

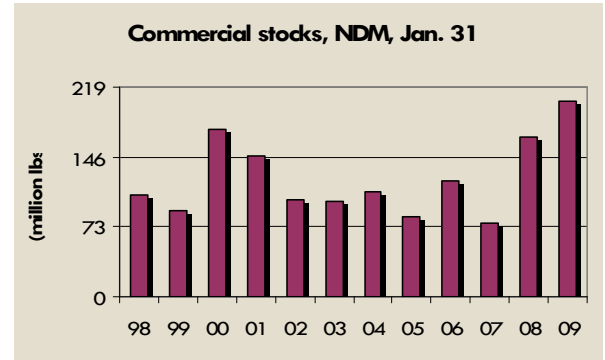
# Daily Dairy Report

Dairy market information provided by Alan Levitt

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## WHEY PRICES TICK HIGHER

Whey prices continue to tick higher. USDA's Dairy Market News pegs Central dry whey at mostly 15.5-16.75¢, the fourth straight week of slight gains. Western dry whey is trading for mostly 16.0-17.5¢, up about 2¢ since January. Manufacturers stocks of whey on Jan. 31 were 59.6 million lbs., down 12.2% (-11.3 million lbs.) vs. a year ago, according to USDA's latest "Dairy Products" report. Dry whey production has lagged year-ago levels for 13 straight months. In January, production was down 3.6% from January 2008 and down 8.7% from January 2007.



In contrast, growing inventories hang over the milk powder market. Commercial stocks of NDM on Jan. 31 were 203.5 million lbs., up 22.1% (+36.8 million lbs.) vs. a year ago and up 162.9% (+126.1 million lbs.) vs. two year ago, USDA says (see chart). In addition, the government has bought 187.1 million lbs. of NDM since the beginning of October.

NASS dairy product prices for the week ending Feb. 28: cheddar blocks \$1.2301 (+6.00¢ vs. the prior week); barrels \$1.2403 (+4.38¢); butter \$1.0931 (+0.95¢); nonfat dry milk 81.92¢ (+0.51¢); dry whey 15.68¢ (-0.23¢). **cme**

## MARCH 6 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	10.22	+1	22 4851	10.25 @ 0.10	-3	10.00 @ 0.03	-4	16.00	NC	82.000	NC	113.500	NC
APR09	10.73	+26	127 4337	10.75 @ 0.38	+11	10.50 @ 0.28	-12	17.750	NC	83.000	NC	120.000	NC
MAY09	11.08	+23	81 4217	11.25 @ 0.44	+10	11.00 @ 0.48	-11	18.500	NC	86.250	NC	125.000	NC
JUN09	11.72	+28	137 3765	11.75 @ 0.60	+12	11.50 @ 0.52	-12	21.500	+0.500	87.500	NC	128.250	NC
JLY09	12.79	+17	78 2793	13.00 @ 0.65	+8	12.75 @ 0.72	-8	23.000	+0.750	89.000	NC	132.250	+0.500
AUG09	13.66	+15	19 2740	13.75 @ 0.84	+7	13.50 @ 0.80	-7	24.000	+1.000	89.750	NC	133.530	+0.525
SEP09	14.14	+14	21 2665	14.25 @ 0.93	+7	14.00 @ 0.90	-7	25.000	+0.750	91.000	NC	135.000	+0.500
OCT09	14.42	+10	17 2375	14.50 @ 1.02	+4	14.25 @ 0.97	-5	26.000	+0.250	92.500	NC	137.500	+0.250
NOV09	14.71	+14	16 2230	14.75 @ 1.14	+7	14.50 @ 1.05	-6	26.250	+0.500	94.750	NC	138.250	+0.250
DEC09	14.74	+9	12 2301	14.75 @ 1.21	+5	14.50 @ 1.09	-4	26.750	+0.750	95.000	NC	139.250	+0.250
JAN10	14.84	+13	14 225	15.50 @ 1.02	+6	13.00 @ 0.51	-3	25.000	NC	99.500	NC	139.000	+1.000
FEB10	14.78	+11	11 173	16.00 @ 0.87	+4	13.00 @ 0.57	-3	26.000	NC	115.000	NC	140.000	NC

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

Block cheese .....	\$1.2000 (+2.50)
Barrel cheese .....	\$1.2200 (+1.50)
AA Butter .....	\$1.1675 (+0.75)
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.....	557	33,065
[*0 Pit, 557 Electronic]		
Class IV.....	0	218
NDM .....	31	966
Dry whey.....	7	1,404
Butter (cash settle) .....	90	4,300

### > Options Volume and Open Interest

	Volume	Open Interest
Class III.....	472	46,973
Class III Midi.....	5	142
Dry whey.....	0	140
Butter (cash settle).....	0	40

Futures and options volume and open interest from previous trading day

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