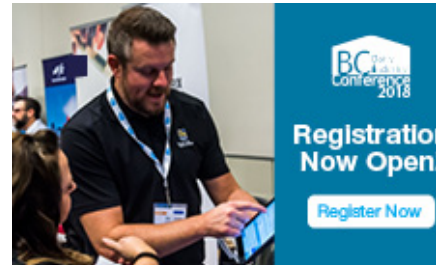


Producer Component Prices

The producer component prices for the month of September are as follows: BF=\$16.6899, PT=\$2.5428, OS=\$0.6911. The average BC producer hectoliter return for the month is \$81.812 compared to \$77.9711 in August – an increase of \$3.8409. The higher return is due to several factors, which were effective September 1: the price increase, new national pooling and pricing measures, as well as a lower P10/WMP equalization payment due to more Special Class reimbursements.

The net equalization payment charged to the producer pool in September for the production month of August was \$1,839,108, being approximately \$215K lower than the twelve-month average.



BC Continuous Quota Position

as of August 2018: -0.61%

September 2018 *forecasted: -0.60%

United States-Mexico-Canada Agreement (USMCA)

The Board worked hard this past year with other provincial boards, Dairy Farmers of Canada and other stakeholders to support intensive national efforts to promote the Canadian supply management system during the ongoing uncertainty of the NAFTA renegotiations.

On September 30, 2018, the new NAFTA agreement was announced. The new agreement: the USMCA, which grants market access, restricts Canada's exports and eliminates pricing classes 6 and 7 will have significant negative impacts to Canada's dairy industry. The Board, along with other provinces and dairy industry stakeholders, is in the early stages of studying the potential impacts of future ratification of the trade agreement.

Important: 2018 BCMMB Board Election

The 2018 Election for Members of the BC Milk Marketing Board has been concluded by the Independent Elections Officer (IEO). The 2018 election schedule provided vacancies for two positions.

Only two valid nominations were received for the two vacancies. Therefore, the two valid nominees are elected by acclamation.

The Board congratulates **Cornelis Hertgers**, who was re-elected to the BCMMB; and the Board welcomes **David Janssens**, who is new to serving as a Board Member for the BCMMB.

The three-year terms of office for the acclaimed candidates will commence at the close of the 2018 BCMMB AGM (November 30, 2018).

2018 BCMMB AGM & Fall Producer Meeting – Friday, November 30, 2018

JW Marriott Parq Vancouver Hotel [New Venue](#)
Parq Grand Ballroom
39 Smithe Street, Vancouver, V6B 0R3

Producer Registration & Breakfast opens at 7:00 AM

2018 BCMMB AGM

8:45 AM – 9:30 AM

9:30 AM – 10:00 AM – Energy Boost

2018 BCMMB Fall Producer Meeting

10:00 AM – 11:30 AM – Fall Producer Meeting

11:30 AM – 12:00 PM – Producer Q&A

The Board and staff look forward to joining BC milk producers and industry affiliates in this great opportunity to gather under one roof. [BCDIC 2018 November 28-30, 2018](#)

Provincial Freight

The producer freight rate calculations for the months of August and September are summarized below:

Freight Rates (\$/hl)	August	September
Zone Transportation Costs	3.09	3.09
Less: Vendor Billings	(0.12)	(0.15)
Gross Provincial Freight Rate	2.97	2.94
Add: Train/Volume Discounts	0.33	0.33
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	(0.04)	(0.01)
Net Provincial Freight Rate	3.11	3.11

Continuous Quota

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

	August 2018	%*
	Kg of BF	
NL	-49,950	-2.00%
P5	1,208,015	0.44%
WMP	-1,091,923	-1.16%
P10	66,142	0.02%
BC	-206,551	-0.62%

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

Milk Quality Report

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

Milk Quality Data	August	September
Individual Bacteria Count	20,973	22,741
Somatic Cell Count	189,307	179,861
Quality Bonus Qualifiers(%)	69.52%	73.70%

Producer Payments

Participants in the October | November | December Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
October	Nov 01	Nov 20
November	Dec 03	Dec 19
December	Jan 02	Jan 18

Credit Transfer Average Prices

Effective Sep 1 2018	Conventional Organic	
Average Price	\$5.93	\$4.57

A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.

Quota Management: Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Nov 1 @ 1:00pm	Dec 1
CDQ Buy/Sell of Credits	Oct 25 @ 1:00pm	Oct 1 Nov 1

If you have any questions, please contact:

Kathy Wallis 604.854.4471 kwallis@bcmilk.com

Pam Gregory 604.854.4474 pgregory@bcmilk.com

New Entrant Program (NEP) Announced

Notice to Industry – New Entrant Program August 10, 2018. Please note that NEP application forms will be available on the Board’s website in November 2018, with an application deadline of February 1, 2019 for the first intake of the NEP program (for production starts in 2020).

Bulk Tank Milk Volumes after Missing a Pick-up

BTMGs are trained to check milk volumes after every shipment. If milk is rejected on-farm, suspended, or a pick-up cancelled by the producer for any reason, producers should be aware that an increase in the milk volume on the first shipment after missing a pick-up(s) may result in the milk getting rejected again.

If the producer has a valid reason for an increased volume following a missing pick-up, they must provide the rationale to the BCMMB **PRIOR TO the scheduled milk pick up time** for consideration. Failing to do so will result in another milk rejection.

If you have any questions or concerns, please contact Kelly Harris at 604.854.4479 or kharris@bcmilk.com

Bulk Tank Milk Rejection Reminder

Bulk Tank Milk Graders (BTMGs), also known as your milk truck driver, are licensed by the BC Ministry of Agriculture and are responsible for grading milk prior to pick up. It is the BTMG’s job to ensure milk pick-up begins with fresh, clean, and high-quality milk. Their milk grading process involves smelling the milk for any off odours, and a visual inspection for any defects or contaminants. Milk will be rejected on farm if any defects can be seen at this point. The following outlines some of the common defects but is not all-encompassing:

- Any butter balls that have formed in the bulk tank
- curdled or coagulated milk
- colour changes other than clean white milk
- debris or foreign matter of any kind
- frozen milk which can appear as ice crystals, blocks, or any other form.

It is important to note, by regulation, that any level of the above contaminants or other contaminants is unacceptable and will result in a milk rejection, regardless of size of the contaminant. Usually, this can be indicative of a larger problem. The BCMMB recommends you consult with equipment dealers or other technical specialists who can help troubleshoot the cause.

If you have any questions or concerns, please contact Kelly Harris at 604.854.4479 or kharris@bcmilk.com

