, but dairy farmers can receive payments for feed grains that are eligible. Payments will be based on acres planted for corn for silage, soybeans and other feed grains. The program will deliver \$10 billion in payments to producers. [Payment rates](#) for major crops will vary from \$29.76 an acre for soybeans and \$42.91 an acre for corn, to \$76.94 an acre for rice and \$84.74 for cotton.

The application period opened on March 19, and closes Aug. 15, 2025. Eligible producers must report 2024 crop year planted and prevented planted acres to their Farm Service Agency office. Assistance will be calculated on a flat payment rate for the eligible commodity multiplied by eligible acres reported. Initial ECAP payments are expected to be delivered in two tranches, with the first representing 85% of the farmer's eligible amount. Farmers can expect to receive payments in their bank accounts three days after USDA receives the application.

