



Class IV Market News and Summary

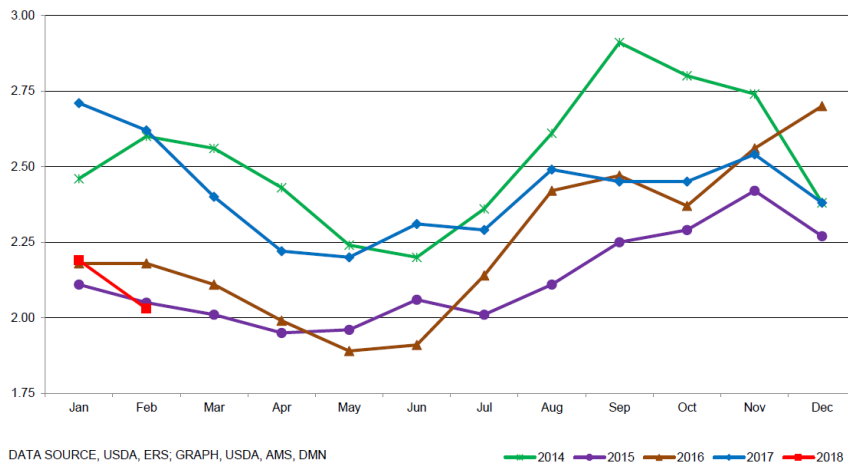
April 5, 2018

The March Class IV price was \$13.04. Up \$0.17 cwt. from last month. Class IV projection for April is \$13.57.

The March Class III price was \$14.22. Up \$0.82 cwt. from last month. Class III projection for April is \$14.46.

Milk production in the 23 major States during February up 1.8 percent from February 2017. **Production per cow** in the 23 major states is 23 pounds above February 2017. **The number of milk cows** in the 23 major States 1,000 head more than January 2018.

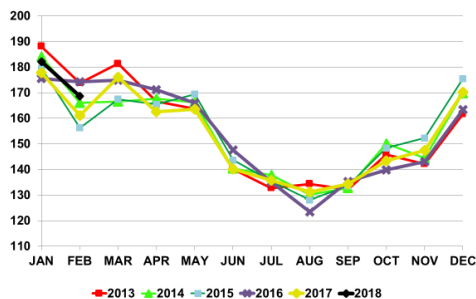
Milk-Feed Price Ratio Based on the Pounds of 16% Mixed Dairy Feed Equal in Value to 1 Pound of Whole Milk



DATA SOURCE: USDA, ERS; GRAPH: USDA, AMS, DMN

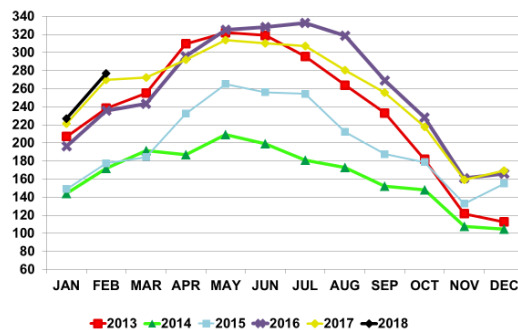
The Feed Ratio graph at the right shows the costs of feed related to the milk price is the lowest it has been in a while. It is getting increasingly difficult for many farmers to remain profitable with current milk prices.

U.S. BUTTER PRODUCTION



Butter production in February was 169 million pounds, 4.7 percent above February 2017 but 7.4 percent below January 2018.

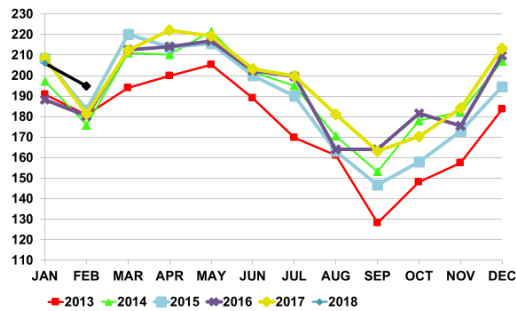
U.S. BUTTER IN COLD STORAGE



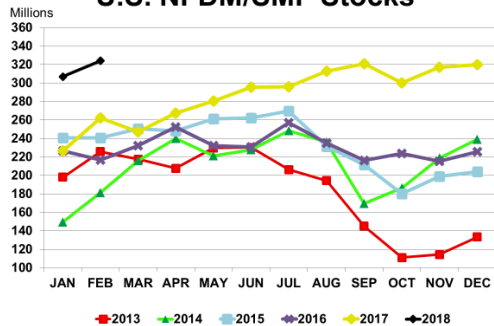
Butter stocks at the end of February were up 22 percent from January 2018 and up 3 percent from February 2017

Dry milk Production (comparison with February 2017) Nonfat dry milk, human 159 million pounds, up 12.1 percent. Skim milk powder 36.5 million pounds, down 8.9 percent.

Skim/NFDM Production

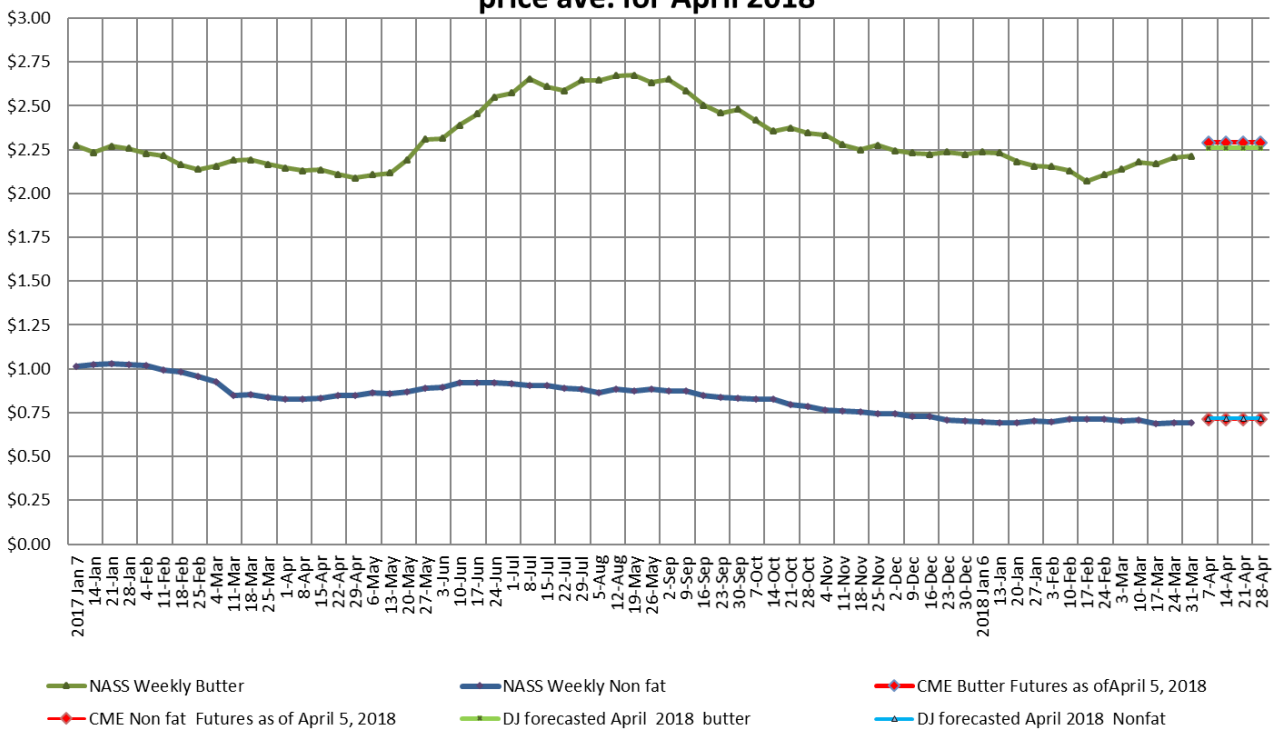


U.S. NFDM/SMP Stocks



Dry milk powder stocks at the end of February are up 61.9 million pounds more than last year's February. This inventory represents about 8 weeks of production.

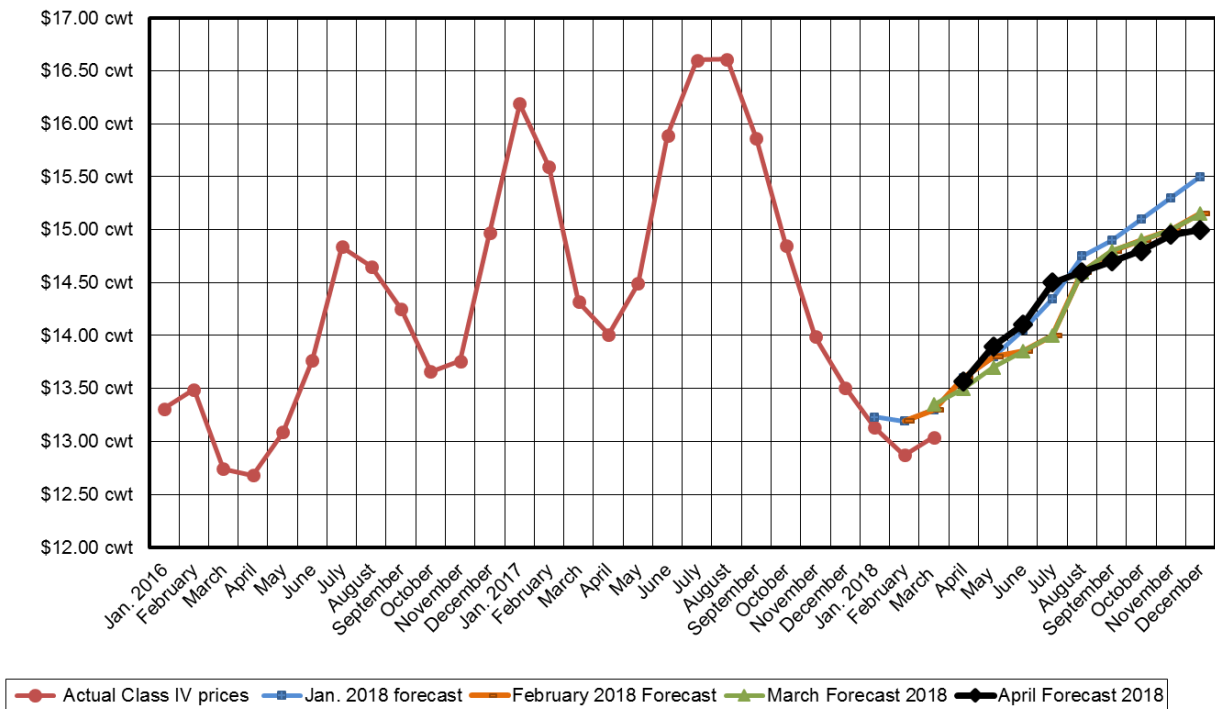
Weekly NASS butter and nonfat powder prices Jan 2017- March, 2018, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for April 2018



Projected Class IV prices as April 5, 2018

Year	Month	Projected classIV price
2018	April	\$13.57
2018	May	\$13.90
2018	June	\$14.10
2018	July	\$14.50
2018	August	\$14.60
2018	September	\$14.70
2018	October	\$14.80
2018	November	\$14.95
2018	December	\$15.00

April 5, 2018 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson