Weekly Update

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Date: August 7, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/1/2026	**Last Week**
Butter	**$1.5662**	**$1.5993**
Cheddar Cheese	**$1.5501**	**$1.5207**
Nonfat Dry Milk	**$1.5152**	**$1.6240**
Dry Whey	**$0.6566**	**$0.6515**

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 $1.5125/lb. on Friday, down 0.25¢ from last week. In contrast, futures improved, with contracts over the next 12 months up 1–6¢. Thursday's CME spot trading volume surpassed last week's high, with 79 loads changing hands in a single day, marking the second highest on record. In June, butter production rose 8.5% from last year, reaching its highest level ever for the month. Output surged out West, climbing 17.7% from last year and ranking second all-time on a 30-day adjusted basis. On the trade side, butter exports fell from the prior month for the third time in a row, though they remained 35% above last year's levels, while imports reached their second biggest of all time.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)					
	Jul-26	**Aug-26**	**Sep-26**	**Oct-26**	**Nov-26**
Advance Price (cwt)	**$ 15.98**	**$ 15.52**	*$ 16.69*	*$ 17.20*	*$ 17.45*
Butterfat Price (lb)	**$ 1.6668**	*$ 1.6382*	*$ 1.6988*	*$ 1.7412*	*$ 1.7836*
Protein Price (lb)	**$ 2.3202**	*$ 2.6816*	*$ 2.7500*	*$ 2.7568*	*$ 2.7116*
Other Solids Price (lb)	**$ 0.3970**	*$ 0.4166*	*$ 0.4307*	*$ 0.4462*	*$ 0.4462*
LA County PPD (cwt)	*$ 2.53*	*$ 1.24*	*$ 1.00*	*$ 0.91*	*$ 0.89*
Tulare County PPD (cwt)	*$ 1.93*	*$ 0.64*	*$ 0.40*	*$ 0.31*	*$ 0.29*
Tulare Co. Blend* (cwt)	*$ 17.45*	*$ 17.33*	*$ 17.60*	*$ 17.77*	*$ 17.75*
FMMO Class III	**$ 15.52**	*$ 16.69*	*$ 17.20*	*$ 17.45*	*$ 17.47*
FMMO Class IV	**$ 18.34**	*$ 17.33*	*$ 17.85*	*$ 17.84*	*$ 17.86*
Next Two Payment Dates	**August 19, 2026 (July Final)** **August 31, 2026 (August Advance)**				

**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 1.75¢ this week, settling at $1.5550/lb. on Friday. Futures followed suit, with 2026 contracts down 2¢, on average. Total cheese production in June marked another year-on-year gain, up 1.1% from last year, though it was the smallest increase since January 2025. While Cheddar output turned positive for the first time in three months (+1% YoY), Mozzarella production slipped for the first time in over 2.5 years (-2.4% YoY). Meanwhile, total cheese exports set another record, along with Cheddar and grated cheese. U.S. cheese prices currently sit at a discount to the rest of the world, though that gap is narrow. If that export advantage erodes without any meaningful shift in supply or demand, cheese prices could see further downside.

Powder – Spot NFDM settled at $1.5775/lb., up 1.75¢ from last Friday. Futures fell modestly, with contracts through June '27 down 0–3¢. NFDM production climbed 14.2% year-over-year in June, while stocks fell just 0.8% from the prior month, a smaller decline than is typically seen, as manufacturers ramped up output to capture high prices. SMP production, however, plummeted 47%, as export sales sank while the U.S. was priced out of the global market. Although the gap between U.S. and international prices had been narrowing, the recent rally in U.S. powder has made new export deals unlikely.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/7/2026)

Class III
- **4th Quarter 2026:** $16.67 floor for $0.27/cwt
- **1st Quarter 2027:** $16.62 floor for $0.38/cwt
- **2nd Quarter 2027:** $16.72 floor for $0.44/cwt
- **3rd Quarter 2027:** $16.98 floor for $0.47/cwt
- **4th Quarter 2027:** $17.06 floor for $0.57/cwt

Class IV
- **4th Quarter 2026:** $17.01 floor for $0.27/cwt
- **1st Quarter 2027:** $17.04 floor for $0.52/cwt
- **2nd Quarter 2027:** $17.40 floor for $0.60/cwt
- **3rd Quarter 2027:** $17.49 floor for $0.59/cwt
- **4th Quarter 2027:** $17.41 floor for $0.65/cwt

Did you know…that in honor of America's 250th birthday, Sam's Club created a video series highlighting the people behind their products, including a family farm behind Member's Mark sweet cream creamer and butter. Did you also know that the sweet cream creamer is made in our Bakersfield facility and the butter is crafted right in our Visalia plant? Thank you to the Plantenga family for sharing their story with Sam's Club. Check out the video here.