



The T.C. Jacoby Weekly Market Report

WEEK ENDING MARCH 6TH, 2026

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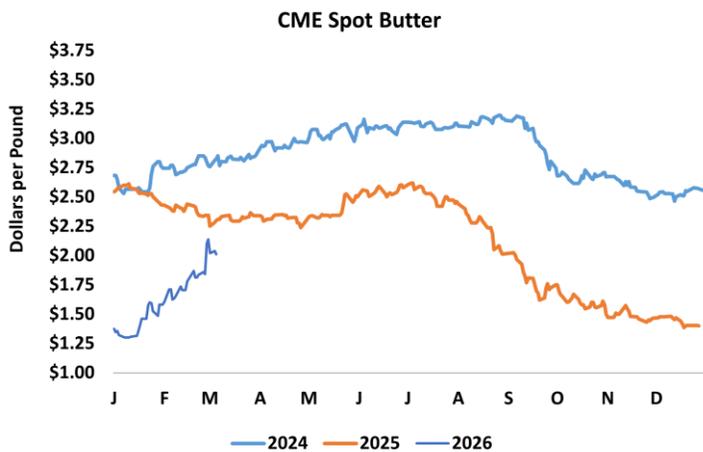


CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
3/2/2026 to 3/6/2026			\$ 0.6320	1	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.5770	10		\$ 1.5620	1	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 2.0625	92		\$ 1.6640	59	

Milk & Dairy Markets

It has been a dramatic and volatile week, both in and out of the dairy markets. All eyes have been on the developing conflict in the Middle East and analysts have been scrambling to deduce the impact for the dairy market. Outside of drastically reduced dairy demand in the Gulf States, concerns are circulating around two key issues. Firstly, freight rates have soared as standard shipping routes have been redrawn, and insurance premiums have increased dramatically. These impacts are rippling across the globe and raising logistics costs far beyond the affected region. Secondly, prices of energy and

fertilizer are being driven upward by the conflict, which is likely to increase producer inputs and could dampen dairy demand if the inflationary environment persists for an extended period.



Perhaps partially inspired by rising commodity values, the dairy markets continued to move upward this week. The Global Dairy Trade Price Index jumped by 5.7% at this week's event, with price increases seen across nearly every product. Only buttermilk powder and lactose saw prices fall, posting declines of 0.2% and 3.9%, respectively. Even as

global milk production remains strong, dairy buyers remain eager to get their hands on stock, with markets moving upward in response.

A similar dynamic played out in the US at the CME spot market this week as rose across nearly every commodity. Without doubt, butter was the star of the show as prices shot upward by 26.5¢ on Monday, bringing the price to \$2.105/lb. Monday’s dramatic increase was followed by another 3.25¢ increase on Tuesday before prices moderated considerably over the course of the week. Friday’s spot trade closed with butter at \$2.01/lb., but not before a remarkable 47 loads of butter changed hands during the single session. All told, 92 butter trades were made over the course of the week with the price up 17¢ from a week prior.

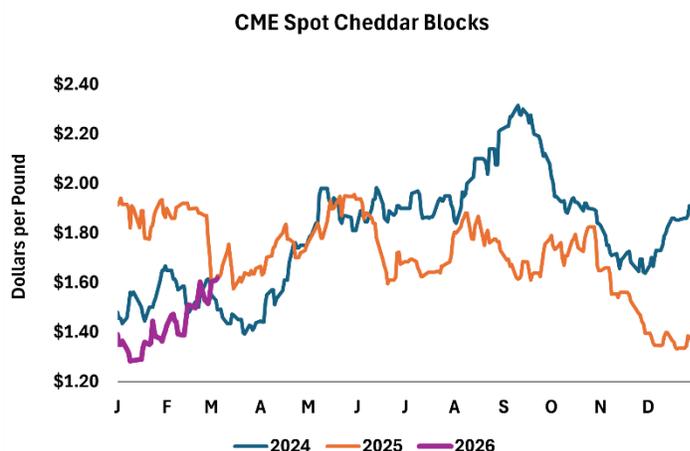
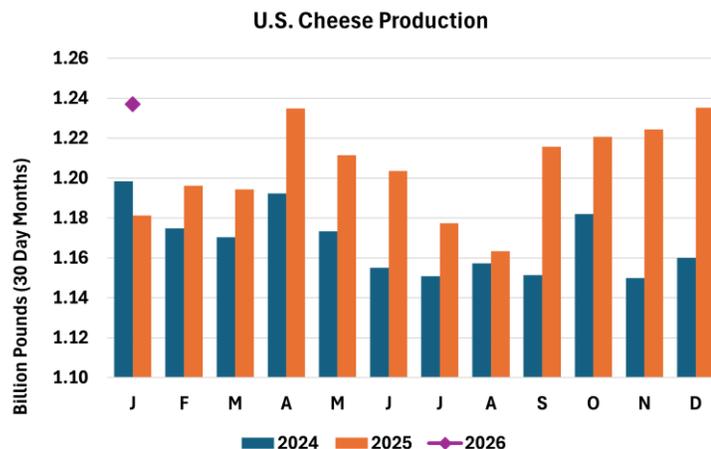
Importantly, Monday was the first day for new crop butter which likely played an important role in pushing the price upward. As of Monday’s market, all butter traded on the CME had to be produced after December 1 of the prior year. This rule is an idiosyncrasy of the butter market and although widely recognized it can lead to higher prices as the amount of supply eligible for the exchange shrinks dramatically one day to the next. Butter production remains upbeat as illustrated by yesterday’s Dairy Products report which showed that 231.4 million pounds of butter were produced in January, 6% more than during the same month last year. But surging exports and healthy domestic demand has kept the market in balance and provided sufficient support for the recent rally. The butter futures markets remain skeptical of the rally with most nearby contracts trading lower than a week prior by the end of the week.

As butter production rose in January so did cheese production. Cheese output for the month totaled 1.278 billion pounds, a 4.7% increase compared to the same month last year. Nearly all cheese varieties saw volumes grow during the month. American styles

were up 3.9% year over year while Cheddar production in particular grew a sizeable 7.4%. Meanwhile, production of Italian styles grew 6.5% with mozzarella production up 4.4%. With milk production still on the rise and capacity relatively available, U.S. cheese production is well poised to continue growing in the coming months. However, domestic demand remains tepid and, as a result, continued strength in

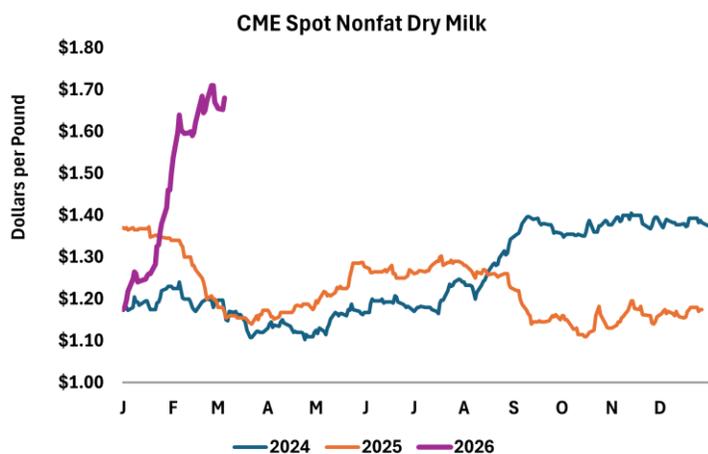
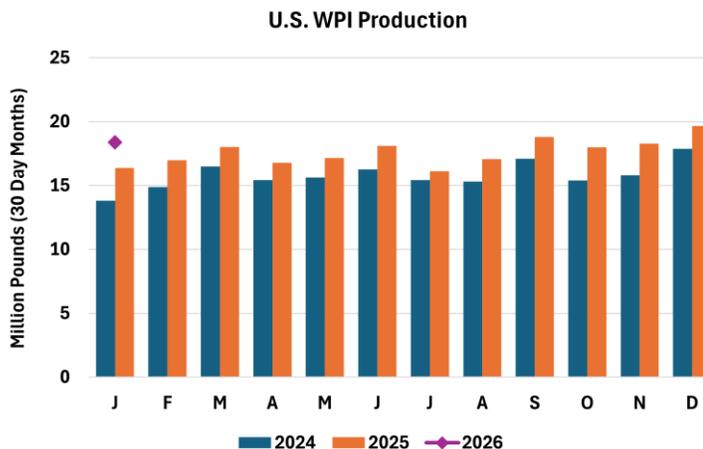
the export market will remain crucial to prevent inventories from becoming burdensome.

The Cheddar market found support to keep moving upward as the spot block price rose 9.5¢ over the course of the week. After a modest dip on Monday, prices appreciated over the balance of the week, ultimately bringing the price to \$1.6175/lb. as 10 loads of product traded hands. Higher cheese prices in other corners of the globe have



likely encouraged recent price increases at the CME. However, maintaining the competitiveness of U.S. products will be essential to maintain export viability.

Plentiful cheese production has ensured that there is abundant raw whey available for manufacturers. In an extension of the trend seen in recent history, whey continues to be routed to higher value uses. Production of whey protein isolates jumped 12.4% year over year in January, rising to 19 million pounds. Production of whey protein concentrates (WPC) with between 50% and 89.9% protein were up by a similar 12.2%. However, output of WPCs with between 25% and 49.9% protein plummeted 18.1% year over year as much of that capacity has been retooled toward higher value products. Dry whey for human consumption rose 11% in January. The dry whey market wobbled this week but ultimately the spot price ended Friday's trade at 64¢ per pound, up 0.75¢ from last week.



Milk powder production continues to lag as skim solids are deployed toward alternative uses. Combined production of nonfat dry milk (NDM) and skim milk powder in January was 186.7 million pounds, a decrease of 1.3% versus the same month last year. Manufacturers stocks of NDM were pegged at 214.821 million pounds at the end of January, virtually unchanged from prior month levels. After reaching \$1.71/lb. late last week, the spot NDM market spent this week slowly retreating with prices slipping every day except on

Friday. A 2.75¢ increase on Friday brought the price to \$1.68/lb. to tend the week, down 3¢ from the prior Friday's 59 loads traded hands.

Feed & Grain Markets

Higher crude oil prices let grain prices upward, particularly later in the week. MAY26 corn settled at \$4.535/bu. on Thursday before adding another 7.25¢ by the time we went to press on Friday afternoon. Similarly, MAY26 soybeans settled at \$11.7925/bu. on Thursday, and surging above \$12/bu. during Friday's trade. Extended conflict in the Middle East is likely to increase operating costs for agricultural producers.