

Daily Dairy Report

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WMP up slightly on Fonterra auction

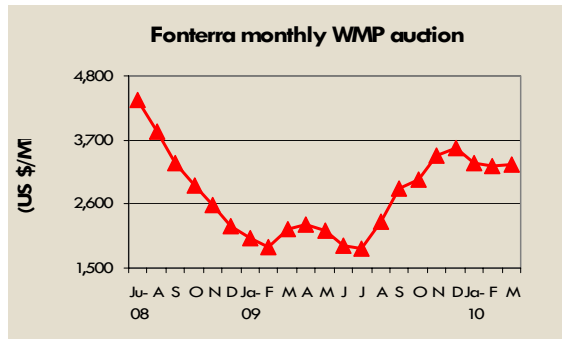
WMP prices on Fonterra's monthly auction moved slightly higher in the March event, reflecting a relatively stable market. The weighted average price of \$3,281/ton (\$1.49/lb.) is up 0.8% from February, after two straight months of declines. (see chart).

"There is still an element of uncertainty as to how supply and demand factors will influence prices over the coming months," says Paul Grave, manager of the auction. "Buyers are focused on ensuring their short- to medium-term supply requirements have been secured."

The weighted-average auction price for AMF fell for the second straight month, dropping to \$3,959/ton (\$1.80/lb.). This price is down 12.8% from January.

SMP was added to the auction lineup this month. In the initial tender, the weighted average SMP price was \$2,927/ton (\$1.33/lb.), higher than reported spot prices for Oceania-sourced SMP. Average prices were \$2,825/ton (\$1.28/lb.) for May, \$3,143/ton (\$1.43/lb.) for June-August and \$2,927/ton (\$1.33/lb.) for September-November.

Milk futures rallied across the board today. APR-OCT10 increased 32¢. [cme group](#)



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III [53 Pit, 1,150 Electronic]	1,203	30,355
Class IV	0	215
NDM (cash settle)	3	910
NDM (deliverable)	0	1
Dry whey	59	2,238
Butter (cash settle)	74	3,493

Options Volume and Open Interest

	Volume	Open Interest
Class III	1,788	55,108
Class III midi	0	408
Dry whey	0	624
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 \$1.3400 (NC) • Barrel cheese \$1.2900 (NC) • AA Butter \$1.4250 (+0.25) • NDM Extra Grade \$1.1200 (-12.00) • NDM Grade A \$1.1200 (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)

March 2 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	14.28	+1	23	3570	14.50 @ 0.00	NC	14.25 @ 0.00	-1	39.000	NC	109.500	NC	135.250	NC
MAR	13.14	+14	328	3698	13.25 @ 0.08	+4	13.00 @ 0.06	-6	35.750	NC	106.500	NC	143.500	NC
APR	13.18	+29	288	4187	13.25 @ 0.26	+11	13.00 @ 0.21	-14	32.000	NC	106.250	NC	146.500	+0.250
MAY	13.33	+23	248	3557	13.50 @ 0.38	+9	13.25 @ 0.42	-11	29.500	+0.500	108.000	NC	149.000	NC
JUN	14.04	+38	126	2924	14.25 @ 0.52	+16	14.00 @ 0.59	-20	29.750	+0.750	110.500	NC	151.000	+0.500
JUL	14.56	+39	89	2309	14.75 @ 0.62	+17	14.50 @ 0.67	-20	29.250	+0.250	112.750	NC	154.000	NC
AUG	15.11	+39	28	2155	15.25 @ 0.75	+18	15.00 @ 0.75	-20	29.500	NC	116.750	NC	155.500	+0.500
SEP	15.25	+32	33	2080	15.25 @ 0.88	+16	15.25 @ 0.88	-16	29.500	NC	117.500	NC	157.000	NC
OCT	15.25	+25	19	1936	15.25 @ 0.85	+13	15.25 @ 0.85	-12	29.750	NC	118.000	NC	159.000	NC
NOV	15.00	+10	7	1895	15.00 @ 0.88	+5	15.00 @ 0.88	-5	31.750	-0.725	118.500	NC	161.000	NC
DEC	15.04	+14	10	1831	15.25 @ 0.83	+7	15.00 @ 0.90	-7	30.250	-0.725	117.000	NC	159.720	NC
JAN11	14.59	-1	0	89	15.50 @ 0.00	NC	14.50 @ 0.00	NC	28.480	NC	111.000	NC	159.000	NC

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