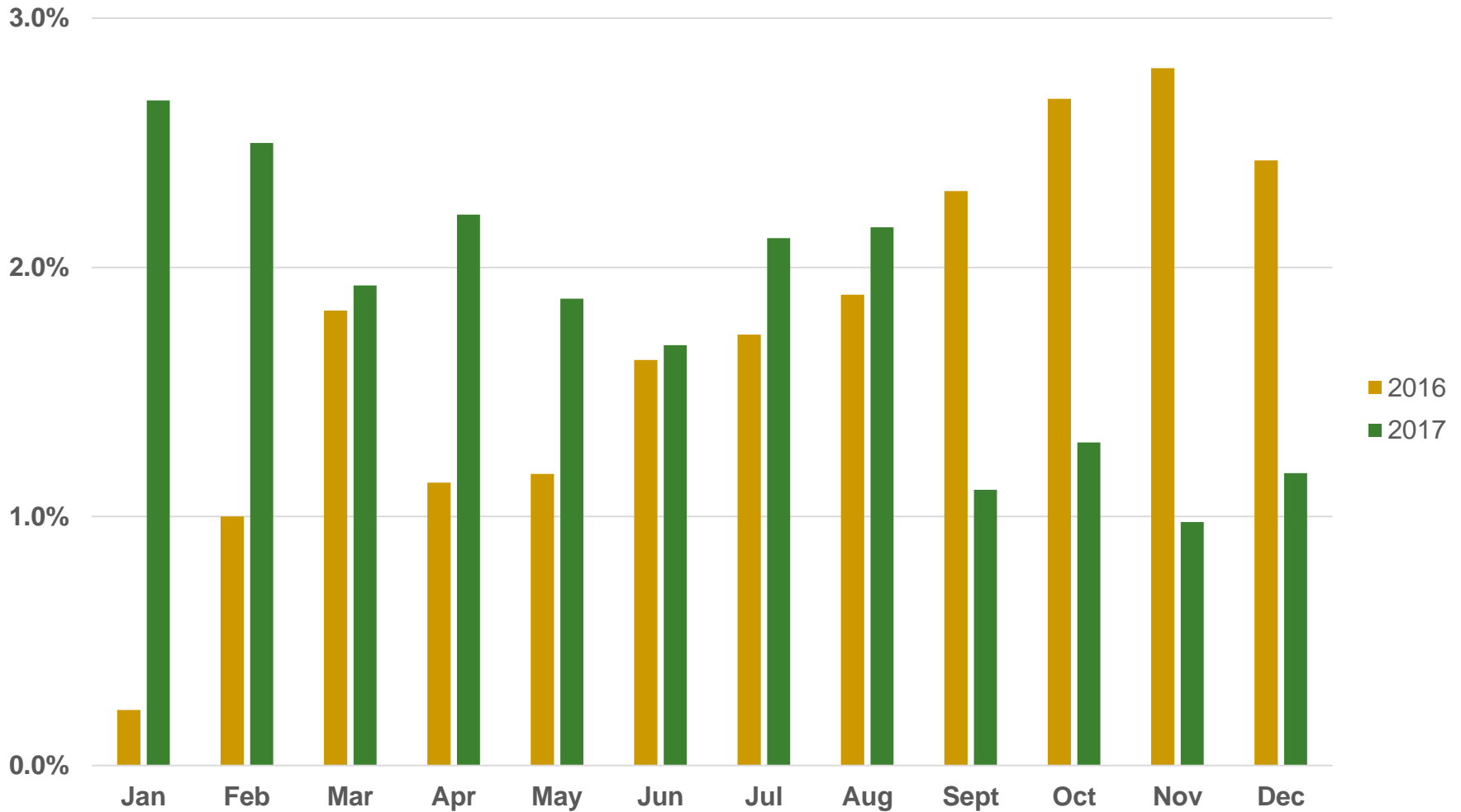


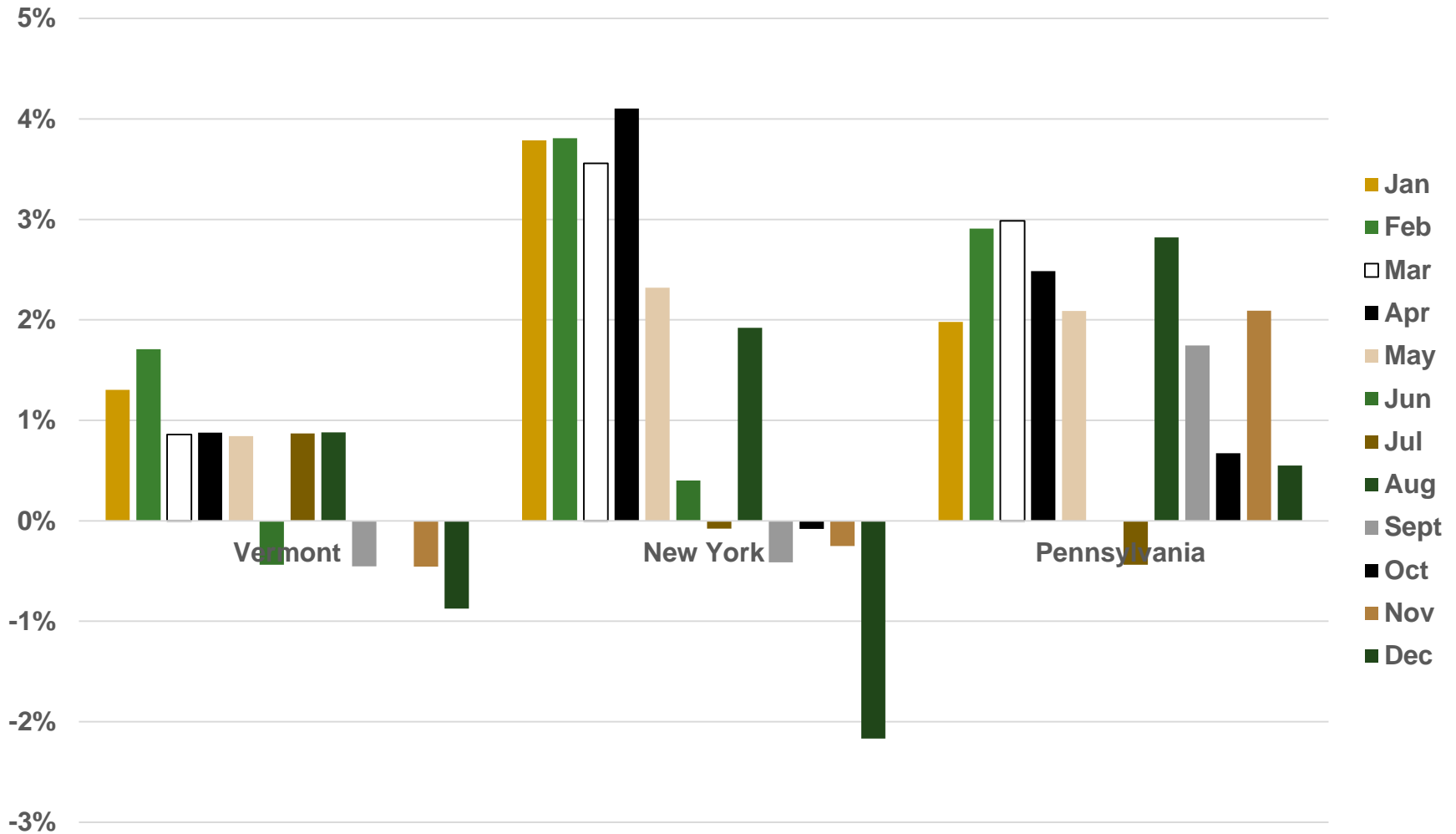
DAIRY MARKETS AND MILK PRICE FORECASTS

Northeast Agribusiness & Feed Alliance Annual Meeting
Albany, New York
February 7, 2018

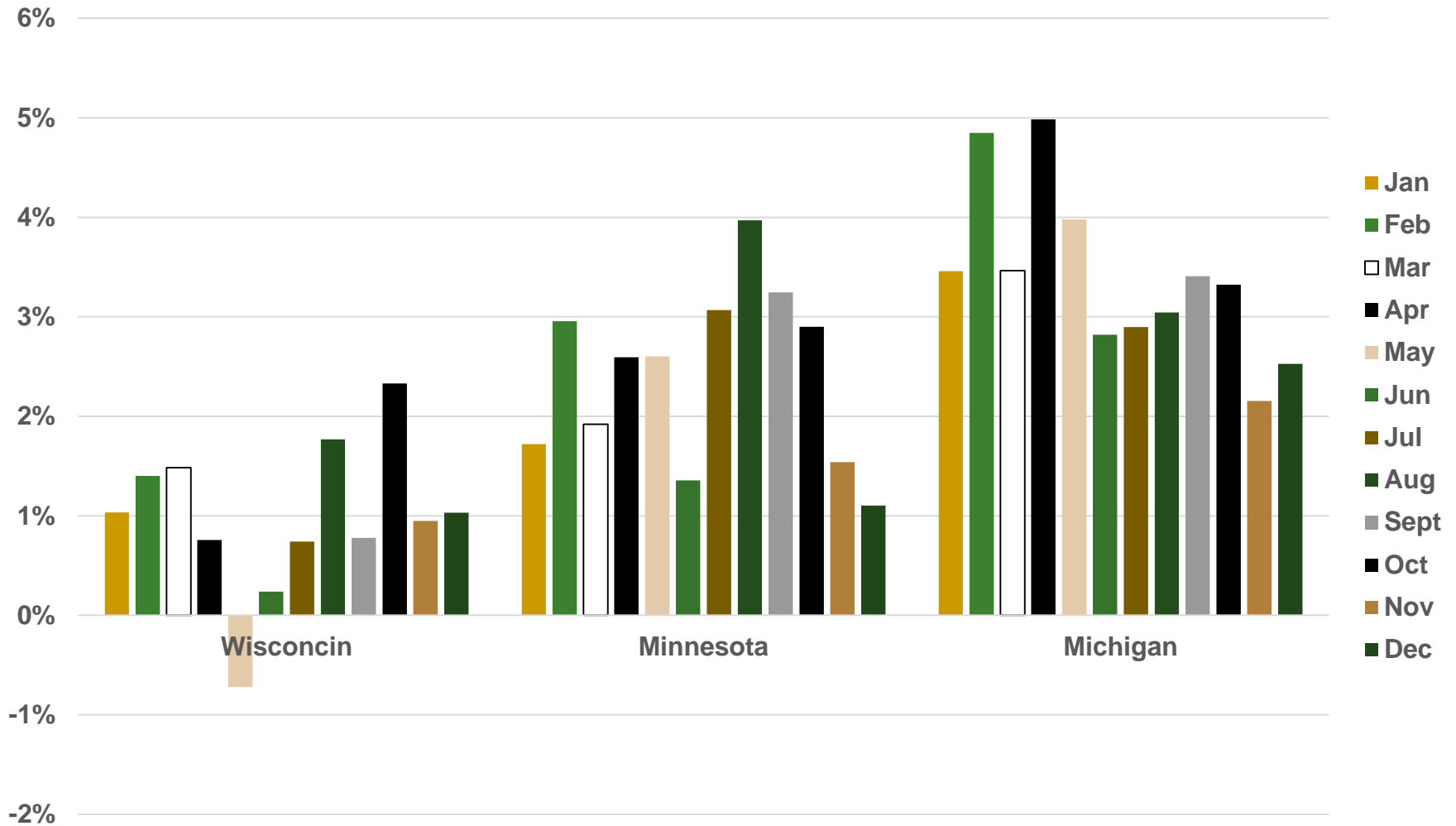
2016/2017 Percentage Change in U.S. Milk Production (23 Major States)



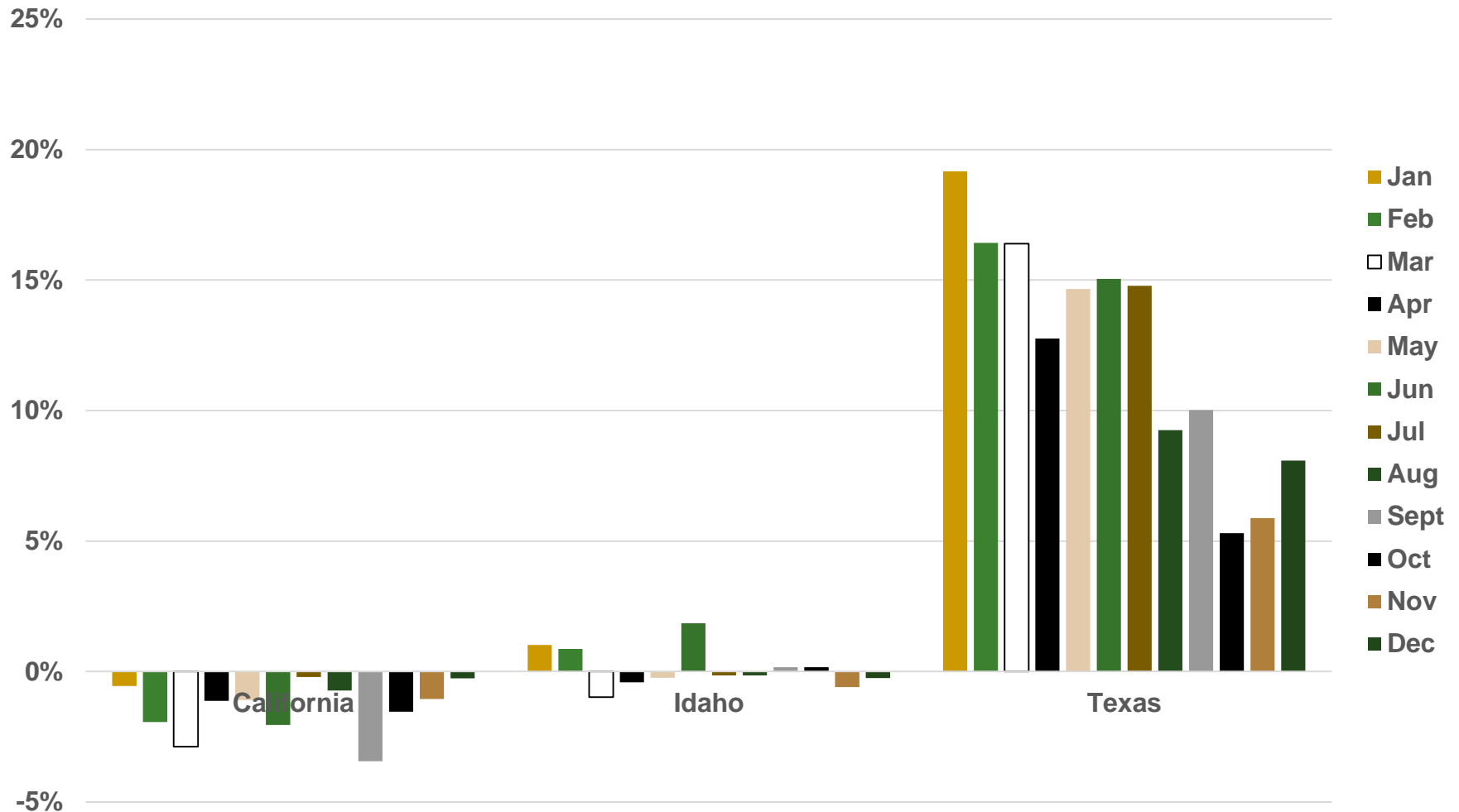
Milk Production Change, Selected Northeast States, January 2017- December 2017



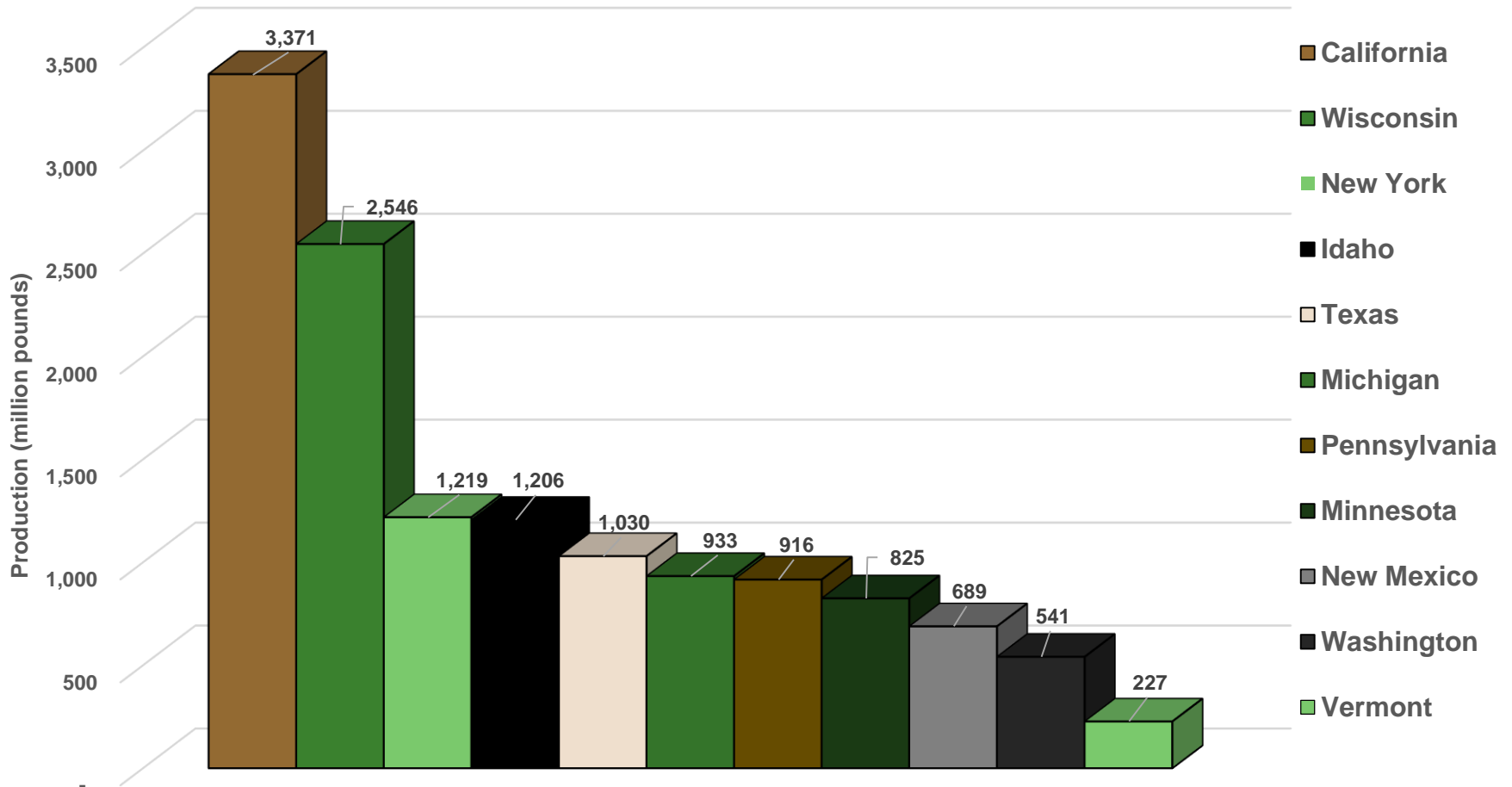
Milk Production Change, Selected Upper Midwest States, January 2017- December 2017



Milk Production Change, Selected Western States, January 2017 – December 2017



Milk Production, Top Ten States and Vermont, December 2017



U.S. Dairy Product Production

November 2017 vs November 2016

Product	% change	October 2017 Volume (million pounds)
Total Cheese	+2.8%	1,050
Italian Cheese	+3.6%	455
American Cheese	+0.6%	401
Butter	+1.8%	146
Nonfat Dry Milk	+9.7%	140
Skim Milk Powder	-11.9%	41.8

Cold Storage Dairy Stocks in All Warehouses

	<u>December 31, 2017</u> (mil. lbs.)	<u>December 31, 2016</u> (mil. lbs.)	PERCENTAGE CHANGE
BUTTER	169	166	2%
TOTAL NATURAL CHEESE	1,280	1,198	7%
AMERICAN CHEESE	747	726	3%

FEDERAL ORDER VS CALIFORNIA

CLASS III & IV PRICES, January 2017 - December 2017

	CLASS III				CLASS IV		
	<u>FED ORD</u>	<u>CALIF</u>	<u>DIFF</u>		<u>FED ORD</u>	<u>CALIF</u>	<u>DIFF</u>
Jan-17	\$16.77	\$15.99	\$0.78		\$16.19	\$15.67	\$0.52
Feb-17	\$16.88	\$15.81	\$1.07		\$15.59	\$15.40	\$0.19
Mar-17	\$15.81	\$13.76	\$2.05		\$14.32	\$13.96	\$0.36
Apr-17	\$15.22	\$14.30	\$0.92		\$14.01	\$13.73	\$0.28
May-17	\$15.57	\$15.25	\$0.32		\$14.49	\$14.43	\$0.06
Jun-17	\$16.44	\$15.60	\$0.84		\$15.89	\$15.91	(\$0.02)
Jul-17	\$15.45	\$15.29	\$0.16		\$16.60	\$16.41	\$0.19
Aug-17	\$16.57	\$16.26	\$0.31		\$16.61	\$16.68	(\$0.07)
Sep-17	\$16.36	\$14.88	\$1.48		\$15.86	\$15.69	\$0.17
Oct-17	\$16.69	\$16.17	\$0.52		\$14.85	\$14.51	\$0.34
Nov-17	\$16.88	\$15.52	\$1.36		\$13.99	\$13.62	\$0.37
Dec-17	\$15.44	\$13.52	\$1.92		\$13.51	\$13.36	\$0.15
AVERAGE			\$0.98				\$0.21

US Dairy Exports

as a Percent of Production

November

PRODUCT	2017	YEAR AGO
NDM/SMP	66%	68%
Total Cheese	6.1%	5.4%
Butterfat	5.4%	4.0%
Dry Sweet Whey	56%	54%
Lactose	77%	78%
Total Milk Solids	16.1%	15.8%

US Dairy Exports

as a Percent of Production

Jan – Nov

2017

YEAR AGO

PRODUCT

NDM/SMP	56%	58%
Total Cheese	6.1%	5.1%
Butterfat	3.3%	2.9%
Dry Sweet Whey	45%	44%
Lactose	69%	73%
Total Milk Solids	14.5%	14.2%

NORTHEAST MILK PRICE FORECASTS, 2017-2018

January 29, 2018



					BOSTON BLEND PRICE					FAMILY DAIRY FARMS	
2017	COMPONENT PRICES PER POUND			BOSTON PPD/cwt.	@3.5 bf	CLASS PRICES				Class III	MPP
	BUTTER		OTHER				I	II	III	IV	Futures
	FAT	PROTEIN	SOLIDS								
JAN	\$2.525	\$2.177	\$0.250	\$1.44	\$18.21	\$20.70	\$16.36	\$16.77	\$16.19	\$16.77	\$10.72
FEB	\$2.427	\$2.235	\$0.299	\$0.89	\$17.77	\$19.98	\$16.52	\$16.88	\$15.59	\$16.88	\$10.72
MAR	\$2.418	\$1.820	\$0.335	\$1.49	\$17.30	\$20.15	\$16.21	\$15.81	\$14.32	\$15.81	\$9.03
APR	\$2.355	\$1.696	\$0.335	\$1.17	\$16.39	\$19.30	\$14.81	\$15.22	\$14.01	\$15.22	\$9.03
MAY	\$2.413	\$1.772	\$0.320	\$0.94	\$16.51	\$18.45	\$14.84	\$15.57	\$14.49	\$15.57	\$8.91
JUN	\$2.707	\$1.755	\$0.301	\$1.09	\$17.53	\$18.56	\$16.15	\$16.44	\$15.89	\$16.44	\$8.91
JUL	\$2.946	\$1.225	\$0.260	\$2.56	\$18.01	\$19.84	\$17.48	\$15.45	\$16.60	\$15.45	\$9.75
AUG	\$3.011	\$1.554	\$0.243	\$1.76	\$18.33	\$19.97	\$17.56	\$16.57	\$16.61	\$16.59	\$9.75
SEP	\$2.856	\$1.699	\$0.224	\$1.53	\$17.89	\$19.96	\$16.80	\$16.36	\$15.86	\$16.26	\$9.97
OCT	\$2.665	\$2.108	\$0.185	\$0.75	\$17.44	\$19.69	\$15.95	\$16.69	\$14.85	\$16.60	\$9.97
NOV	\$2.555	\$2.341	\$0.164	\$0.26	\$17.14	\$19.66	\$15.32	\$16.88	\$13.99	\$16.80	\$9.61
DEC	\$2.495	\$2.038	\$0.107	\$1.27	\$16.71	\$20.13	\$14.49	\$15.44	\$13.51	\$15.50	\$9.61
AVG	\$2.614	\$1.868	\$0.252	\$1.26	\$17.44	\$19.70	\$16.04	\$16.17	\$15.16	\$16.16	\$9.67

2018	COMPONENT PRICES PER POUND			BOSTON BLEND PRICE @3.5 bf	BOSTON PRICE	CLASS PRICES				Class III	MPP	
	BUTTER		OTHER			BOSTON					Futures	Margin*
	FAT	PROTEIN	SOLIDS			PPD/cwt.	I	II	III	IV		
JAN	\$2.454	\$1.665	\$0.076	\$1.78	\$15.77	\$18.69	\$14.11	\$14.00	\$13.12	\$13.91	\$7.79	
FEB	\$2.396	\$1.555	\$0.067	\$1.52	\$14.93	\$17.50	\$13.60	\$13.42	\$13.07	\$13.32	\$7.79	
MAR	\$2.408	\$1.536	\$0.071	\$1.40	\$14.83	\$16.63	\$13.83	\$13.43	\$13.30	\$13.44	\$7.02	
APR	\$2.431	\$1.580	\$0.077	\$1.32	\$15.00	\$16.69	\$14.06	\$13.67	\$13.54	\$13.68	\$7.02	
MAY	\$2.470	\$1.671	\$0.082	\$1.28	\$15.40	\$16.85	\$14.33	\$14.12	\$13.82	\$14.06	\$7.23	
JUN	\$2.483	\$1.779	\$0.092	\$1.16	\$15.71	\$17.35	\$14.54	\$14.54	\$14.00	\$14.48	\$7.23	
JUL	\$2.505	\$1.905	\$0.096	\$0.95	\$15.96	\$17.69	\$14.75	\$15.01	\$14.18	\$15.02	\$7.97	
AUG	\$2.521	\$2.011	\$0.097	\$0.99	\$16.40	\$18.15	\$14.90	\$15.38	\$14.39	\$15.44	\$7.97	
SEP	\$2.530	\$2.097	\$0.098	\$1.05	\$16.76	\$18.59	\$15.10	\$15.69	\$14.56	\$15.63	\$8.75	
OCT	\$2.529	\$2.150	\$0.102	\$1.10	\$16.98	\$18.92	\$15.24	\$15.87	\$14.69	\$15.75	\$8.75	
NOV	\$2.524	\$2.142	\$0.103	\$1.21	\$17.06	\$19.12	\$15.37	\$15.83	\$14.82	\$15.68	\$9.01	
DEC	\$2.487	\$2.130	\$0.107	\$1.25	\$16.96	\$19.09	\$15.38	\$15.68	\$14.83	\$15.59	\$9.01	
AVG	\$2.478	\$1.852	\$0.089	\$1.25	\$15.98	\$17.94	\$14.60	\$14.72	\$14.03	\$14.67	\$7.96	

* USDA estimated income from All-Milk price minus an estimated feed ration based on the formula used in the Margin Protection Program.