

Daily Dairy Report

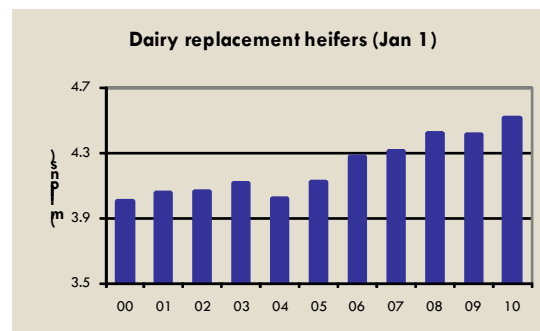
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More replacements in the pipeline

Milk prices and feed costs were mostly steady in January vs. December. The cost of feed in January was down about 1% from December, while the All-Milk price was the same (\$16.50), according to USDA's "Ag Prices" report released this afternoon. That left income over feed costs (the All-Milk price minus the cost of feed) at \$9.77/cwt. in January, up from \$9.68 in December. Corn prices slipped 14¢/bushel to \$3.45, soybeans dropped 31¢ to \$9.49 and alfalfa hay increased \$3/ton to \$113 this month, USDA says.

The biannual "Cattle" inventory report shows an abundant supply of replacement heifers in the pipeline after last year's massive culling. On Jan. 1, there were 4.52 million replacements, up from 4.41 million heifers a year ago, according to USDA's report released this afternoon (*see chart*). That's the most since 1986. There were 49.7 replacements for every 100 cows, up significantly from 47.2 going into last year.

NASS dairy product prices for the week ending Jan. 23: cheddar blocks \$1.4644 (-8.39¢ vs. the prior week); barrels \$1.4769 (-0.25¢); butter \$1.3854 (+4.63¢); nonfat dry milk \$1.0917 (-19.59¢); dry whey 38.66¢ (-0.32¢). **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST

Futures Volume and Open Interest

	Volume	Open Interest
Class III [98 Pit, 1119 Electronic]	1,217	29,860
Class IV	1	235
NDM (cash settle)	94	905
NDM (deliverable)	0	3
Dry whey	48	1,872
Butter (cash settle)	27	3,007

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,095	53,126
Class III midi	1	364
Dry whey	31	687
Butter (cash settle)	0	127

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.5150 (NC) • Barrel cheese \$1.5050 (NC) • AA Butter \$1.3300 (NC) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1900 (NC) **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 29 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 10	14.51	-3	21	4232	14.75 @ 0.00	NC	14.50 @ 0.02	+1	38.250	-0.250	118.900	-1.100	136.000	NC
FEB	14.05	-8	137	4057	14.25 @ 0.05	-2	14.00 @ 0.10	+3	34.500	-0.500	108.500	NC	138.000	NC
MAR	13.62	-5	250	3684	13.75 @ 0.29	-3	13.50 @ 0.30	+3	31.000	-1.000	107.500	NC	144.250	+0.250
APR	13.55	-9	221	3095	13.75 @ 0.35	-4	13.50 @ 0.41	+2	27.000	-2.325	108.500	+0.250	146.750	-0.250
MAY	13.90	-4	153	2571	14.00 @ 0.47	-2	13.75 @ 0.45	-2	27.000	-2.200	108.500	NC	149.000	NC
JUN	14.50	+1	134	2171	14.50 @ 0.60	NC	14.50 @ 0.60	-1	27.000	-3.000	112.000	NC	149.500	-1.500
JUL	15.20	+2	98	1754	15.25 @ 0.68	+1	15.00 @ 0.60	-1	30.000	-1.000	112.750	+0.250	150.000	NC
AUG	15.50	-3	56	1806	15.50 @ 0.81	+3	15.50 @ 0.81	+6	31.500	-1.500	115.500	+0.500	151.000	NC
SEP	15.78	-4	35	1718	16.00 @ 0.72	-2	15.75 @ 0.80	+1	32.000	-1.500	118.500	+1.000	154.000	+1.000
OCT	15.71	-7	33	1574	15.75 @ 0.85	-4	15.50 @ 0.77	+3	32.000	-2.000	123.000	NC	154.000	-1.000
NOV	15.55	-3	31	1498	15.75 @ 0.81	-2	15.50 @ 0.88	+1	33.500	-0.500	117.000	NC	156.000	-3.000
DEC	15.56	-2	35	1528	15.75 @ 0.86	-1	15.50 @ 0.91	+1	34.000	NC	117.000	NC	159.000	-2.000

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