



Class IV Market News and Summary

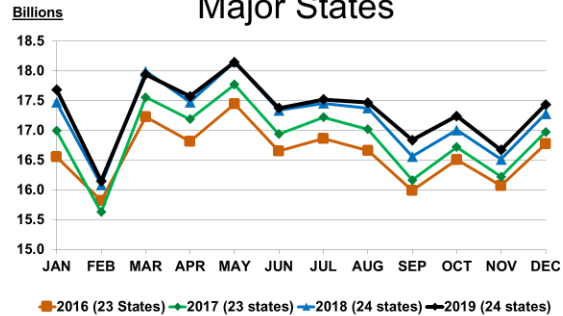
February 6, 2020

The December Class IV price was \$16.65/cwt. Down \$0.05/cwt. from the previous month. Class IV projection for January is \$16.63

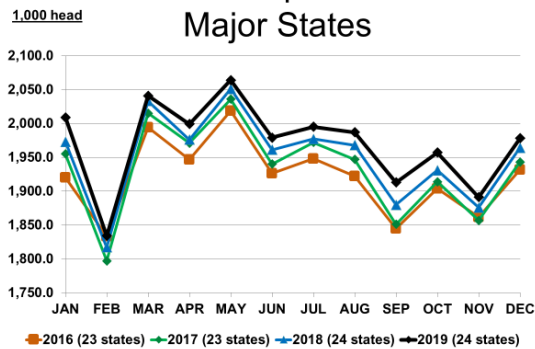
The December Class III price was \$19.37/cwt. down \$2.32/cwt. from the previous month. Class III projection for January is \$17.05/cwt.

Milk production in the 24 major States during December totaled 17.4 billion pounds, up 0.9 percent from December 2018.

MILK PRODUCTION in 24 Major States



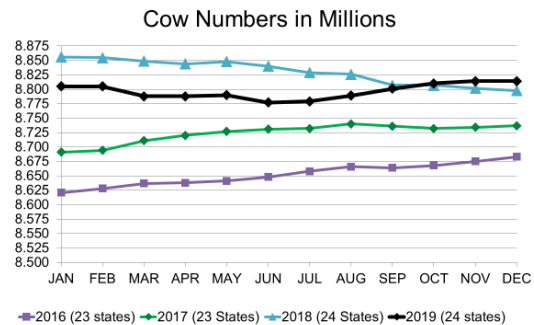
PRODUCTION per COW in 24 Major States



Production per cow in the 24 major States averaged 1,978 pounds for December, 14 pounds or .71% above December 2018, and 4.6% higher than last month

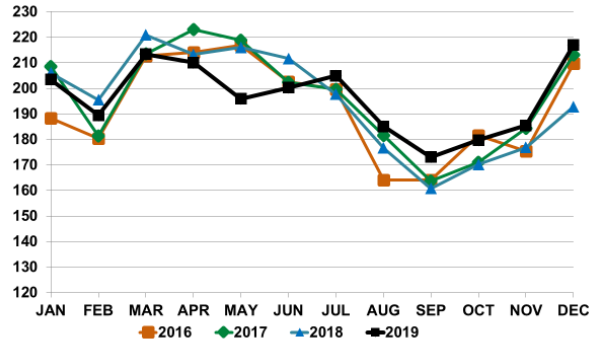
Number of milk cows on farms in the 24 major States for December 2019 was 8.81 million head. 16,000 head or .18% more than December 2018, but unchanged from November 2019.

MILK COWS – 24 MAJOR STATES

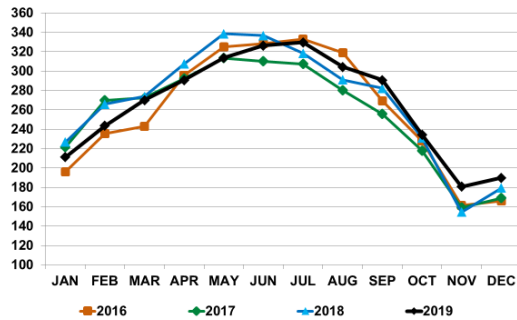


Butter production for December was 177.19 million lbs. up 4% from last year and up 13.9% from last month.

Skim/NFDM Production

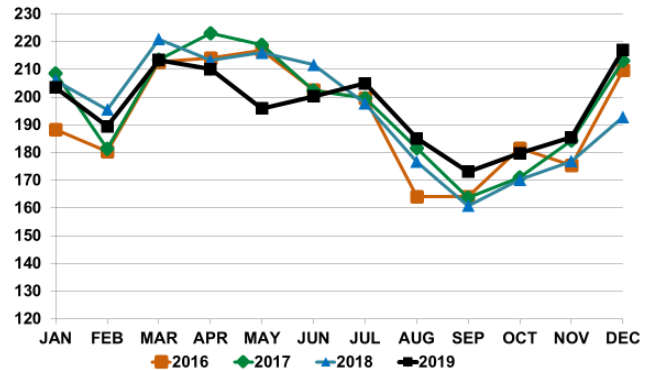


U.S. BUTTER IN COLD STORAGE



Butter stocks for December were 189.99 million lbs. up 5.2 percent from last month and up 5.9% from a year ago

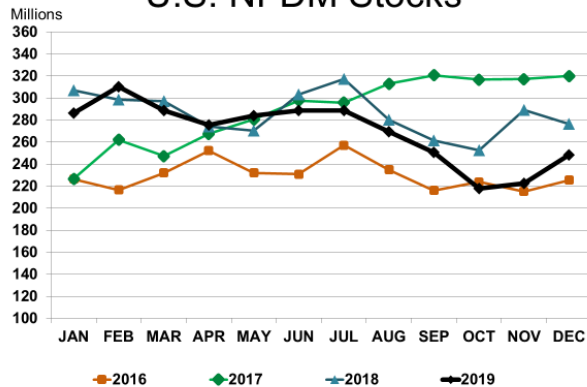
Skim/NFDM Production



Combined nonfat and skim products produced in December were 217.01 million lb. up 12.5% from last year and up 17.03% from last month.

Separated out- **Dry milk products** (comparisons in percentage with December 2018) Nonfat dry milk, human - 164 million pounds, up 15.3 percent. Skim milk powder - 52.8 million pounds, up 4.8 percent.

U.S. NFDM Stocks

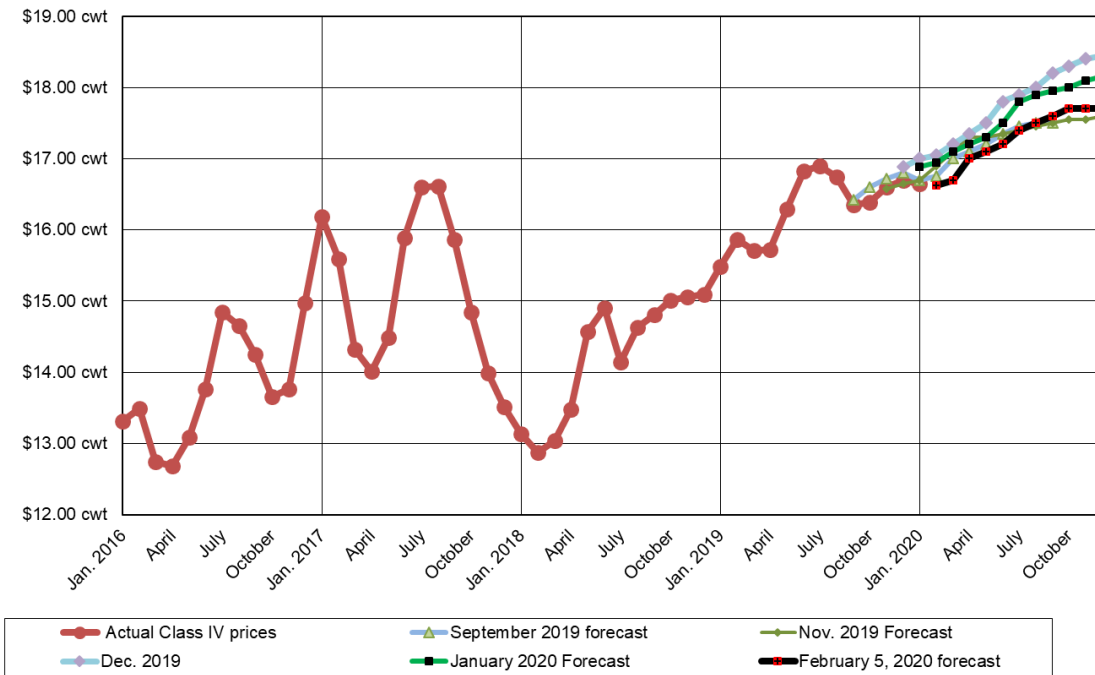


Nonfat Inventory at the end of December 248.4 million lbs. down 10.2% from last December but up 11.6% from last month

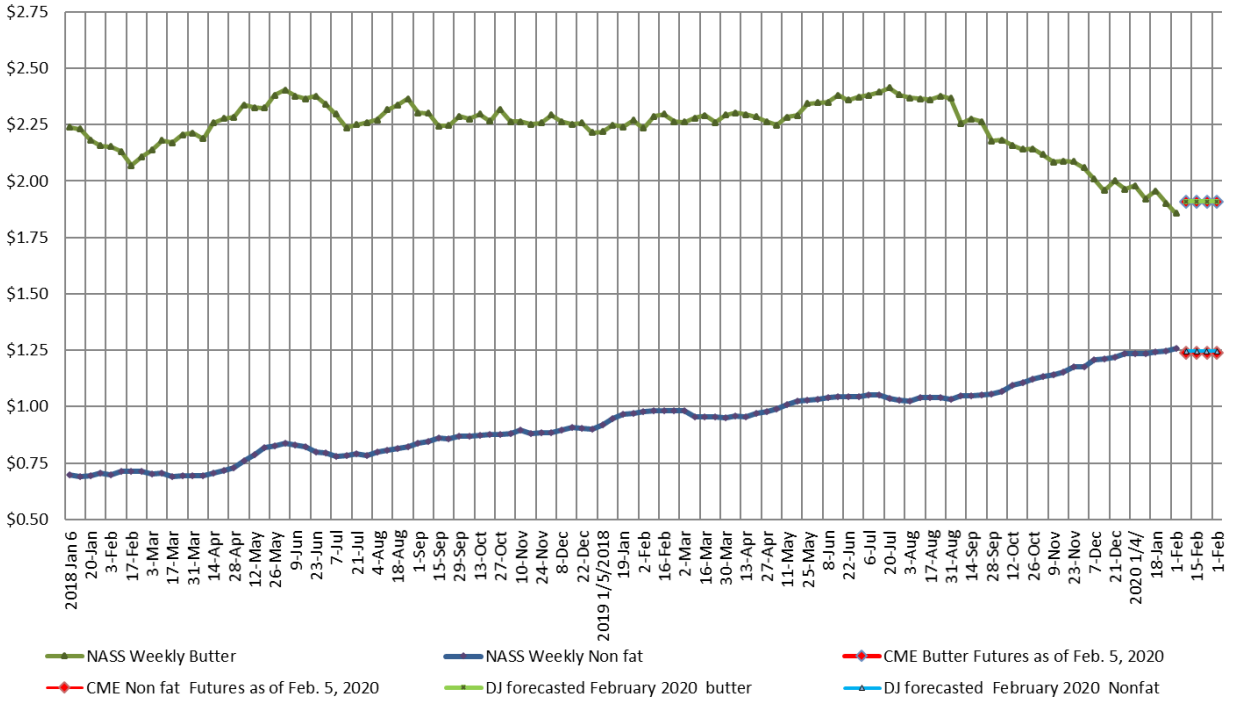
Forecasted Class IV price as of February 5, 2020

| Year | Month | Projected class IV price |
|------|-------|--------------------------|
| 2020 | Feb | \$16.63 |
| 2020 | March | \$16.70 |
| 2020 | April | \$17.00 |
| 2020 | May | \$17.10 |
| 2020 | June | \$17.20 |
| 2020 | July | \$17.40 |
| 2020 | Aug. | \$17.50 |
| 2020 | Sep | \$17.60 |
| 2020 | Oct | \$17.70 |
| 2020 | Nov | \$17.70 |
| 2020 | Dec | \$17.70 |
| | | |

2016 - 2019 Historic Class IV Prices and VernDale's Current Class IV Forecast as of February 5, 2020 vs. Past Months Forecasts



Weekly NASS butter and nonfat powder prices Jan 2018 -January, 2019, and CME Futures, and VernDale forecasted Butter and Nonfat powder price ave. for February 2020



Dale Johnson