



MAY 2025

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



STRONG MARKETS AND HIGH BUTTER STOCKS

IN THE LAST 12 MONTHS, the market has continued to be strong and tracking with CDC's optimistic model. The P5 butterfat production has also tracked with the P5 forecast for the last three months. The P5 butterfat production forecast is expected to be 1.5 per cent higher than the actual 2024 P5 BF production. Butterfat level in P5 milk has dropped in March in comparison to February but is still at a higher level compared to the same month in the last two previous years. A drop in butterfat level in milk is normally observed in March due to feed conditions and warmer weather.

"Continuous quota calculation indicates that P10 could be in an over quota situation for March 2025 and that it would be solely the responsibility of P5" says Patrice Dubé, Dairy Farmers of Ontario's chief economics and policy development officer.

"If P5 does not realign production with P5 Quota within the next six months, P5 could be required to transfer dollars to the Western Milk Pool at that point in time. However, there is currently an understanding at the national level not to change the production signal until more

analysis is done to better understand what is happening in the marketplace. This analysis will try to shed some lights as to why butter and cheese stock levels are high while an important gap between milk ordered by processors and milk available is observed week after week at the P5 level. Stakeholders will have to decide on a way forward at the national meeting in June."

In March 2025, butter stocks reached 40,052 tonnes, up from February by 932 tonnes. March butter stock levels are at their highest level for the same month over the last five-years. Butter stocks are also already above our July target level, which is around 35 000 tonnes.

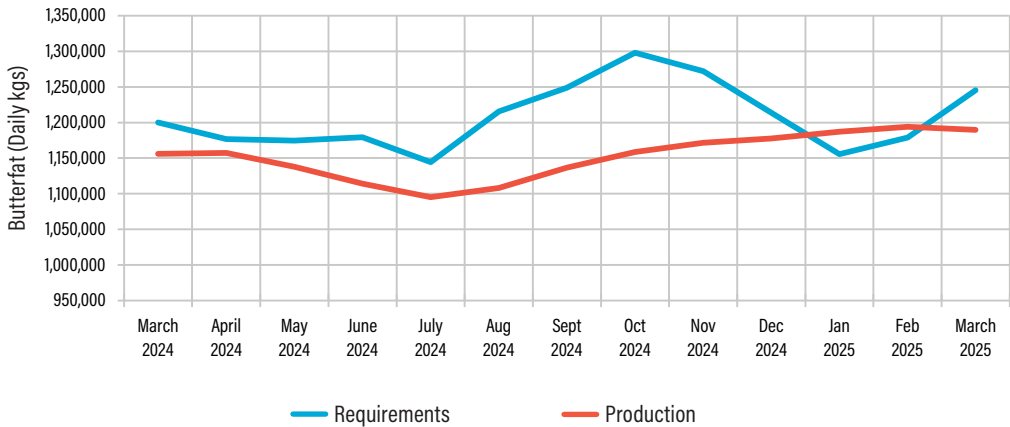
Cheese stock levels for the month of March 2025 were at 106,115 tonnes, up 4,311 tonnes from February and higher than the last five-year average.

For the 52-weeks ending March 29, 2025, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by 0.4, 1.2, 5.2, 1.7, 2.1 and 0.6 per cent, respectively, compared with March 2024.

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.

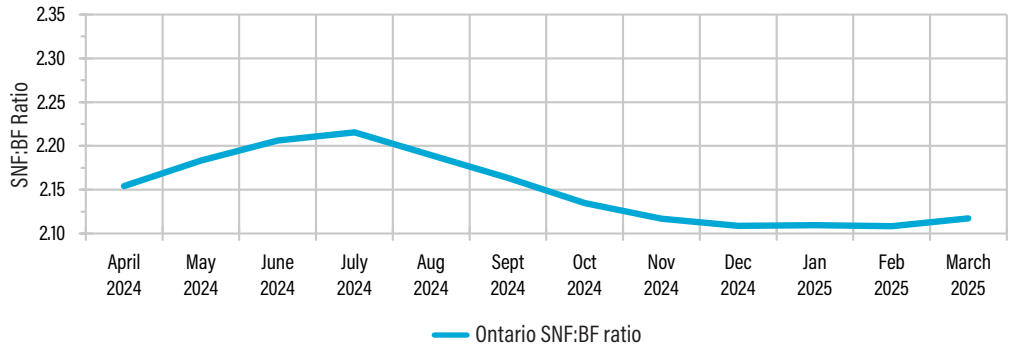


12-month production
(in millions of kilograms) **420.5**

12-month requirements
(in millions of kilograms) **441.2**

Canadian production has increased by **2.7 per cent** over the previous 12 months, and requirements have increased by **2.7 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.

March 2025: 2.1174

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 MARCH 29, 2025	RETAIL SHARE OF TOTAL MARKET
Fluid milk	0.40%	76.90%
Cream	1.20%	39.70%
Cheese	2.10%	55.40%
Butter	0.60%	58.70%
Ice cream	1.70%	70.70%
Yogurt	5.20%	94.90%

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

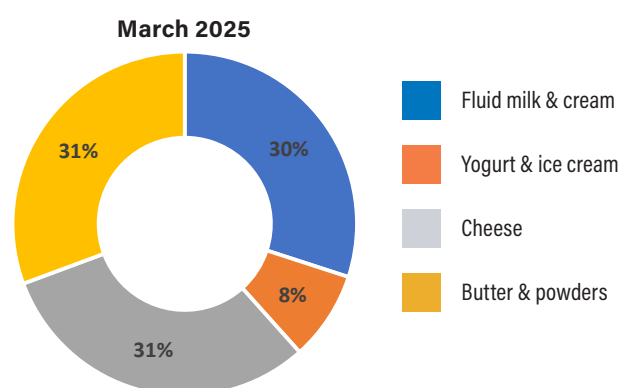
MARCH HIGHLIGHTS

- In the last 12 months, the market has continued to be strong and tracking with CDC's optimistic model;
- In March 2025, butter stocks reached 40,052 tonnes, up from February by 932 tonnes. March butter stock levels are at their highest level for the same month over the last five-years;
- For the 52-weeks ending March 29, 2025, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by 0.4, 1.2, 5.2, 1.7, 2.1 and 0.6 per cent, respectively, compared with March 2024.

ONTARIO UTILIZATION

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

	FEBRUARY 2025	MARCH 2025	12-MONTH AVERAGE
Fluid milk & cream	31.0%	30.0%	30.0%
Yogurt & ice cream	7.9%	8.4%	7.7%
Cheese	30.7%	31.0%	30.5%
Butter & powders	30.5%	30.6%	31.1%
Skimming	0.0%	0.0%	0.7%

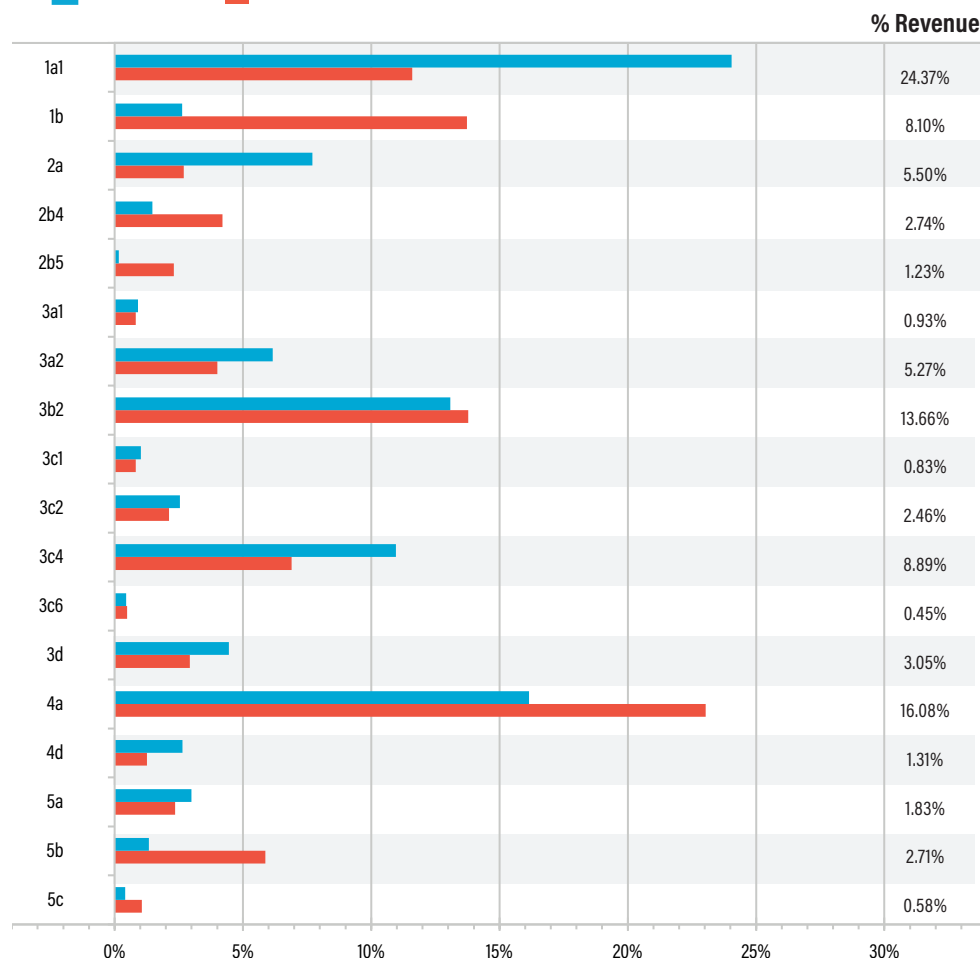


P10 UTILIZATION BY CLASS

For March 2025 (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

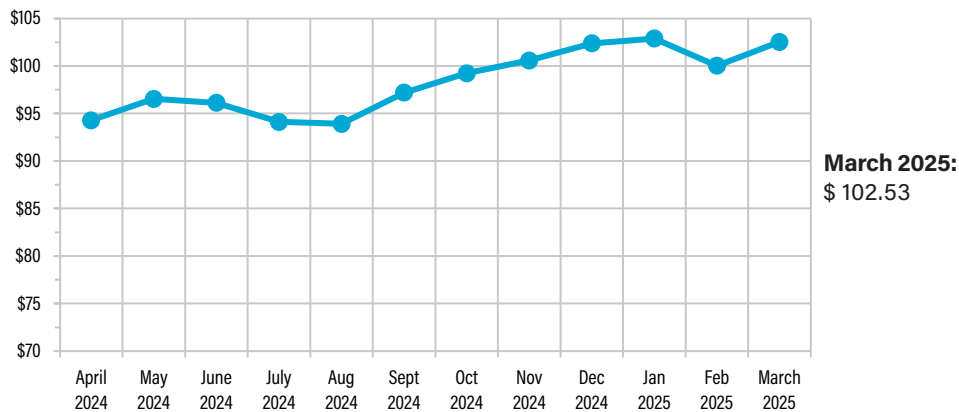
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,157 producers sold milk to DFO in March compared with 3,191 a year earlier.



ONTARIO DEDUCTIONS, PER HL

For March 2025

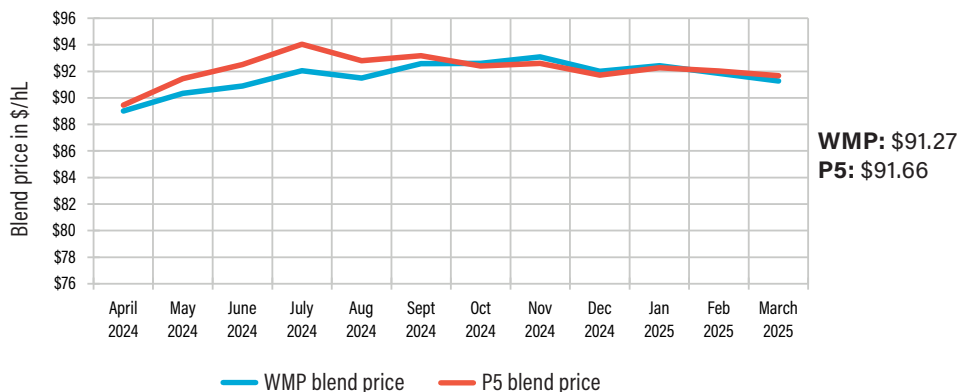
	Within quota	Over-quota
DFO administration	\$0.675	\$0.675
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$3.870	\$3.870
Market expansion	\$1.500	\$1.500
Total deductions	\$6.155	\$6.155
Average total net	\$91.613	-\$6.155

** These figures are based on Ontario's average composition for March 2025 of 4,3938 kg butterfat, 3.3459 kg protein and 5.9577 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*



U.S. CLASS PRICES

The April 2025 Class III Price, US\$17.92 per hundredweight, is equivalent to C\$56.31 per hectolitre. This equivalent is based on the exchange rate US \$1 = C\$ 1.38414 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	\$53,990	188.40	313.83	119.40
Saskatchewan	\$ 39,750	90.00	247.81	46.89
Manitoba	\$41,000	241.40	167.07	22.30
British Columbia	\$38,500	201.51	2.00	2.00
Ontario*	\$24,000	25,453.30	359.20	359.14
Quebec*	\$24,000	23,551.67	500.74	500.24
New Brunswick*	\$24,000	602.70	0.0	0.0
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000	NA	NA	Exchange cancelled

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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