

Daily Dairy Report

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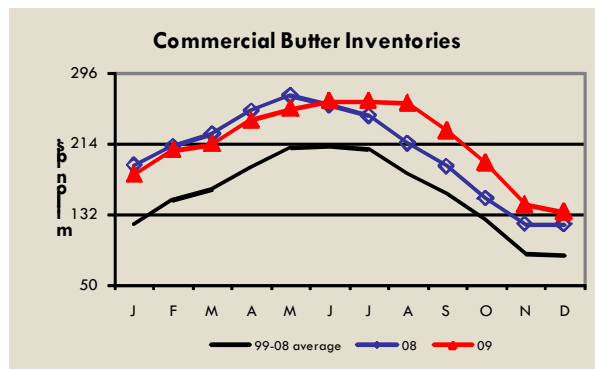
Blocks back above \$1.50

Cheese prices moved higher to start the week, but it wasn't enough to support Class III futures, which suffered double-digit losses in the MAY-JUL10 contracts.

Class IV futures plunged 59¢ in the FEB-APR10 contracts following weaker spot butter and NDM prices. Butter fell for the fifth straight day, losing 3.25¢ on an uncovered offer and no trades. Butter futures also were lower, falling 1.5¢-4.25¢ in the FEB-SEP10 contracts. Grade A NDM traded a nickel lower to \$1.25.

Butter stocks shrunk in December, but remain above historic levels, according to USDA's "Cold Storage" report released Friday (*see chart*).

The latest inventory numbers suggest sluggish American cheese consumption last fall, but improved use of other-than-American varieties. Total cheese disappearance was up about 1% for the September-November period. Butter disappearance was off by an estimated 10-15% in the three-month period, despite a rebound in butterfat exports in November. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [114 Pit, 1739 Electronic]	1,853	28,532
Class IV	10	90
NDM (cash settle)	52	695
NDM (deliverable)	0	3
Dry whey	50	1,847
Butter (cash settle)	88	2,707

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,821	48,618
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 \$1.5050 (+2.50) • Barrel cheese \$1.5150 (+1.00) • AA Butter \$1.4350 (-3.25) • NDM Extra Grade \$1.3000 (NC) • NDM Grade A \$1.2500 (-5.00) **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 25 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. (¢)	Settle (¢)	chg. (¢)
JAN 10	14.53	+4	94	4265	14.75 @ 0.00	NC	14.50 @ 0.02	-2	38.500	NC	125.000	NC	136.000	NC		
FEB	14.21	+3	235	4148	14.25 @ 0.15	-2	14.00 @ 0.08	-3	36.300	+0.050	117.000	-0.500	142.500	-4.525		
MAR	14.10	-6	321	3679	14.25 @ 0.33	-4	14.00 @ 0.35	+2	36.500	NC	116.000	-1.000	146.000	-3.000		
APR	14.16	-5	255	2894	14.25 @ 0.46	-3	14.00 @ 0.43	+2	35.420	-0.250	117.000	NC	149.000	-2.000		
MAY	14.54	-16	105	2241	14.75 @ 0.51	-8	14.50 @ 0.58	+6	34.000	+0.250	117.000	-1.750	151.000	-2.000		
JUN	15.05	-10	131	1925	15.25 @ 0.60	-5	15.00 @ 0.66	+1	36.700	+0.975	120.000	NC	152.500	-2.500		
JUL	15.50	-10	224	1620	15.50 @ 0.77	-6	15.50 @ 0.77	+4	36.480	+1.750	122.000	NC	155.500	-1.500		
AUG	15.71	-6	122	1664	15.75 @ 0.83	-4	15.50 @ 0.74	+2	35.480	-0.025	123.000	NC	156.000	-2.000		
SEP	16.00	-5	94	1644	16.00 @ 0.92	-3	16.00 @ 0.92	+2	36.000	NC	125.000	NC	156.000	-2.000		
OCT	15.89	-6	88	1495	16.00 @ 0.92	-4	15.75 @ 0.90	+2	35.200	+0.700	125.000	NC	156.500	-0.500		
NOV	15.75	-4	73	1366	15.75 @ 1.01	-2	15.75 @ 1.01	+2	34.000	NC	117.000	NC	159.000	-0.500		
DEC	15.72	-7	96	1434	15.75 @ 1.03	-5	15.50 @ 0.94	+3	37.000	NC	117.000	NC	161.000	-1.000		

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