

# Weekly Update

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

<i>National Dairy Product Sales Report (NDPSR)</i>		
	<b>Wk Ending 2/28/2026</b>	<b>Last Week</b>
<b>Butter</b>	<b>\$1.8212</b>	<b>\$1.6656</b>
<b>Cheddar Cheese</b>	<b>\$1.4776</b>	<b>\$1.4400</b>
<b>Nonfat Dry Milk</b>	<b>\$1.4547</b>	<b>\$1.4230</b>
<b>Dry Whey</b>	<b>\$0.6860</b>	<b>\$0.6938</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 \$2.01/lb. today, rising as high as \$2.1375/lb. on Tuesday. Monday recorded a single day increase of \$0.2650/lb., the largest gain in a single day for spot butter since June 4, 2020, as the trade adjusted to the first day of “new crop” butter on the exchange. On Friday, butter traded 47 times, the most in a single day since October 2024. Total butter production in January 2026 marked a record high at 224 million pounds, UP 6% year-over-year. Stock levels in January printed just 188 million pounds, suggesting strong demand.

<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>\$14.90</b>	<i>\$16.31</i>	<i>\$17.25</i>	<i>\$17.71</i>
<b>Butterfat Price (lb)</b>	<b>\$1.7109</b>	<i>\$2.1590</i>	<i>\$2.3409</i>	<i>\$2.4096</i>	<i>\$2.4375</i>
<b>Protein Price (lb)</b>	<b>\$2.0077</b>	<i>\$2.0072</i>	<i>\$2.1377</i>	<i>\$2.2234</i>	<i>\$2.2748</i>
<b>Other Solids Price (lb)</b>	<b>\$0.4364</b>	<i>\$0.4076</i>	<i>\$0.3895</i>	<i>\$0.3782</i>	<i>\$0.3792</i>
<b>LA County PPD (cwt)</b>	<i>\$1.18</i>	<i>\$1.01</i>	<i>\$1.67</i>	<i>\$1.59</i>	<i>\$1.48</i>
<b>Tulare County PPD (cwt)</b>	<i>\$0.58</i>	<i>\$0.41</i>	<i>\$1.07</i>	<i>\$0.99</i>	<i>\$0.88</i>
<b>Tulare Co. Blend* (cwt)</b>	<i>\$16.09</i>	<i>\$17.32</i>	<i>\$18.93</i>	<i>\$19.29</i>	<i>\$19.45</i>
<b>FMMO Class III</b>	<b>\$14.90</b>	<i>\$16.31</i>	<i>\$17.25</i>	<i>\$17.71</i>	<i>\$17.97</i>
<b>FMMO Class IV</b>	<b>\$15.99</b>	<i>\$19.53</i>	<i>\$19.95</i>	<i>\$19.86</i>	<i>\$19.60</i>
<b>Next Two Payment Dates</b>	<b>March 19, 2026 (February Final) March 31, 2026 (March Advance)</b>				

\*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

**Cheese** – Spot block Cheddar closed the week at \$1.6175/lb. Total US cheese production also printed new record high in January 2026 at 1.24 billion pounds, UP 4.7% YoY. Production was strongest in the Central region (+8.4% YoY), where new processing capacity has come online. Western region output faltered, DOWN 0.4% YoY. Cheddar, Parmesan, and Mozzarella output remain robust. All three varieties increased production versus the prior year.

**Powder** – Spot NFDMS settled at \$1.6800/lb. on Friday. Total NFDMS output in January was down 6.4% from the prior year at 140.2 million pounds. When combined with skim milk powder output, NFDMS/SMP production during the month was 180.7 million pounds, the smallest for January since 2015. Stocks were relatively flat month-to-month. Given the recent NFDMS price rally, limiting production was not surprising to market participants.

## DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (3/6/2026)

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|------------------|--|-----------------|--|
| <b>Class III</b> | • <b>2<sup>nd</sup> Quarter 2026:</b> \$16.46 floor for \$0.21/cwt | <b>Class IV</b> | • <b>2<sup>nd</sup> Quarter 2026:</b> \$18.34 floor for \$0.26/cwt |
|                  | • <b>3<sup>rd</sup> Quarter 2026:</b> \$17.39 floor for \$0.37/cwt |                 | • <b>3<sup>rd</sup> Quarter 2026:</b> \$18.03 floor for \$0.47/cwt |
|                  | • <b>4<sup>th</sup> Quarter 2026:</b> \$17.31 floor for \$0.42/cwt |                 | • <b>4<sup>th</sup> Quarter 2026:</b> \$17.80 floor for \$0.63/cwt |
|                  | • <b>1<sup>st</sup> Quarter 2027:</b> \$16.38 floor for \$0.42/cwt |                 | • <b>1<sup>st</sup> Quarter 2027:</b> \$17.25 floor for \$0.68/cwt |
|                  | • <b>2<sup>nd</sup> Quarter 2027:</b> \$16.45 floor for \$0.48/cwt |                 | • <b>2<sup>nd</sup> Quarter 2027:</b> \$17.02 floor for \$0.73/cwt |

**Did you know...** that the Dairy Margin Coverage (DMC) program announced a January 2026 milk-price-over-feed-cost margin of \$7.81 per cwt? For those who enrolled in the maximum coverage for Tier 1 (up to 6 million pounds per year) of \$9.50, this means a payment of \$1.69 per cwt is being made on covered pounds in January (500,000 pounds for those maxed out at 6 million pounds per year). The annual premiums due for the program was \$9,100 for those with 6 million pounds of coverage in Tier 1; this payment for January almost fully covers that annual premium.