

Daily Dairy Report

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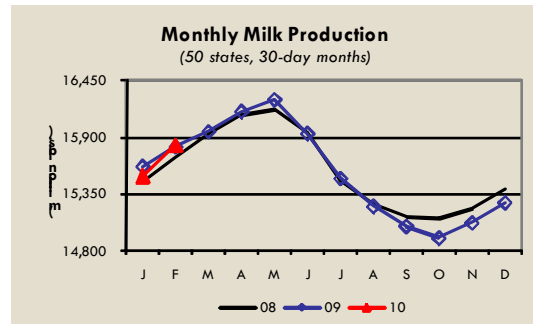
February milk production up 0.1%

Spot markets were quiet today ahead of the February “Milk Production” report.

The milk powder market has begun to firm. USDA’s *Dairy Market News* puts Western NDM at \$1.05-\$1.08 this week, up 2-3¢ from last week. Fewer discounts are needed to move product, and more lead time is needed to secure spot loads, *DMN* says. Export interest has improved.

The whey market, on the other hand, “has a weaker tone” in the Midwest and West, says *DMN*. Spot interest is lighter and more resale loads are available.

Dairy producers added another 3,000 cows in February, confirming suspicions that supply was coming back after profitability-challenged 2009. Cow numbers in all 50 states were estimated at 9.088 million last month, the second straight month of expansion, according to USDA’s “Milk Production” report released this afternoon. That left total milk production at 14.77 billion lbs., up 0.1% from prior-year levels (*see chart*). Production had trailed year-earlier levels for the previous six months. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [12 Pit, 1100 Electronic]	1,112	30,186
Class IV	0	195
NDM (cash settle)	31	933
NDM (deliverable)	0	1
Dry whey	37	1,997
Butter (cash settle)	24	3,376

Options Volume and Open Interest

	Volume	Open Interest
Class III	483	49,405
Class III midi	0	415
Dry whey	0	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 \$1.4600 (+1.00) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1150 (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 18 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. (¢)
MAR10	12.80	-1	25	3993	13.00 @ 0.01	NC	12.75 @ 0.04	NC	37.670	-0.075	105.750	-0.250	142.500	+0.500
APR	12.43	-1	394	4726	12.50 @ 0.15	-1	12.25 @ 0.11	NC	34.000	-0.250	109.000	NC	144.500	NC
MAY	12.89	-3	210	4327	13.00 @ 0.28	-7	12.75 @ 0.27	-3	31.750	+1.500	111.000	+0.250	147.500	+0.250
JUN	13.60	-5	228	3394	13.75 @ 0.43	-4	13.50 @ 0.45	+1	31.750	-0.750	113.750	+0.250	149.000	NC
JUL	13.95	-2	69	2549	14.00 @ 0.61	-2	13.75 @ 0.54	+1	31.750	-0.250	115.000	NC	152.750	NC
AUG	14.41	-8	74	2448	14.50 @ 0.70	-4	14.25 @ 0.66	+3	31.500	NC	117.250	+0.250	154.500	NC
SEP	14.88	-8	48	2305	15.00 @ NA	NA	14.75 @ NA	NA	33.000	+0.500	117.500	NC	156.250	NC
OCT	14.83	-18	25	2143	15.00 @ NA	NA	14.75 @ NA	NA	31.500	+1.000	118.500	NC	157.250	NC
NOV	14.76	-17	16	2066	15.00 @ NA	NA	14.75 @ NA	NA	32.580	+0.075	119.500	NC	159.000	NC
DEC	14.68	-12	18	1983	15.00 @ NA	NA	14.50 @ NA	NA	32.500	NC	117.000	NC	160.470	NC
JAN11	14.26	-11	3	107	14.50 @ NA	NA	14.00 @ NA	NA	30.070	-0.425	111.000	NC	159.000	NC
FEB	14.15	-5	0	52	14.50 @ NA	NA	14.00 @ NA	NA	29.070	-0.925	111.000	NC	160.000	NC

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