



# Class IV Market News and Summary

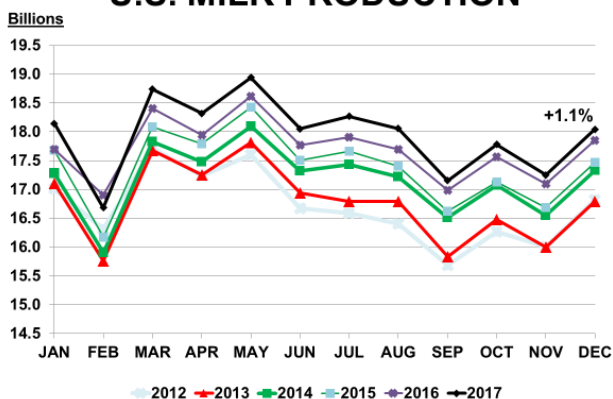
February 1, 2018

**The January Class IV price was \$13.13cwt.** Down \$0.38 cwt. from last month. Class IV projection for February is \$13.15 cwt.

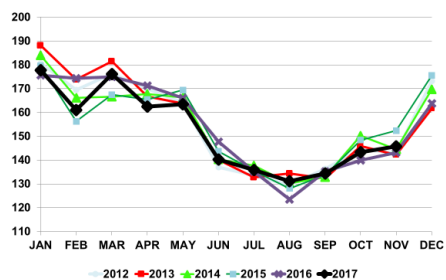
**The January Class III price was \$14.00 cwt.** Down \$1.44/cwt. from last month. Class III projection for January is \$13.30 cwt.

**Milk production** in the 23 major States during December totaled 17.0 billion pounds, up 1.1 percent from December 2016. Production per cow in the 23 major States averaged 1,943 pounds for December, 11 pounds above December 2016. The number of milk cows on farms in the 23 major States was 8.74 million head, 54,000 head more than December 2016, and 3,000 head more than November 2017.

## U.S. MILK PRODUCTION



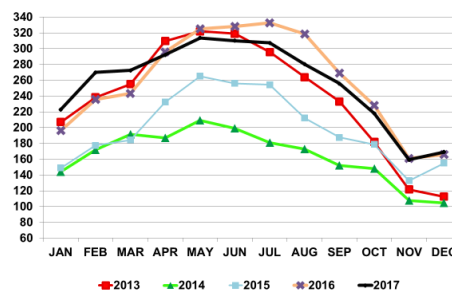
## U.S. BUTTER PRODUCTION



Total **butter production** for November was up 1.8% compared to November of 2016. YTD Butter production is down 15.2 million pounds representing a decline of .9%.

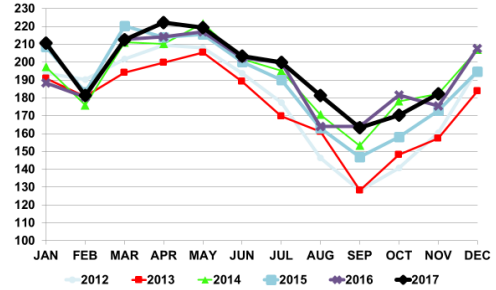
**Butter stocks** were up 6 percent from last month and up 2 percent from a year ago. Butter storage at the end of December is running 3 million pounds more than last year's December position. The inventory level the end of December looks in line with expectations. The inventory level represents about 5 weeks' worth of production.

## U.S. BUTTER IN COLD STORAGE

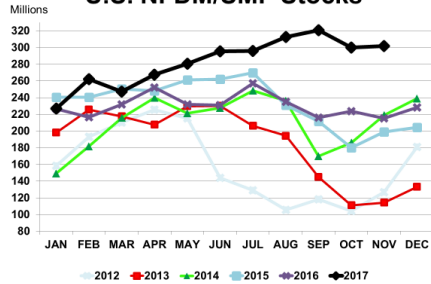


Combined nonfat and SMP production for November is up 3.9% from last year's November total.

### Skim/NFDM Production



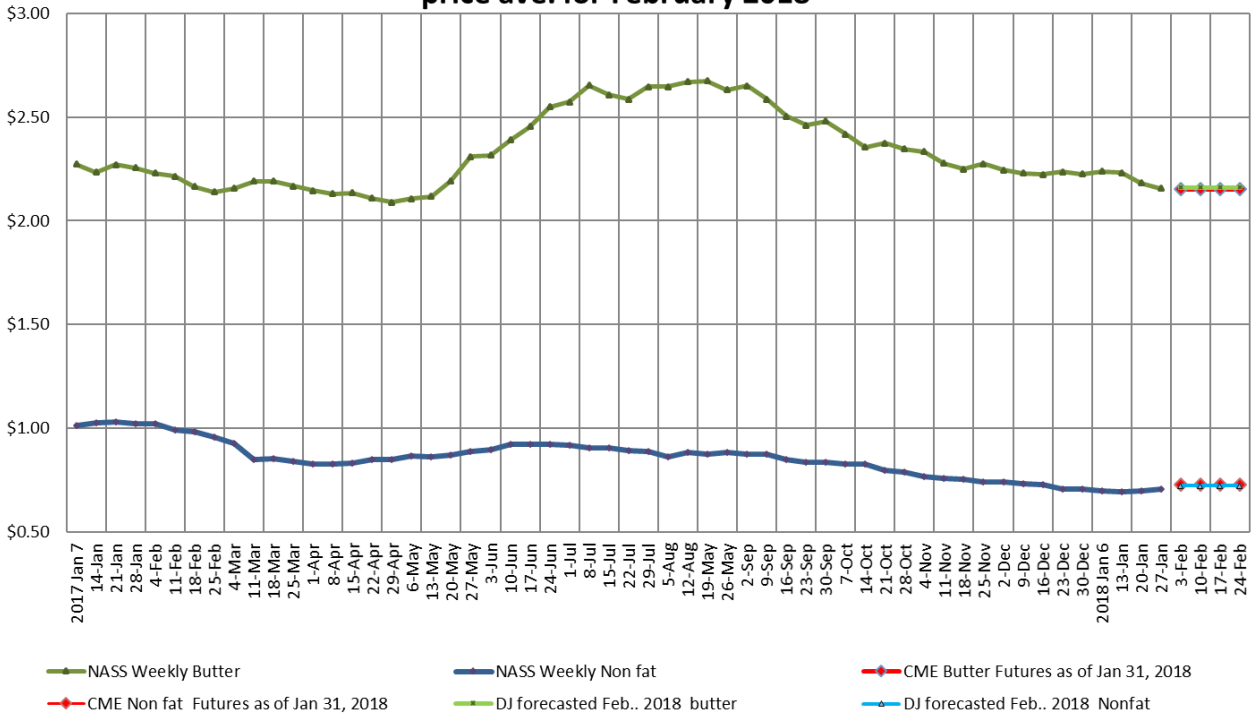
### U.S. NFDM/SMP Stocks



### Dry milk powders

Stocks for November are 301.6 Million lbs. Up 40% from November 2016, but up less than one percent from last month.

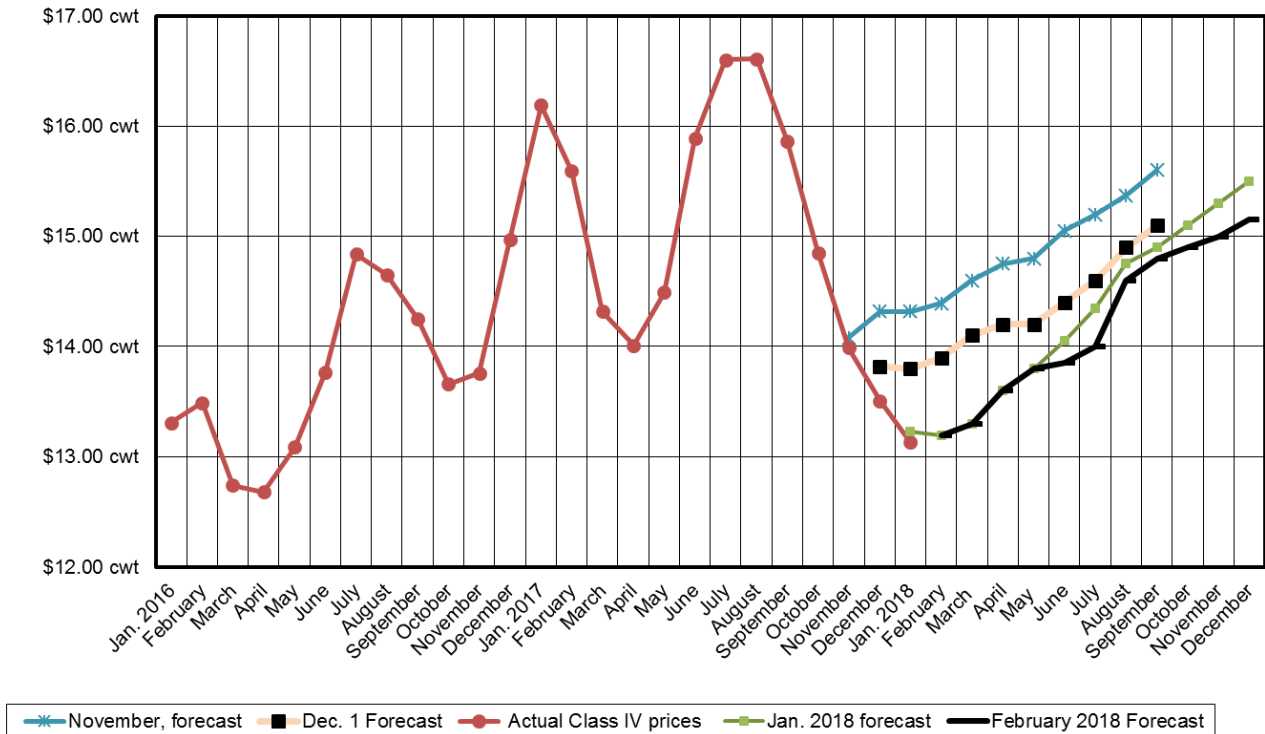
### Weekly NASS butter and nonfat powder prices Jan 2017- Jan 2018, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for February 2018



Projected Class IV prices as of February 1, 2018

Year	Month	Projected class IV price
2018	Feb	\$13.15
2018	March	\$13.30
2018	April	\$13.60
2018	May	\$13.80
2018	June	\$14.05
2018	July	\$14.35
2018	August	\$14.75
2018	September	\$14.90
2018	October	\$15.10
2018	November	\$15.30
2018	December	\$15.50

February 1, 2018 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson