



Class IV Market News and Summary

August 2, 2018

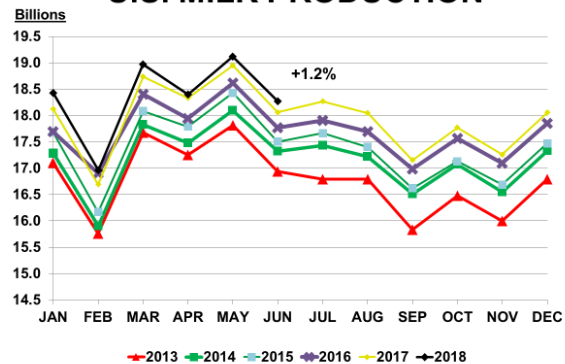
The July Class IV price was \$14.14 dn \$0.77 cwt. from last month. Class IV projection for August is \$14.63.

The July Class III price was \$14.10. dn \$1.11 cwt. from last month. Class III projection for August is \$14.94.

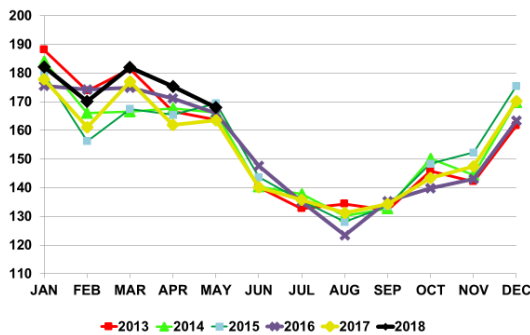
June Milk Production up 1.3 Percent

Milk production in the 23 major States during June totaled 17.2 billion pounds, up 1.3 percent from June 2017. Production per cow in the 23 major States averaged 1,964 pounds for June, 23 pounds above June 2017. The number of milk cows on farms in the 23 major States was 8.75 million head, 12,000 head more than June 2017, but unchanged from May 2018.

U.S. MILK PRODUCTION



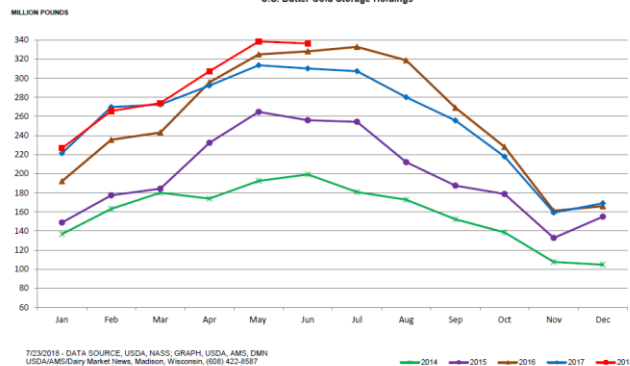
U.S. BUTTER PRODUCTION



Total butter production for Butter production was 168 million pounds, 2.8 percent above May 2017 but 4.2 percent below April 2018. Higher production in the West has made up for lower production in the Central and East

Butter Storage Butter stocks were down 1 percent from last June but up 8 percent from a year ago.

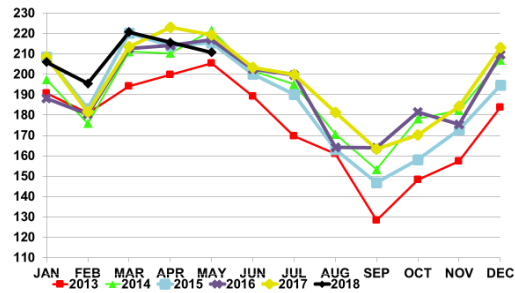
U.S. Butter Cold Storage Holdings



7/23/2018 - DATA SOURCE: USDA, NASS; GRAPH: USDA, AMS, DMN
 USDA/AMS/Dairy Market News, Madison, Wisconsin, (608) 422-8567
 Dairy Market News website: <http://dms.ams.usda.gov/market-news/dmny>
 Dairy Market News database portal: <http://www.marketnews.usda.gov>

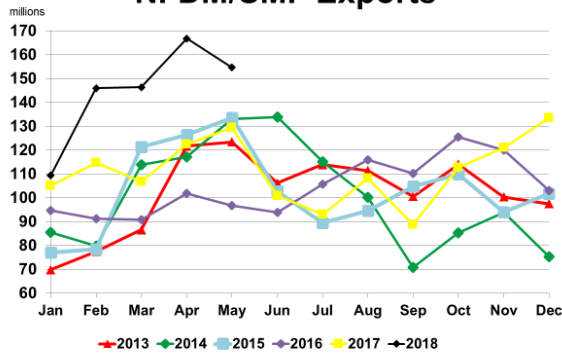
Dry milk production (comparisons in percentage with May 2017) Nonfat dry milk, human was 160 million pounds, down 4.5 percent. Skim milk powder was 50.4 million pounds, down 1.3 percent. Combined production was 3.7% lower than May 2017

Skim/NFDM Production



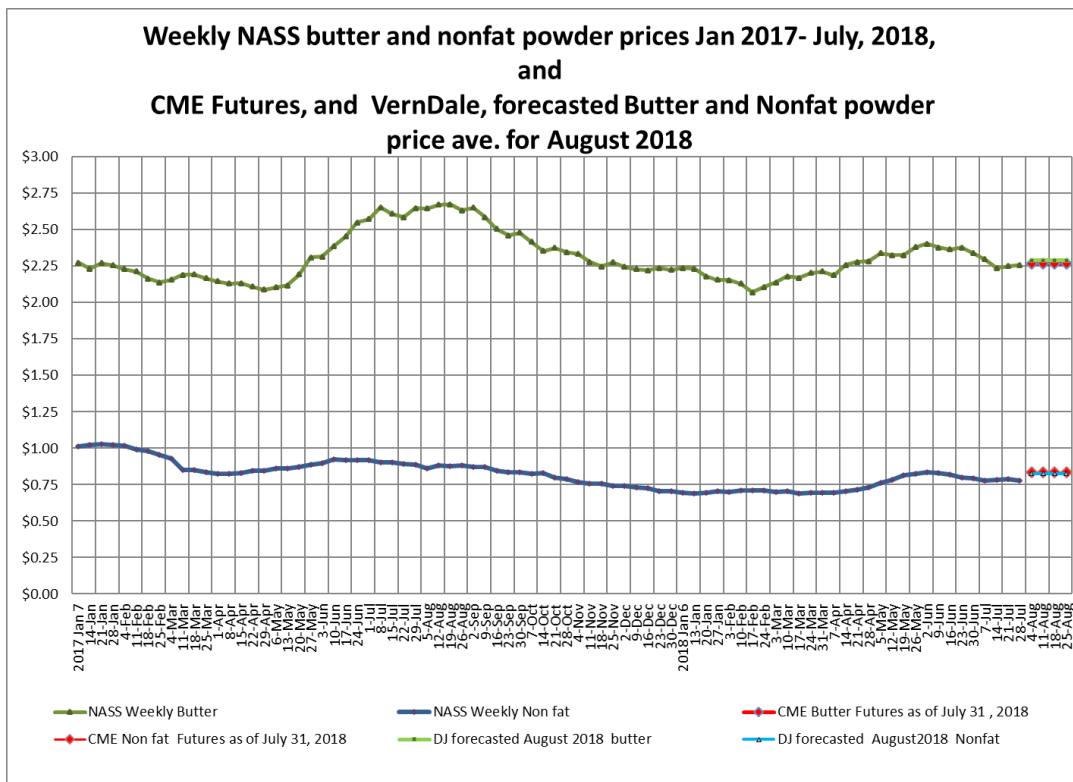
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NFDM/SMP Exports



Nonfat exports for the month of May 2018 were up 25.3 million from last year's May total, representing a 19.6% increase over the month of May last year. YTD exports through May are up 144.9 million pounds representing an increase of 25.1% over last year's exports at this time.

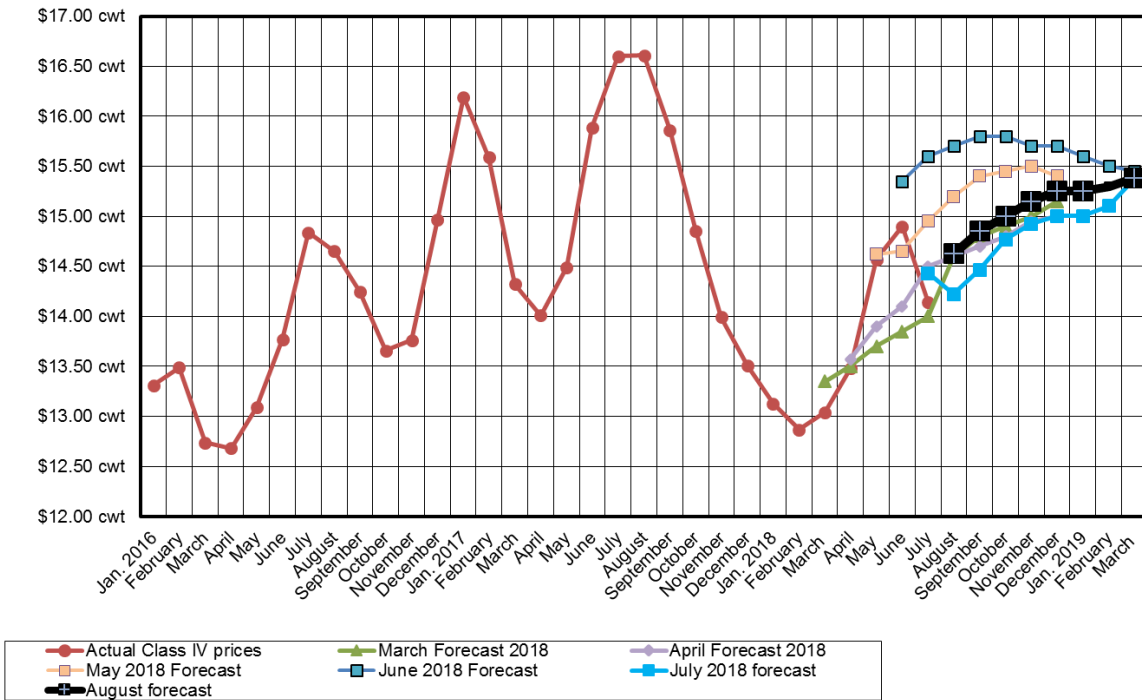
Weekly NASS butter and nonfat powder prices Jan 2017- July, 2018, and CME Futures, and VernDale, forecasted Butter and Nonfat powder price ave. for August 2018



Class IV price forecast as of August 1, 2018

Year	Month	Projected classIV price
2018	August	\$14.63
2018	September	\$14.85
2018	October	\$15.00
2018	November	\$15.15
2018	December	\$15.25
2019	Jan	\$15.25
2019	Feb	\$15.30
2019	March	\$15.38

August 1, 2018 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson