

# MPC WEEKLY FRIDAY REPORT

DATE: FEBRUARY 7, 2025  
 TO: DIRECTORS & MEMBERS  
 FROM: KEVIN ABERNATHY, GENERAL MANAGER  
 PAGES: 10



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## MPC FRIDAY MARKET UPDATE

<b>CHICAGO CHEDDAR CHEESE</b>		<b>CHICAGO AA BUTTER</b>		<b>NON-FAT DRY MILK</b>	
Blocks	<b>-\$0.0175</b>	\$1.8600	WEEKLY CHANGE	<b>-\$0.0525</b>	\$2.3800
Barrels	<b>-\$0.0300</b>	\$1.7800	WEEKLY AVERAGE	<b>-\$0.0645</b>	\$2.4100
<b>WEEKLY AVERAGE CHEDDAR CHEESE</b>		<b>DRY WHEY</b>		<b>WEEK ENDING 02/01/25</b>	
Blocks	<b>-\$0.0320</b>	\$1.8685	DAIRY MARKET NEWS	W/E 02/07/25	<b>\$0.6850</b>
Barrels	<b>-\$0.0520</b>	\$1.7970	NATIONAL PLANTS	W/E 02/01/25	<b>\$0.7240</b>
			<b>LAST WEEK ENDING 01/25/25</b>		
			NAT'L PLANTS <b>\$1.3617</b> 19,966,324		
			NAT'L PLANTS \$1.3639 14,500,818		

## 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
FEB 6 EST	<b>\$22.87 - \$23.37</b>	<b>\$21.00</b>	<b>\$20.37</b>	<b>\$20.00</b>
JAN '25 FINAL	<b>\$21.98 - \$22.48</b>	<b>\$21.58</b>	<b>\$20.34</b>	<b>\$20.73</b>



### Milk, Dairy and Grain Market Commentary

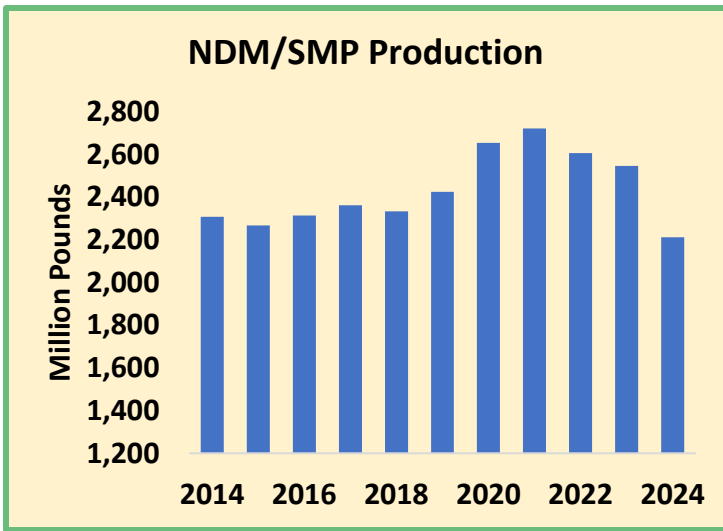
By Sarina Sharp, Daily Dairy Report  
[Sarina@DailyDairyReport.com](mailto:Sarina@DailyDairyReport.com)

#### Milk & Dairy Markets

It was a truly wild week on LaSalle Street. The dairy markets swung violently back and forth amid the on-again, off-again trade war. On Monday alone, the March Class III contract lurched more than a dollar from low to high. At its worst, it was 39¢ in the red, compounding a 70¢ loss last Friday. At its best, it was up 71¢ for the day. Milk prices remained mercurial throughout the week even as the trade spat cooled from tense to tepid.

The U.S., Mexico, and Canada agreed to a 30-day détente in exchange for efforts to slow the flow of drugs across our shared borders. There was no such pause for China. The U.S. upped its tariff on Chinese imports by 10% across the board, and China responded with a precision strike. It imposed tariffs on a limited number of U.S. energy products and vehicle imports, and it made some politically targeted sanctions. Crucially, China did not include soybeans or whey in the list of U.S. products subject to a higher border tax, but it could up the ante and hit those products at any point.

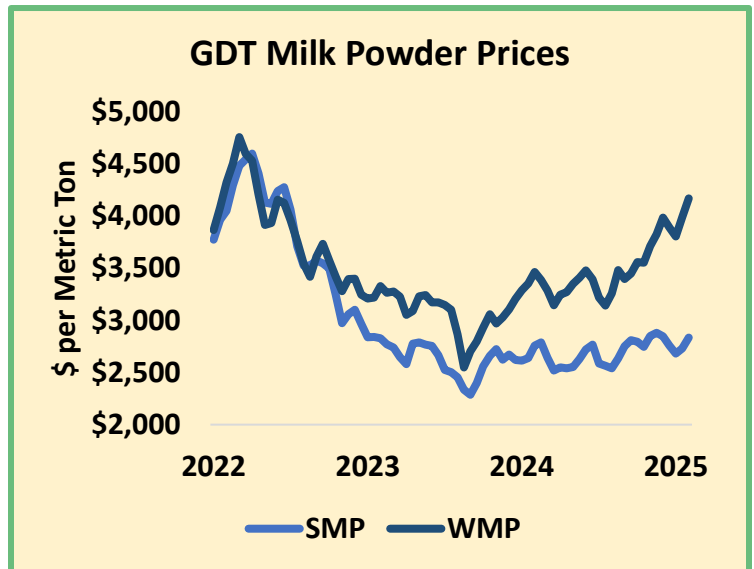
While the reprieve from a trade war with two of our three largest dairy export markets is a relief, the



drama is not without consequence. Since the election, some U.S. milk powder exporters have been reluctant to overcommit. USDA’s *Dairy Market News* described Mexican demand for U.S. milk powder as “subdued” and noted the chilling effect even on domestic buyers who “are taking a cautious approach in order to avoid catching the proverbial falling knife.” U.S. milk powder exports were indeed subdued in December. They fell 23% year over year to the lowest December tally since 2016.

U.S. milk powder output remains in the doldrums. December production was 15% lower than the prior year. For all of 2024, milk powder production slumped 13% to the lowest annual total since 2013. Nonetheless, thanks to slower exports, manufacturers’ stocks of nonfat dry milk (NDM) climbed in November and December.

With buyers on the sidelines, CME spot NDM fell 1.5¢ this week to \$1.33 per pound, the lowest price since August. The setback put the U.S. market at odds with global milk powder prices. At this week’s Global Dairy Trade (GDT) auction, whole milk powder (WMP) values jumped 4.1% to their highest showing at the GDT since May 2022. SMP prices leapt 4.7%.



The other spot dairy markets also lost ground. CME spot Cheddar blocks fell 1.75¢ to \$1.86.

Barrels dropped 3¢ to \$1.78. Cheese output fell 0.7% year over year in December to 1.2 billion pounds. Cheesemakers focused on cheeses that are popular with foreign buyers – like Gouda and Mozzarella –

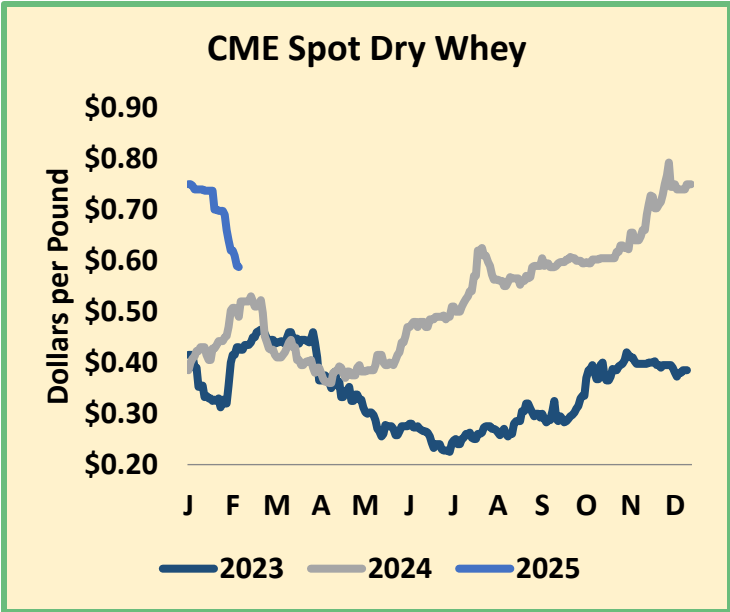


– or ready to be consumed immediately – Mozzarella, again. They made comparatively little American-style cheese that could sit in storage and drag on prices. In 2024, U.S. Gouda production jumped 30.2% to a record high, while Mozzarella topped the previous 2023 record by 3.6%. Meanwhile, Cheddar output fell 6.1%.

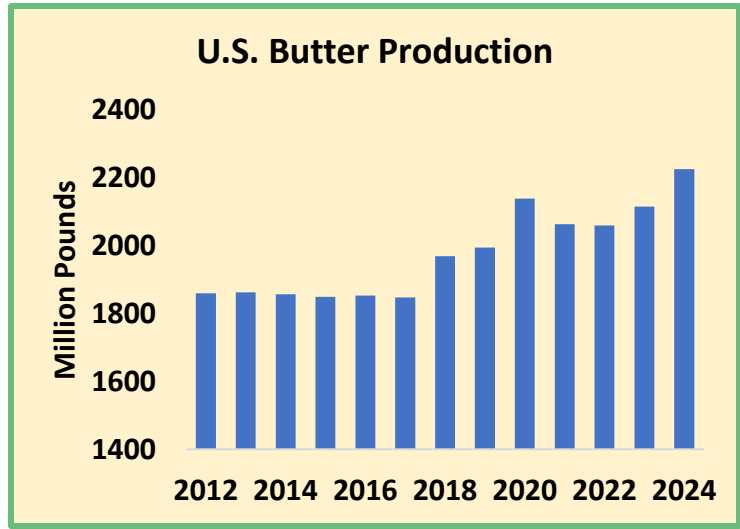
Booming exports cut deep into U.S. cheese supplies. The U.S. sent 97 million pounds of cheese abroad in December, the most ever for the month and 21% more than in December 2023. That lifted the annual tally 178% from the 2023

total. Exports used up 8% of U.S. cheese production in 2024, the most ever. Record-shattering exports to Mexico drove the increase. Shipments outpaced 2023 sales by 30% and accounted for 38% of total cheese exports.

Low Cheddar output and red-hot exports would normally be bullish for cheese prices. But the forward-looking futures market is focused on looming increases in U.S. cheese production and the potential for a drop-off in shipments across the border. Mexico has promised to hit U.S. cheese imports with higher tariffs if the trade war heats back up next month.



Similar concerns about production increases emboldened the bears in the whey complex. CME spot whey powder fell 5.25¢ this week to 58.75¢. Insatiable demand for high-protein whey products used up much of the whey stream last year, leaving very little raw whey for dryers. Whey powder output plunged to its lowest level since 1985. But U.S. capacity to make more high-protein whey concentrates and isolates is limited. As U.S. cheese output climbs, much of the new whey will be dried, which will likely boost stocks and drag on prices. CME spot whey powder fell 5.25¢ this week to 58.75¢.



High components continue to boost butter output. Last year, the U.S. made 0.5% less milk than in 2023, but it made 1.9% more butterfat and 5.2% more butter. Cream is cheap and churns continue to run hard. CME spot butter dropped 5.25¢ this week to \$2.38. Spot butter has fallen more than 80¢ in the past five months.

After all the back and forth, several nearby Class III contracts gained a little ground this week, while deferred contracts moved lower. Red ink from the spot market spilled over into Class IV

futures. Most contracts lost roughly 40¢ and dropped below the \$20 mark. If they finish there, that will mark the first sub-\$20 Class IV price in over a year.

**Grain Markets**

The grain complex was also volatile, trying to discern the whims of the White House. Additionally, the trade is concerned about crop stress in South America after an exceptionally dry January in Argentina and southern Brazil. South American farmers are still expected to put up a big harvest, but, much like U.S. corn and soybean crops in 2024, the final yield may be lower than was once expected. After much to-ing and fro-ing, March corn closed at \$4.865 per bushel, up 5.5¢ from last Friday. March beans rallied 6.5¢ to \$10.485. March soybean meal held steady at \$301.10 per ton.



## President Trump is the Great Disrupter and California Water Management Needs Disruption

By Geoff Vanden Heuvel, Director of Regulatory and Economic Affairs  
[Geoff@MilkProducers.org](mailto:Geoff@MilkProducers.org)

California is in a situation right now where the northern part of the state (above Sacramento) is very wet, and the rest of the state is pretty dry. The major reservoirs in northern California, Lake Shasta and Lake Oroville, are releasing huge amounts of water to maintain flood control space in the lakes. This water flows down the Sacramento River on its way to the ocean, and the amount of water being released is staggering. Well over 100,000 cubic feet per second (200,000 acre feet per day) is flowing out to the ocean. You would think that now is the time to fully utilize the pumping capacity of the water export projects that transfer water from northern California to the dry central and southern parts of the state, but that is not happening. The federal pumps are running at full capacity, but the bigger state pumps are only running at about 40% of their permitted capacity. **WHY?**



Congressman Doug LaMalfa briefs Governor Gavin Newsom and California Natural Resources Agency Secretary Wade Crowfoot about excess water flows through the Delta into the Pacific Ocean.

Governor Newsom [issued an executive order](#) on January 31, 2025, that, among other things, ordered:

*“The Department of Water Resources is directed to take all feasible and appropriate action to maximize diversions of excess flows that become available as a result of the anticipated winter storms, and other winter storms, to storage, including storage in San Luis Reservoir.”*

It seems from this emergency order that DWR should be fully utilizing its pumping capacity to move water to the needy parts of the state. There is a lot of storage room available south of the delta in surface reservoirs and underground water banks. What is lacking is the action to actually make this happen. The rules that regulate operations in the delta claim to provide “adaptive management,” but for that to work, decisions need to be made in real time, not months or years from now. This window of opportunity where there are millions of acre feet of water – far in excess of any environmental needs – flowing past idle pumps cannot be acceptable to a government that also cares about people.



Governor Newsom has made the right first move in his executive order. He was in Washinton, D.C. this week talking to the President, and was also briefed on this exact issue by Congressman Doug LaMalfa who represents the Sacramento Valley. Let's hope and pray that common sense prevails.



See Congressman Doug LaMalfa on an episode of the "[California Insider](#)," where he discusses his conversation with Governor Newsom. Watch [here](#).

## CVDRMP Annual Member Meeting Monday, March 10 via Zoom

Courtesy of the [Central Valley Dairy Representative Monitoring Program](#)



The Central Valley Dairy Representative Monitoring Program (CVDRMP) will hold its Annual Member Meeting on **Monday, March 10 at 1 p.m. via Zoom**. Read the CVDRMP newsletter [here](#), which includes login information and an agenda for the meeting, as well as important updates about the CVDRMP program and water quality regulatory issues. For questions or more information, please contact James Garner at [cvdrrmp@gmail.com](mailto:cvdrrmp@gmail.com) or 916-594-9450.

## UC Golden State Dairy Newsletter: Mixer Wagon Calibration, Diagnosing Metritis, Farm Show Seminar Schedule

Courtesy of the [University of California Agriculture and Natural Resources](#)

The University of California recently published its *Golden State Dairy Newsletter*, which you can read in its entirety [here](#).

## Back to Basics: How well does your mixer wagon weigh feed ingredients?

*Ed DePeters – UC Davis and Jennifer Heguy – UCCE Merced, Stanislaus & San Joaquin*

Checking the accuracy of the load cells on a mixer wagon is often an overlooked task. In a 2010 California survey, 79% of dairy producers reported checking the mixer scale at least once a year, with only 19% checking accuracy at least monthly. Considerable time and money are expended to create rations that support milk production and overall herd health. If your load cells are not functioning properly, you are not providing optimum nutrition to your cows and heifers. You are also not obtaining accurate information about your feed inventory and shrink could be a result of load cells that are not accurate. With feed accounting for more than 50% of the cost to produce milk, proper mixer wagon calibration and maintenance will save you money.

Continue reading [here](#).

# Metritis: We Are Still Working on Diagnosing It

Rúbia Branco-Lopes – UCCE Tulare & Kings Counties

Metritis is a common infectious disease in dairy cattle that negatively affects herd profitability by decreasing milk production and reproductive efficiency and increasing the risk of early culling. Metritis is defined by an abnormally enlarged uterus, fetid, watery, red-brown uterine discharge associated with signs of systemic illness, and fever ( $> 103^{\circ}$  F) within 21 days in milk (DIM; Sheldon et al., 2006). Fever, while included in the proposed standardized criteria for diagnosing metritis, remains controversial because of its weak association with reduced milk production.

Continue reading [here](#).



## Golden State Dairy Management @ the World Ag Expo

Join us for University of California Research Updates at the Farm Show in Tulare!

**CEUs Approved:**  
ARPAS, CCA & CDFA-INMP  
Visit our website for more info.

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### Tuesday, February 11<sup>th</sup> Seminar Trailer 2

**Hot Topics, 11:30 am**

Beef x dairy crossbred cattle in the feedlot:  
Performance & carcass characteristics  
*Brooke Latack, UCCE Livestock Advisor*

Byproduct usage in California dairy rations  
*Jennifer Heguy, UCCE Dairy Advisor*

How feed additives can help the dairy industry be part of a climate solution  
*Frank Mitloehner, UC Davis & UC ANR*

**Agronomic Crop Management, 12:30 pm**

Weed management in small grains  
*Jorge Angeles, UCCE Weed Management Advisor*

Chickweed herbicide resistance in small grain forages & alfalfa  
*Nicholas Clark, UCCE Agronomy Advisor*

**Website:** <https://ucanr.edu/sites/CA Dairyconference/>



### Tuesday, February 11<sup>th</sup> Seminar Trailer 2

**Manure & Pest Management, 1:30 pm**

Managing compost bedded pack barns for success in California  
*Randi Black, UCCE Dairy Advisor*

Bird's eye view of manure nitrogen management in California  
*Deanne Meyer, UC Davis & UC ANR*

Use of botanical oils to reduce biting fly activity  
*Alec Gerry, UC Riverside & UC ANR*

### Wednesday, February 12<sup>th</sup> Seminar Trailer 2

**Herd Health, 1:30 pm**

Impacts of colostrum management on calf health & growth during the preweaning period  
*Betsy Karle, UCCE Dairy Advisor*

Naval disease: The silent killer  
*Noelia Silva-del-Rio, UC Davis & UC ANR*

Improving health management on the dairy: New tools for on-farm training of farmworkers  
*Richard Pereira, UC Davis*

**University of California**  
Agriculture and Natural Resources

Sustainable Ag Land Conservation Workshops in  
Porterville, Tipton, Tulare

Courtesy of the Tri-County Water Authority

# Sustainable Ag Land Conservation



## WORKSHOP

## SCHEDULE



25 FEBRUARY 2025

Start time: 2:00PM

Porterville Parks & Recreation Building,  
15 E. Thurman Avenue, Centennial Conference Rm

PROTECT

Valuable

FARMLAND

Preserve  
your family  
farm

26 FEBRUARY 2025

Start Time: 2:00PM

Lower Tule Irrigation District  
357 E. Olive Avenue, Board Rm, Tipton



11 MARCH 2025

Start Time: 2:00 PM

Internation Agri-Center  
4500 S. Laspina, Heritage Rm, Tulare



Seats are limited, register today at:

<https://www.eventbrite.com/cc/salc-workshops-3992483>

Register [here](#).



**Dairy Risk Management Meetings with Marin Bozic  
in Visalia, Bakersfield February 26-27**

Courtesy of [AgWest Farm Credit](#)



200 E. Cartmill Avenue, Tulare, CA 93274

**Save the Date**  
**Dairy Risk Management Meeting**  
*with Marin Bozic*

**Feb. 26, 2025 - 4 p.m.**

The Vintage Press

216 N Willis St, Visalia, CA

**Feb. 27, 2025 - 10 a.m.**

Luigi's Restaurant -

725 E 19th St, Bakersfield, CA

*Invitation to follow*

*Ready to register now?*

Scan the QR code to reserve your spot.

[www.AgWestFC.com](http://www.AgWestFC.com)



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## California Dairy Sustainability Summit March 25 in Visalia

Courtesy of [Dairy Cares](#)

Join us in Visalia on March 25 as we promote innovative and practical approaches to keep California's dairies on the leading edge. The California Dairy Sustainability Summit will recognize innovation and excellence in sustainable dairy farming, while taking a head-on look at the challenges ahead. Through sessions, breakouts, an Expo Hall, and valuable networking opportunities, attendees will explore ways to improve the economic and environmental sustainability of California's world-leading family dairy farms. The 2025 summit will engage dairy farmers, employees, and allied industry members—helping all navigate the rapid pace of California's progressive policies, the new requirements on the horizon, and the innovative practices being deployed to further shrink dairy's environmental footprint. Register [here](#). Learn more [here](#).

**California Dairy Sustainability Summit** *Farm Focus - March 25, 2025*  
**Visalia Convention Center**

**Register Today at [CADairySummit.com](http://CADairySummit.com)**

**Dynamic sessions and breakouts, valuable networking, breakfast, lunch, and reception in expo hall!**

- Increase Water-Use Efficiency
- Protect Animal Health, Improve Herd Performance
- Improve Manure Management
- Tap Into Economic Opportunities
- Prepare for Increasing Water Quality
- Continue Producing Wholesome Milk & Dairy Foods

## Rollins Nomination Advances; NMPF Called to Testify

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

A highlight of a fast-paced week in Washington came on Monday, when the Senate Agriculture Committee gave unanimous approval to Secretary-designate Brooke Rollins, President Trump's nominee to lead the U.S. Department of Agriculture. NMPF previously joined a coalition of over 400 organizations, including many of our member cooperatives and state associations, on a letter to the Senate urging Rollins' confirmation as soon as possible.

Following this week’s committee vote, Rollins is expected to be confirmed by the Senate in short order with very strong bipartisan support. Her confirmation continues a march of appointments to federal agencies. Also expected to receive confirmation next week is Secretary-designate Robert F. Kennedy Jr. for the Department of Health and Human Services, but that vote may be much closer, given the thin margin of his committee confirmation last week.

I can’t say enough, as I said in Monday’s [CEO’s Corner](#), how well-positioned dairy is to win in Washington this year on issues critical to our members. Against that backdrop, I am excited to share that next Thursday, NMPF will testify before the Senate Agriculture Committee at a broad farm policy hearing focusing on the dairy, livestock, poultry, and specialty crop sectors. NMPF board member Harold Howrigan of Vermont will represent us at this hearing, an opportunity to spotlight key dairy priorities including passage of a new farm bill, ag labor reform, trade policy, whole milk legislation, and more.

Speaking of whole milk – a reminder that the comment period for the 2025 Dietary Guidelines for Americans Scientific Report closes this Monday. Tell USDA and HHS the important role dairy plays in a healthy diet and that they should continue to recommend three dairy servings daily by clicking [here](#). This will be our last opportunity to provide input into the final 2025-2030 Dietary Guidelines for Americans, which set the standards for what can be included in federal nutrition programs.

And finally, a bipartisan group of House members yesterday introduced the [Agriculture Export Promotion Act](#), which would double funding for the Market Access Program (MAP) and Foreign Market Development (FMD) programs. The U.S. Dairy Export Council invests these funds to promote U.S. dairy products globally.

