



The T.C. Jacoby Weekly Market Report

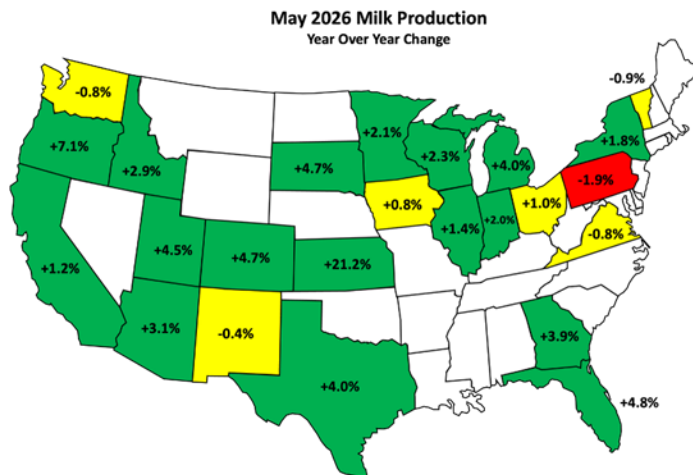
WEEK ENDING June 26, 2026

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CME Spot Market for the Week			WHEY		
6/22/2026 to 6/26/2026			Avg Price	Qty Traded	4 wk Trend
			\$ 0.6810	3	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.4210	48		\$ 1.4710	2	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.5470	68		\$ 1.5935	36	

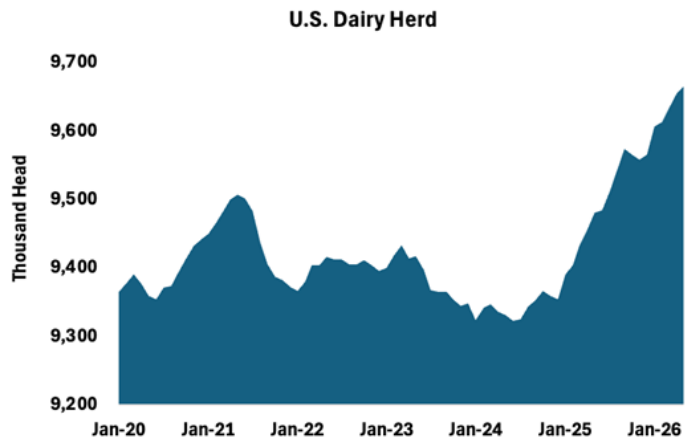
Milk continues to gush across the U.S., though the pace of growth has slowed somewhat. USDA's most recent *Milk Production* report, released earlier this week, showed that volumes across the U.S. ticked up by 2.3% year over year in May. Once adjusted for component growth the increase is likely



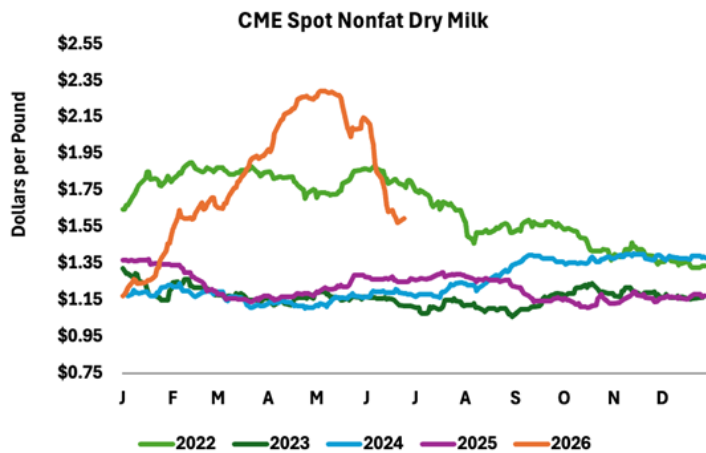
to be even larger. While still strong by historical standards, this is actually the lowest year over year increase since April 2025. The country's largest dairy states continued to record gains relative to prior year levels with volumes in California, Wisconsin, and Texas up 1.2%, 2.3%, and 4%, respectively. The largest declines were witnessed in Pennsylvania and Washington where shrinking cow numbers weighed on production, even as yields rose.

A larger dairy herd continues to push milk production upward. The national herd swelled to 9.665 million head in May, an increase of 10,000 cows versus prior month and a whopping 184,000 head gain against the same month last year. Even though milk margins are tight, high beef prices are encouraging dairy producers to keep cows in the herd for an extra lactation cycle, pushing cow numbers, and in turn milk production, upward. An expanded herd wasn't the only factor driving production higher, however, as yields also rose by 0.4% year over year in May.

The U.S. is not alone in growing milk production as most supply regions across the world are also seeing volumes rise, albeit at a slowing rate. In New Zealand, the 2025/2026 milk production season drew to a close at the end of May reporting record high production as milk solids output grew 4.5% over the year. Meanwhile, European production was up an estimated 2.9% in April. South American suppliers also continue to see volumes expand with Argentina and Uruguay posting year over year gains of 2% and 10.2%, respectively, in May.



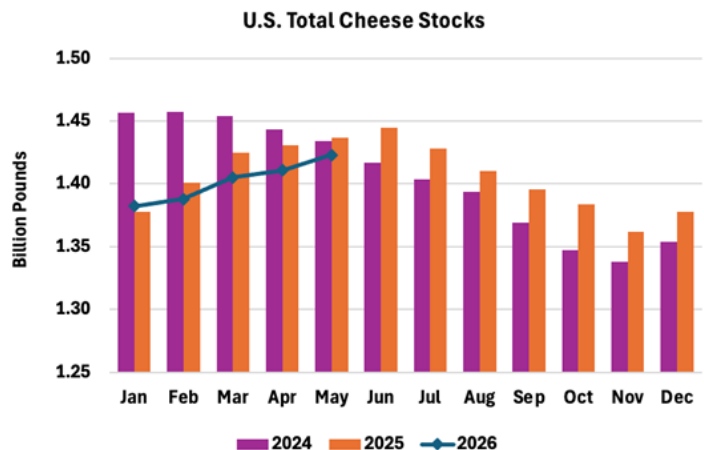
Hefty global production is likely to continue to pressure dairy commodity prices. In this week's Global Dairy Trade Pulse auction, prices for both whole milk powder and skim milk powder moved downward, extrapolating the trend seen in recent weeks. Fat prices also dipped but by a more modest margin, suggesting that prices may be approaching the floor. Despite concerns about rising inflation and persistent geopolitical conflict, dairy products continue to circle the globe at a steady clip.



Back in the U.S., spot prices were mixed. Nonfat dry milk continued its descent over the first half of the week, falling as low as \$1.575/lb. at the conclusion of

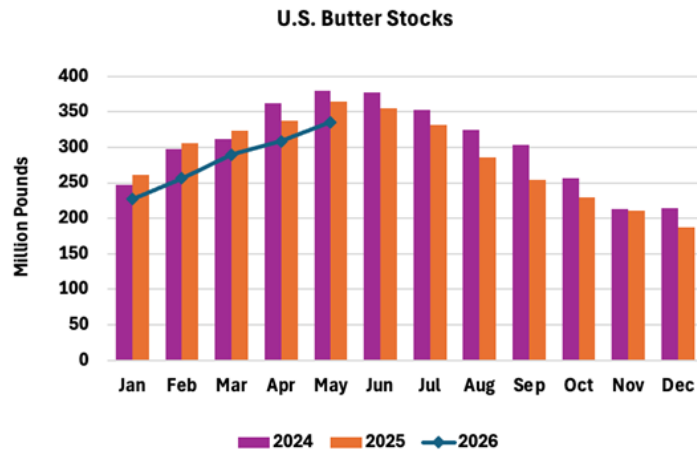
Wednesday's session. However, prices found some traction on Thursday and Friday rebounding to \$1.5975 by the end of the week, representing a net decline of 4.25¢ compared to last Friday. A notable 36 loads of powder traded hands at the exchange, reflecting stronger production

Cheddar blocks also fell during the week. A 6¢ drop on Monday pulled prices into the \$1.30s for the first time since February. Not content to stay at that level, however, the price rebounded later in the week, ultimately netting a 3¢ decline and finishing the week at \$1.42/lb. Activity was upbeat as 48 trades were inked. Cheese production remains robust, fueled by strong milk production and expanded cheesemaking capacity. Export interest persists and international sales are playing a key role in helping to clear product from the market, preventing



inventories from becoming burdensome. At the end of May there was 1.423 billion pounds of cheese in storage, 1% less than at the same time last year. Stocks of American cheese were down 2.2% year over year while other varieties of cheese saw inventories tick upward by 0.4%.

Meanwhile, butter inventories began to rise, though they remain shy of prior year levels. Again, at the end of May, butter stocks totaled 335.601 million pounds. While 8% lighter than during the same



month last year, the gap with prior year levels is closing. Cream supplies are abundant and are keeping churns busy. Export demand for butter remains strong as U.S. product is still competitively priced in the international arena. At the CME, butter prices lurched upward late in the week, including a 9.5¢ increase during Friday’s spot session. When the dust settled, butter finished at \$1.65/lb. in another busy week as 68 trades were completed.

Dry whey also found a bit of traction this week with prices rising by a half cent to 68.5¢ per pound. The market remains range bound as dry whey continues to compete with higher value uses for raw whey. Domestic dry whey consumption has taken a noticeable dip at the start of 2026 though robust export activity has helped to bridge the gap with production. Meanwhile, output and consumption of higher value products like whey protein concentrates and whey protein isolates remain strong.

Grain markets spent most of the week moving downward as a proposed agreement in the Middle East calmed market sentiment. By Thursday, however, weather fears fueled increases in both the corn and soybean markets. DEC26 corn settled at \$4.43/bu. while DEC26 soybean meal landed at \$305/ton on Thursday.