

Weekly Update

2000 N. Plaza Drive
Visalia, CA 93291
559-625-2200
Fax: 559-625-5433



Date: October 30, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

COMMODITY MARKETS

Butter – Spot butter settled at \$1.3575/lb. on Friday, up 1.75¢ from last week. Futures were mixed, with contracts over the next 12 months moving 3.5¢ lower to 2¢ higher. Butter is extremely cheap for this time of year, with October's average spot price of \$1.3178/lb. marking the lowest monthly average since April 2020 and the lowest October average since 2009. Through September, an additional 264 million pounds of butterfat had been produced in 2026 than during the same period in 2025 (+3.6%). The abundance of butterfat helped drive September butter inventories up 16.5% year-over-year, the largest annual increase since January 2023. Seemingly steady demand has not been enough to absorb the ample production, keeping prices depressed for this time of year.

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 10/24/2026	Last Week
Butter	\$1.3627	\$1.3538
Cheddar Cheese	\$1.4178	\$1.3864
Nonfat Dry Milk	\$2.0538	\$1.9959
Dry Whey	\$0.7374	\$0.7250

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, <i>Estimate Italicized</i>)					
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Advance Price (cwt)	\$ 16.04	\$ 15.22	\$ 17.71	\$ 16.73	\$ 16.66
Butterfat Price (lb)	\$ 1.3670	\$ 1.4021	\$ 1.4324	\$ 1.4687	\$ 1.5072
Protein Price (lb)	\$ 2.4290	\$ 3.0984	\$ 2.7613	\$ 2.6773	\$ 2.6655
Other Solids Price (lb)	\$ 0.4650	\$ 0.5070	\$ 0.5054	\$ 0.5183	\$ 0.5157
LA County PPD (cwt)	\$ 2.11	\$ 1.69	\$ 2.20	\$ 1.96	\$ 1.93
Tulare County PPD (cwt)	\$ 1.51	\$ 1.09	\$ 1.60	\$ 1.36	\$ 1.33
Tulare Co. Blend* (cwt)	\$ 16.72	\$ 18.80	\$ 18.33	\$ 18.03	\$ 18.08
FMMO Class III	\$ 15.22	\$ 17.71	\$ 16.73	\$ 16.66	\$ 16.75
FMMO Class IV	\$ 20.48	\$ 21.04	\$ 20.13	\$ 19.78	\$ 19.50
Next Two Payment Dates	November 2, 2026 (October Advance)*				
	November 19, 2026 (October Final)				
	*October 31 falls on a weekend				
*Blend Price is <i>after</i> 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 – After a sharp rally pushed spot block cheddar to \$1.8000/lb. last week, prices corrected, falling 13.75¢ this week to \$1.5975/lb on Friday. Futures over the next year were mixed, ranging from 2¢ lower to 1.5¢ higher. The market had rallied on concerns over tight supplies of 4- to 30-day-old cheddar, but Friday's 13.75¢ decline, the largest single-day decrease since January 2023, suggests some of that premium is coming out of the market. Meanwhile, September inventories of other-than-

American cheese, including commonly exported Mozzarella and Gouda, rose 7.7% year-over-year to a record for the month. Growing inventories, along with the narrowing gap between U.S. and global prices, may limit further upside.

Powder – Spot NFDM settled at \$2.1125/lb. on Friday, up 1.75¢ from the previous week, with futures through 2027 gaining 2.6–6¢. The story remains largely unchanged in the powder market, with NFDM supplies staying tight as skim solids continue to be diverted to other products, including ultrafiltered milk, cottage cheese, and yogurt. 2027 NFDM futures are north of \$1.7000/lb., helping keep Class IV futures elevated above \$19.00/cwt throughout 2027.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (10/30/2026)

- Class III**
- 1st Quarter 2027: \$16.01 floor for \$0.28/cwt
 - 2nd Quarter 2027: \$16.39 floor for \$0.41/cwt
 - 3rd Quarter 2027: \$16.85 floor for \$0.47/cwt
 - 4th Quarter 2027: \$16.99 floor for \$0.50/cwt
 - 1st Quarter 2028: \$16.48 floor for \$0.57/cwt

- Class IV**
- 1st Quarter 2027: \$18.54 floor for \$0.45/cwt
 - 2nd Quarter 2027: \$18.40 floor for \$0.61/cwt
 - 3rd Quarter 2027: \$18.31 floor for \$0.64/cwt
 - 4th Quarter 2027: \$18.34 floor for \$0.74/cwt
 - 1st Quarter 2028: Not Offered

Did you know...that you can find your Annual Member Statement that details your last year's capital position on the CDI Member's Center? If you need any help, please contact your Field Representative.