

Daily Dairy Report

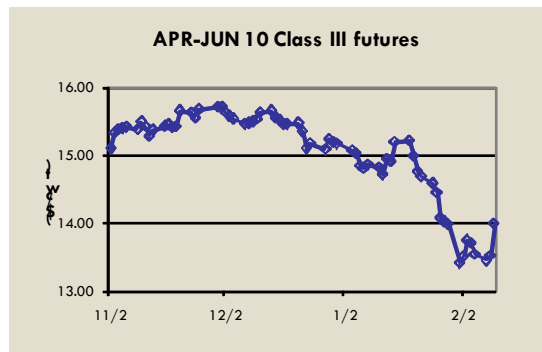
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Class III futures rally off yesterday's lows

Milk futures had their biggest day in 10 months, rallying in response to increases in cheese prices. Buyers came back to the cheese pits, acquiring 3 loads each of blocks and barrels. The closing prices were set on unfilled bids, moving blocks up 0.75¢ and barrels up 0.50¢. MAR-DEC09 futures increased 41¢ after registering new lows in several contract months yesterday. APR and MAY gains topped 50¢, but prices remain well below where they were just a few weeks ago (see chart).

Unprecedented storms continue to dump on the Northeast part of the country. That's caused a run on fluid milk sales, as snowed-in people stock up, leaving less milk available for manufacturing. On the farm, pickups and deliveries have been disrupted as well. However, "there have been no reports of milk being dumped," says USDA's *Dairy Market News*. "Some balancing plants have remained open and staffed 24 hours to allow truckers to unload as quickly as possible and then return to their routes."

The March Class I price in California is \$16.44 in the north (-2¢ from February) and \$16.71 in the south (-3¢ from February). Federal Order Class I prices will be announced Friday, Feb. 19. **cme group**



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [26 Pit, 745 Electronic]	771	27,834
Class IV	0	210
NDM (cash settle)	0	783
NDM (deliverable)	0	3
Dry whey	43	2,075
Butter (cash settle)	21	3,036

Options Volume and Open Interest

	Volume	Open Interest
Class III	545	48,382
Class III midi	0	378
Dry whey	0	620
Butter (cash settle)	0	93

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.5000 (+0.75) • Barrel cheese \$1.4775 (+0.50) • AA Butter \$1.3500 (NC) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1000 (NC) **MILK PRICES** (with change, in dollars, from previous month): January Class III milk (USDA) \$14.50 (-\$0.48) • January Class IV milk (USDA) \$13.85 (-\$1.16)

February 10 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. (¢)
FEB 10	14.30	+11	98 3949	14.50 @ 0.00	NC	14.25 @ 0.02	-9	37.250	+0.500	108.500	NC	134.000	NC
MAR	14.14	+47	169 3749	14.25 @ 0.28	+17	14.00 @ 0.26	-25	33.500	+1.500	107.500	NC	145.000	NC
APR	13.82	+52	96 3556	14.00 @ 0.33	+18	13.75 @ 0.37	-30	29.750	+1.750	108.000	NC	147.000	NC
MAY	13.90	+53	54 2864	14.00 @ 0.45	+20	13.75 @ 0.45	-25	28.250	+1.250	107.000	NC	149.000	+1.000
JUN	14.25	+36	101 2393	14.25 @ 0.60	+16	14.25 @ 0.60	-20	29.500	+2.750	112.000	NC	151.000	+1.500
JUL	15.01	+39	83 1961	15.25 @ 0.58	+16	15.00 @ 0.69	-20	29.500	+1.500	115.500	NC	151.500	+1.000
AUG	15.37	+45	27 2013	15.50 @ 0.72	+20	15.25 @ 0.72	-22	29.000	+0.250	117.750	NC	152.500	NC
SEP	15.69	+37	37 1933	15.75 @ 0.77	+18	15.50 @ 0.70	-18	31.000	NC	119.000	NC	153.250	NC
OCT	15.61	+31	41 1795	15.75 @ 0.78	+7	15.50 @ 0.79	-21	32.770	+1.025	122.000	NC	156.000	+1.250
NOV	15.49	+32	33 1761	15.50 @ 0.88	+16	15.25 @ 0.76	-15	32.000	NC	117.000	NC	154.000	NC
DEC	15.50	+34	30 1680	15.50 @ 0.92	+16	15.50 @ 0.92	-18	33.020	NC	117.000	NC	159.000	+1.000
JAN11	15.20	+13	2 68	15.50 @ 0.94	+6	14.50 @ 0.74	-5	30.520	NC	111.000	NC	159.000	NC

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