

Daily Dairy Report

Daily market information provided by Alan Levitt

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Butter stocks increase

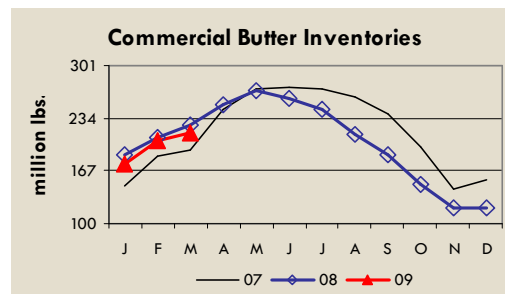
Cheese buyers and sellers stayed away from the spot block market today leaving price unchanged at \$1.18. The barrel price remained steady at \$1.11 with an unfilled bid at \$1.09 and an offer at \$1.11 at the close of the trading period. This lack of follow through buying in cheese quickly curbed earlier strength in milk futures. Most contracts closed unchanged to 16¢ higher with only May 2009 down 6¢ and April 2010 down 1¢.

Buyers came to the spot butter market aggressively purchasing 13 loads, the most traded in one day since April 8. This buying activity only managed to move price 0.25¢ higher to \$1.2050 and the highest price since that same date.

Butter stocks increased 5% during the month of March according to the USDA's "Monthly Cold Storage" report released yesterday. March stocks totaled 215.2 million lbs., an increase of 10.3 million pounds from February. Inventory continues to lag last year, but remains above the 2007 levels (see chart).

Cream suppliers are surprised that cream cheese output is as strong as it is, especially following the Easter/Passover holiday according to USDA's *Dairy Market News*. Other Class II demand is increasing slowly, especially for ice cream, which is typical for this time of year, says *DMN*.

CME Group's new deliverable nonfat dry milk futures and options contract began Monday. For contract specifications and additional information, go to www.cmegroup.com/nonfat and see the attached sheet. **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 [*6Pit, 912 Electronic]	912	30,660
Class IV	0	218
NDM	2	950
Dry whey	12	1,425
Butter (cash settle)	81	4,863

Options Volume and Open Interest

	Volume	Open Interest
Class III	325	45,520
Class III midi	0	192
Dry whey	0	125
Butter (cash settle)	0	85

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.1800 (NC) • Barrel cheese \$1.1100 (NC) • AA Butter \$1.2050 (+0.25) • NDM Extra Grade \$0.8500 (NC) • NDM Grade A \$0.8600 (NC) **MILK PRICES** (with change, in cents, from previous month): March Class III milk (USDA) \$10.44 (+\$1.13) • March Class IV milk (USDA) \$9.64 (+\$0.19)

April 22 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. (¢)
APR 09	10.76	NC	1	4488	11.00 @ 0.00	NC	10.75 @ 0.04	NC	18.750	NC	82.450	NC	117.500	NC
MAY	10.32	-6	189	4542	10.50 @ 0.17	-2	10.25 @ 0.21	+2	20.850	NC	84.850	-0.100	122.000	NC
JUN	11.65	+2	318	4565	11.75 @ 0.48	+1	11.50 @ 0.45	-1	23.500	+0.250	86.000	NC	126.000	+0.250
JUL	13.07	+12	159	3113	13.25 @ 0.61	+5	13.00 @ 0.66	-6	25.000	NC	86.250	NC	128.000	+0.250
AUG	14.36	+16	75	2935	14.50 @ 0.82	+7	14.25 @ 0.83	-7	28.250	+0.400	88.000	NC	130.000	+0.250
SEP	15.05	+13	71	2673	15.25 @ 0.93	+6	15.00 @ 0.99	-7	28.900	+0.525	92.000	NC	134.200	+0.950
OCT	15.40	+14	17	2472	15.50 @ 1.08	+7	15.25 @ 1.05	-6	29.500	+0.500	94.750	+0.250	135.500	NC
NOV	15.38	+13	24	2275	15.50 @ 1.17	+7	15.25 @ 1.15	-6	29.500	NC	95.000	NC	137.250	+0.250
DEC	15.37	+7	20	2296	15.50 @ 1.23	+3	15.25 @ 1.23	-3	30.000	+0.500	95.000	NC	138.500	NC
JAN 10	15.42	+6	9	307	15.50 @ 1.24	+3	15.00 @ 1.06	-3	30.250	+0.250	99.500	NC	139.500	NC
FEB	15.49	+13	9	235	15.50 @ 1.34	+7	14.00 @ 0.67	-4	30.250	+0.250	115.000	NC	140.000	NC
MAR	15.50	+13	5	211	15.50 @ 1.40	+7	15.50 @ 1.40	-6	30.250	+0.250	116.000	NC	150.000	NC

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