

Daily Dairy Report

Vol. 14, No. 100 / May 25, 2010

Big losses on Class III futures

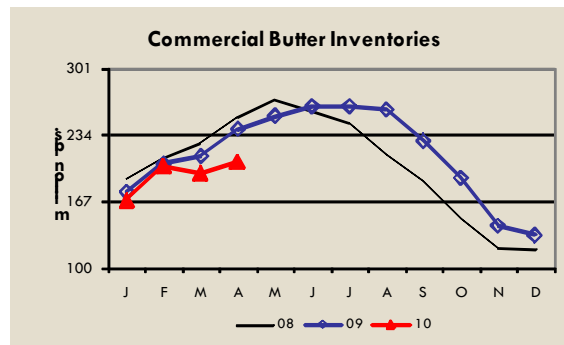
Milk futures crashed today on declines in barrels (-1.75¢) and butter (-2.75¢). Class III futures covering the second half of the year fell 39¢, to \$14.23. JUL and SEP hit new lows of \$13.50 and \$14.39, respectively, while AUG matched its lowest close of \$14.00.

The drop in spot butter sent butter futures lower again as well. The butter market has weakened despite virtually no inventory build-up this spring. In March and April, butter stocks increased just 4.3 million lbs. (see chart), the smallest increase since 2004, according to USDA. Over the last 10 years, inventories have expanded by an average of 37.7 million lbs. during the March-April period.

There were no trades today in International SMP futures.

Holiday schedule: CME Group will be closed Monday, May 31, in observance of Memorial Day. Regular trading hours are in effect for Friday, May 28.

CME Group will host a free seminar/webinar, "Distillers Dried Grains Impact on Livestock Markets," tomorrow, 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 [0 Pit, 453 Electronic]	453	29,941
Class IV	4	351
NDM (cash settle)	4	1,106
Dry whey	20	1,934
Butter (cash settle)	66	4,284

Options Volume and Open Interest

	Volume	Open Interest
Class III	224	45,548
Class III midi	0	537
Dry whey	0	365
Butter (cash settle)	5	65

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

SPOT PRICES (with change, in cents, from previous day): Block cheese \$1.5000 (NC) • Barrel cheese \$1.4600 (-1.75) • AA Butter \$1.5375 (-2.750) • NDM Extra Grade \$1.2900 (NC) • NDM Grade A \$1.3000 (NC) **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 25 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 from previous day	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
MAY10	13.37	+1	7	4553	13.50 @ 0.00	NC	13.25 @ 0.00	NC	36.000	NC	125.500	NC	158.300	NC
JUN	13.60	-26	90	4520	13.75 @ 0.14	-14	13.50 @ 0.16	+8	33.500	+1.500	126.000	-1.000	155.000	-3.000
JUL	13.50	-55	164	4294	13.50 @ 0.39	NA	13.50 @ 0.39	+21	33.000	NC	124.250	+0.250	159.000	-1.750
AUG	14.00	-53	86	3513	14.25 @ 0.50	-29	14.00 @ 0.62	+22	32.500	NC	124.000	NC	159.000	-2.000
SEP	14.39	-41	36	3406	14.50 @ 0.66	-24	14.25 @ 0.64	+16	32.500	NC	124.750	-0.250	160.000	NC
OCT	14.48	-33	14	3174	14.50 @ 0.76	-19	14.25 @ 0.66	+13	33.250	+1.000	123.000	-1.000	159.500	-1.000
NOV	14.50	-27	26	3036	14.50 @ NA	NA	14.50 @ NA	NA	33.750	+1.500	123.000	-1.000	160.000	-2.750
DEC	14.52	-23	20	2822	14.75 @ NA	NA	14.50 @ NA	NA	33.250	+1.250	123.000	-1.000	165.000	NC
JAN11	14.42	-21	6	308	14.50 @ 0.82	-12	14.25 @ 0.77	+8	31.500	NC	124.000	NC	160.000	NC
FEB	14.65	+2	4	105	15.00 @ 0.77	+1	14.50 @ 0.84	-1	30.250	-0.250	124.000	NC	160.000	NC
MAR	14.69	NC	0	68	15.00 @ 0.83	NC	14.50 @ 0.87	NC	29.250	NC	124.000	NC	160.000	NC
APR	14.61	-12	0	46	15.00 @ 0.83	-6	14.00 @ 0.71	+4	27.500	NC	117.000	NC	155.000	NC

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