

NEWSLETTER

Vol. 16, No. 11 - June 2016

Ottawa Milk Matters Rally

On June 2, 2016, thousands of dairy farmers and supporters came together for a rally on Parliament Hill to highlight the critical importance of supply management in Canada. DFNS National Director John Vissers and General Manager Brian Cameron participated.

This was in addition to other regional events, one held in Montague PEI (see opposite article) at the office of the Minister of Agriculture and Agri-Food Lawrence MacAulay, and one in downtown Regina. DFC President Wally Smith joined by representatives from all ten provinces, called on the government to take action to ensure a sustainable dairy industry.

“We are here today, from all corners of this nation, not only to celebrate the economic, social, and health contributions and benefits of nutritious and high quality milk to our country, but to also celebrate the supply management system,” said Wally Smith. “To ensure the continued sustainability of the supply management system, the Government needs to work with us to tackle these challenges head on. We want to thank Canadians for their support and ask the government to work with us to ensure a robust industry.”

The situation in Canada is significantly better than other parts around the world where supply management has been dismantled. With low global milk prices, and massive surpluses, the global markets are failing and foreign governments have had to step in to keep their national dairy industry viable. The Canadian dairy industry is currently facing a number of challenges that need to be addressed by the government to ensure that the three fundamental pillars of the supply management system are sustained.

UPCOMING EVENTS & DEADLINES:

July 1, 2016.....Canada Day—Office Closed
July 13, 2016.....Quota Exchange Deadline
July 25, 2016.....Quota Lease Deadline
July 21-22, 2016.....Policy Session—Dartmouth

DFNB Newsletter

Visit www.nbmilk.org/en/ and click on the “Milk Matters” link to read their monthly newsletter.

...Meanwhile in Montague

Close to 400 Maritime dairy producers and supporters, including a busload from NS, headed to Montague, PEI to rally in unison with the national Milk Matters rally in Ottawa. Once in Montague, the group marched to the steps of Minister MacAulay’s riding office.

Producer leaders from each province spoke to those assembled about the importance of government action in five important areas affecting supply management and Canada’s dairy industry. DFNS Vice Chairman Gerrit Damsteegt spoke to the problems with border enforcement, “Importers have been manipulating the system. They separate the ingredients of milk, and essentially manipulate the system to allow these ingredients to cross the border classified as products other than dairy. This is not a legitimate classification, and it’s directly against the spirit and integrity of the supply management system.”

In a display of solidarity, local agribusinesses also joined the bus trip from NS to the rally reflecting the economic benefits to rural communities. ADL Chairman Abe Buttimer spoke about the importance of market losses resulting from opening the borders in trade deals and investment in processing infrastructure to keep jobs in Canada.

The rally closed with PEI producer Jayne MacDonald saying “We are here today, together, and other farmers in Ottawa and Regina – farmers from across this country are not only celebrating our great system, but to ask the government to take action. Both the farmers, and our partners in government have a role to play in maintaining supply management. We the farmers, have always done our part – we are here today to say that we need the government to stand together with us now and take action to ensure supply management is preserved—because Canadian Milk Matters, to all of us!”

DFNS thanks all producers from Aylesford to Mabou who sacrificed a full day of prime silage weather to join in the rally and thanks also to the DFPEI Directors and staff. for the smooth on-site coordination of the rally.

See the page three insert for photographs from both site rallies.

Results of the June 2016 Quota Exchange

Iteration (all buyers): 0.13 kgs

Prorated for buyers: 1.11%

Kilograms		Producers	
Purchased (<i>actual</i>)	22.00	Buying Quota	85
Offered to Purchase	1001.06	Offering to Buy	85
Offered to Sell	22.00	Selling Quota	1
		Offering to Sell	1

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	22.00	22.00	-979.06	1001.06	1001.06

Quota Exchange Deadline	Payment Due Date
June 13, 2016	June 28, 2016
July 13, 2016	July 27, 2016
August 12, 2016	August 29, 2016

P5 QUOTA EXCHANGE MCP

PEI	\$24,000
New Brunswick	\$23,750
Ontario	\$24,000
Quebec	\$24,000

Dairy Services Lab Results May 2016

Bactoscan Individual Bacteria Count (IBC)

Count	Samples	Percent
<35,000	187	81.30
35,001-121,000	38	16.50
>121,000	5	2.20
TOTAL	230	100.00

97.8% meet provincial standard

Average IBC – 32,910

Average Somatic Cell Count (SCC): 190,828

Adulteration (added water and/or antibiotics)

Water (Farm Tanks)	0
Antibiotics (Tankers)	0

Environmental Stewardship Award Open for Applications

The Environmental Farm Plan team is now accepting nominations for the 2016 Environmental Farm Plan Stewardship Award. Have you or a farmer in your area implemented projects to protect water, soil quality or wildlife habitat? Maybe you use improved soil management practices, have installed energy efficient technologies, or demonstrate water conservation.

Farmers are doing a lot of environmental sustainable activities every day; this award is an opportunity to give them recognition for their work. Other projects or areas that would support the application are innovative waste handling and storage, proper fuel storage, nutrient management activities, and biodiversity. You can nominate your neighbour, a friend, CSA Farm, or submit an application for your own farm. **So what's the prize?** The award winner will receive a painting of their farm by a local artist, a cash prize of \$2,000 and the opportunity to highlight your farm and farm products at Meet Your Farmer at the Mall. For more information and to get your application, visit: <http://nsfa-fane.ca/efp> or call 902-893-2293. Need some help with the application? Contact someone on the EFP team at 902-893-2293. You can submit pictures or other supporting documents with your application to NSFA. **The deadline to receive nominations is Friday, July 8, 2016.**

www.pwc.com/ca

Business advisors to the dairy industry

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Contact our Truro, Nova Scotia location at 902 895 1641.



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Life, Disability & Critical Illness
Health Plans - Group & Individual
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RRSPs, RESPs, & TSFAs
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Send your **CQM/proAction** Self Declarations or corrections to:

Nancy Douglas (northern regions 1, 2, & 3)
Email: ndouglas@dfpei.pe.ca
Fax: 902-566-2755
Call: 902-394-1657

Ashley Baskin (southern regions 4, 5, & 6)
Email: ashley@nbnmilk.org
Fax: 506-432-4333
Call: 506-435-0077 or 1-866-432-6455



Milk Matters Rally June 2, 2016

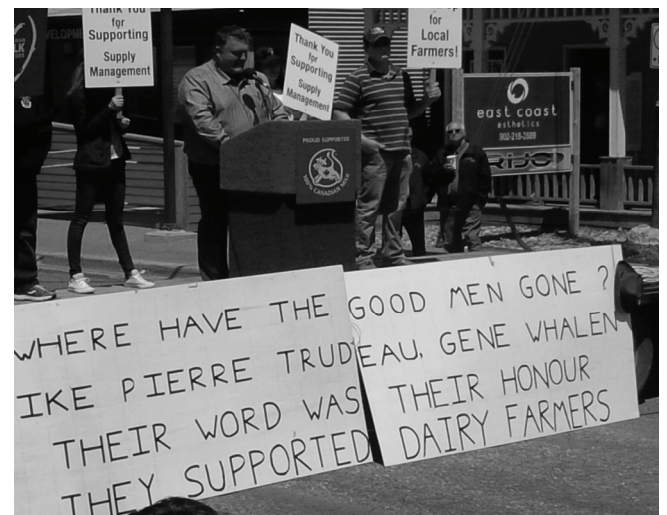
Ottawa



Montague, PEI



DFNS Vice Chair Gerrit Damsteegt



Quota Exchange Offer to PURCHASE _____

(Exchange Month)

Registered Producer Name: _____

DFNS Registration Number: _____ Phone: _____

Offers above the MCP Cap of \$24,000 will not be accepted. Quantities offered may be in hundredths of a kilogram (two decimal places). Prices must be for a whole kilogram. Offers must not exceed 10% of the producer's total quota (exception for assisted new producers). Offers are limited to one buy or sell per producer per exchange.

Offer to Purchase _____, _____ kgs of TPQ per day @ \$ _____ per kg.

Email address: _____
(for confirmation of receipt of offer, if requested)

Payment for quota must be made via the selected method below **on or before the third last business day of the month.** Producers choosing option 2 must have completed a PAD agreement (available on the DFNS website or from the office) and a void cheque.

<p>1. Cheque Payment <input type="radio"/></p> <p>Producer will provide a cheque to DFNS by the payment due date. Delivery method may be by mail, XpressPost, courier, or hand delivery. It is the producer's responsibility to ensure payment arrival and accuracy.</p>	<p>2. Pre-Authorized Debit <input type="radio"/></p> <p>DFNS will withdraw required funds for quota from producer's bank account on payment due date; service fees will be processed within five business days of the exchange. Authorization provided by producer will be used.</p>
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\$17.25 Service Fee must accompany offer (\$15 + \$2.25 HST) Reg No. 107788523

In the event of a cancelled exchange, service fees are returned to the producer (or not collected in the case of PAD). Please note that offer forms cannot be held for future exchanges.

All offers must be signed by the registered quota holder. In the case of a partnership or corporate quota holder, the offer must be signed by designated signing officer(s). It is the producer's responsibility to confirm receipt of offers by DFNS. If the buyer does not pay by the payment deadline, or the buyer's payment is dishonoured, the quota purchased by the buyer will return to DFNS, the producer is liable for all costs associated with non-payment, the producer is not eligible to purchase on the exchange for a period of 12 months, and the producer may only purchase TPQ on a future exchange using a bank draft, direct deposit, or wire transfer for a period of five years.

Date

Signature(s)

The information on this form is a summary of the applicable rules, which are contained in the TPQ Regulations. The DFNS Producer Manual on our website contains the current policies and procedures, or you may contact office staff for assistance.

FOR DFNS OFFICE USE ONLY

Service Fee: cash cheque PAD Offer Received/Verified By: _____

06/16

As a member of the DFNS group insurance program you are insured with Medavie Blue Cross (MBC) for all your benefits. We want to make sure you are getting the most out of your benefits plan – **do you know about the following Medavie Blue Cross tools and resources that are available for plan members?**

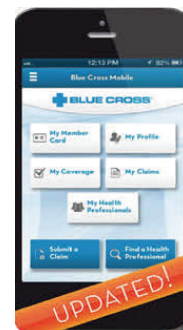


Medavie Mobile App:

The mobile app comes packed with great features to help you access your Medavie Blue Cross benefits—anywhere, anytime:

- Check prescription drug coverage
- Submit a claim
- Receive notification of when claim is processed
- Access a mobile ID card

For more info, watch this clip on YouTube: <http://www.youtube.com/watch?v=Tefk6HcdGKE>

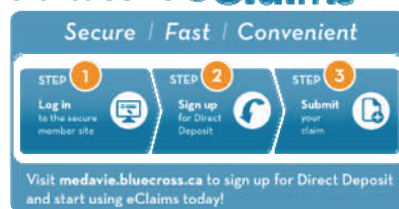


Cardholder Site for Cardholders/Member Services:



- Visit the [Medavie Blue Cross Website](#) and access complete information on your group benefits in a secure environment:
- View claims history
- Submit claims
- Check coverage and eligibility for specific products or services
- Register for direct deposit of your claim reimbursement

INTRODUCING eClaims



For more information on the DFNS group insurance plan or to apply for coverage, please contact Morneau Shepell at 1-800-667-6328 and ask for Angele Aucoin.

CLARIFICATION

In the May newsletter the article **Rules Change Nationally** noted the “waiving of over-quota and lost production consequences”. These measures were waived, only until the end of July 2016, at the provincial level – not the producer level. Zero pay for over-quota milk and lost production for dropping below - 30 days still remain in force at the individual producer level in the P5. We apologize for any misunderstanding.

Ann Landers Reappointed to NPMC

On the recommendation of the Nova Scotia Milk Processors’ Division of the Atlantic Dairy Council, Ann Landers has been reappointed by the Minister of Agriculture to the Natural Products Marketing Council for a three year term. Her new term started May 17, 2016. Ms. Landers has served as the dairy processing industry representative on Council for a number of years. She also serves as the Agropur representative on DFNS’s Advisory Committee for Milk. Congratulations Ann.

Pay Agent Update

DFNS and Agropur reached an agreement, under which later this fall Agropur be the board’s pay agent for all NS producers. Other aspects of this arrangement include confidential information transfer to facilitate producer pay, all current and future deductions, plus the associated production information. Other improvements include financial and information exchange among DFNS, processors, and transporters.

Skim Milk Powder Donation

DFNS, on behalf of NS producers, has donated 3,000 kg of skim milk powder to Feed Nova Scotia. The \$5,500 donation is welcomed for use in soup kitchens and shelters. This is part of an annual commitment by DFNS to support the provincial food banks by providing much-needed nutrition. We thank Agropur for arranging transportation of the powder from their Truro plant to Feed NS.



Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Raw milk production for the province continues to outpace the previous year but the gap for the month of May has narrowed to 2% on a butterfat basis. The butterfat composition was 4.01 kgs/hl and has continued to decline as it normally does in the spring and summer. Consistent with recent months, the butterfat composition remains below last year's level which, for May 2015, was 4.07 kgs/hl.

The trend established for the past few months has been production declining very gradually to around 21,200 kgs per day which still remains above the issued quota for the province of 20,354 kgs per day. The average producer utilized tolerance has increased approximately 1 more day, as it has for the past 4 months, to its present level of -8.9 days.

The equalized pool transportation rate has increased to \$2.76/hl in May from \$2.63/hl in April which continues to reflect additional transportation costs from spring weight restriction costs pooled in other provinces for the month of April.

The raw milk average in-quota price for May was \$74.49 per hl which was a reduction from April's price of \$77.62 per hl. Utilization improved to the point of NS not being eligible for an advance. Much of the powder that would normally be declared in low-valued class 4(m) was instead declared in a domestic class for May.

During May, as in previous months, a large quantity of raw milk was delivered to NB and Quebec to fulfill milk movement obligations with some designated as surplus milk. The volume was 2.6 million litres or approximately 16% of the raw milk produced in Nova Scotia during the month. Also, close to 400,000 litres of skim milk was dumped due to processing capacity limitations.

The pooling adjustment from April was \$1.1 million however most of that adjustment was used to repay the advance of \$990,000 that was applied to April's price. Also there was a milk utilization audit adjustment of approximately \$230,000 paid by DFNS resulting from the annual audit of processors monthly milk utilization reporting.

Total Licensed Producers in May: 222

Continuous Quota Positions

As of the end of April, 2016 figures are expressed as a percent of each province's annual quota. All provinces moved up on their positions with the P5 moving above the + 0.5% overquota level. A prior agreement to waive provincial overquota and unrecoverable consequences until the end of this July meant no zero pay penalty for the P5. Skim drying capacity continues to be exceeded most weeks. CDC Plan A butter stocks remain low - a situation which is expected to reverse once early summer milk production kicks in.

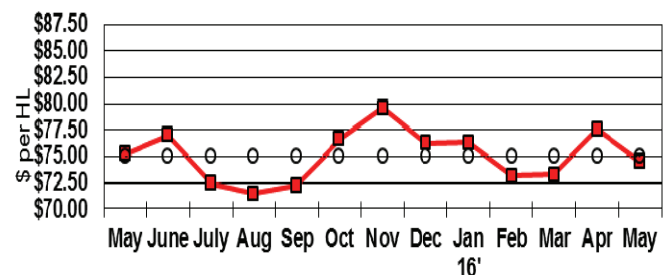
Alta. - 0.92%	Sask. - 0.92%	Ont. + 2.11%	NS - 0.10%	PEI - 2.46%	P5 + 0.76%
BC + 0.14%	Man. - 3.49%	Que. - 0.19%	NB - 0.68%	NL - 19.92%	WMP - 1.04%

Milk Marketing Report May 2016

PRODUCTION	2016	2015
Average Litres/Day	523,089	505,833
Average kg Butterfat/Day	20,996	20,575
Average Composition, kg/hl		
Butterfat	4,0139	4,0676
Protein	3,2964	3,3013
Other Solids	5,7253	5,7333
Bulk Haulage (\$/hl)	2.76	2.73

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
May In-Quota	10.9319	6.8294	1.4148	74.49
May Butterfat Premium (\$/kg) SNF/BF<2.35	0.0259			
May Over-Quota	0	0	0	0
June Over-Quota Penalty	0	0	0	0

NS Average In-Quota Producer Price Per HL basis



Fluid Utilization Percentage

