



CDC MARKET BULLETIN

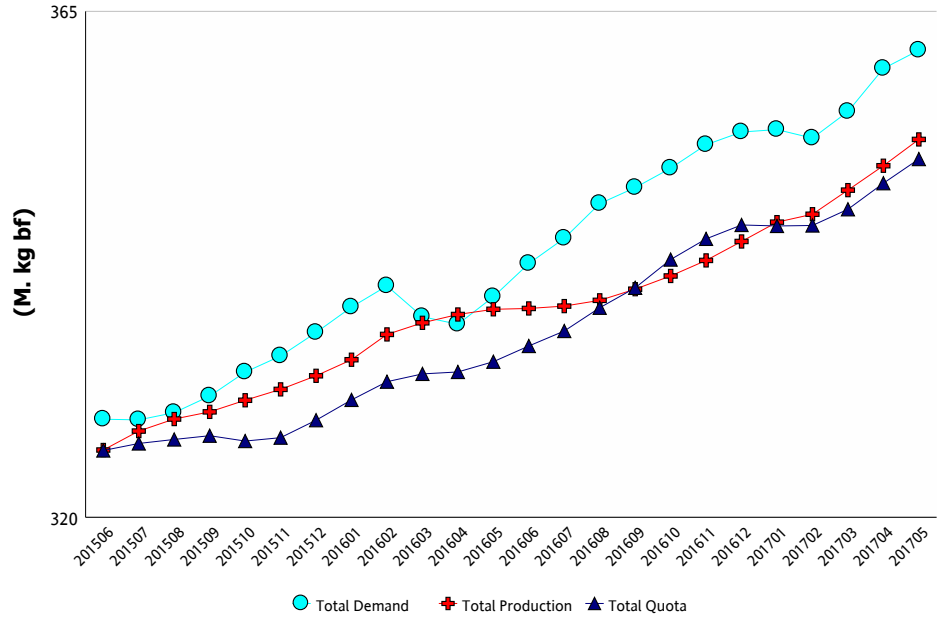


Market Comment

Total Requirements for the 12-month period ending May 2017 were 361.54 million kg BF. This figure represents a 0.45% increase compared to the same period ending April 2017, and a 6.46% increase over May 2016.

Total butterfat usage across all classes increased by 4.5% on a 12-month year over year basis (an increase of 15.2 M kg BF), and by 8.4 % in the month of May 2017 versus the same month a year ago. Butterfat used in Class 2(a) and 2(b) increased over the previous month by 7.2% and 11.8%, respectively. Butterfat used in Class 4(a) increased by 5.1% (equivalent to 0.35 M kg BF) over April 2017, however, on a year over year 12 month basis, increased by 10.1% (6.3 M kg BF). Class 3(d) saw an increase of 9.6 % over the last 12 months in comparison to the 12-month ending May 2016, for a total of 11.3 M kg BF being utilized.

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



	Total Production (kg bf)			Fluid Production (kg bf)			Industrial Production (kg bf)		
	2015/6 to 2016/5	2016/6 to 2017/5	% Change	2015/6 to 2016/5	2016/6 to 2017/5	% Change	2015/6 to 2016/5	2016/6 to 2017/5	% Change
NL	1,966,676	2,003,181	1.86%	1,489,350	1,489,766	0.03%	477,326	513,415	7.56%
P5	255,228,069	267,306,858	4.73%	77,565,084	76,455,739	-1.43%	177,662,985	190,851,119	7.42%
WMP	81,306,587	84,300,539	3.68%	36,071,252	35,938,188	-0.37%	45,235,335	48,362,351	6.91%
Canada	338,501,332	353,610,578	4.46%	115,125,686	113,883,693	-1.08%	223,375,646	239,726,885	7.32%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2015/6 to 2016/5	2016/6 to 2017/5	% Change	2015/6 to 2016/5	2016/6 to 2017/5	% Change
1(a)	46,930	46,693	-0.51%	232,989	229,104	-1.67%
1(b)	50,704	51,885	2.33%	21,695	22,200	2.33%
2	27,992	28,421	1.54%	50,639	42,990	-15.10%
3 3c1 3c2	118,756	124,950	5.22%	239,920	240,873	0.40%
4(a)	62,186	68,466	10.10%	16,292	-1,855	-111.38%
4(b)	1,811	1,870	3.23%	4,568	4,103	-10.17%
4(m) 4(a1) 5d 7	2,042	3,173	55.41%	136,086	198,112	45.58%
5(a,b,c)	26,575	25,973	-2.27%	43,818	36,988	-15.59%
Other	657	1,467	123.38%	10,291	14,815	43.96%
Total	337,653	352,897	4.51%	756,298	787,331	4.10%

Continuous Quota

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

31-May-2017

Province	kg of bf	% *
NL	-517,866	-20.45%
PE	127,038	2.83%
NS	229,148	2.99%
NB	96,542	1.62%
QC	1,361,265	1.04%
ON	6,171,907	5.45%
MB	-1,809,378	-12.10%
SK	-430,194	-4.02%
AB	-1,239,949	-4.03%
BC	-370,895	-1.20%

* 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:	April 29, 2017		
	Previous 12 Month	12 Month	Change
Butter	57,942	61,286	+ 5.8%
Total Cheese	202,461	213,993	+ 5.7%
Cheddar	89,863	93,874	+ 4.5%
Fine Cheese*	52,553	55,326	+ 5.3%
Everyday Cheese*	60,006	64,759	+ 7.9%
Processed	57,767	58,324	+ 1.0%
Ice cream	179,252	178,223	- 0.6%
Yogurt	331,994	338,924	+ 2.1%
Cream	95,472	100,223	+ 5.0%

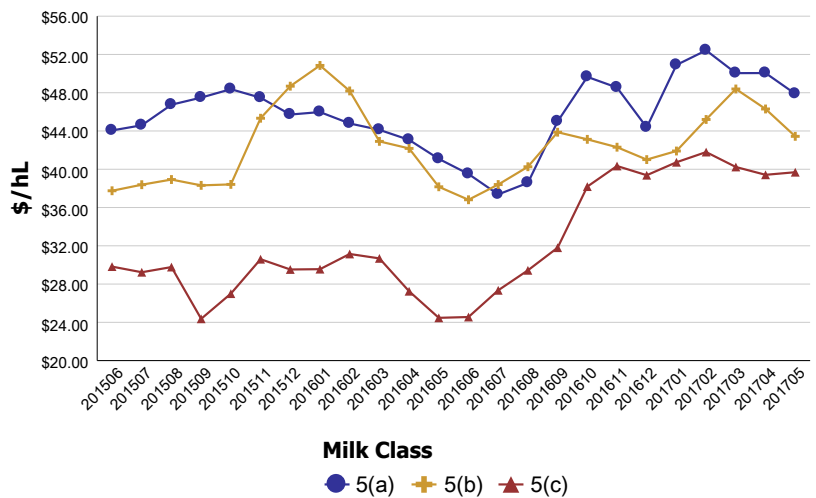
Source: The Nielsen Company, MarketTrack and Homescan panelists.
*Note: Everyday Cheese = 3(c), Fine Cheese = 3(a)

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2015/6 to 2016/5	2016/6 to 2017/5	
1	\$96.62	\$98.16	1.60%
2 to 4(d)	\$75.50	\$77.42	2.54%
4(m) 4(a1)*	\$7.78	\$12.65	62.62%
5(a) to (c)	\$39.46	\$42.38	7.40%
5(d)	\$24.19	\$27.57	13.98%
Other		\$58.99	
All Classes	\$73.78	\$74.39	0.83%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



Butter Inventory ('000 kg)

	29-May-16	29-May-17
PLAN A BUTTER	12	0
PLAN B BUTTER	8,108	15,748
IMPORTED BUTTER	223	646
TOTAL CDC BUTTER STOCKS	8,342	16,394
PRIVATE BUTTER STOCKS	15,322	15,271
TOTAL CDC AND PRIVATE BUTTER STOCKS	23,664	31,665

Other Private Stocks ('000 kg)

	31-May-16	31-May-17
CHEDDAR	50,952	55,494
PROCESSED CHEESE	15,972	14,340
SPECIALTY CHEESE	32,008	32,100

Comments on Stocks

Total milk production (BF) for the 12-month period ending May 2017 was 4.46% higher than the same period last year. Total requirements growth is expected to eventually level off at 3.5-3.9% on an annual basis.

As of May 31, 2017, the CDC had 0 tonnes of butter in Plan A and 15,748 tonnes in Plan B; CDC stocks also include 646 tonnes of imported butter. In May, the CDC brought in 55 tonnes of butter through the tariff rate quota, and 518 tonnes of butter through supplementary import permits, as well as 236 tonnes of butterfat-equivalent cream under special cream permits. In total, 18,590 tonnes of butter and butterfat-equivalent cream were imported over the past 12 months. Private butter stocks currently stand at 15,271 tonnes. Total butter stocks are 8,001 tonnes higher than in May 2016; the CDC plans to continue building butter stocks to meet domestic demand.