Weekly Update

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Date: August 28, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 8/22/2026	**Last Week**
Butter	**$1.4537**	**$1.4849**
Cheddar Cheese	**$1.6243**	**$1.6350**
Nonfat Dry Milk	**$1.6221**	**$1.5789**
Dry Whey	**$0.6672**	**$0.6630**

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, unchanged from last week. Futures declined across the forward curve, with contracts through July '27 down 1–5¢. In July, butter stocks declined 10.5 million pounds (-3.2%) from the previous month, marking the smallest June-to-July drawdown since 2020. At the same time, inventories were just 3% below last year, the narrowest year-over-year deficit since November 2025. The slower seasonal drawdown helps explain why prices are historically cheap. However, export interest for 2027 has reportedly picked up, as US butter currently holds a discount of more than $0.65/lb. to European and Oceania markets.

Cheese – Spot block cheddar fell 4.5¢ this week, settling at $1.4825/lb. on Friday. Sep '26 through May '27 futures decreased modestly, averaging less than a penny lower. For the first time since January, total cheese inventories rose above year-ago levels, up 0.4% in July. With Natural American stocks down just 0.2% year-over-year, other-than-American varieties drove the increase, finishing 1.1% above last year. The sizable price advantage US cheese held over international markets during the first half of 2026 has narrowed considerably, which could slow exports from their record-setting pace.

Projected/Actual Milk Prices (Actual Bold, ***Estimate Italicized*****)**					
	Aug-26	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**
Advance Price (cwt)	**$ 15.52**	*$ 16.64*	*$ 16.34*	*$ 16.79*	*$ 17.20*
Butterfat Price (lb)	*$ 1.5050*	*$ 1.5656*	*$ 1.5916*	*$ 1.6231*	*$ 1.6443*
Protein Price (lb)	*$ 2.8332*	*$ 2.6293*	*$ 2.7150*	*$ 2.7723*	*$ 2.7562*
Other Solids Price (lb)	*$ 0.4065*	*$ 0.4282*	*$ 0.4449*	*$ 0.4647*	*$ 0.4668*
LA County PPD (cwt)	*$ 1.43*	*$ 1.32*	*$ 1.78*	*$ 1.67*	*$ 1.54*
Tulare County PPD (cwt)	*$ 0.83*	*$ 0.72*	*$ 1.18*	*$ 1.07*	*$ 0.94*
Tulare Co. Blend* (cwt)	*$ 17.47*	*$ 17.05*	*$ 17.97*	*$ 18.27*	*$ 18.17*
FMMO Class III	*$ 16.64*	*$ 16.34*	*$ 16.79*	*$ 17.20*	*$ 17.24*
FMMO Class IV	*$ 17.43*	*$ 19.30*	*$ 19.39*	*$ 19.12*	*$ 18.89*
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*

Powder – Spot NFDM continued its climb this week, rising 6.5¢ to $1.8650/lb. on Friday, its highest price since June 9th. Futures also rose sharply, with contracts over the next twelve months gaining 1.5–11.5¢. The NFDM market continues to be highly volatile, as buyers remain cautious about availability. Strength overseas is also adding to the uncertainty, with both SMP and WMP prices rising from the previous auction at this week's Global Dairy Trade Pulse event. Concerns that hot weather could impact European powder supplies, along with El Niño risks in New Zealand, are keeping global powder buyers on edge.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (8/28/2026)

Class III

- **4th Quarter 2026:** $16.34 floor for $0.22/cwt
- **1st Quarter 2027:** $16.53 floor for $0.37/cwt
- **2nd Quarter 2027:** $16.71 floor for $0.45/cwt
- **3rd Quarter 2027:** $16.93 floor for $0.49/cwt
- **4th Quarter 2027:** $17.06 floor for $0.55/cwt

Class IV

- **4th Quarter 2026:** $18.40 floor for $0.36/cwt
- **1st Quarter 2027:** $17.81 floor for $0.51/cwt
- **2nd Quarter 2027:** $17.77 floor for $0.61/cwt
- **3rd Quarter 2027:** $17.77 floor for $0.66/cwt
- **4th Quarter 2027:** $17.63 floor for $0.65/cwt

Did you know…that CalRecycle and CDFA are developing a statewide California agricultural compost strategy to advance the use of compost in agriculture production? The team has developed a producer survey to ensure you have a voice and to capture different experiences related to compost use in agriculture. You do not need to use or make compost to participate. The survey will be open until October 1 and can be found here. If you have any questions, please feel free to reach out to Dr. Tawny Mata at Tawny.Mata@cdfa.ca.gov.