



## Issues Update October 2010

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For the September 2010 Production Month

**PRODUCER REGISTRATION**  
[www.bcdairyconference.ca](http://www.bcdairyconference.ca)



### Continuous Daily Quota Allotment-October 2010

The Board has decided to implement a general allotment effective November 1, 2010. Producers will be informed of their quota increases by way of individual notices. Key determinants for this allotment are set out below:

- The amount of CDQ to be allotted is 1.22%
- Consistent with the Consolidated Order, the allotment will be performed on a pro rata basis
- Each eligible licensed producer's CDQ as at November 1, 2010 will serve as the basis for determining the pro rata CDQ amount
- The allotment will be subject to the 10/10/10 and LIFO assessment policy

If you have any questions or concerns, please contact Rob Delage at T. 604.854.4475 [rdelage@milk-bc.com](mailto:rdelage@milk-bc.com)

### BC Milk Marketing Board AGM and Fall Producer Meeting December 3<sup>rd</sup>, 2010

The Board invites you to participate in the Annual Fall Producer Meeting and AGM on Friday December 3<sup>rd</sup>, 2010 at the Fairmont Pacific Rim Hotel in Vancouver. The Board will update producers on current issues and challenges in the industry. If you have any questions regarding this meeting please contact Lisa Gruban at T. 604.854.4470 or at [lgruban@milk-bc.com](mailto:lgruban@milk-bc.com)

### From the Field-CDQ Statements

Since the publication of our first REAL CDQ statements for August production, I have had the opportunity to hear a lot of feedback, comments, questions, and criticisms of them from producers and industry partners alike. We do encourage your feedback (and even corrections!) as we work to build statements that are informative but straightforward to read. I would like to take this opportunity to comment on the most common points that have been brought to my attention over this past month:

**1) TARGET PRODUCTION BOX:** What does it mean? Currently this Box is based on the calendar month and designed to 'target' your production to Day 0. For instance if you are sitting between 0 and 5 days OVER at the end of the statement month, this box will suggest you under ship your daily quota by just enough that you will wind up at Day 0 by the end of the month. Vice versa is true if you are sitting between 15 days UNDER and 0 by the end of the statement month. The intent behind this section of the statement was to provide you as a producer with a SAFE production target to aim for every month based on the end balance of the statement month.

**Producers beware; it does not account for incentive days!**

**2) SNF RATIO, LEVIES & CREDITS:** The SNF calendar is going to remain on a fixed year that runs August 1<sup>st</sup> to July 31<sup>st</sup> every year. Unfortunately, the August statements contained an error in which the levy or credit balance carried forward from 2009/2010 when it should have reflected only August numbers. Please be advised that SNF levies or credits do not carry forward year to year. If you have finished a year in a credit balance, you start the new year at zero again. If you finish in a levied balance, any levies incurred will be refunded because the province finished at July 31<sup>st</sup> within the maximum allowable of 2.4379.

**3) INCENTIVE DAY PRODUCTION:** Many producers want to know how much of the issued incentive days they have managed to utilize over these past few months. The current statement format does not detail usage, but rolls it into total monthly production. From simple observation of Box 2 you can quickly determine whether or not any, some, or all of the incentive days issued were produced in the statement month.

We continue to encourage your feedback on the statements and will consider all of your comments, suggestions, and criticisms. They are still a work in progress and we are always open to formulate improvements!

Melanie Lantz T. 604.854.4474 [mlantz@milk-bc.com](mailto:mlantz@milk-bc.com)

### Milk Quality Report

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

Milk Quality Data	August	September
<b>Individual Bacteria Count</b>	21,193	21,816
<b>Somatic Cell Count</b>	207,532	204,375
<b>Quality Bonus Qualifiers (%)</b>	44.07%	45.81%

### Producer Payments

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

Month of Production	Advance Payment	Final Payment
<b>September</b>	Oct 1	Oct 20
<b>October</b>	Nov 1	Nov 18
<b>November</b>	Dec 1	Dec 17

### Quota Exchange News

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

Please keep in mind the following **bank letter requirement** details, as many applications continue to be received by the BCMMB office without a current financial commitment letter and risk being disqualified from participation on the Quota Exchange:

- *a current bank letter must be on file or received by the BCMMB office NO LATER than the Quota Exchange deadline*
- *bank letters are reduced by all previous quota exchange purchases covered by that letter, regardless of the method of payment used for payment of the balance due*
- *the bank letter must not expire prior to the settlement date for balances due for current quota exchange purchases*

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 T. 604.854.4471 [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com)

### CDQ Buy/Sell of Credits

The next deadline for CDQ Buy/Sell of Credits is October 25<sup>th</sup> for the effective date of October 1<sup>st</sup> or November 1<sup>st</sup>. Applications will be accepted at the BCMMB office up until 4:30pm on October 25<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

### Credit Transfer Statistics

Credit Transfer Statistics for the 2<sup>nd</sup> set of transfers effective September 1<sup>st</sup> and for the 1<sup>st</sup> set of transfers effective October 1<sup>st</sup> are as follows:

	September Conventional/Organic	October Conventional/*Organic
<b>Low</b>	\$0.00/\$3.50	\$8.00
<b>High</b>	\$10.00/\$5.00	\$8.50
<b>Average</b>	\$7.77/\$3.88	\$8.06

*\*No Organic swaps for October 1, 2010*

### Continuous Daily Quota-Amended Credit Transfer Minimum

Effective immediately the Board has reduced the current credit transfer minimum of 100kg per transaction to a new minimum of 25kg. The purpose for this reduction is to ensure that an IRMA with a total margin of flexibility equal to or less than a total of 100kg has the ability to utilize credit transfers without exceeding the maximum of +5 days or the minimum of -15 days.

At present, the minimum quota holdings required to ship milk as an active producer in the province of BC are only 4.11 daily kilograms of quota (1,500kg annually). On a farm this size, the total margin of flexibility totals only 82.2 kilograms.

If you have any questions regarding this policy, please contact Melanie Lantz T. 604.302.8835 or at [mlantz@milk-bc.com](mailto:mlantz@milk-bc.com)

### Provincial Freight

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

Freight Rates (\$/hl)	Aug	Sep
<b>Zone Transportation Costs</b>	2.91	2.91
<b>Less: Vendor Billings</b>	(0.13)	(0.06)
<b>Less: I/P Freight Cost Recovery</b>	0.00	0.00
<b>Gross Provincial Freight Rate</b>	2.78	2.84
<b>Add: Train/Volume Discounts</b>	0.28	0.28
<b>Less: Stop/Extra Pick-Up Charges</b>	(0.16)	(0.16)
<b>Transportation Department Costs</b>	0.06	0.04
<b>Adjustments from Prior Period</b>	0.03	0.02
<b>Net Provincial Freight Rate</b>	<b>2.99</b>	<b>3.03</b>

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