

Daily Dairy Report

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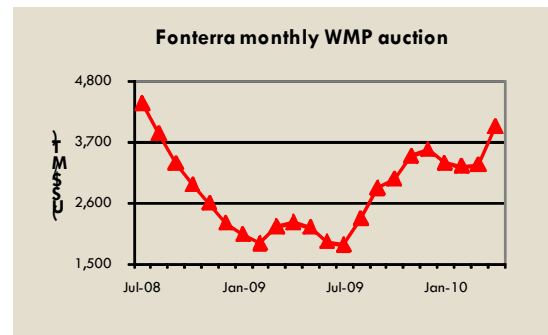
Big rally on Class IIIs

Milk futures increased 25-42¢ in the MAY to OCT contracts as cheese prices continued to march higher. JUN posted its highest close since late January. Blocks were bid 2¢ higher and barrels 2.25¢ higher, the ninth straight day of gains.

Nervous buyers bid prices significantly higher on Fonterra's monthly auction, reflecting concern about supply availability in the second half of the year. After 13 rounds of bidding, the weighted-average for whole milk powder was \$3,969/ton (about \$1.80/lb.), up 21% from the March auction, and the highest price since the first event in July 2008 (see chart).

In its second month on the auction, the weighted-average price for SMP was \$3,672/ton (about \$1.67/lb.), up 25% from the March event. Last week, USDA's *Dairy Market News* reported Oceania SMP trading for \$2,700-\$3,200/ton.

In addition, the average price for anhydrous milkfat jumped 22%, to \$4,827 (about \$2.19/lb.), the highest level since AMF was added to the auction last November. **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 [3 Pit, 690 Electronic]	693	28,347
Class IV	0	187
NDM (cash settle)	1	840
Dry whey	1	1,912
Butter (cash settle)	56	3,162

Options Volume and Open Interest

	Volume	Open Interest
Class III	650	45,912
Class III midi	0	403
Dry whey	0	484
Butter (cash settle)	0	55

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4800 (+2.00) • Barrel cheese \$1.4325 (+2.25) • AA Butter \$1.4950 (NC) • NDM Extra Grade \$1.1650 (NC) • NDM Grade A \$1.2300 (+0.50) **MILK PRICES** (with change, in dollars, from previous month): March Class III milk (USDA) \$12.78 (-\$1.50) • March Class IV milk (USDA) \$12.92 (+\$0.02)

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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
APR10	12.85	+2	66	4697	13.00 @ 0.04	+1	12.75 @ 0.05	-1	34.700	+0.175	109.000	NC	147.500	NC
MAY	13.90	+42	256	4473	14.00 @ 0.29	+17	13.75 @ 0.26	-20	33.000	+0.500	111.000	NC	151.000	+1.000
JUN	14.40	+33	131	3900	14.50 @ 0.00	NC	14.25 @ 0.00	NC	32.500	+0.500	119.000	NC	155.000	+3.500
JUL	14.91	+36	93	2769	15.00 @ 0.62	+17	14.75 @ 0.58	-17	32.200	+0.200	121.000	+1.000	154.500	+1.000
AUG	15.15	+33	23	2702	15.25 @ 0.78	+23	15.00 @ 0.77	-6	32.500	+1.000	122.000	+1.000	155.500	+1.000
SEP	15.30	+25	34	2572	15.50 @ 0.78	+17	15.25 @ NA	NA	33.770	+0.025	123.000	+1.000	158.500	+1.000
OCT	15.18	+28	57	2360	15.25 @ NA	NA	15.00 @ NA	NA	33.000	+0.500	121.000	NC	158.250	+1.130
NOV	14.95	+17	12	2351	15.00 @ NA	NA	14.75 @ NA	NA	33.000	+0.425	122.500	NC	160.000	+1.000
DEC	14.68	+10	19	2199	14.75 @ NA	NA	14.50 @ NA	NA	31.750	+0.250	117.030	NC	160.500	+1.250
JAN11	14.55	+8	1	118	15.00 @ 0.75	+3	14.50 @ NA	NA	29.520	NC	112.000	NC	161.500	+2.500
FEB	14.52	+11	1	62	15.00 @ 0.78	+5	14.50 @ NA	NA	29.070	NC	111.000	NC	160.000	NC
MAR	14.50	NC	0	33	14.50 @ 1.03	NC	14.00 @ 0.78	-1	28.000	NC	112.000	NC	159.000	+1.000

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