

Daily Dairy Report

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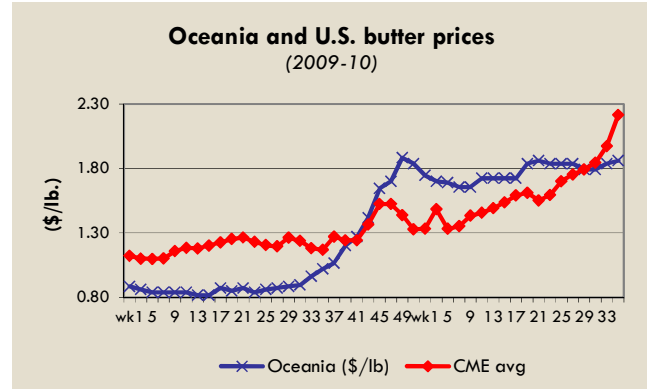
CWT will shelve butter export assistance

Blocks and barrels moved in different directions today, with blocks climbing a penny higher on another unfilled bid, while barrels slipped half a cent on five sales. It was the first decline in either cheese price since late July. Milk futures opened lower and remained that way for the duration of the day. OCT (-23¢) and NOV (-25¢) fell the hardest.

CWT has stopped accepting bids for export assistance on butterfat. In the last six weeks, CWT has agreed to provide bonuses on 33.1 million lbs. of butter and AMF for delivery through February. During that time period, the CME butter price rose from \$1.80 to more than \$2.20, rising above Oceania prices for the first time in nearly a year (see chart).

Oceania butter prices have remained relatively steady over the last 3-4 months; this week product is trading for \$1.72 -\$2.00/lb., with a firming undertone, according to USDA's *Dairy Market News*. "Traders indicate that butter order books are quite full for the first half of the milk production season and renewed buyer interest will quickly absorb uncommitted volumes," *DMN* says.

Spot butter held at \$2.2250 today on no activity. Butter futures were mixed. NDM prices are rising again, says *Market News*, but NDM futures are still between \$1.10-\$1.20 across the board. **cme group**



FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [85 Pit, 1085 Electronic]	1,170	28,708
Class IV	0	375
NDM (cash settle)	18	1,898
Dry whey	4	1,877
Butter (cash settle)	68	3,236
Cheese	8	418

Options Volume and Open Interest

	Volume	Open Interest
Class III	645	41,042
Class IV	0	20
Class III midi	4	411
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 \$1.7200 (+1.00¢) • Barrel cheese \$1.6700 (-0.50¢) • AA Butter \$2.2250 (NC) • NDM Extra Grade \$1.2250 (NC) • NDM Grade A \$1.2300 (+1.50¢) **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)

September 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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
AUG 10	15.15	NC	1	4583	15.25 @ 0.00	NC	15.00 @ 0.00	NC	36.000	NC	115.750	NC	184.000	NC
SEP	16.13	-6	138	4888	16.25 @ 0.06	-2	16.00 @ 0.06	+2	36.250	NC	116.250	NC	212.500	+0.500
OCT	15.65	-23	253	4886	15.75 @ 0.33	-12	15.50 @ 0.31	+9	37.000	NC	120.000	NC	208.500	+1.500
NOV	14.98	-25	275	3992	15.00 @ 0.47	-14	14.75 @ 0.37	+9	35.500	NC	120.000	NC	188.000	NC
DEC	14.60	-15	131	4092	14.75 @ 0.49	-8	14.50 @ 0.51	+6	35.000	NC	120.000	NC	172.500	-0.250
JAN 11	14.15	-8	132	1449	14.25 @ 0.56	-4	14.00 @ 0.53	+3	34.500	NC	119.000	NC	161.500	-0.500
FEB	13.90	-10	30	1133	14.00 @ 0.60	-5	13.75 @ 0.57	+4	32.500	NC	117.750	-0.250	157.500	NC
MAR	13.92	-6	33	1162	14.00 @ 0.66	-3	13.75 @ 0.61	+3	30.750	+0.500	116.750	-0.750	157.500	NC
APR	13.91	-6	32	619	14.00 @ 0.76	-3	13.75 @ 0.72	+2	29.500	+0.750	114.000	NC	157.000	NC
MAY	13.95	-10	23	502	14.00 @ 0.84	-5	13.75 @ 0.76	+4	29.500	+0.500	112.000	NC	157.000	NC
JUN	14.04	-1	28	419	14.25 @ 0.82	NC	14.00 @ 0.89	NC	29.500	+0.500	110.000	NC	158.000	NC
JUL	14.28	NC	15	231	14.50 @ 0.88	NC	14.25 @ 0.96	NC	30.750	-0.250	111.000	NC	157.500	NC

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