MPC Weekly Friday Report

Date: October 24, 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	Weekly Change	+ $.0075	$1.6025	Week Ending 10/18/25		
+ $.0025 $1.7775	Weekly Average	- $.0565	$1.5740	Nat'l Plants	$1.1429	31,173,076
	Dry Whey					
Weekly Average	Dairy Market News	w/e 10/24/25	$.6050	**Last Week Ending 10/11/25**		
+ $.0350 $1.7605	National Plants	w/e 10/18/25	$.5898	Nat'l Plants	$1.1729	19,902,762

California Federal Milk Marketing Order Price Projections

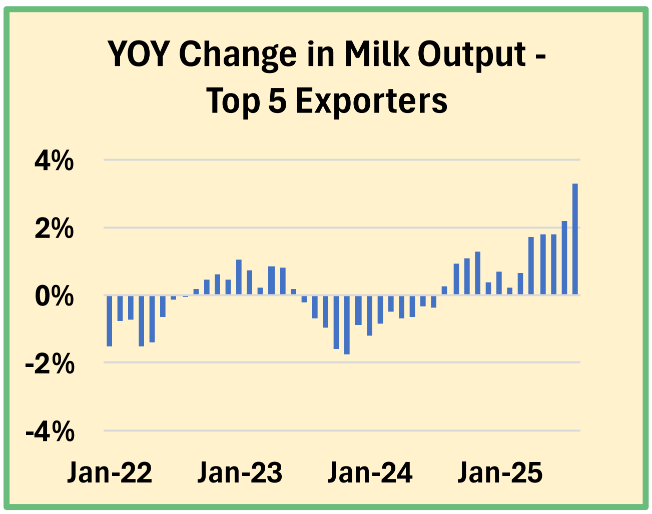
Price Projections	Class I Actual *(range based on location)*	Class II Projected	Class III Projected	Class IV Projected
Oct 23 Est	No Change	$15.92	$16.89	No Change
Last Week	$20.34 - $20.84	$15.87	$16.96	$14.15

Milk, Dairy, and Grain Market Commentary

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

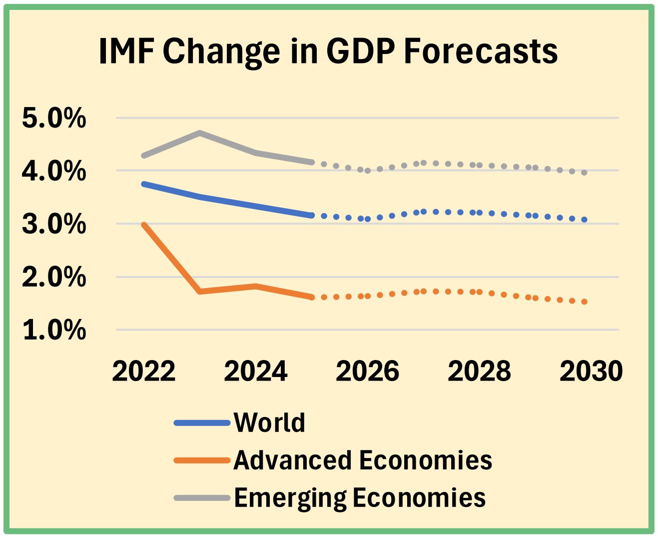
Milk & Dairy Markets

Dairy markets both in the U.S. and across the globe continue to feel out the balance of supply and demand. Although the dramatic price decreases seen during the last few weeks have given way to more modest movements, the overall market tone remains bearish. Tuesday's Global Dairy Trade (GDT) auction, albeit glitchy, ultimately saw the GDT Price Index move down 1.4%, the fifth consecutive lower result. The decline in the index reflected lower prices across every product except anhydrous milkfat.



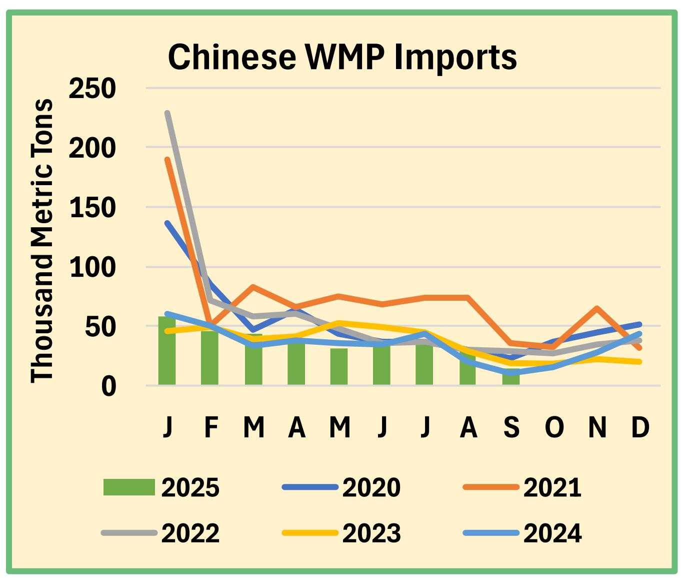
Plentiful milk supplies are the key factor weighing on international dairy prices as volumes across the major suppliers continue to charge upward. Volumes are soaring in the Southern Hemisphere as the region traverses its seasonal peak. Producers in New Zealand saw September production grow by 2.5% and 3.4% on a fluid and solids basis, respectively, further adding to an already robust season. Meanwhile, Argentina posted a 9.9% increase in fluid terms while Uruguayan volumes rose 3.2% in liquid terms and 5% on a solids basis.

Though data is scarce, and seasonal trends are inverted, the Northern Hemisphere is also seeing important production gains relative to last year. European production continues to exceed expectations with volumes in the European Union and the UK up 3.3% in August. Meanwhile in the U.S., even though the government shutdown prevented the publication of the Milk Production report this week which would have shown September data, all signs point to continued production strength.

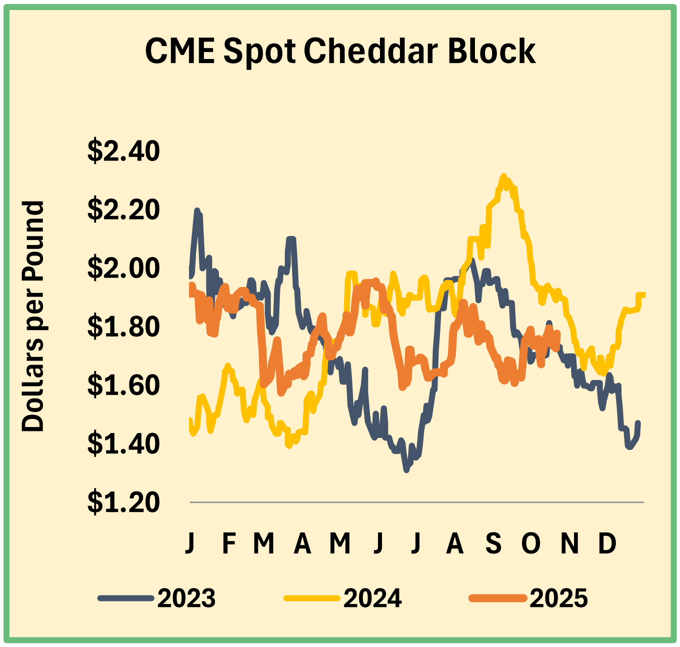


While supply is undeniably strong, the story of demand is less clear. Global dairy trade has started to perk up in recent months, and lower prices could help to encourage further movement of dairy products. The International Monetary Fund recently upgraded its expectations for global GDP growth, forecasting the global economy to expand by 3.2% in 2025, up 0.1 percentage points from the prior review in July. Stronger-than-expected economic performance bodes well for dairy demand and dairy trade.

However, demand from China, the largest global dairy importer, remains subdued. Imports of WMP were up a dramatic 41.2% year over year in September, but cumulative volumes remain very weak by historical standards. Meanwhile imports of SMP slumped by 12.5%. Chinese imports of low protein whey products fell by a more modest 3.1%. Products targeted toward consumers fared better with cheese imports rising 13.5% versus September 2024 while butter volumes soared 64.7% year over year. Chinese milk production continues to buckle under the burden of low milk prices. Even so, demand remains weak and Chinese manufactured WMP has been showing up in international arenas, suggesting the country has volume to spare.



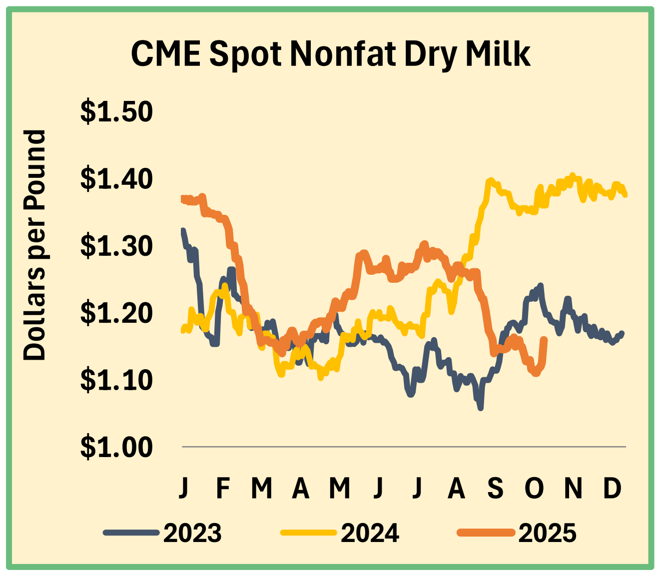
Back in the U.S., consumers are also facing demand pressures. September inflation data showed that prices were up 0.3% from August and 3.0% higher than a year ago. While this marks the strongest year over year increase seen since January, the uptick was nevertheless lower than what many economists had forecast. Over the past year menu prices have risen by 3.7% while the increase in grocery prices has trailed headline inflation at 2.7%. This dynamic is likely to continue encouraging consumers to have



more meals at home rather than out at restaurants – a shift which will almost certainly be reflected in dairy demand.

Cheese is one of the key products likely to be affected by this change as consumers tend to eat cheese in different formats at retail compared to through foodservice. While domestic demand undergoes this transformation, international interest has weakened as U.S. cheese prices have lost their competitive edge compared to other suppliers. Even so, the CME Cheddar Block spot market found enough traction to move up by a quarter cent this week, ending Friday's session at $1.7775/lb. It was an upbeat week at the exchange with 32 loads of product trading hands.

But cheese wasn't the only product to make an upward move as butter also found its footing late in the week. After sliding as low as $1.545/lb. on Wednesday, increases on Thursday and Friday brought the CME spot butter price back into the $1.60s. Friday's session ended with butter at $1.6025/lb., up 0.75¢ from last week as 66 loads moved. Cream remains abundant and butter churns are busy. Domestic demand is steady as buyers wrap up their holiday preparations. Meanwhile, international demand remains upbeat, especially for butter with 82% fat.



After several weeks with subdued activity, there was also some action in the nonfat dry milk market this week as the spot price rose a nickel to $1.16/lb. A total of 38 loads of product traded during the week including 28 on Friday alone. Meanwhile, the dry whey market continued its upward campaign adding 3.5¢ to end the week at 69¢ per pound with three loads moving. Demand for high protein whey products remains insatiable, leaving limited raw whey available to be manufactured into dry whey.

Grain Markets

As the U.S. harvest season nears its conclusion, the prolonged government shutdown has clouded the outlook on U.S. yields and production volumes. Yet, despite the lack of information, markets found enough reason to move upward over most of the week. DEC25 corn settled at $4.28/bu. on Thursday, up 5.5¢ from last Friday. The soy complex made an even more dramatic upward move as JAN26 soybeans added just over 33¢ to settle on Friday at $10.62/bu. Low feed prices have played a critical role in maintaining producer profitability, especially as milk prices have moved lower. While feed prices remain modest by historical standards, further upward movements could begin to eat into margins.

MPC in D.C. This Week

By Kevin Abernathy, MPC General Manger
Kevin@MilkProducers.org

I just returned home from a trip to our nation's capital, which was organized by the American Business Immigration Coalition (ABIC). More than 190 ABIC employers, representing farming, ranching, construction, eldercare/healthcare, hospitality, and manufacturers, shared a unified message in Washington, D.C.:

Congress and the President must act now on work permits for our essential immigrant workers, and citizenship for Dreamers, to keep our businesses running, our economy growing and to lower costs for everyday Americans.

Collectively, the group met with 214 Republican and Democratic Senators and Congressional Representatives, and the Administration.

I want to thank ABIC for putting together an outstanding fly-in trip to Washington, D.C. – the attention to detail was second-to-none. Hats off to the entire team at ABIC!

From L to R: MPC General Manager Kevin Abernathy, Congressman Jim Costa, and former California Assemblyman Alberto Torrico.

Congressman Josh Harder and Kevin Abernathy.

Worms Now Contributing to California's Planet-Smart Dairy Efforts

Courtesy of [Dairy Cares]

Worm beds are wiggling their way onto a growing number of California dairy farms. Millions of worms are being deployed to help break down and improve the recycling of manure via these vermifiltration systems. It's a process that's gaining traction for its value in preventing methane emissions, better managing nutrients, and improving water use and protection.

Essentially, it works like this: dairy manure is added to beds of wood chips and red wiggler worms. The aerobic conditions (inclusion of oxygen) prevents the formation of methane emissions from manure storage by up to 90 percent, according to BioFiltro. The amount of nitrogen in the remaining filtered manure-water is also reduced by 40 to 80 percent. The filtered water is then available for more flexible on-farm use.

Alberto Dairy has been utilizing a BioFiltro system of six worm beds since October 2024.

There are currently vermifiltration systems running on four California dairies, three more are in construction, and additional projects are in early development stages. Adoption on California dairies has been supported significantly through the Dairy Plus program, which is funded by the California Department of Food and Agriculture (CDFA) and the United States Department of Agriculture (USDA) via the USDA Advancing Markets for Producers (AMP) program. Additionally, contributions from private partners within the dairy supply chain are supporting implementation. The company behind all of these worm beds is BioFiltro, which has been delivering worm-powered solutions to wineries, food processors, and other urban agencies and businesses globally since 2010.

Continue reading here.

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
for the San Joaquin Valley

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

Federal Government Remains in Gridlock; Exceptions Join the Failed Vote Frenzy

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

The federal government remains shut down as the Senate failed to reach the 60-vote threshold to advance the continuing resolution to reopen the government for the 12th time yesterday. It is important to note that even if the Senate gets enough votes to advance the House-passed funding bill, it will only fund the government through Nov. 21, at which time another bill will be needed to permanently fund the government through 2026.

Senate Republicans also continue to seek exceptions to the government funding lapse by introducing and voting on a variety of bills that would pay certain groups of individuals like non-furloughed federal workers, the military, and air traffic controllers as well as fund programs like SNAP. While none of these measures have yet to rise above the Senate gridlock, their success would still hinge on a successful vote from our friends in the House where it is not anticipated that Speaker Johnson will bring them back to Washington for more than a week or two before the end of the year. The current Senate schedule still holds though, and we can expect a 13th vote on the stopgap on Monday.