

MPC WEEKLY FRIDAY REPORT

DATE: JULY 25, 2025

TO: DIRECTORS & MEMBERS

FROM: KEVIN ABERNATHY, GENERAL MANAGER

PAGES: 10



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MPC FRIDAY MARKET UPDATE

CHICAGO CHEDDAR CHEESE BLOCKS	CHICAGO AA BUTTER	NON-FAT DRY MILK
WEEKLY CHANGE - \$.0025 \$1.6400	WEEKLY CHANGE -\$0.0475 \$2.4650	WEEK ENDING 07/19/25
WEEKLY AVERAGE +\$0.0070 \$1.6425	WEEKLY AVERAGE -\$0.0820 \$2.4565	NAT'L PLANTS \$1.2719 13,423,894
	DRY WHEY	LAST WEEK ENDING 07/12/25
	DAIRY MARKET NEWS W/E 07/25/25 \$0.5900	NAT'L PLANTS \$1.2867 11,044,857
	NATIONAL PLANTS W/E 07/19/25 \$0.5751	

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
JULY 24 EST	No Change	\$19.33	\$17.33	\$18.93
LAST WEEK	\$21.12 - \$21.62	\$19.41	\$17.44	\$19.01



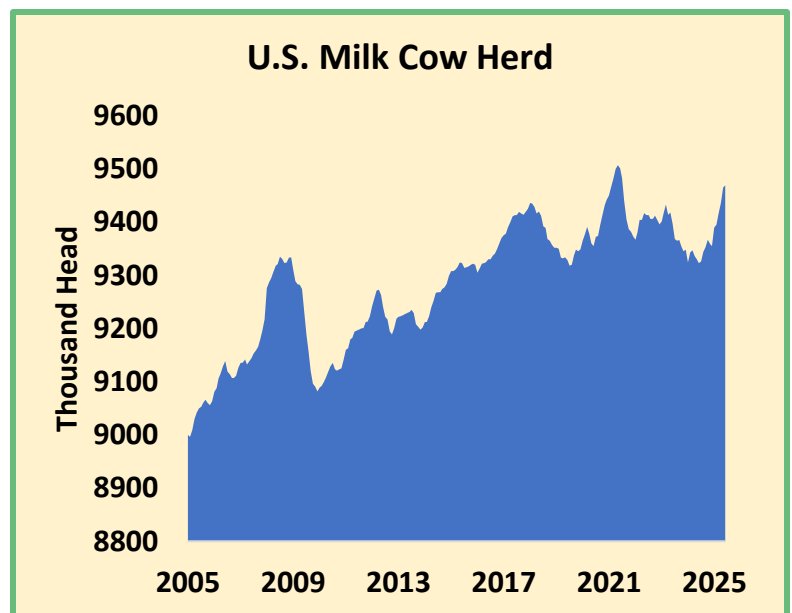
Milk, Dairy and Grain Market Commentary

By Sarina Sharp, Daily Dairy Report

Sarina@DailyDairyReport.com

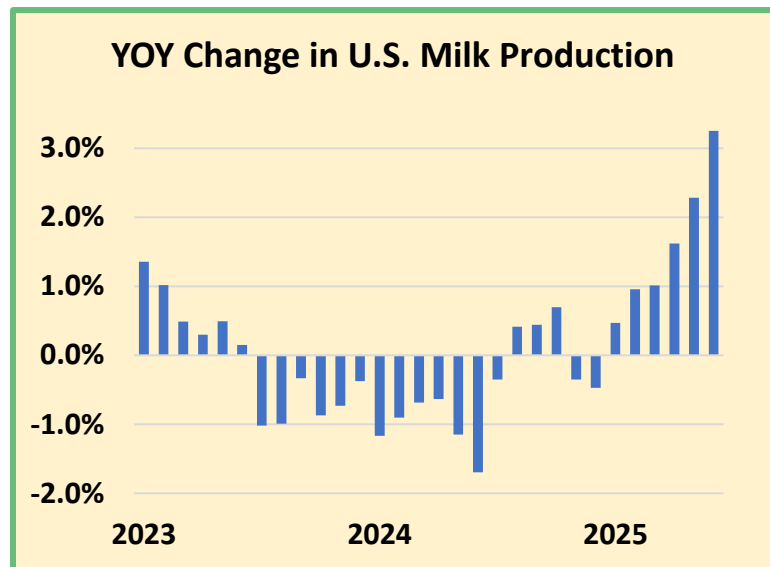
Milk & Dairy Markets

U.S. dairy producers are keeping cows in their barns rather than sending them to the slaughterhouse. Through mid-July, dairy producers culled 1.38 million milk cows. That's 310,000 fewer than the 2020 through 2023 average, and it marks the lowest mid-July slaughter since 2008, when depressed cull rates fostered rapid – and ultimately unsustainable – expansion. Heifers are still in short supply. This afternoon, USDA estimated there were 3.5 million dairy heifers on July 1, steady with July 1, 2023, but only after USDA slashed its 2023 estimate. (There was no 2024 mid-year



Cattle inventory report due to budget cuts.) So, while the agency's revised figures show no change in dairy heifer inventories in the most recent 24 months, USDA's estimate of dairy heifer supplies is much lower than it was two years ago.

Presuming USDA's figures are correct, the industry is likely encouraged to see heifer head counts stabilize after a long, steep decline. Still, there are not enough heifers to grow the dairy herd. Producers are filling the vacuum by keeping older cows for longer.

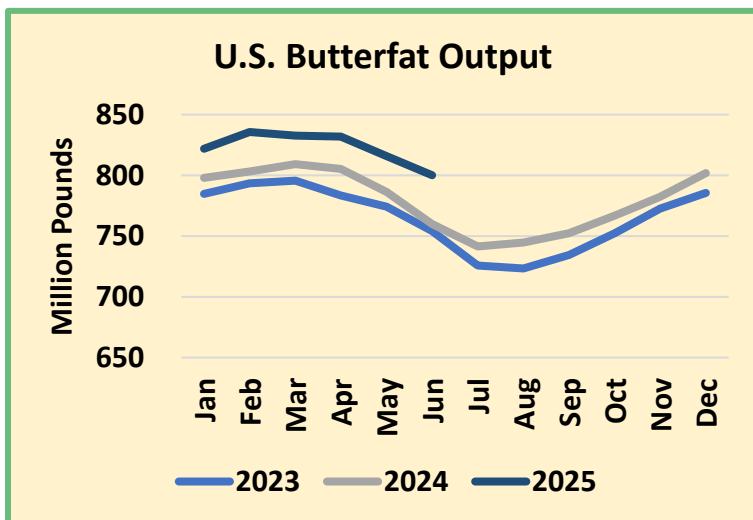


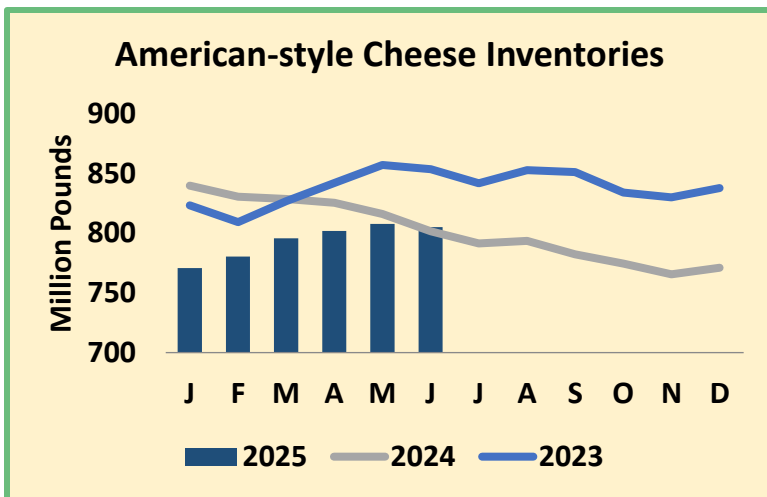
And it's working. USDA revised its estimate of May milk production and dairy-cow head counts upward significantly. The agency now shows that dairy producers added 29,000 cows in May and milk output topped the prior year by 2.3%. Dairy producers continued to add cows in June, and milk production soared. Last month, milk output was 3.3% greater than June 2024. That's the largest annual increase since May 2021. Milk production and cow numbers dropped significantly in Washington, where a co-op's red ink is spilling over into producers' milk checks. But other

states more than made up for it. Growth is particularly strong in the states with new processing capacity. Milk output exceeded June 2024 by an astounding 19% in Kansas, 11.5% in South Dakota, 9.7% in Idaho, and 9.5% in Texas and Georgia. In Colorado, where milk output surpassed the prior year by 7.8%, there are no new cheese vats, so the extra milk is moving to balancing plants at a discount.

Ever-higher component levels supercharged the already strong growth in milk output. With 3.3% more milk, the U.S. dairy industry made 5.3% more butterfat, 4.9% more protein, and 3.8% more nonfat solids than in June 2024.

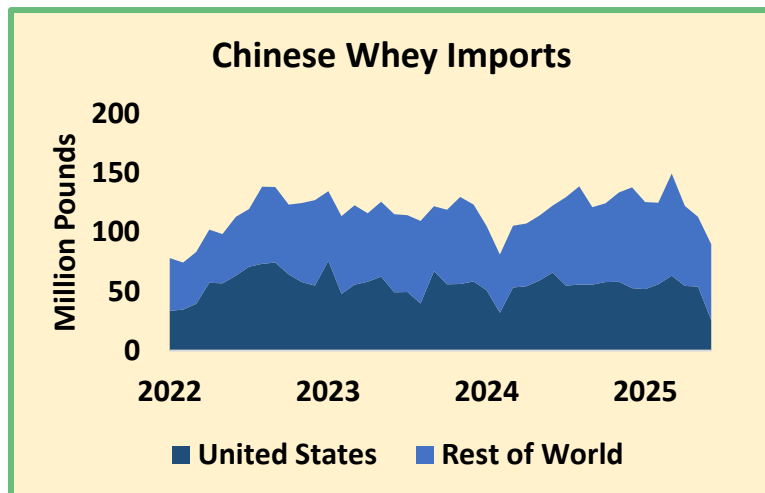
Abundant dairy components and impressive cow power weighed heavily on the dairy markets this week. CME spot butter tested a two-month low and plunged 4.75¢ to \$2.465 per pound. But Friday after the close USDA's Cold Storage report showed that butter inventories declined 10 million pounds from May to June, which is faster than the typical June drawdown. Butter inventories stood 6% lower than the prior year at the end of last month. Given abundant U.S. butterfat production, the setback in butter supplies suggests that American's appetite for dairy fats remains robust. Exports likely helped too. After years of butter trade deficits, U.S. butter exports topped imports by 6.1 million





American-style cheese stocks tallied 805.1 million pounds, 0.4% more than June 2024. That marks the first time that American-style cheese inventories topped the prior year since March 2024. Plentiful milk and expanded cheese processing capacity suggest that American-style cheese stocks will continue to exceed year-ago volumes for the foreseeable future, which is likely to weigh on cheese values. This week, CME spot Cheddar blocks inched down just 0.25¢ to \$1.64.

CME spot nonfat dry milk retreated a quarter-cent to \$1.2875 per pound. Spot whey powder fell 1.75¢ to 54¢. The U.S. whey market looked particularly weak after Trade Data Monitor reported that Chinese whey imports plummeted 27% year over year in June. After the imposition of tariffs in mid-May, the U.S. sent less than 26 million pounds of whey powder to China last month, the lowest monthly total since September 2019.



The red ink flowed from the spot market straight to the futures. August Class III fell 56¢ this week to \$17.21 per cwt. The futures promise \$17 milk throughout the third quarter, with prices just north of \$18 in Q4. Class IV milk also took a sizable step back. The July and August contracts slipped to around \$18.95, while September through December promise revenues in the low \$19s. With low feed costs and hefty beef income, these are prices that can pay the bills on many operations, but margins are much thinner than they were just a few months ago. The futures curve promises better times ahead, but dairy producers would be wise to lock in those values using futures, options, or the Dairy Revenue Protection program.

Grain Markets

A healthy mix of rains and sunshine continued to favor the Corn Belt. Corn condition ratings held steady, with 74% of the crop in good or excellent condition. That's an unusually high rating during the critical pollination stage, and it suggests the possibility for above-trend yields. With that, December corn futures fell 9¢ this week to \$4.19 per bushel. November soybeans fell 13¢ to \$10.22. December soybean meal dropped another \$7.10 to \$281.70 per ton.



New Development on the Bay-Delta Plan

By Geoff Vanden Heuvel, Director of Regulatory and Economic Affairs
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The State Water Resources Control Board has significant control and authority over how water flows through the Sacramento-San Joaquin River Delta. The Delta is essentially the valve through which Northern California surface water passes through on its way to the ocean. A limited amount of that flow is diverted to the aqueducts for use in the Central Valley, Southern California and the Bay Area. For a number of years, the State Water Board has been in the process of updating the Delta water regulations. The existing rules have resulted in significant reductions in exports of water to people and farms, while not improving, and in some cases worsening, the condition of endangered fish species. The State Water Board is required to balance all of the beneficial uses of water, including water for people and farms, in their regulations.

In anticipation of the need to update the Delta regulations, many water users, including the State of California, have collaborated on a “voluntary agreement” (VA) plan that is now called Healthy Rivers and Landscapes. This plan addresses the many factors besides water that have caused the fish to decline. The VA plan proposes to address those stressors with projects at least partially paid for by the water users. This approach would still require some additional water, but much less than a water-only approach, which is being advocated by single-focused environmental interests. The water-only approach, called “unimpaired flows,” would require that millions of additional acre-feet of fresh water be sent to the ocean, with no requirement that these flows actually improve the condition of the fish.

The State Water Board [announced this week](#) that it is prioritizing the “voluntary agreement” path to compliance for those water entities that “voluntarily” agree to the plan. If an agency does not agree to the plan, then it will be subject to the unimpaired flows regulation.

Milk Producers Council is an active participant in the Water Blueprint for the San Joaquin Valley. Here is the Blueprint statement on what the State Water Board announced this week.



The Water Blueprint for the San Joaquin Valley joins water agencies across California and Governor Newsom to applaud forward progress by the State Water Board for advancing an innovative approach to improve healthy rivers and landscapes throughout the San Joaquin Valley.

The Blueprint strongly supports the goal of restoring ecological function in California’s watersheds while meeting the water needs of our farms, communities, businesses, and environment.

As a coalition deeply committed to sustainable water outcomes, the Blueprint recognizes the potential of the *Healthy Rivers and Landscapes Program* now under consideration in the Bay-Delta Plan update. The program represents an opportunity to balance improved environmental outcomes and

greater water supply certainty to the San Joaquin Valley, where water scarcity already threatens farms, communities, and disadvantaged populations, as compared to the flow-only alternative.

This moment demands a change in direction and action, not a continuation of failed policy that redirects water supplies without addressing all factors impacting species, including habitat needs, and fails to appropriately balance the needs of all beneficial water uses. In June, the Blueprint submitted a comprehensive policy [memo](#) to President Trump and Governor Newsom, calling for urgent state-federal alignment to implement executive orders to restore water reliability. Our memo outlines concrete steps to deliver an additional 9 million acre-feet per year by 2040 through modernized operations, reduced regulatory bottlenecks, and accelerated infrastructure development and delivery. As the Bay-Delta Plan is finalized, it will be important to ensure alignment with the goals outlined in the Blueprint's memo to the President and Governor, which emphasize pairing environmental improvements with actions that enhance water reliability for the San Joaquin Valley.

We appreciate the *Healthy Rivers and Landscapes Program's* emphasis on functional flows—water that arrives at a time and scale to activate habitat—and it is critical that those increased flow conditions are implemented in parallel with actions that increase water supply to meet the needs of the San Joaquin Valley communities. That balance is critical to ensuring the water needs of the San Joaquin Valley are met in the future.

The Blueprint thanks the Governor and our fellow water partners for championing this collaborative effort and the State Board staff for recognizing the merits of the program. We remain committed to working with state leaders to shape a water future that is sustainable for fish, farms, and families alike.

Lawsuit Filed Against CDFA Seeks to Terminate the QIP; Voting Period for Current QIP Referendum Ends September 10

MPC News Update

Exploited Milk Producers, Inc. v Karen Ross

A group calling itself Exploited Milk Producers has filed a lawsuit against California Agriculture Secretary Karen Ross seeking to have the court terminate the Quota Implementation Program. You can read the lawsuit [here](#).

QIP Referendum Ballots Due September 10

The California Department of Food and Agriculture (CDFA) mailed ballots in June to producers regarding a referendum vote to consider whether the Quota Implementation Plan (QIP) should be terminated effective immediately. The voting period ends on September 10, 2025. A “yes” vote would immediately terminate the QIP. A “no” vote will result in no change to the existing QIP.

CDFA has created a [QIP 2025 Referendum](#) page with various referendum materials for producers to review, including the official notice, exhibits, frequently asked questions, ballot checklist, and hearing findings. See these materials [here](#).

CDQAP Update: What to Know About New World Screwworm; Dairy Employee Online Training; Advanced Manure Technology

Courtesy of the [California Dairy Quality Assurance Program](#)

The California Dairy Quality Assurance Program (CDQAP) recently published its July update, which can be read in its entirety [here](#).



What Producers and Veterinarians Need to Know about New World Screwworm (NWS) - An Update

Dr. Nicki Humphrey, Cattle & Swine Specialist, Animal Health Branch, CDFA



Reported on July 9th 2025, the latest case of New World Screwworm (NWS) identified in Mexico was in [Ixhuatlan de Madero](#), Veracruz. Some 370 miles from the United States border, this most recent case resulted in the U.S. Southern Border Ports “phased reopening” being halted.

Since CDQAP’s May newsletter [article](#) on the Screwworm threat, USDA has made plans to retrofit a facility in Texas to serve as a sterile fly dispersal facility in addition to opening a new sterile fly production facility in Texas. These projects are expected to take a minimum of one to two years for completion.

USDA is also providing Mexico with \$21 Million to renovate an existing fly facility. The renovation is expected to take a minimum of 12-18 months to complete and is anticipated to produce 60-100 million more flies a week. Currently the Panama facility is producing some 110 million sterile flies for release every week.

In terms of our capacity to produce sterile flies, it’s useful to remember approximately half of the flies produced in these facilities are males. Since female flies mate only once, mating with a sterile male leaves her eggs unfertilized and nonviable, breaking the Screwworm lifecycle.

Information for California Producers:

In June, California Department of Food and Agriculture (CDFA) updated its [New World Screwworm factsheet](#). It includes important information on reporting suspect cases and procedures for taking samples.

If producers or veterinarians suspect New World Screwworm (NWS), they should **immediately contact the CDFA**. CDFA will assign a specially trained Foreign Animal Disease Diagnostician, who may request you collect samples of the suspected screwworm larvae (maggots) and send them to the National Veterinary Services Lab ([NVSL](#)) for official identification.

Continue reading [here](#).

SAVE THE DATE: Looking for Better, More Effective Treatments?

An upcoming webinar describes a free, online training program for dairy employees.



Teaching producers about [antibiotic resistance](#) is one thing, but how do you train dairy employees about proper medication use? Fortunately, Cooperative Extension has some answers. After [piloting](#) a training program on a dozen Ohio and California dairies, researchers are launching [Early and Accurate Disease Detection in Dairy Cattle](#). The free, online training, also available in [Spanish](#), is a six-module course covering everything from visual exam to mastitis, metritis, and lameness treatment. To learn more about what the program can do for you, [register](#) for the introductory **webinar on September 24th from 10-11 AM**.

Kick the Tires Before You Invest in an Advanced Manure Technology

By Dr. Deanne Meyer, Livestock Waste Management Specialist, UC Davis and UC ANR, dmeyer@ucdavis.edu

For 30+ years the question remains: which technology should I buy? The cost and how to evaluate potential technologies have changed. Water insufficiency, supply chain expectations and regulatory changes create a new spin on technology analysis. Do your due diligence.

Will this work on my dairy? Ask questions of anyone who has had ACTUAL EXPERIENCE with the type of technology. Weigh answers based on your animals' housing, manure collection methods, and climate (soil, rain, heat, cold). Just because it did or didn't work in Wisconsin or Florida doesn't mean it'll work in California. Seek unbiased research results.

A few obvious questions serve as warm-ups: how much does it cost to install and how long will chaos reign at my facility during installation? Will the company provide a site manager, or is that someone from the dairy? Are there any research data from an unbiased source? Then, ask detailed questions about operation and maintenance. What is the probability of no operation (it broke)? What are the operation and maintenance costs during the first 10 years of operation? What is the depreciation rate?

Will this help solve any of my manure challenges? Here's where you must rely on your consultant network. What improvements in your system are you trying to make? Does this technology address them? Does it create new/different challenges? Your environmental or nutrient management specialist should review the proposed technology and identify any red flags related to nutrient management (nitrogen and salt application to land). Any change in location, volume or character of manure requires a detailed analysis by the Regional Water Quality Control Board and the San Joaquin Air Pollution Control District. Likely, both the nutrient and waste management plans will need to be revised. That requires a Technical Service Provider (TSP) and an environmental consultant. Also, an engineer must review the Waste Management Plan to ensure compliance is real and measurable. Do you need more capacity for storm water? Do you need more crop land?

Continue reading [here](#).

Why Agricultural Labor Reform Is Essential for U.S. Dairy

By [Dennis Rodenbaugh](#), President and CEO, Dairy Farmers of America, Inc.

America's food security is a matter of national security, and the U.S. agricultural system behind it, which contributes over \$1 trillion to our economy, is at risk. Not from drought or disease, but from a persistent and deepening labor shortage that has reached a critical inflection point.

I was once a dairy farmer in the flatlands of western Kansas, in a rural county spanning 1,000 square miles — more than double the area of Los Angeles — but home to just 2,500 people and over 150,000 head of livestock. Like dairy farmers across the country, I offered wages and incentives that matched or exceeded those in construction and manufacturing, hoping to attract the traditional U.S. workforce. I soon learned what many others had already discovered: Despite strong income opportunities, most U.S. workers had lost interest in rural dairy farm jobs decades ago. Due in part to labor challenges, I chose to exit dairy farming nearly 20 years ago. This situation was not unique. In fact, since then, more than 60% — over 38,000 — of U.S. dairy farms have permanently closed.

A century ago, nearly one-third of Americans lived on farms located near rural communities that offered abundant, experienced labor. Today, less than 2% of our population produces the food and nutrition that sustain our families. This dramatic shift has made our food system more efficient and sustainable, but also more concentrated, specialized, and vulnerable. As the number of U.S. farmers continues to decline, fewer carry the tremendous responsibilities of stewarding larger crop and livestock operations. This imbalance fuels an ever-growing and urgent need for farm labor to work alongside farmers in caring for the land, livestock, and our food supply.

Across the dairy industry, from farms to food processors, and for the consumers who rely upon this affordable nutrition for the health of their families, the labor crisis and the need for immigration reform have become urgent.

At Dairy Farmers of America, we see this reality every day. Our cooperative is owned by 10,000 dairy farmers, whose multigenerational farms range from small to large-scale operations, and produce a quarter of our nation's milk. These dairy farmers rely upon well-paid, dependable, and skilled people to care for the animals and sustain the availability of nutrition for our nation.

The fate of the farms required to produce our nation's food, particularly in dairy, should no longer be subject to political gamesmanship. Dairy farming is uniquely demanding, requiring expert, hands-on care for livestock year-round. However, the only agricultural visa available, the H-2A program, is limited to seasonal or temporary work, which is inadequate for dairy operations that require skilled labor every day of the year. These jobs cannot be automated; they demand experience, expertise, and hands-on performance. What's urgently needed is an immigration policy that addresses the unique challenges of the dairy industry and ensures a sustainable U.S. food supply.

Continue reading [here](#).

NMPF: Indonesia Trade Agreement; GIVE MILK Act; Immigration Enforcement Policy

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

Indonesia Trade Agreement Notches Win for U.S. Dairy Sector

As the August deadline approaches for the resolution of trade negotiations with a variety of countries, we received more details this week about the deal made with Indonesia – a nation where the U.S. has already been investing in expanding the demand of our products. The United States exported \$246 million in milk powders, whey products, cheese and other dairy ingredients to Indonesia in 2024, making it the seventh-largest U.S. dairy export destination. The government agreement complements [ongoing work](#) by NMPF and USDEC to support integration of school milk into Indonesia's new Free Nutritious Meals program and foster greater collaboration on trade.

The terms of the agreement that the White House announced this week will be [a significant win](#) for U.S. dairy export access into Indonesia, as it eliminates tariffs on the vast majority of U.S. exports and contains pledges to remove longstanding nontariff trade barriers. As outlined in a White House [factsheet](#), Indonesia will eliminate tariffs on approximately 99% of U.S. exports; recognize U.S. regulatory oversight, including by listing all U.S. dairy facilities and accepting certificates issued by U.S. regulatory authorities; and commit to implement a fair and transparent process for handling geographical indications (GIs) to ensure common cheese names are respected.

The White House also announced a deal has been reached with Japan, but details regarding any agricultural access specific to dairy have not been released. President Trump said that the deal will have the U.S. reduce its reciprocal tariff rate in exchange for increased market access for rice and other agricultural products.

Thompson, Deluzio Reintroduce GIVE MILK Act as Whole Milk Awaits Passage

This week, House Agriculture Chairman GT Thompson, R-PA, and Rep. Chris Deluzio, D-PA, reintroduced the bipartisan GIVE MILK Act (H.R. 4742). The bill would allow participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to select whole and reduced-fat milk in addition to the currently available low-fat and fat-free varieties. WIC plays an important role in ensuring that pregnant women, new mothers, infants, and children can gain the nutrients needed for health and development, and this bill would bolster dairy's role in the program.

This bill's reintroduction comes as we continue to work closely with Senators Roger Marshall, R-KS, and Peter Welch, D-VT, to secure passage of the bipartisan **Whole Milk for Healthy Kids Act (S. 222)** before the Senate leaves town for its August recess at the end of next week. We are optimistic that if the Senate passes the bill in the next week, the House will act in early September thanks to Chairman Thompson's continued leadership to get the bill into law.

Immigration Enforcement Policy Affects Cows As Well As People

Our Chief Veterinary Officer, Dr. Meggan Hain, authored [this opinion column](#) in the *Des Moines Register*, explaining that a lack of workers on dairy farms has consequences for animal care. Law enforcement interventions on dairy farms represent a real and immediate threat to animal welfare on U.S. dairies, as workers who understand how to properly take care of dairy cattle are taken away, with no immediate replacements. As Dr. Hain explains, the immediate impact of their disappearance is loss for the farms, the farmers, their cattle, and ultimately, every consumer of nutritious dairy products.

