

Daily Dairy Report

Daily market information provided by Alan Levitt

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Cheese exports improve

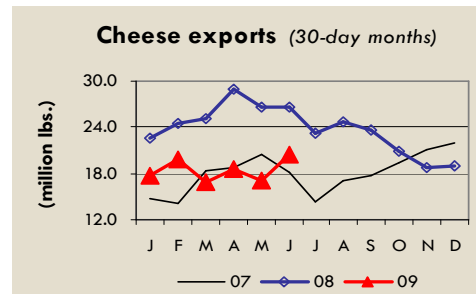
Blocks increased to \$1.3325, a gain of 2.25¢ and the highest price since December 18. Barrels gained 1¢ to \$1.30. There were 3 loads of blocks and 5 loads of barrels traded showing the most activity so far this week. Butter remained unchanged on no trades while Grade A nonfat dry milk increased 0.50¢ to close at \$1.00 on one trade.

Milk futures in 2009 got a boost from the increasing cheese prices closing an average of 10¢ higher while 2010 contracts closed mixed.

U.S export of cheese during June totaled 20.4 million lbs. according to USDA/FAS data released this morning. Cheese exports are the highest in eight months, but are still 24% lower than a year ago (see chart).

Exports of other products continue to lag behind last year. SMP/NDM exports were 45.0 million lbs, down 55%. Butterfat exports were 3.6 million lbs., down 81%. The bright spot was dry whey exports of 38.5 million lbs., an increase of 15%. The total value of U.S. dairy exports in June was \$186.1 million, down 48% from a year earlier according to the USDA.

USDA increased the projected all-milk price for this year by an average of 20¢ with estimated price to range from \$12.10-\$12.30. The all-milk price estimate for 2010 was reduced 20¢ to range from \$14.65-\$15.65 according the "World Agricultural Supply and Demand" report released this morning. Estimated milk production for 2010 was bumped up to 186.5 billion lbs., an increase of 100 million lbs. from July. **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 [41 Pit, 314 Electronic]	355	25,138
Class IV	0	125
NDM (cash settle)	0	576
NDM (deliverable)	0	2
Dry whey	5	1,496
Butter (cash settle)	55	4,371

Options Volume and Open Interest

	Volume	Open Interest
Class III	541	42,622
Class III midi	2	229
Dry whey	0	352
Butter (cash settle)	0	79
NDM (cash settle)	0	46

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.3325 (+2.25) • Barrel cheese \$1.3000 (+1.00) • AA Butter \$1.2200 (NC) • NDM Extra Grade \$0.9500 (NC) • NDM Grade A \$1.0000 (+0.50) **MILK PRICES** (with change, in dollars, from previous month): July Class III milk (USDA) \$9.97 (NC) • July Class IV milk (USDA) \$10.15 (-0.07)

August 12 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. (¢)
AUG 09	11.10	+4	17 4057	11.25 @ 0.02	+1	11.00 @ 0.03	-1	29.520	NC	88.000	NC	122.100	-0.150
SEP	12.77	+12	38 4167	13.00 @ 0.27	+4	12.75 @ 0.36	-6	30.550	+0.300	92.000	NC	125.000	-0.500
OCT	13.45	+18	43 3836	13.50 @ 0.54	+9	13.25 @ 0.46	-9	30.550	+0.300	95.000	NC	127.250	-0.750
NOV	13.55	+15	52 3621	13.75 @ 0.59	+7	13.50 @ 0.65	-8	30.550	+0.300	97.000	NC	131.000	-0.750
DEC	13.93	+3	35 3212	14.00 @ 0.74	+1	13.75 @ 0.68	-2	30.250	NC	99.000	NC	133.500	NC
JAN 10	13.95	NC	18 1141	14.00 @ 0.84	-1	13.75 @ 0.77	NC	27.750	NC	103.000	NC	137.000	NC
FEB	14.00	+5	35 830	14.00 @ 0.94	+3	14.00 @ 0.94	-2	27.750	NC	103.000	NC	139.000	NC
MAR	14.05	NC	24 805	14.25 @ 0.91	NC	14.00 @ 0.97	-1	27.500	NC	103.000	NC	139.000	NC
APR	14.37	NC	26 637	14.50 @ 1.02	-1	14.25 @ 1.02	NC	27.250	+0.250	103.000	NC	141.000	NC
MAY	14.60	+2	17 534	14.75 @ 1.10	+1	14.50 @ 1.12	-1	28.000	NC	103.000	NC	143.000	NC
JUN	15.11	-4	16 505	15.25 @ 1.20	-3	15.00 @ 1.21	+2	28.000	NC	103.000	NC	144.000	NC
JUL	15.49	-2	9 354	15.75 @ 1.24	-1	15.25 @ 1.23	+1	28.250	NC	107.000	NC	148.500	NC

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