

Producer Component Prices

The average BC producer hectoliter return for the month is \$85.6686 compared to \$79.4046 in September, an increase of \$6.264. The large reduction of the equalization payment to \$1,415,030, combined with the CDC refund made for a sizeable and welcomed increase to the producer return.

CDC Refund Applied to October Pool

For the past Dairy Year, the CDC once again operated on a surplus and the CMSMC approved in October to refund \$10.9M to the provinces based on the provincial contributions to the P5 and WMP. For the WMP, this refund is based on the in-quota sales of butterfat in the previous dairy year. For BC, this refund is \$458,172. On November 5, the Board approved to apply this refund to the October pool.

Average Prices on Monthly Producer Statements:

There are two average price metrics on the second page of the producer statements that producers can use to compare their monthly production to the provincial averages. These are:

Average Price per Hectolitre and **Average Price per KG of BF.**

- **Prov. Avg Price / hl:** This is calculated by taking the total gross payments to all producers in the province, divided by total in and over quota litres produced for the month. This is known as a “simple average” and as such producers should keep in mind that even if their component averages are higher than the provincial averages, they still may have a lower price per hl than the provincial average. This measure replaced the Standard Hectolitre reporting in October 2017. Standard pricing is not factored into any reporting by the BCMMB.
- **Prov. Avg \$ / KG BF:** This is calculated by taking the total gross payments to all producers in the province, divided by total in and over quota butterfat kilograms produced for the month. This measure was introduced in 2018 and was requested by producers due to its common understanding and measure around the industry.

If you have any questions on producer pricing, please feel free to contact Dan Poelman: dpoelman@bcmilk.com or (604) 854-4473.

Quota Management: EARLY December Deadlines

Friday, December 20, 2019 – 1:00 PM

- 1) Buy/Sell Credits Transfers – effective Dec 1, 2019;
- 2) Quota Exchange balance due for December 2019 quota purchases

BC Continuous Quota Position
September 2019 **Actual -0.90%**

2019 BCMMB AGM & Fall Industry Meeting – Wednesday, November 27, 2019

JW Marriott Parq Vancouver Hotel
Parq Grand Ballroom
39 Smithe Street, Vancouver, V6B 0R3

IMPORTANT:

The schedule for this year's AGM and Fall Industry Meeting is different from previous years. Both meetings will be held on the first day, rather than the last day of the conference. This will allow producers more time to discuss topics with staff and other producers/stakeholders throughout the conference.

Please see the schedule below for more details:

Wednesday, Nov 27

3:00PM- 5:00PM: General Registration for BCDIC Conference and AGMs.

(Light refreshments will be provided during the meetings.)

2019 BC Dairy Association AGM **new time*

5:00PM-5:30PM

2019 BC Milk Marketing Board AGM **new time*

5:30PM-6:00PM

2019 BCMMB Fall Industry Meeting **new time*

6:00PM-7:30 PM – Fall Industry Meeting

(8:00PM- Wine & Cheese Reception)

BCDIC Conference: Nov 27-28, 2019

Provincial Freight

The producer freight rate calculations for the months of September and October are summarized below:

| Freight Rates (\$/hl) | September | October |
|------------------------------------|-------------|-------------|
| Zone Transportation Costs | 3.16 | 3.15 |
| Less: Vendor Billings | (0.12) | (0.12) |
| Gross Provincial Freight Rate | 3.04 | 3.03 |
| Add: Train/Volume Discounts | 0.34 | 0.34 |
| Less: Stop/Extra Pick-Up Charges | (0.14) | (0.13) |
| Transportation Department Costs | 0.00 | 0.00 |
| Adjustments from Prior Period | (0.07) | (0.11) |
| Net Provincial Freight Rate | 3.17 | 3.13 |

Continuous Quota

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

| | September 2019 | %* |
|-----|----------------|---------------|
| | Kg of BF | |
| NL | 403,412 | -17.02% |
| P5 | 3,771,516 | -1.33% |
| WMP | 1,987,393 | -2.03% |
| P10 | 6,162,321 | -1.61% |
| BC | 311,984 | -0.90% |

*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 September and October are:

| Milk Quality Data | September | October |
|-----------------------------|-----------|---------|
| Individual Bacteria Count | 29,847 | 32,180 |
| Somatic Cell Count | 191,691 | 171,947 |
| Quality Bonus Qualifiers(%) | 62.31% | 63.48% |

Producer Payments

Participants in the November | December | January Pools will receive their payments as follows:

| Month of Production: | Advance Payment | Final Payment |
|----------------------|-----------------|---------------|
| November | Dec 2 | Dec 18 |
| December | Jan 2 | Jan 20 |
| January | Feb 3 | Feb 20 |

Credit Transfer Average Prices

| Effective Oct 1 | Conventional Organic | |
|-----------------|------------------------|--------|
| Average Price | \$7.66 | \$5.50 |

A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.

Quota Management: Important Dates

| Application Deadlines | Date & Time | Effective Date(s) |
|-------------------------|-----------------|-------------------|
| Quota Exchange | Dec 2 @ 1:00pm | Jan 1 |
| CDQ Buy/Sell of Credits | Nov 25 @ 1:00pm | Nov 1 Dec 1 |

If you have any questions, please contact:
 Kathy Wallis 604.854.4471 kwallis@bcmilk.com
 Pam Gregory 604.854.4474 pgregory@bcmilk.com

Dairy Direct Payment Program (DDPP) Update

As explained in previous BCMMB notices, the Government of Canada will be issuing to dairy producers across the country, compensation as a result of market access commitments made under recent international trade agreements. This program is the Dairy Direct Payment Program (DDPP) and it is administered by the CDC.

There are no applications to complete under the DDPP to receive funds; however, producers will be required to register for the program using a web-based portal and indicate acceptance/acknowledgement of the payment through the Government of Canada website. The CDC has NOT yet announced a date when the web-based producer portal will be open for registration.

All questions about this program can be directed to the Agriculture and Agri-Food Canada offices at 1-877-246-4682 or by email to aaafc.ddpp-ppdpl.aac@canada.ca

MMS Questions: Pick-up History vs. Test Results Dashboard

We have heard some concerns about the differences in test results that appear between the PICKUP HISTORY and the TEST RESULTS DASHBOARD screens in MMS. The differences are due to timing of information being received and displayed.

When a pick-up is made at a producer’s farm, the volume is uploaded to the MMS system almost immediately; however, test results are not received from the lab until the next day or later. On the PICKUP HISTORY screen, the component results will “INFILL” as soon as there is a volume in the system.

INFILL is a way the system *estimates* or *assumes* milk components based on: 1) producer weighted average for the month, 2) producer weighted average for the previous month or 3) Provincial weighted average (in that order of availability). When the official lab test results are uploaded to the system, they will appear in the TEST RESULTS DASHBOARD screen and after a maximum of one day delay, will overwrite the INFILL test results that appear in the PICKUP HISTORY screen. If official lab test results are not received due to lab error or other reasons, then no results will display in the TEST RESULTS DASHBOARD screen and the INFILL results will be used for final pay purposes.

Therefore, this delay explains why there may be a period of time whereby the PICKUP HISTORY and TEST RESULTS DASHBOARD screens show differing results for the same pickup. When these differences appear, the components displayed in the TEST RESULTS DASHBOARD screen are the actual/final results and will be used as the basis for producer weighted average and final pay calculations and will copy over to the PICKUP HISTORY screen in time.