

# Daily Dairy Report

Daily market information provided by Alan Levitt

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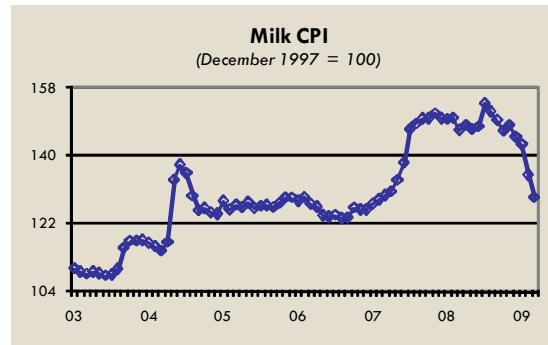
## Retail milk prices lower

After dropping nearly every day this month, cheese prices held steady this morning. Single bids to buy below the market were left on the board. Milk futures, however, retain hefty premiums to current spot prices. Class IIIs were steady/mixed today – a few cents lower in the front months, a few cents higher in the deferred months.

Retail milk prices fell in March to their lowest level in more than two years, according to Consumer Price Index data released this morning. The Milk CPI, which has dropped in seven of the last eight months since peaking last July, was 128.9, down 12.1% from a year earlier, says the Bureau of Labor Statistics (*see chart*). Lower retail milk prices have contributed to a recovery in fluid milk sales, which were up 2.0% in the December-February period, according to Federal Order and California data.

Retail cheese prices have dropped seven straight months, but are still above year-ago levels. The Cheese CPI for March was 209.8, down 5.7% since peaking last August, but up 1.3% from March 2008. Retail butter prices also were lower in March. The Butter CPI was 168.6 last month, down 7.3% since January.

CME Group's new deliverable nonfat dry milk futures and options contract will begin trading Monday, April 20 at 9:05am. For contract specifications and additional information, go to [www.cmegroup.com/nonfat](http://www.cmegroup.com/nonfat). **cme group**



For more information about real-time quotes, visit [www.cmegroup.com/dairyquotes](http://www.cmegroup.com/dairyquotes)

## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [*14 Pit, 1395 Electronic]	1,409	30,092
Class IV	0	218
NDM	2	946
Dry whey	22	1,401
Butter (cash settle)	159	4,724

### Options Volume and Open Interest

	Volume	Open Interest
Class III	482	45,050
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 (NC) • Barrel cheese \$1.1100 (NC) • 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 15 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	10.75	+1	142	4525	10.75 @ 0.06	NC	10.75 @ 0.06	-1	18.250	-0.500	82.500	NC	118.000	NC
MAY	10.40	-4	433	4701	10.50 @ 0.26	-2	10.25 @ 0.23	+1	20.000	-0.250	85.000	NC	123.000	NC
JUN	11.48	-7	325	4260	11.50 @ 0.51	-4	11.25 @ 0.41	+3	23.250	NC	85.000	-1.000	127.000	NC
JUL	12.69	-7	211	3008	12.75 @ 0.64	-4	12.50 @ 0.57	+2	24.500	-0.500	86.250	-0.250	128.000	NC
AUG	13.96	NC	109	2793	14.00 @ 0.83	NC	13.75 @ 0.74	NC	27.750	-0.250	87.500	-1.000	129.500	NC
SEP	14.60	-4	65	2625	14.75 @ 0.90	-2	14.50 @ 0.92	+2	29.000	NC	92.000	NC	132.250	NC
OCT	14.97	+2	58	2434	15.00 @ 1.06	+1	14.75 @ 0.96	-1	28.750	NC	94.250	NC	135.250	-0.250
NOV	14.99	+1	17	2246	15.00 @ 1.16	+1	14.75 @ 1.04	NC	29.000	NC	95.000	NC	137.500	NC
DEC	15.00	+5	20	2249	15.00 @ 1.23	+3	15.00 @ 1.23	-2	29.500	NC	95.000	NC	138.750	NC
JAN 10	15.11	+1	8	294	15.50 @ 1.10	+1	15.00 @ 1.21	NC	29.750	NC	99.500	NC	140.000	NC
FEB	15.11	+4	12	224	15.50 @ 1.15	+1	14.00 @ 0.80	-1	29.750	NC	115.000	NC	140.500	NC
MAR	15.16	+1	3	205	15.50 @ 1.23	NC	14.00 @ 0.83	-1	29.750	NC	116.000	NC	150.000	NC

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