



CDC MARKET BULLETIN



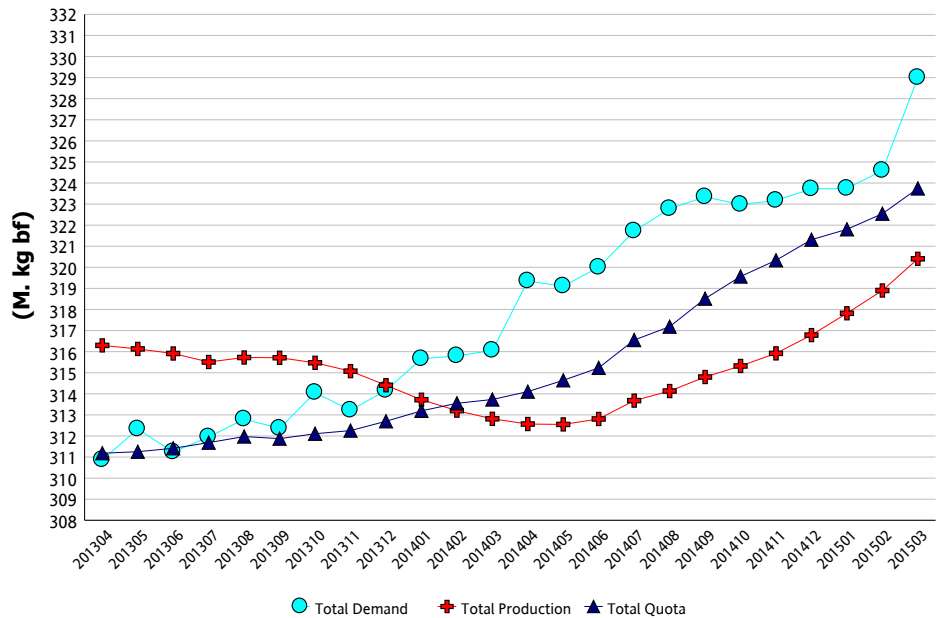
Market Comment

Canadian Requirements for the twelve-month period ending March 31, 2015 were 207.66 million kg of butterfat, representing a strong increase of 2.02% compared to February 2015. The following information shows changes between March 2014 and March 2015.

Butter consumption increased by 570,000 kg of BF according to CDC estimates. Both yogurt and ice cream in Class 2 saw growth of 8.3% and 10.9% respectively while further processing increased by 480,000 kg of BF. Class 3 experienced the largest increase. Purchases of milk for cheese processing increased by the equivalent of 2.5 million kg of BF. Strong growth in cream sales caused a decrease of 275,000 kg BF in skim-off released from the fluid milk market. While March was a large month in terms of milk production and processing, the CDC assumes much of this growth went into rebuilding processor stocks, particularly for cheese.

March 2015 recorded a 5.6% increase in total milk deliveries, with fluid milk deliveries up by 2.2% while industrial milk deliveries maintained strong growth, evident by a 7.6% increase.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2013/4 to 2014/3	2014/4 to 2015/3	% Change	2013/4 to 2014/3	2014/4 to 2015/3	% Change	2013/4 to 2014/3	2014/4 to 2015/3	% Change
NL	1,887,588	1,922,586	1.85%	1,521,252	1,508,957	-0.81%	366,336	413,629	12.91%
P5	237,979,571	241,611,179	1.53%	79,572,856	78,702,279	-1.09%	158,406,715	162,908,900	2.84%
WMP	72,947,342	76,870,796	5.38%	35,569,589	35,688,364	0.33%	37,377,753	41,182,432	10.18%
Canada	312,814,501	320,404,561	2.43%	116,663,697	115,899,600	-0.65%	196,150,804	204,504,961	4.26%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2013/4 to 2014/3	2014/4 to 2015/3	% Change	2013/4 to 2014/3	2014/4 to 2015/3	% Change
1(a)	46,268	46,412	0.31%	239,157	235,344	-1.59%
1(b)	46,433	47,613	2.54%	20,041	20,428	1.93%
2	24,279	24,657	1.56%	47,027	47,245	0.46%
3	106,922	114,000	6.62%	230,584	241,304	4.65%
4(a)	50,188	52,295	4.20%	9,747	13,635	39.89%
4(b)	1,740	1,815	4.33%	6,112	5,021	-17.85%
4(m) 4(a1)	620	719	15.88%	62,870	76,181	21.17%
5(a,b,c)	30,902	29,461	-4.66%	45,008	44,523	-1.08%
5(d)	3,299	1,422	-56.89%	36,778	27,639	-24.85%
Other	1,298	1,135	-12.59%	3,678	2,735	-25.63%
Total	311,947	319,529	2.43%	701,002	714,054	1.86%

Continuous Quota

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

March 31, 2015

Province	kg of bf	% *
NL	-70,244	-3.58%
PE	-160,090	-3.82%
NS	-113,373	-1.60%
NB	-132,740	-2.39%
QC	-1,286,181	-1.05%
ON	-416,290	-0.40%
MB	-154,362	-1.16%
SK	-91,034	-0.96%
AB	-193,044	-0.71%
BC	-211,727	-0.77%

* 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 7, 2015		
	Previous 12 Month	12 Month	Change
Butter	55,175	56,799	+ 2.9%
Total Cheese	215,224	211,229	+ 1.9%
Cheddar	84,947	87,052	+ 2.5%
Fine Cheese*	50,536	51,340	+ 1.6%
Everyday Cheese*	56,463	57,784	+ 2.3%
Processed	62,387	59,763	- 4.2%
Ice cream	181,148	176,690	- 2.5%
Yogurt	309,539	312,249	+ 0.9%

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

Butter Inventory ('000 kg)

	Mar 31, 2014	Mar 31, 2015
PLAN A BUTTER	2,266	5
PLAN B BUTTER	6,266	2,321
IMPORTED BUTTER	403	331
BUTTER FOR EXPORT	487	
TOTAL CDC BUTTER STOCKS	9,421	2,657
PRIVATE BUTTER STOCKS	10,643	10,752
TOTAL CDC AND PRIVATE BUTTER STOCKS	20,064	13,410

Other Private Stocks ('000 kg)

	Mar 31, 2014	Mar 31, 2015
CHEDDAR	43,663	46,608
PROCESSED CHEESE	11,939	16,711
SPECIALTY CHEESE	23,846	

Comments on Stocks

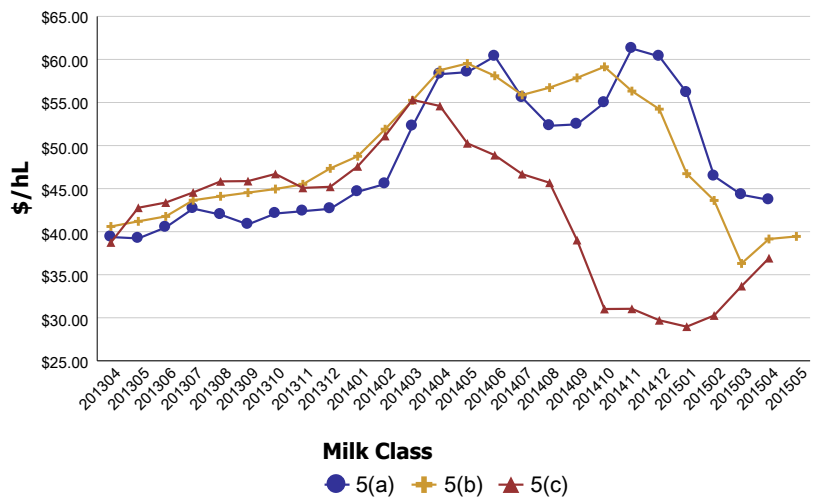
CDC butter stocks were very low in March 2015. Imported butter stocks were at 331 t while Plan A was only at 5 t. Plan B for butter has been closed since last February, which explains its low level for this time of the year, at 2,321 t. The CDC expects to receive offers of butter now that milk production reaches record levels in several regions of the country.

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2013/4 to 2014/3	2014/4 to 2015/3	
1	\$95.11	\$96.40	1.36%
2 to 4(d)	\$78.68	\$78.97	0.38%
4(m) 4(a1)*	\$17.35	\$13.61	-21.55%
5(a) to (c)	\$44.32	\$50.32	13.55%
5(d)	\$37.52	\$37.72	0.53%
All Classes	\$77.94	\$78.50	0.72%

* Price based on SNF components only

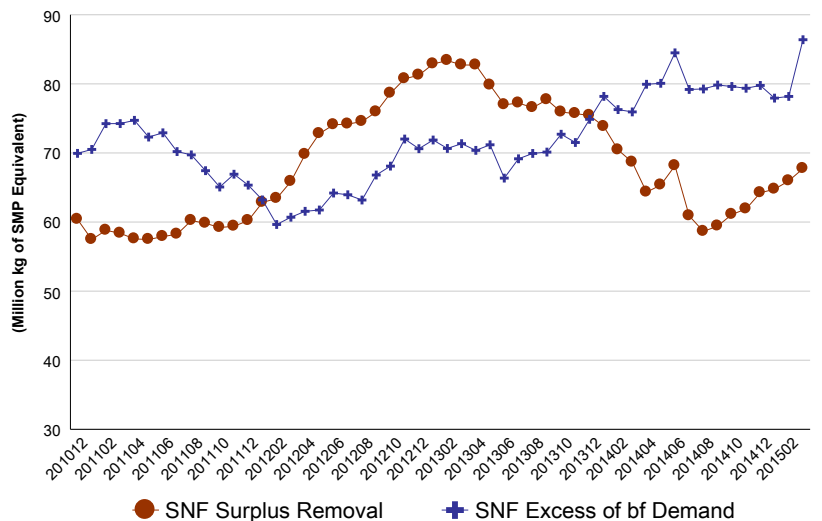
Class 5 Component Prices in \$/hL



Milk Class
● 5(a) ■ 5(b) ▲ 5(c)

SNF Surplus

(12 Month Rolling)



● SNF Surplus Removal ■ SNF Excess of bf Demand