

Daily Dairy Report

Daily market information provided by Alan Levitt

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June milk production: -0.2%

Milk futures traded higher throughout the morning, but fell off after a mixed close on the cheese market. The aggressive bidding that characterized yesterday's session was absent today. Blocks traded a quarter-cent higher but barrels were offered a quarter-cent lower. Class III futures settled 8-13¢ higher in the SEP-DEC09 contracts, but JAN-SEP10 declined.

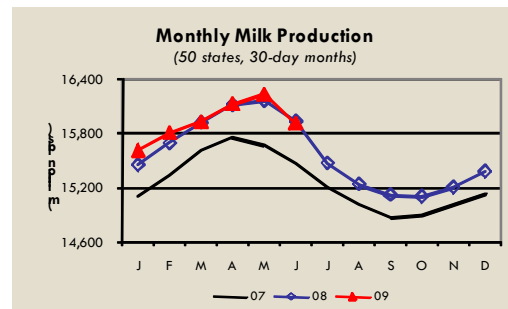
Total U.S. milk production in June was lower than year-earlier levels for the first time in five years, falling 0.2% to 15.913 billion lbs., according to USDA's "Milk Production" report released this afternoon (*see chart*). Cow numbers fell 34,000 head to 9.235 million head. Production per cow was 57.4 lbs. per day, up 0.43 lbs. (+0.8%) from a year ago.

By region, in June, production was down 3.2% in the West (California, Idaho, Washington); up 0.3% in the Southwest (Texas, New Mexico, Arizona); up 3.1% in the Upper Midwest (Wisconsin, Minnesota, Michigan); and up 0.9% in the East (New York, Pennsylvania).

The Federal Order Class I mover for August is \$10.04, down 22¢ from July. This price triggers an MILC payment of \$1.64, plus any feed adjustor.

This week, USDA approved DEIP bonuses for 2.0 million lbs. of NDM. It also bought 2.2 million lbs. of NDM under the support program.

NASS dairy product prices for the week ending July 11: cheddar blocks \$1.1305 (-0.68¢ vs. the prior week); barrels \$1.1093 (+1.07¢); butter \$1.1736 (-0.15¢); nonfat dry milk 84.50¢ (+0.59¢); dry whey 29.26¢ (+1.15¢). **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	2,168	27,826
[*277 Pit, 1891 Electronic]		
Class IV	0	129
NDM (cash settle)	0	695
NDM (deliverable)	0	2
Dry whey	4	1,483
Butter (cash settle)	34	4,670

Options Volume and Open Interest

	Volume	Open Interest
Class III	985	45,020
Class III midi	2	225
Dry whey	0	263
Butter (cash settle)	0	94
NDM (cash settle)	0	48

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.1450 (+0.25) • Barrel cheese \$1.1400 (-0.25) • AA Butter \$1.2500 (-2.00) • 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 17 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	10.00	+3	129 4633	10.00 @ 0.04	+2	10.00 @ 0.04	-1	29.000	NC	84.500	NC	118.500	-0.525
AUG	10.52	-1	427 4319	10.75 @ 0.09	-1	10.50 @ 0.17	NC	30.250	NC	85.500	NC	125.250	-1.525
SEP	11.65	+8	304 4021	11.75 @ 0.41	+3	11.50 @ 0.38	-4	31.000	NC	86.500	NC	132.530	NC
OCT	12.46	+9	423 3604	12.50 @ 0.61	+2	12.25 @ 0.52	-7	30.000	NC	89.000	+1.000	134.000	-1.000
NOV	13.42	+8	253 3443	13.50 @ 0.74	+1	13.25 @ 0.69	-7	31.000	NC	90.000	NC	135.000	-1.000
DEC	13.98	+13	112 3191	14.00 @ 0.87	+2	13.75 @ 0.76	-10	30.750	NC	93.000	NC	136.000	NC
JAN 10	14.25	-2	96 913	14.25 @ 0.99	-1	14.25 @ 0.99	+1	26.750	-0.750	93.750	NC	140.000	NC
FEB	14.49	-3	67 632	14.50 @ 1.07	-2	14.25 @ 0.95	+1	26.750	-0.450	96.000	NC	141.000	NC
MAR	15.05	-4	63 634	15.25 @ 1.09	-2	15.00 @ 1.15	+1	26.750	-0.250	98.000	NC	140.000	NC
APR	15.30	-9	46 459	16.00 @ 0.97	-5	15.25 @ 1.23	+3	27.000	-0.250	98.000	NC	141.000	NC
MAY	15.40	-5	37 362	15.75 @ 1.19	-3	15.25 @ 1.26	+2	28.230	NC	99.000	NC	143.000	NC
JUN	15.84	-4	48 365	16.00 @ 1.37	-2	15.75 @ 1.39	+1	29.000	NC	101.000	NC	145.000	NC

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