



Canadian Dairy Industry

Dairy Farming

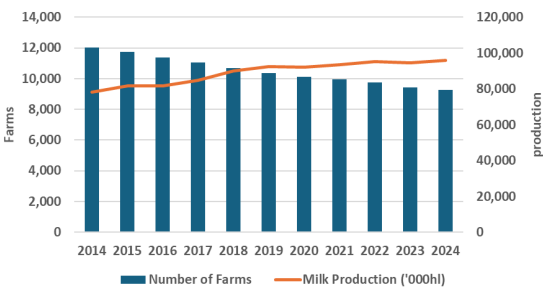
The Canadian dairy sector operates under a supply management system based on planned domestic production, administered pricing and dairy product import controls. Through the three pillars of the supply management system, Canadian producers are ensured a reasonable return for their labour and investments, while consumers receive a continuous and reliable supply of products.

Over the course of ten years, from 2014 to 2024, the Canadian dairy industry experienced several changes (refer to figure 1). The number of dairy farms declined from 12,007 in 2014 to 9,256 in 2024, indicating an annual average decrease of approximately 2.6%. This decline suggests a consolidation of farms. Similarly, the number of dairy cows and heifers saw a slight decrease from 1,394 thousand head in 2014 to 1,375 thousand head in 2024.

Despite these reductions in the number of farms and cattle, milk production exhibited growth over the years due to the continuing increase in productivity per cow. In 2014, the total milk production was recorded at 78,260 thousand hectolitres, while in 2024, it reached 96,607 thousand hectolitres, showing a milk production increase of approximately 23.4%. This increase in milk production can be attributed to the continuous progress in farming practices, technological innovations, and enhanced efficiency within the dairy industry. Additionally, genetic improvement in dairy cattle has played a crucial role in maximizing milk yields and contributing to the overall increase in production.

In April 2023, Canada became the only country in the world to offer Methane Efficiency genetic evaluations. This new tool allows dairy farmers to select animals that emit less methane without impacting production levels, thus improving the sustainability of their herd.

Figure 1: Number of farms and milk production



Source: Canadian Dairy Commission and Provincial Milk Boards and Agencies

With regard to the total dairy farm cash receipts, which represent producers' revenues, there has been a notable positive trend over the past ten years. Starting from \$6.07 billion in 2014, the cash receipts saw a substantial increase, reaching \$ 8.88 billion in 2024. This remarkable surge of about 46% in revenues indicates the sector's overall growth, mainly attributed to increasing milk production and higher milk prices at the farm.



The average farm milk price experienced a gradual increase, rising from \$81.79 per hectolitre in dairy year 2013-2014 (From August 1st 2013 to July 31st 2014) to \$97.38 per hectolitre in dairy year 2023-2024, indicating a growth of approximately 19.1% over a period of ten years. This represents a \$15.59 per hectolitre increase over the decade.

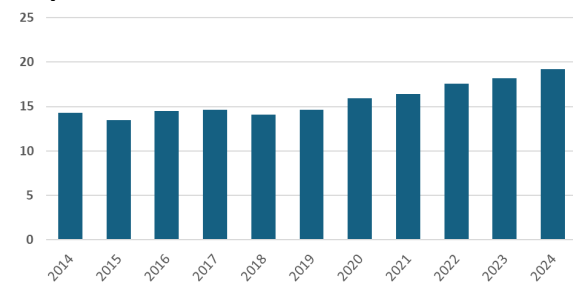
Additionally, the milk quota also showed remarkable growth over the same period, reaching 410.43 million kg of butterfat by August 2024 (+27.7%). The increase in milk quota further highlights the substantial growth in market demand for dairy products during this period, especially products containing a high percentage of fat, such as cheese and butter.

Processing Sector

In 2024, there were 299 federally licensed dairy processing establishments in Canada, allowing them to sell their products in every province and territory, and in the export market. Additionally, there were 250 dairy processing establishments with provincial-only licenses, allowing them to sell their products solely in their province of origin.

The total value of manufactured shipments of milk and dairy products increased from \$14.3 billion to \$19.2 billion between 2014 and 2024. (figure 2).

Figure 2: Dairy products manufactured shipments, in billion of dollars



Source: Statistics Canada

Manufacturing and sales

Fluid milk and cream: Sales of fluid milk and cream products experienced slight fluctuations over the decade, with an overall decline. Starting at 2.9 billion litres in 2014, it lowered to 2.7 billion litres in 2024, indicating shifts in consumer preferences for this category.

Cheese: The production of cheese showed steady growth over the decade, increasing from 433.4 million kg in 2014 to 528.2 million kg in 2024. This represents an overall increase of approximately 22%, indicating a rising demand for cheese products during this period.

Butter: Butter production displayed fluctuations over the years. It started at 83.1 million kg in 2014, reached its peak at 118.2 million kg in 2020, and declined to 112.8 million kg in 2024. Despite this recent decline, overall butter production still demonstrated growth of approximately 36% over the ten-year period.

Yogurt: Yogurt production also showed variations during the decade. Starting at 365.3 million kg in 2014, it reached its peak at 387.7 million kg in 2018 and then experienced a small decline to 387.3 million kg in 2024. Despite the fluctuations, the overall trend suggests a relatively stable production of yogurt over the ten-year period.

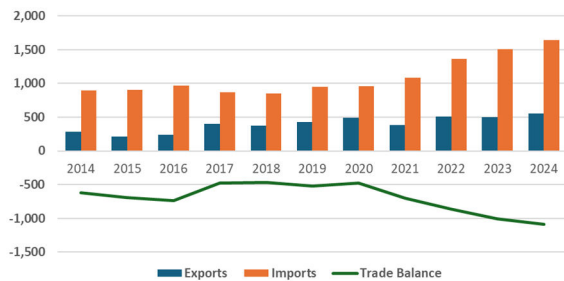
Trade

The value of dairy exports grew steadily over the decade, starting at \$281.5 million in 2014, it reached its peak at \$554.7 million in 2024. Dairy imports also saw a continuous increase during the same period, starting at \$899.2 million in 2014 and rising to \$1,641.3 million in 2024 (figure 3).



The trade balance, representing the difference between exports and imports, remained negative throughout the decade, indicating that Canada imported more dairy products than it exported. However, there were fluctuations in the trade balance from year to year.

Figure 3: Dairy products trade in Canada 2014-2024, in millions of dollars



Source: Statistics Canada, Calculations done by the Dairy section of AAFC

References

Canadian Dairy Information Centre

Statistic Canada, August 2024

Canadian Dairy Commission

Lactanet

For further information:

Visit the Canadian Dairy Information Centre
<https://agriculture.canada.ca/en/sector/animal-industry/canadian-dairy-information-centre>

Or write us at:

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Annex 1: Dairy Profile Data

	2014	2020	2021	2022	2023	2024
Dairy farming						
Number of dairy farms (as of 1 August)	12,007	10,095	9,952	9,739	9,443	9,256
Dairy cattle ('000 head) (as of 1 January)	1,393.8	1,401.1	1,386.0	1,382.3	1,374.4	1,374.8
Milk production ('000 hl)	78,260	93,507	95,124	94,496	95,893	96,607
Total dairy farm cash receipts (\$ million)	6,074	7,128	7,385	8,230	8,551	8,883
Dairy Year (e.g. August 1st 2021-July 31st 2022)	2013-2014	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Average farm milk price (\$ per hl) (dairy year basis)	81.79	82.51	82.91	85.65	95.21	97.38
Milk quota (million kg of butterfat) (as of 1 August)	310.00	388.28	397.92	397.01	399.05	410.43
	2014	2020	2021	2022	2023	2024
Processing sector						
Dairy establishments*	471	514	481	507	518	549
Federally-registered	273	290	279	275	273	299
Provincially-licensed	198	224	202	232	245	250
Manufactured shipments of milk and dairy products (\$ billion)	14.3	15.9	16.4	17.6	18.2	19.2
Sales and Manufacturing of selected dairy products						
Fluid milk and cream Sales ('000 litres)	2,908,626	2,826,198	2,725,974	2,679,799	2,689,433	2,710,602
Cheese production ('000 kg)	433,391	522,608	521,753	516,505	522,444	528,207
Butter production ('000 kg)	83,129	118,235	117,406	113,327	114,903	112,799
Yogurt production ('000 kg)	365,250	373,552	373,006	371,274	381,991	387,303
Dairy trade (\$ million)						
Exports	281.5	486.8	383.1	504.7	498.6	554.7
Imports	899.2	959.6	1,083.9	1,363.0	1,503.2	1,641.3
Trade balance	-617.7	-472.8	-700.8	-858.3	-1,004.6	-1,086.6

* Due to methodology change, numbers of the years 2020 and prior aren't comparable with subsequent years.