Weekly Update

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Date: June 5, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 5/30/2026	**Last Week**
Butter	**$1.5993**	**$1.5845**
Cheddar Cheese	**$1.6467**	**$1.6664**
Nonfat Dry Milk	**$2.1173**	**$2.1256**
Dry Whey	**$0.6424**	**$0.6373**

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 $1.6925/lb. on Friday, up 2.5¢ from the prior week. Futures also rose, with contracts through Q1 '27 averaging 4¢ higher. Buyers appear to be taking advantage of historically low prices, helping support both spot and futures values. On Thursday, USDA's *Dairy Products* report showed April butter production climbed 4.5% from a year ago, reaching a record high for the month and ranking fourth all-time on a 30-day adjusted basis. Despite the strong production, stock levels were not overly robust in April, indicating demand was likely strong as well.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized***)**					
	May-26	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**
Advance Price (cwt)	**$ 16.82**	**$ 16.92**	*$ 16.09*	*$ 16.76*	*$ 17.23*
Butterfat Price (lb)	**$ 1.7001**	*$ 1.7472*	*$ 1.8714*	*$ 1.9168*	*$ 1.9652*
Protein Price (lb)	**$ 2.7477**	*$ 2.4067*	*$ 2.4463*	*$ 2.5277*	*$ 2.6285*
Other Solids Price (lb)	**$ 0.3840**	*$ 0.3998*	*$ 0.4179*	*$ 0.4256*	*$ 0.4359*
LA County PPD (cwt)	*$ 1.91*	*$ 2.77*	*$ 2.18*	*$ 1.96*	*$ 1.01*
Tulare County PPD (cwt)	*$ 1.31*	*$ 2.17*	*$ 1.58*	*$ 1.36*	*$ 0.41*
Tulare Co. Blend* (cwt)	*$ 18.23*	*$ 18.26*	*$ 18.34*	*$ 18.58*	*$ 18.18*
FMMO Class III	**$ 16.92**	*$ 16.09*	*$ 16.76*	*$ 17.23*	*$ 17.77*
FMMO Class IV	**$ 22.32**	*$ 21.51*	*$ 20.05*	*$ 18.58*	*$ 18.17*
Next Two Payment Dates	**June 22, 2026 (May Final)*** **June 30, 2026 (June Advance)**				
	June 19 falls on a banking holiday 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 0.25¢ from Friday to Friday, settling at $1.4725/lb. Futures moved modestly lower, with contracts through 2026 down 1.5¢ or less. The cheese market has been relatively quiet, as traders report difficulty moving product despite historically low prices. USDA's *Dairy Products* report pegged April cheese production up 1.7% from a year ago, driven by growth in Italian varieties. Mozzarella and Parmesan production both reached record highs on a 30-day adjusted basis, increasing 2.1% and 19.4% year-over-year, respectively. Meanwhile, Cheddar production fell 3.5% from last year, signaling softer domestic demand, particularly from the foodservice sector.

Powder – Spot NFDM settled at $2.0450/lb., down 4.5¢ from last Friday. The week brought another round of substantial volatility, as futures triggered expanded limits—both up and down—on four of five trading days, ultimately leaving 2026 contracts 5–10¢ lower. USDA reported April powder production up 9.4% from last year, driven by an 11.4% increase in NFDM output, while SMP production was nearly unchanged amid sluggish export demand. At the same time, NFDM inventories posted one of the largest March-to-April builds of the past 15 years, suggesting supplies were beginning to catch up with demand.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (6/5/2026)

Class III

- **3rd Quarter 2026:** $16.35 floor for $0.18/cwt
- **4th Quarter 2026:** $17.32 floor for $0.35/cwt
- **1st Quarter 2027:** $16.68 floor for $0.39/cwt
- **2nd Quarter 2027:** $16.65 floor for $0.49/cwt
- **3rd Quarter 2027:** $17.20 floor for $0.44/cwt

Class IV

- **3rd Quarter 2026:** $17.91 floor for $0.25/cwt
- **4th Quarter 2026:** $17.63 floor for $0.47/cwt
- **1st Quarter 2027:** $17.53 floor for $0.57/cwt
- **2nd Quarter 2027:** $17.53 floor for $0.69/cwt
- **3rd Quarter 2027:** *Not Offered*

Did you know…that the recognition of June as "Dairy Month" dates back to the 1930's? Originally launched as "National Milk Month" in 1937, it was intended to stabilize the dairy demand when production was at a surplus from Spring Flush conditions. Shortly thereafter, the National Dairy Council rebranded it as June Dairy Month, creating an annual celebration of the nutritional value of dairy and the hard work of dairy farm families.