



## Issues Update August 2013

Volume 19 No. 1 -For the July 2013 Production Month

### Producer Component Prices and Standard Blend Price

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

BF= \$10.5663, PR= \$9.3570, OS= \$1.9369 or an equivalent return of \$79.2976 per standard hectolitre. This return compares to \$79.8336 in June 2013, with a difference of -\$0.5360/std.hL. The P10/WMP equalization transfer for the month of July was \$1,001,285.17.

### Notice to Producers

**Notice to Producers**-Specialty Quota Exchange-July 30, 2013

**Notice to Producers**- Quota Allocation - August 15, 2013

**Notice to Producers**- Incentive Days – August 15, 2013

To see these notices in detail and a complete listing of all other Notice to Producers please visit [www.milk-bc.com](http://www.milk-bc.com)

### Notice to Producers- Revised Incentive Days – Fall 2013

The Board has reviewed the production and quota projections for the fall of 2013 and has revised its July 9<sup>th</sup>, 2013 NTP.

At this time, the Board has determined that the following incentive days are required to encourage additional production during this period:

**August 2013**      **1.0 Production Day(s)**

**September 2013**    **1.5 Production Day(s)**

**October 2013**      **1.5 Production Day(s)**

Due to the rapidly changing production environment, the Board will continue to review market production requirements and will provide any change in direction to the industry as needed.

If you have any questions regarding this policy, please contact Zahra Abdalla-Shamji at [zabdalla@milk-bc.com](mailto:zabdalla@milk-bc.com)

### BC Continuous Quota Position as of

June 2013 = 0.27%

July 2013 \*forecasted 0.12%

### Notice to Producers- General Allocation –September 2013

After reviewing the current production requirements for the province of British Columbia, and reviewing a recommendation from the MIAC, the Board will implement a general allotment effective September 1, 2013. Producers will be informed of their quota increase by way of individual notices. Key determinants for this allotment are set out below:

- The amount of CDQ to be allotted is 1.50%
- Consistent with the Consolidated Order, the allotment will be performed on a pro rata basis
- Each eligible licensed producer's CDQ as at September 1, 2013 will serve as the basis for determining the pro rata CDQ amount
- The allotment will be subject to the 10/10/10 assessment policy

### \*REVISED: BC Ministry of Agriculture and Lands to begin basing SCC and IBC Penalties on Monthly Averages

**Effective July 1, 2013** the BC Ministry of Agriculture and Lands (BCMAL) will no longer be basing their Somatic Cell Count (SCC) and IBC (Bacteria) counts on 1 test per month (Official Week).

BCMAL will be basing their penalty on the \*average of a range of SCC and IBC results.

Inhibitor's will continue to be tested each month on a random basis.

If you have any questions regarding this please contact Kelly Harris directly at 604.854.4479 or by email at [kharris@milk-bc.com](mailto:kharris@milk-bc.com)

*\*As first reported in June 2013 Issues Update*

### Provincial Freight

The producer freight rate calculations for the months of June and July are summarized below:

Freight Rates (\$/hl)	Jun	Jul
Zone Transportation Costs	2.97	2.96
Less: Vendor Billings	(0.07)	(0.07)
Less: I/P Freight Cost Recovery	(0.00)	(0.00)
Gross Provincial Freight Rate	2.90	2.89
Add: Train/Volume Discounts	0.29	0.30
Less: Stop/Extra Pick-Up Charges	(0.13)	(0.13)
Transportation Department Costs	0.01	0.00
Adjustments from Prior Period	0.01	(0.04)
<b>Net Provincial Freight Rate</b>	<b>3.08</b>	<b>3.02</b>

### Continuous Quota

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

	June 2013	%*
	Kg of BF	
NL	(70,057)	(3.74)%
P5	1,181,903	0.50%
WMP	291,580	0.40%
P10	1,403,426	0.45%
<b>BC</b>	<b>71,436</b>	<b>0.27%</b>

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

### Quota Exchange and Credit Transfers Deadline Changes

#### QUOTA EXCHANGE DEADLINE is now 1:00pm

Effective August 1, 2013, the application deadline for all quota exchange applications received in the BCMMB office or submitted to KPMG, **will change to 1:00 pm on the 1st business day of the month**

**in which the exchange is to be run.** If a second quota exchange is required, the application deadline for all quota exchange applications received in the BCMMB office or submitted to KPMG, **will change to 1:00 pm on the 14th day of the month in which the exchange is to be run, or if the 14<sup>th</sup> falls on a non-business day, at 1:00pm on the next business day following the 14<sup>th</sup> day of the month.**

#### CDQ BUY/SELL CREDIT TRANSFER DEADLINE is now 1:00pm

Effective August 1, 2013, the application deadline for all Buy/Sell Credit Transfer applications received in the BCMMB office, to be effective for the first day of the current month or the first day of the following month, **will change to 1:00 pm on the 25<sup>th</sup> day of the month, or if the 25<sup>th</sup> falls on a non-business day, on the last business day prior to the 25<sup>th</sup> day of the month.**

*Please see the July 11, 2013 Notice to Producers-Quota Exchange and Credit Transfer Deadline Changes Effective August 1 2013*

### Milk Quality Report

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

Milk Quality Data	Jun	Jul
Individual Bacteria Count	18,565	24,788
Somatic Cell Count	159,549	172,453
Quality Bonus Qualifiers (%)	77.10%	69.61%

### Producer Payments

Participants in the July | August | September Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
July	Aug 1	Aug 20
August	Sep 3	Sep 19
September	Oct 1	Oct 18

### Credit Transfer Average Prices

Effective July 1 <sup>st</sup>	Conventional/Organic
Average Price	\$8.51/\$6.50

*A Summary of Credit Transfer Statistics can be found at [www.milk-bc.com](http://www.milk-bc.com) with other credit transfer documents.*

### Quota Management-Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Sep 3 @ 1:00pm	Oct 1
CDQ Buy/Sell of Credits	Aug 23@ 1:00pm	Aug 1 Sep 1
If you have any questions please contact Kathy Wallis 604.854.4471 <a href="mailto:kwallis@milk-bc.com">kwallis@milk-bc.com</a>		

[www.milk-bc.com](http://www.milk-bc.com)

### Quota Management News

Please be advised that our Quota Officer, Kathy Wallis, will be on vacation during the week of September 12th through September 16th.

During her absence we encourage you to explore and utilize our website [www.milk-bc.com](http://www.milk-bc.com). You can access your statement, lab results, Quota Exchange & Buy/Sell Credits deadline calendars, Quota Exchange information (Current Exchange Price, Previous Exchange results & application forms), Credit Transfer information (Applications forms, Average Price Summary and Buyer or Seller lists), etc. We also have a production calculator available that will enable you to do your own production and credit transfer calculations throughout the month. Also posted for your reference are FAQs and contact information for all BCMMB staff and Management.

If you require immediate Quota Management assistance during her absence, please contact reception at 604.556.3444 ext. 200