

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.

weather-related supply chain disruptions across the central and eastern U.S. could be helping fuel the rally.

Cheese – Spot block cheddar gained 6.5¢/lb. from Friday to Friday, ending the week at \$1.3550. While total cheese stocks grew 1.3% year-over-year in December, the increase was slightly smaller than expected given strong milk and cheese production in recent months. Further, with U.S. cheese prices trading at a discount to the global market, export interest may be providing additional

| Projected/Actual Milk Prices (Actual Bold, Estimate Italicized) | | | | | |
|---|--|-----------------|-----------------|-----------------|-----------------|
| | 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 | <i>\$ 15.35</i> | <i>\$ 15.97</i> | <i>\$ 16.30</i> | <i>\$ 16.58</i> |
| 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) | | | | |
| | <i>*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, 3.18% Pro, and 5.79% OS*

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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 | • 2 nd Quarter 2026: \$15.23 floor for \$0.19/cwt | Class IV | • 2 nd Quarter 2026: \$14.89 floor for \$0.21/cwt |
| | • 3 rd Quarter 2026: \$16.42 floor for \$0.28/cwt | | • 3 rd Quarter 2026: \$15.44 floor for \$0.35/cwt |
| | • 4 th Quarter 2026: \$16.62 floor for \$0.34/cwt | | • 4 th Quarter 2026: \$15.73 floor for \$0.43/cwt |
| | • 1 st Quarter 2027: \$16.01 floor for \$0.40/cwt | | • 1 st Quarter 2027: \$15.34 floor for \$0.49/cwt |
| | • 2 nd Quarter 2027: \$16.25 floor for \$0.49/cwt | | • 2 nd 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.