



****REVISED****

Volume 17 No. 10

For the April 2012 Production Month

Issues Update May 2012

Producer Component Prices and Standard Blend Price

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

BF= \$10.1093, PR= \$8.7021, OS= \$1.8514 or an equivalent return of \$75.0493 per standard hectolitre. This return compares to \$76.3742 in March 2012, with a difference of \$1.3249/std.hL. The P10/WMP equalization transfer for April was \$1,845,238.

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

Notice to Producers-April 26th, 2012

Notice to Producers-General Quota Reduction-April 26th, 2012

The Board has reviewed the quota requirements of the province and with the support of the MIAC, the Board will apply a 1.0% general reduction of CDQ effective June 1st, 2012.

Notice to Producers-Incentive Days-April 26th, 2012

Incentive days issued for fall/winter 2012:

- **August 2012** **0.5 Production Day(s)**
- **September 2012** **1.0 Production Day(s)**
- **October 2012** **1.0 Production Day(s)**
- **November 2012** **0.5 Production Day(s)**

To see these notices in detail and a complete listing of all other Notice to Producers please visit "Producer Zone" at www.milk-bc.com

Milk Quality Bonus Error

There was a programming error that occurred between February 2011 and February 2012 that resulted in producers being paid the quality bonus when they were not eligible to receive the quality bonus. There were two separate problems, the first was that the program incorrectly only disqualified producers if their IBC was = 30,000 instead of => 30,000. The second problem was that producers who had an inhibitor positive load were paid the bonus. The impact to the average quality bonus payment for each affected month was approximately \$0.03/hL. The Board has decided that the producers with an inhibitor positive load who were incorrectly paid the bonus will have to repay the amount on their next milk pay statement. The funds will be credited to the quality bonus pool.

We apologize for this error and have taken steps to prevent similar errors in the future.

Notice to Producers-Over Quota Penalty Policy

Please be advised that the province is projected to be at or above 100% (or at least 0.00% as per the BC continuous quota provincial position) by the end of April 2012. If this occurs, the over quota financial penalty will be applied effective June 1, 2012. Producers are encouraged to manage production within +5/-15 days of production and to continue to utilize credit transfers as needed in order to avoid financial penalty

Over Quota Policy

The 50% over-quota production penalty will only apply if BC's previous monthly Continuous Quota amount is at or above 100% (or 0.00% as per the BC continuous quota provincial position).

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

BC Continuous Quota Position

February 2012	-0.61%
March 2012	-0.17%
April 2012 *forecasted	+0.21%

If you have any questions regarding this notice please contact Rob Delage at rdelage@milk-bc.com or 604.854.4475

Provincial Freight

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

Freight Rates (\$/hl)	March	April
Zone Transportation Costs	3.14	3.11
Less: Vendor Billings	(0.08)	(0.08)
Less: I/P Freight Cost Recovery	(0.20)	(0.07)
Gross Provincial Freight Rate	2.86	2.96
Add: Train/Volume Discounts	0.30	0.29
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.14)
Transportation Department Costs	0.02	0.01
Adjustments from Prior Period	(0.04)	(0.01)
Net Provincial Freight Rate	2.99	3.11

Continuous Quota

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

March 31st, 2012

Province	Kg of BF	%*
NL	-135,129	-6.71%
PE	-53,940	-1.33%
NS	-71,690	-1.04%
NB	-21,735	-0.41%
QC	-1,256,728	-1.06%
ON	-603,885	-0.60%
MB	-71,565	-0.57%
SK	-70,989	-0.79%
AB	-108,297	-0.42%
BC	-44,427	-0.17%

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

General Inquiries

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

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Milk Quality Report

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

Milk Quality Data	March	April
Individual Bacteria Count	19,706	17,069
Somatic Cell Count	171,960	170,900
Quality Bonus Qualifiers (%)	58.56%	58.51%

Producer Payments

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

Month of Production:	Advance Payment	Final Payment
April	May 1	May 17
May	June 1	June 19
June	July 3	July 19

Credit Transfer Average Prices

	2 nd Set-Effective Apr 1 st	1 st Set-Effective May 1 st
	Conventional/Organic	Conventional/Organic
Average Price	\$10.88/\$3.00	\$9.67/N/A

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	Jun 1 @ 4:30pm	Jul 1
CDQ Buy/Sell of Credits	May 25 @ 4:30pm	May 1 Jun 1
If you have any questions please contact Kathy Wallis 604.854.4471 kwallis@milk-bc.com		

www.milk-bc.com

Credit Transfer Policy-Reminder and Administration Information

Credit Transfer Reminder

In the current system producers may transfer credits within the 20 day range as per policy. The range allows for producers to sell credits from a -15 day position to a +5 day position.

With this type of flexibility the producer can put himself into an over quota position if too many credits are sold and not enough underproduction is realized on the farm.

Producers are reminded - Line 3(l) on the producer statement is an indicator for the available credits based on the current month's production.

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

Credit Transfer Administration

Credit transfers will be administered in the following manner:

- a. **When a producer buys credits** in excess of what is required and production does not fall within flexibility policy (+5/-15 days), kilograms are deemed as lost production opportunity
- b. **When a producer sells credits** in excess of what is required and production does not fall within the flexibility policy (+5/-15 days), loss of payment for the over quota kilograms is applied

Please Note - When the financial over quota penalty is being applied due the production in the province being 100% or greater, the financial penalty is applied on the over quota kilograms