



Class IV Market News and Summary

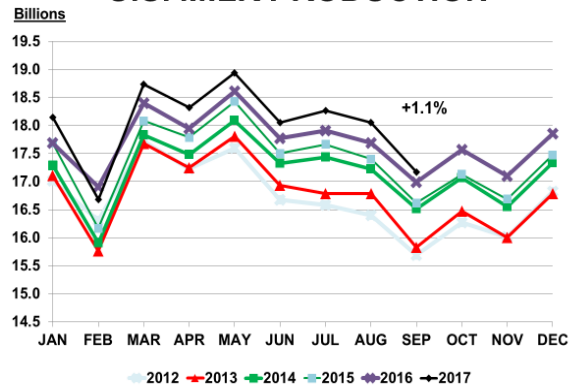
November 3, 2017

The October Class IV price was \$14.85/cwt. Down \$1.01 /cwt. from last month. Class IV projection for November is \$14.08 /cwt.

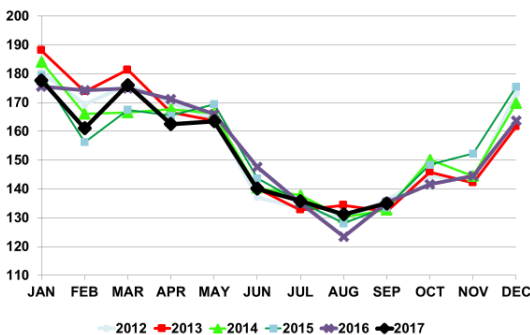
The October Class III price was \$16.69/cwt. An increase of \$0.33/cwt. from last month. Class III projection for November is \$16.58cwt.

September Milk Production up 1.2 Percent during September totaled 16.2 billion pounds, up 1.2 percent from September 2016. Production per cow in the 23 major States averaged 1,851 pounds for September, 6 pounds above September 2016. The number of milk cows on farms in the 23 major States was 8.74 million head, 73,000 head more than September 2016, but 3,000 head less than August 2017.

U.S. MILK PRODUCTION

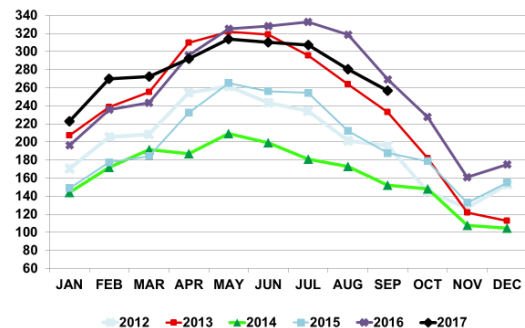


U.S. BUTTER PRODUCTION



Butter production for September was 135 million lbs. 0.3% below September 2016 but 2.8% above August 2017

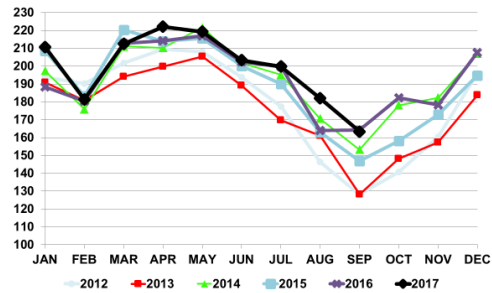
U.S. BUTTER IN COLD STORAGE



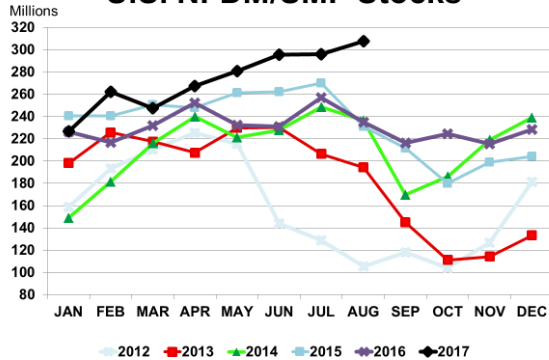
Butter storage at the end of September is running 12.2 million pounds less than last year's September position. The inventory level the end of September looks slightly bullish with European prices holding well above \$3.00 a pound.

Dry milk powder production for September was 163.4 million lbs. 0.5% below September 2016 and 10% below August 2017. With 133 million lb. of Nonfat produced and 30.4 million lb. of Skim milk powder produced.

Skim/NFDM Production

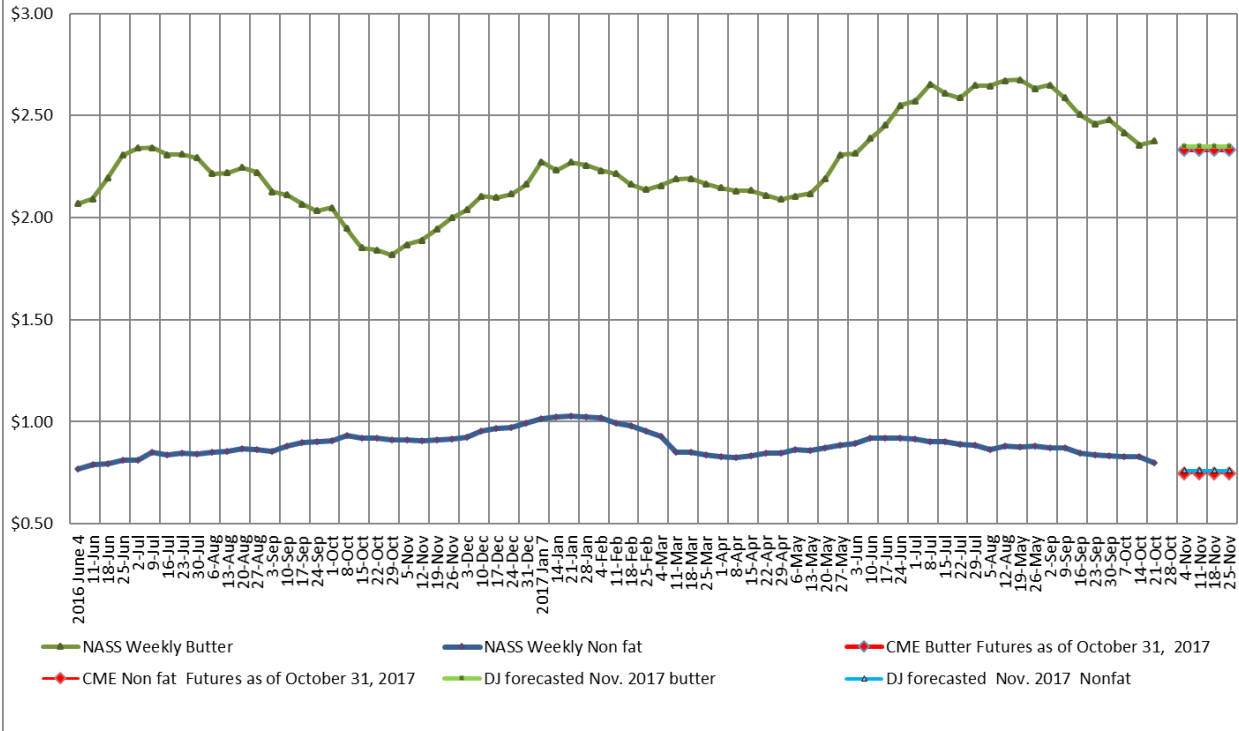


U.S. NFDM/SMP Stocks



Dry milk powders Stocks for August are 307.8 million lbs. Up 4% from the previous month and up 31% from last year. Stocks continue to grow in August when inventories seasonally begin to decline.

Weekly NASS butter and nonfat powder prices June 2016 - Nov. 2017, and CME Futures, and VernDale, forecasted Butter and Nonfat powder prices as of November 2, 2017



Projected Class IV prices as of November 3, 2017

Year	Month	Projected classIV price
2017	November	\$ 14.08
2017	December	\$ 14.32
2018	Jan	\$ 14.32
2018	Feb	\$ 14.39
2018	March	\$ 14.60
2018	April	\$ 14.75
2018	May	\$ 14.80
2018	June	\$ 15.05
2018	July	\$ 15.20
2018	August	\$ 15.37

November 3, 2017 VernDale Class IV Forecast vs. Past Months Forecasts

