

MPC WEEKLY FRIDAY REPORT

DATE: APRIL 11, 2025
 TO: DIRECTORS & MEMBERS
 FROM: KEVIN ABERNATHY, GENERAL MANAGER
 PAGES: 7



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MPC FRIDAY MARKET UPDATE

CHICAGO CHEDDAR CHEESE		CHICAGO AA BUTTER		NON-FAT DRY MILK	
Blocks	+ \$.1050	\$1.7450	WEEKLY CHANGE	+ \$.0525	\$2.3475
Barrels	+ \$.1450	\$1.8050	WEEKLY AVERAGE	-\$.0085	\$2.3205
WEEKLY AVERAGE CHEDDAR CHEESE		DRY WHEY		WEEK ENDING 04/05/25	
Blocks	+ \$.0675	\$1.7130	DAIRY MARKET NEWS	W/E 04/11/25	\$.5150
Barrels	+ \$.0980	\$1.7585	NATIONAL PLANTS	W/E 04/05/25	\$.4984
				LAST WEEK ENDING 03/29/25	
				NAT'L PLANTS \$1.2089 15,187,779	
				NAT'L PLANTS \$1.1829 24,009,467	

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 10 EST	No Change	\$19.24	\$17.24	\$17.87
LAST WEEK	\$21.17 - \$21.67	\$19.22	\$16.98	\$17.96

MARCH 2025 CA FMMO STATISTICAL UNIFORM PRICE ANNOUNCEMENT

MAR '25 FINAL	CLASS I	CLASS II	CLASS III	CLASS IV	STATISTICAL UNIFORM PRICE (BLENDED PRICE)	NET PRICE AFTER QUOTA ASSESSMENT*
MINIMUM CLASS PRICE	\$22.62 TULARE \$23.12 L.A.	\$20.12	\$18.62	\$18.21	\$18.58 TULARE \$19.08 L.A.	\$18.232 TULARE \$18.732 L.A.
PERCENT POOLED MILK	12.8%	4%	39.6%	43.6%	100% (3.08 BILLION LBS. POOLED)	

*QUOTA RATE OF \$0.348/CWT. AS OF NOVEMBER 2023

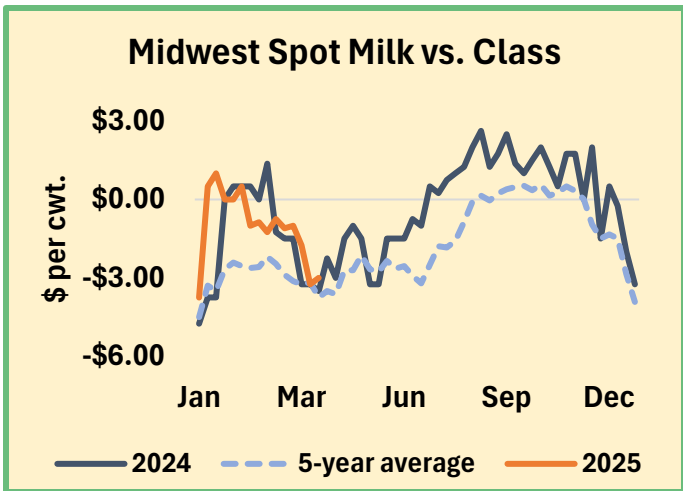


Milk, Dairy and Grain Market Commentary

By Monica Ganley, Quarterra
Monica.Ganley@QuarterraGlobal.com

Milk & Dairy Markets

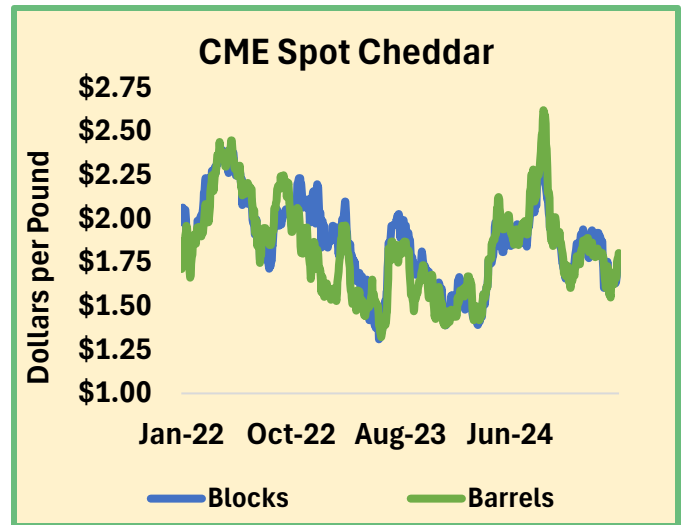
Spring has sprung and the resurgence of allergies isn't the only sign of the season. Milk volumes are also expanding in most regions as the spring flush moves across the country. Seasonal increases are compounding milk volumes that are growing year over year both in liquid terms and in



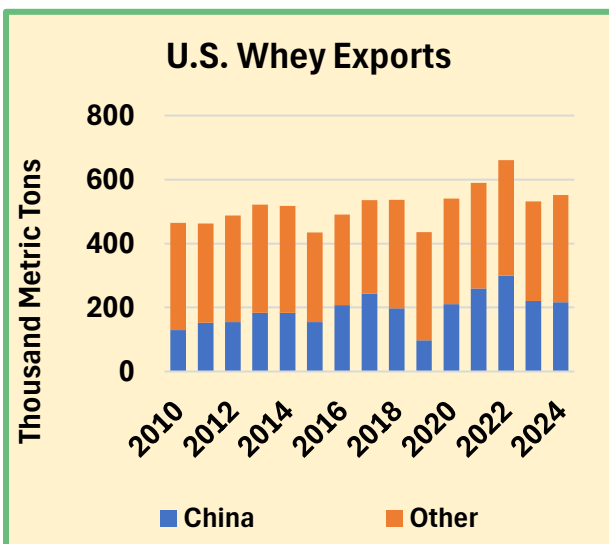
component values. As a result, milk supplies are plentiful in most parts of the U.S. Demand from bottlers has generally been upbeat, especially as many educational institutions are wrapping up their spring holidays. But even with steady Class I demand, there appears to be plenty of milk available for processors. This week in the Central region, spot milk for processing was available at an average of \$3 below the Class III price, similar to prior week.

While milk supplies are available, processing schedules are also moving forward at a steady clip.

Dairy Market News reported this week that new cheese facilities in the southern part of the Central region are demanding more milk as they ramp up production. Rising cheese output this year has long been a topic of conversation in the industry, but if supplies are indeed heavier, the markets do not appear concerned. Spot prices at the CME for both Cheddar blocks and barrels moved upward every day this week. Blocks added 10.5¢ as 27 loads moved, lifting the price to \$1.745/lb. on Friday. Meanwhile, barrels gained 11¢, finishing the week at \$1.805/lb. the first-time prices have broken the \$1.80 threshold since February.



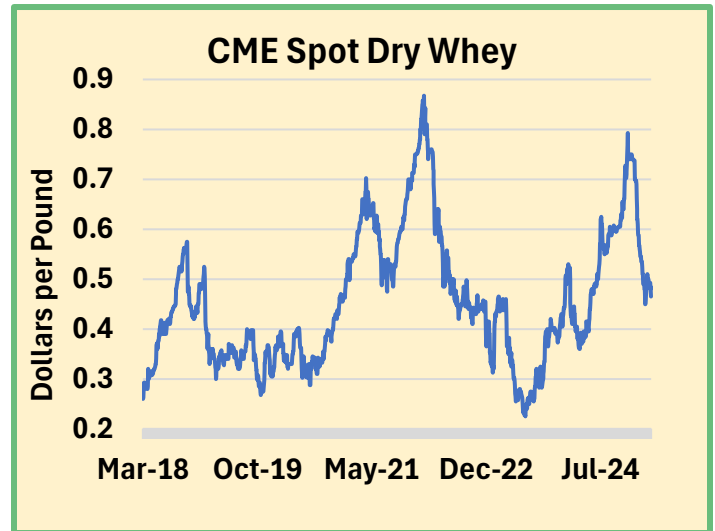
Market participants indicate that domestic cheese demand has at least been steady, fueled mostly by retail sales. The foodservice channel remains a challenge and with the level of economic uncertainty growing, it seems likely that consumers will continue to eschew restaurant visits in favor of the often-more-affordable option to eat in. The tariff whiplash of the last few days has created anxiety for cheese manufacturers and exporters, though tangible impacts have yet to be seen.



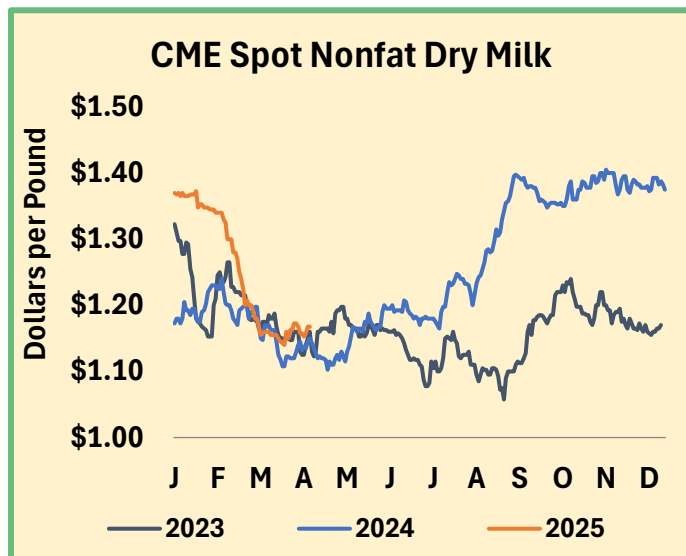
Export concerns are more poignant for whey manufacturers who are warily watching the deterioration of the trading relationship with China. According to USDA, about 40% of U.S. whey exports are sent to China and the market has become a critical outlet for products like sweet whey powder and whey permeate. Because U.S. whey products are critical to the country's pork sector, they have historically enjoyed some privileged treatment during trade disputes. But as the current conflict deteriorates it seems unlikely that whey exports will escape unscathed. The spot price for dry whey at the CME

lost 2.5¢ this week, falling to 46.5¢ per pound as 11 loads traded hands.

Nonfat dry milk (NDM) fared somewhat better, eking out a penny increase during the week that brought the spot price to \$1.1675/lb. Even though the availability of condensed skim has risen with the increase in milk supplies, stakeholders indicate that demand has also perked up and sales to both domestic and international consumers have improved. U.S. product maintains an edge over international suppliers, a dynamic which has helped to generate additional interest among buyers. But the uncertainty caused by the tariff conflict may also dampen some of this interest.



On the other side of the Class IV complex, butter production remains strong. Cream supplies are still inexpensive and readily available. Butter manufacturers are trying to capitalize on the availability of cream to keep churns running and stock product. However, many are now indicating that warehouses are getting full. Domestic demand has been positive, but with holiday purchases mostly in the rearview mirror, demand seems likely to slow in the coming weeks. U.S. butter remains at a sharp discount to international competitors which is likely to continue generating some export sales over the near term.



Even as cream is long and inventories build, the spot butter market seems to have found traction. Prices moved up during every day of trading this week, ultimately added 5.25¢ to the spot price. At the conclusion of Friday's session, the spot butter price

was \$2.3475/lb. Market participants were not shy as a total of 30 loads were exchanged during the week, including 24 on Thursday alone, when the price moved up by 2¢.

Grain Markets

USDA released its monthly World Agricultural Supply and Demand Estimates (WASDE) report on Thursday to little fanfare. The agency left production estimates for corn and soybeans unchanged, which is often the case with the April report. However, USDA did make several adjustments to the utilization side of the balance sheet, ultimately resulting in a larger reduction in corn ending stocks than the trade had projected. On the soybean balance sheet USDA increased crushing which translated into a larger projected volume of soybean meal and caused the average farm price for soybean meal to drop \$10 to \$300/ton. Despite further inflammation in the trade war with China, soybeans have clawed back last week's losses over the last few days. On Thursday, JUL25 soybeans settled at \$10.3675/bu. with further increases seen during Friday's trade.

What's Next for Bird Flu?

By Dr. Michael Payne, UC Davis, School of Veterinary Medicine;
Director of the [California Dairy Quality Assurance Program](#)

As of this writing (*March 31*), while 274 dairy herds are still under quarantine, a larger number, 493 dairies, have been released. No human cases have been reported since January, and our poultry farms are increasingly repopulating their flocks. Using FEMA's terminology, we are starting to move past responding to the emergency to recovering from it.



CDQAP will similarly be shifting its efforts to focus on regulatory, management, and economic issues central to our industry's return to normalcy. In partnership with CMAB and CDRF, this will include a new set of recovery webinars, as well as new additions to CDQAP's HPAI homepage.

Here are some of the areas the program will be highlighting over the coming months.

Regulatory Changes? – One regulatory change involves CDFA's movement to a new "Regional Strategy." The new strategy recognizes that different regions have different support needs. Prevention of infection, for instance, is the primary goal for the North Coast while decreasing viral loads and releasing herds from quarantine is foremost in the Central Valley. The revised approach also mirrors Cal-OES response regions, allowing better coordination of resources.

CDFA also is no longer recommending suspension of routine regulatory inspections on non-quarantined farms, but does suggest deferring inspections of infected farms when possible. Finally, the temporary ban on poultry and cattle exhibitions announced on January 7 remains in effect. CDFA has however indicated that it will entertain submissions of enhanced biosecurity plans from individual shows to determine if they may proceed.

Financial Assistance? – There are a variety of support programs managed by USDA for dairies affected by HPAI. Monies may be eligible for reduced milk production through USDA's Farm Service Agency dairy ELAP program. Producers should contact their local FSA office to make sure it is accepting applications.

Much has been written about USDA's announcement that \$1 billion will fund a comprehensive strategy combating HPAI. The agency's releases make no mention of relief monies for dairy farms.

Prolonged Quarantines & Reinfections? – Throughout the country, there have been anecdotal reports of prolonged periods of quarantine and even herds released from quarantine having positive bulk tanks again. There have been no reports high rates of illness or death, but apparently, for some producers, prolonged quarantine has been a frustrating problem.

Continue reading [here](#).

Dairy Farmer's Startup is Sprouting Up and Sparking Interest

Courtesy of [Dairy Cares](#)

California dairy farmers put a lot of their own time, effort, and money into making their farms more sustainable. Perhaps one of the most outstanding examples is Jack de Jong, Co-founder, CEO, and Chair of Forever Feed Technologies. He's also a third-generation California dairy farmer. Inspired by the idea of growing high-quality feed with less water on his farm, Jack partnered to create the world's largest automated sprouted grain grow system —just the start of the Forever Feed vision that's now coming to life.



Jack de Jong, Forever Feed Technologies' Co-founder, CEO, and Chairman, is a third-generation dairy farmer in Kings County.

Co-founded and funded by farmers, Jack's Forever Feed Technologies is pioneering a new model for growing fresh, high-quality dairy feed year-round, using 95% less water, 99% less land, and less fuel than the status quo. The crop produced is a highly nutritious and digestible spouted grain that's grown year-round in an indoor, automated facility. Harvested after three to six days depending on farm preferences, the sprouted grains are then pulled apart and evenly mixed into total mixed feeding rations for cows or heifers, replacing alfalfa and several other components. The company's first facility, known as the Forever Feed Technologies Innovation Center, began operating a few months ago on Jack's dairy in Kings County.

Jack has been an early adopter of many sustainable dairy farm practices. He first came across the idea of Forever Feed when looking for forage alternatives to lower water use needs, preparing for increasingly limited groundwater and surface water availability. The initial company that was starting to grow sprouted grains for fodder ended up dissolving, but Jack still wanted to give the concept a try. He teamed up with the former CEO to create a new company—focused on creating a durable facility to meet the 24-7-365 need for nutritious livestock feed.

Other leading dairy farmers and cattle ranchers, both in California and in other states, saw promise in this vision, signing on as investors. The environmental benefits are clear. Additionally, these farm families believe in the promise of creating a more resilient, dependable future. However, perhaps the most motivating factor for farmers and ranchers is the potential for making fresh, nutritious, and much appreciated feed for cows.

Continue reading [here](#).

California Milk Advisory Board Annual Dinner Meetings

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



2025 ANNUAL DINNER MEETING

Hello Dairy Producers!

The California Milk Advisory Board's marketing team looks forward to joining you in your districts for our 2025 Annual Producer Meetings this April. We hope you'll join retiring CMAB CEO John Talbot and our incoming CEO Bob Carroll as well as industry partners and fellow dairy farmers for dinner and discussions around CMAB's programs and for the vision for 2025 and beyond. You are welcome to attend any meeting that fits with your schedule, we only ask that you RSVP no later the indicated date to the event of your choice.

These meetings will highlight the many ways your CMAB marketing team has been busy putting nutritious California dairy products made with your milk into the hands of consumers in California, across the U.S. and around the world. We're excited to roll out some new directions in 2025 while also highlighting the ongoing work of our marketing teams in the retail, foodservice and export market spaces, share exciting updates from our processor partners and discuss how our communication and advertising strategies creates a relevant path for these initiatives.

To prepare for dinner, we request that you RSVP for the meeting you plan to attend. Please see the enclosed schedule and RSVP via one of the several convenient methods: Return the enclosed card by mail, scan the provided QR Code, use our handy RSVP link, email promotions@cmab.net or call/text Melissa Lema at (209) 690-8248.

2025 Meeting Schedule and Locations

DISTRICT	DATE	Venue/Address	RSVP BY:
5	Tuesday, April 22	BELLO VITA HALL - 4211 W Goshen Avenue, Visalia, CA	Apr 15
6	Wednesday, April 23	LUIGI'S - 725 E 19th Street, Bakersfield, CA	Apr 15
4	Thursday, April 24	GREENS ON 10TH - 953 10th Street, Modesto, CA	Apr 15
3	Tuesday, April 29	AMARIS BANQUET HALL - 709 5th Street, Orland CA	Apr 20
1	Wednesday, April 30	THE BARN BY FERNBRIDGE - 26 Goble Lane, Ferndale, CA	Apr 20
2	Thursday, May 1	HERMANN SONS HALL - 860 Western Avenue, Petaluma, CA	Apr 20
7	Tuesday, May 13	CENTRO BASCO - 13432 Central Ave, Chino, CA	May 1

All events begin with Real California Cheese Social at 5:30 PM, followed by Dinner at 6:30 PM

Please join us for an annual meeting.
We request that you RSVP by the date indicated for the meeting you plan to attend.

Please provide the following information: Name, name of business, number of guests and location of meeting you plan to attend



RSVP via one of the several convenient methods:

- Return the enclosed card by mail
- Scan the QR Code and use our handy RSVP link
- Email promotions@cmab.net
- Call/Text Melissa Lema at (209) 690-8248

Budget Resolution Clears the House

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

After some 11th hour wrangling, the House on Thursday passed a major budget resolution by a narrow 216-214 margin, unlocking the reconciliation process that Republicans want to use to enact many of President Donald Trump's legislative priorities. The process now shifts to more detailed negotiations within the House and Senate over how to extend current tax policy while also cutting spending significantly.

The process was delayed for a day because some House deficit hawks didn't believe the resolution would guarantee enough spending cuts. Some in the House Republican Conference wanted assurances of \$1.5 trillion in cuts over the next decade, while the Senate approach called for considerably less spending reduction. Following discussions with Senate Majority Leader John Thune, R-SD, House Speaker Mike Johnson, R-LA, was able to rally enough GOP members to eke out a winning margin.

What happens next is that both chambers must now move from the aspirational steps taken so far, to putting together specific proposals to adjust tax and spending levels on issues including border security, defense funding and energy policy. Efforts to find savings within Medicaid as well as SNAP are certain to generate controversy and force some tough discussions. Under the resolution, the House Agriculture Committee is expected to find \$230 billion in cuts, while the Senate ag panel is to find just \$1 billion to trim. These differences will need to be reconciled before a final bill is completed.

As we've indicated in recent weeks, NMPF is prioritizing the extension of the Section 199A tax deduction provision, which is crucial to the economic health of farmer-owned cooperatives.

While the budget reconciliation process moves forward, we are also whipping up support on Capitol Hill for the Fair Milk Pricing for Farmers Act (H.R. 295, S. 581), bipartisan legislation that would require USDA to conduct regular, mandatory and auditable processing plant cost studies every two years and report the results to dairy stakeholders. We are seeking the best possible legislative path to pass this important element of the overall Federal Order modernization package that NMPF has been formulating since 2022.

