



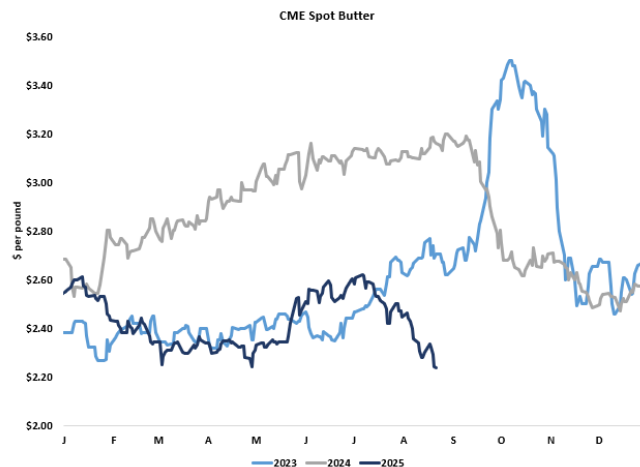
The T.C. Jacoby Weekly Market Report

WEEK ENDING AUGUST 29TH, 2025

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CME Spot Market for the Week 8/25/2025 to 8/29/2025			WHEY		
			Avg Price	Qty Traded	4 wk Trend
			\$ 0.5630	10	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.7830	16		\$ 1.7810	0	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 2.1210	17		\$ 1.2570	21	



The butter market melted down. CME spot butter plummeted 19¢ this week to \$2.045 per pound, its lowest price in nearly four years. Last week's Cold Storage report showed that inventories were not burdensome as of July 31. But more recent commentary from USDA's *Dairy Market News* suggests that stocks are starting to pile up. U.S. butter is the cheapest in the world – by far – and exports remain strong. But America's dairy cows are simply cranking out too much high-fat milk, especially those in the central region, where

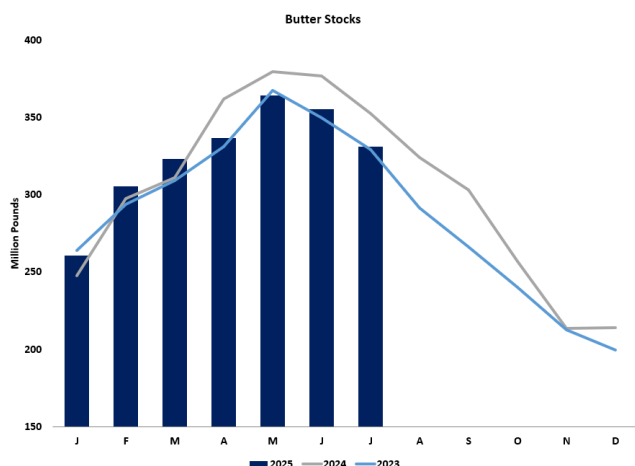
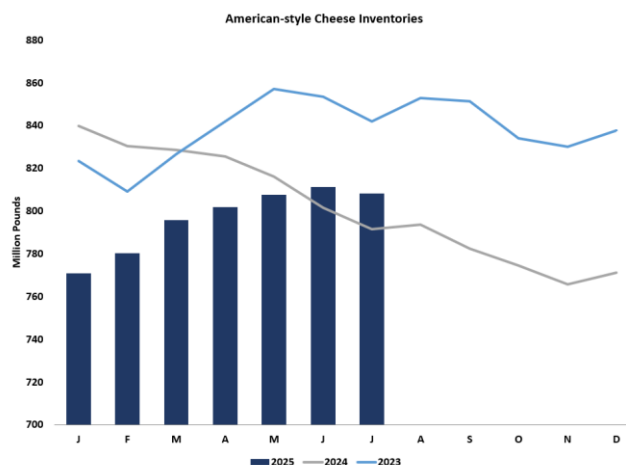
August temperatures have been unusually mild. The cream market is heavy, and it's dragging down butter prices.

The cheese market zigged and zagged but ultimately finished a little higher than last week. CME spot Cheddar blocks added 1.5¢ and closed at \$1.775. Bottlers are taking more milk now that students are back in school, so there are fewer spot loads of milk moving to cheese vats. Nonetheless, production is strong. USDA reports that exports are strong but cheese stocks are starting to grow.

It's the same old story in the whey markets. Manufacturers continue to direct as much whey as possible to high-protein products, but there is still plenty leftover to be dried into powder. Exports are slowing as the U.S. faces increased competition in the global marketplace. CME spot dry whey rallied 1.5¢ this week to 57¢, comfortably within the recent trading range.

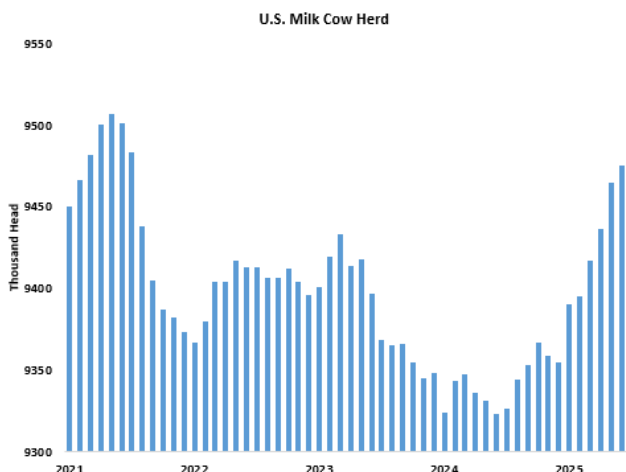
The milk powder market remains rangebound. In fact, CME spot nonfat dry milk (NDM) went nowhere at all this week.

It finished at \$1.26, exactly where it stood last Friday. Despite some weakness at last week's Global Dairy Trade auction, most indications of global skim milk powder values are holding steady as well. But with milk output on the rise in most of the world's milksheds, the trade remains on edge about the future. While the spot market has held steady, deferred NDM futures have lost a lot of ground over the past six weeks.

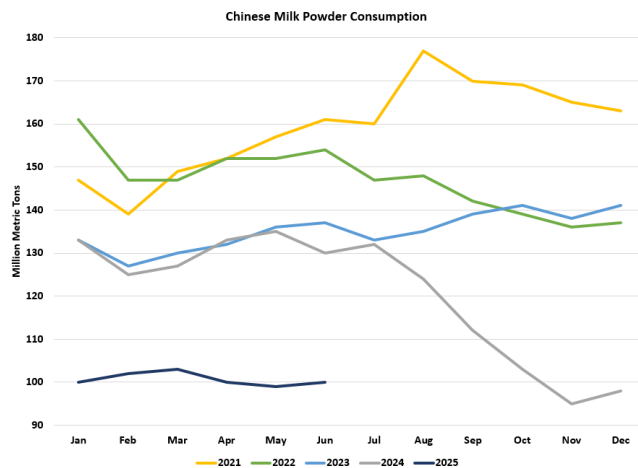


The collapse in butter and the steady declines in NDM deflated the Class IV market again this week. Most contracts lost between 35 and 60¢. Both September and October Class IV finished at \$17.40 per cwt. On the Class III side of the ledger, there were some winners and some losers, but most contracts finished not far from last Friday's settlement. September Class III dropped 16¢ to \$18.11.

While some producers face the strain of steep discounts, most producers can make these prices work. Feed costs are low, and beef incomes just keep climbing. This week CME live cattle and feeder cattle futures once again scored all-time highs. Dairy producers are depositing checks from the sale of cull cows and beef calves that are larger than ever before. For dairies that use an equal mix of sexed semen for dairy heifer production and beef semen for crossbred calves, January through August cull cow and beef calf sales have added roughly \$3/cwt. to their bottom line compared to the already-significant beef revenues they recorded in 2021. That kind of boost will mute the



impact of any decline in income-over-feed margins. It's going to take excruciatingly low milk prices to deter continued growth in milk output.



Corn prices wavered back and forth, but a Friday jump pushed them higher on the week. December corn closed at \$4.20 per bushel, up 8¢. There wasn't a lot of news to fuel the rally. It looks like prices simply got too low to entice farmer selling, while buyers snapped up corn at prices that look like a bargain.

The corn crop pollinated in July, when rains were plentiful and conditions were excellent. Soybeans pollinated in August, which was much drier. The share of

the soybean crop in drought climbed from just 2% in the week ending August 19 to 11% this week. The weather hasn't done significant damage, but national average bean yields will likely fall short of potential. Nonetheless, soybean prices retreated. November soybeans closed at \$10.53, a nickel lower than last Friday. December soybean meal settled at \$288.70 per ton, down roughly \$2 from last week.