

Daily Dairy Report

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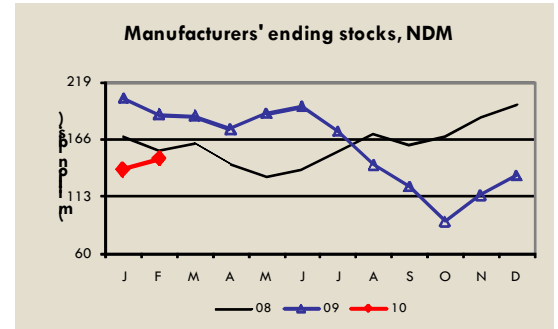
Cheese up for 10th straight day

Class III futures retreated today after yesterday's rallies. MAY-OCT fell 9¢. Spot cheese increased for the 10th straight day. Blocks moved up a penny on an unfilled bid and no sales. Barrels were bid 2.25¢ higher, traded twice, and then another bid went unfilled. Blocks are now within 2.5¢ of their high for the year, but marketers say higher prices are causing orders to slow.

Butter futures were higher in the front months after spot prices were bid a quarter cent higher. NDM futures were unchanged despite a penny gain on Grade A in the spot pits.

NDM production and inventories are rising seasonally, but remain below a year ago. In February, NDM/SMP production was 139.0 million lbs., down 4.5% from last year, according to USDA's latest "Dairy Products" report. It was the 13th straight month production trailed year-ago levels. At the end of the month, commercial NDM stocks were 147.9 million lbs., up from January but down 21.9% from prior year (see chart).

Dry whey production is running higher this year, but inventories are lower. February production was 78.0 million lbs., up 4.4% from last year. End-of-month stocks were 43.5 million lbs., down 12.9%, USDA says. Whey futures are trading at a discount to current spot prices. **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 [9 Pit, 2,734 Electronic]	2,743	28,370
Class IV	4	191
NDM (cash settle)	2	841
Dry whey	4	1,914
Butter (cash settle)	82	3,204

Options Volume and Open Interest

	Volume	Open Interest
Class III	794	46,356
Class III midi	7	413
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 \$1.4900 (+1.00) • Barrel cheese \$1.4550 (+2.25) • AA Butter \$1.4975 (+0.25) • NDM Extra Grade \$1.1650 (NC) • NDM Grade A \$1.2400 (+1.00) **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 7 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	NC	250	4580	13.00 @ 0.03	-1	12.75 @ 0.05	NC	34.750	+0.050	109.000	NC	148.000	+0.500
MAY	13.82	-8	1080	4488	14.00 @ 0.25	-4	13.75 @ 0.29	+3	33.000	NC	111.000	NC	153.000	+2.000
JUN	14.32	-8	723	3921	14.50 @ 0.47	-3	14.25 @ 0.52	+4	32.500	NC	119.000	NC	155.000	NC
JUL	14.75	-16	290	2757	14.75 @ 0.66	-8	14.75 @ 0.66	+8	32.500	+0.300	121.000	NC	155.000	+0.500
AUG	15.06	-9	141	2743	15.25 @ 0.75	-3	15.00 @ 0.81	+4	32.500	NC	122.000	NC	156.000	+0.500
SEP	15.24	-6	74	2599	15.25 @ 0.88	-3	15.00 @ 0.76	+1	33.500	-0.275	123.000	NC	159.000	+0.500
OCT	15.10	-8	77	2381	15.25 @ 0.84	-5	15.00 @ 0.86	+3	33.000	NC	121.000	NC	158.250	NC
NOV	14.90	-5	56	2384	15.00 @ 0.84	-3	14.75 @ 0.81	+2	33.000	NC	122.500	NC	160.000	NC
DEC	14.71	+3	42	2224	14.75 @ 0.90	+1	14.50 @ 0.81	-2	31.500	-0.250	117.030	NC	160.500	NC
JAN11	14.55	NC	8	125	15.00 @ 0.75	NC	14.50 @ 0.92	NC	29.520	NC	112.000	NC	161.500	NC
FEB	14.52	NC	1	63	15.00 @ 0.78	NC	14.50 @ 0.97	NC	29.070	NC	111.000	NC	160.000	NC
MAR	14.50	NC	0	33	14.50 @ 1.03	NC	14.00 @ 0.78	NC	28.000	NC	112.000	NC	159.000	NC

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