

Weekly Update

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Date: May 8, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.665/lb. on Friday, up 7¢ from the prior week. MAY '26 futures dropped a penny Friday-to-Friday, but JUN to NOV '26 contracts increased by 1-5¢. The latest export data showed that US butter shipments in March were the third-highest all time, totaling almost 25 million pounds. While there is plenty of fat available for churns, output in March was up just 1.2% year-over-year, totaling 231.5 million pounds. The YoY increase was the smallest since January 2025.

Cheese – Spot block Cheddar ended the week at \$1.6225/lb., falling 1.75¢ from Friday, May 1. Cheese futures for most of 2026 also dropped, with JUL to OCT '26 and DEC '26 contracts decreasing from a half-penny to a full cent. In the remaining months, prices were up by less than half a cent. The US continues to set records for its cheese exports;

March's shipments neared 140 million pounds, besting the February high by over 10 million pounds. Vat output in March slowed, up just 1.2% relative to March 2025, and national production fell from February to March, a rarity.

Powder – More records were set in the NFDM market, three to be exact, with the latest high at \$2.295/lb., made on Thursday, May 7, before falling back to \$2.29/lb. on Friday, May 8. Every futures contract through April 2027 moved higher week, with increases

Projected/Actual Milk Prices (Actual Bold, <i>Estimate Italicized</i>)					
	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Advance Price (cwt)	\$ 16.16	\$ 16.82	\$ 17.00	\$ 17.42	\$ 18.01
Butterfat Price (lb)	\$ 1.8692	\$ 1.7351	\$ 1.7805	\$ 1.7533	\$ 1.8441
Protein Price (lb)	\$ 2.5190	\$ 2.7276	\$ 2.7538	\$ 2.9352	\$ 2.9260
Other Solids Price (lb)	\$ 0.3888	\$ 0.3870	\$ 0.4179	\$ 0.4356	\$ 0.4490
LA County PPD (cwt)	\$ 1.57	\$ 1.99	\$ 2.59	\$ 2.08	\$ 1.95
Tulare County PPD (cwt)	\$ 0.97	\$ 1.39	\$ 1.99	\$ 1.48	\$ 1.35
Tulare Co. Blend* (cwt)	\$ 17.79	\$ 18.39	\$ 19.41	\$ 19.49	\$ 19.72
FMMO Class III	\$ 16.82	\$ 17.00	\$ 17.42	\$ 18.01	\$ 18.37
FMMO Class IV	\$ 20.22	\$ 22.41	\$ 22.55	\$ 21.36	\$ 20.57
Next Two Payment Dates	May 19, 2026 (April Final)				
	June 1, 2026 (May Advance)*				
	*May 31 falls on a weekend				
*Blend Price is <i>after</i> the PPD is accounted for, <i>before</i> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 3.18% Pro, and 5.79% OS					

ranging from 1-10¢. Trade slowed in March for NFDM/SMP, perhaps due to the premium US powder held relative to European and Kiwi product, with year-over-year declines for the first time since September 2025. Manufacturers have received the message to up powder production, and March's combined NFDM/SMP totals rose 10% versus March 2025. Stocks of 235.7 million pounds were depressed against prior year (-10.3%), but improved seasonally, UP 6.9% MoM.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/8/2026)

- Class III
- 3rd Quarter 2026: \$17.45 floor for \$0.29/cwt
 - 4th Quarter 2026: \$17.66 floor for \$0.40/cwt
 - 1st Quarter 2027: \$16.77 floor for \$0.45/cwt
 - 2nd Quarter 2027: \$16.72 floor for \$0.49/cwt
 - 3rd Quarter 2027: \$17.27 floor for \$0.57/cwt

- Class IV
- 3rd Quarter 2026: \$19.49 floor for \$0.40/cwt
 - 4th Quarter 2026: \$18.24 floor for \$0.67/cwt
 - 1st Quarter 2027: \$17.64 floor for \$0.70/cwt
 - 2nd Quarter 2027: \$17.65 floor for \$0.77/cwt
 - 3rd Quarter 2027: Not Offered

Did you know... that the California Rural Crime Prevention Task Force (CRCPTF) and the Central California Intelligence Center (CCIC) have updated Drone Guidance, which was highlighted in the recent CDI Member Newsletter, and is now posted on the Member Center? More information can be found [HERE](#). If you see a drone flying over or near your facility or any other suspicious activity, you can file a report with your local law enforcement and complete a Suspicious Activity Report at www.sacrtac.org.