

Daily Dairy Report

Dairy market information provided by Alan Levitt

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DECEMBER MILK PRODUCTION UP 1.4%

U.S. milk production in December is estimated at 15.85 billion lbs., an increase of 1.4% over a year ago. Production remained higher than the previous year for each month in 2008 (see chart). Annual milk production for the year totaled 189.7 billion lbs., an increase 2.2% over 2007.

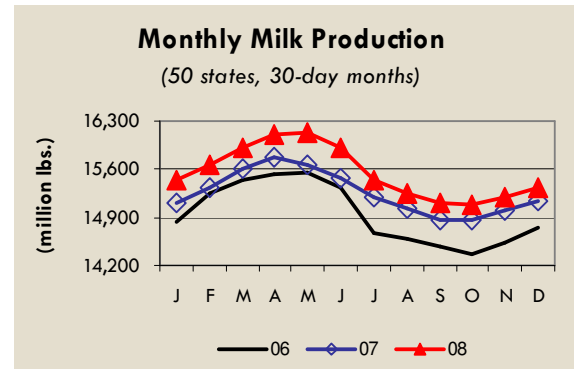
Among the leading dairy states: production in California was -0.8% in December, Wisconsin +2.3%, Idaho +1.7%, New York -0.1%, Pennsylvania -2.8%, Minnesota +2.3%, and Texas +13.7%.

Dairy cows were added to the herd with an increase of 8,000 head in the 50 states, to 9.292 million. Production-per-cow was up 70 lbs., an increase of 10 lbs. from a year ago.

Block cheese rebounded from \$1.04 once again to close 3¢ higher at \$1.07. Barrels increased 2¢ to close at \$1.09, just 1¢ below support. There were 2 loads of block and 1 load of barrels traded. Butter price remained steady with no trades. For the week, blocks declined 0.25¢ with 19 loads traded, barrels increased 2¢ with 6 loads traded, and butter increased 0.25¢ on 5 trades.

Trading will be closed on Monday in observance of Martin Luther King Jr. Day. Regular trading hours resume Tuesday.

NASS dairy product prices for the week ending January 10: cheddar blocks \$1.3471 (-13.13¢ vs. the prior week); barrels \$1.2804 (-15.69¢); butter \$1.1187 (+1.17¢); nonfat dry milk \$0.8360 (+0.37¢); dry whey 17.10¢ (-0.028¢). **cme**



JANUARY 16 TRADING ACTIVITY

	Class III Futures			Class III Options Calls		Class III Options Puts		Dry Whey Futures		Nonfat Dry Milk Futures		Butter Futures – Cash settle	
	Settle (\$)	chg. (¢)	volume & open interest from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 09	10.67	-1	64 4620	10.75 @ 0.05	NC	10.50 @ 0.02	NC	16.750	NC	83.750	NC	111.030	+1.025
FEB	9.35	+3	220 4458	10.00 @ 0.07	NC	10.00 @ 0.72	-3	16.000	+0.500	84.000	NC	113.000	NC
MAR	9.74	+9	316 4182	10.00 @ 0.31	+4	10.00 @ 0.57	-5	16.000	+0.750	85.000	-0.750	117.000	+1.000
APR	10.28	+8	334 3525	10.50 @ 0.42	+3	10.25 @ 0.50	-4	16.000	+0.500	86.000	NC	117.500	+0.250
MAY	10.65	+2	260 3522	10.75 @ 0.57	+1	10.50 @ 0.54	-1	16.250	NC	86.500	NC	121.000	-0.500
JUN	11.55	+5	211 2991	11.75 @ 0.63	+3	11.50 @ 0.69	-2	16.750	NC	86.500	NC	125.000	NC
JUL	12.22	NC	100 2681	12.25 @ 0.80	-1	12.00 @ 0.70	-1	18.750	+0.500	86.750	+0.250	126.500	+0.500
AUG	13.08	+11	94 2656	13.25 @ 0.87	+5	13.00 @ 0.91	-5	20.000	+0.750	88.000	NC	128.500	+0.500
SEP	13.46	+6	76 2657	13.50 @ 1.01	+3	13.25 @ 0.92	-3	21.000	+1.000	89.000	NC	131.750	NC
OCT	13.50	+4	38 2223	13.50 @ 1.09	+2	13.50 @ 1.09	-2	23.000	+0.500	92.000	NC	134.000	-0.250
NOV	13.66	+1	28 2084	13.75 @ 1.13	+1	13.50 @ 1.08	-1	23.000	+0.500	93.500	NC	135.000	NC
DEC	13.69	+4	21 2090	13.75 @ 1.19	+2	13.50 @ 1.12	-2	22.750	+0.750	94.500	NC	135.000	NC

➤ Spot Prices (with change, in cents, from previous day):

Block cheese	\$1.0700 (+3.00)
Barrel cheese	\$1.0900 (+2.00)
AA Butter	\$1.1125 (NC)
NDM Extra Grade	\$.8500 (NC)
NDM Grade A	\$.8300 (NC)

➤ Milk Prices (with change from previous month):

Dec. Class III milk (USDA)	\$15.28 (-\$0.23)
Dec. Class IV milk (USDA)	\$10.35 (-\$1.90)

➤ Futures Volume and Open Interest

	Volume	Open Interest
Class III.....	1,771	38,211
[*68 Pit, 1,703 Electronic]		
Class IV.....	0	130
NDM.....	15	891
Dry whey.....	16	1,388
Butter (cash settle).....	91	3,664

➤ Options Volume and Open Interest

	Volume	Open Interest
Class III.....	515	50,205
Class III Midi.....	3	140
Dry whey.....	0	150
Butter (cash settle).....	0	30

Futures and options volume and open interest from previous trading day

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