

# Daily Dairy Report

Dairy market information provided by Alan Levitt

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## JANUARY SLAUGHTER JUMPS

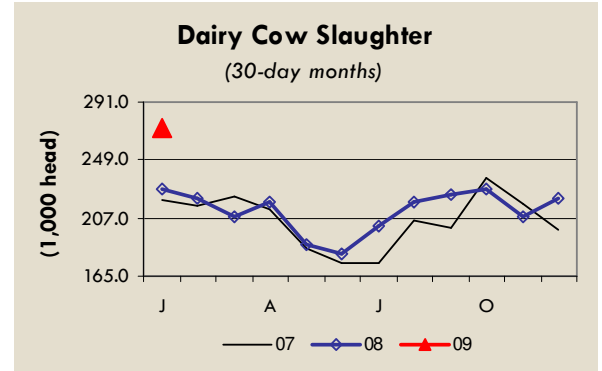
Cheese prices decreased for the second day as heavy volumes of cheese showed up to be traded. Blocks declined 1.5¢ to \$1.31 and barrels declined 0.50¢ to \$1.27. There were 10 loads of blocks and 2 loads of barrels traded leaving offers for 20 loads of blocks and 10 loads of barrels at the close of the spot trading period. The holiday shortened week resulted in 36 loads of blocks and 14 loads of barrels changing hands.

Butter remained steady for the week at \$1.1025 showing no trading activity. Overall, butter demand is good, especially through retail outlets that are running feature activities, according to USDA's *Dairy Market News*.

Dairy farmers sent an unusually high number of dairy cattle to slaughter in January according to USDA's "Livestock Slaughter" report released this morning. There were 281,100 head slaughtered, up 45,400 (+19%) from a year ago (see chart). This is the highest monthly slaughter since January 1997, due in part by CWT and increased culling by dairyman.

The March advanced Class I price plummeted to \$9.43, a decline of \$1.29 from February and down \$7.27 from a year ago. As a result, the MILC payment for March will be \$1.9170, plus a feed cost adjustment.

NASS dairy product prices for the week ending February 14: cheddar blocks \$1.1310 (+2.69¢ vs. the prior week); barrels \$1.1477 (+2.75¢); butter \$1.0793 (+0.86¢); nonfat dry milk \$0.8187 (-0.18¢); dry whey 15.55¢ (+0.20¢). **cme**



## FEBRUARY 20 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	9.28	NC	47 4987	10.00 @ 0.00	NC	10.00 @ 0.72	NC	15.850	NC	82.750	-0.250	107.500	NC
MAR	10.40	-2	270 4939	10.50 @ 0.18	-3	10.25 @ 0.16	-1	16.250	+0.450	82.000	-1.000	112.750	NC
APR	10.48	-4	231 4289	10.50 @ 0.42	-2	10.25 @ 0.32	+1	17.750	NC	83.500	NC	116.000	+0.500
MAY	10.94	-7	165 3940	11.00 @ 0.52	-4	10.75 @ 0.45	+2	18.000	NC	85.000	NC	120.500	+0.500
JUN	11.58	-3	182 3451	11.75 @ 0.56	-2	11.50 @ 0.60	+1	19.250	+0.250	87.000	-1.000	123.500	+0.250
JUL	12.63	-4	66 2726	12.75 @ 0.71	-2	12.50 @ 0.70	+2	21.000	+0.250	88.500	-1.000	126.500	NC
AUG	13.40	-8	83 2730	13.50 @ 0.85	-4	13.25 @ 0.82	+3	22.250	+1.000	89.500	-0.500	128.750	NC
SEP	13.96	-6	47 2685	14.00 @ 0.98	-3	13.75 @ 0.89	+3	23.000	+0.750	91.500	NC	131.500	+0.500
OCT	14.10	-6	48 2301	14.25 @ 1.00	-3	14.00 @ 1.01	+2	25.000	+1.500	93.000	NC	133.750	+0.250
NOV	14.50	-6	55 2180	14.50 @ 1.17	-3	14.50 @ 1.17	+3	25.750	NC	94.750	NC	136.250	+0.250
DEC	14.46	-10	77 2244	14.50 @ 1.20	-6	14.25 @ 1.11	+4	25.500	+0.250	95.000	NC	135.500	NC
JAN10	14.63	-8	19 232	15.50 @ 0.95	-4			25.000	NC	99.500	NC	137.000	NC

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

Block cheese	\$1.3100 (-1.50)
Barrel cheese	\$1.2700 (-0.50)
AA Butter	\$1.1025 (NC)
NDM Extra Grade	\$0.8500 (NC)
NDM Grade A	\$0.8325 (NC)

### ➤ 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	1,307	37,227
[*45 Pit, 1262 Electronic]		
Class IV	0	168
NDM	24	1,039
Dry whey	11	1,474
Butter (cash settle)	94	4,504

### ➤ Options Volume and Open Interest

	Volume	Open Interest
Class III	250	48,882
Class III Midi	2	143
Dry whey	0	160
Butter (cash settle)	0	45

Futures and options volume and open interest from previous trading day

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