



# CDC MARKET BULLETIN

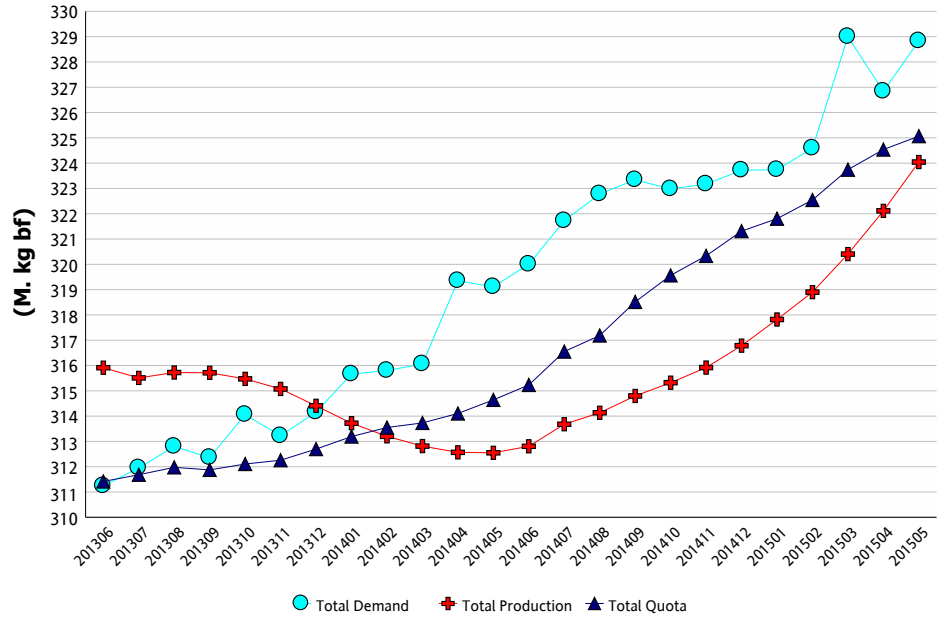


## Market Comment

Total Requirements for the twelve-month period ending May 31, 2015 were 328.83 million kg of butterfat, representing a 0.6% increase from April 2015.

Butterfat utilization for fluid milk in Class 1(a) decreased by 1.7% from May 2014 while in cream, it increased by 4.7%. The largest butterfat utilization increase for the period was found in Classes 2(a) and 2(b) (yogurt and ice cream); the two combined totaled a 17.8% increase over May 2014. Butterfat utilization in cheese (Class 3) also improved with a 3.1% increase. Butter consumption (driven by Class 4(a)) has resumed its normal trend after the dip seen in April 2015 and continues to show growth. The primary decrease for the period was seen in special classes, with a decline of 550,000 kg of BF (7%) over May 2014.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2013/6 to 2014/5	2014/6 to 2015/5	% Change	2013/6 to 2014/5	2014/6 to 2015/5	% Change	2013/6 to 2014/5	2014/6 to 2015/5	% Change
NL	1,886,662	1,940,173	2.84%	1,507,901	1,505,858	-0.14%	378,761	434,315	14.67%
P5	237,323,913	244,405,332	2.98%	79,441,840	78,402,700	-1.31%	157,882,073	166,002,632	5.14%
WMP	73,338,810	77,698,061	5.94%	35,660,457	35,625,578	-0.10%	37,678,353	42,072,483	11.66%
<b>Canada</b>	<b>312,549,385</b>	<b>324,043,566</b>	<b>3.68%</b>	<b>116,610,198</b>	<b>115,534,136</b>	<b>-0.92%</b>	<b>195,939,187</b>	<b>208,509,430</b>	<b>6.42%</b>

## Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2013/6 to 2014/5	2014/6 to 2015/5	% Change	2013/6 to 2014/5	2014/6 to 2015/5	% Change
1(a)	46,612	46,142	-1.01%	238,478	234,312	-1.75%
1(b)	47,014	47,671	1.40%	20,151	20,528	1.87%
2	23,945	24,995	4.38%	46,360	47,667	2.82%
3	107,192	115,260	7.53%	231,069	242,137	4.79%
4(a)	49,383	54,379	10.12%	12,655	12,249	-3.20%
4(b)	1,734	1,865	7.56%	5,857	5,059	-13.63%
4(m) 4(a1)	550	787	43.08%	59,856	81,862	36.77%
5(a,b,c)	30,832	29,143	-5.48%	44,489	44,631	0.32%
5(d)	2,677	1,226	-54.20%	36,334	29,306	-19.34%
Other	1,751	1,729	-1.22%	4,222	3,930	-6.91%
<b>Total</b>	<b>311,689</b>	<b>323,197</b>	<b>3.69%</b>	<b>699,472</b>	<b>721,681</b>	<b>3.18%</b>

## Continuous Quota

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

May 31, 2015

Province	kg of bf	% *
NL	-63,251	-3.20%
PE	-142,042	-3.38%
NS	-56,491	-0.79%
NB	-109,803	-1.97%
QC	-612,862	-0.50%
ON	431,069	0.41%
MB	-95,416	-0.71%
SK	-72,769	-0.76%
AB	-116,150	-0.42%
BC	-115,469	-0.42%

\* 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:	May 30, 2015		
	Previous 12 Month	12 Month	Change
<b>Butter</b>	55,550	57,866	+ 4.2%
<b>Total Cheese</b>	257,785	257,775	+ 0.0%
Cheddar	86,018	87,070	+ 1.2%
Fine Cheese*	50,517	51,492	+ 1.9%
Everyday Cheese*	56,794	57,694	+ 1.6%
Processed	61,804	58,593	- 5.2%
<b>Ice cream</b>	180,131	176,577	- 2.0%
<b>Yogurt</b>	313,654	319,147	+ 1.8%

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

### Butter Inventory ('000 kg)

	May 31, 2014	May 31, 2015
<b>PLAN A BUTTER</b>	2,097	14
<b>PLAN B BUTTER</b>	9,011	2,181
<b>IMPORTED BUTTER</b>	458	58
<b>BUTTER FOR EXPORT</b>	180	
<b>TOTAL CDC BUTTER STOCKS</b>	<b>11,746</b>	<b>2,253</b>
<b>PRIVATE BUTTER STOCKS</b>	7,784	15,188
<b>TOTAL CDC AND PRIVATE BUTTER STOCKS</b>	<b>19,530</b>	<b>17,441</b>

### Other Private Stocks ('000 kg)

	May 31, 2014	May 31, 2015
<b>CHEDDAR</b>	45,022	47,600
<b>PROCESSED CHEESE</b>	12,763	14,607
<b>SPECIALTY CHEESE</b>	25,094	

### Comments on Stocks

Total milk production for May 2015 was strong once again, with a 7.2% increase in total deliveries over May 2014. Within this, fluid deliveries decreased by 2.3% while industrial deliveries saw a 12.7% increase. After several periods of insufficient production in relation to demand, production has rapidly increased to reduce this gap. Note that on a rolling twelve-month basis, production is still below demand.

As of May 2015, CDC stocks remain low while reported private stock figures are considerably higher than normal. Plan A stocks for May 2015 improved slightly to 14 t while Plan B stocks decreased to 2,181 t. Imported butter inventories were 58 t for May 2015.

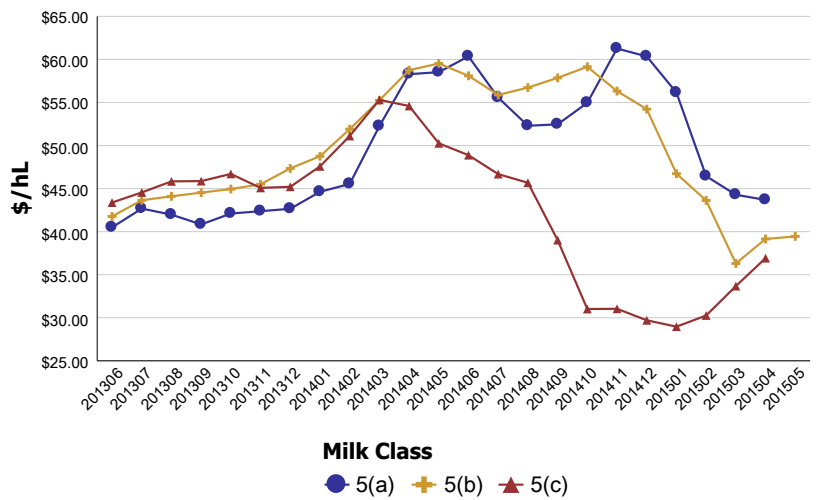
The combination of a rapid increase in production and stagnation of SNF requirements on the domestic market have caused the SNF surplus removal to climb to 77.7 M. kg, resulting in a period of surplus skim milk in the industry.

### Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2013/6 to 2014/5	2014/6 to 2015/5	
1	\$95.41	\$96.31	0.94%
2 to 4(d)	\$78.67	\$78.72	0.06%
4(m) 4(a1)*	\$18.88	\$11.94	-36.73%
5(a) to (c)	\$47.06	\$47.64	1.23%
5(d)	\$40.50	\$32.87	-18.84%
<b>All Classes</b>	<b>\$78.70</b>	<b>\$77.47</b>	<b>-1.57%</b>

\* Price based on SNF components only

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



### SNF Surplus

(12 Month Rolling)

