

### BC Continuous Quota Position

as of November 2016: -1.82%  
**December 2016 \*forecasted: -1.84 %**

### Notice to Producers

For all recent Notices to Producers  
**Please visit [www.milk-bc.com](http://www.milk-bc.com)**

### P10 Ingredients Strategy Update

On December 16, 2016, the BC Milk Marketing Board Executive Members attended a special Canadian Milk Supply Management Committee (CMSMC) meeting in Ottawa to approve billing ratios and price adjustments for the P10 Ingredients Strategy. The meeting was successful and the intended implementation date for the P10 Ingredients Strategy is February 1, 2017. The BCMMB will be hosting training sessions for processors regarding upcoming changes that will affect monthly milk utilization reporting after the implementation of the Ingredients Strategy. Please refer to the Notice to Processors posted on January 5, 2017 for more details.

Pricing changes for February 1, 2017 were announced December 19, 2016. The Boards across the country will now be working on finalizing Audit and IT systems in order to apply the Ingredients Strategy. Please note that the CDC has not yet voted on its position regarding the Ingredients Strategy. The next CMSMC meeting will take place January 18-19, 2017. Further updates will be provided following this meeting.

### Daily and Special Pick-up Costs

Any producer wishing to go on to a daily pickup schedule must give two weeks' notice to the BCMMB and must remain on daily pickup for at least one month. Two weeks' notice must also be given to come off of daily pickup. If **two weeks' notice** is not given, these extra pickups would be considered "special pickups" and will be charged at the minimum rate of \$150 per extra pickup.

Effective August 1, 2017, the minimum rate for daily pickup will increase to \$100 for each extra pick-up. Producers are asked to address their bulk tank capacities as may be needed. Effective August 1, 2018, the minimum rate for daily pickup charge will increase to \$150 for each extra pick-up.

The Board will further review the daily pickup cost in spring of 2018 to determine minimum daily pickup rates beyond this time.

Please see link to NTP of August 19, 2016:

<http://bcmilkmarketing.worldsecuresystems.com/announcement/s/notice-to-producers-daily-and-special-pick-up-costs>

### Liability Insurance: Online Producer Survey coming February 6, 2017

In December 2016, the Board decided to launch a producer survey in order to do two things:

- 1) Increase awareness of the liability issue and the importance of liability insurance for producers and;**
- 2) Establish a baseline understanding of liability insurance held by BC producers**

The Board wants to ensure that producers are aware of their responsibilities and potential liability exposure. Beyond that, the Board is looking to develop policies around risk mitigation and potential liability. This survey is a first step that may help the Board to identify gaps and opportunities to mitigate risk for producers. Therefore your participation is very important.

The survey will be brief (five or six questions), but you MAY need your insurance broker's input in order to answer one or more of the questions. The survey will be launched online on **February 6, 2017** and a link to the survey will be sent via email to all producers with email addresses registered with the BCMMB. There will be a one-week deadline; surveys need to be completed by **February 13, 2017**, in order to qualify for an entry to **win a \$100 Keg gift certificate**. One winning entry will be drawn from completed surveys and announced in the March 2017 newsletter. The Board thanks you in advance for your participation!

Please be assured that the BCMMB will keep **confidential** all personal farm-level information that it receives from this survey. The information will be used in aggregate for policy purposes only. If you have any questions or would like to receive a hard-copy form of the survey, please contact: [vcrites@milk-bc.com](mailto:vcrites@milk-bc.com) or 604.854.4484.

### Provincial Freight

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

| Freight Rates (\$/hl)              | November    | December    |
|------------------------------------|-------------|-------------|
| Zone Transportation Costs          | 3.04        | 3.08        |
| Less: Vendor Billings              | (0.13)      | (0.14)      |
| Gross Provincial Freight Rate      | 2.91        | 2.94        |
| Add: Train/Volume Discounts        | 0.32        | 0.32        |
| Less: Stop/Extra Pick-Up Charges   | (0.15)      | (0.15)      |
| Transportation Department Costs    | 0.00        | 0.00        |
| Adjustments from Prior Period      | (0.01)      | (0.05)      |
| <b>Net Provincial Freight Rate</b> | <b>3.07</b> | <b>3.06</b> |

### Continuous Quota

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

|     | November 2016   |               |
|-----|-----------------|---------------|
|     | Kg of BF        | %*            |
| NL  | -308,392        | -11.63%       |
| P5  | 616,345         | 0.24%         |
| WMP | -2,931,923      | -3.47%        |
| P10 | -2,623,970      | -0.76%        |
| BC  | <b>-546,396</b> | <b>-1.82%</b> |

\*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           | November | December |
|-----------------------------|----------|----------|
| Individual Bacteria Count   | 22,175   | 21,076   |
| Somatic Cell Count          | 168,934  | 165,778  |
| Quality Bonus Qualifiers(%) | 73.54%   | 78.73%   |

### Producer Payments

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

| Month of Production: | Advance Payment | Final Payment |
|----------------------|-----------------|---------------|
| December             | Jan 3           | Jan 19        |
| January              | Feb 1           | Feb 20        |
| February             | Mar 1           | Mar 17        |

### Credit Transfer Average Prices

| Effective Dec 1 | Conventional   Organic |        |
|-----------------|------------------------|--------|
| Average Price   | \$7.45                 | \$6.40 |

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          | Feb 1 @ 1:00pm  | Mar 1             |
| CDQ Buy/Sell of Credits | Jan 25 @ 1:00pm | Jan 1 Feb 1       |

If you have any questions, please contact:

**Kathy Wallis** 604.854.4471 [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com)  
**Pam Gregory** 604.854.4474 [pgregory@milk-bc.com](mailto:pgregory@milk-bc.com)

### Producer Component Prices & Standard Blend

The producer component prices for the month of December are as follows: BF=\$10.9957, PR=\$7.7847, OS=\$1.8367 or an equivalent return of \$75.1911 per standard hectolitre. This return compares to \$74.1389 in November 2016 with a difference of \$1.0522std.hL. The P10/WMP equalization charged to the producer pool in December for the production month of November was \$1,904,533.

The equalization payment consists of shared costs across the P10 with respect to special class processing, over quota and changes to Class 4M prices.

### 2017 Spring Producer Meetings

The Board is currently finalizing its regional spring producer meetings. Please watch for an upcoming *Notice to Producers* with the spring meeting scheduled dates for March 2017.

All producers are encouraged to attend the spring regional producer meetings.

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

### Quota Management: Corporate Producers

It is the Producer’s responsibility to inform the Board a minimum of one calendar month before any change is made with respect to the shareholder structure or allotment of shares within the Corporation.

**Prior to initiating any structural change of shareholders/shareholdings within the Corporation or a Change of the President of the Corporation**, please contact Kathy Wallis [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com) or 604.854.4471 to ensure that the proposed changes fall within the exempt transfer provisions of the BC Milk Marketing Board Consolidated Order. If it is determined that the transfer is acceptable within the Board’s Family Transfer Policy, Kathy can provide you with a Continuous Daily Quota (Name Change) Transfer Application and a detailed list of the corporate documents required to complete the name change by the desired effective date.

### Producer Calendars available on website

The BCMMB website provides convenient 24 hour/7 day a week access to the following useful producer deadline information day or night on your own schedule:

- 2016-2017 Producer Payment Dates Calendar
- 2017 BUY/SELL Credits and Quota Transfer Application Calendar
- 2017 Quota Exchange Calendar

These calendars are available on the BCMMB website under “[Producer Calendars](#)” tab.

