



Class IV Market News and Summary

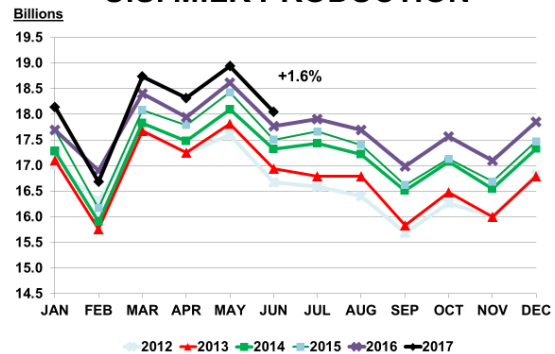
August 3, 2017

The July Class IV price was \$16.60/cwt. Up \$0.71 /cwt. from last month. Class IV projection for August is \$16.67 /cwt.

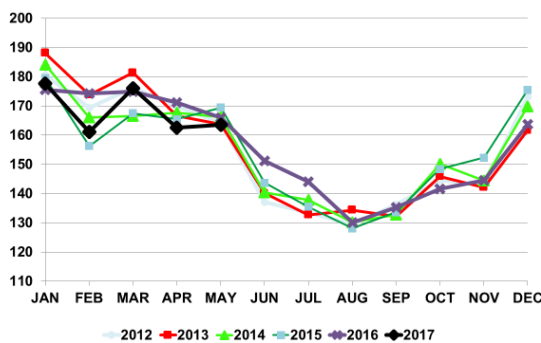
The July Class III price was \$15.45/cwt. Down \$0.99/cwt. from last month. Class III projection for August is \$16.32/cwt.

Milk production in the 23 major States during June totaled 16.9 billion pounds, up 1.7 percent from June 2016. Production per cow in the 23 major States averaged 1,939 pounds for June, 13 pounds above June 2016. The number of milk cows on farms in the 23 major States was 8.73 million head, 83,000 head more than June 2016, and 4,000 head more than May 2017

U.S. MILK PRODUCTION



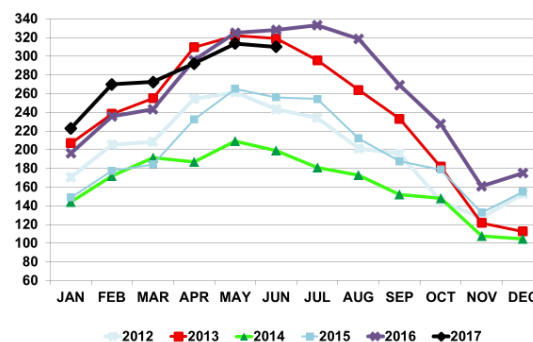
U.S. BUTTER PRODUCTION



Butter production for May was 164 million pounds, 1.5 percent below May 2016 but 0.6 percent above April 2017. YTD Butter production is down 21.2 million pounds representing a decline of 2.5%.

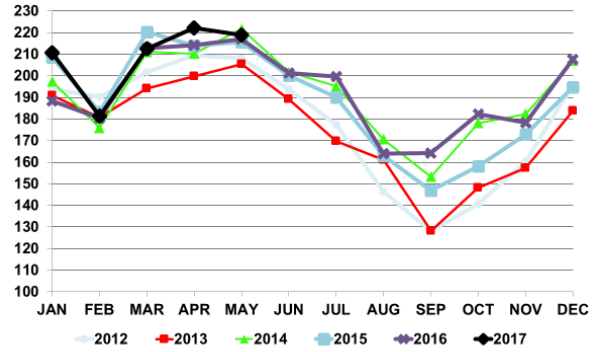
Butter storage at the end of June is running 13.2 million pounds less than last year's June position. The inventory level at the end of June looks slightly bullish at this time with European prices holding well above \$3.00 a pound. The inventory level represents about 5 weeks of production

U.S. BUTTER IN COLD STORAGE

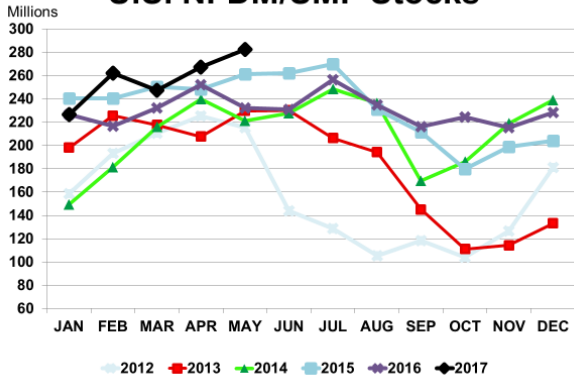


Dry milk powders (comparisons with May 2016) Nonfat dry milk, human -168 million pounds, up 1.2percent. Skim milk powders -51.0 million pounds, up slightly.

Skim/NFDM Production

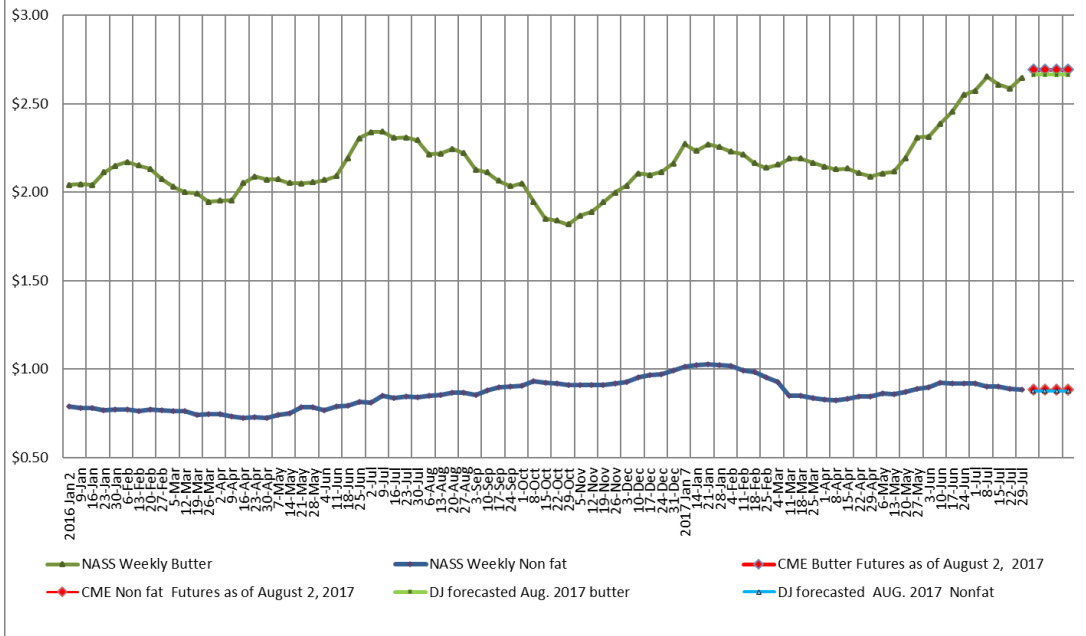


U.S. NFDM/SMP Stocks



NonFat Stocks at the end of May were 282,289 lbs. 22% greater than May 2016 and 5.5% greater than last month.

Weekly NASS butter and nonfat powder prices, and CME Futures prices, VernDale forecasted Butter and Nonfat powder prices as of August 3, 2017



Projected Class IV prices as of August 3, 2017

Year	Month	Projected classIV price
2017	August	\$ 16.67
2017	September	\$ 17.03
2017	October	\$ 17.15
2017	November	\$ 17.10
2017	December	\$ 16.65
2018	Jan	\$ 16.05
2018	Feb	\$ 15.94
2018	March	\$ 15.95
2018	April	\$ 15.98
2018	May	\$ 16.02
2018	June	\$ 16.20
2018	July	\$ 16.39

August 3 2017 VernDale Class IV Forecast vs. Past Months Forecasts

