

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## Another CWT herd-retirement round launched

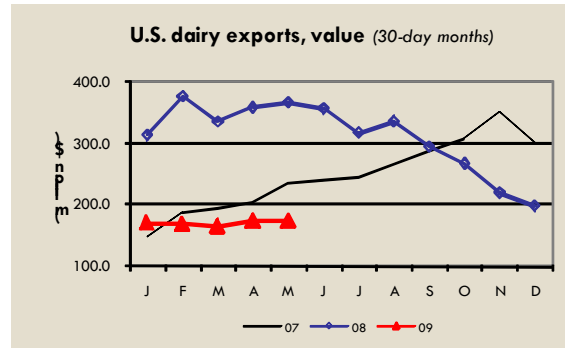
CWT opened bidding for another herd-retirement round this summer, just a few weeks after the last round was completed. Bids are due July 24; the majority of the culling will take place in September and October. For this round, the maximum bid is \$5.25/cwt. As before, producers whose bids are accepted will be paid in two installments – 90% of the amount up front and 10% (plus interest) after a year if the producer and his farm stay away from dairying.

The announcement had little immediate effect on the dairy markets, which saw blocks drop 2¢ to \$1.09 and milk futures fall 3-10¢ in the JUL-NOV09 contracts.

In the first five months of the year, U.S. dairy exports were valued at \$855 million, down 52% from a year ago, according to USDA/FAS trade data posted this morning (see chart).

Shipments of NDM/SMP, cheese and butterfat were all significantly lower in the January-May period. NDM/SMP exports were 195.2 million lbs., down 53% from last year's pace. Cheese shipments were 90.4 million lbs., down 30%. Butterfat exports were just 18.6 million lbs., off 80%, FAS says.

NASS dairy product prices for the week ending July 4: cheddar blocks \$1.1373 (-1.17¢ vs. the prior week); barrels \$1.0986 (-1.37¢); butter \$1.1770 (+0.24¢); nonfat dry milk 83.91¢ (-1.02¢); dry whey 28.11¢ (+0.91¢). **cme group**



For more information about real-time quotes, visit [www.cmegroup.com/dairyquotes](http://www.cmegroup.com/dairyquotes)

## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [*25 Pit, 576 Electronic]	601	26,516
Class IV	0	129
NDM (cash settle)	1	689
NDM (deliverable)	0	2
Dry whey	11	1,468
Butter (cash settle)	54	4,592

### Options Volume and Open Interest

	Volume	Open Interest
Class III	496	43,465
Class III midi	0	197
Dry whey	0	218
Butter (cash settle)	0	94
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 \$1.0900 (-2.00) • Barrel cheese \$1.0900 (NC) • AA Butter \$1.2225 (+2.25) • NDM Extra Grade \$0.8750 (NC) • NDM Grade A \$0.8900 (NC) **MILK PRICES** (with change, in cents, from previous month): June Class III milk (USDA) \$9.97 (+0.13) • June Class IV milk (USDA) \$10.22 (+\$0.08)

## July 10 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. (¢)
JUL 09	9.88	-10	113 4461	10.00 @ 0.01	-3	10.00 @ NA	NA	29.000	NC	84.500	NC	118.250	-0.500
AUG	10.35	-6	136 4254	10.50 @ 0.21	-3	10.25 @ 0.23	+3	30.250	NC	85.500	-0.250	123.500	+0.750
SEP	11.17	-5	97 3973	11.25 @ 0.44	-5	11.00 @ 0.40	NC	31.000	NC	86.500	NC	129.000	+2.000
OCT	12.03	-3	120 3380	12.25 @ 0.55	-4	12.00 @ 0.63	-2	30.000	NC	88.000	-0.250	132.000	+2.000
NOV	12.94	-6	44 3209	13.00 @ 0.77	-7	12.75 @ 0.70	-1	31.000	NC	90.000	-0.500	132.700	+1.700
DEC	13.35	NC	29 3126	13.50 @ 0.83	-4	13.25 @ 0.84	-4	30.750	-0.250	93.000	-0.750	134.700	+1.700
JAN 10	13.80	+7	25 811	14.00 @ 0.89	+4	13.75 @ 0.95	-3	27.500	+1.000	93.750	NC	137.000	+1.500
FEB	14.03	+6	8 581	14.25 @ 0.96	+3	14.00 @ 1.02	NC	27.250	-0.750	96.000	NC	138.000	+1.000
MAR	14.49	+1	11 590	14.50 @ 1.15	+1	14.25 @ 1.03	NC	27.500	-0.500	98.000	NC	138.000	NC
APR	14.71	+7	2 393	14.75 @ 1.21	+4	14.50 @ 1.12	-3	27.600	NC	99.000	NC	140.000	NC
MAY	14.82	+7	3 324	15.00 @ 1.23	+4	14.75 @ 1.27	-3	28.230	-0.275	99.000	NC	142.000	NC
JUN	15.37	+12	2 313	15.75 @ 1.25	+6	15.25 @ 1.35	-5	29.000	NC	101.000	NC	144.000	NC

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