

Weekly Update

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Date: June 26, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.6500/lb. on Friday, up 9.5¢ from last week. Futures moved higher for the back half of 2026, up 6.5¢ on average. May butter inventories marked the 14th consecutive year-over-year decline, down 8% from a year ago. However, the April-to-May inventory build was seasonally normal, and year-to-date growth nearly matches 2023 and 2025. While butter stocks are low, historically inexpensive prices likely

| | Wk Ending 6/20/2026 | Last Week |
|------------------------|---------------------|-----------|
| Butter | \$1.6381 | \$1.6631 |
| Cheddar Cheese | \$1.5381 | \$1.5799 |
| Nonfat Dry Milk | \$1.9214 | \$1.9697 |
| Dry Whey | \$0.6477 | \$0.6440 |

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.

| | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 |
|---|---|-----------|-----------|-----------|-----------|
| Advance Price (cwt) | \$ 16.92 | \$ 15.98 | \$ 15.79 | \$ 16.48 | \$ 16.98 |
| Butterfat Price (lb) | \$ 1.7133 | \$ 1.7593 | \$ 1.8017 | \$ 1.8381 | \$ 1.8986 |
| Protein Price (lb) | \$ 2.4331 | \$ 2.3160 | \$ 2.4395 | \$ 2.5304 | \$ 2.5924 |
| Other Solids Price (lb) | \$ 0.3870 | \$ 0.3898 | \$ 0.4153 | \$ 0.4307 | \$ 0.4282 |
| LA County PPD (cwt) | \$ 2.78 | \$ 2.34 | \$ 1.54 | \$ 1.41 | \$ 1.40 |
| Tulare County PPD (cwt) | \$ 2.18 | \$ 1.74 | \$ 0.94 | \$ 0.81 | \$ 0.80 |
| Tulare Co. Blend* (cwt) | \$ 18.17 | \$ 17.53 | \$ 17.42 | \$ 17.80 | \$ 18.18 |
| FMMO Class III | \$ 15.98 | \$ 15.79 | \$ 16.48 | \$ 16.98 | \$ 17.38 |
| FMMO Class IV | \$ 20.95 | \$ 18.69 | \$ 18.16 | \$ 18.21 | \$ 18.46 |
| Next Two Payment Dates | June 30, 2026 (June Advance) July 20, 2026 (June Final)* <i>*July 19 falls on a weekend</i> | | | | |
| <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> | | | | | |

prompted early buying. **Cheese** – Spot block cheddar fell 3¢ from last week, settling at \$1.4200/lb. on Friday. Futures also weakened, with July '26 through March '27 contracts averaging 1.5¢ lower. In May, U.S. milk production rose 2.3% from last year, marking 13 straight months of annual gains above 2%. Markets have shrugged off tighter cheese inventories (-1% YoY) amid abundant milk supplies and sluggish domestic foodservice demand. Further, European cheese prices have declined, narrowing the U.S. price advantage in global markets, potentially limiting exports in the coming months.

Powder – Spot NFDM settled at \$1.5975/lb., down 4.25¢ from last Thursday and closing below butter for the first time since mid-March. Powder supply tightness continues to ease after manufacturers ramped up production in response to record-high prices. At the same time, declining international powder prices have added further downward pressure to the U.S. market. As spot prices have retreated from their highs, the sharply inverted futures curve has begun to flatten. Futures—which had lagged well behind cash values—found support this week, with 2026 contracts gaining 6–8¢.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (6/26/2026)

- | | | | |
|------------------|---|-----------------|---|
| Class III | <ul style="list-style-type: none"> • 4th Quarter 2026: \$16.66 floor for \$0.31/cwt • 1st Quarter 2027: \$16.38 floor for \$0.38/cwt • 2nd Quarter 2027: \$16.37 floor for \$0.45/cwt • 3rd Quarter 2027: \$16.89 floor for \$0.49/cwt • 4th Quarter 2027: Not Offered | Class IV | <ul style="list-style-type: none"> • 4th Quarter 2026: Not Offered • 1st Quarter 2027: \$17.27 floor for \$0.59/cwt • 2nd Quarter 2027: \$17.43 floor for \$0.61/cwt • 3rd Quarter 2027: Not Offered • 4th Quarter 2027: Not Offered |
|------------------|---|-----------------|---|

MILK PRODUCTION

- **U.S. Milk Production, May 2026:** 20.57 billion pounds, or 663.4 million pounds/day (+2.3% YOY)
- **California Milk Production, May 2026:** 3.61 billion pounds, or 116.4 million pounds/day (+1.2% YOY)
- **CDI Milk Production, May 2026:** 1.51 billion pounds, or 48.6 million pounds/day (+2.4% YOY)

Did you know... California dairy farms have until **September 14, 2026**, to apply for a share of **\$34 million** in funding? The Dairy Plus Program is accepting applications for its third round of grants to help operations of all sizes adopt advanced, sustainable manure management tech. For more information, visit CDFA's Dairy Plus Program or reach out to Dixie Martinho.