

Daily Dairy Report

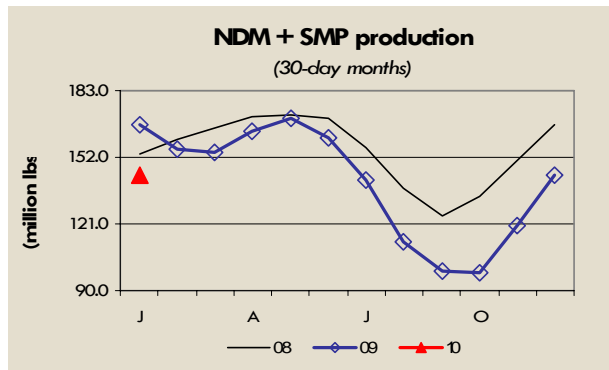
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NDM weaker

USDA's *Dairy Market News* reported higher international milk powder prices for the first time since late November. Oceania SMP is trading for \$1.13-\$1.44, up 4¢ from the Feb. 18 report on the mid-point of the range. "A majority of SMP has been committed for the season and sellers are working at moving their remaining powder," says *DMN*.

The U.S. market, however, continues to falter, despite shrinking production and inventories. Western NDM is trading for mostly \$1.00-\$1.07, *DMN* says, the lowest since early October. Further pressuring the market, USDA sold 23 million lbs. of older powder this week out of CCC stocks to The Seam, a Memphis-based on-line commodity trading firm, for 75¢/lb. "The product is restricted to animal feed use, though not denatured. More is still available for sale," *DMN* says.

In January, U.S. NDM/SMP production was 148.5 million lbs., down 13.9% from the prior year (see chart). Manufacturers stocks of NDM on Jan. 31 were 138.1 million lbs., down by about one-third from last year, USDA says. cme.com



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FUTURES & OPTIONS VOLUME AND OPEN INTEREST →

Futures Volume and Open Interest

	Volume	Open Interest
Class III	791	30,682
[2 Pit, 789 Electronic]		
Class IV	0	215
NDM (cash settle)	0	910
NDM (deliverable)	0	1
Dry whey	7	2,239
Butter (cash settle)	78	3,509

Options Volume and Open Interest

	Volume	Open Interest
Class III	728	55,317
Class III midi	36	454
Dry whey	20	644
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 \$1.3050 (-1.50) • Barrel cheese \$1.2500 (-3.25) • AA Butter \$1.4400 (+1.00) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1100 (-1.00) **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 4 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	14.29	NC	2	3559	14.50 @ 0.00	NC	14.25 @ 0.00	NC	39.000	NC	109.500	NC	135.250	NC
MAR	12.88	-12	161	3838	13.00 @ 0.07	-5	12.75 @ 0.06	+3	37.750	+1.250	106.500	NC	144.000	NC
APR	12.87	-14	213	4268	13.00 @ 0.22	-7	12.75 @ 0.23	+5	32.750	+0.750	108.000	+1.500	147.000	+0.250
MAY	13.09	-4	141	3608	13.25 @ 0.37	-2	13.00 @ 0.40	+2	29.500	NC	109.500	+1.500	150.000	+0.750
JUN	13.88	-2	84	2949	14.00 @ 0.55	-1	13.75 @ 0.54	+1	29.750	NC	111.500	+1.000	151.000	NC
JUL	14.52	+4	56	2320	14.75 @ 0.59	+1	14.50 @ 0.69	-2	29.500	+0.250	113.500	NC	154.500	NC
AUG	15.05	+5	36	2187	15.25 @ 0.71	+2	15.00 @ 0.78	-2	30.000	NC	116.750	NC	155.500	NC
SEP	15.19	+1	32	2089	15.25 @ 0.84	NC	15.00 @ 0.77	-1	30.500	+0.500	117.500	NC	158.500	+0.480
OCT	15.19	NC	44	1945	15.25 @ 0.81	NC	15.00 @ 0.74	-1	30.000	NC	118.500	NC	159.000	NC
NOV	14.98	+3	4	1902	15.00 @ 0.86	NC	14.75 @ 0.76	-1	32.000	+0.250	119.500	NC	161.000	NC
DEC	14.96	-3	16	1820	15.00 @ 0.90	-1	14.75 @ 0.81	+1	30.250	NC	117.000	NC	160.750	+0.250
JAN11	14.56	-3	1	90	15.50 @ 0.63	-1	14.50 @ 0.96	+1	28.480	NC	111.000	NC	159.000	NC

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