

Weekly Update

Date: July 31, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.5150/lb. on Friday, up 0.75¢ from last week. While 2026 futures were mixed, contracts for the first half of 2027 declined, averaging 6¢ lower. The butter market had a wild ride this week, with the spot price dropping to \$1.3800/lb. on Tuesday, the lowest since mid-January. On Wednesday, 78 loads exchanged hands, the most in nearly 23 years and the second highest ever recorded! While butter climbed 13.5¢ from Tuesday to Friday, prices are still historically low, ranking in the bottom 9% over the last ten years. In June, the average U.S. butterfat test was 4.23%, up 0.04 percentage points from a year ago, equating to 26.8 million more

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 7/25/2026	Last Week
Butter	\$1.5986	\$1.6445
Cheddar Cheese	\$1.5211	\$1.4864
Nonfat Dry Milk	\$1.6283	\$1.6436
Dry Whey	\$0.6513	\$0.6530
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.		

Projected/Actual Milk Prices (Actual Bold, <i>Estimate Italicized</i>)					
	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Advance Price (cwt)	\$ 15.98	\$ 15.66	\$ 17.00	\$ 17.36	\$ 17.53
Butterfat Price (lb)	\$ 1.6779	\$ 1.6201	\$ 1.6806	\$ 1.6837	\$ 1.7170
Protein Price (lb)	\$ 2.3541	\$ 2.7982	\$ 2.8148	\$ 2.8439	\$ 2.8506
Other Solids Price (lb)	\$ 0.3960	\$ 0.4179	\$ 0.4333	\$ 0.4462	\$ 0.4462
LA County PPD (cwt)	\$ 2.34	\$ 1.27	\$ 1.00	\$ 0.88	\$ 0.81
Tulare County PPD (cwt)	\$ 1.74	\$ 0.67	\$ 0.40	\$ 0.28	\$ 0.21
Tulare Co. Blend* (cwt)	\$ 17.40	\$ 17.67	\$ 17.75	\$ 17.81	\$ 17.88
FMMO Class III	\$ 15.66	\$ 17.00	\$ 17.36	\$ 17.53	\$ 17.67
FMMO Class IV	\$ 18.54	\$ 17.49	\$ 17.82	\$ 17.79	\$ 17.86
Next Two Payment Dates	July 31, 2026 (July Advance) August 19, 2026 (July Final)				
*Blend Price is <i>after</i> 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					

Midwest as the third major heat dome of the summer settled over the region. Still, demand remains a key concern for the cheese market amid reports of negative consumer sentiment and slower traffic at quick-service restaurants.

Powder – Spot NFDM settled at \$1.5600/lb., up 15.75¢ from last Friday. Futures followed suit, with Aug '26 to Mar '27 contracts rising 8–14¢. While currently just above global markets, the recent decline in U.S. powder prices is rekindling interest from international customers, helping to support the market. Further, with prices down from a couple months ago, manufacturers may be incentivized to shift skim solids toward ultra-filtered milk or milk protein concentrate, which could continue to keep NFDM values above last year's.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (7/31/2026)

Class III	• 4 th Quarter 2026: \$16.82 floor for \$0.28/cwt	Class IV	• 4 th Quarter 2026: \$16.91 floor for \$0.34/cwt
	• 1 st Quarter 2027: \$16.64 floor for \$0.39/cwt		• 1 st Quarter 2027: \$17.01 floor for \$0.51/cwt
	• 2 nd Quarter 2027: \$16.78 floor for \$0.44/cwt		• 2 nd Quarter 2027: \$17.37 floor for \$0.59/cwt
	• 3 rd Quarter 2027: \$17.00 floor for \$0.49/cwt		• 3 rd Quarter 2027: \$17.45 floor for \$0.58/cwt
	• 4 th Quarter 2027: \$17.06 floor for \$0.56/cwt		• 4 th Quarter 2027: \$17.07 floor for \$0.65/cwt

Did you know...that the National Dairy FARM Program is currently undergoing its periodic revision? A webinar providing an overview of what is expected as Version 2028 takes shape is being held on Friday, August 7, 2026, from 9:00 AM to 10:00 PM PT. The session is intended for dairy farmers and cooperative staff, who will hear from speakers reviewing the program's history, governance structure, an outline on the current development timeline and proposed updates. The session will also explain how dairy farmers and industry stakeholders can shape the future of the FARM Program by participating in the process. To join the webinar, please register [here](#).