



The T.C. Jacoby Weekly Market Report

WEEK ENDING March 13, 2026

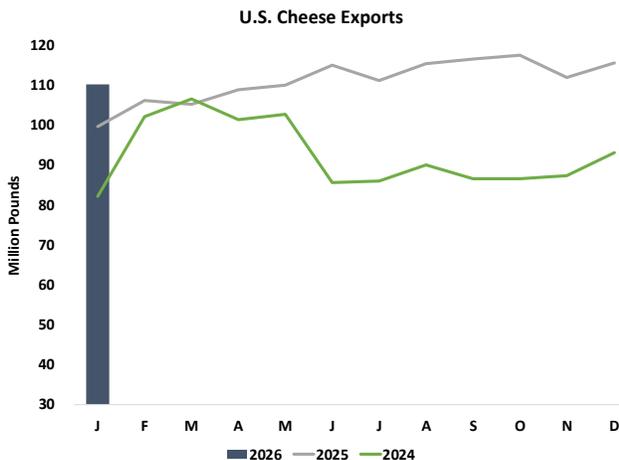
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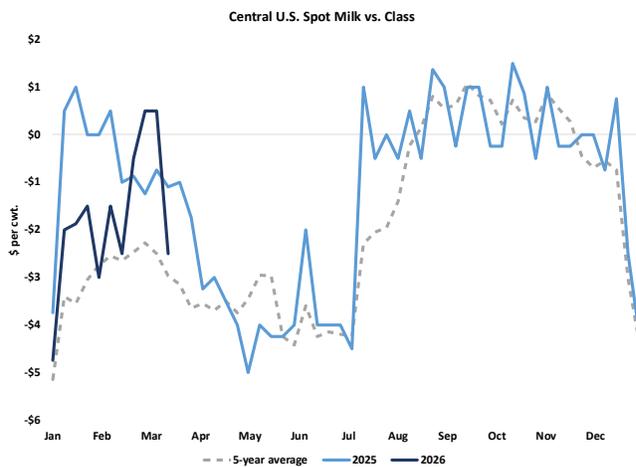
CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
3/9/2026 to 3/13/2026			\$ 0.6460	1	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.5465	26		\$ 1.5390	1	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.8930	75		\$ 1.7280	5	

The dairy markets are contending with an abundance of milk and a fresh infusion of global turmoil. That amped up the volatility on LaSalle Street. CME spot Cheddar blocks came out strong on Monday and rallied to a four-month high at \$1.63 per pound. But as the week wore on, blocks' enthusiasm waned. They settled today at \$1.53, down 8.75¢ for the week.

Milk output is ramping up in the early months of the spring flush, and cheese manufacturers have access to all the milk they need and more. Spot milk changed hands at steep discounts, with some lows \$5 below Class III. USDA's *Dairy Market News* reports that in the Central region, "Some cheesemakers say they are unable to take on additional volumes of milk, as they are already running full schedules with volumes they have internally." In California, processors are overwhelmed. Some producers have been forced to dump milk, and at least one cooperative is imposing severe discounts on over-quota volumes.



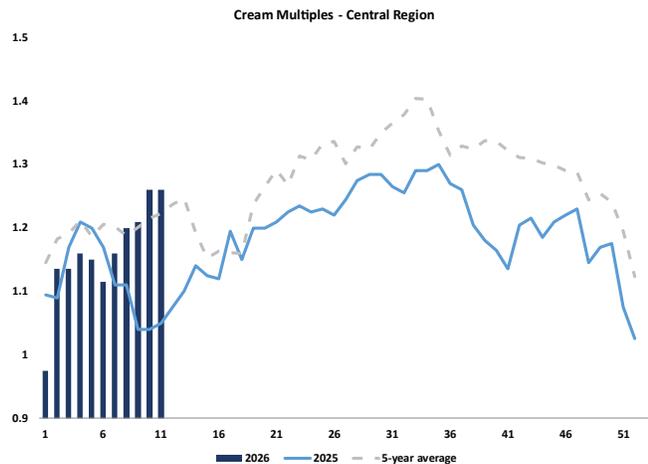
Cheese exports remained strong through January, although shipments were a little lighter than the record-shattering pace set in the second half of last year. *Dairy Market News* reports that in



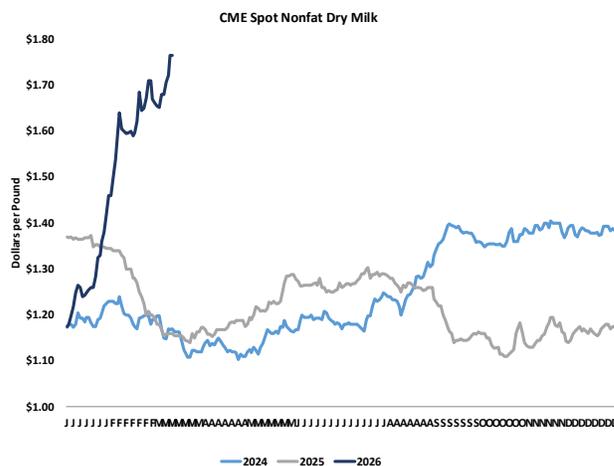
both the U.S. and Europe, “Export cheese demand is strong, but some contacts are concerned that rising shipping costs will negatively impact international interest.” American cheese remains the least expensive option, but with both the dollar index and cheese prices up sharply from where they stood a few weeks ago, some international buyers may no longer view it as a bargain.

Butter traced a similar path, with a Monday rally and a mid-week collapse. All told, CME spot butter lost 16.25¢ this week and closed at \$1.8475. Butter exports remained strong through January, with shipments at the highest level for the month since 1994. International values are rising, and U.S. butter continues to win marketshare abroad.

Cream is not particularly cheap, but churns are running hard. Over the past year, butter makers have developed international relationships, and now they’re confident they can make 82% unsalted butter and keep it moving. Meanwhile, other dairy processors have found ways to use up the excess cream that they previously sold without profit. Thus, the invisible hand has pushed dairy processors to use more butterfat, allowing cream supplies to feel tight despite record-high output.



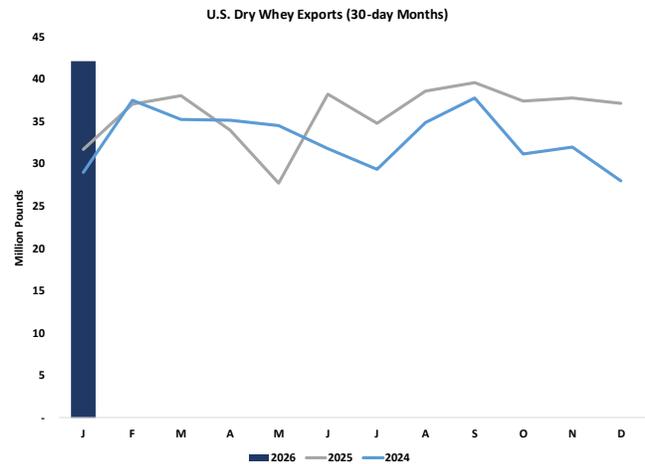
The powders gained ground this week. CME spot nonfat dry milk set a fresh multi-year high at \$1.765, up 8.5¢ since last Friday. Milk powder exports were ho-hum as the year began. They topped January 2025 volumes by 19.2%, but they were lower than most other months in 2025, a year in which annual exports dropped to an eight-year low. However, mediocre – and even subpar – exports are good enough because dryers aren’t running as hard as they once did. And rising international prices continue to support



the U.S. milk powder market.

Whey futures shook off their late-February slump and stabilized in the mid-60s. CME spot whey powder regained 2¢ this week and closed at 66¢. Whey powder exports fared well in January, thanks to formidable shipments to China. The world’s largest ag importer took in more U.S. whey powder than it had in any month since 2021. Nonetheless, whey stocks grew in January (and in every month since September), and *Dairy Market News* reports that inventories continue to grow. Manufacturers continue to make as much high-protein concentrate as possible, but there is enough whey leftover, and powder is starting to pile up.

After all the ups and downs, most Class III futures ended the week a little lower than where they began it, but a smattering of contracts managed to gain a few cents. April Class III fell 31¢ to \$16.67 per cwt, a price that is right on the edge of profitability for many producers, after adding in record-breaking beef calf and cull cow revenues. The deferred futures promise better times ahead, with contracts in the \$17s and \$18s. Dairy producers who earn Class IV revenue are well positioned. Most Class IV contracts posted double-digit gains this week. April Class IV advanced 27¢ to \$19.95.



Investors around the world view corn and soybeans as a form of energy, thanks to the U.S.’s massive ethanol and biodiesel industries. Traders watching the oil market and looking to cash into the commodity boom bid up crops on LaSalle Street this week. In the week ending March 10 (the latest data available), managed money funds bought more than 140,000 corn futures and options, their fourth-largest weekly buying spree on record. This week, May corn futures climbed 6.5¢ to \$4.67 per bushel. The December contract jumped 6.5¢ to \$4.91, its highest price in over two years. May soybean futures jumped 23¢ to \$12.23 ¾. May soybean meal rallied \$5 to \$322.20 per ton.

In theory, high oil and gas prices could boost demand for U.S. ethanol and biodiesel. However, U.S. ethanol production is already running close to capacity, so further corn for ethanol demand may be limited. Additionally, if Americans balk at \$4 gas and drive less, ethanol demand could drop. On the other hand, high fertilizer costs could reduce corn acreage at the margins for farmers who haven’t already purchased their spring inputs. Until the energy markets calm down, traders will likely price a considerable risk premium into an otherwise unexciting and well-supplied corn market.