

### Producer Component Prices

The producer component prices for the month of February are as follows: BF=\$15.8977, PT=\$2.3205, OS=\$0.6825. The average BC producer hectolitre return for the month is \$78.7496 compared to \$80.0022 in January: a decrease of \$1.2526.

The P10/WMP equalization payment charged to the producer pool in February for the production month of January was \$2,121,005. The equalization payment consists of shared costs across the P10, with respect to special class processing and other shared costs in both the P10 and WMP.

### Reminder: Organic Producers

All organic producers should be aware that they are required to have a current organic certificate on file with the BCMMB office. Please ensure that you provide an updated organic certificate as soon as you receive it. These certificates are supplied directly to organic processors and we must have the most up to date on file or we risk not being able to pick up your milk as organic. The BCMMB does not always know when you have received an updated certificate and it is the producer's responsibility to ensure you send us the most up to date version.

If you have any questions or concerns please contact Woody Siemens at 604.854.4486 or [wsiemens@bcmilk.com](mailto:wsiemens@bcmilk.com) or send your updated organic certificates directly to Lori Sharpe [lsharpe@bcmilk.com](mailto:lsharpe@bcmilk.com)

### Market Outlook

The BC Milk Marketing Board is closely monitoring the steep increase in off-farm production over the past year. Production levels continue to break top volume limits creating an environment of limited processing capacity in BC. This situation is not unique to our province but rather a common theme across the country. BC is a participant in the Western Milk Pool (WMP), which allows the four western provinces the opportunity to share quota, pool revenues and share in transportation costs. During this type of market environment, it is very beneficial to work with our WMP partners to mitigate any one province's exposure to skimming milk, and therefore the impact to one producer group is limited.

Currently, every province in the WMP is under allocated by 1-2%, and at times we are unable to find a home for some of the milk. The situation changes on a weekly basis and is heavily affected by decisions that are outside of our control. Processors determine the milk required and although the industry has been supportive of the additional supply of milk, there are physical limits and economic considerations that must be considered for all stakeholders.

The WMP has agreed to work together and limit each province to producing their daily quota. In BC, there will be no new quota increases or incentive days prior to August 1, 2018, in order to manage the current milk supply and any additional milk that will naturally come through in the spring. Producers are encouraged to produce their CDQ and keep their butterfat high to minimize any further action by the Board. The WMP is trying to work with processors to increase processing capacity and investment in dryers to manage this situation. The Milk Board will keep producers updated as new information becomes available.

### Thank you for attending the 2018 Regional Spring Producer Meetings

The Board would like to thank all the producers who were able to take the time to attend the spring producer meetings held across BC this month. Attendance was excellent and the Board sincerely appreciates the active participation of producers.

### BC Continuous Quota Position as of January 2018: -0.63%

February 2018 \*forecasted: -0.30%

### New Entrant Program (NEP) Consultation Update

The Board appreciates the feedback that we have received to date, including the written submissions and recent participation at the Spring Producer Meetings on a \*new\* new entrant program. The NEP Committee met on February 21, 2018 to consider the BCFIRB's new entrant program directives that were included in the Quota Tools Assessment Review decision of February 2, 2018. Please see: [NEP Consultation](#) to read the NEP Committee Meeting summary notes and revised recommendations.

The Board will review industry feedback, NEP Committee revised recommendations and staff analysis of the full policy consultation after the NEP webpage closes for comments on **April 30, 2018**. Please ensure that you provide any feedback prior to this date. The Board expects to announce a new NEP program in Summer 2018.

## Provincial Freight

The producer freight rate calculations for the months of January and February are summarized below:

Freight Rates (\$/hl)	January	February
Zone Transportation Costs	3.29	3.17
Less: Vendor Billings	(0.30)	(0.26)
Gross Provincial Freight Rate	2.99	2.91
Add: Train/Volume Discounts	0.34	0.33
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	(0.01)	0.02
<b>Net Provincial Freight Rate</b>	<b>3.17</b>	<b>3.11</b>

## Continuous Quota

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

	January 2018	
	Kg of BF	%*
NL	-828,871	-33.76%
P5	11,091,166	4.10%
WMP	-4,881,626	-5.32%
P10	5,380,669	1.48%
BC	<b>-204,258</b>	<b>-0.63%</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 January and February are:

Milk Quality Data	January	February
Individual Bacteria Count	26,105	28,091
Somatic Cell Count	165,726	160,861
Quality Bonus Qualifiers(%)	67.89%	65.98%

## Producer Payments

Participants in the March | April | May Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
March	Apr 3	Apr 19
April	May 1	May 17
May	Jun 1	Jun 17

## Credit Transfer Average Prices

Effective February 1	Conventional   Organic	
Average Price	\$9.32	\$6.04

A Summary of Credit Transfer Statistics can be found at [bcmilk.com](http://bcmilk.com) with other credit transfer documents.

## Quota Management: Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Apr 3 @ 1:00pm	May 1
CDQ Buy/Sell of Credits	Mar 23 @ 1:00pm	Mar 1 Apr 1

If you have any questions, please contact:

**Kathy Wallis** 604.854.4471 [kwallis@bcmilk.com](mailto:kwallis@bcmilk.com)

**Pam Gregory** 604.854.4474 [pgregory@bcmilk.com](mailto:pgregory@bcmilk.com)

## Equipment Installations

The Board along with the BC Dairy Association (BCDA) are concerned about the adoption of many new technologies on farm. It is regulation that prior to any installation of new equipment, approval must be given by the BC Ministry of Agriculture. This means that ALL plans must be approved prior to the start of any construction or installation and must meet ALL the requirements of the Milk Industry Standards Regulations.

The ministry has confirmed that they will be enforcing this requirement, and they have advised that if producers are considering new milking equipment on the farm that they need to contact the ministry early, when equipment is being considered, to ensure enough time to complete the required inspections. When a producer contacts Lynette Hare, she will assign an inspector to review the construction and installation plans.

BC Ministry of Agriculture

Lynette Hare

Compliance, Operation and Data Officer

[Lynette.Hare@gov.bc.ca](mailto:Lynette.Hare@gov.bc.ca) or 604.556.3093

## Quota Management – Important REMINDER: New Fax Number for Submissions of CDQ Buy/Sell Credit Transfer Application Forms

The fax number to submit the CDQ Buy/Sell Credit Application Forms changed, **effective January 1, 2018**. The CDQ Buy/Sell Credits Application Forms should be faxed to Pam Gregory's direct line at **604.854.4474**. Alternatively, the CDQ Buy/Sell Credits Application Form can also be emailed to Pam Gregory at [pgregory@bcmilk.com](mailto:pgregory@bcmilk.com).

It is the producer's responsibility to ensure that their application form has been successfully submitted to the BCMMB before the deadline. Once received, the BCMMB will forward a confirmation received to the fax or email indicated on the application form. If you do not receive confirmation before the deadline please contact Pam Gregory at 604.854.4474 or [pgregory@bcmilk.com](mailto:pgregory@bcmilk.com) to confirm the application form has been received.

Please note that due to the volume and administrative time, the staff cannot guarantee a response to producers' inquiries the morning of the credit application deadline.

## Reminder to producers who want to sell quota on the Quota Exchange:

Any producer wanting to submit an offer to sell quota on the Quota Exchange must first obtain a quota letter confirming the amount of quota eligible to transfer. Please note that the BCMMB requires a minimum of 3 business days to prepare a quota letter. To request a quota letter please contact Kathy Wallis at [kwallis@bcmilk.com](mailto:kwallis@bcmilk.com) or 604.854.4471.

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