

Daily Dairy Report

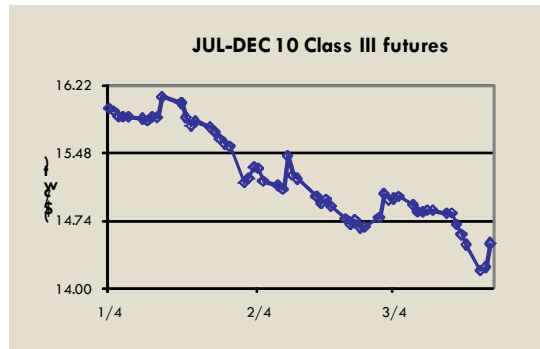
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Spot gains ignite futures rally

Class III futures rallied today, sparked by across-the-board gains in spot prices. It was all bids in the cheese session, with buyers pushing barrels up 0.75¢ on 8 trades and blocks up a penny on 6 trades. The butter market was quieter, with a single unfilled bid lifting the price by 0.50¢. Meanwhile, Grade A NDM rose a penny on an unfilled bid. Milk futures settled 28¢ higher in the APR-OCT10 contracts, the best day since March 2.

Improved global dairy demand and constricted milk production in Europe and the United States should keep world dairy prices stable in the months ahead, says Fonterra Co-operative Group, reporting 6-month financial performance. An increase in sales in the last half-year brought the company's inventory levels back to more normal levels after running unusually high last year, Fonterra says. Meanwhile, severe drought has put a dent in New Zealand's late-season milk volumes.

In Europe, a very cold winter is delaying the onset of the spring flush, traders note. **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	1,436	31,652
[9 Pit, 1,427 Electronic]		
Class IV	20	205
NDM (cash settle)	8	933
Dry whey	19	2,122
Butter (cash settle)	86	3,469

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,156	51,490
Class III midi	0	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 \$1.2800 (+1.00) • Barrel cheese \$1.2725 (+0.75) • AA Butter \$1.4800 (+0.50) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1350 (+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 24 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. (¢)
MARIO	12.80	NC	5	4056	13.00 @ 0.00	NC	12.75 @ 0.01	NC	37.750	NC	105.500	-0.250	143.750	NC
APR	12.57	+22	193	4759	12.75 @ 0.10	+6	12.50 @ 0.14	-12	34.000	NC	109.000	NC	146.250	NC
MAY	13.07	+27	184	4459	13.25 @ 0.24	+9	13.00 @ 0.29	-14	33.000	+2.000	112.000	+1.000	148.000	NC
JUN	13.73	+29	428	3796	13.75 @ 0.48	+13	13.50 @ 0.38	-13	33.400	+2.625	117.500	+2.500	150.000	+0.500
JUL	14.00	+33	172	2732	14.00 @ 0.63	+16	14.00 @ 0.63	-17	31.500	+0.750	117.250	+1.250	153.000	NC
AUG	14.35	+31	154	2661	14.50 @ 0.65	+13	14.25 @ 0.67	-16	31.900	+0.650	117.750	+0.250	154.000	-0.250
SEP	14.75	+25	127	2466	14.75 @ NA	NA	14.75 @ NA	NA	33.750	+0.750	117.500	NC	156.500	NC
OCT	14.80	+32	63	2253	15.00 @ NA	NA	14.75 @ NA	NA	31.800	-0.200	118.500	NC	157.530	+0.025
NOV	14.60	+20	66	2171	14.75 @ NA	NA	14.50 @ NA	NA	32.580	NC	119.500	NC	158.500	NC
DEC	14.43	+13	32	2044	14.50 @ NA	NA	14.25 @ NA	NA	32.170	+0.175	117.000	NC	159.000	NC
JAN11	14.15	+25	4	109	14.25 @ 0.89	+12	14.00 @ 0.86	-12	30.000	NC	111.000	NC	159.000	NC
FEB	14.14	+21	3	52	14.25 @ 0.93	+10	14.00 @ 0.91	-9	29.070	NC	111.000	NC	160.000	NC

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