

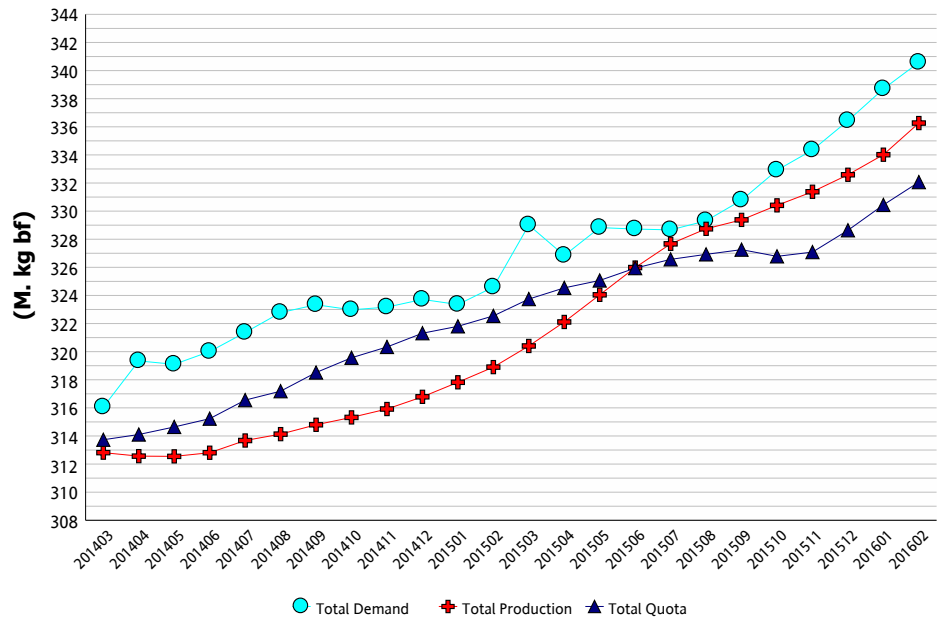
# CDC MARKET BULLETIN

## Market Comment

Total Requirements for the 12 month period ending February 2016 were 340.58 kg BF. This reading represents a 0.6% increase compared to January 2016 and a 4.9% increase over the same period last year. The continued growth in Total Requirements can be attributed to strong domestic demand for butterfat as well as external variables including imports and exports.

There was 3.5 M. kg more BF used in Class 1 for the 12 months ending February 2016 compared to the 12 months ending February 2015. Class 2 also increased by 3.5 M. kg BF during this period. Class 3 BF utilization remains strong as well, evident with a 6.2% increase; BF in Class 3(d) alone (mozzarella for fresh pizzas) increased by 29% during this period (representing over 2 M. kg BF). Part of these increases can be attributed to higher butterfat concentration in certain products. When stocks, imports, and 4(a) utilization are taken into account for February 2016, butter available in the domestic market increased by 1.8 M. kg BF compared to February 2015.

## Total Demand, Total Quota and Total Production (12 Month Rolling)



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2014/3 to 2015/2	2015/3 to 2016/2	% Change	2014/3 to 2015/2	2015/3 to 2016/2	% Change	2014/3 to 2015/2	2015/3 to 2016/2	% Change
NL	1,922,846	1,968,974	2.40%	1,510,536	1,488,169	-1.48%	412,310	480,805	16.61%
P5	240,581,776	253,612,487	5.42%	78,558,965	77,920,319	-0.81%	162,022,811	175,692,168	8.44%
WMP	76,395,751	80,684,510	5.61%	35,617,355	36,101,046	1.36%	40,778,396	44,583,464	9.33%
<b>Canada</b>	<b>318,900,373</b>	<b>336,265,971</b>	<b>5.45%</b>	<b>115,686,856</b>	<b>115,509,534</b>	<b>-0.15%</b>	<b>203,213,517</b>	<b>220,756,437</b>	<b>8.63%</b>

## Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2014/3 to 2015/2	2015/3 to 2016/2	% Change	2014/3 to 2015/2	2015/3 to 2016/2	% Change
1(a)	46,292	46,893	1.30%	235,197	233,646	-0.66%
1(b)	47,269	50,195	6.19%	20,254	21,487	6.09%
2	24,447	27,803	13.73%	47,059	49,844	5.92%
3	111,455	118,340	6.18%	239,544	240,752	0.50%
4(a)	53,823	58,927	9.48%	13,640	12,104	-11.26%
4(b)	1,851	1,825	-1.41%	5,114	4,641	-9.26%
4(m) 4(a1)	698	988	41.61%	75,027	104,064	38.70%
5(a,b,c)	28,979	28,047	-3.22%	43,658	44,780	2.57%
5(d)	1,709	1,035	-39.44%	27,997	30,453	8.77%
Other	1,508	1,374	-8.90%	3,550	8,425	137.33%
<b>Total</b>	<b>318,030</b>	<b>335,427</b>	<b>5.47%</b>	<b>711,039</b>	<b>750,194</b>	<b>5.51%</b>

## Continuous Quota

### Cumulative Over/Under Production (with limits) as of:

February 29, 2016

Province	kg of bf	% *
NL	-374,811	-16.07%
PE	-155,218	-3.63%
NS	-75,954	-1.04%
NB	-88,646	-1.56%
QC	-1,127,935	-0.91%
ON	1,531,871	1.42%
MB	-462,892	-3.37%
SK	-136,391	-1.38%
AB	-452,322	-1.60%
BC	-82,601	-0.29%

\* Cumulative Over / Under Production (with limits) expressed as a % of the most recent 12 months total quota



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### Retail Product Sales\*

Current period vs previous period ('000 kg)

Up to:	March 5, 2016		
	Previous 12 Month	12 Month	Change
<b>Butter</b>	56,658	57,992	+ 2.4%
<b>Total Cheese</b>	259,061	259,969	+ 0.4%
Cheddar	87,556	89,173	+ 1.8%
Fine Cheese*	51,243	51,980	+ 1.4%
Everyday Cheese*	57,986	59,474	+ 2.6%
Processed	60,431	57,656	- 4.6%
<b>Ice cream</b>	176,332	178,965	+ 1.5%
<b>Yogurt</b>	316,906	327,997	+ 3.5%
<b>Cream</b>	91,410	94,804	+ 3.7%

Source: The Nielsen Company, MarketTrack and Homescan panelists.  
\*Note: Everyday Cheese = 3(c), Fine Cheese = 3(a)

### Butter Inventory ('000 kg)

	Feb 28, 2015	Feb 29, 2016
PLAN A BUTTER	6	20
PLAN B BUTTER	3,376	0
IMPORTED BUTTER	376	587
<b>TOTAL CDC BUTTER STOCKS</b>	<b>3,758</b>	<b>607</b>
PRIVATE BUTTER STOCKS	12,004	15,659
<b>TOTAL CDC AND PRIVATE BUTTER STOCKS</b>	<b>15,762</b>	<b>16,266</b>

### Other Private Stocks ('000 kg)

	Feb 28, 2015	Feb 29, 2016
CHEDDAR	46,422	52,206
PROCESSED CHEESE	15,493	14,667
SPECIALTY CHEESE	27,845	30,695

### Comments on Stocks

Total milk production for the 12 month period ending February 2016 was 5.4% higher than the same period last year. The 5% growth allowance is still in effect until July 31, 2016, which will help encourage the strong production trend to continue.

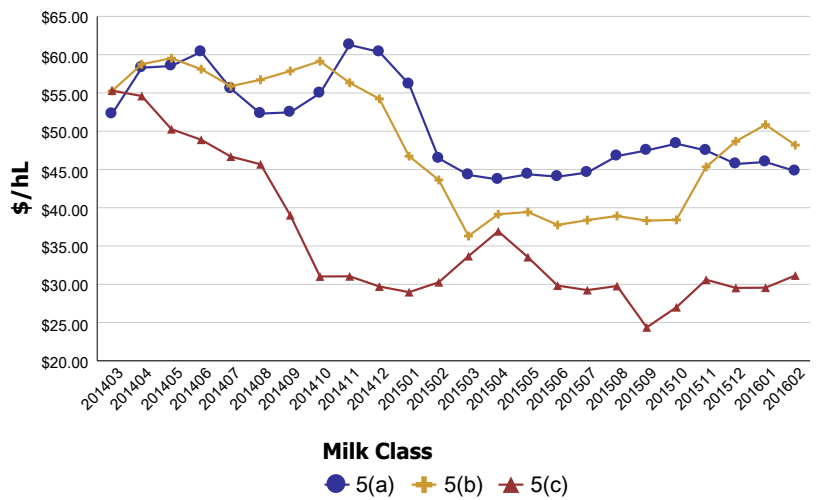
In February 2016, CDC Plan A butter stocks were 20 t, and Plan B stocks were 0 t. Uptake has been strong for Plan B since its re-opening on March 1, 2016; as of April 3, 2016, close to 4,000 tonnes are in Plan B while Plan A levels are still very low (12 tonnes). TRQ imports for February 2016 totaled 220 t, in addition to 514 t of supplementary imports.

### Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2014/3 to 2015/2	2015/3 to 2016/2	
1	\$96.45	\$96.13	-0.34%
2 to 4(d)	\$79.12	\$76.06	-3.86%
4(m) 4(a1)*	\$14.27	\$8.35	-41.47%
5(a) to (c)	\$51.64	\$39.72	-23.08%
5(d)	\$39.45	\$25.39	-35.62%
<b>All Classes</b>	<b>\$78.86</b>	<b>\$73.97</b>	<b>-6.20%</b>

\* Price based on SNF components only

### Class 5 Component Prices in \$/hL



### SNF Surplus

(12 Month Rolling)

