# MPC Weekly Friday Report


**Date: October 3, 2025**
**To: Directors & Members**
**From: Kevin Abernathy, General Manager**
**Pages: 7**

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## MPC Friday Market Update

| Chicago Cheddar Cheese Blocks | | | Chicago AA Butter | | | Non-Fat Dry Milk | | |
|---|---|---|---|---|---|---|---|---|
| Weekly Change | + $.1650 | $1.7900 | Weekly Change | + $.0300 | $1.7500 | Week Ending 09/27/25 | | |
| | | | Weekly Average | + $.0670 | $1.7390 | Nat'l Plants | $1.1695 | 31,534,835 |
| | | | Dry Whey | | | | | |
| Weekly Average | + $.1125 | $1.7410 | Dairy Market News | w/e 10/03/25 | $.5950 | Last Week Ending 09/20/25 | | |
| | | | National Plants | w/e 09/27/25 | $.5793 | Nat'l Plants | $1.2546 | 15,448,701 |

## California Federal Milk Marketing Order Price Projections

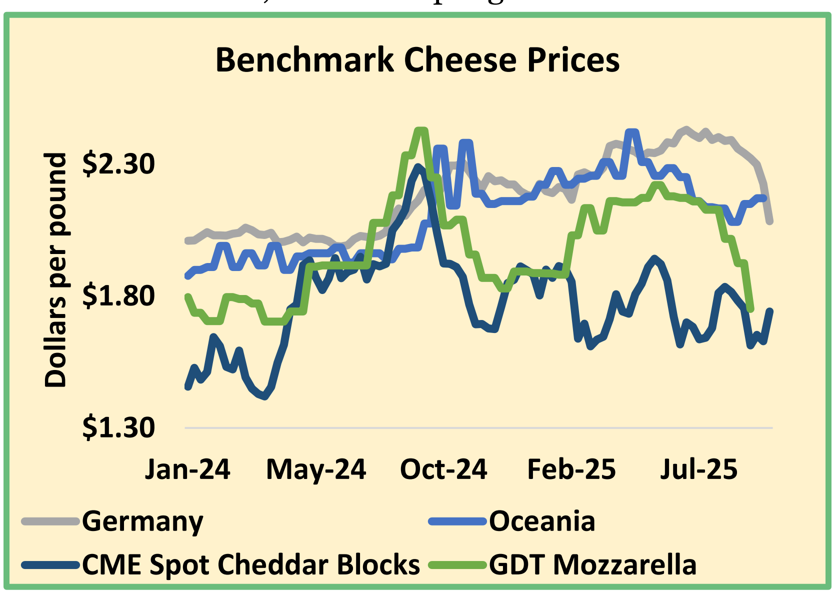
| Price Projections | Class I Actual (range based on location) | Class II Projected | Class III Projected | Class IV Projected |
|---|---|---|---|---|
| Oct 2 Est | $20.34 - $20.84 | $16.34 | $17.37 | $14.76 |
| Sept '25 Final | $21.00 - $21.50 | $17.39 | $17.59 | $16.17 |

## Milk, Dairy and Grain Market Commentary

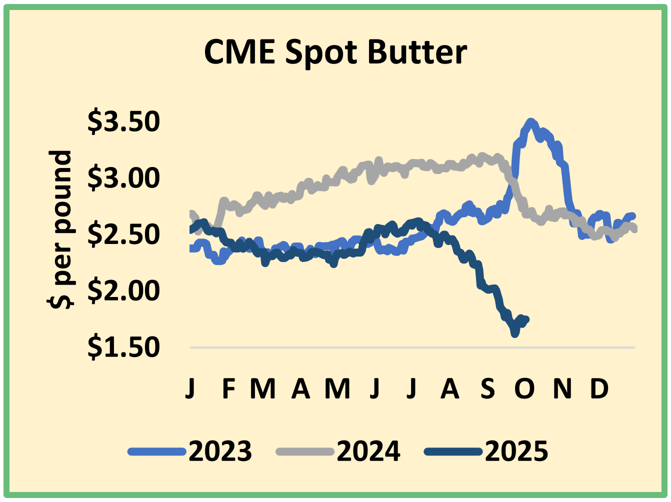
*By Sarina Sharp, Daily Dairy Report*
*Sarina@DailyDairyReport.com*

### *Milk & Dairy Markets*

The dairy markets continue to lean bearish, as milk output grows around the world. But that doesn't mean that prices must move downward constantly. After several weeks of steep declines, the dairy markets regained a little ground this week. On LaSalle Street, traders describe this as a healthy correction in a bear market.

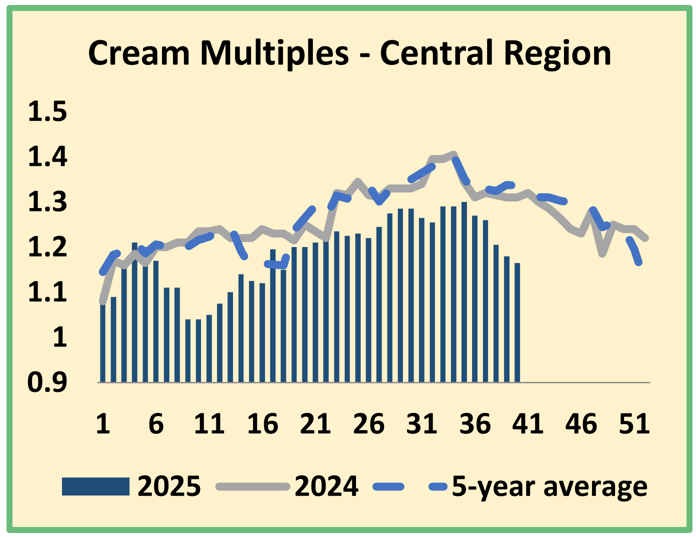



The cheese markets made the most decisive about-face. CME spot Cheddar blocks rallied 16.5¢ this week to $1.79 per pound. In just five trading sessions, they regained 73% of the ground they lost in the seven weeks since mid-August. Cheese is still plentiful, although we don't know

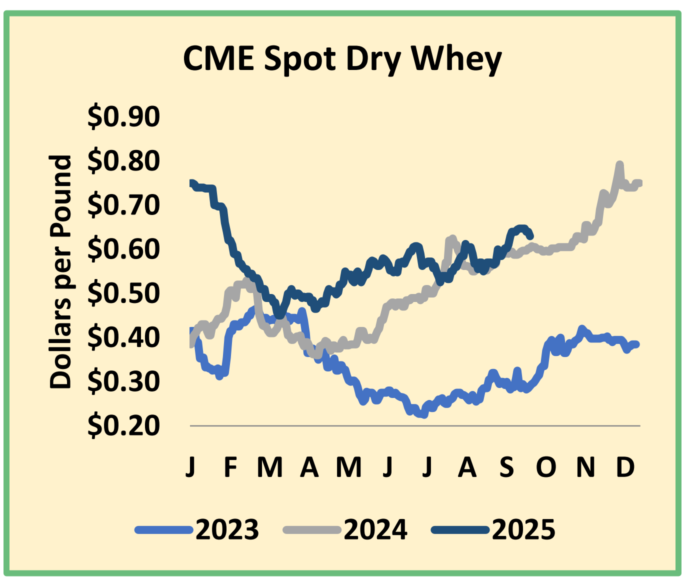



exactly how much production has grown. USDA did not publish the Dairy Products report today due to the partial government shutdown. But the trade is confident that vats are full and exports are booming. USDA's *Dairy Market News* – which did publish its commentary despite the shutdown – reports that strong exports "remain a key factor in keeping inventories balanced." The recent rebound suggests that prices have fallen far enough, for now. But the trade is keeping a nervous eye on Europe, where cheese prices are dropping in order to compete with U.S. exports.

Similarly, butter bounced back from recent lows. CME spot butter rallied 3¢ this week to a still-unimpressive $1.75. The U.S. milk-cow herd is larger than it's been in over 30 years. All those cows are making more milk with more butterfat than ever before. Demand for fat-laden dairy products is excellent, but cream supplies still feel heavy.



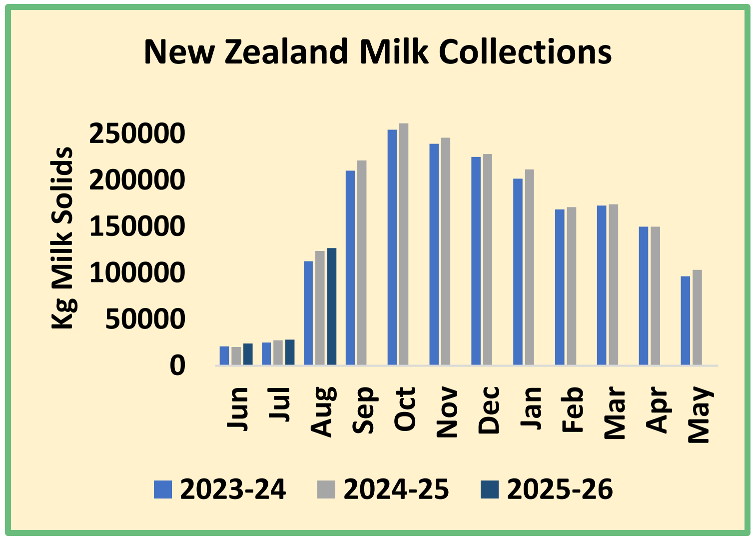

Milk powder prices also inched upward. CME spot nonfat dry milk added a half-cent and reached $1.16. *Dairy Market News* reports that prices have fallen low enough to attract demand from domestic buyers. But export sales remain light. Cool temperatures have boosted milk output beyond the capacity of other processors and there are more trucks lined up at dryers around the country. In the Mountain States, where milk production has grown and processing capacity has not, "some sellers report challenges finding homes for spot milk loads… There is more than adequate milk volumes for processing."




Once again, the whey markets went their own way. After notching an eight-month high in the final days of September, they pared their gains. CME spot whey powder fell 1.75¢ this week to 63¢. Immense demand for high-protein products is using up much of the whey stream, but as cheese production climbs, manufacturers will have to dry more and more whey into powder. Thankfully, whey exports are decent.

But competition in the export market is getting fierce as milk production climbs overseas. New Zealand's milk collections set a new record for the month of August, with milk solids output up 2.5% from August

2024. Kiwi dairy producers are enjoying excellent pasture conditions, low feed costs, and high milk prices. They are not going to rein in output unless the weather turns against them. In August, New Zealand sent 20% more milk powder, 32% more milkfat and butter, and 15% less cheese abroad than they did the year before.




Milk prices generally followed the spot products upward this week. October Class III rallied 41¢ to $17.21 per cwt. November and December Class III added roughly 50¢ and settled near the $17 mark. Most 2026 contracts posted modest gains. Despite the recovery in spot butter and milk powder values October Class IV fell another 13¢ this week to a gut-wrenching $14.76. But most other Class IV contracts added about 50¢. That pushed November and December Class IV into the $15s, with first-quarter futures in the $16s and second-quarter contracts in the $17s.

The long-term outlook is concerning. Thankfully, dairy producers can still purchase Dairy Revenue Protection (DRP) insurance despite the government shutdown. The carry in the Class IV market – with deferred futures much higher than nearby contracts – offers the opportunity to protect milk revenues from further declines.

### *Grain Markets*
The feed markets moved wildly back and forth, but they finished not far from where they began the week. USDA surprised the market with a quarterly Grain Stocks report that showed September 1 corn stocks were much larger than the market had anticipated. Since September 1 marks the shift from one crop year to the next, the Grain Stocks number will replace USDA's previous estimate of end-of-season stocks for the 2024-25 crop year and beginning stocks for the 2025-26 crop year. That larger stockpile, plus a massive harvest, will likely result in abundant corn leftover a year from now, at the end of the 2025-26 crop year. Corn prices retreated after the bearish report, but they rallied back late in the week.

The Grain Stocks report was mildly supportive of soybean values, but they moved lower in sympathy with corn. Then on Wednesday, President Trump posted on Truth Social that he hoped China would buy some U.S. soybeans and he would meet with President Xi next month. Soybean futures rallied. Soybean farmers also have a little extra spring in their step after Treasury Secretary Scott Bessent said the Trump administration would announce new support on Tuesday. The *Wall Street Journal* reports that the administration is considering doling out between $10 and $14 billion in tariff revenues to soybean farmers who have been hurt by the trade war.

This week, December corn futures closed at $4.195 per bushel, down 2.5¢ from last Friday. November soybean settled at $10.17, up 3¢. And December soybean meal finished at $278.20 per ton, up $3.30 for the week.

## Newsom's Concessions to Oil Industry Will Not Save It

*By Edward Ring, Director of Water and Energy Policy, California Policy Center*
*Courtesy of the California Globe*

***Note by Geoff Vanden Heuvel, MPC Director of Regulatory & Economic Affairs***
*This week, I had a chance to meet with Ed Ring and a small group of farmers and oil industry folks in Bakersfield. The crisis facing energy production in California is very real. Two refineries are scheduled to close in the next few months. There were people in that meeting predicting a $10 per gallon gasoline price and lines at gas stations by April of next year. This was before last night's fire at the Chevron Refinery in El Segundo. We do not yet know the extent of the damage to that refinery, which is the second-largest refinery in California. Ed Ring's piece is a sober read. Access to affordable and plentiful energy, particularly diesel fuel, is a critical component of our being able to operate in California.*

### Newsom's Concessions to Oil Industry Will Not Save It

Access to adequate supplies of gasoline and diesel fuel for Californians is in dire peril, and the signing of SB 237 on September 19 will do very little to change that. To rescue the industry, far more sweeping legislation is required.

First, to put this in perspective, note that fully 50 percent of California's raw energy inputs still rely on petroleum. We can debate the virtues and detriments of fossil fuel all we like, but we can't change this math. Californians need petroleum products, and at the same time, our state legislature has systematically attempted to destroy the industry.

The supposed breakthrough represented by SB 237 by Sen. Tim Grayson (D-Contra Costa) is that it will restart permitting for drilling. It directs CalGEM (California's Geologic Energy Management Division) to issue up to 2,000 drilling permits. This volume of permitting is necessary to sustain production, but under pressure from state agencies and regulators, the volume of drilling permits has steadily dropped; only 74 were granted in 2024.

As a result, California's in-state oil production has dropped from a high of 402 million barrels in 1986 to only 118 million barrels in 2024. But consumption has not fallen nearly as fast. In 1986 California consumed 676 million barrels of oil, and that total has only declined to 511 million barrels in 2024. We now import 77 percent of our petroleum.

The inadequacies with SB 237 are many. To begin with, it only directs CalGEM to issue a higher volume of permits in Kern County. This leaves areas of the state with high value fields completely cut off, including Los Angeles, Ventura, and Santa Barbara counties. Even if Kern County drillers were reactivated overnight under ideal conditions, they could not produce enough oil to replace what's being lost as existing wells everywhere else are being forced to shut down, or are naturally depleted and deactivated.

*Continue reading here.*

## CDQAP Update: New World Screwworm; Elevating Safety

*Courtesy of the California Dairy Quality Assurance Program*

The California Dairy Quality Assurance Program (CDQAP) published its most recent monthly report, which can be read in its entirety here.

### New World Screwworm Update

***It's "All Hands-On Deck" for USDA and farmers are asked to report suspected cases.***

*By Dr. Michael Payne, UC Davis, School of Vet. Medicine & Director, CDQAP*

Last week USDA reported a new case of New World Screwworm (NWS) in the Mexican state of Nuevo Leon. Less than 70 miles from the U.S.-Mexican border, this is the closest detection since NWS infestation began spreading north from Panama in 2023.

This newest report ratcheted up already-intense concern among U.S. livestock owners. New bulletins and webpages from USDA, and an outstanding webinar hosted by NMPF, have provided critical information.

**How is the pest most likely to cross the U.S. border?**
While it's possible for the NWS fly to travel miles in a single day, the pest prefers to remain close to already established warm-blooded hosts. Long-distance travel of the parasite most commonly results from movement of livestock (or wildlife) with unrecognized infestations. This is an important reason for the current livestock movement and treatment controls both within Mexico and at the U.S. border.

**Can the pest be passed from cow-to-cow?**
Strictly speaking, screwworm infestation cannot be passed directly from cow-to-cow. Mature larvae can however drop out of livestock wounds, burrow into the ground and then pupate into adult flies. It's these adult flies which can lay eggs in unaffected animals.

**What can producers do to prevent screwworms from entering their herd?**
The most effective action producers can take is to monitor USDA and CDFA alerts and limit animal traffic to and from affected areas. If there is a suspected NWS outbreak in your area, the herd veterinarian can be consulted about enhancing management practices related to processing, wound treatment and fly control. The NMPF has a fact sheet with more information.

**What are the most likely sites producers would find screwworm infestation?**
The fly can lay eggs in everything from small wounds such as from tick bites or ear tags, or larger wounds such as from castration and dehorning. Eggs can also be laid in mucus membranes of the eyes, nose, mouth, and genitalia. In highly infested environments, studies show up to one third of infestations can be at the umbilicus of young calves, with nearly 100% of newborns affected.

*Continue reading here.*

## Make Time to Elevate Safety

*By Dr. Deanne Meyer, Livestock Waste Management Specialist, UC Davis and UC ANR*

Recent deaths at a Colorado dairy remind us about the importance of worker safety. Yes, people post worker safety signs. Yes, employees have the greatest understanding of where problems may exist on a facility. There's tremendous value in asking employees where they see safety issues during their day. Once identified, precautions may be implemented to reduce risk and improve safety. Here are some areas to consider.

Harvest, planting, and cultivation occur with more vehicle activity. As corn, sorghum, or sudan are chopped there is tremendous vehicle activity. All employees and visitors need to remember to drive carefully and watch for vehicle traffic. Also, as piles or bags are created, new obstructions exist. Again, employee and visitor attention to what may be around the corner of the silage pile or bag is necessary to maximize safety.

Early in the ensiling process, the off gases from the pile can hover close to the ground. Pay strict attention to gas formation and minimize human contact with stagnant air in low adjacent places.

After harvest comes manure hauling and spreading. As with harvest, a distinct traffic pattern is usually created so trucks go on a given path. This identifies the area where people need to pay extra attention to safety and keeps extra vehicles away from other areas. It also minimizes manure spilling in the wrong place.

*Continue reading here.*

## California Dairy Sustainability Summit Returns to Visalia March 24, 2026

*Courtesy of Dairy Cares*

The California Dairy Sustainability Summit will return to the **Visalia Convention Center on March 24, 2026**. Since 2018, the Summit's program has recognized California dairies' world-leading achievements, while promoting the ongoing advancement of planet-smart dairy farm practices. The one-day conference will promote innovative and practical approaches, as California's dairy farm families work to ensure long-term sustainability.

"As California dairy farmers, there is much to think about as we plan for the future of our operations," said Gerben Leyendekker, Tulare County dairy farmer and Dairy Cares board member. "The Summit helps to make that information accessible, while encouraging us to learn from one another and trusted experts. It also provides perspective and support as we tackle difficult decisions. We look forward to bringing the dairy community together again for this important, educational, and enjoyable event."

California's dairy farms are on track to reach climate neutrality within the next few years, thanks to tremendous public and private investment. To date, the state's dairies have achieved an annual methane reduction of 5 million metric tons (CO2e). Additionally, dairy farms are making progress in better protecting and conserving water, improving air quality, boosting soil health, creating clean, renewable energy, and further advancing animal care and comfort. The environmental benefits of these investments are significant.

*Last year's California Dairy Sustainability Summit received more than 475 participants, including more than 100 dairy farmers. The Summit will return to Visalia on March 24, 2026.*

While the primary goal of the Summit is to support dairy farmers in their stewardship efforts, the event also aims to promote and advance dairy's valuable role in sustainable, healthy, and equitable food systems. The California dairy community remains focused on nourishing the lives of people—both today and for generations to come. Dairy farming is an especially integral part of San Joaquin Valley communities and rural economies.

*Continue reading here.*

## FDA Conditionally Approves New Drug for New World Screwworm Prevention and Treatment

*Courtesy of Gregg Doud, President & CEO*
*National Milk Producers Federation*

On Tuesday, FDA announced that Dectomax-CA1 injectable solution has been conditionally approved for the prevention and treatment of New World screwworm (NWS) in cattle. This means that FDA has deemed the drug to be safe and effective and is making it available to producers while the sponsor collects the data needed for full approval. The withdrawal period for cattle is 35 days. This conditional approval gives producers a much-needed tool to respond to this dangerous pest.