



AUGUST 2026

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT



P5 production slightly below forecast in June

TOTAL REQUIREMENTS IN MAY ARE DOWN BY 2.9 PER CENT BUT on a 12-month basis, growth is up by two per cent. At the P5 level on a 12-month basis for May, quota growth was also two per cent.

P5 production was slightly below forecast in June. Production for the first six months in P5 was about 0.5 per cent over forecast or 1.7 per cent above actual production in 2025. Given the already high quota fill rate in P5, there is not a further forecasted increase in production until 2027 on a butterfat basis. There continues to be a need to increase production of protein in P5. The butterfat test in Ontario has declined and seems to be more than normal seasonal variation for June. The impact of the P5 payment policy changes continues to be assessed.

The continuous quota position at the national level continues to be quite high, the P5 had pre-filled quota in February and it is unlikely that will be paid back in August, which could result in a financial penalty. There is

also pre-filled quota for April and May that will need to be paid back in six months. There shouldn't be an issue repaying the pre-filled quota in the fall due to anticipated demand.

In June 2026, butter stocks reached 42,672 tonnes, up from May by 255 tonnes. Butter stocks have been relatively flat for the last three months but are at their highest point in the last five years. Stocks are expected to finish slightly higher at the end of the year, but the expectation is for them to come down a little bit in 2027.

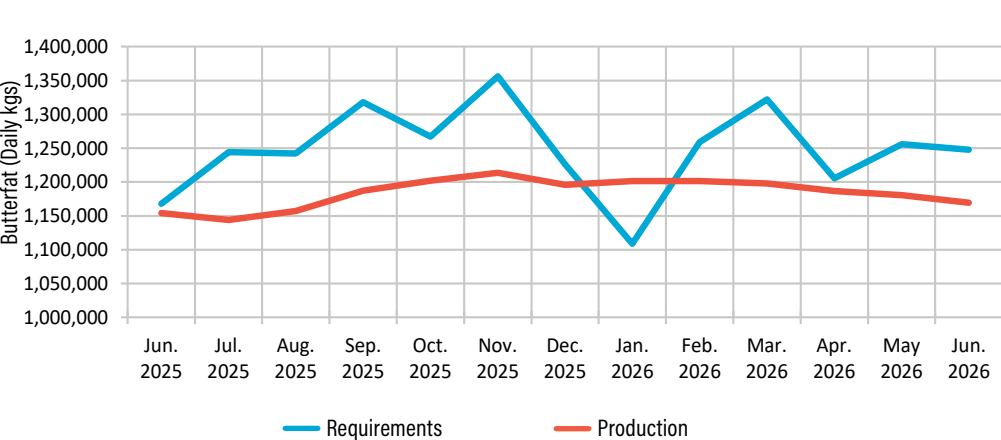
Cheese stock levels for the month of June 2026 were at 106,660 tonnes, down 1,163 tonnes from May and higher than the last five-year average.

For the 52 weeks ending June 27, 2026, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by -0.7, 0.3, 5.4, 3.2, 2.0 and 4.0 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.

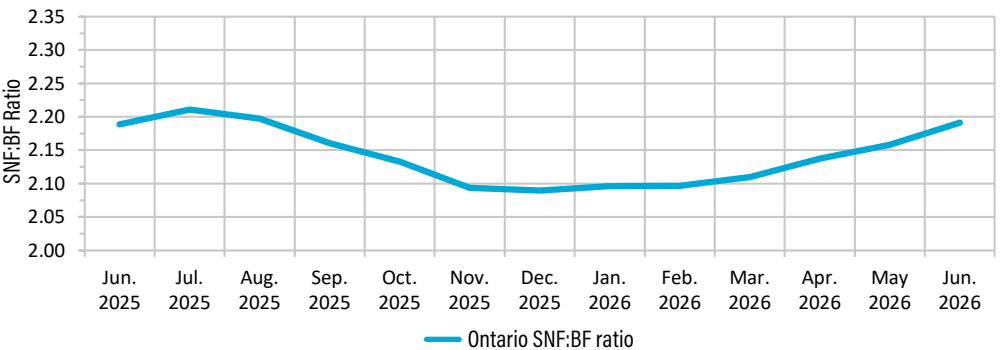


12-month production (in millions of kilograms) **433.0**

12-month requirements (in millions of kilograms) **457.7**

Canadian production has increased by **2.2 per cent** over the previous 12 months, and requirements have increased by **2.6 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.

June 2026: 2.191

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 JUNE 27, 2026	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.70%	76.80%
Cream	0.30%	39.70%
Cheese	2.10%	55.80%
Butter	4.00%	58.20%
Ice cream	3.20%	70.70%
Yogurt	5.40%	95.10%

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

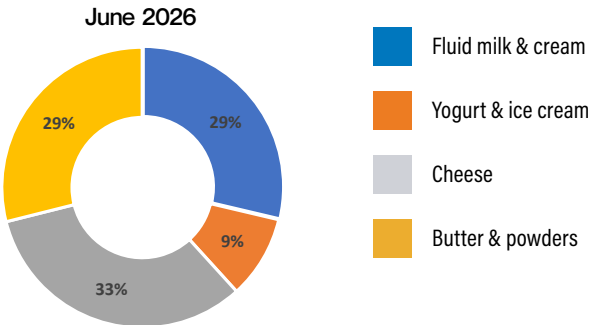
HIGHLIGHTS

- Total requirements in May are down by 2.9 per cent but on a 12-month basis, growth is up by two per cent. At the P5 level on a 12-month basis for May, quota growth was also two per cent;
- There continues to be a need to increase production of protein in P5. The butterfat test in Ontario has declined and seems to be more than normal seasonal variation for June;
- The continuous quota position at the national level continues to be quite high, the P5 had prefilled quota in February and it is unlikely that will be paid back in August, which could result in a financial penalty.

ONTARIO UTILIZATION

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

	MAY 2026	JUNE 2026	12-MONTH AVERAGE
Fluid milk & cream	28.6%	28.7%	29.2%
Yogurt & ice cream	9.0%	9.6%	8.5%
Cheese	30.3%	32.8%	30.6%
Butter & powders	32.0%	28.9%	30.6%
Skimming	0.0%	0.0%	1.1%

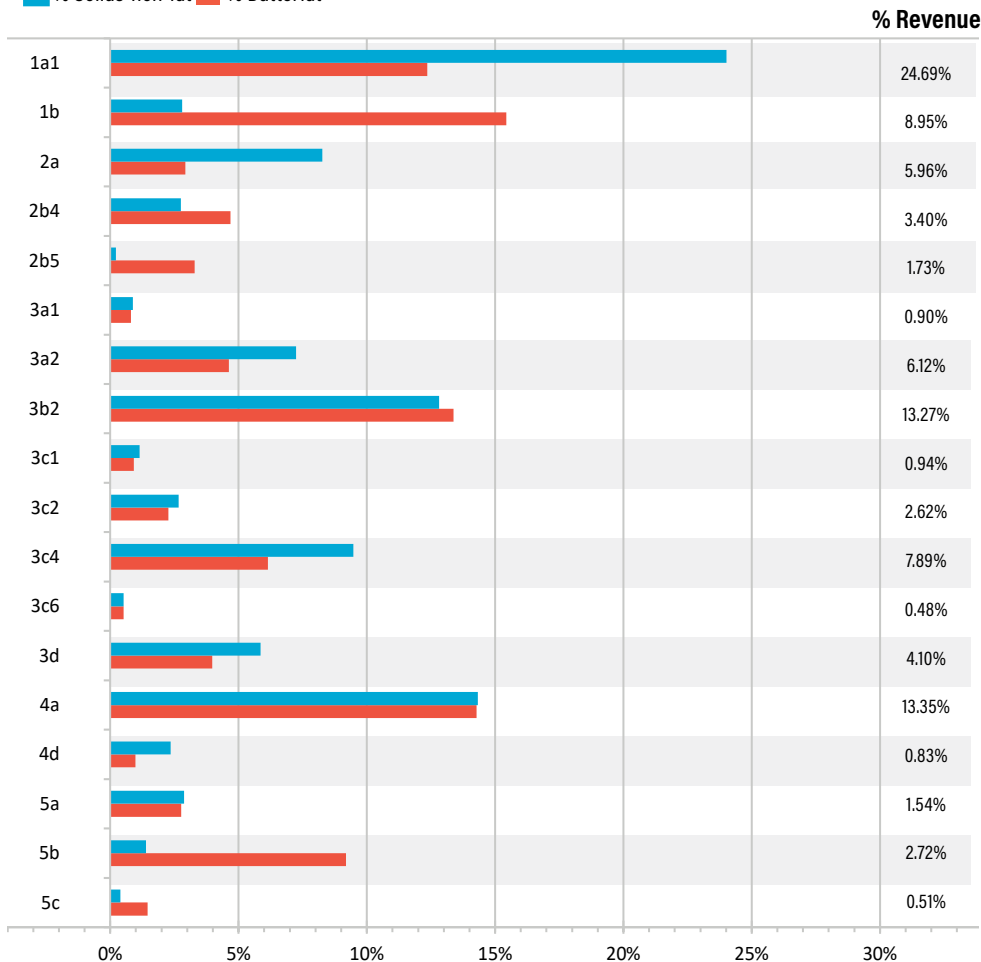


P10 UTILIZATION BY CLASS

For June 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

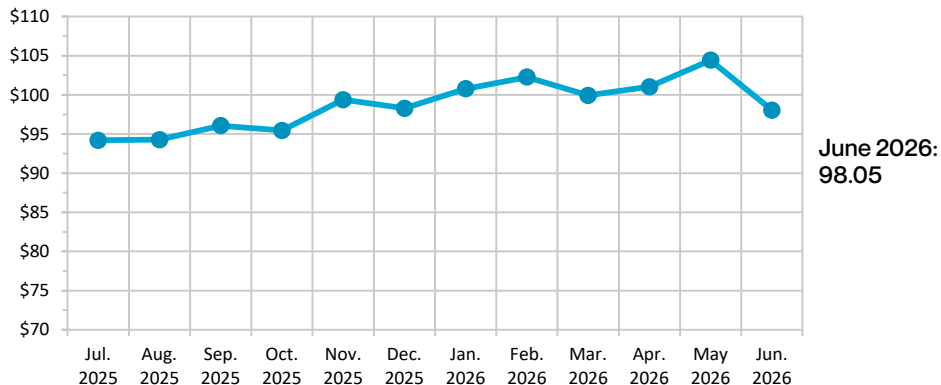
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,128 producers sold milk to DFO in June compared with 3,152 a year earlier.



ONTARIO DEDUCTIONS, PER HL

For June 2026

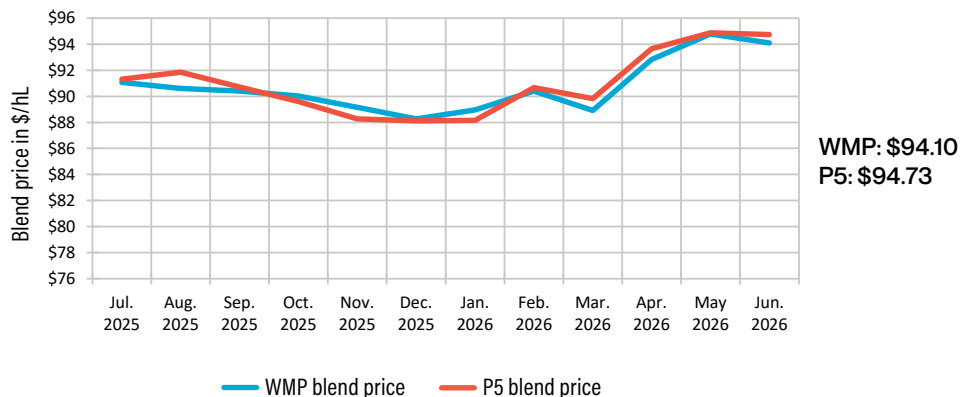
	Within quota	Over-quota
DFO administration	\$0.725	\$0.725
DFO research	\$0.050	\$0.050
CanWest DHI	\$0.060	\$0.060
Transportation	\$4.350	\$4.350
Market expansion	\$1.500	\$1.500
Total deductions	\$ 6.685	\$6.685
Average total net	\$90.87	-\$6.685

** These figures are based on Ontario's average composition for June 2026 of 4.2198 kg butterfat, 3.2652 kg protein and 5.9805 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 July 2026 Class III Price, US \$15.98 per hundredweight, is equivalent to C \$49.52 per hectolitre. This equivalent is based on the exchange rate US \$1 = C \$1.40557 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	\$65,000.00	280.65	56.75	51.00
Saskatchewan	\$47,000.00	96.00	47.82	46.00
Manitoba	\$59,801.00	215.22	219.38	143.72
British Columbia	\$40,800.00	801.85	231.34	231.34
Ontario*	\$24,000.00	24,934.53	99.49	Exchange cancelled
Quebec*	\$24,000.00	29,453.80	587.96	588.74
New Brunswick*	\$24,000.00	841.30	14.42	14.42
PEI*	No Clearing Price Established			
Nova Scotia*	\$24,000.00	1342.81	5.24	5.24

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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