

Daily Dairy Report

Daily market information provided by Alan Levitt

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Total cheese disappearance declines

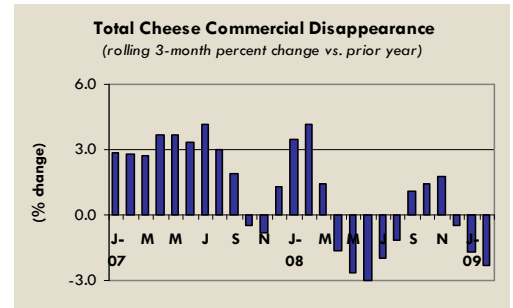
Cheese trading activity was confined to just 1 load of blocks trading at the steady price of \$1.1525. Barrels increased 0.25¢ on a bid to \$1.0925, the first price increase since March 27. Butter gained 0.75¢ with 2 loads traded pushing price to \$1.23. Both a bid and offer remained at the close.

Extra Grade and Grade A nonfat dry milk increased 0.50¢ to \$0.8550 and \$0.8700 respectively. There were no loads traded with a bid for 1 load in each moving the price.

Milk futures closed slightly higher in most contracts after 4 consecutive days of losses. The only contracts showing slight declines were the SEP-OCT 2009 and the JUL-AUG 2010.

The slowing economy has impacted demand for cheese since November as consumers made adjustments to their lifestyles. Commercial disappearance of total cheese in February was 812.7 million lbs. (adjusted to a 30-day month). This was an increase of 3.7 million lbs. over January. On a rolling 3-month basis, disappearance was 2.3% lower than a year earlier (*see chart*). American cheese painted a different picture with an adjusted commercial disappearance of 337.2 million lbs., up 2.3% from the previous year based on a rolling 3-month period.

Tomorrow is the last day to trade APR futures and options. The USDA will release the April "Ag Prices" report in the afternoon. The revised March soybean, corn, and all-hay prices will be used to determine the feed adjustment of the March MILC payment. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [*31 Pit, 1014 Electronic]	1045	31,304
Class IV	0	218
NDM (cash settle)	2	962
NDM (deliverable)	0	2
Dry whey	17	1,450
Butter (cash settle)	36	4,985

Options Volume and Open Interest

	Volume	Open Interest
Class III	641	46,251
Class III midi	0	190
Dry whey	0	128
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 \$1.1525 (NC) • Barrel cheese \$1.0900 (+0.25) • AA Butter \$1.2300 (+0.75) • NDM Extra Grade \$0.8550 (+0.50) • NDM Grade A \$0.8700 (+0.50) **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 29 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	10.77	+1	53	4484	11.00 @ 0.00	NC	10.75 @ 0.01	-1	19.250	NC	82.450	NC	117.550	+0.050
MAY	10.10	+6	132	4769	10.25 @ 0.15	+2	10.00 @ 0.17	-3	20.500	NC	83.000	NC	122.000	NC
JUN	10.91	+9	331	4679	11.00 @ 0.35	+2	10.75 @ 0.34	-3	23.500	NC	86.250	NC	127.000	NC
JUL	12.42	+12	240	3171	12.50 @ 0.60	+6	12.25 @ 0.55	-6	26.500	NC	86.500	NC	130.500	+0.500
AUG	13.62	+2	43	2934	13.75 @ 0.76	+1	13.50 @ 0.76	-1	28.500	NC	87.750	-0.500	133.000	NC
SEP	14.33	-2	38	2713	14.50 @ 0.87	-1	14.25 @ 0.91	+1	28.500	+0.975	92.250	NC	137.000	NC
OCT	14.88	-2	36	2516	15.00 @ 1.01	-2	14.75 @ 1.00	+1	30.000	NC	94.750	NC	138.000	NC
NOV	14.95	+4	44	2303	15.00 @ 1.15	+2	14.75 @ 1.07	-2	30.000	NC	95.000	NC	140.000	NC
DEC	14.98	+7	36	2349	15.00 @ 1.23	+3	14.75 @ 1.12	-3	30.500	NC	95.000	NC	141.500	-0.725
JAN 10	15.04	+2	29	332	15.50 @ 1.03	+1	15.00 @ 1.21	-1	31.000	NC	99.500	NC	143.000	NC
FEB	15.09	+2	25	257	15.50 @ 1.12	+1	14.50 @ 0.99	-1	31.000	NC	115.000	NC	143.000	NC
MAR	15.26	+2	16	222	15.50 @ 1.26	+1	14.50 @ 0.99	NC	31.000	NC	116.000	NC	150.000	NC

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