

Daily Dairy Report

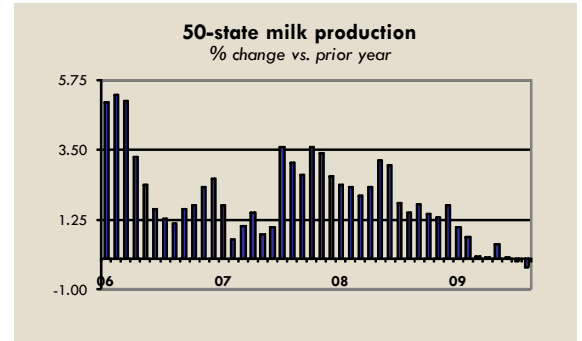
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Prices lower ahead of milk production report

Milk futures declined further today, particularly in the front months, as cheese prices fell to \$1.4150 on both blocks and barrels. Blocks are down 9.25¢ in three days. Some buyer resistance was apparent once blocks topped \$1.50 last week. "Slowed buying in the Midwest as buyers evaluate recent price strength has resulted in slight building of manufacturer inventory levels as production remains steady," says USDA's *Dairy Market News*. Butter traded up to \$1.2525 this morning, the highest price of the month, but butter futures were mostly unchanged.

USDA will release the September "Milk Production" report tomorrow afternoon. Output in August was down 0.3% from prior year (*see chart*), the biggest decline in more than five years.

Notice: CME Group will expand electronic trading hours for dairy by opening the trading week on Sunday evening. Beginning Nov. 15, trading of all electronic contracts will start at 5pm and will remain open through Friday at 1:55pm, with daily trading halts from 4pm-5pm. Currently, electronic trading opens the week at 9:05am on Monday. See attached release for more information. **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 [69 Pit, 1565 Electronic]	1,634	23,803
Class IV	0	52
NDM (cash settle)	2	406
Dry whey	14	1,612
Butter (cash settle)	78	3,193

Options Volume and Open Interest

	Volume	Open Interest
Class III	776	41,224
Class III midi	6	229
Dry whey	0	519
Butter (cash settle)	0	151
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 \$1.4150 (-1.50) • Barrel cheese \$1.4150 (-1.50) • AA Butter \$1.2525 (+1.00) • NDM Extra Grade \$1.2600 (NC) • NDM Grade A \$1.3150 (NC) **MILK PRICES** (with change, in dollars, from previous month): September Class III milk (USDA) \$12.11 (+\$0.91) • Sept. Class IV milk (USDA) \$11.15 (+\$0.77)

October 19 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	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
OCT 09	12.73	NC	94	3664	12.75 @ 0.03	-1	12.50 @ 0.00	NC	31.500	NC	104.000	NC	122.000	-1.000
NOV	13.52	-28	390	4022	13.75 @ 0.17	-14	13.50 @ 0.26	+11	33.500	+1.500	110.000	NC	127.500	-0.250
DEC	14.06	-13	213	4579	14.25 @ 0.40	-7	14.00 @ 0.46	+5	36.500	-0.250	115.650	+0.050	133.000	NC
JAN 10	14.16	-13	199	2219	14.25 @ 0.59	-4	14.00 @ 0.55	+8	36.050	-0.950	117.000	NC	137.000	NC
FEB	14.39	-7	111	1520	14.50 @ 0.63	-5	14.25 @ 0.61	+2	34.000	NC	117.000	NC	138.000	NC
MAR	14.68	-2	64	1359	14.75 @ 0.73	-2	14.50 @ 0.67	NC	36.020	NC	117.000	NC	139.750	NC
APR	14.65	-8	48	1072	14.75 @ 0.78	-5	14.50 @ 0.75	+3	37.250	NC	117.000	NC	140.750	NC
MAY	14.75	NC	43	993	14.75 @ 0.90	-1	14.75 @ 0.90	-1	36.750	NC	117.000	NC	142.000	NC
JUN	14.88	-2	72	869	15.00 @ 0.91	-1	14.75 @ 0.90	+1	35.250	NC	117.000	NC	143.000	NC
JUL	15.15	NC	68	703	15.25 @ 0.99	NC	15.00 @ 0.95	-1	35.000	NC	115.000	NC	144.000	NC
AUG	15.36	+3	60	678	15.50 @ 1.04	+1	15.25 @ 1.05	-2	35.500	NC	114.000	NC	146.250	NC
SEP	15.50	+10	57	607	15.50 @ 1.16	+4	15.50 @ 1.16	-6	35.500	NC	114.000	NC	151.000	NC

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