

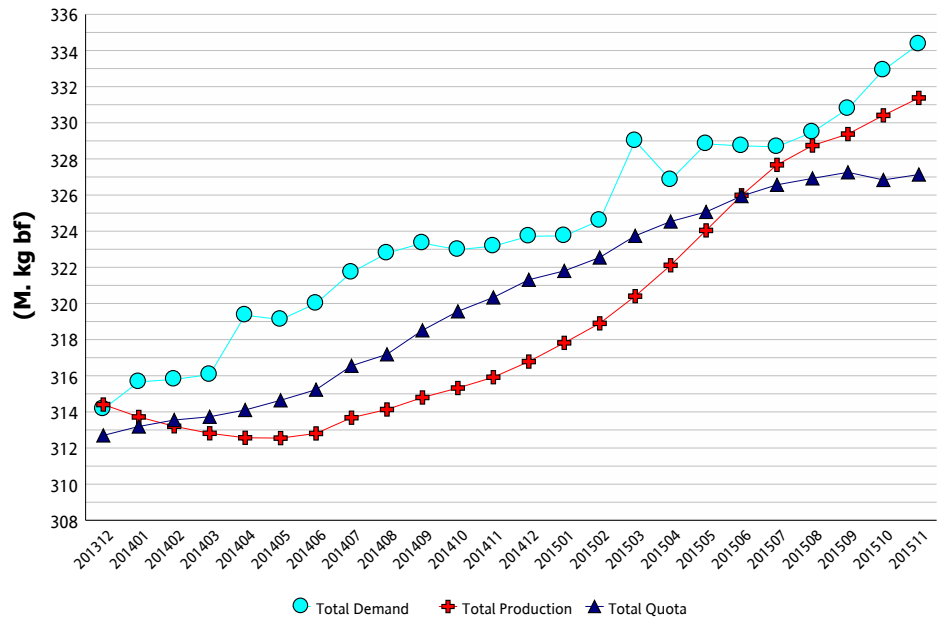
# CDC MARKET BULLETIN

## Market Comment

Total demand for the twelve month period ending November 2015 was 334.35 M. kg BF, representing an increase of 0.4% compared to October 2015 and an increase of 3.5% compared to November 2014.

The continued growth in demand has been driven by all classes, evident in the increases in BF utilization across the board for the 12 month period ending November 2015 compared to the same period last year. A relatively recent trend, BF utilization in Class 1 (a) increased by 2.5% during the most recent 12 months even though there was a decrease of 1.3% in the volume of fluid deliveries. This shift is likely due to demand for products with higher butterfat content. BF utilization for Cream in Class 1 (b) also remained strong, with a 4% increase in BF utilization during the same period. The amount of butterfat used in cheeses (Class 3) increased by 7 million kg of BF (or 6.7%).

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2013/12 to 2014/11	2014/12 to 2015/11	% Change	2013/12 to 2014/11	2014/12 to 2015/11	% Change	2013/12 to 2014/11	2014/12 to 2015/11	% Change
NL	1,927,386	1,945,909	0.96%	1,531,220	1,471,773	-3.88%	396,166	474,136	19.68%
P5	238,829,422	249,693,035	4.55%	78,914,681	78,232,995	-0.86%	159,914,741	171,460,040	7.22%
WMP	75,161,870	79,738,471	6.09%	35,598,365	35,946,688	0.98%	39,563,505	43,791,783	10.69%
<b>Canada</b>	<b>315,918,678</b>	<b>331,377,415</b>	<b>4.89%</b>	<b>116,044,266</b>	<b>115,651,456</b>	<b>-0.34%</b>	<b>199,874,412</b>	<b>215,725,959</b>	<b>7.93%</b>

## Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2013/12 to 2014/11	2014/12 to 2015/11	% Change	2013/12 to 2014/11	2014/12 to 2015/11	% Change
1(a)	46,344	46,765	0.91%	236,576	233,788	-1.18%
1(b)	47,167	49,064	4.02%	20,156	21,193	5.14%
2	24,269	26,623	9.70%	46,780	49,057	4.87%
3	109,753	117,073	6.67%	236,597	242,885	2.66%
4(a)	51,712	55,774	7.85%	14,006	11,933	-14.80%
4(b)	1,659	1,855	11.82%	4,884	4,900	0.33%
4(m) 4(a1)	606	907	49.57%	66,796	95,497	42.97%
5(a,b,c)	30,118	30,262	0.48%	44,748	45,738	2.21%
5(d)	2,358	1,129	-52.13%	32,000	27,191	-15.03%
Other	1,035	1,069	3.32%	3,063	5,653	84.55%
<b>Total</b>	<b>315,021</b>	<b>330,520</b>	<b>4.92%</b>	<b>705,606</b>	<b>737,834</b>	<b>4.57%</b>

## Continuous Quota

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

November 30, 2015

Province	kg of bf	% *
NL	-165,198	-7.57%
PE	-134,061	-3.18%
NS	-43,728	-0.61%
NB	-80,463	-1.44%
QC	-286,300	-0.23%
ON	1,774,326	1.67%
MB	-145,821	-1.08%
SK	-44,029	-0.45%
AB	-136,272	-0.49%
BC	70,334	0.25%

\* 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: December 12, 2015

	Previous 12 Month	12 Month	Change
<b>Butter</b>	56,522	57,304	+ 1.4%
<b>Total Cheese</b>	257,555	259,433	+ 0.7%
Cheddar	86,359	88,312	+ 2.3%
Fine Cheese*	51,078	51,566	+ 1.0%
Everyday Cheese*	57,254	59,187	+ 3.4%
Processed	60,055	57,523	- 4.2%
<b>Ice cream</b>	176,856	178,428	+ 0.9%
<b>Yogurt</b>	315,440	326,142	+ 3.4%
<b>Cream</b>	90,646	93,789	+ 3.5%

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

### Butter Inventory ('000 kg)

	Nov 30, 2014	Nov 30, 2015
<b>PLAN A BUTTER</b>	179	79
<b>PLAN B BUTTER</b>	1,670	2,159
<b>IMPORTED BUTTER</b>	1,805	518
<b>TOTAL CDC BUTTER STOCKS</b>	<b>3,654</b>	<b>2,756</b>
<b>PRIVATE BUTTER STOCKS</b>	8,843	9,367
<b>TOTAL CDC AND PRIVATE BUTTER STOCKS</b>	<b>12,497</b>	<b>12,123</b>

### Other Private Stocks ('000 kg)

	Nov 30, 2014	Nov 30, 2015
<b>CHEDDAR</b>	45,467	51,254
<b>PROCESSED CHEESE</b>	13,889	14,623
<b>SPECIALTY CHEESE</b>	26,426	29,553

### Comments on Stocks

Total milk production for the twelve month period ending November 2015 was 4.9% higher than the twelve months ending November 2014. Production forecasts up to July 2016 (provided by the pools) reflect this strong upward trend.

As of November 2015, the CDC's Plan A butter stocks were 79 t while Plan B stocks decreased to 2,159 t. The average November stock levels for Plan A and Plan B for the last 5 years were 1,267 t and 4,692 t respectively. Imported butter stocks for November 2015 were 518 t, including supplementary butter imports of 310 t.

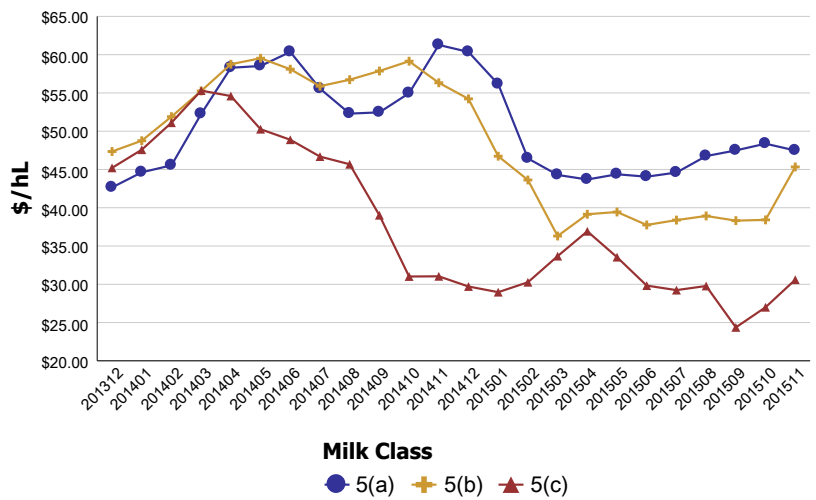
### Average Return from Milk Sales

(\$/hl std)

Milk Class	2013/12 to 2014/11	2014/12 to 2015/11	% Change
1	\$96.22	\$96.07	-0.15%
2 to 4(d)	\$78.90	\$77.56	-1.71%
4(m) 4(a1)*	\$16.86	\$9.11	-45.99%
5(a) to (c)	\$51.63	\$41.05	-20.48%
5(d)	\$41.62	\$27.52	-33.88%
<b>All Classes</b>	<b>\$79.23</b>	<b>\$75.21</b>	<b>-5.07%</b>

\* Price based on SNF components only

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



### SNF Surplus

(12 Month Rolling)

