

Daily Dairy Report

Dairy market information provided by Alan Levitt

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BLOCKS UP FOR 5TH STRAIGHT DAY

Activity in the cheese pits has been very heavy lately, but traders had no blocks to sell this morning for the first time in seven weeks. A bid to buy a single load went unanswered, pushing the price up for the fifth straight day. Barrels increased in step on one trade.

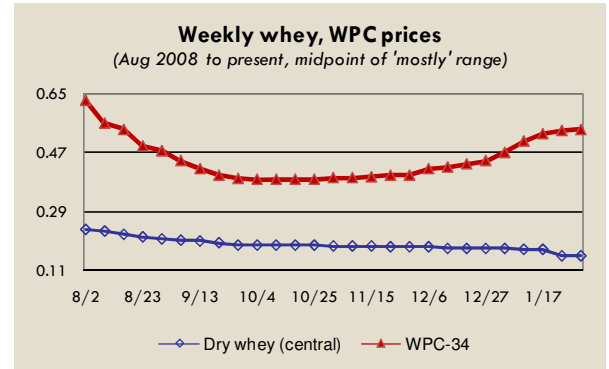
Milk futures were higher across the board. MAR-JUN09 each increased 25¢. Contracts covering the second half of the year gained 12¢.

JAN09 Class III futures went off the board at \$10.83 today. USDA Class and Component prices will be announced tomorrow morning.

Butter futures were mixed as spot butter closed at \$1.1025 for the fifth straight day.

Dry whey prices have settled into a steady range, though weak permeate and lactose markets could prevent prices from turning around quickly, says USDA's *Dairy Market News*. The department pegs Western whey at mostly 13.5-16.0¢, unchanged for the last four weeks. Central whey is priced at 14-17¢ for the second straight week.

Higher WPC prices have yet to pull up dry whey values (see chart). WPC-34 prices are up 39% since bottoming out in a range of mostly 36.0-41.5¢ at the end of October, says *DMN*. This week's price is reported at mostly 52.5-55.5¢. Orders for WPC are good and manufacturers have kept inventories remain manageable. **cme**



JANUARY 29 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 from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JAN 09	10.83	NC	32 4437	11.00 @ 0.00	NC	10.75 @ 0.00	NC	17.000	NC	83.500	NC	109.750	NC
FEB	9.55	+8	279 4895	10.00 @ 0.03	NC	10.00 @ 0.48	-8	16.000	NC	83.750	NC	110.000	-0.750
MAR	10.48	+25	138 4484	10.50 @ 0.38	+11	10.25 @ 0.28	-12	16.500	NC	84.500	-0.250	116.000	NC
APR	11.24	+25	163 3727	11.25 @ 0.52	+11	11.00 @ 0.41	-11	17.250	NC	84.000	-1.000	119.250	NC
MAY	11.65	+25	59 3660	11.75 @ 0.60	+12	11.50 @ 0.57	-11	17.500	NC	85.500	NC	122.500	NC
JUN	12.50	+25	78 3112	12.50 @ 0.74	+12	12.50 @ 0.74	-13	19.000	NC	87.000	NC	125.000	NC
JUL	13.33	+14	111 2688	13.50 @ 0.78	+6	13.25 @ 0.82	-7	21.000	NC	88.000	NC	126.500	-0.500
AUG	14.20	+13	53 2637	14.25 @ 0.98	+7	14.00 @ 0.90	-6	21.000	NC	88.250	NC	131.500	-0.250
SEP	14.61	+13	67 2658	14.75 @ 1.03	+6	14.50 @ 1.03	-7	21.750	NC	90.000	NC	131.750	-0.250
OCT	14.60	+10	51 2169	14.75 @ 1.08	+4	14.50 @ 1.10	-5	24.500	-0.025	90.750	NC	133.500	-0.500
NOV	14.80	+12	46 2100	15.00 @ 1.15	+6	14.75 @ 1.21	-6	25.500	+0.750	93.000	+0.500	135.970	-1.030
DEC	14.85	+10	46 2121	15.00 @ 1.23	+5	14.75 @ 1.25	-4	24.500	NC	94.000	+0.500	137.250	NC

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

Block cheese	\$1.1500 (+1.75)
Barrel cheese	\$1.1150 (+1.75)
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.....	1,128.....	39,282
[*32Pit, 1096 Electronic]		
Class IV.....	20.....	205
NDM.....	0.....	1,001
Dry whey.....	22.....	1,517
Butter (cash settle).....	140.....	4,014

> Options Volume and Open Interest

	Volume	Open Interest
Class III.....	186.....	51,200
Class III Midi.....	0.....	150
Dry whey.....	5.....	180
Butter (cash settle).....	0.....	30

Futures and options volume and open interest from previous trading day

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