



Issues Update November 2010

Volume 16 No. 4

For the October 2010 Production Month

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Producer Component Prices and Standard Blend Price

The producer component prices for the month of October are as follows:

BF = \$9.4460, PR = \$8.8028, OS = \$1.8558 or an equivalent return of \$73.0119 per standard hectolitre.

This return compares to \$75.4710 in September 2010, a difference of \$2.44591/std. hl. The P10/WMP equalization transfer for September was \$2,071,046. Please refer to the BCMMB Statistics for the month of October 2010 for more details.

BCMMD AGM –Friday, December 3rd, 2010

British Columbia Milk Marketing Board Twenty-First Annual General Meeting

8:30 AM, Friday, December 3rd, 2010

Star Sapphire Ballroom-Fairmont Pacific Rim Hotel-1038 Canada Place, Vancouver, BC

*Producer Registration starts at 8:00AM (*One vote per IRMA Number for Resolutions-No Board Election in 2010*)
2010 Fall Producer Meeting commences following the AGM.

WMP Fluid Price Increase

Effective February 1, 2011 British Columbia dairy processors receiving raw milk for use in Classes 1(a), 1(b)(i) and 1(c) will pay \$0.3262 per hectolitre more on a 3.6 kilograms of butterfat per hectolitre basis.

Prior to the cost increase, British Columbia processors were paying \$89.3850 per hectolitre on a 3.6 kg/hl basis for milk utilized in Classes 1(a) and 1(b)(i). With the increase and change in methodology, the cost per hectolitre on a 3.6kg/hl basis rises to \$93.06/HL for Class 1(a) and \$85.95 for Class 1(b). This pricing is inclusive of all applicable levies.

As Class 1(b)(ii) is priced in conjunction with the prevailing Special Milk Class prices, this class is not affected by the announced increase.

Pricing fundamentals for Class 1(d) are related to manufactured milk prices. Accordingly, prices for this class conform to prevailing prices for manufactured milk classes.

Please contact Zahra Abdalla-Shamji zabdalla@milk-bc.com 604.854.4480 if you have any questions related to this change

Quota Management-Early December Deadline for CDQ Buy/Sell of Credits

Due to the Christmas holidays, the December deadline for credit transfer application forms will be Wednesday, December 22nd, 2010 by 4:30PM.

Producers wanting to transfer credits effective December 1st, 2010 must submit their application forms to the BCMMD office by the following deadline date.

CDQ BUY/SELL of Credits 4:30PM Wednesday, December 22, 2010.

If you have any questions please contact Kathy Wallis at kwallis@milk-bc.com 604.854.4471

BC Dairy Industry Conference 2010 Guest Speakers

Nola Martin

Director Retail Development Services

AC Nielsen

Jacques Laforge

President

Dairy Farmers of Canada

Gail Barnes

Vice-President Technology & Packaging

Dairy Management Inc., USA

Steve van der Leest

President

Overwaitea Food Group

Serge Paquette

President

Agropur Natrel Division

Joel Gregoire

Senior Analyst

The NPD Group

Panel & Question period to follow.

Milk Quality Report

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

Milk Quality Data	September	October
Individual Bacteria Count	21,816	20,737
Somatic Cell Count	204,375	192,568
Quality Bonus Qualifiers (%)	45.81%	48.69%

Producer Payments

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

Month of Production	Advance Payment	Final Payment
October	Nov 1	Nov 18
November	Dec 1	Dec 17
December	Jan 4	Jan 20

Quota Exchange News

The next Quota Exchange deadline is Monday, December 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

CDQ Buy/Sell of Credits

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

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 2nd set of transfers effective October 1st and for the 1st set of transfers effective November 1st are as follows:

	October Conventional/Organic	November Conventional/*Organic
Low	\$0.00/\$0.00	\$8.00
High	\$10.00/\$5.00	\$8.50
Average	\$8.06/\$3.42	\$8.07

**No Organic swaps for November 1, 2010*

From the Field

A quick reminder to all producers that there was a provincial allotment issued at November 1st. You will find it located on your statement in Box 1 (Top right hand corner of page one). The total allotment was equivalent to 1.22% (pro-rated to all producers in the province). Also please note that the Board hasn't issued any further incentive days at this time.

The Dairy Conference is just around the corner! Do you have any questions, comments, or feedback? I will be in attendance again this year, so please feel free to find me anytime over the course of the conference if you have anything you wish to share. I look forward to seeing you in a few weeks time, and if I haven't met you yet, I hope to in Vancouver.

Regards, Melanie

Provincial Freight

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

Freight Rates (\$/hl)	Sep	Oct
Zone Transportation Costs	2.91	3.00
Less: Vendor Billings	(0.06)	(0.18)
Less: I/P Freight Cost Recovery	0.00	0.00
Gross Provincial Freight Rate	2.85	2.82
Add: Train/Volume Discounts	0.28	0.28
Less: Stop/Extra Pick-Up Charges	(0.16)	(0.15)
Transportation Department Costs	0.04	0.06
Adjustments from Prior Period	0.02	0.02
Net Provincial Freight Rate	3.03	3.03

Continuous Quota

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

August 31, 2010		
Province	Kg of BF	%*
NL	-186,087	-9.82%
PE	8,224	0.21%
NS	-41,744	-0.63%
NB	4,666	0.09%
QC	-1,249,930	-1.09%
ON	-943,349	-0.96%
MB	-25,041	-0.21%
SK	-172,194	-2.00%
AB	-341,560	-1.38%
BC	-35,574	-0.14%

*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.

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