



The T.C. Jacoby Weekly Market Report

WEEK ENDING November 14, 2025

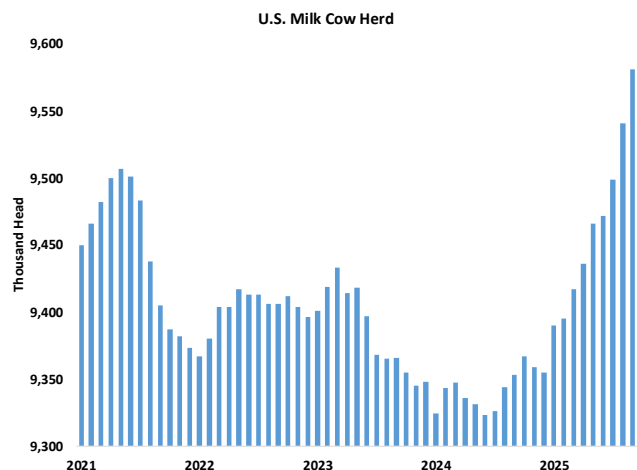
By Sarina Sharp, Market Analyst for the Daily Dairy Report
Sarina@DailyDairyReport.com



| CME Spot Market for the Week 11/10/2025 to 11/14/2025 | | | WHEY | | |
|--|------------|------------|----------------|------------|------------|
| | | | Avg Price | Qty Traded | 4 wk Trend |
| | | | \$ 0.6267 | 3 | |
| CHEESE BLOCKS | | | CHEESE BARRELS | | |
| Avg Price | Qty Traded | 4 wk Trend | Avg Price | Qty Traded | 4 wk Trend |
| \$ 1.6000 | 18 | | \$ 1.6671 | 0 | |
| BUTTER | | | NON-FAT | | |
| Avg Price | Qty Traded | 4 wk Trend | Avg Price | Qty Traded | 4 wk Trend |
| \$ 1.5188 | 37 | | \$ 0.9688 | 17 | |

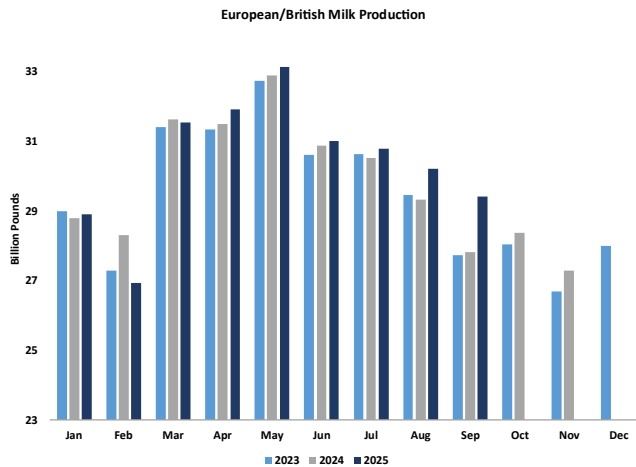
Market incentives have trumped biology and overcome the heifer shortage. Buoyed by several years of positive margins, dairy producers on both sides of the Atlantic have lowered cull rates, added cows, and amped up milk yields. In the U.S., dairy producers added 42,000 cows in August and another 40,000 head in September. Producers who had put off expansions when interest rates first climbed in 2022 eventually moved forward with their plans, and many are just now putting cattle into new heifer barns and milk parlors after completing the multi-year permitting, financing, and construction process. Meanwhile, in New York and throughout the heartland, dairy producers jumped at the opportunity to supply new dairy processing facilities. Based on the timing of new processing, the U.S. dairy herd is likely to continue to grow.

But it is already very large. In September it reached 9.58 million head, according to USDA's belated Milk Production report. Dairy producers are milking 228,000 more cows than they did the year before, and more cows than in any month since 1993. While cow numbers are similar, milk yields are 58% higher than they were in 1993, and all of that milk is significantly higher in fat, protein, and the ingredients that make up



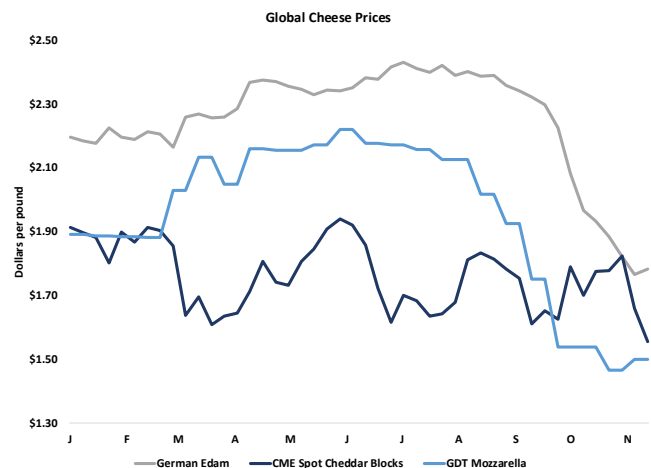
popular dairy products. All that cow power boosted U.S. milk output to 18.99 billion pounds in September, up 4% from the year before.

In Europe, after an unimpressive summer, growth in milk output shifted into high gear. September collections topped 26 billion pounds, up an astounding 5.7% from September 2024.



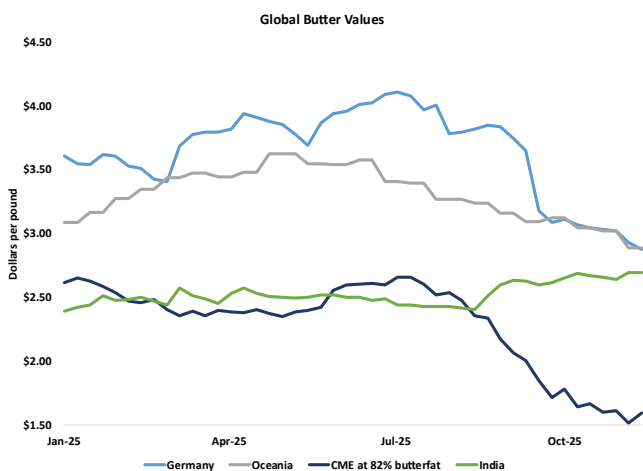
All of Europe's major milksheds reported strong increases. Some of this eye-popping growth may be temporary, the result of delayed calvings and a later peak in the milking cycle after dairy producers combatted Bluetongue virus last year. But much of it can be attributed to inexpensive feed, good margins, and benign weather. The global dairy industry will likely have to contend with more European dairy products than it did just a few months ago, and that's triggering a race to the bottom, particularly in the cheese markets.

At this level of milk production, U.S. cheese prices must stay low enough to win export business. That was relatively easy when European cheese – including Mozzarella sold at the Global Dairy Trade auction – was more than \$2 per pound. Today, both CME spot Cheddar blocks and GDT Mozzarella are trying to attract bargain shoppers in the \$1.50 to \$1.60 range. This week, CME spot Cheddar blocks fell 12¢ to \$1.54 per pound.



In contrast, U.S. butter stands alone in the bargain basement. It is the cheapest in the world, by far. Despite an abundance of cream, exports are strong enough that they are "limiting domestic bulk butter load availability," according to USDA's *Dairy Market News*. Booming exports and pre-holiday demand lifted spot butter out of the doldrums this week. It rallied a dime to \$1.575 per pound.

CME spot nonfat dry milk (NDM) climbed 3.75¢ to \$1.1825, tied for its highest price in two months. That's somewhat unexpected given heavy milk output and so-so exports. However, the lineup at dryers is not overly long as more trucks head to other dairy processors.



Whey prices just keep climbing. This week, CME spot whey powder scored a new 2025 high at 78¢, up 7¢ from last Friday. Whey's contribution to Class III futures is roughly \$1.30 higher than it was this summer, when spot whey averaged 57¢. Consumers around the globe continue to prioritize protein consumption, and whey-infused products are among the most delicious and convenient ways to bulk up on this macronutrient. Projections about whey demand got a shot in the arm last week when the White House announced a

partnership with Eli Lilly and Novo Nordisk, the makers of GLP-1 injectables Mounjaro, Zepbound, Ozempic, and Wegovy. The agreement will slash the prices of these drugs from the current rate of \$1,000 for a one-month supply to \$350 for those who purchase them through TrumpRx, the new government drug portal expected to launch in January. Medicare beneficiaries will pay \$245 for the same treatments, while Medicare members can access them after a mere \$50 co-pay. Those prices are expected to drop further for GLP-1s in pill form. The pills are still in the testing stage, but the Trump administration has promised to fast-track the approval process. Eli Lilly hopes to add tens of millions of customers through this partnership, and it expects FDA approval sometime next year. While GLP-1 users eat significantly less food, they tend to consume more dairy proteins. IFF reports that GLP-1 households eat yogurt at three times the rate of typical Americans.

The higher whey price gave a little lift to November Class III futures, which rallied 3¢ this week to \$17.23 per cwt. But concerns about milk production and potential cheese supplies weighed on all other Class III contracts. Most of them lost at least 20¢ this week. First-half contracts ranged from \$16.07 to \$16.84. With both milk powder and butter on the rise, Class IV futures got a much-needed boost. The November contract climbed 3¢ to a still-disappointing \$13.69. The January through March contracts jumped 40 or 50¢ to reach the mid-\$14s.

The grain and oilseed markets climbed to new heights on Thursday, as they continued to ride the wave of optimism inspired by the Trump tour through Asia. U.S. Treasury Secretary Scott Bessent said that the Chinese agreed to purchase some U.S. soybeans, and that hope lifted January soybean futures to their highest price since May 2024. December corn futures followed soybeans upward and notched a four-month high this week. But it was too good to last. China never confirmed its intention to buy U.S. soybeans, and in the meantime it purchased big volumes from Brazil. USDA acknowledged that actions speak louder than words in today's long-awaited crop reports. The agency trimmed its forecast for soybean exports in the 2025-26 crop year. USDA also

cut its estimates of corn demand in the 2024-25 season, which ended a couple months ago. The cut to demand was large enough to result in a higher forecast for corn stocks at the end of the 2025-26 season, even after USDA trimmed its corn yield estimate. December corn futures tumbled from the Thursday high, but they still finished a few cents higher than last Friday, at \$4.30 per bushel. Similarly, January soybeans dropped hard on Friday but closed a nickel higher on the week at \$11.225. Despite their Friday setback, December soybean meal futures added \$5 this week and settled at \$322 per ton.

