Weekly Update

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Date: November 6, 2026
To: CDI Member-Owners
From: CDI Staff
Subject: CDI Weekly Update

National Dairy Product Sales Report (NDPSR)		
	Wk Ending 10/31/2026	**Last Week**
Butter	**$1.3703**	**$1.3624**
Cheddar Cheese	**$1.5279**	**$1.4178**
Nonfat Dry Milk	**$2.1203**	**$2.0536**
Dry Whey	**$0.7325**	**$0.7373**

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 $1.2650/lb. on Friday, down 9.25¢ from last week. Futures over the next twelve months declined 6–11.25¢. September butter production rose 10.9% from last year, helping to explain why inventories sit 16.5% above year-ago levels. Lower U.S. prices have kept butter exports competitive, with September shipments up 29% from last year. However, exports account for less than 10% of total butter utilization, so stronger international demand has done little to offset the growing domestic surplus, leaving prices under pressure.

Projected/Actual Milk Prices (Actual Bold, *Estimate Italicized***)**					
	Oct-26	**Nov-26**	**Dec-26**	**Jan-27**	**Feb-27**
Advance Price (cwt)	**$ 16.04**	**$ 15.16**	*$ 17.69*	*$ 16.78*	*$ 16.58*
Butterfat Price (lb)	**$ 1.3780**	*$ 1.3291*	*$ 1.3237*	*$ 1.3476*	*$ 1.3779*
Protein Price (lb)	**$ 2.3991**	*$ 3.1696*	*$ 2.8738*	*$ 2.7738*	*$ 2.7837*
Other Solids Price (lb)	**$ 0.4659**	*$ 0.5080*	*$ 0.5170*	*$ 0.5234*	*$ 0.5286*
LA County PPD (cwt)	*$ 2.02*	*$ 1.67*	*$ 2.14*	*$ 1.95*	*$ 1.91*
Tulare County PPD (cwt)	*$ 1.42*	*$ 1.07*	*$ 1.54*	*$ 1.35*	*$ 1.31*
Tulare Co. Blend* (cwt)	*$ 16.58*	*$ 18.76*	*$ 18.32*	*$ 17.93*	*$ 18.06*
FMMO Class III	**$ 15.16**	*$ 17.69*	*$ 16.78*	*$ 16.58*	*$ 16.75*
FMMO Class IV	**$ 20.54**	*$ 20.96*	*$ 20.05*	*$ 19.74*	*$ 19.46*
Next Two Payment Dates	**November 19, 2026 (October Final) November 30, 2026 (November Advance)**				

**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 3¢ this week, settling at $1.5675/lb. on Friday. Futures through the first half of 2027 were little changed, ranging from 1¢ lower to 0.1¢ higher. Total cheese production increased 0.7% year-over-year in September. Cheddar output fell 4.2% from last year, suggesting processors may be responding to softer foodservice demand. Meanwhile, production of other-than-American varieties climbed 2.7% from last year, setting a September record and ranking as the second-highest month ever on a 30-day adjusted basis. On the demand side, total cheese exports increased 12% from last year, although volumes eased from the record levels seen earlier in 2026.

Powder – Spot NFDM settled at $2.1975/lb. on Friday, up 8.5¢ from last week. Futures over the next year gained 1.5–5¢. Combined NFDM and SMP production fell 13% year-over-year in September, driven entirely by SMP, which dropped 59% to its lowest level since May 2012. NFDM output improved (+3.7% YoY), yet NFDM stocks declined (-4.9% YoY), as usage outpaced production and drew down inventories. Some of that drawdown likely came from international buyers; powder exports jumped 30% from August to September, with Mexico, a market that favors NFDM over SMP, accounting for 64% of the total.

DAIRY REVENUE PROTECTION, AVAILABLE THROUGH CDI INSURANCE SERVICES (11/6/2026)

Class III

- **1st Quarter 2027:** $15.93 floor for $0.25/cwt
- **2nd Quarter 2027:** $16.36 floor for $0.38/cwt
- **3rd Quarter 2027:** $16.82 floor for $0.46/cwt
- **4th Quarter 2027:** $16.78 floor for $0.47/cwt
- **1st Quarter 2028:** $16.60 floor for $0.57/cwt

Class IV

- **1st Quarter 2027:** $18.48 floor for $0.44/cwt
- **2nd Quarter 2027:** $18.32 floor for $0.61/cwt
- **3rd Quarter 2027:** $18.33 floor for $0.68/cwt
- **4th Quarter 2027:** $18.12 floor for $0.74/cwt
- **1st Quarter 2028:** *Not Offered*

Did you know…that although many vote counts are ongoing, several key midterm election results have been called? First, we want to congratulate CDI member-owner Brian Pacheco who is projected to win his election to represent California's 27th Assembly District. Brian will be a key voice for agriculture issues in Sacramento, and we look forward to working with him in his new role. At the federal level, Democrats will take the majority in the House and the Senate. Agriculture advocates hope a Farm Bill can be completed during the lame-duck session, but it remains unclear whether lawmakers will reach an agreement before the new Congress convenes.