

Weekly Update

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Date: May 29, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.6675/lb. on Friday, up 13.25¢ from the prior week. Futures followed suit, with contracts through Q1 '27 climbing 6.5–13¢. May set a new record for monthly spot butter trading

volume, with 380 loads exchanging hands. Buyers appear to be taking advantage of the cheap butter prices, helping drive activity to unprecedented levels. At the same time, milk and butterfat production remain abundant, keeping the

	Wk Ending 5/23/2026	Last Week
Butter	\$1.6200	\$1.6207
Cheddar Cheese	\$1.6662	\$1.6691
Nonfat Dry Milk	\$2.1281	\$2.0911
Dry Whey	\$0.6350	\$0.6406

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.

	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Advance Price (cwt)	\$ 16.82	\$ 16.92	\$ 16.27	\$ 16.76	\$ 17.34
Butterfat Price (lb)	\$ 1.7109	\$ 1.6988	\$ 1.8005	\$ 1.8562	\$ 1.9231
Protein Price (lb)	\$ 2.7339	\$ 2.5134	\$ 2.5250	\$ 2.6376	\$ 2.7285
Other Solids Price (lb)	\$ 0.3844	\$ 0.4011	\$ 0.4179	\$ 0.4220	\$ 0.4307
LA County PPD (cwt)	\$ 1.92	\$ 2.71	\$ 2.29	\$ 1.83	\$ 1.32
Tulare County PPD (cwt)	\$ 1.32	\$ 2.11	\$ 1.69	\$ 1.23	\$ 0.72
Tulare Co. Blend* (cwt)	\$ 18.24	\$ 18.38	\$ 18.45	\$ 18.57	\$ 18.63
FMMO Class III	\$ 16.92	\$ 16.27	\$ 16.76	\$ 17.34	\$ 17.92
FMMO Class IV	\$ 22.42	\$ 22.03	\$ 20.70	\$ 19.17	\$ 18.93
Next Two Payment Dates	June 1, 2026 (May Advance)* June 22, 2026 (May Final)**				
	*May 31 falls on a weekend **June 19 falls on a banking holiday weekend				
<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>					

market well supplied. As the industry moves beyond the spring flush and into the summer months, weather will be important to watch, as heat could begin to tighten cream availability.

Cheese – Spot block cheddar fell 3¢ from Friday to Friday, settling at \$1.4750/lb. Futures moved modestly, with June '26 down 3.6¢ while the rest of the curve moved less than 1.2¢. Cheese remains relatively inexpensive amid ample milk supplies, particularly in regions with expanded cheese processing capacity.

Further, elevated whey

values, driven by strong demand for high-protein products, are providing manufacturers with an added incentive to keep cheese vats full. While the U.S. continues to maintain its price discount to international markets, global cheese demand appears relatively flat, and if U.S. export demand softens, additional downside risk could emerge.

Powder – After plummeting 20¢ last week, spot NFDN gained back some ground, settling at \$2.0900/lb., up 1.75¢ from last Friday. Futures were volatile over the past week, posting limit-down moves on Tuesday followed by limit-up sessions on Wednesday and Thursday. Despite the sharp swings, contracts through Q1 '27 finished the week 4–9¢ higher. While the market likely put in a top in early May, there is still not enough evidence to suggest a full correction. Nearby powder supplies remain tight, protein demand remains strong, and recent stabilization in the spot market has supported a recovery in futures prices.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (5/29/2026)

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|------------------|--|-----------------|--|
| Class III | • 3rd Quarter 2026: \$16.40 floor for \$0.21/cwt | Class IV | • 3rd Quarter 2026: \$18.53 floor for \$0.25/cwt |
| | • 4th Quarter 2026: \$17.33 floor for \$0.37/cwt | | • 4th Quarter 2026: \$17.75 floor for \$0.50/cwt |
| | • 1st Quarter 2027: \$16.66 floor for \$0.43/cwt | | • 1st Quarter 2027: \$17.39 floor for \$0.67/cwt |
| | • 2nd Quarter 2027: \$16.71 floor for \$0.49/cwt | | • 2nd Quarter 2027: \$17.48 floor for \$0.73/cwt |
| | • 3rd Quarter 2027: \$17.26 floor for \$0.55/cwt | | • 3rd Quarter 2027: <i>Not Offered</i> |

Did you know... that next Tuesday is the date of California's primary election? This is an important process of voting to send the top two candidates to face off in the General Election in November, so make sure to cast or mail in your ballot by Tuesday! Every State Assembly and U.S. House of Representatives seat is up for grabs, as well as some State Senate seats and the California Governorship. Members with any questions about their local legislative elections can reach out to Darrin Monteiro.