

Mid-Year Membership Meetings

- 10/28 @ 9 am: Turlock
- 10/28 @ 2 pm: Fresno
- 10/29 @ 9 am: Tulare
- 10/29 @ 2 pm: Bakersfield
- 10/30 @ 9 am: San Jacinto

For specific location details, please refer to the emailed schedule or ask your field representative.

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Weekly Update

National Dairy Product Sales Report (NDPSR)

	Wk Ending 10/3/2026	Last Week
Butter	\$1.3694	\$1.3871
Cheddar Cheese	\$1.4579	\$1.4955
Nonfat Dry Milk	\$1.9369	\$1.8692
Dry Whey	\$0.6814	\$0.6757

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.

Date: October 9, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Butter is CHEAP. Spot butter settled at \$1.2750/lb. on Friday, down 6.5¢ on the week. Thursday's low of \$1.2500/lb. marked the lowest price since February 2021 and the lowest October price since 2009. Futures across the next 12 months fell 5–12.5¢. Heavy supplies continue to pressure the market, with August butter production up 6.3% year-over-year, led by a 9.9% increase in the West. At the same time, August butter exports fell to their lowest level

Projected/Actual Milk Prices (Actual Bold, <i>Estimate Italicized</i>)					
	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Advance Price (cwt)	\$ 16.64	\$ 16.04	\$ 14.99	\$ 16.11	\$ 16.51
Butterfat Price (lb)	\$ 1.4762	\$ 1.3264	\$ 1.3534	\$ 1.3755	\$ 1.3718
Protein Price (lb)	\$ 2.6619	\$ 2.3846	\$ 2.6250	\$ 2.6793	\$ 2.7740
Other Solids Price (lb)	\$ 0.4147	\$ 0.4748	\$ 0.5209	\$ 0.5471	\$ 0.5466
LA County PPD (cwt)	\$ 1.30	\$ 2.12	\$ 2.22	\$ 2.30	\$ 1.99
Tulare County PPD (cwt)	\$ 0.70	\$ 1.52	\$ 1.62	\$ 1.70	\$ 1.39
Tulare Co. Blend* (cwt)	\$ 16.74	\$ 16.51	\$ 17.73	\$ 18.21	\$ 18.19
FMMO Class III	\$ 16.04	\$ 14.99	\$ 16.11	\$ 16.51	\$ 16.80
FMMO Class IV	\$ 18.94	\$ 20.42	\$ 21.09	\$ 20.66	\$ 20.17
Next Two Payment Dates	October 19, 2026 (September Final) November 2, 2026 (October Advance)*				
	<i>*October 31 falls on a weekend</i>				
<i>*Blend Price is <u>after</u> the PPD is accounted for, <u>before</u> the Quota Assessment, and is based on "standard" milk with 3.5% BF, 3.18% Pro, and 5.79% OS</i>					

since June 2025 as the U.S. price advantage narrowed.

Cheese – After falling to its lowest price since May 2020 last week, spot block cheddar gained 7¢ this week to settle at \$1.3850/lb. on Friday. Nov '26 through Jan '27 futures rose 4–5.5¢. August cheese production increased 1.4% from last year, marking 20 straight months of annual gains. Italian-style cheeses drove the increase, while American varieties declined, as output was likely adjusted amid weak foodservice demand. On the trade front, cheese

exports remained historically strong but fell to their lowest monthly volume since January.

Powder – While cheese and butter prices have fallen to multi-year lows, dry whey and NFDM are approaching record highs. Spot dry whey climbed to \$0.8600/lb. on Friday, just 0.75¢ below its February 2022 record, while NFDM rose 4.75¢ this week to \$2.2675/lb., just 2.75¢ below its May record. NFDM futures across the next 12 months rose an average of 5¢ from last week. August NFDM production rose 9.6% year-over-year to its highest level for the month since 2022, yet stocks remained 3.6% below year-ago levels. Strong demand for skim solids and high-protein whey is pushing manufacturers to make more butter and cheese to capture the value of these high-priced by-products, helping NFDM and dry whey prices diverge from butter and cheese.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (10/9/2026)

- Class III**
- 1st Quarter 2027: \$16.15 floor for \$0.27/cwt
 - 2nd Quarter 2027: \$16.48 floor for \$0.39/cwt
 - 3rd Quarter 2027: \$16.71 floor for \$0.45/cwt
 - 4th Quarter 2027: \$16.82 floor for \$0.47/cwt
 - 1st Quarter 2028: \$16.40 floor for \$0.57/cwt

- Class IV**
- 1st Quarter 2027: \$18.81 floor for \$0.55/cwt
 - 2nd Quarter 2027: \$18.19 floor for \$0.60/cwt
 - 3rd Quarter 2027: \$17.96 floor for \$0.66/cwt
 - 4th Quarter 2027: \$17.91 floor for \$0.75/cwt
 - 1st Quarter 2028: *Not Offered*

Did you know... that dyed diesel stays banned on California roads? Despite a recent Federal Executive Order temporarily relaxing rules on red-dyed diesel, California state law has not changed. The California Department of Tax and Fee Administration and state highway authorities still strictly prohibit using red-dyed diesel in on-road vehicles. Because federal leniency does not override state law, California operators using dyed fuel on public roads still face heavy state fines and penalties. Stick to clear diesel for all California on-road operations.