

BC Continuous Quota Position as of

May 2014 = **-0.68%**

June 2014 *forecasted -0.70%

Notice to Producers

Notice to Producers – General Allocation Aug 1, 2014

Please visit www.milk-bc.com

Industry Update: Board Actions regarding Chilliwack Cattle Sales

The BCMMB (and the Canadian dairy industry) faced an unprecedented challenge in June when national (and local) media released an undercover *Mercy for Animals* video allegedly showing dairy cows being abused by a number of employees at Chilliwack Cattle Sales. These disturbing images triggered a BC SPCA investigation, the dismissal of the employees involved and public campaigns of outrage directed at Saputo, producers and the BCMMB.

Although animal welfare does not come under the BCMMB's authority as a regulator, the Board took immediate actions during these extraordinary circumstances in order to preserve orderly marketing and to be assured that animal welfare issues at the farm in question were being addressed. After confirming the SPCA Orders, the Board briefly suspended milk pick-up at Chilliwack Cattle Sales, while awaiting verification from independent veterinary audits that the animal welfare issues were being addressed appropriately.

Although the Board was satisfied by the initial independent veterinary audits and milk pickup resumed, processors subsequently refused to accept the qualifying milk from Chilliwack Cattle Sales until additional independent audits of the farm were completed. In this extraordinary situation, to ensure orderly marketing, the Board made the interim decision to destroy the milk due to lack of market. The Board was therefore pleased when a "voluntary" agreement from processor members of the BC Dairy Council was obtained a few days later. As an emergency measure, the Board decided that the pool would cover the cost of the destroyed milk plus transportation and disposal costs for the interim. However, the declaration by the processors that they would not accept qualifying milk from Chilliwack Cattle Sales has raised serious questions of processor obligations which the Board will further consider. Therefore, final financial responsibility still needs to be assessed.

With the orderly marketing and milk pickup and delivery restored, the BCMMB held a meeting with dairy industry stakeholders to consult on a plan for future dairy animal welfare requirements in BC. Attendees included: the BC Ministry of Agriculture (including the Minister's office), the BC Farm Industry Review Board, the BC SPCA, the BC Farm Animal Care Council, the BC Dairy Council, the BC Dairy Association and the Dairy Farmers of Canada. The Board is investigating how to include regulatory changes in Board policies for mandatory compliance with the *Code of Practice for the Care and Handling of Dairy Cattle*: <http://www.nfacc.ca/codes-of-practice/dairy-cattle> for all BC producers. The Board also continues to monitor progress at Chilliwack Cattle Sales and appreciates the cooperation during a recent audit which noted enhanced animal care.

Provincial Freight

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

Freight Rates (\$/hl)	May	June
Zone Transportation Costs	3.08	3.12
Less: Vendor Billings	(0.07)	(0.08)
Less: I/P Freight Cost Recovery	(0.00)	(0.00)
Gross Provincial Freight Rate	3.01	3.04
Add: Train/Volume Discounts	0.31	0.30
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.14)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.03	0.01
Net Provincial Freight Rate	3.21	3.21

Continuous Quota

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

	May 2014	
	Kg of BF	%*
NL	-101,219	-5.19%
P5	169,969	0.07%
WMP	-780,219	-1.05%
P10	-711,469	-0.23%
BC	-179,629	-0.68%

*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 May and June are:

Milk Quality Data	May	June
Individual Bacteria Count	18,132	18,201
Somatic Cell Count	156,738	165,815
Quality Bonus Qualifiers (%)	77.29%	77.23%

Producer Payments

Participants in the May | June | July Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
May	June 2	June 18
June	July 2	July 18
July	Aug 1	Aug 20

Credit Transfer Average Prices

Effective June 1 st	Conventional Organic	
Average Price	\$10.48	\$6.75

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	Aug 1 @ 1:00pm	Sep 1
CDQ Buy/Sell of Credits	July 25 @ 1:00pm	July 1 Aug 1

If you have any questions please contact:

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Producer Component Prices and Standard Blend

The producer component prices for the month of June are as follows: BF= \$10.2945, PR= \$9.5023, OS= \$1.9364 or an equivalent return of \$78.7859 per standard hectolitre. This return compares to \$80.4924 in May 2014, with a difference of -\$1.7065/std.hL. The P10/WMP equalization transfer for the month of June was \$1,670,481.85.

Please refer to the BCMMB Statistics for the month of June 2014 for more details.

www.milk-bc.com

Inhibitor Infractions

In 2013 the province as a whole reduced the number of inhibitor infractions greatly when compared to previous years. We may exceed this number in 2014.

Year	Trailer Volume	Shipper Volume	No. of Incidents	Comments
2011	255,391	128,381	10	Includes 1 load during official week and 1 organic load
2012	249,255	106,911	11	Includes 2 loads during official week
2013	132,978	68,538	7	Includes 1 load during official week
2014	98,800	68,295	5	Includes 1 organic load

Multiple Inhibitor infractions tend to occur within a short period of time.

In the period between June 12 – 27, 2014 there were 3 infractions.

Please ensure that your Canadian Quality Milk (CQM) on-farm Standard Operating Procedures (SOP's) are followed by all staff at all times. SOP's are a very effective tool for those employees that are new or that don't perform milking duties regularly.

If you have any questions please contact Woody Siemens at wsiemens@milk-bc.com or direct at 604.854.4476

