

Daily Dairy Report

Daily market information provided by Alan Levitt

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April cheese production: +3.2%

Milk futures plunged further on follow-through selling from yesterday. AUG09-MAY10 lost another 24¢. Cheese prices were unchanged on no trades, offering no support to the market. Spot butter slipped a half cent, the first decline since March 30. The move spooked futures traders, sending butter futures 1.7¢ lower in the JUN09-FEB10 contracts.

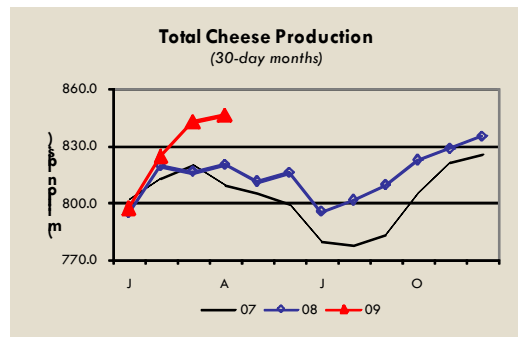
Excess milk continued to pour into cheese plants in April. Total cheese production for the month was 846.4 million lbs., up 3.2% from a year earlier (an increase of nearly 1 million lbs. per day), according to USDA's "Dairy Products" report released this afternoon (*see chart*). Cheddar production was down 0.6%, mozzarella output was off 1.3%, but production of all other varieties was up 11.4%. Large gains were posted in cream/neufchatel, colby/jack and "other Italian types."

Butter/powder supplies remain excessive, but production is tracking slightly below last year.

Butter production in April was 144.1 million lbs., down 3.9%, USDA says. Production of NDM/SMP was 163.7 million lbs., down 4.3%.

Dry whey production in April was 92.8 million lbs., up seasonally (and corresponding to greater cheese output) but still down 6.0% from a year ago.

MAY Class III futures went off the board at \$9.82 today, down nearly a dollar from the April Class III price. Federal Order Class and Component prices for May come out tomorrow morning. **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	1,940	31,476
[*107 Pit, 1833 Electronic]		
Class IV	10	242
NDM (cash settle)	4	904
NDM (deliverable)	0	2
Dry whey	7	1,564
Butter (cash settle)	76	5,164

Options Volume and Open Interest

	Volume	Open Interest
Class III	525	45,683
Class III midi	1	202
Dry whey	0	216
Butter (cash settle)	0	110
NDM (cash settle)	9	27

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.1475 (NC) • Barrel cheese \$1.1000 (NC) • AA Butter \$1.2600 (-0.50) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.9025 (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)

June 4 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	-1	51 4820		10.00 @ 0.00	NC		9.75 @ 0.00	NC		23.250	NC	83.500	NC	121.400	NC
JUN	9.95	-11	349 5319		10.00 @ 0.10	-8		9.75 @ 0.05	+1		25.770	+0.275	84.500	NC	125.100	-0.900
JUL	10.73	-13	516 4144		10.75 @ 0.43	-2		10.50 @ 0.37	+13		27.200	+0.925	85.500	-0.500	128.000	-1.000
AUG	11.80	-22	405 3559		12.00 @ 0.52	-9		11.75 @ 0.59	+12		28.750	NC	88.500	NC	130.250	-2.000
SEP	13.20	-24	206 3119		13.25 @ 0.74	-14		13.00 @ 0.70	+13		30.700	+0.700	92.500	NC	131.500	-2.000
OCT	14.02	-26	92 2815		14.25 @ 0.80	-14		14.00 @ 0.89	+11		30.000	+1.000	95.000	NC	132.500	-2.000
NOV	14.44	-28	95 2654		14.50 @ 1.01	-15		14.25 @ 0.94	+12		30.750	-0.250	95.500	NC	134.000	-2.200
DEC	14.65	-22	95 2707		14.75 @ 1.20	NC		14.50 @ 0.95	NC		30.750	NC	96.500	NC	137.000	-1.500
JAN 10	14.69	-31	24 468		15.00 @ 1.15	NC		14.50 @ 0.90	NC		31.500	NC	99.500	NC	140.000	-2.000
FEB	14.76	-14	37 400		15.00 @ 1.08	-8		14.50 @ 1.05	+5		31.250	NC	115.000	NC	143.000	-1.500
MAR	15.24	-19	29 379		15.25 @ 1.28	-11		14.50 @ 0.92	+6		33.270	NC	116.000	NC	150.000	NC
APR	15.35	-30	12 239		16.00 @ 1.08	-15		15.25 @ 1.30	+12		32.270	NC	117.000	NC	151.000	-1.000

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