

Producer Component Prices

The producer component prices for the month of August are as follows: BF=\$16.3339, PT=\$2.3493, OS=\$0.6794. The average BC producer hectoliter return for the month is \$77.9711 compared to \$78.8556 in July – a decrease of \$0.8845. The WMP received \$2.05M in overquota penalties from the P5 this month which credited BC's P10/WMP Equalization payment directly by \$706K.

The net payment charged to the producer pool in August for the production month of July was \$2,002,481, being approx. \$310K lower than the twelve-month average.

Milk Foamability

Over the past three years, the BCMMB has had periodic complaints about the foamability of milk, particularly with the creation of specialty coffee drinks. The BCMMB in cooperation with the BC Ministry of Agriculture and funding assistance from BCDA's Dairy Industry Research & Education Committee (DIREC) helped support a study with the Dairy Farmers of Ontario (DFO) and the University of Guelph (U of G) to understand better the scope of factors that influence this problem and the challenges in troubleshooting to correct it.

Although we now have some knowledge and potential solutions to the issue, it can still be challenging to identify the root cause. What we do know is that there is a strong and direct correlation between the level of Free Fatty Acids (FFA) in the milk and the milk's susceptibility to not foam well. The BCMMB has initiated a pilot project to begin testing all bulk milk samples of all dairies for FFA content. The objective is to begin building a database of FFA information on all dairy farms to begin looking for trends to assist in identifying farms that may be at risk of producing milk that doesn't foam well. Although we won't be able to publish the FFA information to producers yet, the hope is that we can analyze the data to determine baselines and potential outliers. Producers are encouraged to ensure milk is being adequately cooled in a timely manner to minimize any risk. We will continue to update industry as we progress with this Pilot Project of FFA testing and analysis as well as possible in-depth investigations of causative factors on-farm and through the value-chain.

2018 BCMMB Board Election – Important

2018 Election packages have been distributed to producers. Each package contains the Election and Appointment Rules and Procedures, a 2018 Voting Producer Registration form, a 2018 Nomination form and the 2018 Election Timeline.

Important Dates:

Deadline for submission of *Voting Producer Registration forms – Friday, September 28, 2018

Deadline for submission of *Nomination forms & Biographies – Friday, October 12, 2018

**Only registered Voting Producers can sign Nomination forms*

If you have any questions or concerns please contact Kristianne Hendricks, Independent Elections Officer, at kristianne.hendricks@gmail.com or directly at 604.226.5451

Please Note: BCDA has a member-at-large position open this fall and there may be a vote held as well. Please remember to vote in both elections.



BC Continuous Quota Position

as of July 2018: **-0.39%**

August 2018 *forecasted: **-0.71%**

2018 BCMMB AGM & Fall Producer Meeting – Friday, November 30, 2018

JW Marriott Parq Vancouver Hotel *New Venue*
Parq Grand Ballroom
39 Smithe Street, Vancouver, V6B 0R3

Producer Registration & Breakfast opens at 7:00 AM

2018 BCMMB AGM

8:45 AM – 9:30 AM

9:30 AM – 10:00 AM – Energy Boost

2018 BCMMB Fall Producer Meeting

10:00 AM – 11:30 AM – Fall Producer Meeting

11:30 AM – 12:00 PM – Producer Q&A

The Board and staff look forward to joining BC milk producers and industry affiliates in this great opportunity to gather under one roof. [BCDIC 2018 November 28-30, 2018](#)

Provincial Freight

The producer freight rate calculations for the months of July and August are summarized below:

Freight Rates (\$/hl)	July	August
Zone Transportation Costs	3.07	3.09
Less: Vendor Billings	(0.11)	(0.12)
Gross Provincial Freight Rate	2.96	2.97
Add: Train/Volume Discounts	0.33	0.33
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.01	(0.04)
Net Provincial Freight Rate	3.16	3.11

Continuous Quota

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

	June 2018	%*
	Kg of BF	
NL	-49,980	-2.00%
P5	1,361,529	0.50%
WMP	-1,004,001	-1.07%
P10	307,548	0.08%
BC	-128,924	-0.39%

*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 July and August are:

Milk Quality Data	July	August
Individual Bacteria Count	22,945	20,973
Somatic Cell Count	179,331	189,307
Quality Bonus Qualifiers(%)	70.98%	69.52%

Producer Payments

Participants in the September | October | November Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
September	Oct 01	Oct 18
October	Nov 01	Nov 20
November	Dec 03	Dec 19

Credit Transfer Average Prices

Effective August 1 2018	Conventional Organic	
Average Price	\$6.44	\$4.38

A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.

Quota Management: Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Oct 1 @ 1:00pm	Nov 1
CDQ Buy/Sell of Credits	Sep 25 @ 1:00pm	Sep 1 Oct 1

If you have any questions, please contact:

Kathy Wallis 604.854.4471 kwallis@bcmilk.com

Pam Gregory 604.854.4474 pgregory@bcmilk.com

Notice to Producers – Conversion to True Protein

On July 27, 2018, the Canadian dairy industry decided to turn to a measure of true protein, which excludes non-protein nitrogen to be consistent with the international standards for protein measurement.

To a producer this means that the protein content measured in milk that serves for billing purposes will be reduced. There will be no real change in milk composition, just a change in how the protein is measured.

To ensure that this change in methodology does not affect producer revenues, the price of protein has been increased slightly effective September 1, 2018. This way, producers will sell less protein (on paper) but receive a bit more for each kilogram of protein. This will ensure that producers are not financially penalized for a change in the way protein is reported.

Effective September 1, 2018 milk payment testing labs will report true protein test results on producer bulk tank samples and labs will calibrate their testing equipment for true protein rather than total/crude protein.

Please contact Woody Siemens at wsiemens@bcmilk.com, if you have any questions relating to this notice.

New Entrant Program (NEP) Announced

Please see the Notice to Industry from August 10, 2018: Notice to Industry – New Entrant Program August 10, 2018.

Please note that NEP application forms will be available on the Board’s website in November 2018, with an application deadline of February 1, 2019 for the first intake of the NEP program (for production starts in 2020).

BCMMLB Staffing Update

Please see the recent BCMMLB staffing update and contact information below:

Sandra Livingston has moved into the Finance Officer Position effective September 3, 2018. Sandra can be reached at slivingston@bcmilk.com

Lisa Gruban has moved into the Milk Pay Officer Position, effective September 3, 2018. Lisa can be reached at lgruban@bcmilk.com

