

Daily Dairy Report

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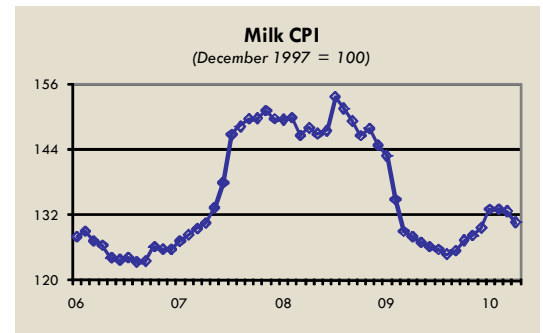
Europe will release intervention stocks

The European Commission agreed to release a portion of its intervention stocks back onto the market – reportedly up to 143 million lbs. of SMP and 55 million lbs. of butter. Stocks will be sold through tenders, with the first round of bids due June 1.

Europe's action has reined in some of the enthusiasm in the U.S. milk powder market. Western NDM is trading for mostly \$1.26-\$1.32 this week, says USDA's *Dairy Market News*, unchanged from last week after 10 straight weeks of gains. Spot NDM (Grade A) dropped 3.5¢ this morning. NDM futures were 1-2¢ lower. CME Group's new International SMP futures contract opens Monday.

Retail milk prices dropped 1.6% in April (vs. March), reflecting a dip in Class I prices. The Milk CPI was 130.5, according to Bureau of Labor Statistics Consumer Price Index data (see chart). Retail cheese prices have held steady this year; the April Cheese CPI was 202.9, down 0.5% from March. Retail butter prices, in contrast, have been volatile. The butter CPI bounced back in April, rising 5.1% to an Index of 170.0.

CME Group will host a free seminar/webinar, "Distillers Dried Grains Impact on Livestock Markets," May 26, 2pm CT. Attend in person at CME Group in Chicago, or online. Register at www.cmegroup.com/ddgwebinar. See attached flyer for more information. **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 [21 Pit, 1,153 Electronic]	1,174	29,515
Class IV	35	319
NDM (cash settle)	10	931
Dry whey	117	1,898
Butter (cash settle)	81	4,215

Options Volume and Open Interest

	Volume	Open Interest
Class III	551	45,081
Class III midi	0	522
Dry whey	0	365
Butter (cash settle)	0	60

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.4875 (+1.25) • Barrel cheese \$1.4675 (+2.75) • AA Butter \$1.5825 (NC) • NDM Extra Grade \$1.3000 (NC) • NDM Grade A \$1.3000 (-3.50) **MILK PRICES** (with change, in dollars, from previous month): April Class III milk (USDA) \$12.92 (+\$0.14) • April Class IV milk (USDA) \$12.73 (+\$0.81)

May 20 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. (¢)		
MAY10	13.38	+2	54	4578	13.50 @ 0.01	NC	13.25 @ 0.01	NC	35.500	+0.500	122.250	NC	158.250	NC		
JUN	13.83	+8	255	4525	14.00 @ 0.19	+3	13.75 @ 0.23	-4	34.000	+1.000	127.000	NC	160.000	NC		
JUL	14.07	-2	226	4215	14.25 @ 0.36	-2	14.00 @ 0.41	+1	33.000	NC	124.000	-1.250	162.500	NC		
AUG	14.54	-7	123	3451	14.75 @ 0.56	-4	14.50 @ 0.63	+3	32.500	-0.500	124.000	-1.750	165.000	NC		
SEP	14.76	-9	196	3321	15.00 @ 0.64	-4	14.75 @ 0.74	+4	32.500	-0.500	124.000	-2.000	167.000	NC		
OCT	14.78	-2	100	3092	15.00 @ 0.70	-1	14.75 @ 0.78	NC	32.750	-0.250	124.000	-1.000	167.000	NC		
NOV	14.75	+5	71	2957	14.75 @ 0.80	+3	14.75 @ 0.80	-2	33.000	-0.750	124.000	-1.000	167.000	NC		
DEC	14.70	+2	70	2732	14.75 @ 0.82	+1	14.50 @ 0.74	-1	33.500	-0.500	124.000	-1.000	169.000	NC		
JAN11	14.61	-2	71	282	15.00 @ 0.71	-1	14.50 @ 0.82	+1	31.750	NC	124.000	-1.000	162.000	NC		
FEB	14.65	NC	7	98	15.00 @ 0.77	-1	14.50 @ 0.85	NC	31.000	NC	124.000	-1.000	160.000	NC		
MAR	14.69	NC	1	62	15.00 @ 0.84	NC	14.50 @ 0.88	NC	29.250	NC	124.000	-1.000	162.000	NC		
APR	14.73	NC	0	46	15.00 @ 0.90	NC	14.00 @ 0.67	NC	27.500	NC	117.000	NC	155.000	NC		

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