

Daily Dairy Report

Daily market information provided by Alan Levitt

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NDM, whey trending higher

Cheese prices held (\$1.17 for blocks and \$1.11 for barrels), and milk futures suffered double-digit declines in the front months. Spot butter also held steady, which sent butter futures lower. Grade A NDM was bid a half-cent higher to 85¢.

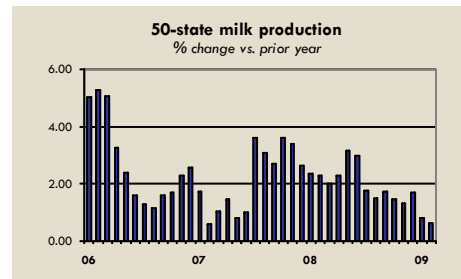
Western NDM is trading for mostly 80-83¢, says USDA's *Dairy Market News*, up for the sixth straight week. However, the weaker cheese market has cut into demand for powder for vat fortification.

Whey prices continue to rise as well; Midwestern dry whey is mostly 19.5¢-21.5¢ and Western dry whey is mostly 22-24¢ -- all up three-quarters of a cent to a cent from a week ago. "Demand is noted as aggressive from both the export market and domestic users," says *DMN*. Whey futures were up slightly today.

Land O'Lakes will close its butter plant in Madison, Wis., over the next 60 days and move production to other facilities.

The March "Milk Production" report comes out tomorrow afternoon. In the first two months of the year, output was up 0.7% (adjusted for the extra day in February 2008). Year-over-year growth rates have been slowing since last May (see chart). Cow numbers declined by 36,000 head in January and February.

CME Group's new deliverable nonfat dry milk futures and options contract begin trading Monday, April 20 at 9:05am CT. For contract specifications and additional information, go to www.cmegroup.com/nonfat and see the attached sheet. **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 [*101 Pit, 762 Electronic]	863	29,995
Class IV	0	218
NDM	1	946
Dry whey	16	1,405
Butter (cash settle)	42	4,754

Options Volume and Open Interest

	Volume	Open Interest
Class III	450	44,968
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 \$0.8500 (+0.50) **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 16 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	+1	106 4417	11.00 @ 0.00	NC	10.75 @ 0.06	NC	18.250	NC	82.450	-0.050	118.000	NC
MAY	10.27	-13	164 4593	10.50 @ 0.20	-6	10.25 @ 0.29	+6	20.000	NC	84.950	-0.050	123.000	NC
JUN	11.34	-14	163 4326	11.50 @ 0.44	-7	11.25 @ 0.46	+5	23.500	+0.250	85.500	+0.500	126.500	-0.500
JUL	12.55	-14	194 3025	12.75 @ 0.57	-7	12.50 @ 0.63	+6	25.000	+0.500	86.250	NC	127.750	-0.250
AUG	13.85	-11	82 2792	14.00 @ 0.77	-6	13.75 @ 0.79	+5	27.750	NC	87.500	NC	129.000	-0.500
SEP	14.51	-9	29 2634	14.75 @ 0.85	-5	14.50 @ 0.95	+3	27.770	+1.225	92.000	NC	131.750	-0.500
OCT	14.92	-5	25 2445	15.00 @ 1.03	-3	14.75 @ 0.98	+2	29.000	+0.250	94.250	NC	135.000	-0.250
NOV	14.95	-4	18 2250	15.00 @ 1.13	-3	14.75 @ 1.05	+1	29.000	NC	95.000	NC	137.000	-0.500
DEC	15.00	NC	27 2269	15.00 @ 1.23	NC	15.00 @ 1.23	NC	29.500	NC	95.000	NC	138.750	NC
JAN 10	15.11	NC	16 302	15.50 @ 1.09	-1	15.00 @ 1.20	-1	29.750	NC	99.500	NC	139.500	-0.500
FEB	15.09	-2	14 231	15.50 @ 1.14	-1	14.00 @ 0.80	NC	29.750	NC	115.000	NC	140.000	-0.500
MAR	15.20	+4	13 206	15.50 @ 1.25	+2	14.00 @ 0.82	-1	29.750	NC	116.000	NC	150.000	NC

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