



JANUARY 2025

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



P5 demand continues to be stronger for start of dairy year

P5 demand has been slightly stronger (0.05 per cent), on average, than the Canadian Dairy Commission's (CDC) optimistic scenario for the first four months of the 2024-25 dairy year. During the same period, P5 butterfat production has been, on average, 1.5 per cent stronger than what was forecasted.

The butterfat content in P5 and Ontario milk has reached levels that are higher than the already record level for the 2023 fall months, reaching levels as high as 4.41 per cent for P5 in November 2024, as well as for Ontario in December 2024. The higher

production than demand has resulted in higher-than-expected butter stocks level for November 2024 at 30,400 tonnes.

"P5 production seems to be leading the current and anticipated future P5 demand," says Patrice Dubé, Dairy Farmers of Ontario's chief economics and policy development officer. "Whether the market will respond and catch up to production remains to be seen over the coming months."

In November 2024, cheese stocks reached 99,932 tonnes, up from October by 542

tonnes. November cheese stock levels are higher than they have been for the same month in at least three years.

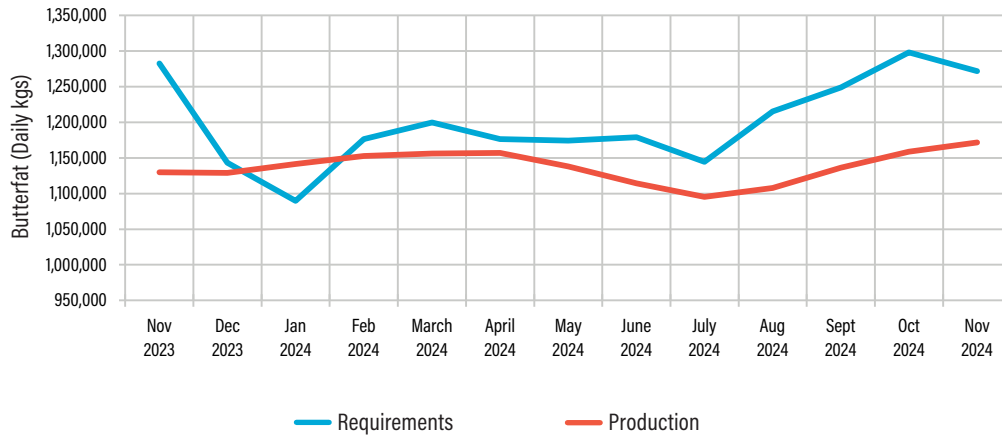
The butter stock level for November 2024 was at 30,427 tonnes, which is lower compared with October by 548 tonnes, and higher than they have been for the same month in at least five years.

For the 52-weeks ending November 28, 2024, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by 0.1, 1.6, 3.9, 1.6, 3.3 and 5.7 per cent, respectively.

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.

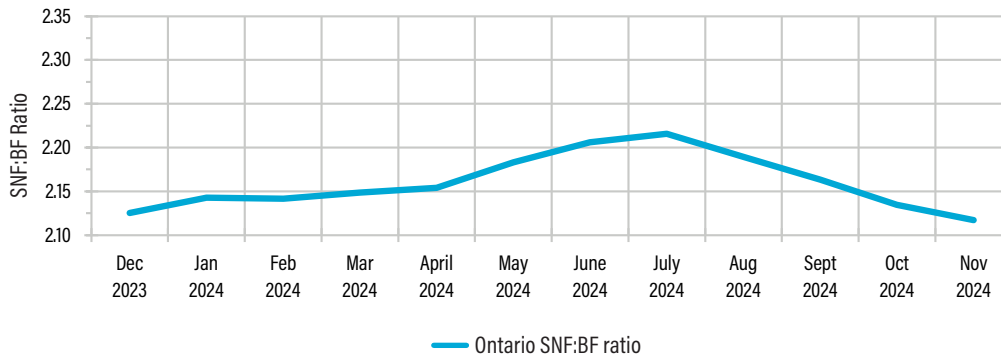


12-month production (in millions of kilograms) **416.5**

12-month requirements (in millions of kilograms) **436.6**

Canadian production has increased by **2.0 per cent** over the previous 12 months, and requirements have increased by **1.9 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.

November 2024: 2.117

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 NOV 30, 2024	RETAIL SHARE OF TOTAL MARKET
Fluid milk	0.10%	77.80%
Cream	1.60%	39.20%
Cheese	3.30%	54.80%
Butter	5.70%	57.50%
Ice cream	1.60%	70.70%
Yogurt	4.00%	94.50%

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

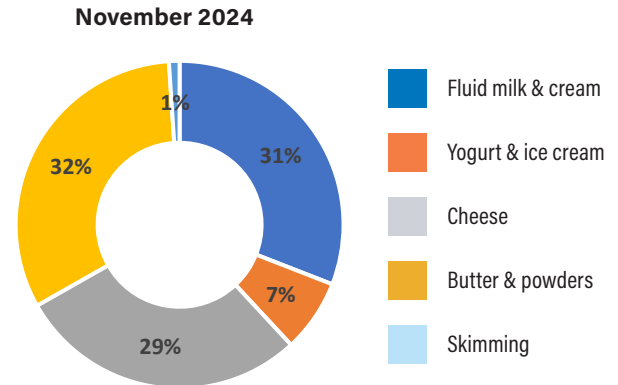
NOVEMBER HIGHLIGHTS

- P5 demand has been slightly stronger (0.05 per cent), on average, than the Canadian Dairy Commission's (CDC) optimistic scenario for the first four months of the 2024-25 dairy year;
- In November 2024, cheese stocks reached 99,932 tonnes, up from October by 542 tonnes. November cheese stock levels are higher than they have been for the same month in at least three years;
- The butter stock level for November 2024 was at 30,427 tonnes, which is lower compared with October by 548 tonnes, and higher than they have been for the same month in at least five years.

ONTARIO UTILIZATION

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

	OCTOBER 2024	NOVEMBER 2024	12-MONTH AVERAGE
Fluid milk & cream	30.6%	30.9%	29.9%
Yogurt & ice cream	7.2%	7.2%	7.4%
Cheese	30.3%	28.7%	30.1%
Butter & powders	31.3%	32.2%	31.7%
Skimming	0.6%	1.0%	0.9%

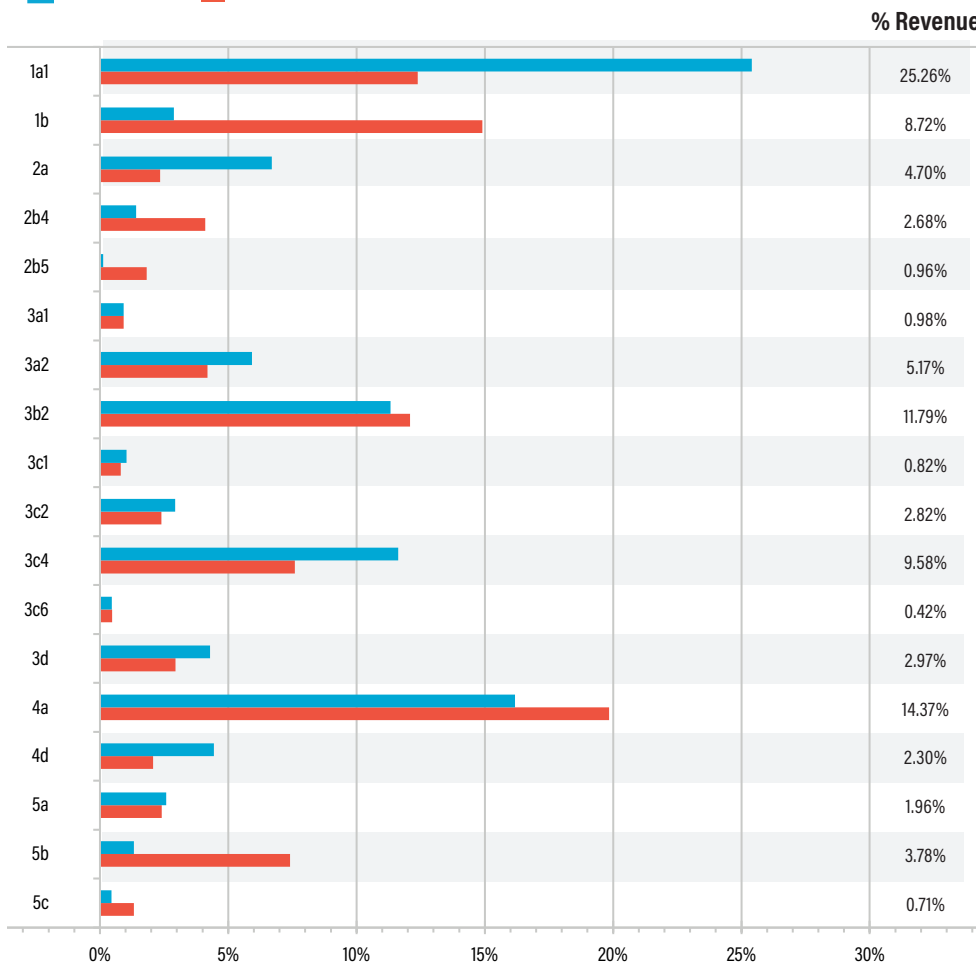


P10 UTILIZATION BY CLASS

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

*There is a two-month lag reporting these figures

■ % Solids non-fat ■ % Butterfat



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

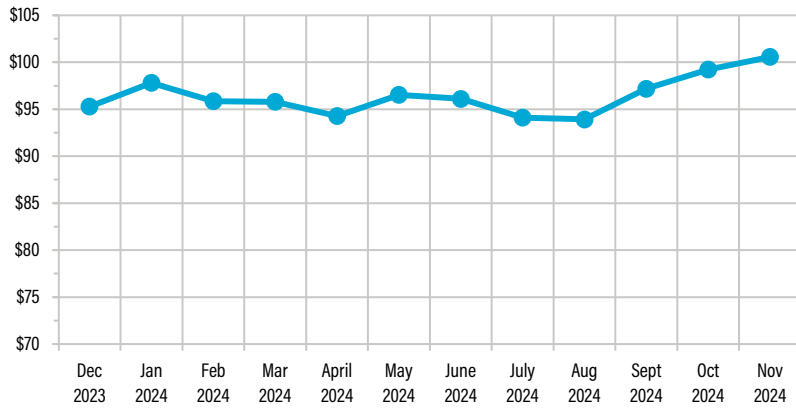
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,163 producers sold milk to DFO in November compared with 3,210 a year earlier.



November 2024:
\$ 100.58

ONTARIO DEDUCTIONS, PER HL

For November 2024

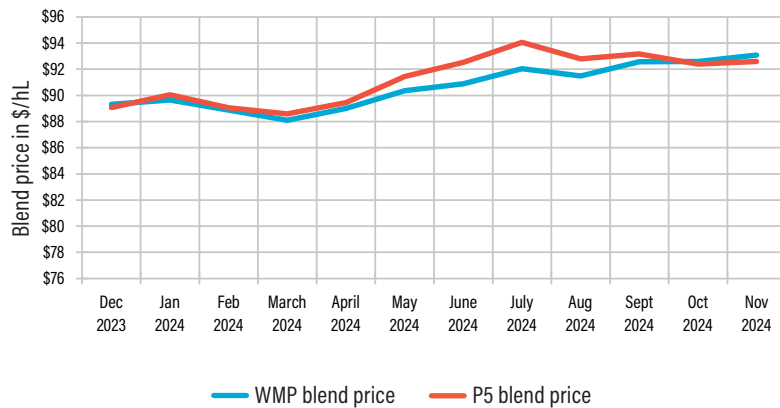
	Within quota	Over-quota
DFO administration	\$0.675	\$0.675
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$3.660	\$3.660
Market expansion	\$1.500	\$1.500
Total deductions	\$5.945	\$5.945
Average total net	\$94.007	-\$5.945

* These figures are based on Ontario's average composition for November 2024 of 4.3744 kg butterfat, 3.3419 kg protein and 5.9186 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: \$93.09

P5: \$92.59

U.S. CLASS PRICES

The December 2024 Class III Price, US\$18.62 per hundredweight, is equivalent to C\$60.79 per hectolitre. This equivalent is based on the exchange rate US \$1 = C\$ 1.43817 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	\$56,495	313.30	184.62	115.70
Saskatchewan	\$41,055	110.14	17.83	7.83
Manitoba	\$49,000	309.39	76.50	53.00
British Columbia	\$35,500	379.81	1.00	1.00
Ontario*	\$24,000	23,279.09	271.40	271.21
Quebec*	\$24,000	19,014.70	824.69	824.27
New Brunswick*	\$24,000	484.60	0.50	0.50
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000	1573.34	2.17	2.16

DECEMBER 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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