

Dear Fellow Producers,

Several months have passed since our last newsletter and, as always, there have been many developments and changes in our industry during that time. You will find an article on page 3 updating you on several of these issues.



The past several weeks have also seen changes within the DFNS office, specifically an evolution of our staff structure. Effective October 1, your Board appointed Kimberly Harrison to the position of General Manager. Kimberly’s experience in her previous role as DFNS’ Assistant General Manager has prepared her well to take on this increased leadership role. I have full confidence in Kimberly and her team, and wish her the very best as she helps guide our organization forward.

As you are aware, since January of this year, Doug Thompson filled the dual role of General Manager for both DFPEI and DFNS. Over this period we, as a Board, realized the challenges presented not only by the workload of filling this role for two provinces, but also the significant limitations of working remotely and the impacts on overall interaction with staff. Our Board sincerely appreciates Doug’s efforts and his tremendous knowledge of our industry. For that very reason, Doug will continue to assist and support with the onboarding of our Policy Analyst, Emma Eisses. Thank you, Doug.

I also want to acknowledge an individual who has been instrumental behind the scenes over the last two years. Greg Cox has assisted DFNS in many different ways, and his immeasurable contributions have been very much appreciated by the Board and staff. For me personally, his life experience and knowledge provided invaluable guidance. Following the addition of Alana Croft to our staff in the role of Producer Services & Assistant General Manager in October, Greg’s work with DFNS has begun winding down.

Fall is also the time of year where we see changes to the Board. I would like to thank all those that put their name forward as a candidate for a director position in this year’s election. Congratulations to RJ Dillman on his re-election, and welcome to new directors Geoff Bishop and Alphonse Vermeulen. A sincere thank you to outgoing director Byron Lamb for his many years of service on the Board representing NS producers at both the provincial and national levels. As I, myself, step down from the Board, I want to take this opportunity to encourage you, the grassroots producers, to support your directors on the many different issues they address on your behalf.

Lastly, I want to thank those that I had the privilege to work with over the last 15 years at the provincial and national levels. Our supply management system is something worthy of defending. In order for it to work, it must be supported by producers, stakeholders, our governments and consumers.

I want to thank you as producers for the trust you have put in me to represent you for these years. I want to thank my wife Susan, our kids and our employees for their support and dedication over the years to allow me to serve you. THANK YOU.

Gerrit Damsteegt
Chair

UPCOMING EVENTS & DEADLINES



- Nov 24 - 4:30 pm.....Nov Quota Leases
- Nov 29 & 30..... DFNS AGM**
- Dec 1-3.....Farm Mech Show, Moncton
- Dec 13 – 12:00 NoonDec Quota Exchange Offers
- Dec 22 – 4:30 pm.....Dec Quota Leases
- Dec 28.....Dec Quota Exchange Payments

Quota Exchange Results

Aug - Nov 2022

The quota exchanges for the months of August to November were cancelled. No quota was offered for sale in August. In each of the other months, the small amount of quota offered for sale was used to satisfy a New Entrant.

Next Quota Exchange Deadline: December 13, 2022
12:00 Noon

Payment Due Date: December 28, 2022

Quota Leasing Update

Jul – Oct 2022

Total amounts of quota leased in recent months are as follows:

JUL	1009.1 kgs
AUG	923.4 kgs
SEP	718.4 kgs
OCT	761.5 kgs

To view the lease-in list click here:

<https://www.dfns.ca/quota-hub/lease-in-list/>

To be added to the list, please email your farm name, contact name and phone number to dfns@dfns.ca



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Incentive Days - Nov and Dec 2022

To ensure a stronger production for the increased anticipated market requirements and lower butter stocks outlook for the balance of 2022 and for 2023, the P5 Boards announced one additional conventional incentive day to be issued on a non-cumulative basis for each of the months of November and December, for a total of 3 days in November and 2 days in December.

proAction® Self Declarations and Corrections:

Nancy Tedford (Northern Regions 1, 2, & 3)

Email: nancy@dfpei.pe.ca

Fax: 902-566-2755

Call: 902-394-1657

Lindy Brown (Southern Regions 4, 5, & 6)

Email: lindy.brown@nbmilk.org

Fax: 506-432-4333

Call: 506-435-2117



Lab Results				
	JUL-22	AUG-22	SEP-22	OCT-22
Average IBC Individual Bacteria Count	46,991	43,494	45,729	37,488
Average SCC Somatic Cell Count	184,776	207,631	203,265	194,648
Adulteration of Tankers	1	0	0	3

Industry Updates

Gerrit Damsteegt, Chair

Tropical Storm Fiona

With a very dry fall, most producers have now completed their harvesting and fieldwork for this year. Some faced an additional challenge, with the impact of tropical storm Fiona in mid-September. Although the effects were generally minimal in the western part of the province, it hit very hard the further east it went. Some producers had partial losses of buildings, and many experienced significant amounts of corn down along with all the work and concerns that come with that situation. Nevertheless, we did not have any farms applying for catastrophe.

On the Saturday following the storm, we faced challenges not only in picking up milk from farms, but also in finding a place to deliver it for processing. This was due accessibility issues and power outages at our processing plants. A sincere thank you to DFNS staff, transporters, and processors for working together to minimize milk losses. Having said that, it is always good practice to reflect on what worked well and what could have been done better, and we are committed to do so.

Strategic Plan

Since the Board's policy session in August with the milk committee members and P-5 representatives, work has continued on the strategic plan and we are getting very close to being in a position to present our suggested changes to the P5 for their further input. This would be followed by presentations to DFNS' Advisory Committee for Milk and NPMC. Please stayed tuned.

Production

From a production perspective, we all have seen that there is a need for milk this fall. Butter and cheese stocks have been drawn down over the last half-year and with the holiday season upon us, we know we need to meet market demands. We have seen many additional production days over the last few months and a quota increase this fall. On the other hand, we are limited in processing capacity and much effort is being made to get additional and new investment. We need solutions for our SNF with limited export opportunities.

REGISTRATION OPEN

DFNS AGM 2022

November 29 & 30
Inn on Prince – Truro



The meeting will also be broadcast via Zoom.

To participate virtually or in person,
please register in advance by clicking here:
<https://www.surveymonkey.com/r/DFNS22ndAGM>

DFNS AGM

Our AGM will be held Nov 29-30. We are returning to our traditional in-person format, with the option to join by Zoom. I strongly encourage you all to participate.

CUSMA Compensation

The federal government made an announcement regarding CUSMA compensation a couple of weeks ago. We are awaiting to further details on the roll out of this.

Farm Facilities Inspection Compliance

Since the regulation change that came into effect on September 1, 2022, some directors have been contacted by producers with concerns regarding enforcement. The farm facilities inspection standards are regulations of NPMC. The inspection is done by an employee of NSDA. DFNS becomes involved when we are informed by NSDA that a producer is in a non-compliant position. The Board understands that these situations can be very stressful for everyone involved, and asks for your continued cooperation to meet the regulated requirements.

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

Over the past 4 months, milk production in Nova Scotia has continued the normal gradual decline from 567,000 l/day in July to 558,000 in October.

This pattern is normal however the butterfat content of raw milk dipped lower in the months of July and August than a year ago. There was a strong rebound from 3.96 kgs/hl to 4.23 kgs/hl in October which is much higher than October 2021 which was 4.17 kgs/hl.


The NS portion of the national quota allocation was increased effective Oct 1 by 2% to 24,151 kgs of butterfat so production in October of 23,633 kgs per day represents just under 98% of quota.

In August the new P5 credit limit established at -15 days resulted in unrecoverable for producers between -15 and -30 days. After October, 52 producers remain positioned at -15 days, the new maximum number of underproduction credits. The average utilized tolerance for NS producers is -8.4 days.

The NS transportation rate has fluctuated this summer from \$3.43/hl in June to \$3.58/hl in July to above \$4/hl in August for the first time in history. The rate declined to \$3.76/hl in September and further to \$3.34/hl in October. The timing of the NS quarterly adjustment effective August 1 and one-month pooling lag was a factor leading to the recent variability.

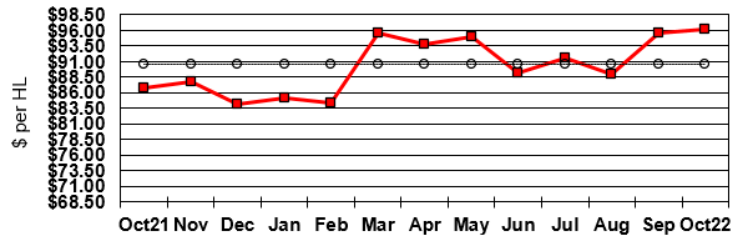
The Nova Scotia average producer raw milk price also varied during the summer months from June's price of \$89.24/hl to \$91.57/hl in July, slipping back to \$88.91/hl in August and then peaking to \$96.11/hl by October. The October price was \$21.94 per kg of butterfat for average raw milk composition. That was a decline from September which was \$22.38/kg.

The record-high price over \$96/hl was set in October under a mix of factors. The main driver of the price strength was the improved butterfat content of the raw milk. Also, billing prices increased 2.5 % effective September 1 due to the exceptional circumstances clause of the CDC price adjustment policy. The other factor is a smaller pooling adjustment from September.

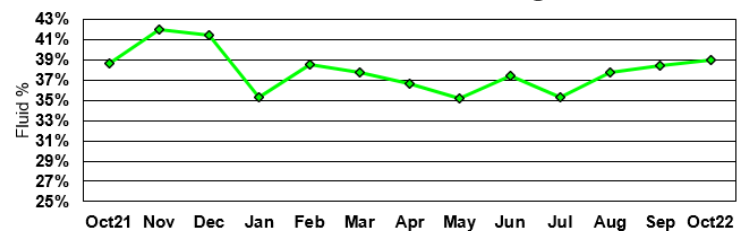
Also beginning August 1, the P5 Boards lowered the upper SNF/BF Market rate from 2.30 to 2.25. That change collects additional dollars from farms at the highest SNF/BF ratios to distribute to all SNF production below the market threshold. See the accompanying scatter graph showing all 200 Nova Scotia farms. 

Milk Marketing Report				
October 2022				
Production	2022	2021		
Avg. Litres/Day	558,731	559,384		
Avg. Kg Butterfat/Day	23,633	23,311		
Avg. Composition, kg/hl				
Butterfat (BF)	4.2298	4.1673		
Protein (Pro)	3.2835	3.2775		
Other Solids (OS)	5.8894	5.8848		
Bulk Haulage (\$/hl)	3.34	2.91		
Producer Prices	BF	Pro	LOS	Avg/hL
(\$ per kg)				
Oct In-Quota, Below Market	12.9329	10.9870	0.9000	96.11
Oct Market SNF Rate (\$/kg)				
SNF/BF = 2.00-2.30	0.0000	3.8549	3.8549	
Oct Over-Quota (Penalty)	-2.7327	-1.9107	-0.3917	-20.00
Nov Over-Quota (Penalty)	-2.7327	-1.9107	-0.3917	-20.00
Total licensed producers:	200			

NS Average In-Quota Below Market SNF/BF Producer Price Per HL basis



Fluid Utilization Percentage



Oct 22 Market Price & ZeroPay Dollars Lost (\$/HL) at SNF Ratios

