

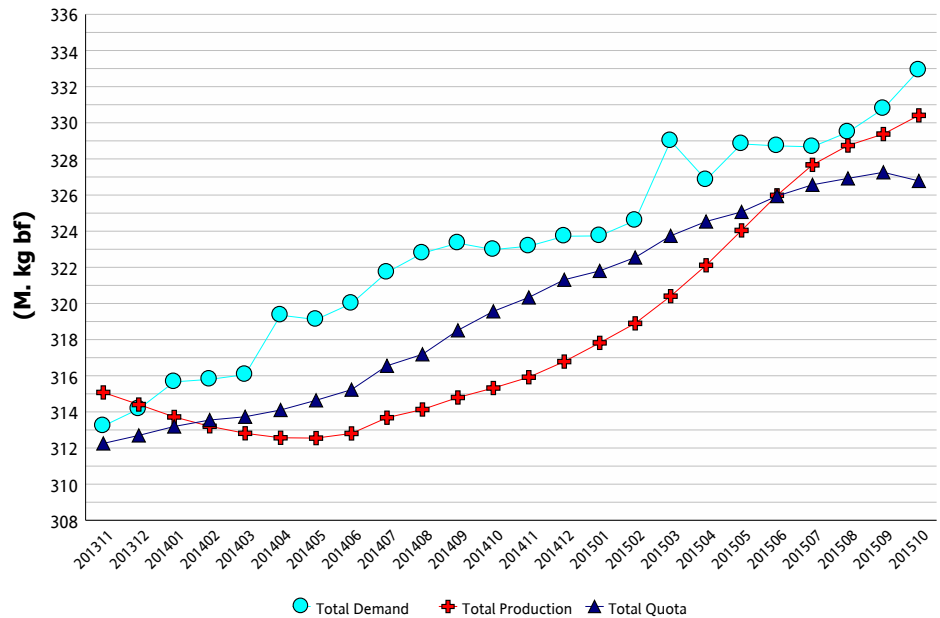
CDC MARKET BULLETIN

Market Comment

Total demand for the twelve month period ending October 2015 was 332.91 M. kg BF, representing an increase of 0.6% compared to September 2015 and a 3.1% increase compared to October 2014.

For the 12 month period ending October 2015, BF utilization in Class 3 (cheese) increased by 8.2%. Cream in Class 1(b) remained strong with 3.2% more BF utilized in the period ending October 2015 compared to the period ending October 2014. Classes 2(a) and 2(b) performed well during the same period, with increases of 9.3% and 9.1% respectively. The main decrease for the period came from further processing, with a 4.3% drop in BF utilization. Overall butter consumption remained stable from September 2015 to October 2015, and year over year, consumption has increased by about 3%. Additional butter imports and increased milk production at the farm level are being used to alleviate butter supply issues in the industry.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2013/11 to 2014/10	2014/11 to 2015/10	% Change	2013/11 to 2014/10	2014/11 to 2015/10	% Change	2013/11 to 2014/10	2014/11 to 2015/10	% Change
NL	1,927,449	1,936,368	0.46%	1,542,226	1,464,220	-5.06%	385,223	472,148	22.56%
P5	238,584,571	249,009,625	4.37%	79,276,700	78,273,862	-1.26%	159,307,871	170,735,763	7.17%
WMP	74,809,406	79,464,138	6.22%	35,616,792	35,955,084	0.95%	39,192,614	43,509,054	11.01%
Canada	315,321,426	330,410,131	4.79%	116,435,718	115,693,166	-0.64%	198,885,708	214,716,965	7.96%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2013/11 to 2014/10	2014/11 to 2015/10	% Change	2013/11 to 2014/10	2014/11 to 2015/10	% Change
1(a)	46,486	46,714	0.49%	237,435	233,924	-1.48%
1(b)	47,238	48,738	3.17%	20,223	21,044	4.06%
2	24,145	26,367	9.20%	46,646	48,685	4.37%
3	108,189	117,058	8.20%	235,623	243,011	3.14%
4(a)	51,918	55,208	6.34%	14,190	9,565	-32.59%
4(b)	1,656	1,848	11.61%	4,993	4,902	-1.82%
4(m) 4(a1)	572	909	58.83%	63,745	95,319	49.53%
5(a,b,c)	31,015	30,042	-3.13%	45,068	45,608	1.20%
5(d)	2,511	1,088	-56.68%	34,245	27,146	-20.73%
Other	688	1,599	132.56%	2,396	6,165	157.37%
Total	314,419	329,571	4.82%	704,563	735,370	4.37%

Continuous Quota

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

October 31, 2015

Province	kg of bf	% *
NL	-105,446	-5.12%
PE	-135,513	-3.21%
NS	-43,996	-0.61%
NB	-86,442	-1.55%
QC	-307,949	-0.25%
ON	1,802,989	1.70%
MB	-119,338	-0.88%
SK	-49,320	-0.51%
AB	-142,234	-0.51%
BC	8,948	0.03%

* 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: November 14, 2015

	Previous 12 Month	12 Month	Change
Butter	56,138	57,551	+ 2.5%
Total Cheese	257,672	259,390	+ 0.7%
Cheddar	86,559	88,086	+ 1.8%
Fine Cheese*	50,980	51,478	- 3.9%
Everyday Cheese*	57,093	59,025	+ 3.4%
Processed	60,273	57,918	- 3.9%
Ice cream	177,905	177,890	+ 0.0%
Yogurt	314,608	325,341	+ 3.4%
Cream	90,149	93,947	+ 4.2%

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

Butter Inventory ('000 kg)

	Oct 31, 2014	Oct 31, 2015
PLAN A BUTTER	295	216
PLAN B BUTTER	3,176	3,287
IMPORTED BUTTER	1,044	453
TOTAL CDC BUTTER STOCKS	4,515	3,956
PRIVATE BUTTER STOCKS	8,292	9,423
TOTAL CDC AND PRIVATE BUTTER STOCKS	12,807	13,379

Other Private Stocks ('000 kg)

	Oct 31, 2014	Oct 31, 2015
CHEDDAR	45,595	50,926
PROCESSED CHEESE	12,098	14,923
SPECIALTY CHEESE	24,826	29,750

Comments on Stocks

Total milk production for the twelve month period ending October 2015 was 4.8% higher than the twelve months ending October 2014. Revised production forecasts indicate that this strong milk production trend will persist throughout the coming months.

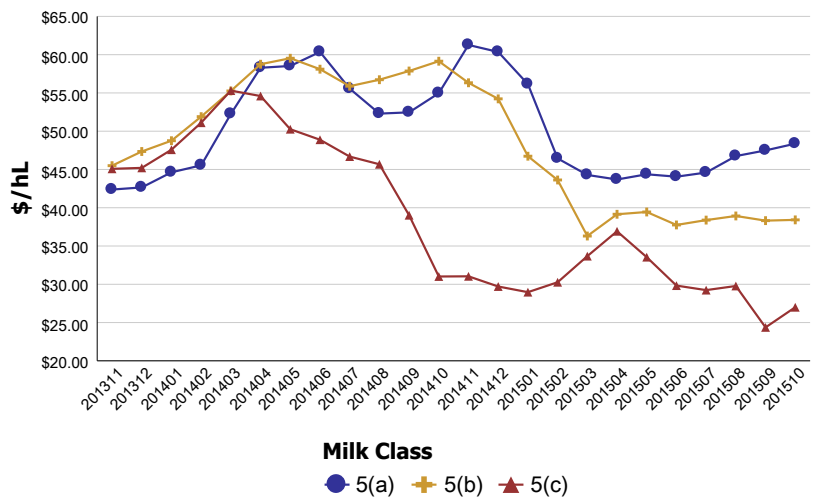
As of October 2015, CDC's Plan A butter stocks were 216 t, down from 253 t at the end of September. Plan B stocks also decreased to 3,287 t at the end of October 2015. Imported butter stocks for the same period were 453 t. Additional butter imports are scheduled to arrive in November and December 2015, continuing into the New Year. Note that as import butter arrives, it is quickly being used to serve needs within the industry.

Average Return from Milk Sales

Milk Class	2013/11 to 2014/10	2014/11 to 2015/10	% Change
1	\$96.07	\$96.12	0.05%
2 to 4(d)	\$78.85	\$77.69	-1.47%
4(m) 4(a1)*	\$17.76	\$9.20	-48.21%
5(a) to (c)	\$51.02	\$41.68	-18.31%
5(d)	\$41.92	\$26.78	-36.12%
All Classes	\$79.22	\$75.36	-4.87%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



SNF Surplus

(12 Month Rolling)

