

Daily Dairy Report

Daily market information provided by Alan Levitt

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Blocks fall to support

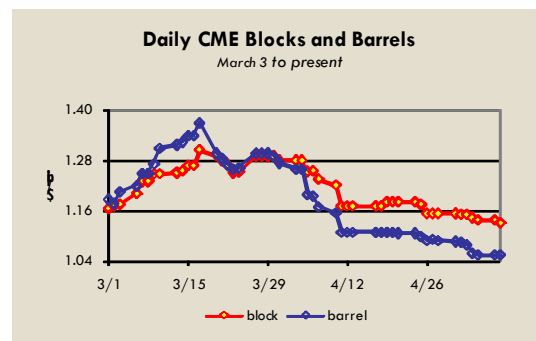
Nearly four weeks after falling below \$1.20, blocks dropped to the support price of \$1.13 this morning in CME Group spot trading. Barrels held at \$1.0525. Barrels have been at or below support for two weeks, but no cheese has been offered to the government yet.

Buyers have reclaimed the upper hand in milk futures, bidding prices higher for the third straight day. Class III contracts covering the second half of the year settled at \$13.98, up 35¢ since last Wednesday. Prices increased further in after-hours trading.

Culling slowed in April, according to USDA's weekly slaughter data. In the first three weeks of the month, dairy slaughter averaged 49,100 per week, down from 54,950 per week in March, 60,875 per week in February and 63,100 per week in January. The decline is attributed to producers waiting to find out if their CWT herd-retirement bids were accepted.

The California Class I price for June is \$11.70 in the north (-98¢ from May) and \$11.97 (-99¢) in the south. In the first half of the year, Class I prices in California were 38% lower than a year ago.

Dairy Farmers of America (DFA) sold its National Dairy unit to Grupo Lala, the largest dairy processor in Mexico. National Dairy operates 18 manufacturing plants in 13 states. **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 [*52 Pit, 852 Electronic]	904	27,831
Class IV	0	212
NDM (cash settle)	0	851
NDM (deliverable)	0	2
Dry whey	1	1,316
Butter (cash settle)	17	4,785

Options Volume and Open Interest

	Volume	Open Interest
Class III	591	41,843
Class III midi	16	198
Dry whey	0	138
Butter (cash settle)	0	80

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.1300 (-0.75) • Barrel cheese \$1.0550 (NC) • AA Butter \$1.2425 (+0.25) • NDM Extra Grade \$0.8600 (NC) • NDM Grade A \$0.8800 (NC) **MILK PRICES** (with change, in cents, from previous month): April Class III milk (USDA) \$10.78 (+\$0.34) • April Class IV milk (USDA) \$9.82 (+\$0.18)

May 11 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. (¢)
MAY 09	9.78	+1	120 4734	10.00 @ 0.04	NC	9.75 @ 0.10	-1	21.880	NC	83.000	NC	122.000	NC
JUN	10.65	+10	232 4877	10.75 @ 0.28	+3	10.50 @ 0.26	-5	24.500	NC	84.500	NC	126.500	NC
JUL	11.98	+8	237 3374	12.00 @ 0.56	+3	11.75 @ 0.46	-4	26.000	+1.000	86.500	NC	131.250	+0.750
AUG	13.23	+13	129 3108	13.25 @ 0.75	+5	13.00 @ 0.64	-7	27.775	NC	88.250	NC	132.250	NC
SEP	14.19	+25	41 2796	14.25 @ 0.88	+12	14.00 @ 0.80	-13	29.500	-0.500	91.250	NC	134.500	NC
OCT	14.72	+16	45 2610	14.75 @ 1.01	+6	14.50 @ 0.91	-8	30.000	NC	93.250	NC	136.500	NC
NOV	14.83	+21	30 2428	15.00 @ 1.05	+7	14.75 @ 1.09	-11	31.000	NC	95.030	NC	139.025	NC
DEC	14.92	+15	26 2398	15.00 @ 1.17	+7	14.75 @ 1.12	-9	30.500	NC	95.000	NC	140.025	+0.025
JAN 10	15.05	+17	13 361	15.25 @ 1.11	+7	15.00 @ 1.18	-8	31.250	NC	99.500	NC	141.500	NC
FEB	15.05	+11	11 286	15.25 @ 1.18	+5	14.50 @ 0.99	-4	31.500	NC	115.000	NC	142.500	NC
MAR	15.24	+10	11 253	15.25 @ 1.33	+4	14.50 @ 0.97	-4	31.500	NC	116.000	NC	150.000	NC
APR	15.50	+10	3 148	17.00 @ 0.86	+4	14.50 @ 0.93	-4	30.500	NC	117.000	NC	152.000	NC

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