

# Daily Dairy Report

Dairy market information provided by Alan Levitt

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## BARRELS POST A RECORD ONE-DAY DECLINE

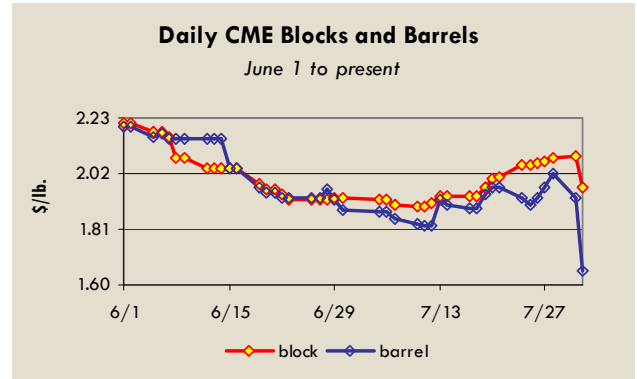
Barrel cheese price fell 28¢, closing at \$1.65 with 12 loads sold. This is the largest one-day price decline in history, pushing price to the lowest level since May 16, 2007. Blocks followed, losing 11.25¢ and closing at \$1.97 (see chart).

Milk futures were hit hard with SEP-JAN contracts closing down the 75¢ daily limit. Futures contracts in 2009 averaged \$18.51 on the close, dropping 47¢ from yesterday. The 12-mo. average price for 2009 declined \$2.08 since June 18.

The July Consumer Confidence Index increased slightly from June and now stands at 51.9. The consumer assessment of current conditions changed very little, suggesting no significant improvement or deterioration in business or labor market conditions according to Lynn Franco, the director of the Conference Board Consumer Research Center. Consumers anticipate business conditions to worsen over the next six months.

The USDA issued an interim final rule updating the manufacturing make-allowance. This decision amends the manufacturing allowances for cheese, nonfat dry milk, and dry whey. This also will increase the butterfat yield factor. This change will take effect on Sep. 1.

Tomorrow is the last day to trade JUL futures and options with the class prices to be announced on Friday. **cme**



## JULY 30 TRADING ACTIVITY

	Class III Futures			Class III Options Calls		Class III Options Puts		Dry Whey Futures		Butter Futures – Physical delivery		Butter Futures – Cash settle	
	Settle (\$)	chg. (¢)	volume & open interest from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
JUL 08	18.19	-4	8 3604	18.25 @ 0.00	-1	18.00 @ 0.00	NC	26.380	NC			152.000	NC
AUG	17.97	-67	202 4347	18.00 @ 0.18	-48	17.75 @ 0.10	+8	24.500	-0.250			154.250	NC
SEP	18.14	-75	483 4573	18.25 @ 0.53	-44	18.00 @ 0.51	+26	26.000	-0.475	155.750	NC	155.750	+0.250
OCT	18.20	-75	214 3579	18.25 @ 0.74	-45	18.00 @ 0.80	+40	26.000	NC	157.250	NC	156.500	+0.500
NOV	18.15	-75	169 3190	18.25 @ 0.85	-42	18.00 @ 0.82	+29	27.000	NC			156.750	NC
DEC	18.13	-75	184 3540	18.25 @ 0.92	-42	18.00 @ 0.91	+29	26.500	NC	144.000	NC	156.500	NC
JAN 09	17.94	-75	63 1657	18.00 @ 1.03	-42	17.75 @ 0.96	+29	28.000	NC			158.000	NC
FEB	17.98	-72	14 1197	18.00 @ 1.12	-41	17.75 @ 1.01	+27	28.000	NC			158.500	NC
MAR	17.98	-73	28 1091	18.00 @ 1.21	-42	17.75 @ 1.10	+28	29.000	NC	145.000	NC	161.000	NC
APR	18.35	-46	34 969	18.50 @ 1.24	-25	18.25 @ 1.40	+33	28.750	NC			163.500	NC
MAY	18.25	-50	22 909	18.25 @ 1.38	-28	18.25 @ 1.38	+21	30.500	NC	146.000	NC	161.070	+0.075
JUN	18.50	-41	17 913	18.50 @ 1.46	-23	18.50 @ 1.46	+17	28.930	NC			163.000	NC

### ➤ Spot Prices (with change, in cents, from previous day):

Block cheese .....	\$1.97 (-11.25)
Barrel cheese .....	\$1.65 (-28.00)
AA Butter .....	\$1.5400 (NC)
NDM Extra Grade .....	\$1.4400 (NC)
NDM Grade A .....	\$1.4400 (-1.25)

### ➤ Milk Prices (with change from previous month):

June Class III milk (USDA) .....	\$20.25 (+\$2.07)
June Class IV milk (USDA) .....	\$15.92 (+\$0.66)

### ➤ Futures Volume and Open Interest

	Volume	Open Interest
Class III.....	1564.....	34,358
[* 152 Pit, 1412 Electronic]		
Class IV.....	2.....	304
NDM .....	4.....	547
Dry whey.....	13.....	1,185
Butter (cash settle) .....	67.....	4,189
Butter (physical delivery) .....	0.....	8

### ➤ Options Volume and Open Interest

	Volume	Open Interest
Class III.....	805.....	53694
Class III Midi.....	0.....	183
Dry whey.....	0.....	435
Butter (cash settle).....	0.....	157

Futures and options volume and open interest from previous trading day

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