

Daily Dairy Report

Vol. 14, No. 29 / February 12, 2010

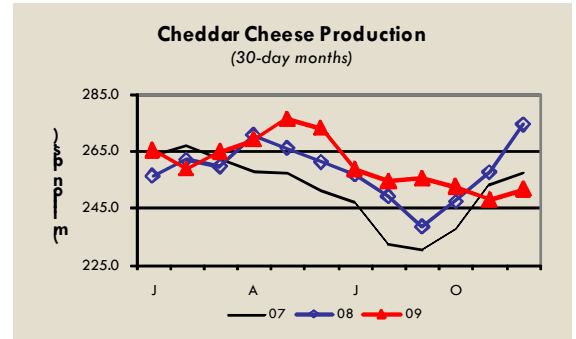
Cheese production down

Milk futures took back more of Wednesday's huge gains in most contracts due to lower barrel cheese and butter prices. Barrels fell 1.25¢ to \$1.3350 and butter dropped 1¢ to \$1.34 with 3 loads traded in each. For the week, blocks increased 1.25¢, barrels decrease 2.75¢, and butter increased 1.25¢

Cheddar cheese production in December totaled 259.9 million lbs., a decrease of 8.3% from a year ago according to the USDA. Production has remained below the previous two years for the second consecutive month (see chart). Cheese demand is "coasting along" says USDA's *Dairy Market News*. New orders have slowed for many packaging firms and offerings are increasing according to *DMN*.

CME Group will be closed Monday, Feb. 15, in observance of Presidents Day. Regular trading hours will resume Tuesday.

NASS dairy product prices for the week ending Feb. 6: cheddar blocks \$1.4750 (+2.48¢ vs. the prior week); barrels \$1.5258 (+2.34¢); butter \$1.3912 (-1.27¢); nonfat dry milk \$1.1448 (+1.20¢); dry whey 39.00¢ (+0.06¢). **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 [47 Pit, 1,286 Electronic]	1,333	27,478
Class IV	0	210
NDM (cash settle)	2	784
NDM (deliverable)	0	3
Dry whey	32	2,107
Butter (cash settle)	52	3,087

Options Volume and Open Interest

	Volume	Open Interest
Class III	853	49,604
Class III midi	2	383
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 \$1.5050 (NC) • Barrel cheese \$1.4450 (-1.25) • AA Butter \$1.3400 (-1.00) • NDM Extra Grade \$1.2400 (NC) • NDM Grade A \$1.1050 (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 12 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. (¢)
FEB 10	14.25	+1	41	3648	14.25 @ 0.04	NC	14.25 @ 0.04	-1	38.250	+0.700	108.500	NC	134.250	+0.250
MAR	13.77	-19	363	3615	14.00 @ 0.21	-9	13.75 @ 0.30	+8	33.500	NC	107.500	NC	142.970	-1.530
APR	13.50	-10	351	3473	13.50 @ 0.39	-7	13.50 @ 0.39	+3	29.500	-0.050	108.000	NC	146.250	-1.000
MAY	13.49	-13	211	2844	13.50 @ 0.47	-10	13.25 @ 0.36	+2	28.750	+0.225	107.000	NC	148.970	-1.030
JUN	13.88	-7	149	2483	14.00 @ 0.53	-3	13.75 @ 0.52	+3	28.000	+1.000	112.000	NC	152.000	-0.500
JUL	14.56	-13	81	1978	14.75 @ 0.58	-7	14.50 @ 0.64	+6	29.500	NC	115.500	NC	155.000	+0.500
AUG	15.15	-4	45	2009	15.25 @ 0.72	-2	15.00 @ 0.69	+2	29.500	+0.500	117.750	NC	156.000	+2.500
SEP	15.47	-3	31	1960	15.50 @ 0.77	-1	15.25 @ 0.68	+2	32.000	+1.000	119.000	NC	157.000	+2.500
OCT	15.45	+2	37	1813	15.50 @ 0.81	+1	15.25 @ 0.73	-2	33.300	+0.550	120.000	-2.000	158.000	+0.500
NOV	15.28	-2	15	1773	15.50 @ 0.77	-1	15.25 @ 0.85	NC	32.020	+0.025	117.000	NC	159.000	NC
DEC	15.26	-4	7	1696	15.50 @ 0.80	-2	15.25 @ 0.90	+2	33.020	NC	117.000	NC	159.500	NC
JAN11	15.18	+11	1	73	15.50 @ 0.93	+5	14.50 @ 0.74	-4	30.520	NC	111.000	NC	159.000	NC

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