

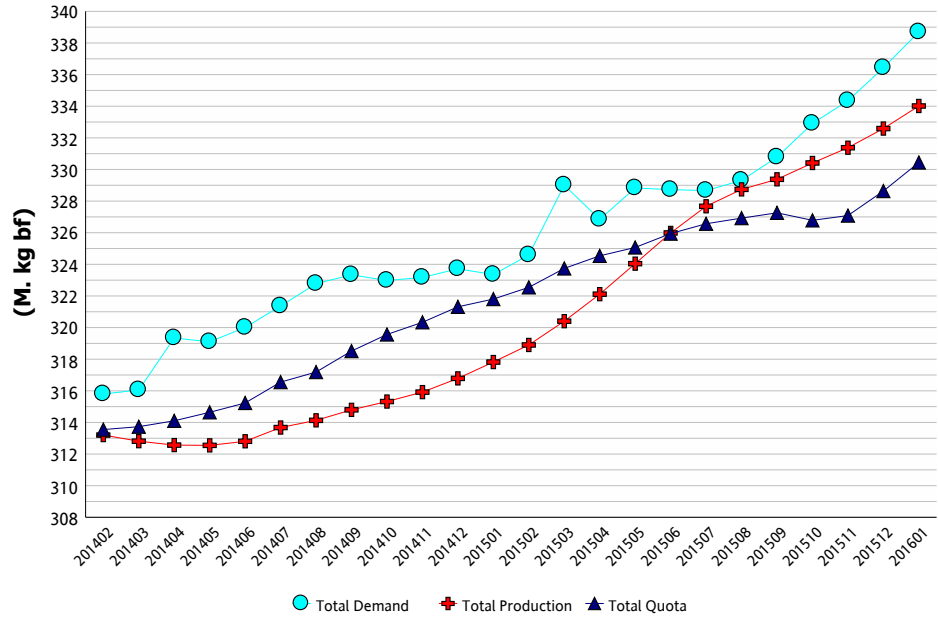
CDC MARKET BULLETIN

Market Comment

Total requirements for the twelve month period ending January 2016 were 338.70 M. kg BF, representing an increase of 0.7% compared to December 2015 and 4.7% compared to January 2015.

For the 12-months ending January 2016, BF utilization remained strong for all classes compared to the same period one year ago. BF utilization for cheese (Class 3 and 5(a)) increased by 6.1%. BF used in cream (Class 1(b)) continued its strong upward trend with a 5.3% increase over the same period last year. Yogurt and ice cream in Class 2 have both had strong increases of 900,000 kg BF and 2.2 M. kg BF respectively. Class 4(a) BF utilization figures and private stock reports indicate that January 2016 was a strong month for butter production and stock re-building. Steady increases in butter consumption (~2% year-over-year) continue to be seen at the retail level.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2014/2 to 2015/1	2015/2 to 2016/1	% Change	2014/2 to 2015/1	2015/2 to 2016/1	% Change	2014/2 to 2015/1	2015/2 to 2016/1	% Change
NL	1,921,468	1,962,204	2.12%	1,512,102	1,479,461	-2.16%	409,366	482,743	17.92%
P5	239,926,256	251,798,388	4.95%	78,614,911	77,795,538	-1.04%	161,311,345	174,002,850	7.87%
WMP	75,972,154	80,254,577	5.64%	35,601,061	35,994,949	1.11%	40,371,093	44,259,628	9.63%
Canada	317,819,878	334,015,169	5.10%	115,728,074	115,269,948	-0.40%	202,091,804	218,745,221	8.24%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2014/2 to 2015/1	2015/2 to 2016/1	% Change	2014/2 to 2015/1	2015/2 to 2016/1	% Change
1(a)	46,287	46,734	0.97%	235,547	233,118	-1.03%
1(b)	47,220	49,730	5.32%	20,232	21,321	5.38%
2	24,300	27,355	12.57%	46,830	49,410	5.51%
3	110,623	117,709	6.41%	237,993	240,818	1.19%
4(a)	53,435	57,237	7.12%	14,111	13,105	-7.13%
4(b)	1,817	1,877	3.29%	5,065	4,768	-5.87%
4(m) 4(a1)	635	966	52.13%	73,184	101,169	38.24%
5(a,b,c)	29,241	28,867	-1.28%	44,253	44,808	1.25%
5(d)	1,850	977	-47.20%	28,330	28,811	1.70%
Other	1,555	1,681	8.11%	3,600	7,294	102.64%
Total	316,964	333,133	5.10%	709,145	744,622	5.00%

Continuous Quota

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

January 31, 2016

Province	kg of bf	% *
NL	-321,809	-14.18%
PE	-170,912	-4.01%
NS	-100,417	-1.39%
NB	-111,853	-1.98%
QC	-1,445,461	-1.17%
ON	1,163,598	1.09%
MB	-414,881	-3.04%
SK	-143,058	-1.46%
AB	-468,010	-1.67%
BC	-150,081	-0.53%

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



CDC MARKET BULLETIN



Retail Product Sales*

Current period vs previous period ('000 kg)

Up to: February 6, 2016

	Previous 12 Month	12 Month	Change
Butter	56,459	57,509	+ 1.9%
Total Cheese	258,751	259,856	+ 0.4%
Cheddar	87,188	88,824	+ 1.9%
Fine Cheese*	51,154	52,042	+ 1.7%
Everyday Cheese*	57,592	59,376	+ 3.1%
Processed	60,685	57,629	- 5.0%
Ice cream	176,782	178,437	+ 0.9%
Yogurt	316,522	326,917	+ 3.3%
Cream	91,120	94,576	+ 3.8%

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

Butter Inventory ('000 kg)

	Jan 31, 2015	Jan 31, 2016
PLAN A BUTTER	7	69
PLAN B BUTTER	2,858	641
IMPORTED BUTTER	1,187	317
TOTAL CDC BUTTER STOCKS	4,052	1,027
PRIVATE BUTTER STOCKS	9,670	12,754
TOTAL CDC AND PRIVATE BUTTER STOCKS	13,722	13,781

Other Private Stocks ('000 kg)

	Jan 31, 2015	Jan 31, 2016
CHEDDAR	45,947	49,799
PROCESSED CHEESE	14,142	13,667
SPECIALTY CHEESE	27,990	28,784

Comments on Stocks

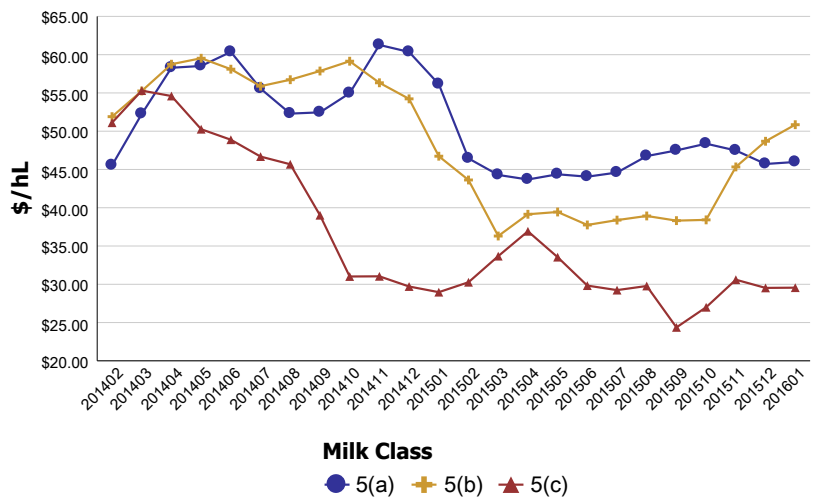
Total milk production for the twelve month period ending January 2016 was 5.1% higher than the twelve months ending January 2015. As of January 31, 2016, CDC's Plan A butter stocks stood at 69 t. Plan B remained closed in January, but will be re-opened as of March 1, 2016. Supplementary butter imports for January 2016 were 359 t.

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2014/2 to 2015/1	2015/2 to 2016/1	
1	\$96.51	\$95.95	-0.58%
2 to 4(d)	\$79.10	\$77.11	-2.52%
4(m) 4(a1)*	\$14.83	\$8.54	-42.44%
5(a) to (c)	\$52.15	\$39.81	-23.66%
5(d)	\$40.61	\$25.32	-37.63%
All Classes	\$79.05	\$74.53	-5.73%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



SNF Surplus

(12 Month Rolling)

