

# Daily Dairy Report

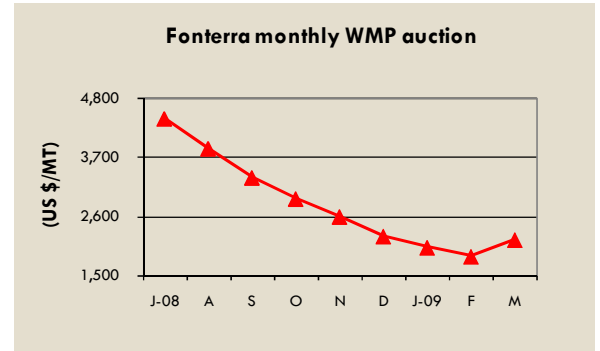
Dairy market information provided by Alan Levitt

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## FIRST INCREASE IN SELLING PRICES AT WMP AUCTION

Sellers initiated the action in the cheese pits again today, pushing blocks down a penny to a three-week low of \$1.1650. Barrels traded a quarter-cent lower to \$1.1875. Milk futures were mixed; down slightly in the front months and up slightly in the deferred contracts. APR, MAY and JUN09 moved within a few cents of their all-time low closing prices.

In Fonterra's monthly whole milk powder (WMP) auction, held this morning, the weighted average price increased 16.6% compared with the February event, to \$2,158/ton. This is the first increase since the NZ co-op started the monthly auctions last summer. From July through February, prices fell 58% (see chart). In the Feb. 20 issue of *Dairy Market News*, USDA notes that buyer interest is increasing for both WMP and SMP from Oceania, providing some stability to prices.



Oceania SMP was trading for 73-86¢/lb. in the week ending Feb. 20, DMN says, unchanged from two weeks earlier. DMN will report updated prices on Thursday.

The California 4b (cheese milk) price for February is \$10.11, up \$1.09 from January, thanks to a mid-month bump in cheese prices. The California 4a price (milk for butter-powder) for February dropped to \$9.40, down 13¢ from January, as butter and powder prices continue to lag.

Both butter (84,657 lbs.) and NDM (1.6 million lbs.) moved to government warehouses yesterday. **cme**

## MARCH 3 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	10.20	-7	87 4901	10.25 @ 0.13	-4	10.00 @ 0.07	+1	16.000	NC	82.000	NC	112.750	NC
APR	10.32	-13	169 4407	10.50 @ 0.31	-6	10.25 @ 0.35	+5	17.750	NC	83.000	NC	121.000	+1.000
MAY	10.71	-7	94 4221	10.75 @ 0.49	-4	10.50 @ 0.41	+3	18.000	NC	85.250	NC	124.500	NC
JUN	11.31	-2	151 3672	11.50 @ 0.53	-1	11.25 @ 0.58	+1	21.000	NC	87.500	NC	127.000	NC
JUL	12.45	-2	53 2817	12.50 @ 0.74	+2	12.25 @ 0.63	+1	22.020	NC	88.750	NC	130.000	NC
AUG	13.30	+2	27 2764	13.50 @ 0.77	NC	13.25 @ 0.84	-1	22.800	+0.025	89.750	+0.250	132.250	NC
SEP	13.85	+1	22 2692	14.00 @ 0.90	+1	13.75 @ 0.91	-1	23.250	NC	91.500	NC	133.600	NC
OCT	14.15	+2	53 2379	14.25 @ 1.00	+1	14.00 @ 0.97	-1	25.250	+0.250	93.000	NC	136.250	-0.750
NOV	14.50	+8	28 2236	14.50 @ 1.15	+4	14.50 @ 1.15	-4	25.500	-0.500	95.000	+0.250	137.500	NC
DEC	14.51	+4	5 2292	14.75 @ 1.10	+2	14.50 @ 1.20	-2	26.000	NC	95.000	NC	138.750	+0.250
JAN10	14.58	+5	1 221	15.50 @ 0.91	+2	13.00 @ 0.58	-2	25.000	NC	99.500	NC	138.000	NC
FEB10	14.56	+5	2 162	16.00 @ 0.79	+2	13.00 @ 0.63	-1	26.000	NC	115.000	NC	140.000	-1.500

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

Block cheese	\$1.1650 (-1.00)
Barrel cheese	\$1.1875 (-0.25)
AA Butter	\$1.1550 (+0.50)
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	705	33,165
[*26 Pit, 679 Electronic]		
Class IV	50	193
NDM	0	935
Dry whey	20	1,386
Butter (cash settle)	37	4,187

### ➤ Options Volume and Open Interest

	Volume	Open Interest
Class III	260	46,864
Class III Midi	1	137
Dry whey	0	140
Butter (cash settle)	0	40

Futures and options volume and open interest from previous trading day

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