# Weekly Update

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**Date:** September 4, 2026
**To:** CDI Member-Owners
**From:** CDI Staff
**Subject:** CDI Weekly Update

| *National Dairy Product Sales Report (NDPSR)* | | |
|---|---|---|
| | **Wk Ending 8/29/2026** | **Last Week** |
| **Butter** | **$1.5143** | **$1.4531** |
| **Cheddar Cheese** | **$1.6140** | **$1.6247** |
| **Nonfat Dry Milk** | **$1.6760** | **$1.6183** |
| **Dry Whey** | **$0.6530** | **$0.6672** |

*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 $1.4400/lb. on Friday, down 2.25¢ from last week, while futures contracts over the next 12 months declined 1–6¢. Increased milk and milkfat production in July pushed butter output up 5.5% from last year to its largest July volume in 85 years. On the demand side, butter exports fell 8.3% year-over-year, marking their first annual decline since May 2024, although volumes remained historically elevated. Anhydrous milkfat (AMF) exports, however, increased year-over-year for the 26th straight month, lifting total fat exports above year-ago levels.

| 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** | *$ 16.32* | *$ 16.71* | *$ 16.93* |
| **Butterfat Price (lb)** | **$ 1.5107** | *$ 1.4932* | *$ 1.5571* | *$ 1.5837* | *$ 1.6080* |
| **Protein Price (lb)** | **$ 2.8281** | *$ 2.7063* | *$ 2.7291* | *$ 2.7397* | *$ 2.7203* |
| **Other Solids Price (lb)** | **$ 0.4052** | *$ 0.4282* | *$ 0.4436* | *$ 0.4591* | *$ 0.4616* |
| **LA County PPD (cwt)** | *$ 1.34* | *$ 1.23* | *$ 1.66* | *$ 1.66* | *$ 1.55* |
| **Tulare County PPD (cwt)** | *$ 0.74* | *$ 0.63* | *$ 1.06* | *$ 1.06* | *$ 0.95* |
| **Tulare Co. Blend* (cwt)** | *$ 17.38* | *$ 16.95* | *$ 17.77* | *$ 17.99* | *$ 17.91* |
| **FMMO Class III** | **$ 16.64** | *$ 16.32* | *$ 16.71* | *$ 16.93* | *$ 16.97* |
| **FMMO Class IV** | **$ 17.36** | *$ 19.01* | *$ 19.57* | *$ 19.19* | *$ 18.78* |
| **Next Two Payment Dates** | **September 21, 2026 (August Final)*** <br> **September 30, 2026 (September Advance)** <br> ****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 fell 1.75¢ this week, settling at $1.4650/lb. on Friday. Futures through Mar '27 dropped 1–5.5¢. The U.S. made 2.1% more cheese in July than the previous year, marking the highest output for the month on record. While Cheddar production fell 1.7% year over year, Italian varieties, including Mozzarella and Parmesan, reached record highs for the month. Export volumes were also impressive: total cheese shipments climbed 25% from last year to the third-highest export level ever (30-day adjusted), and Cheddar sailings set a record for the second month in a row.

***Powder*** – Spot NFDM rose to $1.9000/lb. on Tuesday, its highest level since June 8, before holding at $1.8800/lb. the rest of the week, up 1.5¢ from last Friday. Futures contracts over the next year fell 1–4¢. July exports of NFDM and SMP fell 23% year-over-year to their lowest level since June 2019, reflecting sales booked back in April and May when U.S. prices sat well above the rest of the world. With international buyers on the sidelines, plants pulled back on SMP (-50% YoY) and leaned into NFDM instead (+27% YoY), lifting combined output 7% above last year. Meanwhile, this week's GDT auction showed another increase in SMP values, which rose 5.3% to $1.68/lb., a four-year high, as the market factors in global weather events and climbing U.S. prices.

## DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (9/4/2026)

**Class III**

- **4th Quarter 2026:** $15.75 floor for $0.16/cwt
- **1st Quarter 2027:** $16.31 floor for $0.35/cwt
- **2nd Quarter 2027:** $16.68 floor for $0.42/cwt
- **3rd Quarter 2027:** $16.90 floor for $0.48/cwt
- **4th Quarter 2027:** $17.03 floor for $0.57/cwt

**Class IV**

- **4th Quarter 2026:** $18.03 floor for $0.33/cwt
- **1st Quarter 2027:** $17.64 floor for $0.56/cwt
- **2nd Quarter 2027:** $17.76 floor for $0.70/cwt
- **3rd Quarter 2027:** $17.83 floor for $0.70/cwt
- **4th Quarter 2027:** $17.82 floor for $0.67/cwt

***Did you know…*** that the California dairy industry serves as the cornerstone of the state's agriculture economy, supporting more than 150,000 jobs? These jobs include milkers, herd managers, veterinarians, feed growers, nutritionists, and the entire staff who operate our CDI business. On this Labor Day weekend, we thank the hardworking dairy farmers and employees who provide us with nutritious and sustainable dairy products.