

NOTICE TO PROCESSORS

■ B.C.MILK MARKETING BOARD ■

■ 200 - 32160 South Fraser Way ■ Abbotsford, BC ■ V2T 1W5 ■ Tel: (604) 556-3444 ■ Fax: (604) 556-7717 ■

December 21, 2010

Fluid Milk Pricing

Effective February 1, 2011 the BCMMB will be calculating and billing fluid milk using the Pure Skim basis. We will also be including the fluid levies in the published prices and invoices to processors and will not be sending separate invoices for those levies. The Board's decision was based on a recommendation from the BC Dairy Council.

There is no difference in the cost of fluid milk to processors when using the Pure Skim basis compared to the current method of using Fixed SNF Components. The main difference is that classes 1a, 1bi, 1c, and 1d will have a price for butterfat kilograms and skim milk hectolitres. Other classes will continue to have a price for Butterfat, Protein, and Other Solids kilograms.

A preliminary Schedule 4, to the BCMMB Consolidated Order is attached to this notice to show the new pricing basis.

Contact Robert Delage rdelage@milk-bc.com or 604.854.4475 if you have any questions.

**SCHEDULE 4
TO THE BRITISH COLUMBIA MILK MARKETING BOARD
CONSOLIDATED ORDER**

MINIMUM PRICES FOR CLASSES OF MILK

EFFECTIVE February 1, 2011

CLASS OF MILK	BUTTERFAT PRICE \$/Kg	SKIM MILK PRICE \$/HL (Includes levies)	
Class 1(a)	\$5.7262	\$72.45	
Class 1(b)(i)	\$5.7262	\$65.34	
Class 1(c)	<i>Contract by contract basis in accordance with Western Milk Pool Innovation Program</i>		
Class 1(d)	\$5.7262	\$59.83	
CLASS OF MILK	BUTTERFAT PRICE \$/Kg	PROTEIN PRICE \$/Kg	OTHER SOLIDS PRICE \$/Kg
Class 1(b)(ii)	TBA	TBA	TBA
Class 2	\$7.6437	\$5.7257	\$5.7257
Class 3(a)	\$7.6437	\$13.3866	\$0.9072
Class 3(b)	\$7.6437	\$13.1339	\$0.8912
Class 4(a)	\$7.6437	\$5.3273	\$5.3273
Class 4(a)i	\$7.6437	TBA	TBA
Class 4(b)	\$7.6437	\$5.3273	\$5.3273
Class 4(c)	<i>Contract by contract basis in accordance with Western Milk Pool Innovation Program</i>		
Class 4(d)	\$7.6437	\$5.3273	\$5.3273
Class 4(d)(i)	\$7.6437	\$5.3273	\$5.3273
Class 4(m)	<i>Contract by contract basis</i>		
Class 5(a)	TBA	TBA	TBA
Class 5(b)	TBA	TBA	TBA
Class 5(c)	TBA	TBA	TBA
Class 5(d)	TBA	TBA	TBA