

Weekly Update

Date: September 25, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.4000/lb. on Friday, up 3¢ from last week. Oct '26 through Mar '27 futures rose 1–4¢, while deferred contracts declined. August milk production grew 1.7% from last year, marking 20 straight months of year-over-year gains. More milk and butterfat likely translated into more cream available for churns, leading August butter stocks to climb 10.3% from last year and helping to explain why current butter prices are so low.

Cheese – Spot block cheddar fell 4.25¢ this week, settling at \$1.3075/lb. on Friday and marking its lowest price since January 16. Futures contracts over the next twelve months declined 1–4¢. With strong milk production and reportedly weak foodservice demand, cheese stocks climbed 2.3% year-over-year in August. Other-than-American varieties drove

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 9/19/2026	Last Week
Butter	\$1.4412	\$1.4920
Cheddar Cheese	\$1.5435	\$1.5793
Nonfat Dry Milk	\$1.7964	\$1.7508
Dry Whey	\$0.6692	\$0.6621

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.

Projected/Actual Milk Prices (Actual Bold, Estimate Italicized)					
	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Advance Price (cwt)	\$ 16.64	\$ 16.07	\$ 15.33	\$ 15.85	\$ 16.04
Butterfat Price (lb)	\$ 1.4841	\$ 1.4502	\$ 1.4748	\$ 1.5050	\$ 1.5656
Protein Price (lb)	\$ 2.6609	\$ 2.3922	\$ 2.4795	\$ 2.4928	\$ 2.5093
Other Solids Price (lb)	\$ 0.4153	\$ 0.4565	\$ 0.4822	\$ 0.4889	\$ 0.4980
LA County PPD (cwt)	\$ 1.30	\$ 2.06	\$ 2.26	\$ 2.19	\$ 1.81
Tulare County PPD (cwt)	\$ 0.70	\$ 1.46	\$ 1.66	\$ 1.59	\$ 1.21
Tulare Co. Blend* (cwt)	\$ 16.77	\$ 16.80	\$ 17.51	\$ 17.63	\$ 17.56
FMMO Class III	\$ 16.07	\$ 15.33	\$ 15.85	\$ 16.04	\$ 16.36
FMMO Class IV	\$ 19.00	\$ 20.34	\$ 20.23	\$ 19.42	\$ 19.12
Next Two Payment Dates	September 30, 2026 (September Advance) October 19, 2026 (September Final)				

*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

the increase, with inventories up 4.7% from last year and reaching their highest level since February 2024, while American cheese stocks increased just 0.5%. High whey prices may be incentivizing manufacturers to produce more white cheese rather than yellow cheddar. Spot dry whey closed at \$0.8050/lb. on Thursday and Friday, its highest price since February 2022.

Powder – While butter and cheese remain historically cheap, dry whey and

NFDM prices are nearing their record highs. Spot NFDM rose to \$2.1700/lb. on Thursday and Friday, its highest price since May 20 and up 9¢ from last week. Futures contracts for Oct '26 through Apr '27 increased 5–11¢. Strong demand for ultrafiltered milk and Class II products, like cottage cheese and yogurt, continues to pull skim solids away from dryers. However, rising Class II skim prices could eventually create resistance to further NFDM price gains.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (9/24/2026)

Class III	• 1 st Quarter 2027: \$15.88 floor for \$0.25/cwt	Class IV	• 1 st Quarter 2027: \$17.81 floor for \$0.58/cwt
	• 2 nd Quarter 2027: \$16.31 floor for \$0.36/cwt		• 2 nd Quarter 2027: \$17.58 floor for \$0.72/cwt
	• 3 rd Quarter 2027: \$16.64 floor for \$0.44/cwt		• 3 rd Quarter 2027: \$17.58 floor for \$0.72/cwt
	• 4 th Quarter 2027: \$16.69 floor for \$0.43/cwt		• 4 th Quarter 2027: \$17.72 floor for \$0.75/cwt
	• 1 st Quarter 2028: \$16.35 floor for \$0.53/cwt		• 1 st Quarter 2028: Not Offered

MILK PRODUCTION

- U.S. Milk Production, August 2026: 19.9 billion pounds, or 641.9 million pounds/day (+1.7% YOY)
- California Milk Production, August 2026: 3.39 billion pounds, or 109.3 million pounds/day (-0.7% YOY)
- CDI Milk Production, August 2026: 1.41 billion pounds, or 45.4 million pounds/day (-0.3% YOY)

Did you know...our Danish Creamery brand is launching rich, decadent Chocolate Milk? Starting this October, look for our new [Danish Chocolate Whole Milk](#) available as single units in California and Texas Sam's Clubs as part of an exclusive Q4 test. Plus, be sure to catch our in-club demos beginning this October!