

Weekly Update

Date: January 16, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled Friday at \$1.3550/lb., up 5.5¢ from the prior week. Near-term support may persist in CME spot butter prices ahead of the March 1 “new crop” deadline, when only loads produced on or after December 1, 2025, are eligible for delivery. Despite this bounce, the overall trajectory of the market remains bearish, as strong milk and butterfat production continues to weigh on prices. Futures contracts moved mostly lower

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 1/10/26	Last Week
Butter	\$1.4341	\$1.4338
Block Cheddar	\$1.4131	\$1.4174
Nonfat Dry Milk	\$1.1795	\$1.1654
Dry Whey	\$0.7068	\$0.7040

The NDPSR is USDA's survey of U.S. sales prices from the previous week. These are used to calculate FMMO prices. CME markets are discussed below as a near-term market indicator.

Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)					
	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Advance Price (cwt)	\$ 13.64	\$ 13.39	\$ 13.76	\$ 14.37	\$ 14.51
Butterfat Price (lb)	\$ 1.4324	\$ 1.4817	\$ 1.6837	\$ 1.7645	\$ 1.7993
Protein Price (lb)	\$ 2.2167	\$ 2.3425	\$ 2.2085	\$ 2.2846	\$ 2.4615
Other Solids Price (lb)	\$ 0.4568	\$ 0.4256	\$ 0.3749	\$ 0.3592	\$ 0.3486
LA County PPD (cwt)	\$ 0.40	\$ (0.07)	\$ 0.42	\$ 0.17	\$ (0.30)
Tulare County PPD (cwt)	\$ (0.20)	\$ (0.67)	\$ (0.18)	\$ (0.43)	\$ (0.90)
Tulare Co. Blend* (cwt)	\$ 14.52	\$ 14.44	\$ 14.92	\$ 15.10	\$ 15.25
FMMO Class III	\$ 14.72	\$ 15.11	\$ 15.10	\$ 15.53	\$ 16.15
FMMO Class IV	\$ 13.39	\$ 13.76	\$ 14.37	\$ 14.51	\$ 14.64
Next Two Payment Dates	January 20, 2026 (December Final)* February 2, 2026 (January Advance)** *January 19 falls on a banking holiday **January 31 falls on a weekend				
<i>*Blend price is after the PPD is accounted for, before the Quota Assessment, and is based on "standard" milk with 3.5% BF, 2.99% Pro and 5.69% OS</i>					

first half of 2026 down 1-3¢/lb. from last week.

Powder – Spot NFDM settled at \$1.2550/lb. on Friday, down a penny from the previous week. Anecdotal reports suggest that NFDM supplies in the Midwest and East have been tight, pointing to the recent run-up as a potential short-term squeeze. Indications that last week's positive GDT auction was driven by buyers securing supply amid geopolitical uncertainty further reinforce this view. NFDM futures declined an average of 2.5¢/lb. through 2026.

DAIRY-REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (1/16/2026)

Class III <ul style="list-style-type: none"> • 2nd Quarter 2026: \$15.37 floor for \$0.20/cwt • 3rd Quarter 2026: \$16.59 floor for \$0.30/cwt • 4th Quarter 2026: \$16.65 floor for \$0.37/cwt • 1st Quarter 2027: \$15.99 floor for \$0.41/cwt • 2nd Quarter 2027: \$16.26 floor for \$0.49/cwt 	Class IV <ul style="list-style-type: none"> • 2nd Quarter 2026: \$14.03 floor for \$0.18/cwt • 3rd Quarter 2026: \$14.81 floor for \$0.33/cwt • 4th Quarter 2026: \$15.35 floor for \$0.41/cwt • 1st Quarter 2027: \$15.34 floor for \$0.49/cwt • 2nd Quarter 2027: \$15.34 floor for \$0.76/cwt
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Did you know...that Agri-Pulse, a well-known news source on U.S. ag issues, this week quoted a USDA spokesman strongly denying that USDA is considering any kind of government-funded buyout of dairy cull cows? While some in the industry have been actively pleading for months for the government to intervene in the beef and dairy markets with a program to financially incentive additional dairy culls, the USDA spokesman was crystal clear: **“This is unequivocally false. USDA is not considering such a buyout, full stop.”** Meanwhile, the American Farm Bureau Federation also weighed in on the concept this week, adopting a resolution opposing the policy proposal. While U.S. milk checks would certainly benefit from a reduction in the overall U.S. dairy herd, all indications are that as of right now, a government-funded intervention is not in the cards.