

# Daily Dairy Report

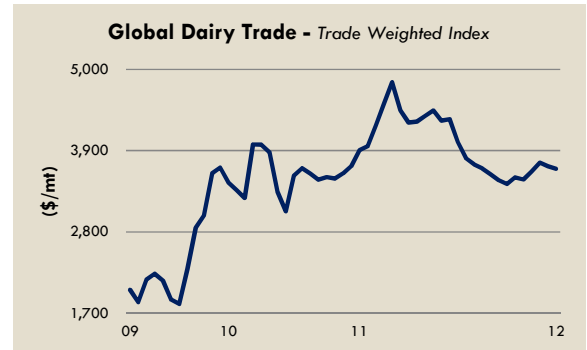
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## Butter, powder output very heavy

Resuming the trend from last week, spot dairy markets started the New Year quiet and mostly steady. Cheese was unchanged with no activity. Butter traded a half-cent higher. Class III futures were mostly in the black, with new highs in MAR thru JUN. Milk continued to move into butter/powder channels in November. Butter production was 152.5 million lbs., up 14.2% from a year ago, according to USDA's "Dairy Products" report released this afternoon. NDM/SMP production was 159.7 million lbs., up 17.5%. However, ending inventory numbers suggest good butter and powder movement during the month.

Cheese production in November was 886.5 million lbs., up just 0.3% from a year ago, USDA says. Cheddar production was down 1.7%, mozzarella was down 1.5% and other varieties were up 3.4%.

Prices were mostly lower on the semi-monthly Global Dairy Trade auction. The weighted-average price for SMP was \$3,269/ton (\$1.48/lb.), down 0.6% from the Dec. 20 event. Winning prices for WMP averaged \$3,554/ton (\$1.61/lb.), down 0.8%. The weighted-average price for AMF was \$3,982/ton (\$1.81/lb.), down 5.1%. Cheddar cheese was \$3,598/ton (\$1.63/lb.), up 0.2%. The overall trade-weighted index was down 0.7% from the previous event, the second straight decline (*see chart*). The Index was down about 6% from a year ago. **cme group**



## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [20 Pit, 825 Electronic]	845	35,861
Cheese	46	7,799
Dry whey	33	3,313
Class IV	0	2,370
Butter (cash settle)	9	3,994
NDM (cash settle)	2	762

### Options Volume and Open Interest

	Volume	Open Interest
Class III	525	71,763
Class III midi	28	1,169
Butter (cash settle)	0	813
Cheese	0	635
Class IV	12	1,971
Dry whey	0	449

Futures and options volume and open interest from previous trading day.

**SPOT PRICES** (with change from previous day): Block cheese \$1.5625 (NC) • Barrel cheese \$1.5800 (NC) • AA Butter \$1.6000 (+0.50¢) • NDM Extra Grade \$1.4800 (NC) • NDM Grade A \$1.4500 (NC) **MILK PRICES** (with change from previous month): December Class III milk (USDA) \$18.77 (-\$0.30) • December Class IV milk (USDA) \$16.87 (-\$1.00)

## January 3 Trading Activity

	Class III Futures			Class III Options Calls		Class III Options Puts		Dry Whey Futures		NDM Futures		Butter Futures – Cash settle	
	Settle (\$)	chg. (¢)	volume & open interest from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 12	17.14	-12	232 4762	17.25 @ 0.15	-7	17.00 @ 0.14	+3	67.030	-0.700	140.000	NC	161.500	NC
FEB	17.59	+16	199 4706	17.75 @ 0.49	+5	17.50 @ 0.52	-9	69.000	NC	140.000	NC	165.000	+1.475
MAR	17.55	+9	161 3905	17.75 @ 0.63	+3	17.50 @ 0.69	-6	69.400	+0.150	140.250	NC	165.750	+0.250
APR	17.39	+3	41 2840	17.50 @ 0.79	NC	17.25 @ 0.77	-4	66.970	+0.400	139.100	NC	169.500	+1.500
MAY	17.25	NC	50 2679	17.25 @ 0.94	-2	17.25 @ 0.94	-2	64.500	+0.900	140.250	+0.250	171.500	+1.500
JUN	17.19	+7	22 2261	17.25 @ 1.02	+2	17.00 @ 0.95	-4	61.000	+0.275	140.000	NC	173.000	+0.900
JUL	17.34	+10	26 1674	17.50 @ 1.08	+4	17.25 @ 1.11	-5	57.000	+0.500	139.000	NC	175.000	+0.500
AUG	17.32	+2	29 1584	17.50 @ 1.15	NC	17.25 @ 1.19	-2	55.000	NC	138.000	NC	177.000	+0.500
SEP	17.38	+6	26 1553	17.50 @ 1.26	+2	17.25 @ 1.25	-3	52.250	NC	140.000	NC	178.000	+1.000
OCT	17.07	NC	22 1321	17.25 @ 1.28	NC	17.00 @ 1.32	-1	52.000	NC	136.500	+0.500	177.000	+0.750
NOV	17.05	+6	19 1268	17.25 @ 1.33	-4	17.00 @ 1.39	-10	52.250	-0.200	136.500	+0.500	177.250	+1.000
DEC	17.08	+3	18 1266	17.25 @ 1.41	NC	17.00 @ 1.44	-3	52.250	-0.150	136.500	+0.500	176.250	NC

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