

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## June Class III: \$9.97

Milk futures for AUG-NOV09 dropped to new lows to close out the holiday-shortened week. Class III contracts covering the second half of the year average \$10.79, down 47¢ from last Friday. Spot cheese, butter and NDM all settled unchanged this morning.

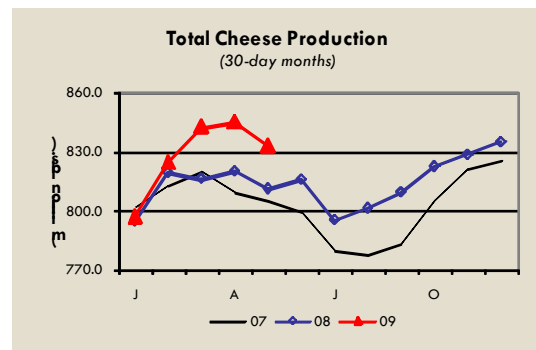
Cheese production declined seasonally in May, but remained above year-earlier levels, according to USDA's "Dairy Products" report released this afternoon. Total cheese output was 860.7 million lbs., up 2.6% from last May (see chart). Production of cheddar cheese was up 3.7%, mozzarella was up 0.1% and production of all other varieties was up 4.0%.

Also in May, butter production was down 0.3% vs. a year ago, NDM/SMP output was down 0.7% and dry whey production was down 3.8%, USDA says.

The June Class III price is \$9.97, up 13¢ from the May price, but still less than half of what the price was a year ago. The June Class IV is slightly higher -- \$10.22, up 8¢ from May.

NASS dairy product prices for the week ending June 27: cheddar blocks \$1.1490 (-0.04¢ vs. the prior week); barrels \$1.1123 (-0.50¢); butter \$1.1703 (-3.89¢); nonfat dry milk 84.93¢ (+0.29¢); dry whey 27.20¢ (-0.34¢).

Holiday schedule: CME Group will be closed tomorrow in observance of Independence Day. Floor and electronic trading reopen at 9:05am on Monday, July 6. For details, see <http://www.cmegroup.com/tools-information/holiday-calendar/files/2009-4th-of-july.pdf>. **cme group**



For more information about real-time quotes, visit [www.cmegroup.com/dairyquotes](http://www.cmegroup.com/dairyquotes)

## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III	1,469	30,465
[*171 Pit, 1298 Electronic]		
Class IV	0	198
NDM (cash settle)	1	791
NDM (deliverable)	0	2
Dry whey	6	1,669
Butter (cash settle)	163	4,876

### Options Volume and Open Interest

	Volume	Open Interest
Class III	420	43,062
Class III midi	0	195
Dry whey	0	218
Butter (cash settle)	0	94
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 \$1.1150 (NC) • Barrel cheese \$1.1000 (NC) • AA Butter \$1.1925 (NC) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.8900 (NC) **MILK PRICES** (with change, in cents, from previous month): June Class III milk (USDA) \$9.97 (+0.13) • June Class IV milk (USDA) \$10.22 (+\$0.08)

## July 2 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. (¢)
JUL 09	10.05	-3	288 4408	10.25 @ 0.03	-1		10.00 @ 0.07	+1		29.000	NC	84.500	NC	120.000	-0.250
AUG	10.52	-7	413 4229	10.75 @ 0.23	-9		10.50 @ 0.32	-3		30.500	-0.200	87.250	NC	121.750	+0.250
SEP	11.26	-16	197 3776	11.50 @ 0.47	-8		11.25 @ 0.57	+7		31.500	NC	89.750	NC	125.500	+0.500
OCT	12.17	-12	148 3236	12.25 @ 0.67	NC		12.00 @ 0.62	+5		30.000	NC	92.750	NC	128.000	-0.500
NOV	13.15	-15	95 3122	13.25 @ 0.82	-8		13.00 @ 0.79	+6		31.000	+1.000	94.000	NC	128.250	-0.250
DEC	13.57	-15	78 2986	13.75 @ 0.89	-8		13.50 @ 0.93	+6		30.000	NC	95.000	NC	131.000	-0.500
JAN 10	13.82	-11	23 757	14.00 @ 0.91	-6		13.75 @ 0.96	+5		29.000	NC	94.000	NC	135.000	-0.500
FEB	13.88	-12	6 565	14.00 @ 1.01	-6		13.75 @ 0.99	+5		28.500	NC	99.000	NC	137.000	NC
MAR	14.45	-4	6 565	14.50 @ 1.14	-2		14.25 @ 1.06	+2		28.250	NC	99.000	NC	138.000	NC
APR	14.68	-2	3 380	14.75 @ 1.21	-1		14.50 @ 1.15	+1		27.600	NC	99.000	NC	140.000	NC
MAY	14.78	+3	3 287	15.00 @ 1.22	+1		14.75 @ 1.30	-2		28.500	NC	99.000	-2.000	142.000	NC
JUN	15.26	+2	1 293	15.75 @ 1.21	+1		15.25 @ 1.41	-1		29.000	NC	101.000	-2.000	144.000	NC

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