



# Class IV Market News and Summary

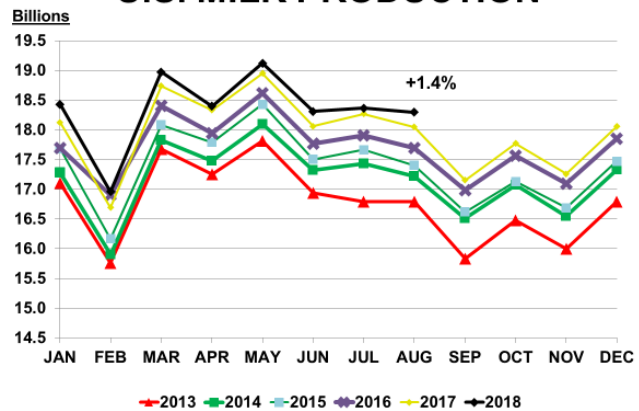
Oct. 3, 2018

**The September Class IV price was \$14.81 up \$0.18 cwt. from last month. Class IV projection for October is \$15.29.**

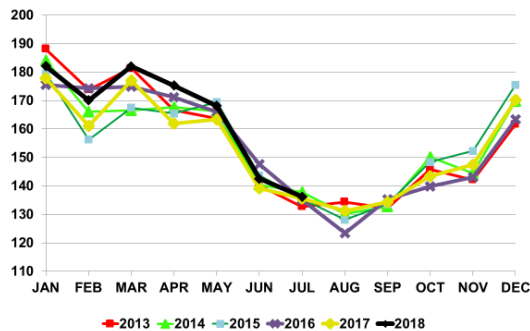
**The September Class III price was \$16.09. up \$1.14 cwt. from last month. Class III projection for October is \$15.80.**

**Milk production in the 23 major States during August, was up 1.4 percent from August 2017. Production per cow in the 23 major States averaged 1,974 pounds for August, 28 pounds above August 2017. The number of milk cows on farms in the 23 major States was 8.74 million head, 3,000 head less than August 2017, but 4,000 head more than July 2018.**

## U.S. MILK PRODUCTION



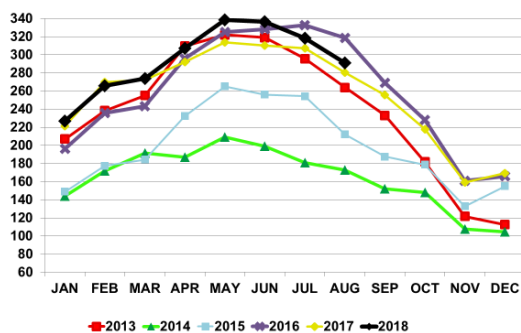
## U.S. BUTTER PRODUCTION



**Total butter production for July was up .5% compared to July of 2017. YTD production through July is up 40.4 million pounds representing an increase of 3.6% over last year's production.**

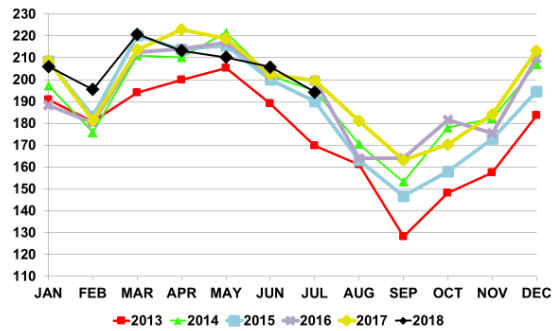
**Butter storage at the end of August is running 10.6 million pounds more than last year's August position representing a 3.8% increase over last year. The inventory level the end of August looks in line with expectations. The inventory level represents about 8 weeks' worth of production.**

## U.S. BUTTER IN COLD STORAGE

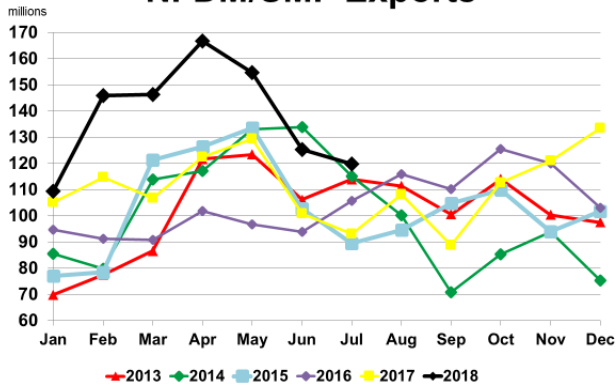


**Combined nonfat and SMP production for July** is down 2.7% from last year's July total. YTD production through July is down 1.6 million pounds representing a decrease of .1% from last year's production

### Skim/NFDM Production



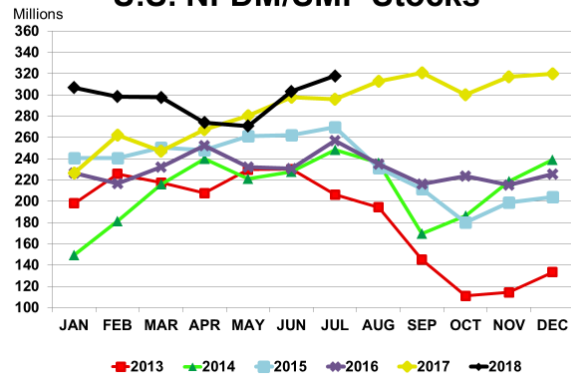
### NFDM/SMP Exports



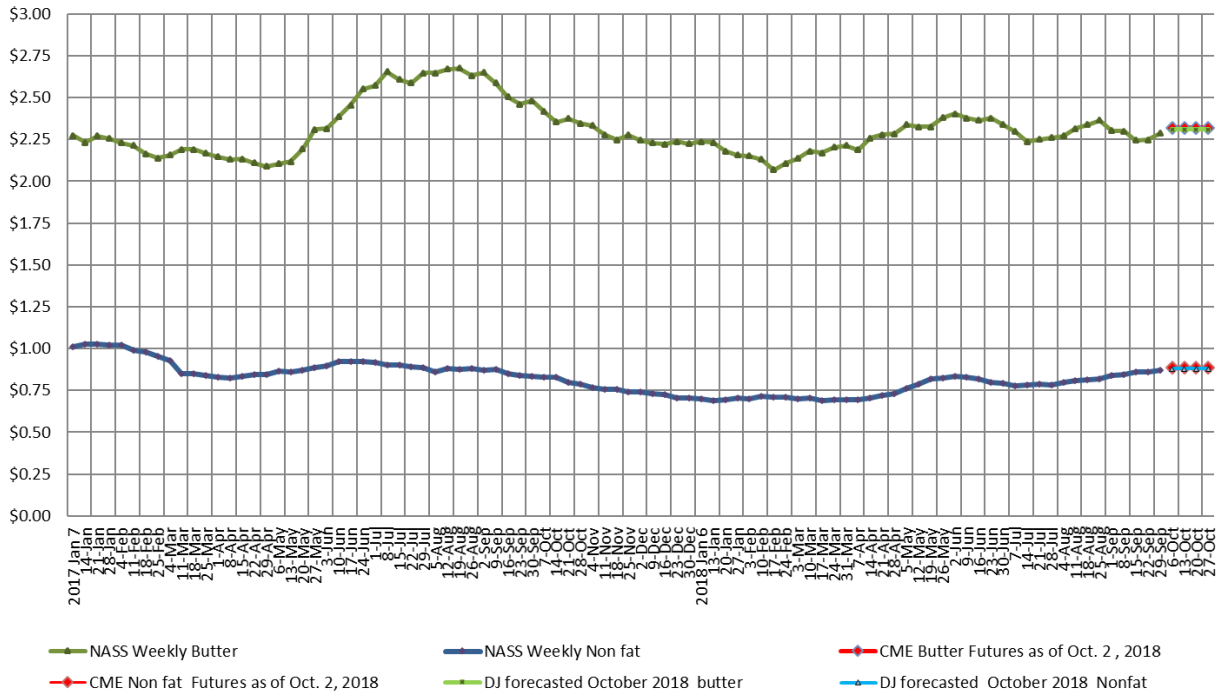
**Nonfat exports for the month of July 2018** were up 26.7 million from last year's July total, representing a 28.7% increase over the month of July last year. YTD exports through July are up 196 million pounds representing an increase of 25.4% over last year's exports

**Inventory stocks at the end of July** are up 22 million pounds more than last year's July. This inventory represents about 8 weeks of production.

### U.S. NFDM/SMP Stocks



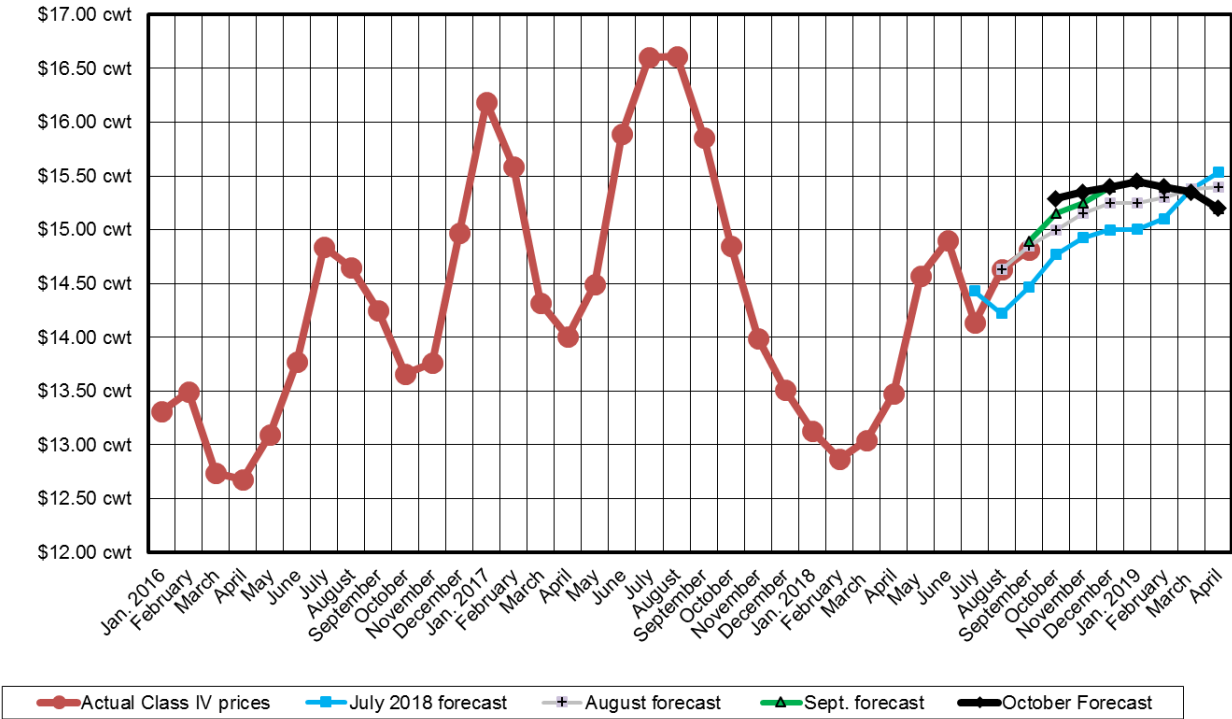
**Weekly NASS butter and nonfat powder prices Jan 2017- September, 2018, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for October 2018**



**Projected Class IV price's as of October 3, 2018**

<b>Year</b>	<b>Month</b>	<b>Projected class IV price</b>
<b>2018</b>	<b>October</b>	\$15.29
<b>2018</b>	<b>November</b>	\$15.35
<b>2018</b>	<b>December</b>	\$15.40
<b>2019</b>	<b>Jan</b>	\$15.45
<b>2019</b>	<b>Feb</b>	\$15.40
<b>2019</b>	<b>March</b>	\$15.35
<b>2019</b>	<b>April</b>	\$15.20
<b>2019</b>	<b>May</b>	\$15.34
<b>2019</b>	<b>June</b>	\$15.50

October 3, 2018 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson