

Issues Update April 2012

Producer Component Prices and Standard Blend Price

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

BF= \$10.4075, PR= \$8.7206, OS= \$1.8851 or an equivalent return of \$76.3742 per standard hectolitre. This return compares to \$75.6580 in February 2012, with a difference of \$0.7162/std.hL. The P10/WMP equalization transfer for March was \$1,103,578.14.

Please refer to the BCMMB Statistics for the month of March 2012 for more details.

REMINDER Over Quota Policy when Provincial Production Reaches 100%

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% (*or 0.00% as per the BC Continuous Quota Position provincially). 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.

If you have any questions or concerns, please contact Zahra Abdalla-Shamji at 604.854.4480 or zabdalla@milk-bc.com



Notice to Producers-5% Surplus Sleeve Policy

The Board has issued a 5% surplus sleeve to all organic producers effective **May 1- July 31, 2012**. The surplus sleeve was recommended to the Board by the Specialty Advisory Council (SPAC) on April 5, 2012. This sleeve is additional organic production that has not been committed by any processors but will be produced in order to encourage market growth within the industry.

The Board will continue to review organic market requirements and will provide direction to the industry as required. If you have any questions of concerns, please contact Zahra Abdalla at 604.854.4480 or zabdalla@milk-bc.com

Reminders for Producer who are a Corporation

1. **It is the Producer's responsibility** to inform the Board in writing one calendar month before any change is made with respect to the shareholder structure or allotment of shares within the Corporation. **Prior to initiating any structural change of shareholders within the Corporation or Change of the President of the Corporation**, please contact Kathy Wallis kwallis@milk-bc.com or 604.854.4471 to ensure that the proposed changes fall within the exempt family transfer provisions of the BC Milk Marketing Board Consolidated Order. If it is determined that the transfer is acceptable within the Board's Family Transfer Policy, Kathy can prove you with a Continuous Daily Quota (Name Change) Transfer Application and a detailed list of the corporate documents (Register of Directors and Central Securities Register) required to complete the name change by the desired effective date.
2. **Quota Exchange "Buyer" and "Seller" Application forms** can only be signed by the registered quota holder – this is the President of the Corporation as on file with the BCMMB
3. **CDQ Buy/Sell Credits Application forms** can only be signed by either the registered quota holder, or a signatory with valid authorization from the registered quota holder on file with the BCMMB.

Reminder when moving to another farm premises

One month of notice is required when a producer is moving to another farm premises. A producer that is relocating is requested to contact Kathy Wallis either by email at kwallis@milk-bc.com or fax @ 604-556-7717, and provide the following details in writing:

- Complete address of new farm location
- (and mailing address if also changing)
- New contact telephone numbers and email
- Date and time of last milking at old farm location
- Date and time of first milking at new farm location

**** Any producer that does not provide at least one month of notice for a relocation will be subject to a disruption fee of \$200**

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

Provincial Freight

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

Freight Rates (\$/hl)	February	March
Zone Transportation Costs	3.18	3.14
Less: Vendor Billings	(0.08)	(0.08)
Less: I/P Freight Cost Recovery	(0.26)	(0.20)
Gross Provincial Freight Rate	2.85	2.86
Add: Train/Volume Discounts	0.29	0.30
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.15)
Transportation Department Costs	0.01	0.02
Adjustments from Prior Period	(0.02)	(0.04)
Net Provincial Freight Rate	2.98	2.99

Continuous Quota

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

February 29th, 2012

Province	Kg of BF	%*
NL	-124,411	-6.18%
PE	-53,552	-1.32%
NS	-88,708	-1.29%
NB	-38,679	-0.72%
QC	-1,405,864	-1.19%
ON	-725,871	-0.72%
MB	-117,426	-0.93%
SK	-82,824	-0.92%
AB	-204,877	-0.79%
BC	-158,023	-0.61%

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

*Important Reminders for Credit Transfers:

- ✓ **The Buy/Sell Registry** available on the BCMMB website is a valuable resource for producers needing to Buy (overshipping) or Sell (undershipping) Credits. The value of these lists is a direct result of producer participation. Contact Kathy if you have credits available to Buy or Sell and would like your name added to the registry. Your name will automatically be removed 90 days from the initial listing date.
- ✓ **A summary of Average Prices**, a calendar of deadlines and credit transfer application forms can be found at milk-bc.com under the "Quota" tab then "Credit Transfers"
- ✓ **The total credit transfer limit** continues to be a maximum of 20% of transferable quota calculated over a rolling 12 month period. Please Note that GEP quota is restricted & non transferable and cannot be included when calculating your 20%.
- ✓ **For producers with 68.50 kgs CDQ or less**, the purchase limit is 5,000 credits over the 12 month period as long as no credits are sold during this time, otherwise the 20% limit remains applicable.
- ✓ **If you are unsure how close you are to your 20% limit**, please contact Kathy to check your file
- ✓ **All credit transfer applications forms** must be signed by the "registered quota holder". If someone has signed the application form on behalf of the registered quota holder, a valid authorization form must be on file with the BCMMB.
- ✓ **If an effective date is not given**, the credit transfer will be processed for the first of the following month.

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

Milk Quality Report

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

Milk Quality Data	February	March
Individual Bacteria Count	21,826	19,706
Somatic Cell Count	175,292	171,960
Quality Bonus Qualifiers (%)	55.51%	58.56%

Producer Payments

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

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

Credit Transfer Average Prices

	2 nd Set-Effective Mar 1 st	1 st Set-Effective Apr 1 st
	Conventional/Organic	Conventional/Organic

Average Price	\$9.65/\$3.20	\$10.00/N/A
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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	May 1 @ 4:30pm	Jun 1
CDQ Buy/Sell of Credits	Apr 25 @ 4:30pm	Apr 1 May 1
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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SAVE THE DATE!

2012 BC Dairy Industry Conference
November 28th-30th, 2012
Vancouver Convention Centre
& Fairmont Pacific Rim