

NEWSLETTER

Informing Nova Scotia dairy producers on matters affecting their industry.

Vol. 10, No. 7 – February 2010

AGM Wrap-Up

The DFNS Annual General Meeting was held the third week of January with 97 licensed farms participating. Those attending heard interesting updates on international and national dairy issues. Ian MacDonald from DFC Marketing and Nutrition highlighted the above target retail sales numbers for the past year, in spite of the economic downturn. He alerted producers that the national producer investment in marketing and nutrition has dropped from 2% to only 1.7% of gross returns.

John Core delivered the Canadian Dairy Commission report, noting that flat markets and bulging butter stocks combine to keep industrial milk quotas unchanged. He then reviewed the recently-adopted fluid pricing model, adding that producers will face difficult decisions in the future on the question of increasing blend prices versus expanding traditional markets. He concluded his remarks by challenging all producers and their leaders to find a way to move toward joint national governance of the sector.

Dairy Farmers of Canada President Jacques Laforge detailed the declining number of producers across the country (55,000 in 1980 versus under 14,000 today), and the growing need to have all producers under one governance structure. He observed that the recently approved Agreement on Internal Trade will force harmonization of provincial and producer Board regulations, policies, and governance of the industry.

Agriculture Minister John MacDonell brought greetings from his government, noting that supply-managed industries are the backbone of Nova Scotia agriculture. NSFA President Richard Melvin also addressed the meeting, encouraging producers to take an active role in representing the strengths and concerns of the industry to government and the public.

Other short presentations covered the CQM program (98% of farms registered), DFNS support of production research, Emergency Management Planning, a send-off for outgoing Director Kara Irving, and welcomes from other provincial Board members.

Participants also heard about the new Code of Practice for the Care and Handling of Dairy Cattle from a producer and government perspective. This industry-developed code has mandatory, voluntary, and suggested best management practices for all producers. DFC has developed a handy self-assessment tool to help producers determine if their practices meet the code. It is available on their re-vamped website at www.dairyfarmers.ca.

Discussion around the DFNS Policy Statement rounded out the meeting with producers providing feedback on numerous policy details. This exercise gives the Board valuable input as they consider adding to, changing, or dropping policies into the future. A revised policy paper will be posted on our website soon.

The Board appreciates those producers who take the time to attend the meeting, voice their opinions, and collectively work toward a better policy environment for all producers.

UPCOMING EVENTS & DEADLINES:

March 15-19, 2010.....March Break
March 18, 2010.....Quota Exchange Deadline
March 23-25, 2010.....Dairy Focus
March 25, 2010.....Quota Lease Deadline

CQM Follow-Up:

Please send your self-declarations or corrections to Gloria by email at gmartin@dfns.ca or fax 897-9768

Results of the February 2010 Quota Exchange
This exchange was subsequently prorated 7.36% for buyers

Kilograms		Producers	
		Buying Quota	20
Purchased (<i>actual</i>)	15.11	Offering to Buy	20
Offered to Purchase	205.23	Selling Quota	3
Offered to Sell	15.11	Offering to Sell	3

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$26,200.00	0.6	0.6	-204.63	205.23	0
\$27,998.00	14.01	14.61	-190.62	205.23	0
\$28,000.00	0.5	15.11	-190.12	205.23	0
\$29,028.00	0	15.11	-190.12	205.23	205.23

In this month's quota exchange, the MCP was \$28,000 because the smallest difference was 190.12 kgs. The Board policy is to prorate all exchanges, so this exchange was prorated for buyers. The Market Clearing Price (MCP) is not affected, but successful buyers only buy a portion (7.36%) of what they had offered to buy. The percentage bought is calculated by dividing the kgs offered to sell by the kgs offered to buy at the MCP.

**The deadline for the next quota exchange is
 March 18, 2010, at 4:30 p.m.
 Results will be available on March 19, 2010.**

Dairy Services Lab Results January 2010		
Loop Plate Count (LPC)		
Count	Samples	Percent
<25,000	226	92.62
25-50,000	5	2.05
>50,000	13	5.33
TOTAL	244	100
<i>94.67 % meet provincial standard Avg. LPC – 16,783</i>		
Somatic Cell Count (SCC)		
<i>Average SCC – 238,992</i>		
Lab Pasteurized (LP)		
Count	Samples	Percent
<750	240	98.36
>750	4	1.64
<i>98.36% meet provincial standard</i>		
Adulteration (added water and/or antibiotics)		
Water(Farm Tanks)	0	
Antibiotics (Tankers)	0	

P5 QUOTA EXCHANGE RESULTS	
	Clearing Price
PEI	\$28,750
New Brunswick.....	\$26,556
Ontario	\$25,000
Quebec.....	\$25,000

Exercising the Emergency Management Plan

Merridy Rankin, AgraPoint

Over the past months, the dairy Boards of the Atlantic Provinces have developed an Emergency Management Plan for the Atlantic dairy industry. This plan--*your plan*--covers potential emergencies due to infrastructure disruptions, transportation disruptions, processing disruptions, human interventions, and animal disease.

The next step in the process is to test or exercise the Emergency Management Plan (EMP). The main objectives of exercising an EMP are to: (1) verify the accuracy of the plan; (2) train key responders by giving them an opportunity to practice roles and gain experience; and (3) to enhance the cooperation and communications among those involved.

One of the ways to test an EMP is by running a "Table Top" test. This is a cost-effective and efficient method of testing the plan and the people involved. The participants are the key decision makers responsible for the EMP and the Emergency Management Team. A realistic scenario is developed and given to the participants to discuss as a group. Then, following the written EMP, the group will make decisions to resolve the situation. Weaknesses and deficiencies in the technical resources and the plan itself are noted, as well as the need for further training of the people involved. Based on the Table Top exercise feedback, the EMP is revised and thus improved.

Exercising the EMP will take time and resources. Done correctly, it will be an investment by the Boards to ensure the EMP is validated, and those involved in any emergency will be confident in their ability to respond and make the right decisions on your behalf.

Please contact Kara Irving, Bernie MacDougall, or Dwane Mellish through the Board office for more information on the Atlantic Dairy Farmers EMP.

New DFNS Executive

The DFNS Executive has been set for the 2010 year with Havey Whidden assuming the Chair, Gerrit Damsteegt as Vice-Chair, and Barron Blois as the third Executive Member. Barron will also continue as the Board's representative on DFC, the CMSMC, and the P5 Supervisory Body. Gerrit moves into the DFC Promotion role, replacing Kara Irving.

Federal Funding

Producer delegates at Dairy Farmers of Canada's Annual Policy Conference applauded Minister of Agriculture Gerry Ritz's announcement that the federal government will invest up to \$10 million in dairy research and food safety initiatives.

Court Hearing

DFNS and the NS Attorney General's office were in the Supreme Court of NS February 10-11, 2010, defending a challenge from two producers over the Board's authority to implement a declining cap on the quota exchange clearing price and to reduce producers' quota. With no set deadline in effect, a decision is expected in the coming weeks or months. DFNS will inform producers of the outcome once it is known.

Fall Incentives Announced

The DFNS Board has announced two additional production days per month for August, September, October, and November 2010. Ontario and Quebec also announced two days for these same months. In all cases, the days are non-cumulative.

SMP Donation

Dairy Farmers of Nova Scotia has again donated skim milk powder to Feed Nova Scotia. This winter, 5,000 kg of powder was sent to Feed Nova Scotia for distribution to bakeries and soup kitchens across the province.

Dairy Focus Registration Deadline March 4th

If you plan to attend Dairy Focus, the farm tour, or the Special Cow Signals Session, please make sure your registration forms are in by March 4th. The farm tour and Cow Signals Session have limited enrollment and are filling up fast. The location of the Cow Signals Session has been confirmed for Biggs Farm in Grand Pré. Locations and directions for farm tour stops and the special session will be emailed or faxed to all registrants prior to the event. Please visit www.dairyfocusconference.com for all your forms and other information.

When Should You Suspect Mycoplasma Mastitis?

Mycoplasma mastitis cases are infrequent. That being said, it is worth considering mycoplasma when facing the following:

- 1) A severe case of clinical mastitis resisting antibiotics with few systemic repercussions;
- 2) A case of mastitis infecting more than one quarter;
- 3) A pronounced drop in milk production with abnormal mammary secretions;
- 4) All of the above coinciding with the recent introduction of a new animal in the herd.

Animals suffering from mycoplasma mastitis may have infection signs elsewhere in their body, particularly in joints and lungs. The definitive diagnosis depends on the detection of mycoplasma with a special bacterial culture or a PCR test performed on a fresh milk sample. For information and resources about udder health, please visit www.mastitisnetwork.org, and register right away to receive the *Mastitis-Flash* electronic bulletin.



Réseau canadien de recherche
sur la mammite bovine
Canadian Bovine Mastitis
Research Network

Budget and By-law Changes Passed

Producers attending the AGM in January passed the 2009/10 operating budget. They also approved a change to the DFNS by-laws, moving a section regarding producer hearings with the Board to the *Milk Producer Licensing Regulations*.

Haiti Relief

The Canadian Dairy Commission has donated over 100 MT of skim milk powder to the Haiti relief effort. This represents a contribution from all producers for the value of the powder and from processors for the processing costs. Closer to home, Farmers Dairy donated UHT milk to this same cause. Anyone wishing to make a donation can contact the Nova Scotia Federation of Agriculture office.

Raw Milk Sales Illegal

Producers are reminded that it is illegal in Nova Scotia to sell or offer for sale unpasteurized milk. Licensed milk producers are also required to sell all of their herd's milk to DFNS.

Inquiry – Employment in the Dairy Industry

Ebeneza Fobid of the Republic of Cameroon is interested in employment in the dairy industry. He can be reached at ebennyfobid@yahoo.com.

Milk Production and Pricing

by Esben Arnfast, Finance and Systems Administrator

January's milk production increased to 18,889 kgs of butterfat per day compared to December's production of 18,456 kgs/day. This seasonal trend is expected with production increasing over 1,000 kgs/day since October. Compared to last year, production is down 0.6%, but this matches the reduction in the provincial quota available to producers.

In terms of milk composition, after recording higher butterfat tests each month since the beginning of the dairy year, this January's butterfat test almost exactly matched that of January 2009. The NS continuous quota position has reached -1.35% and should move closer to zero, and perhaps above, depending upon production trends in the upcoming months. The NS transportation rate has decreased to \$2.48/hl as a result of decreased transportation costs, mostly in Ontario.

The average in-quota milk price for January dropped to \$73.70/hl from \$78.18/hl. The pooling adjustment increase for December accounted for approximately \$1.00/hl of the change. The remaining \$3.50/hl decrease was attributable to a decline in the value of milk utilization reported by NS processors for the month of January.

The use of raw milk in fluid products and ice cream declined significantly. There was a bit of growth in cheddar cheese and butter/cream production. That is a neutral financial factor for producer payment since the butterfat is priced the same across these classes. There were, however, more raw milk components of both butterfat and skim milk powder declared in special classes at lower prices during January. This factor, although a negative for January pricing, should result in an improvement in the pooling adjustment used in determining February's price, as a result of producer price equalization across the country. Whether the provincial utilization of raw milk improves in February remains to be seen.

February is normally the month that prices for raw milk charged to processors are adjusted. The fluid price increase has been determined nationally by applying an indexed formula. Industrial prices were not adjusted as a result of the Canadian Dairy Commission not adjusting support prices for butter and skim milk powder. This was in recognition of a stabilization of farm cash costs.

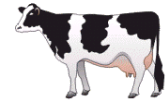
More details on pricing can be found on page one of the December newsletter. The combined effect of February prices billed to processors for fluid purposes increasing \$0.30/hl, along with no change to industrial billing prices, will be minimal considering that the national market is approximately 60% industrial production.

Milk Marketing Report January 2010

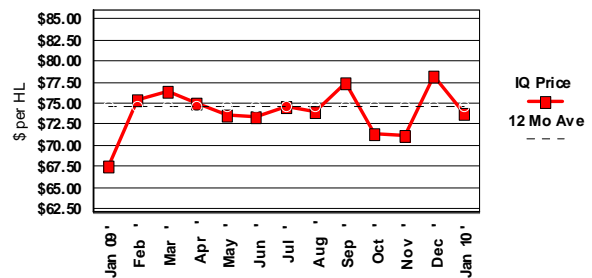
PRODUCTION	2010	2009
Average Litres/Day	475,803	478,553
Average kg Butterfat/Day	18,773	18,889
Average Composition, kg/hl		
Butterfat	3.9454	3.9470
Protein	3.3246	3.3559
Other Solids	5.6891	5.6797
Bulk Haulage (\$/hl)	2.48	2.64

PRODUCER PRICES	Butterfat (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
January In-Quota	10.9946	6.2972	1.6505	73.70
January Over-Quota	0.0000	0.0000	0.0000	0.00
February Over-Quota	0.0000	0.0000	0.0000	0.00

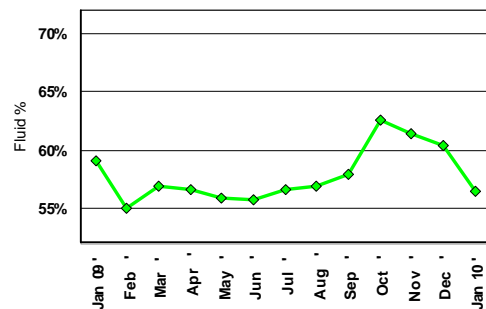
TOTAL ACTIVE PRODUCERS:
251



**NS Average In-Quota Producer Price
Per HL basis**



Fluid Utilization Percentage



Continuous Quota Positions

Provincial positions at the end of December, expressed in percent of total annual quota, are shown below. No provinces were over-quota. Among the P5 provinces, both PEI and NB have moved closer to zero, while ON, QC, and NS have stayed in the same position since last month. The three Prairie provinces all moved down, while BC moved slightly above zero. The upper limit is being reduced by 0.1% per month until it reaches 0.5% in January, 2010.

Alta.	- 2.16%	Sask.	- 0.57%	Ont.	-1.06%	NS	- 1.35%	PEI	- 0.61%
BC	+0.07%	Man.	+ 0.12%	Que.	-2.38%	NB	- 0.12%	NL	- 9.89%