

Daily Dairy Report

Daily market information provided by Alan Levitt

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Futures shed more premium

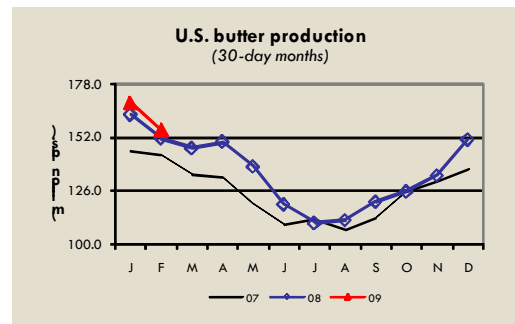
There was no activity on blocks or barrels today. Blocks remain at \$1.28 and barrels remain at \$1.26. Milk futures continued to fall as traders took premium out of the deferred contracts. JUN-AUG09 contracts dropped 28¢ amidst declines out through APR10.

Spot butter was bid up a quarter-cent to \$1.1825, but butter futures were slightly lower. Butter production remains heavy even though Easter orders are filled. In many cases, manufacturers are stocking up for anticipated future needs. Butter inventories in CME-approved warehouses are running about one-third below a year ago, though USDA monthly "Cold Storage" numbers show stocks running just a bit below last year.

"Butter producers and handlers are projecting that clearances to inventory programs will be absorbing a significant portion of upcoming production with domestic demand to be slower and basically no international demand," says USDA's *Dairy Market News*.

Butter production is slightly ahead of year-ago levels. In the first two months of the year, output was 320.1 million lbs., up 3.1% vs. a year ago (adjusted for leap day) (see chart).

Holiday hours: CME Group will be closed Friday for Good Friday. Trading will take place at the regular hours on Thursday, and will resume for Monday's trade date. **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 [*15 Pit, 509 Electronic]	524	33,772
Class IV	0	233
NDM	5	1,045
Dry whey	2	1,554
Butter (cash settle)	45	4,874

Options Volume and Open Interest

	Volume	Open Interest
Class III	362	44,206
Class III midi	3	164
Dry whey	0	142
Butter (cash settle)	0	70

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.2800 (NC) • Barrel cheese \$1.2600 (NC) • AA Butter \$1.1825 (+0.25) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8450 (NC) **MILK PRICES** (with change, in cents, from previous month): March Class III milk (USDA) \$10.44 (+\$1.13) • March Class IV milk (USDA) \$9.64 (+\$0.19)

April 6 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. (¢)
APR 09	10.98	-5	35 4439	11.00 @ 0.11	-3	10.75 @ 0.04	+1	18.750	NC	83.000	NC	118.250	NC
MAY	11.30	-15	158 4563	11.50 @ 0.31	-8	11.25 @ 0.38	+6	20.500	NC	86.000	+0.300	125.500	+0.500
JUN	11.97	-33	182 3995	12.00 @ 0.56	-19	11.75 @ 0.46	+11	22.500	NC	87.000	NC	127.750	NC
JUL	13.20	-26	55 2891	13.25 @ 0.70	-15	13.00 @ 0.62	+9	25.000	NC	90.000	+0.250	128.750	-0.250
AUG	14.39	-24	23 2758	14.50 @ 0.85	-14	14.25 @ 0.83	+9	27.500	NC	90.250	NC	131.000	-0.025
SEP	14.94	-12	15 2597	15.00 @ 0.99	-7	14.75 @ 0.92	+4	28.000	NC	92.500	NC	134.000	-0.500
OCT	15.20	-4	7 2397	15.25 @ 1.09	-3	15.00 @ 1.01	+1	28.250	NC	94.000	NC	136.750	NC
NOV	15.20	-5	12 2259	15.25 @ 1.18	-3	15.00 @ 1.10	+2	28.750	NC	95.000	-0.250	139.250	NC
DEC	15.15	-4	10 2268	15.25 @ 1.22	-2	15.00 @ 1.18	+1	29.000	NC	95.000	NC	139.250	-0.500
JAN 10	15.18	-3	5 281	15.50 @ 1.15	-2	15.00 @ 1.19	NC	29.000	NC	99.500	NC	140.500	NC
FEB	15.20	-5	1 212	15.50 @ 1.22	-3	14.00 @ 0.78	+1	29.000	NC	115.000	NC	140.500	NC
MAR	15.31	-2	4 215	15.50 @ 1.33	-1	14.00 @ 0.80	NC	29.000	NC	116.000	NC	150.000	NC

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