

Dairy industry stabilizes in 2019

Progressive Dairy Editor Karen Lee

The demand for milk seen in the last couple of years slowed in 2019. The country's total milk production of 92 million hectolitres is just a tenth of a percent lower than the previous year.

Milk production gains were seen in Western Milk Pool provinces and slightly in Ontario. For Manitoba, Saskatchewan and British Columbia, production increases were achieved by improving milk per cow, versus adding more cows, which was the approach in Alberta.

Even though the amount of exports increased, it was outpaced by the amount of imports. The net trade difference was -\$517 million, spanning an additional \$49 million compared to 2018. Sales of product to the U.S. increased 25%, and Egypt, Vietnam and Thailand all purchased significantly more Canadian dairy products compared to last year. Imports from the U.S. were up 4%, with bigger jumps seen in imports from New Zealand, France, Denmark, Ireland, United Kingdom and Germany at 20% or better.

Total dairy cash receipts in Canada did jump 5% compared to 2018. Farm input prices based on the index were up 2% from last year. Consumers also experienced around a 2% increase in the price of dairy products at retail.

The percent of barns with robotic milking systems continued its steady growth, increasing by 0.6% this year. Once again, this information comes from CanWest DHI and Valacta and is based on herds enrolled in the milk recording program. Therefore, it is not necessarily representative of all barns in Canada.

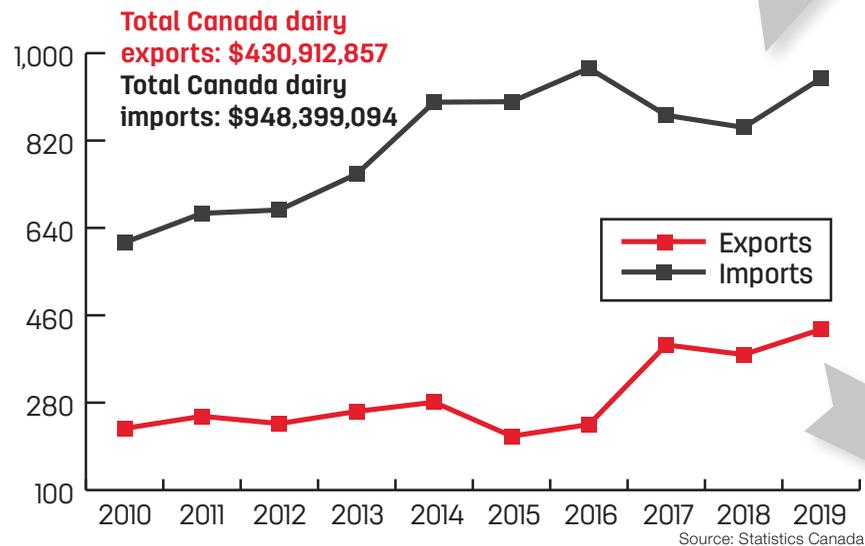


- Specialty cheese 35.9%
 - Butter 16.9%
 - MPS¹ 7.9%
 - Whey 5.7%
 - Cheddar 5.3%
 - Milk and cream 4.3%
 - Casein 2.9%
 - Processed cheese 2.4%
 - NMC² 2.3%
 - SMP/WMP³ 1.7%
 - Other* 14.6%
- ¹Milk protein substances
²Natural milk constituents
³Skim milk powder and whole milk powder
*Lactose and lactose syrup, ice cream, evaporated milk, condensed milk, yogurt, buttermilk, dairy spreads, curdled milk and cream, kephir, etc.

Top 10 countries selling dairy products to Canada

Rank	Country	2019 Imports (in dollars)	Percent change from 2018
1	U.S.	\$423,111,677	+4%
2	New Zealand	\$129,043,437	+42%
3	Italy	\$94,328,701	-9%
4	France	\$90,087,338	+26%
5	Switzerland	\$32,994,777	-4%
6	Denmark	\$27,588,455	+22%
7	Ireland	\$26,607,947	+235%
8	Netherlands	\$25,183,696	-7%
9	United Kingdom	\$24,779,763	+20%
10	Germany	\$19,330,113	+33%

Canada dairy exports/imports (in millions of dollars)



- SMP/WMP¹ 32.5%
 - Whey 14.1%
 - NMC² 12.9%
 - Specialty cheese 10.7%
 - Cheddar cheese 4.6%
 - Milk & cream 3.0%
 - Butter 2.8%
 - Processed cheese 2.6%
 - Others³ 16.9%
- ¹Skim milk powder and whole milk powder
²Natural milk constituents
³Ice cream, evaporated milk, condensed milk, lactose and lactose syrup, milk albumin, casein, dairy spreads, etc.

Top 10 countries buying Canada dairy products

Rank	Country	2019 Exports (in dollars)	Percent change from 2018
1	U.S.	\$189,348,400	+25%
2	Egypt	\$48,776,811	+53%
3	Algeria	\$29,031,036	-30%
4	Philippines	\$16,638,709	-13%
5	Vietnam	\$12,416,172	+154%
6	Indonesia	\$9,372,225	+20%
7	Japan	\$8,995,130	-32%
8	Thailand	\$8,313,909	+305%
9	Saudi Arabia	\$7,981,541	+16%
10	Malaysia	\$7,155,997	+12%

Imports

Exports



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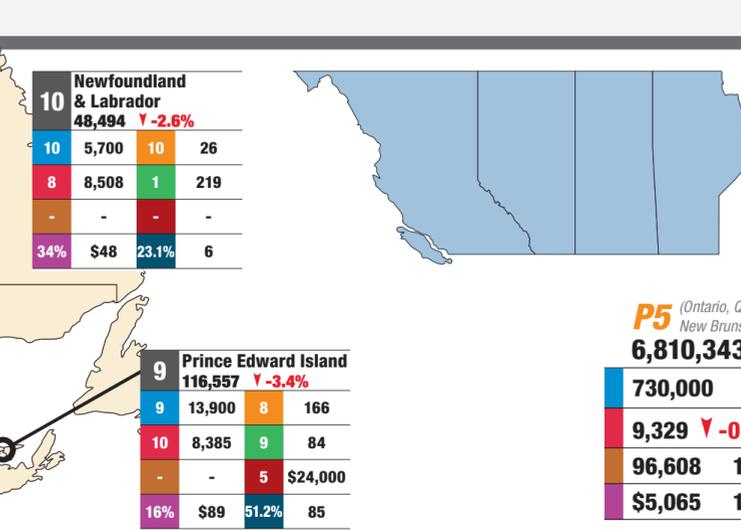
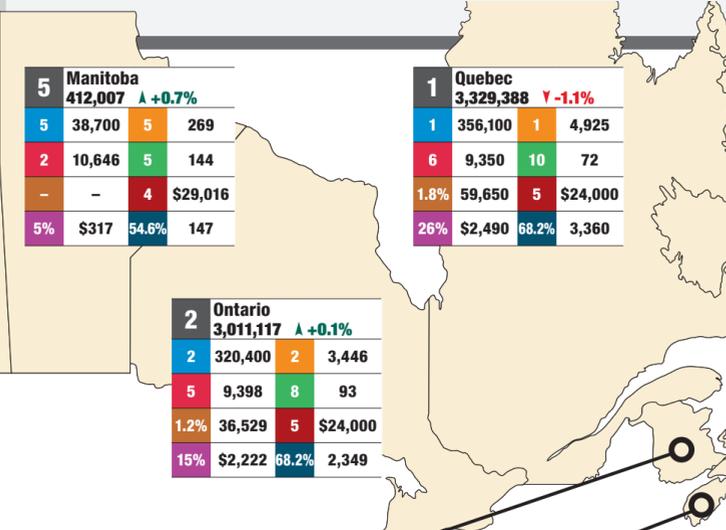
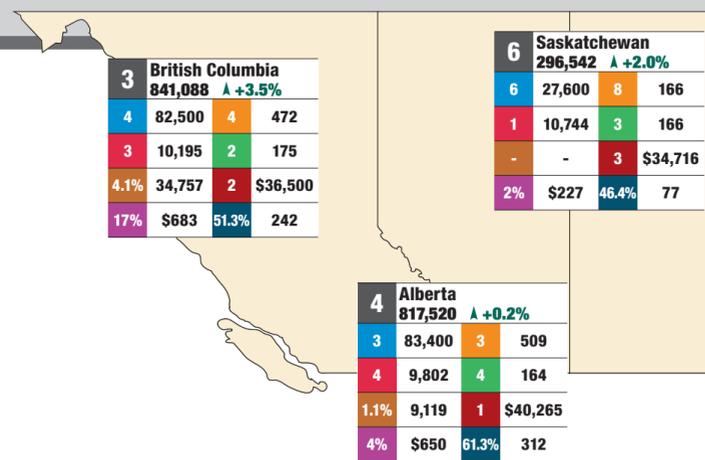
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2019 Canada dairy statistics



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WMP (British Columbia, Alberta, Saskatchewan, Manitoba)
2,367,157 ▲ +1.6%

232,200 ▼ -0.7%	1,416 ▼ -17
10,194 ▲ +2.4%	164 ▲ +1
43,876 1.9%	\$35,920*
\$1,878 5.0%	54.9% 778

P5 (Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island)
6,810,343 ▼ -0.7%

730,000 NC	8,929 ▼ -285
9,329 ▼ -0.7%	82 ▲ +3
96,608 1.4%	\$24,000*
\$5,065 19%	67.2% 6,003

*Weighted average using total production quota

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

Legend

Province ranking - total milk production	Province ranking - number of farms with milk shipments	Province ranking - average herd size	Province ranking - milk litres per cow	Province ranking - organic milk produced in dairy year 2018-19 (in kilolitres)	Province ranking - dairy receipts as a percentage of province's total farm receipts	Province ranking - dairy receipts annual total (in millions of dollars)
5	5	5	2	5%	5%	

Percentage increase/decrease in total milk from 2018

Province ranking - number of farms with milk shipments

Province ranking - average herd size

Average herd size

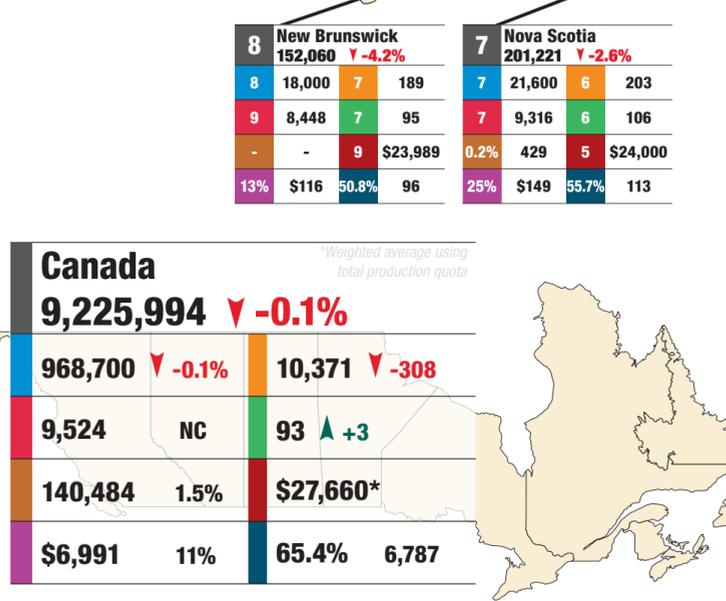
Province ranking - milk litres per cow

Province ranking - organic milk produced in dairy year 2018-19 (in kilolitres)

Province ranking - dairy receipts as a percentage of province's total farm receipts

Dairy receipts annual total (in millions of dollars)

All information is from 2019, unless otherwise noted. *Weighted average using total production quota



Province total production rank	Province	Total milk production (in kilolitres)	Percentage increase/decrease in total milk from 2018	Number of cows	Percentage increase/decrease in number of cows from 2018	Milk per cow (in litres)	Percentage increase/decrease in milk per cow from 2018	Number of farms with milk shipments	Change in number of farms with milk shipments from 2018	Average herd size	Change in avg herd size
1	Quebec	3,329,388	-1.1	356,100	-0.3	9,350	-0.8	4,925	-195	72	+3
2	Ontario	3,011,117	+0.1	320,400	+0.4	9,398	-0.3	3,446	-88	93	+3
3	British Columbia	841,088	+3.5	82,500	-1.2	10,195	+4.7	472	-5	175	NC
4	Alberta	817,520	+0.2	83,400	+2.7	9,802	-2.5	509	-8	164	+7
5	Manitoba	412,007	+0.7	38,700	-3.7	10,646	+4.6	269	-8	144	-1
6	Saskatchewan	296,542	+2.0	27,600	-4.8	10,744	+7.2	166	+4	166	-13
7	Nova Scotia	201,221	-2.6	21,600	+1.9	9,316	-4.4	203	-4	106	+4
8	New Brunswick	152,060	-4.2	18,000	-5.3	8,448	+1.2	189	-3	95	-4
9	Prince Edward Island	116,557	-3.4	13,900	+1.5	8,385	-4.8	166	+5	84	-1
10	Newfoundland and Labrador	48,494	-2.6	5,700	+1.8	8,508	-4.3	26	-6	219	+44
CANADA TOTAL		9,225,994	-0.1	968,700	-0.1	9,524	0.0	10,371	-308	93	+3

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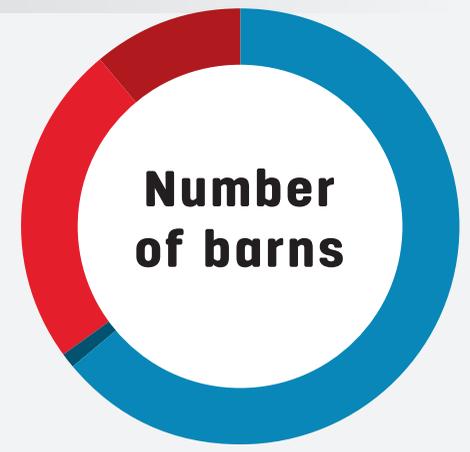
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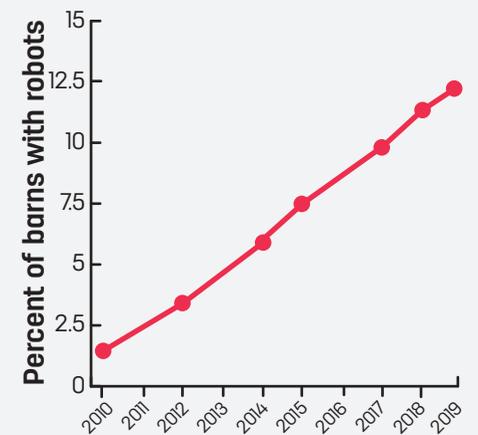
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2019 Dairy barns by type

Province	Number	Tiestall			Freestall			
		Increase/decrease from 2018	Herd size	Percentage of tiestall barns with robots	Number of barns	Increase/decrease from 2018	Herd size	Percentage of freestall barns with robots
British Columbia	8	0	68.8		239	37	210.3	21.8%
Alberta	19	-1	84.4		300	32	174.4	18.3%
Saskatchewan	8	0	106.6		72	15	237.1	20.8%
Manitoba	37	-5	87.6	2.7%	115	46	234.6	41.7%
Ontario	1,412	-126	61.4	0.2%	969	245	141.8	29.2%
Quebec	2,869	-214	64.4	2.2%	554	294	138.9	52.2%
New Brunswick	42	-4	64.7	4.8%	61	10	161.5	32.8%
Nova Scotia	53	-5	59		64	11	134.5	18.8%
Prince Edward Island	44	-2	67.1		44	6	103.1	9.1%
Newfoundland and Labrador	2	0	209.5		4	0	189.5	0.0%
Total	4,494	-357		1.5%	2,422	696		28.9%



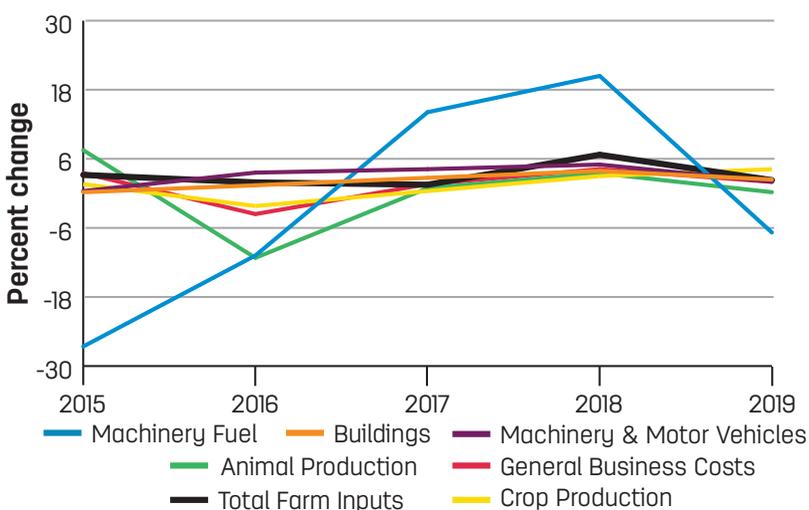
● Tiestall (4,426) 64%
 ● Freestall (1,644) 24%
● Tiestall with robots (68) 1%
 ● Freestall with robots (778) 11%



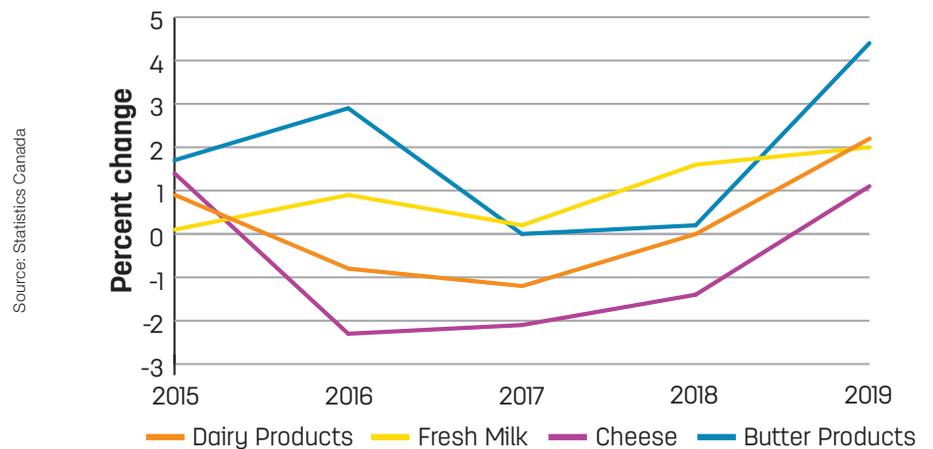
Based on Herds Enrolled in Milk Recording Program

Source: Canwest DHI, Valacta

Percent change in Canadian dairy farm input prices



Percent change in Canadian consumer prices



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