

Daily Dairy Report

Daily market information provided by Alan Levitt

Vol. 13, No. 176/ September 15, 2009

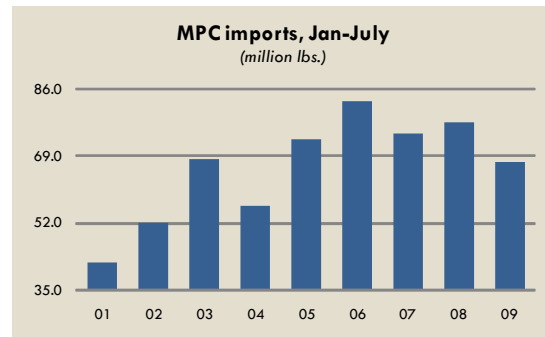
Cheese rallies, but gains aren't sustained

Blocks and barrels each traded above \$1.31 this morning, but then buyers stepped aside and prices fell back to where they started. Sellers left 10 loads of blocks on the board at the end of trading in the up-and-down session. The butter market saw similar gains, except the price was able to hold at the higher level. 14 loads of butter changed hands, the last at \$1.24, up 7¢ from last Thursday. Traders also bid spot powder higher; Extra Grade increased a nickel to \$1.0000 and Grade A tacked on 0.75¢ to \$1.0125.

Milk futures were mixed. Contracts covering the fourth quarter dropped a nickel. Contracts covering the first half of 2010 increased 6¢. Meanwhile, butter and whey futures were markedly higher. Butter futures gained 1.5¢ today in the NOV09-MAY10 contracts. Whey futures increased 0.39¢ in the NOV09-JUN10 contracts. NDM futures held unchanged.

In the first seven months of the year, U.S. imports of MPC were 67.6 million lbs., down 13% from a year ago, and the lowest since 2004, according to USDA/FAS trade data (see chart). Imports of casein and caseinates were 100.1 million lbs., down 36.0%. Imports of cheese were 203.9 million lbs., up 3.0%. Imports of butterfat were 17.7 million lbs., up 232.7%, USDA/FAS says.

USDA will release the August "Milk Production" report Friday afternoon. In the May-July period, U.S. milk production was up 0.2% from a year ago, USDA says. Cow numbers dropped 79,000 head in June and July. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [36 Pit, 1042 Electronic]	1,078	23,672
Class IV	0	56
NDM (cash settle)	0	513
NDM (deliverable)	0	2
Dry whey	5	1,604
Butter (cash settle)	12	3,855

Options Volume and Open Interest

	Volume	Open Interest
Class III	236	40,925
Class III midi	0	223
Dry whey	0	475
Butter (cash settle)	0	72
NDM (cash settle)	0	29

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.2700 (NC) • Barrel cheese \$1.2750 (NC) • AA Butter \$1.2400 (+4.75) • NDM Extra Grade \$1.0000 (+5.00) • NDM Grade A \$1.0125 (+0.75) **MILK PRICES** (with change, in dollars, from previous month): August Class III milk (USDA) \$11.20 (+\$1.23) • August Class IV milk (USDA) \$10.38 (+\$0.23)

September 15 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. (¢)
SEP 09	12.04	NC	36 3728	12.25 @ 0.00	NC	12.00 @ 0.03	NC	30.000	NC	95.000	NC	118.000	+0.500
OCT	12.19	-10	160 3929	12.25 @ 0.25	-6	12.00 @ 0.19	+3	30.000	NC	98.000	NC	124.000	NC
NOV	13.18	-5	95 3788	13.25 @ 0.42	-3	13.00 @ 0.37	+2	31.270	+0.525	101.000	NC	125.000	+0.500
DEC	13.76	+1	142 3771	14.00 @ 0.49	+1	13.75 @ 0.59	NC	31.500	+0.725	102.000	NC	130.000	+1.500
JAN 10	13.87	+5	114 1564	14.00 @ 0.63	+2	13.75 @ 0.63	-2	31.000	+0.250	103.750	NC	132.000	+1.000
FEB	14.12	+12	73 1105	14.25 @ 0.71	+6	14.00 @ 0.71	-5	29.750	+0.200	102.000	NC	133.000	+1.000
MAR	14.25	+23	75 1147	14.25 @ 0.83	+11	14.25 @ 0.83	-12	29.250	+0.250	102.000	NC	134.000	+1.000
APR	14.44	+4	58 865	14.50 @ 0.88	+2	14.25 @ 0.81	-1	29.500	+0.450	103.000	NC	134.500	+0.500
MAY	14.47	+2	59 726	14.50 @ 0.96	+1	14.25 @ 0.86	-1	30.500	NC	103.000	NC	135.250	+0.500
JUN	14.77	-11	49 660	15.00 @ 0.94	-6	14.75 @ 1.03	+5	30.750	+0.750	104.000	NC	138.000	NC
JUL	15.08	NC	48 495	15.25 @ 1.04	NC	15.00 @ 1.07	NC	29.000	NC	110.000	NC	142.250	NC
AUG	15.37	NC	40 475	15.50 @ 1.14	NC	15.25 @ 1.13	NC	31.000	+0.475	112.000	NC	146.250	NC

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