Weekly Update

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Date: August 21, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/15/2026	**Last Week**
Butter	**$1.4849**	**$1.4750**
Cheddar Cheese	**$1.6350**	**$1.6094**
Nonfat Dry Milk	**$1.5800**	**$1.5426**
Dry Whey	**$0.6642**	**$0.6568**

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 $1.4625/lb. on Friday, up 0.25¢ from last week. Nearby futures declined 1.5–4.5¢, leaving the forward curve relatively inexpensive, with contracts through Jan '27 priced below $1.65/lb. USDA reported July milk production climbed 2.2% from last year, marking the fifteenth straight month of annual growth above 2%. The national herd reached 9.71 million head, the largest since Q1 1991, while milk per cow improved just 0.1% from a year ago. More milk has brought more butterfat and cream into the market, with Dairy Market News reporting "there is still a significant volume of cream moving to Mexico", underscoring the abundance of supplies.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)					
	Aug-26	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**
Advance Price (cwt)	**$ 15.52**	*$ 16.62*	*$ 16.74*	*$ 17.12*	*$ 17.33*
Butterfat Price (lb)	*$ 1.5293*	*$ 1.5959*	*$ 1.6201*	*$ 1.6476*	*$ 1.6867*
Protein Price (lb)	*$ 2.8008*	*$ 2.7234*	*$ 2.7949*	*$ 2.8143*	*$ 2.7824*
Other Solids Price (lb)	*$ 0.4068*	*$ 0.4287*	*$ 0.4410*	*$ 0.4488*	*$ 0.4668*
LA County PPD (cwt)	*$ 1.59*	*$ 1.20*	*$ 1.59*	*$ 1.51*	*$ 1.39*
Tulare County PPD (cwt)	*$ 0.99*	*$ 0.60*	*$ 0.99*	*$ 0.91*	*$ 0.79*
Tulare Co. Blend* (cwt)	*$ 17.62*	*$ 17.34*	*$ 18.11*	*$ 18.24*	*$ 18.26*
FMMO Class III	*$ 16.62*	*$ 16.74*	*$ 17.12*	*$ 17.33*	*$ 17.46*
FMMO Class IV	*$ 17.39*	*$ 19.03*	*$ 19.03*	*$ 18.87*	*$ 18.74*
Next Two Payment Dates	**August 31, 2026 (August Advance)** **September 21, 2026 (August Final)*** ****September 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 dropped 7.25¢ this week, settling at $1.5275/lb. on Friday. Nearby futures also fell sharply, with Sep '26 down 9¢ and Oct '26 down 5.5¢. The cheese market remains under pressure as continued milk production growth adds to cheese output and domestic demand remains sluggish.

Powder – Spot NFDM settled at $1.8000/lb. on Friday, up 5.5¢ from last week, after Thursday's $1.82/lb. close marked the highest price since June 10. Futures over the next 12 months moved modestly higher, gaining no more than 3.5¢. From its July 27 low to this week's high, spot NFDM has rallied 42¢, or 30%, in less than four weeks, a much faster climb than seen in previous rallies this year. Tight supplies continue to keep buyers on edge following disruptions earlier in the year, while global prices are also strengthening. At this week's Global Dairy Trade auction, the SMP index jumped 7.6% amid concerns over hot weather in Europe.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/20/2026)

Class III
- **4th Quarter 2026:** $16.42 floor for $0.23/cwt
- **1st Quarter 2027:** $16.54 floor for $0.36/cwt
- **2nd Quarter 2027:** $16.72 floor for $0.44/cwt
- **3rd Quarter 2027:** $17.01 floor for $0.47/cwt
- **4th Quarter 2027:** $17.12 floor for $0.55/cwt

Class IV
- **4th Quarter 2026:** $17.97 floor for $0.35/cwt
- **1st Quarter 2027:** $17.58 floor for $0.51/cwt
- **2nd Quarter 2027:** $17.58 floor for $0.64/cwt
- **3rd Quarter 2027:** $17.77 floor for $0.68/cwt
- **4th Quarter 2027:** $17.56 floor for $0.69/cwt

MILK PRODUCTION

- **U.S. Milk Production, July 2026:** 20.15 billion pounds, or 649.8 million pounds/day ***(+2.2% YOY)***
- **California Milk Production, July 2026:** 3.48 billion pounds, or 112.2 million pounds/day ***(-0.8% YOY)***
- **CDI Milk Production, July 2026:** 1.44 billion pounds, or 46.5 million pounds/day ***(-0.7% YOY)***

Did you know… the Dairy Research Bulletin delivers a brief synopsis of the most current human, animal, and environmental dairy research that is going on in the world, and also that which is of special interest to California dairy producers and consumers alike? If you would like to receive the emailed Bulletin, please email Dixie Martinho at DMartinho@CaliforniaDairies.com.