

Weekly Update

Date: January 23, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Butter prices soared at the CME spot market this week, settling Friday at \$1.5750/lb., up 22¢ from the prior week. Futures followed suit, with February through December 2026 contracts climbing 15-21¢ each. While U.S. milk production continues to grow at a strong pace, up 4.4% year-over-year in December, butter inventories have tightened, falling 7% from a year ago. Buyers appear reluctant to be caught short, and the added risk of

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 1/17/2026	Last Week
Butter	\$1.4169	\$1.4241
Cheddar Cheese	\$1.4021	\$1.4126
Nonfat Dry Milk	\$1.1915	\$1.1795
Dry Whey	\$0.7013	\$0.7072
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, <i>Estimate Italicized</i>)					
	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Advance Price (cwt)	\$ 13.64	\$ 13.61	\$ 15.19	\$ 15.69	\$ 16.00
Butterfat Price (lb)	\$ 1.4626	\$ 1.6927	\$ 1.9452	\$ 2.0118	\$ 2.0460
Protein Price (lb)	\$ 2.1813	\$ 2.1503	\$ 2.1019	\$ 2.1704	\$ 2.2896
Other Solids Price (lb)	\$ 0.4580	\$ 0.4179	\$ 0.3767	\$ 0.3535	\$ 0.3432
LA County PPD (cwt)	\$ 0.56	\$ 0.76	\$ 0.89	\$ 0.90	\$ 0.74
Tulare County PPD (cwt)	\$ (0.04)	\$ 0.16	\$ 0.29	\$ 0.30	\$ 0.14
Tulare Co. Blend* (cwt)	\$ 14.68	\$ 15.35	\$ 15.97	\$ 16.30	\$ 16.58
FMMO Class III	\$ 14.72	\$ 15.19	\$ 15.69	\$ 16.00	\$ 16.43
FMMO Class IV	\$ 13.61	\$ 15.26	\$ 16.10	\$ 16.23	\$ 16.37
Next Two Payment Dates	February 2, 2026 (January Advance)*				
	February 19, 2026 (January Final)				
	*January 31 falls on a weekend				
*Blend Price is <i>after</i> the PPD is accounted for, <i>before</i> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 3.18% Pro, and 5.79% OS					

support. Nearby February to May 2026 futures rose 1-6¢, while deferred contracts remained relatively subdued.

Powder – Spot NFDM climbed again this week, rising 7¢ to \$1.3250/lb. Reports continue to point to tight NFDM availability in parts of the country. In addition, this week's GDT auction delivered another increase in global powder prices. While geopolitical uncertainty remains an underlying driver, recent infant formula recalls from three major dairy suppliers have also contributed to higher powder prices worldwide. NFDM futures moved higher across the board, with 2026 contracts averaging gains of more than 7¢.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (1/22/2026)

- Class III**
- 2nd Quarter 2026: \$15.23 floor for \$0.19/cwt
 - 3rd Quarter 2026: \$16.42 floor for \$0.28/cwt
 - 4th Quarter 2026: \$16.62 floor for \$0.34/cwt
 - 1st Quarter 2027: \$16.01 floor for \$0.40/cwt
 - 2nd Quarter 2027: \$16.25 floor for \$0.49/cwt

- Class IV**
- 2nd Quarter 2026: \$14.89 floor for \$0.21/cwt
 - 3rd Quarter 2026: \$15.44 floor for \$0.35/cwt
 - 4th Quarter 2026: \$15.73 floor for \$0.43/cwt
 - 1st Quarter 2027: \$15.34 floor for \$0.49/cwt
 - 2nd Quarter 2027: \$15.34 floor for \$0.75/cwt

MILK PRODUCTION

- U.S. Milk Production, December 2025: 19.57 billion pounds, or 631.2 million pounds/day **(+4.4% YOY)**
- California Milk Production, December 2025: 3.48 billion pounds, or 112.1 million pounds/day **(+9.6% YOY)**
- CDI Milk Production, December 2025: 1.44 billion pounds, or 47.9 million pounds/day **(+10.6% YOY)**

Did you know...that nominations to run for election to the CDI Board of Directors are due by **Monday, January 26?** Of the thirteen board seats, seven are up for election this year: one in District 1, and two each in Districts 2/3/4. Interested members can inform their field representative or Darrin Monteiro of their nomination. Voting will take place in February/March ahead of the Annual Meeting where election results will be announced.