The T.C. Jacoby Weekly Market Report

WEEK ENDING July 17th, 2026

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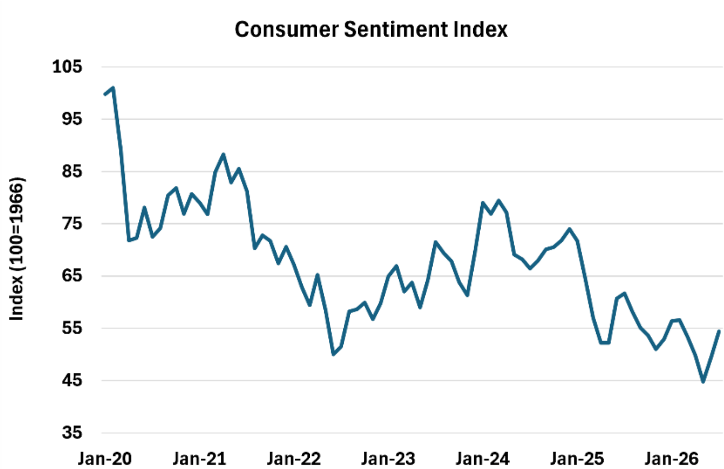
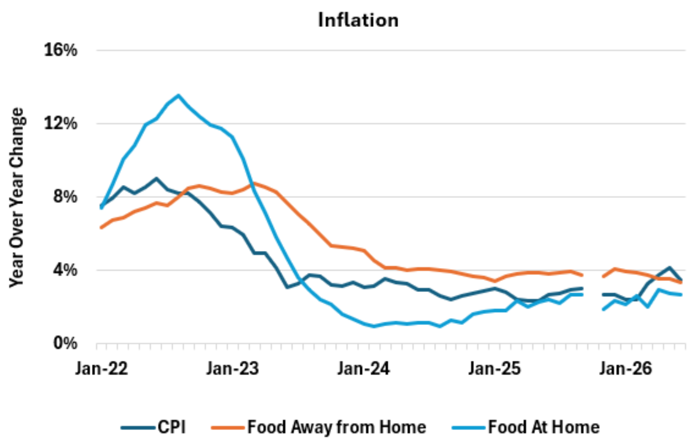
CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
7/13/2026	to	7/17/2026	$ 0.6940	3	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
$ 1.6055	27		$ 1.5950	7	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
$ 1.6085	57		$ 1.5045	37	

Milk and Dairy Markets

U.S. consumers felt a bit of relief in June as prices eased somewhat. The Consumer Price Index, published by the Bureau of Labor Statistics (BLS) eased to 3.5% during the month, down 0.7 percentage points from May due especially to softer energy prices. Lower gasoline prices were also the key driver that boosted the Consumer Sentiment Index (CSI), which rose to 54.4 points in the preliminary July reading published by the University of Michigan. The CSI now sits at its highest reading since February, before the conflict in Iran began. While lower inflation and stronger consumer sentiment are undeniably favorable, the outlook remains fraught as the recent breakdown in the ceasefire between the U.S. and Iran has raised gasoline prices anew.

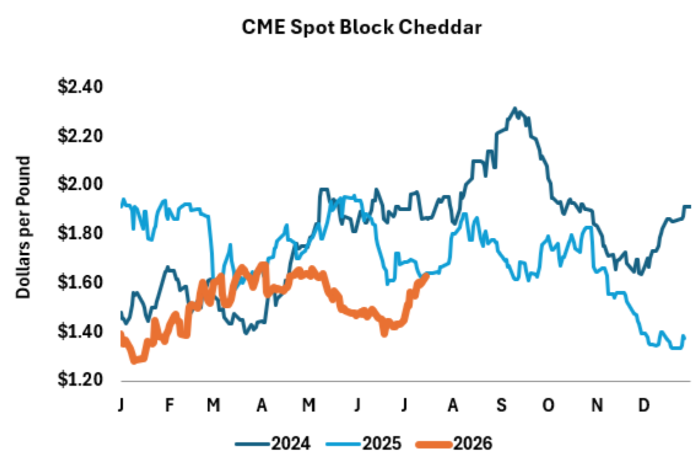


Food price inflation also slowed in June though menu price increases continue to outpace those of grocery stores. BLS data showed that the price of food consumed outside the home was up 3.4% versus the same month last year. However, this marks the lowest year over year gain since 2020 when pandemic related complications drove restaurant prices dramatically upward. Reports from

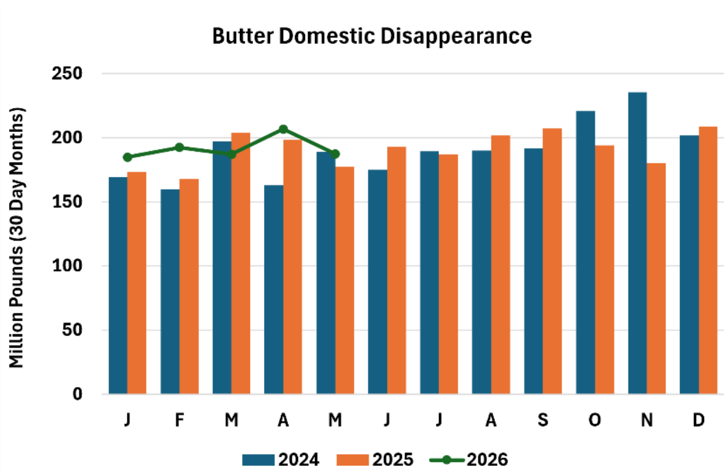


the National Restaurant Association indicate that conditions improved slightly in May, but that falling foot traffic remained a challenge. Meanwhile, the price of food consumed at home rose 2.7% compared to June 2025, similar performance to what has been recorded the last few months.

As consumers negotiate this new economic reality, they are likely to adjust their spending patterns and make tradeoffs between preparing meals at home and going out to eat, which could have important implications for dairy consumption. Domestic cheese disappearance was up a cumulative 1.4% over the first five months of the year, though the increase notched in May was just 0.7%. According to the data published by USDA's Economic Research Service, consumption of American style cheeses was down 2.2% in May, while other styles, mostly composed of Italian varieties, were up 2.7% for the month.



The Cheddar block spot price rose 8¢ at the CME this week. The market posted gains every day but Wednesday, ultimately wrapping up Friday's session at $1.6275/lb. It was an active week as 27 loads of product moved. Despite softer reported numbers for consumption of American style cheeses, hot weather is cutting back on component levels and spot milk supplies, lending some support to the market. As prices rise at the CME, the competitive advantage that U.S. product holds in the international market is evaporating, which could create challenges for future U.S. cheese exports.

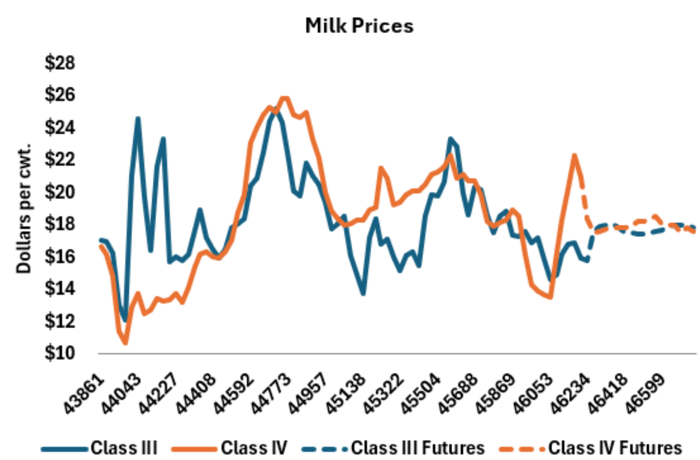


The butter market lost some traction this week, falling once more below the $1.60 threshold. Spot prices ended Friday's trade at $1.59/lb., losing 6¢ compared to the prior week. Butter demand remains upbeat from both domestic and international sources. Domestic butter disappearance was up 5.6% year over year in May, bringing the year-to-date figure to a 3.9% increase. In addition, market participants indicate that interest remains strong from international sources, especially for product that meets global specifications. But despite strong demand, supply is ample. Another 57 loads of product traded hands at the CME this week and traders mention that butter can be easily found, despite the seasonal decline in milk and component production.

On the other side of the Class IV complex, nonfat milk prices (NDM) continue to move downward as they seek convergence with other international sources. NDM prices dropped each day and ended the week at $1.47/lb., down 8.5¢ from last week as 37 loads traded hands. While far from burdensome, product inventories are more readily available which has removed some tension from the market. The market's bearish tone has helped to rekindle some export interest, especially from buyers in Mexico who are finding prevailing price levels more palatable than what has been seen in months.

Consumers continue to demonstrate a near insatiable demand for protein which is putting pressure on the whey markets. As prices for high protein products like whey protein isolate and whey protein concentrate with 80% protein continue to tower at record high levels, manufacturers are keen to divert as much of the whey stream as possible toward the production of these lucrative ingredients. This is helping to keep dry whey prices supported by limiting the amount of whey available for their production. In response, the spot dry whey price ticked up by a half penny, ending the week at 69.5¢ per pound with three trades completed.

Milk handlers in most parts of the country are reporting that hot summer temperatures are pushing down on milk production and causing component levels to fall. This has led to an increase in the premium that manufacturers are paying for spot milk. Bottling demand remains light. Class III futures prices improved modestly this week on higher cheese values while Class IV futures dropped due to lower butter and nonfat dry milk prices. Milk margins remain tight for producers and other sources of income, such as beef sales, have become even more essential to preserve profitability.



Feed & Grain Markets

Grain markets were mixed over the course of the week as traders balanced weather, trade, and geopolitical developments. Corn futures finished the week modestly higher with the DEC26 settling at $4.64/bu. on Thursday before rising a few more cents on Friday. Soybeans also found some traction late in the week on announced export sales to China and Mexico. NOV26 soybeans settled at $11.95/bu. on Thursday and rose above $12/bu. on Friday to round out the week. But most of the excitement was in the wheat markets which rallied during the week due to increased aggression between Russia and Ukraine.

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