

Daily Dairy Report

Daily market information provided by Alan Levitt

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Barrel price drops to support

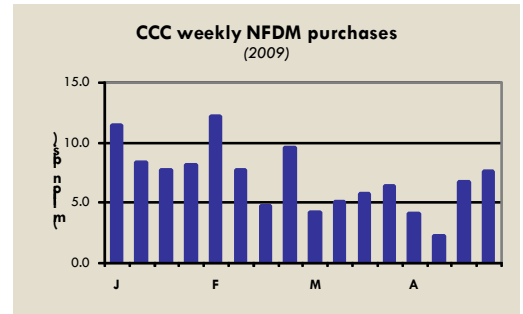
Cheese prices weakened with sellers continuing to remain aggressive. Blocks lost 0.50¢ to close at \$1.1750 with 3 loads traded while barrels fell 0.75¢ to support at \$1.10. The last time price was at or below support was on January 28. A bid remained for barrels at \$1.09 indicating a weak market. Butter was unchanged at \$1.2225 with no trading activity.

Milk futures continued to erode with June falling 18¢ to a new contract low of \$11.03. Futures contracts for the remaining months of this year lost an average of 12 cents while 2010 contracts were unchanged to 12 cents lower.

Nonfat dry milk prices have been strengthening since mid-March as a result of increased buyer interest. Demand has been higher than supply in some areas according to USDA's *Dairy Market News*. The trading of 16 loads on the CME Group's spot market last week indicated the willingness of buyers to aggressively purchase some inventory. However, NDM continues to clear to the CCC.

Last week, Western manufacturers sold 7.6 million lbs. of NDM to the government under the support program, the most in eight weeks (*see chart*). Since the first of the year, USDA has bought 111.2 million lbs.

Thursday is the last day to trade APR futures and options. USDA will announce April Class and Component prices Friday morning. Among other releases this week, USDA's "Ag Prices" report comes out Thursday afternoon, providing data on April feed costs. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST

Futures Volume and Open Interest

	Volume	Open Interest
Class III [*56 Pit, 856 Electronic]	912	30,887
Class IV	5	218
NDM (cash settle)	21	960
NDM (deliverable)	0	2
Dry whey	8	1,442
Butter (cash settle)	72	4,976

Options Volume and Open Interest

	Volume	Open Interest
Class III	230	45,786
Class III midi	0	191
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 \$1.1750 (-0.50) • Barrel cheese \$1.1000 (-0.75) • AA Butter \$1.2225 (NC) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8650 (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 27 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	-2	45	4518	11.00 @ 0.00	NC	10.75 @ 0.03	NC	19.250	NC	82.450	NC	117.500	NC
MAY	10.13	NC	172	4628	10.25 @ 0.17	-1	10.00 @ 0.16	-1	21.000	NC	83.000	NC	122.000	NC
JUN	11.03	-18	345	4548	11.25 @ 0.35	-10	11.00 @ 0.43	+7	23.500	NC	86.000	NC	127.000	NC
JUL	12.50	-15	192	3133	12.50 @ 0.65	-9	12.50 @ 0.65	+6	26.500	NC	86.250	NC	130.500	NC
AUG	13.77	-18	68	2923	14.00 @ 0.73	-10	13.75 @ 0.82	+7	28.520	NC	88.000	NC	133.500	-0.500
SEP	14.50	-17	21	2694	14.50 @ 0.97	-10	14.50 @ 0.97	+7	29.000	NC	92.000	NC	137.500	-0.500
OCT	15.02	-16	15	2493	15.25 @ 0.98	-9	15.00 @ 1.07	+6	30.000	NC	94.750	NC	140.000	NC
NOV	15.06	-11	18	2282	15.25 @ 1.10	-6	15.00 @ 1.15	+4	30.000	NC	95.000	NC	141.500	NC
DEC	15.10	-9	32	2324	15.25 @ 1.19	-5	15.00 @ 1.20	+3	30.500	NC	95.000	NC	142.500	NC
JAN 10	15.20	-5	2	317	15.50 @ 1.12	-3	15.00 @ 1.14	+1	31.000	NC	99.500	NC	143.000	NC
FEB	15.21	-12	0	247	15.50 @ 1.18	-7	14.50 @ 0.95	+3	31.000	NC	115.000	NC	143.000	NC
MAR	15.35	-5	0	214	15.50 @ 1.31	-3	14.50 @ 0.96	-3	31.000	NC	116.000	NC	150.000	NC

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