

Daily Dairy Report

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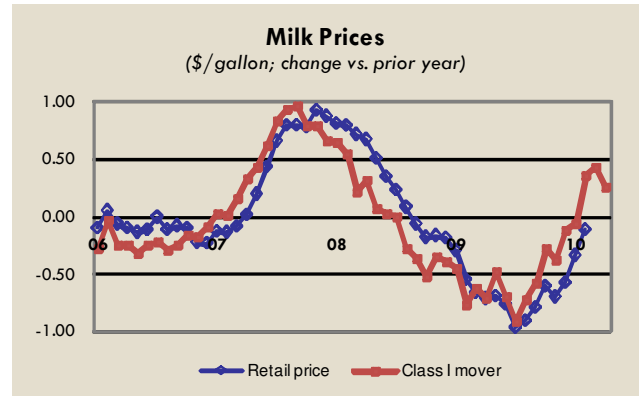
Spring brings stronger production

Milk futures were mixed today after yesterday's sell-off. Blocks, barrels and butter all held unchanged, but Grade A NDM was bid a penny higher.

The onset of spring has brought milder weather to the Upper Midwest, helping to spur the seasonal increase in output. Production is trending higher in California as well, though volumes remain below year-earlier levels due to the removal of 61,000 cows in the last 10 months. Other parts of the Western region also are seeing improved conditions. In the Eastern part of the country, production is generally steady.

Retail prices for whole milk averaged \$3.20 per gallon in February, down 3.5% from January, and down 1.0% from a year earlier, according to Consumer Price Index data from the Bureau of Labor Statistics. Changes in retail milk prices have consistently tracked changes in the Class I price mover in recent years (see chart).

The Cheese CPI in February was 203.4, up 0.3% from January. The Butter CPI was 170.2, up 0.4%. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [117 Pit, 1,365 Electronic]	1,482	31,248
Class IV	0	195
NDM (cash settle)	0	933
NDM (deliverable)	0	1
Dry whey	82	2,113
Butter (cash settle)	16	3,411

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,443	50,032
Class III midi	1	423
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 (NC) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1250 (+1.00) **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 23 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	30	4060	13.00 @ NA	NA	12.75 @ NA	NA	37.750	NC	105.750	NC	143.750	NC
APR	12.35	NC	139	4780	12.50 @ NA	NA	12.25 @ NA	NA	34.000	NC	109.000	NC	146.250	NC
MAY	12.80	+5	334	4440	13.00 @ NA	NA	12.75 @ NA	NA	31.000	NC	111.000	NC	148.000	+0.500
JUN	13.44	-3	400	3686	13.50 @ NA	NA	13.25 @ NA	NA	30.770	+0.025	115.000	+0.500	149.500	+0.500
JUL	13.67	+3	146	2673	13.75 @ NA	NA	13.50 @ NA	NA	30.750	NC	116.000	NC	153.000	+0.250
AUG	14.04	+4	125	2615	14.25 @ NA	NA	14.00 @ NA	NA	31.250	NC	117.500	+0.250	154.250	-0.250
SEP	14.50	+10	135	2372	14.50 @ NA	NA	14.50 @ NA	NA	33.000	NC	117.500	NC	156.500	+0.250
OCT	14.48	+12	66	2215	14.50 @ NA	NA	14.25 @ NA	NA	32.000	NC	118.500	NC	157.500	+0.250
NOV	14.40	NC	42	2121	14.50 @ NA	NA	14.25 @ NA	NA	32.580	-0.175	119.500	NC	158.500	NC
DEC	14.30	-3	58	2031	14.50 @ NA	NA	14.25 @ NA	NA	32.000	NC	117.000	NC	159.000	-1.475
JAN11	13.90	NC	4	108	14.00 @ NA	NA	13.50 @ NA	NA	30.000	NC	111.000	NC	159.000	NC
FEB	13.93	-7	2	52	14.25 @ NA	NA	13.50 @ NA	NA	29.070	NC	111.000	NC	160.000	NC

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