

Daily Dairy Report

Daily market information provided by Alan Levitt

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March milk production: -0.3%

The dairy markets were relatively calm today ahead of the monthly "Milk Production" report. Spot markets were unchanged. Milk futures were unchanged to 10¢ higher in the 2009 contracts. Whey futures were slightly lower. Butter futures were mixed.

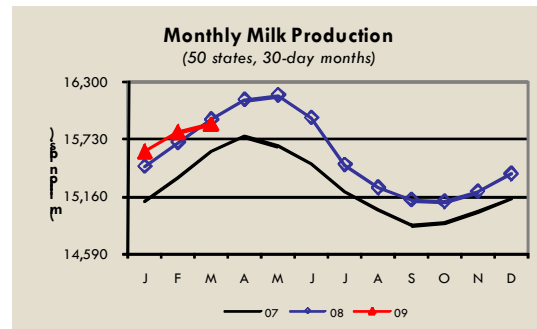
Milk production dropped in March for the first time in nearly five years. Output in the 23 selected states was 15.164 billion lbs., down 0.2% from a year ago, according to USDA's "Milk Production" report released this afternoon. Extrapolated 50-state production was 16.416 billion lbs., down 0.3% (see chart). The last time 50-state production was negative was June 2004.

Nationwide, cow numbers dropped 4,000 head in March, to 9.287 million. That pushed cow numbers below year-earlier levels for the first time since October 2004. Production per cow in the 50 states was 57.0 lbs. per day, down 0.1 lbs. vs. a year ago, USDA says.

The May Class I mover is \$10.97, up 6¢ from April. This price will generate an MILC payment of \$1.22/cwt., plus any adjustment for feed costs.

NASS dairy product prices for the week ending April 11: cheddar blocks \$1.2761 (+0.16¢ vs. the prior week); barrels \$1.2988 (-2.05¢); butter \$1.1575 (-1.25¢); nonfat dry milk 82.03¢ (+0.44¢); dry whey 19.31¢ (+1.53¢).

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	851	30,250
[*128 Pit, 723Electronic]		
Class IV	0	218
NDM	0	946
Dry whey	8	1,408
Butter (cash settle)	119	4,808

Options Volume and Open Interest

	Volume	Open Interest
Class III	497	45,223
Class III midi	0	184
Dry whey	12	130
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 (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 17 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	NC	75 4445	11.00 @ 0.00	NC	10.75 @ 0.05	-1	18.750	+0.500	82.450	NC	117.500	-0.500
MAY	10.31	+4	99 4527	10.50 @ 0.21	+1	10.25 @ 0.26	-3	20.000	NC	84.950	NC	122.000	-1.000
JUN	11.44	+10	184 4402	11.50 @ 0.48	+4	11.25 @ 0.42	-4	23.250	-0.250	86.000	+0.500	125.750	-0.750
JUL	12.56	+1	151 3065	12.75 @ 0.57	NC	12.50 @ 0.63	NC	24.750	-0.250	86.250	NC	127.750	NC
AUG	13.85	NC	112 2865	14.00 @ 0.77	NC	13.75 @ 0.78	-1	27.250	-0.500	87.500	NC	129.000	NC
SEP	14.54	+3	69 2653	14.75 @ 0.87	+2	14.50 @ 0.94	-1	27.750	-0.025	92.000	NC	132.500	+0.750
OCT	14.94	+2	28 2463	15.00 @ 1.04	+1	14.75 @ 0.96	-2	29.000	NC	94.250	NC	134.500	-0.500
NOV	14.96	+1	38 2267	15.00 @ 1.14	+1	14.75 @ 1.05	NC	29.000	NC	95.000	NC	137.000	NC
DEC	15.02	+2	34 2297	15.25 @ 1.12	NC	15.00 @ 1.21	-2	29.500	NC	95.000	NC	138.750	NC
JAN 10	15.11	NC	6 308	15.50 @ 1.09	NC	15.00 @ 1.20	NC	29.750	NC	99.500	NC	140.000	+0.500
FEB	15.09	NC	5 233	15.50 @ 1.14	NC	14.00 @ 0.80	NC	29.750	NC	115.000	NC	140.000	NC
MAR	15.20	NC	1 207	15.50 @ 1.25	NC	14.00 @ 0.81	-1	29.750	NC	116.000	NC	150.000	NC

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