



Issues Update May 2013

Volume 18 No. 10 -For the April 2013 Production Month

Producer Component Prices and Standard Blend Price

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

BF= \$10.6929, PR= \$9.1852, OS= \$1.9669 or an equivalent return of \$79.3685 per standard hectolitre. This return compares to \$79.8374 in March 2013, with a difference of -\$0.4689/std.hL. The P10/WMP equalization transfer for the month of April was \$1,347,920.07.

Please refer to the BCMMB Statistics for the month of April 2013 for more details.

Credit Transfer Policy Consultation

The BCMMB is seeking comments on this consultative policy proposal to change the maximum credit transfer limit and introduce a formal policy to address seasonality of milk production while reflecting our governance values of fairness, equitable, responsiveness, transparent and accountable.

The Credit Transfer Policy Review intends to provide producer flexibility to manage on-farm production; enable growth for small farms; and manage the financial risk of over-quota production. Based upon the consultation input from producers, regional associations, CDQ Mechanics Committee (CDQM), and MIAC, the Board is seeking final comments on the proposed recommended changes to the Credit Transfer Policy.

Subject to this final consultation input, the Board is planning to implement the following recommended Credit Transfer Policy for an effective date of August 1, 2013.

1. In order to sustain stable production for the long term, reduce the maximum credit transfer limit from 20% to a maximum of 10% using the following schedule:

- a. August 2013 = 15% of CDQ on a 12 month rolling basis
- b. February 2014 = 10% of CDQ on a 12 month rolling basis

2. The previous policy of Farms equal to or under 68.50kg/day, bound by a maximum of 5,000 credits IN or a 20% maximum credit transfer limit over a rolling 12 month period will be changed to the following:

On August 2013

Only farms equal to or under 30.00 kg/day, are bound by a maximum of 3,750 credits IN. If any credits are transferred OUT a 15% maximum credit transfer limit over a rolling 12 month rolling basis will be applied.

On February 2014

Only farms equal to or under 30.00 kg/day, are bound by a maximum of 2,500 credits IN. If any credits are transferred OUT a 10% maximum credit transfer limit over a rolling 12 month rolling basis will be applied.

3. In order to address the seasonality of milk production in the fall/ spring, the Board will apply incentive/disincentive day(s) within a defined notice period as required.

Please provide written comments to Zahra Abdalla-Shamji at zabdalla@milk-bc.com no later than May 17, 2013 for Board review.

Save the Date!

2013 BC Dairy Industry Conference
November 27th-29th, 2013
Vancouver Convention Centre
& Fairmont Pacific Rim

Notice to Producers

Notice to Producers-Incentive Days Fall 2013-April 24, 2013

Notice to Producers-Credit Transfer Policy Consultation-May 1, 2013

Notice to Producers-DDPIP Producer Policy Review-May 2, 2013

To see these notices in detail and a complete listing of all other Notice to Producers please visit www.milk-bc.com

DDPIP Producer Policy Review

The current national DDPIP will sunset **on July 31, 2013**. If a new program is agreed to by the CMSMC then a new policy will be applied nationally.

Any new DDPIP contracts under the current Program that impact producers directly will be subject to standard producer credit transfer policy until such time as the Board completes a review of the DDPIP credit transfer policy.

**BC Continuous Quota Position as of
March 2013 = 0.51%**

April 2013 *forecasted +0.52%

Wedgwood Holsteins Ltd - Appeal

On May 1, 2013, Wedgwood Holsteins Ltd. formally requested to BCFIRB to discontinue the appeal.

BCMMB consented to the request to withdraw the appeal.

On May 6, 2013, BCFIRB dismissed the appeal in accordance with s.17(1) of the Administrative Tribunals Act.

For background on the Wedgwood Holsteins Ltd. Appeal, please go to www.milk-bc.com and view the Notice to Producers Wedgwood Appeal February 20, 2013.

Provincial Freight

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

Freight Rates (\$/hl)	March	April
Zone Transportation Costs	2.96	2.83
Less: Vendor Billings	(0.07)	(0.07)
Less: I/P Freight Cost Recovery	(0.04)	(0.04)
Gross Provincial Freight Rate	2.85	2.72
Add: Train/Volume Discounts	0.30	0.29
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.14)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	(0.04)	0.01
Net Provincial Freight Rate	2.97	2.88

Continuous Quota

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

March 2013

	Kg of BF	%*
NL	-66,020	-3.49%
P5	1,178,859	0.50%
WMP	365,617	0.50%
P10	1,478,456	0.48%
BC	132,481	0.51%

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

Quota Exchange Allocations

Due to rounding in the administrative program, allocations to participants for quota on the exchange may vary by 0.01kg/day in order to balance buyers and sellers.

This process is conducted randomly through the Quota Exchange program.

Quota Days (Ship Days) Explained

Because CDQ is reconciled monthly, it is important to understand how days are allocated to each production month so quota can be managed efficiently. Each month's quota is based strictly on the number of pickups. Each day in the calendar year is numbered (1 – 365), with August 1st being Day 1. Using the sample calendar for reference, if the last pickup in December was on Dec 31st (Day 153), and the last pickup in November was on Nov 29th (Day 121), then 32 quota days will be allocated in December (153-121 = 32).

However, if the last pickup in December is cancelled, the month's ship days will be reduced accordingly. The last pickup in December (Day 151 - Dec 29th) minus the last pickup in November (Day 121 - Nov 29th) now reduces the month to 30 quota days (151 – 121 = 30). The 2 days 'lost' in December (Dec 30th and 31st), are then 'gained' or added into the calculation of days in January. The January month would now begin on day 152 (Dec 30th).

For more information contact Kathy direct at 604.854.4471 or by email at kwallis@milk-bc.com

Milk Quality Report

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

Milk Quality Data	March	April
Individual Bacteria Count	18,118	20,941
Somatic Cell Count	152,081	149,969
Quality Bonus Qualifiers (%)	75.14%	75.88%

Producer Payments

Participants in the April | May | June Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
April	May 1	May 17
May	Jun 3	Jun 19
June	Jul 2	Jul 18

Credit Transfer Average Prices

Effective April 1 st	Conventional/Organic
Average Price	\$13.98/\$4.00

A Summary of Credit Transfer Statistics can be found at www.milk-bc.com with other credit transfer documents.

Quota Management-Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Jun 3 @ 4:30pm	Jul 1
CDQ Buy/Sell of Credits	May 24 @ 4:30pm	May 1 Jun 1
If you have any questions please contact Kathy Wallis 604.854.4471 kwallis@milk-bc.com		

www.milk-bc.com

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	1	2	3	4
120	121	122	123	124	125	126
5	6	7	8	9	10	11
127	128	129	130	131	132	133
12	13	14	15	16	17	18
134	135	136	137	138	139	140
19	20	21	22	23	24	25
141	142	143	144	145	146	147
26	27	28	29	30	31	1
148	149	150	151	152	153	154