2000 N. Plaza Drive
Visalia, CA 93291
559-625-2200
Fax: 559-625-5433

Weekly Update

Date: May 15, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 5/9/2026	**Last Week**
Butter	**$1.6799**	**$1.7118**
Cheddar Cheese	**$1.6595**	**$1.6454**
Nonfat Dry Milk	**$2.0231**	**$2.0228**
Dry Whey	**$0.6415**	**$0.6356**

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 $1.6400/lb. on Friday, down 2.5¢ from the prior week. Futures were mixed, with 2026 contracts ranging from -1.25¢ to +2¢. According to USDA's Supply and Utilization report, March butter consumption fell 0.8% from last year, marking the first year-over-year decline since November 2025, as weaker domestic demand (-6.3% YoY) weighed on usage. Butter demand also declined from February to March, a rare move that had not occurred since 2014. Easter, Passover, and Ramadan were earlier this year, likely boosting January and February totals while leaving March softer.

Cheese – Spot block cheddar fell 6.75¢ from Friday to Friday, settling at $1.5550/lb. Nearby futures were down less than 3¢, while deferreds were mixed. Although total cheese utilization was up 2.1% year-over-year in March, it declined from the prior month. This was primarily driven by a significant drop in domestic American cheese consumption, which fell to its lowest point since December 2024 and the weakest March level since 2021. Poor food service demand is weighing on cheese usage, as consumers seek greater value dining at home amid inflation and broader economic pressures.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized***)**					
	May-26	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**
Advance Price (cwt)	**$ 16.82**	*$ 16.97*	*$ 17.06*	*$ 17.68*	*$ 18.21*
Butterfat Price (lb)	*$ 1.7351*	*$ 1.7533*	*$ 1.7957*	*$ 1.8302*	*$ 1.8926*
Protein Price (lb)	*$ 2.7211*	*$ 2.7082*	*$ 2.7928*	*$ 2.8857*	*$ 2.9360*
Other Solids Price (lb)	*$ 0.3844*	*$ 0.3973*	*$ 0.4315*	*$ 0.4513*	*$ 0.4642*
LA County PPD (cwt)	*$ 1.92*	*$ 2.56*	*$ 2.22*	*$ 1.73*	*$ 1.33*
Tulare County PPD (cwt)	*$ 1.32*	*$ 1.96*	*$ 1.62*	*$ 1.13*	*$ 0.73*
Tulare Co. Blend* (cwt)	*$ 18.28*	*$ 19.02*	*$ 19.30*	*$ 19.34*	*$ 19.39*
FMMO Class III	*$ 16.97*	*$ 17.06*	*$ 17.68*	*$ 18.21*	*$ 18.66*
FMMO Class IV	*$ 22.38*	*$ 22.52*	*$ 21.18*	*$ 20.03*	*$ 19.52*
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*

Powder – Spot NFDM settled at $2.2725/lb., down 1.75¢ from last Friday and marking the first week-over-week decline since March 6th. Futures declined in the back half of the year, falling 4¢, on average. NFDM/SMP demand continued to improve in March, marking the third straight month of double-digit year-over-year gains. Higher prices appeared to slow exports, though domestic demand showed improvement, with Q1 2026 usage reaching its highest level since 2021. Even so, overall demand remains more balanced than exceptionally strong, recovering from the weak levels seen in 2025 but still trailing those of 2021-2024.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/15/2026)

Class III

- **3rd Quarter 2026:** $17.23 floor for $0.27/cwt
- **4th Quarter 2026:** $17.73 floor for $0.39/cwt
- **1st Quarter 2027:** $16.88 floor for $0.44/cwt
- **2nd Quarter 2027:** $16.82 floor for $0.48/cwt
- **3rd Quarter 2027:** $17.26 floor for $0.55/cwt

Class IV

- **3rd Quarter 2026:** $19.17 floor for $0.34/cwt
- **4th Quarter 2026:** $17.83 floor for $0.62/cwt
- **1st Quarter 2027:** $17.40 floor for $0.74/cwt
- **2nd Quarter 2027:** $17.65 floor for $0.76/cwt
- **3rd Quarter 2027:** *Not Offered*

Did you know…that a group of California dairy families organized as the **Exploited Milk Producers** sued CDFA and Secretary Karen Ross, arguing that the Quota Implementation Plan (QIP) and the power granted to the Producer Review Board are unlawful. Last week, Judge Sonny Sandhu of the Stanislaus County Superior Court **issued a ruling** dismissing the claims made by Exploited Milk Producers, ending this particular legal challenge.