



# Daily Dairy Report

Dairy market information provided by Alan Levitt and distributed courtesy of Chicago Mercantile Exchange Inc.

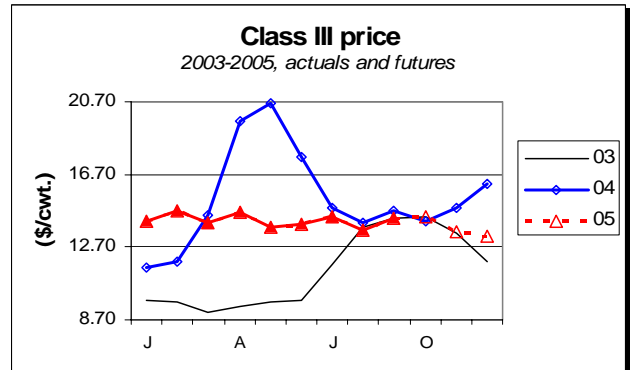
## MARKET SITUATION

We come to the end of the 3<sup>rd</sup> quarter with blocks holding firm, barrels declining for 8 straight days (stretching the spread to 15.75¢), butter falling 9.25¢ in 5 days and whey and NFDM markets continuing to strengthen. Milk futures were steady this week, while butter futures were lower in the front months.

“Milk production patterns across the country continue to vary from slightly higher to slightly lower,” says USDA’s *Dairy Market News*. Output in the Midwest and Northeast is steady, steady to generally higher in California, *DMN* says.

The Class III price for September is \$14.30, up 70¢ from August, but down 42¢ from a year ago (see chart above).

NASS dairy product prices for the week ending Sept. 24: cheddar blocks \$1.5242 (+5.10¢ vs. the prior week); barrels \$1.5039 (+0.90¢); butter \$1.7005 (+2.07¢); nonfat dry milk 96.70¢ (-0.81¢); dry whey 29.94¢ (+0.30¢). □



## SEPTEMBER 30 TRADING ACTIVITY

	Class III Futures				Class III Options Calls		Class III Options Puts		Class IV Futures		Butter Futures - Physical delivery		Butter Futures - Cash settle	
	Settle (\$)	chg (¢)	Vol.*	Open int.*	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (\$)	chg. (¢)	Settle (¢)	chg. (¢)	Settle (¢)	chg. (¢)
OCT 05	14.36	+4	55	2607	14.50 @ .05	+1	14.25 @ .08	NC	13.00	NC	164.000	-0.500	164.250	-1.000
NOV	13.55	+3	72	1997	13.75 @ .20	+1	13.50 @ .27	-1	12.90	NC			162.000	-0.500
DEC	13.30	+4	36	1781	13.50 @ .25	+1	13.25 @ .32	-2	12.80	NC	160.000	NC	159.000	-0.500
JAN 06	12.80	+2	33	1251	13.00 @ .33	+1	12.75 @ .39	-1					155.000	-1.750
FEB	12.52	+2	36	1143	12.75 @ .35	+1	12.50 @ .44	-1					155.000	NC
MAR	12.58	NC	28	1136	12.75 @ .41	NC	12.50 @ .45	NC			154.000	+1.000	153.750	NC
APR	12.51	NC	22	1081	12.75 @ .42	NC	12.50 @ .52	NC					153.000	NC
MAY	12.55	NC	15	955	12.75 @ .47	NC	12.50 @ .54	NC			153.000	NC	152.250	NC
JUN	12.69	-5	17	932	12.75 @ .57	-3	12.50 @ .50	+1					154.000	NC
JUL	13.16	NC	33	744	13.25 @ .62	NC	13.00 @ .58	NC			154.000	NC	155.000	NC
AUG	13.28	NC	31	670	13.50 @ .59	NC	13.25 @ .67	-1			154.000	NC	155.000	NC
SEP	13.77	+2	32	772	14.00 @ .64	+1	13.75 @ .61	-1			154.000	NC	155.000	NC
Futures Vol. & (open int)*	503 (20,431)								0 (34)		16 (665)		29 (83)	
Options Vol. & (open int)*	187 (6,860)			Midi: 0 (136)							0 (42)			
<b>CASH - CME: Current**</b>	<b>September Milk Class III (USDA) = \$14.30 Class IV (USDA) = \$13.75</b>				<b>Block cheese = 159.50 (NC) Barrel cheese = 143.75 (-0.25) AA Butter = 164.75 (-2.25)</b>				<b>NFDM XGr = 96.25 (NC) NFDM GrA = 98.25 (NC)</b>					

\* - Volume and open interest from previous day.

\*\* - For cash cheese, butter and nfdm, changes from previous trading day in parentheses.



The author uses sources believed to be reliable, but the accuracy of any of the data included in this report cannot be warranted. Use the CME Daily Bulletins at [cme.com](http://cme.com) for official daily price settlements. For more information about the Dairy Markets, contact Chicago Mercantile Exchange Inc., 312-930-4597. Copyright 2005. All rights reserved. Reproduction with permission only. The Daily Dairy Report is available on-line at [www.dailydairyreport.com](http://www.dailydairyreport.com).

For subscription information, call 815-459-1742.