

DAIRY FARMERS  
OF CANADA

SPRING  
2025

# QUARTERLY SKIM





Welcome to the latest edition of DFC’s Quarterly Skim, where we take a glimpse into what is happening in the marketplace and provide insight into what to expect in the upcoming months. Our goal? To help you keep tabs on how the marketplace for dairy products is evolving.

In this edition for the first quarter of 2025, we look at global dairy commodity prices, data on key dairy exports in 2024, and increasing imports during the last calendar year under Canada’s international trade agreements. We also analyze dairy sales in the Canadian market (retail, food service, and further processing).

# TABLE OF CONTENTS

<b>GLOBAL DAIRY COMMODITY PRICES</b>	03
<b>TRADE</b>	05
<b>UNITED STATES VS. CANADA</b>	07
<b>DIFFERENCES IN IMPORTS AND EXPORTS</b>	
<b>DIFFERENCES IN PRODUCT PRICES</b>	
<b>CONSUMPTION TRENDS IN THE TOTAL MARKET</b>	10





# GLOBAL DAIRY COMMODITY PRICES UPDATE

Global milk prices continued to increase in 2024, from CA\$54.0/100 kg Solid Corrected Milk (SCM)<sup>1</sup> in 2023 to CA\$60.3/100 kg SCM in 2024, a growth rate of 11% compared to previous year. This milk price increase at the global scale has been driven by improving demand and stabilizing inflation. Moreover, milk supply growth has been moderate. This upward trend was sustained in early 2025, mainly driven by a strong demand for milk powders and higher fat dairy products, especially for butter and cheese combined with the seasonal decline in milk production from Oceania. The IFCN world milk indicator ended at equivalent of CA\$72.0/100 kg SCM in January 2025.

Despite this positive upward trend in global milk prices in early 2025, IFCN experts have forecasted a readjustment of markets in a near future as we observe a recovery of world milk production at a global scale. In addition, seasonal milk production patterns such as spring flush in the U.S. and Europe could lead to moderate overproduction. On the demand side, although the tight fat supply and demand from the middle east and Southeast Asian countries could give an upward pressure on prices, uncertainty about Chinese imports and U.S. trade tariffs could influence the trend of global milk price which could put a downward pressure.

The U.S. Department of Agriculture (USDA)'s February 2025 outlook projects modest U.S. milk production growth of 0.4% in 2025, driven by slight herd expansion and increased yield per cow. However, the stability of the U.S. milk cow inventory, with fewer replacements available, may act as a constraint on future herd growth. While international milk prices have remained elevated, the USDA forecasts the all-milk price to remain steady in 2025, supported by falling feed costs and improving margins, which will help sustain profitability.

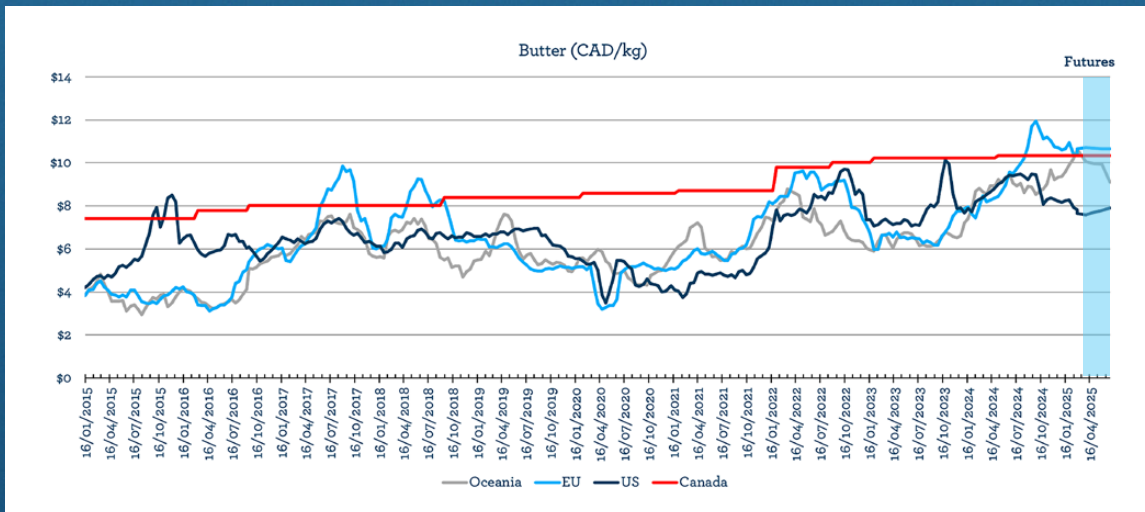
The average world prices for butter and skim milk powder (SMP) have been on an upward trend since October 2023. As shown in Figure 1, Butter prices saw the most significant increases, with the EU rising 44.5% from an average of CA\$6.65/kg in 2023 to CA\$9.61/kg in 2024. Oceania followed with a 38.5% increase, moving from CA\$6.40/kg in 2023 to CA\$8.87/kg in 2024. In the U.S., butter prices increased 13.1%, reaching CA\$8.77/kg in 2024 from CA\$7.75/kg in 2023. SMP prices also rose at a moderate pace. The EU saw a 2.2% increase from CA\$3.45/kg in 2023 to CA\$3.53/kg in 2024. Oceania prices rose 3.0%, from CA\$3.52/kg in 2023 to CA\$3.62/kg in 2024. The U.S. had the highest SMP growth, up 5.2% from CA\$3.56/kg in 2023 to CA\$3.74/kg in 2024.

Improving global demand, moderate supply, lower production costs, and domestic market conditions all contribute to the shaping of Class 4A solid non-fat (SNF) prices. When international prices rise, Class 4A SNF prices in Canada tend to follow, leading to higher revenue for farmers, though this is dependent on exchange rate stability. If exchange rates fluctuate, Canadian prices might not move exactly in line with global trends, and the U.S. price changes could have a more complex impact on Canadian prices. Prices for domestic Class 4A SNF depicted in Figure 2 show an increase from the lowest level of CA\$2.52/kg in May 2024 to CA\$3.46/kg in December 2024. In terms of future prices, the data shows that a moderate downward trend is expected for February and March, before reaching a plateau in the second quarter of the year. Future price movements will depend on global SMP trends, currency exchange rates, and domestic market conditions.

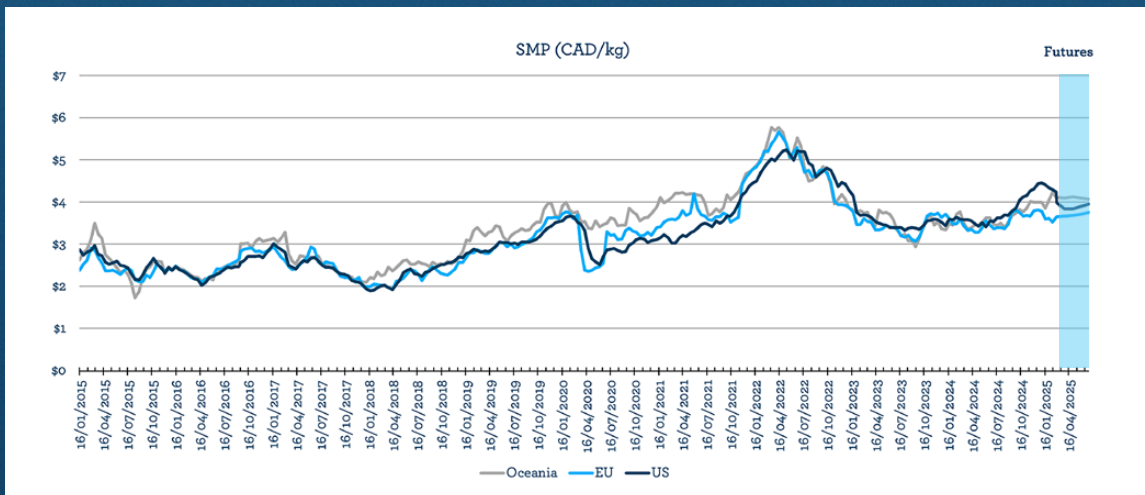
<sup>1</sup> SCM – Solids corrected milk (4% butterfat, 3.3% protein)



**FIGURE 1A AND 1B: EVOLUTION OF BUTTER AND SMP WORLD PRICES**

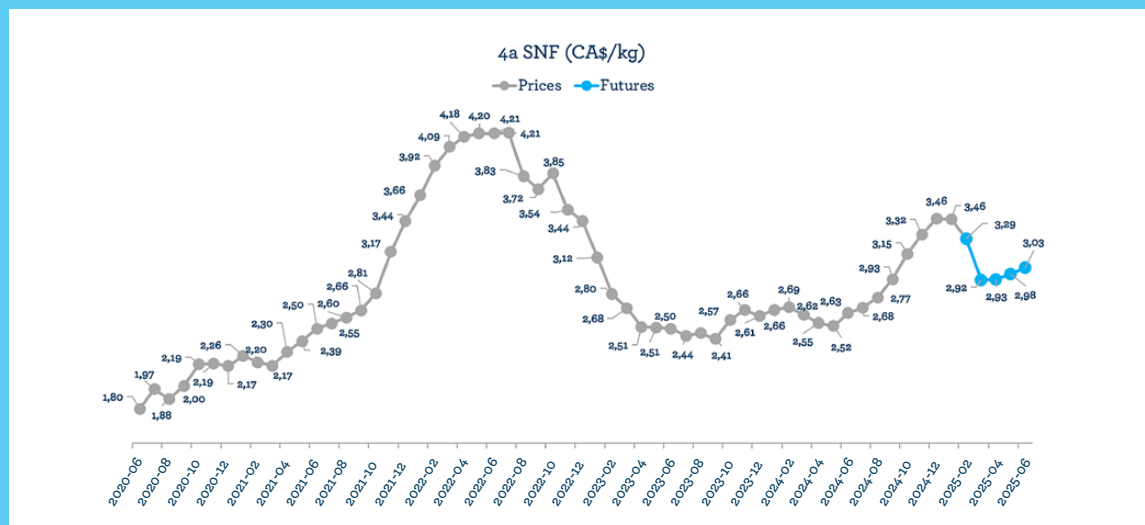


Source: USDA, CME, NZX, EEX and DFC calculations as of March 5, 2025



Source: USDA, CME, NZX, EEX and DFC calculations as of March 5, 2025

**FIGURE 2: EVOLUTION OF CLASS 4A SNF PRICES**



Sources: AMS USDA (prices) and DFC estimates based on CME (futures) from March 5, 2025

# TRADE

Imports of dairy products into Canada are managed using tariff rate quotas (TRQs), allowing a pre-determined quantity of dairy products to be imported at preferential tariff rates. This report will examine the volume and TRQ fill rates at the end of 2024 for cheese, and ice cream and mixes.

## TOTAL CHEESE

TRQ levels for cheese have reached their highest point under the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) at 17,700 tonnes. While growth under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has stagnated, rising just 1% from 14,645 tonnes in 2024 to 14,791 tonnes in 2025. Under the Canadian-United States-Mexico Agreement (CUSMA), total cheese TRQ levels are still increasing. TRQ levels will increase 20% from 10,416 tonnes in 2024 to 12,500 tonnes in 2025.

Total cheese imports under the World Trade Organization (WTO) reached 19,407 tonnes in 2024, with a fill rate of 95.1%, remaining relatively stable compared to last year's 95.9%.

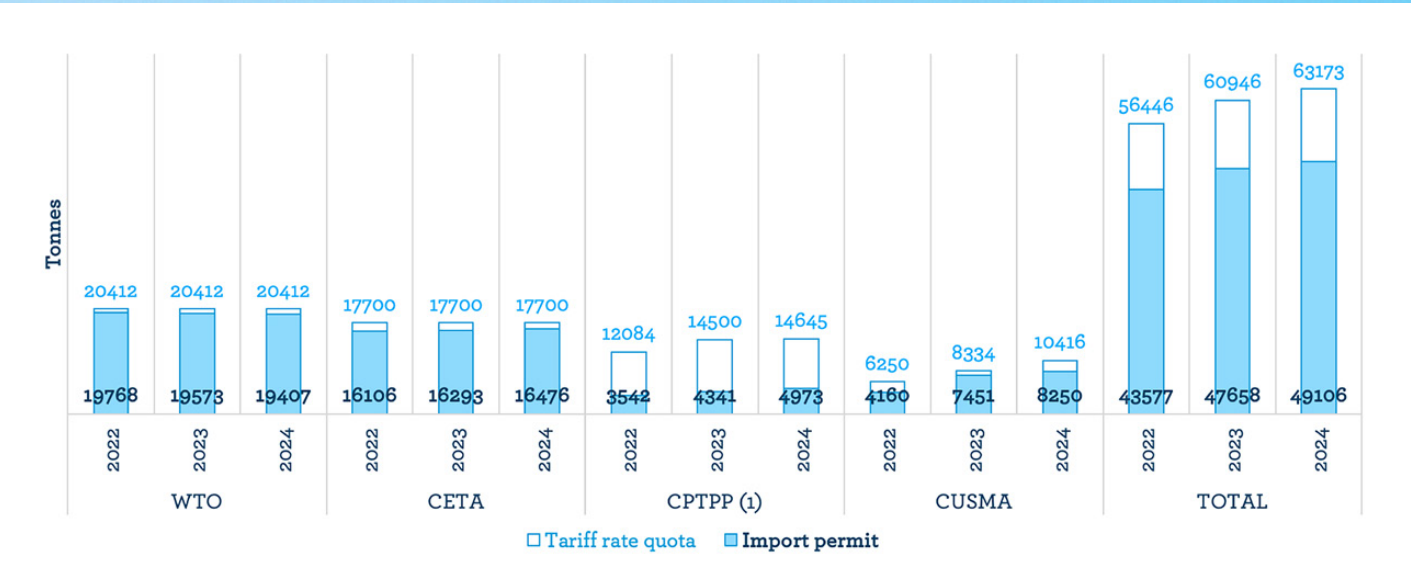
European cheese imports from under CETA are usually filled above 90% of TRQ allocations. In 2024, imports reached 16,476 tonnes, with a 93.1% fill rate, slightly above 2023 levels of 16,293 tonnes (92.1%).

Imports from the Asia-Pacific region under CPTPP are slightly up compared to the same time last year. Under the CPTPP, cheese imports reached 4,973 tonnes with a 34.0% fill rate, up from 4,341 tonnes (29.9%) in 2023.

Cheese import volumes under CUSMA increased in 2024, up 8,250 tonnes compared to 7,451 tonnes in 2023. However, as TRQ allocations expand, the fill rate declined from 89.4% in 2023 to 72.0% in 2024.

Overall, total cheese imports reached 64,215 tonnes in 2024, up 3,269 tonnes from 2023.

FIGURE 3: TOTAL CHEESE IMPORT



(1) For CPTPP, the tariff rate quota and import permits also include the additional access level granted specifically for mozzarella and prepared cheese (grated, powdered, or processed).

Source: Global Affairs Canada





### ICE CREAM AND MIXES

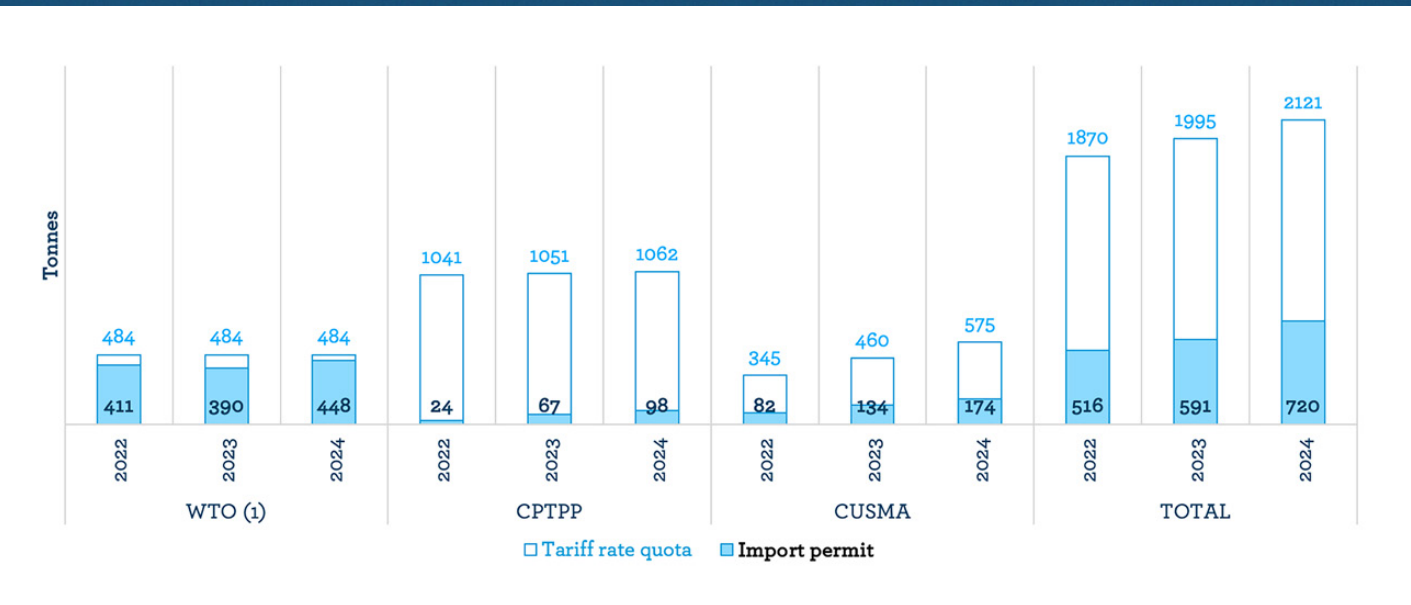
Total ice cream and mixes imports under the WTO reached 448 tonnes in 2024, with a fill rate of 92.5%. This marks an increase from last year’s fill rate of 80.6%.

The CPTPP saw 98 tonnes of ice cream and mixes imports, with a 9.2% fill rate, up from 6.4% in 2023.

Imports under CUSMA reached 174 tonnes, filling 30.3% of the TRQ, a slight increase from 29.1% in 2023.

Overall, total ice cream and mix imports reached to 720 tonnes in 2024, up from 591 tonnes the previous year.

FIGURE 4



(1) For the WTO, the tariff rate quota of 484 tonnes and the import permits shall apply only to ice cream. There is no market access for ice cream beverages containing milk and ice cream mix and ice milk mix.

Source: Global Affairs Canada



# CANADA VS. THE U.S

## IMPORTS FROM THE U.S.

In 2024, Canadian imports of dairy products from the U.S. totalled CA\$878 million, making up 53.7% of Canada’s total import value. Although imports under the Import for Re-Export Program (IREP) and the Duties Relief Program (DRP) from the U.S. are known to be significant, the exact figures are not available. IREP and DRP allow importers to bring in dairy products, provided that these products are processed in Canada and then re-exported. We estimate total imports values of dairy products under IREP and DRP from the U.S. to be CA\$369 million.

This means that the estimated dairy imports from the U.S. excluding imports under re-export programs would be CA\$528 million in total dollar value.

Butter and other fats and oils derived from milk make up the largest share by value with CA\$213 million, followed by cheese at CA\$168 million, whey products at CA\$87 million, and both milk and milk protein substances at CA\$64 million each.

PRODUCT	2024	
	\$CA	% SHARE
BUTTER AND OTHER FATS AND OILS DERIVED FROM MILK	213,064,791	24.3%
TOTAL CHEESE	167,787,196	19.1%
WHEY PRODUCTS	86,855,482	9.9%
MILK	64,429,531	7.3%
MILK PROTEIN SUBSTANCES	64,114,734	7.3%
TOTAL DAIRY PRODUCTS	877,505,532	100%

Source:  
Canadian Dairy Information Centre

By volume, milk remains the largest imported dairy product, with 66.2 million kg shipped from the U.S. in 2024. Other significant imports include whey products at 30.5 million kg, butter and other fats and oils derived from milk at 22.6 million kg, cheese at 20.1 million kg, and milk protein substances at 17.3 million kg.

PRODUCT	2024	
	KG	% SHARE
MILK	66,211,409	35%
WHEY PRODUCTS	30,517,254	16%
BUTTER AND OTHER FATS AND OILS DERIVED FROM MILK	22,581,022	12%
TOTAL CHEESE	20,135,555	11%
MILK PROTEIN SUBSTANCES	17,259,455	9%
TOTAL DAIRY PRODUCTS	188,642,177	100%

Source:  
Canadian Dairy Information Centre

Note: Under WTO there is a fluid milk access level of 64,500 tonnes that represents estimated annual cross-border purchases by Canadian consumers. The goods are imported under General Import Permit No. 1: Dairy Products for Personal Use. On January 26, 2000, General Import Permit No. 1 was amended and the \$20 limit in value for each importation of fluid milk for personal use was removed.



EXPORTS TO THE U.S.

In 2024, Canada exported CA\$358 million in dairy products to the United States. Of this amount, exports of dairy products manufactured from U.S. milk and cream imports under IREP and DRP are estimated at an equivalent of CA\$179 million. This means that the estimated dairy exports to the U.S., manufactured from Canadian raw milk, would be CA\$179 million in total dollar value.

When measured by value, cheese was the largest export category to the U.S., at CA\$119.3 million, followed closely by yogurt at CA\$118 million, natural milk constituents at CA\$41 million, whey products at CA\$36 million and ice cream at CA\$21 million.

PRODUCT	2024	
	\$CA	% SHARE
TOTAL CHEESE	119,282,657	33%
YOGURT	117,800,405	33%
PRODUCTS CONSISTING OF NATURAL MILK CONSTITUENTS	40,556,269	11%
WHEY PRODUCTS	35,560,161	10%
ICE CREAM	21,448,261	6%
TOTAL DAIRY PRODUCTS	357,910,041	100%

Source:  
Canadian Dairy Information Centre

By volume, whey products were the most exported dairy product to the U.S., totaling 39.5 million kg. Yogurt followed at 25.4 million kg, milk at 11.7 million kg, cheese exports at 8.6 million kg, and products consisting of natural milk constituents at 2.1 million kg.

PRODUCT	2024	
	KG	% SHARE
WHEY PRODUCTS	39,492,579	42%
YOGURT	25,398,472	27%
MILK	11,692,629	13%
TOTAL CHEESE	8,627,383	9%
ICE CREAM	3,996,387	4%
TOTAL DAIRY PRODUCTS	93,500,915	100%

Source:  
Canadian Dairy Information Centre

Canada imports significantly more dairy from the U.S. than it exports. Even after accounting for imports under IREP and DRP, net U.S. dairy imports still total CA\$528 million. In contrast, Canada’s net dairy exports to the U.S.—also adjusted for IREP and DRP—are estimated at CA\$179 million.

This trade imbalance, combined with the dominant share of U.S. dairy in Canada’s import market, highlights the ongoing pressure on domestic production.



RETAIL PRICES

For retail prices, the price of milk was more expensive in 2024 in Canada at CA\$1.64, compared to the U.S. milk price of CA\$1.44. There is also data from the USDA on U.S. milk prices; however, this dataset is less comprehensive than the Bureau of Labor Statistics (BLS) data and should not be directly compared to Canadian prices since it covers only 46 U.S. cities.

It does show, however, a 10-cent per litre difference between Northern U.S. and the U.S. average. A 10-cent adjustment for Northern U.S. cities would bring the BLS price closer to Canada’s.

2024 AVERAGE PRICE (\$CA) PER LITRE



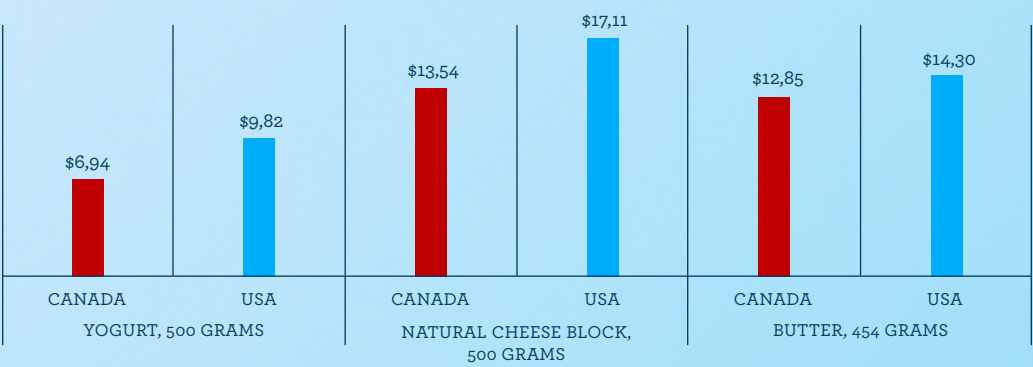
The average price per litre of 4-litre milk in the USA (BLS) is converted from the average price of one-gallon milk (3.8 litres) sourced from the U.S. BLS. The average price per litre of 4-litre milk in the USA (USDA) and the Northern USA (USDA) is calculated based on the average price per gallon of whole milk and 2% M.F. milk, which is equivalent to 3.78 litres. Additionally, the milk prices in different cities across the United States, as compiled by the USDA, have been weighted according to their respective populations sourced from the United States Census Bureau.

Northern USA = Northwestern region + Midwestern region (corn belt) + Northeastern region

Sources for Canadian prices: Statistics Canada. US prices: U.S. BLS., USDA, and U.S. Census Bureau. Exchange rates: Bank of Canada.

In the U.S., the average price per kg for yogurt, natural cheese and butter exceeds Canadian prices by CA\$2.88, CA\$3.57, and CA\$1.44, respectively.

2024 AVERAGE PRICE (\$CA) PER KG



The average price per kg of 500-gram yogurt in the United States is converted from the average price of 227-gram yogurt sourced from the U.S. BLS. The average price per kg of 500-gram cheese block in the United States is converted from the average price of 454-gram cheddar cheese sourced from the U.S. BLS.

Sources for Canadian prices: Statistics Canada. US prices: U.S. BLS. Exchange rates: Bank of Canada.

It’s important to note that the price of milk at the farm and what consumers pay at retail are not part of the same pricing scheme. These are distinct markets, and the pricing dynamics differ significantly along the supply chain.

As an additional point, supply management does not inherently lead to in higher or lower prices—it’s one factor among many that may influence pricing.



# CONSUMPTION TRENDS IN THE CANADIAN DAIRY MARKET

In the 12-month period ending December 2024, consumption of dairy products increased compared to the same period a year prior. This growth has been mainly driven by Canada’s population growth, which increased by 3.0% in 2024.

Milk sales rose by 2.0% with high consumption in the Hotel, Restaurant and Institutional (HRI) food sector. At the same time, plant-based beverage sales faced pressure due to rising prices and the listeria outbreak during the summer of 2024, which led to a shift in consumer preference towards milk. Cream, natural cheese and butter consumption increased by 1.1%, 0.7%, and 3.7%, respectively. Yogurt consumption grew by 4.2%, with a shift to larger format sizes, which has supported consumption growth.

The overall increase in dairy sales highlights a positive trend driven by population growth. The recent economic environment, characterized by moderate inflation, rising mortgage interest costs, and slow growth in disposable income, may have put some downward pressure on per capita dairy consumption. However, with food inflation easing, products like butter have shown positive per capita growth, indicating a recovery in consumer purchasing power.

## CANADIAN MARKET

12-MONTH PERIOD ENDING DECEMBER 2024 VS. 12-MONTH PERIOD ENDING DECEMBER 2023

PERIOD	MARKET	TOTAL	RETAIL		HOTEL, RESTAURANTS, INSTITUTIOND (HRI)		CLASS 5 FURTHER PROCESSING	
	Dairy Product	Sales in Volume (% Change)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)
12-MONTH PERIOD ENDING IN DECEMBER 2024	Milk (litres)	2.0%	0.5%	77.1%	7.5%	21.2%	3.4%	1.7%
	Cream (litres)	1.1%	2.3%	39.8%	0.1%	52.0%	1.6%	8.2%
	Refrigerated yogurt (kilograms)	4.2%	4.3%	94.9%	4.1%	4.7%	-14.6%	0.3%
	Natural cheese (kilograms)	0.7%	2.3%	55.6%	-1.7%	35.9%	0.0%	8.5%
	Butter (Kilograms)	3.7%	4.6%	58.6%	4.0%	22.6%	0.8%	18.9%

**Note**

1. Total market for milk, cream, and refrigerated yogurt = production + imports for domestic market – domestic exports
2. Total market for natural cheese, and butter = production + imports for domestic market – stocks variation – domestic exports
3. IREP, over-access committed imports, and foreign exports (re-exports) are not included in the total market
4. HRI = total market – retail market – class 5
5. HRI = hotels, restaurants, institutions, independent retailers that are not captured by Nielsen, class 5 further processing when not available, and all other further processing not included in class 5
6. Does not capture cross-border shopping of dairy products. These were estimated by Agriculture and Agri-Food Canada (AAFC) at 64,500 tonnes per year for fluid milk between 1989 and 1991

Sources: Statistics Canada, GAC, CDC, NielsenIQ, AAFC, and DFC calculations



## CANADIAN MARKET PER CAPITA

12-MONTH PERIOD ENDING DECEMBER 2024 VS. 12-MONTH PERIOD ENDING DECEMBER 2023

PERIOD	MARKET	TOTAL	RETAIL		HOTEL, RESTAURANTS, INSTITUTIONS (HRI)		CLASS 5 FURTHER PROCESSING	
	Dairy Product	Sales in Volume (% Change)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)
12-MONTH PERIOD ENDING IN DECEMBER 2024	Milk (litres)	-1.0%	-2.4%	77.1%	4.4%	21.2%	0.4%	1.7%
	Cream (litres)	-1.8%	-0.7%	39.8%	-2.8%	52.0%	-1.3%	8.2%
	Refrigerated yogurt (kilograms)	1.2%	1.3%	94.9%	1.1%	4.7%	-17.1%	0.3%
	Natural cheese (kilograms)	-2.3%	-0.6%	55.6%	-4.6%	35.9%	-2.9%	8.5%
	Butter (Kilograms)	0.7%	1.5%	58.6%	0.9%	22.6%	-2.1%	18.9%

### Note

1. Total market for milk, cream, and refrigerated yogurt = production + imports for domestic market – domestic exports
2. Total market for natural cheese, and butter = production + imports for domestic market – stocks variation – domestic exports
3. IREP, over-access committed imports, and foreign exports (re-exports) are not included in the total market
4. HRI = total market – retail market – class 5
5. HRI = hotels, restaurants, institutions, independent retailers that are not captured by Nielsen, class 5 further processing when not available, and all other further processing not included in class 5
6. Does not capture cross-border shopping of dairy products. These were estimated by Agriculture and Agri-Food Canada (AAFC) at 64,500 tonnes per year for fluid milk between 1989 and 1991

Sources: Statistics Canada, GAC, CDC, NielsenIQ, AAFC, and DFC calculations

## MILK

In the total market, milk sales have increased by 2.0% in the 12-month period ending December 2024 compared to the same period a year ago. As the population has increased, there has been more demand for milk. On a per capita basis, total milk consumption is down by 1.0%. Although total demand for milk is approaching a growth rebound, factors such as the growing share of younger generations in Canada's population, changes in consumption habits, the arrival of new immigrants with different food cultures, and anti-milk and anti-animal agriculture movements continue to exert negative pressure on the evolution of sales of this product.

A large amount of this growth has come from the HRI market, where milk sales increased 7.5% compared to the previous year, representing 21.2% of the total market. This increase in the HRI sector is likely linked to shifting consumer habits as more people return to office work settings, leading to an increase in out-of-home consumption.

At the retail level, milk sales have increased slightly at 0.5% year-over-year, representing 77.1% of the total market. Within this category, the decline in milk sales with 1% milk fat (M.F.) and 2% M.F. has been slowing. However, whole milk sales have continued to grow. Additionally, strong growth has occurred in lactose-free, organic milk, and ultrafiltered milk products.

Amid rising costs of living, sales of plant-based beverages have declined, now making up 8.6% of total retail sales in the milk and substitutes category, down from 9.0% a year ago. This shift is mainly due to the higher average price of plant-based beverages compared to milk. Additionally, on July 8, 2024, the Canadian Food Inspection Agency (CFIA) issued a recall for 15 Silk and three Great Value brand plant-based beverages due to Listeria contamination. This recall appears to be driving sales toward other plant-based brands and milk.

In the products used for further processing (Class 5) market, milk increased 3.4% compared to a year ago. This market accounts for only 1.7% of the total milk sales in Canada.



## CREAM

Total cream consumption rose by 1.1% in the 12 months ending December 2024 compared to the same period a year prior. However, on a per capita basis, this represents a decrease of 1.8%.

In the retail market, which accounts for 39.8% of the total market, sales grew by 2.3% over this period. Retail cream sales have continued to increase gradually, even as prices begin to rise again. As with other dairy products, sales growth in retail continues to benefit from easing economic conditions, the rising total population, and a lower level of price growth compared to recent years.

## REFRIGERATED YOGURT

In the total market, refrigerated yogurt sales saw an increase of 4.2% in 2024, compared to 2023. On a per capita basis, total consumption increased by 1.2%.

Retail sales captured 94.9% of the market share during this period. At retail, yogurt sales grew 4.3% in the 12-month period ending December 2024 compared to the 12-month period ending December 2023. This growth is driven by several factors including a shift toward larger yogurt formats, which offer more cost-effective options and encourage higher consumption due to unrestricted portion sizes. Additionally, consumers are purchasing more plain yogurts and those with higher protein content at retail.

In addition, consumption in the HRI sector, which grew by 0.1% compared to prior years, has remained relatively stable. The HRI markets now account for 52.0% of the total market for cream.

Regarding the use of cream in further processing, consumption increased by 1.6% compared to the same period a year ago. Further processing products make up 8.2% of the cream market.

In the HRI markets, which account for 4.7% of the market, refrigerated yogurt sales grew by 4.1%. According to Direct Link data, residential care facilities and hospitals accounted for a significant portion of the growth in HRI during the 12-month period ending December 2024. Finally, in the products used for further processing (Class 5) market, which accounts for 0.3% of the total yogurt market in Canada, sales decreased by 14.6% compared to a year ago.





## NATURAL CHEESE

During the 12-month period ending December 2024, natural cheese consumption increased by 0.7% compared to the same period a year ago. This has been largely driven by population growth. Per capita sales experienced a decline of -2.3%.

Retail sales increased by 2.3% in this period, making up 55.6% of the total natural cheese market. This growth can be attributed to the slowing rate of price growth for cheese at retail. Notably, cottage cheese has experienced strong growth in sales at retail, growing by 20.3% over the 12-month period ending December 2024. Cottage cheese now accounts for 7.7% of all-natural cheese purchased at retail.

Retail sales of imported prepackaged natural cheese increased during the 12-month period ending in December 2024 compared to the same period ending in December 2023. This corresponds to an increase in imports of cheese products in 2024 compared to 2023. However, this growth has not resulted in an erosion of the market share of Canadian prepackaged natural cheese sold at retail, as the share of imported prepackaged natural cheese has remained stable.

In the HRI sector, cheese sales decreased 1.7% compared to the same period a year ago, representing 35.9% of the total market. Finally, in the products used for further processing (Class 5) market, which accounts for 8.5% of the total natural cheese market in Canada, sales volumes remained the same as one year ago.

## BUTTER

In the 12-month period ending December 2024, butter consumption increased by 3.7% compared to the previous year, while on a per capita basis, sales improved by 0.7%.

At the retail level, which makes up 58.6% of the total sales, butter sales increased 4.6% compared to the same period a year ago. Butter sales have consistently grown on a 52-week basis since the period ending on February 17, 2024. This is a result of a significant decline in price growth during the past year. The butter market share has increased during the same period. It now represents 53% of total sales in kilograms within the butter and solid substitute category, compared to 51.2% a year ago. Additionally, clarified/ghee butter products, which have a higher butterfat composition than butter, have seen an increase in presence on retail shelves and now account for 2.1% of the butter and solid substitute category.

The HRI market, accounting for 22.6% of the overall market share, experienced a growth of 4.0% in the 12-month period ending December 2024. In the products used for further processing (Class 5) market, which accounts for 18.9% of the total butter sales in Canada, butter sales have increased 0.8% compared to the same period a year ago.





# CONCLUSION

International milk prices rose by 11% in 2024, driven by strong demand, stabilizing inflation and moderate supply growth, with continued strength in early 2025 due to demand for milk powders, butter and cheese. However, market adjustments are expected with seasonal production increases in the U.S. and Europe, and trade uncertainties around tariffs in 2025.

In terms of trade, Canadian cheese imports reached 64,215 tonnes in 2024, up 3,269 tonnes from 2023. Ice cream and mixes imports also increased reaching 720 tonnes in 2024, up from 591 tonnes the previous year.

In 2024, Canada imported CA\$878 million in dairy products from the U.S., with butter, cheese and whey as the top categories. Even after adjusting for re-exported dairy under IREP and DRP, net U.S. dairy imports were estimated to be CA\$528 million, compared to Canada's estimated adjusted net exports of CA\$179 million to the U.S.

Should you have suggestions for topics in future editions, we invite you to send them to [communications@dfc-plc.ca](mailto:communications@dfc-plc.ca).

Domestically, retail milk prices in Canada averaged CA\$1.64 per litre in 2024, higher than the U.S. retail price average of CA\$1.44 per litre. While other dairy products such as yogurt, natural cheese and butter remain more expensive at retail in the U.S. compared to Canada.

At the same time, Canada's expanding population has led to an increase in demand for dairy products. In 2024 overall consumption of milk, cream, refrigerated yogurt, natural cheese and butter increased compared to 2023, mainly due to population expansion. On a per capita basis, consumption has been declining, except for refrigerated yogurt and butter.

