

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## April Class III: \$10.78

Turning the calendar page to May did nothing to improve the mood of the dairy markets. In an active spot cheese trading session, buyers bid for block cheddar and sellers were able to meet every bid. Then offers to sell barrels came into the pit, sending the price as low as \$1.08 before buyers pushed the price back up to \$1.0875. Milk futures continued to sell off; all 2009 contracts declined by double-digits. MAY and JUN hit new lows – MAY settling below \$10.00 for the first time. AUG lost 22¢.

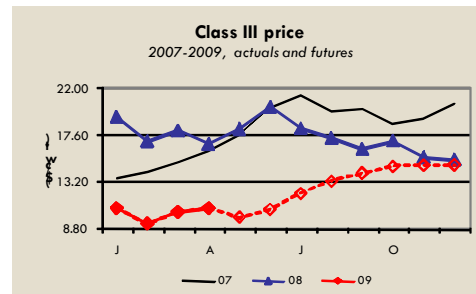
Spot butter held at \$1.23 and butter futures were mixed. Whey futures increased in several months but otherwise were unchanged. NDM futures were mostly steady.

This week, CCC bought 5.1 million lbs. of powder under the price support program.

Oceania SMP is trading for 82¢-\$1.00, about the same as a month earlier, according to USDA's *Dairy Market News*. Customers are returning to the market, *DMN* says. "Efforts continue to finish current export sales and get them booked and shipped before the new season begins." In Europe, since maximum intervention buying levels on SMP (240.3 million lbs.) were reached in mid-April, additional volumes continue to be accepted by tender.

The Class III price for April is \$10.78, up 34¢ from March, but down nearly \$6 from a year ago. Year-to-date Class III prices, plus futures for the remaining 8 months, yield a 2009 average price of just \$12.14, down 30% from the 2008 average of \$17.44 (see chart).

NASS dairy product prices for the week ending April 25: cheddar blocks \$1.2482 (-2.89¢ vs. the prior week); barrels \$1.1781(-7.14¢); butter \$1.1645 (-0.92¢); nonfat dry milk 82.21¢ (+0.25¢); dry whey 20.68¢ (+0.53¢). **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [*61 Pit, 579 Electronic]	640	31,570
Class IV	0	218
NDM (cash settle)	0	962
NDM (deliverable)	0	2
Dry whey	7	1,461
Butter (cash settle)	60	5,053

### Options Volume and Open Interest

	Volume	Open Interest
Class III	384	46,437
Class III midi	0	190
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 \$1.1525 (NC) • Barrel cheese \$1.0875 (-0.25) • AA Butter \$1.2300 (NC) • NDM Extra Grade \$0.8550 (NC) • NDM Grade A \$0.8700 (NC) **MILK PRICES** (with change, in cents, from previous month): April Class III milk (USDA) \$10.78 (+\$0.34) • April Class IV milk (USDA) \$9.82 (+\$0.18)

## May 1 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. (¢)		
MAY 09	9.94	-14	95	4741	10.00 @ 0.13	-10	9.75 @ 0.08	+2	21.500	+0.250	83.000	NC	122.250	+0.250		
JUN	10.65	-12	188	4760	10.75 @ 0.35	-6	10.50 @ 0.32	+4	24.000	NC	86.000	-0.250	126.750	-0.250		
JUL	12.15	-15	170	3212	12.25 @ 0.57	-8	12.00 @ 0.54	+6	28.000	+1.500	86.750	+0.250	129.750	-0.250		
AUG	13.30	-22	50	2972	13.50 @ 0.70	-12	13.25 @ 0.77	+10	28.500	NC	88.500	NC	132.000	NC		
SEP	14.05	-17	40	2778	14.25 @ 0.84	-8	14.00 @ 0.90	+7	30.000	+1.000	92.500	+0.250	135.000	-0.750		
OCT	14.68	-14	8	2558	14.75 @ 0.00	NC	14.50 @ 0.95	+5	31.000	NC	95.000	NC	137.000	NC		
NOV	14.79	-11	8	2315	15.00 @ 1.06	-6	14.75 @ 1.13	+5	31.000	NC	95.000	NC	139.000	NC		
DEC	14.82	-13	10	2352	15.00 @ 1.14	-7	14.75 @ 1.19	+6	31.250	+0.250	95.000	NC	140.000	-0.500		
JAN 10	15.00	-4	5	335	15.50 @ 1.01	-2	15.00 @ 1.22	+1	31.000	NC	99.500	NC	143.000	NC		
FEB	14.99	-7	3	261	15.50 @ 1.06	-4	14.50 @ 1.03	+3	31.000	NC	115.000	NC	144.000	NC		
MAR	15.18	-7	4	230	15.50 @ 1.21	-4	14.50 @ 1.01	+2	31.000	NC	116.000	NC	150.000	NC		
APR	15.45	NC	2	139	17.00 @ 0.86	NC	14.50 @ 0.97	NC	30.000	NC	117.000	NC	152.000	NC		

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