

# Daily Dairy Report

Vol. 14, No. 165 / August 26, 2010

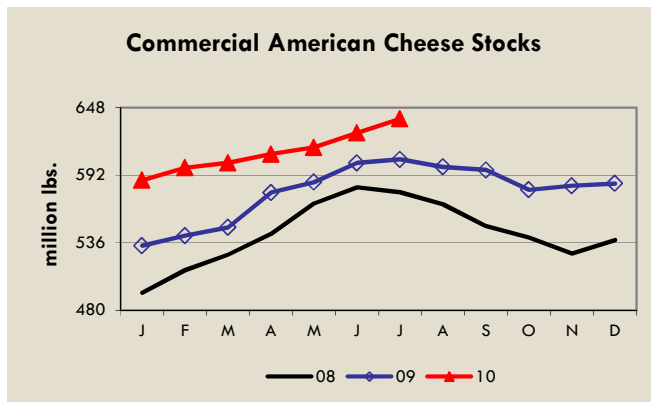
## Butter up for 8<sup>th</sup> straight day

Blocks were bid to \$1.68 and that was finally enough to entice sellers to trade. It was just the third sale of the month, and the first since Aug. 10. Barrels traded at \$1.64. Class III futures were higher in the front months, lower in the back. Spot butter increased for the eighth straight day and butter futures were mostly higher.

In *Dairy Market News*' weekly survey, whey prices were fractionally lower and NDM prices held for the second straight week.

Offers remain on the board for CME's International SMP futures in the SEP-DEC10 contracts. In the SEP contract, the best bid to buy is \$2,730/ton and the best offer to sell is \$2,900/ton.

European dairy exports of milk powder and cheese were up significantly in the first half of the year. In the January-June period, the EU exported 402 million lbs. of SMP (+87% vs. a year ago) and 705 million lbs. of cheese (+21%). The EU also shipped 165 million lbs. of butterfat (+2%) and 520 million lbs. of WMP (-5%). Milk deliveries in the region were down 0.2% in the first half. Production of cheese was up but output of butter, SMP and WMP was lower than year-ago levels, according to EuroStat. **cme group**



## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [0 Pit, 1109 Electronic]	1,109	27,000
Class IV	0	341
NDM (cash settle)	53	1,850
Dry whey	39	1,848
Butter (cash settle)	24	3,267
Cheese	0	351

### Options Volume and Open Interest

	Volume	Open Interest
Class III	206	39,706
Class IV	0	20
Class III midi	0	400
Dry whey	0	105
Butter (cash settle)	0	90

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

**SPOT PRICES** (with change from previous day): Block cheese \$1.6800 (+1.00¢) • Barrel cheese \$1.6400 (NC) • AA Butter \$2.1725 (+1.25¢) • NDM Extra Grade \$1.2250 (NC) • NDM Grade A \$1.2000 (NC) **MILK PRICES** (with change from previous month): July Class III milk (USDA) \$13.74 (+\$0.12) • July Class IV milk (USDA) \$15.75 (+\$0.30)

## August 26 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. (¢)
AUG 10	15.15	NC	24 4593	15.25 @ 0.00	NC	15.00 @ 0.00	NC	36.400	+0.400	116.000	NC	184.000	NC
SEP	15.74	+1	259 4622	15.75 @ 0.13	-4	15.50 @ 0.05	-4	37.250	NC	116.030	NC	208.500	+2.000
OCT	15.61	+10	414 4711	15.75 @ 0.33	+4	15.50 @ 0.34	-5	36.750	NC	120.000	+1.150	205.970	+1.975
NOV	15.03	+9	189 3848	15.25 @ 0.40	+1	15.00 @ 0.50	-6	35.500	NC	120.000	NC	189.030	+1.025
DEC	14.54	-1	85 3995	14.75 @ 0.48	-1	14.50 @ 0.56	+1	35.000	NC	120.000	NC	173.000	-1.000
JAN 11	14.16	-2	36 1198	14.25 @ 0.60	-3	14.00 @ 0.56	-1	34.500	NC	118.000	+0.250	163.000	NC
FEB	14.05	NC	26 915	14.25 @ 0.59	-3	14.00 @ 0.66	-2	33.250	NC	118.000	NC	159.000	+0.500
MAR	14.02	+1	29 921	14.25 @ 0.63	-2	14.00 @ 0.72	-3	30.600	NC	117.000	NC	157.500	-0.500
APR	14.04	-4	16 513	14.25 @ 0.73	-2	14.00 @ 0.80	+2	28.750	NC	114.000	NC	157.000	NC
MAY	14.15	-6	6 474	14.25 @ 0.84	-3	14.00 @ 0.81	+3	29.000	NC	112.000	NC	158.000	NC
JUN	14.15	-10	5 364	14.25 @ 0.88	-6	14.00 @ 0.85	+4	29.000	NC	110.000	NC	160.000	+0.500
JUL	14.45	-5	3 213	14.50 @ 0.98	-2	14.00 @ 0.78	+2	32.000	NC	111.000	NC	160.000	NC

The Daily Dairy Report is published by **Alan Levitt**. Please forward to others that may benefit from this information. To subscribe visit [www.dailydairyreport.com](http://www.dailydairyreport.com).

Disclaimer: The *Daily Dairy Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance.

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex® and CME® are trademarks of Chicago Mercantile Exchange, Inc. CBOT® is the trademark of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Copyright © 2010 CME Group. All rights reserved.