

Weekly Update

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Date: July 2, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

	Wk Ending 6/27/2026	Last Week
Butter	\$1.5655	\$1.6359
Cheddar Cheese	\$1.5300	\$1.5370
Nonfat Dry Milk	\$1.8439	\$1.9209
Dry Whey	\$0.6392	\$0.6477

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 \$1.6375/lb. on Thursday of the holiday-shortened week, down 1.25¢ from the previous Friday. June marked a new all-time high in monthly spot butter trading volume, with 390 loads exchanged, surpassing the record set last month. Futures were mixed, with 2026 contracts moving 2¢ lower to 1¢ higher. The U.S. average butterfat test rose to 4.31% in May, its largest year-on-year increase since October 2025 (+1.7% YoY). Combined with strong growth in milk volumes (+2.3% YoY), a lot more cream was available for the churns. In fact, USDA's Dairy Products report, released today, showed May butter output up 3.5% from a year ago.

	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Advance Price (cwt)	\$ 16.92	\$ 15.98	\$ 15.50	\$ 16.13	\$ 16.83
Butterfat Price (lb)	\$ 1.6900	<i>\$ 1.7596</i>	<i>\$ 1.8199</i>	<i>\$ 1.8644</i>	<i>\$ 1.9310</i>
Protein Price (lb)	\$ 2.4553	<i>\$ 2.2022</i>	<i>\$ 2.3001</i>	<i>\$ 2.4732</i>	<i>\$ 2.5125</i>
Other Solids Price (lb)	\$ 0.3873	<i>\$ 0.4014</i>	<i>\$ 0.4204</i>	<i>\$ 0.4204</i>	<i>\$ 0.4246</i>
LA County PPD (cwt)	\$ 2.78	\$ 2.73	\$ 1.48	\$ 1.27	\$ 1.16
Tulare County PPD (cwt)	\$ 2.18	\$ 2.13	\$ 0.88	\$ 0.67	\$ 0.56
Tulare Co. Blend* (cwt)	<i>\$ 18.16</i>	<i>\$ 17.63</i>	<i>\$ 17.01</i>	<i>\$ 17.51</i>	<i>\$ 17.78</i>
FMMO Class III	\$ 15.98	<i>\$ 15.50</i>	<i>\$ 16.13</i>	<i>\$ 16.83</i>	<i>\$ 17.22</i>
FMMO Class IV	\$ 20.96	<i>\$ 18.07</i>	<i>\$ 17.77</i>	<i>\$ 17.89</i>	<i>\$ 18.02</i>
Next Two Payment Dates	July 20, 2026 (June Final)* July 31, 2026 (July Advance) <i>*July 19 falls on a weekend</i>				
<small>*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</small>					

Cheese – Spot block cheddar rose 1.25¢ from last week, settling at \$1.4325/lb. on Thursday. Nearby futures declined, while Dec '26 and beyond increased modestly. Total cheese production grew 2% year-over-year in May, primarily driven by Other-than-American varieties. Mozzarella and Parmesan output rose 6.2% and 7.6% from last year, respectively, likely reflecting strong demand overseas. That said, as the price gap between EU and U.S. cheese narrows, U.S. cheese exports could slow.

Meanwhile, Natural American cheese production fell 2.6% from last year, likely as cheesemakers scaled back production amid weak domestic foodservice demand.

Powder – Spot NFDN settled at \$1.5050/lb., down 9.25¢ from last Friday. Futures followed suit, with Jul '26 through Mar '27 contracts losing 4–7¢. Earlier this week, a dairy plant in Arizona caught fire, helping spot NFDN surge 10¢ on Monday. However, markets quickly corrected, leaving NFDN prices to fall the rest of the week. Powder prices remain under pressure as domestic supplies replenish. May NFDN production grew 10.3% year-over-year, and while stocks remained below last year's levels, the gap narrowed from a 9.7% deficit in April to just 3.9% in May. Falling global prices at this week's GDT Pulse auction added further downside pressure to the domestic market.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (7/1/2026)

- Class III**
- **4th Quarter 2026:** \$16.56 floor for \$0.28/cwt
 - **1st Quarter 2027:** \$16.51 floor for \$0.39/cwt
 - **2nd Quarter 2027:** \$16.46 floor for \$0.44/cwt
 - **3rd Quarter 2027:** \$16.89 floor for \$0.50/cwt
 - **4th Quarter 2027:** \$16.93 floor for \$0.57/cwt

- Class IV**
- **4th Quarter 2026:** \$17.10 floor for \$0.41/cwt
 - **1st Quarter 2027:** \$17.17 floor for \$0.59/cwt
 - **2nd Quarter 2027:** \$17.34 floor for \$0.63/cwt
 - **3rd Quarter 2027:** Not Offered
 - **4th Quarter 2027:** Not Offered

Did you know... that the July 4th holiday marks the single highest-volume week of the year for retail ice cream sales, serving as the official kick off to National Ice Cream Month. During this peak, U.S. processors churn out a massive portion of the nation's 1.3 billion annual gallons of ice cream just to meet the consumer demand concentrated around the holiday weekend.