



## Issues Update September 2010

Volume 16 No. 2

For the August 2010 Production Month

**PRODUCER REGISTRATION  
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### Leadership Changes at the BCMMB

This spring, the Province of British Columbia approved an Order in Council that made official the appointment of Jim Byrne as Chairman of the BC Milk Marketing Board. Mr. Byrne assumed his responsibilities on July 4, 2010 replacing Mr. Blaine Gorrell who served as Chairman of the Board since July 4, 2005. A strong supporter of supply management, Mr. Byrne served as Assistant General Manager of the Board from 1996 until November 2009. The knowledge and experience that he returns to the Board with should prove valuable in helping promote the interests of the BC dairy industry. The Members and staff of the BCMMB welcome Mr. Byrne's appointment and look forward to working with him in the years to come.

The Members and staff of the BCMMB would also like to recognize Mr. Blaine Gorrell for his commitment to the BC dairy industry and thank him for his leadership and steadfast support these past five years. We wish Mr. Gorrell every success in his future endeavours.

### Fall Producer Meetings

Similar to last year, the Board will not be holding any producer meetings in the fall of 2010, but will hold a two hour meeting on Friday December 3, 2010, 9:00am, Pacific Rim Hotel, Vancouver following the BC Dairy Industry Conference.

Although no meetings will be held this fall, the Board is always available to attend regional meetings upon request. Please feel free to contact Ken McCormack 604.854.4473 or [kmccormack@milk-bc.com](mailto:kmccormack@milk-bc.com) at the BCMMB if you have any concerns or comments.

### Year-End Reconciliation

The year-end reconciliation will take place in October 2010 following the completion of the audit. Any payments to producers will take place at the end of October.

### Quota Exchange News

The next Quota Exchange deadline is **Friday, October 1, 2010 @ 4:30 pm.**

Please check the website for the "Current Exchange Price" to ensure that your application is accurate.

A reminder that the Quota Exchange is operated under a sealed bid process and application forms **cannot be faxed** into the BCMMB office. Application forms must be received at the BCMMB office prior to the deadline either in person, or mailed/couriered in an envelope clearly marked "Quota Exchange Application".

#### Bank Letter Requirements:

- a current Bank Letter is required for all Buyer Application forms with a settlement amount of \$100,000 or greater
- must accompany your application or be on file at the BCMMB office by the deadline
- the bank letter must cover the full settlement amount of your bid
- the bank letter must be valid on the settlement date for balances due for current Quota Exchange purchases
- bank letters are reduced by the settlement amounts of all 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 be happy to check your file for you

If you have any questions please contact Kathy Wallis 604.854.4471 or [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com)

### Milk Quality Report

The following 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	26,970	21,193
Somatic Cell Count	206,614	207,532
Quality Bonus Qualifiers (%)	44.24%	44.07%

### Producer Payments

Participants in the August, September and October pools will receive their payments as follows.

Month of Production	Advance Payment	Final Payment
August	Sep 1	Sep 20
September	Oct 1	Oct 20
October	Nov 1	Nov 18

### CDQ Buy/Sell of Credits

The next deadline for CDQ Buy/Sell of Credits is September 24<sup>th</sup> for the effective date of September 1<sup>st</sup> or October 1<sup>st</sup>. Applications will be accepted at the BCMMB office up until 4:30pm on September 24<sup>th</sup>.

#### 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 +5/-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 July and August are summarized below:

Freight Rates (\$/hl)	Jul	Aug
Zone Transportation Costs	2.99	2.91
Less: Vendor Billings	(0.13)	(0.13)
Less: I/P Freight Cost Recovery	0.00	0.00
Gross Provincial Freight Rate	2.86	2.78
Add: Train/Volume Discounts	0.28	0.28
Less: Stop/Extra Pick-Up Charges	(0.11)	(0.16)
Transportation Department Costs	0.01	0.06
Adjustments from Prior Period	(0.03)	0.03
<b>Net Provincial Freight Rate</b>	<b>3.00</b>	<b>2.99</b>

### From the Field-CDQ is Here!

Continuous Daily Quota made its official debut in BC on August 1<sup>st</sup>. As you review your first "official" CDQ statement, please keep in mind these important points:

1. The margin of flexibility is +5 / -15 days for a total of 20 days of flexibility. Check out **line 3e** on your statement to see your starting position was at August 1<sup>st</sup>. **Line 3h** will show you where you finished up at month end.
2. 2 incentive days were issued in August. Any quota you shipped in excess of your month quota will first fill these days before filling any over credits you have available. **Remember 2 incentive days are available for production in September.**
3. Did you ship in excess of your +5 days? All over quota kg will be detailed in Box 5
4. Did you ship below your minimum of -15 days? All "lost" kg will be detailed in on **lines 3m and n**
5. Don't understand how the statements read? Completely confused? You have a few options:
  - a. Call me or send an email with your questions. 604.302.8835 or [mlantz@milk-bc.com](mailto:mlantz@milk-bc.com)
  - b. Book a visit with me at your farm so we can go through your statement together in person! I am also available to meet with you here at our office.
  - c. You can also call Kathy our Quota Officer for assistance with your statement at 604.854.4471

Melanie

### BC Milk Marketing Board

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