

Daily Dairy Report

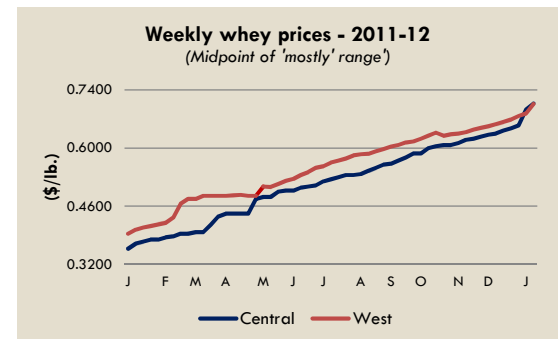
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Corn plunges on inventory report

MAR, MAY and JUL corn futures plunged limit-down (-40¢) today after USDA announced higher-than-expected inventories in its quarterly “Grain Stocks” report. World carryout corn stocks for 2011/12 are projected to reach 128.1 million tons, up 1 million tons from the December estimate. MAR corn settled at \$6.11/bushel, erasing the gains of the previous three weeks.

In *Dairy Market News*’ weekly survey, dry whey prices at the midpoint of the range topped 70¢ this week for the first time since July 2007. In the Midwest, dry whey is mostly 69.5¢-72¢, while in the West it’s mostly 69¢-72.25¢, *DMN* says. “First quarter contracts reflect tighter supplies for the new year,” the report adds. “The whey stream supply is increasingly diverted to higher protein concentrates and therefore less is available for dry whey production.”

However, the European whey market has been steady for two months, even as U.S. prices have tacked on 7-9¢ over that time. *DMN* pegs European dry whey at 58-64¢, leaving the premium of U.S. prices over European prices at the widest ever. In Europe, “whey volumes are starting to build as buyers have been absent from the marketplace during the year-end holidays and, for some, prices of European offerings are higher than they are willing to pay,” *DMN* explains. Whey futures were mixed today, with Q1 contracts averaging 70.0¢ and Q2 averaging 64.9¢. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III	730	32,023
[1 Pit, 729 Electronic]		
Cheese	37	6,803
Dry whey	67	3,087
Class IV	4	1,969
Butter (cash settle)	135	3,535
NDM (cash settle)	1	486

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,440	75,628
Class III midi	12	1,298
Butter (cash settle)	312	1,309
Cheese	40	837
Class IV	280	2,263
Dry whey	2	452

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 \$1.6125 (-1.50¢) • 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 12 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 12	17.12	-2	109	4366	17.25 @ 0.01	-2	17.00 @ 0.03	+1	68.500	+0.250	140.500	NC	160.750	-0.250
FEB	17.40	-8	282	5604	17.50 @ 0.29	-12	17.25 @ 0.27	-4	71.030	+0.925	140.000	NC	162.000	-2.500
MAR	17.76	-9	127	4647	18.00 @ 0.58	-5	17.75 @ 0.68	+4	70.500	NC	140.500	NC	165.750	-1.250
APR	17.68	-5	52	3113	17.75 @ 0.79	-2	17.50 @ 0.73	+2	68.250	NC	140.500	NC	167.750	-2.250
MAY	17.59	NC	36	2835	17.75 @ 0.86	-1	17.50 @ 0.89	NC	65.000	NC	141.000	NC	170.000	-1.500
JUN	17.59	+5	23	2391	17.75 @ 0.95	+2	17.50 @ 1.00	-2	61.380	-0.125	141.000	+1.000	171.000	-1.000
JUL	17.51	-4	28	1724	17.75 @ 1.04	-2	17.50 @ 1.14	+2	56.480	-0.025	139.250	NC	172.000	-0.975
AUG	17.55	+2	24	1666	17.75 @ 1.13	+1	17.50 @ 1.19	-1	55.250	NC	139.500	NC	173.500	-0.500
SEP	17.52	+1	25	1587	17.75 @ 1.20	NC	17.50 @ 1.29	-1	52.980	-0.325	140.000	NC	174.850	-0.150
OCT	17.24	+3	1	1353	17.25 @ 1.34	+1	17.00 @ 1.22	-2	52.600	-0.025	140.470	NC	175.000	NC
NOV	17.19	+2	1	1286	17.25 @ 1.38	+1	17.00 @ 1.31	-1	51.500	NC	141.000	NC	176.000	NC
DEC	17.20	+6	11	1290	17.25 @ 1.46	+3	17.00 @ 1.38	-2	51.750	NC	140.470	NC	175.030	-0.975

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