

# Daily Dairy Report

Daily market information provided by Alan Levitt

Vol. 13, No. 121/ June 26, 2009

## Slaughter rates down in May; pick up in June

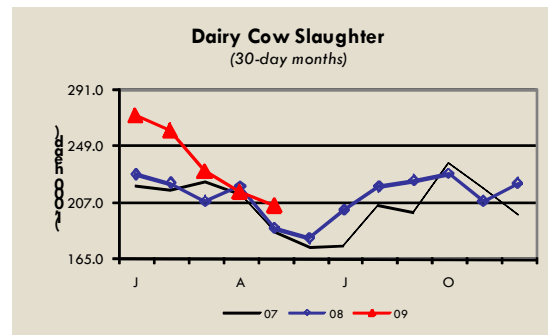
Milk futures jumped out to double-digits gains this morning on top of yesterday's gains, but trailed off by the closing bell. Futures for JUL-DEC09 settled between -2 to +4. In spot trading, blocks and barrels were bid higher, but after picking up a few loads buyers weren't willing to keep the pressure on to push prices further. Blocks settled back unchanged at \$1.12 and barrels settled a penny higher at \$1.09. The block-barrel spread is back to 3¢ for the first time since April 3.

Whey futures posted solid increases today. The NASS survey whey price topped 27¢ this week for the first time in almost exactly a year.

Dairymen sent just 211,700 cows to the slaughterhouse in May, the smallest figure (on a daily-average basis) since July 2008, according to USDA's "Livestock Slaughter" report released this morning (see chart). Culling has reportedly picked up in June with implementation of the CWT herd retirement program. In the first week of the month (the most recent data available), slaughter was up 35% from a year ago, USDA says.

DEIP awards for the week: 25.8 million lbs. of NDM, 293,000 lbs. of cheese and 3.0 million lbs. of butterfat. Monday is the last day to submit bids under the 2008-09 allocation. Sales to CCC for the week: 5.7 million lbs. of NDM.

NASS dairy product prices for the week ending June 20: cheddar blocks \$1.1494 (+0.16¢ vs. the prior week); barrels \$1.1173 (-0.72¢); butter \$1.2092 (-1.03¢); nonfat dry milk 84.64¢ (-0.52¢); dry whey 27.55¢ (+0.88¢). **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

### Futures Volume and Open Interest

	Volume	Open Interest
Class III	1,818	29,958
[*30Pit, 1788 Electronic]		
Class IV	0	198
NDM (cash settle)	0	790
NDM (deliverable)	0	2
Dry whey	15	1,595
Butter (cash settle)	7	4,855

### Options Volume and Open Interest

	Volume	Open Interest
Class III	395	48,894
Class III midi	12	204
Dry whey	0	238
Butter (cash settle)	0	104
NDM (cash settle)	0	27

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

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.1200 (NC) • Barrel cheese \$1.0900 (+1.00) • AA Butter \$1.2050 (NC) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.8900 (NC) **MILK PRICES** (with change, in cents, from previous month): May Class III milk (USDA) \$9.84 (-\$0.94) • May Class IV milk (USDA) \$10.14 (+\$0.32)

## June 26 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. (¢)
JUN 09	9.95	+3	82	5450	10.00 @ 0.01	NC	9.75 @ 0.00	NC	27.000	+0.225	84.500	NC	121.250	NC
JUL	10.13	-2	146	4240	10.25 @ 0.08	-5	10.00 @ 0.08	-3	29.000	+1.200	85.250	NC	121.500	NC
AUG	10.99	+1	428	3888	11.00 @ 0.42	-2	10.75 @ 0.31	-3	30.500	+0.500	87.250	NC	124.250	NC
SEP	11.94	-1	349	3557	12.00 @ 0.60	-1	11.75 @ 0.53	NC	31.500	+1.000	89.750	NC	127.250	NC
OCT	12.76	+2	227	3135	13.00 @ 0.65	NC	12.75 @ 0.75	-2	30.000	+0.250	92.750	NC	129.000	NC
NOV	13.72	+2	147	3017	13.75 @ 0.91	+1	13.50 @ 0.81	-1	30.000	+2.000	94.000	NC	130.000	NC
DEC	14.01	+4	170	2919	14.25 @ 0.91	+2	14.00 @ 1.01	-2	30.000	+2.000	95.000	NC	133.000	NC
JAN 10	14.12	+9	28	724	14.25 @ 0.97	+4	14.00 @ 0.97	-4	28.000	NC	94.000	NC	135.000	NC
FEB	14.10	+2	26	557	14.25 @ 1.02	+1	14.00 @ 1.04	-1	27.750	-0.250	99.000	-2.000	137.000	+1.000
MAR	14.63	+3	43	560	14.75 @ 1.14	+2	14.50 @ 1.12	-2	28.250	+0.450	99.000	-2.000	140.000	NC
APR	14.85	NC	36	373	15.00 @ 1.20	NC	14.75 @ 1.21	-1	27.600	NC	99.000	-2.000	142.000	NC
MAY	14.91	NC	34	281	15.00 @ 1.30	NC	14.75 @ 1.26	NC	27.000	+0.250	105.000	-2.000	143.500	NC

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