

Daily Dairy Report

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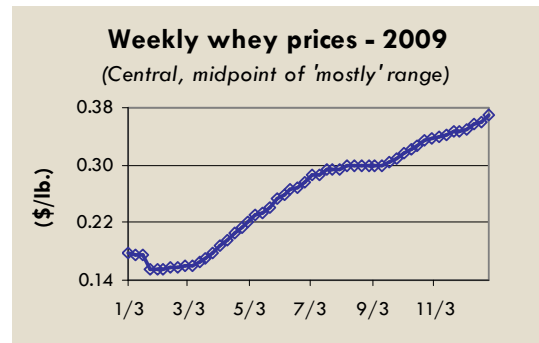
Whey price trends higher

Block cheese declined 1¢ to \$1.44 with 3 loads traded, Barrel price increased 0.25¢ to \$1.4350 with 1 trade. Milk futures for the first half of the year lost an average of 5.5¢. Butter increased 0.25¢ to \$1.3300 with 3 loads traded.

Dry whey prices have been increasing steadily most of the year with the Central “mostly” price ending at 37¢ per lb. (see chart). Even though milk prices have been low throughout the year, this has added to the milk check. Each 1¢ increase in whey price equates to a 6¢ increase in the Class III price.

More milk moved to manufacturing cheese over the holidays resulting in heavier whey production. Dry whey spot load availability is variable with some loads moving at a discount from the previous week due to storage concerns rather than a lack of market interest according to USDA’s *Dairy Market News*.

California 4a and 4b prices reached the highest level for the year in December. The 4a (butter-powder milk) price is \$14.76, an increase of \$1.60 from November. The 4b (cheese-milk) price is \$15.04, up \$1.28. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [12 Pit, 1459 Electronic]	1471	24,014
Class IV	0	0
NDM (cash settle)	0	329
Dry whey	5	1,607
Butter (cash settle)	36	2,469

Options Volume and Open Interest

	Volume	Open Interest
Class III	1258	44,504
Class III midi	1	258
NDM (cash settle)	0	9
Dry whey	0	416
Butter (cash settle)	0	107

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4400 (-1.00) • Barrel cheese \$1.4350 (+0.25) • AA Butter \$1.3300 (+0.25) • NDM Extra Grade \$1.4000 (NC) • NDM Grade A \$1.3700 (NC) **MILK PRICES** (with change, in dollars, from previous month): December Class III milk (USDA) \$14.98 (+\$0.90) • Dec. Class IV milk (USDA) \$15.01 (+\$1.76)

January 5 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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 10	14.24	-6	14	0	14.25 @ 0.14	-4	14.00 @ 0.05	NC	37.750	NC	129.500	NC	134.000	-0.250
FEB	13.66	-4	13	0	13.75 @ 0.31	-3	13.50 @ 0.27	NC	38.250	NC	128.500	NC	140.000	-1.000
MAR	14.22	-10	14	2	14.25 @ 0.51	-6	14.00 @ 0.42	+7	38.000	+1.500	128.500	+1.000	144.500	-0.500
APR	14.62	-4	14	6	14.75 @ 0.58	-2	14.50 @ 0.58	+2	38.250	NC	126.500	+2.000	147.000	-0.500
MAY	14.97	-5	15	2	15.00 @ 0.73	-3	14.75 @ 0.63	+2	37.000	NC	126.500	+2.000	148.000	-1.000
JUN	15.49	-4	15	3	15.50 @ 0.83	-3	15.25 @ 0.72	+2	39.000	-0.750	127.500	+2.250	151.000	-1.250
JUL	15.88	-7	15	5	16.00 @ 0.87	-4	15.75 @ 0.86	+3	38.520	NC	128.000	NC	153.750	-0.750
AUG	15.91	-3	15	4	16.00 @ 0.96	-2	15.75 @ 0.92	+1	39.250	NC	123.000	NC	154.500	-1.000
SEP	16.09	-1	16	0	16.50 @ 0.89	-1	16.00 @ 1.02	NC	36.750	NC	126.500	NC	156.470	-0.530
OCT	16.05	-1	16	6	16.25 @ 1.04	-1	16.00 @ 1.10	NC	37.000	NC	122.000	NC	158.500	-1.500
NOV	15.85	-1	15	6	16.00 @ 1.10	NC	15.75 @ 1.11	NC	36.250	NC	117.000	NC	162.000	-1.000
DEC	15.86	-3	15	9	16.00 @ 1.15	-2	15.75 @ 1.15	+1	35.250	NC	117.000	NC	165.000	NC

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