DAIRY FARMERS OF CANADA | FALL 2025

QUARTERLY SKIM

Welcome to the latest edition of Dairy Farmers of Canada's (DFC) 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 third quarter of 2025, we look at global dairy commodity prices; provide an update on trade, and examine the CUSMA export threshold, cheese imports and other key dairy imports under Canada's international trade agreements for the dairy year 2024-2025. We also do a comparative analysis of global farm gate and retail prices. Finally, we examine dairy sales in the Canadian market (retail, food service, and further processing).

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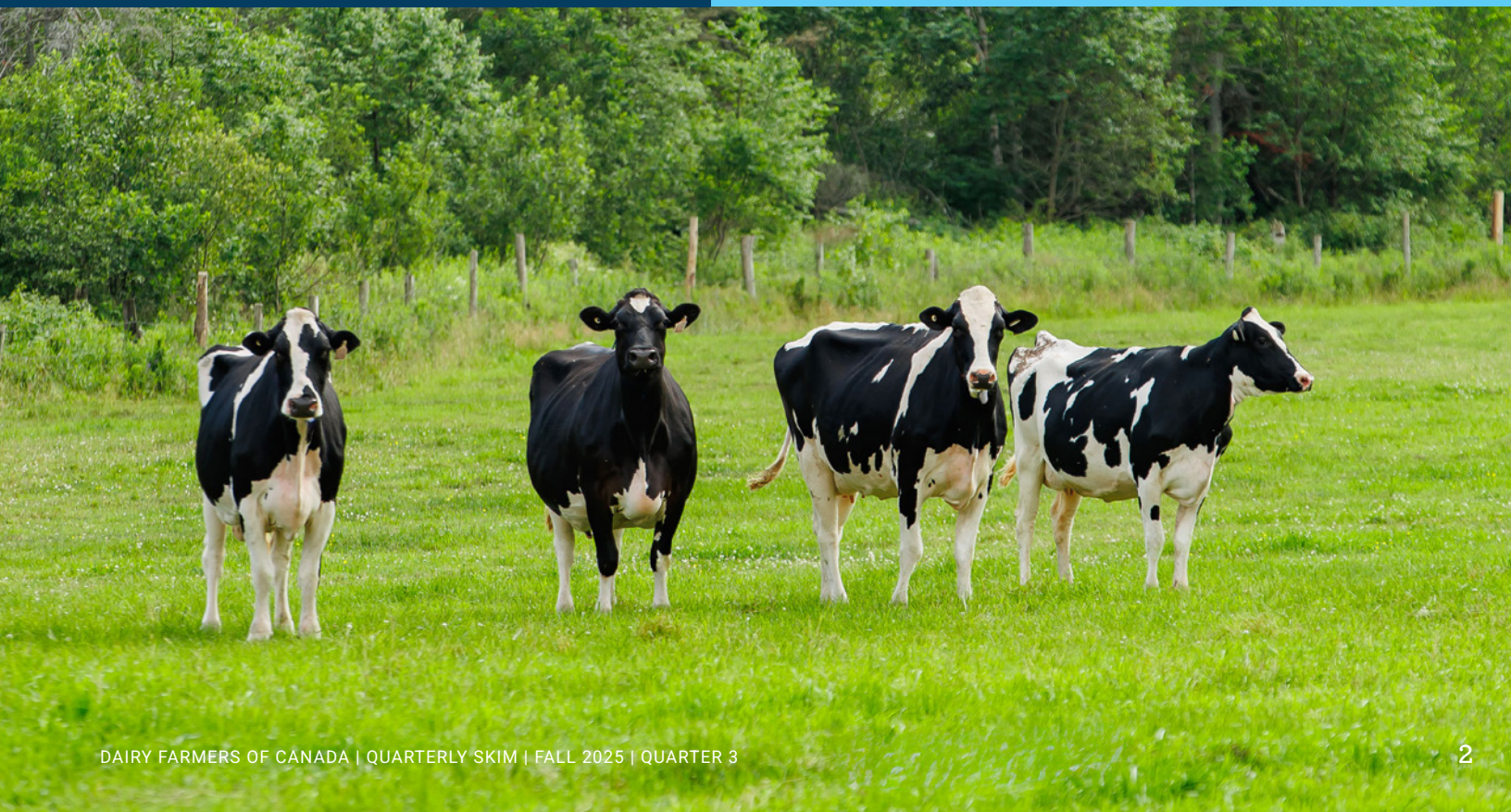


GLOBAL DAIRY COMMODITY PRICES UPDATE

The International Farm Comparison Network (IFCN) World Milk Price Indicator is a benchmark for tracking global dairy market trends. Global milk prices continued to rise in early 2025, from CAD 68.21 per 100 kg Solid Corrected Milk (SCM) in January to CAD 73.87 per 100 kg SCM in May, representing an 8.3% increase. Since then, prices have eased as global production strengthened, dropping to CAD 67.49 per 100 kg SCM in August. Part of the variation in the Canadian dollar value also reflects shift in the exchange rate.

Looking ahead, world prices are expected to remain relatively stable. While prices of fat-rich products such as butter and cheese are showing some softening, the price of powders continue to strengthen due to high demand. Milk production continues to rise year over year, putting some pressure on prices, with the IFCN World Milk Price easing slightly as supply grows.

The United States Department of Agriculture (USDA) forecasts that global milk production will continue to grow across most main regions, with the United States (U.S.) leading this growth through herd expansion. In New Zealand, higher production is expected, with growth in yields and a stable herd size. USDA experts also forecast a recovery in milk production from Argentina, following last year's economic crisis. The only exception to this growth is in the European Union (EU). The combination of environmental regulations and low profitability are leading farmers to reduce dairy herds.

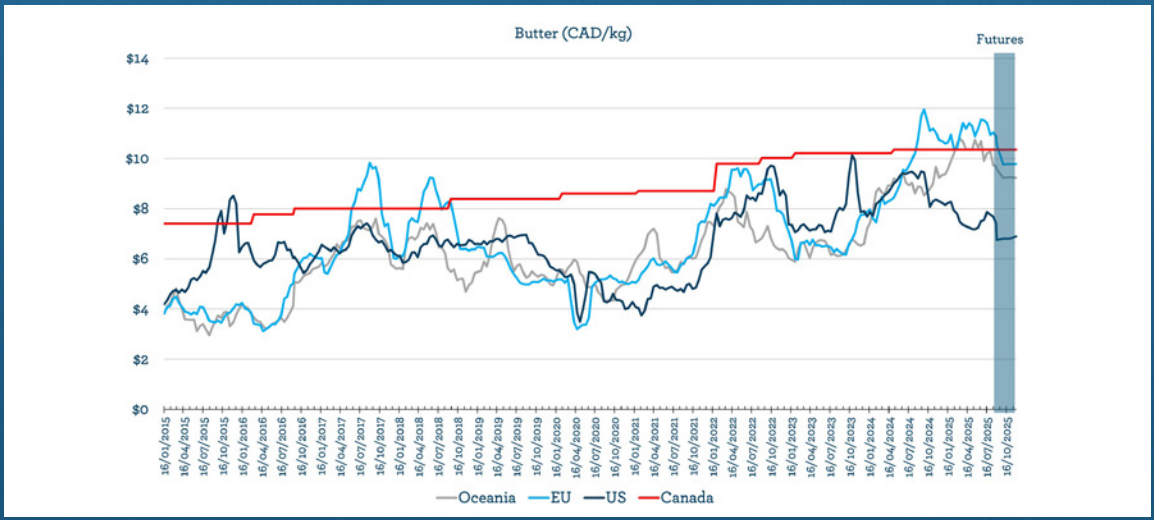
Regional dynamics are shaping butter markets differently. In the EU, butter averaged CAD 10.87/kg at the end of August, still above the Canadian support price (CAD 10.35/kg), but down from earlier highs as milk component supplies improve. Futures are softening as premium prices move closer to global levels. Butter prices remain firm but are moderated by recovering stocks and a stronger processor focus on cheese. EU skim milk powder (SMP) was CAD 3.71/kg in August 2025, slightly below Oceania and the U.S.

In Oceania, butter reached CAD 9.70/kg in August 2025, with futures supported by favourable seasonal supply conditions and strong demand for regional products. SMP prices were CAD 3.75 in August, slightly above the EU.

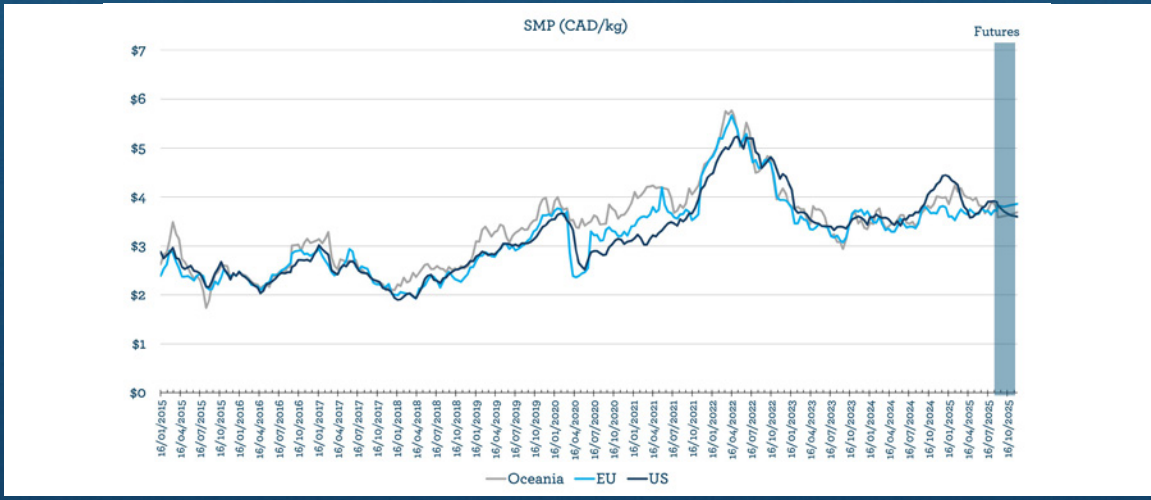
In the United States, butter prices remain low at CAD 7.42/kg, while SMP is priced higher than other markets at CAD 3.89/kg in August 2025. Herd growth is supporting higher milk output, but trade tensions and tariffs are contributing to market devaluation. A weaker U.S. dollar is maintaining export competitiveness, though processing constraints and unpredictable demand are slowing growth.

Class 4A solid non-fat (SNF) prices, which generally follow trends in global SMP markets, increased from a low of CAD 2.52/kg in May 2024 to CAD 3.46/kg in December 2024, before decreasing to CAD 2.71/kg in April 2025 (Figure 2). Prices have since risen slightly, reaching CAD 2.98/kg in August 2025. Futures point to some softening ahead with prices expected to decline slightly from CAD 2.98/kg in August 2025 to about CAD 2.67/kg by December 2025. Actual movements will depend on global SMP trends, currency fluctuations and domestic market conditions.

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

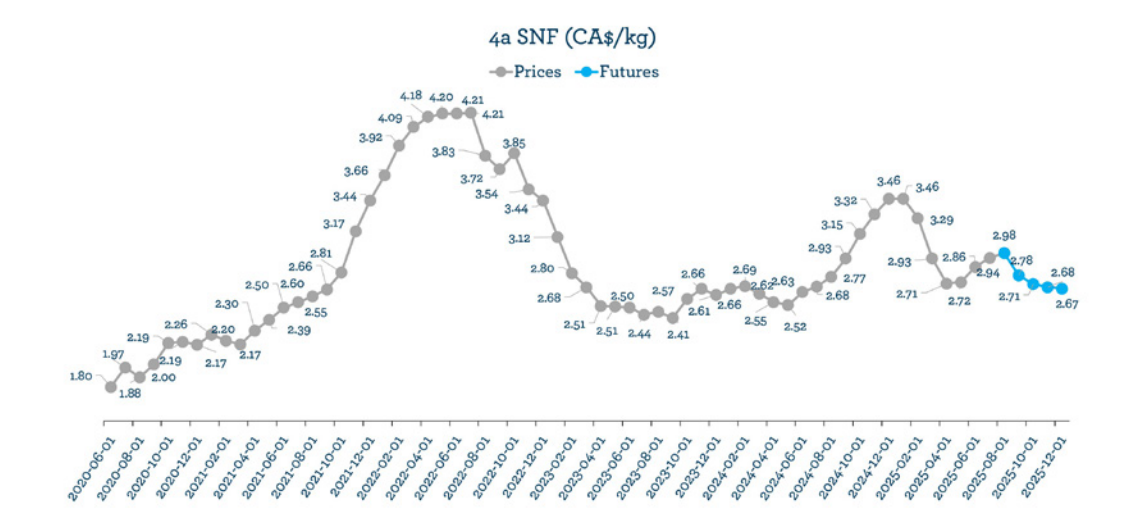


Sources: USDA, CME, NZX, EEX and DFC calculations as of September 5, 2025.
Note: The butter support price shown for Canada is a theoretical reference price and should not be interpreted as the actual market price for manufactured butter.



Sources: USDA, CME, NZX, EEX and DFC calculations as of September 5, 2025.

FIGURE 2: 4A SOLID NON-FAT (SNF) PRICE



Sources: AMS USDA (price) and CME (futures) from September 5, 2025
Note: Futures data is based on settled futures prices for the prior trading day.

TRADE

In Canada, dairy product imports are controlled through tariff rate quotas (TRQs), which set limits on the amount of each dairy product that can be imported. TRQs have historically increased each year, but as trade agreements move into later years, the pace of growth is slowing.

This section will examine TRQ and fill rates under Canada's foreign trade agreements up to July 2025. All data used in this analysis comes from Global Affairs Canada (GAC).

CHEESE

In 2025, total cheese TRQ levels under the World Trade Organization (WTO) remain steady at 20,412 tonnes. Under the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), TRQ levels are unchanged at their maximum of 17,700 tonnes. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) also remains stable, with a quota of 24,135 tonnes. Growth continues under the Canada-United States-Mexico Agreement (CUSMA), where TRQ levels increased to 12,500 tonnes, a 20% rise from 2024. Looking ahead, growth under CUSMA is expected to slow significantly in 2026, with a 1% increase in TRQ, reflecting the smaller annual quota expansions built into the later years of the agreement.

For the 2025 calendar year, total cheese imports under the WTO Agreements are on track to reach the maximum threshold, with a current fill rate of 60.4%. This marks an increase from the same period last year, when the fill rate was 51.6%.

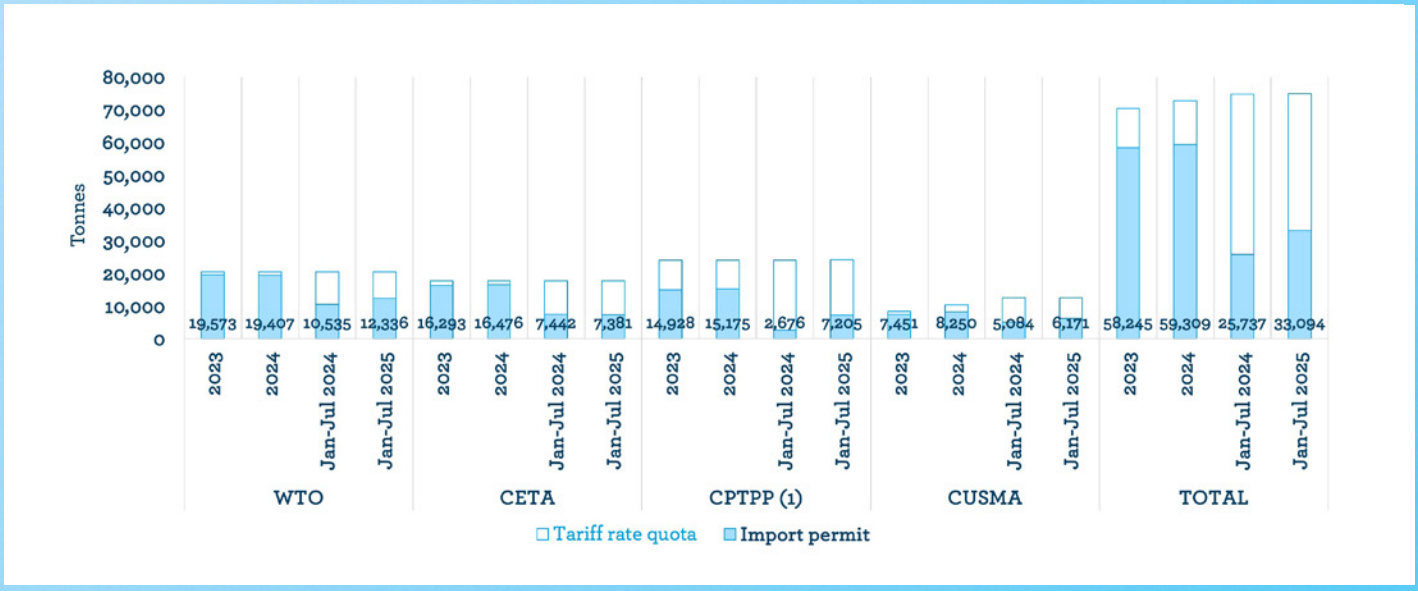
Cheese imports from the European Union under CETA are traditionally high. The current fill rate reached 41.7% for January to July 2025, holding steady with last year's 42% over the same period. This trend suggests, like previous years, that imports are likely to approach theTRQ ceiling by year-end.

Imports from the Asia-Pacific region under CPTPP are up compared to the same time last year, with the cheese fill rate reaching 29.9% as of July 2025, compared to 11.1% in July 2024.

Under CUSMA, fill rates have also accelerated. As of mid-2025, the fill rate reached 49.4%, compared with 40.7% during the same period in 2024, indicating stronger cheese import activity this year.

Overall, cheese imports have increased compared to the same period last year. As of July 2025, Canada imported 33,094 tonnes of cheese in total, compared to 25,737 tonnes in the same period of 2024.

FIGURE 3: TOTAL CHEESE IMPORTS



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

Source: Global Affairs Canada

CREAM

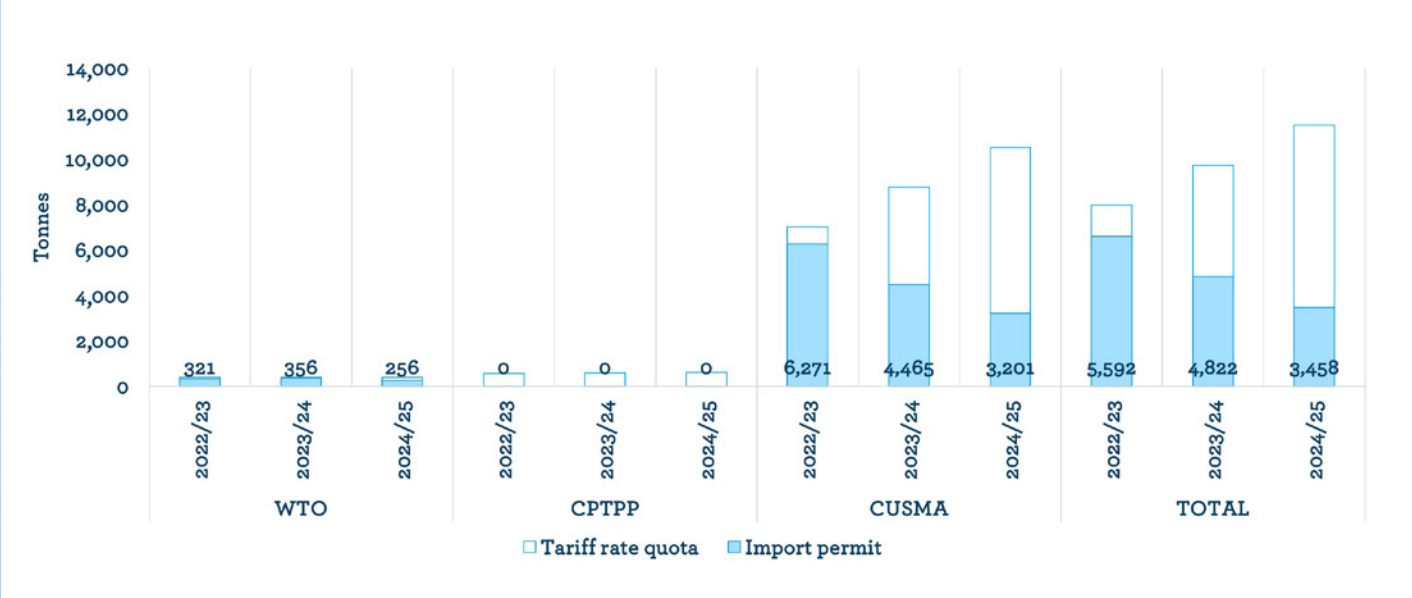
Under the WTO agreement, Canada's TRQ commitment for cream is 394 tonnes. In the 2023/24 dairy year, the fill rate reached 90.4%, up from 81.5% in 2022/23. In 2024/25, the fill rate decreased to 65.1%.

Over the past three years, there have been no cream imports under CPTPP.

Under CUSMA, cream TRQ levels increased by 20% from 2023/24 to 2024/25, although growth is expected to slow to just 1% in 2025/26. The cream fill rate under CUSMA was 30.5% in 2024/25, down from 51% the previous year.

Overall, cream imports decreased from 4,822 tonnes in the 2023/24 dairy year to 3,458 tonnes in the 2024/25 dairy year.

FIGURE 4: CREAM IMPORTS



Source: Global Affairs Canada

BUTTER

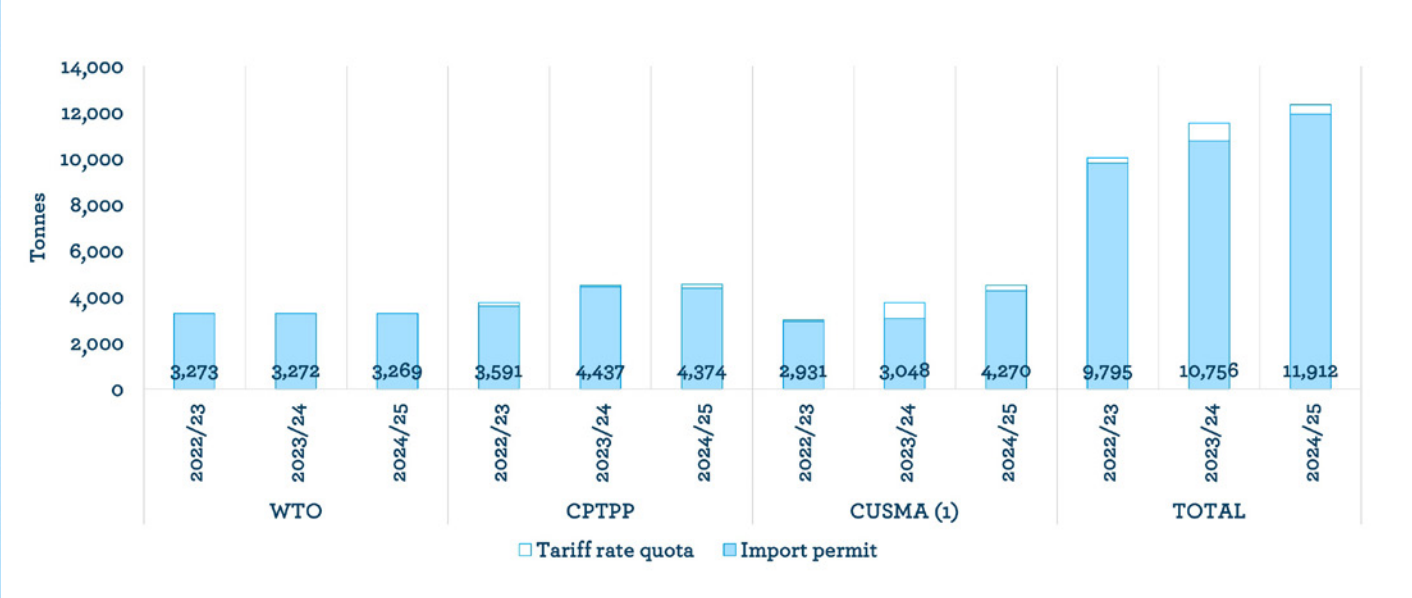
Butter TRQ levels under the WTO are the same each year, set at 3,274 tonnes. Fill rates of butter were 99.8% in the 2024/25 dairy year, consistent with the high rates in previous years.

Under the CPTPP, the fill rate for butter reached 96.2% in the 2024/25 dairy year, close to last year's 98.6%.

Under CUSMA, butter TRQs increased by 20% in the 2024/25 dairy year. At 94.9%, this year's fill rate is higher than last year's (81.3%). In terms of volume, the quantity of imported butter is up from 3,048 tonnes in 2023/24 to 4,270 tonnes in 2024/25.

Across all agreements, butter imports are up from 10,756 tonnes in 2023/24 to 11,912 tonnes in 2024/25.

FIGURE 5: BUTTER IMPORTS



(1) For CUSMA, the tariff rate quota and import permits shall apply to butter or cream powder.

Source: Global Affairs Canada

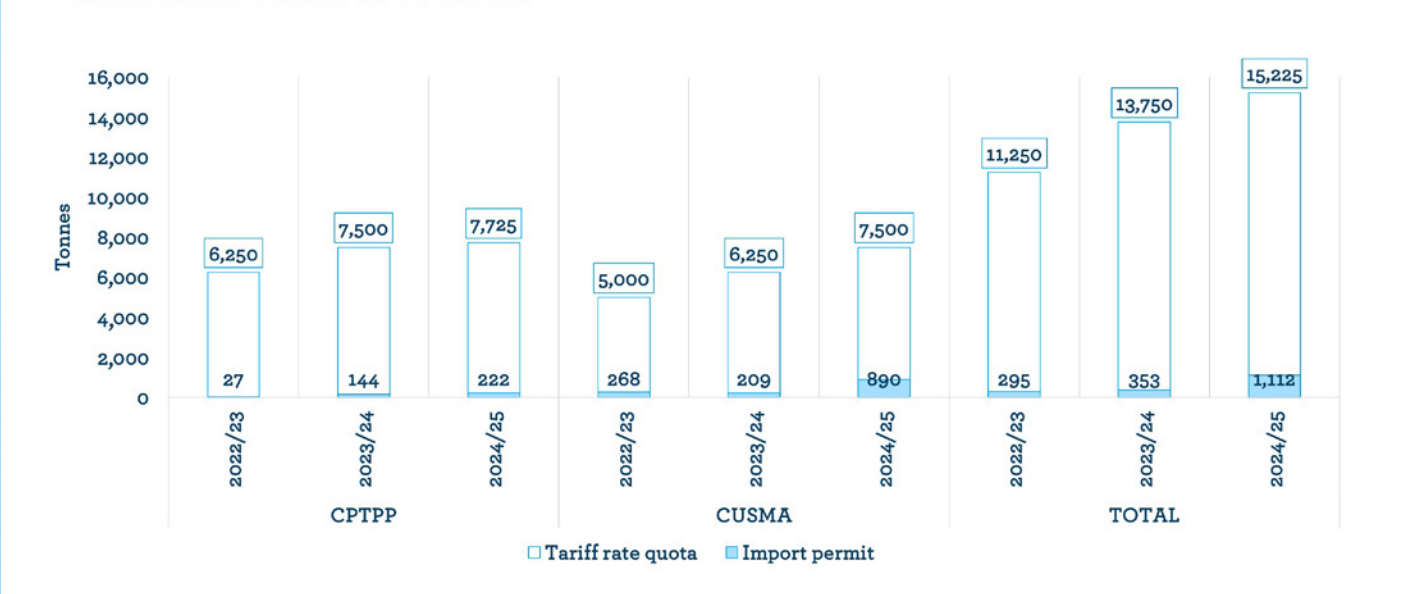
SKIM MILK POWDER

Under CPTPP, skim milk powder (SMP) fill rates increased slightly from 1.9% in 2023/24 to 2.9% in 2024/25.

Under CUSMA, fill rates rose from 3.3% in 2023/24 to 11.9% in 2024/25. Import volumes grew to over four times the previous year's level, increasing from 209 tonnes to 890 tonnes.

In total, SMP imports for the 2024/25 dairy year reached 1,112 tonnes, compared to 353 tonnes in 2023/24.

FIGURE 6: SKIM MILK POWDER IMPORTS



Source: Global Affairs Canada

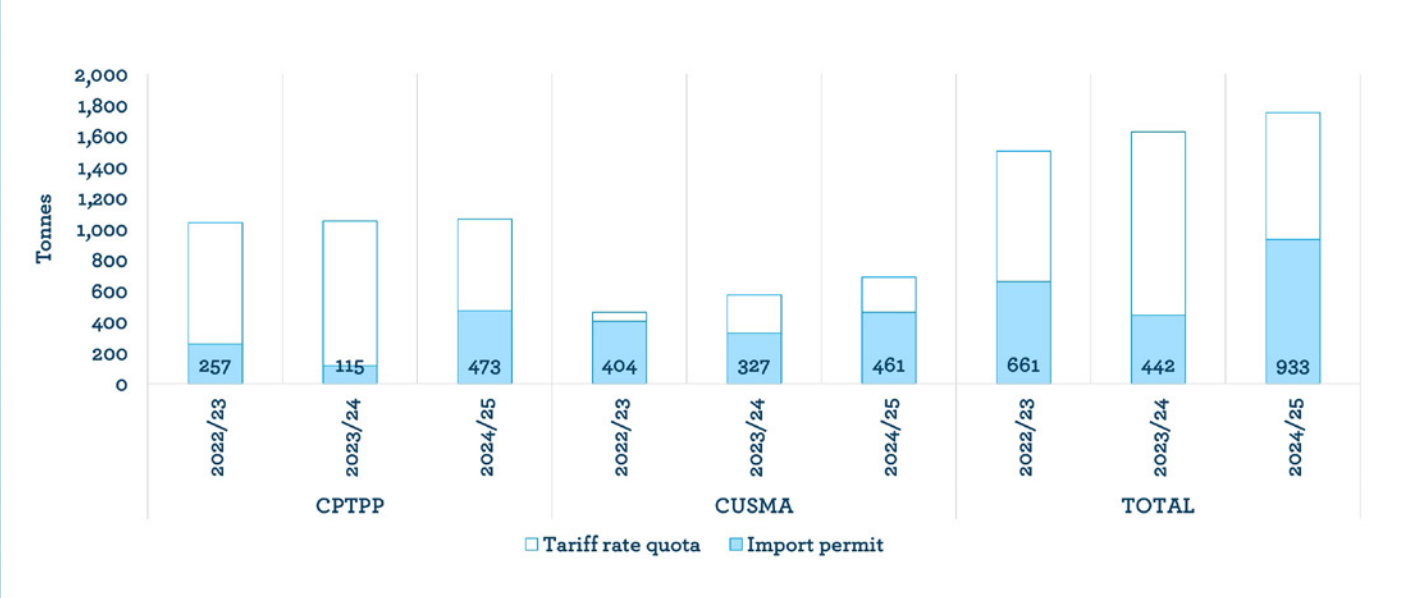
MILK POWDER

Under CPTPP, milk powder fill rates increased from 10.9% in 2023/24 to 46.9% in 2024/25.

There was also an increase in fill rates under CUSMA for milk powder, reaching 79.9% this dairy year compared to 56.9% last year.

Milk powder imports for the 2024/25 dairy year totalled 933 tonnes, increasing from the 442 tonnes level recorded in 2023/24.

FIGURE 7: MILK POWDER IMPORTS



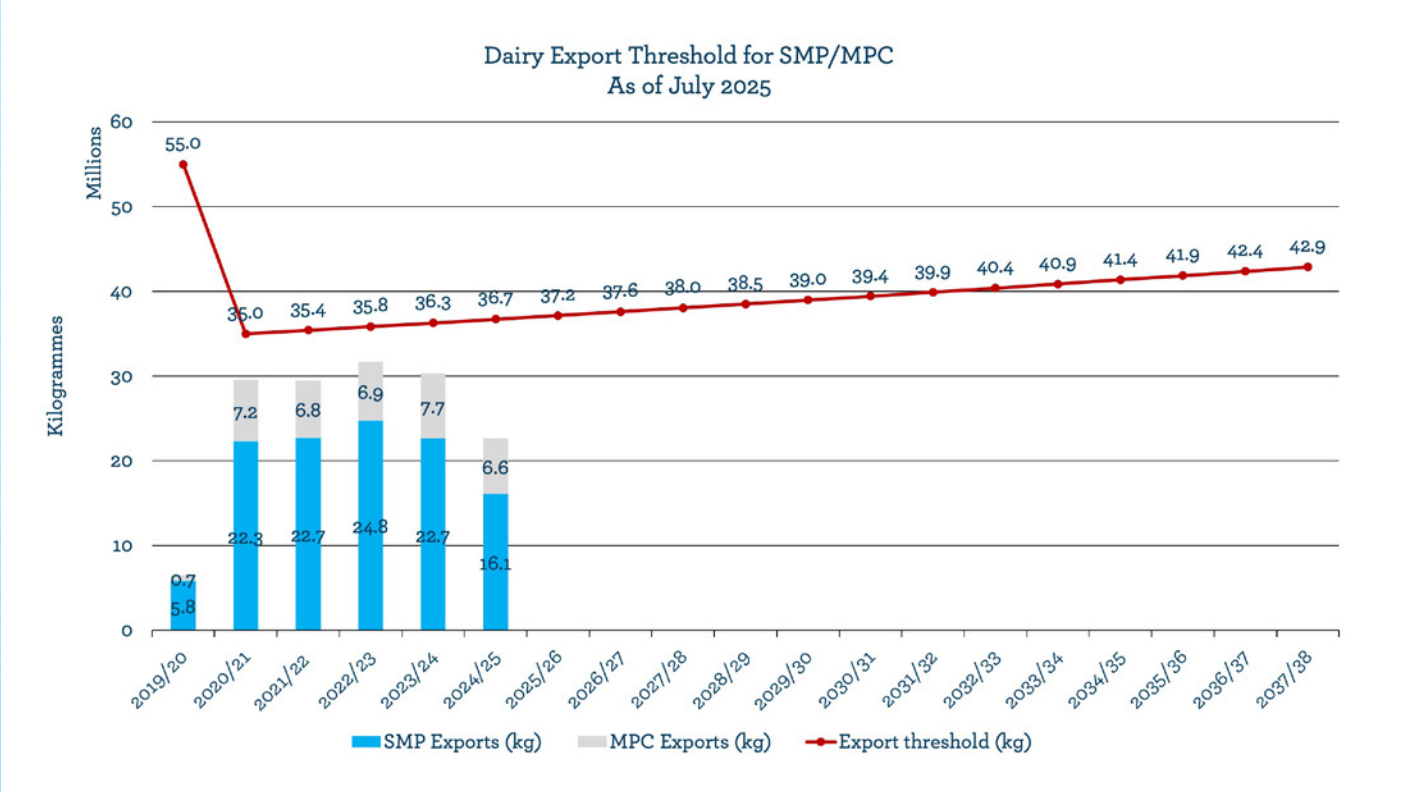
Source: Global Affairs Canada

EXPORTS OF SMP AND MILK PROTEIN CONCENTRATES

SMP and Milk Protein Concentrates (MPC) exports reached 32.4 million kg during the 2023/24 dairy year, staying within the export threshold of 36.3 million kg. This total included 7.7 million kg of MPC and 22.7 million kg of SMP, a slight increase in MPC but a decline in SMP compared to the previous year.

In the 2024/25 dairy year, exports decreased to 22.7 million kg, below the export threshold of 36.7 million kg. Of this amount, 6.6 million kg were MPC and 16.1 million kg were SMP.

FIGURE 8: EXPORTS OF SMP AND MPC



Source: Global Affairs Canada

FARMGATE PRICE COMPARISON

The supply management system helps keep Canadian farmgate prices stable, especially compared to other regions. From 2014 to 2024, Canadian farmgate prices grew at a compound annual growth rate (CAGR) of 1.7%, lower than that of the EU (2.7%), Australia (3.3%), and New Zealand (2.9%).

The Farmgate Price Index, which tracks changes in the prices farmers receive for raw milk relative to January 2014, has been highly volatile across major dairy exporting countries. New Zealand, the EU, Australia, and the U.S. all experienced sharp increases, declines, and frequent double-digit changes. In comparison, Canada's farmgate prices have remained stable, moving within a much narrower range. Looking at annual averages, the Canadian index has exceeded a 5% increase only once with a 12.8% increase from 2021 to 2022, reflecting cost adjustments during the broader inflationary period following the pandemic. That same year, farmgate prices increased much higher in other regions, with the index rising 19.2% in New Zealand, 21.6% in Australia, 36.4% in the EU, and 35.4% in the U.S. This example highlights how Canadian farmgate prices have remained stable, compared to other regions (Figure 9).

These fluctuations put pressure on smaller farms in unregulated markets, particularly when farmgate prices fall below production costs. Over time this can lead to more consolidation, as smaller farms leave the sector and production shifts to larger operations. From 2014 to 2024, Canada recorded a -2.6% CAGR decline in dairy farm numbers, a far slower rate of consolidation than in the United States (-5.7%), the European Union (-4.9%), and Australia (-4.7%). New Zealand's decline has been smaller at -1.3% per year. One possible explanation is its pasture-based production system, which keeps production costs low (Rabobank, 2024). Farms in New Zealand are also much larger, with an average dairy herd size of 448 cows across 10,485 farms (DairyNZ, 2024). This is more than four times larger than Canada's average of 105 cows across 9,256 farms (CDIC, 2025).

Canada's supply management system has reduced farmgate price volatility. This stability is one component that has helped slow the pace of consolidation, reinforcing long-term resilience, food security and rural economies.

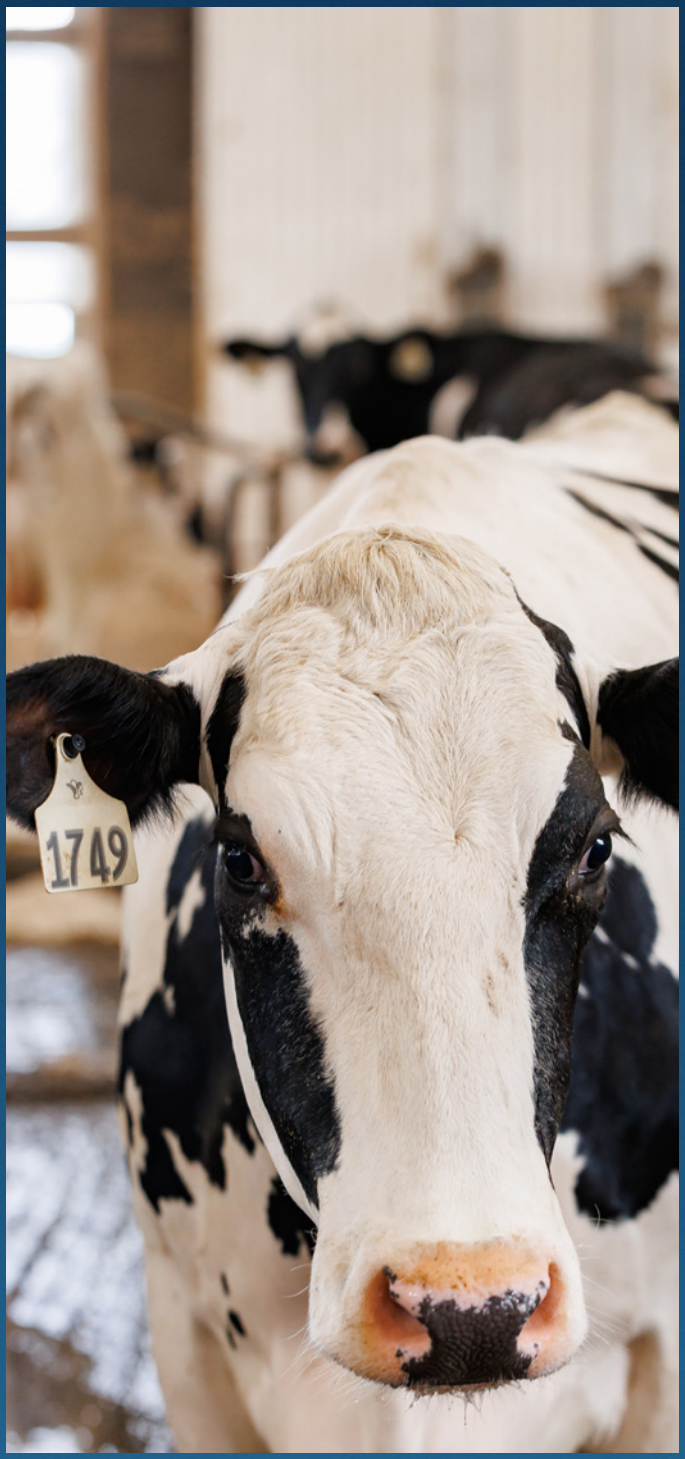
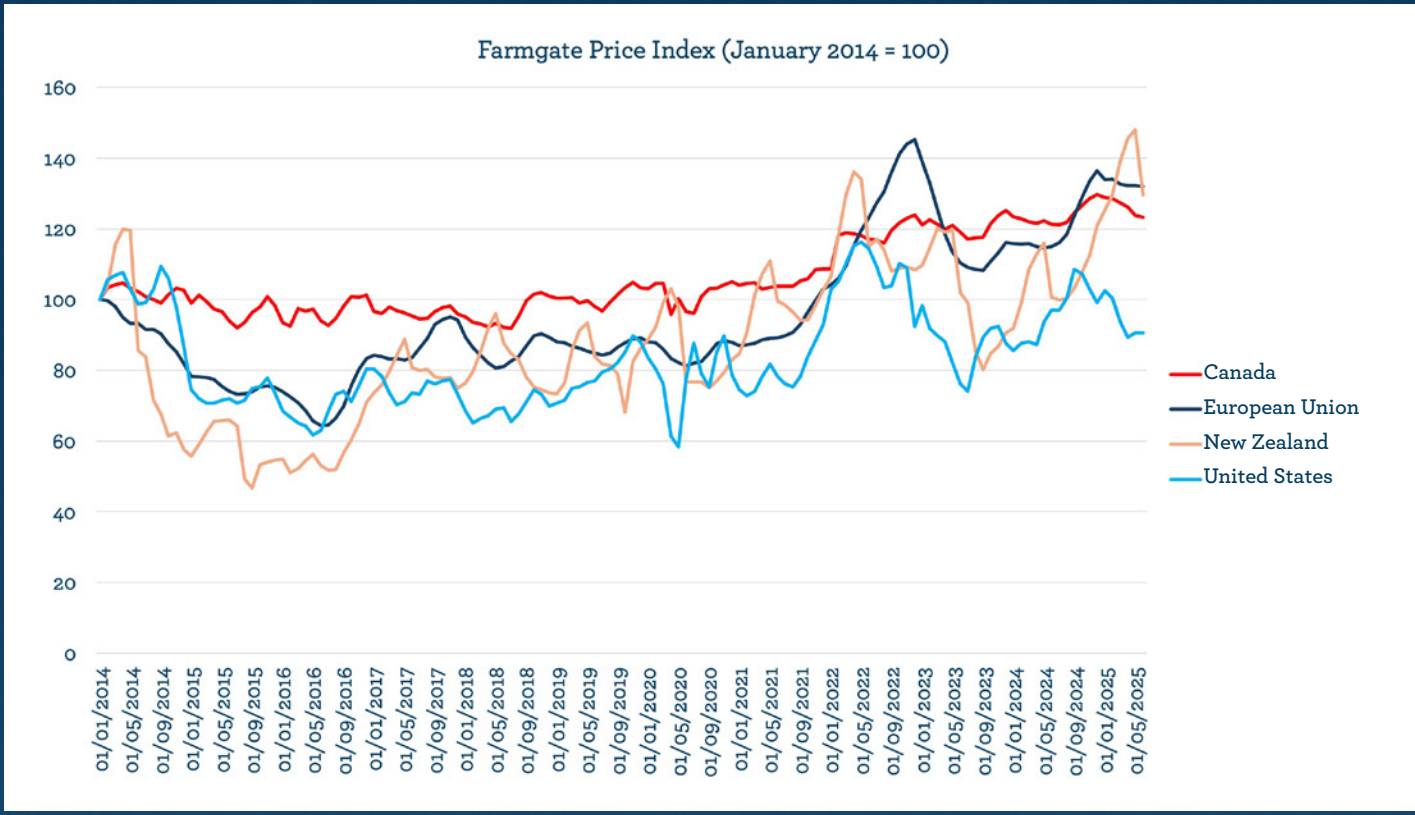


FIGURE 9: FARMGATE PRICE INDEX (2014–2024)



Note: Prices reflect year-over-year percentage changes in farmgate milk prices in local currency terms
Sources: Statistics Canada, DCANZ, Fonterra, Dairy Australia, European Commission, Eurostat, USDA NASS

TABLE 1: CAGR OF FARMGATE MILK PRICES (2014-2024)

YEAR	CANADA	NEW ZEALAND	AUSTRALIA	EUROPEAN UNION	UNITED STATES
CAGR 2014-2024	1.7%	2.9%	3.3%	2.7%	-0.6%

Note: Prices reflect year-over-year percentage changes in farmgate milk prices in local currency terms
Sources: Statistics Canada, DCANZ, Fonterra, Dairy Australia, European Commission, Eurostat, USDA NASS

TABLE 2: CAGR OF DAIRY FARMS (2014-2024)

YEAR	CANADA	NEW ZEALAND	AUSTRALIA	EUROPEAN UNION	UNITED STATES
CAGR 2014-2024	-2.6%	-1.3%	-4.7%	-4.9%*	-5.7%

**Limited data from the EU available. European Commission data goes to 2021. 2022-24 data and 2024 CAGR estimated based on the 2014-2021 CAGR.*
Sources: CDIC, DairyNZ, Dairy Australia, European Commission, USDA

RETAIL PRICE COMPARISON

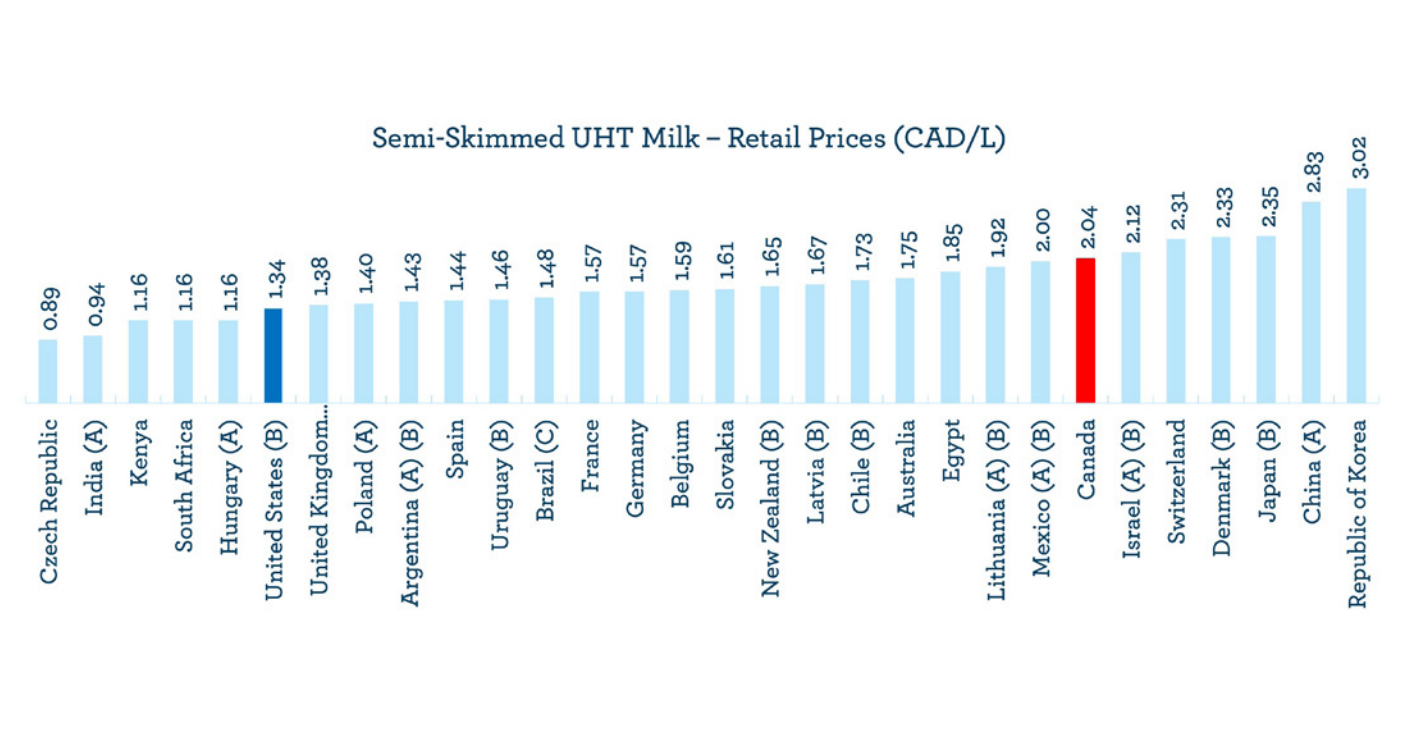
This section examines retail prices to provide context on the affordability of key Canadian dairy products and how they compare to international markets.

The retail price of milk in Canada is slightly higher than in many other countries at CAD 2.04 per litre in 2023. As shown in the International Dairy Federation (IDF) comparison of semi-skimmed Ultra-High-Temperature (UHT) milk prices, Canada's price is above those in markets such as the United States, France, Germany, New Zealand, and Australia but below countries like Switzerland, Denmark, Japan, and China.

In contrast, retail butter prices in Canada are lower compared to many other countries. Canada is positioned toward the lower end of the global retail price range at CAD 13.34 per kg in 2023. This is below the retail prices in many other countries such as the United States (CAD 13.56), France (CAD 15.21), and Belgium (CAD 16.45), but above others like New Zealand (CAD 8.49) and Australia (CAD 10.28).

A similar trend is seen for the retail price of cheddar cheese. In 2023, cheddar cheese in Canada averaged CAD 13.36 per kg at retail. Retail prices were higher in the United States (CAD 17.33) and the United Kingdom (CAD 15.42), while lower in New Zealand (CAD 10.47).

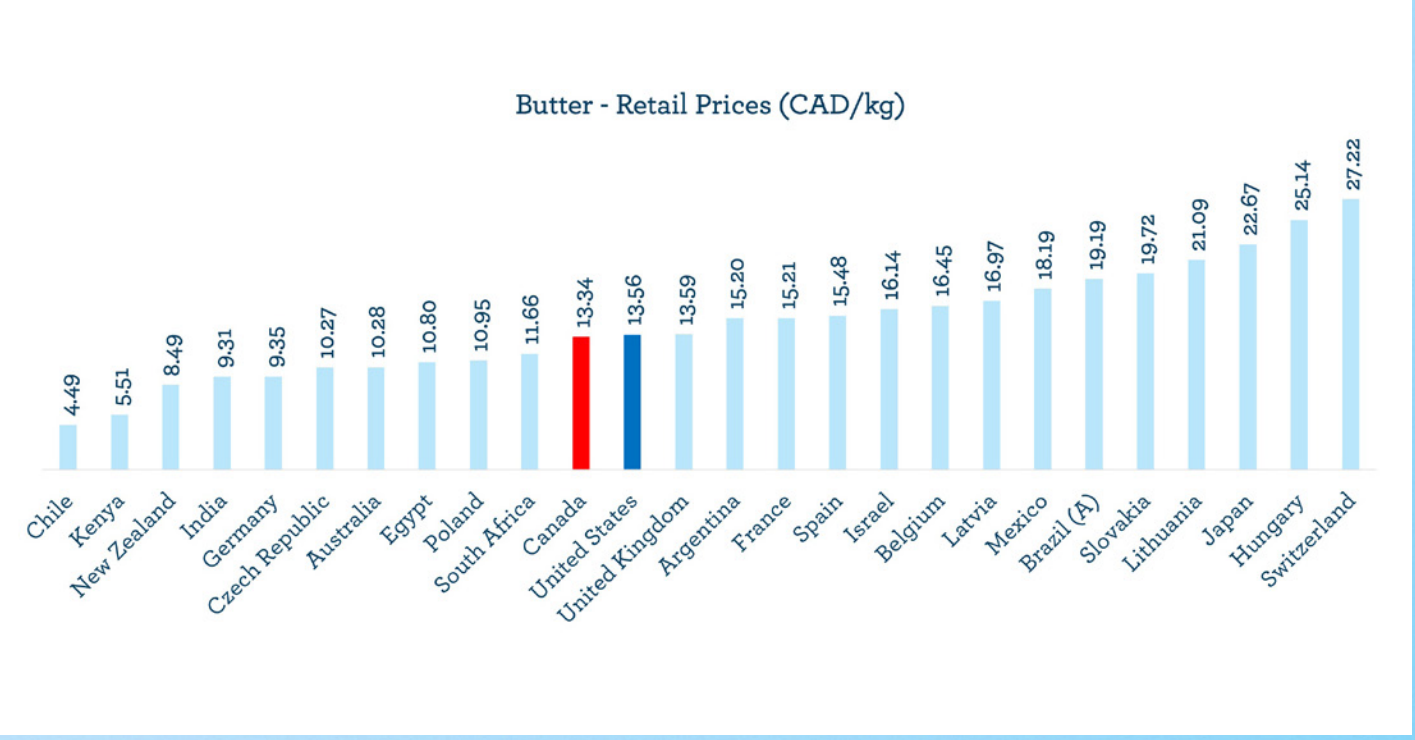
FIGURE 10: SEMI-SKIMMED UHT MILK – RETAIL PRICES (CAD/L), 2023



Source: IDF, Bank of Canada

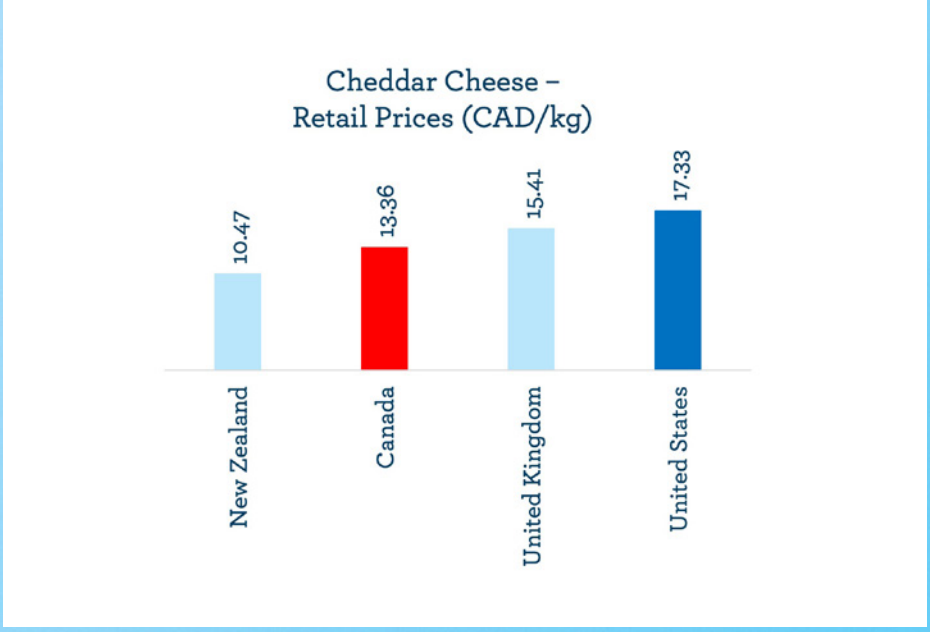
(A) Full fat liquid milk. (B) Pasteurized liquid milk. (C) Deflated prices based on December 2023.

FIGURE 11: BUTTER - RETAIL PRICES (CAD/KG), 2023



Source: IDF, Bank of Canada
Note: For EU countries it was assumed that the Milk Fat (M.F.)content was 82% based on EU standards.
(A) Deflated prices based on December 2023.

FIGURE 12: CHEDDAR CHEESE – RETAIL PRICES (CAD/KG), 2023



Source: IDF, Bank of Canada

CONSUMPTION TRENDS IN THE CANADIAN DAIRY MARKET

In the 12-month period ending June 2025, consumption of dairy products, except natural cheese, increased compared to the same period last year. Milk sales rose 1.5% 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, leading to a shift in consumer preference towards milk. Cream and butter consumption increased by 0.7% and 2.5% respectively. Meanwhile, natural cheese consumption decreased by -1% year over year. Yogurt consumption, supported by a shift to larger format sizes, grew by 5.6%.

The growth in consumption has been driven by high population growth. Canada's population increased by 1.8% by the midpoint of the reporting period. While the Government of Canada has recently tightened its immigration policies, the historic high levels of immigration since 2022 have increased the consumer market.

On a per-capita basis, the continued downward pressure from economic conditions can be observed. While food inflation continues to moderate from the high levels experienced in 2023, budgetary pressures like higher mortgage interest costs and slow growth in disposable income are influencing how consumers shop for their food. For example, shoppers have turned to discount grocery banners, mass merchandisers, and warehouse clubs instead of conventional grocery banners for lower prices. Similarly, Statistics Canada data indicate that sales at full-service restaurants, which typically involves higher spending, are down compared to previous years, while sales at limited-service eating places are rising. These examples showcase the strategies consumers use to maintain their consumption levels in the face of budgetary pressures.

CANADIAN MARKET

12-MONTH PERIOD ENDING JUNE 2025 VS. 12-MONTH PERIOD ENDING JUNE 2024

PERIOD	MARKET	TOTAL	RETAIL (NielsenIQ)		ALL OTHER MARKETS	
	Dairy Product	Sales in Volume (% Change)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)
12-MONTH PERIOD ENDING IN JUNE 2025	Milk (litres)	1.5%	0.1%	76.5%	6.4%	23.5%
	Cream (litres)	0.7%	1.0%	39.8%	0.5%	60.2%
	Refrigerated yogurt (kilograms)	5.8%	5.9%	94.9%	4.2%	5.1%
	Natural cheese (kilograms)	-1.0%	2.6%	56.5%	-5.3%	43.5%
	Butter (Kilograms)	2.5%	2.1%	58.2%	3.1%	41.8%

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 JUNE 2025 VS. 12-MONTH PERIOD ENDING JUNE 2024

PERIOD	MARKET	TOTAL	RETAIL (NielsenIQ)		ALL OTHER MARKETS	
	Dairy Product	Sales in Volume (% Change)	Sales in Volume (% Change)	Sales in Volume (% Share)	Sales in Volume (% Change)	Sales in Volume (% Share)
12-MONTH PERIOD ENDING IN MARCH 2025	Milk (litres)	-0.3%	-1.7%	76.5%	4.5%	23.5%
	Cream (litres)	-1.1%	-0.8%	39.8%	-1.3%	60.2%
	Refrigerated yogurt (kilograms)	3.9%	4.0%	94.9%	2.3%	5.1%
	Natural cheese (kilograms)	-2.8%	0.8%	56.5%	-7.0%	43.5%
	Butter (Kilograms)	0.7%	0.3%	58.2%	1.2%	41.8%

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 1.5 in the 12-month period ending June 2025 compared to the same period a year ago. The increase has been driven largely by population growth. On a per capita basis, total milk consumption is down by -0.3%.

At the retail level, milk sales have increased slightly at 0.1% year-over-year, representing 76.5% of the total market for milk. Within this category, whole milk sales have continued to grow while the decline in milk sales with 1% milk fat (M.F.) and 2% M.F. have slowed. Additionally, strong growth has occurred in lactose-free, organic milk, and ultrafiltered milk products.

The retail share of plant-based beverages has declined further to 8.2%. As reported previously, consumer habits in this category have been impacted by high prices as well as continued residual effects of a July 2024 plant-based beverage recall.

A significant amount of the growth in the total market for milk has come from HRI and further processing, where sales increased 6.4% compared to the previous year, representing 23.2% of the total market. The increase in the HRI sector is likely linked to shifting consumer habits, as people are required to work more days in the office than in the previous year, leading to an increase in out-of-home consumption. Furthermore, there was an increase in the amount of milk products used in Class 5 for the further processing market.

CREAM

Total cream consumption rose by 0.7% in the 12 months ending June 2025 compared to the same period a year prior. However, on a per capita basis, this represents a decrease of 1.1%.

In the retail market, which accounts for 39.8% of the total market, sales grew by 1% over this period. Retail cream sales have continued to increase gradually. As with other dairy products, sales growth in retail continues to benefit from the rising population and a lower level of food inflation compared to recent years. Like fluid milk consumption at retail, cream sales are being driven by higher-fat cream.

Cream consumption outside of retail now represents 60.2% of the total market. Sales in the HRI and further processing markets increased by 0.5% compared to prior year, with both markets experiencing steady, positive growth.

REFRIGERATED YOGURT

In the total market, refrigerated yogurt sales increased by 5.8% in the 12-month period ending June 2025, compared to the same period in 2024. Like other dairy products, population growth contributed to this increase. However, per capita consumption of yogurt increased by 3.9% compared to the same period in 2024, suggesting that other factors that influence individual consumption habits are present.

Retail sales continued to capture the majority (94.9%) of the total yogurt market. Retail purchases also accounted for most of the growth of yogurt consumption, as sales grew by 5.9%. This was associated with 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, retail consumers are purchasing more plain yogurts and those with higher protein content.

For yogurt consumed in all other markets, sales grew by 2.3% compared to last year and now account for 5.1% of the total market. The HRI market was responsible for most of the growth outside of retail. Yogurt used in Class 5 for the further processing market continues to make up a small portion of the market.

NATURAL CHEESE

During the 12-month period ending June 2025, natural cheese consumption decreased by -1.0%. Per capita natural cheese consumption declined the most out of all dairy products by -2.8% compared to one year ago.

The decline in natural cheese consumption is a result of poor performance outside of retail, which now accounts for 43.5% of the total natural cheese market. Specifically, sales of natural cheese in the HRI sector have decreased notably compared to the same period a year ago. However, some of the lower levels of HRI consumption was mitigated by increased sales volumes for natural cheese used in Class 5 for the further processing.

Retail sales increased by 2.6% in this period, making up 56.5% of natural cheese consumed in Canada. The slowing growth rate of retail cheese prices contributed to higher per capita consumption of natural cheese compared with other segments of the total market. On a per capita basis, sales of natural cheese decreased slightly by -0.3% compared to one year ago.

Of note, cottage cheese has experienced strong growth in sales at retail, growing by 26.7% over the 12-month period ending June 2025. This growth has coincided with increased social media attention on the product as a nutritious, high-protein ingredient used in many recipes. Cottage cheese now accounts for 9.3% of all-natural cheese purchased at retail.

Retail sales of imported, prepackaged natural cheese increased during the 12-month period ending in June 2025. This corresponded with an increase in imports of cheese products compared to the same period ending in June 2024.

BUTTER

In the 12-month period ending June 2025, butter consumption increased by 2.5% compared to the previous year. On a per capita basis, sales increased by 0.7%.

At the retail level, which makes up 58.2% of the total market, butter sales increased 2.1% compared to the same period a year ago. This is due to declining retail prices over the previous 52-week period. The butter market share has increased during the same period. It now represents 54.3% of total sales in kilograms within the butter and substitute category, compared to 52.1% a year ago. Additionally, with the influx of new immigrants living in Canada, clarified/ghee butter products, which have a higher butterfat composition than butter, have seen an increasing presence on retail shelves. These products now account for 2.1% of the butter and substitute category.

The market share of butter outside of retail has increased by 3.1% compared to last year and now represents 41.8% of the total butter market. Much of this growth can be attributed to the use of butter products in Class 5 for the further processing market.

CONCLUSION

Global milk prices increased in early 2025 but have since eased, returning to levels closer to those at the start of the year. While butter and cheese markets soften, strong powder demand has kept global prices firm. Looking ahead, prices are expected to remain relatively stable, despite geopolitical tensions and uncertainty.

In terms of trade, during this calendar year, total cheese imports are up compared to the same period a year ago. Total imports for butter, skim milk powder, and milk powder in the 2024/25 dairy year increased compared to 2023/24. Total imports for cream were slightly down in the 2024/25 dairy year compared to last year. During the 2024/25 dairy year, 22.7 million kg of SMP and MPC were exported, within the export threshold of 36.7 million kg. This marks a decrease from the 2023/24 dairy year export levels.

The supply management system helps keep Canadian farmgate prices stable compared to other regions. From 2014 to 2024, farmgate prices grew only 1.7% per year in Canada, much lower than in the EU, Australia, and New Zealand. This stability has contributed to limited consolidation and has supported family farms. In contrast, countries with volatile prices have higher consolidation rates and production shifts to larger operations.

In 2023, Canadian retail milk prices were slightly above many other countries, while Canada's butter and cheddar cheese prices were lower than many other countries.

In the 12-month period ending June 2025, overall dairy consumption in Canada rose in all categories except natural cheese.

Should you have suggestions for topics in future editions, we invite you to send them to communications@dfc-plc.ca.

DAIRY FARMERS OF CANADA

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