

Farewell Message – Walter Goerzen

Serving this dynamic industry as the non-producer member on the Milk Marketing Board these past six years has been a distinct honor and privilege for me. It has been a challenge and a huge responsibility but also an enjoyable experience. Many things could be said, but I want to focus on only one - the most important part – namely the people of this remarkable industry. The Board members along with the Chair are an outstanding group, the milk board staff are truly professionals, and thirdly, the dairy producers, who along with all the other stakeholders, make the industry great.

So, thank you Board, thank you staff, and thank you producers for the opportunity to serve in this dynamic industry.

Sincerely, Walter Goerzen

BC Continuous Quota Position as of

November 2013 = -0.86 %

December 2013 *forecasted -1.14%
Please visit www.milk-bc.com

Notice to Producers

Organic Sleeve-Feb 1 2013

Organic Credit Transfers-Dec 2013 & Jan 2014

General Allocation-Effective Jan 1 2014

Quota Governance Update-Jan 13 2014

To see Producer Notices in detail

Please visit www.milk-bc.com

Notice to Industry-BC Dairy Quota Policy & Governance Consultation Update

The Board initiated a Quota Policy & Governance Consultation in the spring of 2013 with the support of the BC Farm Industry Review Board (BCFIRB) that will be used to develop an effective long term quota allocation and governance policy. The Board is currently in the process of Stage 2 of the consultation "Finding Solutions" from producers and the dairy industry input with respect to quota policy and released a paper on January 13, 2014 outlining the quota policy considerations that surfaced from the analysis stage of the consultation.

The Board is requesting comments from the industry with respect to the quota policies outlined in the January 2014 discussion paper. The deadline for submission is January 31, 2014. To see complete details of this Notice to Industry please visit the BC Dairy Quota & Governance Consultation page at www.milk-bc.com

Effective February 1, 2014-Reminder – Buy/Sell Credit Transfer Limit Decreases

Farms greater than 40 kg/day will be bound by a 10% maximum credit transfer limit over a rolling 12 month basis (i.e. the number of total credits used at February 1st is the cumulative number of credits transferred from March 1, 2013 to February 1, 2014). Farms equal to or less than 40 kg/day are bound by a maximum of 2,500 credits transfer **IN only**, or a maximum 10% credit transfer limit over a rolling 12 month basis IN or OUT combined.

IMPORTANT Due to the volume and administrative time in processing of credit transfers, the BCMMB cannot guarantee that all applications submitted will be verified prior to the deadline for submissions. It is each producer's responsibility to ensure that he has credits available to transfer prior to completing and signing an application form.

If you are unsure of the number of credits you have remaining available, please contact Pam at 604-854-4474 or by email at pgregory@milk-bc.com prior to submitting a transfer application to the BCMMB office



Provincial Freight

The producer freight rate calculations for the months of November and December are summarized below:

Freight Rates (\$/hl)	Nov	Dec
Zone Transportation Costs	3.00	3.02
Less: Vendor Billings	(0.07)	(0.08)
Less: I/P Freight Cost Recovery	(0.00)	(0.00)
Gross Provincial Freight Rate	2.93	2.94
Add: Train/Volume Discounts	0.29	0.30
Less: Stop/Extra Pick-Up Charges	(0.13)	(0.13)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	(0.04)	(0.01)
Net Provincial Freight Rate	3.05	3.10

Continuous Quota

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

November 2013

	Kg of BF	%*
NL	-73,565	-3.90%
P5	1,072,512	0.45%
WMP	-526,633	-0.72%
P10	472,314	0.15%
BC	-225,017	-0.86%

*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 November and December are:

Milk Quality Data	Nov	Dec
Individual Bacteria Count	18,269	21,198
Somatic Cell Count	161,744	159,067
Quality Bonus Qualifiers (%)	75.88%	78.32%

Producer Payments

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

Month of Production:	Advance Payment	Final Payment
December	Jan 2	Jan 20
January	Feb 3	Feb 20
February	Mar 3	Mar 19

Credit Transfer Average Prices

Effective December 1 st	Conventional Organic	
Average Price	\$11.13	\$9.50

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	Feb 3 @ 1:00pm	Mar 1
CDQ Buy/Sell of Credits	Jan 24 @ 1:00pm	Jan 1 Feb 1

If you have any questions please contact:

Kathy Wallis 604.854.4471 kwallis@milk-bc.com
Pam Gregory 604.854.4474 pgregory@milk-bc.com

Producer Component Prices and Standard Blend

The producer component prices for the month of December are as follows: BF= \$10.4962, PR= \$8.9892, OS= \$1.9978 or an equivalent return of \$78.2025 per standard hectolitre. This return compares to \$77.4413 in November 2013, with a difference of \$0.7612/std.hL. The P10/WMP equalization transfer for the month of November was \$744,116.73. Please refer to the BCMMB Statistics for the month of December 2013 for more details.

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.

- ✓ **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
- ✓ **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 prior to submitting your bid and we will be happy to check your file for you.

www.milk-bc.com

Quota Management News Submitting Buy/Sell Credit Transfer Applications

1. A quick and efficient method of submitting your Buy/Sell Credits application form is to scan and email your completed application to Pam at pgregory@milk-bc.com by the deadline. You will then receive a return email from Pam confirming successful receipt of your application by the BCMMB office.
2. Pam can also be contacted at 604.854.4474 for inquiries about deadlines, number of credits available for transfer within your limit, or to check on an application already submitted.
3. Please continue to contact Kathy at kwallis@milk-bc.com or 604.854.4471 for assistance with monthly production estimates.
4. Please ensure that you do not email/fax your Buy/Sell Credits application to the KPMG Quota Exchange mailbox. This automated system is for Quota Exchange applications only and they are not reviewed by KPMG staff. Buy/Sell Credits Applications submitted to KPMG will not be received by the BCMMB office prior to the current month's Credits deadline.

