

Daily Dairy Report

Vol. 14, No. 25 / February 8, 2010

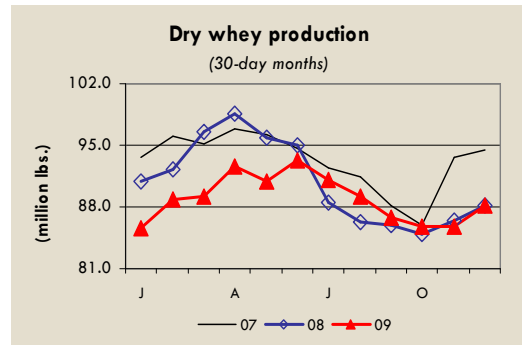
Whey production higher

Steady cheese prices did nothing to support milk futures resulting in contracts closing steady to 12¢ lower except for front-month FEB which increased 4¢. Butter fell 0.75¢ to \$1.32. Grade A nonfat fell 5¢ to \$1.10 on an uncovered offer.

Dry whey production in December totaled 91.2 million lbs., an increase of 100,000 lbs. from a year earlier and the highest production since August (see chart). Regional whey prices remained steady last week. Supply is building in most locations with some market participants indicating some spot offers at price discounts according to the USDA's *Dairy Market News*.

Friday, USDA announced they were discontinuing the National Animal Identification System (NAIS) to create a new, flexible disease traceability program. This will apply only to animals moved interstate employing lower cost technology.

Holiday schedule: CME Group will be closed on Monday, Feb. 15, in observance of President's Day. Regular trading hour will be held on Friday, Feb. 12. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [113 Pit, 822 Electronic]	935	31,644
Class IV	0	235
NDM (cash settle)	25	899
NDM (deliverable)	0	3
Dry whey	21	2,365
Butter (cash settle)	36	3,399

Options Volume and Open Interest

	Volume	Open Interest
Class III	1302	47,786
Class III midi	1	370
Dry whey	2	620
Butter (cash settle)	0	93

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4925 (NC) • Barrel cheese \$1.4725 (NC) • AA Butter \$1.3275 (-0.75) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1000 (-5.00) **MILK PRICES** (with change, in dollars, from previous month): January Class III milk (USDA) \$14.50 (-\$0.48) • January Class IV milk (USDA) \$13.85 (-\$1.16)

February 8 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. (¢)
FEB 10	14.14	+4	101	4009	14.25 @ 0.06	+1	14.00 @ 0.05	-2	37.000	NC	108.500	NC	134.000	NC
MAR	13.55	NC	179	3767	13.75 @ 0.23	-1	13.50 @ 0.29	-1	32.000	NC	107.500	NC	142.500	+0.500
APR	13.18	-6	151	3500	13.25 @ 0.36	-4	13.00 @ 0.31	+2	27.500	-2.500	108.000	NC	145.000	NC
MAY	13.28	-12	53	2855	13.50 @ 0.38	-6	13.25 @ 0.46	+5	28.000	-0.250	107.000	NC	147.000	NC
JUN	13.89	-11	90	2375	14.00 @ 0.54	-6	13.75 @ 0.52	+4	26.500	-0.750	112.000	NC	148.000	NC
JUL	14.64	-12	57	1907	14.75 @ 0.63	NC	14.50 @ 0.61	+2	28.050	+0.025	115.500	NC	150.000	+0.500
AUG	14.98	-8	65	1987	15.00 @ 0.75	-5	14.75 @ 0.65	+3	28.250	NC	117.750	NC	151.000	+1.450
SEP	15.36	-1	65	1885	15.50 @ 0.81	NC	15.25 @ 0.78	+1	31.000	NC	119.000	NC	152.000	+1.000
OCT	15.32	NC	66	1764	15.50 @ 0.80	NC	15.25 @ 0.82	+2	32.000	NC	122.000	NC	153.250	+0.750
NOV	15.21	-4	66	1738	15.25 @ 0.85	-3	15.00 @ 0.76	NC	33.080	+0.025	117.000	NC	154.000	NC
DEC	15.22	-4	40	1657	15.25 @ 0.89	-3	15.00 @ 0.80	+1	33.020	NC	117.000	NC	158.000	NC
JAN11	15.15	-5	2	67	15.50 @ 0.92	-3	14.50 @ 0.76	+2	30.520	NC	111.000	NC	159.000	NC

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