



## Class IV Market News and Summary

February 1, 2019

**The December Class IV price was \$15.48 up \$0.39 cwt. from the previous month. Class IV projection for February is \$15.90**

**The December Class III price was \$13.96, up \$0.18 cwt. from the previous month. Class III projection for February is \$14.10.**

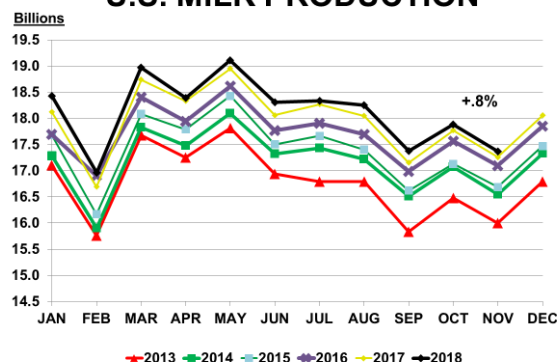
**The Government shut down disrupted many NASS and AMS reports. As a result, graphs and information on page 1 below, and all of page 2 remain unchanged from December's report.**

**Milk production** in the 23 major States during November totaled 16.4 billion pounds, up 0.8 percent from November 2017

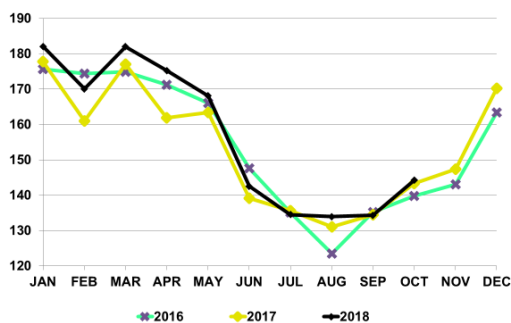
**Production per cow** in the 23 major States averaged 1,877 pounds for November, 18 pounds above November 2017.

**The number of milk cows** on farms in the 23 major States was 8.72 million head, 16,000 head less than November 2017, and 8,000 head less than October 2018.

### U.S. MILK PRODUCTION



### U.S. BUTTER PRODUCTION

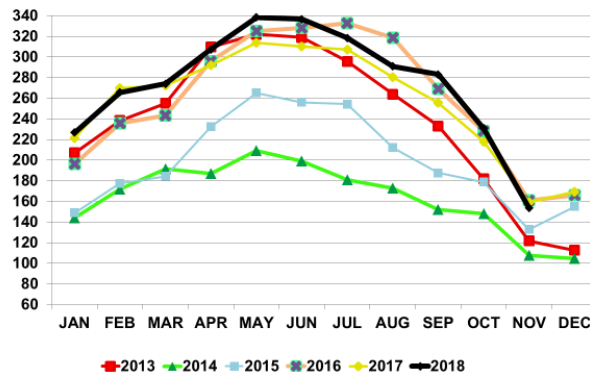


**Butter** production for October was 144 million pounds, 0.3 percent below October 2017 but 0.7 percent above September 2018.

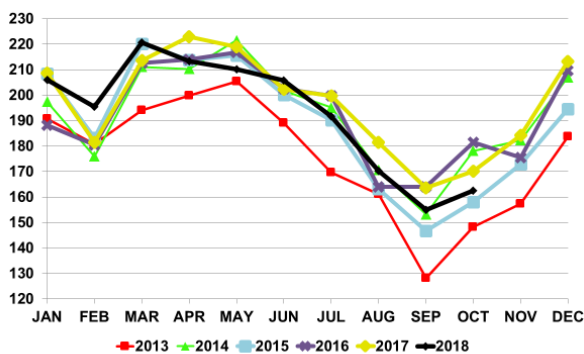
**Due to the government shutdown, the November butter production report's release will be delayed.**

**Butter stocks** were down 33 percent from October 2019 and down 3 percent from a November 2018. U.S. butter inventories dropped to a three-year low in November of 153.7 million pounds. According to USDA's Cold Storage report, butter stocks declined 77 million pounds from October to November, marking the largest November drawdown since USDA began keeping records in 1915. Inventories were down 3.5% from a year ago, the widest year-over-year deficit in 13 months

### U.S. BUTTER IN COLD STORAGE



### Skim/NFDM Production



### Combined Dry milk products for October compared to October 2017

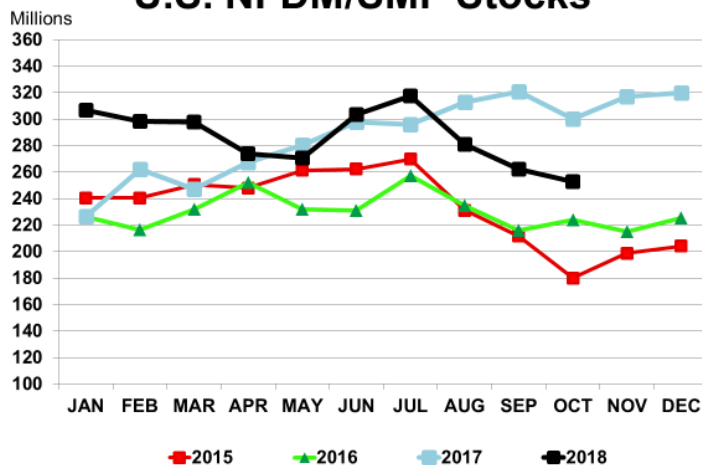
Nonfat dry milk, 125 million pounds, down 13.6 percent. And Skim milk powder production of 37.5 million pounds, up 44.5 percent.

**Due to the government shutdown, the November production report's release will be delayed.**

**Nonfat stocks** at the end of October are down 3% from September 2018 total. And down 20% from October 2017.

**Due to the government shutdown, the November nonfat stocks report's release will be delayed**

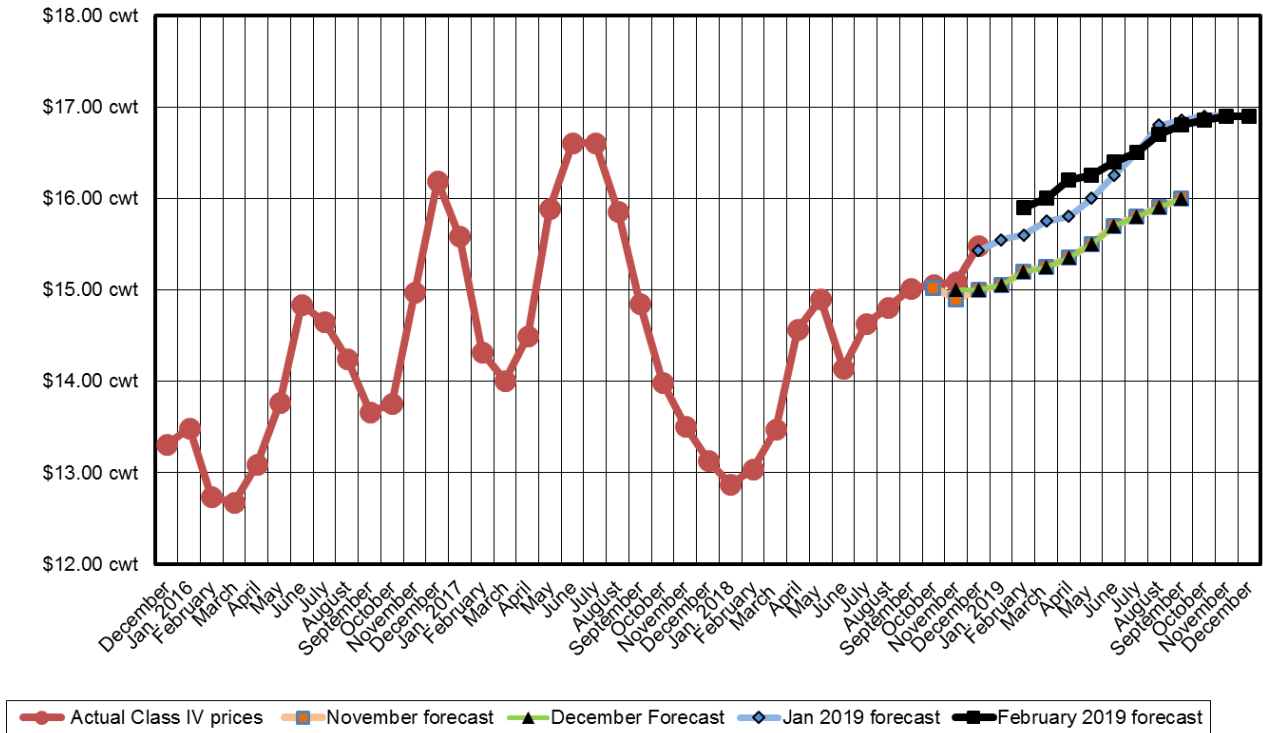
### U.S. NFDM/SMP Stocks



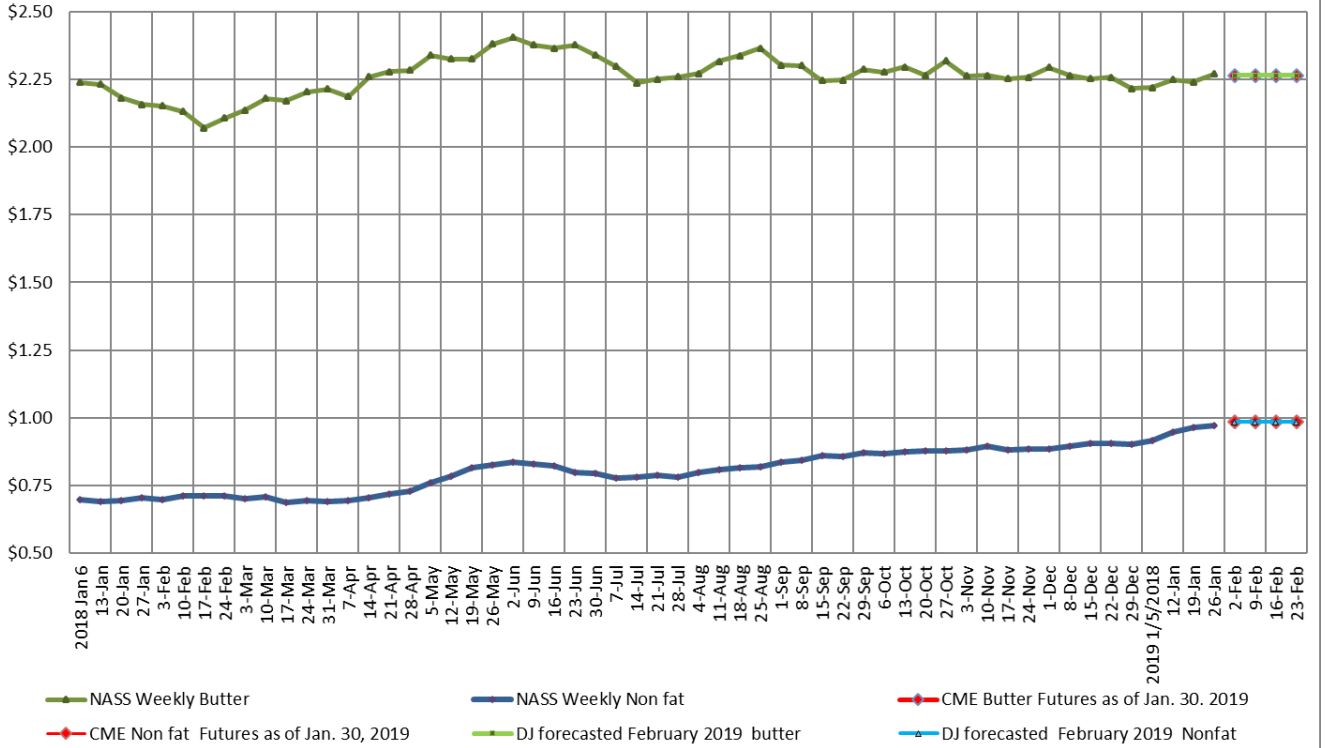
Forecasted Class IV price as of February 1, 2019

Year	Month	Projected class IV price
2019	Feb	\$15.90
2019	March	\$16.00
2019	April	\$16.20
2019	May	\$16.25
2019	June	\$16.40
2019	July	\$16.50
2019	August	\$16.70
2019	September	\$16.80
2019	October	\$16.85
2019	November	\$16.90
2019	December	\$16.90

February 1, 2019 VernDale Class IV Forecast vs. Past Months Forecasts



### Weekly NASS butter and nonfat powder prices Jan 2017- January 2019, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for February 2019



Dale Johnson