

Daily Dairy Report

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Butter jumps to 17-month high

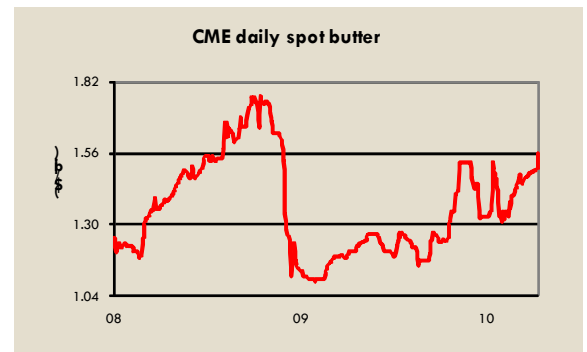
The excitement shifted into the butter market today. Aggressive bidding pushed spot butter up 5.5¢ to \$1.5600, the highest price since November 2008 (*see chart*). Butter futures posted large gains as well, rising 2.3¢ in the MAY10-JAN11 contracts. Futures covering the second half average \$1.6183, the highest since mid-December.

In the August-February period, U.S. butter production ran 10% below prior-year levels. Firming global butter markets – a result of less milk going into butter/powder production in the major supply regions – also are helping support U.S. markets.

Meanwhile, the cheese market was relatively quiet. Sellers offered single loads of blocks and barrels a quarter-cent lower, and stopped there when no sales occurred.

The butter and cheese activity spurred a bounce-back in milk futures. JUN-DEC10 contracts settled 21¢ higher after five days of losses.

CME Group will introduce Distillers Dried Grain (DDG) futures April 26. For more information, see the attached FAQ sheet, or go to www.cmegroup.com/ddg. **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 [1 Pit, 1,895 Electronic]	1,896	29,534
Class IV	4	191
NDM (cash settle)	24	851
Dry whey	7	1,934
Butter (cash settle)	45	3,423

Options Volume and Open Interest

	Volume	Open Interest
Class III	788	47,326
Class III midi	2	424
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 \$1.4325 (-0.25) • Barrel cheese \$1.3850 (-0.25) • AA Butter \$1.5600 (+5.50) • NDM Extra Grade \$1.1900 (NC) • NDM Grade A \$1.2675 (NC) **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 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. (¢)
APR10	12.84	+3	54	4464	13.00 @ 0.01	-1	12.75 @ 0.03	-2	37.000	NC	109.000	NC	148.000	NC
MAY	13.08	+8	558	4684	13.25 @ 0.22	+3	13.00 @ 0.25	-4	35.000	NC	111.000	NC	155.000	+2.000
JUN	13.30	+18	577	4242	13.50 @ 0.40	+7	13.25 @ 0.47	-9	33.000	NC	120.000	NC	157.750	+1.500
JUL	13.91	+26	304	3025	14.00 @ 0.56	+12	13.75 @ 0.52	-12	33.500	NC	121.000	NC	158.500	+2.250
AUG	14.53	+21	158	2852	14.75 @ 0.69	+9	14.50 @ 0.78	-10	33.000	NC	122.000	NC	160.000	+3.750
SEP	14.94	+20	79	2717	15.00 @ 0.82	+5	14.75 @ 0.75	-10	33.000	NC	123.000	NC	161.000	+3.000
OCT	14.98	+24	71	2493	15.00 @ 0.88	+12	14.75 @ 0.77	-11	33.000	NC	123.000	NC	165.000	+3.000
NOV	14.71	+20	42	2441	14.75 @ 0.84	+10	14.50 @ 0.76	-9	33.000	-0.250	122.000	NC	163.000	+1.000
DEC	14.70	+20	21	2299	14.75 @ 0.89	+10	14.50 @ 0.81	-9	33.000	+0.250	117.030	NC	163.500	+2.000
JAN11	14.59	+9	7	132	15.00 @ 0.76	+4	14.50 @ 0.89	-4	29.520	NC	112.000	NC	164.000	+2.000
FEB	14.51	+1	15	68	15.00 @ 0.77	+1	14.50 @ NA	NA	29.250	NC	111.000	NC	160.000	NC
MAR	14.50	NC	2	36	14.50 @ 1.02	NC	14.00 @ 0.77	NC	28.000	NC	112.000	NC	162.000	NC

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