

Daily Dairy Report

Daily market information provided by Alan Levitt

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Consumer sentiment remains weak

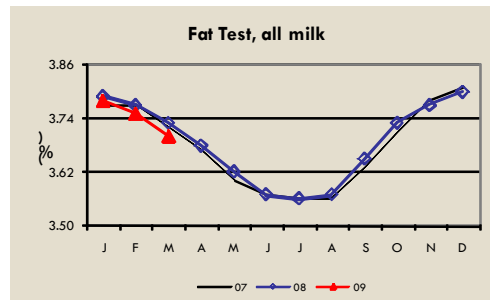
The first quarter closed quietly, with no change in spot market prices and light activity. Three loads of blocks traded and for the second straight day there was no activity on barrels. Two loads of butter traded at \$1.18.

Milk futures continued lower this morning, following through on yesterday's crash. Prices rebounded slightly over the course of the day, but still settled down 13-26¢ in the MAY09-FEB10 contracts. In two days, MAY-DEC09 futures have declined 70¢.

Milk component levels (fat and protein) are declining seasonally and are running well below prior-year levels. In March, the average fat test on all milk was 3.70%, according to USDA's "Ag Prices" report released yesterday afternoon. Last year in March, fat tests were 3.73% (see chart).

Consumer sentiment remains weak, according to the Conference Board's monthly survey. In March, the Consumer Confidence Index was just 26.0, up slightly from 25.3 in February. "Apprehension about the outlook for the economy, the labor market and earnings continues to weigh heavily on consumers' attitudes," says Lynn Franco, director of the Conference Board's Consumer Research Center. "Looking ahead, consumers remain extremely pessimistic about the short-term future and do not foresee a turnaround in economic conditions over the coming six months."

Thursday is the last day to trade MAR futures and options. Federal Order Class and Component prices come out Friday morning. In addition, the February "Dairy Products" production report comes out Friday afternoon. **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 [*231 Pit, 1075 Electronic]	1,306	34,092
Class IV	0	233
NDM	0	1,041
Dry whey	1	1,518
Butter (cash settle)	66	4,723

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,964	49,716
Class III midi	0	161
Dry whey	0	162
Butter (cash settle)	0	65

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.2900 (NC) • Barrel cheese \$1.2975 (NC) • AA Butter \$1.1800 (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 31 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 from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
MAR 09	10.46	NC	6 4867	10.50 @ 0.00	NC	10.25 @ 0.00	NC	15.250	NC	82.000	NC	113.500	-0.250
APR	11.28	-2	115 4461	11.50 @ 0.11	-1	11.25 @ 0.19	+1	18.750	-0.250	83.000	NC	118.550	+0.050
MAY	11.95	-15	282 4341	12.00 @ 0.45	-8	11.75 @ 0.38	+6	20.000	NC	86.000	NC	124.500	NC
JUN	12.96	-14	198 3989	13.00 @ 0.62	-8	12.75 @ 0.53	+5	23.750	NC	87.000	NC	125.750	NC
JUL	14.10	-15	131 2871	14.25 @ 0.73	-8	14.00 @ 0.74	+6	25.250	NC	89.000	NC	129.250	NC
AUG	15.15	-13	116 2812	15.25 @ 0.92	-7	15.00 @ 0.89	+5	27.500	NC	90.250	NC	132.000	-1.500
SEP	15.57	-23	146 2630	15.75 @ 1.00	-12	15.50 @ 1.04	+10	27.775	NC	92.500	NC	135.000	-0.250
OCT	15.77	-26	106 2405	16.00 @ 1.07	-14	15.75 @ 1.16	+11	28.250	NC	94.000	NC	137.750	NC
NOV	15.75	-15	61 2260	15.75 @ 1.26	-8	15.75 @ 1.26	+7	28.250	NC	95.000	NC	139.250	-0.500
DEC	15.66	-22	90 2288	15.75 @ 1.28	-12	15.50 @ 1.23	+9	29.000	NC	95.250	NC	139.750	-1.250
JAN 10	15.61	-19	15 264	16.00 @ 1.17	-10	15.50 @ 1.28	+8	27.500	NC	99.500	NC	141.000	-1.000
FEB	15.61	-26	6 210	16.00 @ 1.23	-13	15.50 @ 1.34	+6	27.250	NC	115.000	NC	141.000	-0.500

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