

CDC MARKET BULLETIN

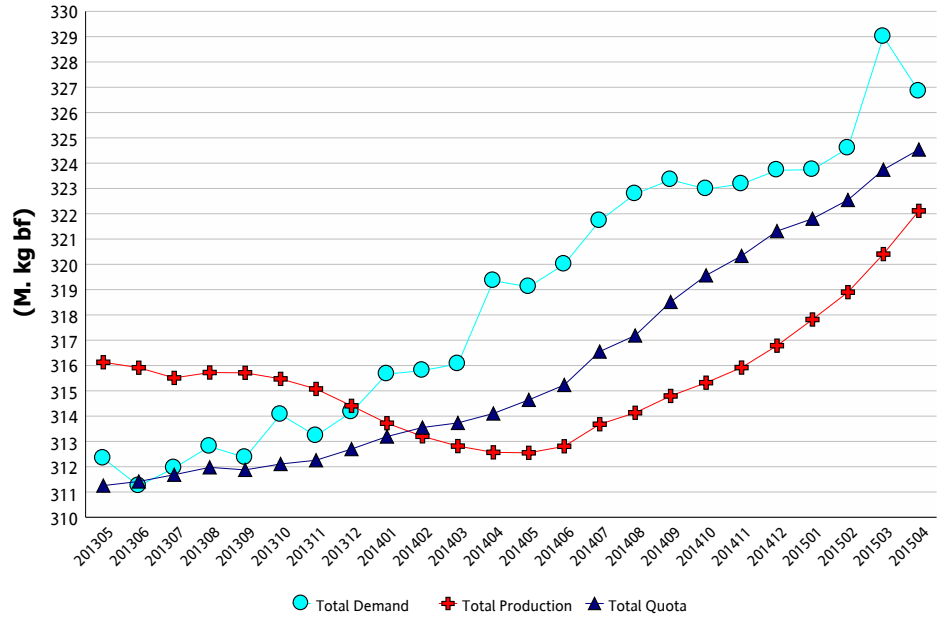


Market Comment

Canadian Requirements for the twelve-month period ending April 30, 2015 were 205.68 million kg of butterfat, representing a 0.96% decrease compared to March 2015. This decline follows a record-high increase from the previous month.

There was a considerable decrease in butter consumption in April 2015 compared to April 2014. However, the butter market remains relatively flat over the long term. Yogurt and ice cream in Class 2 also had a decrease of 2.3% during this time, mainly attributable to a 4.9% decrease for yogurt. Cheese was particularly strong with an increase of 1 million kg of BF and further processing (Class 5) increased its butterfat utilization by 11%. In April 2015, skim-off from fluid milk increased by 240,000 kg of BF compared to the same month last year, decreasing the demand for industrial milk by the same amount.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2013/5 to 2014/4	2014/5 to 2015/4	% Change	2013/5 to 2014/4	2014/5 to 2015/4	% Change	2013/5 to 2014/4	2014/5 to 2015/4	% Change
NL	1,889,093	1,934,168	2.39%	1,510,358	1,512,705	0.16%	378,735	421,463	11.28%
P5	237,624,918	242,854,773	2.20%	79,496,086	78,589,521	-1.14%	158,128,832	164,265,252	3.88%
WMP	73,053,115	77,324,779	5.85%	35,636,056	35,657,245	0.06%	37,417,059	41,667,534	11.36%
Canada	312,567,126	322,113,720	3.05%	116,642,500	115,759,471	-0.76%	195,924,626	206,354,249	5.32%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2013/5 to 2014/4	2014/5 to 2015/4	% Change	2013/5 to 2014/4	2014/5 to 2015/4	% Change
1(a)	46,329	46,207	-0.26%	238,832	234,942	-1.63%
1(b)	46,866	47,484	1.32%	20,102	20,468	1.82%
2	24,457	24,605	0.60%	47,093	47,197	0.22%
3	106,692	114,962	7.75%	230,338	242,000	5.06%
4(a)	49,787	52,961	6.38%	13,534	11,790	-12.88%
4(b)	1,767	1,819	2.93%	6,070	4,979	-17.98%
4(m) 4(a1)	562	751	33.70%	59,883	78,533	31.14%
5(a,b,c)	30,676	29,701	-3.18%	44,998	44,689	-0.69%
5(d)	3,071	1,353	-55.93%	35,276	29,928	-15.16%
Other	1,506	1,404	-6.79%	3,863	3,092	-19.96%
Total	311,713	321,247	3.06%	699,991	717,618	2.52%

Continuous Quota

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

April 30, 2015

Province	kg of bf	% *
NL	-67,604	-3.42%
PE	-154,662	-3.68%
NS	-91,062	-1.28%
NB	-126,435	-2.27%
QC	-1,043,430	-0.85%
ON	-94,856	-0.09%
MB	-137,989	-1.04%
SK	-88,554	-0.93%
AB	-169,006	-0.62%
BC	-168,668	-0.61%

* 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 2, 2015		
	Previous 12 Month	12 Month	Change
Butter	56,153	56,913	+ 1.4%
Total Cheese	257,321	258,460	+ 0.4%
Cheddar	85,745	87,176	+ 1.7%
Fine Cheese*	50,422	54,599	+ 2.3%
Everyday Cheese*	56,560	57,855	+ 2.3%
Processed	61,949	58,935	- 4.9%
Ice cream	181,190	175,858	- 2.9%
Yogurt	313,885	318,136	+ 1.4%

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

Butter Inventory ('000 kg)

	Apr 30, 2014	Apr 30, 2015
PLAN A BUTTER	2,389	4
PLAN B BUTTER	6,575	2,221
IMPORTED BUTTER	402	169
BUTTER FOR EXPORT	464	
TOTAL CDC BUTTER STOCKS	9,830	2,394
PRIVATE BUTTER STOCKS	8,209	13,735
TOTAL CDC AND PRIVATE BUTTER STOCKS	18,039	16,129

Other Private Stocks ('000 kg)

	Apr 30, 2014	Apr 30, 2015
CHEDDAR	44,992	48,718
PROCESSED CHEESE	12,664	16,984
SPECIALTY CHEESE	24,449	

Comments on Stocks

Industrial milk production for April 2015 was strong, with a 6.6% increase in total deliveries over April 2014. Fluid deliveries decreased by 1.4%, but industrial deliveries more than made up for that with an 11.4% increase.

Despite the strong growth in industrial milk, CDC stocks remain low. Plan B is currently closed, as the CDC has not been offered enough butter in Plan A to re-open the program. Plan A stocks for April 2015 were at 4 t while Plan B stocks decreased slightly to 2,221 t. Much of the current butter production from the increase in industrial milk deliveries has gone into private stocks. Imported butter inventories amounted to 169 t for April 2015.

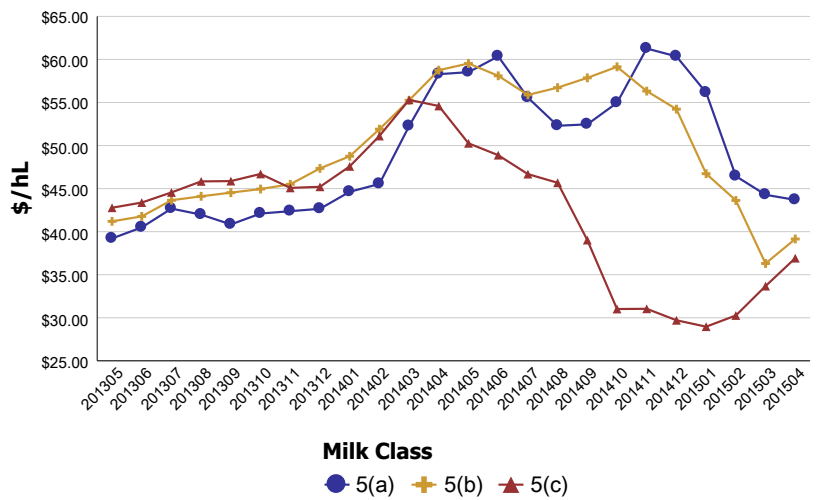
Surplus removal of SNF on a 12 month basis has increased with milk production. It stands at 74.4 million kg as of April 2015.

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2013/5 to 2014/4	2014/5 to 2015/4	
1	\$95.27	\$96.34	1.12%
2 to 4(d)	\$78.67	\$78.87	0.26%
4(m) 4(a1)*	\$18.45	\$12.69	-31.21%
5(a) to (c)	\$45.68	\$48.95	7.17%
5(d)	\$38.86	\$35.83	-7.82%
All Classes	\$78.46	\$77.96	-0.63%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



SNF Surplus

(12 Month Rolling)

