

Daily Dairy Report

Dairy market information provided by Alan Levitt

Vol. 13, No. 44 / March 9, 2009

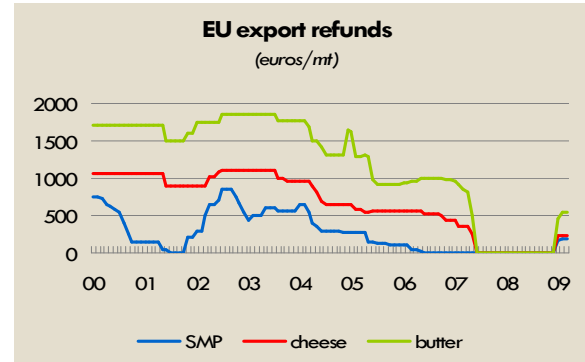
EU OPENS INTERVENTION

The European Commission held common export refund levels unchanged at its March 5 meeting. Common refunds remain 190 euros/ton for SMP (about 11¢/lb.), 550 euros/ton for butter (about 32¢/lb.) and 220 euros/ton for cheddar cheese (about 13¢).

USDA's Dairy Market News reports EU export prices at 86-98¢ for SMP and \$1.00-\$1.24 for butter. Oceania export prices are still considerably lower: 73-91¢ for SMP and 73-95¢ for butter. Cheddar cheese from Oceania is trading for \$1.00-\$1.22, DMN says.

The EU's intervention system opened last week, and manufacturers sold off nearly the entire annual limit of 30,000 mt of butter in just the first couple days. Once the limit is reached, the EU will switch to a tendering system to accept additional volumes of butter through Aug. 31. In addition, manufacturers sold 40,000 mt of SMP. The annual buy-in limit for SMP is 109,000 mt.

In Oceania, "seasonal, declining trends in milk production are common," says DMN. "Recent trends continue with hot weather an influencing factor. New Zealand's milk output is outpacing last year's drought-influenced levels at around 4-5% with a more typical seasonal end expected." In Australia, some farms are drying off cows, DMN adds. **cme**



MARCH 9 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	10.29	+7	119 4707	10.50 @ 0.03	NC	10.25 @ 0.09	-4	15.750	-0.250	82.000	NC	113.000	-0.500
APR09	10.85	+12	129 4406	11.00 @ 0.32	+4	10.75 @ 0.34	-6	17.750	NC	83.000	NC	119.250	-0.750
MAY09	11.21	+13	96 4244	11.25 @ 0.50	+6	11.00 @ 0.41	-7	18.500	NC	86.250	NC	125.250	+0.250
JUN09	11.85	+13	130 3768	12.00 @ 0.56	+7	11.75 @ 0.57	-6	21.500	NC	87.500	NC	128.500	+0.250
JLY09	12.94	+15	48 2791	13.00 @ 0.71	+6	12.75 @ 0.65	-7	23.000	NC	89.000	NC	133.000	+0.750
AUG09	13.80	+14	17 2735	14.00 @ 0.79	+6	13.75 @ 0.86	-7	24.000	NC	90.000	+0.250	133.530	NC
SEP09	14.33	+19	27 2674	14.50 @ 0.91	+9	14.25 @ 0.94	-10	25.250	+0.250	91.000	NC	135.280	+0.275
OCT09	14.64	+22	15 2380	14.75 @ 1.02	+10	14.50 @ 1.00	-10	26.250	+0.250	92.500	NC	138.500	+1.000
NOV09	14.90	+19	29 2235	15.00 @ 1.12	+9	14.75 @ 1.09	-9	26.500	+0.250	94.750	NC	139.000	+0.750
DEC09	14.94	+20	22 2307	15.00 @ 1.20	+10	14.75 @ 1.13	-9	26.500	-0.250	95.000	NC	140.000	+0.750
JAN10	14.95	+11	13 231	15.50 @ 1.07	+5	13.00 @ 0.48	-3	25.000	NC	99.500	NC	140.000	+1.000
FEB10	14.93	+15	8 181	16.00 @ 0.93	+6	13.00 @ 0.53	-4	26.000	NC	115.000	NC	140.000	NC

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

Block cheese	\$1.2300 (+3.00)
Barrel cheese	\$1.2500 (+3.00)
AA Butter	\$1.1700 (+0.25)
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	704	33,090
[*36 Pit, 668 Electronic]		
Class IV	0	218
NDM	3	966
Dry whey	26	1,404
Butter (cash settle)	46	4,317

➤ Options Volume and Open Interest

	Volume	Open Interest
Class III	104	46,391
Class III Midi	5	146
Dry whey	0	140
Butter (cash settle)	5	45

Futures and options volume and open interest from previous trading day

Disclaimer: The Daily Dairy Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance.