

Daily Dairy Report

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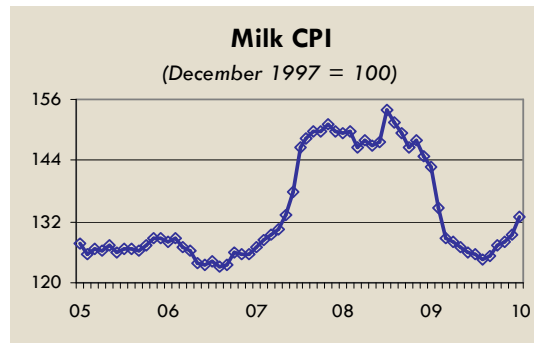
Milk CPI up 2.6%

Block cheese held today stopping a 5-day slide in price. Barrels lost a penny widening the spread and closing at \$1.36. Milk futures were mixed with more pressure being put on end of the year contracts. Closer months posted gains of 3-10 cents. An increasing butter price of 3¢ to \$1.4050 helped to support futures.

The January Consumer Price Index for milk was 133.0, an increase of 2.6% from December according to the Bureau of Labor Statistics. The index has increased 6.2% since the low point in August (*see chart*). Retail butter prices increased in January with a CPI of 169.5, an increase of 5.1% from December. The cheese CPI was 202.7, an increase of 2.0%.

December fluid milk sales totaled 4.874 billion lbs. slightly lower than a year ago. Sales for 2009 were 0.8% higher than 2008.

The February Consumer Confidence Index fell sharply to 46.0, a decline of 11 points from January. This ends 3 consecutive months of improvement. "The combination of earnings and job anxieties is likely to curb spending" says Lynn Franco, director of the Conference Board Consumer Research Center. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [16 Pit, 1106 Electronic]	1122	29,047
Class IV	0	215
NDM (cash settle)	9	795
NDM (deliverable)	0	1
Dry whey	18	2,228
Butter (cash settle)	56	3,350

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,017	52,855
Class III midi	0	398
Dry whey	0	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 \$1.3950 (NC) • Barrel cheese \$1.3600 (-1.00) • AA Butter \$1.4050 (+3.00) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1200 (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 23 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	14.24	NC	26	3571	14.25 @ 0.02	NC	14.00 @ 0.00	NC	39.000	NC	108.500	NC	134.500	NC
MAR	13.40	+9	163	3565	13.50 @ 0.14	+3	13.25 @ 0.12	-4	35.000	NC	107.500	NC	142.500	NC
APR	13.06	+10	246	3803	13.25 @ 0.24	+1	13.00 @ 0.29	-8	29.950	+0.950	108.500	+0.500	144.750	+0.250
MAY	13.14	+3	261	3314	13.25 @ 0.42	+4	13.00 @ 0.40	+1	27.000	NC	109.000	+1.000	149.000	+2.000
JUN	13.50	+4	79	2778	13.50 @ 0.61	+2	13.50 @ 0.61	-2	27.950	NC	111.000	NC	152.000	+2.500
JUL	14.05	+6	80	2185	14.25 @ 0.61	+3	14.00 @ 0.67	-3	27.000	NC	114.000	NC	155.000	+0.500
AUG	14.59	NC	63	2065	14.75 @ 0.72	-1	14.50 @ 0.75	NC	28.000	-0.500	117.750	NC	155.000	+0.250
SEP	14.94	-1	52	2041	15.00 @ 0.85	NC	14.75 @ 0.78	+1	31.000	NC	119.000	NC	156.000	+1.000
OCT	14.94	-15	86	1901	15.00 @ 0.81	-8	14.75 @ 0.74	+6	29.000	NC	120.000	NC	157.000	+1.000
NOV	14.82	-16	35	1848	15.00 @ 0.80	-8	14.75 @ 0.84	+7	32.000	NC	117.000	NC	159.000	+2.000
DEC	14.84	-11	25	1771	15.00 @ 0.85	-6	14.75 @ 0.87	+4	31.500	NC	117.000	NC	161.000	+2.500
JAN11	14.83	-13	6	87	15.50 @ 0.75	-6	14.50 @ 0.86	+5	28.000	NC	111.000	NC	159.000	NC

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