



Class IV Market News and Summary

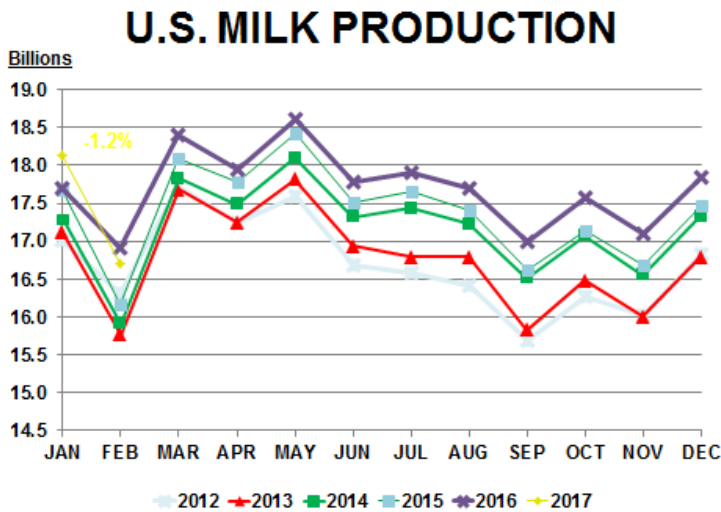
April 5, 2017

The March Class IV price was \$14.32/cwt. down \$1.27 /cwt. from last month. Class IV projection for April is \$14.17 /cwt.

The March Class III price was \$15.81/cwt. down \$1.27/cwt. from last month. Class III projection for April is \$15.20/cwt.

Projected Class IV prices as of March 30, 2017

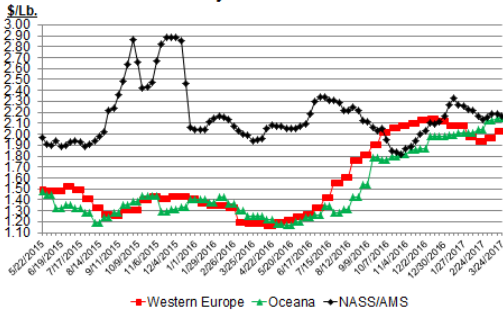
| Year | Month | Projected classIV price |
|------|-----------|-------------------------|
| 2017 | April | \$ 14.17 |
| 2017 | May | \$ 14.25 |
| 2017 | June | \$ 14.40 |
| 2017 | July | \$ 14.75 |
| 2017 | August | \$ 15.02 |
| 2017 | September | \$ 15.25 |
| 2017 | October | \$ 15.50 |
| 2017 | November | \$ 15.62 |
| 2017 | December | \$ 15.70 |



Milk production in the 23 major States during February 2.5 percent above last year after adjusting for the leap year. Production per cow in the 23 major States averaged 1,801 pounds for February, 32 pounds below February 2016. The number of milk cows on farms in the 23 major States was 8.69 million head, 66,000 head more than February 2016, and 3,000 head more than January 2017.

GRADE AA BUTTER

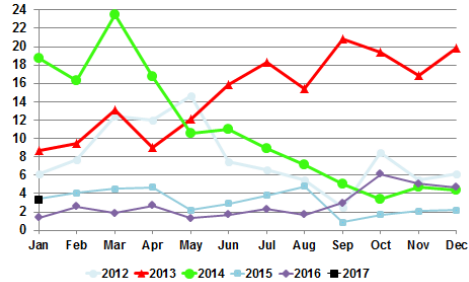
Weekly World Prices



Domestic butter prices have come in line with world prices. Potentially attracting more export opportunities.

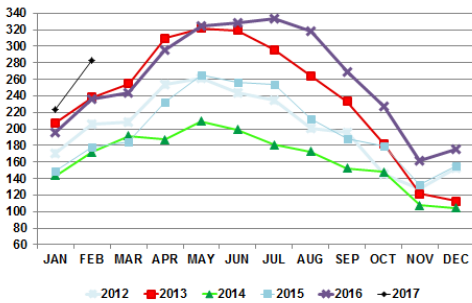
Butter exports for the month of January 2017 are more than double last year's January total. That is an increase of 1.9 million pounds over last year's January exports, representing an increase of 136% the month

Butter Exports



for

U.S. BUTTER IN COLD STORAGE

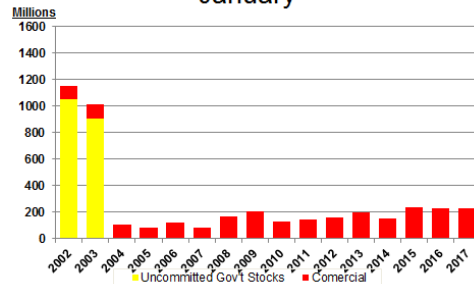


Butter storage at the end of February is running 47.1 million pounds ahead of last year's February position. The inventory level at the end of February looks very strong going for winter of 2017. High inventories at some point will result in lower prices.

Nonfat Inventory at the end of January are up million pounds more than last year's January. represents just more than 5 weeks of production inventory.

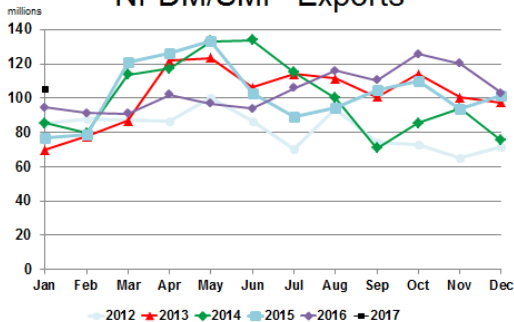
U.S. NFDM STOCKS

January



2.6
This
in

NFDM/SMP Exports

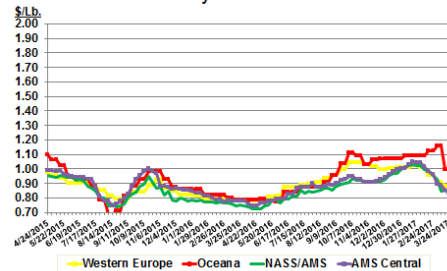


Nonfat exports for the month of January 2017 up 10.6 million from last year's January total, representing a 11.2% increase for the month of January.

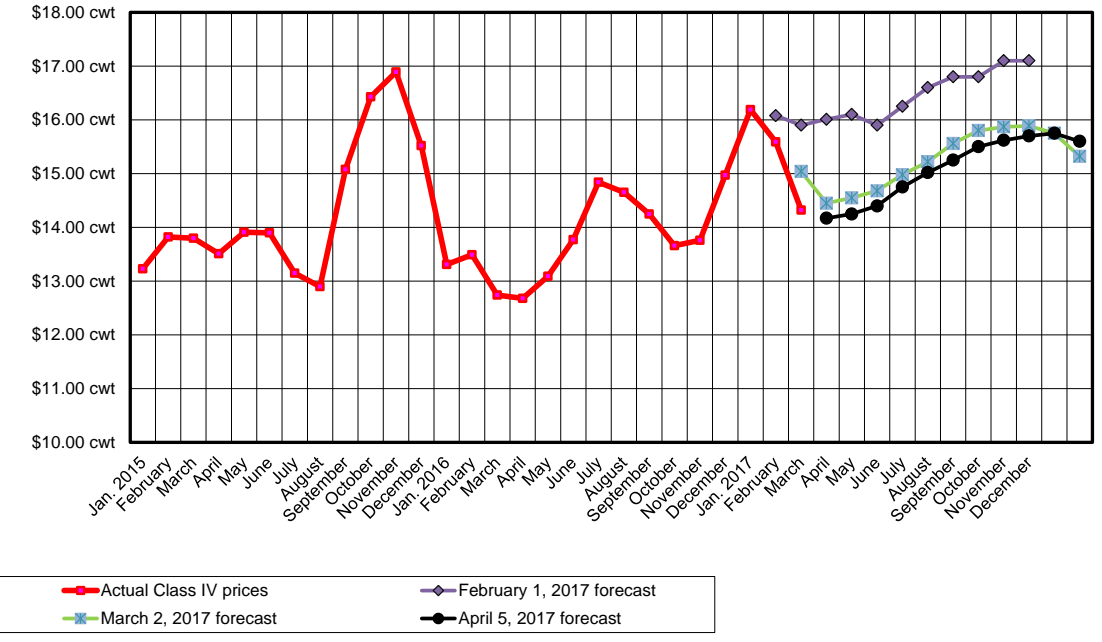
Nonfat prices are very competitive across the globe. Some recent slight price increase has been seen in the US with news of lower production numbers from NZ and some recent interest from Chinese buyers

NONFAT DRY MILK

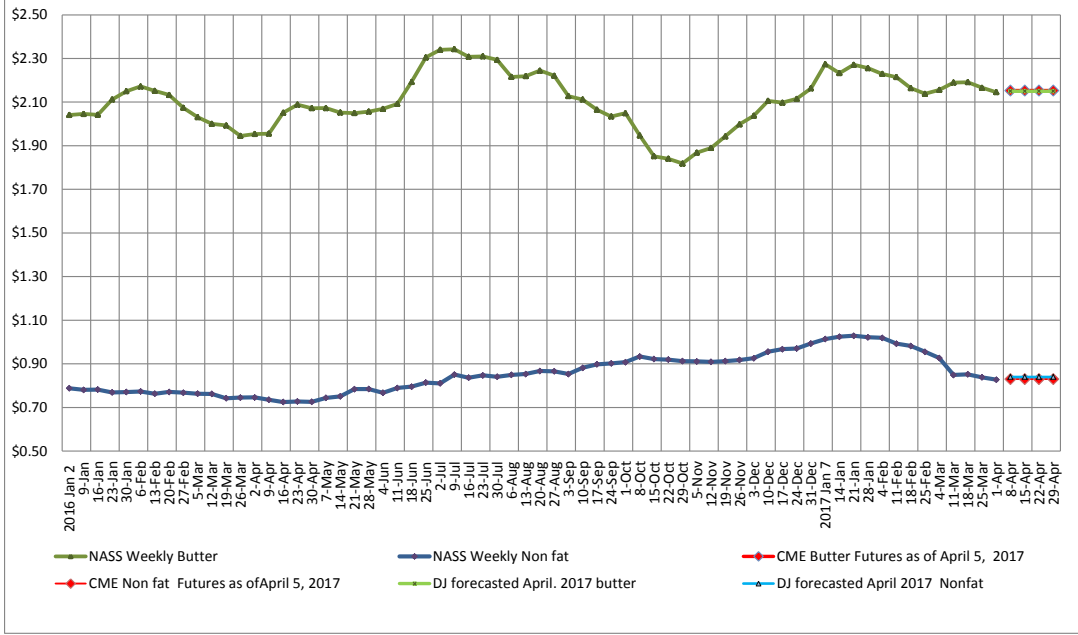
Weekly World Prices



April 5, 2017 VernDale Class IV Forecast vs. Past Months Forecasts



Weekly NASS butter and nonfat powder prices, and CME Futures prices, VernDale forecasted Butter and Nonfat powder prices as of April 5, 2017



Dale Johnson