

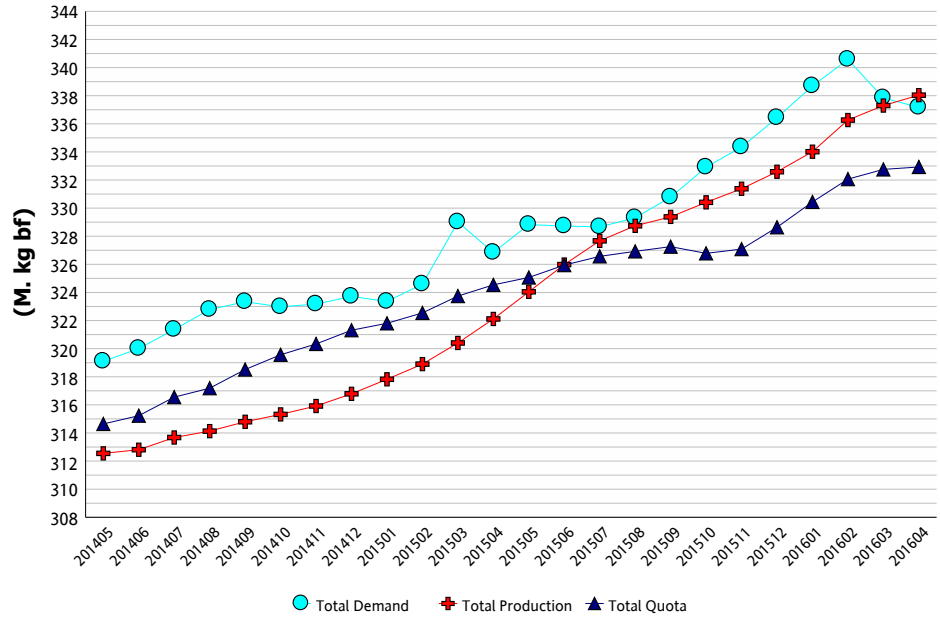
CDC MARKET BULLETIN

Market Comment

Total Requirements for the 12 month period ending April 2016 were 337.17 kg BF. This figure represents a 0.2% decrease compared to last month but a 3.2% increase over April 2015. While long-term demand continues to experience growth, the Total Requirements are expected to slow down towards the end of the 2015-2016 dairy year.

BF utilization for cream has sustained its strong growth with a 6.8% increase for the 12 months ending April 2016 compared to the same period one year ago. BF used in fluid milk has also increased by 1.5% (equivalent to 700,000 kg BF) on a twelve month rolling basis. BF utilization for yogurt and ice cream also remains strong. Class 3(d) continues to see large increase in BF usage, representing an increase of more than 2.5 M. kg BF over the last 12 months. Butter processing remains strong which is evident by the high 4(a) butterfat utilization and the rapid rebuilding of processor stocks.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2014/5 to 2015/4	2015/5 to 2016/4	% Change	2014/5 to 2015/4	2015/5 to 2016/4	% Change	2014/5 to 2015/4	2015/5 to 2016/4	% Change
NL	1,934,168	1,966,062	1.65%	1,512,705	1,484,850	-1.84%	421,463	481,212	14.18%
P5	242,854,773	254,959,985	4.98%	78,589,521	77,659,564	-1.18%	164,265,252	177,300,421	7.94%
WMP	77,324,779	81,112,705	4.90%	35,657,245	36,100,498	1.24%	41,667,534	45,012,207	8.03%
Canada	322,113,720	338,038,752	4.94%	115,759,471	115,244,912	-0.44%	206,354,249	222,793,840	7.97%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2014/5 to 2015/4	2015/5 to 2016/4	% Change	2014/5 to 2015/4	2015/5 to 2016/4	% Change
1(a)	46,207	46,899	1.50%	234,942	233,140	-0.77%
1(b)	47,484	50,716	6.81%	20,468	21,681	5.92%
2	24,605	27,802	13.00%	47,197	50,340	6.66%
3	114,962	118,045	2.68%	242,000	239,816	-0.90%
4(a)	52,961	62,017	17.10%	11,790	13,268	12.53%
4(b)	1,819	1,816	-0.16%	4,979	4,583	-7.95%
4(m) 4(a1)	751	1,016	35.39%	78,533	110,076	40.17%
5(a,b,c)	29,701	26,566	-10.56%	44,689	43,897	-1.77%
5(d)	1,353	1,049	-22.46%	29,928	27,861	-6.91%
Other	1,404	1,289	-8.17%	3,092	10,336	234.27%
Total	321,247	337,216	4.97%	717,618	754,997	5.21%

Continuous Quota

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

April 30, 2016

Province	kg of bf	% *
NL	-484,236	-19.92%
PE	-105,186	-2.46%
NS	-7,049	-0.10%
NB	-38,593	-0.68%
QC	-236,031	-0.19%
ON	2,277,463	2.11%
MB	-524,506	-3.79%
SK	-91,474	-0.92%
AB	-260,747	-0.92%
BC	39,778	0.14%

* 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:	April 30, 2016		
	Previous 12 Month	12 Month	Change
Butter	56,823	57,846	+ 1.8%
Total Cheese	199,995	205,595	+ 2.8%
Cheddar	88,194	89,823	+ 1.8%
Fine Cheese*	51,393	52,112	+ 1.4%
Everyday Cheese*	57,890	60,148	+ 3.9%
Processed	59,661	57,752	- 3.2%
Ice cream	172,338	179,231	+ 4.0%
Yogurt	318,101	329,235	+ 3.5%
Cream	91,657	95,323	+ 4.0%

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

Butter Inventory ('000 kg)

	Apr 30, 2015	Apr 30, 2016
PLAN A BUTTER	4	12
PLAN B BUTTER	2,221	6,198
IMPORTED BUTTER	169	364
TOTAL CDC BUTTER STOCKS	2,394	6,573
PRIVATE BUTTER STOCKS	13,735	17,479
TOTAL CDC AND PRIVATE BUTTER STOCKS	16,129	24,052

Other Private Stocks ('000 kg)

	Apr 30, 2015	Apr 30, 2016
CHEDDAR	48,718	51,822
PROCESSED CHEESE	16,984	15,396
SPECIALTY CHEESE	29,274	30,532

Comments on Stocks

Total milk production for the 12 month period ending April 2016 was 4.9% higher than the same period last year. A significant amount of this milk has been used to re-build butter stocks and fill domestic market requirements.

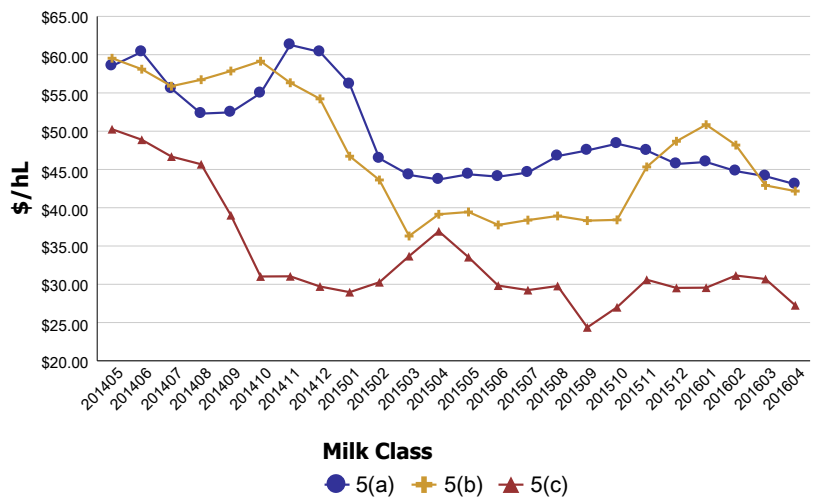
As of April 30, 2016, the CDC's Plan A butter stocks were 12 tonnes while Plan B amounted to 6,198 tonnes. Supplementary butter imports for April 2016 were 459 tonnes. The first CDC supplementary import permit expired in April 2016. Since May 2016, the CDC has continued to import butter under its second permit granted by Global Affairs Canada.

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2014/5 to 2015/4	2015/5 to 2016/4	
1	\$96.34	\$96.46	0.13%
2 to 4(d)	\$78.87	\$75.72	-3.99%
4(m) 4(a1)*	\$12.69	\$7.92	-37.59%
5(a) to (c)	\$48.95	\$39.76	-18.78%
5(d)	\$35.83	\$24.38	-31.95%
All Classes	\$77.96	\$73.77	-5.38%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



SNF Surplus

(12 Month Rolling)

