

Daily Dairy Report

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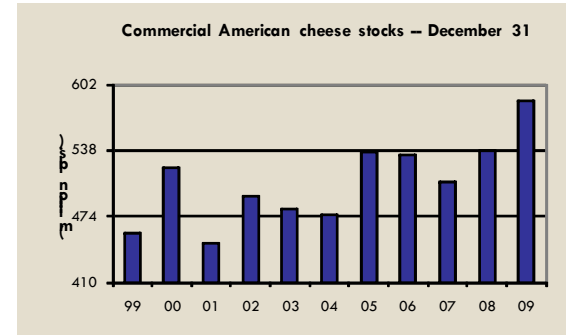
Stocks still hang over markets

Cheese and butter stocks were larger at the end of 2009 than at the beginning. On Dec. 31, commercial American cheese stocks were 586.8 million lbs., up 48.7 million lbs. (+9.0%) vs. the prior year, according to USDA's "Cold Storage" report released this afternoon (*see chart*). Privately held butter inventories were 133.7 million lbs., up 14.7 million lbs. (+12.4%) vs. the year before.

The Class I mover for February is \$14.84, down 19¢ from January, but up \$4.12 from a year ago. This is the first time the base price has been above year-earlier levels since June 2008.

NASS dairy product prices for the week ending Jan. 16: cheddar blocks \$1.5483 (-9.27¢ vs. the prior week); barrels \$1.4794 (+0.11¢); butter \$1.3391 (+0.89¢); nonfat dry milk \$1.2879 (-6.28¢); dry whey 39.02¢ (+0.21¢).

CME Group and the American Dairy Products Institute will present a two-day seminar on "Financial Risk Management for the Dairy Industry: An Introduction to Dairy Futures and Options Trading." The event is Feb 23-24 in Chicago. For seminar details, program agenda and to register online, visit www.adpi.org. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [67 Pit, 1756 Electronic]	1,823	28,003
Class IV	20	80
NDM (cash settle)	66	656
NDM (deliverable)	0	3
Dry whey	34	1,832
Butter (cash settle)	79	2,657

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,431	48,283
Class III midi	0	359
Dry whey	0	595
Butter (cash settle)	0	122

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4800 (+1.50) • Barrel cheese \$1.5050 (+1.50) • AA Butter \$1.4675 (-1.25) • NDM Extra Grade \$1.3000 (NC) • NDM Grade A \$1.3000 (NC) **MILK PRICES** (with change, in dollars, from previous month): December Class III milk (USDA) \$14.98 (+\$0.90) • Dec. Class IV milk (USDA) \$15.01 (+\$1.76)

January 22 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 10	14.49	+4	68	4255	14.50 @ 0.03	+1	14.25 @ 0.00	NC	38.500	NC	125.000	-1.000	136.000	NC
FEB	14.18	+9	348	4113	14.25 @ 0.17	+5	14.00 @ 0.11	-4	36.250	NC	117.500	-2.500	147.030	-0.980
MAR	14.16	-2	346	3624	14.25 @ 0.37	-1	14.00 @ 0.33	+1	36.500	+0.500	117.000	-2.000	149.000	NC
APR	14.21	-5	373	2818	14.25 @ 0.49	-3	14.00 @ 0.41	+2	35.670	+0.200	117.000	-2.000	151.000	-2.500
MAY	14.70	-5	213	2217	14.75 @ 0.59	-3	14.50 @ 0.52	+1	33.750	-0.250	118.750	-1.250	153.000	-1.750
JUN	15.15	-10	126	1868	15.25 @ 0.65	-6	15.00 @ 0.65	+7	35.730	-0.025	120.000	-0.500	155.000	-1.250
JUL	15.60	+1	70	1574	15.75 @ 0.71	-4	15.50 @ 0.73	-5	34.730	-0.275	122.000	-1.000	157.000	-1.000
AUG	15.77	NC	56	1610	16.00 @ 0.75	-3	15.75 @ 0.85	-2	35.500	-0.500	123.000	-2.000	158.000	NC
SEP	16.05	+10	51	1593	16.50 @ 0.73	+2	16.00 @ 0.90	-7	36.000	NC	125.000	NC	158.000	NC
OCT	15.95	+5	77	1461	16.00 @ 0.96	NC	15.75 @ 0.88	-5	34.500	-0.500	125.000	NC	157.000	+1.000
NOV	15.79	+4	29	1332	16.00 @ 0.92	-1	15.75 @ 0.99	-5	34.000	NC	117.000	NC	159.500	+1.500
DEC	15.79	+9	51	1381	16.00 @ 0.96	+1	15.75 @ 1.04	-7	37.000	+1.000	117.000	NC	162.000	-2.000

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