

# Daily Dairy Report

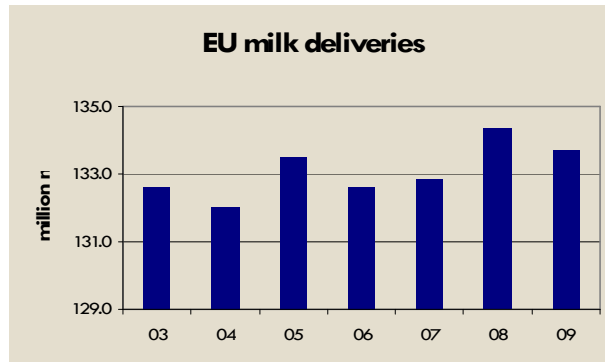
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## EU milk production -0.6% in 2009

In the EU-27, 2009 milk deliveries were 133.4 million tons (294 billion lbs.), down 0.6% from the prior year, according to EuroStat (*see chart*). Dairy product production was relatively flat, other than a shift away from WMP and towards SMP. For the year, production of cheese was -0.1%, butter -2.9%, SMP +10.4%, and WMP -13.3%. Exports of SMP were up sharply – +28.3% – while shipments of WMP were down 6.6%. Exports of cheese (+3.8%) and butterfat (-2.2%) were in line with prior-year levels.

EU milk production continues to run below year-earlier levels in 2010 due to a cold winter. The European dairy market has stabilized in recent weeks at levels about 20-25% below the peak in early December.

The EU's intervention program opened last week, but no product has been sold, as commercial market prices are above intervention prices. However, the Commission still has stocks from last year. On March 4, the EC reported 257,364 tons of SMP in storage (though 65,069 tons is committed to domestic feeding programs). It also had 76,310 tons of butterfat in public stores (minus 51,088 tons designated for domestic feeding programs) and 16,021 in private holdings. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [24 Pit, 976 Electronic]	1,000	28,035
Class IV	0	195
NDM (cash settle)	0	876
NDM (deliverable)	0	1
Dry whey	11	1,947
Butter (cash settle)	36	3,180

### Options Volume and Open Interest

	Volume	Open Interest
Class III	278	47,156
Class III midi	0	400
Dry whey	38	583
Butter (cash settle)	0	54

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

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.2750 (-1.25) • Barrel cheese \$1.2500 (NC) • AA Butter \$1.4800 (+1.00) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1100 (NC) **MILK PRICES** (with change, in dollars, from previous month): February Class III milk (USDA) \$14.28 (-\$0.22) • February Class IV milk (USDA) \$12.90 (-\$0.95)

## March 9 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. (¢)
MAR10	12.76	-2	122	3,932	13.00 @ 0.02	NC	12.75 @ 0.09	+1	37.750	NC	106.500	NC	145.000	NC
APR10	12.55	-13	272	4,434	12.75 @ 0.14	-8	12.50 @ 0.20	+3	33.000	+0.050	110.000	+2.000	148.000	NC
MAY10	12.92	-8	181	3,804	13.00 @ 0.36	-5	12.75 @ 0.32	+3	31.000	+1.000	112.000	+2.500	150.000	NC
JUN10	13.62	-14	117	3,035	13.75 @ 0.49	-10	13.50 @ 0.49	+3	31.400	+0.900	113.000	+0.500	151.750	NC
JUL10	14.24	-16	65	2,372	14.25 @ 0.67	-10	14.00 @ 0.55	+4	30.750	NC	114.000	NC	153.750	NC
AUG10	14.83	-12	71	2,259	15.00 @ 0.70	-7	14.75 @ 0.74	+5	31.500	+0.500	116.750	NC	155.000	-0.500
SEP10	15.08	-7	47	2,140	15.25 @ 0.78	-3	15.00 @ 0.81	+3	32.000	+1.000	117.500	NC	157.250	-0.250
OCT10	15.08	-7	34	2,000	15.25 @ 0.75	-4	15.00 @ 0.78	+3	31.500	NC	118.500	NC	159.000	NC
NOV10	14.90	-2	34	1,952	15.00 @ 0.82	-1	14.75 @ 0.78	NC	32.500	+0.225	119.500	NC	160.750	-0.250
DEC10	14.88	-1	42	1,876	15.00 @ 0.85	NC	14.75 @ 0.83	NC	31.000	+0.250	117.000	NC	160.500	NC
JAN11	14.44	-6	6	99	14.50 @ 0.95	NC	14.00 @ 0.76	+2	29.500	+0.500	111.000	NC	159.000	NC
FEB11	14.15	-5	2	47	14.50 @ 0.85	-2	14.00 @ 0.92	+2	28.750	+0.250	111.000	NC	160.000	NC

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