

# Daily Dairy Report

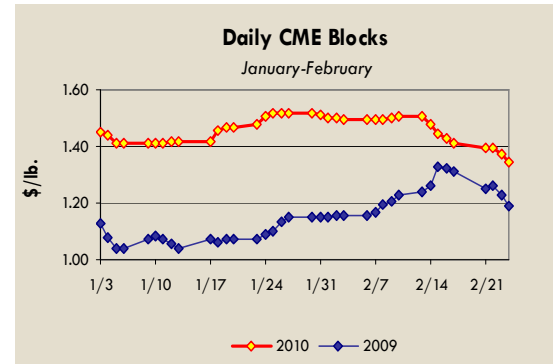
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## Feed prices to decline

Prices for both blocks and barrels remained steady for the first time since February 9. As a result, milk futures showed some buying interest in the second half of the year. From the first of the year through early February, the block spread between this year and last year was fairly consistent. However, the spread narrowed dramatically over the past two weeks (*see chart*).

Butter increased 1.75¢ to \$1.4225 and the highest price since January 25. Interest in fresh butter remains good as many customers want to have butter in inventory for use later in the year according to USDA's *Dairy Market News*. There continues to be export interest even though the U.S. Dollar has strengthened says *DMN*.

Feed prices are expected to decline this year as the price of corn should average \$3.70 per bu. and the price of soybean meal to average \$295.00 per ton. This represents a substantial drop from last year according to the Economic Research Service's "Livestock, Dairy, and Poultry" report released last week. This is good news to farmers and should result in greater income over feed costs. The USDA will release their "Dairy Products" report tomorrow. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III	N/A	N/A
[ Pit, Electronic]		
Class IV	N/A	N/A
NDM (cash settle)	N/A	N/A
NDM (deliverable)	N/A	N/A
Dry whey	N/A	N/A
Butter (cash settle)	N/A	N/A

### Options Volume and Open Interest

	Volume	Open Interest
Class III	N/A	N/A
Class III midi	N/A	N/A
Dry whey	N/A	N/A
Butter (cash settle)	N/A	N/A

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

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.3400 (NC) • Barrel cheese \$1.2900 (NC) • AA Butter \$1.4225 (+1.75) • 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)

## March 1 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	14.27	-1	53	3577	14.50 @ 0.00	NC	14.25 @ 0.01	NC	39.000	NC	109.500	+1.000	135.250	NC
MAR	13.00	-5	150	3624	13.00 @ 0.12	-5	13.00 @ 0.12	NC	35.750	+0.750	106.500	NC	143.500	+0.250
APR	12.89	-1	54	4095	13.00 @ 0.24	-2	12.75 @ 0.23	-1	32.000	NC	106.250	+0.230	146.250	+0.250
MAY	13.10	-6	73	3423	13.25 @ 0.38	-4	13.00 @ 0.40	+2	29.000	+0.500	108.000	NC	149.000	NC
JUN	13.66	+6	49	2876	13.75 @ 0.56	+3	13.50 @ 0.52	-3	29.000	-0.475	110.500	NC	150.500	NC
JUL	14.17	+8	27	2273	14.25 @ 0.65	+3	14.00 @ 0.60	-6	29.000	+0.250	112.750	NC	154.000	-1.000
AUG	14.72	+7	24	2141	14.75 @ 0.78	-2	14.50 @ 0.68	-12	29.500	+1.000	116.750	-0.250	155.000	NC
SEP	14.93	+9	40	2074	15.00 @ 0.83	+4	14.75 @ 0.77	-5	29.500	+1.500	117.500	NC	157.000	-0.025
OCT	15.00	+10	22	1939	15.00 @ 0.83	+4	15.00 @ 0.83	-6	29.750	+0.500	118.000	NC	159.000	NC
NOV	14.90	+10	19	1893	15.00 @ 0.83	+5	14.75 @ 0.80	-5	32.480	+0.225	118.500	NC	161.000	NC
DEC	14.90	+15	19	1830	15.00 @ 0.87	+7	14.75 @ 0.84	-7	30.980	-0.525	117.000	NC	159.720	NC
JAN11	14.60	-10	1	89	15.50 @ 0.65	-4	14.50 @ 0.95	+4	28.480	+0.475	111.000	NC	159.000	NC

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