

Producer Component Prices

The producer component prices for the month of January are as follows: BF=\$16.8612, PT=\$2.6123, OS=\$0.7120. The average BC producer hectoliter return for the month is \$84.1943 compared to \$84.1214 in December, an increase of \$0.0729.

These returns are consistent with those of the winter months in prior years due to higher off-farm butterfat volume and processor mix in BC this time of year. Across the Western Milk Pool, January through March will likely see more milk diverted to Class 7 products to avoid skimming; this will cause increases to the equalization payment BC will make to the CDC.

The net equalization payment charged to the producer pool in January for the production month of December was \$2,136,048 which is nearly an \$800,000 increase from the prior month.

4% General Allocation – February 1, 2019

After reviewing the current production requirements for the province of BC, and reviewing a recommendation from the MIAC, the Board implemented a general allotment of 4%, effective February 1, 2019.

The Board is currently working with the new forecasting model implemented by the Canadian Dairy Commission for production requirements in Canada. The model presents real time production information for the province, but also inserts significant volatility during certain periods.

The Board also continues to work with the Western Milk Pool to secure processing opportunities in Western Canada. This allocation is a result of both factors. Please note that going forward the Board will continue to monitor the production environment in BC and advise of changes to market requirements regularly.

For complete details please see the January 28, 2019 [Notice to Producers-General Allocation-February 1, 2019](#)

Organic Sleeve Production of 1%

The current sleeve for organic producers will come to an end on February 28, 2019 as a new sleeve period begins on March 1, 2019. For complete details, see the January 28, 2019 [Notice to Organic Producers-1% Sleeve March 1 2019 to August 31 2019](#) which applies to all organic producers in production effective March 1, 2019. Organic production requirements have increased effective March 1, 2019.

Organic producers will receive a temporary 1% increase to their current quota holdings for the period of March 1, 2019 to August 31, 2019. The 1% sleeve is in addition to and applied AFTER the General Allocation of 4%.

Producers are encouraged to participate on the quota exchange and purchase available quota up to a maximum of the allocated sleeve. If quota is purchased during this six-month period, the kilograms purchased will not be deducted from the existing sleeve. No priority purchases will be permitted.

If you have any questions or concerns, please contact Woody Siemens at 604.854.4476 or wsiemens@bcmilk.com.

BC Continuous Quota Position

December 2018 Actual -2.45%

2019 Regional Spring Producer Meetings

Date	Region	Location	Time
March 4	Fraser Valley	Quality Hotel Abbotsford	7:30 PM
March 6	Okanagan	Prestige Inn Salmon Arm	10:30 AM
March 7	Vancouver Island	Coast Bastion Hotel Nanaimo	7:30 PM
March 11	Kootenay	Ramada Inn Creston Creston	1:00 PM
March 12	Cariboo & Peace River	Treasure Cove Hotel Prince George	5:00 PM
March 13	Bulkley Valley	Hudson Bay Lodge Smithers	1:00 PM
March 14	Fraser Valley	Rainbow Country Inn Chilliwack	7:30 PM

Provincial Freight

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

Freight Rates (\$/hl)	December	January
Zone Transportation Costs	3.17	3.13
Less: Vendor Billings	(0.11)	(0.11)
Gross Provincial Freight Rate	3.06	3.02
Add: Train/Volume Discounts	0.34	0.34
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.00	0.06
Net Provincial Freight Rate	3.26	3.27

Continuous Quota

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

	December 2018	
	Kg of BF	%*
NL	-169,113	-8.18%
P5	-4,662,528	-1.69%
WMP	-2,857,172	-3.04%
P10	-7,688,813	-2.06%
BC	-815,658	-2.45%

*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 December and January are:

Milk Quality Data	December	January
Individual Bacteria Count	20,551	19,653
Somatic Cell Count	162,246	161,536
Quality Bonus Qualifiers(%)	78.15%	80.67%

Producer Payments

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

Month of Production:	Advance Payment	Final Payment
February	Mar 01	Mar 19
March	Apr 01	Apr 17
April	May 01	May 17

Credit Transfer Average Prices

Effective Jan 1	Conventional Organic	
Average Price	\$9.04	\$5.00

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

If you have any questions, please contact:

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 Pam Gregory 604.854.4474 pgregory@bcmilk.com

New Entrant Program (NEP) Random Draw Held February 7, 2019

The application deadline for those interested in participating in the NEP was February 1, 2019. The Board received 95 completed application forms. The Board thanks everyone who expressed their interest and entered the draw.

The Council of Marketing Boards (COMB) was engaged to execute the NEP random draw on the Board's behalf. The draw was held on Thursday February 7, 2019 to select the eight candidates who will be interviewed by the NEP Selection Committee. Please see the [Notice to Industry – NEP Draw – February 7, 2019](#) for more details.

Quota Management Important Reminder: Submissions of CDQ Buy/Sell Credit Transfer Application Forms

The CDQ Buy/Sell Credits Application Form should be emailed to Pam Gregory at pgregory@bcmilk.com.

Alternatively, the CDQ Buy/Sell Credits Application Forms can also be faxed to Pam Gregory's direct line at 604.854.4474.

Contacting BCMMB Staff:

For all general inquiries contact reception at:

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