Weekly Update

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Date: September 11, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)	Wk Ending 9/5/2026	Last Week
Butter	**$1.4735**	**$1.5125**
Cheddar Cheese	**$1.6133**	**$1.6140**
Nonfat Dry Milk	**$1.7282**	**$1.6759**
Dry Whey	**$0.6664**	**$0.6530**

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 $1.3700/lb. on Friday, down 7¢ from last week and marking the lowest price since mid-January. Butter is extremely cheap for this time of year, with the last September settlement below $1.4000/lb. occurring in 2009. Ample milk, butterfat, and cream supplies are supporting strong butter production and keeping a lid on prices. Futures followed the spot market sharply lower, with Q4 2026 contracts declining an average of 9¢ and 2027 contracts falling an average of 7.5¢.

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**	*$ 16.18*	*$ 16.36*	*$ 16.42*
Butterfat Price (lb)	**$ 1.5107**	*$ 1.4869*	*$ 1.4457*	*$ 1.4717*	*$ 1.5171*
Protein Price (lb)	**$ 2.8281**	*$ 2.6774*	*$ 2.7569*	*$ 2.7000*	*$ 2.7036*
Other Solids Price (lb)	**$ 0.4052**	*$ 0.4230*	*$ 0.4359*	*$ 0.4614*	*$ 0.4591*
LA County PPD (cwt)	*$ 1.34*	*$ 1.27*	*$ 1.75*	*$ 1.85*	*$ 1.73*
Tulare County PPD (cwt)	*$ 0.74*	*$ 0.67*	*$ 1.15*	*$ 1.25*	*$ 1.13*
Tulare Co. Blend* (cwt)	*$ 17.38*	*$ 16.85*	*$ 17.51*	*$ 17.67*	*$ 17.71*
FMMO Class III	**$ 16.64**	*$ 16.18*	*$ 16.36*	*$ 16.42*	*$ 16.58*
FMMO Class IV	**$ 17.36**	*$ 19.12*	*$ 19.73*	*$ 19.40*	*$ 18.94*
Next Two Payment Dates	**September 21, 2026 (August Final)*** **September 30, 2026 (September Advance)**				
	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 0.5¢ this week, settling at $1.4600/lb. on Friday. Futures contracts through 2027 declined 0–2¢, with several hitting life-of-contract lows. Spot blocks are historically inexpensive, as manufacturers are making more cheese to get at the profitable whey stream. On Friday, spot dry whey settled at $0.7600/lb., its highest price in nine months. International demand for U.S. dry whey is strong, with July exports reaching an all-time high as U.S. product maintains a sizable discount to Europe. As a result, manufacturers are benefiting from strong whey values while producing more cheese, keeping cheddar prices under pressure.

Powder – Spot NFDM rose to $1.9700/lb. on Friday, up 9¢ from last week and reaching its highest price since June 8. Since bottoming at $1.4000/lb. on July 27, the NFDM price has climbed 57¢, or 41%. Buyers remain cautious about availability as seasonal production shifts back toward school milk demand and more skim solids are being diverted into other products, including UF, Class II, and MPC. Year-to-date through July, yogurt production is up 6% year-over-year, and cottage cheese production is up 10%, while MPC output increased another 2.7% from June to July, further limiting the skim solids available for making NFDM. Futures have been highly volatile, with Q4 2026 and Q1 2027 contracts up an average of 7¢ and 4¢, respectively.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (9/11/2026)

Class III

- **4th Quarter 2026:** $15.58 floor for $0.14/cwt
- **1st Quarter 2027:** $16.21 floor for $0.31/cwt
- **2nd Quarter 2027:** $16.56 floor for $0.41/cwt
- **3rd Quarter 2027:** $16.78 floor for $0.46/cwt
- **4th Quarter 2027:** $16.83 floor for $0.57/cwt

Class IV

- **4th Quarter 2026:** $18.22 floor for $0.32/cwt
- **1st Quarter 2027:** $17.64 floor for $0.59/cwt
- **2nd Quarter 2027:** $17.71 floor for $0.74/cwt
- **3rd Quarter 2027:** $17.77 floor for $0.78/cwt
- **4th Quarter 2027:** $17.82 floor for $0.77/cwt

Did you know…that the California Milk Advisory Board is currently seeking nominations for their open Board of Directors seats? CMAB has the following seats up for election: District 1, District 3, District 4, District 5, and District 7. Nominations are due to CMAB by September 16. If you are interested or have questions about the nomination process, please contact Melissa Lema at mlema@cmab.net or at (707) 779-2214.