

Daily Dairy Report

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Cheese offered lower, butter bid higher

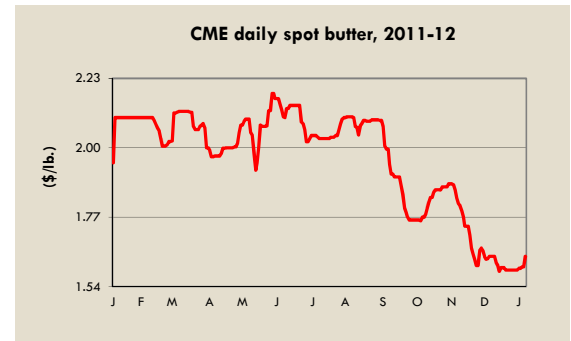
Sellers had the upper hand in the cheese pits this morning, offering blocks and barrels lower. After last week's increases, today's decline sent milk futures into the red, with FEB (-35¢) and MAR (-23¢) falling the hardest.

Spot butter, on the other hand, was bid 3.5¢ higher to \$1.64. Last year the butter price gained 43¢ in the first week of the year, then stayed above \$1.90 until September (*see chart*). Nearby butter futures were higher today while back months were lower.

CWT accepted bids to provide export assistance on sales of 6.4 million lbs. of cheese for delivery through June. Last year CWT assisted on 91.5 million lbs. of cheese exports.

Nearly three quarters of a million dairy futures and options contracts were traded at CME Group in 2011 – an average of almost 3,000 trades per day. Among dairy futures, 429,260 contracts were traded, up 39% from 2010 activity. Dairy options volume increased 81% to 316,093 trades, according to the latest CME Group volume report.

Holiday schedule: CME Group will be closed next Monday, Jan. 16, in observance of Martin Luther King Jr. Day. Regular trading will take place on Friday. Globex trading for dairy will resume at 5pmCT on Monday for Tuesday's trade date. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [17 Pit, 1356 Electronic]	1,373	31,317
Cheese	32	6,802
Dry whey	197	3,063
Class IV	22	1,968
Butter (cash settle)	80	3,470
NDM (cash settle)	10	479

Options Volume and Open Interest

	Volume	Open Interest
Class III	2,206	74,597
Class III midi	6	1,275
Butter (cash settle)	70	877
Cheese	0	757
Class IV	0	1,983
Dry whey	1	450

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

SPOT PRICES (with change from previous day): Block cheese \$1.6000 (-1.00¢) • Barrel cheese \$1.5875 (-0.25¢) • AA Butter \$1.6400 (+3.50¢) • 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 9 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	272 4639	17.25 @ 0.06	-6	17.00 @ 0.05	+2	68.000	-0.750	140.000	NC	162.000	+1.000
FEB	17.40	-35	418 5318	17.50 @ 0.43	-20	17.50 @ 0.40	+11	71.000	-0.750	140.000	NC	166.750	+0.250
MAR	17.64	-23	293 4281	17.75 @ 0.64	-14	17.50 @ 0.63	+9	70.000	NC	140.500	NC	169.000	+2.000
APR	17.67	-5	105 2976	17.75 @ 0.79	-4	17.50 @ 0.75	+1	68.250	NC	140.500	NC	170.500	+1.000
MAY	17.48	-2	59 2786	17.50 @ 0.93	-2	17.25 @ 0.82	NC	65.000	NC	141.000	NC	172.000	NC
JUN	17.46	-4	46 2349	17.50 @ 1.03	-3	17.25 @ 0.94	+1	61.500	NC	140.000	NC	173.000	-0.500
JUL	17.43	+3	25 1691	17.50 @ 1.11	NC	17.25 @ 1.05	-2	56.500	NC	139.250	+0.250	174.500	-1.000
AUG	17.44	NC	34 1634	17.50 @ 1.19	-1	17.25 @ 1.12	-1	55.000	NC	139.500	NC	175.000	-2.000
SEP	17.44	-4	16 1574	17.50 @ 1.28	-3	17.25 @ 1.21	+1	53.300	NC	140.000	NC	178.000	-0.250
OCT	17.14	-4	45 1355	17.25 @ 1.30	-3	17.00 @ 1.27	+1	52.670	NC	140.470	NC	178.000	-1.100
NOV	17.09	-4	20 1283	17.25 @ 1.33	-3	17.00 @ 1.36	+1	51.500	NC	140.470	NC	177.030	-1.975
DEC	17.12	-4	33 1298	17.25 @ 1.42	-3	17.00 @ 1.42	+2	51.750	-0.150	140.470	NC	178.000	NC

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