

# Weekly Update

2000 N. Plaza Drive  
 Visalia, CA 93291  
 559-625-2200  
 Fax: 559-625-5433



**Date:** February 20, 2026  
**To:** CDI Member-Owners  
**From:** CDI Staff  
**Subject:** CDI Weekly Update

| <b>National Dairy Product Sales Report (NDPSR)</b> |                            |                  |
|--|----------------------------|------------------|
|  | <b>Wk Ending 2/14/2026</b> | <b>Last Week</b> |
| <b>Butter</b>                                      | <b>\$1.6593</b>            | <b>\$1.5754</b>  |
| <b>Cheddar Cheese</b>                              | <b>\$1.4191</b>            | <b>\$1.3978</b>  |
| <b>Nonfat Dry Milk</b>                             | <b>\$1.3790</b>            | <b>\$1.2604</b>  |
| <b>Dry Whey</b>                                    | <b>\$0.6974</b>            | <b>\$0.6972</b>  |

*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.*

## COMMODITY MARKETS

**Butter** – Spot butter settled at \$1.8700/lb. on Friday, gaining 16.5¢ from the prior week. Futures followed, with March through December ‘26 contracts rising 8.5-15¢. As the March 1 “new crop” deadline approaches, volatility has intensified. Additional support came on Thursday when the USDA announced plans to purchase \$148 million in dairy products through Section 32, with just over half allocated to butter. On the global front, butter exports capped a banner year, with November the second-highest month on record and December third, pushing 2025 exports up 162% from 2024.

| <b>Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)</b>  |  |                  |                  |                  |                  |
|---|--|------------------|------------------|------------------|------------------|
|   | <b>Feb-26</b>                            | <b>Mar-26</b>    | <b>Apr-26</b>    | <b>May-26</b>    | <b>Jun-26</b>    |
| <b>Advance Price (cwt)</b>  | <b>\$ 13.55</b>                          | <b>\$ 14.99</b>  | <b>\$ 16.41</b>  | <b>\$ 17.16</b>  | <b>\$ 17.47</b>  |
| <b>Butterfat Price (lb)</b>   | <b>\$ 1.7170</b>                         | <b>\$ 2.1569</b> | <b>\$ 2.2374</b> | <b>\$ 2.2770</b> | <b>\$ 2.3315</b> |
| <b>Protein Price (lb)</b>   | <b>\$ 2.0271</b>                         | <b>\$ 2.0256</b> | <b>\$ 2.1831</b> | <b>\$ 2.2706</b> | <b>\$ 2.3163</b> |
| <b>Other Solids Price (lb)</b>  | <b>\$ 0.4362</b>                         | <b>\$ 0.4153</b> | <b>\$ 0.4112</b> | <b>\$ 0.3921</b> | <b>\$ 0.3870</b> |
| <b>LA County PPD (cwt)</b>  | <b>\$ 1.06</b>                           | <b>\$ 1.00</b>   | <b>\$ 1.65</b>   | <b>\$ 1.54</b>   | <b>\$ 1.39</b>   |
| <b>Tulare County PPD (cwt)</b>  | <b>\$ 0.46</b>                           | <b>\$ 0.40</b>   | <b>\$ 1.05</b>   | <b>\$ 0.94</b>   | <b>\$ 0.79</b>   |
| <b>Tulare Co. Blend* (cwt)</b>  | <b>\$ 15.45</b>                          | <b>\$ 16.80</b>  | <b>\$ 18.21</b>  | <b>\$ 18.41</b>  | <b>\$ 18.57</b>  |
| <b>FMMO Class III</b>   | <b>\$ 14.99</b>                          | <b>\$ 16.41</b>  | <b>\$ 17.16</b>  | <b>\$ 17.47</b>  | <b>\$ 17.78</b>  |
| <b>FMMO Class IV</b>  | <b>\$ 16.06</b>                          | <b>\$ 19.55</b>  | <b>\$ 19.55</b>  | <b>\$ 19.22</b>  | <b>\$ 19.12</b>  |
| <b>Next Two Payment Dates</b>   | <b>March 2, 2026 (February Advance)*</b> |                  |                  |                  |                  |
|   | <b>March 19, 2026 (February Final)</b>   |                  |                  |                  |                  |
|   | <b>*February 28 falls on a weekend</b>   |                  |                  |                  |                  |
| <small>*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</small> |  |                  |                  |                  |                  |

**Cheese** – Spot block cheddar rose 11¢ from Friday to Friday, settling at \$1.4975/lb. Nearby futures also improved, with Q2 ‘26 contracts gaining an average of 7¢ on the week. International demand for U.S. cheese remains strong, as December exports set a record for the month, up 24% from a year ago. U.S. cheese continues to be the cheapest among major global exporters, providing support to the market.

**Powder** – Spot NFDM settled at \$1.6850/lb., up 8.5¢ from last week and the

highest level since July 22, 2022. Futures followed suit, with March through May ‘26 contracts adding more than 10¢. While industry chatter suggests product is becoming more available, it may take a couple of months for pipelines to refill and for prices to ease. Despite 2025 NFDM and SMP exports marking the lowest annual total since 2017, down 9% from the prior year, export demand showed signs of life in December. Shipments rose 3.7% from November in a counter-seasonal move, the first November-to-December increase since 2018.

## DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (2/19/2026)

- |                  |  |                 |  |
|------------------|--|-----------------|--|
| <b>Class III</b> | • <b>2<sup>nd</sup> Quarter 2026:</b> \$16.85 floor for \$0.28/cwt | <b>Class IV</b> | • <b>2<sup>nd</sup> Quarter 2026:</b> \$17.58 floor for \$0.28/cwt |
|                  | • <b>3<sup>rd</sup> Quarter 2026:</b> \$17.23 floor for \$0.40/cwt |                 | • <b>3<sup>rd</sup> Quarter 2026:</b> \$17.58 floor for \$0.41/cwt |
|                  | • <b>4<sup>th</sup> Quarter 2026:</b> \$17.03 floor for \$0.42/cwt |                 | • <b>4<sup>th</sup> Quarter 2026:</b> \$17.60 floor for \$0.58/cwt |
|                  | • <b>1<sup>st</sup> Quarter 2027:</b> \$16.21 floor for \$0.38/cwt |                 | • <b>1<sup>st</sup> Quarter 2027:</b> \$17.07 floor for \$0.60/cwt |
|                  | • <b>2<sup>nd</sup> Quarter 2027:</b> \$16.33 floor for \$0.43/cwt |                 | • <b>2<sup>nd</sup> Quarter 2027:</b> \$16.89 floor for \$0.68/cwt |

## MILK PRODUCTION

- **U.S. Milk Production, January 2026:** 19.81 billion pounds, or 639 million pounds/day **(+3.2% YOY)**
- **California Milk Production, January 2026:** 3.51 billion pounds, or 113.2 million pounds/day **(+4.7% YOY)**
- **CDI Milk Production, January 2026:** 1.46 billion pounds, or 47.1 million pounds/day **(+5.9% YOY)**

**Did you know...** that Thursday, February 26<sup>th</sup> is the deadline to sign up for the Dairy Margin Coverage (DMC) program with your local Farm Service Agency (FSA) office? CDI has gotten word that California farms (and farms throughout the U.S.) have been slow to sign up, and there is no plan to offer an extension (as USDA has done on multiple occasions in the past). If you have not yet signed up and intend to, make sure to connect with your local FSA office prior to February 26<sup>th</sup> so you don't miss the deadline.