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Weekly Update

Date: September 18, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 9/12/2026	**Last Week**
Butter	**$1.4920**	**$1.4738**
Cheddar Cheese	**$1.5790**	**$1.6121**
Nonfat Dry Milk	**$1.7509**	**$1.7291**
Dry Whey	**$0.6623**	**$0.6664**

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, unchanged from last week. Futures contracts over the next twelve months ranged from 3.4¢ lower to 0.7¢ higher. July's total butter utilization increased 2.9% from last year, supported by a 4% gain in domestic demand. While butter exports eased from the record levels seen earlier this year, they remained historically strong, with year-to-date shipments up 69% from 2025. Despite strong demand, plentiful cream supplies continue to weigh on prices, pushing spot butter values to their lowest September level in 17 years.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized*)				
	Sep-26	**Oct-26**	**Nov-26**	**Dec-26**
Advance Price (cwt)	**$ 16.64**	*$ 16.13*	*$ 15.85*	*$ 16.18*
Butterfat Price (lb)	*$ 1.4838*	*$ 1.4330*	*$ 1.4808*	*$ 1.5050*
Protein Price (lb)	*$ 2.6645*	*$ 2.5856*	*$ 2.5866*	*$ 2.6030*
Other Solids Price (lb)	*$ 0.4225*	*$ 0.4488*	*$ 0.4766*	*$ 0.4701*
LA County PPD (cwt)	*$ 1.28*	*$ 1.93*	*$ 1.95*	*$ 1.77*
Tulare County PPD (cwt)	*$ 0.68*	*$ 1.33*	*$ 1.35*	*$ 1.17*
Tulare Co. Blend* (cwt)	*$ 16.80*	*$ 17.18*	*$ 17.53*	*$ 17.45*
FMMO Class III	*$ 16.13*	*$ 15.85*	*$ 16.18*	*$ 16.28*
FMMO Class IV	*$ 19.04*	*$ 19.60*	*$ 19.27*	*$ 18.57*
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 11¢ this week, settling at $1.3500/lb. on Friday and marking its lowest price since January. Q4 '26 and Q1 '27 futures averaged 5.7¢ and 3.9¢ lower, respectively. Total cheese usage in July rose 1.3% from last year on stronger exports, which reached their third-highest 30-day adjusted level on record. In contrast, domestic disappearance fell 1%, driven by a 4.4% decline in American cheese consumption as foodservice demand struggled. While softer domestic demand is a headwind, growing cheese supplies present another challenge. Strong whey demand has driven prices higher, incentivizing manufacturers to produce more high-protein whey products and, in turn, more cheese. Spot dry whey climbed to $0.7800/lb. on Friday, its highest price since November 2025, keeping pressure on the cheese market.

Powder – Spot NFDM rose to $2.0800/lb. on Friday, up 11¢ from last week and reaching its highest price since June 4. Futures contracts over the next year were mixed, ranging from 3.4¢ lower to 1.5¢ higher. Total NFDM and SMP utilization rose 13% year-over-year in July, driven entirely by domestic consumption. While export sales fell sharply as the U.S. was priced out of the global market, domestic disappearance more than doubled from last year, reaching its highest July level since 2021 and helping support the recent NFDM rally.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (9/18/2026)

Class III
- **1st Quarter 2027:** $15.92 floor for $0.28/cwt
- **2nd Quarter 2027:** $16.41 floor for $0.40/cwt
- **3rd Quarter 2027:** $16.73 floor for $0.46/cwt
- **4th Quarter 2027:** $16.69 floor for $0.55/cwt
- **1st Quarter 2028:** $16.35 floor for $0.63/cwt

Class IV
- **1st Quarter 2027:** $17.34 floor for $0.60/cwt
- **2nd Quarter 2027:** $17.40 floor for $0.73/cwt
- **3rd Quarter 2027:** $17.53 floor for $0.71/cwt
- **4th Quarter 2027:** $17.65 floor for $0.75/cwt
- **1st Quarter 2028:** *Not Offered*

Did you know…that the State Water Resources Control Board voted 4-0 on Tuesday, September 15, to adopt a new order and regulatory framework for Central Valley dairies? The long-awaited order outlines a roadmap forward for reducing nitrate impacts from dairy farms via setting progressively more stringent manure and nitrogen application limits, while also addressing impacts from unlined dairy manure lagoons.