

MPC WEEKLY FRIDAY REPORT

DATE: SEPTEMBER 12, 2025

TO: DIRECTORS & MEMBERS

FROM: KEVIN ABERNATHY, GENERAL MANAGER

PAGES: 6



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MPC FRIDAY MARKET UPDATE

CHICAGO CHEDDAR CHEESE BLOCKS	CHICAGO AA BUTTER	NON-FAT DRY MILK
WEEKLY CHANGE -\$.0750 \$1.6150	WEEKLY CHANGE -\$.1625 \$1.8600	WEEK ENDING 09/06/25
WEEKLY AVERAGE -\$.0840 \$1.6535	WEEKLY AVERAGE -\$.0591 \$1.9565	NAT'L PLANTS \$1.2897 10,757,465
	DRY WHEY	LAST WEEK ENDING 08/30/25
	DAIRY MARKET NEWS W/E 09/12/25 \$.5750	NAT'L PLANTS \$1.2794 14,678,763
	NATIONAL PLANTS W/E 09/06/25 \$.5739	

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
SEPT 11 EST	No Change	\$17.84	\$17.60	\$16.84
LAST WEEK	\$21.00 - \$21.50	\$19.25	\$17.77	\$17.10



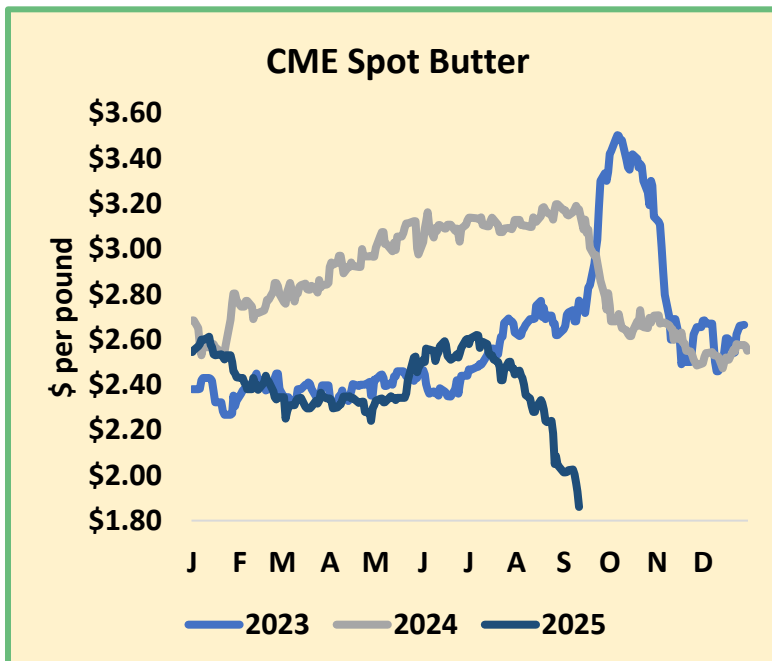
Milk, Dairy and Grain Market Commentary

By Sarina Sharp, Daily Dairy Report

Sarina@DailyDairyReport.com

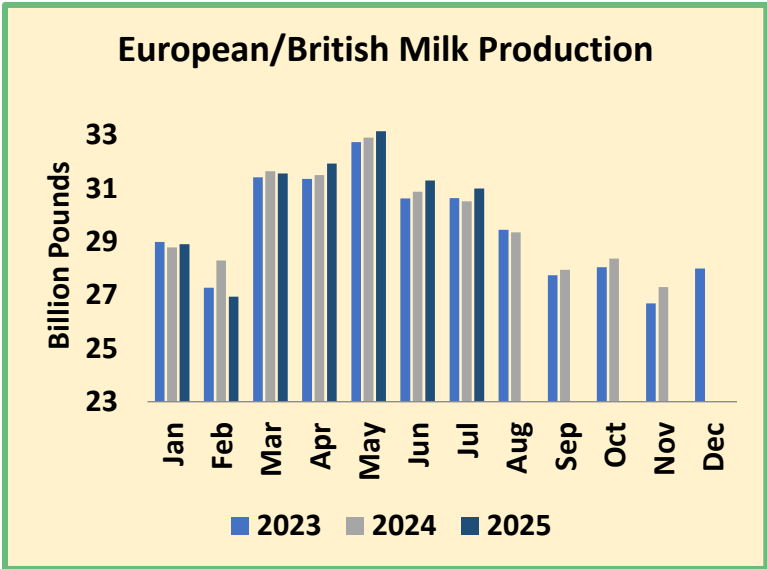
Milk & Dairy Markets

There were no bulls to be found on LaSalle Street this week. The bears roamed freely, showing no fear of an overcorrection even as parts of the dairy complex scored multi-year lows. Red ink poured into the cheese and milk powder trade and deluged the butter market. CME spot butter plummeted to \$1.86 per pound, down 16.25¢ in just five trading sessions. Spot butter is down more than 40% from the mid-summer high, languishing at its lowest level since October 2021, nearly four years ago. The weakness carried across the futures board, with May through October 2026 contracts dropping 10¢ or more on Friday. Milk



production is strong and cream is plentiful and cheap. Churns are running hard. Exports for both butter and anhydrous milkfat are booming, but they're still not high enough to lap up all the excess cream.

There's plenty of milk for cheese as well. CME spot Cheddar blocks fell 7.5¢ this week to \$1.615, just a few cents above their year-to-date low. USDA

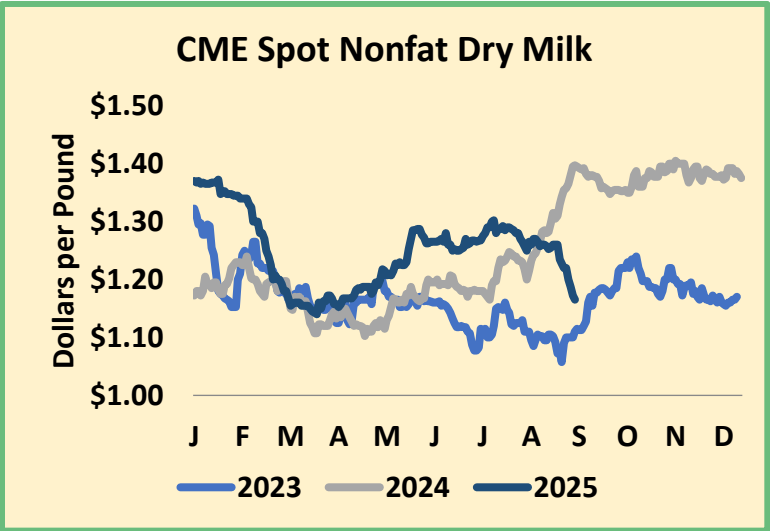


characterizes export demand as “steady” which is good news considering the record-high export volumes achieved this summer. But domestic demand is also on par with summer levels, which were not so hot. Restaurants continue to use less cheese than they did in 2024 even as U.S. cheese processors make more. That’s a recipe for lower prices.

U.S. milk powder output is not heavy. Even so, demand is not keeping pace. Domestic consumption is slipping, and the U.S. is not

winning a lot of export business outside Mexico. Global milk powder demand is in the doldrums, and international prices are slipping. Global Dairy Trade skim milk powder (SMP) and whole milk powder (WMP) values dropped hard at least week’s auction, and they retreated further at this week’s Pulse event. European SMP prices also waned even as USDA described European SMP output as “lighter.”

European milk powder production could climb in the months to come. Europe’s dairy industry weathered a hot summer and threats of bluetongue and lumpy skin disease and still managed to expand output. Milk collections in the EU-27 outpaced the prior year by 1.2% in July. British milk output easily lapped year-ago volumes, and when British collections are added to the mix, regional milk production was 1.6% greater than it was in July 2024. That’s a marked departure from earlier this year, when milk output hewed close to 2024 volumes and often fell short. The world seems unprepared to absorb simultaneous – and significant – growth in European, American, and Kiwi milk output, especially as economic data points to darker days ahead.

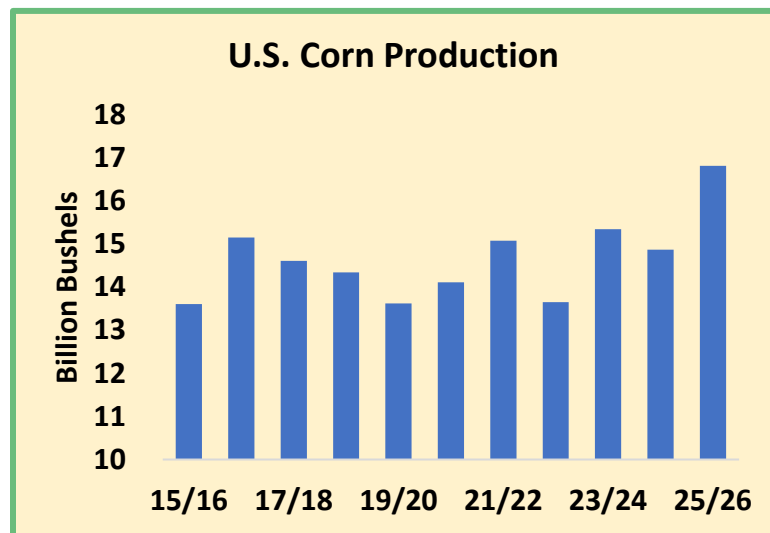


Once again, the whey market bucked the trend. CME spot whey powder rallied 2.75¢ this week to 59.25¢. USDA’s *Dairy Market News* sums up the market well. “Cheesemakers continue to run busy production schedules, leaving plenty of liquid whey available for drying, but plant managers say much of this is going towards higher whey protein concentrates. Dry whey production remains limited overall, though stakeholders say production is trending higher.”

Unfortunately, the whey complex is not strong enough to support milk prices all on its own. Most Class III contracts lost between 25 and 60¢ this week. October Class III settled at \$16.31 per cwt., a life-of-contract low. Class IV futures fared even worse. October Class IV plunged \$1.13 to \$15.90. Traders offered to sell Class IV milk south of \$16 per cwt. all the way into February, while deferred futures slumped to the mid-\$16s. Feed costs are low and beef revenues are unbelievably high, but many producers will struggle to make ends meet with \$15 and \$16 milk.

Grain Markets

As expected, USDA trimmed its estimates of national average corn and soybean yields from the very high figures posited in August. The agency pegged the corn yield at 186.7 bushels per acre, down from

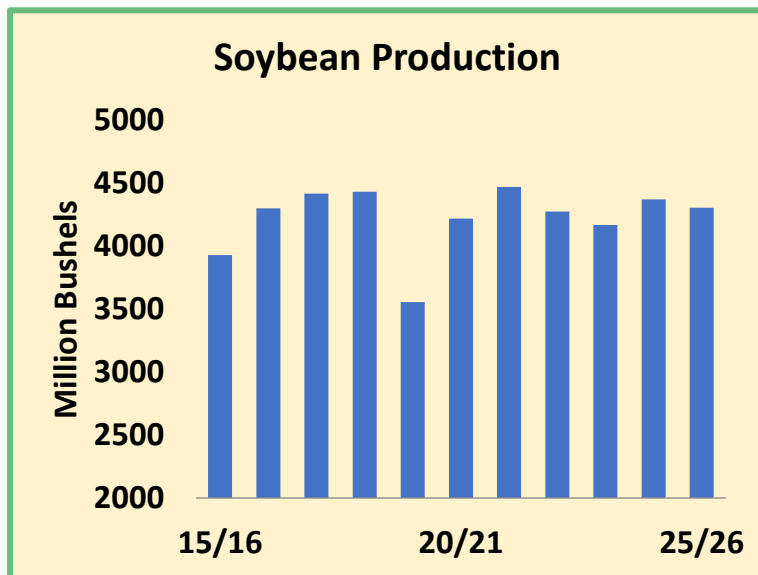


a forecast of 188.8 bushels last month. If the final yield is anywhere close to this number, farmers will harvest their largest crop ever. For soybeans, USDA now expects the crop to average 53.5 bushels per acre, down slightly from the August estimate of 53.6 bushels per acre.

But USDA also raised its assessment of corn and soybean acreage. The agency raised corn planted area to 98.7 million acres, the highest total since 1936. The increase in acreage more than offset the decline in yields, and USDA

now projects that farmers will harvest 16.8 billion bushels of corn, 72 million bushels more than they expected in August. That's 10% more grain corn than the previous record-large harvest of 2023. That means even more corn available to be shipped abroad, so USDA raised its export forecast to a record-high 2.975 billion bushels.

A modest increase in soybean acreage had the same effect, putting USDA's latest production estimate of 4.3 billion bushels slightly ahead of the August prediction of 4.29 billion bushels. With that, USDA expects that there will be 2.11 billion bushels of corn and 300 million bushels of soybeans leftover at the end of the 2025-26 season. Abundant crops will keep dairy producers' feed costs in check for the next year and possibly beyond. But prices may have fallen low enough to spark new demand. Despite the bearish report, both corn and soybean futures rallied Friday afternoon. December corn settled at \$4.28 per bushel, up a dime for the week. November soybeans closed at \$10.45, nearly 20¢ higher than last Friday. December soybean meal closed at \$288.20 per ton, up nearly \$5.



California Milk Advisory Board Continuation Hearing September 16 at 10 a.m. via Tele/Video Conference

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

TO ALL INTERESTED PARTIES: The California Department of Food and Agriculture (Department) is calling a public hearing to receive testimony and evidence from the California dairy industry and the general public regarding whether the Marketing Order for Research, Education, and Promotion of Milk and Dairy Products in California (California Milk Advisory Board or CMAB) should be continued. The Department is required to conduct such a hearing every five years to determine if the CMAB tends to fulfill the declared purposes of the California Marketing Act (Act), under which the CMAB was created. The last public hearing regarding the continuation of the CMAB was conducted in 2020. The hearing will be held virtually, with no in-person option available. **The meeting is September 16 at 10 a.m.**

Join by Zoom

<https://us02web.zoom.us/j/89910185527>

Meeting ID

899 1018 5527

Passcode

iguX2\$eC

Join by Telephone

1-669-900-6833

Meeting ID

899 1018 5527

Passcode

16104055

Overview of the California Milk Advisory Board

The California Milk Advisory Board is a state agricultural marketing order operating under the oversight of the Department. The CMAB was implemented in 1969 and is engaged in conducting research, advertising, public relations, and retail and foodservice promotional programs throughout the U.S. and internationally on behalf of California milk producers. The CMAB's activities are funded by a mandatory assessment levied on all California milk producers. The assessment rate is currently \$0.10/cwt. of milk produced, which serves as a credit against the mandatory federal \$0.15/cwt. producer assessment of the National Dairy Promotion and Research Board. The CMAB is directed by a Board of Directors appointed by the Department, consisting of 18 producer members and 18 producer alternate members, allocated to seven districts across the state, and one member and one alternate member representing the general public.

Additional meeting details are available [here](#).



Producer Review Board Meeting September 22 in Sacramento

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

The next Producer Review Board (PRB) meeting is scheduled for **10 a.m. Monday, September 22** at the **Cal Expo Clubhouse, 1600 Exposition Boulevard, Sacramento**. This is an in-person only meeting; no teleconference option will be offered.

Yesterday, CDFA published the PRB meeting agenda, which includes updates on the Quota Administration Program, a recommendation to adjust the Quota Implementation Plan assessment rate, and six hardship consideration requests.

See the complete PRB agenda [here](#).

USDA to Provide \$1 Billion to Flood and Wildfire-Impacted Livestock Producers

Courtesy of the [United States Department of Agriculture](#)

Note from Kevin Abernathy, MPC General Manager

This funding is available thanks to a piece of legislation sponsored by Representative David Valadao, prompted by the flooding in the Tulare Lake Basin in 2023. Thank you to Congressman Valadao for getting this through Congress and across the President's desk. Thank you also to National Milk Producers Federation and California Dairies, Inc. for the support and coordination. We will be assisting MPC members in applying for, and securing, these funds – stay tuned.

U.S. Secretary of Agriculture Brooke L. Rollins today announced eligible livestock producers will receive disaster recovery assistance through the Emergency Livestock Relief Program for 2023 and 2024 Flood and Wildfire (ELRP 2023 and 2024 FW) to help offset increased supplemental feed costs due to a qualifying flood or qualifying wildfire in calendar years 2023 and 2024. The program is expected to provide approximately \$1 billion in recovery benefits. **Sign-up begins on Monday, September 15. Livestock producers have until October 31, 2025, to apply for assistance.**

Payment Calculation

Eligible producers can receive up to 60% of one month of calculated feed costs for a qualifying wildfire or three months for a qualifying flood using the same monthly feed cost calculation that is used for the Livestock Forage Disaster Program. ELRP 2023 and 2024 for drought and wildfire and ELRP 2023 and 2024 FW have a combined payment limit of \$125,000 for each program year. Producers who already received the maximum payment amount from ELRP 2023 and 2024 for drought and wildfire will not be eligible to receive an additional payment under ELRP 2023 and 2024 FW. Eligible producers may submit form FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs*, to be considered for an increased payment limit of \$250,000.

Read more [here](#).

MAHA Report Recommends Whole Milk Consumption; Supreme Court to Review Trump Administration Tariffs in November

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

MAHA Report Recommends Whole Milk Consumption

After months of speculation about what it would either endorse or criticize, the Trump Administration this week [released the recommendations](#) of its “Make America Healthy Again” strategy. The report is great news for the dairy community in its support of whole milk, while it toned down earlier criticisms of some crop production inputs. As we noted [in our statement](#), the MAHA report echoes NMPF’s long-standing advocacy for getting whole milk back into schools and boosting real dairy foods in diets to help meet America’s nutritional needs, especially those of children.

Perhaps more surprisingly, the report pulled back from earlier expectations that it would call for restrictions on processed foods, pesticides like glyphosate, or other elements like added sugars that are often blamed for Americans’ health problems. Health and Human Services Secretary Robert Kennedy Jr. said that next steps will include inter-agency cooperation across the government to provide more assistance to farmers to support soil health, unleash innovation, and remove the barriers that hamper small farms.

Supreme Court to Review Trump Administration Tariffs in November

As the tariff policy of the U.S. continues to evolve, the Supreme Court said this week that it will hear arguments this fall concerning the legality of the approach the Trump Administration has taken this year in raising import tariffs. Oral arguments are set for the first week of November in two related cases, with a ruling expected soon afterwards.

Both cases under review challenge President Trump’s use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs on countries around the world. Last month, a federal appeals court upheld a May Court of International Trade decision finding that Trump overstepped his authority in enacting tariffs on all countries. The federal appellate court ruled that such measures are to be allowed only in “unusual or extraordinary” circumstances that threaten national security. The Supreme Court’s decision to take up the case allows the Trump Administration to continue collecting the tariffs until the justices rule – possibly before the end of this year.

