

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## Futures jump on cheese gains

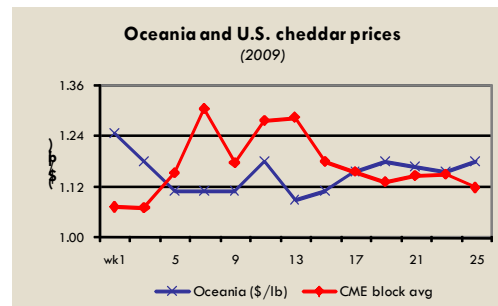
A small uptick in the cheese price was enough to send milk futures to their best day in three months. Blocks traded a quarter-cent higher and an unfilled bid at that higher price was left on the board. Barrels were bid a penny higher and found no takers. Milk futures for the second half of the year jumped 29¢ to an average of \$12.25. Futures for the first half of 2010 increased 30¢ to \$14.62.

High heat indexes in the Upper Midwest are starting to affect milk receipts, says USDA's *Dairy Market News*. "Supplies of manufacturing milk were noticeably lighter and less was heading north from more southern areas."

In California, "most contacts ... indicated that milk production is now off the spring peak," *DMN* adds. "That trend will continue as hot temperatures are expected in this upcoming week. This is really the first heat of the summer season."

World dairy prices are slightly higher this week as Oceania moves into its off season, with limited production volumes, *DMN* says. Export prices are \$1.09-\$1.27 for cheese, 86-98¢ for SMP and 77-95¢ for butter. All prices are up 2-5¢ on the high end of the range compared with the previous report. Oceania cheese prices are up nearly a dime over the last 12 weeks (see chart), according to *DMN*.

This afternoon, USDA/FAS accepted its first DEIP bids on butterfat. Bonuses will be given on 2.9 million lbs. of butter and 119,000 lbs. of AMF. So far this week, USDA/FAS also has awarded bonuses on exports of 2.6 million lbs. of NDM. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III	907	29,472
[*19Pit, 888 Electronic]		
Class IV	0	198
NDM (cash settle)	0	790
NDM (deliverable)	0	2
Dry whey	19	1,582
Butter (cash settle)	31	4,849

### Options Volume and Open Interest

	Volume	Open Interest
Class III	835	48,781
Class III midi	0	193
Dry whey	0	238
Butter (cash settle)	0	104
NDM (cash settle)	0	27

Futures and options volume and open interest from previous trading day.

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.1200 (+0.25) • Barrel cheese \$1.0800 (+1.00) • AA Butter \$1.2050 (NC) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.8900 (NC) **MILK PRICES** (with change, in cents, from previous month): May Class III milk (USDA) \$9.84 (-\$0.94) • May Class IV milk (USDA) \$10.14 (+\$0.32)

## June 25 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. (¢)		
JUN 09	9.92	+1	75	5324	10.00 @ 0.01	NC	9.75 @ 0.00	NC	26.770	+0.175	84.500	NC	121.250	NC		
JUL	10.15	+10	162	4211	10.25 @ 0.13	+3	10.00 @ 0.11	-5	27.800	+0.050	85.250	NC	121.500	NC		
AUG	10.98	+23	108	3826	11.00 @ 0.44	+10	10.75 @ 0.34	-11	30.000	NC	87.250	NC	124.250	NC		
SEP	11.95	+31	117	3463	12.00 @ 0.61	+15	11.75 @ 0.53	-15	30.500	-0.500	89.750	NC	127.250	NC		
OCT	12.74	+34	111	3082	12.75 @ 0.76	+17	12.50 @ 0.64	-16	29.750	NC	92.750	NC	129.000	-0.750		
NOV	13.70	+41	75	2980	13.75 @ 0.90	+20	13.50 @ 0.82	-20	28.000	NC	94.000	NC	130.000	NC		
DEC	13.97	+37	70	2890	14.00 @ 1.00	+18	13.75 @ 0.90	-17	28.000	NC	95.000	NC	133.000	NC		
JAN 10	14.03	+38	25	720	14.25 @ 0.93	+18	14.00 @ 1.01	-19	28.000	NC	94.000	NC	135.000	NC		
FEB	14.08	+41	20	551	14.25 @ 1.01	+19	14.00 @ 1.05	-20	28.000	-0.350	101.000	-2.000	136.000	NC		
MAR	14.60	+33	22	560	14.75 @ 1.12	+16	14.50 @ 1.14	-15	27.800	-0.075	101.000	-2.000	140.000	NC		
APR	14.85	+33	16	366	15.00 @ 1.20	+16	14.75 @ 1.22	-15	27.600	+0.025	101.000	-2.000	142.000	NC		
MAY	14.91	+28	12	275	15.00 @ 1.30	+14	14.75 @ 1.26	-13	26.750	+0.375	107.000	-2.000	143.500	NC		

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