

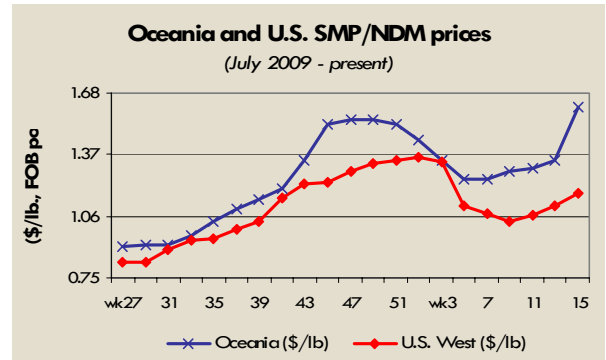
# Daily Dairy Report

Vol. 14, No. 72 / April 15, 2010

## International markets firmer

Tight supply from Europe and Oceania has led to firmer international markets. USDA's *Dairy Market News* pegs Oceania SMP at \$1.50-\$1.72/lb., up about 27¢ from two weeks ago, and the highest price since summer 2008. U.S. prices are moving steadily higher as well (see chart). Surprisingly large increases in Fonterra's monthly auction prices last week – despite the small volumes involved – have fueled the bullishness. However, “these sharply higher [international] prices put traders and handlers in a tailspin trying to figure out what they should be doing with their prices,” says *DMN*. “Buyers are stating that there is too much volatility in the current market, thus many are backing away from current sales activity until a more stable situation occurs.”

*DMN* also reported increases in international prices for cheese, butterfat, whey and WMP. Europe's spring flush is 4-6 weeks later than usual, the report says, and in Oceania the milking season is winding down, with many New Zealand farmers drying cows off early due to drought-parched grazing areas. “As milk volumes declining at varying rates, manufactured dairy product handlers are very concerned about meeting end-of-season commitments,” *DMN* says of Oceania conditions. [cme.com](http://cme.com)



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [0 Pit, 1,044 Electronic]	1,044	29,672
Class IV	2	192
NDM (cash settle)	0	851
Dry whey	15	1,944
Butter (cash settle)	51	3,455

### Options Volume and Open Interest

	Volume	Open Interest
Class III	328	47,429
Class III midi	0	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 \$1.4125 (-2.00) • Barrel cheese \$1.3825 (-0.25) • AA Butter \$1.5600 (NC) • NDM Extra Grade \$1.2075 (+1.75) • NDM Grade A \$1.2750 (+0.75) **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 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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
APR10	12.85	+1	75	4449	13.00 @ 0.01	NC	12.75 @ 0.02	-1	37.000	NC	109.000	NC	148.000	NC
MAY	13.12	+4	227	4660	13.25 @ 0.23	+1	13.00 @ 0.23	-2	36.500	+1.500	113.500	+2.500	156.000	+1.000
JUN	13.38	+8	371	4338	13.50 @ 0.44	+4	13.25 @ 0.43	-4	35.000	+2.000	121.000	+1.000	161.000	+3.250
JUL	14.11	+20	137	3042	14.25 @ 0.54	+9	14.00 @ 0.57	-8	35.000	+1.500	122.500	+1.500	161.000	+2.500
AUG	14.67	+14	82	2869	14.75 @ NA	NA	14.50 @ NA	NA	34.500	+1.500	123.500	+1.500	161.500	+1.500
SEP	15.13	+19	45	2732	15.25 @ NA	NA	15.00 @ NA	NA	35.000	+2.000	124.500	+1.500	162.500	+1.500
OCT	15.00	+2	50	2515	15.00 @ NA	NA	15.00 @ NA	NA	35.000	+2.000	125.500	+2.500	164.500	-0.500
NOV	14.71	NC	21	2445	14.75 @ NA	NA	14.50 @ NA	NA	35.000	+2.000	124.250	+2.250	163.000	NC
DEC	14.70	NC	26	2298	14.75 @ NA	NA	14.50 @ NA	NA	34.000	+1.000	118.100	+1.080	163.500	NC
JAN11	14.65	+6	3	133	15.00 @ NA	NA	14.50 @ NA	NA	30.550	+1.025	112.000	NC	164.000	NC
FEB	14.60	+9	4	71	15.00 @ NA	NA	14.50 @ NA	NA	30.000	+0.750	111.000	NC	160.000	NC
MAR	14.50	NC	2	38	14.50 @ NA	NA	14.00 @ NA	NA	28.550	+0.550	112.000	NC	162.000	NC

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