

Daily Dairy Report

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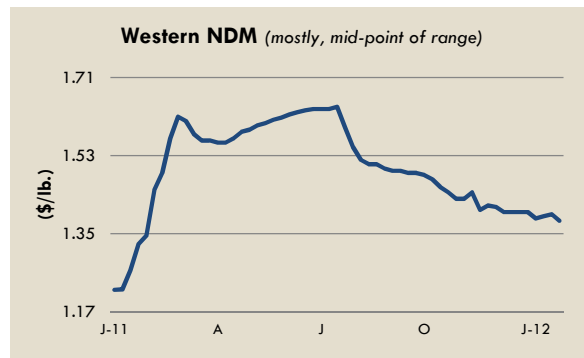
NDM prices continue to slide

NDM prices continued to slide in *Dairy Market News*' weekly survey. Western powder is trading for mostly \$1.35-\$1.41, the lowest since the same week a year ago (see chart). The California Weighted Average Price (CWAP) for last week was \$1.3337, down 6.4¢ from the prior week. Volume was 26.9 million lbs., about double the usual sales.

"[NDM] buying interest slowed as purchasers assess the impact of current market price declines," says *DMN*. "Milk suppliers are noting that cheese producers are taking fewer milk loads than forecast, creating a bigger milk supply to be balanced by butter/powder producers. Stock levels vary by producer and are moderate to heavy."

NDM futures were mostly unchanged today. The FEB through DEC contracts are between \$1.3550 and \$1.3900.

The whey market remains firm, though price increases are slowing. Midwestern dry whey is mostly 69.5¢-72.5¢, unchanged from last week. Western dry whey is mostly 69.5¢-74.0¢, up fractionally. "The current price is fueling some uneasiness amongst manufacturers and brokers as to how long these prices can be sustained," *DMN* says. "As some end-users reassess dry whey inventories, a few dry whey contract loads were pushed back and reoffered to the industry." Whey futures declined today, with APR falling below 60¢ and JUL dropping below 50¢. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

| | Volume | Open Interest |
|---|--------|---------------|
| Class III [170 Pit, 1102 Electronic] | 1,272 | 33,490 |
| Cheese | 138 | 7,515 |
| Dry whey | 81 | 3,311 |
| Class IV | 28 | 1,973 |
| Butter (cash settle) | 156 | 4,535 |
| NDM (cash settle) | 118 | 798 |

Options Volume and Open Interest

| | Volume | Open Interest |
|----------------------|--------|---------------|
| Class III | 684 | 80,189 |
| Class III midi | 21 | 1,374 |
| Butter (cash settle) | 30 | 2,035 |
| Cheese | 20 | 999 |
| Class IV | 0 | 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 \$1.5550 (-0.50¢) • 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 26 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. (¢) |
| JAN 12 | 17.09 | NC | 23 4218 | 17.50 @ NA | NA | 17.25 @ NA | NA | 68.750 | NC | 140.750 | NC | 157.750 | +0.175 |
| FEB | 16.58 | NC | 333 5352 | 17.50 @ NA | NA | 17.25 @ NA | NA | 70.000 | -0.100 | 137.500 | -0.250 | 154.000 | +1.000 |
| MAR | 16.81 | -4 | 483 5431 | 17.50 @ NA | NA | 17.25 @ NA | NA | 67.000 | -1.300 | 137.000 | NC | 157.750 | NC |
| APR | 16.80 | -5 | 65 3233 | 17.50 @ NA | NA | 17.25 @ NA | NA | 59.150 | -1.600 | 135.500 | NC | 160.500 | NC |
| MAY | 16.91 | +1 | 37 2930 | 17.25 @ NA | NA | 17.25 @ NA | NA | 55.000 | -1.750 | 136.000 | NC | 161.000 | -1.000 |
| JUN | 17.04 | -4 | 24 2480 | 17.25 @ NA | NA | 17.25 @ NA | NA | 52.250 | -1.250 | 137.500 | NC | 163.000 | -1.000 |
| JUL | 17.15 | -2 | 42 1821 | 17.25 @ NA | NA | 17.00 @ NA | NA | 49.270 | -2.225 | 138.000 | NC | 164.750 | -0.250 |
| AUG | 17.21 | +1 | 55 1812 | 17.50 @ NA | NA | 17.25 @ NA | NA | 50.500 | +0.025 | 138.000 | NC | 166.000 | NC |
| SEP | 17.20 | +3 | 63 1750 | 17.50 @ NA | NA | 17.25 @ NA | NA | 49.000 | -0.500 | 139.000 | NC | 167.000 | -0.500 |
| OCT | 17.08 | +1 | 51 1464 | 17.25 @ NA | NA | 17.00 @ NA | NA | 49.000 | -0.475 | 139.000 | NC | 168.970 | NC |
| NOV | 17.05 | +1 | 40 1393 | 17.00 @ NA | NA | 16.75 @ NA | NA | 48.000 | -0.025 | 139.000 | NC | 169.000 | NC |
| DEC | 17.05 | NC | 41 1385 | 17.25 @ NA | NA | 17.00 @ NA | NA | 48.000 | NC | 137.500 | NC | 169.500 | NC |

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