

# Daily Dairy Report

Daily market information provided by Alan Levitt

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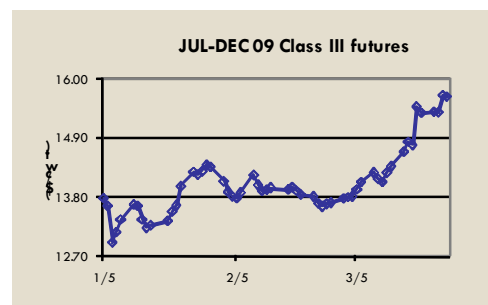
## NDM stocks headed for feeding programs

USDA committed 200 million lbs. of NDM for domestic feeding programs. Government stocks of powder, purchased under the price support program, will be further-processed for use in school lunches and bartered for fluid milk, UHT milk, cheese, soup and macaroni and cheese for schools and TEFAP. The government also will make 2.5 million lbs. of NDM available for conversion to casein and overseas food aid programs.

As of yesterday, USDA had purchased 203.6 million lbs. of NDM under the support program since October.

Milk futures rallied 20¢ or more in some contract months this morning, but backed off throughout the morning and early afternoon. APR-DEC09 closed down 6¢. Contracts covering the second half of the year average \$15.64, up nearly \$2.00 vs. a month ago (*see chart*). The cheese market remains unsettled with no clear direction established. Blocks and barrels reversed their four-day slide today, settling a quarter-cent higher in a session characterized by very heavy activity in barrels. Twenty loads of barrels traded, between \$1.28 and \$1.2625. Just one load of blocks sold with an offer to sell five more loads left uncovered.

Whey prices continue to strengthen. "The rate of increase is picking up," says USDA's *Dairy Market News*. "The entire market psychology has totally changed from just a month ago. Any producer stocks are held with confidence." Western dry whey is trading for mostly 19-21¢, up more than a nickel since late January, says *Market News*. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [*36 Pit, 779 Electronic]	815	34,183
Class IV	0	233
NDM	2	1,039
Dry whey	7	1,515
Butter (cash settle)	34	4,652

### Options Volume and Open Interest

	Volume	Open Interest
Class III	864	48,104
Class III midi	3	162
Dry whey	0	162
Butter (cash settle)	15	65

*Futures and options volume and open interest from previous trading day.*

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.2525 (+0.25) • Barrel cheese \$1.2625 (+0.25) • AA Butter \$1.1875 (NC) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8450 (NC) **MILK PRICES** (with change, in cents, from previous month): Feb. Class III milk (USDA) \$9.31 (-\$1.47) • Feb. Class IV milk (USDA) \$9.45 (-\$0.14)

## March 26 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. (¢)
MAR 09	10.45	NC	30	4883	10.50 @ 0.01	NC	10.25 @ 0.00	NC	15.250	NC	82.000	NC	113.500	+0.480
APR	11.24	-7	106	4319	11.25 @ 0.24	-4	11.00 @ 0.14	+2	19.000	NC	83.000	NC	120.500	NC
MAY	12.27	-8	142	4426	12.50 @ 0.40	-4	12.25 @ 0.50	+4	20.000	NC	86.000	NC	124.250	+0.500
JUN	13.18	-7	190	4097	13.25 @ 0.63	-4	13.00 @ 0.57	+2	23.750	NC	87.000	NC	125.750	+0.500
JUL	14.24	-6	116	2892	14.25 @ 0.81	-2	14.00 @ 0.70	+5	25.250	NC	89.000	+0.250	129.500	NC
AUG	15.27	-3	71	2815	15.50 @ 0.89	-1	15.25 @ 0.98	+1	27.500	NC	90.000	NC	134.000	-0.250
SEP	15.83	-2	46	2667	16.00 @ 1.03	-2	15.75 @ 1.07	+1	27.775	NC	92.500	+0.500	136.000	-0.250
OCT	16.20	-2	35	2432	16.25 @ 1.19	-2	16.00 @ 1.11	NC	28.250	NC	94.000	+0.500	138.000	-0.500
NOV	16.10	-12	27	2245	16.25 @ 1.23	-7	16.00 @ 1.25	+5	28.250	NC	95.000	+0.250	140.250	-0.250
DEC	16.20	-10	30	2296	16.25 @ 1.35	-6	16.00 @ 1.27	+4	29.000	NC	95.250	NC	140.000	NC
JAN 10	16.00	-5	6	258	16.00 @ 1.38	-3	16.00 @ 1.38	+2	27.500	NC	99.500	NC	140.500	NC
FEB	15.88	-2	4	200	16.00 @ 1.38	-1	14.00 @ 0.61	NC	27.250	NC	115.000	NC	141.000	NC

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