

Daily Dairy Report

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Manufacturers rebuilding NDM stocks

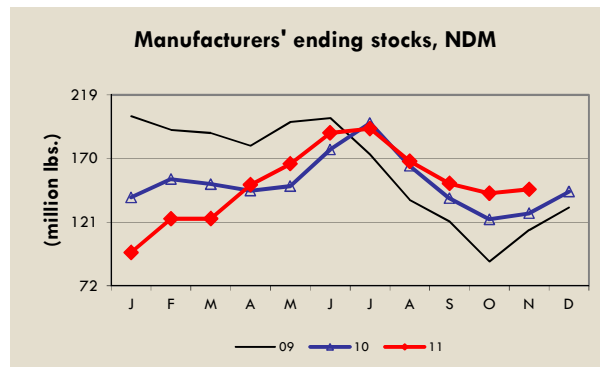
Cheese prices held today, but traders continued to push milk futures higher. The APR-SEP contracts all hit new highs. Class III futures for the second quarter average \$17.62, up 38¢ since the end of 2011 and futures for the third quarter average \$17.53, up 24¢. Futures are still at a premium to spot prices, which equate to a Class III price of about \$16.75.

Spot butter dropped 1.25¢ after gaining 3.5¢ on Monday. Butter futures were lower in most contract months.

NDM stocks on Nov. 30 were 146.3 million lbs., up 14.4% (+18.5 million lbs.) vs. the prior year and the most for that date since 2008 (see chart). Though on a stocks-to-use basis, this year's holdings are about the same as last year.

The California Weight Average Price for NDM for last week was \$1.4019, up 1.7¢ from the prior week. The CWAP has ranged between \$1.35 to \$1.45 for the last seven weeks.

The California Class 1 price for February is \$18.52 in the north and \$18.79 in the south, down \$1.36 from January and the lowest since February 2011. The Federal Order Class I base price comes out Friday, Jan. 20. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST

Futures Volume and Open Interest

	Volume	Open Interest
Class III [10 Pit, 1181 Electronic]	1,191	31,803
Cheese	49	6,797
Dry whey	44	3,067
Class IV	8	1,968
Butter (cash settle)	61	3,479
NDM (cash settle)	5	485

Options Volume and Open Interest

	Volume	Open Interest
Class III	855	75,149
Class III midi	2	1,286
Butter (cash settle)	0	1,021
Cheese	80	837
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 (NC) • Barrel cheese \$1.5800 (NC) • AA Butter \$1.6275 (-1.25¢) • 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 11 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	+2	318 4405	17.25 @ 0.03	NC	17.00 @ 0.02	-1	68.250	+0.250	140.500	NC	161.000	-2.000
FEB	17.48	+14	498 5493	17.50 @ 0.41	+6	17.25 @ 0.31	-6	70.100	-0.400	140.000	NC	164.500	-1.000
MAR	17.85	+16	255 4581	18.00 @ 0.63	+7	17.75 @ 0.64	-8	70.500	NC	140.500	NC	167.000	NC
APR	17.73	+8	46 3084	17.75 @ 0.81	+3	17.50 @ 0.71	-4	68.250	NC	140.500	NC	170.000	-0.500
MAY	17.59	+9	28 2809	17.75 @ 0.87	+5	17.50 @ 0.89	-5	65.000	NC	141.000	NC	171.500	-0.500
JUN	17.54	+8	18 2376	17.75 @ 0.93	+1	17.50 @ 1.02	-4	61.500	NC	140.000	NC	172.000	-1.000
JUL	17.55	+11	2 1717	17.75 @ 1.06	+5	17.50 @ 1.12	-6	56.500	NC	139.250	NC	172.970	-1.525
AUG	17.53	+9	2 1662	17.75 @ 1.12	+4	17.50 @ 1.20	-5	55.250	+0.250	139.500	NC	174.000	-1.000
SEP	17.51	+7	8 1588	17.75 @ 1.20	+3	17.50 @ 1.30	-4	53.300	NC	140.000	NC	175.000	-3.000
OCT	17.21	+7	0 1353	17.25 @ 1.33	+3	17.00 @ 1.24	-3	52.630	-0.025	140.470	NC	175.000	-3.000
NOV	17.17	+8	3 1286	17.25 @ 1.37	+4	17.00 @ 1.32	-4	51.500	NC	141.000	NC	176.000	-1.025
DEC	17.14	+2	5 1297	17.25 @ 1.43	+1	17.00 @ 1.40	-1	51.750	NC	140.470	NC	176.000	-2.000

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