

Daily Dairy Report

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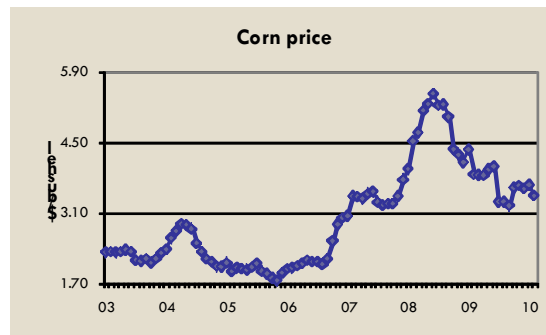
Corn prices weaken on production report

Cheese prices held today after blocks had fallen in 13 of the previous 16 trading sessions. That provided a bit of support to milk futures, which were mixed. Butter and whey futures closed steady-to-higher.

Corn futures continued trailing off, falling for the fifth straight day. JUL corn settled at \$3.76/bushel; a week ago it traded for \$4.00. This morning, USDA increased its estimate of ending corn stocks. This year's corn harvest is projected to be a record 13.1 billion bushels, up 9% from last year, according to the "Crop Production" report released this morning. Ending stocks are projected to reach 1.8 billion bushels, 8% more than 2009's level. USDA estimates 2009/10 corn prices at \$3.45-\$3.75/bushel, down from an average of \$4.06 in 2008/09.

USDA also dropped its forecast milk price for 2010. The Class III is now projected to average \$14.20-\$14.80 for the year, down 75¢ from the range USDA forecast in February. The department raised its its projection of 2010 milk production by 600 million lbs., to 189.5 billion lbs., up slightly from 2009.

California Class I prices fell for the third straight month. April prices are \$14.37 in the north and \$14.64 in the south. Both prices are down \$2.07 from March. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [10 Pit, 1,379 Electronic]	1,389	28,581
Class IV	0	195
NDM (cash settle)	25	876
NDM (deliverable)	0	1
Dry whey	21	1,949
Butter (cash settle)	32	3,200

Options Volume and Open Interest

	Volume	Open Interest
Class III	602	47,558
Class III midi	1	401
Dry whey	0	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 (NC) • Barrel cheese \$1.2500 (NC) • AA Butter \$1.4850 (+0.50) • 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 10 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 from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
MAR10	12.82	+6	74 3958	13.00 @ 0.03	+1	12.75 @ 0.06	-3	37.750	NC	106.000	-0.500	145.000	NC
APR	12.66	+11	457 4541	12.75 @ 0.19	+5	12.50 @ 0.15	-5	33.000	NC	111.750	+1.750	149.500	+1.500
MAY	12.92	NC	250 3916	13.00 @ 0.36	NC	12.75 @ 0.32	NC	31.500	+0.500	112.000	NC	151.000	+1.000
JUN	13.64	+2	152 3095	13.75 @ 0.49	NC	13.50 @ 0.48	-1	31.400	NC	113.000	NC	152.000	+0.250
JUL	14.21	-3	98 2428	14.25 @ 0.65	-2	14.00 @ 0.56	+1	30.750	NC	114.000	NC	154.000	+0.250
AUG	14.79	-4	65 2299	15.00 @ 0.68	-2	14.75 @ 0.76	+2	31.500	NC	116.750	NC	155.500	+0.500
SEP	15.10	+2	94 2178	15.25 @ 0.78	NC	15.00 @ 0.80	-1	32.000	NC	117.500	NC	157.250	NC
OCT	15.08	NC	65 2044	15.25 @ 0.75	NC	15.00 @ 0.78	NC	31.500	NC	118.500	NC	159.000	NC
NOV	14.95	+5	48 1974	15.00 @ NA	NA	14.75 @ NA	NA	33.250	+0.750	119.500	NC	160.500	-0.250
DEC	14.86	-2	84 1915	15.00 @ NA	NA	14.75 @ NA	NA	31.750	+0.750	117.000	NC	160.500	NC
JAN11	14.41	-3	1 100	14.50 @ NA	NA	14.00 @ NA	NA	29.750	+0.250	111.000	NC	159.000	NC
FEB	14.05	-10	1 48	14.50 @ NA	NA	14.00 @ NA	NA	29.000	+0.250	111.000	NC	160.000	NC

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