

Daily Dairy Report

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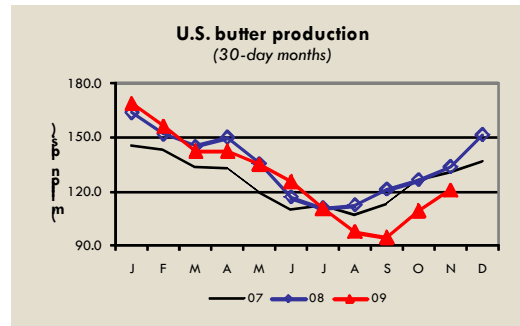
Butter prices move higher

Spot butter climbed 1.5¢ this morning to \$1.3450, completing an active week that saw 28 loads traded. Butter futures responded with gains in the front months, but settled lower for the week. The 2010 futures average is \$1.5050.

With schools starting back up, less milk is available for butter churning. Manufacturers also are said to be producing 82%-fat, unsalted butter to respond to export orders. Oceania butter is trading for \$1.59-\$1.91, says USDA's *Dairy Market News*. "Most Oceania butterfat has been fully committed with some butter handlers looking to outside sources for supplemental stocks," *DMN* says. European butter prices are still higher (more than \$2/lb.), but coming down to align with offerings from New Zealand, Australia and the United States.

U.S. butter production in the August-November period was off 14.4% from prior year, according to USDA's latest "Dairy Products" report (see chart).

NASS dairy product prices for the week ending Dec. 26: cheddar blocks \$1.7004 (+0.87¢ vs. the prior week); barrels \$1.4878 (-1.16¢); butter \$1.3370 (-1.86¢); nonfat dry milk \$1.2807 (-5.20¢); dry whey 38.57¢ (+1.32¢). **cme group**



For more information about real-time quotes, visit www.cmegroup.com/dairyquotes

FUTURES & OPTIONS VOLUME AND OPEN INTEREST

Futures Volume and Open Interest

	Volume	Open Interest
Class III [19 Pit, 1972 Electronic]	2,001	25,521
NDM (cash settle)	10	416
NDM (deliverable)	0	2
Dry whey	21	1,629
Butter (cash settle)	15	2,562

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,144	45,223
Class III midi	0	258
Dry whey	0	416
Butter (cash settle)	0	122

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4100 (NC) • Barrel cheese \$1.4325 (-0.50) • AA Butter \$1.3450 (+1.50) • NDM Extra Grade \$1.3850 (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 8 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 10	14.33	+15	98	3950	14.50 @ 0.03	+1	14.25 @ 0.06	-9	38.500	+0.750	128.000	-1.500	133.000	NC
FEB	13.83	+20	295	4585	14.00 @ 0.23	+5	13.75 @ 0.26	-12	38.750	+1.000	127.000	-1.500	139.000	+1.000
MAR	14.18	+9	221	3342	14.25 @ 0.48	+4	14.00 @ 0.43	-4	38.000	NC	126.000	-1.750	144.500	+1.500
APR	14.38	+4	341	2460	14.50 @ 0.55	NC	14.25 @ 0.54	-3	37.730	-0.525	125.000	-0.500	146.000	+1.730
MAY	14.83	+8	259	2007	15.00 @ 0.63	+1	14.75 @ 0.67	-6	36.250	+1.000	124.500	-1.000	147.750	NC
JUN	15.36	+5	141	1640	15.50 @ 0.74	NC	15.25 @ 0.75	-4	37.730	+1.250	125.750	-0.750	149.000	NC
JUL	15.71	-1	122	1346	15.75 @ 0.89	NC	15.50 @ 0.80	NC	38.250	-0.725	126.750	NC	153.000	NC
AUG	15.82	-1	113	1330	16.00 @ 0.91	NC	15.75 @ 0.95	NC	38.250	-0.250	127.000	NC	154.450	+0.450
SEP	16.05	-2	107	1381	16.50 @ 0.86	-2	16.00 @ 1.03	+1	37.250	-0.725	128.000	NC	156.000	NC
OCT	16.01	+2	101	1209	16.25 @ 1.01	NC	16.00 @ 1.12	-1	36.230	-0.525	125.000	NC	157.000	NC
NOV	15.82	+1	91	1123	16.00 @ 1.08	+1	15.75 @ 1.12	-1	35.730	-0.275	117.000	NC	161.000	+0.500
DEC	15.83	-1	92	1032	16.00 @ 1.13	-1	15.75 @ 1.16	NC	35.480	NC	117.000	NC	165.000	NC

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