



# Class IV Market News and Summary

September 1, 2017

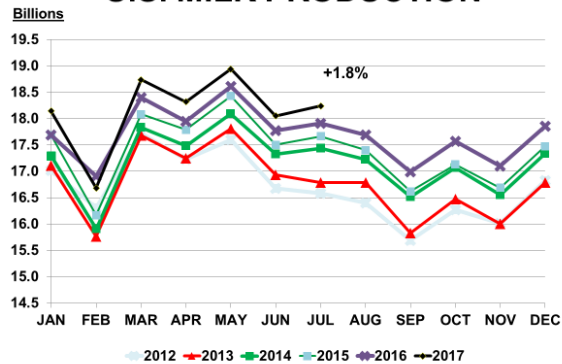
**HAPPY LABOR DAY!**

**The August Class IV price was \$16.61/cwt.** Up \$0.01 /cwt. from last month. Class IV projection for September is \$16.44 /cwt.

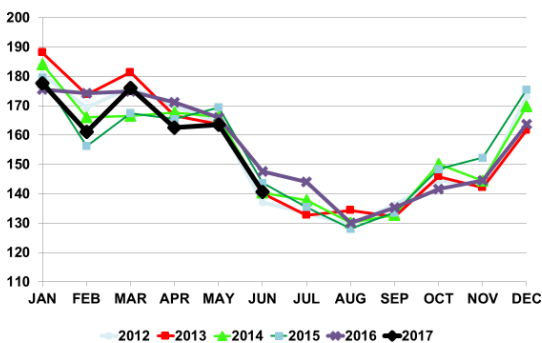
**The August Class III price was \$16.57/cwt.** Up \$1.12/cwt. from last month. Class III projection for September is \$16.32/cwt.

**Milk production** in the 23 major States during July totaled 17.2 billion pounds, up 1.9 percent from July 2016. Production per cow in the 23 major States averaged 1,969 pounds for July, 21 pounds above July 2016. The number of milk cows on farms in the 23 major States was 8.73 million head, 72,000 head more than July 2016, but 1,000 head less than June 2017.

## U.S. MILK PRODUCTION



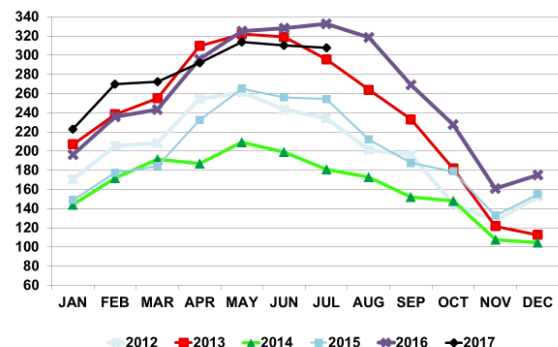
## U.S. BUTTER PRODUCTION



**Butter production** for June was 141 million pounds, 4.8 percent below June 2016 and 14.0 percent below May 2017. Butter production for July won't be released until next week. If production continues to be lower markets could start to worry about supplies for the upcoming holidays.

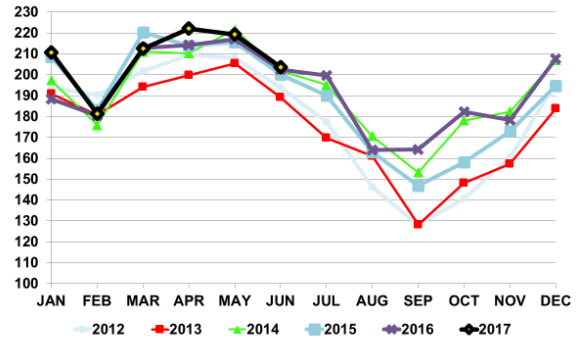
**Butter storage** at the end of July is running 25.1 million pounds less than last year's July position. The July ending inventories looks slightly bullish with European prices holding well above \$3.00 a pound. YTD storage for 2017 appears slightly less than industry expectations, yet CME spot butter prices have been falling over the past few weeks.

## U.S. BUTTER IN COLD STORAGE

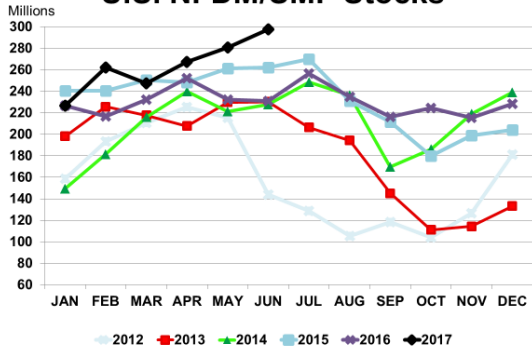


**Dry milk** production (comparisons with June 2016) Nonfat dry milk, human 164 million pounds, up 11.6 percent. Skim milk powders 40.0 million pounds, down 28.4 percent.

### Skim/NFDM Production

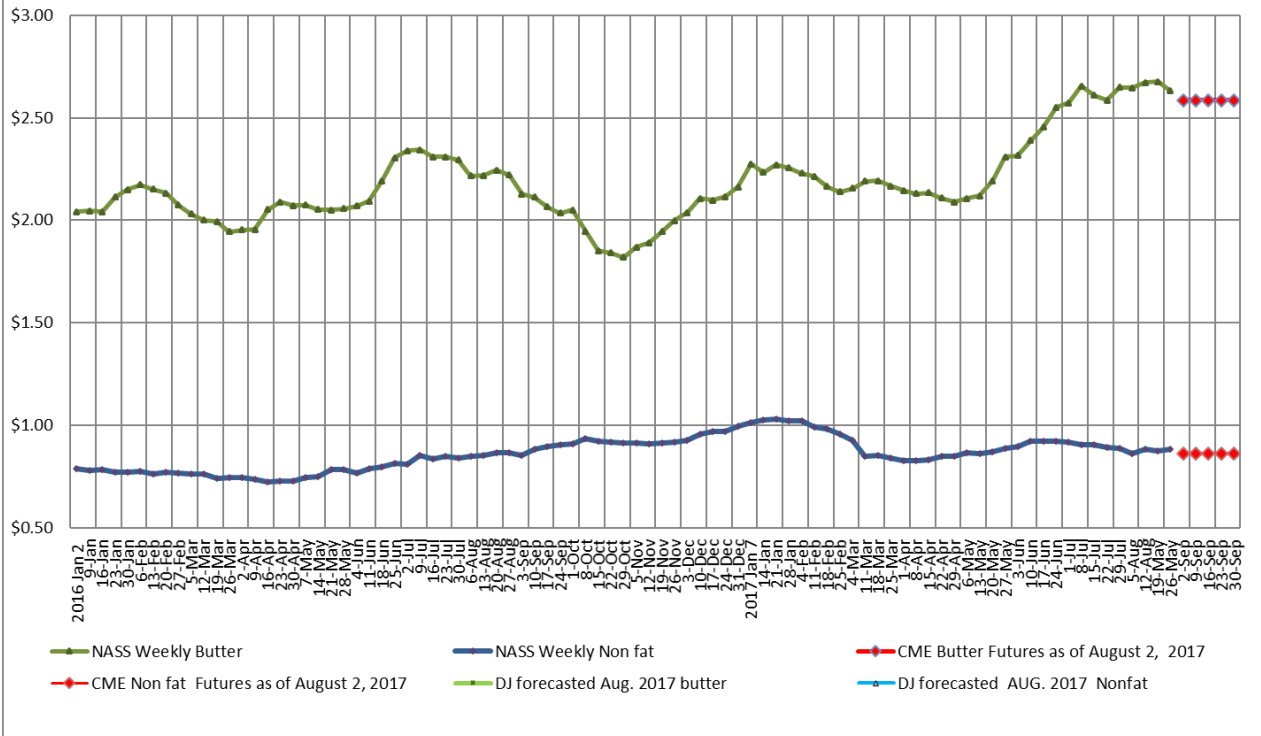


### U.S. NFDM/SMP Stocks



**Nonfat Stocks** at the end of June were 297.5 million lbs. lbs. almost 29% greater than June 2016 and 6.2% greater than last month, higher stocks will continue to put downward pressure on prices.

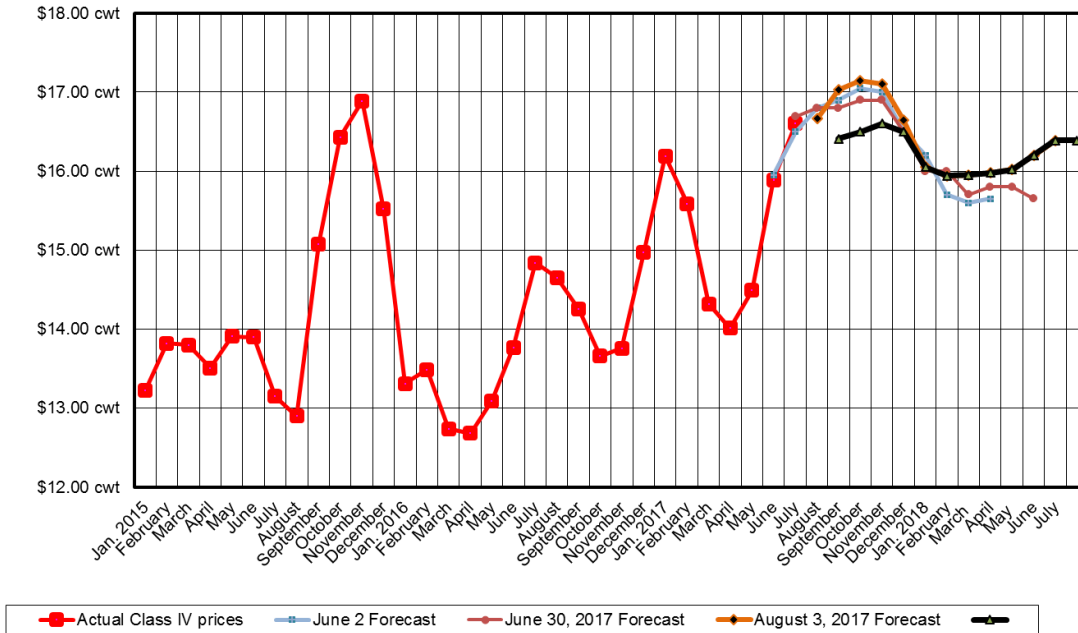
### Weekly NASS butter and nonfat powder prices, and CME Futures prices, VernDale forecasted Butter and Nonfat powder prices as of September 1, 2017



Projected Class IV prices as of September 1, 2017

Year	Month	Projected classIV price
2017	September	\$ 16.44
2017	October	\$ 16.50
2017	November	\$ 16.60
2017	December	\$ 16.50
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

September 1, 2017 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson