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Weekly Update

Date: July 17, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 7/11/2026	Last Week
Butter	$1.6590	$1.5798
Cheddar Cheese	$1.4961	$1.5154
Nonfat Dry Milk	$1.7059	$1.7862
Dry Whey	$0.6470	$0.6531

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 $1.5900/lb. on Friday, down 6¢ from last week, while 2026 futures contracts fell 2–6.5¢. Butter demand surged in May, climbing 11% from last year, driven by stronger domestic (+5.6%) and international (+89%) usage. May's total marked an all-time high for the month, and year-to-date utilization now stands at a record, as well. Despite strong demand, butter prices remain historically low, suggesting there is plenty of butter to go around.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)					
	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Advance Price (cwt)	**$ 15.98**	*$ 15.77*	*$ 17.57*	*$ 17.58*	*$ 17.66*
Butterfat Price (lb)	*$ 1.7109*	*$ 1.7745*	*$ 1.8029*	*$ 1.8441*	*$ 1.8744*
Protein Price (lb)	*$ 2.3449*	*$ 2.9094*	*$ 2.9440*	*$ 2.9098*	*$ 2.8614*
Other Solids Price (lb)	*$ 0.3998*	*$ 0.4204*	*$ 0.4328*	*$ 0.4459*	*$ 0.4462*
LA County PPD (cwt)	*$ 2.63*	*$ 0.67*	*$ 0.40*	*$ 0.38*	*$ 0.47*
Tulare County PPD (cwt)	*$ 2.03*	*$ 0.07*	*$ (0.20)*	*$ (0.22)*	*$ (0.13)*
Tulare Co. Blend* (cwt)	*$ 17.80*	*$ 17.98*	*$ 17.99*	*$ 18.08*	*$ 18.13*
FMMO Class III	*$ 15.77*	*$ 17.91*	*$ 18.19*	*$ 18.30*	*$ 18.26*
FMMO Class IV	*$ 18.51*	*$ 17.57*	*$ 17.58*	*$ 17.66*	*$ 17.79*
Next Two Payment Dates	July 20, 2026 (June Final)* July 31, 2026 (July Advance)				
	**July 19 falls on a 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 climbed 8¢ this week, settling at $1.6275/lb. on Friday. Nearby futures rose by the largest magnitude, with Aug '26 rising 10¢ and Sep '26 gaining 8.5¢. Cheese appears to be rallying on seasonal buying, with buyers restocking at advantageous price levels ahead of second-half demand. In May, total cheese demand rose 2.2% from a year ago, marking 17 straight months of year-on-year gains. Exports remained a bright spot, up 18% year-over-year, while domestic usage edged higher on strength in Other-than-American varieties. Natural American cheese told a different story, however, as domestic consumption fell to its lowest May level since 2022, as weak foodservice sales weighed on demand.

Powder – Spot NFDM settled at $1.4700/lb., down 8.5¢ from last Friday. Futures followed suit, with Aug '26 through Apr '27 contracts falling 2–5¢. Strong domestic powder consumption in May, up 9.7% year-over-year, was more than offset by dismal export volumes, which fell 20% to their lowest 30-day-adjusted level since January 2025. High U.S. NFDM prices quickly deterred international interest. However, as prices have come down, the U.S. may become more price-competitive in global markets once again. Combined with steady demand for skim solids in Class II production, NFDM could find some support ahead.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (7/17/2026)

Class III
- **4th Quarter 2026:** $17.10 floor for $0.32/cwt
- **1st Quarter 2027:** $16.59 floor for $0.41/cwt
- **2nd Quarter 2027:** $16.64 floor for $0.44/cwt
- **3rd Quarter 2027:** $16.96 floor for $0.50/cwt
- **4th Quarter 2027:** $17.05 floor for $0.55/cwt

Class IV
- **4th Quarter 2026:** $16.90 floor for $0.42/cwt
- **1st Quarter 2027:** $17.06 floor for $0.50/cwt
- **2nd Quarter 2027:** $17.43 floor for $0.64/cwt
- **3rd Quarter 2027:** $17.13 floor for $0.58/cwt
- **4th Quarter 2027:** $16.75 floor for $0.66/cwt

Did you know…that this week, Agriculture Committee Chairman G.T. Thompson, R-PA, introduced the Securing Agriculture's Workforce Act? The bill grants meaningful access to the H-2A program, the main agricultural labor visa, by removing the seasonal requirements of the program and allowing contracts up to 350 days of the year. If you have any questions about the labor reform legislation, please reach out to Darrin Monteiro or Doreen Alamo.