



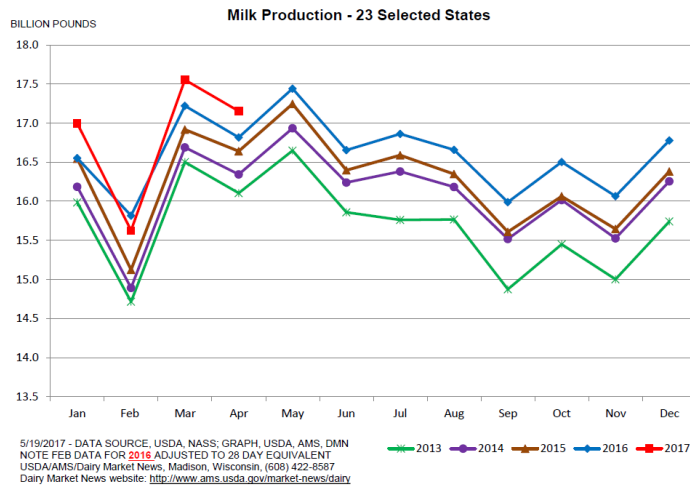
Class IV Market News and Summary

June 3, 2017

The May Class IV price was \$14.49/cwt. Up \$0.48 /cwt. from last month. Class IV projection for June is \$15.95 /cwt.

The May Class III price was \$15.57/cwt. up \$0.35/cwt. from last month. Class III projection for June 16.28 is \$15.20/cwt.

My Projected Class IV prices as of June 3, 2017



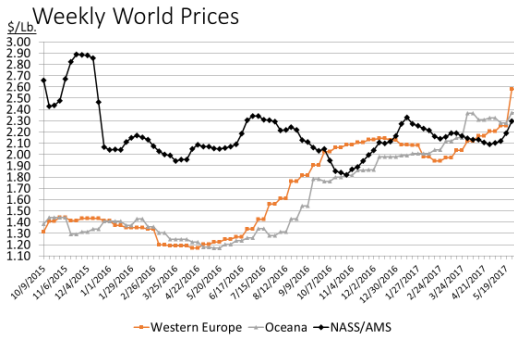
2017	June	\$ 15.95
2017	July	\$ 16.50
2017	August	\$ 16.80
2017	September	\$ 16.90
2017	October	\$ 17.05
2017	November	\$ 17.00
2017	December	\$ 16.50
2018	Jan	\$ 16.20
2018	Feb	\$ 15.70
2018	March	\$ 15.60
2018	April	\$ 15.65

Class IV prices have all been adjusted higher due to the rapid rise in butter prices over the past month.

April Milk Production up 2.0 Percent for April

Milk production in the 23 major States totaled 17.2 billion pounds, up 2.0 percent from April 2016. Production per cow in the 23 major States averaged 1,967 pounds for April, 20 pounds above April 2016. This is the highest production per cow for the month of April since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.72 million head, 81,000 head more than April 2016, and 8,000 head more than March 2017.

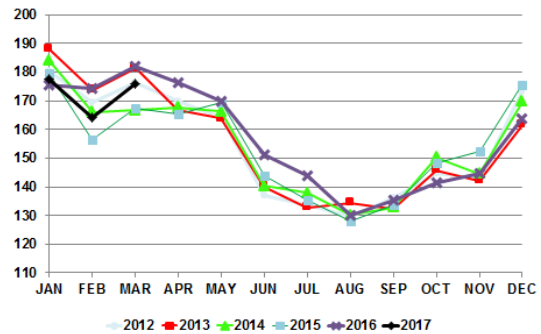
GRADE AA BUTTER



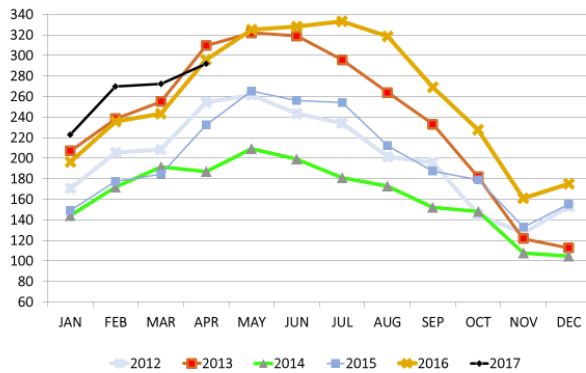
Butter production was 176 million pounds, 0.3 percent above March 2016 and 9.0 percent above February 2017

Domestic butter prices have increased significantly over the past four weeks (see the NASS weekly butter price graph on the last page of this report)

U.S. BUTTER PRODUCTION



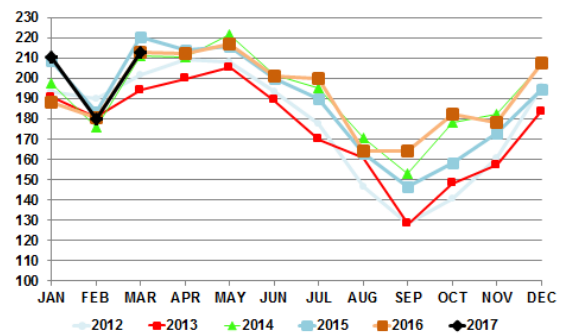
U.S. BUTTER IN COLD STORAGE



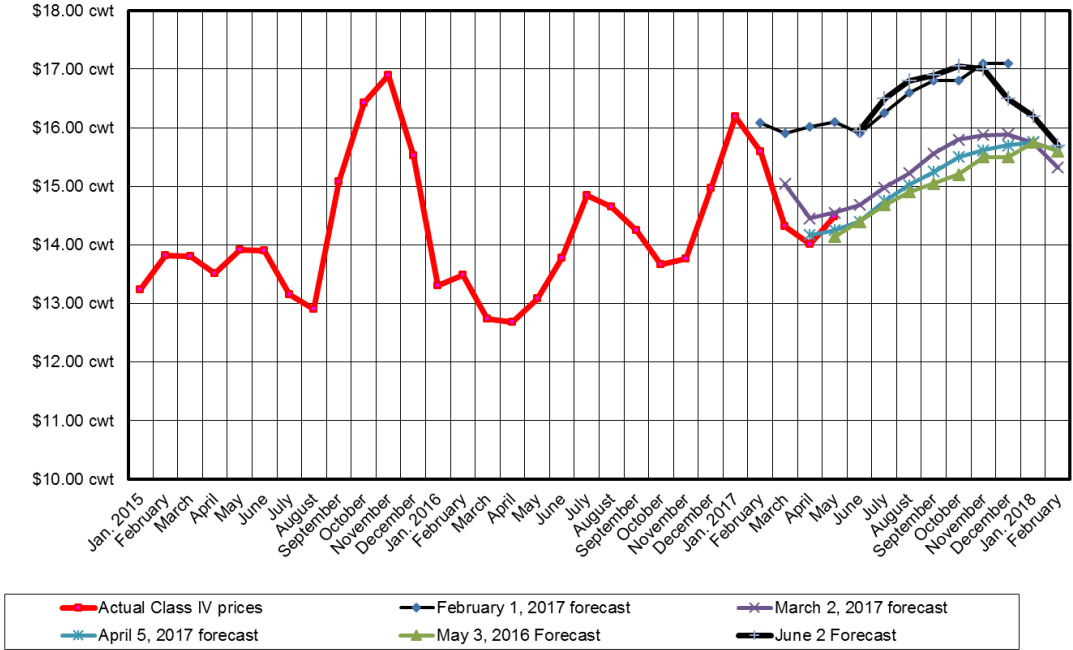
Butter storage at the end of April is running 3.5 million pounds less than year's April position. The inventory level at the end of April looks bullish. The YTD numbers storage for 2017 appears slightly less than industry expectations. The inventory level represents about 5 weeks' worth of production.

Dry milk Production (comparisons with March 2016) Nonfat dry milk, human 160 million pounds, down 7.2 percent. Skim milk powders 52.7 million pounds, up 30.0 percent

Skim/NFDM Production



June 2, 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 June 2, 2017

