

Weekly Update

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Date: May 22, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 5/16/2026	Last Week
Butter	\$1.6207	\$1.6772
Cheddar Cheese	\$1.6687	\$1.6595
Nonfat Dry Milk	\$2.0911	\$2.0361
Dry Whey	\$0.6398	\$0.6420

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 \$1.5350/lb. on Friday, down 10.5¢ from the prior week. Futures followed suit, with June through December '26 contracts dropping 5.5–12¢. Milk remains plentiful, with the USDA reporting April milk production up 2.7% from last year. At the same time, April butter inventories fell 8.5% year-over-year. Although the deficit narrowed from the double-digit declines seen throughout the first quarter of 2026, the month-to-month inventory build was smaller than typical.

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Cheese – Spot block cheddar fell 5¢ from Friday to Friday, settling at \$1.5050/lb. Nearby futures faced the sharpest declines, with Q3 '26 contracts down an average of 6¢. Total cheese stocks declined 0.9% from last year in April, marking their lowest level for the month since 2019. However, inventories grew counter-seasonally from March, up 0.9%. The cheese market continues to remain rangebound, as food service demand lags. Seasonal summer demand is expected to improve consumption,

Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)					
	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Advance Price (cwt)	\$ 16.82	<i>\$ 16.92</i>	<i>\$ 16.53</i>	<i>\$ 16.66</i>	<i>\$ 17.36</i>
Butterfat Price (lb)	<i>\$ 1.7215</i>	<i>\$ 1.6019</i>	<i>\$ 1.6631</i>	<i>\$ 1.7109</i>	<i>\$ 1.7836</i>
Protein Price (lb)	<i>\$ 2.7226</i>	<i>\$ 2.7235</i>	<i>\$ 2.6811</i>	<i>\$ 2.8247</i>	<i>\$ 2.9126</i>
Other Solids Price (lb)	<i>\$ 0.3844</i>	<i>\$ 0.3895</i>	<i>\$ 0.3973</i>	<i>\$ 0.4101</i>	<i>\$ 0.4307</i>
LA County PPD (cwt)	<i>\$ 1.93</i>	<i>\$ 2.57</i>	<i>\$ 2.14</i>	<i>\$ 1.49</i>	<i>\$ 0.81</i>
Tulare County PPD (cwt)	<i>\$ 1.33</i>	<i>\$ 1.97</i>	<i>\$ 1.54</i>	<i>\$ 0.89</i>	<i>\$ 0.21</i>
Tulare Co. Blend* (cwt)	<i>\$ 18.25</i>	<i>\$ 18.50</i>	<i>\$ 18.20</i>	<i>\$ 18.25</i>	<i>\$ 18.22</i>
FMMO Class III	<i>\$ 16.92</i>	<i>\$ 16.53</i>	<i>\$ 16.66</i>	<i>\$ 17.36</i>	<i>\$ 18.02</i>
FMMO Class IV	<i>\$ 22.37</i>	<i>\$ 21.30</i>	<i>\$ 19.78</i>	<i>\$ 18.34</i>	<i>\$ 17.89</i>
Next Two Payment Dates	<p align="center">June 1, 2026 (May Advance)* June 22, 2026 (May Final)**</p> <p align="center"><i>*May 31 falls on a weekend</i> <i>**June 19 falls on a banking holiday weekend</i></p>				
<p><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></p>					

though that pickup has yet to materialize.

Powder – Down we go... Spot NFDM settled at \$2.0725/lb., down a whopping 20¢ from last Friday and 22.25¢ below the May 7th peak. Futures also collapsed this week, including a limit-down move on Thursday, with June '26 through March '27 contracts down 4–15¢ on the week. After an impressive rally over the last few months, it appears the market has finally found its top and is beginning to move lower.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/21/2026)

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|------------------|--|-----------------|--|
| Class III | <ul style="list-style-type: none"> • 3rd Quarter 2026: \$16.63 floor for \$0.23/cwt • 4th Quarter 2026: \$17.40 floor for \$0.37/cwt • 1st Quarter 2027: \$16.82 floor for \$0.42/cwt • 2nd Quarter 2027: \$16.80 floor for \$0.49/cwt • 3rd Quarter 2027: \$17.26 floor for \$0.56/cwt | Class IV | <ul style="list-style-type: none"> • 3rd Quarter 2026: \$17.91 floor for \$0.26/cwt • 4th Quarter 2026: \$17.11 floor for \$0.49/cwt • 1st Quarter 2027: \$17.25 floor for \$0.66/cwt • 2nd Quarter 2027: \$17.56 floor for \$0.71/cwt • 3rd Quarter 2027: <i>Not Offered</i> |
|------------------|--|-----------------|--|

MILK PRODUCTION

- **U.S. Milk Production, April 2026:** 19.96 billion pounds, or 665.3 million pounds/day (+2.7% YOY)
- **California Milk Production, April 2026:** 3.55 billion pounds, or 118.3 million pounds/day (+2.3% YOY)
- **CDI Milk Production, April 2026:** 1.47 billion pounds, or 49 million pounds/day (+2.5% YOY)

Did you know... that the winner of Sunday's Indianapolis 500 is provided an ice-cold traditional glass bottle of milk in the Victory Lane to celebrate their victory? The tradition dates back to 1933, when the winner (Louis Meyer) asked for a glass of buttermilk after his victory. That request eventually turned into an annual tradition that continues this weekend. So if you plan to watch the race on Sunday, join the winner with some ice cold milk at the end of the race!