

Daily Dairy Report

Daily market information provided by Alan Levitt

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Fluid milk sales strong this winter

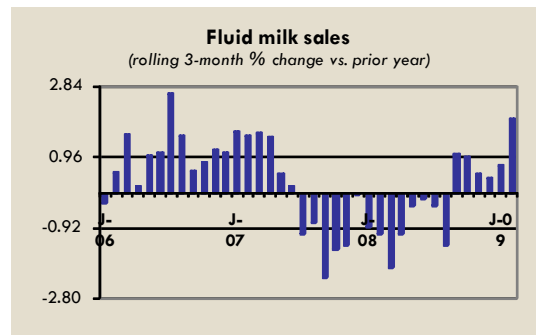
Coming out of the holiday weekend, milk futures continued south after another decline in cheese prices. Both blocks and barrels were offered 1.5¢ lower. At 1.1550, barrels are at their weakest since Feb. 6. MAY milk futures approached a new low, tumbling 23¢, while JUN-SEP lost a dime.

Fluid milk sales were very strong this winter. In the December-February period, sales were 14.2 billion lbs., up 2.0% from the prior year. That's the highest rolling three-month percent change since July 2006 (see chart).

The California Class I price for May is \$12.68 in the north (up \$1.10 from a year ago) and \$12.96 in the south (up \$1.11). Federal Order Class I prices for May will be announced Friday.

Southwest Cheese will invest \$90 million to expand its Clovis, NM, cheese plant by one third. The plant, which opened in 2005, now handles 7.0 million lbs. of milk per day; capacity will grow to 10.5 million lbs. of milk per day. Daily output will grow to 1.1 million lbs. of American cheese and 70,000 lbs. of whey proteins. The project is expected to be complete in 2010. Milk production in New Mexico increased 8% last year, and is up 81% in the last decade.

The March "Milk 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 [*15 Pit, 947 Electronic]	962	30,030
Class IV	0	218
NDM	1	946
Dry whey	7	1,386
Butter (cash settle)	83	4,604

Options Volume and Open Interest

	Volume	Open Interest
Class III	240	44,840
Class III midi	0	184
Dry whey	0	142
Butter (cash settle)	0	85

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.2200 (-1.50) • Barrel cheese \$1.1550 (-1.50) • AA Butter \$1.2025 (-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 13 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	10.76	-2	99	4519	11.00 @ 0.01	-2	10.75 @ 0.06	-4	18.750	NC	82.750	-0.250	118.000	NC
MAY	10.64	-23	132	4683	10.75 @ 0.26	-14	10.50 @ 0.25	+7	20.500	NC	85.500	-0.250	125.750	-0.250
JUN	11.59	-9	242	4219	11.75 @ 0.46	-5	11.50 @ 0.48	+2	23.000	NC	86.000	NC	127.750	-0.250
JUL	12.70	-8	171	3062	12.75 @ 0.65	-6	12.50 @ 0.58	+3	25.000	NC	87.000	NC	128.000	-0.500
AUG	14.02	-12	104	2779	14.25 @ 0.75	-8	14.00 @ 0.85	+5	28.000	+0.250	88.500	NC	129.500	-0.500
SEP	14.67	-11	58	2622	14.75 @ 0.94	-7	14.50 @ 0.89	+4	29.000	+0.450	92.500	NC	132.750	-0.250
OCT	14.96	-6	57	2413	15.00 @ 1.06	-4	14.75 @ 0.97	+2	28.750	NC	94.250	NC	135.500	-0.500
NOV	14.99	-5	18	2242	15.00 @ 1.16	-4	14.75 @ 1.04	+1	29.000	NC	95.000	NC	138.750	-0.250
DEC	14.98	-2	20	2256	15.00 @ 1.22	-2	14.75 @ 1.11	NC	29.500	NC	95.000	NC	139.000	NC
JAN 10	15.03	-2	12	288	15.50 @ 1.06	-2	15.00 @ 1.25	NC	29.750	NC	99.500	NC	140.000	NC
FEB	15.05	NC	16	215	15.50 @ 1.13	-1	14.00 @ 0.82	-1	29.750	NC	115.000	NC	140.500	NC
MAR	15.11	+6	11	207	15.50 @ 1.21	+2	14.00 @ 0.85	-3	29.750	NC	116.000	NC	150.000	NC

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