

Daily Dairy Report

Daily market information provided by Alan Levitt

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Farm profitability lower again

Milk futures slid today but finished the week in positive territory. Contracts covering the second half of the year average \$13.59, up 15¢ from a week ago. Cheese market activity was lighter today, with just one sale of blocks and no trades on barrels.

Spot butter and powder held steady.

On-farm profitability fell to a new low this month. The Milk-Feed price ratio for May is 1.47, down from 1.58 in April, according to USDA's "Ag Prices" report released this afternoon (*see chart*). The All-Milk price dropped 20¢ to \$11.70, while feed prices jumped. Corn increased 23¢/bushel to \$4.08, soybeans were up \$1.01/bushel to \$10.80 and alfalfa hay gained \$5/ton to \$138.00. Based on revised April feed costs, the April MILC payment will be about \$1.59/cwt. Using estimated May feed costs, the May MILC payment will be about \$1.52/cwt.

This week, manufacturers sold just 1.4 million lbs. of powder to the government under the support program, the smallest weekly volume since purchases started up again last October.

NASS dairy product prices for the week ending May 23: cheddar blocks \$1.1485 (-1.69¢ vs. the prior week); barrels \$1.0994 (-0.70¢); butter \$1.2374 (+2.14¢); nonfat dry milk 83.13¢ (-0.36¢); dry whey 23.90¢ (+0.43¢). **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 [*93 Pit, 952 Electronic]	1,045	30,327
Class IV	0	232
NDM (cash settle)	0	903
NDM (deliverable)	0	2
Dry whey	27	1,533
Butter (cash settle)	4	5,052

Options Volume and Open Interest

	Volume	Open Interest
Class III	207	44,889
Class III midi	0	202
Dry whey	20	207
Butter (cash settle)	5	110
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 \$1.1525 (+0.25) • Barrel cheese \$1.1000 (NC) • AA Butter \$1.2650 (NC) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.9000 (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 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. (¢)
MAY 09	9.83	NC	57	4761	10.00 @ 0.00	NC	9.75 @ 0.00	NC	23.000	NC	83.500	NC	121.600	NC
JUN	10.22	-9	204	5109	10.25 @ 0.15	-5	10.00 @ 0.07	+2	25.750	NC	84.500	NC	126.000	-0.050
JUL	11.16	-19	323	3917	11.25 @ 0.42	-10	11.00 @ 0.38	+7	26.570	NC	86.750	NC	130.000	-1.000
AUG	12.52	-15	76	3406	12.75 @ 0.56	-7	12.50 @ 0.65	+7	29.000	NC	88.500	-0.500	132.500	-0.500
SEP	13.78	-2	69	3025	14.00 @ 0.72	-1	13.75 @ 0.80	NC	29.500	NC	92.500	NC	134.500	-0.750
OCT	14.34	-4	56	2776	14.50 @ 0.87	-2	14.25 @ 0.90	+2	29.000	NC	94.750	NC	136.000	-1.000
NOV	14.77	-6	52	2566	15.00 @ 0.97	-4	14.75 @ 1.06	+2	31.000	NC	95.500	+0.250	136.500	-2.400
DEC	14.95	-2	64	2621	15.00 @ 1.14	-1	14.75 @ 1.06	+1	30.770	+0.025	96.500	NC	140.000	-1.000
JAN 10	14.97	-11	23	443	15.00 @ 1.14	-7	14.50 @ 0.92	+4	31.500	NC	99.500	NC	143.000	NC
FEB	14.95	+3	17	350	15.00 @ 1.19	+1	14.50 @ 0.99	-1	31.250	NC	115.000	NC	144.500	NC
MAR	15.32	+5	30	333	15.50 @ 1.23	+3	15.25 @ 1.27	-2	32.250	NC	116.000	NC	152.000	NC
APR	15.68	-4	17	214	16.00 @ 1.26	-2	15.25 @ 1.17	+1	32.250	NC	117.000	NC	154.000	NC

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