



The T.C. Jacoby Weekly Market Report

WEEK ENDING June 19th, 2026

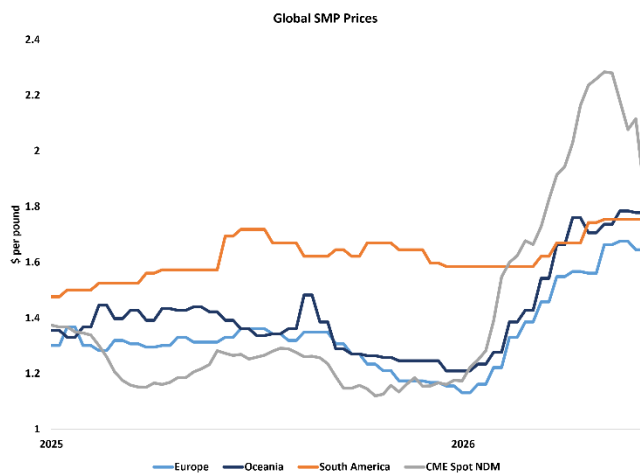
By Sarina Sharp, Market Analyst for the Daily Dairy Report
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CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
6/15/2026 to 6/19/2026			\$ 0.6831	1	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.4631	63		\$ 1.4300	0	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.5838	51		\$ 1.6725	26	

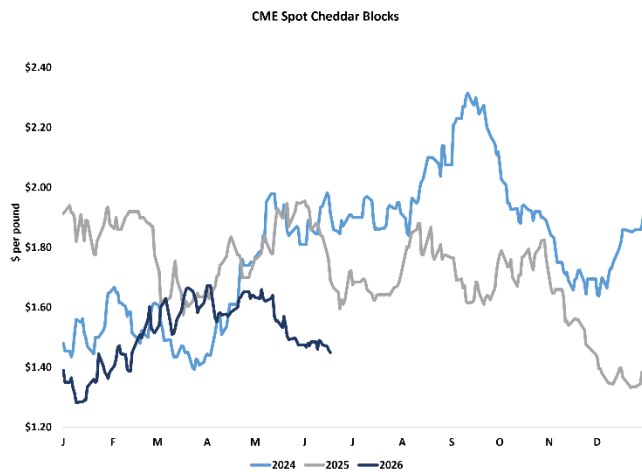
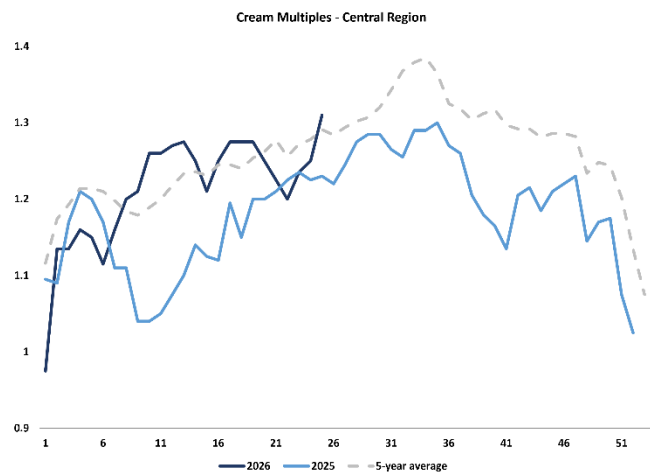
The ink ran red on LaSalle Street once again this week. The milk powder market led the retreat, with dramatic declines in CME spot nonfat dry milk (NDM) Monday, Tuesday, and Wednesday. But the bulls evinced some cautious optimism on Thursday, the last trading day of this holiday-shortened week, when spot NDM found a toehold and inched up slightly. Spot NDM finished the week at \$1.64 per pound, down 14.5¢ from last Friday.

The U.S. milk powder market is hurrying to close the gap between American and international pricing. But the steep drop in U.S. milk powder values is weighing on powder prices around the world, making it harder for the U.S. to win the race to the bottom. Global Dairy Trade (GDT) skim milk powder (SMP) peaked in May, matching the shape – if not the record-smashing price – of the spot NDM market. It fell at each of the past two auctions, including a 3.6% setback on Tuesday. After adjusting for protein, GDT SMP was roughly \$1.63 per pound, still a little below the U.S. spot market. Demand for U.S. milk powder has dropped accordingly. USDA’s *Dairy Market News* says that U.S. merchants “report light demand in domestic and international markets, and some say they are having a little success moving loads to Mexico.” The futures predict NDM will retreat to the low \$1.50s by August.



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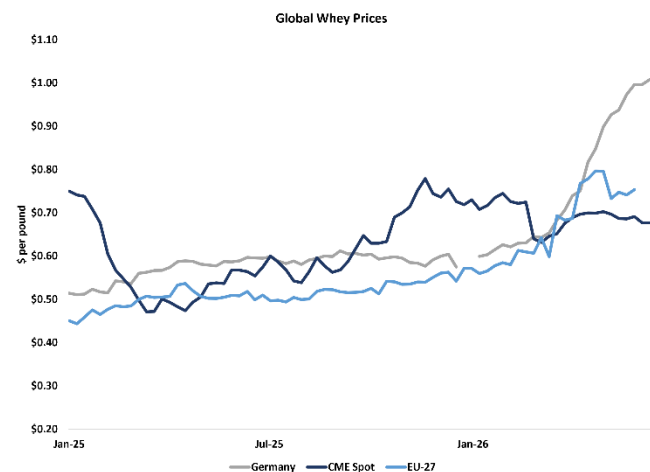
Butter prices dropped hard this week. They fell 11.25¢ to \$1.555 per pound. Trading was active at the CME spot market, where participants exchanged 51 loads in just four sessions. Output is heavy in the West, and *Dairy Market News* reports churns there are running “at or close to full capacity.” It’s been unseasonably cool in the Midwest. Nonetheless, components are not quite as strong as they once were, and cream supplies are tightening. Ice cream makers are ramping up output, and cream multiples are on the rise.



The cheese market also lost some ground. CME spot Cheddar blocks fell 3.75¢ to \$1.46, a fresh four-month low. Domestic demand is lackluster at best. Cash-strapped consumers are spending more at the pump and less at restaurants. And cheese lacks the health halo that has boosted demand for many other products in the dairy case. Exports were strong through the first half of the year, and they’ll need to remain so to prevent cheese from piling up. But anecdotal reports suggest that international buyers aren’t calling as often as they once did, despite the recent declines in

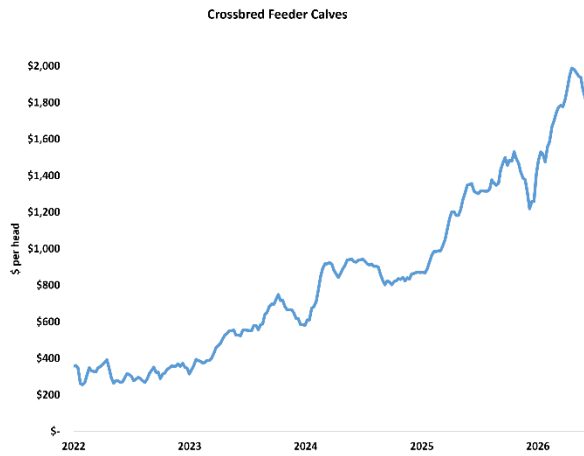
U.S. cheese prices. At Tuesday’s GDT, Mozzarella prices dropped 5%, hinting at greater European competition for international sales.

The whey market held steady at 68¢. The fundamentals remain the same. Output is rising along with cheese production, but supplies remain balanced. Consumers simply can’t get enough protein, and whey concentrates and isolates offer the macronutrient in one of its most palatable and flexible forms. When American buyers balk at the price, U.S. manufacturers simply call the next customer, and increasingly that means ringing up a contact in Europe. While U.S. whey powder prices have gone nowhere at all for nearly three months, over the same period German whey has jumped 52%.



Stability in the whey market was not enough to stave off the decline in milk futures. The June Class III contract regained a little ground but most other contracts lost 20 to 30¢. The futures forecast \$16 Class III milk in June through August, with \$17 milk thereafter.

With both butter and powder in decline, Class IV futures fell hard again. July and August lost more than a dollar, and deferred contracts dropped roughly 50¢. Dairy producers will enjoy one last month of big Class IV revenues, with June at \$20.66 per cwt. Second-half futures are hovering in the \$17s.



Thankfully, beef revenues are staying strong. Beef demand is resilient despite record-high prices, and cattle remain in short supply. Dairy producers are cashing massive checks every time they sell a load of cull cows or crossbred calves. But there are signs that those prices may be topping. At the weekly auction in New Holland, Pennsylvania, crossbred calves averaged about \$1,700 per head, down from around \$2,000 a month ago. And there's a little less competition for dairy cull cows among beef packers in the East and Midwest. This week JBS slowed to half-speed at its Souderton, Pennsylvania, facility, where it processes beef

cattle and dairy cull cows. It plans to fully shut down the nation's oldest major beef plant by mid-August. The partial closure has already rippled through the cull cow markets in the region. There are fewer packers bidding on cattle at dairy auctions, and dairy producers can expect steeper discounts on cull cows. Beef incomes remain lofty, but these developments hint that it's going to be difficult to push them much higher.

The grain markets bounced back from the recent lows. This looks to be a case of too much bearishness, too soon. Crops are mostly in good shape, but there are some soggy spots in the Corn Belt and some parched ground in the Plains. And there's a lot of growing season left. But the fundamentals still point to plentiful corn and soybean supplies. July corn futures regained 4.5¢ this week and closed at \$4.175 per bushel. July soybeans rallied 9¢ to \$11.22. July soybean meal inched down to \$300.80 per ton.