



Happy New Year

Issues Update January 2011

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For the December 2010 Production Month

Producer Component Prices and Standard Blend Price

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

BF= \$9.8228, PR= \$8.7560, OS= \$1.9074 or an equivalent return of \$74.5105 per standard hectolitre. This return compares to \$74.6700 in November 2010, with a difference of -\$0.1595/std.hL. The P10/WMP equalization transfer for November was \$1,228,426.81. Please refer to the BCMMB Statistics for the month of December 2010 for more details.

Notice to Producers

The administration levy to producers will be increasing by \$0.04/hectolitre effective February 1, 2011. The new administration levy to producers will be \$0.25/hectolitre (previously \$0.21/hectolitre). The change in the levy is needed to ensure that the Board is collecting enough money to sufficiently fund Board operations. Costs to operate the Board have continued to increase due to inflation and added responsibilities, and over the past three years the Board has ended the fiscal year with deficits.

If you have any questions or concerns, please contact Rob Delage at 604.854.4475 rdelage@milk-bc.com

Quota Days Explained

On the former system of TPQ, quota was managed over a year and reconciled on a semi-annual basis. Now the switch has been made to CDQ, and quota is reconciled monthly. It is important to understand how days are allocated to each production month so one can manage quota accordingly. Each month is based strictly on pickups, in exactly the same way it was on the former TPQ system. Each day in the calendar year is numbered (1 – 365). If the last pickup in December was on day 153 (Dec 31st), and the last pickup in November was on Day 121 (Nov 29th), then 32 quota days will be allocated in December (153-121 = 32).

However, if the last pickup in December is cancelled, the month will be reduced accordingly. The Day 151 (Dec 29th) pickup minus the last pickup in November on Day 121 (Nov 29th) now reduces the month to 30 quota days. The 2 days 'lost' in December (Dec 30th and 31st), are then 'gained' or added into the calculation of days in January. The January month would now begin on day 152 (Dec 30th).

For more information contact Melanie 604.854.4474 mlantz@milk-bc.com

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	1	2	3	4
120	121	122	123	124	125	126
5	6	7	8	9	10	11
127	128	129	130	131	132	133
12	13	14	15	16	17	18
134	135	136	137	138	139	140
19	20	21	22	23	24	25
141	142	143	144	145	146	147
26	27	28	29	30	31	1
148	149	150	151	152	153	154

From the Field

Happy New Year! I'm hoping everyone had a wonderful holiday season and even more importantly that 2011 is off to a good start for you. To kick things off, I would like to announce an important change we have made to your December statement. After much discussion with producers and watching the 'Target Production' section of the statement month to month, we feel that the current 'Target' structure aimed to get production to Day zero by the end of the month, has not been a realistic goal in many cases, and therefore has been of limited use. We have re-created this section of the statement for December as follows:

Target Dec Production - 31 Shipping Days	
q) Daily - Kgs of Butterfat	100.00
r) Daily - Litres	2,500.00
s) Monthly - Kgs of Butterfat	3,100.00
t) Monthly - Litres	77,500.00

← Daily Quota

← Based on statement BF test (example 4% BF)

The 'Target' is now simply your Daily Quota expressed in both kg and litres for your reference.

It is critical to note that this new Target format no longer influences your position on the scale of days over/under.

It is now your responsibility as a producer to manage production and/or utilize credit transfers to manipulate your position on the +5/-15 flexibility scale! If you have any questions or the new Target format requires further explanation, please do not hesitate to contact me. As always, I welcome your input.

Melanie 604.854.4474 mlantz@milk-bc.com

Provincial Freight

The producer freight rate calculations for the months of November and December are summarized below:

Freight Rates (\$/hl)	November	December
Zone Transportation Costs	3.01	3.02
Less: Vendor Billings	(0.12)	(0.12)
Less: I/P Freight Cost Recovery	0.00	(0.01)
Gross Provincial Freight Rate	2.89	2.88
Add: Train/Volume Discounts	0.28	0.28
Less: Stop/Extra Pick-Up Charges	(0.16)	(0.16)
Transportation Department Costs	0.02	0.01
Adjustments from Prior Period	(0.01)	0.00
Net Provincial Freight Rate	3.00	3.02

Continuous Quota

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

November 30, 2010		
Province	Kg of BF	%*
NL	-215,752	-11.21%
PE	-12,839	-0.33%
NS	-104,697	-1.57%
NB	-29,767	-0.57%
QC	-1,906,322	-1.66%
ON	-1,380,056	-1.40%
MB	-204,500	-1.69%
SK	-146,521	-1.69%
AB	-420,509	-1.69%
BC	-288,505	-1.15%

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

Quota Exchange News

The next Quota Exchange deadline is **Tuesday, February 1st, 2011 @ 4:30pm**

For transfers effective March 1st, 2011.

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

Fax-On-Demand-Update

With the transition to CDQ in August, the *old* Fax-On-Demand system has become obsolete. However, the CDQ Buy/Sell Credits Registry available on the BCMMB website, is a valuable resource for producers needing to buy or sell credits.

There are two lists to choose from: "Selling" for those producers who are undershipping and "Buying" for those who are overshipping.

The value of these lists as a resource is a direct result of producer participation. Please contact Kathy or Melanie at the office to have your name added to the appropriate list. For your convenience, you will also find the CDQ Buy/Sell Credit Application Form to print and a credit transfer calculator for your use. If you would like the lists and/or application form faxed to you, please contact the BCMMB office and we will be happy to help you at 604.556.3444

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

Milk Quality Report

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

Milk Quality Data	November	December
Individual Bacteria Count	20,414	22,010
Somatic Cell Count	169,037	161,626
Quality Bonus Qualifiers (%)	51.50%	53.11%

Producer Payments

Participants in the December, January and February pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
December	January 4	January 20
January	February 1	February 17
February	March 1	March 17

Credit Transfer Statistics

Credit Transfers for the 2nd set of transfers effective December 1st, 2010 and for the 1st set of transfers effective January 1st, 2011 are as follows:

# of Transfers	December	January
	Conventional/Organic	Conventional/Organic
Low	\$5.00/\$0.00	\$5.00/\$0.00
High	\$12.25/\$5.00	\$10.00/\$0.00
Average	\$9.98/\$3.33	\$8.75/\$0.00

CDQ Buy/Sell of Credits

The next deadline and information for CDQ Buy/Sell of Credits is:

Deadline Date:	January 25 th
Effective Date(s):	January 1 st February 1 st

Applications will be accepted at the BCMMB office up until 4:30 pm on January 25th, 2011.

www.milk-bc.com

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 the decrease in line 3(g) Opening Balance for the effective month on the producer statement
- A producer "SELLING" credits will see the increase in line 3(g) Opening Balance for the effective month on the producer statement

For General Inquiries

For General Inquires and assistance please contact reception at
T. 604.556.3444 ext 200

F. 604.556.7717

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