



NOVEMBER 2024

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



P5 MESSAGE – QUOTA INCREASE DECEMBER

TO ENSURE A CONTINUED production level needed to meet the current and anticipated demand in 2025, the P5 Boards have agreed to increase the saleable quota allocated to P5 producers by 1%, on December 1, 2024.

The P5 provincial boards' primary objective is to continuously monitor the milk market situation and meet demand in the most optimal way and will continue to adapt production signals to address market changes, as required.

CDC projections remain pretty much the same for 2025 with an increase of about 2.6 per cent of quota allocated to P5 under the optimistic scenario, a level close to what P5 had been tracking with over the last 12 month ending in August (2.4 per cent).

"Review will continue in the coming months to see how things are evolving for the rest of the

dairy year and whether further adjustments are required" says Patrice Dubé, Dairy Farmers of Ontario's chief economics and policy development officer.

"We'll have to carefully assess the capacity to process milk across the P5 during the weekdays but certainly, and mostly, during the weekends."

As a note, a couple of existing medium size processors agreed to declare butter stocks to the CDC starting August 2024. However, these additional stocks have not been properly allocated between these medium size processors and the processors that are currently part of the report. As a consequence, the CDC national requirement and quota calculations have been revised. The concrete impact of that revision brought the total requirements for the last 12 months ending in August 2024 from 3.1 per cent to 2.8

per cent (and P5 Quota for the same period from 2.6 per cent to 2.4 per cent).

In September 2024, butter stocks reached 33,532 tonnes, down from August by 2,338 tonnes. September butter stock levels are higher than they have been for the same month in at least three years.

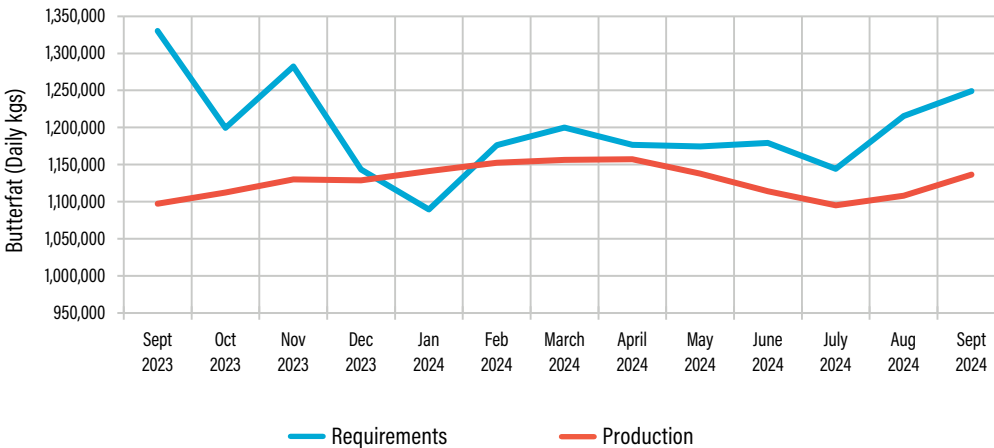
The cheese stock level for the month of September 2024 was at 101,167 tonnes, which is lower compared to August by 911 tonnes, and higher than they have been for the same month in at least three years.

For the 52-weeks ending October 12, 2024, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/ decreased by 0.04, 0.79, 3.5, 0.80, 1.77 and 1.97 per cent, respectively, compared with October 14, 2023.

A monthly recap of markets and production trends in Canada and Ontario

CANADIAN REQUIREMENTS AND PRODUCTION

Canadian butterfat requirements in kilograms and actual butterfat production across the P10.

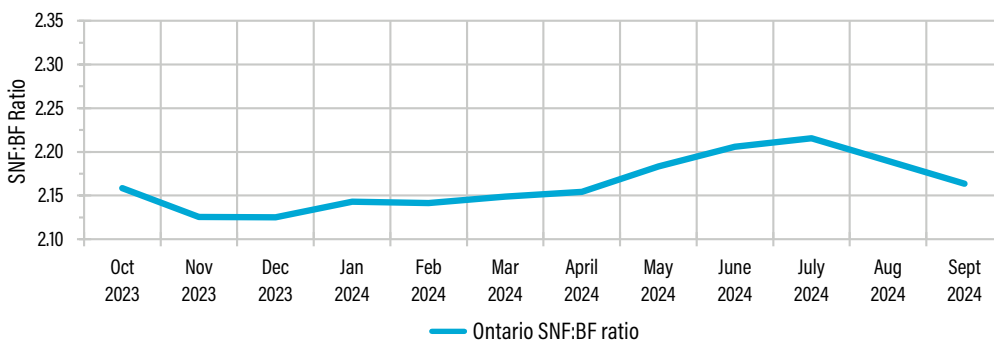


12-month production (in millions of kilograms) **413.8**

12-month requirements (in millions of kilograms) **433.9**

Canadian production has increased by **1.6 per cent** over the previous 12 months, and requirements have increased by **1.5 per cent** over the previous 12 months.

SOLIDS NON-FAT TO BUTTERFAT (SNF-BF) RATIO



This graph shows Ontario's SNF-BF ratio for the last 12 months.

September 2024: 2.1635

NATIONAL RETAIL SALES

Average increase in retail sales for dairy products sold in Ontario and the dairy product's share of the total market sales, including at hotels, restaurants and institutions.

	12 MONTHS ENDING SEPT 28, 2024	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.10%	77.80%
Cream	1.20%	39.20%
Cheese	1.80%	54.80%
Butter	1.60%	57.50%
Ice cream	1.20%	70.70%
Yogurt	3.40%	94.50%

* Source: AC Nielsen & StatsCan
NOTE: There is a two-month lag in the national retail sales data.

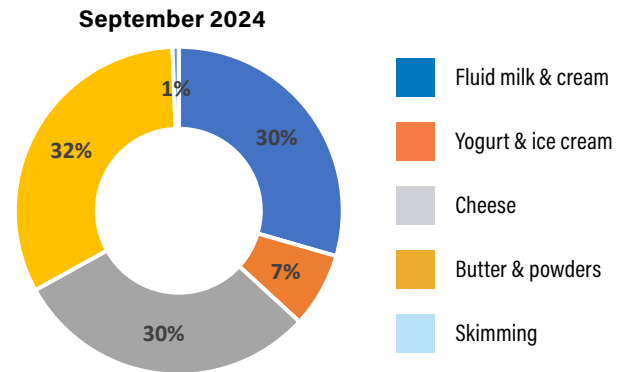
SEPTEMBER HIGHLIGHTS

- P5 Boards have agreed to increase the saleable quota allocated to P5 producers by 1%, on December 1, 2024;
- In September 2024, butter stocks reached 33,532 tonnes, down from August by 2,338 tonnes. September butter stock levels are higher than they have been for the same month in at least three years;
- The cheese stock level for the month of September 2024 was at 101,167 tonnes, which is lower compared to August by 911 tonnes, and higher than they have been for the same month in at least three years..

ONTARIO UTILIZATION

Percentage of the total milk produced in Ontario that was used to produce dairy products.

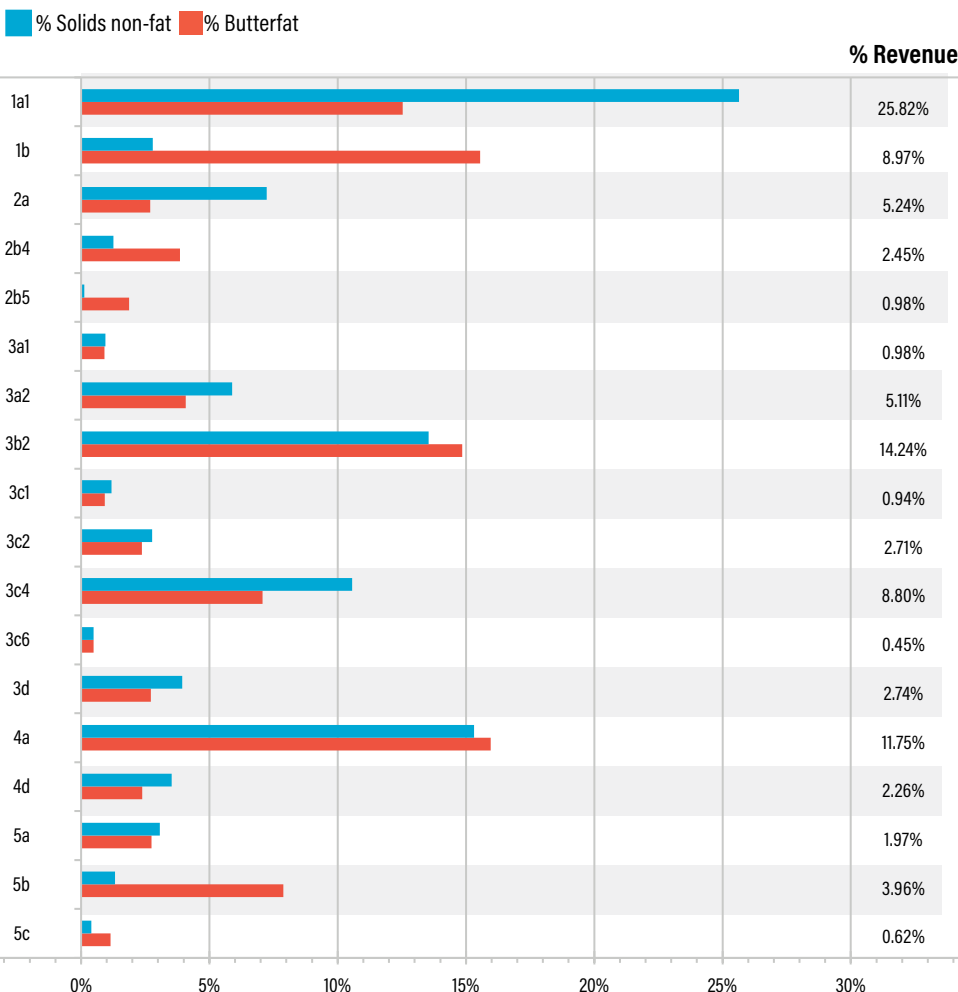
	AUGUST 2024	SEPTEMBER 2024	12-MONTH AVERAGE
Fluid milk & cream	28.5%	29.5%	30.0%
Yogurt & ice cream	8.3%	7.4%	7.4%
Cheese	29.5%	30.1%	30.2%
Butter & powders	33.4%	32.4%	31.5%
Skimming	0.4%	0.6%	0.9%



P10 UTILIZATION BY CLASS

For September 2024 (kg of butterfat/kg of solids non-fat)

*There is a two-month lag reporting these figures



Class 1a1 (includes Classes 1a2, 1a3, 1c and 1d for confidentiality reasons) Fluid milk and beverages

Class 1b Fluid creams Class 2a Yogurt, yogurt beverages, kefir and lassi

Class 2b4 (includes Classes 2b1, 2b2 and 2b3 for confidentiality reasons) Fresh dairy desserts, sour cream, milkshakes and sports nutrition drinks

Class 2b5 Ice cream and frozen yogurt

Class 3a1 Specialty cheese

Class 3a2 Cheese curds and fresh cheeses

Class 3b2 (includes Class 3b1 for confidentiality reasons) Cheddar cheese and aged cheddar

Class 3c1 Feta

Class 3c2 Asiago, Gouda, Havarti, Parmesan and Swiss

Class 3c4 (includes Classes 3c3 and 3c5 for confidentiality reasons) Brick, Colby, farmer's, jack, Monterey jack, muenster, pizza cheese, pizza mozzarella and mozzarella other than what falls within 3d

Class 3c6 Paneer

Class 3d Mozzarella used strictly on fresh pizzas by establishments registered with the Canadian Dairy Commission

Class 4a Butter and powders

Class 4d (includes Classes 4b1, 4b2, 4c and 4m for confidentiality reasons) Concentrated milk for retail, losses and animal feed

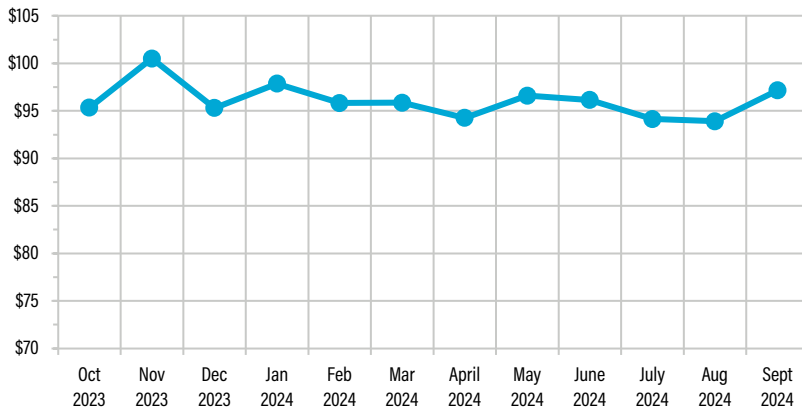
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,171 producers sold milk to DFO in September compared with 3,213 a year earlier.



September 2024:
\$ 97.15

ONTARIO DEDUCTIONS, PER HL

For September 2024

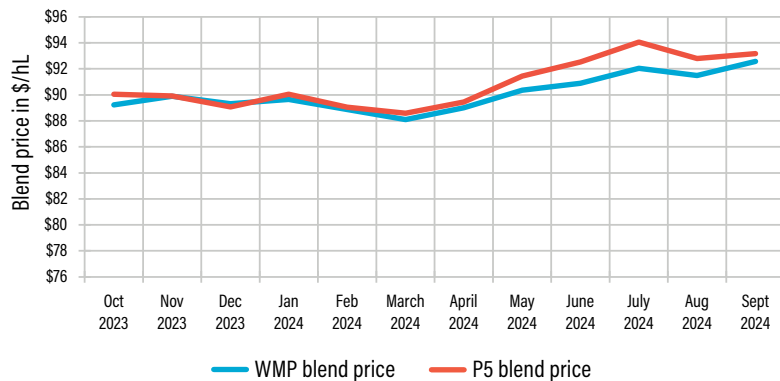
	Within quota	Over-quota
DFO administration	\$0.675	\$0.675
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$3.710	\$3.710
Market expansion	\$1.400	\$1.400
Total deductions	\$5.895	\$5.895
Average total net	\$90,555	-\$5.895

* These figures are based on Ontario's average composition for September 2024 of 4.2326 kg butterfat, 3.2345 kg protein and 5.9227 kg other solids, rounded to the nearest cent.

P5 AND WESTERN MILK POOL BLEND PRICES*

The graph below shows the 12-month blend price for the P5 provinces and Western Milk Pool (WMP).

*There is a two-month lag reporting these figures



WMP: \$92.57

P5: \$93.17

U.S. CLASS PRICES

The October 2024 Class III Price, US\$22.85 per hundredweight, is equivalent to C\$72.10 per hectolitre. This equivalent is based on the exchange rate US \$1 = C\$ 1.39001 the exchange rate when the USDA announced the Class III Price.

The Class III Price is in \$ US per hundredweight at 3.5 per cent butterfat. One hundredweight equals 0.44 hectolitres. Canadian Class 5a and Class 5b prices track U.S. prices set by the U.S. Department of Agriculture.

Source: USDA

MONTHLY QUOTA PRICES (\$/KG)

PROVINCE	PRICE/KG	AMOUNT WANTED/KG	AMOUNT FOR SALE/KG	AMOUNT PURCHASED/KG
Alberta	\$53,280	400.39	93.21	92.96
Saskatchewan	\$41,415	128.00	12.78	10.00
Manitoba	\$44,690	404.64	125.97	88.72
British Columbia	\$35,500	454.58	70.70	70.70
Ontario*	\$24,000	23,203.29	541.34	541.59
Quebec*	\$24,000	18,385.94	611.84	612.14
New Brunswick*	\$24,000	425.60	3.60	3.60
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000	1,424.65	5.85	5.85

OCTOBER PRICES

Newfoundland does not operate a monthly quota exchange. Quota is traded between producers.

* Quota cap price of \$24,000 in effect in Prince Edward Island, New Brunswick, Ontario, Nova Scotia and Quebec.

Co-ordinated by Dairy Farmers of Ontario's communications and economics divisions. Questions? Please email questions@milk.org.

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