



IMPORTANT REMINDER:
Spring Producer Meetings

**Please see 2012 schedule on page 2*

Issues Update March 2012

Volume 17 No. 8

For the February 2012 Production Month

Producer Component Prices and Standard Blend Price

The producer component prices for the month of February are as follows:

BF= \$10.2325, PR= \$8.7196, OS= \$1.8705 or an equivalent return of \$75.6580 per standard hectolitre. This return compares to \$77.6510 in January 2012, with a difference of \$1.993/std.hL. The P10/WMP equalization transfer for February was \$1,653,254. Please refer to the BCMMB Statistics for the month of February 2012 for more details.

Policy-Producer Over-Quota

Any shipments above 5 days will receive no payment and may be subject to a 50% over-quota production penalty.

Individual producers will only be assessed the 50% over-quota production penalty if BC's previous monthly Continuous Quota amount is at or above 100%. If provincial production levels are below 100%, no penalty will be assessed to individuals however there will be no payment for over-quota milk shipped and applicable freight charges will apply.

The monthly Canadian Dairy Commission statistics will be used to determine BC's official Continuous Quota percentage of production.

Chair of Board Reappointment

The BC Milk Marketing Board is pleased to announce that the Chair of the Board, Jim Byrne, has been reappointed as Chair by the Lieutenant Governor. Mr. Byrne will serve as Chair of the Board for a further three years until July 31, 2015. Please join us in congratulations to Jim Byrne as Chair of the Board!

"I remain fully committed to strengthening the health of the dairy industry in BC with the support of the Board and other industry stakeholders."

Sincerely, Jim Byrne

Policy-Provincial Over-Quota

All producer penalty money collected less any provincial penalty money paid will be kept by the Board until the fund reaches a balance of \$1 million. All penalty money exceeding this limit will be added to the monthly pool. Any provincial penalty money will be deducted from the pool on a monthly basis if there are no producer penalty funds to cover the provincial penalty.

If you have any questions or concerns regarding policy please contact Zahra Abdalla-Shamji at zabdalla@milk-bc.com

*IMPORTANT: QUOTA MANAGEMENT

*QUOTA EXCHANGE BANK LETTER REQUIREMENT

It is the producer's responsibility to ensure that a current Bank Letter covering the full settlement amount of your bid is on file at the BCMMB office on/prior to the Quota Exchange Deadline, otherwise you risk being disqualified from participating in the current exchange.

Please keep in mind the following **BANK LETTER REQUIREMENT details**, as many applications continue to be received by the BCMMB office without a current financial commitment letter and risk being disqualified from participation on the Quota Exchange:

- A current bank letter covering the full settlement amount of your bid must be on file or received by the BCMMB office NO LATER than the Quota Exchange deadline
- Bank letters are reduced by all previous quota exchange purchases covered by that letter, regardless of the method of payment used for payment of the balance due
- The bank letter must not expire prior to the settlement date for balances due for current quota exchange purchases

If you are unsure of the status of your bank letter, please contact our office and we will be happy to check your file for you. If you have any questions or concerns contact Kathy Wallis kwallis@milk-bc.com

*QUOTA EXCHANGE BIDS SUBMITTED TO KPMG

It is the producer's responsibility to ensure the following when submitting Quota Exchange bids to KPMG:

- **Faxed** Applications – the **ONLY** confirmation of the fax being received will be generated by the producer's fax.

"NO CONFIRMATION WILL BE GENERATED BY KPMG ON FAXED APPLICATIONS."

- **Emailed** Applications – An automatic confirmation will be generated by KPMG within minutes of sending your email

"AN AUTOMATIC CONFIRMATION WILL BE GENERATED BY KPMG ON EMAILED APPLICATIONS."

→IF YOU DO NOT RECEIVE A CONFIRMATION on your emailed application it is the producer's responsibility to contact the BCMMB office immediately to investigate.

Please do not hesitate to contact the BCMMB office if you have any concerns regarding your Quota Exchange submission. If you have any questions or concerns contact Kathy Wallis kwallis@milk-bc.com

Provincial Freight

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

Freight Rates (\$/hl)	January	February
Zone Transportation Costs	3.16	3.18
Less: Vendor Billings	(0.07)	(0.08)
Less: I/P Freight Cost Recovery	(0.13)	(0.26)
Gross Provincial Freight Rate	2.96	2.85
Add: Train/Volume Discounts	0.30	0.29
Less: Stop/Extra Pick-Up Charges	(0.13)	(0.14)
Transportation Department Costs	0.01	0.01
Adjustments from Prior Period	(0.02)	(0.02)
Net Provincial Freight Rate	3.12	2.98

Continuous Quota

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

January 31st, 2012

Province	Kg of BF	%*
NL	-115,443	-5.76%
PE	-57,605	-1.43%
NS	-98,512	-1.44%
NB	-56,125	-1.05%
QC	-1,614,161	-1.37%
ON	-959,924	-0.95%
MB	-156,982	-1.25%
SK	-109,363	-1.22%
AB	-299,290	-1.16%
BC	-260,435	-1.00%

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

IMPORTANT REMINDERS: Notice to Producers

Reminders to Producers:

- No Incentive Days from April through July 2012
- New Milk Quality regulations by BCMAL

For complete details on these Notice to Producers and previous monthly Issues Update please visit www.milk-bc.com

Spring Producer Meeting Dates

BCMMB Spring 2012 Producer Meetings			
Date	Region	Location	Time
March 20	Okanagan	Prestige Inn Salmon	10:00 am
March 22	Bulkley Valley	Hudson Bay Lodge Smithers	11:30 am
March 22	Cariboo & Peace River	Treasure Cove Hotel Prince George	7:00 pm
March 22	Kootenays	Columbia Brewery Creston	11:30 am
March 26	Fraser Valley	Ramada Inn Abbotsford	7:30 pm
March 28	Vancouver Island	Coast Bastion Hotel Nanaimo	7:30 pm
March 29	Fraser Valley	Rainbow Country Inn Chilliwack	7:30 pm

All producers are invited to attend the regional meetings.

Milk Quality Report

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

Milk Quality Data	January	February
Individual Bacteria Count	18,761	21,826
Somatic Cell Count	179,670	175,292
Quality Bonus Qualifiers (%)	55.26%	55.51%

Producer Payments

Participants in the February, March and April Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
February	March 1	March 19
March	April 2	April 20
April	May 1	May 17

Credit Transfer Average Prices

2nd Set-Effective Feb 1st **1st Set-Effective Mar 1st**
 Conventional/Organic Conventional/Organic

Average Price	2 nd Set-Effective Feb 1 st	1 st Set-Effective Mar 1 st
	\$8.17/\$3.00	\$7.38/\$0.00

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	Apr 2 @ 4:30pm	May 1 st
CDQ Buy/Sell of Credits	Mar 23 @ 4:30pm	Mar 1 st Apr 1 st

If you have any questions please contact Kathy Wallis
 604.854.4471 kwallis@milk-bc.com

For General Inquiries

For General Inquires and assistance please contact reception at
 T. 604.556.3444 Ext. 200

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www.milk-bc.com

2012 Spring Producer - Agenda

Agenda	
1. State of Industry & Key Issues:	National CDC BC
2. Production – Milk Supply and Demand	Production Statistics Incentive Days
3. Policies	National Order Delivery SNF/BC Ratio CDC Refund Over Quota Driveway Policy On-Farm Milk Testing
4. Communication	Strategic Plan Industry Survey Election Procdedures
5. Discussion	