

Daily Dairy Report

Daily market information provided by Alan Levitt

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Production per cow still increases

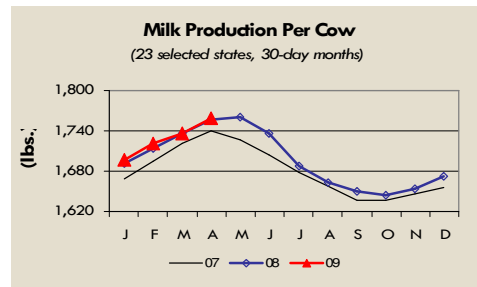
Cheese prices remained unchanged in spite of active trading. There were 13 loads of blocks and 8 loads of barrels changing hands with an unfilled bid in each at the close of spot trading. Butter followed suit with price remaining steady. No loads were traded leaving an unfilled bid for 2 loads and an offer for 1 load at the close.

Grade A nonfat dry milk showed the only price activity with an increase of 0.50¢ to \$0.8850 per lb., an unfilled bid pushing price higher. Extra Grade was steady at \$0.8700. Despite the strengthening powder prices, nonfat dry milk continues to move to the CCC under the support price program with the addition 1,935,319 lbs. during the first 2 days of this week.

Steady cheese and butter prices kept milk futures mixed at the close. JUN-AUG contracts posted double-digit losses with a new low being set in the AUG contract.

Milk production per cow in the 23 selected states totaled 1,758 lbs., only 1 lb. more than a year earlier and 13 lbs. more than April 2007 (see chart). In the top two dairy states production per cow decreased by 20 lbs. in California while it increased 20 lbs. in Wisconsin.

Holiday schedule: CME Group will be closed next Monday, May 25, in observance of Memorial Day. Regular hours for both floor and electronic trading will be in effect on Friday, May 22, and Tuesday, May 26. Globex electronic trading reopens at 5pm on Monday, May 25, for Tuesday's trade date. For details, see <http://www.cmegroup.com/tools-information/holiday-calendar/files/2009-memorial-day.pdf>. **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	1,308	28,908
[*18 Pit, 1290 Electronic]		
Class IV	0	217
NDM (cash settle)	14	886
NDM (deliverable)	0	2
Dry whey	11	1,415
Butter (cash settle)	50	4,921

Options Volume and Open Interest

	Volume	Open Interest
Class III	555	43,258
Class III midi	0	199
Dry whey	9	162
Butter (cash settle)	0	80
NDM (cash settle)	0	18

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.1325 (NC) • Barrel cheese \$1.0800 (NC) • AA Butter \$1.2650 (NC) • NDM Extra Grade \$0.8700 (NC) • NDM Grade A \$0.8850 (+0.50) **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 20 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	9.82	NC	11	4718	10.00 @ 0.00	NC	7.25 @ 0.02	NC	22.500	+0.200	83.500	NC	122.150	-0.350
JUN	10.13	-18	60	5008	10.25 @ 0.15	-12	10.00 @ 0.14	+3	25.500	NC	84.500	NC	128.000	NC
JUL	11.28	-18	474	3588	11.50 @ 0.41	-10	11.25 @ 0.49	+7	26.300	+0.025	87.380	0.375	133.500	NC
AUG	12.75	-17	274	3254	12.75 @ 0.70	-10	12.75 @ 0.70	+7	29.000	NC	89.000	-0.250	133.550	-0.700
SEP	13.90	-9	156	2829	14.00 @ 0.81	-5	13.75 @ 0.78	+4	29.000	NC	92.500	NC	134.000	-1.000
OCT	14.48	-3	90	2641	14.50 @ 0.97	-2	14.25 @ 0.86	+1	30.250	NC	94.750	0.250	137.000	-1.000
NOV	14.80	+2	104	2452	15.00 @ 1.01	NC	14.75 @ 1.08	-1	30.250	NC	95.050	NC	139.000	-1.000
DEC	14.93	+3	75	2496	15.00 @ 1.15	+1	14.75 @ 1.09	-2	31.000	NC	95.750	NC	140.250	-1.750
JAN 10	14.94	+7	20	412	15.00 @ 1.15	+4	14.50 @ 0.95	-3	31.000	NC	99.500	NC	143.500	NC
FEB	14.87	NC	12	331	15.25 @ 1.07	NC	14.50 @ 1.04	NC	31.500	NC	115.000	NC	144.500	NC
MAR	15.20	NC	7	309	15.25 @ 1.29	-1	14.50 @ 0.97	NC	32.000	NC	116.000	NC	152.000	NC
APR	15.55	NC	4	189	16.00 @ 1.21	NC	15.25 @ 1.25	NC	31.250	NC	117.000	NC	154.000	NC

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