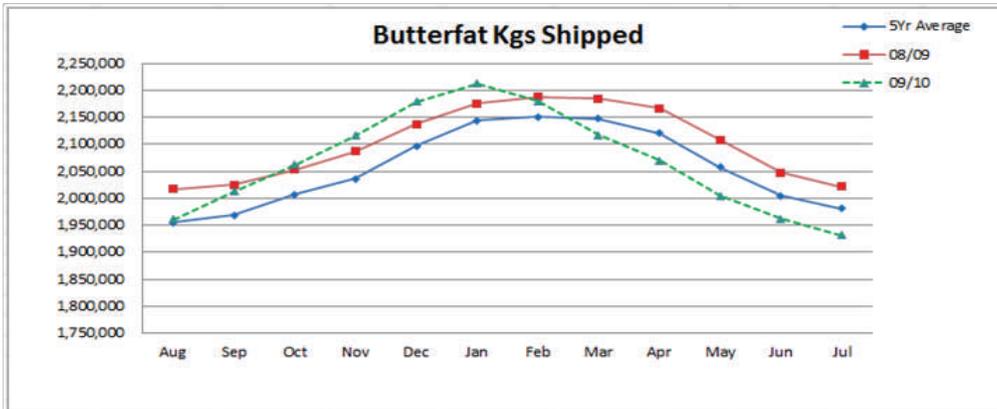




## Issues Update July 2010

Volume 15 No. 12



### Penalties paid by the producer pool to date:

Month	Kgs	OQ Penalty	Special Class/WMP Revenue
February	96,644	\$2,689,000	\$1,044,000
March	35,096	\$932,000	\$2,392,000
April	23,408	\$652,303	\$2,047,634
May	0	0	\$1,293,535

Producer  
**EARLYBIRD REGISTRATION**  
 coming soon!  
[www.milk-bc.com](http://www.milk-bc.com)

**Important!**

### Continuous Daily Quota (CDQ) Transition Policy

All producers will start the CDQ system on August 1 with 5.48% flexibility available to them.

Flexibility will be determined on where a producer finishes on July 31, 2010. If a producer did not change his/her TPQ during the 2009/10 dairy year (i.e. no swaps or quota purchases) then the producer will end the 2009/10 dairy year anywhere between +3.65 and -11.00 days.

**This position will indicate where the producer will start on August 1, 2010 and is calculated kilo for kilo.**

Producers are responsible for ensuring that they manage their quota and production to meet the CDQ upper and lower limits accordingly.

If a producer bought used quota or swapped quota during the 2009/10 dairy year, the producer may start production on August 1, 2010 in a higher or lower position than +3.65 and -11.00 days since he created a change in his/her TPQ during the 2009/10 dairy year.

If you require more details regarding this policy, please refer to the July 9, 2010 - Notice to Producers. A copy of this notice has been attached to this month's milk pay statement for your convenience.

### Policy Summary-Quota Exchange and Off Exchange Transactions

**All quota must be sold on the quota exchange.**

No off exchange transactions (excluding family transfers) are permitted at this time.

The next quota exchange will be run on August 9, 2010.

The deadline for applications will be August 3, 2010. The bid price will be \$38,000 per daily kg (\$104 kg)

This price reflects a blended price since there will be no used quota on the CDQ system.

The minimum bid will be 0.10 kg/day.

The trigger price will be reduced from \$730.00 per daily kg (\$2.00 kg) to \$500.00 per daily kg (\$1.37 kg)

\*Please refer to the July NTP — Quota Exchange Policy for more policy details

**Quota Swaps**

**PLEASE NOTE:** The Last swap deadline is July 23<sup>rd</sup> for swaps effective July 1, 2010. Applications will be accepted at the BCMMB office up until 4:30pm on Friday, July 23, 2010.

Quota Swap statistics for the Second Set of Swaps effective June 1, 2010 and for the First Set of Swaps effective July 1, 2010, are as follows:

Swap Prices (\$/kg)	Jun	Jul
Low Price	3.50	10.00
High Price	16.25	15.00
Weighted Average	14.39	13.52

Following the last swap deadline of July 23<sup>rd</sup>, please destroy all blank swap forms, as there will be new BUY/SELL CREDIT APPLICATION FORMS available to use starting August 1st, 2010

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**Provincial Freight**

The producer freight rate calculations for the months of May and June are summarized below:

Freight Rates (\$/hl)	May	Jun
Zone Transportation Costs	3.00	3.04
Less: Vendor Billings	(0.16)	(0.13)
Less: I/P Freight Cost Recovery	0.00	0.00
Gross Provincial Freight Rate	2.84	2.91
Add: Train/Volume Discounts	0.28	0.28
Less: Stop/Extra Pick-Up Charges	(0.12)	(0.11)
Transportation Department Costs	0.02	0.07
Adjustments from Prior Period	(0.11)	0.09
<b>Net Provincial Freight Rate</b>	<b>2.91</b>	<b>3.23</b>

**Milk Quality Report**

The following provincial averages and quality bonus data based on the official milk quality tests for May and June are:

Milk Quality Data	May	Jun
Individual Bacteria Count	20,818	20,559
Somatic Cell Count	170,171	189,784
Quality Bonus Qualifiers (%)	*50.0%	*47.5%

*\*Number of producers that met BCMMB Quality thresholds as well as CQM requirements effective August 1, 2009*

**Producer Payments**

Participants in the June, July and August pools will receive their payments as follows.

Month of Production	Advance Payment	Final Payment
June	July 2	July 20
July	Aug 3	Aug 19
August	Sep 1	Sep 20



Please visit us at your new website!

Your new website provides a secure login for **“what you need to do today”**. This is a place to find your Lab Results, Producer Production Statements, Transportation, Contact information for the Field Service Representative, a place to request a Farm Visit, and links to all BCMMB Office department contacts.

All requests directed online will be answered as soon as possible. If you require immediate assistance if you have a time sensitive issue please do not hesitate to contact the BCMMB staff representative by calling the office directly.

**From the Field**

The clock is ticking as the countdown to CDQ draws close to August 1<sup>st</sup>. Are you ready for it? Here are a few tips and resources for you as we prepare to move forward into the new system:

1. Our new website is now up and running. Make sure you are set up to get access to your account where you will find your up to date lab results and milk statements. Some useful benefits of the site will also include updated CDQ calculators designed to help you with daily management of your quota, producer updates and announcements, contact information, and industry links. Two added features of our new site include a “Feature Farms” section, and my blog, “From the Field”. This will allow me to help keep every producer up to date with the latest concerns, issues, and events circulating around the industry. It will also allow me to relay information to more producers, more often, than I am able to do with the monthly newsletter. We strongly encourage you to visit the site and hope that you find it a useful tool for your quota management.
2. Be aware of the CDQ Transition Policy! A Notice to Producers was issued on July 9<sup>th</sup> that clearly details how 97 to 101% will translate into Daily Quota at August 1<sup>st</sup>. This may influence your decision to swap or not to swap before year end.
3. Kathy Wallis and I are both on call to help you with your swap calculations as the dairy year draws to a close. Please be reminded that the final swap deadline is **Friday, JULY 23<sup>rd</sup>!**
4. And of course I am available to visit with you in person, via email, or over the phone to answer any questions or concerns you may have about CDQ or your quota management in general.

Happy Haying!