



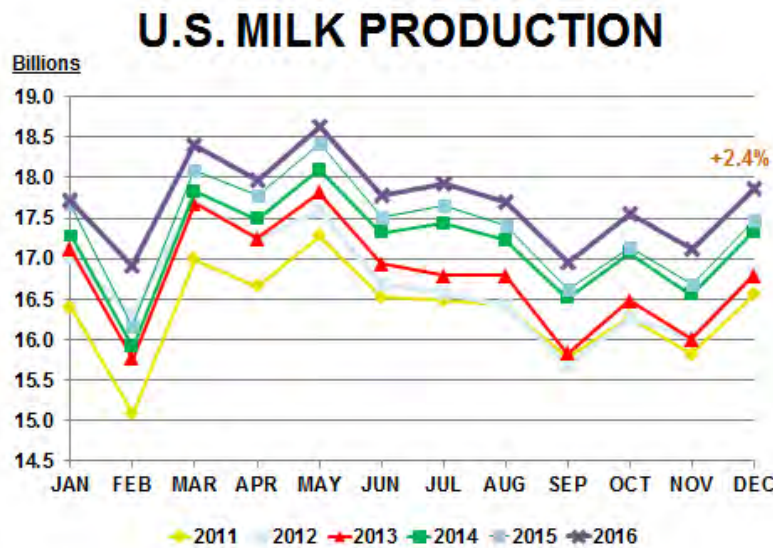
Class IV Market News and Summary

February 2, 2017

The January Class IV price was \$16.19/cwt. up \$ 1.22 /cwt. from December. Class IV projection for February is \$16.08 /cwt.

The January Class III price was \$16.77/cwt. down \$0.63/cwt. from December. Class III projection for February is \$16.61/cwt.

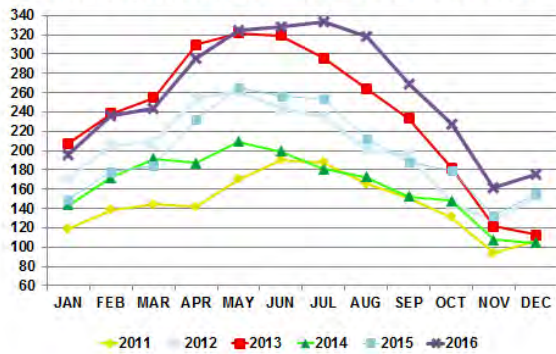
Year	Month	Projected classIV price
2017	Feb	\$ 16.08
2017	March	\$ 15.90
2017	April	\$ 16.01
2017	May	\$ 16.10
2017	June	\$ 15.90
2017	July	\$ 16.25
2017	August	\$ 16.60
2017	September	\$ 16.80
2017	October	\$ 16.80
2017	November	\$ 17.10
2017	December	\$ 17.10



Milk production in the 23 major States during December was up 2.4percent from December 2015. Production per cow in the 23 major States averaged 1,931

pounds for December, 35 pounds above December 2015. The number of milk cows on farms in the 23 major States was 8.69 million head, 53,000 head more than December 2015, and 10,000 head more than November 2016.

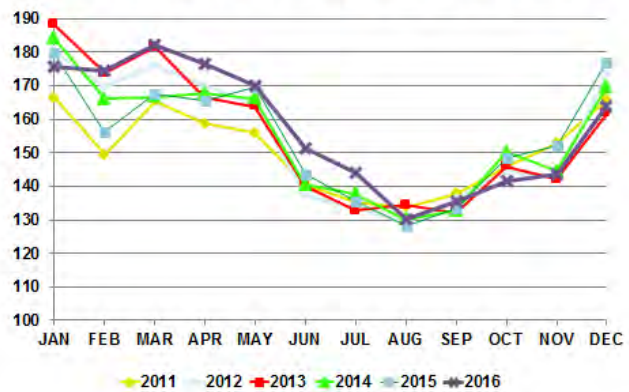
U.S. BUTTER IN COLD STORAGE



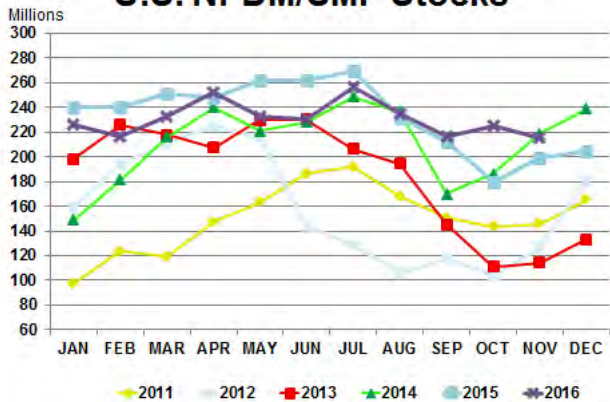
Butter stocks Butter storage at the end of December is running 19.9 million pounds ahead of last year's December position. The December drawdown of butter stocks brings the inventory to levels more typical for this time of year. The inventory level represents about 4 weeks' worth of production

Butter December butter production was 164 million pounds, 13 million lbs. or, 6.7 percent below December 2015 but 13.3 percent above November 2016.

U.S. BUTTER PRODUCTION

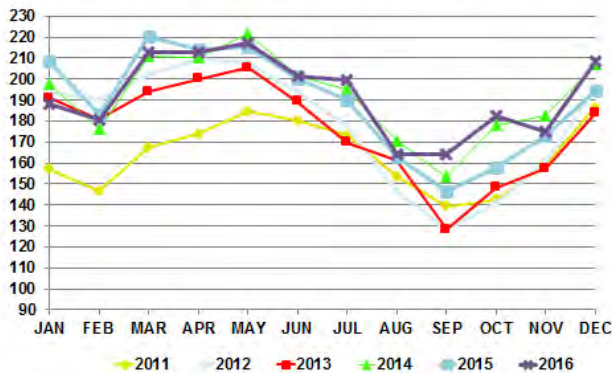


U.S. NFDM/SMP Stocks



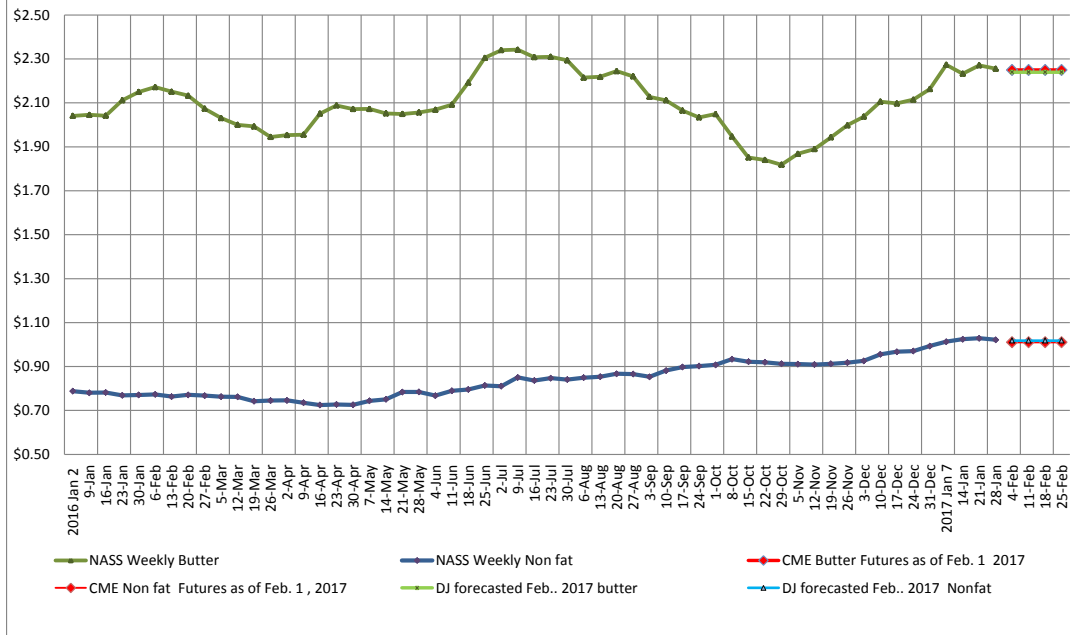
Dry milk stocks for November decreased from October which is not typical for November. November ending stocks were slightly over 215million lbs. 4% below October 2016 but 8% above November 2015

Skim/NFDM Production

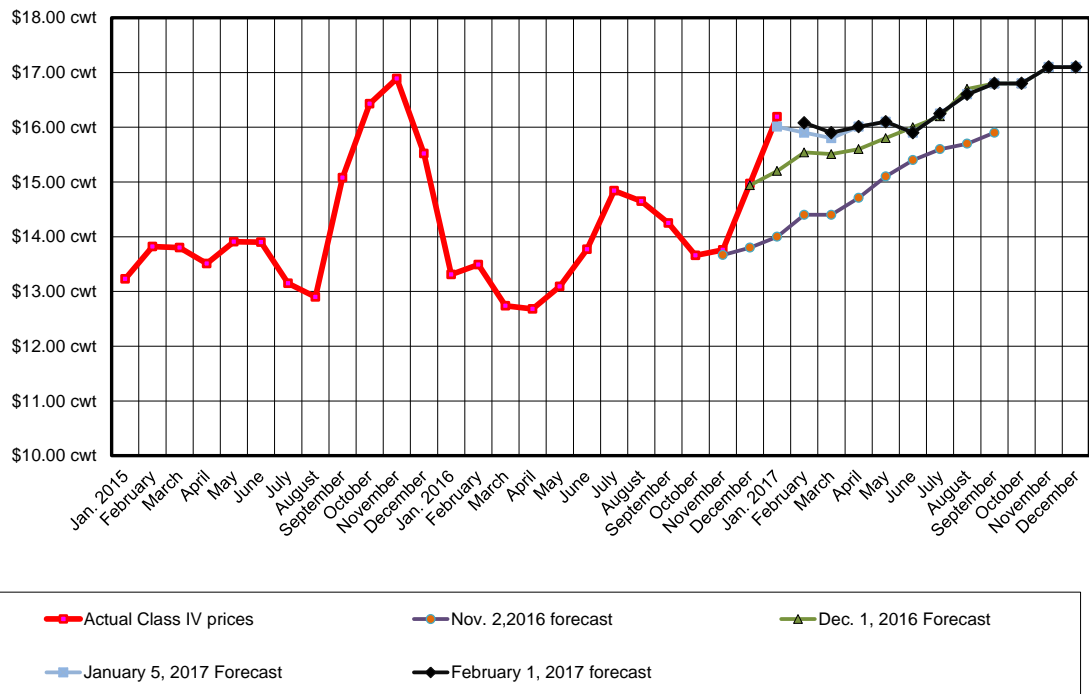


Dry milk powder production Dry milk powders (comparisons with December 2015) Nonfat dry milk, human - 156 million pounds, up 3.2 percent. Skim milk powders - 51.6 million pounds, up 18.7 percent.

**Weekly NASS butter and nonfat powder prices,
and
CME Futures prices, VernDale forecasted Butter and Nonfat powder
prices for February as of 2/1/2017**



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



Dale Johnson