

Daily Dairy Report

Dairy market information provided by Alan Levitt

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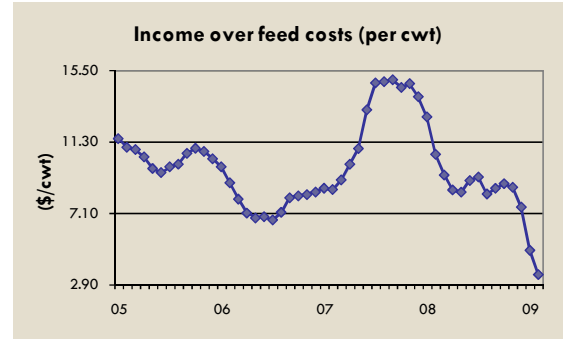
POWDER MARKET REMAINS WEAK

Cheese trading was unusually quiet on the first morning of March, after closing out February with near-record trading volume. Bids for two cars of barrels went unfilled and there was no activity on blocks. Recent declines in cheese prices have spurred buying interest. Class III futures were slightly higher for the third straight day. SEP and OCT09 posted double-digit increases.

Spot butter held unchanged on the first day of trading only “new-crop” butter (product produced after Dec. 1).

NDM prices remain near support levels. Last week CCC bought 9.6 million lbs. of NDM from the Western region. Since October, manufacturers have sold 184.2 million lbs. of excess powder into government storage.

“The Western low/medium heat nonfat dry milk market is steady and export interest has slowed,” says USDA’s *Dairy Market News*. “Sales of condensed skim and NDM into cheese production remains light. Producer stocks are moderate to heavy.”



The major government release this week is the January “Dairy Products” production report, which comes out Wednesday afternoon.

The CME Group will take down www.cme.com on March 7 in favor of the www.cmegroup.com site. The www.cbot.com site will be decommissioned at the end of March. Users are encouraged to start using the new site to become familiar with its layout and functionality. **cme**

MARCH 2 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. (¢)
MAR09	10.27	+4	38	4891	10.50 @ 0.07	NC	10.25 @ 0.15	-2	16.000	-0.250	82.000	NC	112.750	NC
APR	10.45	+5	262	4409	10.50 @ 0.37	+1	10.25 @ 0.30	-3	17.750	NC	83.000	NC	120.000	NC
MAY	10.78	+3	110	4169	11.00 @ 0.42	+1	10.75 @ 0.50	-2	18.000	NC	85.250	NC	124.500	+0.750
JUN	11.33	+3	69	3581	11.50 @ 0.54	+2	11.25 @ 0.57	-1	21.000	NC	87.500	NC	127.000	NC
JUL	12.47	+3	44	2821	12.50 @ 0.72	+1	12.25 @ 0.62	-2	22.020	+0.025	88.750	NC	130.000	+0.250
AUG	13.28	+4	12	2768	13.50 @ 0.77	+2	13.25 @ 0.85	-2	22.770	+0.025	89.500	NC	132.250	NC
SEP	13.84	+13	13	2696	14.00 @ 0.89	+5	13.75 @ 0.92	-7	23.250	NC	91.500	NC	133.600	-1.150
OCT	14.13	+11	10	2373	14.25 @ 0.99	+5	14.00 @ 0.98	-6	25.000	NC	93.000	NC	137.000	NC
NOV	14.42	+9	35	2225	14.50 @ 1.11	+4	14.25 @ 1.05	-5	26.000	NC	94.750	NC	137.500	NC
DEC	14.47	+6	6	2289	14.50 @ 1.19	+3	14.25 @ 1.09	-3	26.000	NC	95.000	NC	138.500	+1.000
JAN10	14.53	+3	1	221	15.50 @ 0.89	+1	13.00 @ 0.60	NC	25.000	NC	99.500	NC	138.000	NC
FEB10	14.51	+1	0	161	16.00 @ 0.77	-1	13.00 @ 0.64	+1	26.000	NC	115.000	NC	141.500	NC

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

Block cheese	\$1.1750 (NC)
Barrel cheese	\$1.1900 (+1.00)
AA Butter	\$1.1500 (NC)
NDM Extra Grade	\$.8500 (NC)
NDM Grade A	\$.8325 (NC)

➤ **Milk Prices** (with change from previous month):

Feb. Class III milk (USDA)	\$9.31 (-\$1.47)
Feb. Class IV milk (USDA)	\$9.45 (-\$0.14)

➤ **Futures Volume and Open Interest**

	Volume	Open Interest
Class III	600	37,483
[*27 Pit, 573 Electronic]		
Class IV	0	168
NDM	0	1,071
Dry whey	2	1,503
Butter (cash settle)	78	4,675

➤ **Options Volume and Open Interest**

	Volume	Open Interest
Class III	123	46,767
Class III Midi	0	136
Dry whey	0	140
Butter (cash settle)	0	40

Futures and options volume and open interest from previous trading day

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