

Daily Dairy Report

Daily market information provided by Alan Levitt

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Barrels slip closer to support

Class III futures plunged today after barrels were offered a quarter-cent lower to \$1.1075, the lowest in nearly three months. JUN-SEP09 milk contracts dropped 35¢.

Spot butter gained a penny to \$1.2150, a new 2009 high. Butter futures were higher.

Milk and cheese supplies are reported as relatively long. Milk production is increasing seasonally throughout most of the country. In California, "culling is likely moderating as producers assess the CWT cow cull program and as producers wait to see if their bids get accepted. Milk processing plants in the state are running mostly full to handle the milk supplies."

Whey prices continue to ratchet higher, tacking on another three-quarters of a cent to a full cent again this week, according to USDA's *Dairy Market News*. Midwestern dry whey is trading for mostly 20.5-22¢, while Western dry whey is mostly 22-26¢, *DMN* says. Whey futures increased today, bringing fourth-quarter prices to 30¢ for the first time since last fall.

The NDM market is steady at mostly 80-83¢, *DMN* says. This week, 5.9 million lbs. of powder has sold to the government under the support program.

CME Group's new deliverable nonfat dry milk futures and options contract has begun trading. 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	1,178	30,896
[*86 Pit, 1092 Electronic]		
Class IV	0	218
NDM (cash settle)	15	963
NDM (deliverable)	0	2
Dry whey	7	1,429
Butter (cash settle)	77	4,910

Options Volume and Open Interest

	Volume	Open Interest
Class III	192	45,610
Class III midi	1	193
Dry whey	6	128
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 \$1.1800 (NC) • Barrel cheese \$1.1075 (-0.25) • AA Butter \$1.2150 (+1.00) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8600 (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 23 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	10.77	+1	108 4507	11.00 @ 0.00	NC	10.75 @ 0.04	NC	19,000	+0.250	82,450	NC	117,500	NC
MAY	10.20	-12	176 4603	10.25 @ 0.21	-7	10.00 @ 0.15	+4	21,000	+0.150	84,000	-0.850	121,500	-0.500
JUN	11.28	-37	309 4599	11.50 @ 0.41	-19	11.25 @ 0.49	+15	23,500	NC	86,000	NC	127,000	+1,000
JUL	12.73	-34	162 3153	12.75 @ 0.71	-15	12.50 @ 0.56	+13	26,000	+1,000	86,250	NC	128,000	NC
AUG	14.00	-36	121 2942	14.00 @ 0.86	-21	14.00 @ 0.86	+15	28,250	NC	88,000	NC	131,500	+1,500
SEP	14.73	-32	86 2687	14.75 @ 0.98	-19	14.50 @ 0.88	+13	29,000	+0.100	92,000	NC	135,000	+0,800
OCT	15.20	-20	39 2485	15.25 @ 1.09	-11	15.00 @ 1.00	+8	30,000	+0.500	94,750	NC	136,500	+1,000
NOV	15.20	-18	63 2279	15.25 @ 1.18	-10	15.00 @ 1.10	+7	30,000	+0.500	95,000	NC	138,000	+0,750
DEC	15.21	-16	42 2319	15.25 @ 1.26	-9	15.00 @ 1.17	+7	30,000	NC	95,000	NC	140,500	+2,000
JAN 10	15.33	-9	20 309	15.50 @ 1.19	-5	15.00 @ 1.09	+3	30,500	+0.250	99,500	NC	141,500	+2,000
FEB	15.40	-9	11 237	15.50 @ 1.29	-5	14.00 @ 0.69	+2	30,500	+0.250	115,000	NC	140,000	NC
MAR	15.45	-5	6 213	15.50 @ 1.37	-3	14.00 @ 0.73	+1	30,500	+0.250	116,000	NC	150,000	NC

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