

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## Barrels within a penny of support

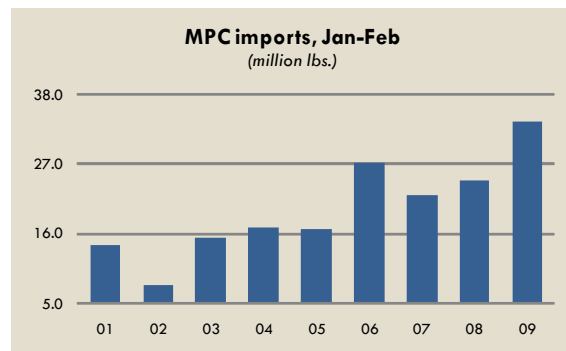
Sellers offered cheese lower today, sending barrels down to \$1.11, just a penny above support, and blocks to \$1.17. MAY milk futures settled at a new low of \$10.44, but the rest of the board was mixed. Spot butter held unchanged, while butter futures were slightly lower for the second day in a row.

In the first two months of the year, imports of milk protein concentrates were 33.8 million lbs., up 37.7% from a year ago, according to the latest USDA/FAS data (see chart). Meanwhile, imports of casein and caseinates were 32.9 million lbs., down 25.6%.

Cheese imports were low in January (25.9 million lbs., -27.5%) but heavier in February (33.3 million lbs., +18.3%). The two-month total was 7.3% below last year. Butterfat imports were up vs. a year ago, but volumes remain relatively low; purchases in January-February were 2.5 million lbs., up 46.4%.

In its monthly "World Agricultural Supply & Demand Estimates" report, USDA revised its forecast of 2009 milk production lower and revised its prediction on price ranges higher. Milk production for this year is projected at 187.8 billion lbs., down 0.9% vs. last year (adjusted for the extra day in 2008). The Class III price is projected to average \$10.65-\$11.15. (For reference, Class III actuals and futures for 2009 average \$12.46.)

USDA expects to purchase 197 million lbs. of NDM this year under the support program. A month earlier it predicted it would buy 415 million lbs. Yesterday USDA bought 4.1 million lbs. of powder, bringing the 2009 total to 101.2 million lbs. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [*44 Pit, 565 Electronic]	609	30,045
Class IV	0	218
NDM	0	946
Dry whey	2	1,388
Butter (cash settle)	110	4,681

### Options Volume and Open Interest

	Volume	Open Interest
Class III	109	44,778
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 \$1.1700 (-5.00) • Barrel cheese \$1.1100 (-4.50) • AA Butter \$1.2025 (NC) • 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 14 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	10.74	-2	23	4511	10.75 @ 0.06	-1	10.50 @ 0.00	NC	18.750	NC	82.500	-0.250	118.000	NC
MAY	10.44	-20	119	4682	10.50 @ 0.28	-11	10.25 @ 0.22	+7	20.250	-0.250	85.000	-0.500	123.000	-2.750
JUN	11.55	-4	162	4224	11.75 @ 0.46	NC	11.50 @ 0.50	+2	23.250	+0.250	86.000	NC	127.000	-0.750
JUL	12.76	+6	128	3030	13.00 @ 0.57	+3	12.75 @ 0.67	-3	25.000	NC	86.500	-0.500	128.000	NC
AUG	13.96	-6	86	2807	14.00 @ 0.83	-4	13.75 @ 0.74	+2	28.000	NC	88.500	NC	129.500	NC
SEP	14.64	-3	34	2614	14.75 @ 0.92	-2	14.50 @ 0.90	+1	29.000	NC	92.000	-0.500	132.250	-0.500
OCT	14.95	-1	12	2420	15.00 @ 1.05	-1	14.75 @ 0.97	NC	28.750	NC	94.250	NC	135.500	NC
NOV	14.98	-1	18	2254	15.00 @ 1.15	-1	14.75 @ 1.04	NC	29.000	NC	95.000	NC	137.500	-1.250
DEC	14.95	-3	8	2259	15.00 @ 1.20	-2	14.75 @ 1.12	+1	29.500	NC	95.000	NC	138.750	-0.250
JAN 10	15.10	+7	2	290	15.50 @ 1.09	+3	15.00 @ 1.21	-4	29.750	NC	99.500	NC	140.000	NC
FEB	15.07	+2	3	217	15.50 @ 1.14	+1	14.00 @ 0.81	-1	29.750	NC	115.000	NC	140.500	NC
MAR	15.15	+4	1	207	15.50 @ 1.23	+2	14.00 @ 0.84	-1	29.750	NC	116.000	NC	150.000	NC

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