

Weekly Update

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Date: February 27, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.8400/lb. on Friday, down 3¢ from the prior week. Friday also marked the final day to trade “old crop” butter on the CME; beginning Monday, spot loads must carry a make date of December 1, 2025, or later. This week, USDA’s Cold Storage report showed January butter inventories fell to their lowest level since 2019, down 17.5% year-over-year. In other words, despite growing milk and butterfat output, stocks

	Wk Ending 2/21/2026	Last Week
Butter	\$1.6654	\$1.6405
Cheddar Cheese	\$1.4400	\$1.4186
Nonfat Dry Milk	\$1.4246	\$1.3790
Dry Whey	\$0.6938	\$0.6977

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.

	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Advance Price (cwt)	\$ 13.55	<i>\$ 14.90</i>	<i>\$ 16.31</i>	<i>\$ 17.25</i>	<i>\$ 17.71</i>
Butterfat Price (lb)	<i>\$ 1.7109</i>	<i>\$ 2.1590</i>	<i>\$ 2.3409</i>	<i>\$ 2.4096</i>	<i>\$ 2.4375</i>
Protein Price (lb)	<i>\$ 2.0077</i>	<i>\$ 2.0072</i>	<i>\$ 2.1377</i>	<i>\$ 2.2234</i>	<i>\$ 2.2748</i>
Other Solids Price (lb)	<i>\$ 0.4364</i>	<i>\$ 0.4076</i>	<i>\$ 0.3895</i>	<i>\$ 0.3782</i>	<i>\$ 0.3792</i>
LA County PPD (cwt)	<i>\$ 1.18</i>	<i>\$ 1.01</i>	<i>\$ 1.67</i>	<i>\$ 1.59</i>	<i>\$ 1.48</i>
Tulare County PPD (cwt)	<i>\$ 0.58</i>	<i>\$ 0.41</i>	<i>\$ 1.07</i>	<i>\$ 0.99</i>	<i>\$ 0.88</i>
Tulare Co. Blend* (cwt)	<i>\$ 15.49</i>	<i>\$ 16.72</i>	<i>\$ 18.33</i>	<i>\$ 18.69</i>	<i>\$ 18.85</i>
FMMO Class III	<i>\$ 14.90</i>	<i>\$ 16.31</i>	<i>\$ 17.25</i>	<i>\$ 17.71</i>	<i>\$ 17.97</i>
FMMO Class IV	<i>\$ 15.99</i>	<i>\$ 19.53</i>	<i>\$ 19.95</i>	<i>\$ 19.86</i>	<i>\$ 19.60</i>
Next Two Payment Dates	March 2, 2026 (February Advance)* March 19, 2026 (February Final) <i>*February 28 falls on a weekend</i>				
<small>*Blend Price is <u>after</u> the PPD is accounted for, <u>before</u> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 3.18% Pro, and 5.79% OS</small>					

are not accumulating. That dynamic helps explain butter’s 54¢ rally from \$1.30/lb. on January 9. Futures responded to the tighter stock data, as Q2 ’26 contracts closed Friday up an average of 10.5¢ from the prior week, while Q3 ’26 gained 9¢. **Cheese** – Spot block cheddar rose 2.5¢ from Friday to Friday, settling at \$1.5225/lb. April through December ’26 futures moved modestly higher, gaining no more than 4¢ across the curve. USDA reported that total cheese stocks were nearly flat in

January, up just 0.2% year-over-year. Despite greater cheesemaking capacity, warehouse levels did not build as much as anticipated, lending support to the market.

Powder – Spot NFDM settled at \$1.7100/lb., up 2.5¢ from last Friday, extending its rally to the highest price since July 13, 2022. Futures were mixed from the prior week, with Q2 and Q3 ’26 posting slight gains of less than 2¢. Attention remains focused on when the powder pipeline will be refilled, as buyers continue to compete for limited spot supplies. With spring flush approaching, increased milk flows should encourage greater production, potentially easing some of the current tightness.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (2/27/2026)

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| Class III | • 2nd Quarter 2026: \$16.80 floor for \$0.25/cwt | Class IV | • 2nd Quarter 2026: \$18.80 floor for \$0.35/cwt |
| | • 3rd Quarter 2026: \$17.36 floor for \$0.39/cwt | | • 3rd Quarter 2026: \$18.48 floor for \$0.48/cwt |
| | • 4th Quarter 2026: \$17.16 floor for \$0.41/cwt | | • 4th Quarter 2026: \$18.10 floor for \$0.64/cwt |
| | • 1st Quarter 2027: \$16.37 floor for \$0.43/cwt | | • 1st Quarter 2027: \$17.21 floor for \$0.68/cwt |
| | • 2nd Quarter 2027: \$16.45 floor for \$0.51/cwt | | • 2nd Quarter 2027: \$16.96 floor for \$0.71/cwt |

Did you know... that the California Dairy Sustainability Summit is just a few weeks away? For those interested in attending this [one-day event at the Visalia Convention Center on March 24th](#), you can still get registered. CDI members wishing to attend can contact Doreen Dyt (DDyt@CaliforniaDairies.com or 209-355-3855) to have your registration fee covered. Information about the summit can be found at www.cadairysummit.com.