

Milk production jumps 3.6 percent to meet demands

Progressive Dairyman Editor Karen Lee

While consumers in Canada continue to cut back on fluid milk consumption, which was down 16 percent from 10 years ago, they are clamoring for more cheese, butter and cream, which were collectively up 12 percent in the same time period. This growing need for butterfat, with the largest year-to-year increase in 2016, called for more milk to be produced.

Canadian farmers responded with more than 8.4 billion litres of milk in 2016, an increase of 3.6 percent from the previous year. In terms of quantity, Quebec added the most milk at an additional 114.2 million litres, but Prince Edward Island producers increased 6.7 percent from 2015, more than any other province on a percentage basis.

The dollar amount of dairy products Canada exported increased by 11.4 percent this past year, but was still \$46 million below the amount shipped in 2014. In addition, the import value grew by 7.7 percent and Canada's negative trade balance continued to widen. The difference in dollar value of the products Canada imports versus exports is 117 percent more than what it was a decade ago.

Data from the 2016 Census of Agriculture has been released. As the country celebrates its 150th anniversary, it is remarkable the changes in farm size over that time. The average farm in Canada has nine times more cattle and nearly 15 times the amount of acres as it did in 1871. Focusing on the dairy industry, there are more younger and older dairy farm operators in 2016 compared to 2006, with fewer farmers ranging in age from 35 to 54 years old.

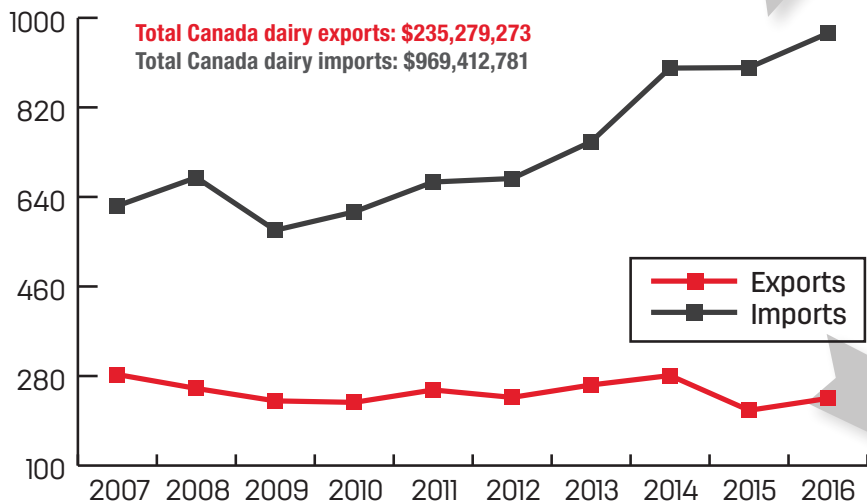


- Specialty cheese 28.0%
 - MPS¹ 16.1%
 - Butter 13.6%
 - Whey 9.1%
 - Milk and cream 4.8%
 - Casein 4.6%
 - Cheddar 3.4%
 - NMC² 2.4%
 - SMP/WMP³ 2.1%
 - Processed cheese 1.6%
 - Yogurt 0.4%
 - Other* 13.9%
- ¹Milk protein substances
²Natural milk constituents
³Skim milk powder and whole milk powder
*Lactose and lactose syrup, milk albumin, buttermilk, casein, curdled milk and cream, kephir, etc.

Top 10 countries selling dairy products to Canada

Rank	Country	2016 Imports (in dollars)	Percent change from 2015
1	U.S.	\$557,015,265	+17%
2	New Zealand	\$82,204,157	-2%
3	Italy	\$64,911,508	+15%
4	France	\$60,448,256	-3%
5	Switzerland	\$35,441,425	-23%
6	Argentina	\$22,264,513	-37%
7	Denmark	\$20,610,255	+9%
8	Netherlands	\$16,818,286	-9%
9	Norway	\$16,804,698	+7%
10	Germany	\$12,029,828	-52%

Canada dairy exports/imports (in millions of dollars)



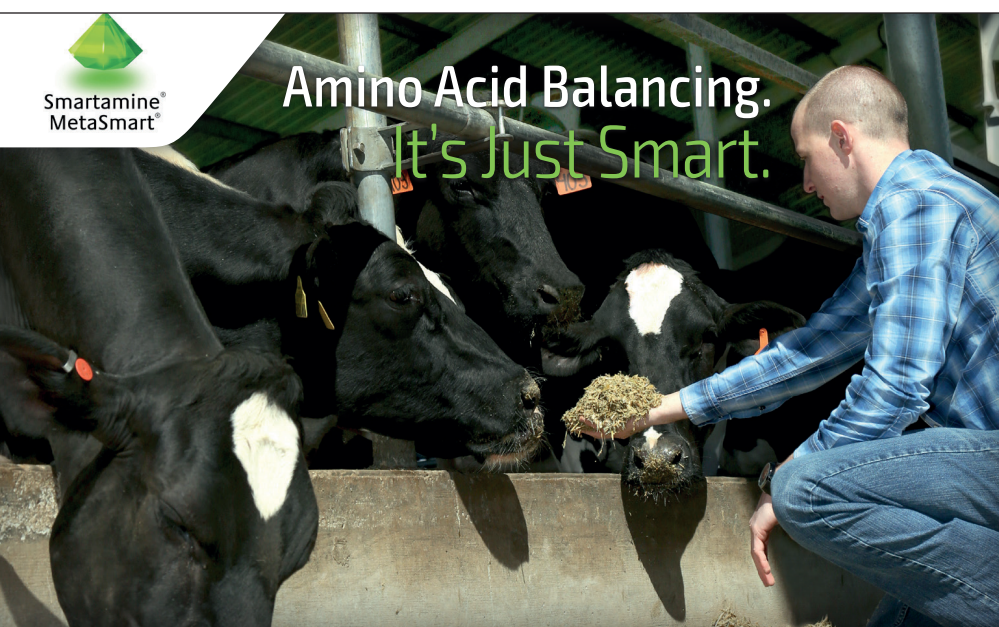
- SMP/WMP¹ 25.1%
 - Whey 17.9%
 - Specialty cheese 13.6%
 - NMC² 11.9%
 - Yogurt 7.9%
 - Processed cheese 6.2%
 - Cheddar cheese 5.0%
 - Milk & cream 2.8%
 - Ice cream 2.5%
 - Butter 2.2%
 - Others³ 4.9%
- ¹Skim milk powder and whole milk powder
²Natural milk constituents
³Lactose and lactose syrup, milk albumin, buttermilk, casein, curdled milk and cream, kephir, etc.

Imports

Top 10 countries buying Canada dairy products

Rank	Country	2016 Exports (in dollars)	Percent change from 2015
1	U.S.	\$112,584,884	+8%
2	Egypt	\$21,032,641	+5%
3	Philippines	\$12,106,039	+225%
4	Brazil	\$9,704,817	+140%
5	Saudi Arabia	\$9,272,509	+27%
6	Mexico	\$8,617,635	-8%
7	China	\$5,932,289	-40%
8	Cuba	\$4,991,413	+12%
9	South Korea	\$4,943,537	-20%
10	Japan	\$4,084,504	+49%

Exports



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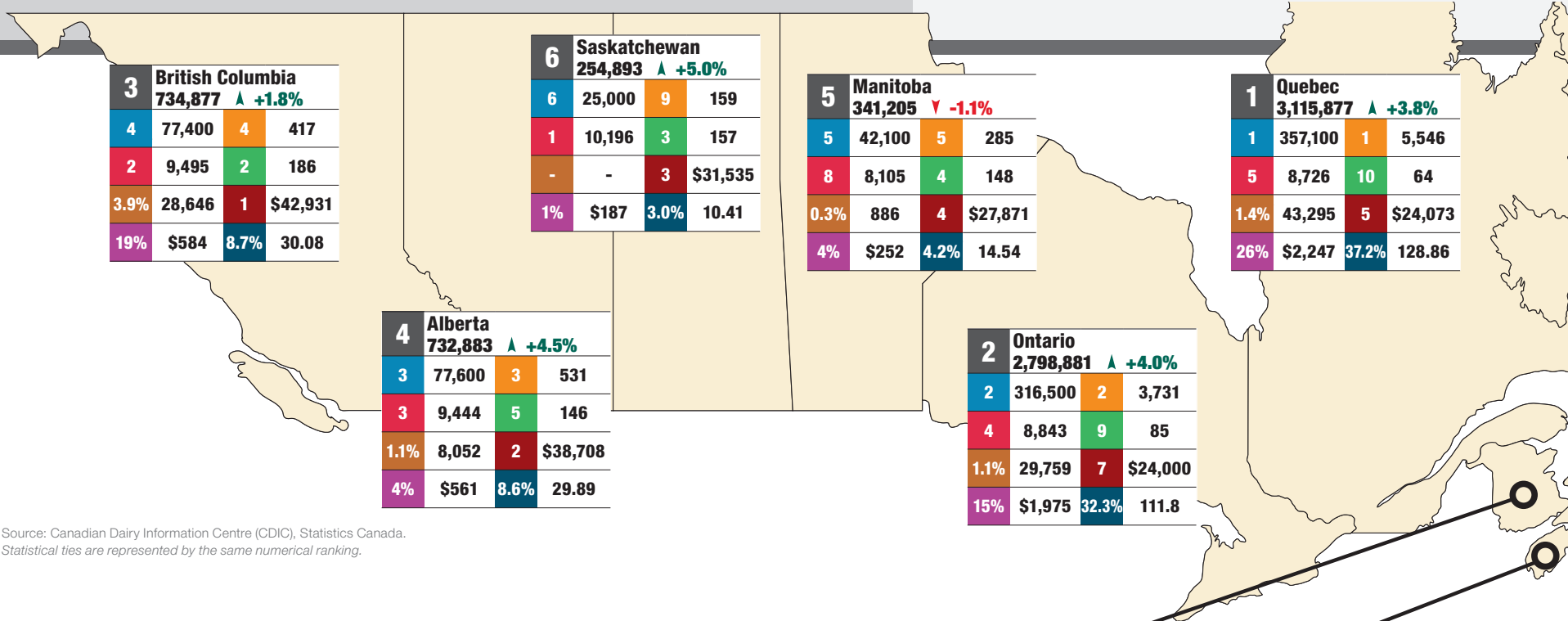
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Herd Performance takes a Crew with the Right Tools

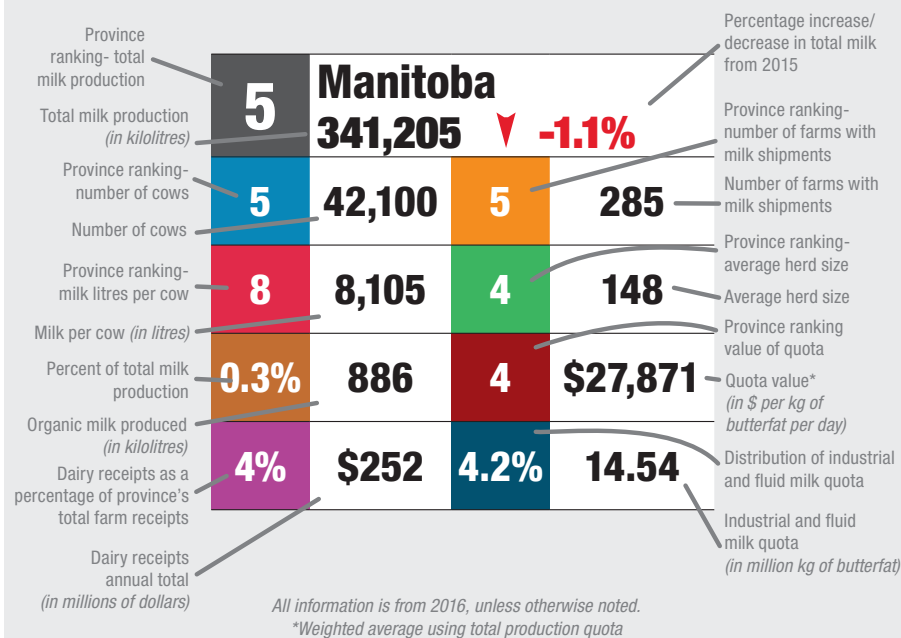
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2016 Canada dairy statistics



Source: Canadian Dairy Information Centre (CDIC), Statistics Canada. Statistical ties are represented by the same numerical ranking.

Legend



Canada

8,470,492 ▲ +3.6%

956,900 ▼ -0.3%	11,280 ▼ -3.4%
8,852 ▲ +3.9%	85 ▲ +3.7%
111,066 ▲ +7.5%	\$26,382*
\$6,172 ▲ +2.5%	346

*Weighted average using total production quota

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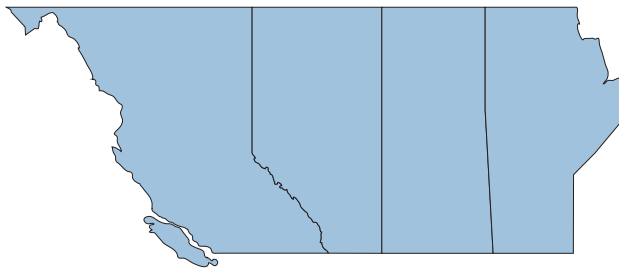
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10 Newfoundland & Labrador
48,141 ▼ -0.4%

10	5,900	10	23
7	8,159	1	257
-	-	-	-
37%	\$48	0.7%	2.54



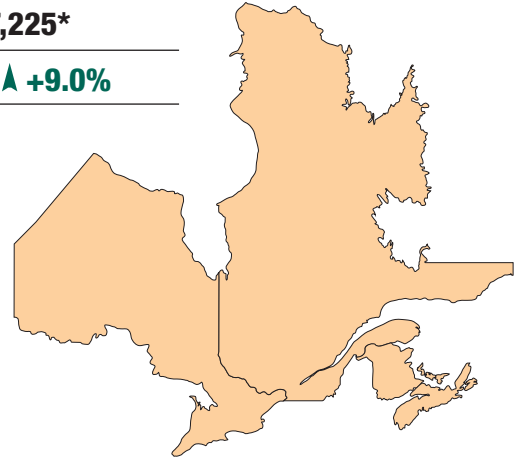
WMP (British Columbia, Alberta, Saskatchewan, Manitoba)
2,063,858 ▲ +2.6%

222,100 ▼ -1.2%	1,392 ▼ -54
9,292 ▲ +3.8%	160 ▲ +5
37,584 ▲ +8.0%	\$37,225*
\$1,584 ▲ +2.7%	85 ▲ +9.0%

P5 (Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island)
6,358,493 ▲ +3.9%

728,900 ▼ +0.01%	9,865 ▼ -340
8,723 ▲ +3.9%	74 ▲ +3
73,484 ▲ +7.2%	\$24,022*
\$4,540 ▲ +2.3%	259 ▲ +7.0%

*Weighted average using total production quota



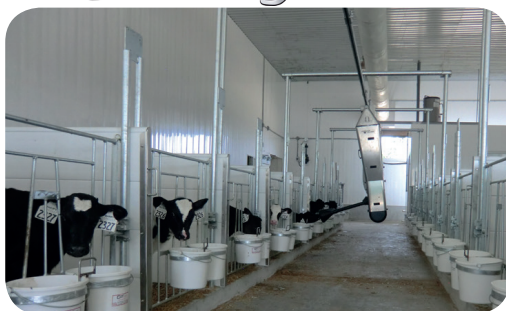
9 Prince Edward Island
110,217 ▲ +6.7%

9	14,700	8	168
10	7,498	8	88
-	-	8	\$23,888
17%	\$80	1.3%	4.43

Province total production rank	Province	Total milk production (in kilolitres)	Percentage increase/decrease in total milk from 2015	Number of cows	Percentage increase/decrease in number of cows from 2015	Milk per cow (in litres)	Percentage increase/decrease in milk per cow from 2015	Number of farms with milk shipments	Change in number of farms with milk shipments from 2015	Average herd size	Change in avg herd size
1	Quebec	3,115,877	3.8	357,100	0.8	8,726	2.9	5,546	-220	64	+3
2	Ontario	2,798,881	4.0	316,500	-0.7	8,843	4.7	3,731	-103	85	+2
3	British Columbia	734,887	1.8	77,400	3.1	9,495	-1.3	417	-20	186	+14
4	Alberta	732,883	4.5	77,600	-0.4	9,444	4.9	531	-16	146	+4
5	Manitoba	341,205	-1.1	42,100	-5.8	8,105	5.0	285	-14	148	-2
6	Saskatchewan	254,893	5.0	25,000	-7.7	10,196	13.9	159	-4	157	-9
7	Nova Scotia	189,150	4.8	21,800	-0.6	8,677	11.6	221	-4	99	-4
8	New Brunswick	144,368	3.5	18,800	1.6	7,679	1.9	199	-7	94	+5
9	Prince Edward Island	110,217	6.7	14,700	2.8	7,498	3.8	168	-6	88	+5
10	Newfoundland and Labrador	48,141	-0.4	5,900	-1.7	8,159	1.3	23	-9	257	+69
CANADA TOTAL		8,470,492	3.6	956,900	-0.3	8,852	3.9	11,280	-403	85	+3



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- Integrated cleaning
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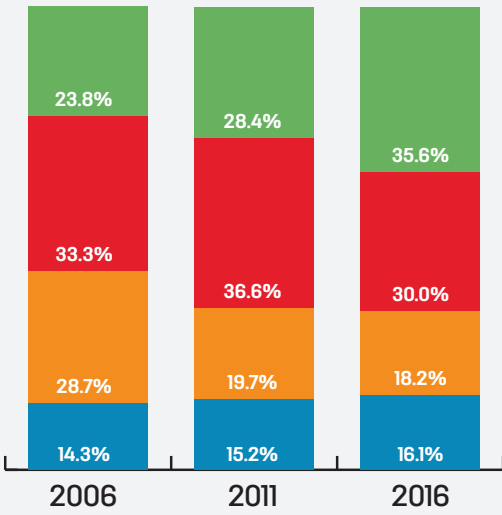
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Canada 150 years : Census of Agriculture data

Percent of dairy farm operators by age:

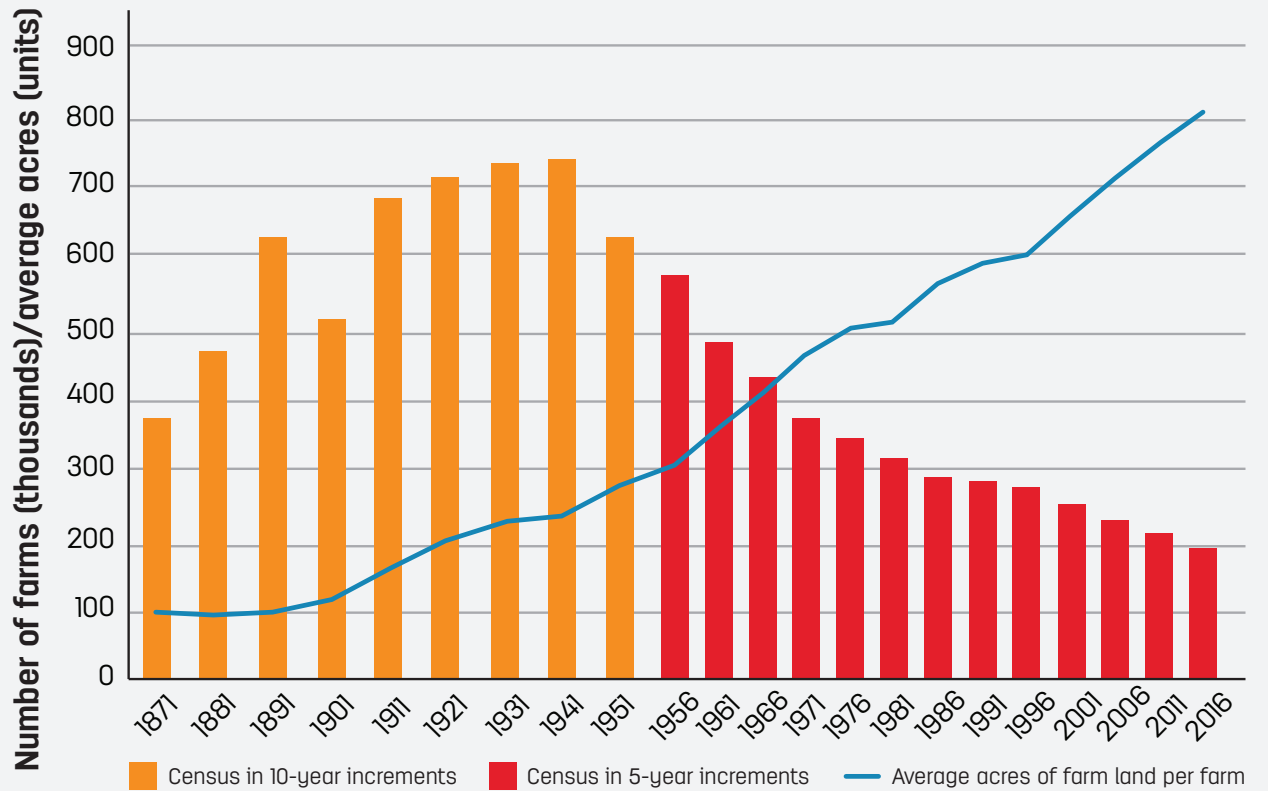
< 35 | 35-44 | 45-54 | > 55



An average farm had:

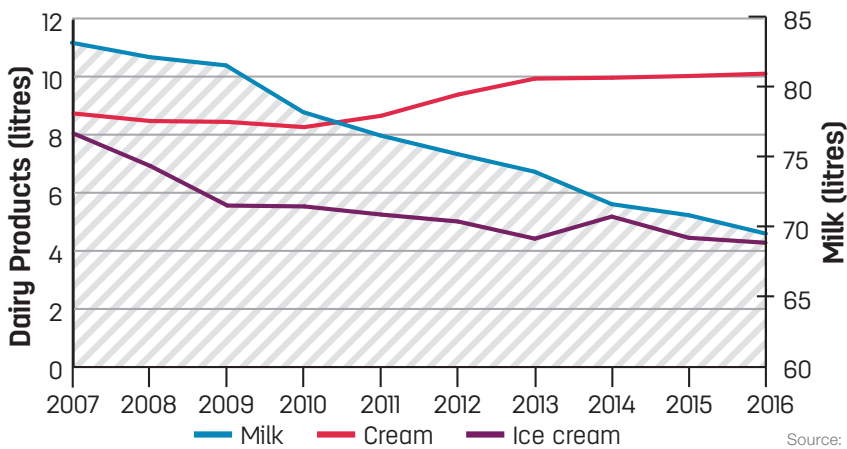
	in 1871	in 2016
Pigs	4	73
Head of cattle	7	65
Acres of land	33	483

Total number of farms and average acres per farm, 1871 to 2016 census years



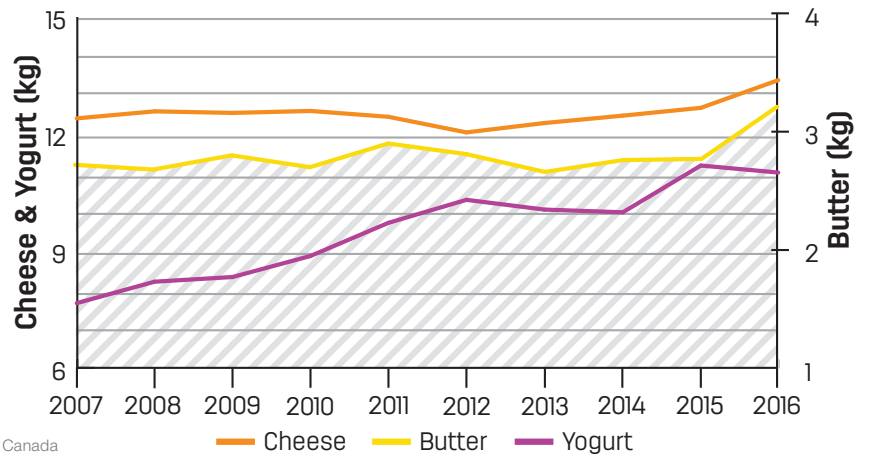
Source: Statistics Canada

Per capita consumption of dairy products



Source: Statistics Canada

Per capita consumption of cheese, butter & yogurt



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Feeding Calcium Salt decreases DMI an estimated 1.37 lb/cow/day (*J. Dairy Sci. 95:3225-3247*).

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