



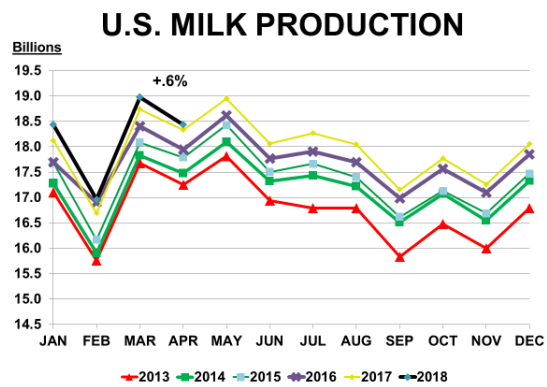
Class IV Market News and Summary

June 1, 2018

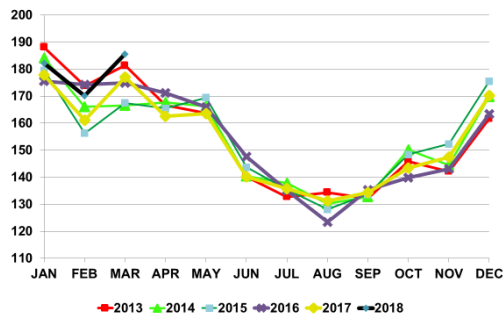
The May Class IV price was \$14.57 Up \$1.09 cwt. from last month. Class IV projection for June is \$15.35.

The May Class III price was \$15.18. Up \$0.71 cwt. from last month. Class III projection for June is \$15.60.

Milk production in the 23 major States during April totaled 17.3 billion pounds, up 0.7 percent from April 2017. Production per cow in the 23 major States averaged 1,982 pounds for April, 10 pounds above April 2017. The number of milk cows on farms in the 23 major States was 8.74 million head, 14,000 head more than April 2017, but 2,000 head less than March 2018.



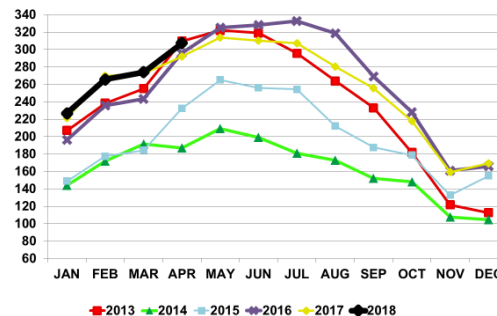
U.S. BUTTER PRODUCTION



Butter production March butter production was 186 million pounds, 4.8 percent above March 2017 and 9.1 percent above February 2018.

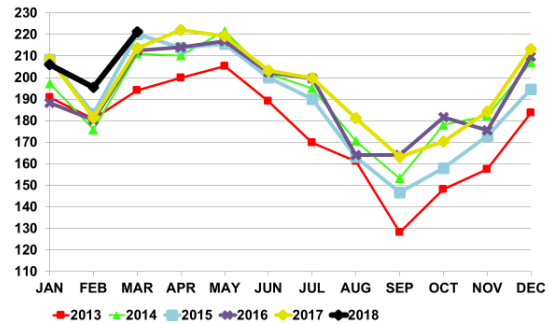
Butter Storage at the end of April is running 15.1 million pounds more than last year's April position representing a 5.1% increase over last year. The inventory level the end of April looks in line with expectations. The inventory level represents about 5 weeks' worth of production.

U.S. BUTTER IN COLD STORAGE

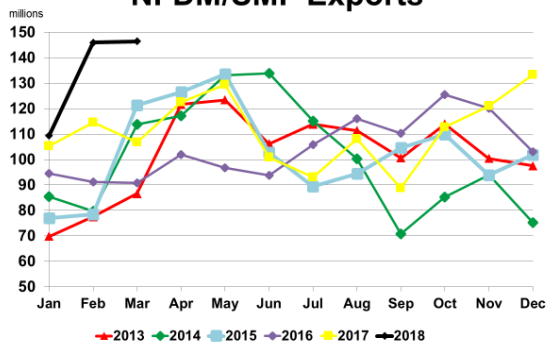


Dry milk Dry milk products (comparisons in percentage with March 2017) Nonfat dry milk, human 180 million pounds, up 12.0 percent. Skim milk powder 41.0 million pounds, down 22.2 percent. Combined nonfat and SMP production for March is up 3.6% from last year's March total

Skim/NFDM Production

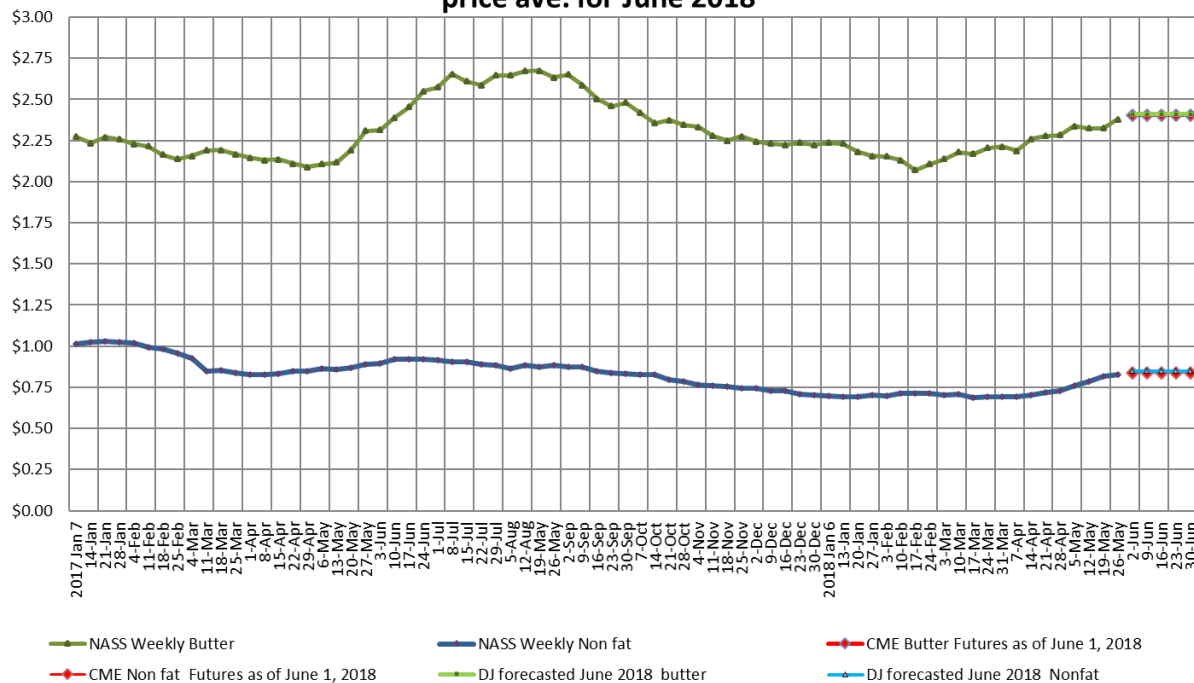


NFDM/SMP Exports



Nonfat exports for the month of March 2018 were up 39.7 million from last year's March total, representing a 37.2% increase over the month of March last year. YTD exports through March are up 75.3 million pounds representing an increase of 23.1% over last year's exports.

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



Projected Class IV prices as June 1, 2018

| Year | Month | Projected classIV price |
|-------------|-------------|-------------------------|
| 2018 | June | \$15.35 |
| 2018 | July | \$15.60 |
| 2018 | August | \$15.70 |
| 2018 | September | \$15.80 |
| 2018 | October | \$15.80 |
| 2018 | November | \$15.70 |
| 2018 | December | \$15.70 |
| 2019 | Jan | \$15.60 |
| 2019 | Feb | \$15.50 |
| 2019 | March | \$15.45 |

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

