



# Issues Update August

Volume 17 No. 1

For the July 2011 Production Month

## Producer Component Prices and Standard Blend Price

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

BF= \$10.0517, PR= \$9.0395, OS= \$1.8749 or an equivalent return of \$76.0662 per standard hectolitre. This return compares to \$77.3344 in June 2011, with a difference of - \$1.2700/std.hL. The P10/WMP equalization transfer for July was \$1,291,692.89. Please refer to the BCMMB Statistics for the month of July 2011 for more details.

## Register Now!

Planning for the **3rd annual BC Dairy Industry Conference** is well under way. This year's theme is Sustainability: Cultivating the Future of the Dairy Industry. Join your fellow dairy producers and industry associates at this fun-filled and informative event.

**Date: November 29 – December 1, 2011**

**Location: Fairmont Pacific Rim and Vancouver Convention Centre**

**Registration for this year's BC Dairy Industry Conference is now open.**

Exclusive space for producers is open until September 15th, so register soon to guarantee your spot!

For more information and to register, please visit:

[bcdairyconference.ca](http://bcdairyconference.ca)



November 29 to December 1, 2011

Mark your Calendars!

## From the Field

Well it is my hope with the improved weather we've seen over these past few weeks that most if not all of you have been able to get your silage cut and/or hay baled and put up for winter feeding. How frustrating has the weather been this year? Fingers crossed it will hold out for a good corn harvest too. I'm also happy to report that the end of July passed quietly into August without any hiccups on the CDQ front. No year end, no headaches. I am hoping that as producers, it has been advantageous for you as well not to have had a year-end quota deadline to reconcile!

But aside from quota and weather, there is another important bit of news that I would like to share with you at this time. My husband Mike and I are expecting our first child in the middle November, and as a result I am planning to take some time away from work. I will be available for farm visits until the end of September and will be working until the latter half of October out of the office at the Milk Board. While I plan to take a full year of maternity leave, I will be returning to work next fall. In the meantime, we have staff in place to cover my leave and answer all of your questions. In next month's update, I will provide you with a list of the various resources and people you can access in my absence to answer your questions and concerns about the various aspects of quota management.

In closing, here are a few ongoing items you may want to keep in mind for your quota management practices as we move into the fall months:

- 1) Despite what you may have heard there will be no general allotment of quota at August 1<sup>st</sup>.
- 2) **Incentive Days:** Here are the remaining days of what has been issued to date for 2011:

<b>August</b>	1 Day	<b>October</b>	2 Days
<b>September</b>	2 Days	<b>November</b>	1 Day
- 3) **The Over Quota penalty** remains suspended for the month of August. Be reminded that until such time as the province reaches 100%, the Board does not plan to re-instate it. As of June 30<sup>th</sup>, BC is sitting at -1.24%.

Please don't hesitate to contact me (604)302-8835 or at [mlantz@milk-bc.com](mailto:mlantz@milk-bc.com) if you have any further questions or concerns.

Regards, Melanie

**Provincial Freight**

The producer freight rate calculations for the months of June and July are summarized below:

Freight Rates (\$/hl)	June	July
Zone Transportation Costs	3.14	3.11
Less: Vendor Billings	(0.11)	(0.11)
Less: I/P Freight Cost Recovery	(0.14)	(0.15)
Gross Provincial Freight Rate	2.89	2.85
Add: Train/Volume Discounts	0.30	0.29
Less: Stop/Extra Pick-Up Charges	(0.16)	(0.13)
Transportation Department Costs	0.01	0.03
Adjustments from Prior Period	0.00	(0.01)
<b>Net Provincial Freight Rate</b>	<b>3.04</b>	<b>3.03</b>

**Continuous Quota**

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

Province	June 2011 Kg of BF	%*
NL	-252,095	-12.72%
PE	-6,257	-0.16%
NS	-56,361	-0.83%
NB	26,270	0.50%
QC	-902,677	-0.77%
ON	-1,222,511	-1.22%
MB	-215,154	-1.74%
SK	-170,872	-1.93%
AB	-375,957	-1.48%
BC	-316,510	-1.24%

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

**www.milk-bc.com**

**"Important Notice"**

**"Amendment to price adjustment on the Quota Exchange"**

Please note that an important change has been made to policy regarding the trigger for a price adjustment on the Quota Exchange. The new triggers will work as follows:

- Current policy states that if there are more buyers than sellers for **3 consecutive months** at a 50% or less fill rate for buyers the price will be raised by \$500.00.
- **By NEW DEFINITION:** An Exchange **MUST** run in order to qualify as a part of the 3 consecutive months:

**EXAMPLE** An Exchange runs in June (1) and July (2)  
 No sellers on the August Exchange: Exchange does not run. An Exchange runs in September (3)  
 Price will trigger up on the October Exchange (4<sup>th</sup> month but only 3<sup>rd</sup> Exchange)

- The policy remains unchanged if the amount of quota offered for sale exceeds the volume of bids to purchase:

If sellers are not cleared at 100%, the quota exchange will be cancelled and re-run again within two weeks with a price decrease of \$500.00.

**Milk Quality Report**

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

Milk Quality Data	June	July
Individual Bacteria Count	17,978	17,210
Somatic Cell Count	178,819	189,560
Quality Bonus Qualifiers (%)	54.72%	53.98%

**Producer Payments**

Participants in the July, August and September pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
July	August 2	August 18
August	September 1	September 20
September	October 3	October 20

**Credit Transfer Statistics**

Credit Transfers for the 2<sup>nd</sup> set of transfers effective July 1<sup>st</sup>, 2011 and for the 1<sup>st</sup> set of transfers effective August 1<sup>st</sup>, 2011 are as follows:

	July	August
	Conventional/Organic	Conventional/Organic
<b># of Transfers</b>	<b>75/4</b>	<b>1/0</b>
<b>Low</b>	<b>\$0.00/\$0.00</b>	<b>\$6.00/\$0.00</b>
<b>High</b>	<b>\$11.00/\$6.00</b>	<b>\$6.00/\$0.00</b>
<b>Average</b>	<b>\$6.52/\$3.00</b>	<b>\$6.00/\$0.00</b>

\*For your convenience a Summary of Credit Transfer statistics for 2011 can be found at [www.milk-bc.com](http://www.milk-bc.com) with other credit transfer documents.

**CDQ Buy/Sell of Credits**

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

**Deadline Date:** August 25<sup>th</sup>  
**Effective Date(s):** August 1<sup>st</sup> September 1<sup>st</sup>  
 Applications will be accepted at the BCMMB office up until 4:30 pm on August 25<sup>th</sup>, 2011.

**Quota Exchange News**

The next Quota Exchange deadline is **September 1st, 2011 @ 4:30pm** for transfers effective October 1<sup>st</sup>, 2011.  
 If you have any questions please contact Kathy Wallis  
 604.854.4471 [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com)

**Quota Management News**

**QUOTA EXCHANGE**

The next Quota Exchange deadline is **September 1, 2011 @ 4:30 pm** for transfers effective October 1, 2011.

**PRODUCER LICENSES**

Producer licenses for August 1, 2011 were mailed out in July. Producers must display both the Federal and Provincial Licenses in the milk house, preferably next to the Dairy Farm License issued by the BC Ministry of Agriculture and Lands.

If you have not yet received your new producer license, please contact Kathy Wallis [kwallis@milk-bc.com](mailto:kwallis@milk-bc.com) or 604-854-4471.

**CDQ BUY/SELL CREDIT APPLICATION FORMS**

A new simplified application form can be found with other credit transfer documents at [www.milk-bc.com](http://www.milk-bc.com). Please ensure that all required information is completed on the application form before submitting to the BCMMB.

**If an effective date is not given, the credits will be processed for the first of the following month.**