

Producer Component Prices & Standard Blend

The producer component prices for the month of June are as follows: BF=\$11.0091, PR=\$7.0999, OS=\$1.6253 or an equivalent return of \$71.8239 per standard hectolitre. This return compares to \$72.3352 in May 2017 with a difference of \$0.5113 per standard hectolitre. The average producer return for the province is \$76.7802 per hectoliter.

The P10/WMP equalization charged to the producer pool in June for the production month of May was \$2,490,233. The equalization payment consists of shared costs across the P10 with respect to special class processing and over quota processing.

Quota Tools Assessment Review (QTAR) – FINAL SUBMISSION

The BCMMB submitted its final Quota Tools Assessment Review (QTAR) paper to the BC Farm Industry Review Board on June 30th, 2017. Please click the link below to be directed to the QTAR webpage, which includes the full details of the QTAR process and the final paper: [QTAR SUBMISSION FINAL - June 30 2017](#)

Amending Order 59: Mandatory proAction®

On July 13, 2017, the Board signed Amending Order 59 to the Consolidated Order (C.O.) of September 1, 2013, which formally makes registration with the proAction programs for *Animal Care*, *Food Safety (formerly CQM)* and *Livestock Traceability* a mandatory condition of licensing for all BC producers, effective January 1, 2018.

Please see [Notice to Industry – Amending Order 59: proAction®](#)

Daily Pickup Cost Increase August 1, 2017

As always, 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 daily pickup. If TWO WEEKS NOTICE is NOT given, these extra pickups will be considered "special pickups" and will be charged at the minimum rate of \$150 per extra pickup.

On **August 1, 2017**, the minimum daily pickup charge will be increased by \$50 to \$100 each extra pickup. On **August 1, 2018**, the minimum daily pickup charge will increase by another \$50 to \$150 each extra pickup. The annual increases of \$50 to minimum daily pickup charges is meant to allow producers time to address the capacities of their bulk tanks on farm. The Board will further review the daily pickup cost in Spring of 2018 to determine minimum daily pickup rates beyond this time. For full details on the Daily and Special Pick-up Costs policy please see the [Notice to Producers – Daily and Special Pick-up Costs - August 19, 2016](#)

Thank You, Barb Pacholko!

After 29 years with the BC Milk Marketing Board, Barb Pacholko, the BCMMB's stalwart Finance Officer is officially retiring from her position, effective July 27, 2017. Her reliability, attention to detail, razor-sharp memory and ability to always find the answer to your question will be missed. No matter the computer system (or pre-computer situation), the staffing changes, the processor or producer challenges, Barb always made sure that the numbers added up as they should—and producers got paid on time! The Board and staff at the BC Milk Board wish to extend a heartfelt thank you to Barb for her years of dedicated service to the industry at large and to BC producers, most specifically. **A very happy retirement, Barb!!**

BC Continuous Quota Position

as of May 2017: -1.20%

June 2017 *forecasted: -1.24%

Producer Revenue Shift Update

At producer meetings, this Spring it was announced that the Board was reviewing whether to shift more producer revenue towards butterfat, and that we would attempt to implement this by August 1. The Western Milk Pool provinces are still working together to harmonize this revenue shift. Stay tuned for updates in the coming weeks, but any possible revenue shift will not occur by August 1 as previously stated.

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 | 3.05 | 3.02 |
| Less: Vendor Billings | (0.13) | (0.10) |
| Gross Provincial Freight Rate | 2.92 | 2.92 |
| Add: Train/Volume Discounts | 0.33 | 0.33 |
| Less: Stop/Extra Pick-Up Charges | (0.14) | (0.14) |
| Transportation Department Costs | 0.00 | 0.00 |
| Adjustments from Prior Period | (0.00) | 0.02 |
| Net Provincial Freight Rate | 3.11 | 3.13 |

Continuous Quota

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

| | May 2017 | %* |
|-----|-----------------|---------------|
| | Kg of BF | |
| NL | -517,866 | -20.45% |
| P5 | 7,985,900 | 3.05% |
| WMP | -3,850,416 | -4.41% |
| P10 | 3,617,618 | 1.03% |
| BC | -370,895 | -1.20% |

*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 | 20,969 | 25,993 |
| Somatic Cell Count | 168,057 | 178,511 |
| Quality Bonus Qualifiers(%) | 74.90% | 65.58% |

Producer Payments

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

| Month of Production: | Advance Payment | Final Payment |
|----------------------|-----------------|---------------|
| June | Jul 4 | Jul 20 |
| July | Aug 1 | Aug 18 |
| August | Sep 1 | Sep 20 |

Credit Transfer Average Prices

| Effective June 1 | Conventional Organic |
|------------------|------------------------|
| Average Price | \$7.05 \$6.50 |

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

www.milk-bc.com

Welcome, Dan Poelman!

Dan Poelman joined the BCMMB as a Controller in July. Dan was raised in the Fraser Valley and is closely connected to the dairy industry – he even worked on several dairy farms as a teenager. He obtained his Chartered Professional Accountant designation, while working for KPMG in Burnaby, and spent the last three years as a Controller in the automobile industry. Dan is excited to join the team at the BCMMB, and is eager to re-establish himself and his family in the lower Fraser Valley since they moved to Langley from Vancouver in January. He is a great addition to the team: welcome, Dan!

2017 Iodine Bulk Tank Testing Program

In March and April 2017, the BCMMB took additional milk samples to measure the levels of iodine in raw milk on all BC farms. The goal of the project was to create awareness of iodine levels in raw milk, as well as to support producers in proactively addressing any problem they could potentially have on their farm. The results of the iodine project showed good results for the clear majority of BC producers. For those few with high iodine results, at least half resolved the high iodine levels immediately. The Board will continue to work with the remaining producers to ensure iodine results are within guidelines.

| Results of the 2017 Iodine Bulk Tank Testing Program | | |
|--|-------------------------------|----------------------|
| 508 Milk Samples Taken (all shippers) | | |
| # Normal < 350 µg/L | # Elevated 350 to 499 µg/L | # High > 500 µg/L |
| 422 | 58 | 28 |
| 83.1% | 11.4% | 5.5% |

| Re-tests on all High Iodine Level Samples | |
|--|------------|
| 28 Milk Samples Taken | |
| < 500 µg/L | > 500 µg/L |
| 14 | 14 |
| 50% | 50% |
| 50% improvement on all high iodine shipments | |

* µg/L = micrograms per Litre = ppm

The Board may do another round of iodine testing in the future or random testing in order to monitor levels in the province. Please see the Notice to Producers of February 24, 2017 for full details on the Iodine testing of raw milk samples. [Notice to Producers-Iodine Testing of Raw Milk Samples-](#)

Save the Date! – BCDIC 2017
 December 6 – 8, 2017