

Notice to Producers

For all recent Notice to Producers
Please visit www.milk-bc.com

BC Continuous Quota Position

as of
April 2016 = 0.14 %
May 2016 *forecasted = -0.11%

Organic Production Opportunity – Growth!

The Board would like to invite producers interested in becoming an organic producer to request to be added to the Organic Expression of Interest List. Demand for organic milk continues to show strong growth and the Board is seeking conventional producers who wish to convert to organic production. Existing GEP applicants could expedite their GEP invitation if they are prepared to start as organic.

The organic sleeve has ranged from 11% to as high as 24% over the previous 3 years and the current sleeve is at approximately 24% until August 31, 2016.

In 2012/2013 the organic industry in BC grew by 10% over the previous year.

In 2013/2014 the organic industry in BC grew by 20.2% compared to the previous year.

In 2014/2015 the organic industry in BC grew another 9.6% compared to the previous year.

So far in 2015/2016 this growth continues and shows no signs of slowing down.

The Board has added 9 new organic producers in the past 5 years, including 3 organic GEP producers but the Board is still looking for additional organic production.

Contact:

Please review the Organic Policy Guide for a complete outline of the organic industry policies.

The guide can be found at milk-bc.com under News > Updates > Organic.

If you have any questions or would like additional information, please contact Woody Siemens at wsiemens@milk-bc.com or 604-854-4476

General Allocation – effective June 1, 2016

After reviewing current production requirements for the province of British Columbia, and reviewing a recommendation from the MIAC, the Board implemented a general allotment effective June 1, 2016.

Key determinants for this allotment are set out below:

- The amount of CDQ to be allotted is 2.0%
- Consistent with the Consolidated Order, the allotment will be applied on a pro rata basis
- Each eligible CQM certified licensed producer's CDQ as at June 1, 2016 will serve as the basis for determining the pro rata CDQ amount
- The allotment will be subject to the 10/10/10 assessment policy

To see complete details click here [Notice to Producers General Allocation – May 24, 2016](#)

Quota Management – Producer Licences

The annual licence fee and levies for new Producer Licences effective August 1, 2016 will be deducted from the final June producer payments to be deposited on July 20, 2016.

New Licences, effective August 1, 2016 will be mailed out in late July and must be displayed in the milk house, preferably next to your current Dairy Farm Licence issued by the BC Ministry of Agriculture, Livestock Health Management and Regulation.

If you have any questions with respect to your producer licence please contact Kathy: kwallis@milk-bc.com or 604.854.4471.

Provincial Freight

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

Freight Rates (\$/hl)	April	May
Zone Transportation Costs	2.86	2.91
Less: Vendor Billings	(0.11)	(0.12)
Gross Provincial Freight Rate	2.75	2.79
Add: Train/Volume Discounts	0.31	0.32
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.16)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.01	0.05
Net Provincial Freight Rate	2.92	3.00

Continuous Quota

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

	April 2016	
	Kg of BF	%*
NL	-484,236	-19.92%
P5	1,890,604	0.76%
WMP	-836,949	-1.04%
P10	569,419	0.17%
BC	39,778	0.14%

*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 April and May are:

Milk Quality Data	April	May
Individual Bacteria Count	17,884	24,212
Somatic Cell Count	156,323	163,734
Quality Bonus Qualifiers(%)	80.28%	73.28%

Producer Payments

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

Month of Production:	Advance Payment	Final Payment
May	Jun 1	Jun 17
June	Jul 4	Jul 20
July	Aug 2	Aug 18

Credit Transfer Average Prices

Effective May 1	Conventional Organic	
Average Price	\$12.08	\$5.63

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	Jul 4 @ 1:00pm	Aug 1
CDQ Buy/Sell of Credits	Jun 24 @ 1:00pm	Jun 1 Jul 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 May are as follows: BF=\$10.6696 PR=\$8.6511, OS=\$1.8314 or an equivalent return of \$76.7878 per standard hectolitre. This return compares to \$74.4547 in April 2016 with a difference of \$2.3331/std.hL.

The P10/WMP equalization charged to the producer pool in May for the production month of April was \$2,793,469.

www.milk-bc.com

Quota Management – Flexible Incentive Days

- **Incentive Day(s)** are issued by the Board during specific months in order to encourage additional production.
- **In order to provide more production flexibility**, producers have the opportunity to determine when the incentive days are produced during the five month period of July through November 2016. This policy is an initiative by the Board to encourage production while providing flexibility for farm management.

Producers are limited to a total of 8 incentive days between July and November, with the following **maximum monthly limits**:

- July Maximum of 3 days
- August Maximum of 3 days
- September Maximum of 3 days
- October Maximum of 3 days
- November Maximum of 3 days

The total number of days from July to November cannot exceed 8 days.

- **An Incentive day** provides the producer an opportunity to ship additional day(s) of production as long as they have shipped at least 100% of that “month’s quota” CDQ X ship days
- **Quota is utilized** during an “Incentive Day” month(s) for production as follows: Month Quota/Incentive day(s)/Over production credits
- **Eligibility for an incentive day** is only based on the actual current month’s production and not on your over/under credits position
- **Credits cannot be sold** in order to meet the production requirement to access an incentive day(s)

A producer must be CQM certified or within their six-month grace period to be eligible for incentive days.

