



# The T.C. Jacoby Weekly Market Report

WEEK ENDING January 30, 2026

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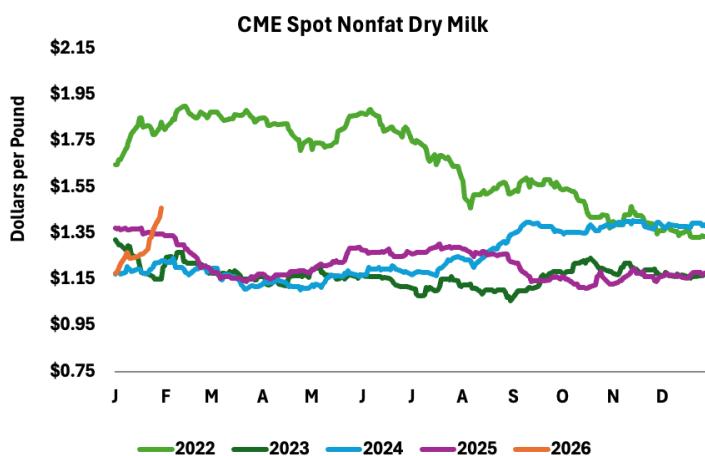


CME Spot Market for the Week			WHEY		
1/26/2026 to 1/30/2026		Avg Price	Qty Traded	4 wk Trend	
		\$ 0.7450	5		
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.3940	20		\$ 1.4280	2	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.5570	39		\$ 1.3895	4	

After rising unabashedly last week, the resolve of dairy markets was tested in recent days with mixed results. The CME was abuzz with activity as buyers and sellers gathered to test the limits and fortitude of the market's newfound vigor.

For its part, nonfat dry milk (NDM) shrugged off the challenge, moving convincingly upward over the course of the week. Price movements in the NDM market have been arguably dull in recent years as the

price has waffled in just a 37¢ band since November 2022. But the market broke through those bounds this week, with prices increasing every day. In total, the spot NDM price rose 13.5¢ during the week to end Friday's trade at \$1.46/lb., the highest price since November 2022. Notably, NDM prices are higher than cheese prices for the first time since 2022.



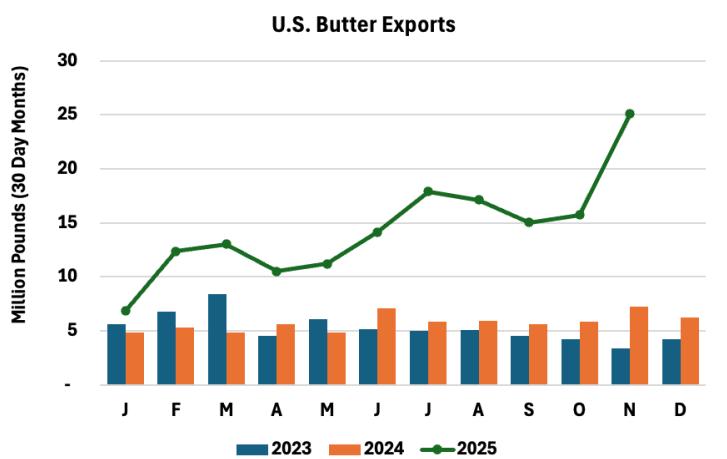
domestic supplies have also likely played a role in driving prices higher as skim solids are increasingly routed away from powder production and towards other products. For the second month in a row, NDM

The global powder markets may have helped to inspire the NDM market as last week's gains for SMP at the GDT auction were punctuated with another increase during this week's Pulse event. Scarce

exports were effectively flat with prior year in November as an uptick in shipments to Southeast Asia compensated for weaker volumes sent across the southern border to Mexico.

While NDM markets moved decisively upward, the trajectory was less assured in the butter market. After the spot price surged late last week, another 2.5¢ gain on Monday lifted the price to \$1.60/lb. But, intrigued by lofty prices, sellers showed up to the market in force in the following days causing the price to tumble by a collective 11.5¢. Not to be discouraged, another 9.5¢ gain on Friday brought the price back up to \$1.58/lb., a half cent higher than the prior Friday as 39 loads of product traded hand.

The butter market is clearly seeking direction as hefty milkfat production goes up against surprisingly dogged demand. *Dairy Market News* reports that churning continues to operate under busy schedules though inclement weather during the past week caused disruptions. Domestic butter consumption remains upbeat while export demand continues to rocket upward on the back of competitive international prices. U.S. manufacturers and traders shipped 25.1 million pounds of butter offshore in November, a whopping 245.2% more than during the same month last year. Strong international sales have provided a critical outlet to continue clearing butterfat from the market.



Strong export sales haven't only been a boon for butter, however, as cheese exports also continue to ride high. Cheese exports totaled 111.9 million pounds in November, up 28.1% from last year and the ninth month in a row that cheese exports have topped the 100-million-pound mark.

Encouragingly, an increase in exports to a broad range of destinations in Latin America, Asia, and even Oceania have boosted the figures.



Without doubt, strong exports have played a critical role in preventing the accumulation of cheese stocks that would cause prices to deteriorate further. Even so, the tone in the cheese market is far less bullish than it was last week. After starting the week with a bang in the form of 9¢

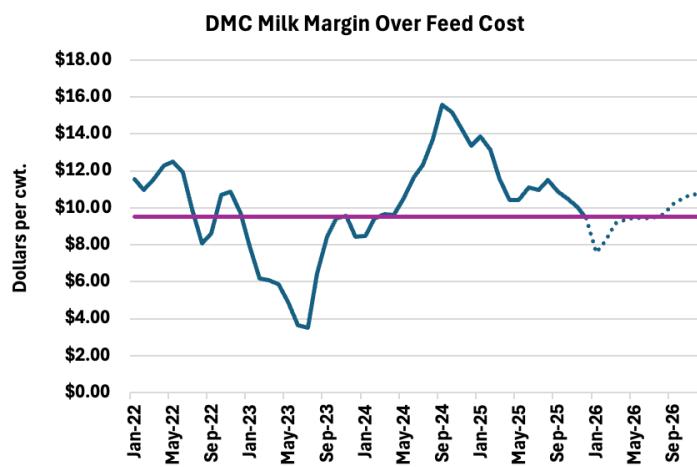
gain, CME Cheddar block prices slowly saw their prices whittled away, losing value Tuesday through Friday. By the time the dust settled after this afternoon's spot session, block prices were back to \$1.3625/lb., a mere 0.75¢ higher than last week with 20 trades completed.

While the cheese market searches for direction, the whey market seemed to recover a bit of oomph with dry whey prices advancing over most of the week. Spot trading ended on Friday with dry whey at 75¢ per pound, up 1.5¢ from last week as 5 loads moved. Unassailable demand for protein infused products is keeping a floor under the dry whey market as an increasing portion of the whey stream is routed to the

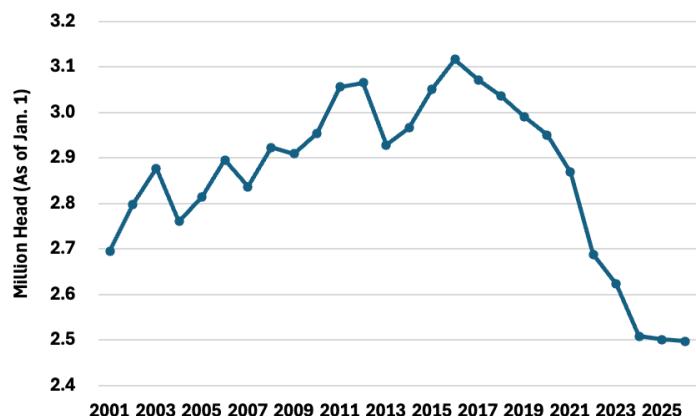
production of high value ingredients. Meanwhile, export performance has been mixed. Shipments of low protein whey products under the 040410 HS code jumped 13.7% to 97.2 million pounds in November, due especially to stronger exports of permeate. However, exports of whey protein isolate and whey protein concentrate with 80% protein slumped by 17.8%, suggesting that buyers may be tiring of astronomical prices.

Lower commodity values are weighing on milk prices and pushed the All-Milk price to \$19/cwt. in December. This is the lowest All-Milk price since July 2023. Even as feed prices remain modest by historical standards, lower milk prices were sufficient to drive milk margins as reported as part of the Dairy Margin Coverage (DMC) program to an estimated \$9.42/cwt. in December. This represents a 62¢ decrease from prior month and the first time since February 2024 that the figure has dipped below the \$9.50/cwt. threshold at which payments begin.

While milk margins are weak, producers continue to benefit from high beef prices. As a result of the beef-on-dairy strategy, heifer numbers continue to fall, albeit at a slower rate. On January 1 there were an estimated 3.905 million dairy heifers in the national herd, a decrease of 0.3% or 11,000 head compared to last year's figure. Of these, 2.498 million are expected to calve. January's result represented the eighth consecutive year that heifer numbers have declined as producers seek to capitalize on high beef values by breeding for crossbred calves.



**Heifers Expected to Calve**



The feed cost reported as part of the DMC margin program came in at \$9.58/cwt. in December, a modest 8¢ decrease compared to prior month. While corn prices ticked up modestly, lower values for alfalfa and soybean meal played favorably into feed prices. Current market projections suggest that feed prices will remain moderate over 2026, particularly in the first half of the year. For now, futures markets indicate that the feed cost forecast calculated for the DMC program will average \$10.08/cwt. during the year.