

# Daily Dairy Report

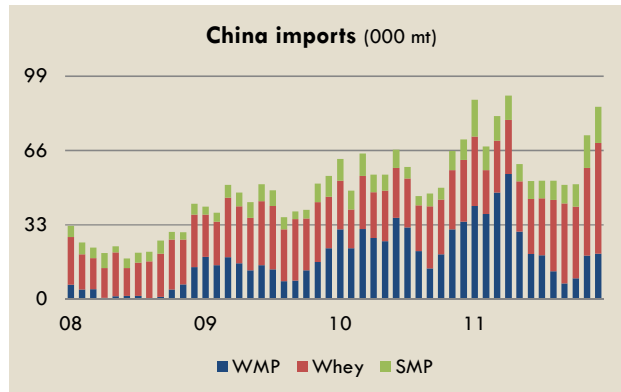
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## China milk powder, whey imports +17% in 2011

Year-over-year milk production growth slowed in Europe last fall. In the September-November period, milk deliveries were 32.851 million tons, up 1.3% from the prior year. In the first eight months of the year, deliveries were up 2.3%. Most of the excess milk went into SMP in 2011; in the January-November period, production of SMP was up 12.7% and exports were up 37.1%, according to Eurostat.

In December, China imported 85,400 tons of WMP, SMP and whey, up 20.6% from the prior year, according to Global Trade Atlas. WMP purchases were down 42% from December 2010, but SMP and whey imports were each up nearly 80%. For the year, China imported 805,700 tons of milk powder and whey, up 16.9% from 2010. Record purchases of SMP and whey offset a slight decline in WMP (see chart). Almost half of China's imports came from New Zealand; about 22% came from the United States.

In 2011, South Korean imports of milk powder, cheese, butterfat and whey reached 152,140 tons, up 35% from the year before. The United States was the leading supplier, shipping almost one-third of that total. **cme group**



## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [311 Pit, 856 Electronic]	1,167	33,086
Cheese	162	7,403
Dry whey	126	3,343
Class IV	45	1,987
Butter (cash settle)	156	4,441
NDM (cash settle)	150	698

### Options Volume and Open Interest

	Volume	Open Interest
Class III	1,245	79,945
Class III midi	18	1,352
Butter (cash settle)	60	2,005
Cheese	0	979
Class IV	12	2,770
Dry whey	0	481

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

**SPOT PRICES** (with change from previous day): Block cheese \$1.5050 (NC) • Barrel cheese \$1.4850 (NC) • AA Butter \$1.5600 (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 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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 12	17.09	-1	4	4208	17.50 @ NA	NA	17.25 @ NA	NA	68.750	NC	140.750	+0.250	157.570	-1.425
FEB	16.58	+8	154	5295	17.50 @ NA	NA	17.25 @ NA	NA	70.100	-1.400	137.750	-2.250	153.000	-1.000
MAR	16.85	+3	293	5218	17.50 @ NA	NA	17.25 @ NA	NA	68.300	-1.200	137.000	-1.500	157.750	-0.250
APR	16.85	+3	124	3227	17.50 @ NA	NA	17.25 @ NA	NA	60.750	-1.825	135.500	-1.500	160.500	-1.000
MAY	16.90	+7	33	2942	17.25 @ NA	NA	17.25 @ NA	NA	56.750	-1.050	136.000	-1.000	162.000	-1.500
JUN	17.08	-4	141	2486	17.25 @ NA	NA	17.25 @ NA	NA	53.500	-1.100	137.500	NC	164.000	NC
JUL	17.17	-2	77	1803	17.25 @ NA	NA	17.00 @ NA	NA	51.500	NC	138.000	NC	165.000	-0.250
AUG	17.20	-5	54	1799	17.50 @ NA	NA	17.25 @ NA	NA	50.480	NC	138.000	-1.000	166.000	NC
SEP	17.17	+1	95	1698	17.50 @ NA	NA	17.25 @ NA	NA	49.500	NC	139.000	NC	167.500	-0.025
OCT	17.07	-5	69	1452	17.25 @ NA	NA	17.00 @ NA	NA	49.480	NC	139.000	NC	168.970	NC
NOV	17.04	-3	65	1378	17.00 @ NA	NA	16.75 @ NA	NA	48.020	NC	139.000	NC	169.000	NC
DEC	17.05	-3	56	1372	17.25 @ NA	NA	17.00 @ NA	NA	48.000	NC	137.500	-2.500	169.500	NC

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