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Weekly Update

Date: August 14, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/8/2026	**Last Week**
Butter	**$1.5048**	**$1.5585**
Cheddar Cheese	**$1.6095**	**$1.5501**
Nonfat Dry Milk	**$1.5428**	**$1.5149**
Dry Whey	**$0.6555**	**$0.6566**

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 $1.4600/lb. on Friday, down 5.25¢ from last week. Futures followed suit, with contracts over the next twelve months falling 2.5–8¢. While butter is cheap by historical standards, demand has been rather strong. Butter utilization jumped 10.3% year-over-year in June, supported by gains in both domestic and international demand. Domestic disappearance reached a record high for the month, while exports climbed 35% from a year ago, pushing year-to-date shipments to nearly double last year's levels. With demand clearly not the issue, low prices point to abundant supply. Ample milk and butterfat availability has kept butter production elevated, creating enough supply to keep prices under pressure.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)					
	Aug-26	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**
Advance Price (cwt)	**$ 15.52**	*$ 16.60*	*$ 17.32*	*$ 17.49*	*$ 17.45*
Butterfat Price (lb)	*$ 1.5444*	*$ 1.6564*	*$ 1.6749*	*$ 1.7321*	*$ 1.7351*
Protein Price (lb)	*$ 2.7685*	*$ 2.8438*	*$ 2.8501*	*$ 2.7632*	*$ 2.7568*
Other Solids Price (lb)	*$ 0.4101*	*$ 0.4256*	*$ 0.4410*	*$ 0.4462*	*$ 0.4616*
LA County PPD (cwt)	*$ 1.13*	*$ 1.28*	*$ 1.21*	*$ 1.39*	*$ 1.14*
Tulare County PPD (cwt)	*$ 0.53*	*$ 0.68*	*$ 0.61*	*$ 0.79*	*$ 0.54*
Tulare Co. Blend* (cwt)	*$ 17.13*	*$ 18.00*	*$ 18.10*	*$ 18.24*	*$ 18.06*
FMMO Class III	*$ 16.60*	*$ 17.32*	*$ 17.49*	*$ 17.45*	*$ 17.53*
FMMO Class IV	*$ 17.00*	*$ 18.88*	*$ 18.28*	*$ 18.95*	*$ 18.16*
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 rose 4.5¢ this week, settling at $1.6000/lb. on Friday. Futures were mixed, with contracts over the next year ranging from 1¢ lower to 2¢ higher. In June, total cheese usage edged just 0.9% higher from a year ago, as record-high exports narrowly offset weaker domestic demand. Domestically, American cheese consumption fell 1.3% year-over-year to its lowest level for the month since 2020, while other-than-American cheese utilization dropped 1.5%, marking its first annual decline in 16 months. Softer foodservice demand, particularly for pizza, combined with weaker grocery purchases, weighed on consumption.

Powder – The powder market is back to its volatile ways! Spot NFDM settled at $1.7450/lb. on Friday, up a whopping 16.75¢ from last week and reaching its highest price since June 15th. Futures also rallied sharply, with Sep through Dec '26 contracts gaining an average of 11¢. Spot NFDM is now up nearly 25%, or 34.5¢, from its recent low of $1.40/lb. on July 27th. Reports of production issues at a Western powder plant have added to availability concerns, as supply disruptions earlier in the year have left the market especially nervous about any further production hiccups. At the same time, stronger demand for Class I and II products, particularly as schools return to session, combined with limited spot milk availability east of the Rockies, is likely pulling skim solids away from NFDM production.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/14/2026)

Class III

- **4th Quarter 2026:** $16.58 floor for $0.24/cwt
- **1st Quarter 2027:** $16.54 floor for $0.36/cwt
- **2nd Quarter 2027:** $16.72 floor for $0.43/cwt
- **3rd Quarter 2027:** $17.04 floor for $0.47/cwt
- **4th Quarter 2027:** $17.12 floor for $0.56/cwt

Class IV

- **4th Quarter 2026:** $17.86 floor for $0.32/cwt
- **1st Quarter 2027:** $17.54 floor for $0.50/cwt
- **2nd Quarter 2027:** $17.53 floor for $0.59/cwt
- **3rd Quarter 2027:** $17.77 floor for $0.63/cwt
- **4th Quarter 2027:** $17.53 floor for $0.65/cwt

Did you know…that National Back-to-School Month is observed across the country this August? As students head back to school, milk and dairy options are seeing big changes. Under the Whole Milk for Healthy Kids Act enacted in January 2026, K-12 schools can now legally offer **whole** and **2% milk** alongside low-fat and fat-free choices, giving kids more nutrient-rich beverage options for their school lunches.