

Daily Dairy Report

Daily market information provided by Alan Levitt

Vol. 13, No. 61/ April 1, 2009

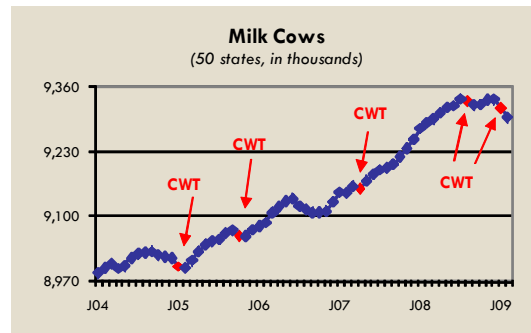
CWT launches 7th herd retirement round

CWT is taking bids for its seventh herd retirement round starting today through May 1. Slaughter is expected to take place in June and July. As in previous rounds, CWT hasn't set a target for volume of milk or number of cows to be removed. Officials did indicate, however, that accepted bids will be lower than in recent years due to declining cow and heifer values. U.S. cow numbers have increased steadily over the last five years, despite six CWT culling rounds that have sent more than 275,500 cows to slaughter (see chart).

Milk futures initially jumped when word of the new round came out, but in a classic case of "buy the rumor, sell the fact," contracts sold off throughout the day. Tepid buying interest in spot cheese trading and a three-quarter cent drop in barrels also contributed to the declines. MAY-DEC09 settled 42¢ lower, the third straight day of losses.

Corn futures fell back today while soybean futures were steady after yesterday's big gains. The nearby MAY09 corn contract fell 9¢ to \$3.95. Yesterday's rally – a reaction to USDA's "Prospective Plantings" report – had sent MAY corn futures above \$4.00 for the first time since Jan. 26. MAY09 soybeans settled at \$9.52 today.

In response to USDA's survey, growers said they plan to plant 85 million acres of corn this year, down 1% from last year and down 9% from 2007. They intend to plant 76 million acres of soybeans, up 1% from last year. This would be the largest soybean acreage on record. **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 [*62 Pit, 841 Electronic]	903	34,132
Class IV	0	233
NDM	0	1,041
Dry whey	24	1,530
Butter (cash settle)	141	4,821

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,173	50,285
Class III midi	14	175
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 \$1.2900 (-0.75) • 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)

April 1 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	18 4870	10.50 @ 0.00	NC	10.25 @ 0.00	NC	15.800	+0.550	82.000	NC	113.500	NC
APR	11.12	-16	161 4482	11.25 @ 0.10	-12	11.00 @ 0.11	+2	18.725	-0.025	83.000	NC	118.250	-0.300
MAY	11.57	-38	154 4391	11.75 @ 0.38	-20	11.50 @ 0.42	+14	20.000	NC	86.000	NC	124.500	NC
JUN	12.48	-48	153 3994	12.50 @ 0.60	-28	12.25 @ 0.50	+17	22.500	+1.250	87.000	NC	126.000	+0.250
JUL	13.63	-47	105 2873	13.75 @ 0.71	-26	13.50 @ 0.70	+19	25.000	-0.250	89.000	NC	129.000	-0.250
AUG	14.66	-49	84 2778	14.75 @ 0.89	-28	14.50 @ 0.85	+19	27.500	NC	90.250	NC	131.000	-1.000
SEP	15.14	-43	50 2616	15.25 @ 0.99	-24	15.00 @ 0.97	+17	28.000	+0.225	92.500	NC	135.750	+0.750
OCT	15.35	-42	41 2399	15.50 @ 1.07	-23	15.25 @ 1.08	+17	28.250	NC	94.000	NC	137.750	NC
NOV	15.43	-32	44 2256	15.50 @ 1.20	-18	15.25 @ 1.14	+13	28.475	+0.225	95.000	NC	139.750	NC
DEC	15.28	-38	32 2284	15.50 @ 1.19	-20	15.25 @ 1.27	+16	29.000	NC	95.250	NC	139.750	NC
JAN 10	15.35	-26	11 268	15.50 @ 1.25	-14	15.50 @ 1.25	-3	27.500	NC	99.500	NC	141.000	NC
FEB	15.27	-34	7 213	16.00 @ 1.23	NC	14.00 @ 0.67	NC	27.250	NC	115.000	NC	141.000	NC

Disclaimer: The *Daily Dairy Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance.

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex® and CME® are trademarks of Chicago Mercantile Exchange, Inc. CBOT® is the trademark of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Copyright © 2009 CME Group. All rights reserved.