

August 9, 2018

Organic Sleeve Production of 3%

The current negative sleeve for organic producers will come to an end on August 31, 2018 as a new sleeve period will begin on September 1, 2018. The following notice applies to all organic producers in production effective September 1, 2018.

Organic production requirements have increased effective September 1, 2018. Organic producers will receive a temporary 3% increase to their current quota holdings for the period of September 1, 2018 to February 28, 2019.

It is important to note that the increase in sleeve does not solely represent market growth and is more related to production changes and seasonality. The increased sleeve is a result of several factors including the following:

- Butterfat production in the organic market has trended higher since the changes in producer component pricing of October 2017, with more dollars allocated on butterfat. This has resulted in higher butterfat and lower volumes and a slight change to our organic forecasting model.
- Fall is historically a period of low production and higher fluid demand. We need to ensure we bring the milk to market when processors need it.
- A small amount of SCDQ was sold on the specialty exchange, as a producer converted from the organic pool to the conventional pool.

At this time, there will not be an opportunity for organic producers to purchase quota on the conventional quota exchange for the period beginning September 1, 2018. The Board will continue to review organic market requirements on an ongoing basis and will provide direction to the industry as needed. Individual producers will receive their production requirement letters by late August.

If your farm makes an adjustment which changes the volume for milk pickups, please contact the BCMMB transport department prior to any changes. A change in your farms volumes can directly affect processor deliveries and can result in shortages for processor organic milk orders for that week.

If you have any questions or concerns, please contact Woody Siemens at 604-854-4476 or wsiemens@bcmilk.com