

Thank you and Reminder to complete Liability Insurance online survey

The Board would like to thank those producers who have completed the online producer survey, and offer a friendly reminder to the remaining producers who have not yet completed it, to please do so by February 28, 2017. Producers who have completed the survey by February 28 will be entered into a draw for a \$250 Keg gift card. (Note: if you are mailing in a hard copy version of the survey, we must receive it by March 1, 2017 to qualify for the draw.) Please be assured that the BCMMB will keep confidential all personal farm-level information that it gathers from the survey. The data will be used in aggregate for policy and educational purposes only.

To access the producer survey please click the following link: [Producer Survey: Liability Insurance](#)

Liability insurance: why is this an issue now?

Over the past two years, the Board has worked to ensure that producers are clearly aware of their responsibilities and potential liability exposure. Through a [Notice to Producers: Milk Responsibility – September 30, 2014](#) and various industry meetings, the Board has sought to emphasize the fact that all dairy industry stakeholders carry *liability risk*. Thus, all dairy industry stakeholders should seek to do two things: ensure that their operations meet or exceed all required industry standards and carry a reasonable amount of liability insurance to protect their business from potential unforeseen risks. So, the issue is not new, although the survey on producer insurance is.

What is the role of the BCMMB with respect to the issue of liability?

The BCMMB's relationship with processors and producers is purely regulatory in nature as prescribed under the *Natural Products Marketing (BC) Act*. The BCMMB does not purchase milk, nor does it profit commercially from the sale of milk. The BCMMB does not administer the *Milk Industry Act*, and it is not responsible to establish the standards for "Qualifying Milk" or to determine whether milk meets such standards. The BCMMB acts as a facilitating intermediary between producers and processors but does not take responsibility for the milk. The BCMMB also does not (and cannot) make liability judgments; it makes regulatory decisions.

Liability in the dairy industry: recent news story

On February 14, 2017, the *Vancouver Sun*, *Province*, *24 Hours* and *Times Colonist* all ran a story following Saputo's filing of a civil claim against the BCMMB for costs associated with alleged delivery of "contaminated milk." The civil claim follows Saputo's various past unpaid milk payment invoices to the Milk Board, totaling \$115,860.52. The Board is seeking payment for these costs that were deducted from Saputo's remittances to the Board. In June 2015, the Board filed a petition in BC Supreme Court seeking an order requiring Saputo to comply with the Consolidated Order by making payment to the Milk Board, on behalf of Pool Participant Producers, of the outstanding sums plus interest. The Board looks forward to the matter being resolved in the near future.

Little Qualicum Cheeseworks – A CIP Success Story

The Board would like to congratulate Little Qualicum Cheeseworks on over 15 years of developing the BC dairy and cheese industry. Little Qualicum Cheeseworks is located in Parksville on Vancouver Island and began as one of the first participants in the Cottage Industry Program in October 2001. The BC Milk Marketing Board would like to celebrate Nancy and Clarke Gourlay's business success through an innovative program that is unique to British Columbia. They have also been an instrumental part of growing demand for BC milk through the DDPIP and DIP programs which grows the quota available to all producers in BC. Almost all of the milk produced on the farm is processed into cheese right there on the farm, and sold at the farm gate, as well as across Vancouver Island and the Lower Mainland. The farm is open to the public from 9-5 daily for tours and cheese tastings.

Congratulations Little Qualicum Cheeseworks!

Provincial Freight

The producer freight rate calculations for the months of December and January are summarized below:

Freight Rates (\$/hl)	December	January
Zone Transportation Costs	3.08	3.12
Less: Vendor Billings	(0.14)	(0.14)
Gross Provincial Freight Rate	2.94	2.98
Add: Train/Volume Discounts	0.32	0.32
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	(0.05)	(0.00)
Net Provincial Freight Rate	3.06	3.15

Continuous Quota

Cumulative Over/Under Production (with limits) as of:

	December 2016	
	Kg of BF	%*
NL	-359,713	-13.63%
P5	895,694	0.35%
WMP	-3,588,494	-4.21%
P10	-3,052,513	-0.88%
BC	-712,012	-2.36%

*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.

Milk Quality Report

The provincial averages and quality bonus data based on the official milk quality tests for December and January are:

Milk Quality Data	December	January
Individual Bacteria Count	21,076	17,963
Somatic Cell Count	165,778	161,447
Quality Bonus Qualifiers(%)	78.73%	80.69%

Producer Payments

Participants in the January | February | March Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
January	Feb 1	Feb 20
February	Mar 1	Mar 17
March	Apr 3	Apr 21

Credit Transfer Average Prices

Effective Jan 1	Conventional Organic	
Average Price	\$6.13	\$7.50

A Summary of Credit Transfer Statistics can be found at www.milk-bc.com with other credit transfer documents.

Quota Management: Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Mar 1 @ 1:00pm	Apr 1
CDQ Buy/Sell of Credits	Feb 24 @ 1:00pm	Feb 1 Mar 1

If you have any questions, please contact:

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Producer Component Prices & Standard Blend

The producer component prices for the month of January are as follows: BF=\$11.3731, PR=\$7.8203, OS=\$1.8484 or an equivalent return of \$76.7314 per standard hectolitre. This return compares to \$75.1911 in December 2016 with a difference of \$1.5403 std.hL.

The P10/WMP equalization charged to the producer pool in January for the production month of December was \$1,256,923. The equalization payment consists of shared costs across the P10 with respect to special class processing, over quota and changes to Class 4M prices.

BC Continuous Quota Position

as of December 2016: -2.36%

January 2017 *forecasted: -2.27 %

www.milk-bc.com

Quota Management Reminder to Producers:

The following forms **can only be signed by the registered quota holder** (this is the president of the Corporation as on file with the BCMMB for corporate producers; all partners of a partnership):

- Quota Exchange Buyer or Seller application form
- Pre-Authorized Debit Agreement (PAD) for Quota Exchange purchases
- CDQ (Name Change) Transfer Application form
- Going Concern/Farm Sale Transfer application form
- Assignment of Continuous Daily Quota Security Agreement (Bank assignment)
- Authorization form
- Producer EFT Enrollment form for milk pay
- Farm premises relocation information

2017 Spring Producer Meetings

Date	Region	Location	Time
March 1	Vancouver Island	Coast Bastion Hotel Nanaimo	7:30 pm
March 2	Fraser Valley	Quality Hotel Abbotsford	7:30 pm
March 3	Okanagan	Prestige Inn Salmon Arm	10:30 am
March 6	Bulkley Valley	Hudson Bay Lodge Smithers	11:30 am
March 7	Cariboo & Peace River	Treasure Cove Hotel Prince George	11:30 am
March 8	Kootenay	Ramada Inn Creston Creston	11:00 am
March 9	Fraser Valley	Rainbow Country Inn Chilliwack	7:30 pm

