

Daily Dairy Report

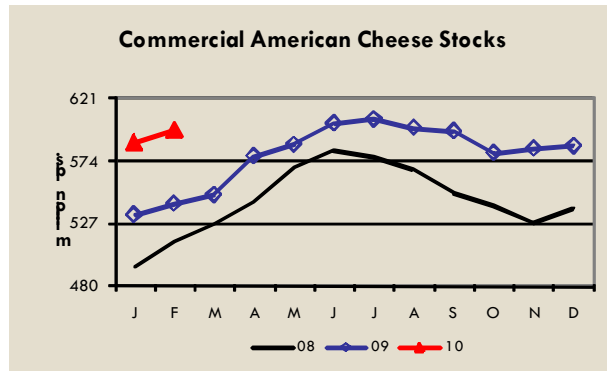
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Cheese, butter stocks up seasonally

Milk futures plunged today ahead of the February cheese and butter inventory report. MAY-DEC10 dropped 27¢ to new lows in all but the JUN contract. Cheese prices were unable to build on Friday's gains. Class III futures covering the second half of the year fell to an average of \$14.19, down more than a dollar in five weeks. The butter prices increased for the third straight day, inching a half-cent higher.

American cheese stocks increased seasonally in February, but the rate of growth has slowed. In the first two months of the year, commercial American cheese inventories have expanded by just 12.0 million lbs., to 597.0 million lbs. on Feb. 28, according to USDA's "Cold Storage" report released this afternoon (see chart). Still, stocks remain at a record-high for end of February, and 10.2% above a year earlier.

Butter inventories are tracking the levels of the last couple years. On Feb. 28, commercial butter stocks were 198.1 million lbs., down 3.3% from last year, USDA says. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III	847	30,833
[0 Pit, 847 Electronic]		
Class IV	0	195
NDM (cash settle)	0	933
NDM (deliverable)	0	1
Dry whey	48	2,047
Butter (cash settle)	36	3,398

Options Volume and Open Interest

	Volume	Open Interest
Class III	639	50,173
Class III midi	1	422
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 \$1.2700 (NC) • Barrel cheese \$1.2650 (NC) • AA Butter \$1.4750 (+0.50) • 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 22 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	12.79	-2	19	4057	13.00 @ 0.00	-1	12.75 @ 0.04	+1	37.750	NC	105.750	NC	143.750	NC
APR	12.35	-10	188	4781	12.50 @ 0.11	-4	12.25 @ 0.13	+3	34.000	NC	109.000	NC	146.250	+0.250
MAY	12.75	-24	171	4379	12.75 @ 0.32	-14	12.75 @ 0.32	+10	31.000	-0.250	111.000	NC	147.500	NC
JUN	13.47	-22	137	3563	13.50 @ 0.47	-12	13.25 @ 0.38	+8	30.750	-0.250	114.500	NC	149.000	NC
JUL	13.64	-31	85	2640	13.75 @ 0.56	+2	13.50 @ 0.54	+11	30.750	-0.250	116.000	NC	152.750	NC
AUG	14.00	-30	112	2548	14.25 @ 0.60	NC	14.00 @ 0.71	+13	31.250	+0.250	117.250	NC	154.500	NC
SEP	14.40	-35	45	2343	14.50 @ 0.74	-20	14.25 @ 0.71	+13	33.000	NC	117.500	NC	156.250	NC
OCT	14.36	-32	32	2176	14.50 @ 0.70	-18	14.25 @ 0.71	+13	32.000	+0.250	118.500	NC	157.250	NC
NOV	14.40	-18	22	2093	14.50 @ 0.77	-10	14.25 @ 0.74	+8	32.750	+0.175	119.500	NC	158.500	NC
DEC	14.33	-25	33	2000	14.50 @ 0.78	-13	14.25 @ 0.81	+11	32.000	NC	117.000	NC	160.470	NC
JAN11	13.90	-30	3	107	14.00 @ 0.88	NC	13.50 @ 0.73	+11	30.000	+0.500	111.000	NC	159.000	NC
FEB	14.00	-10	0	52	14.25 @ 0.86	NC	14.00 @ 0.97	+4	29.070	NC	111.000	NC	160.000	NC

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