

# Daily Dairy Report

Daily market information provided by Alan Levitt

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## Butter holds amidst heavy activity

Spot butter held unchanged today but trading activity remains very heavy. In the last six days, 54 loads traded, the highest volume since November 2006. Prices, however, have moved in a very small range in that time. Butter futures have been most mostly steady in recent days as well.

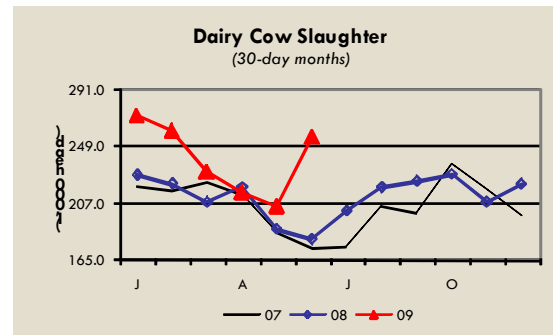
“Butter churning is trending lower in the West, yet remains active in the Midwest and Northeast,” says USDA’s *Dairy Market News*. “Cream supplies are declining and are typically tightest in the West, where hot temperatures have impacted milk and fat content.”

In the first half of the year, fat tests ran at an average of 3.67%, two points below a year ago, and the lowest figure since 2005.

Over the last 10 years, commercial butter stocks have declined by an average of 122 million lbs. from July 31 to November 30.

Lower feed costs should provide some relief for farmers who buy – rather than grow – their feed. SEP09 corn is hovering near its contract low. The contract settled at \$3.22 today, up 6¢ from Friday, but down 70¢ from a month ago. The 2010 contracts range from \$3.47 to \$3.80. Most of this year’s corn crop is in good or excellent shape, though it’s progressing a few weeks behind normal, USDA says.

Thursday is the last day to trade JUL futures and options. USDA will announce July Class and Component prices Friday morning. **cme group**



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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [38 Pit, 1084 Electronic]	1,122	29,189
Class IV	0	129
NDM (cash settle)	1	708
NDM (deliverable)	0	2
Dry whey	10	1,547
Butter (cash settle)	52	4,744

### Options Volume and Open Interest

	Volume	Open Interest
Class III	258	46,711
Class III midi	0	250
Dry whey	15	308
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 \$1.2000 (NC) • Barrel cheese \$1.1700 (NC) • AA Butter \$1.2600 (NC) • 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 27 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	9.95	-1	36	4663	10.00 @ 0.00	-1	9.75 @ 0.00	NC	29.000	NC	84.250	NC	119.050	NC
AUG	10.85	+2	111	4161	11.00 @ 0.09	NC	10.75 @ 0.11	-1	30.000	-0.500	85.500	NC	125.280	NC
SEP	12.16	+3	211	4222	12.25 @ 0.40	NC	12.00 @ 0.37	-2	31.000	NC	86.500	NC	132.750	-0.250
OCT	13.13	+1	307	3958	13.25 @ 0.54	-1	13.00 @ 0.53	-2	29.600	NC	89.750	NC	134.000	-1.000
NOV	13.95	+2	198	3625	14.00 @ 0.72	NC	13.75 @ 0.64	-2	30.250	NC	90.500	NC	136.000	NC
DEC	14.50	-7	113	3276	14.50 @ 0.85	-5	14.50 @ 0.85	+2	30.500	NC	93.750	NC	137.000	NC
JAN 10	14.64	-1	18	961	14.75 @ 0.90	-1	14.50 @ 0.88	NC	27.770	NC	94.000	NC	140.000	NC
FEB	14.76	-4	18	695	15.00 @ 0.92	-2	14.75 @ 1.02	+1	27.250	NC	96.000	NC	141.000	NC
MAR	15.18	-1	7	671	15.25 @ 1.09	-1	15.00 @ 1.02	-1	27.000	NC	98.000	NC	141.000	NC
APR	15.55	NC	9	519	16.00 @ 1.01	-1	15.25 @ 1.05	-1	27.500	NC	98.000	NC	141.000	NC
MAY	15.54	NC	5	412	15.75 @ 1.18	-1	15.25 @ 1.13	NC	28.230	NC	99.000	NC	143.000	NC
JUN	15.94	NC	20	435	16.00 @ 1.34	-1	15.75 @ 1.27	NC	29.000	NC	101.000	NC	144.000	NC

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