



# The T.C. Jacoby Weekly Market Report

WEEK ENDING May 1, 2026

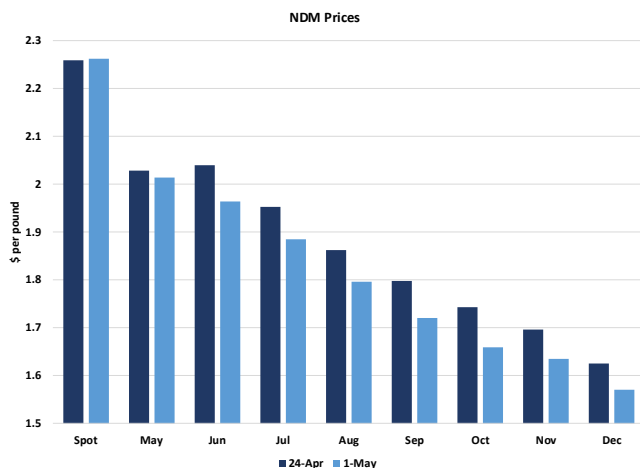
By Sarina Sharp, Market Analyst for the Daily Dairy Report  
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CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
4/27/2026 to 5/1/2026			\$ 0.7025	3	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.6430	11		\$ 1.6150	0	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.6505	92		\$ 2.2590	19	

A tiny bit of air leaked out of the spot milk powder market, and the entire dairy complex deflated. CME spot nonfat dry milk (NDM) notched an all-time high on Tuesday at \$2.265 per pound. Prices slipped Wednesday and Thursday and then bounced back on Friday. Spot NDM closed the week at \$2.2625, just a hairsbreadth off the high and up 0.25¢ for the week.

But when spot NDM took a breather, dairy futures collapsed. Milk, cheese, whey, butter, and milk powder futures lost ground nearly every day this week. July and August NDM futures

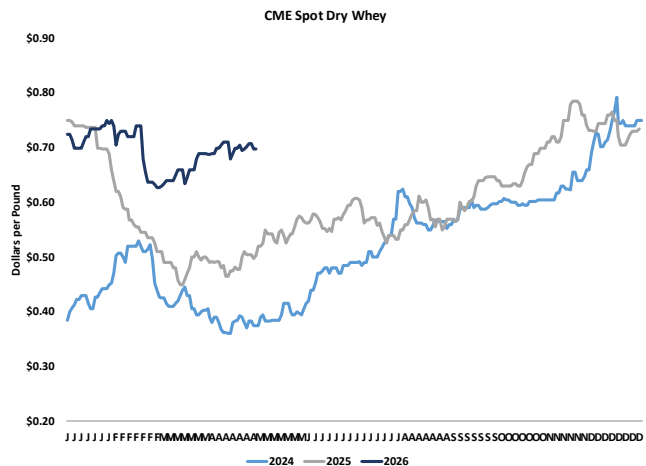


plummeted 4¢ on Friday, their maximum daily loss, despite the late-week rebound in the spot market. Class IV futures lost an average of 88¢, but values remained lofty. May and June Class IV are still north of \$21 per cwt. Class III contracts lost an average of 44¢ this week; they settled in the \$17s and \$18s. The broad decline demonstrates just how much the dairy markets had been drafting in NDM's wake.

The NDM spot market continues to signal that there is no extra milk powder to be had. But the forward-looking futures market believes this is a temporary situation. There are hints that both supply and demand are alleviating the tightness. On the supply side: U.S. milk

powder output topped 2024 and 2025 volumes in both January and February. In the absence of bird flu, milk is flowing in California, and dryers are completely full. There's no sign that a heat wave will bring an early end to the flush. However, in other parts of the country, other dairy processors are lapping enough milk that dryers are not running at full throttle despite the calendar.

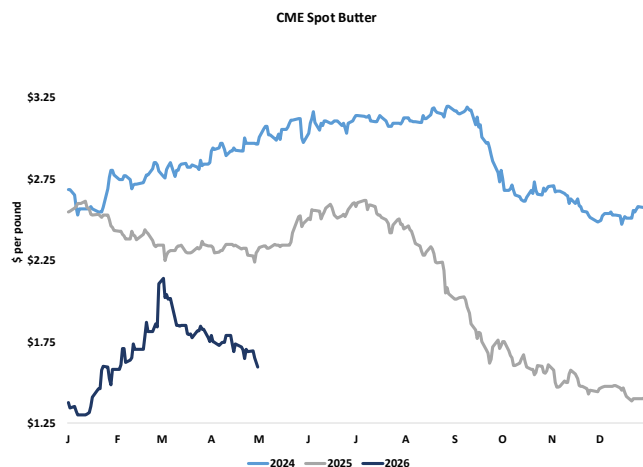
USDA's *Dairy Market News* reports that both domestic and international demand remains strong. But the U.S. is surely not winning any discretionary business. The gap between U.S. and international prices has grown wide enough that Mexican buyers are going through the administrative and logistical headaches required to source powder elsewhere. Mexican buyers were bidding at the Global Dairy Trade (GDT) auction Tuesday. Most products lost ground at the GDT, but skim milk powder prices climbed 3.2%.



CME spot whey powder held steady this week and closed at 69.75¢. USDA's *Dairy Market News* notes, "Cheesemakers are running busy production schedules, leaving plenty of whey for drying." The agency also noted an uptick in whey export sales to Asia, suggesting that the whey market remains in balance.

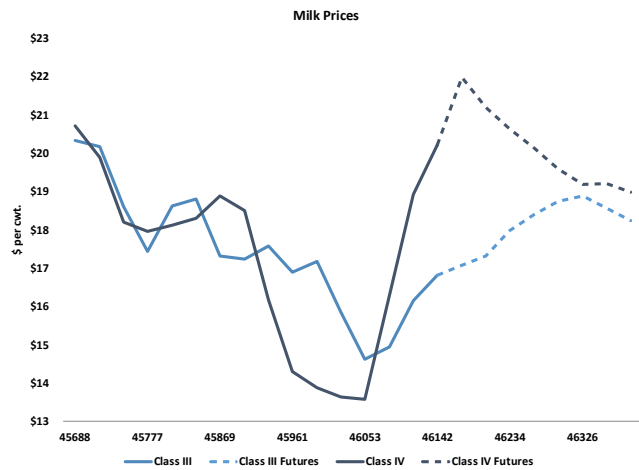
The cheese market also reflects a state of equilibrium. CME spot Cheddar blocks slipped a half-cent this week to \$1.64. Production is running strong, but so are exports, and the latest stocks data showed no cause for alarm. However, industry stakeholders to *Dairy Market News* that foodservice demand is lackluster. Domino's reported slower-than-expected growth in same-

store sales in the first quarter and Pizza Hut's U.S. sales dropped. Cheesemakers are concerned that Americans who are spending more on gas will dine out less and consume less dairy.

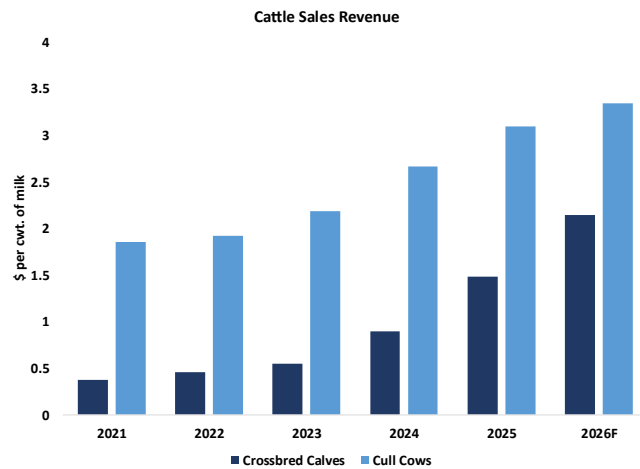


Butter prices continued to drop. CME spot butter fell 11¢ this week to \$1.595, a three-month low. While exports continue to boom, the market is no longer concerned that butter supplies will be tight this fall. There is simply too much butterfat to worry about a shortage.

Live cattle futures set fresh all-time highs this week, easily besting the once unthinkable prices logged in October. Dairy producers are cashing substantially higher cull cow and beef calf checks than they did a year ago, when beef-related revenues were already astoundingly high. Newborn crossbred calves are selling for \$700 or \$800 more than they did at this time last year, while cull cows are \$200 to \$300 higher than they were in late-April 2025. It all adds up to a lot of non-milk revenue. When lower milk prices arrive, dairy producers will be somewhat shielded from the market signal to produce more milk.



For now, they're poised to enjoy record-shattering beef incomes and decent milk revenues to boot. They'll likely continue to add cows.



It's dry in the Plains, and the hard red winter wheat crop is struggling. Wheat futures soared, and corn futures followed them upward. July corn closed today at \$4.795 per bushel, up 16¢ for the week. December corn futures topped \$5 for the first time since 2023, and they closed just shy of that mark at \$4.9825. New-crop soybean futures also rallied to life-of-contract highs. And July soybean meal held steady at \$319 per ton.