

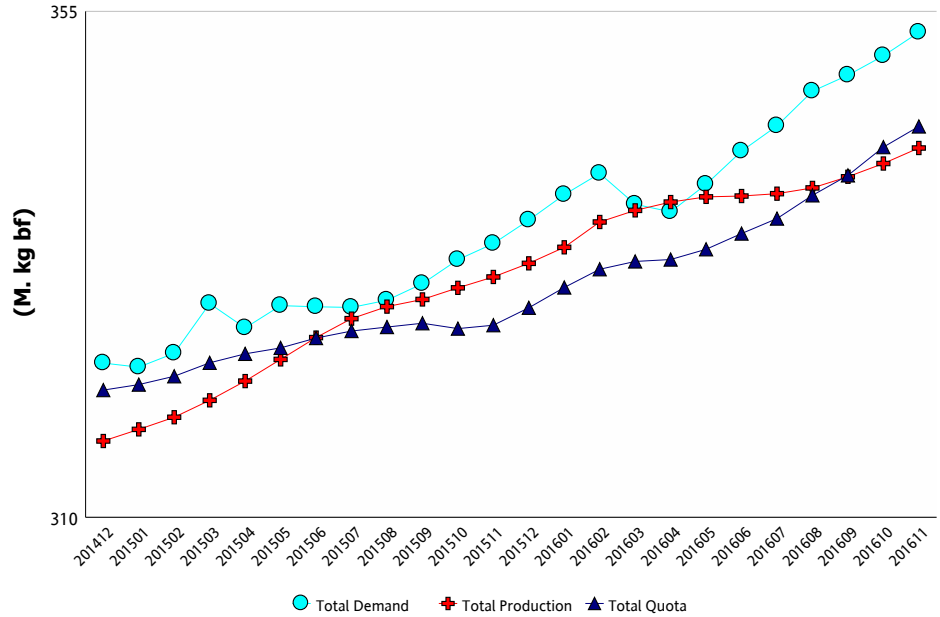
CDC MARKET BULLETIN

Market Comment

Total Requirements for the 12-month period ending November 2016 were 353.14 million kg BF. This figure represents a 0.6% increase compared to the same period ending October 2016, and a 5% increase over November 2015. Total butterfat usage across all classes has increased by 3.5% on a 12-month basis (equivalent to 11.6 M kg BF), and by 5.2% in the month of November 2016 versus the same month a year ago. Butterfat used in Class 4(a) for November 2016 increased by 36.8% (1.36 M kg BF) over the previous month; BF utilization in Class 4(a) is 14.1% higher over the last 12 months than the same 12-month rolling period a year earlier.

Class 3(d) continues to see a significant increase over the last 12 months in comparison with the previous 12 months, with 25% more BF being utilized, or 11.1 M Kg BF total. Butterfat utilization in Class 2(a) increased by 8.6% in November 2016 versus the same month a year ago, with a smaller increase of 5.2% this year over the same 12-month rolling period last year.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2014/12 to 2015/11	2015/12 to 2016/11	% Change	2014/12 to 2015/11	2015/12 to 2016/11	% Change	2014/12 to 2015/11	2015/12 to 2016/11	% Change
NL	1,945,909	1,976,974	1.60%	1,471,773	1,497,091	1.72%	474,136	479,883	1.21%
P5	249,693,035	258,374,612	3.48%	78,232,995	76,474,699	-2.25%	171,460,040	181,899,913	6.09%
WMP	79,738,471	82,496,555	3.46%	35,946,688	35,962,297	0.04%	43,791,783	46,534,258	6.26%
Canada	331,377,415	342,848,141	3.46%	115,651,456	113,934,087	-1.48%	215,725,959	228,914,054	6.11%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2014/12 to 2015/11	2015/12 to 2016/11	% Change	2014/12 to 2015/11	2015/12 to 2016/11	% Change
1(a)	46,765	46,527	-0.51%	233,788	230,717	-1.31%
1(b)	49,064	52,156	6.30%	21,193	22,070	4.14%
2	26,623	27,532	3.41%	49,057	47,587	-3.00%
3	117,073	119,578	2.14%	242,885	230,879	-4.94%
4(a)	55,774	63,648	14.12%	11,933	15,505	29.93%
4(b)	1,855	1,933	4.19%	4,900	4,867	-0.69%
4(m) 4(a1)	907	821	-9.52%	95,497	115,766	21.22%
5(a,b,c)	30,262	23,927	-20.93%	45,738	42,236	-7.66%
5(d)	1,129	1,008	-10.72%	27,191	40,003	47.12%
Other	1,069	5,001	367.63%	5,653	17,264	205.39%
Total	330,520	342,131	3.51%	737,834	766,893	3.94%

Continuous Quota

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

November 30, 2016

Province	kg of bf	% *
NL	-308,392	-11.63%
PE	-63,114	-1.43%
NS	-60,633	-0.81%
NB	-93,967	-1.60%
QC	-1,479,766	-1.15%
ON	2,313,825	2.08%
MB	-1,346,841	-9.31%
SK	-311,995	-3.01%
AB	-726,691	-2.44%
BC	-546,396	-1.82%

* 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: November 12, 2016

	Previous 12 Month	12 Month	Change
Butter	57,363	59,887	+ 4.4%
Total Cheese	201,960	212,058	+ 5.0%
Cheddar	88,112	92,341	+ 4.8%
Fine Cheese*	51,782	54,112	+ 4.5%
Everyday Cheese*	58,907	62,265	+ 5.7%
Processed	58,651	57,595	- 1.8%
Ice cream	174,313	179,891	+ 3.2%
Yogurt	325,844	334,968	+ 2.8%
Cream	94,019	97,780	+ 4.0%

Source: The Nielsen Company, MarketTrack and Homescan panelists.

*Note: Everyday Cheese = 3(c), Fine Cheese = 3(a)

Butter Inventory ('000 kg)

	Nov 28, 2015	Nov 28, 2016
PLAN A BUTTER	79	0
PLAN B BUTTER	2,159	1,339
IMPORTED BUTTER	518	2,366
TOTAL CDC BUTTER STOCKS	2,756	3,706
PRIVATE BUTTER STOCKS	9,367	12,027
TOTAL CDC AND PRIVATE BUTTER STOCKS	12,123	15,733

Other Private Stocks ('000 kg)

	Nov 30, 2015	Nov 30, 2016
CHEDDAR	51,254	51,558
PROCESSED CHEESE	14,623	15,538
SPECIALTY CHEESE	29,553	30,961

Comments on Stocks

Total milk production (BF) for the 12-month period ending November 2016 was 3.5% higher than the same period last year. Total requirements are expected to level off at 3-4% growth per month.

As of November 30, 2016, the CDC had 1,339 tonnes of butter in Plan B and 0 tonnes in Plan A; stocks also include 3,706 tonnes of imported butter. In November, the CDC brought in 1,088 tonnes of butter through supplementary import permits and 983 tonnes of butter through the tariff rate quota, as well as 1,110 tonnes of butterfat-equivalent cream under special cream permits. In total, 19,842 tonnes of butter and cream have been imported over the past 12 months. Private butter stocks currently stand at 12,027 tonnes. Butter stocks are 3,610 tonnes higher than the same period in 2015; the CDC will continue to build stocks and import butter and cream as needed to meet processor demand.

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2014/12 to 2015/11	2015/12 to 2016/11	
1	\$96.07	\$97.68	1.67%
2 to 4(d)	\$77.56	\$76.10	-1.88%
4(m) 4(a1)*	\$9.11	\$9.63	5.74%
5(a) to (c)	\$41.05	\$39.57	-3.62%
5(d)	\$27.52	\$20.48	-25.56%
Other		\$82.64	
All Classes	\$75.21	\$74.06	-1.54%

* Price based on SNF components only

Class 5 Component Prices in \$/hL

