



The T.C. Jacoby Weekly Market Report

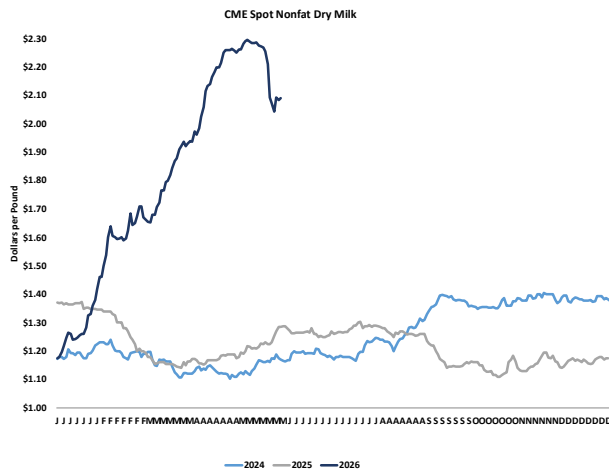
WEEK ENDING May 29, 2026

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CME Spot Market for the Week			WHEY		
5/25/2026 to 5/29/2026			Avg Price	Qty Traded	4 wk Trend
			\$ 0.6913	7	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.4881	22		\$ 1.4475	2	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.6206	104		\$ 2.0775	37	

After a heart-stopping plunge off the cliff, the milk powder markets found a ledge and clambered upward. CME spot nonfat dry milk (NDM) regained 1.75¢ this week and closed at \$2.09 per pound. That’s well below the recent peak, but it’s a historically lofty perch from which the market can pause, catch its breath, and determine if it has the strength to keep climbing, or if it should continue the descent toward historically normal levels that are far below today’s prices.

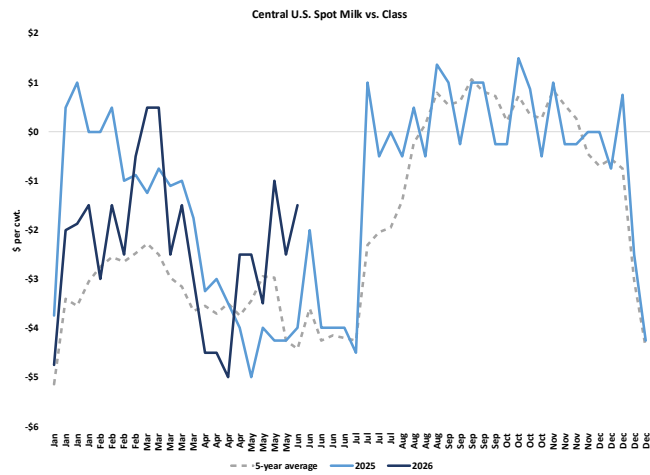


USDA’s *Dairy Market News* offers several clues about the market’s likely path. The agency acknowledges the conditions that led to the spring spike, noting that, in the East and Central regions, milk powder “inventories are still somewhat snug.” However, they are growing, and supplies are more available in the West.

It’s late May, which means most loads of spot milk are changing hands at a discount, and the lineup of trucks at dryers is stretching a little longer. But cheesemakers are lapping up a substantial share of milk in the Central region. From 2023 to 2025, there were only two weeks in April, May, and June in which processors paid a premium for spot milk. But this year, greater competition for milk is pushing up premiums in the heart of the spring flush. Despite the season and the holiday, some dairy processors paid

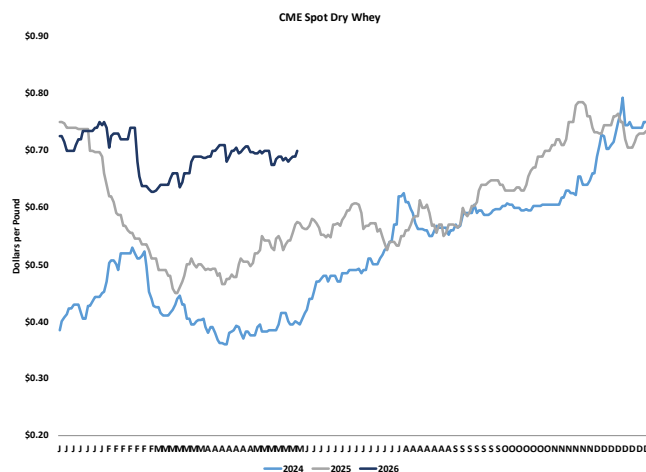
premiums for spot milk for the third week in a row. That’s a sign that cheesemakers are outbidding balancing plants. While milk powder output is outpacing 2025, it’s much lower than most other years. That will help the milk powder market stabilize at higher-than-typical values until milk production fills up all the other dairy processors.

But prices are unlikely to hold above the \$2 mark for much longer. The futures predict that NDM will fade to \$1.85 by July and hover in the \$1.50s and \$1.60s in August through December. Domestic buyers are using as little milk powder as possible as they wait for cheaper supplies to arrive. Exporters tell *Dairy Market News* that “demand is softening” as even reliable markets like Mexico turn to less expensive suppliers. The futures and the invisible hand point downward from here.



Butter prices also bounced back this week, and they did so with some verve. Spot butter jumped 13.25¢ to \$1.6675, a one-month high. Churns are running hard, but operators are making some 82% butter which will surely be destined for foreign markets. That will likely keep butter from piling up despite the impressive increase in U.S. butterfat supplies.

The cheese markets took another step back. Spot Cheddar blocks fell 3¢ to \$1.475, their lowest price since mid-February. Production is formidable, and demand is not keeping pace. Exports remain strong, but if sales run at anything short of a sprint, the stockpile starts to grow.



Whey prices finished the month on a strong note, rallying 2¢ to close at 70¢, matching their highest price in May. The fundamentals of the whey market haven’t changed. Manufacturers are pushing as much whey as possible into high-value concentrates and isolates. Domestic demand for commodity whey powder is uninspiring, but exports are strong. Prices

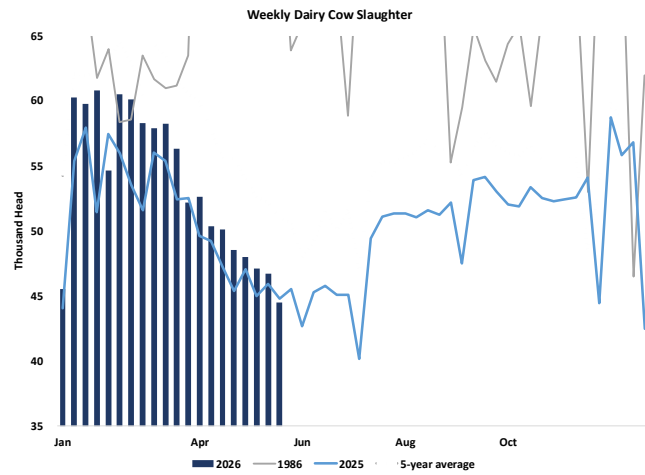
are impressively stable. Over the past two months, spot whey powder has traded within a 3.5¢ range. The whey market may be boring, but it’s still vital. In April and May, whey contributed \$1.08 more to Class III values than during the same period in 2025, and it added \$1.80 to Class III revenues compared to April and May 2024.

The setback in the cheese market dragged most Class III contracts lower this week. June futures were hardest hit. They fell 33¢ to \$16.23 per cwt. Most other Class III contracts notched modest

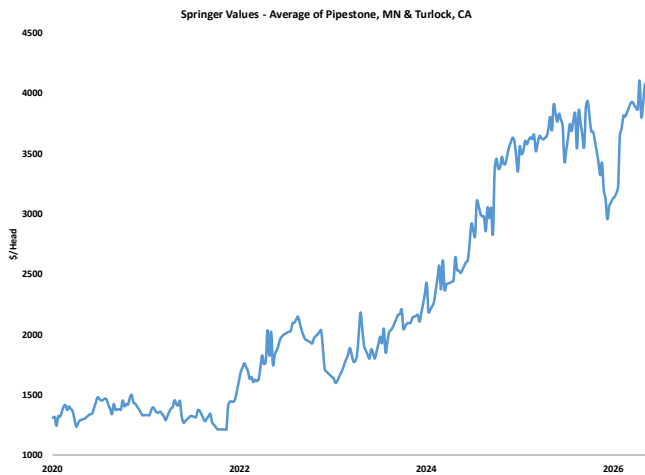
losses. Class IV futures regained some – but not nearly all – of the ground they lost last week. The June contract rallied 73¢ to \$21.90.

Dairy producers in Class III regions won't be thrilled with their June milk check. But sky-high beef incomes will top up these mediocre milk revenues. Prices clearly aren't low enough to quell the industry's appetite for expansion. In the week ending May 16, dairy cow slaughter slumped to 44,526 head, the lowest tally for the week since 2008.

Slaughter volumes for the year to date are 5.3% higher than 2025's very slow pace, but they are well below the historic average. Cull rates are clearly low enough to continue to fuel expansion. And producers are still willing to shell out for replacements. At last week's auction in



Pipestone, Minnesota, the top 25 springers brought between \$4,100 and \$4,300 per head. And in Turlock, California, buyers paid \$3,600 to \$4,400 for #1 Holstein springers. The U.S. milk-cow herd is larger than it's been in nearly 30 years, and there is no sign that it will shrink anytime soon.



Crops are off to a great start and the forecast promises exactly what farmers were hoping for: rains in the Plains and western Corn Belt and sunshine in the Great Lakes region. With that, July corn

futures plunged 20¢ this week to a three-month low at \$4.47 per bushel. July soybeans fell 11¢ to \$11.865. Soybean meal futures dropped a couple bucks to \$329.60 per ton.