

Weekly Update

Date: February 6, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – CME spot butter settled at \$1.7100/lb. on Friday, up 13¢ from the prior week. Futures prices followed suit, with 2026 contracts rising an average of 6¢. USDA's Dairy Products report released Thursday showed that butter output grew 2% year-over-year in December, slightly below expectations. Given how strong milk and butterfat production were in December, it seems that the additional supplies flowed into cheese vats. After experiencing historically high prices in recent years, buyers are eager to lock in product while current values remain relatively attractive.

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 1/31/2026	Last Week
Butter	\$1.4962	\$1.3655
Cheddar Cheese	\$1.3805	\$1.3873
Nonfat Dry Milk	\$1.2197	\$1.2032
Dry Whey	\$0.6861	\$0.6986

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	\$ 13.55	\$ 15.39	\$ 17.19	\$ 17.35
Butterfat Price (lb)	\$ 1.4525	\$ 1.6837	\$ 2.0715	\$ 2.1529	\$ 2.1711
Protein Price (lb)	\$ 2.1768	\$ 2.1598	\$ 2.3273	\$ 2.3379	\$ 2.3834
Other Solids Price (lb)	\$ 0.4448	\$ 0.4516	\$ 0.4359	\$ 0.4091	\$ 0.3844
LA County PPD (cwt)	\$ 0.46	\$ 0.70	\$ 0.71	\$ 1.43	\$ 1.43
Tulare County PPD (cwt)	\$ (0.14)	\$ 0.10	\$ 0.11	\$ 0.83	\$ 0.83
Tulare Co. Blend* (cwt)	\$ 14.45	\$ 15.49	\$ 17.30	\$ 18.18	\$ 18.24
FMMO Class III	\$ 14.59	\$ 15.39	\$ 17.19	\$ 17.35	\$ 17.41
FMMO Class IV	\$ 13.55	\$ 15.41	\$ 18.90	\$ 19.12	\$ 18.69
Next Two Payment Dates	February 19, 2026 (January Final) March 2, 2026 (February Advance)* <i>*February 28 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*

Powder – NFDM is providing underlying support to the broader dairy complex. Spot NFDM surged again this week, up 18¢ to \$1.6400/lb., the highest price since August 1, 2022. Skim solids have been tight in recent months, with USDA reporting December production of NFDM and SMP down 6.2% from last year. Some of this tightness appears to be tied to increased Class II utilization, as yogurt production reached an all-time high in 2025 and cottage cheese output rose to its highest level since 1989. Still, NFDM inventories grew 5.6% from last year, suggesting that demand was not necessarily strong. NFDM futures followed the spot market higher, with March to June '26 gaining over 9¢ each. The significant lift in NFDM, coupled with gains in butter, has driven a dramatic rise in Class IV futures compared to just one month ago, with 2026 contracts up between \$2.22–\$4.71/cwt. March to December '26 contracts are now trading above \$18.60/cwt.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (2/6/2026)

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| Class III <ul style="list-style-type: none"> • 2nd Quarter 2026: \$16.58 floor for \$0.28/cwt • 3rd Quarter 2026: \$16.96 floor for \$0.38/cwt • 4th Quarter 2026: \$16.94 floor for \$0.42/cwt • 1st Quarter 2027: \$16.19 floor for \$0.37/cwt • 2nd Quarter 2027: \$16.34 floor for \$0.42/cwt | Class IV <ul style="list-style-type: none"> • 2nd Quarter 2026: \$17.72 floor for \$0.35/cwt • 3rd Quarter 2026: \$17.77 floor for \$0.47/cwt • 4th Quarter 2026: \$17.79 floor for \$0.62/cwt • 1st Quarter 2027: \$17.20 floor for \$0.64/cwt • 2nd Quarter 2027: \$16.89 floor for \$0.80/cwt |
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*Did you know...*that our first creamer has hit Sam's Club, proudly made at our Bakersfield plant! The Member's Mark Sweet Cream Dairy Creamer is officially on the shelves. This launch marks a significant milestone as we replace a legacy brand with our own product. How you can help: We want to ensure the Creamers' online presence reflects the quality our team is producing and lead the conversation with the excellence of our CDI-made product. Please take a moment to share your [feedback here](#) and help build early momentum!