

Daily Dairy Report

Vol. 14, No. 75 / April 20, 2010

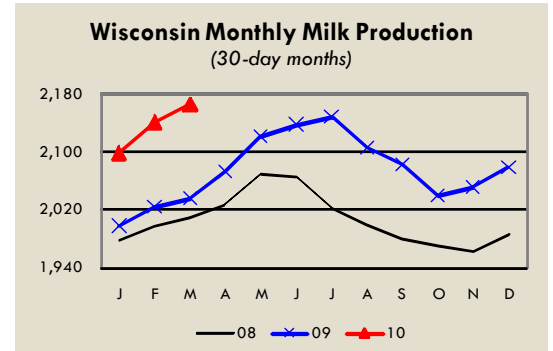
Wisconsin milk production +6.3% in March

Buyers came back into the cheese market today, though prices continued to fall. In a very active session, 21 loads of block were sold, with buyers quickly snapping up every offer until a final offer of 5 loads went uncovered. Blocks settled -2¢. JUN-AUG futures, meanwhile, were up 18¢.

Milk production in Wisconsin was up 6.3% in March, and up 5.7% in the first quarter, according to USDA's "Milk Production" report released yesterday (*see chart*). The March increase was accomplished with just 4,000 more cows than a year ago; gains were primarily driven by improvements in productivity. Last month's production – 2.237 billion lbs. – was higher than the peak production of last year, and in fact was Wisconsin's biggest month since May 1988.

Production in Wisconsin has increased almost continually for the last six years. First quarter output was up 16.4% from 2004. Since February 2005, there has been only one month when Wisconsin milk production was negative.

March milk production among other key states (percent change from a year ago): California -0.7%, New York +0.2%, Idaho +3.0%, Pennsylvania +1.6%, Minnesota +3.8%, Texas -2.6%, New Mexico -3.8%. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [10 Pit, 502 Electronic]	512	29,976
Class IV	0	193
NDM (cash settle)	10	901
Dry whey	39	1,974
Butter (cash settle)	50	3,499

Options Volume and Open Interest

	Volume	Open Interest
Class III	357	47,481
Class III midi	2	466
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 \$1.3650 (-2.00) • Barrel cheese \$1.3450 (-0.50) • AA Butter \$1.5700 (NC) • NDM Extra Grade \$1.2500 (NC) • NDM Grade A \$1.2925 (NC) **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 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. (¢)
APR10	12.85	NC	9	4429	13.00 @ 0.00	NC	12.75 @ 0.00	-1	36.700	NC	111.000	NC	148.000	NC
MAY	13.14	+2	146	4674	13.25 @ 0.19	-1	13.00 @ 0.17	-3	36.000	NC	115.250	+0.250	159.000	NC
JUN	13.54	+20	90	4355	13.75 @ 0.39	+6	13.50 @ 0.46	-11	35.500	NC	121.500	NC	162.750	+0.250
JUL	14.20	+18	92	3161	14.25 @ 0.57	+8	14.00 @ 0.50	-8	35.000	NC	122.750	NC	162.000	NC
AUG	14.95	+17	59	2908	15.00 @ 0.77	+3	14.75 @ 0.70	-8	35.000	NC	124.250	+0.250	162.000	+0.500
SEP	15.26	+11	32	2758	15.50 @ 0.75	+5	15.25 @ 0.87	-3	35.500	+0.500	126.250	+0.250	161.500	-0.500
OCT	15.22	+7	32	2538	15.25 @ 0.88	+4	15.00 @ 0.78	-5	35.500	NC	127.000	NC	163.970	-0.030
NOV	14.95	+10	16	2476	15.00 @ 0.84	+5	14.75 @ 0.76	-5	35.500	NC	125.000	NC	163.000	NC
DEC	14.90	+5	24	2323	15.00 @ 0.87	+3	14.75 @ 0.83	-7	35.000	+1.000	120.080	+0.075	163.500	NC
JAN11	14.80	+10	6	142	15.00 @ 0.85	+5	14.50 @ 0.79	-4	32.500	+0.925	112.000	NC	164.000	NC
FEB	14.59	-6	6	76	15.00 @ 0.79	-3	14.50 @ 0.92	+2	31.000	+1.000	111.000	NC	160.000	NC
MAR	14.76	+4	0	42	15.00 @ 0.92	+2	14.50 @ 0.89	-2	28.570	NC	112.000	NC	162.000	NC

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