



MAY 2026

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



May 2026 Incentive Day - Conventional

IN ADDITION TO THE CHANGES MADE TO THE SOLIDS-NON-FAT/BUTTERFAT (SNF/BF) payment policy to meet the growing protein market, which requires additional volumes of milk (not butterfat), the P5 Boards announce one incentive day to be issued to conventional producers for the month of May, on a non-cumulative basis.

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:

	Conventional	Organic
April 2026		2
May	1	4
June		4
July		4
August	1	4
September	1	4
October	1	4
November	1	3
December		3
January 2027		3
February		3
March		3
April		3
May		3
June		3
July		3

Total requirements in February saw a 6.8 per cent increase compared to February last year. On a 12-month basis, growth continues to be strong at 3.5 per cent. At the P5 level on a 12-month basis for February, quota growth was 3.2 per cent and is up 7.9 per cent compared to February last year. Overall, February was a strong month with an increase in butter promotions and relatively strong sales for Easter. Special class sales were also strong in March; however, pricing has likely played a role, and it will be monitored to see if this becomes a trend.

P5 production is trending at 0.8 per cent above the forecast for the last three months. On the protein side, the results from the payment policy change are still being assessed. Ontario's preliminary results have shown a decrease in the butterfat test above normal seasonality in April compared to March. Given the strong demand for protein and the need for a significant shift to align supply and demand, changes in production will continue to be monitored to see if additional payment policy adjustments are required.

In March 2026, butter stocks reached 39,833 tonnes, down from February by 2,105 tonnes. Butter stock levels are close to what they were for March last year, which is a good sign.

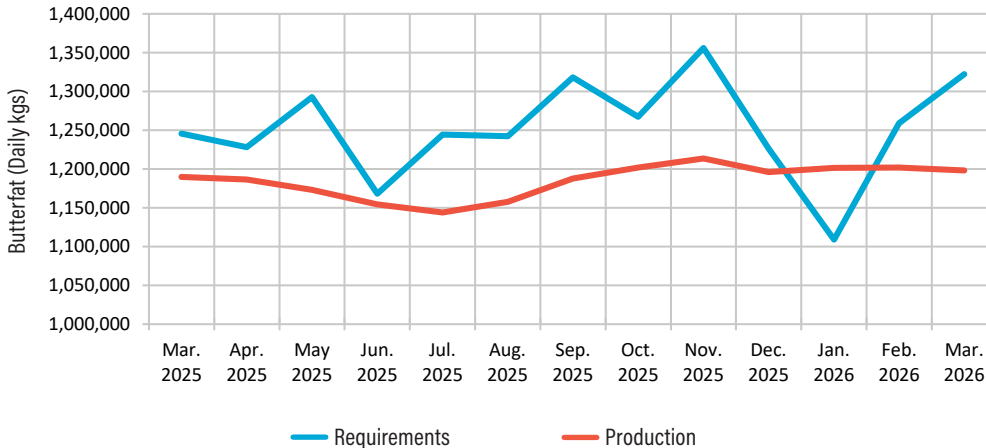
Cheese stock levels for the month of March 2026 were at 106,025 tonnes, down 812 tonnes from February and lower than the last five-year average.

For the 52 weeks ending March 28, 2026, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by -0.5, 0.6, 5.8, 6.8, 2.1 and 7.6 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.

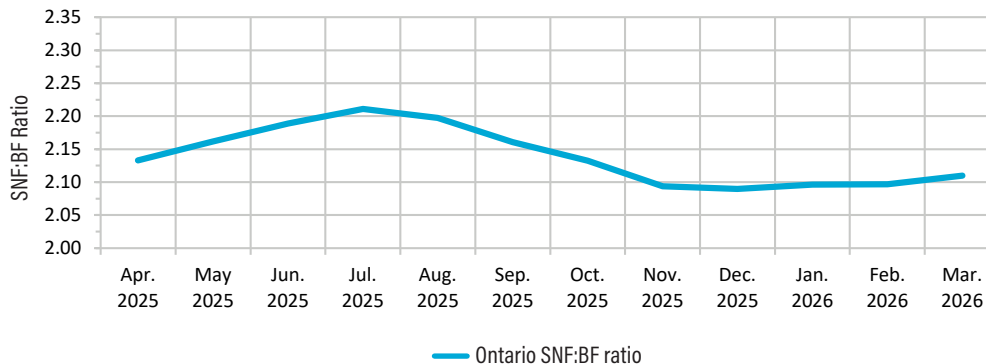


12-month production (in millions of kilograms) **432.3**

12-month requirements (in millions of kilograms) **457.1**

Canadian production has increased by **2.8 per cent** over the previous 12 months, and requirements have increased by **3.6 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 2026: 2.1097

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 28, 2026	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.50%	76.80%
Cream	0.60%	39.70%
Cheese	2.30%	55.80%
Butter	7.60%	58.20%
Ice cream	6.80%	70.70%
Yogurt	5.80%	95.10%

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

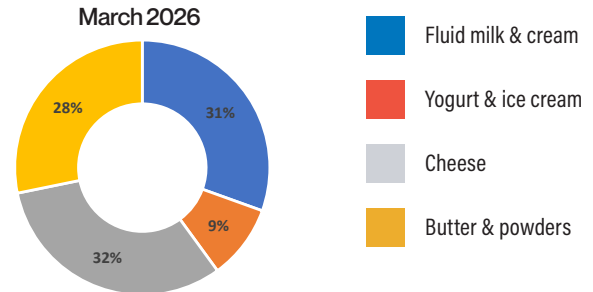
MARCH HIGHLIGHTS

- In addition to the changes made to the solids-non-fat/butterfat (SNF/BF) payment policy to meet the growing protein market, which requires additional volumes of milk (not butterfat), the P5 Boards announce one incentive day to be issued to conventional producers for the month of May, on a non-cumulative basis;
- Total requirements in February saw a 6.8 per cent increase compared to February last year. On a 12-month basis, growth continues to be strong at 3.5 per cent;
- P5 production is trending at 0.8 per cent above the forecast for the last three months. On the protein side, the results from the payment policy change are still being assessed. Ontario's preliminary results have shown a decrease in the butterfat test above normal seasonality in April compared to March.

ONTARIO UTILIZATION

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

	FEBRUARY 2026	MARCH 2026	12-MONTH AVERAGE
Fluid milk & cream	29.0%	30.5%	29.5%
Yogurt & ice cream	8.9%	9.5%	8.3%
Cheese	30.5%	31.8%	30.6%
Butter & powders	31.6%	28.2%	30.6%
Skimming	0.0%	0.0%	1.1%

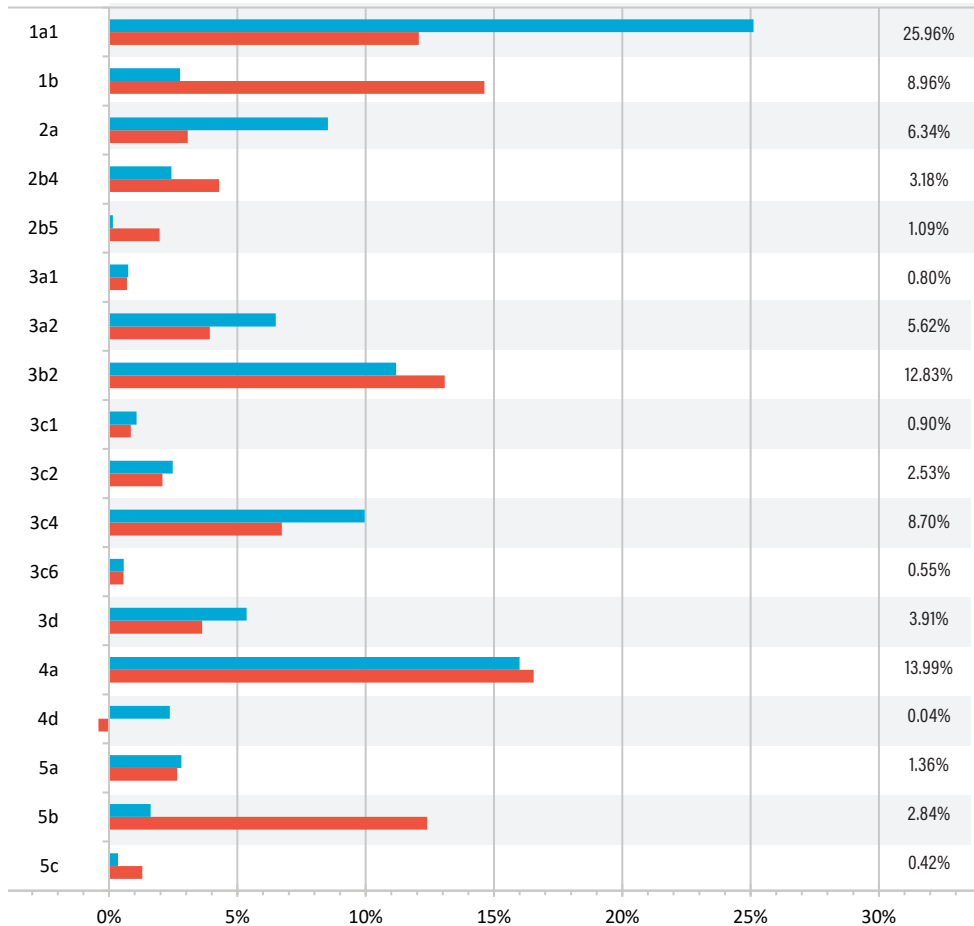


P10 UTILIZATION BY CLASS

For March 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

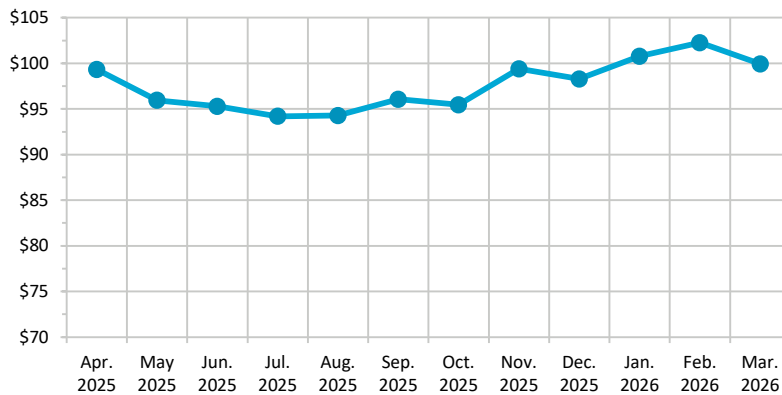
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,140 producers sold milk to DFO in March compared with 3,157 a year earlier.



March 2026:
99.93

ONTARIO DEDUCTIONS, PER HL

For March 2026

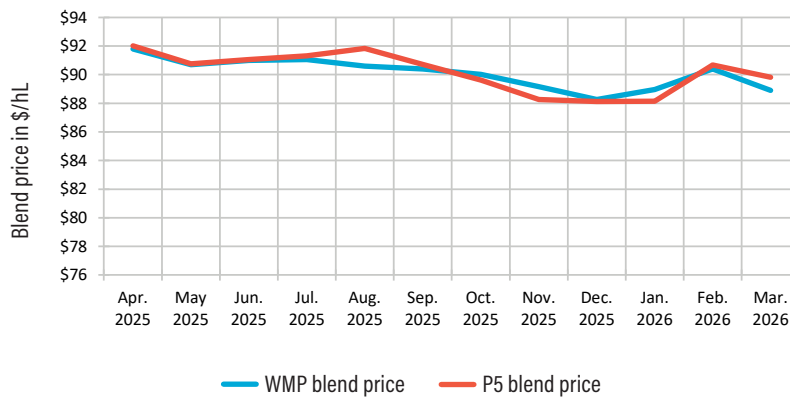
	Within quota	Over-quota
DFO administration	\$0.725	\$0.725
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$3.830	\$3.830
Market expansion	\$1.500	\$1.500
Total deductions	\$ 6.165	\$6.165
Average total net	\$ 92.29	-\$6.165

* These figures are based on Ontario's average composition for March 2026 of 4.4278 kg butterfat, 3.3751 kg protein and 5.9663 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: \$88.91
P5: \$89.82

U.S. CLASS PRICES

The April 2026 Class III Price, US \$16.82 per hundredweight, is equivalent to C \$52.15 per hectolitre. This equivalent is based on the exchange rate US \$1 = C \$1.36589 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	\$ 69,025.00	441.50	328.53	158.49
Saskatchewan	\$ 44,144.00	107.10	60.56	34.10
Manitoba	\$ 54,190.00	388.40	108.36	81.91
British Columbia	\$40,500.00	917.06	30.00	30.00
Ontario*	\$24,000.00	26,834.87	60.43	Exchange cancelled
Quebec*	\$24,000.00	28,965.28	417.13	418.04
New Brunswick*	\$24,000.00	852.90	2.00	2.00
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000.00	1,553.38	60.50	60.50

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@milkc.org.

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APRIL PRICES