

# CANADA & U.S. DAIRY FACTS



## Canada's Dairy Industry at a Glance (2016)

Total production

**8.4 billion L**



Total dairy farms: **11,200**

Total dairy cows: **956,900**

2016 Average farmer return per L

**\$0.79**



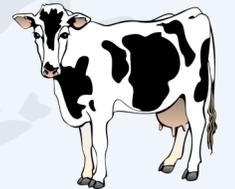
Farm cash receipts

**\$ 6.7 billion**



Avg number of cows per farm

**85**



## The U.S. Dairy Industry at a Glance (2016)

*The U.S. targets export markets: milk production is **11x** more than Canada, with a population of only **9x** more.*

Total production

**93.5 billion L**



Total dairy farms: **41.8 K**

Total dairy cows: **9.3 M**

Average farmer return per L

**\$0.49**



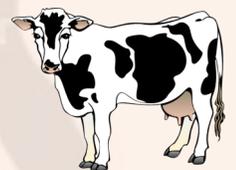
Farm cash receipts

**\$ 45.3 billion**



Avg number of cows per farm

**223**



*All figures presented in Canadian dollars (assuming annual exchange rate of \$1.3256 USD/CAD)*

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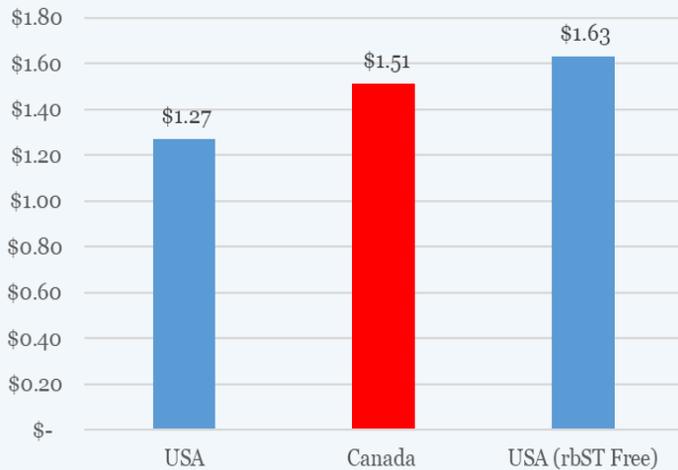


## Did you Know?

### Market Growth

The Canadian dairy market is *growing*, with national demand up **13%** between 2013 and 2016!

### Retail Fluid Price Comparison



Source: Nielsen (2017)

### Retail Prices

Unlike in the U.S., by law, all milk produced and sold in Canada is artificial growth hormone (rbST) free. Compared to the U.S., hormone free fluid milk is actually *cheaper in Canada*. Dairy products made using U.S. ingredients cannot be guaranteed to be rbST free, unlike those made with all Canadian milk ingredients.

Below are average retail prices in Canada and the U.S. for dairy products for the 52-wk period ending May 27, 2017:

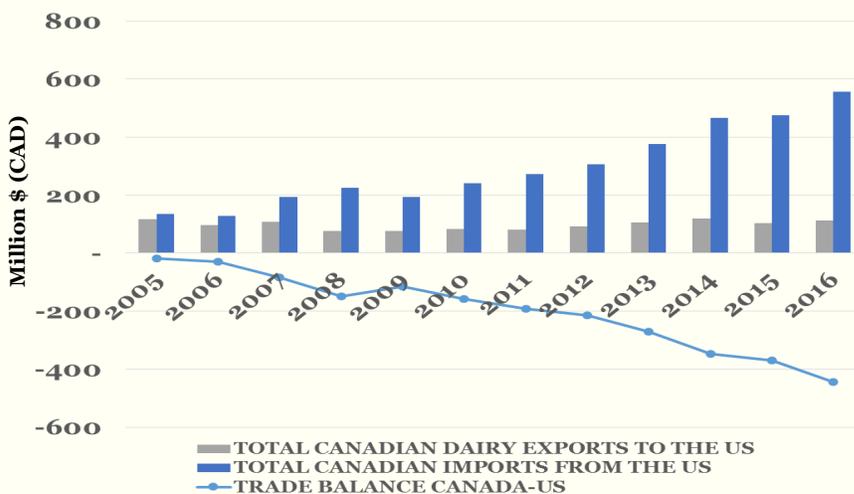
CAD\$/kg	Canada	US
<b>Butter</b>	\$9.34/kg	\$10.71/kg
<b>Cheddar</b>	\$13.90/kg	\$14.87/kg
<b>Milk (rbST free)</b>	\$1.51/litre	\$1.63/litre
<b>Yogurt</b>	\$4.98/kg	\$6.57/kg

Source: Nielsen (2017)



## Canada-US Dairy Trade Balance

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### Quick Facts (2016)

- Canada imported **5x** the amount we exported to the US
- **10%** of domestic demand is filled by imports in Canada. In the US, it is only between **3-4%**.

### TRQs

The USA also protects their dairy industry: TRQs implemented following the Uruguay Round (WTO)

TRQs	Canada	US
<b>Total</b>	22	54
<b>Dairy</b>	12	24





## U.S. Subsidies to the Dairy Industry

A 2009 study by Grey, Clark and Shih (Peter Clark) identified a total of **\$31/HL** in direct and indirect subsidies to the U.S. dairy industry.

These subsidies are funded through taxpayer dollars, through programs administered by the Federal and State Departments of Agriculture, as well as U.S. irrigation programs (an important component of this total level of support).



## Top Dairy States Exporting to Canada (2016)

Imports from the states of Wisconsin and New York represent more than Canada's total dairy exports to all countries.

Top US States exporting to Canada	Canadian Dairy Imports 2016 (CAD \$)	% of Total Imports from U.S.	Most Imported Product(s)
Wisconsin	\$155.4 M	27.9%	Whey, MPC, butter, cheese
New York	\$85.5 M	15.3%	MPC, MPI, butter, whey
Idaho	\$47.5 M	8.5%	Whey products, MPI, cream, MPC
California	\$40.4 M	7.2%	Whey, milk protein substances
Minnesota	\$28.1 M	5.0%	Whey, WMP, MPI, butter
<b>5-state total</b>	<b>\$356.9 M</b>	<b>64.0%</b>	