

Daily Dairy Report

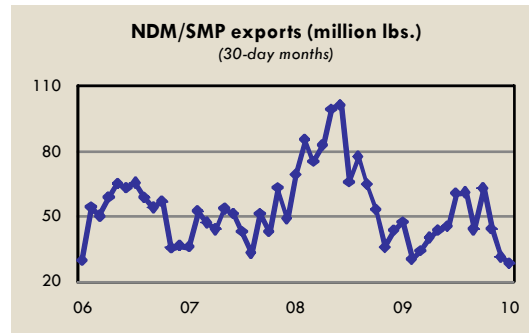
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Powder exports drop off

Milk futures rallied after barrels increased a penny today, the first gain on cheese in a month. A drop in spot butter sent butter futures reeling. Whey futures were higher.

NDM/SMP exports have plunged since October. In January, exporters shipped just 27.8 million lbs. of NDM/SMP, down 41% from a year ago, and the lowest figure (on a daily-average basis) in five-and-a-half years, according to USDA/FAS trade data published this morning (*see chart*). For the month, the United States was able to export just 19% of its production – less than half the average rate from the previous five years. The Western NDM market is “weak to unsettled,” says USDA’s *Dairy Market News*, trading for mostly \$1.02-\$1.06 this week.

The poor showing for U.S. milk powder sales softened an otherwise positive export report, led by a surge in whey exports. Dry whey shipments were 42.4 million lbs., up 35%, and WPC exports were 31.3 million lbs., up 133%. Exporters also shipped 21.2 million lbs. of cheese (+16%), 6.4 million lbs. of butterfat (+61%) and 37.6 million lbs. of lactose (+27%). All told, U.S. dairy exports in January were valued at \$222.8 million lbs., up 27% from last year’s depressed levels, according to USDA/FAS figures. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [3 Pit, 973 Electronic]	976	28,838
Class IV	0	195
NDM (cash settle)	3	879
NDM (deliverable)	0	1
Dry whey	3	1,949
Butter (cash settle)	62	3,225

Options Volume and Open Interest

	Volume	Open Interest
Class III	539	47,825
Class III midi	1	402
Dry whey	0	583
Butter (cash settle)	40	94

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.2675 (-0.75) • Barrel cheese \$1.2600 (+1.00) • AA Butter \$1.4650 (-2.00) • 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 11 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. (¢)
MARIO	12.89	+7	15	3959	13.00 @ 0.04	+1	12.75 @ 0.04	-2	38.000	+0.250	106.000	NC	143.250	-1.750
APR	12.79	+13	217	4585	13.00 @ 0.14	+2	12.75 @ 0.21	-7	34.250	+1.250	111.750	NC	146.000	-3.500
MAY	13.19	+27	203	3940	13.25 @ 0.38	+12	13.00 @ 0.31	-13	33.500	+2.000	112.000	NC	148.000	-3.000
JUN	13.87	+23	161	3153	14.00 @ 0.49	+10	13.75 @ 0.49	-11	32.500	+1.100	113.000	NC	150.000	-2.000
JUL	14.25	+4	122	2448	14.25 @ 0.67	+2	14.25 @ 0.67	-2	32.500	+1.750	114.000	NC	152.750	-1.250
AUG	14.84	+5	100	2328	15.00 @ 0.70	+2	14.75 @ 0.73	-3	32.000	+0.500	116.750	NC	155.000	-0.500
SEP	15.12	+2	59	2196	15.25 @ 0.79	+1	15.00 @ 0.79	-1	32.500	+0.500	117.500	NC	156.500	-0.750
OCT	15.10	+2	41	2064	15.25 @ 0.75	NC	15.00 @ 0.77	-1	32.000	+0.500	118.500	NC	157.750	-1.250
NOV	14.95	NC	23	1992	15.00 @ 0.84	NC	14.75 @ 0.76	NC	34.000	+0.750	119.500	NC	160.500	NC
DEC	14.87	+1	15	1922	15.00 @ 0.84	NC	14.75 @ 0.84	NC	32.500	+0.750	117.000	NC	160.500	NC
JAN11	14.47	+6	8	107	14.50 @ 0.97	+3	14.00 @ 0.75	-2	30.500	+0.750	111.000	NC	159.000	NC
FEB	14.20	+15	5	52	14.50 @ 0.87	+7	14.00 @ 0.90	-6	29.500	+0.500	111.000	NC	160.000	NC

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