

Daily Dairy Report

Vol. 14, No. 20 / February 1, 2010

Class IIIs crash to new lows

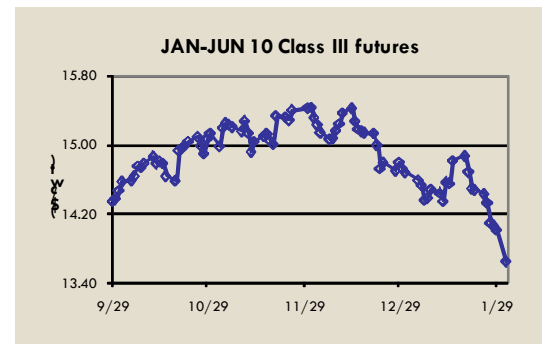
Milk futures crashed across the board today, falling 37¢ on first half 2010 contracts, to \$13.65 (see chart), and 39¢ on second half 2010 contracts, to \$15.16. APR thru JUL each dropped at least 50¢ today, and MAR thru JUL made new lows. The 2010 average has lost \$1.05 in the last two weeks. Whey and butter futures continue to plunge as well.

The historic block-barrel spread (3¢) was restored today when barrels fell 2.5¢ and blocks only dropped half a cent. Blocks are \$1.51 and barrels are \$1.48.

The California Class 4b (cheese-milk) price for January is \$12.72, down \$2.32 from December. This figure is \$1.77 below where JAN Class III futures settled today. The California 4a (milk for butter/powder) price for January is \$13.75, down \$1.01 from December. JAN Class IV futures settled at \$13.81 today.

Thursday is the last day to trade JAN futures and options. Federal Order prices come out Friday morning.

The December "Dairy Products" production report comes out tomorrow afternoon. **cme group**



For more information about real-time quotes, visit www.cmegroup.com/dairyquotes

FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [88 Pit, 936 Electronic]	1,024	30,222
Class IV	0	235
NDM (cash settle)	39	904
NDM (deliverable)	0	3
Dry whey	534	2,299
Butter (cash settle)	74	3,044

Options Volume and Open Interest

	Volume	Open Interest
Class III	824	53,763
Class III midi	0	364
Dry whey	0	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 \$1.5100 (-0.50) • Barrel cheese \$1.4800 (-2.50) • AA Butter \$1.3250 (-0.50) • 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)

February 1 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	14.49	-2	24	4220	14.50 @ 0.01	-2	14.25 @ 0.00	NC	38.250	NC	118.900	NC	136.000	NC
FEB	13.90	-15	109	4084	14.00 @ 0.07	-8	13.75 @ 0.05	+2	33.750	-0.750	108.500	NC	137.750	-0.250
MAR	13.28	-34	118	3714	13.50 @ 0.25	-17	13.25 @ 0.32	+12	27.000	-4.000	107.500	NC	143.000	-1.250
APR	13.05	-50	189	3193	13.25 @ 0.32	NC	13.00 @ 0.38	+18	24.020	-2.975	109.000	+0.500	146.000	-0.750
MAY	13.31	-59	124	2598	13.50 @ 0.41	NC	13.25 @ 0.46	+21	24.000	-3.000	108.500	NC	147.500	-1.500
JUN	13.88	-62	92	2213	14.00 @ 0.51	NC	13.75 @ 0.50	+22	24.020	-2.975	112.000	NC	148.000	-1.500
JUL	14.70	-50	74	1775	15.00 @ 0.54	-26	14.50 @ 0.57	+18	27.500	-2.500	113.000	+0.250	149.000	-1.000
AUG	15.06	-44	47	1824	15.25 @ 0.69	-24	15.00 @ 0.75	+18	28.000	-3.500	115.750	+0.250	150.000	-1.000
SEP	15.31	-47	44	1741	15.50 @ 0.70	-26	15.25 @ 0.76	+19	31.000	-1.000	118.500	NC	151.500	-2.500
OCT	15.36	-35	92	1627	15.50 @ 0.78	-20	15.25 @ 0.79	+14	32.000	NC	123.000	NC	153.000	-1.000
NOV	15.24	-31	45	1506	15.25 @ 0.88	-17	15.00 @ 0.76	+12	32.500	-1.000	117.000	NC	154.000	-2.000
DEC	15.26	-30	58	1558	15.50 @ 0.81	-16	15.25 @ 0.92	+13	33.000	-1.000	117.000	NC	158.000	-1.000

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