



Volume 16 No. 9

For the March 2011 Production Month

Issues Update April

NOTICE April 12, 2011

The Board announced that Ken McCormack, General Manager has left the organization. On behalf of the Board, staff and industry members we thank Ken for his work and service to the industry and wish him well with his future endeavors. Robert Delage will be the acting General Manager during the search and until a new General Manager has been appointed by the Board.

Producer Component Prices and Standard Blend Price

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

BF= \$10.1083, PR= \$8.8729, OS= \$1.9011 or an equivalent return of \$75.8803 per standard hectolitre. This return compares to \$74.1744 in February 2011, with a difference of +\$1.7059/std.hL. The P10/WMP equalization transfer for March was \$964,751.98. Please refer to the BCMMB Statistics for the month of March 2011 for more details.

Notice to Producer-Flexibility and Incentive Days Policy Changes

Flexibility Limits: The feedback received from producers supported leaving the flexibility limits at the current limits as the limits are working well and provide sufficient flexibility. The Board agrees that the flexibility limits are working well and will keep the limits where they are to provide consistency in production policy.

Therefore, the Board has decided to make no changes to the current Continuous Daily Quota flexibility limits of +5/-15 days. The Board will review the flexibility limits again in the fall of 2011 and will provide further policy direction for February 2012.

Incentive Days: The Board has determined that the following incentive days are required to encourage additional production through the fall of 2011

- September 2011 2 Production Days
- October 2011 2 Production Days
- November 2011 1 Production Day

To see the complete "Notice to Producer-Flexibility and Incentive Days April 8, 2011" visit our website at www.milk-bc.com If you have any questions regarding this policy, please contact Melanie Lantz at 604.302.8835 mlantz@milk-bc.com

From the Field

With the conclusion of the Spring Producer meetings, there has been a lot of discussion generated about policies that are currently in place that affect quota management at an individual level. Let me take this opportunity to summarize some of the key points that may have an effect on some of the decision making processes at your farm:

- 1) **The Over Quota Penalty: **REMINDER**** Effective April 1, 2011 the over quota penalty has been reinstated and all producers who ship over their allowable production will be penalized at 50% of the blend price for the month. There is no incentive day for the month of April.
- 2) **CQM Bonus Initiatives:** There has been a significant change to the payment structure of the CQM bonus for qualified producers that ship qualifying milk in BC. Historically the premium has been paid out at \$0.30/hl and any additional premiums collected from processors have been paid back to processors. As of February 1st, these 'excess' funds collected will be re-distributed to qualifying producers under this program. In addition, funds held in trust that have been collected from processors over the past year will also be re-distributed to qualified producers over the next 12 months. As an added incentive, any producer that becomes CQM qualified during this time frame will be eligible for these payouts as well. So until 100% of producers in BC are CQM qualified, current CQM producers can expect an increased premium paid on their quality milk!
- 3) **Going Paperless:** In an effort to save costs and "Go Green" the Board has initiated a voluntary program for any producer who no longer wishes to receive a hard copy of the milk statement and newsletter via postal service. All statements, Notices to Producers, and newsletters are already accessible on the website. Please contact Lisa Gruban 604.854.4470 lgruban@milk-bc.com at the office if you wish to have your name removed from the mailing list.

If you need to have your website login set up, please contact Kathy Wallis 604.854.4471 kwallis@milk-bc.com or myself 604.854.4474 mlantz@milk-bc.com to get you started.

Regards, Melanie

Provincial Freight

The producer freight rate calculations for the months of February and March are summarized below:

Freight Rates (\$/hl)	February	March
Zone Transportation Costs	2.99	3.02
Less: Vendor Billings	(0.12)	(0.10)
Less: I/P Freight Cost Recovery	(0.02)	(0.02)
Gross Provincial Freight Rate	2.85	2.89
Add: Train/Volume Discounts	0.28	0.29
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.15)
Transportation Department Costs	0.06	0.05
Adjustments from Prior Period	0.00	0.06
Net Provincial Freight Rate	3.04	3.14

Continuous Quota

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

Province	February 2011	%*
NL	-235,183	-12.04%
PE	-9,435	-0.24%
NS	-81,074	-1.21%
NB	-6,884	-0.13%
QC	-1,453,470	-1.26%
ON	-1,347,407	-1.36%
MB	-157,892	-1.29%
SK	-144,714	-1.65%
AB	-367,281	-1.46%
BC	-360,874	-1.43%

*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

Monday, May 2nd, 2011 @ 4:30pm

For transfers effective June 1st, 2011.

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

www.milk-bc.com

Quota Exchange Sealed Bid Flexible Secure Option

Effective immediately the BCMMB has made a fax to email system. KPMG will be the administrator of this information which will allow producers to have a flexible secure option to participate on the quota exchange in addition to mailing or dropping off applications in person. The system will allow a producer to fax a copy of the exchange application to a secure email that would be administered by KPMG.

*Please note applications faxed to this number will not be made available to the BCMMB until after the Quota Exchange deadline.

Fax Number: 866.390.8645

Email: BCMMBQuotaEx@kpmg.ca

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

NEW!

Milk Quality Report

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

Milk Quality Data	February	March
Individual Bacteria Count	19,946	24,078
Somatic Cell Count	163,577	165,569
Quality Bonus Qualifiers (%)	53.64%	52.92%

Producer Payments

Participants in the March, April and May pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
March	April 1	April 19
April	May 2	May 18
May	June 1	June 17

Credit Transfer Statistics

Credit Transfers for the 2nd set of transfers effective March 1st, 2011 and for the 1st set of transfers effective April 1st, 2011 are as follows:

# of Transfers	March	April
	Conventional/Organic	Conventional/Organic
Low	87/4	2/0
High	\$4.00/ \$0.00	\$9.00/ \$0.00
Average	\$12.50/ \$6.00	\$11.25/ \$0.00
	\$10.07/ \$3.05	\$10.13/ \$0.00

CDQ Buy/Sell of Credits

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

Deadline Date: April 26th
Effective Date(s): April 1st May 1st

Applications will be accepted at the BCMMB office up until 4:30 pm on April 26th, 2011. *Please note BCMMB Office closed April 25th, 2011

Buy/Sell Credit Reminders:

- **1 credit = 1 kilogram**
- The maximum amount of credits a producer can BUY/SELL in a rolling 12 month period is 20% of his/her allotted CDQ
- A producer is advised to keep credit transfers within the +5/-15 days to avoid penalty or deemed quota at month end.
- The minimum amount of any BUY/SELL is fixed at 25 credits
- A producer "BUYING" credits will see a decrease in the Opening Balance for the effective month of transfer on the producer statement
- A producer "SELLING" credits will see an increase in the Opening Balance for the effective month of transfer on the producer statement

Quota Exchange Reminder

A REMINDER to producer's who have Pre-Authorized Debit (PAD) Agreements set up for payment of quota exchange purchases-If you change your bank account, please ensure that you complete a new PAD Agreements and submit to the BCMMB office along with a void cheque for the new account prior to participating on the Quota Exchange.

PAD Agreements can be found at www.milk-bc.com under **Quota Exchange**→**Quota Exchange Pre-Authorized Debit Agreement pdf**

Quota Exchange Results

If you would like your Quota Exchange results letter emailed to you on the publish date instead of being faxed to you, please ensure that you provide your email address on your Quota Exchange Application form And leave the fax option blank. Original letters will continue to be mailed to each producer participating on the exchange after results have been published.