

# Daily Dairy Report

Daily market information provided by Alan Levitt

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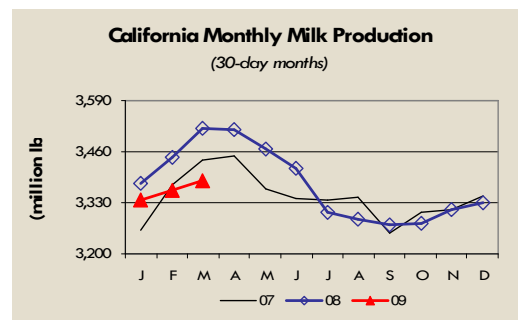
## Cow numbers lower in March

Cow numbers continued falling in March, though at a slower rate than in January and February, according to USDA's "Milk Production" report released Friday afternoon. The nation's herd dropped 4,000 last month vs. the prior month, after declining by 43,000 head in the first two months of the year. At 9.287 million head, cow numbers are below year-earlier levels for the first time since October 2004.

The spring flush was nearly non-existent in California this year. Production was just 3.498 billion lbs. last month, down 3.8% from a year ago, USDA says (*see chart*). California's cow numbers were down 20,000 head from last year and production-per-cow was off 1.8 lbs. per day. "California milk production is mostly steady with recent weeks at levels near or below a year ago," says USDA's *Dairy Market News*. "The effects of cow culling, reformulated rations and producer base plans are still impacting the milk flow."

USDA's monthly cheese and butter inventory report comes out tomorrow afternoon. On Friday, USDA will release the March "Livestock Slaughter" report and publish the "Dairy Products Annual," which contains revisions to the 2007 and 2008 product production figures.

CME Group's new deliverable nonfat dry milk futures and options contract began trading today. For contract specifications and additional information, go to [www.cmegroup.com/nonfat](http://www.cmegroup.com/nonfat) and see the attached sheet. **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 [*1 Pit, 546 Electronic]	547	30,326
Class IV	0	218
NDM	2	948
Dry whey	24	1,417
Butter (cash settle)	106	4,820

### Options Volume and Open Interest

	Volume	Open Interest
Class III	297	45,261
Class III midi	8	192
Dry whey	0	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 20 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. (¢)
APR 09	10.76	NC	10	6	11.00 @ 0.00	NC	10.75 @ 0.05	NC	18.750	NC	82.450	NC	117.500	NC
MAY	10.28	-3	10	1	10.50 @ 0.19	-2	10.25 @ 0.27	+1	20.500	+0.500	84.950	NC	122.000	NC
JUN	11.37	-7	11	4	11.50 @ 0.44	-4	11.25 @ 0.44	+2	23.250	NC	86.000	NC	125.750	NC
JUL	12.64	+8	12	6	12.75 @ 0.60	+3	12.50 @ 0.60	-3	24.750	NC	86.250	NC	127.750	NC
AUG	13.90	+5	13	5	14.00 @ 0.78	+1	13.75 @ 0.75	-3	27.500	+0.250	88.000	+0.500	129.500	+0.500
SEP	14.63	+9	14	4	14.75 @ 0.90	+3	14.50 @ 0.89	-5	28.020	+0.275	92.000	NC	133.720	+1.225
OCT	15.00	+6	14	4	15.00 @ 1.06	+2	15.00 @ 1.06	-4	29.000	NC	94.250	NC	135.720	+1.225
NOV	15.04	+8	14	6	15.25 @ 1.06	+3	15.00 @ 1.13	-5	29.000	NC	95.000	NC	137.750	+0.750
DEC	15.05	+3	15	2	15.25 @ 1.13	+1	15.00 @ 1.19	-2	29.500	NC	95.000	NC	138.750	NC
JAN 10	15.13	+2	15	1	15.50 @ 1.10	+1	15.00 @ 1.19	-1	29.750	NC	99.500	NC	139.500	-0.500
FEB	15.12	+3	15	9	15.50 @ 1.15	+1	14.00 @ 0.80	NC	29.750	NC	115.000	NC	140.000	NC
MAR	15.24	+4	15	0	15.50 @ 1.27	+2	14.00 @ 0.80	-1	29.750	NC	116.000	NC	150.000	NC

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