

Daily Dairy Report

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Milk sales slide this winter

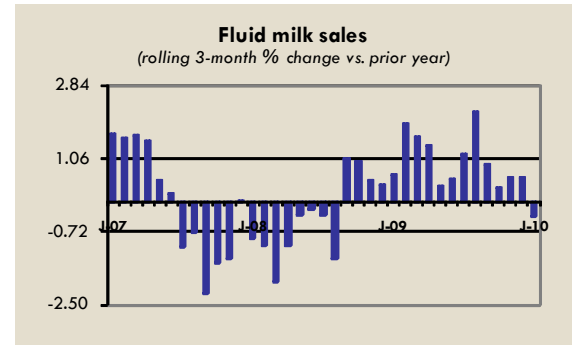
Class III futures started the week in the red. APR-AUG10 were down 9¢. Cheese prices were unchanged, leaving spot prices discounted to milk futures. Milk production is increasing toward its seasonal peak, sending more milk to the cheese vat. Cheese orders are moderate and inventories continue to build. Buyers were more active in the cash pits last week, acquiring 25 loads of blocks and 35 loads of barrels, but sellers seem to have adequate volumes available.

Spot butter fell for the third straight day, sending butter futures lower.

Whey futures were mostly steady at levels slightly above a week ago. Spot prices are steady as well, according to USDA's *Dairy Market News*: mostly 36.5-38.5¢ in the Midwest and 38.75-42.00¢ in the West.

Fluid milk sales dropped off in the November-January period, falling 0.4% vs. the prior year, according to the latest Federal Order and California data. This is the first decline in fluid milk sales since June-August 2008 (see chart).

The February "Milk Production" report comes out Thursday afternoon. **cme group**



For more information about real-time quotes, visit www.cmegroup.com/dairyquotes

FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [79 Pit, 1,076 Electronic]	1,155	29,399
Class IV	0	195
NDM (cash settle)	35	881
NDM (deliverable)	0	1
Dry whey	49	1,976
Butter (cash settle)	73	3,309

Options Volume and Open Interest

	Volume	Open Interest
Class III	448	48,317
Class III midi	3	403
Dry whey	4	588
Butter (cash settle)	0	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 (NC) • Barrel cheese \$1.2625 (NC) • AA Butter \$1.4500 (-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 15 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. (¢)
MARIO	12.83	-1	99 3982	13.00 @ 0.02	-1	12.75 @ 0.05	NC	38.000	+0.250	106.000	NC	142.500	NC
APR	12.67	-11	390 4692	12.75 @ 0.18	-6	12.50 @ 0.15	+4	33.750	NC	109.000	-1.000	144.500	-1.500
MAY	13.10	-16	169 4106	13.25 @ 0.32	-13	13.00 @ 0.34	+2	32.750	NC	110.750	-1.250	147.000	-1.000
JUN	13.85	-5	89 3159	14.00 @ 0.47	-3	13.75 @ 0.49	+1	32.500	NC	112.250	-0.750	149.000	-1.000
JUL	14.17	-7	149 2523	14.25 @ 0.62	-4	14.00 @ 0.57	+2	32.500	NC	114.000	NC	152.500	NC
AUG	14.67	-7	136 2390	14.75 @ 0.72	-5	14.50 @ 0.67	+2	32.250	+0.250	116.750	NC	154.750	-0.250
SEP	15.07	-5	35 2225	15.25 @ 0.76	-3	15.00 @ 0.80	+1	33.000	NC	117.500	NC	156.500	NC
OCT	15.10	-2	29 2095	15.25 @ 0.75	-1	15.00 @ 0.76	NC	33.250	NC	118.500	NC	157.000	-0.375
NOV	14.99	-1	29 2027	15.00 @ 0.85	-1	14.75 @ 0.74	NC	34.000	NC	119.500	NC	159.000	-1.000
DEC	14.90	NC	30 1948	15.00 @ 0.85	NC	14.75 @ 0.82	NC	32.500	NC	117.000	NC	160.500	NC
JAN11	14.45	-2	0 107	14.50 @ 0.95	-1	14.00 @ 0.75	NC	30.500	NC	111.000	NC	159.000	NC
FEB	14.20	NC	0 52	14.50 @ 0.86	-1	14.00 @ 0.89	-1	30.000	NC	111.000	NC	160.000	NC

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