



# The T.C. Jacoby Weekly Market Report

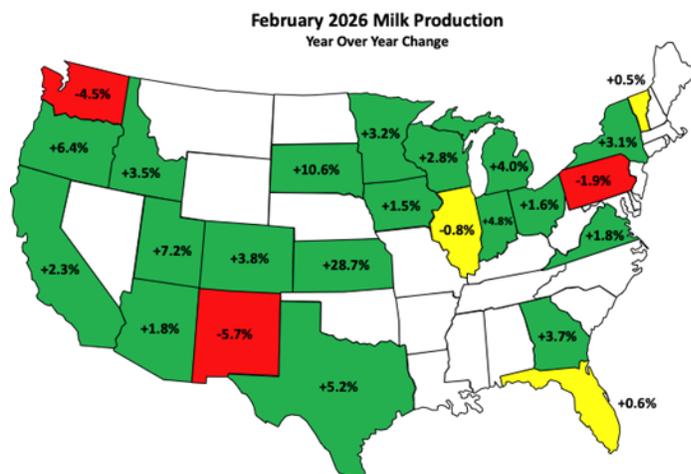
WEEK ENDING March 20, 2026

By Monica Ganley, Market Analyst for the Daily Dairy Report  
 Monica@DailyDairyReport.com



| CME Spot Market for the Week |            |            | WHEY           |            |            |
|------------------------------|------------|------------|----------------|------------|------------|
| 3/16/2026 to 3/20/2026       |            |            | Avg Price      | Qty Traded | 4 wk Trend |
|                              |            |            | \$ 0.6520      | 4          |            |
| CHEESE BLOCKS                |            |            | CHEESE BARRELS |            |            |
| Avg Price                    | Qty Traded | 4 wk Trend | Avg Price      | Qty Traded | 4 wk Trend |
| \$ 1.6160                    | 7          |            | \$ 1.5560      | 0          |            |
| BUTTER                       |            |            | NON-FAT        |            |            |
| Avg Price                    | Qty Traded | 4 wk Trend | Avg Price      | Qty Traded | 4 wk Trend |
| \$ 1.8185                    | 70         |            | \$ 1.8260      | 34         |            |

Today marks the official start of spring and longer days and warmer temperatures are helping to spur milk volumes upward seasonally. But changing seasons aren't the only factor driving milk production growth as volumes continue to post impressive year over year gains. In its Milk Production report published this afternoon, USDA estimated that U.S. dairy producers made 18.255 billion pounds of

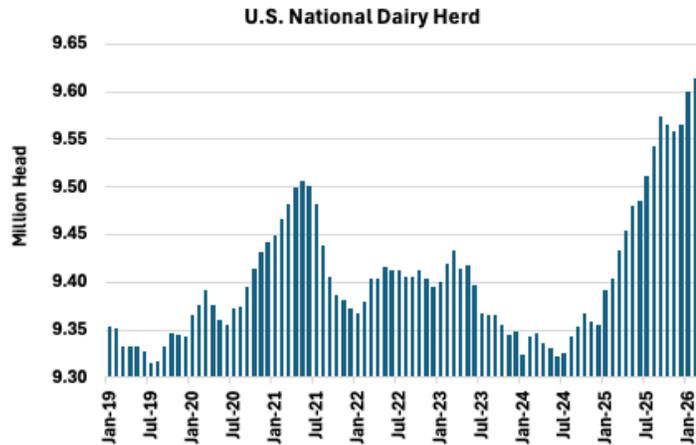


milk in February, 2.9% more than during the same month last year. The agency also revised the January estimate upward slightly. Nearly every state contributed to the volume increase. Notably, California yields continued to improve compared to last year's H5N1-diminished volumes, driving a 2.3% increase in output for the country's largest dairy state.

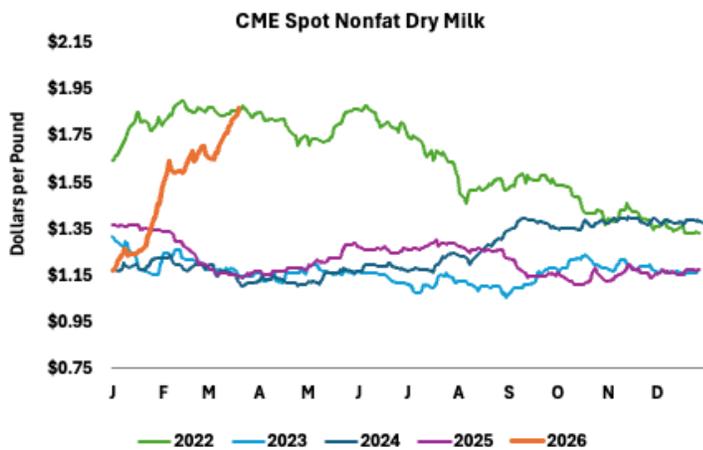
Cow numbers continued to expand in February and were the primary driver of the monthly production increase. USDA now estimates that the national dairy herd

totaled 9.6 million head in January before producers added another 15,000 cows during February. The national herd is now an astonishing 211,000 cows larger than at the same time last year and that there are more cows filling barns than at any time since the early 1990's. It is remarkable that producers continued to add cows during the challenging margin period at the turn of the year and this dynamic suggests that other sources of income, such as beef sales, had a fundamental impact on producer decision making.

Milk supplies remain undeniably ample, both in the U.S. and abroad, but the proliferation of supply has done little to tame the exuberance in the dairy markets. Markets remain unsettled and volatile with prices continuing to move upward across most products, especially in the U.S. Meanwhile, the Global Dairy Trade (GDT) auction featured a more subdued result this week, with the GDT Price Index up just 0.1%, the smallest increase seen this year. This modest result belies more substantive price movements across products as whole milk powder was down 4% while skim milk powder prices rose 5.2%.



All eyes have been on the milk powder markets, especially in the U.S. where nonfat dry milk (NDM) prices continue to climb to new heights. After the initial price bump seen earlier this year, NDM spot prices continued advancing this week, with prices rising each day. On Tuesday prices hit the \$1.80/lb. threshold and on Wednesday, another 2¢ increase lifted the NDM price above the butter price for the first time since April 2014. Two additional increases on Thursday and Friday ultimately brought the price to



\$1.87/lb., the highest price seen since mid-2022. Overall, the NDM spot price added 10.5¢ during the week as 34 loads traded hands.

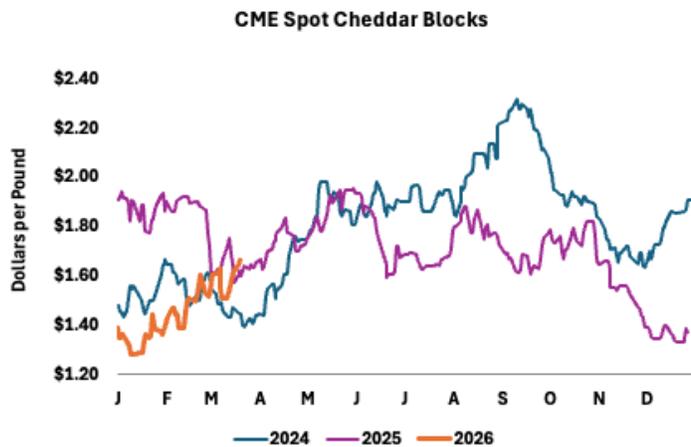
The dramatic increase in NDM prices continues to be a supply driven phenomenon. Even though milk is long, powder is short as skim solids are consistently being routed to alternate uses. Increased demand for ultrafiltered milk as well as spoonable Class II products continues to limit the condensed skim available for dryers and is expected to keep milk powder

production constrained over the coming months. Demand has been stable, but market participants report that even though contracted volumes are being delivered, there are no spot volumes of milk powder to be had. Export demand for U.S. product was upbeat late in 2025 and into 2026 but the price rally has rendered U.S. product largely uncompetitive with other global suppliers and export prospects are likely to suffer, as a result.

The bulls did not limit themselves to the NDM market this week, however, as cheese prices also made some impressive upward moves. Record large export demand continues to underpin strength in the cheese market, though domestic demand has been showing some encouraging signs in recent weeks following a dismal 2025. Unlike powder, U.S. cheese remains very competitive compared to other international sources and the anticipated expansion in production projected for this year is expected to ensure substantial supplies looking ahead. The CME block Cheddar market saw spot

prices rise during each day of trading, adding a total of 13.25¢ during the week. At the end of Friday's session, the price sat at \$1.6625/lb., the highest price since last October, as 7 loads of product swapped hands.

Meanwhile, the dry whey price appears content to linger at current levels. A price dip on Wednesday was completely offset by modest increases on Thursday and Friday. This brought the price back to 66¢ per pound, unchanged from prior week, as 4 trades were realized. Robust cheese production has continued to ensure a healthy raw whey stream but climbing demand for high protein products is expected to keep a limit on how much of this product is routed to the dryer.



Butter was the only product to see prices fall this week. After the new crop rule drove prices dramatically upward during the first days of March, the last couple weeks have been spent unwinding these gains. Prices shuffled around somewhat this week but ultimately fell by 4.75¢ to bring the price back down to \$1.80/lb. at the conclusion of Friday's spot session. Demand for butter remained robust this week as a full 70 loads of product exchanged hands at the CME.

The feed markets were roiled this week, heavily influenced by the ongoing conflict in the middle east. Corn prices tumbled on Monday before finding traction later in the week. On Thursday, MAY26 corn futures settled at \$4.6975/bu. The soybean markets were no less eventful as the trade closely watched the status of a potential meeting between the presidents of the U.S. and China. On Thursday MAY26 soybean meal futures settled at \$332.5/ton, up about \$10 from the prior Friday.