



# Class IV Market News and Summary

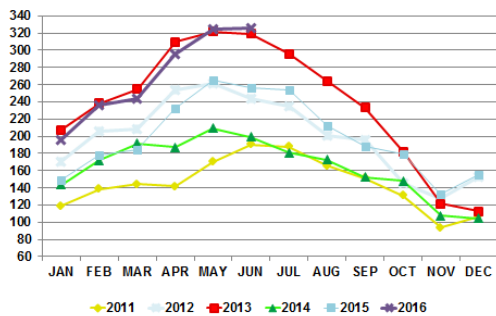
August 4, 2016

**The July Class IV price was \$14.84/cwt.** up \$1.07 /cwt. from the previous month. Class IV projection for August is \$14.76 /cwt.

**The July Class III price was \$15.24/cwt.** up 2.02/cwt. from the previous month. Class III projection for August is \$16.90/cwt.

**Milk production** in the 23 major States during June totaled 16.7 billion pounds, up 1.6 percent from June 2015. Production per cow in the 23 major States averaged 1,926 pounds for June, 26 pounds above June 2015. The number of milk cows on farms in the 23 major States was 8.65 million head, 17,000 head more than June 2015, and 3,000 head more than May 2016. Over all, production for the second quarter of 2016 was up 1.2 Percent over the second quarter of 2015

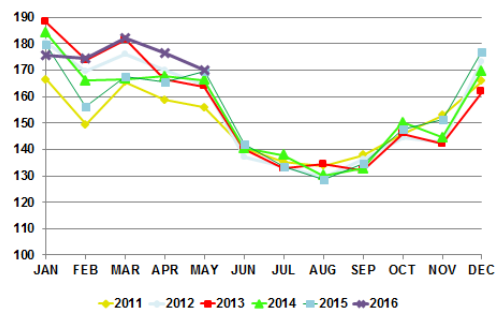
## U.S. BUTTER IN COLD STORAGE



**Butter** storage at the end of June is running 70 million pounds ahead of last year’s June’s position. During the past five years, the average drawdown of butter stocks in June has been 4.1 million lbs. This year, we increased stocks by 1.1 million lbs. This inventory level represents nearly 8 weeks’ worth of production.

**Butter production** for May was up .3% compared to May of 2015. The last three months of strong butter production surpassing the production levels of 2013 plus strong inventory growth should ease pressure on rising butter prices.

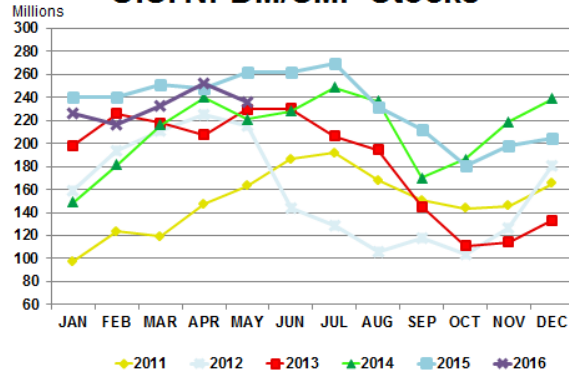
## U.S. BUTTER PRODUCTION



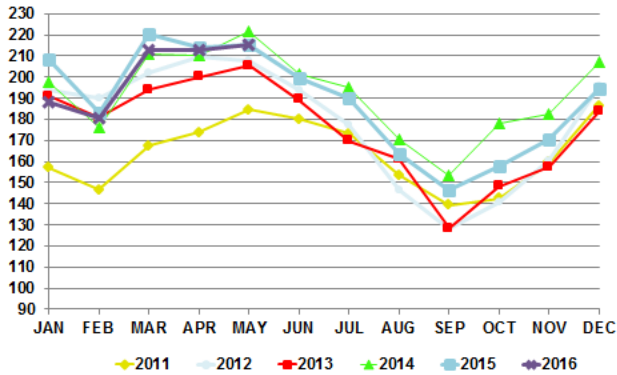
### Dry milk stocks

May inventories were down from the previous month and below May 2015 levels.

### U.S. NFDMS/SMP Stocks

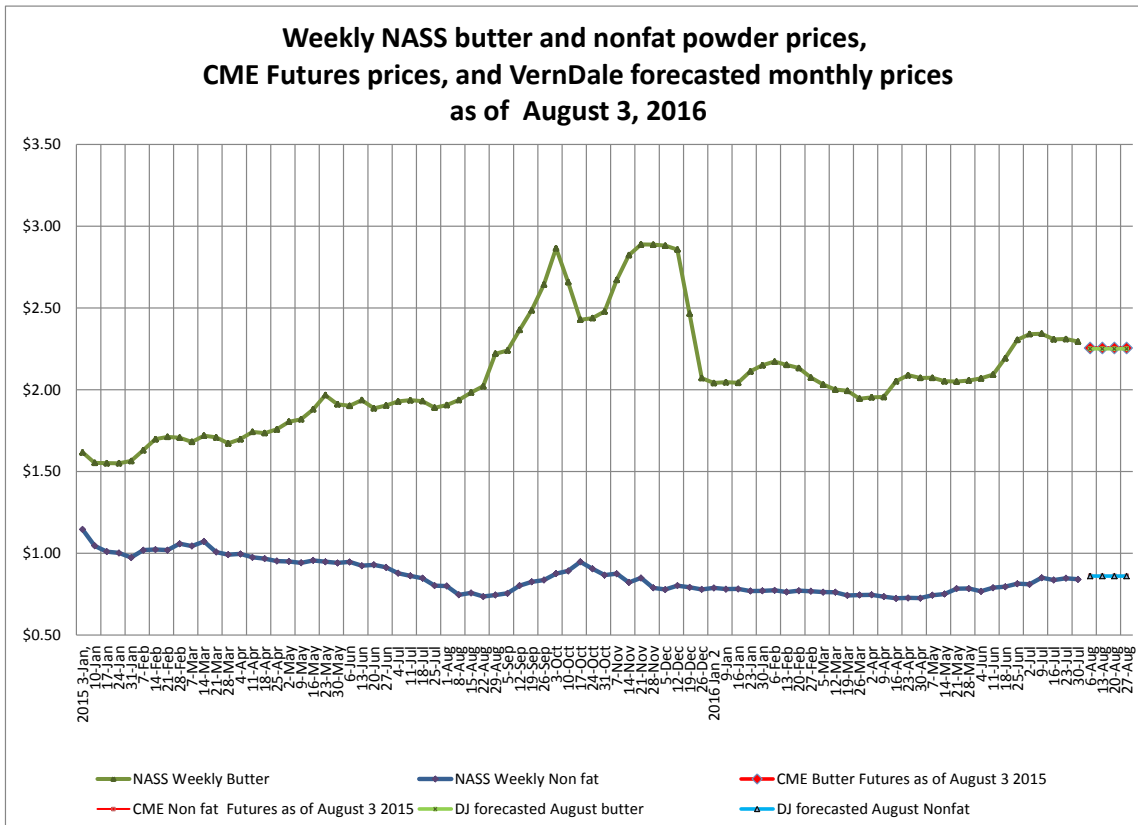


### Skim/NFDM Production



Combined nonfat and SMP production for May is down .74 million pounds or .2% from last year's May total. YTD production is down 3.1%.

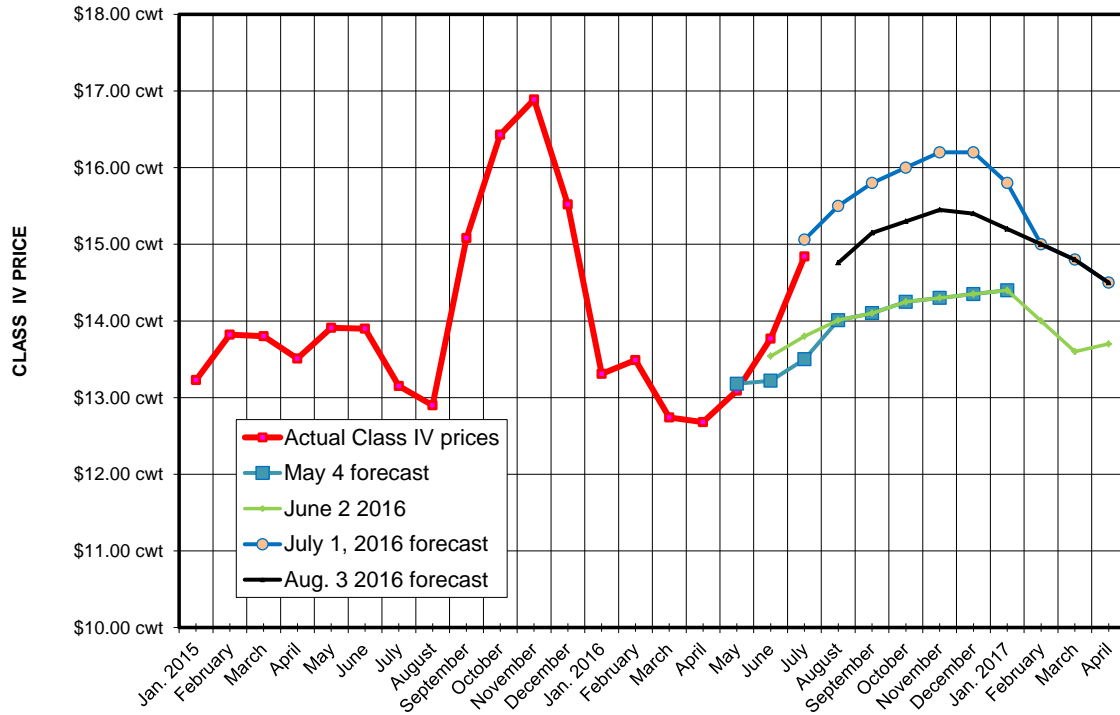
### Weekly NASS butter and nonfat powder prices, CME Futures prices, and VernDale forecasted monthly prices as of August 3, 2016



### VernDale Class IV forecast as of August 4, 2016

2016	Aug	\$14.76
2016	Sep	\$15.15
2016	Oct	\$15.30
2016	Nov	\$15.45
2016	Dec	\$15.40
2017	Jan	\$15.20
2017	Feb	\$15.00
2017	March	\$14.80
2017	April	\$14.50
2017	May	\$14.40

August 3, 2016 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson