APRIL 2026

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT

2026 Fall Incentive Days – Conventional

TO COMPLEMENT THE CHANGES TO THE SOLIDS-NON-FAT (SNF)/ BUTTERFAT (BF) PAYMENT POLICY and to increase the volume of milk, the P5 Boards announced the following conventional incentive days to be issued on a non-cumulative basis for the fall of 2026: 1 day in each of the months of August, September, October and November.

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.

The following table summarizes the incentive days:

2026	Conventional	Organic
March		2
April		2
May		2
June		2
July		2
August	1	2
September	1	2
October	1	2
November	1	2
December		2

Total requirements in January saw a 4.1 per cent decrease compared to January last year. On a 12-month basis, growth continues to be strong at 2.9 per cent. At the P5 level on a 12-month basis for January, quota growth continues to be strong at 2.8 per cent but is down 1.3 per cent compared to January last year.

P5 production was flat in February compared to January. In terms of a production forecast, 2026 production is expected to be about 0.9 per cent lower than 2025 on a butterfat basis. Production is currently in line with what has been forecasted for 2026. There has continued to be strong growth in protein demand. The payment policy change, effective April 1st, will hopefully increase protein production per kilo of butterfat production which will help to decrease surplus cream and butter stock levels.

In February 2026, butter stocks reached 41,938 tonnes, down from January by seven tonnes. Butter stock levels continue to be at the highest seen in the last five years. The increase in stocks is significantly higher than in previous years and is as a result of the increase in cream availability due to higher fat tests on-farm, and strong demand from processors to fill demand for high protein products.

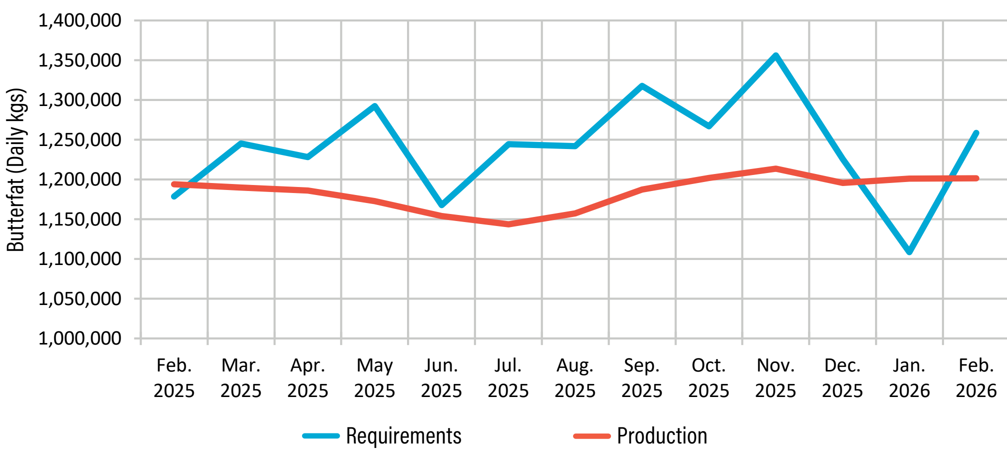
Cheese stock levels for the month of February 2026 were at 106,837 tonnes, up 1,391 tonnes from January and higher than the last five-year average.

For the 52 weeks ending February 28, 2026, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by -0.5, 0.1, 6.1, 7.3, 1.9 and 4.4 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.

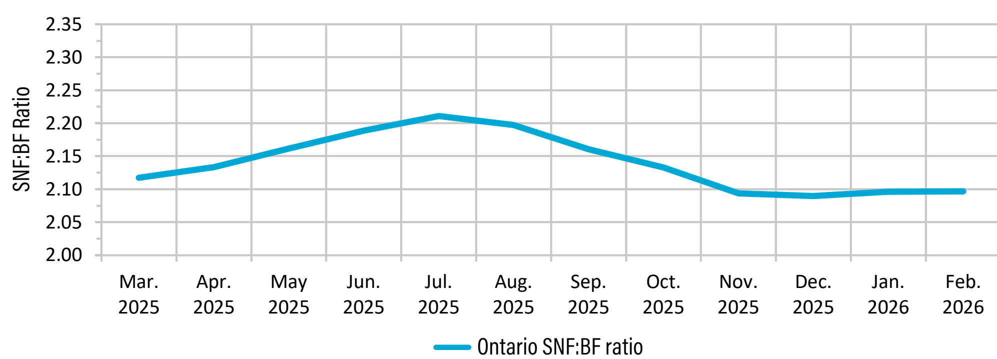


12-month production (in millions of kilograms) **432.0**

12-month requirements (in millions of kilograms) **454.8**

Canadian production has increased by **3.0 per cent** over the previous 12 months, and requirements have increased by **3.4 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.

Feb. 2026: 2.0966

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 FEB. 28, 2026	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.50%	76.80%
Cream	0.10%	39.70%
Cheese	2.10%	55.80%
Butter	4.40%	58.20%
Ice cream	7.30%	70.70%
Yogurt	6.10%	95.10%

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

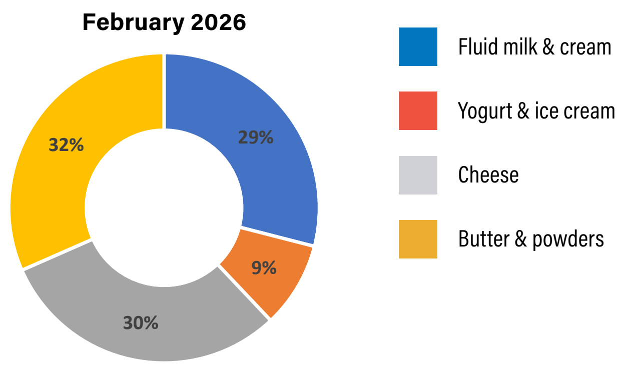
FEBRUARY HIGHLIGHTS

- To complement the changes to the SNF/BF payment policy and to increase the volume of milk, the P5 Boards announced the following conventional incentive days to be issued on a non-cumulative basis for the fall of 2026: 1 day in each of the months of August, September, October and November;
- Total requirements in January saw a 4.1 per cent decrease compared to January last year. On a 12-month basis, growth continues to be strong at 2.9 per cent;
- The payment policy change, effective April 1st, will hopefully increase protein production per kilo of butterfat production which will help to decrease surplus cream and butter stock levels.

ONTARIO UTILIZATION

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

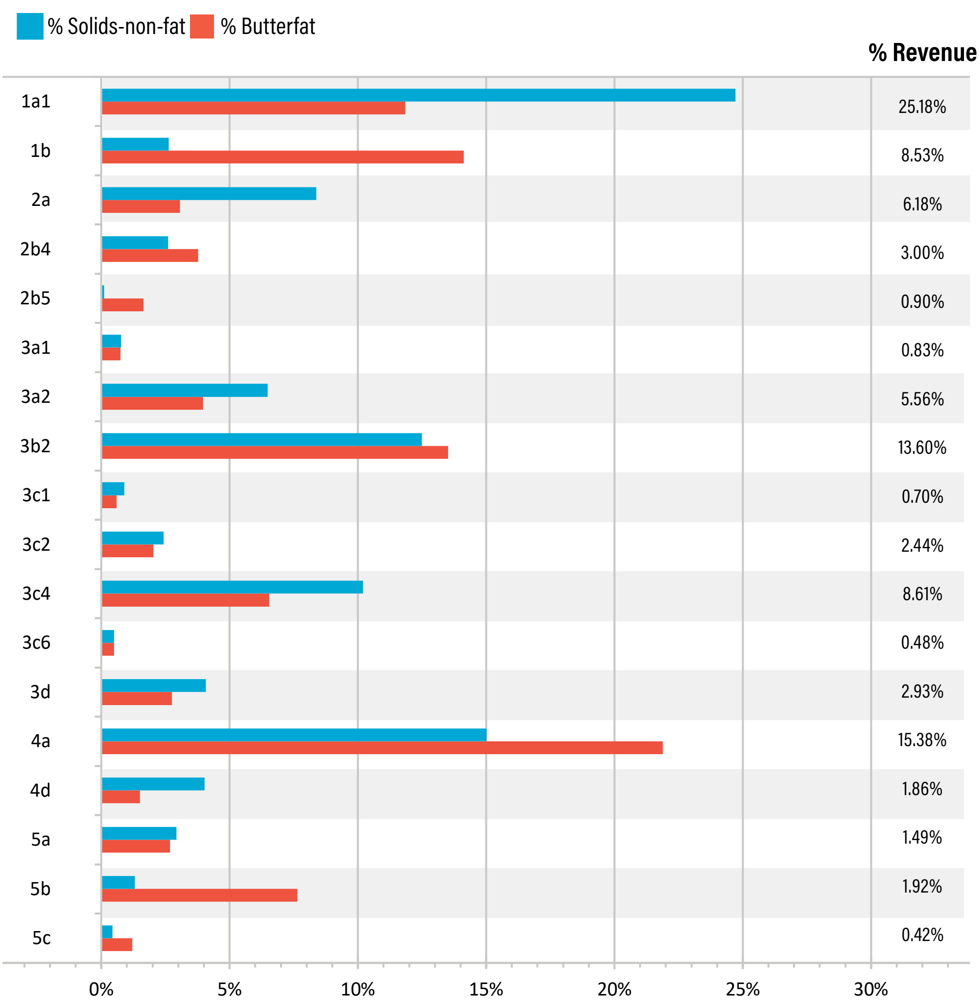
	JANUARY 2026	FEBRUARY 2026	12-MONTH AVERAGE
Fluid milk & cream	29.7%	29.0%	29.4%
Yogurt & ice cream	8.1%	8.9%	8.2%
Cheese	31.3%	30.5%	30.5%
Butter & powders	30.2%	31.6%	30.8%
Skimming	0.6%	0.0%	1.1%



P10 UTILIZATION BY CLASS

For February 2026 (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

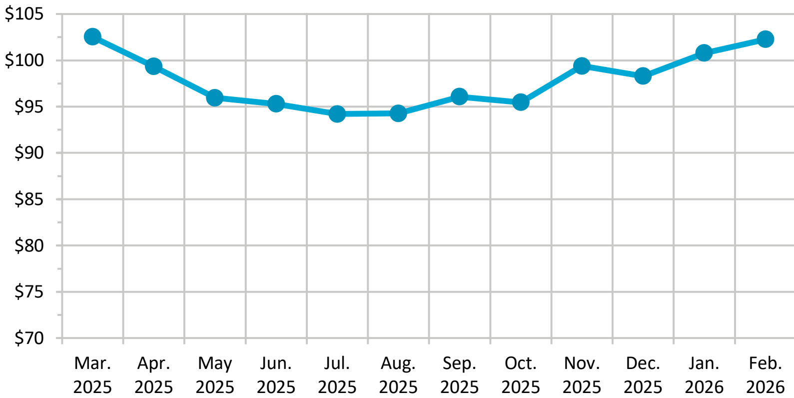
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,139 producers sold milk to DFO in February compared with 3,155 a year earlier.



Feb. 2026: 102.26

ONTARIO DEDUCTIONS, PER HL

For February 2026

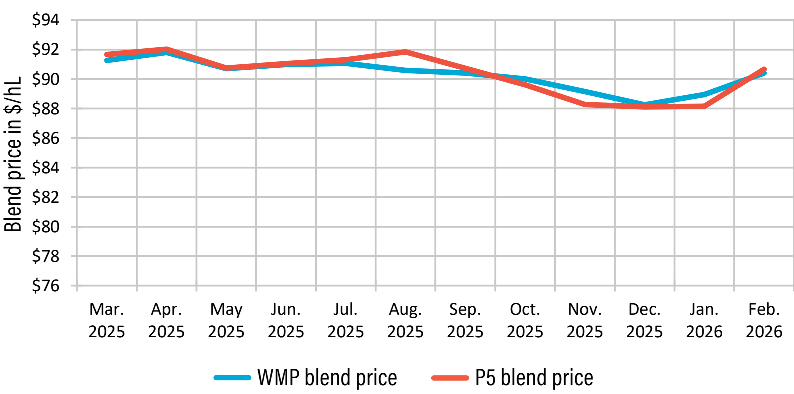
	Within quota	Over-quota
DFO administration	$0.725	$0.725
DFO research	$0.050	$0.050
CanWest DHI	$0.060	$0.060
Transportation	$3.910	$3.910
Market expansion	$1.500	$1.500
Total deductions	$ 6.245	$6.245
Average total net	$ 94.75	-$6.245

** These figures are based on Ontario's average composition for February, 2026 of 4.4655 kg butterfat, 3.3896 kg protein and 5.9730 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: $90.40
P5: $90.67

U.S. CLASS PRICES

The March 2026 Class III Price, US $16.16 per hundredweight, is equivalent to C $51.10 per hectolitre. This equivalent is based on the exchange rate US $1 = C $1.39306 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)

MARCH PRICES

PROVINCE	PRICE/KG	AMOUNT WANTED/KG	AMOUNT FOR SALE/KG	AMOUNT PURCHASED/KG
Alberta	$ 72,624.50	379.10	629.72	144.60
Saskatchewan	$ 43,225.00	167.55	18.68	17.05
Manitoba	$ 54,190.00	345.68	133.86	80.50
British Columbia	$39,500.00	962.23	197.00	197.00
Ontario*	$24,000.00	25,628.36	221.30	190.60
Quebec*	$24,000.00	28,164.24	232.12	232.17
New Brunswick*	$24,000.00	742.60	0.00	Exchange cancelled
PEI*	No Clearing Price Established			
Nova Scotia*	$24,000.00	0.0	0.00	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 departments. Questions? Please email questions@milk.org.

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