

Daily Dairy Report

Dairy market information provided by Alan Levitt

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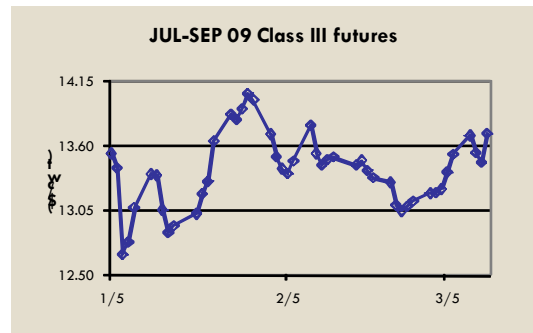
MILK FUTURES RALLY

Barrels were bid steadily higher today but interest in blocks was almost non-existent. Barrels moved to their highest level since Dec. 23. The inverted premium of barrels over blocks reached 6.25¢. Milk futures bounced back today after a couple down days. JUN-SEP09 climbed 24¢. The third-quarter average rose to \$13.70, the highest since Feb. 9 (see chart).

The whey market continues to firm on the strength of solid demand from domestic and export customers, according to USDA's Dairy Market News. Western whey is trading for mostly 17-19¢, the highest price since October. Midwestern whey is trading for mostly 16.25-17¢, up for the fifth straight week, DMN says. Whey futures posted increases today to reflect the higher spot prices.

Market News says Western NDM prices are firming slightly, but excess continues to overhang the market. In the first three days of the week, 3.9 million lbs. of powder was sold to the government under the support program.

CWT has reached its target of signing up two-thirds of the nation's milk supply to continue operations through the end of 2010. The group will receive 10¢ per hundredweight for the next two years to fund culling programs and provide export bonuses. Timing on the next herd retirement round has not been determined, nor will CWT announce targets for how much milk or how many cows it will retire. **cme**



MARCH 12 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	10.27	+5	56 4820	10.50 @ 0.01	+1	10.25 @ 0.06	-2	15.750	NC	82.000	NC	113.000	NC
APR	10.70	+13	126 4517	10.75 @ 0.32	+3	10.50 @ 0.25	-8	18.500	+0.750	83.000	NC	120.000	NC
MAY	11.04	+16	82 4305	11.25 @ 0.41	+7	11.00 @ 0.48	-8	19.750	+1.000	85.950	-0.050	126.000	+0.500
JUN	11.79	+23	81 3826	12.00 @ 0.52	+10	11.75 @ 0.59	-12	22.000	NC	87.500	NC	129.500	+0.500
JUL	12.92	+25	31 2796	13.00 @ 0.70	+12	12.75 @ 0.65	-12	24.000	+0.500	89.000	NC	134.000	NC
AUG	13.82	+23	14 2747	14.00 @ 0.79	+10	13.75 @ 0.84	-11	26.000	+0.750	90.500	NC	133.750	+0.230
SEP	14.37	+25	8 2676	14.50 @ 0.92	+12	14.25 @ 0.92	-12	27.000	+1.000	91.000	NC	136.500	+0.250
OCT	14.61	+13	7 2388	14.75 @ 1.00	NC	14.50 @ 1.00	-6	27.500	+0.500	92.500	NC	138.250	+0.250
NOV	14.88	+13	7 2231	15.00 @ 1.10	+6	14.75 @ 1.09	-6	27.500	+0.500	94.750	NC	140.250	+0.250
DEC	14.92	+8	7 2312	15.00 @ 1.18	+4	14.75 @ 1.13	-4	27.500	+0.500	95.000	NC	140.000	NC
JAN10	14.97	+7	5 242	15.50 @ 1.07	+3			26.000	NC	99.500	NC	141.000	+1.000
FEB	14.99	+8	2 191	16.00 @ 0.95	+3			26.000	NC	115.000	NC	141.000	+1.000

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

Block cheese	\$1.2475 (NC)
Barrel cheese	\$1.3100 (+3.75)
AA Butter	\$1.1825 (+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	428	33,514
[*14 Pit, 414 Electronic]		
Class IV	0	218
NDM	23	998
Dry whey	20	1,444
Butter (cash settle)	33	4,424

➤ Options Volume and Open Interest

	Volume	Open Interest
Class III	425	47,036
Class III Midi	0	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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