

Daily Dairy Report

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Grain markets wait for January reports

Cheese prices were offered lower again, while butter held unchanged. Milk futures were mixed.

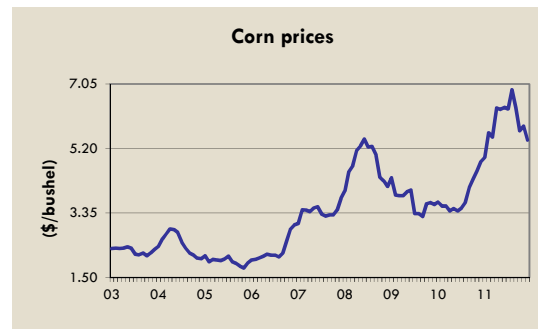
On the heels of the driest year on record, West Texas has been hit with massive snowfall in the last two weeks. Some counties have received nearly 20" of snow this season, more than triple the snowfall in Buffalo and double what has fallen on Minneapolis. In fact, winter still hasn't really set in in the Midwest, where temperatures are 20-30° above normal and snowcover is almost completely absent.

Still, nearly a third of Texas remains in exceptional drought, the most extreme category, according to USDA's Drought Monitor.

Traders also are keeping an eye on weather conditions leading up to Thursday's "Crop Production," "Grain Stocks," and "World Agricultural Supply & Demand Estimates" reports.

Corn rallied in mid-December on news of severe drought in Argentina (and Brazil) at the onset of the growing season. MAR corn settled at \$6.52/bushel today, up 74¢ since Dec. 15. Trade sentiment is for Thursday's reports to show lower U.S. corn stocks, lower harvest estimates, increased exports (due to shortfalls from Argentina) and lower carry-out holdings.

The January reports have been major market movers in recent years. Corn futures have moved limit-up or limit-down the day the reports are released five years in a row, notes the *Wall Street Journal*. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [46 Pit, 1792 Electronic]	1,838	31,725
Cheese	75	6,784
Dry whey	9	3,064
Class IV	0	1,968
Butter (cash settle)	134	3,482
NDM (cash settle)	3	482

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,006	74,849
Class III midi	9	1,284
Butter (cash settle)	220	1,021
Cheese	0	757
Class IV	0	1,983
Dry whey	0	450

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

SPOT PRICES (with change from previous day): Block cheese \$1.5950 (-0.50¢) • Barrel cheese \$1.5800 (-0.75¢) • AA Butter \$1.6400 (NC) • 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 10 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	17.12	-2	347 4585	17.25 @ 0.03	-3	17.00 @ 0.03	-2	68.000	NC	140.500	+0.500	163.000	+1.000
FEB	17.34	-6	649 5410	17.50 @ 0.35	-8	17.25 @ 0.37	-3	70.500	-0.500	140.000	NC	165.500	-1.250
MAR	17.69	+5	371 4467	17.75 @ 0.66	+2	17.50 @ 0.60	-3	70.500	+0.500	140.500	NC	167.000	-2.000
APR	17.65	-2	166 3067	17.75 @ 0.78	-1	17.50 @ 0.75	NC	68.250	NC	140.500	NC	170.500	NC
MAY	17.50	+2	70 2795	17.50 @ 0.94	+1	17.50 @ 0.94	-1	65.000	NC	141.000	NC	172.000	NC
JUN	17.46	NC	53 2362	17.50 @ 1.02	-1	17.25 @ 0.94	NC	61.500	NC	140.000	NC	173.000	NC
JUL	17.44	+1	46 1716	17.50 @ 1.12	+1	17.25 @ 1.05	NC	56.500	NC	139.250	NC	174.500	NC
AUG	17.44	NC	37 1661	17.50 @ 1.19	NC	17.25 @ 1.12	NC	55.000	NC	139.500	NC	175.000	NC
SEP	17.44	NC	25 1585	17.50 @ 1.28	NC	17.25 @ 1.21	NC	53.300	NC	140.000	NC	178.000	NC
OCT	17.14	NC	19 1353	17.25 @ 1.30	NC	17.00 @ 1.27	NC	52.650	-0.025	140.470	NC	178.000	NC
NOV	17.09	NC	22 1283	17.25 @ 1.33	NC	17.00 @ 1.36	NC	51.500	NC	141.000	+0.525	177.030	NC
DEC	17.12	NC	18 1297	17.25 @ 1.42	NC	17.00 @ 1.41	-1	51.750	NC	140.470	NC	178.000	NC

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