SEPTEMBER 2026

DAIRYNOMICS

MONTHLY RETAIL MARKETS AND PRODUCTION REPORT

Strong demand for protein

TOTAL REQUIREMENTS IN JUNE WERE UP BY 2.6 PER CENT ON a 12-month basis and requirements were up by six per cent in June 2026 compared to June 2025. There continues to be significant variation month-over-month in total requirements. At the P5 level on a 12-month basis for June, quota growth was 2.7 per cent.

P5 production was slightly below forecast in July at -1.4 per cent, due to a slightly lower quota fill rate in July. P5 is in line with the dairy year-to-date forecast for production overall and 1.4 per cent above last year's actual production.

The butterfat test in P5 continues to be closely monitored. A decrease in line or slightly above normal seasonality has been observed this summer. The goal of the change in payment policies was to see a reduction in butterfat test back to 2023-2024 levels. There continues to be strong demand for protein from the market, which is stronger than the increase in demand for butterfat. The increase in protein production for the same butterfat production hasn't been significant yet in P5 and the policy will continue to be reviewed on an ongoing basis to send the right signal.

In July 2026, butter stocks reached 40,325 tonnes, down from June by 2,347 tonnes. Butter stocks are almost in line with their projection and were forecasted to be at 40,200 tonnes for July.

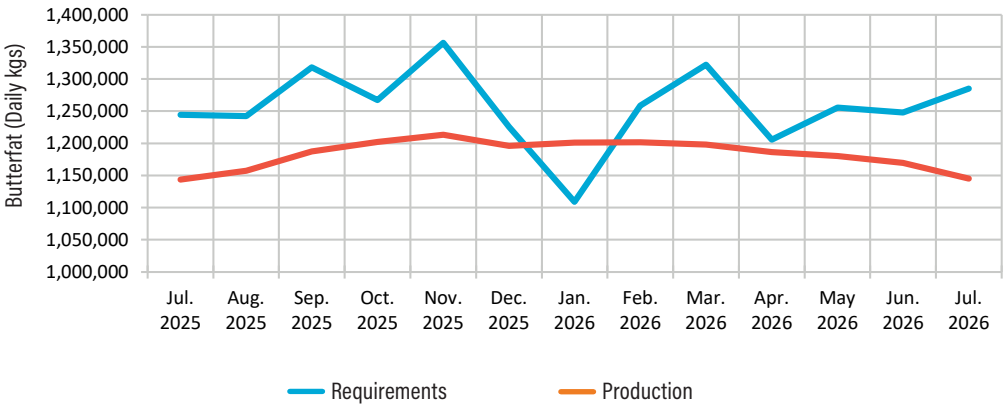
Cheese stock levels for the month of July 2026 were at 106,767 tonnes, up 107 tonnes from June and higher than the last five-year average.

For the 52 weeks ending August 1, 2026, sales for fluid milk, fluid cream, yogurt, ice cream, cheese and butter increased/decreased by -0.7, 0.3, 4.9, 3.2, 1.9 and 1.9 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.

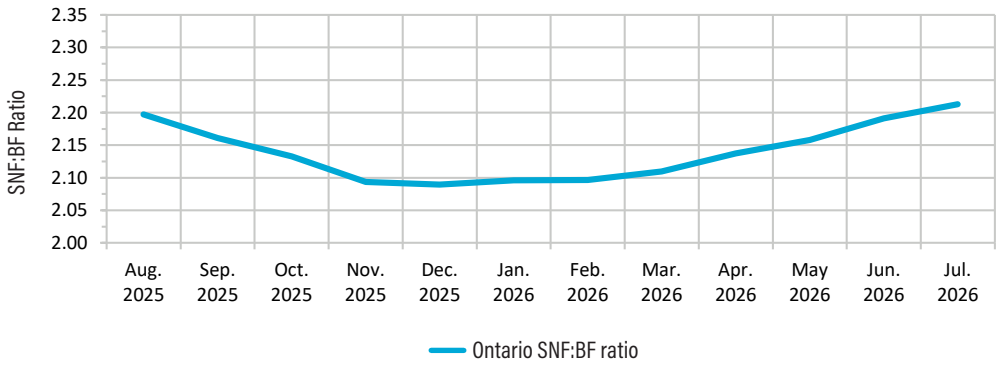


12-month production (in millions of kilograms) **433.0**

12-month requirements (in millions of kilograms) **459.0**

Canadian production has increased by **1.8 per cent** over the previous 12 months, and requirements have increased by **2.2 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.

July 2026: 2.213

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 AUGUST 1, 2026	RETAIL SHARE OF TOTAL MARKET
Fluid milk	-0.70%	76.80%
Cream	0.30%	39.70%
Cheese	1.90%	55.80%
Butter	1.90%	58.20%
Ice cream	3.20%	70.70%
Yogurt	4.90%	95.10%

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

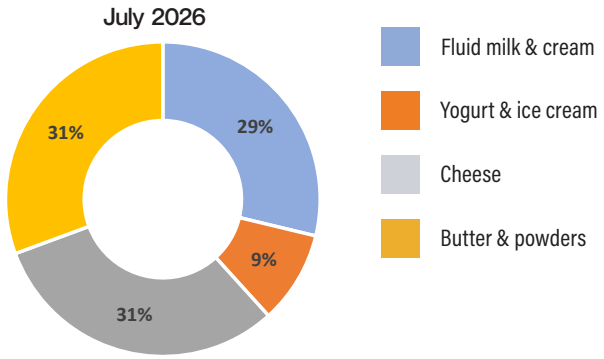
HIGHLIGHTS

- Total requirements in June were up by 2.6 per cent on a 12-month basis and requirements were up by six per cent in June 2026 compared to June 2025;
- P5 is in line with the dairy year-to-date forecast for production overall and 1.4 per cent above last year's actual production;
- There continues to be strong demand for protein from the market, which is stronger than the increase in demand for butterfat. The increase in protein production for the same butterfat production hasn't been significant yet in P5 and the policy will continue to be reviewed on an ongoing basis to send the right signal.

ONTARIO UTILIZATION

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

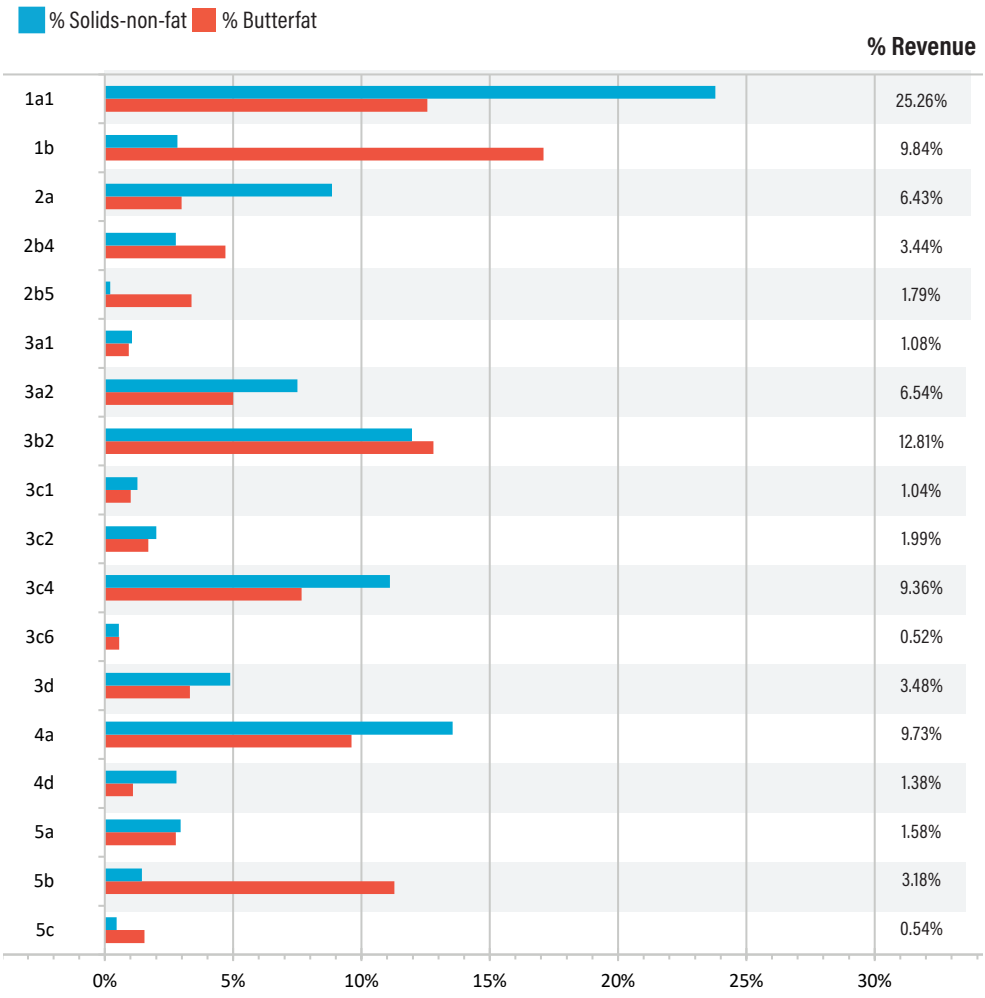
	JUNE 2026	JULY 2026	12-MONTH AVERAGE
Fluid milk & cream	28.7%	28.8%	29.2%
Yogurt & ice cream	9.6%	9.5%	8.6%
Cheese	32.8%	31.1%	30.7%
Butter & powders	28.9%	30.6%	30.5%
Skimming	0.0%	0.0%	1.0%



P10 UTILIZATION BY CLASS

For July 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

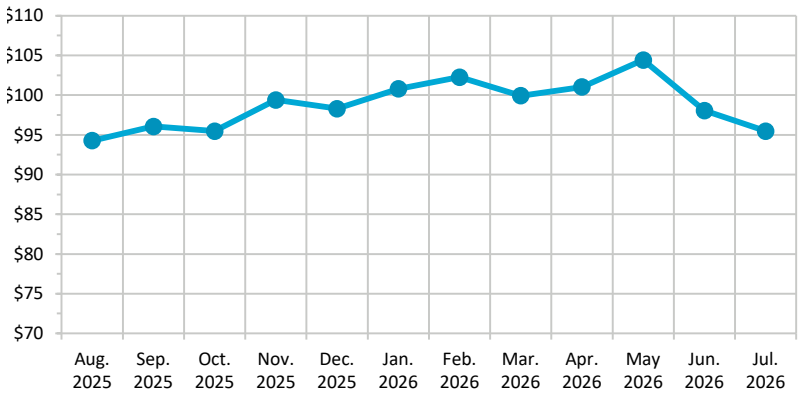
Class 5a Cheese for further processing

Class 5b Non-cheese products for further processing

Class 5c Confectionery products

ONTARIO MONTHLY PRODUCER AVERAGE GROSS BLEND PRICE

A total 3,129 producers sold milk to DFO in July compared with 3,151 a year earlier.



July 2026: 95.47

ONTARIO DEDUCTIONS, PER HL

For July 2026

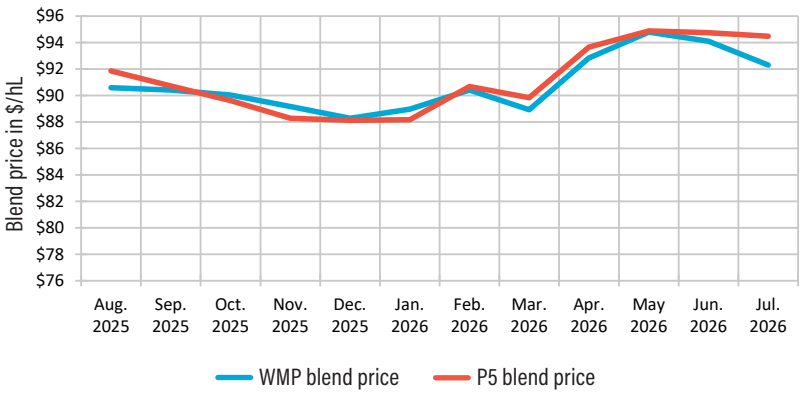
	Within quota	Over-quota
DFO administration	$0.725	$0.725
DFO research	$0.050	$0.050
CanWest DHI	$0.060	$0.060
Transportation	$4.280	$4.280
Market expansion	$1.500	$1.500
Total deductions	$ 6.615	$6.615
Average total net	$88.27	-$6.615

** These figures are based on Ontario's average composition for July 2026 of 4.1471 kg butterfat, 3.2008 kg protein and 5.9767 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: $92.29
P5: $94.47

U.S. CLASS PRICES

The August 2026 Class III Price, US $16.64 per hundredweight, is equivalent to C$52.43 per hectolitre. This equivalent is based on the exchange rate US $1 = C $1.38805 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)

AUGUST PRICES

PROVINCE	PRICE/KG	AMOUNT WANTED/KG	AMOUNT FOR SALE/KG	AMOUNT PURCHASED/KG
Alberta	$65,750 00	246.42	61.56	19.29
Saskatchewan	$46,000.00	30.00	70.44	2.45
Manitoba	$56,800.00	158.96	135.14	46.89
British Columbia	$40,900.00	470.56	243.87	243.87
Ontario*	$24,000.00	25,756.66	167.79	Exchange cancelled
Quebec*	$24,000.00	29,262.04	260.56	260.53
New Brunswick*	$24,000.00	851.70	0	Exchange cancelled
PEI*	No Clearing Price Established			
Nova Scotia*	$24,000.00	N/A	N/A	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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