



The T.C. Jacoby Weekly Market Report

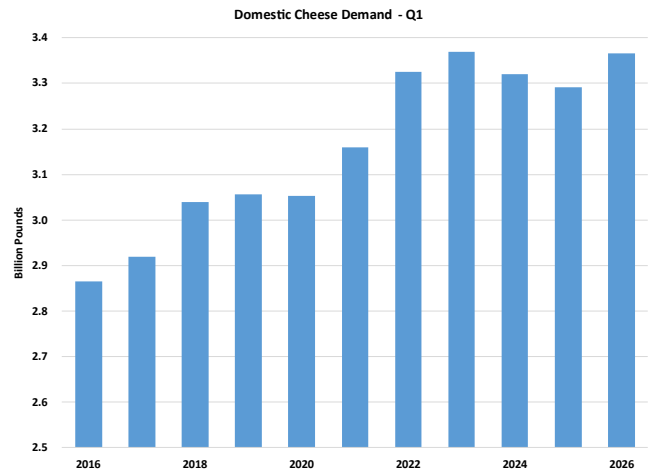
WEEK ENDING May 15, 2026

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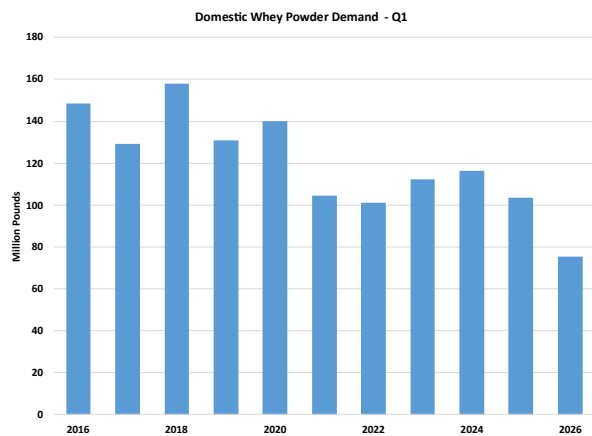
CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
5/11/2026 to 5/15/2026			\$ 0.6870	4	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.6035	24		\$ 1.5850	0	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.6385	99		\$ 2.2810	28	

The dairy markets retreated this week, led by a 6.75¢ drop in Cheddar blocks. CME spot Cheddar closed at \$1.555 per pound, within a tic of its lowest price in two months. Cheesemakers continue to crank out product. Domestic demand is climbing, but not as quickly as production. In the first quarter, U.S. cheese output was 3.1% greater than the year before, while domestic consumption climbed 2.3%. Exports absorbed the surplus and then some. But the industry can't count on exports to use up our excess cheese unless we're the world's least expensive source. USDA's *Dairy Market News* echoes the crux of the issue: "U.S. cheese is competitively priced with loads produced in other markets, contributing to strong export demand." However, cheesemakers also note that "the price difference is slim, and an uptick in domestic prices could cause export demand to decline."



CME spot whey powder slumped to a one-month low. It slipped 1.5¢ this week to 68.5¢ per pound. Food processors are opting for whey protein concentrates, whey protein isolates, and milk protein concentrates so they can highlight protein on their nutrition labels. Whey powder is getting short shrift. In the first quarter, Americans used just 75 million pounds of whey powder, down 28.3 million pounds from January through March 2025 and the lowest

quarterly consumption since at least 1995. Meanwhile, production jumped 10 million pounds year over year. Exports couldn't quite close the gap. U.S. whey powder exports in the first quarter

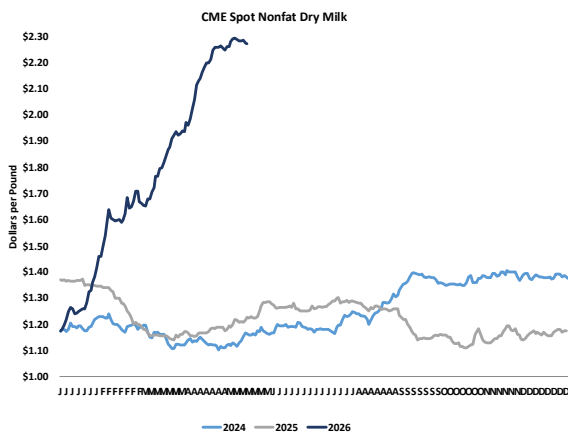
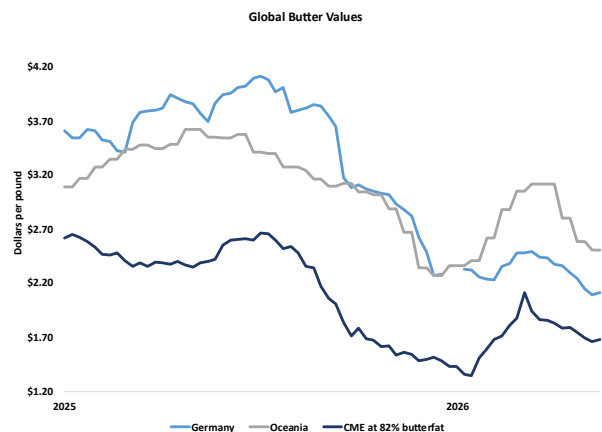


were 38 million pounds greater than during the same period in 2025. If domestic whey consumption remains in the doldrums, exports will need to climb beyond their already brisk pace or prices will continue to slide.

up the slack. But butter prices remain under pressure in order to preserve our status as the world's bargain source for butterfat. European butter prices have lost ground consistently since mid-March. The U.S. butter market has followed a similar path.

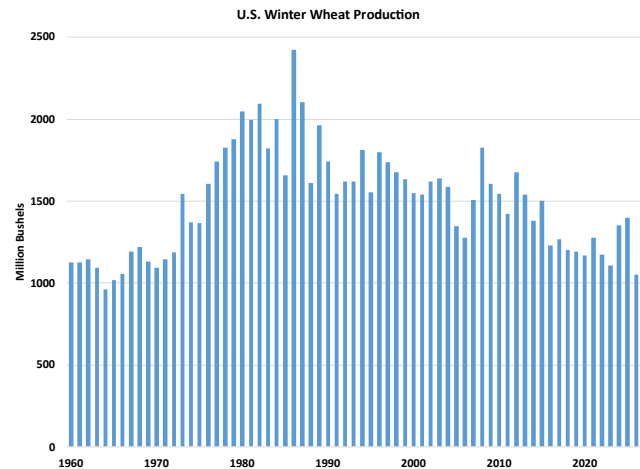
Spot butter dropped 2.5¢ this week to \$1.64. Domestic butter demand is excellent. It jumped to an all-time high in the first quarter, up 3.9% from the first three months of 2025. But that was not enough to offset the 6.9% growth in U.S. butter output in the first quarter. Exports picked

Milk powder prices pulled back from last week's all-time highs. CME spot nonfat dry milk (NDM) gave up 1.75¢ this week and closed at \$2.2725. That's a price that still reflects scarcity. Indeed, *Dairy Market News* reports that "spot loads are difficult to find throughout the country." Two milk powder processors had to recall some product, reducing the volume available to buyers in need of a quick shipment. And domestic demand grew much faster than output in the first quarter. Exports topped year-ago volumes as well. Even at these prices, demand is outstripping supply. But the trade is on edge. Markets that spike tend to drop just as quickly once they do start to fall.



With both cheese and whey prices fading, Class III futures lost ground as well. The June contract fell 32¢ to \$17.01 per cwt., its lowest price since late January. Even after the setback, deferred futures promise prosperity. The August through December contracts are still north of \$18. Class IV futures also finished in the red, but they remain lofty. July Class IV fell 23¢ to \$21.09. Decent milk prices and record-shattering beef revenues are adding equity for dairy producers.

The feed markets moved violently back and forth this week as they considered production forecasts and trade prospects. USDA shocked the market Tuesday when it pegged the winter wheat crop at just 1.05 billion bushels, the lowest harvest since 1965. Drought has devastated the Plains, and the trade assumes that at least some would-be wheat buyers will opt for corn instead. Wheat futures soared to three-year highs, and corn futures followed them upward. December corn topped \$5 per bushel, scoring a life-of-contract high.



Soybeans and soybean meal rallied too, buoyed by optimism that the Trump-Xi summit would result in even more opportunities to export expensive soybeans to China. But those hopes were ill-founded. China has stated several times since October that additional soybean purchases were not on the table. After a few days in Beijing, U.S. Treasury Secretary – and billionaire soybean farmer – Scott Bessent said soybeans are “all taken care of” through China’s existing commitments. The soy market deflated, and the grains retreated too. The poor U.S. wheat crop notwithstanding, the world has plenty of grains and oilseeds, and the U.S. season is off to a decent start in the Corn Belt. The bulls simply weren’t hungry for \$5 corn. July corn futures closed at \$4.55, down 16¢ for the week. December corn settled at \$4.8125. July soybeans dropped 41¢ to \$11.77. But soybean meal clung to its early week gains. The July contract closed at \$334.10 per ton, up an impressive \$15 this week.