

Daily Dairy Report

Daily market information provided by Alan Levitt

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Butter prices hit 2009 high

Cheese prices were unchanged and the only activity was a couple bids to buy below the market, which went unfilled. The market remains somewhat unsettled, with low prices encouraging orders, while supply is plentiful from seasonally heavy production.

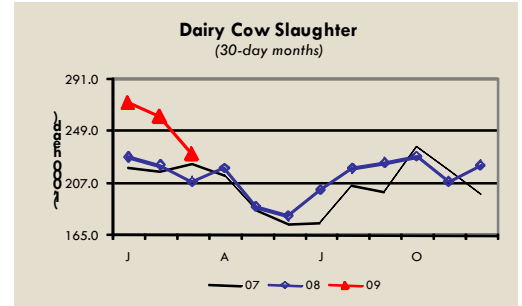
The butter and whey markets are strengthening. Spot butter increased 2¢ this week to close at \$1.2225, a new high for the year. Butter futures rallied today, gaining 1.5-3.5¢ in the JUL09-FEB10 contracts. Contracts covering the second half average \$1.3775, up 4.5¢ since last Friday.

Whey futures also were mostly higher today. Contracts covering the second half average 29.0¢, up 1.2¢ this week.

Culling dropped off in March but remained above year-earlier levels. Dairymen sent 238,200 cows to slaughter last month, down 11.7% from February's rate, according to USDA's "Livestock Slaughter" report released this morning (see chart).

NASS dairy product prices for the week ending April 18: cheddar blocks \$1.2771 (+0.10¢ vs. the prior week); barrels \$1.2495 (-4.93¢); butter \$1.1737 (+1.62¢); nonfat dry milk 81.95¢ (-0.07¢); dry whey 20.15¢ (+0.84¢).

CME Group's new deliverable nonfat dry milk futures and options contract began trading this week. 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 [*160 Pit, 834 Electronic]	994	30,897
Class IV	0	218
NDM (cash settle)	4	963
NDM (deliverable)	0	2
Dry whey	7	1,436
Butter (cash settle)	108	4,947

Options Volume and Open Interest

	Volume	Open Interest
Class III	543	45,846
Class III midi	0	193
Dry whey	0	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 (NC) • AA Butter \$1.2225 (+0.75) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8650 (+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 24 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	10.78	+1	8	4473	11.00 @ 0.00	NC	10.75 @ 0.03	-1	19,250	+0.250	82,450	NC	117,500	NC
MAY	10.13	-7	173	4622	10.25 @ 0.18	-3	10.00 @ 0.17	+2	21,000	NC	83,000	-1,000	122,000	+0,500
JUN	11.21	-7	381	4606	11.25 @ 0.45	-7	11.00 @ 0.36	-1	23,500	NC	86,000	NC	127,000	NC
JUL	12.65	-8	145	3171	12.75 @ 0.62	-9	12.50 @ 0.59	+3	26,500	+0.500	86,250	NC	130,500	+2,500
AUG	13.95	-5	111	2921	14.00 @ 0.83	-3	13.75 @ 0.75	+2	28,520	+0.275	88,000	NC	134,000	+2,500
SEP	14.67	-6	58	2680	14.75 @ 0.95	-3	14.50 @ 0.90	+2	29,000	NC	92,000	NC	138,000	+3,000
OCT	15.18	-2	25	2486	15.25 @ 1.07	-2	15.00 @ 1.01	+1	30,000	NC	94,750	NC	140,000	+3,500
NOV	15.17	-3	33	2276	15.25 @ 1.16	-2	15.00 @ 1.11	+1	30,000	NC	95,000	NC	141,500	+3,500
DEC	15.19	-2	22	2320	15.25 @ 1.24	-2	15.00 @ 1.17	NC	30,500	+0.500	95,000	NC	142,500	+2,000
JAN 10	15.25	-8	14	316	15.50 @ 1.15	-4	15.00 @ 1.13	+4	31,000	+0.500	99,500	NC	143,000	+1,500
FEB	15.33	-7	11	247	15.50 @ 1.25	-4	14.00 @ 0.71	+2	31,000	+0.500	115,000	NC	143,000	+3,000
MAR	15.40	-5	6	214	15.50 @ 1.34	-3	14.00 @ 0.74	+1	31,000	+0.500	116,000	NC	150,000	NC

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