



DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



P5 production trending above forecast for last five months

TOTAL REQUIREMENTS IN APRIL ARE DOWN BUT ON A 12-MONTH basis, growth continues to be strong at 3.1 per cent. At the P5 level on a 12-month basis for April, quota growth was three per cent. The Canadian Dairy Commission quota forecast for 2026 expected lower quota growth for the year in part due to lower population growth in Canada. However, some imports have been lower than expected, which has resulted in an increase in quota above forecast. This trend will be monitored in the coming year.

P5 production is trending at 0.7 per cent above the forecast for the first five months of 2026 and is up one per cent versus last year. Production has been relatively strong with a fill rate on the incentive in May of 48 per cent. However, there is a continued need to realign the butterfat and protein test to better fill the market demand for protein. In May, the butterfat test did not decrease to expectations, but the hope is there will be more of a decrease in coming months back to last years level. The average credit day position in P5 is 1.4 days and has been relatively stable in the last few months.

The high continuous quota position in April and May resulted in prefilled quota that will need to be paid back in the fall or could result in a financial over-quota penalty, which the P5 would be responsible for.

In May 2026, butter stocks reached 42,398 tonnes, up from April by 386 tonnes. World prices and special class has helped sales, but we are expecting 33,500 tonnes at the end of the year, which is slightly lower than where we were last year and in a better position.

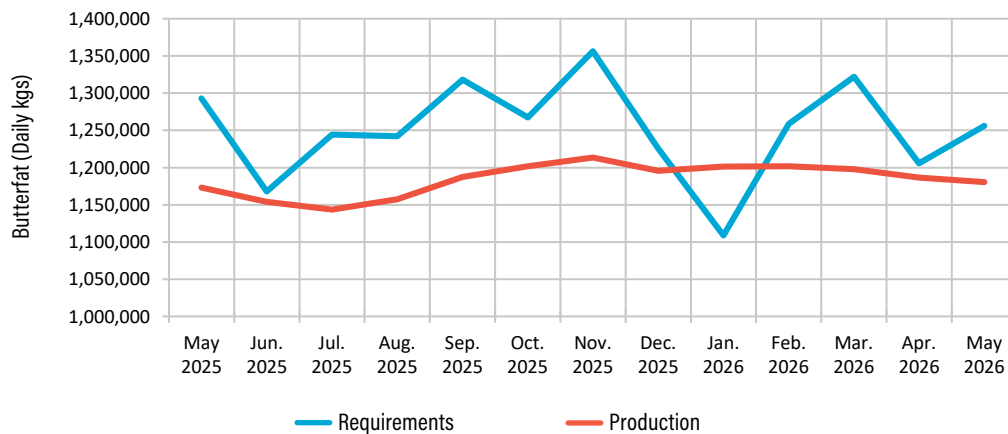
Cheese stock levels for the month of May 2026 were at 108,054 tonnes, up 1,163 tonnes from April and higher than the last five-year average.

For the 52 weeks ending June 2026, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by -0.6, 0.4, 5.7, 4.4, 1.9 and 3.6 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.

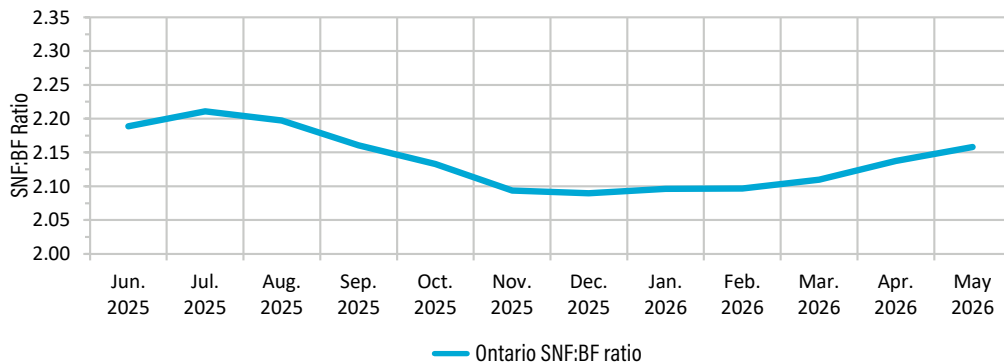


12-month production
(in millions of kilograms) **432.5**

12-month requirements
(in millions of kilograms) **455.3**

Canadian production has increased by **2.4 per cent** over the previous 12 months, and requirements have increased by **2.0 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.

May 2026: 2.1581

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 MAY 30, 2026	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.60%	76.80%
Cream	0.40%	39.70%
Cheese	1.90%	55.80%
Butter	3.60%	58.20%
Ice cream	4.40%	70.70%
Yogurt	5.70%	95.10%

* Source: AC Nielsen & StatsCan

NOTE: There is a two-month lag in the national retail sales data.

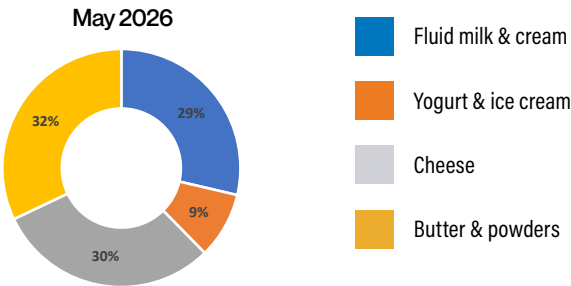
HIGHLIGHTS

- Total requirements in April are down but on a 12-month basis, growth continues to be strong at 3.1 per cent. At the P5 level on a 12-month basis for April, quota growth was three per cent;
- P5 production is trending at 0.7 per cent above the forecast for the first five months of 2026 and is up one per cent versus last year;
- The high continuous quota position in April and May resulted in prefilled quota that will need to be paid back in the fall or could result in a financial over-quota penalty, which the P5 would be responsible for;
- In May 2026, butter stocks reached 42,398 tonnes, up from April by 386 tonnes.

ONTARIO UTILIZATION

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

	APRIL 2026	MAY 2026	12-MONTH AVERAGE
Fluid milk & cream	30.1%	28.6%	29.3%
Yogurt & ice cream	9.5%	9.0%	8.4%
Cheese	31.6%	30.3%	30.5%
Butter & powders	28.7%	32.0%	30.7%
Skimming	0.0%	0.0%	1.1%

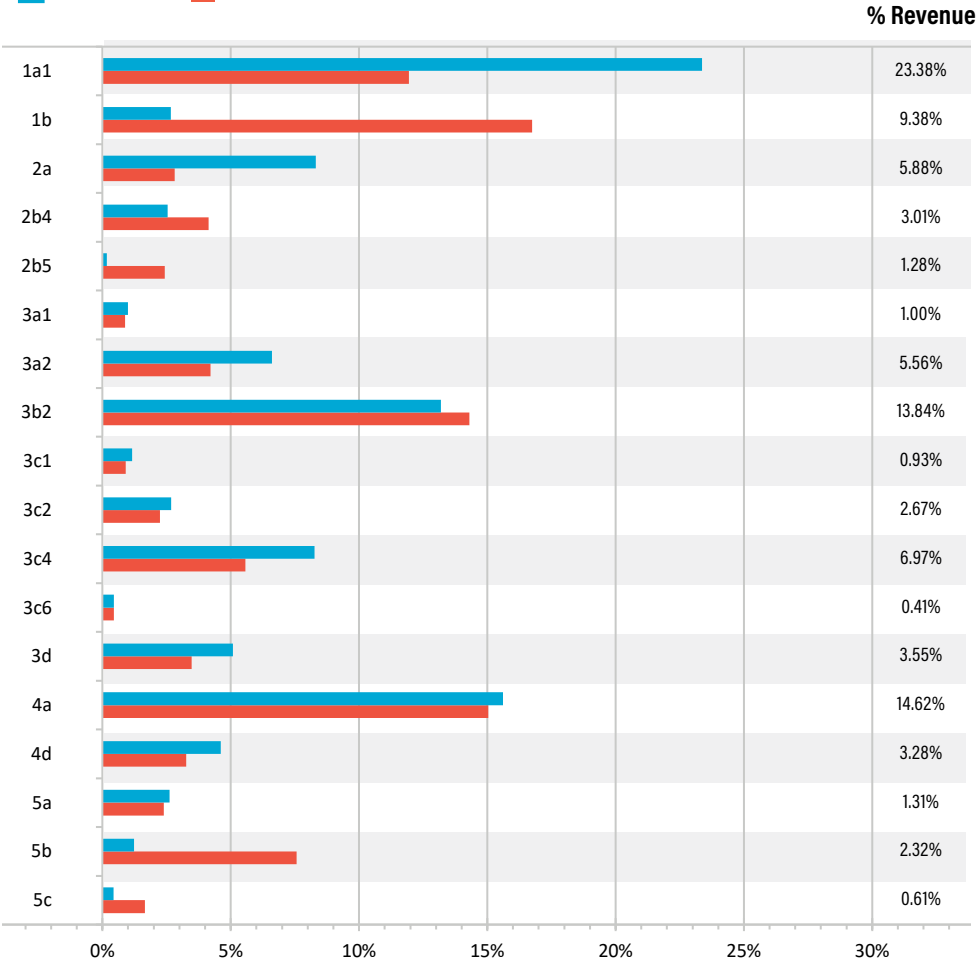


P10 UTILIZATION BY CLASS

For May 2026 (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

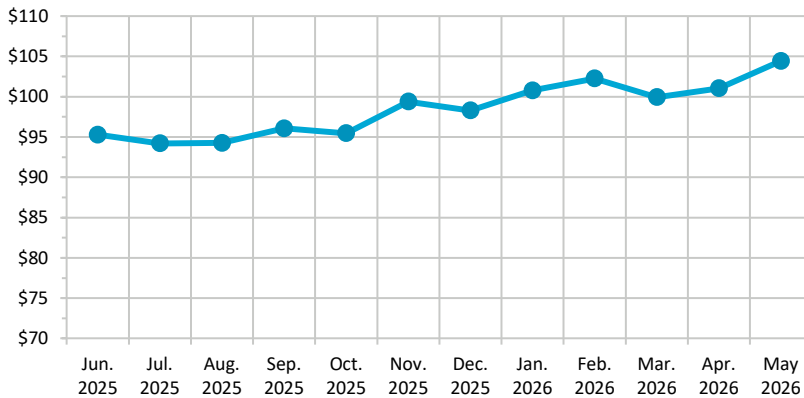
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,133 producers sold milk to DFO in May compared with 3,153 a year earlier.



May 2026:
104.43

ONTARIO DEDUCTIONS, PER HL

For May 2026

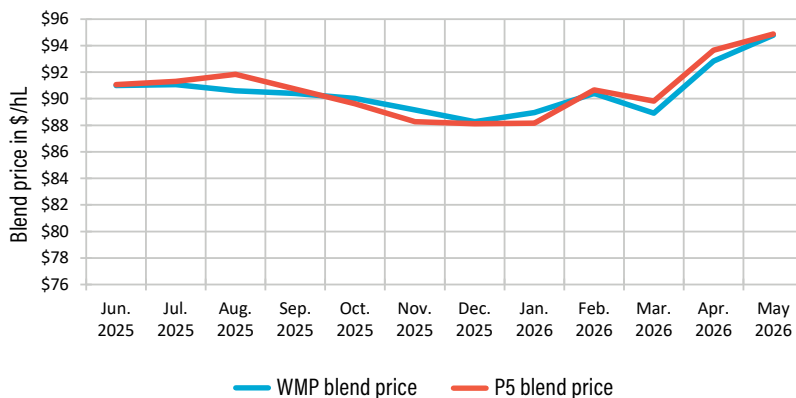
	Within quota	Over-quota
DFO administration	\$0.725	\$0.725
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$4.540	\$4.540
Market expansion	\$1.500	\$1.500
Total deductions	\$ 6.875	\$6.875
Average total net	\$97.29	-\$6.875

* These figures are based on Ontario's average composition for May 2026 of 4.3035 kg butterfat, 3.3179 kg protein and 5.9697 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: \$94.79
P5: \$94.87

U.S. CLASS PRICES

The June 2026 Class III Price, US \$15.98 per hundredweight, is equivalent to C \$51.57 per hectolitre. This equivalent is based on the exchange rate US \$1 = C \$1.42168 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)

JUNE PRICES

PROVINCE	PRICE/KG	AMOUNT WANTED/KG	AMOUNT FOR SALE/KG	AMOUNT PURCHASED/KG
Alberta	\$65,000.00	312.25	293.71	132.24
Saskatchewan	\$46,750.00	97.00	20.56	6.00
Manitoba	\$59,801.00	316.04	205.34	42.56
British Columbia	\$40,700.00	894.56	89.00	89.00
Ontario*	\$24,000.00	25,799.18	330.87	330.83
Quebec*	\$24,000.00	29,831.88	337.26	338.44
New Brunswick*	\$24,000.00	NA	NA	Exchange cancelled
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000.00	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 departments. Questions? Please email questions@milk.org.

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