

Daily Dairy Report

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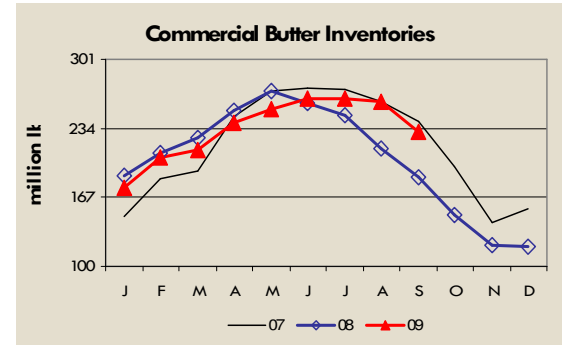
Butter stocks large

September butter inventories declined 29.4 million lbs. from August and the largest decline this year. Although stocks are higher than last year, they are below 2007 levels (*see chart*). September stocks are the second largest since 1993.

Butter price was steady at \$1.35 after finishing strong last week. The 10.75¢ increase last week was the largest weekly increase since August 5, 2005. USDA's *Dairy Market News* indicates that retail orders have been strong and orders appear to be improving.

Through last week, corn price gained nearly 60¢ per bushel over the past month with soybeans up 87¢ per bushel. The continued wet weather pattern is keeping harvest pace very slow with 20% of the corn harvested and 44% of the soybeans as of Sunday. However, prices fell today as the forecast improved indicating a drier weather pattern next week.

Note: 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 [27 Pit, 773 Electronic]	773	24,630
Class IV	0	52
NDM (cash settle)	1	405
Dry whey	9	1,677
Butter (cash settle)	131	3,210

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,013	42,427
Class III midi	4	248
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 \$1.5000 (NC) • Barrel cheese \$1.4925 (NC) • AA Butter \$1.3500 (NC) • NDM Extra Grade \$1.2700 (NC) • NDM Grade A \$1.3250 (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 26 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	12.76	-2	75	3485	13.00 @ 0.00	NC	12.75 @ 0.01	NC	31.750	NC	105.000	NC	122.000	-0.500
NOV	13.80	NC	112	4060	14.00 @ 0.12	NC	13.75 @ 0.17	-1	33.750	NC	112.500	NC	133.000	NC
DEC	14.75	+7	124	4817	14.75 @ 0.49	+3	14.75 @ 0.49	-4	34.750	+1.750	116.500	NC	135.000	NC
JAN 10	14.80	+5	91	2327	15.00 @ 0.52	+2	14.75 @ 0.58	-3	36.750	-0.250	117.000	NC	139.500	+0.500
FEB	14.87	+8	51	1570	15.00 @ 0.63	NC	14.75 @ 0.63	-1	35.750	-0.250	117.000	NC	139.750	+0.250
MAR	15.10	+7	75	1471	15.25 @ 0.70	+3	15.00 @ 0.72	-4	36.020	NC	117.000	NC	141.000	NC
APR	15.23	+3	61	1133	15.25 @ 0.85	+2	15.00 @ 0.73	-1	36.000	NC	117.000	NC	142.750	+1.250
MAY	15.24	+2	30	1052	15.25 @ 0.92	+1	15.00 @ 0.79	-2	36.000	NC	117.000	NC	142.500	NC
JUN	15.32	+8	26	926	15.50 @ 0.90	+4	15.25 @ 0.94	-4	36.520	NC	117.000	NC	145.500	NC
JUL	15.42	+8	29	749	15.50 @ 1.00	+5	15.25 @ 0.95	-5	35.050	+0.025	115.000	NC	145.000	NC
AUG	15.60	+5	23	739	15.75 @ 1.04	NC	15.50 @ 1.06	-1	35.020	NC	114.000	NC	146.250	NC
SEP	15.78	+5	24	673	16.00 @ 1.08	+2	15.75 @ 1.16	-3	35.520	NC	114.000	NC	151.000	NC

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