

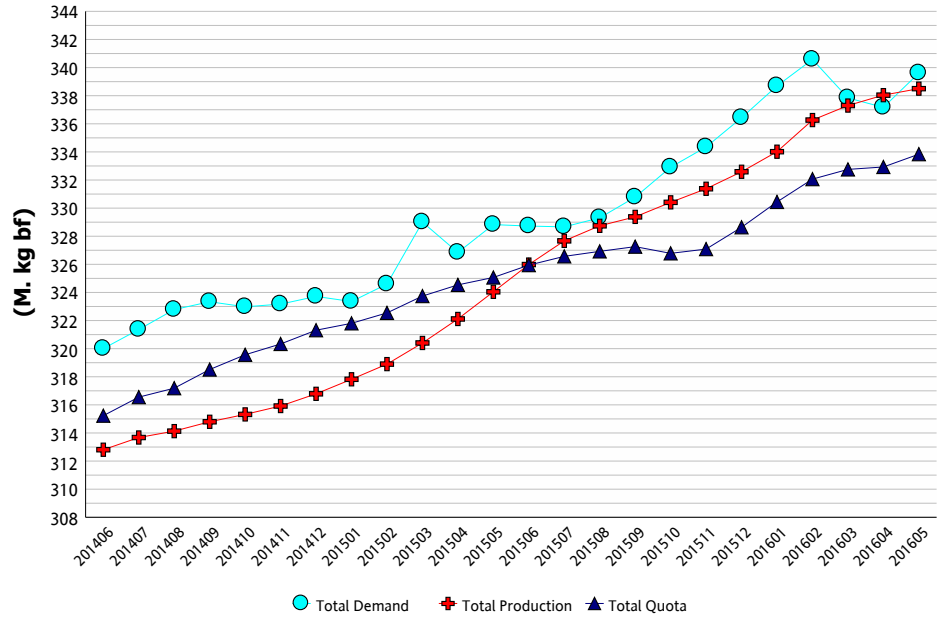
# CDC MARKET BULLETIN

## Market Comment

Total Requirements for the 12 month period ending May 2016 were 339.61 M. kg BF. This figure represents a 0.7% increase compared to last month and a 3.3% increase over May 2015. This increase in Total Requirements remains in line with the expected long-term market growth.

The provincial BF utilization reports indicate that a significant portion of the BF produced in Canada was directed to cream, ice cream, yogurt, and cheese processing for the month of May 2016. BF used in cream for the month of May increased by 7.5% over April 2016 and increased 6.4% on a twelve-month rolling basis. Likewise, ice cream and yogurt in Class 2 have absorbed 12% more butterfat for the twelve months ending May 2016 compared to the same period one year ago. Class 3(d) has experienced an increase of 31% in BF utilization over the last twelve months, representing over 2.5 M. kg BF. BF usage in Class 4(a) showed that butter processing decreased slightly from April to May of this year; however, BF utilization for butter remains 14% higher than last year when viewed on a twelve-month basis.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2014/6 to 2015/5	2015/6 to 2016/5	% Change	2014/6 to 2015/5	2015/6 to 2016/5	% Change	2014/6 to 2015/5	2015/6 to 2016/5	% Change
NL	1,940,173	1,966,676	1.37%	1,505,858	1,489,350	-1.10%	434,315	477,326	9.90%
P5	244,405,332	255,228,069	4.43%	78,402,700	77,565,084	-1.07%	166,002,632	177,662,985	7.02%
WMP	77,698,061	81,306,587	4.64%	35,625,578	36,071,252	1.25%	42,072,483	45,235,335	7.52%
<b>Canada</b>	<b>324,043,566</b>	<b>338,501,332</b>	<b>4.46%</b>	<b>115,534,136</b>	<b>115,125,686</b>	<b>-0.35%</b>	<b>208,509,430</b>	<b>223,375,646</b>	<b>7.13%</b>

## Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2014/6 to 2015/5	2015/6 to 2016/5	% Change	2014/6 to 2015/5	2015/6 to 2016/5	% Change
1(a)	46,142	46,930	1.71%	234,312	232,989	-0.56%
1(b)	47,671	50,704	6.36%	20,528	21,695	5.68%
2	24,995	27,992	11.99%	47,667	50,639	6.23%
3	115,260	118,756	3.03%	242,137	239,920	-0.92%
4(a)	54,379	62,186	14.36%	12,249	16,292	33.00%
4(b)	1,865	1,811	-2.89%	5,059	4,568	-9.70%
4(m) 4(a1)	787	997	26.74%	81,862	109,501	33.76%
5(a,b,c)	29,143	26,575	-8.81%	44,631	43,818	-1.82%
5(d)	1,226	1,045	-14.81%	29,306	26,585	-9.28%
Other	1,729	657	-62.03%	3,930	10,291	161.84%
<b>Total</b>	<b>323,197</b>	<b>337,653</b>	<b>4.47%</b>	<b>721,681</b>	<b>756,298</b>	<b>4.80%</b>

## Continuous Quota

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

May 31, 2016

Province	kg of bf	% *
NL	-548,502	-21.94%
PE	-79,037	-1.84%
NS	24,024	0.33%
NB	-14,199	-0.25%
QC	149,198	0.12%
ON	2,570,738	2.38%
MB	-579,645	-4.18%
SK	-81,563	-0.82%
AB	-166,205	-0.58%
BC	35,293	0.12%

\* 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:	May 28, 2016		
	Previous 12 Month	12 Month	Change
<b>Butter</b>	57,722	58,011	+ 0.5%
<b>Total Cheese</b>	200,050	207,052	+ 3.5%
Cheddar	87,187	90,326	+ 2.9%
Fine Cheese*	51,659	52,795	+ 2.2%
Everyday Cheese*	57,776	60,434	+ 4.6%
Processed	59,508	57,544	- 3.3%
<b>Ice cream</b>	174,304	179,010	+ 2.7%
<b>Yogurt</b>	319,380	329,600	+ 3.2%
<b>Cream</b>	92,022	95,887	+ 4.2%

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

### Butter Inventory ('000 kg)

	May 31, 2015	May 31, 2016
<b>PLAN A BUTTER</b>	14	12
<b>PLAN B BUTTER</b>	2,181	8,108
<b>IMPORTED BUTTER</b>	58	223
<b>TOTAL CDC BUTTER STOCKS</b>	<b>2,253</b>	<b>8,342</b>
<b>PRIVATE BUTTER STOCKS</b>	15,188	15,322
<b>TOTAL CDC AND PRIVATE BUTTER STOCKS</b>	<b>17,441</b>	<b>23,664</b>

### Other Private Stocks ('000 kg)

	May 31, 2015	May 31, 2016
<b>CHEDDAR</b>	50,642	50,952
<b>PROCESSED CHEESE</b>	14,607	15,972
<b>SPECIALTY CHEESE</b>	29,463	32,008

### Comments on Stocks

Total milk production for the 12 month period ending May 2016 was 4.5% higher than the same period last year. Production is expected to lessen in the coming months due to the summer heat, but should resume its upward trend once the fall months roll around.

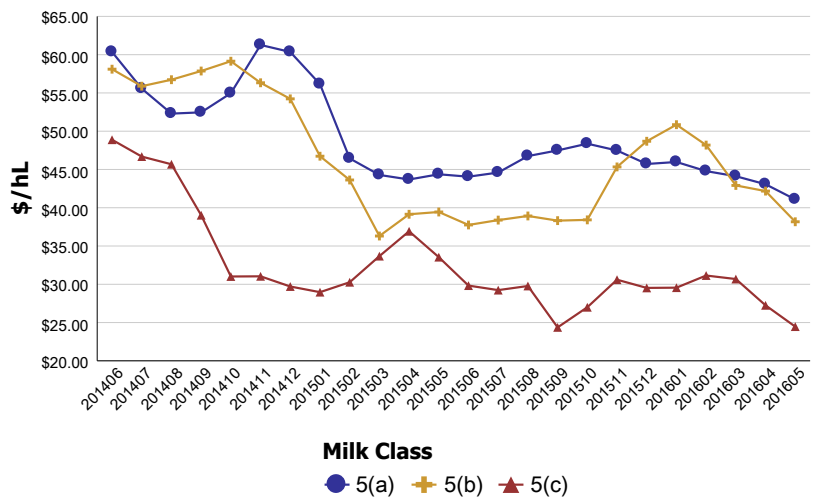
As of May 31, 2016, the CDC had 12 tonnes of butter in Plan A and 8,108 tonnes in Plan B. The CDC imported 870 tonnes of butter under supplementary import permits throughout the month of May 2016, bringing the total amount of supplementary imports to 5,429 tonnes since November 2015.

### Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2014/6 to 2015/5	2015/6 to 2016/5	
1	\$96.31	\$96.62	0.32%
2 to 4(d)	\$78.72	\$75.50	-4.09%
4(m) 4(a1)*	\$11.94	\$7.78	-34.87%
5(a) to (c)	\$47.64	\$39.46	-17.18%
5(d)	\$32.87	\$24.19	-26.41%
<b>All Classes</b>	<b>\$77.47</b>	<b>\$73.78</b>	<b>-4.76%</b>

\* Price based on SNF components only

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



### SNF Surplus

(12 Month Rolling)

