

August 27, 2019

MMS Mid-month Statement Changes

Advance payments for producers are calculated at the time the previous month’s statements are issued. For example, August 2019 advances were calculated and displayed for information on the July month-end statements that were published earlier this month. The new MMS system will calculate and display the same information on month-end statements issued from that system starting with August production.

To calculate the advance payment, the system uses both the producer milk pickup information (which is available to all producers within their MMS account) and the methodology outlined in the BC Milk Marketing Board’s Consolidated Order Schedule 6 as follows:

**MINIMUM ADVANCE PAYMENT
TO BE MADE TO POOL PARTICIPANT PRODUCERS
EFFECTIVE February 1, 2019**

<p>\$53.1847 per hectolitre of skim milk contained in the lesser of:</p> <p>A. The number of litres calculated as follows:</p> <p style="text-align: center;"><i>(Continuous Daily Quota x 15)</i> Producer’s current <i>Butterfat Test</i></p> <p style="text-align: center;">OR</p> <p>B. 95% of the number of litres of Qualifying Milk actually delivered during the previous month divided by the number of days shipped for the previous month and multiplied by 15.</p>
<p>\$8.2153 per kilogram of butterfat calculated on the lesser of:</p> <p>A. The number of kilograms calculated as follows:</p> <p style="text-align: center;"><i>(Continuous Daily Quota x 15)</i></p> <p style="text-align: center;">OR</p> <p>B. 95% of the number of kilograms of butterfat contained in the Qualifying Milk actually delivered during the previous month divided by the number of days shipped for the previous month and multiplied by 15.</p>

Please continue to the next page for example.

For example, a producer with 100 KG of CDQ, 75,000 litres of milk picked up in the previous month, and a butterfat average of 4.00% would be calculated as follows:

- \$53.1847 x the lesser of:
 - 37,500 litres
 - 35,625 litres
- \$8.2153 x the lesser of:
 - 1,500 KG
 - 1,425 KG

With the two lesser amounts highlighted above, the example producer's advance payment would equal \$30,653.85 less freight costs at the calculated month's HL rate.

Due to the simplicity of this calculation and the redundancy of information available to producers, the new MMS system does not provide an advance payment statement to producers as the former system did.

If you have any questions regarding this notice, please contact Dan Poelman at dpoelman@bcmilk.com