Weekly Update

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Date: May 1, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 4/25/2026	**Last Week**
Butter	**$1.7465**	**$1.7487**
Cheddar Cheese	**$1.6507**	**$1.6563**
Nonfat Dry Milk	**$1.8700**	**$1.8265**
Dry Whey	**$0.6328**	**$0.6496**

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 $1.5950/lb. on Friday, down 11¢ from the prior week. Futures followed suit, with 2026 contracts dropping 6–11¢. Butter is historically cheap right now, offering end-users an opportunity to secure favorable values, including further out on the forward curve. On the international front, butter prices have also fallen, with last week's GDT auction seeing a sharp decline in milkfats amid ample milk supplies. Production across the top five dairy exporters rose 4.4% year-over-year in February, marking the sixth straight month of year-over-year growth above 4%.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)					
	Apr-26	**May-26**	**Jun-26**	**Jul-26**	**Aug-26**
Advance Price (cwt)	**$ 16.16**	**$ 16.82**	*$ 17.13*	*$ 17.42*	*$ 18.12*
Butterfat Price (lb)	**$ 1.8692**	*$ 1.7472*	*$ 1.7291*	*$ 1.7291*	*$ 1.7854*
Protein Price (lb)	**$ 2.5190**	*$ 2.7212*	*$ 2.8053*	*$ 2.9804*	*$ 3.0404*
Other Solids Price (lb)	**$ 0.3888**	*$ 0.4055*	*$ 0.4204*	*$ 0.4462*	*$ 0.4568*
LA County PPD (cwt)	*$ 1.45*	*$ 1.76*	*$ 2.10*	*$ 1.77*	*$ 1.52*
Tulare County PPD (cwt)	*$ 0.85*	*$ 1.16*	*$ 1.50*	*$ 1.17*	*$ 0.92*
Tulare Co. Blend* (cwt)	*$ 17.67*	*$ 18.29*	*$ 18.92*	*$ 19.30*	*$ 19.50*
FMMO Class III	**$ 16.82**	*$ 17.13*	*$ 17.42*	*$ 18.12*	*$ 18.57*
FMMO Class IV	**$ 20.22**	*$ 21.89*	*$ 21.34*	*$ 20.67*	*$ 20.09*
Next Two Payment Dates	**May 19, 2026 (April Final)** **June 1, 2026 (May Advance)***				
	****May 31 falls on a weekend***				

**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 fell a half-cent from Friday to Friday, settling at $1.6400/lb. Futures moved lower across the curve, with 2026 contracts declining 3¢, on average. The cheese market has traded within a narrow $1.50–$1.70/lb. range over the past two months. While export demand remains strong, supported by U.S. prices holding a discount to global markets, the additional cheesemaking capacity is likely capping further upside.

Powder – After reaching a fresh all-time high of $2.2650/lb. on Tuesday, spot NFDM ended the week at $2.2625/lb., up 0.25¢ from last Friday. The dairy industry gathered in Chicago this week for ADPI's annual conference, where much of the hallway conversation centered on the powder market. Perspectives pointed to tight nearby supplies, product on hold due to recall, and strong demand for skim solids in ultrafiltered milk, yogurt, and cottage cheese. While it is unclear when the run-up will be over, futures have dropped, down an average of 6¢ in 2026 contracts versus last week, indicating the situation may be easing.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/1/2026)

Class III
- **3rd Quarter 2026:** $17.49 floor for $0.30/cwt
- **4th Quarter 2026:** $17.65 floor for $0.41/cwt
- **1st Quarter 2027:** $16.87 floor for $0.45/cwt
- **2nd Quarter 2027:** $16.82 floor for $0.50/cwt
- **3rd Quarter 2027:** $17.18 floor for $0.58/cwt

Class IV
- **3rd Quarter 2026:** $19.10 floor for $0.44/cwt
- **4th Quarter 2026:** $17.98 floor for $0.64/cwt
- **1st Quarter 2027:** $17.71 floor for $0.61/cwt
- **2nd Quarter 2027:** $17.73 floor for $0.73/cwt
- **3rd Quarter 2027:** *Not Offered*

Did you know…that the Coalition for Organic Dairy Exemption (CODE), a group of organic dairy handlers/farmers, has **filed a class action lawsuit against the United States of America**? Their complaint? They don't like participating in the Federal Milk Marketing Order (FMMO) program. As largely Class I (fluid) handlers, participation in the FMMO requires payment of pool obligations – something that almost any Class I bottler would prefer to avoid. The group is asking for an exemption for organic dairy from the FMMO program and compensation for the past six years of FMMO pool obligations. The timing of getting resolution on this case is unclear, but it will be something to watch in the months to come. Any exemption granted to this group would result in less Class I utilization in FMMO pools, including California's, as multiple organic handlers pool milk on the California FMMO.