

# Daily Dairy Report

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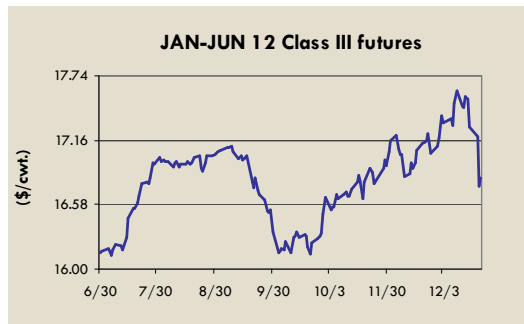
## Dry whey increases slightly

After four consecutive days of decline in milk futures, traders took some profit off the table resulting in minor gains. The freefall of the past four days eliminated about a dollar or more in FEB-APR futures setting prices back to mid-December levels. Over the same period of time, block cheese price fell 4¢, barrels fell 6.50¢, and butter fell 5¢. The average milk futures price for the first half of the year is \$16.78.

Both blocks and barrels fell a penny today to close at \$1.5450 and \$1.5150 respectively. Trading was light with 2 loads of blocks and 1 load of barrels changing hands. Butter remained steady with no activity. So far this week there have been 5 loads of blocks, 4 loads of barrels, and no butter traded on the spot market.

The Central dry whey “mostly” price edged slightly higher from the previous week to the current range of 69.50¢-72.50¢. Prices are following the pattern of 2007 creating caution in traders as price edges higher. Spot load availability from manufacturers is light with supplies tight according the USDA’s *Dairy Market News*.

Mild weather continue to prevail in Western Europe. Milk production continues to increase in most regions with milk volumes running heavier than last year. **cmegroup**



## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

|   | Volume | Open Interest |
|---|--------|---------------|
| Class III<br>[67 Pit, 2,822 Electronic] | 2,889  | 32,948        |
| Cheese                                  | 339    | 7,011         |
| Dry whey                                | 224    | 3,184         |
| Class IV                                | 9      | 1,962         |
| Butter (cash settle)                    | 389    | 4,010         |
| NDM (cash settle)                       | 120    | 640           |

### Options Volume and Open Interest

|                      | Volume | Open Interest |
|----------------------|--------|---------------|
| Class III            | 1228   | 78,356        |
| Class III midi       | 8      | 1,335         |
| Butter (cash settle) | 2      | 1,352         |
| Cheese               | 0      | 857           |
| Class IV             | 0      | 2,278         |
| Dry whey             | 0      | 452           |

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

**SPOT PRICES** (with change from previous day): Block cheese \$1.5450 (-1.00¢) • Barrel cheese \$1.5150 (-1.00¢) • AA Butter \$1.5775 (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 19 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 | 17.07             | NC       | 249    | 4271          | 17.25 @ 0.01            | NC       | 17.00 @ 0.01           | NC       | 68.050           | NC       | 140.500     | NC       | 161.000                      | NC       |
| FEB    | 16.49             | +1       | 820    | 5531          | 16.50 @ 0.23            | -3       | 16.25 @ 0.14           | -3       | 69.500           | +1.000   | 140.000     | NC       | 155.500                      | -0.700   |
| MAR    | 16.77             | +9       | 685    | 5154          | 17.00 @ 0.46            | +4       | 16.75 @ 0.55           | -5       | 67.400           | +1.400   | 140.000     | NC       | 159.500                      | -2.775   |
| APR    | 16.63             | +5       | 237    | 3207          | 16.75 @ 0.69            | +2       | 16.50 @ 0.68           | -3       | 62.050           | +0.800   | 138.000     | -0.750   | 165.100                      | -1.400   |
| MAY    | 16.86             | +14      | 185    | 2919          | 17.00 @ 0.81            | +7       | 16.75 @ 0.82           | -6       | 57.500           | +0.775   | 139.000     | NC       | 166.000                      | -1.250   |
| JUN    | 17.11             | +16      | 155    | 2443          | 17.25 @ 0.93            | +7       | 17.00 @ 0.94           | -8       | 53.920           | +1.175   | 139.000     | NC       | 168.000                      | NC       |
| JUL    | 17.20             | +2       | 113    | 1782          | 17.25 @ 1.08            | +1       | 17.00 @ 1.00           | -1       | 48.750           | +0.250   | 139.000     | NC       | 169.000                      | -1.000   |
| AUG    | 17.20             | NC       | 98     | 1726          | 17.25 @ 1.15            | -1       | 17.00 @ 1.07           | -1       | 48.500           | NC       | 139.250     | NC       | 170.500                      | -1.500   |
| SEP    | 17.20             | +2       | 93     | 1652          | 17.25 @ 1.24            | +1       | 17.00 @ 1.16           | -1       | 48.500           | NC       | 139.500     | NC       | 171.500                      | -1.000   |
| OCT    | 17.08             | NC       | 77     | 1398          | 17.25 @ 1.25            | NC       | 17.00 @ 1.28           | -1       | 48.000           | -0.200   | 140.000     | NC       | 174.000                      | +1.000   |
| NOV    | 17.10             | +2       | 76     | 1328          | 17.25 @ 1.32            | -1       | 17.00 @ 1.33           | -3       | 47.950           | NC       | 140.000     | NC       | 173.000                      | +0.975   |
| DEC    | 17.11             | +4       | 86     | 1343          | 17.25 @ 1.40            | +2       | 17.00 @ 1.40           | -2       | 48.250           | NC       | 140.000     | NC       | 175.000                      | NC       |

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