

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## Milk futures jump

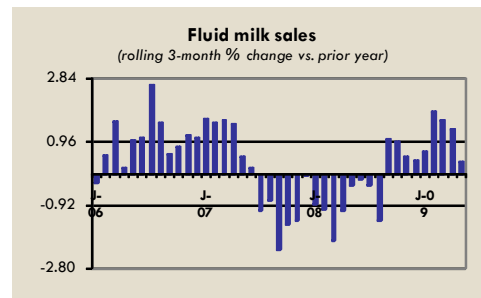
Milk futures virtually exploded today as increasing cheese and butter prices caused traders to liquidate positions. Double-digit increases were recorded in most contracts. JUL through DEC contracts gained an average of 45¢ even though the JUL contract was 2¢ lower. SEP posted a gain of 70¢ to the highest level it has been since June 15. The average Class III price for 2010 is \$15.60, an increase of 61¢ since last Monday.

Blocks increased 1.5¢ to \$1.16 with 3 loads traded reaching the highest price since April 18. Barrels increased 1¢ to \$1.15 on one trade. An unfilled bid remained in each at the closing price. Butter took back half of what it lost on Friday with a gain of 1¢ to \$1.26. Trading was active with 7 loads changing hands with an unfilled bid at the closing price.

Fluid milk sales growth slowed in the March-May period, according to Federal Order and California data. Sales during the three months were up 0.4% from the prior year, the smallest figure since last August, USDA says (see chart).

According to USDA's "Livestock, Dairy, and Poultry" report, the U.S dairy herd is expected to decline by 1.5% in 2009 and another 2.6% in 2010. Yet some of the decline in milk production will be offset by higher production per cow. Exports both for this year and next, with the exception of whey, are likely to be well below the totals for the last two years according to the report.

USDA will release the June "Cold Storage" report on Wednesday. **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 [*66 Pit, 1415 Electronic]	1,481	27,990
Class IV	0	129
NDM (cash settle)	15	709
NDM (deliverable)	0	2
Dry whey	8	1,491
Butter (cash settle)	42	4,678

### Options Volume and Open Interest

	Volume	Open Interest
Class III	385	45,132
Class III midi	7	232
Dry whey	0	263
Butter (cash settle)	0	94
NDM (cash settle)	0	48

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

**SPOT PRICES** (with change, in cents, from previous day): Block cheese \$1.1600 (+1.50) • Barrel cheese \$1.1500 (+1.00) • AA Butter \$1.2600 (+1.00) • 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 20 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	9.98	-2	162 4598	10.00 @ 0.02	-2	7.25 @		29.000	NC	84.500	NC	118.500	NC
AUG	10.95	+43	297 4272	11.00 @ 0.16	+12	10.75 @ 0.10	-22	30.000	-0.250	85.500	NC	125.250	NC
SEP	12.35	+70	237 4063	12.50 @ 0.45	+28	12.25 @ 0.47	-36	30.500	-0.500	86.500	NC	133.950	+1.430
OCT	13.09	+63	162 3639	13.25 @ 0.57	+24	13.00 @ 0.60	-35	30.000	NC	89.750	0.750	135.000	+1.000
NOV	13.94	+52	125 3447	14.00 @ 0.77	+23	13.75 @ 0.70	-26	30.750	-0.250	90.500	0.500	136.000	+1.000
DEC	14.42	+44	82 3230	14.50 @ 0.86	+20	14.25 @ 0.81	-22	30.500	-0.250	93.750	0.750	136.000	NC
JAN 10	14.60	+35	57 927	14.75 @ 0.94	+16	14.50 @ 0.95	-18	26.500	-0.250	94.000	0.250	140.000	NC
FEB	14.84	+35	40 648	15.00 @ 1.02	+16	14.75 @ 1.04	NC	26.000	-0.750	96.000	NC	141.000	NC
MAR	15.22	+17	41 651	15.25 @ 1.17	+8	15.00 @ 1.07	-8	26.750	NC	98.000	NC	140.000	NC
APR	15.50	+20	26 468	16.00 @ 1.06	+9	15.25 @ 1.14	-9	27.000	NC	98.000	NC	141.000	NC
MAY	15.55	+15	22 363	15.75 @ 1.26	+7	15.25 @ 1.19	-7	28.230	NC	99.000	NC	143.000	NC
JUN	15.90	+6	16 376	16.00 @ 1.39	+2	15.75 @ 1.36	-3	29.000	NC	101.000	NC	144.000	-1.000

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