

# Daily Dairy Report

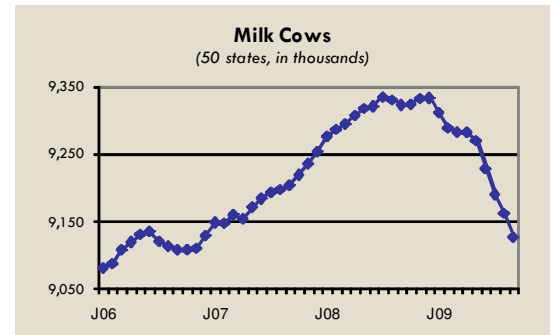
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## Cow numbers down 208,000 head (-2.2%) this year

Cheese, butter and powder all were bid higher today. Milk futures were higher this morning but faded by the end of trading.

U.S. cow numbers have declined 208,000 since December, a loss of 2.2% of the nation's herd (see chart). In the first nine months of the year, dairymen in California have cut 68,000 head, while Arizona, New Mexico and Texas have lost 54,000. Meanwhile, producers in Wisconsin, Minnesota and Michigan have added 7,000 cows this year.

The California Department of Food and Agriculture will hold an emergency hearing on Nov. 9 to consider proposals from The Alliance of Western Milk Producers and Western United Dairymen to make changes to the pricing formulas that would increase milk prices. The Alliance petition asks for Class 1 prices to be permanently increased by 50¢ and Class 2 and 3 increased by 26¢. WUD's petition asks for a temporary 50¢ increase for all classes for January-June 2010.



On Monday, CCC purchased 132,276 lbs. of NDM under the support program. USDA reportedly bought this powder as part of a test of new bags. **cme group**

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## FUTURES & OPTIONS VOLUME AND OPEN INTEREST

### Futures Volume and Open Interest

	Volume	Open Interest
Class III [39 Pit, 1643 Electronic]	1,682	24,334
Class IV	0	52
NDM (cash settle)	1	405
Dry whey	11	1,632
Butter (cash settle)	56	3,183

### Options Volume and Open Interest

	Volume	Open Interest
Class III	764	41,741
Class III midi	1	230
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 \$1.4450 (+1.50) • Barrel cheese \$1.4500 (+2.75) • AA Butter \$1.3100 (+1.00) • NDM Extra Grade \$1.2650 (+0.50) • NDM Grade A \$1.3250 (+1.00) **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 21 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. (¢)
OCT 09	12.75	-1	130	3630	12.75 @ 0.04	-1	12.75 @ 0.04	NC	31.500	NC	105.000	NC	122.500	NC
NOV	13.78	-10	391	4065	14.00 @ 0.16	-6	13.75 @ 0.23	+2	33.500	NC	110.000	NC	131.030	+1.525
DEC	14.64	-1	299	4748	14.75 @ 0.45	-1	14.50 @ 0.43	-2	36.500	NC	115.700	NC	134.750	-0.250
JAN 10	14.67	-3	175	2323	14.75 @ 0.58	-5	14.50 @ 0.53	-2	36.050	NC	117.000	NC	139.750	-0.250
FEB	14.74	-1	141	1551	14.75 @ 0.69	-1	14.50 @ 0.58	+1	34.000	NC	117.000	NC	140.000	NC
MAR	15.00	-1	131	1413	15.00 @ 0.78	NC	15.00 @ 0.78	+1	36.020	NC	117.000	NC	141.000	NC
APR	15.08	+8	80	1106	15.25 @ 0.77	+4	15.00 @ 0.80	-4	35.770	NC	117.000	NC	141.000	+0.250
MAY	15.10	+5	63	1026	15.25 @ 0.85	+2	15.00 @ 0.87	-2	36.000	NC	117.000	NC	142.000	NC
JUN	15.14	+4	46	905	15.25 @ 0.93	+2	15.00 @ 0.90	-2	35.270	+0.025	117.000	NC	145.000	NC
JUL	15.35	NC	28	715	15.50 @ 0.97	-1	15.25 @ 0.99	NC	35.000	NC	115.000	NC	145.000	NC
AUG	15.53	NC	42	701	15.75 @ 1.02	NC	15.50 @ 1.10	NC	35.000	-0.500	114.000	NC	146.250	NC
SEP	15.69	+1	64	617	15.75 @ 1.15	+1	15.50 @ 1.08	NC	36.000	+0.475	114.000	NC	151.000	NC

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