

Daily Dairy Report

Vol. 14, No. 43 / March 5, 2010

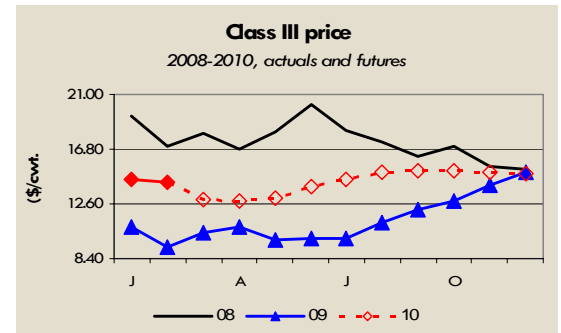
February Class III: \$14.28

Milk futures were mixed today – up slightly in the front months and down slightly in a few of the back months. For the week, JUN-OCT10 contracts were up 39¢. Blocks were down for the third straight week – falling below \$1.30 today for the first time since mid-September – and barrels were off for the fifth week in a row. Buyers are content to remain on the sideline until prices stop declining.

Spot butter gained 4.5¢ for the second straight week. The price is up 12.25¢ in the last month. Butter futures were slightly higher this week in the front months – up 1.1¢ in the MAR-JUN10 contracts.

The February Class III price is \$14.28, down 22¢ from January (see chart). Class III futures for both March and April are below \$13.00, reflecting the weakness in the cheese market over the last month. The February Class IV is \$12.90, down 95¢.

NASS dairy product prices for the week ending Feb. 27: cheddar blocks \$1.4921 (-1.38¢ vs. the prior week); barrels \$1.4661 (-3.44¢); butter \$1.3592 (+1.85¢); nonfat dry milk \$1.0448 (-2.49¢); dry whey 38.94¢ (-0.52¢). cme.com



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 [43 Pit, 901 Electronic]	944	31,022
Class IV	0	215
NDM (cash settle)	82	983
NDM (deliverable)	0	1
Dry whey	43	2,248
Butter (cash settle)	14	3,514

Options Volume and Open Interest

	Volume	Open Interest
Class III	539	55,446
Class III midi	0	454
Dry whey	0	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 \$1.2975 (-0.75) • Barrel cheese \$1.2500 (NC) • AA Butter \$1.4500 (+1.00) • NDM Extra Grade \$1.1200 (NC) • NDM Grade A \$1.1100 (NC) **MILK PRICES** (with change, in dollars, from previous month): February Class III milk (USDA) \$14.28 (-\$0.22) • February Class IV milk (USDA) \$12.90 (-\$0.95)

March 5 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. (¢)
MAR10	12.89	+1	134	3888	13.00 @ 0.07	NC	12.75 @ 0.06	NC	37.750	NC	106.500	NC	145.000	+1.000
APR	12.89	+2	278	4381	13.00 @ 0.23	+1	12.75 @ 0.22	-1	32.950	+0.200	108.000	NC	147.000	NC
MAY	13.14	+5	186	3729	13.25 @ 0.39	+2	13.00 @ 0.38	-2	30.000	+0.500	109.500	NC	150.000	NC
JUN	13.95	+7	84	2970	14.00 @ 0.58	+3	13.75 @ 0.50	-4	29.750	NC	112.500	+1.000	151.000	NC
JUL	14.55	+3	56	2332	14.75 @ 0.61	+2	14.50 @ 0.67	-2	30.000	+0.500	114.000	+0.500	154.000	-0.500
AUG	15.10	+5	44	2204	15.25 @ 0.74	+3	15.00 @ 0.75	-3	31.000	+1.000	116.750	NC	155.500	NC
SEP	15.23	+4	87	2110	15.25 @ 0.86	+2	15.00 @ 0.75	-2	31.000	+0.500	117.500	NC	158.250	-0.250
OCT	15.20	+1	36	1958	15.25 @ 0.82	+1	15.00 @ 0.74	NC	31.500	+1.500	118.500	NC	159.000	NC
NOV	14.98	NC	14	1902	15.00 @ 0.86	NC	14.75 @ 0.76	NC	32.250	+0.250	119.500	NC	161.000	NC
DEC	14.94	-2	18	1824	15.00 @ 0.88	-2	14.75 @ 0.81	NC	30.750	+0.500	117.000	NC	160.750	NC
JAN11	14.55	-1	0	90	15.50 @ 0.62	-1	14.50 @ 0.97	+1	29.000	+0.525	111.000	NC	159.000	NC
FEB	14.30	-5	0	43	14.50 @ 0.93	-2	14.00 @ 0.86	+2	28.500	+0.500	111.000	NC	160.000	NC

The Daily Dairy Report is published by **Alan Levitt**. Please forward to others that may benefit from this information. To subscribe visit www.dailydairyreport.com.

Disclaimer: The *Daily Dairy Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance.

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex® and CME® are trademarks of Chicago Mercantile Exchange, Inc. CBOT® is the trademark of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Copyright © 2010 CME Group. All rights reserved.