

Daily Dairy Report

Dairy market information provided by Alan Levitt

Vol. 13, No. 31 / February 18, 2009

CLASS III FUTURES REBOUND

The buying of cheese became more aggressive today with 7 loads pushing the block price to \$1.33, an increase of 7 cents. Barrels increased 4 cents to \$1.30 on a bid to buy. This is the highest price since December 18.

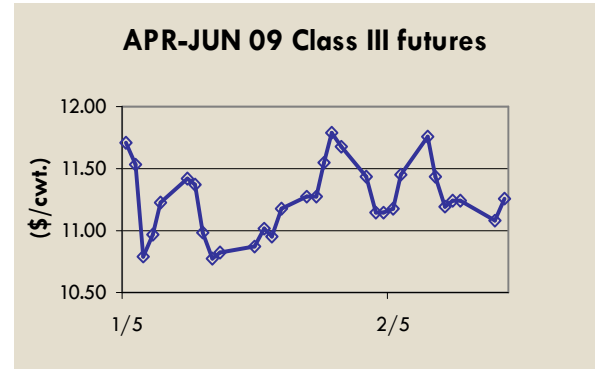
Butter has not been a part of this strength. Price remained unchanged at \$1.1025 with the only activity being a bid 0.25¢ lower. The CCC purchased 433,554 lbs. of butter from the Western region on Tuesday.

Milk futures reacted to the increasing cheese prices with contracts for 2009 gaining an average of 11¢. March benefited the most increasing 39¢ to \$10.72.

The nonfat dry milk price moved for the first time since January 5. Grade A gained 0.25¢ on a bid to move the price to \$0.8325. Extra Grade remained unchanged at \$0.8500. Nonfat dry milk from the Western region continues to move to the CCC with another 1.4 million purchased yesterday bringing the total amount to 171.4 million lbs. since October 1.

Florida sent 98 loads of milk out of the state with milk production remaining strong due to the cooler weather they have been experiencing. Fluid milk sales are sluggish and in some cases termed as "awful" according to the USDA's *Dairy Market News*. This sluggishness resulted in more milk moving into regional manufacturing, particularly powder and cheese, says *DMN*.

The USDA's January "Milk Production" report will be released tomorrow afternoon. The "Livestock Slaughter", the advanced Class I price, and the "Cold Storage" report will be released on Friday. **cme**



FEBRUARY 18 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. (¢)
FEB09	9.27	NC	167 5051	10.00 @ 0.00	NC	10.00 @ 0.73	NC	15.850	NC	83.000	NC	107.500	NC
MAR	10.72	+39	193 4948	10.75 @ 0.25	+15	10.50 @ 0.16	-19	15.750	NC	83.000	NC	112.000	NC
APR	10.73	+23	233 4238	10.75 @ 0.44	+11	10.50 @ 0.34	-10	17.250	NC	83.500	NC	115.500	NC
MAY	11.29	+22	62 3898	11.50 @ 0.48	+10	11.25 @ 0.55	-11	17.750	NC	85.000	NC	119.750	NC
JUN	11.76	+10	113 3371	12.00 @ 0.55	+5	11.75 @ 0.65	-5	19.000	NC	87.500	NC	123.000	NC
JUL	12.78	+3	69 2761	13.00 @ 0.68	+1	12.75 @ 0.76	-2	20.000	NC	89.000	-1.000	126.000	NC
AUG	13.51	+3	123 2713	13.75 @ 0.80	+1	13.50 @ 0.90	-2	21.000	NC	90.000	-1.225	128.750	NC
SEP	14.14	+5	31 2673	14.25 @ 0.96	+2	14.00 @ 0.94	-3	21.750	NC	91.500	NC	131.000	NC
OCT	14.21	+4	33 2293	14.25 @ 1.06	+2	14.00 @ 0.97	-2	23.000	NC	93.000	NC	133.500	NC
NOV	14.57	+2	26 2136	14.75 @ 1.10	+1	14.50 @ 1.14	-1	25.250	NC	94.750	NC	136.000	NC
DEC	14.67	+6	27 2210	14.75 @ 1.20	+2	14.50 @ 1.15	-3	25.000	NC	95.000	NC	135.500	NC
JAN10	14.73	+8	5 217	15.50 @ 1.00	+3			25.000	NC	99.500	NC	137.000	NC

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

Block cheese	\$1.3300 (+7.00)
Barrel cheese	\$1.3000 (+4.00)
AA Butter	\$1.1025 (NC)
NDM Extra Grade	\$0.8500 (NC)
NDM Grade A	\$0.8325 (+0.25)

➤ Milk Prices (with change from previous month):

Jan. Class III milk (USDA)	\$10.78 (-\$4.50)
Jan. Class IV milk (USDA)	\$9.59 (-\$0.76)

➤ Futures Volume and Open Interest

	Volume	Open Interest
Class III	1086	36,918
[*62 Pit, 1024 Electronic]		
Class IV	0	168
NDM	16	1,019
Dry whey	10	1,468
Butter (cash settle)	44	4,411

➤ Options Volume and Open Interest

	Volume	Open Interest
Class III	407	48,405
Class III Midi	0	131
Dry whey	0	160
Butter (cash settle)	5	30

Futures and options volume and open interest from previous trading day

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