

Daily Dairy Report

Daily market information provided by Alan Levitt

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Fluid milk sales higher

Both blocks and barrels posted 0.25¢ gains lifting cash prices to \$1.1425 and \$1.0875 respectively. There were 11 loads of blocks and 6 loads of barrels traded. Barrels traded up to \$1.09 before offers pushed price back. There was an unfilled bid remaining in each at the end of the trading period. Butter and nonfat dry milk prices remained unchanged with no trading activity.

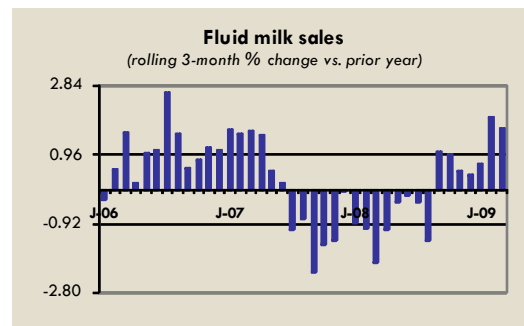
Milk futures jumped as buying became more aggressive. Contracts for the last half of the year gained an average of 17¢ while contracts in 2010 were unchanged to 23¢ higher.

Packaged fluid milk sales in the first quarter were 14.1 billion lbs., up 1.7% from last year's depressed level but still below 2007 sales, according to Federal Order and California state data. Sales have been trending positively since last fall (see chart).

The May Consumer Confidence Index rose to 54.9, up from 40.8 in April. This was the largest one-month increase in six years. The index is now at the highest level it has been in eight months. "While confidence is still weak, as far as consumers are concerned, the worst is now behind us" said Lynn Franco, director of the Conference Board Consumer Research Center.

USDA indicated that 82% of the nation's corn crop and 48% of the soybean crop has been planted as of the week ending May 24.

The USDA will release the May "Agricultural Prices" report on Friday afternoon. **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 [*48 Pit, 761 Electronic]	809	29,965
Class IV	0	232
NDM (cash settle)	0	898
NDM (deliverable)	0	2
Dry whey	14	1,506
Butter (cash settle)	35	5,048

Options Volume and Open Interest

	Volume	Open Interest
Class III	324	44,535
Class III midi	0	199
Dry whey	24	192
Butter (cash settle)	5	105
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 \$1.1425 (+0.25) • Barrel cheese \$1.0875 (+0.25) • AA Butter \$1.2650 (NC) • NDM Extra Grade \$0.8700 (NC) • NDM Grade A \$0.8950 (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 27 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	9.84	+1	38 4803	10.00 @ 0.00	NC	7.25 @ 0.01	NC	23.000	NC	83.500	NC	121.600	NC
JUN	10.26	+8	118 5109	10.50 @ 0.08	+2	10.25 @ 0.16	-5	26.000	+0.250	84.500	NC	126.050	NC
JUL	11.31	+22	233 3826	11.50 @ 0.39	+9	11.25 @ 0.44	-12	26.500	NC	86.750	NC	132.250	NC
AUG	12.58	+18	73 3408	12.75 @ 0.59	+8	12.50 @ 0.63	-9	29.000	NC	89.000	NC	134.000	NC
SEP	13.78	+16	75 2977	14.00 @ 0.73	+7	13.75 @ 0.81	-8	29.500	+0.750	92.500	NC	135.380	NC
OCT	14.36	+10	76 2712	14.50 @ 0.89	+5	14.25 @ 0.89	-5	29.500	+2.250	94.750	NC	137.000	NC
NOV	14.78	+13	71 2522	15.00 @ 0.98	+6	14.75 @ 1.07	-6	31.000	+0.500	95.250	NC	138.900	-0.100
DEC	14.93	+15	58 2562	15.00 @ 1.13	+7	14.75 @ 1.07	-7	30.770	+0.025	96.500	0.250	141.000	NC
JAN 10	15.03	+15	20 421	15.25 @ 1.07	+7	15.00 @ 1.15	-7	31.500	NC	99.500	NC	143.000	NC
FEB	14.80	+12	6 343	15.25 @ 1.02	+6	14.50 @ 1.05	-6	31.250	NC	115.000	NC	144.500	NC
MAR	15.22	+12	9 321	15.25 @ 1.29	+6	14.50 @ 0.95	-4	32.250	+0.250	116.000	NC	152.000	NC
APR	15.62	+23	6 200	16.00 @ 1.23	+11	15.25 @ 1.20	-10	32.250	+0.250	117.000	NC	154.000	NC

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