

MPC WEEKLY FRIDAY REPORT

DATE: OCTOBER 17, 2025

TO: DIRECTORS & MEMBERS

FROM: KEVIN ABERNATHY, GENERAL MANAGER

PAGES: 8



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MPC FRIDAY MARKET UPDATE

CHICAGO CHEDDAR CHEESE BLOCKS	CHICAGO AA BUTTER	NON-FAT DRY MILK
WEEKLY CHANGE + \$.0750 \$1.7750	WEEKLY CHANGE -\$.0100 \$1.5950	WEEK ENDING 10/11/25
WEEKLY AVERAGE -\$.0110 \$1.7255	WEEKLY AVERAGE -\$.0135 \$1.6305	NAT'L PLANTS \$1.1729 19,902,762
	DRY WHEY	LAST WEEK ENDING 10/04/25
	DAIRY MARKET NEWS W/E 10/17/25 \$.6050	NAT'L PLANTS \$1.1805 20,910,892
	NATIONAL PLANTS W/E 10/11/25 \$.5873	

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
OCT 16 EST	No Change	\$15.87	\$16.96	\$14.15
LAST WEEK	\$20.34 - \$20.84	\$15.96	\$17.02	\$14.34

SEPTEMBER 2025 CA FMMO STATISTICAL UNIFORM PRICE ANNOUNCEMENT

SEPT '25 FINAL	CLASS I	CLASS II	CLASS III	CLASS IV	STATISTICAL UNIFORM PRICE (BLENDED PRICE)	NET PRICE AFTER QUOTA ASSESSMENT*
MINIMUM CLASS PRICE	\$21.00 TULARE \$21.50 L.A.	\$17.39	\$17.59	\$16.17	\$16.81 TULARE \$17.31 L.A.	\$16.475 TULARE \$16.975 L.A.
PERCENT POOLED MILK	23.6%	8.6%	6.1%	61.6%	100% (1.67 BILLION LBS. POOLED)	

*QUOTA RATE OF \$0.335/CWT. AS OF FEBRUARY 2025



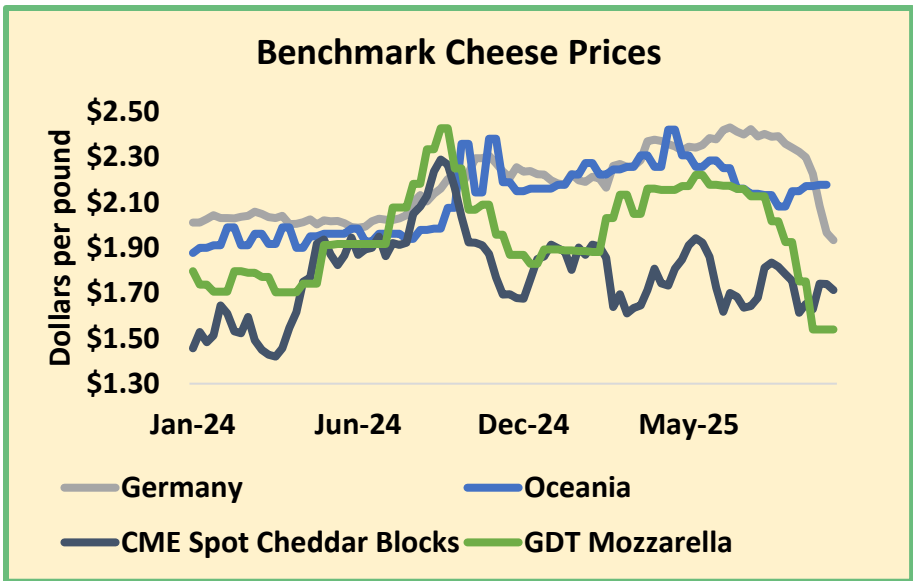
Milk, Dairy and Grain Market Commentary

By Sarina Sharp, Daily Dairy Report

Sarina@DailyDairyReport.com

Milk & Dairy Markets

The dairy industry is the victim of its own success. Heavy milk output continues to weigh on milk and dairy product prices. USDA's *Dairy Market News* reports that in California, milk production tops year-ago levels by a wide margin, "edging into double digits." The eye-popping year-

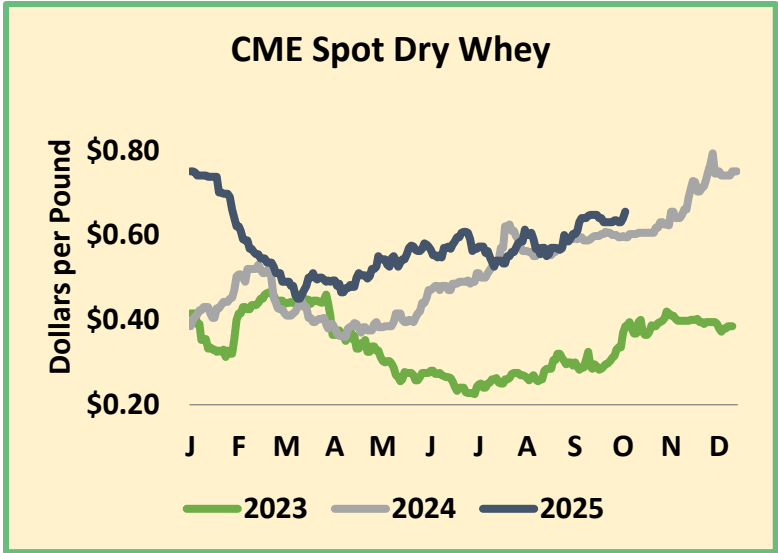
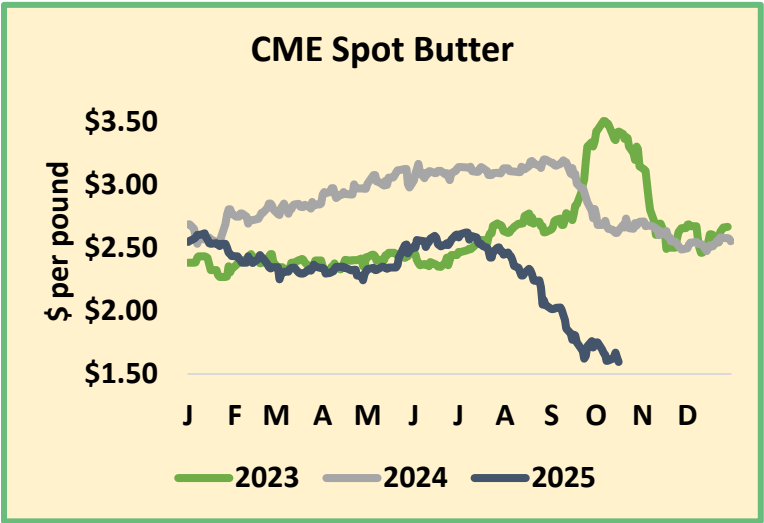


over-year increase can be partially explained by the onset of the devastating bird flu last year and the healthier herd today. That does not change the fact that the market has significantly more milk to absorb than it did in late 2024 and early 2025. And milk output is higher in other regions too. Record-shattering components augment the increase. Rapid growth in European milk output adds to the strain.

Demand is not keeping pace. Restaurant traffic has fallen for seven straight months. Franchises are offering flashy promotions to keep customers coming through their doors. Pizza chains struggling with slower sales and discounted offerings are unlikely to be heavy-handed with the cheese.

Butter demand is good as grocers brace themselves for the holiday baking season. But while U.S. butter consumption is cantering ahead, production is rising at a full gallop. Butter supplies are growing.

U.S. cheese and butter are moving abroad at a rapid pace. But today's shipments were likely negotiated months ago. New sales are getting harder to book as European markets deteriorate. After a dramatic rally to all-time highs, European butter prices have plummeted to their lowest level since the spring of 2024. European cheese prices vary depending on the variety, but they are also losing ground. Competition in the export market is growing fiercer by the day. U.S. dairy product prices are dropping in order to maintain the record-setting exports that they depend on as an outlet for excess production.



This week, CME spot butter fell another penny to \$1.595 per pound, its lowest price since early 2021. Spot nonfat dry milk fell 1.75¢ to \$1.11, its lowest value since April 2024. The Class III spot markets rebounded.

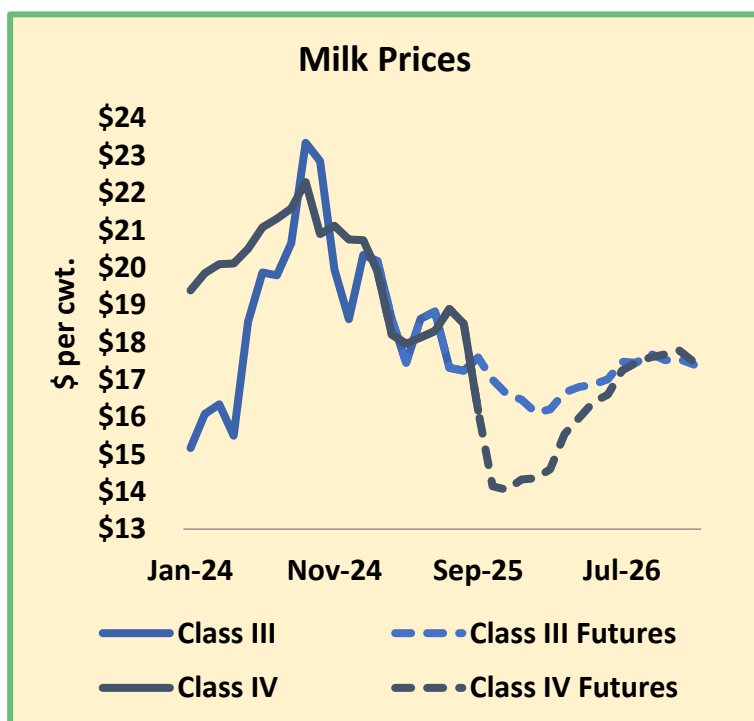


Cheddar blocks climbed 7.5¢ to \$1.775. Whey rallied another 2¢ to 65.5¢, the highest price since January.

The cattle markets took a dramatic step back this week after President Trump said his administration would lower beef prices for consumers and announced, “We did something, we worked our magic.” Because this promise came on the heels of a meeting with Brazilian President Lula da

Silva, the trade speculates that the Trump administration is considering lowering the recently imposed 50% tariff on U.S. beef imports from Brazil. Or perhaps the administration will favor U.S. imports of Argentine beef after the U.S. propped up Argentina’s currency. Details in the plan are lacking, and, for now, U.S. beef supplies remain tight amid a shrinking domestic cattle supply, a border that is closed to Mexican feeder cattle imports, and punitive tariffs on Brazilian beef. Cattle prices fell back from all-time highs, but cull cows and beef calves remain a significant source of revenue for U.S. dairy producers.

The infusion of beef income is muting the signals dairy producers should feel from waning milk prices. So it may be a while before they rein in U.S. milk production. This suggests that U.S. milk and dairy product prices will remain under pressure. This week, nearby Class III futures got a boost from higher spot Cheddar and dry whey prices. But deferred prices declined and Class IV contracts continued to lose ground. Dairy producers can expect Class III milk prices in the \$16s, with Class IV values at a disappointing \$14 per cwt.



Grain Markets

Farmers are wrapping up the final stages of harvest, and silos in the Corn Belt are bursting with grain. But prices fell low enough to attract buyers, and the markets bounced. December corn closed at \$4.23 per bushel, up about a dime for the week. December soybean meal rallied \$6 to \$281 per ton. November soybeans climbed 14¢ to \$10.21.

State Water Board to Consider Returning Kaweah Groundwater Subbasin to Department of Water Resources' Jurisdiction

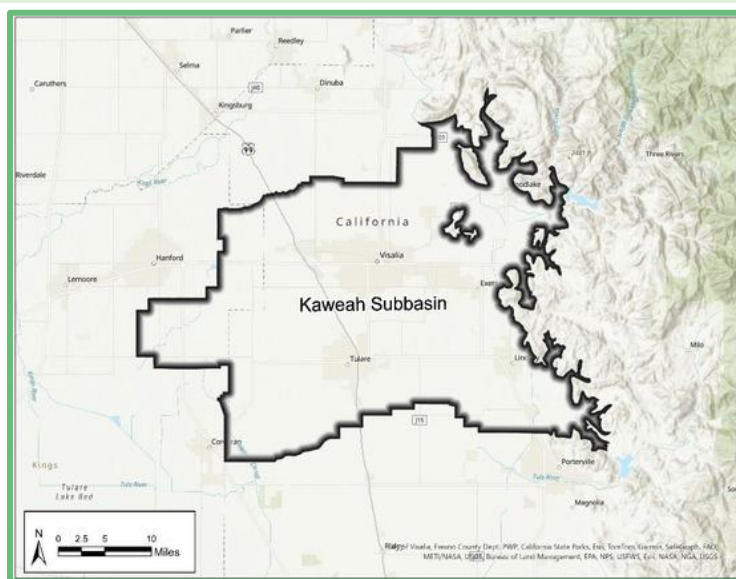
Courtesy of the [State Water Resources Control Board](#)

Note from Geoff Vanden Huevel, MPC Director of Regulatory and Economic Affairs

This action by the State Water Board has been anticipated for months, but absent official notification, there was uncertainty about the status of the Kaweah Subbasin, which is home to a large number of dairies. MPC welcomes the official notification that the State Water Board will be taking action in December.

At its December 2nd Board meeting, the State Water Board will consider referring the Kaweah Groundwater Subbasin back to the Department of Water Resources (DWR) for continued state evaluation 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 Kaweah 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 plans. State Water Board staff prepared a [Staff Assessment](#) evaluating the Kaweah Groundwater Subbasin's 2024 Amended Groundwater Sustainability Plans (GSPs). Staff concluded that the plans make significant progress toward sustainability and included a recommendation to the Board to **return the subbasin back to DWR's jurisdiction**. See the [Staff Assessment Executive Summary](#) [here](#).



How to Participate at the Board Meeting

The State Water Board will hold the public meeting at the time and location noted below. There are options to participate online or in person.

Tuesday, December 2, 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](#).

Water Blueprint for the San Joaquin Valley to Host Regional Water Forum at Fresno Farm Bureau

Courtesy of the [Water Blueprint for the San Joaquin Valley](#)

Note from Geoff Vanden Huevel, MPC Director of Regulatory and Economic Affairs
MPC is a founding member of the Water Blueprint for the San Joaquin Valley and a major supporter of this effort. I'm fortunate enough to serve as the Vice-Chair of the Board of Directors and I will be chairing this Large Group meeting on October 29.



WATER BLUEPRINT LARGE GROUP MEETING

The Water Blueprint for the San Joaquin Valley will host their Large Group meeting on **Wednesday, October 29**, bringing together water leaders, stakeholders, and community members to discuss pressing issues including the impending completion of the Blueprint's Unified Valley Water Plan. This plan identifies the water shortages in the valley and proposed realistic opportunities to close that gap.

GUEST SPEAKER: ADAM NICKELS

Nickels is serving as Acting Regional Director, U.S. Bureau of Reclamation, California Great Basin – Region 10. An archaeologist, Nickels has spent most of his career with the Bureau of Reclamation. His focus is on water storage projects, regional construction, and water supply priorities.



Meeting will feature:

- Presentation on the Unified Valley Water Plan – Stantec
- Water Blueprint Committee Updates

OCTOBER 29
9 AM - 11 AM



FRESNO COUNTY FARM BUREAU
1274 W HEDGES AVE.
FRESNO, CA

Zoom Option Available:

<https://zoom.us/j/98312874162>

Meeting ID: 983 1287 4162

Call in: +16694449171,,98312874162#

THIS MEETING IS OPEN TO THE PUBLIC

waterblueprintca.com

info@waterblueprintca.com

Steps Toward Water Abundance

Courtesy of Ed Ring, Director of Water and Energy Policy at the [California Policy Center](#)

Earlier this month a [letter was sent](#) to Governor Newsom from the State Water Contractors, an association of [27 water agencies](#) that together deliver water to nearly 30 million Californians and irrigate nearly one million acres of farmland.

This letter is a document of extraordinary importance to the future of California's water supply. It summarizes several significant reasons the cost of water is rising at the same time as the supply of water is shrinking, and it suggests specific solutions. Throughout this lengthy letter, the tone is reasonable and professional. But if you read between the lines, this letter is a primal scream, voiced by people who are forced to pay for a State Water Project that delivers less water every year.

Quoting from the letter, “the SWP exemplifies a modern case of ‘death by a thousand cuts,’ gradually undermined by countless seemingly small challenges over time.” This truth is exemplified in the dizzying number of agencies, laws, and regulations, the endless litigation, alongside chronically inadequate funding; all of it constantly changing. It makes it hard to even report on the fight for water abundance, much less fight for anything that is more than an incremental step forward. Every year we spend more and get less.

For those of us not immersed in the endless procession of legislative actions and agency directives that affect water deliveries, the issues brought up by the State Water Contractors in their letter to the governor may appear to be complicated details. But the contents of this six-page letter are a condensed discussion, selecting only the deepest of the thousands of cuts. Here is an attempt to summarize some of the highlights:

1 – Veto AB 1319, which would further empower the California Dept. of Fish and Wildlife to list species as “[provisional candidates](#)” under the California Endangered Species Act “with no opportunity for public comment and no requirement that the determination be based on science.”

2 – Clarify the criteria under which State Water Project operations are altered because of species that are listed (or are provisional candidates for listing) as threatened or endangered. Mitigation (i.e., reduced water deliveries) “should be proportional to the magnitude and nature of the effect” that water deliveries have on threatened or endangered species.

3 – To very loosely paraphrase the next section: Quit taking forever to update implementation of the [Bay-Delta Plan](#). The State Water Board began the update process in 2009, sixteen years ago. It's still not done. Meanwhile, not having clear objectives and operating guidelines has created perpetual uncertainty, preventing valuable projects from getting started.

Continue reading [here](#).



MPC Hosts Dairy Farm Tours for Air District Engineers

By Kevin Abernathy, General Manager

Kevin@MilkProducers.org

MPC hosted permitting engineers from the San Joaquin Valley Air Pollution Control District this week on three MPC member dairies. This is part of our ongoing efforts to help keep our partners at the Air District up to speed on the workings of California dairy farms.

I want to personally thank MPC members **Steve Shehadey**, **Steve Maddox**, and **Brian Pacheco** for opening up your farms to help educate our partners at the Air District.

We were able to showcase a variety of technologies across the farm, such as robotic and rotary milking parlors, a methane digester, solar power systems, a hydrogen production plant, and much more. Thank you to the Air District for taking the time to visit our members' farms and we appreciate the conversations we had throughout the day.



MPC Member Brian Pacheco's Brown Swiss Re-crowned as Grand Champion of International Brown Swiss Show at World Dairy Expo

Courtesy of [California Dairy Magazine](#)

Iroquois Acres Jong Cali brings home Senior and Grand Champion of the International Brown Swiss Show. Cali, the winning Component Merit Cow, is exhibited **Brian Pacheco of Kerman, Calif.**, and received the Allen Hetts Grand Champion Trophy and Vid Vye Memorial Trophy. Following her as the Reserve Grand Champion is the Reserve Senior Champion and winning Six-Year-Old & Over Cow, Robland Norwin Bermuda-ET, exhibited by Tony Kohls and Goldfawn Farm, Arlington, Minn.



Continue reading [here](#).

Government Shutdown Continues; New H5N1 Case Detected on Idaho Dairy; USDA Extends Application Deadline for Relief Program

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

Government Shutdown Continues

It was déjà vu all over again in Washington DC this week as the U.S. Senate, for the 10th time, failed to pass a continuing resolution that would reopen the government. In an attempt to end the stalemate, Senate majority leader John Thune, R-SD, scheduled a procedural vote on the full-year Defense Department appropriations bill (H.R. 4016) for yesterday, Oct. 16. The idea was to begin working through individual appropriations bills rather than depending solely on a sweeping continuing resolution. Thune also offered Democrats the opportunity for a standalone vote on extending Affordable Care Act subsidies but stopped short of guaranteeing that any such extension would pass. However, Democrats rejected the proposal of discussing healthcare subsidies once the government is funded. It is anticipated that the next vote will not be held until Monday, Oct. 20, which is just shy of the three-week mark since the shutdown began.

New H5N1 Case Detected on Idaho Dairy Farm; HPAI Upsurge in Commercial Flocks

This week [USDA announced](#) a new dairy farm in Idaho with H5N1 with a detection date of Oct. 10. While this means only one newly affected farm in the last 30 days, we should remain vigilant as we see an upsurge of HPAI outbreaks in commercial poultry flocks due to the spread of the virus, primarily by migratory wild birds. In the last 30 days, 28 commercial flocks have tested positive for HPAI. For resources on monitoring H5N1 in dairy herds and biosecurity protocols, visit the [NMPF website](#).

USDA to Extend Application Deadline for Emergency Livestock Relief Program

With the government shutdown giving dairy producers only about two weeks to submit [Emergency Livestock Relief](#) program applications with a fully operational USDA, NMPF asked USDA that producers still be allotted a full six weeks of application time for this important program. Yesterday, we received confirmation that USDA plans to extend the application deadline in accordance with the rule's 47-day application window. We can anticipate that after the shutdown ends and USDA is back up and running that USDA will extend the application so that farmers have another 30 days of a fully operational USDA to apply. However, NMPF advises producers who would like to apply to make sure they have all the necessary paperwork on hand to be ready once they can consult with their local FSA offices again.