



CDC MARKET BULLETIN

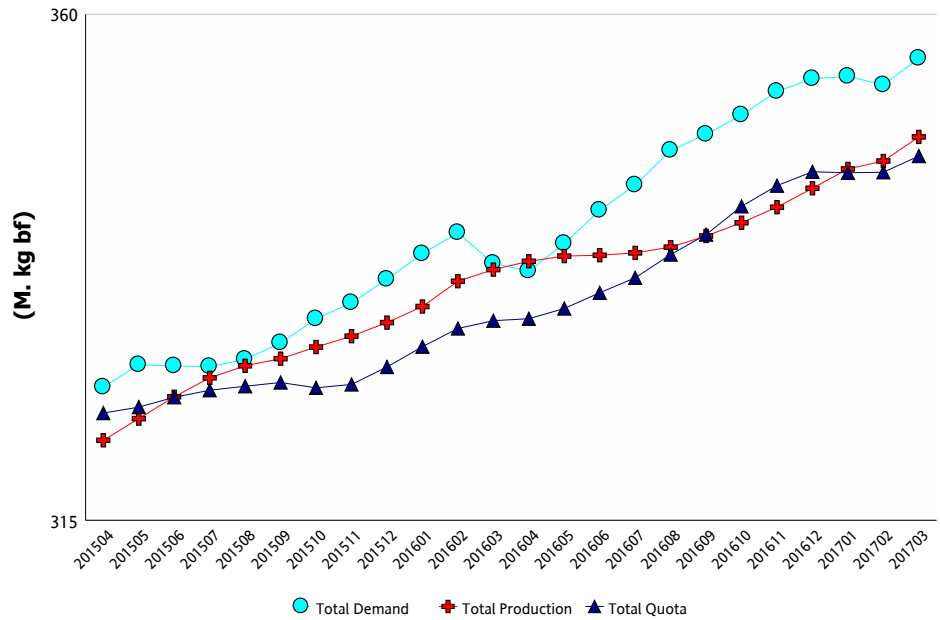


Market Comment

Total Requirements for the 12-month period ending March 2017 were 356.09 million kg BF. This figure represents a 0.28% increase compared to the same period ending February 2017, and a 5.40% increase over March 2016.

Total butterfat usage across all classes increased by 3.5% on a 12-month year over year basis (an increase of 11.8 M kg BF), and by 7.4% in the month of March 2017 versus the same month a year ago. Butterfat used in Class 2(a) and 2(b) increased over the previous month by 30.1% and 33.7%, respectively. Butterfat used in Class 4(a) increased by 4.6% (equivalent to 0.3 M kg BF) over February 2017, however, on a year over year 12 month basis, increased by 8.0% (4.9 M kg BF). Class 3(d) saw an increase of 14.0% over the last 12 months in comparison to the 12-month ending March 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)		
	2015/4 to 2016/3	2016/4 to 2017/3	% Change	2015/4 to 2016/3	2016/4 to 2017/3	% Change	2015/4 to 2016/3	2016/4 to 2017/3	% Change
NL	1,971,199	1,986,275	0.76%	1,486,254	1,487,168	0.06%	484,945	499,107	2.92%
P5	254,414,446	263,794,709	3.69%	77,729,206	76,444,003	-1.65%	176,685,240	187,350,706	6.04%
WMP	80,913,503	83,320,403	2.97%	36,101,739	35,927,601	-0.48%	44,811,764	47,392,802	5.76%
Canada	337,299,148	349,101,387	3.50%	115,317,199	113,858,772	-1.26%	221,981,949	235,242,615	5.97%

Milk Utilization ('000 kg)

Milk Class	Butterfat			Solids Non Fat		
	2015/4 to 2016/3	2016/4 to 2017/3	% Change	2015/4 to 2016/3	2016/4 to 2017/3	% Change
1(a)	46,866	46,602	-0.56%	233,310	229,609	-1.59%
1(b)	50,581	51,505	1.83%	21,625	21,970	1.59%
2	27,822	27,881	0.21%	50,112	44,951	-10.30%
3 3c1 3c2	118,310	124,031	4.84%	240,627	237,679	-1.23%
4(a)	61,018	65,912	8.02%	12,081	3,979	-67.07%
4(b)	1,853	1,899	2.50%	4,697	4,508	-4.02%
4(m) 4(a1) 5d 7	2,119	2,658	25.47%	137,688	180,882	31.37%
5(a,b,c)	26,921	26,159	-2.83%	44,038	39,724	-9.80%
Other	993	1,759	77.06%	8,888	15,032	69.13%
Total	336,483	348,407	3.54%	753,065	778,333	3.36%

Continuous Quota

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

31-March-2017

Province	kg of bf	% *
NL	-454,259	-17.70%
PE	60,852	1.37%
NS	136,003	1.80%
NB	34,944	0.59%
QC	392,193	0.30%
ON	4,978,592	4.45%
MB	-1,671,665	-11.37%
SK	-371,654	-3.53%
AB	-1,082,497	-3.58%
BC	-441,938	-1.45%

* 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:	March 4, 2017		
	Previous 12 Month	12 Month	Change
Butter	58,109	60,433	+ 4.0%
Total Cheese	204,394	215,022	+ 5.2%
Cheddar	89,210	93,135	+ 4.4%
Fine Cheese*	52,400	54,601	+ 4.2%
Everyday Cheese*	59,332	64,019	+ 7.9%
Processed	57,706	58,572	+ 1.5%
Ice cream	178,859	179,038	+ 0.1%
Yogurt	330,235	338,161	+ 2.4%
Cream	94,891	99,256	+ 4.6%

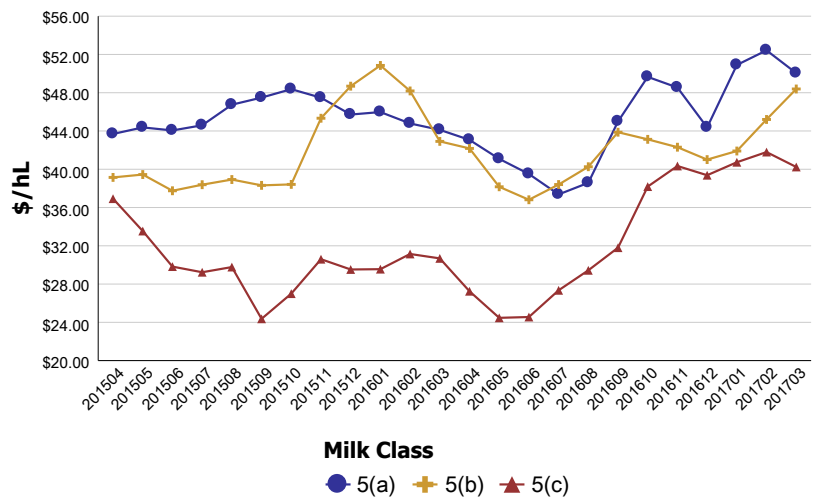
Source: The Nielsen Company, MarketTrack and Homescan panelists.
*Note: Everyday Cheese = 3(c), Fine Cheese = 3(a)

Average Return from Milk Sales

Milk Class	(\$/hl std)		% Change
	2015/4 to 2016/3	2016/4 to 2017/3	
1	\$96.30	\$98.11	1.88%
2 to 4(d)	\$75.85	\$77.30	1.91%
4(m) 4(a1)*	\$8.17	\$11.71	43.38%
5(a) to (c)	\$39.90	\$40.82	2.30%
5(d)	\$25.02	\$26.47	5.78%
Other		\$61.49	
All Classes	\$73.83	\$74.54	0.96%

* Price based on SNF components only

Class 5 Component Prices in \$/hL



Butter Inventory ('000 kg)

	27-Mar-16	27-Mar-17
PLAN A BUTTER	16	0
PLAN B BUTTER	3,945	11,417
IMPORTED BUTTER	296	800
TOTAL CDC BUTTER STOCKS	4,258	12,217
PRIVATE BUTTER STOCKS	15,523	16,464
TOTAL CDC AND PRIVATE BUTTER STOCKS	19,781	28,682

Other Private Stocks ('000 kg)

	31-Mar-16	31-Mar-17
CHEDDAR	50,907	53,068
PROCESSED CHEESE	14,751	14,894
SPECIALTY CHEESE	30,245	32,654

Comments on Stocks

Total milk production (BF) for the 12-month period ending March 2017 was 3.5% 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 March 31, 2017, the CDC had 0 tonnes of butter in Plan A and 11,417 tonnes in Plan B; CDC stocks also include 800 tonnes of imported butter. In March, the CDC brought in 34 tonnes of butter through the tariff rate quota, and 1266 tonnes of butter through supplementary import permits, as well as 214 tonnes of butterfat-equivalent cream under special cream permits. In total, 18,423 tonnes of butter and butterfat-equivalent cream were imported over the past 12 months. Private butter stocks currently stand at 16,464 tonnes. Total butter stocks are 8,703 tonnes higher than in March 2016; the CDC plans to continue building butter stocks to meet domestic demand.