

Weekly Update

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

	Wk Ending 3/14/2026	Last Week
Butter	\$1.9373	\$1.8559
Cheddar Cheese	\$1.5592	\$1.5008
Nonfat Dry Milk	\$1.5451	\$1.5404
Dry Whey	\$0.6755	\$0.6919

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 \$1.8000/lb. on Friday, down 4.75¢ from the prior week. Futures declined across the board, with Q2 and Q3 '26 values averaging 7¢ lower. On Friday, the USDA announced a Section 32 butter solicitation totaling 30.6 million pounds, with deliveries scheduled from mid-May through December. Still, milk is abundant, with USDA's latest *Milk Production* report showing February output up 2.9% year-over-year, and the western spring flush likely adding to already ample milk supplies. At the same time, export concerns are building as logistical challenges and rising global shipping costs tied to the Middle East conflict weigh on demand.

	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Advance Price (cwt)	\$ 14.94	\$ 16.16	\$ 17.28	\$ 17.55	\$ 17.97
Butterfat Price (lb)	\$ 2.0476	\$ 1.9047	\$ 1.9592	\$ 2.0076	\$ 2.0500
Protein Price (lb)	\$ 2.0772	\$ 2.6216	\$ 2.6414	\$ 2.7195	\$ 2.7555
Other Solids Price (lb)	\$ 0.4101	\$ 0.3921	\$ 0.3944	\$ 0.3947	\$ 0.3947
LA County PPD (cwt)	\$ 1.01	\$ 1.34	\$ 1.73	\$ 1.57	\$ 1.40
Tulare County PPD (cwt)	\$ 0.41	\$ 0.74	\$ 1.13	\$ 0.97	\$ 0.80
Tulare Co. Blend* (cwt)	\$ 16.57	\$ 18.03	\$ 18.68	\$ 18.94	\$ 19.04
FMMO Class III	\$ 16.16	\$ 17.28	\$ 17.55	\$ 17.97	\$ 18.23
FMMO Class IV	\$ 19.04	\$ 20.40	\$ 20.15	\$ 19.85	\$ 19.61
Next Two Payment Dates	March 31, 2026 (March Advance) April 20, 2026 (March Final)* <i>*April 19 falls on a weekend</i>				
<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</i>					

Cheese – Spot block cheddar climbed 13.25¢ from Friday to Friday, settling at \$1.6625/lb. Nearby futures followed higher, with April and May '26 contracts gaining 6¢ and 3¢, respectively, while the rest of the curve was mixed. Cheese demand is reportedly good, with food service promotions helping to boost consumption. USDA also announced a Section 32 cheese solicitation totaling 18.3 million pounds, primarily Cheddar, with deliveries scheduled from mid-May through December.

Powder – Spot NFDM settled at \$1.8700/lb., up 10.5¢ from last Friday and marking its highest level since June 9, 2022. In a notable shift, the spot NFDM price surpassed butter on Wednesday for the first time since April 2024. NFDM availability remains tight, and anecdotal reports suggest that some processors have had to delay or cancel contracts due to supply constraints. Futures increased along the forward curve, with April through December '26 contracts gaining 2–10¢ from last week.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (3/19/2026)

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|------------------|--|-----------------|--|
| Class III | <ul style="list-style-type: none"> • 3rd Quarter 2026: \$17.45 floor for \$0.36/cwt • 4th Quarter 2026: \$17.31 floor for \$0.40/cwt • 1st Quarter 2027: \$16.50 floor for \$0.42/cwt • 2nd Quarter 2027: \$16.54 floor for \$0.49/cwt • 3rd Quarter 2027: \$17.14 floor for \$0.59/cwt | Class IV | <ul style="list-style-type: none"> • 3rd Quarter 2026: \$18.53 floor for \$0.51/cwt • 4th Quarter 2026: \$17.96 floor for \$0.73/cwt • 1st Quarter 2027: \$17.34 floor for \$0.68/cwt • 2nd Quarter 2027: \$17.16 floor for \$0.73/cwt • 3rd Quarter 2027: <i>Not Offered</i> |
|------------------|--|-----------------|--|

MILK PRODUCTION

- **U.S. Milk Production, February 2026:** 18.26 billion pounds, or 652 million pounds/day (+2.9% YOY)
- **California Milk Production, February 2026:** 3.24 billion pounds, or 115.6 million pounds/day (+2.3% YOY)
- **CDI Milk Production, February 2026:** 1.35 billion pounds, or 48.2 million pounds/day (+3.6% YOY)

Did you know... that the California Dairy Sustainability Summit is next Tuesday, March 24th? There is still time to register, for those producers interested in attending this [one-day event at the Visalia Convention Center](#). 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.