

Daily Dairy Report

Dairy market information provided by Alan Levitt

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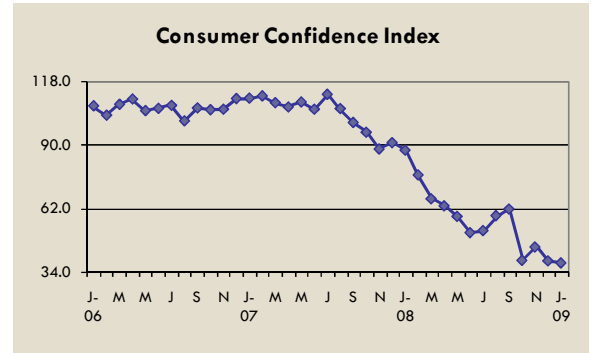
BLOCKS UP AGAIN, BUT FUTURES STALL

Sixteen loads of blocks traded this morning, but for the second straight day an offer to sell 10 more loads went uncovered. The closing price of \$1.10 was the highest since Jan. 5 and brings blocks in line with barrels. However, after six days of rallies, Class III milk futures were mostly lower today. 2009 contracts ranged from +4¢ to -9¢.

Butter and power markets are holding slightly above support with excesses moving to the government. Yesterday 2.9 million lbs. of NDM and 589,000 lbs. of butter were sold to CCC under the support program. Weaker export demand has left more product to be absorbed in the domestic market.

Consumer sentiment continues to fall. The Consumer Confidence Index for January is 37.7, down from 38.6 in December, according to the Conference Board's monthly survey. The index has dropped 13 of the last 18 months since reaching 111.9 in July 2007 (see chart). "Looking ahead, consumers remain quite pessimistic about the state of the economy and about their earnings," said Lynn Franco, director of the Conference Board Consumer Research Center.

Thursday is the last day to trade JAN futures and options. January Class and Component prices will be announced Friday morning. Also on Friday, USDA will release the January "Ag Prices" report, which will include the latest feed-cost data. It also will publish the biannual "Cattle" report, which tells how many replacement heifers are in the pipeline for 2009. **cme**



JANUARY 27 TRADING ACTIVITY

	Class III Futures				Class III Options Calls		Class III Options Puts		Dry Whey Futures		Nonfat Dry Milk Futures		Butter Futures – Cash settle	
	Settle (\$)	chg. (¢)	volume	open interest	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 09	10.79	-3	14	4455	11.00 @ 0.00	NC	10.75 @ 0.02	+1	17.000	NC	83.750	NC	109.750	NC
FEB	9.33	-3	290	4883	10.00 @ 0.02	-2	10.00 @ 0.69	+1	16.000	NC	84.000	NC	110.750	NC
MAR	9.95	-6	314	4464	10.00 @ 0.36	-3	10.00 @ 0.41	+3	16.500	NC	84.750	NC	116.250	+0.250
APR	10.66	+1	221	3688	10.75 @ 0.46	NC	10.50 @ 0.43	NC	17.250	NC	85.000	NC	119.250	+1.250
MAY	11.15	+4	171	3680	11.25 @ 0.57	+1	11.00 @ 0.54	-2	17.000	NC	85.500	NC	122.500	+0.500
JUN	12.02	-4	98	3085	12.25 @ 0.62	-2	12.00 @ 0.71	+2	17.250	+0.250	87.000	+1.000	125.000	NC
JUL	13.05	-5	140	2666	13.25 @ 0.76	-3	13.00 @ 0.82	+2	19.000	+0.250	88.000	+0.500	128.750	+0.500
AUG	14.00	NC	160	2678	14.00 @ 0.99	NC	14.00 @ 0.99	NC	20.770	+0.025	88.000	NC	131.750	+1.750
SEP	14.43	-7	164	2649	14.50 @ 1.05	-4	14.25 @ 0.99	+3	21.520	+0.025	90.000	+1.250	132.750	NC
OCT	14.47	-6	168	2179	14.50 @ 1.13	-4	14.25 @ 1.03	+2	24.520	+0.025	90.750	NC	134.250	+0.250
NOV	14.64	-4	120	2096	14.75 @ 1.18	-2	14.50 @ 1.15	+1	24.750	NC	92.500	NC	137.500	+1.500
DEC	14.71	-9	124	2107	14.75 @ 1.27	-5	14.50 @ 1.18	+4	24.500	NC	93.500	NC	137.250	+1.250

➤ Spot Prices (with change, in cents, from previous day):

Block cheese	\$1.1000 (+1.00)
Barrel cheese	\$1.1000 (NC)
AA Butter	\$1.1025 (NC)
NDM Extra Grade	\$.8500 (NC)
NDM Grade A	\$.8300 (NC)

➤ Milk Prices (with change from previous month):

Dec. Class III milk (USDA)	\$15.28 (-\$0.23)
Dec. Class IV milk (USDA)	\$10.35 (-\$1.90)

➤ Futures Volume and Open Interest

	Volume	Open Interest
Class III.....	2,073	39,224
[*252 Pit, 1821 Electronic]		
Class IV.....	10	205
NDM.....	2	999
Dry whey.....	6	1,499
Butter (cash settle).....	89	3,920

➤ Options Volume and Open Interest

	Volume	Open Interest
Class III.....	675	50,863
Class III Midi.....	0	150
Dry whey.....	0	180
Butter (cash settle).....	0	30

Futures and options volume and open interest from previous trading day

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