



Strategic partner in Canada's dairy industry

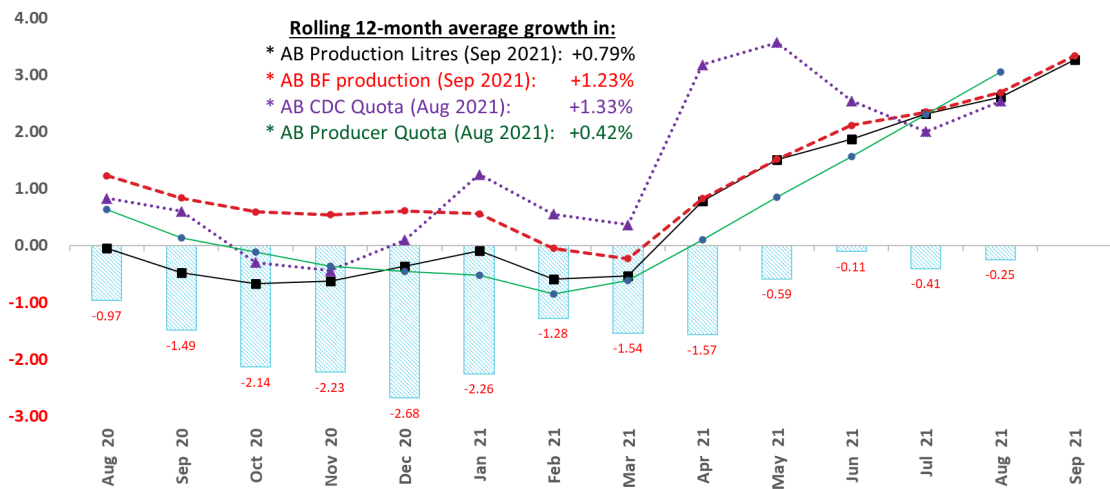
Alberta Production and Quota Update October 2021

Production Update

Daily average production in September was 2.3 million litres (pre-pooling), an increase of 82,588 litres (or +3.72 per cent) over August's post-pooling production of 2.23 million litres. The average butterfat density in September was 4.21 kilograms per hectoliter, a 2.81 per cent increase from August 2021.

When comparing the pre-pooling data on a year-over-year basis, there was 3.27 per cent growth in volume in the 12-month period ending September 2021 over the 12-month period ending September 2020; and a 3.33 per cent growth in butterfat production for the same period. See the chart below for the most recent historical trend while noting that Sep 2021 is pre-pooling data.

Year over Year Growth Trend in Annual Production and Quota vs. CQP (%)



| | Aug 2020 | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | Jun 2021 | Jul 2021 | Aug 2021 | Sep 2021 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| WMP CQP (%) | -0.97 | -1.49 | -2.14 | -2.23 | -2.68 | -2.26 | -1.28 | -1.54 | -1.57 | -0.59 | -0.11 | -0.41 | -0.25 | |
| AB Litres (%) | -0.04 | -0.47 | -0.68 | -0.63 | -0.36 | -0.10 | -0.59 | -0.53 | 0.78 | 1.50 | 1.87 | 2.31 | 2.61 | 3.27 |
| AB BF kg (%) | 1.23 | 0.83 | 0.59 | 0.54 | 0.60 | 0.56 | -0.05 | -0.23 | 0.82 | 1.51 | 2.11 | 2.34 | 2.69 | 3.33 |
| AB CDC Quota (%) | 0.83 | 0.60 | -0.30 | -0.44 | 0.10 | 1.25 | 0.55 | 0.36 | 3.18 | 3.57 | 2.54 | 2.00 | 2.54 | |
| AB Producer Quota (%) | 0.63 | 0.14 | -0.12 | -0.36 | -0.45 | -0.53 | -0.86 | -0.62 | 0.10 | 0.84 | 1.56 | 2.30 | 3.05 | |

Quota Update

The WMP's rolling 12-month quota increased by 2.54 per cent in August over July. Alberta's daily producer quota issuance in August 2021 was 96,089 kg/day, 98.46 per cent relative to the past 12-month average CDC quota allocation.

Pools' Quota Utilization

Cumulative Quota Positions (CQP) at the end of August 2021 for the WMP, P5 and P10 were -0.25, -0.42 and -0.62 per cent respectively. This means that the respective pools on a cumulative basis are all under-producing by their respective percentages as indicated.

The WMP over-filled its monthly CDC quota allotment by 9,722 kilograms of butterfat in August 2021 or +0.12 per cent compared to -2.19 per cent for the same period last year.

Quota and Milk Production Summary (BF kg)

| Month | Aug 2021 | Sep 2021 | Oct 2021 | Nov 2021 | Dec 2021 |
|---|----------|-------------|-----------|-----------|-----------|
| Status | Official | Pre-Pooling | Projected | Projected | Projected |
| Alberta | | | | | |
| Butterfat Production (kg/day) | 91,269 | 97,330 | 98,331 | 99,094 | 100,243 |
| Provincial Quota (kg/day) | 92,906 | 101,953 | 101,651 | 101,255 | 103,205 |
| Producer Quota (kg/day) | 96,089 | 96,089 | 96,089 | 96,089 | 96,089 |
| Producer Quota + Incentive Credits (kg/day) | 96,089 | 96,089 | 96,089 | 96,089 | 96,089 |
| Cumulative Position (%) | | | | | |
| Producer Position (Days) | -4.75 | -4.44 | -3.79 | -2.92 | -1.65 |
| Provincial Position (Days) | -12.99 | -13.19 | -14.25 | -14.94 | -15.55 |
| Penalty (kg) | 0 | 0 | 0 | 0 | 0 |
| Western Milk Pool | | | | | |
| Butterfat Production (kg/day) | 266,990 | 276,715 | 281,267 | 284,351 | 287,819 |
| Pool Quota (kg/day) | 263,977 | 289,683 | 288,823 | 287,698 | 293,239 |
| Cumulative Position (%)* | -0.25% | -0.63% | -0.87% | -0.97% | -1.14% |
| Penalty (kg) | 0 | 0 | 0 | 0 | 0 |
| *The P10 pool's limits on production are +1.25% and -2.00% of the P10 rolling 12-month quota. | | | | | |

