

# Daily Dairy Report

Dairy market information provided by Alan Levitt

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## CLASS III FUTURES FALL ON BREAK IN CHEESE MARKET

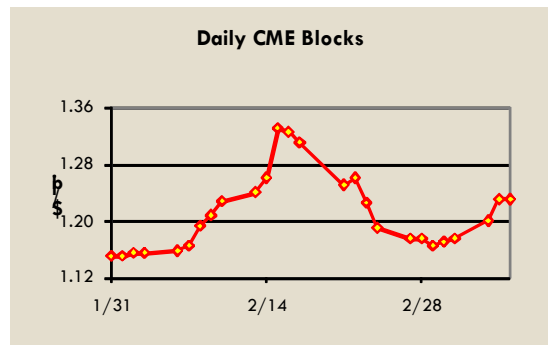
Cheese prices held unchanged today after climbing over the last week. Blocks had gained 6.5¢ in the previous four days and barrels had increased 7.25¢ in the previous three days. Buyers seem to have had their fill; the only activity was an uncovered offer on blocks. Barrels remain 2¢ above blocks, an inverted spread.

The break in the cheese momentum sent milk futures lower after posting steady daily increases since Feb. 25. Second quarter contracts fell 21¢ to \$11.09. Second half contracts dropped 12¢ to \$14.14.

The butter market tacked on another half cent on two sales, moving up to \$1.1750. The butter price has climbed 7.25¢ since Feb. 20. Butter futures continue to rise as well.

Whey futures increased for the seventh straight day. SEP09 is up 2.75¢ since Feb. 27. At 26¢, SEP09 is at its highest since mid-November.

California Class I prices for April are \$11.58 in the north and \$11.85 in the south, up 45¢ from March. These prices are \$8.34 below a year ago. Federal Order Class I prices come out Friday, March 20. The base price is expected to be \$10.00-\$10.50 – up from \$9.43 in March. **cme**



## MARCH 10 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	-7	55 4778	10.25 @ 0.09	-4	10.00 @ 0.03	+1	15.750	NC	82.000	NC	113.000	NC
APR	10.59	-26	126 4461	10.75 @ 0.30	-14	10.50 @ 0.33	+10	17.750	NC	83.000	NC	120.000	+0.750
MAY	11.00	-21	100 4251	11.00 @ 0.50	-12	11.00 @ 0.50	+9	18.500	NC	86.250	NC	125.500	+0.250
JUN	11.69	-16	157 3807	11.75 @ 0.59	-8	11.50 @ 0.52	+6	22.000	+0.500	87.500	NC	129.000	+0.500
JUL	12.75	-19	31 2797	12.75 @ 0.73	-11	12.75 @ 0.73	+8	23.500	+0.500	89.000	NC	134.500	+1.500
AUG	13.67	-13	29 2732	13.75 @ 0.83	-8	13.50 @ 0.78	+5	24.750	+0.750	90.500	+0.500	134.000	+0.480
SEP	14.21	-12	18 2679	14.25 @ 1.00	-2	14.00 @ 0.87	+5	26.000	+0.750	91.000	NC	136.500	+1.230
OCT	14.57	-7	21 2383	14.75 @ 1.00	-2	14.50 @ 1.03	+3	27.000	+0.750	92.500	NC	138.500	NC
NOV	14.77	-13	16 2234	15.00 @ 1.05	-7	14.75 @ 1.14	+5	27.000	+0.500	94.750	NC	139.500	+0.500
DEC	14.85	-9	17 2305	15.00 @ 1.15	-5	14.75 @ 1.16	+3	27.000	+0.500	95.000	NC	140.000	NC
JAN10	14.95	NC	14 233	15.50 @ 1.06	-1			25.000	NC	99.500	NC	140.000	NC
FEB	14.88	-5	14 185	16.00 @ 0.91	-2			26.000	NC	115.000	NC	140.000	NC

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

Block cheese	\$1.2300 (NC)
Barrel cheese	\$1.2500 (NC)
AA Butter	\$1.1750 (+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.....	656	33,281
[*89 Pit, 567 Electronic]		
Class IV.....	0	218
NDM.....	0	969
Dry whey.....	10	1,414
Butter (cash settle).....	77	4,388

### ➤ Options Volume and Open Interest

	Volume	Open Interest
Class III.....	245	46,494
Class III Midi.....	4	150
Dry whey.....	15	155
Butter (cash settle).....	0	45

Futures and options volume and open interest from previous trading day

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