



Class IV Market News and Summary

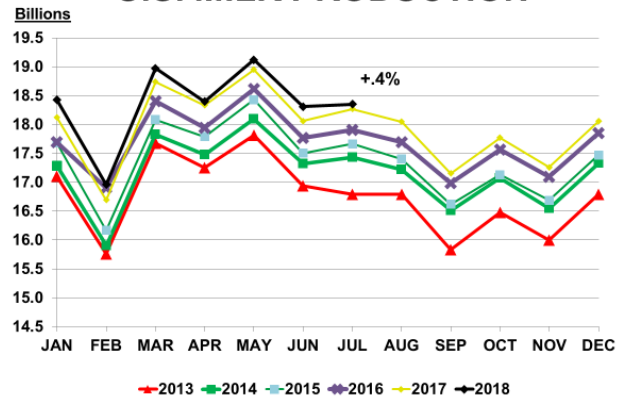
August 31, 2018

The August Class IV price was \$14.63 up \$0.49 cwt. from last month. Class IV projection for September is \$14.89.

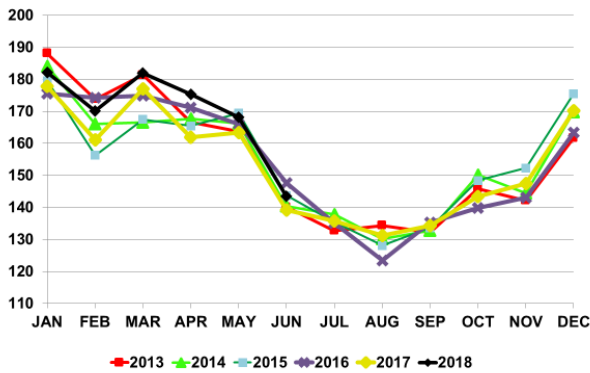
The August Class III price was \$14.95. up \$0.85 cwt. from last month. Class III projection for September is \$16.20.

July Milk production in the 23 major States totaled 17.3 billion pounds, up 0.4 percent from July 2017. Production per cow in the 23 major States averaged 1,980 pounds for July, 8 pounds above July 2017. The number of milk cows on farms in the 23 major States was 8.74 million head, 1,000 head more than July 2017, but 8,000 head less than June 2018. this represents the narrowest year-over-year increase in U.S. milk production since January 2016.

U.S. MILK PRODUCTION



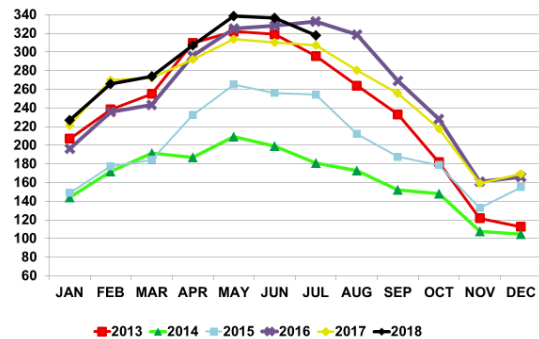
U.S. BUTTER PRODUCTION



Total butter production for June was up 3.1% compared to June of 2017. YTD production through June is up 40.6 million pounds representing an increase of 4.1% over last year's production at this time.

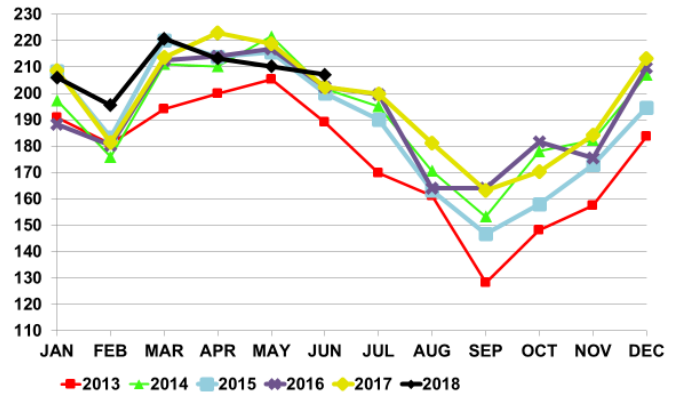
Butter storage at the end of July is running 18.6 million pounds more than last year's July position representing a 6% increase over last year at this time. The inventory level the end of July looks in line with expectations.

U.S. BUTTER IN COLD STORAGE

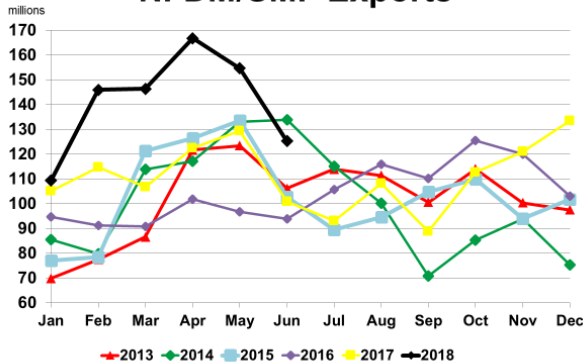


Combined nonfat and SMP production for June is up 2.4% from last year's June total. YTD production through June is up 5 million pounds representing an increase of .4% from last year's production

Skim/NFDM Production



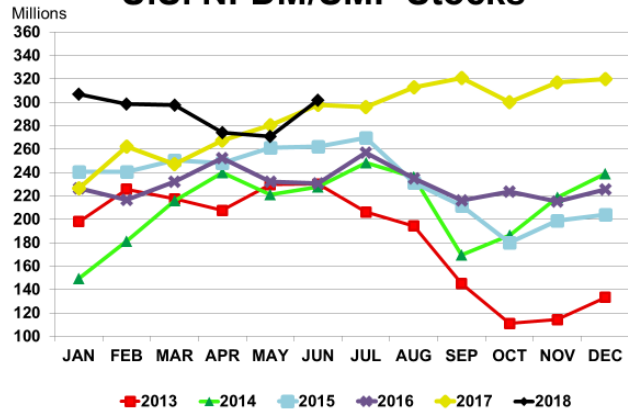
NFDM/SMP Exports



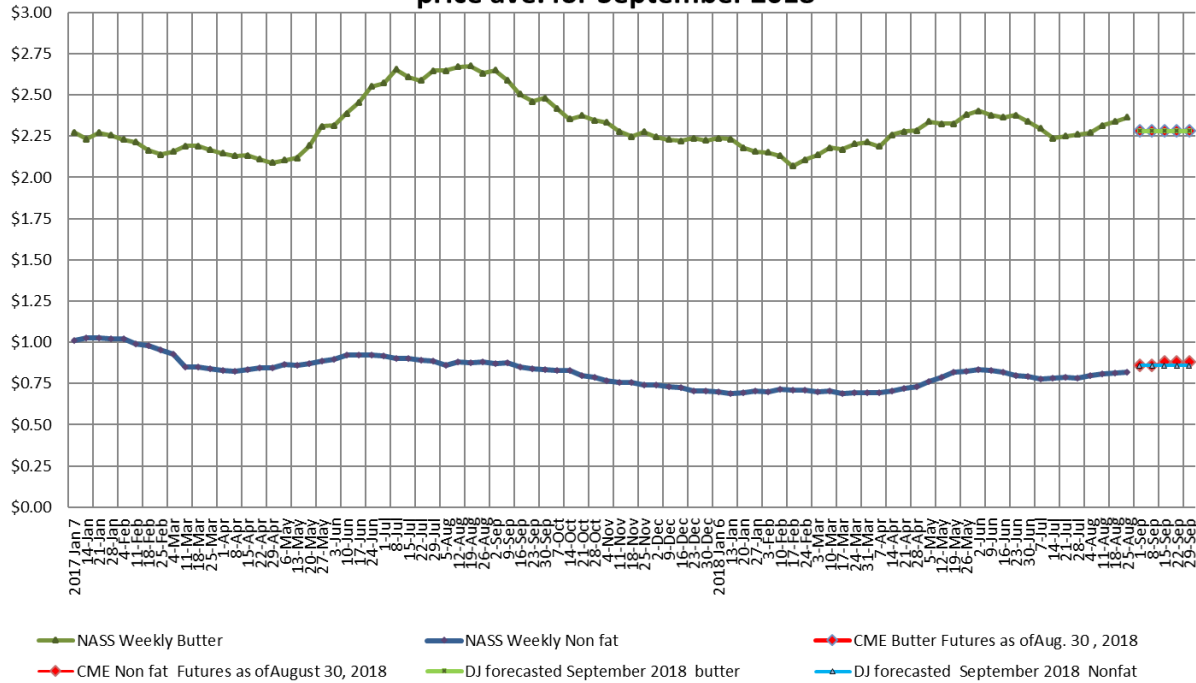
Nonfat exports for the month of June 2018 were up 24.2 million from last year's June total, representing a 24.2% increase over the month of June last year. YTD exports through June are up 169.3 million pounds representing an increase of 24.9% over last year.

Inventory stocks at the end of June are up 4.8 million pounds more than last year's June. This inventory represents about 8 weeks of production

U.S. NFDM/SMP Stocks



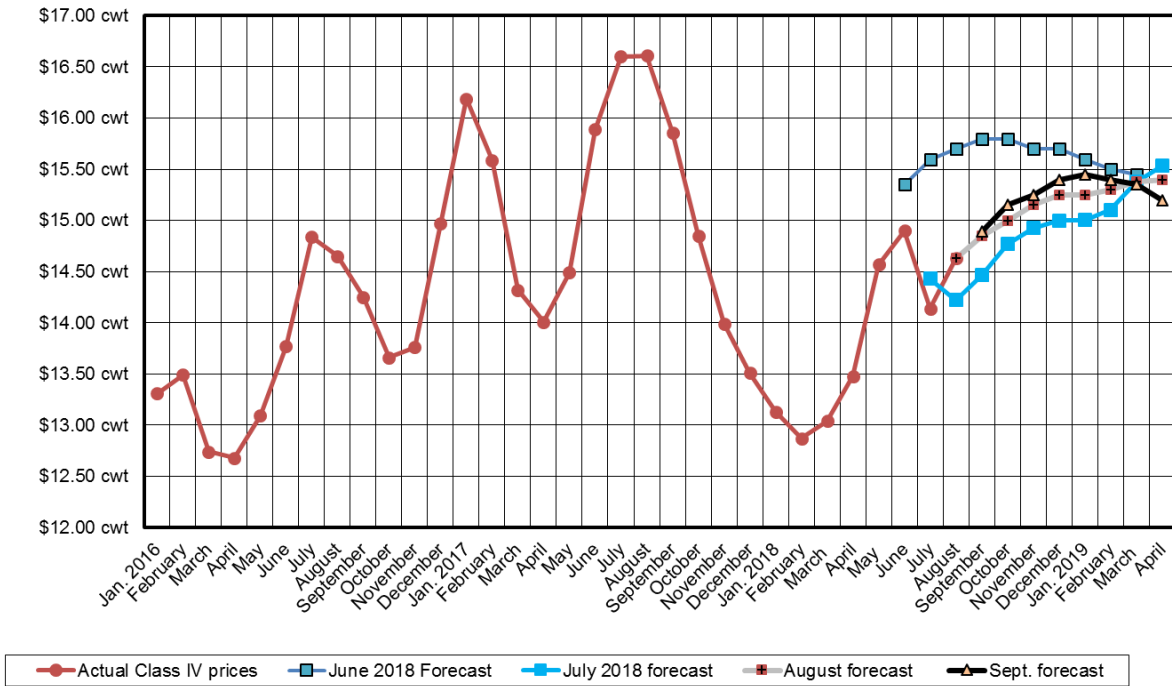
**Weekly NASS butter and nonfat powder prices Jan 2017- August, 2018,
and
CME Futures, and VernDale, forecasted Butter and Nonfat powder
price ave. for September 2018**



Projected Class IV price's as of Aug. 30, 2018

Year	Month	Projected classIV price
2018	September	\$14.89
2018	October	\$15.15
2018	November	\$15.25
2018	December	\$15.40
2019	Jan	\$15.45
2019	Feb	\$15.40
2019	March	\$15.35
2019	April	\$15.20
2019	May	\$15.34
2019	June	\$15.50

August 31, 2018 VernDale Class IV Forecast vs. Past Months Forecasts



Dale Johnson