



Class IV Market News and Summary

December 1, 2017

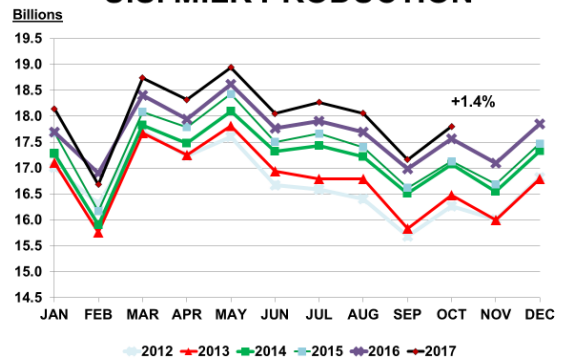
The November Class IV price was \$13.99/cwt. Down \$0.86 /cwt. from last month. Class IV projection for December is \$13.82 /cwt.

The November Class III price was \$16.88/cwt. An increase of \$0.19/cwt. from last month. Class III projection for December is \$15.28cwt.

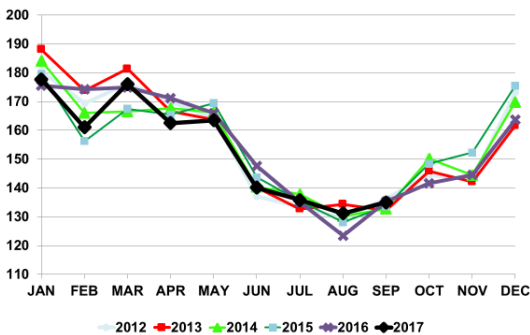
Milk production in the 23 major States during October totaled 16.7 billion pounds, up 1.5 percent from October 2016. **Production per cow** in the 23 major States averaged 1,917 pounds for October, 13 pounds above October 2016.

The number of milk cows on farms in the 23 major States was 8.74 million head, 67,000 head more than October 2016, but 1,000 head less than September 2017.

U.S. MILK PRODUCTION



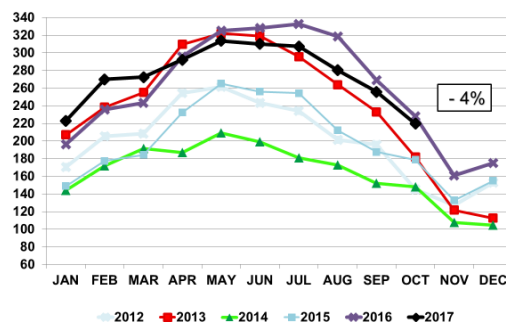
U.S. BUTTER PRODUCTION



Butter production for September was 135 million lbs. 0.3% below September 2016 but 2.8% above August 2017. October production data will not be released until December 5th.

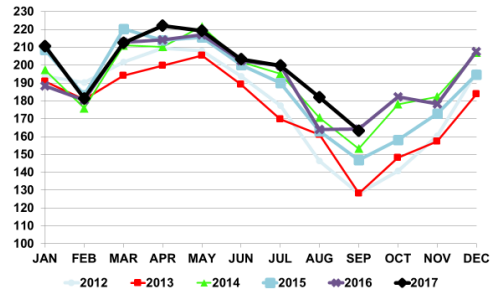
Butter storage at the end of October is running 8.4 million pounds less than last year's October position. The inventory level the end of October looks in line with expectations. The inventory level represents about 5 weeks' worth of production.

U.S. BUTTER IN COLD STORAGE

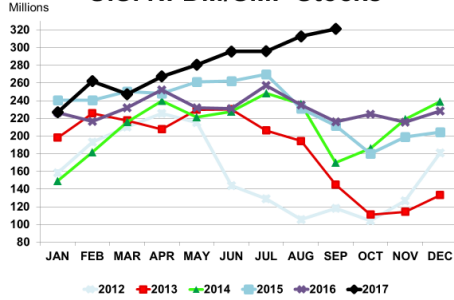


Dry milk powder production for September was 163.4 million lbs. 0.5% below September 2016 and 10% below August 2017. With 133 million lb. of Nonfat produced and 30.4 million lb. of Skim milk powder produced. Dry milk production data for October will not be released until Dec 5th.

Skim/NFDM Production

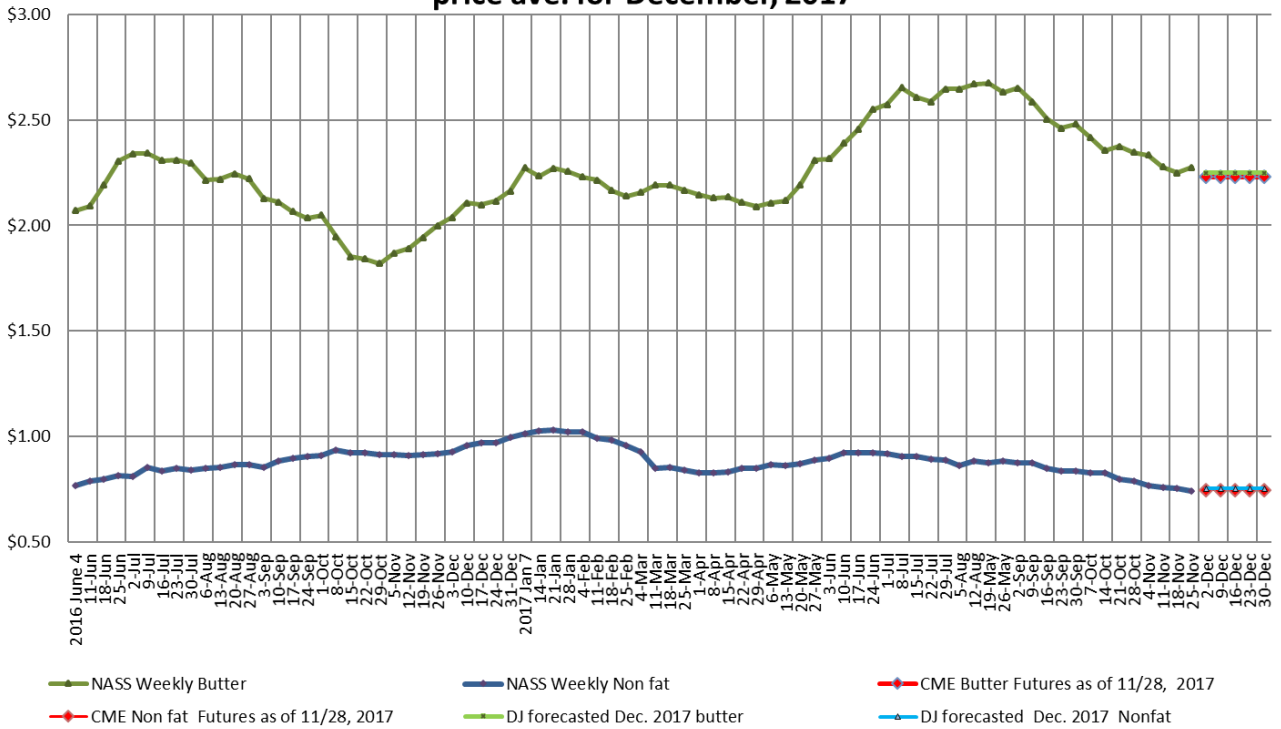


U.S. NFDM/SMP Stocks



Dry milk powders Stocks for September are 321 million lbs. Up 2.6% from the previous month and up 41% from last year. Stocks continue to grow in September when inventories Typically decline.

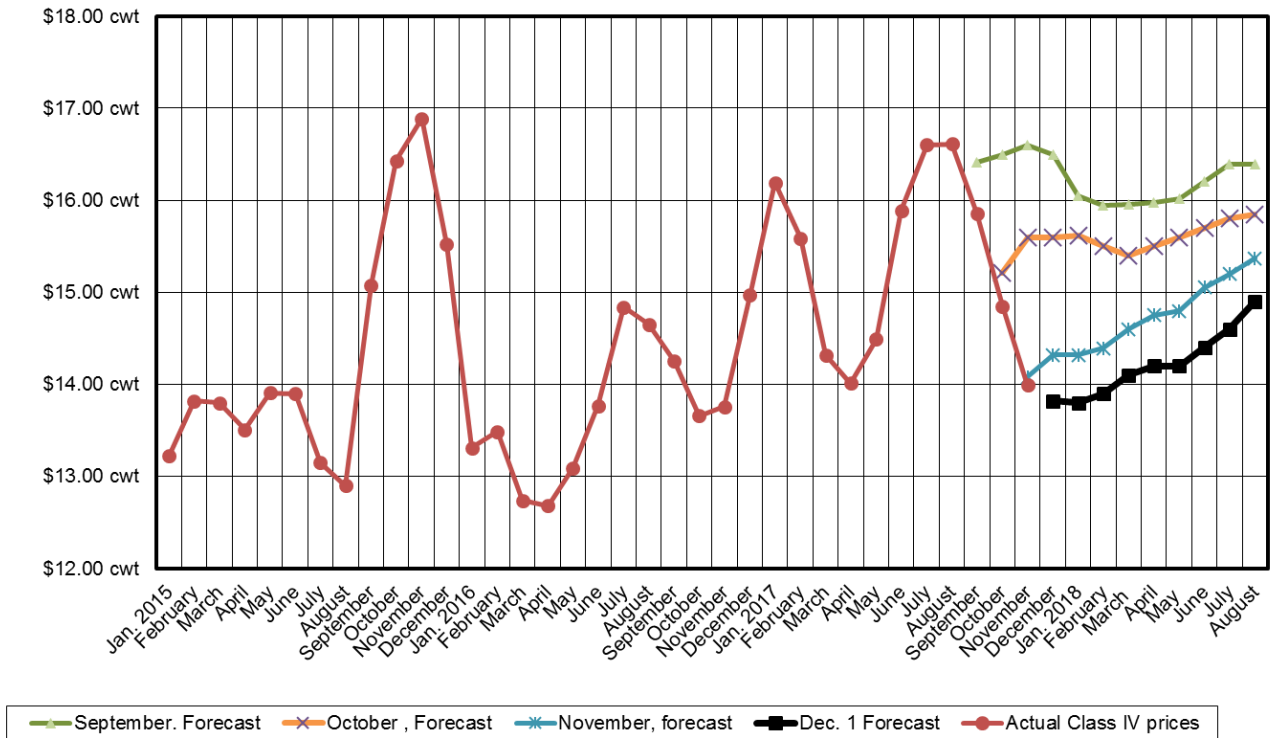
Weekly NASS butter and nonfat powder prices June 2016 - Nov. 2017, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for December, 2017



Projected Class IV prices as of Dec 1, 2017

Year	Month	Projected classIV price
2017	December	\$ 13.82
2018	Jan	\$ 13.80
2018	Feb	\$ 13.90
2018	March	\$ 14.10
2018	April	\$ 14.20
2018	May	\$ 14.20
2018	June	\$ 14.40
2018	July	\$ 14.60
2018	August	\$ 14.90

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



Dale Johnson