

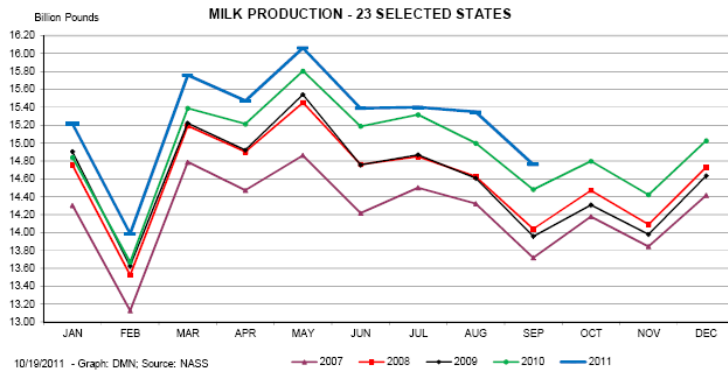


Class IV Market News and Summary

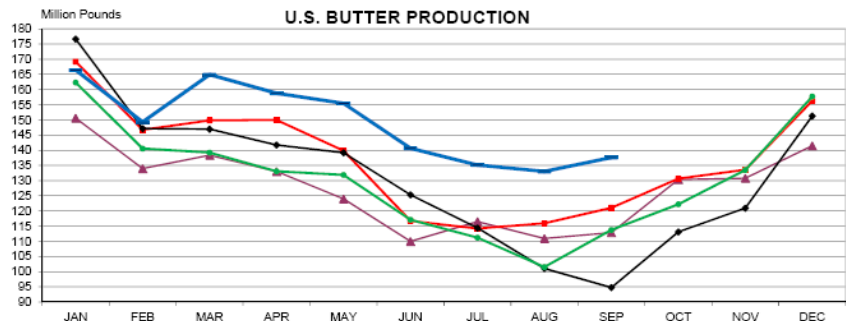
November 4, 2011

October Class IV - \$ 18.41/cwt. down \$1.10 from last month.
 Class IV projection for November is \$18.07
October Class III - \$18.03/cwt. down. \$1.04 from last month.
 Class III projection for November is \$18.00

September Milk Production up 1.9 Percent, from September 2010. Production per cow in the 23 major States was 12 pounds above September 2010. The number of milk cows on farms in the 23 major States was 8.47 million head, 101,000 head more than September 2010, and 1,000 head more than August 2011.

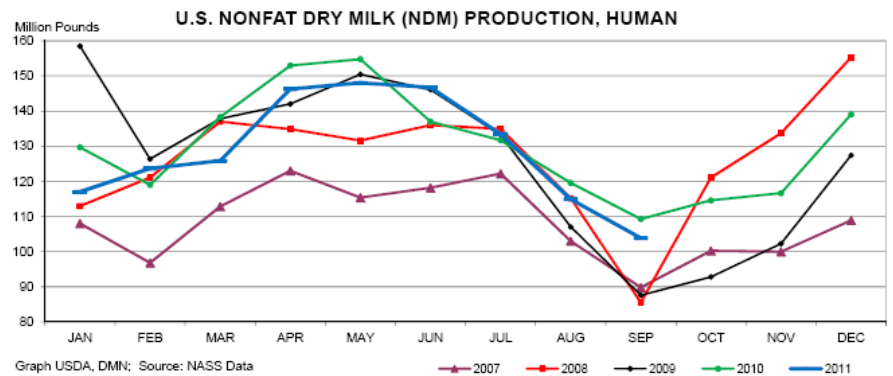
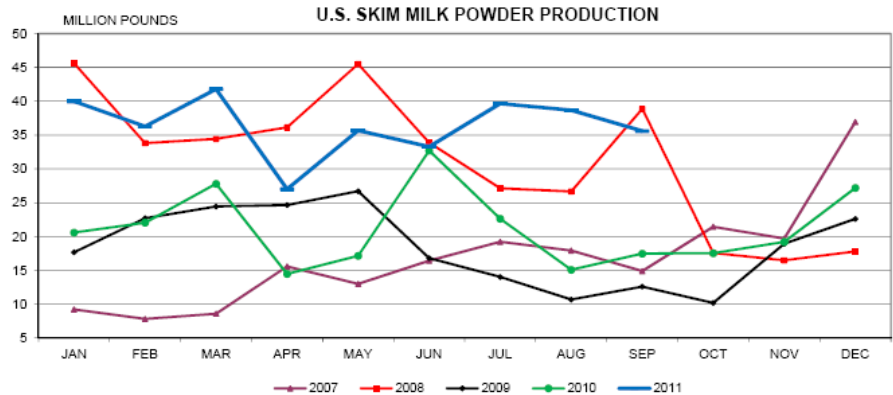


BUTTER-- the NASS butter price average for October was \$1.7893/lb. down 20 cent/lb. from last months average price. The week ending 10/29/2011, NASS butter price was \$ 1.829. The CME spot Butter price on November 4 was \$1.8325. The Novembers futures butter cash price on November 3 was \$1.8175/lb. The CME prices and futures prices signals an increase in butter prices from the October NASS average.

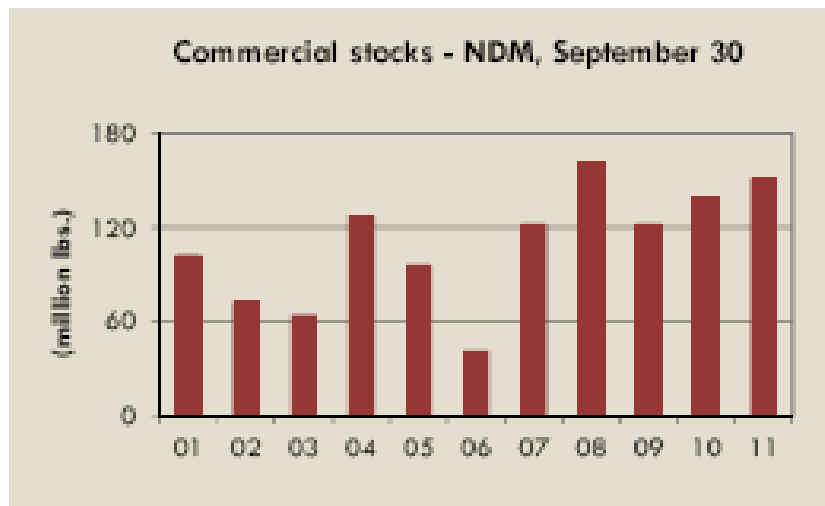


SEPTEMBER COLD STORAGE (NASS): Butter stocks were down 9 percent from last month but up 16 percent from a year ago.

NONFAT--The October average NASS price was \$1.5109 down \$0.03 from the previous month's average price. The 10/29/2011 week ending NASS nonfat price was \$1.4872/lb. The CME spot price on November 3, 2011, was \$1.58/lb. down 4 cent from last month. For Extra Grade Nonfat the NDM Futures market for November is \$1.465/lb. Prices will continue to soften through the remainder of 2011 as inventories increase and exports volumes decline. September is the low point in annual production cycle and inventories will begin to build unless exports continue.



Graph USDA, DMN; Source: NASS Data



MY SUMMARY

As of November 4, 2011 my Class IV forecast for the remainder of 2011, and the first half of 2012 are as follows:

2011

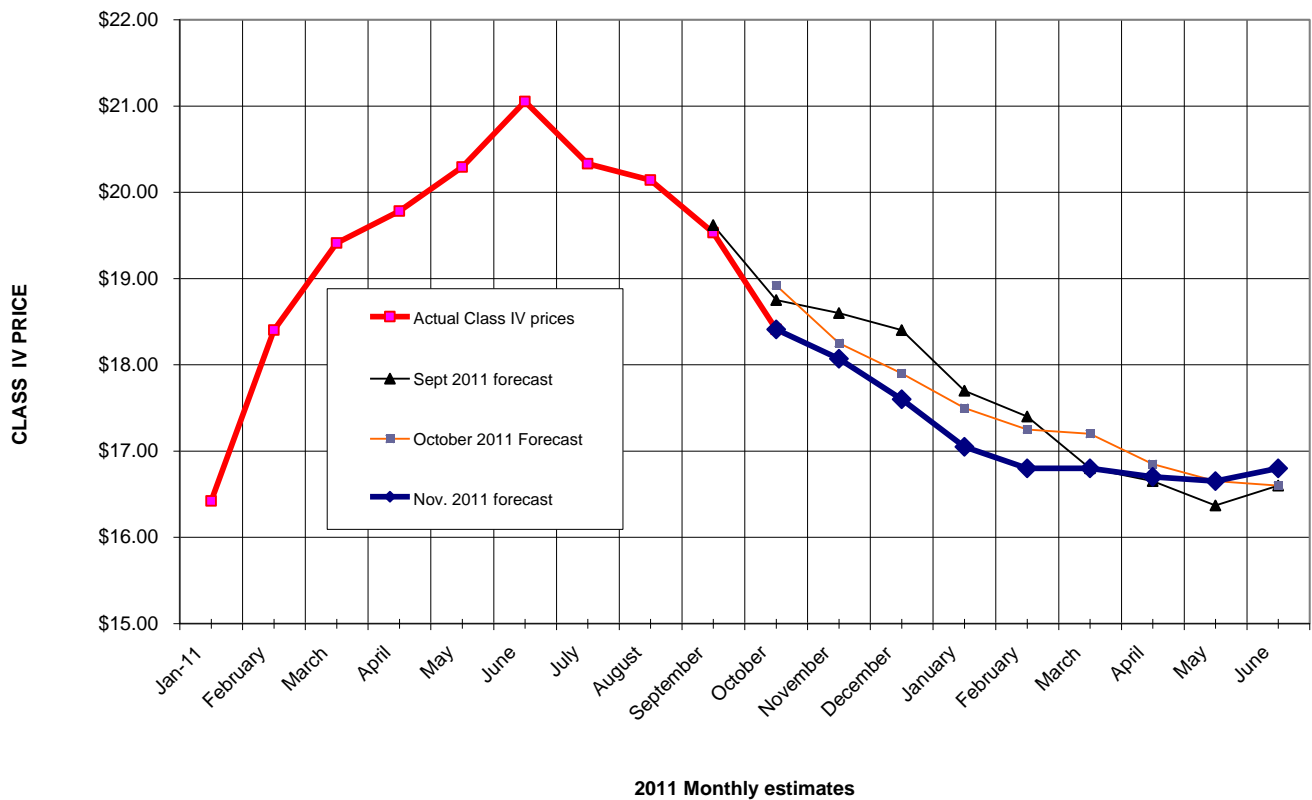
November \$18.07, December \$17.60,

2012

Jan \$17.05, Feb. \$16.80, March \$16.80, April, \$16.70, May \$16.65, June \$16.80

Class IV forecast has been adjusted slightly lower for the 4th. quarter of 2011, and First quarter of 2012 as shown in the graph below.

November 4, 2011 Class IV Forecast vs. Previous Months Forecast



Dale Johnson.