

# Daily Dairy Report

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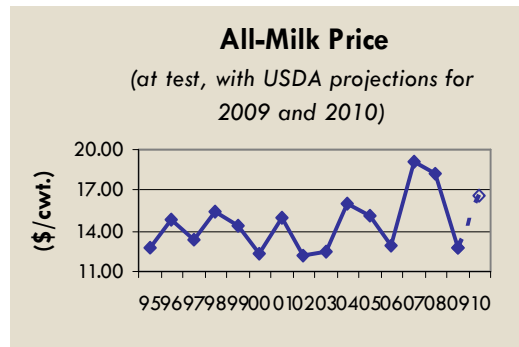
## Milk production raised

USDA raised the milk production forecast for 2010 on its monthly "World Agricultural Supply and Demand Estimates" report released this morning. "Milk production is forecast higher based on the higher-than-expected January 1 dairy replacement heifer estimate" says the department. Production is estimated at 188.9 billion lbs., and increase of 500 million lbs. from January.

At the midpoint of the ranges, cheese price is projected to be \$1.61, butter at \$1.4450, NDM at \$1.2050, and whey at 39¢. This would put the average Class III price at \$15.25, Class IV at \$14.35, and the all-milk price at \$16.55.

The only price movement in the spot markets today was in butter with a gain of 3¢ to \$1.35 taking back the losses of the past two days. Butter futures reacted increasing as much as 2.5¢. Milk futures closed steady to higher through JUN with later contracts falling slightly.

Projections for corn ending stocks for 2009/10 were reduced 45 million bu. to 1.719 billion bu. and an average price of \$3.70 per bu. Soybean ending stocks were reduced 35 million bu. to 210 million bu. and an average price of \$9.45 per bu. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [59 Pit, 739 Electronic]	798	27,797
Class IV	0	210
NDM (cash settle)	0	783
NDM (deliverable)	0	3
Dry whey	17	2,054
Butter (cash settle)	16	3,035

### Options Volume and Open Interest

	Volume	Open Interest
Class III	631	48,039
Class III midi	8	378
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 \$1.3500 (+3.00) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1000 (NC) **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 9 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. (¢)
FEB 10	14.19	+5	51	4004	14.25 @ 0.05	-1	14.00 @ 0.01	-4	36.750	-0.250	108.500	NC	134.000	NC
MAR	13.67	+12	157	3784	13.75 @ 0.28	+5	13.50 @ 0.24	-5	32.000	NC	107.500	NC	145.000	+2.500
APR	13.30	+12	154	3548	13.50 @ 0.31	+5	13.25 @ 0.37	-6	28.000	+0.500	108.000	NC	147.000	+2.000
MAY	13.37	+9	123	2857	13.50 @ 0.42	+4	13.25 @ 0.42	-4	27.000	-1.000	107.000	NC	148.000	+1.000
JUN	13.89	NC	105	2385	14.00 @ 0.54	NC	13.75 @ 0.52	NC	26.750	+0.250	112.000	NC	149.500	+1.500
JUL	14.62	-2	85	1929	14.75 @ 0.62	-1	14.50 @ 0.61	NC	28.000	-0.050	115.500	NC	150.500	+0.500
AUG	14.92	-6	33	1999	15.00 @ 0.72	-3	14.75 @ 0.67	+2	28.750	+0.500	117.750	NC	152.500	+1.500
SEP	15.32	-4	39	1913	15.50 @ 0.70	-11	15.25 @ 0.74	-4	31.000	NC	119.000	NC	153.250	+1.250
OCT	15.30	-2	25	1777	15.50 @ 0.80	NC	15.25 @ 0.84	+2	31.750	-0.250	122.000	NC	154.750	+1.500
NOV	15.17	-4	13	1750	15.25 @ 0.83	-2	15.00 @ 0.78	+2	32.000	-1.075	117.000	NC	154.000	NC
DEC	15.16	-6	13	1668	15.25 @ 0.86	-3	15.00 @ 0.82	+2	33.020	NC	117.000	NC	158.000	NC
JAN11	15.07	-8	0	67	15.50 @ 0.88	-4	14.50 @ 0.79	+3	30.520	NC	111.000	NC	159.000	NC

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