



Issues Update August 2010

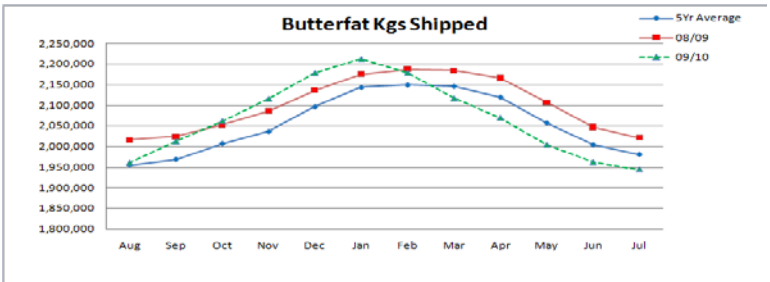
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Penalties paid by the producer pool to date:

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
June	0	0	\$2,289,533



CDQ Policy Reminder August 1st, 2010

Effective August 1, 2010

	Percent	Days
Upper limit	+1.37%	5
Lower Limit	-4.11%	15
Total Flexibility	5.48%	20

Producer Over Quota

August 1, 2010 - Over Quota Penalties

Any shipments above 101.37% (5 days) will receive no payment plus a 50% penalty of the current month blend price. There will be no opportunity to recover lost revenue.

Provincial Over Quota

All producer penalty money collected less any provincial penalty money paid will be kept by the Board until the fund reaches a balance of \$1 million. All penalty money exceeding this limit will be added to the monthly pool. Any provincial penalty money will be deducted from the pool on a monthly basis if there are no producer penalty funds to cover the provincial penalty.

Deemed Quota

August 1, 2010 - Over Quota Penalties

Any shipments below 4.11% (15 days) will be deemed as produced. There will be no opportunity to recover lost revenue.

SNF/BF Target Ratio for August 1, 2010

British Columbia's target Solids Non-Fat to Butterfat (SNF/BF) Ratio for August 1, 2010 remains at 2.4014. To help ensure that this target is met, the BCMMB will maintain a target SNF/BF Ratio for each producer of 2.4379 starting August 1, 2010 for a twelve month period.

Producers that exceed this ratio will be charged monetary penalties that will be used to offset any provincial liability should British Columbia not meet its SNF/BF Ratio on July 31, 2011.

Producer Licences

Producer licences for August 1, 2010 were distributed at the end of July. The annual licence fee and levies were deducted from the producer payments in June 2010 and were deposited on July 20, 2010. Producers must display both the federal and provincial licences in the milk house, preferably next to the Dairy Farm Licence issued by the BC Ministry of Agriculture and Lands.

For further information please contact:

Kathy Wallis
T 604.854.4471 Email kwallis@milk-bc.com

BC Milk Marketing Board

Board Member Contact Information	Jim Byrne	Ben Cuthbert
	604.308.5835 jbyrne@milk-bc.com	250.245.3299 bcuthbert@milk-bc.com
	Ben Janzen 604.855.8096 bjanzen@milk-bc.com	John Pruim 604.768.6762 jpruim@milk-bc.com
	Cornelis Hertgers 604.819.4296 chertgers@milk-bc.com	Walter Goerzen 604.850.4851 wgoerzen@milk-bc.com

New BCMMB Website Launched!

Please visit us at

www.milk-bc.com





Milk Quality Report

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

Milk Quality Data	Jun	Jul
Individual Bacteria Count	20,559	26,970
Somatic Cell Count	189,784	206,614
Quality Bonus Qualifiers (%)	47.5%	44.24%

Quota Swaps

Quota Swap statistics for the second set of Swaps effective July 1, 2010 are as follows:

Low Price	\$1.00
High Price	\$15.00
Weighted Average	\$9.11

Please Note: Swap Application forms are no longer valid. The new CDQ Buy/Sell Credits Application form is available on our website, or from the BCMMB office.

From the Field

Welcome to Continuous Daily Quota! I just wanted to take this quick opportunity to let you know that I will be away from work for the next two weeks for a bit of a getaway... actually I'm taking the plunge and getting married. I will be absent from August 9th but promise to return to work on the 24th. In the meantime, please see below the appropriate contacts at the office who will be available to answer your questions regarding your quota management or website access:

Kathy Wallis, Quota Officer T 604.854.4471
Email kwallis@milk-bc.com

Zahra Abdalla-Shamji, Manager, Policy Analysis
T 604.854.4480 Email zabdalla@milk-bc.com

Lori Sharpe lsharpe@milk-bc.com or **Lisa Gruban** lgruban@milk-bc.com are able to assist you with your login setup should you still be having troubling gaining access T 604.556.3444

Thanks again and hope you are all enjoying a WONDERFUL summer!
Cheers, Melanie

CDQ Buy/Sell of Credits

The next deadline for CDQ Buy/Sell of Credits is August 25, 2010, for the effective date of August 1st or September 1st. Applications will be accepted at the BCMMB office up until 4:30pm on Wednesday, August 25, 2010.

BUY/SELL Credit Reminders:

- **1 Credit = 1 Kilogram**
- The maximum amount of credits that a producer can BUY/SELL in any one 12 month period is 20% of a producers allotted CDQ
- Producers may BUY or SELL kilograms up to +/-15 days
- The minimum amount of any BUY/SELL is fixed at 100kgs
- A producer "BUYING" credits will see an increase in the "CREDITS available over" for the effective month
- A producer "SELLING" credits will see an increase in the "CREDITS available under" for the effective month

Provincial Freight

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

Freight Rates (\$/hl)	Jun	Jul
Zone Transportation Costs	3.04	2.99
Less: Vendor Billings	(0.13)	(0.13)
Less: I/P Freight Cost Recovery	0.00	0.00
Gross Provincial Freight Rate	2.91	2.86
Add: Train/Volume Discounts	0.28	0.28
Less: Stop/Extra Pick-Up Charges	(0.11)	(0.11)
Transportation Department Costs	0.07	0.01
Adjustments from Prior Period	(0.09)	(0.03)
Net Provincial Freight Rate	3.23	3.00

Producer Payments

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

Month of Production	Advance Payment	Final Payment
July	Aug 3	Aug 19
August	Sep 1	Sep 20
September	Oct 1	Oct 20

Quota Exchange Policy Reminders:

- Applications must be received by the BCMMB office either in person or by mail/courier (clearly marked as Quota Exchange application) no later than 4:30 pm on the deadline date for the current month's exchange
 - Please ensure that your bank letter is up to date and covers the full settlement amount of your bid (all bank letters on file are reduced by settlement amounts for previous quota exchange purchases covered by that letter). If you are unsure of the status of your bank letter, please contact our office and we will check your file for you
 - Volume limit is 10% of your CDQ for each exchange, with the following guidelines:
 - If your CDQ is 137 kg/day or less, you can bid up to 13.7 kg/day per exchange
 - If your CDQ is greater than 137 kg/day, you have the ability to bid 10% of your CDQ, limited to a maximum of 109.58 per exchange.
- If you have any questions regarding Quota Exchange policy, please contact Kathy at 604.854.4471 or kwallis@milk-bc.com.