

NEWSLETTER

Vol. 20, No. 10 - April 2020

Promotion Checkoff Holiday

In recognition of the promotion dollars which were committed to Covid-cancelled events and onsite promotion being scaled back, the DFNS Board agreed to not collect the promotion levy for the month of April. This one-time "levy holiday" will keep the promotion surplus manageable and give members a deduction break in a high cost time of the year. With NS producers investing around \$3 million per year to grow the market, one month equates to \$250-275,000. DFNS' Promotion Committee is working hard with DFC to maintain presence with consumers to effectively invest producer funds during these drastically changed times.

Spreading Milk and Manure

Submitted by: *The LP Consulting Team*

If you are dumping milk into your liquid manure pit, please contact your fertilizer supplier / consultant because fertilizer recommendations may have to change. It will depend on the milk to manure ratio. Data on raw milk analysis:

- P205 – 0.2% which is 2 kg/220 gallons
- K20 – 0.18% which is 1.8 kg/220 gallons
- Calcium – 0.12% which is 1.2 kg/220 gallons
- Urea nitrogen – 0.01% which is 0.1 kg/220 gallons – will dilute the manure nitrogen

If you think your milk:manure ratio will be more than 20% at the time of spreading, please consider if a change in fertilizers are required.

UPCOMING EVENTS & DEADLINES:

May 13, 2020Quota Exchange **Noon Deadline**
May 18, 2020.....Victoria Day Holiday
June 12, 2020.....Quota Exchange **Noon Deadline**
July 13, 2020.....Quota Exchange **Noon Deadline**

Reminder:

Quota leasing is suspended until further notice

Informative Links

- **Lactanet – How to Slow Down Milk Production**
www.valacta.com/en-CA/library/collective-decrease-in-production-how-meet-challenge-farm

<https://www.valacta.com/en-CA/library/feeding-raw-milk-dairy-cows-not-without-risks>
- **On-Farm Mortality Management**
www.nsfa-fane.ca/efp/wp-content/uploads/2018/08/On-farm-Livestock-Mortality-Management-NSDA.pdf
- **COVID-19 Financial Relief Measures Guide**
NSFA has pulled together a guide on the financial relief measures that have been put in place by both Federal and Provincial governments. This document will continue to be updated as new measures are introduced.
www.nsfa-fane.ca/wp-content/uploads/2020/04/Covid_19_Financial_Relief_Measures_Guide-1.pdf

Regional Meetings by Conference Call

Due to the Covid-19 related social distancing, DFNS will be hosting three identical conference calls to connect with dairy farmers. A schedule is shown below, with topics for each call focusing on the current milk production / disrupted market situation and on Council's recent investigation and findings. Chairman Gerrit Damsteegt and General Manager Brian Cameron will present on the call. All producers are encouraged to join the call scheduled for their region, but could instead join a different call based on your schedule. Producers are encouraged to dial in 5 minutes early and set their phone to mute. Sometimes it requires several tries to join a large call.

The calling details and a few informative slides will be circulated to producers by email. Those producers without email should contact staff to receive the call-in details. Note these calls are intended only for our members. Depending on how this goes, the Board may hold another set of calls as needed to address evolving issues.

Regions 1 & 2	Monday, April 27, 7:30 to 9:00 pm
Regions 3 & 4	Tuesday, April 28, 1:30 to 3:00 pm
Regions 5 & 6	Wednesday, April 29, 1:30 to 3:00 pm

Results of the April 2020 Quota Exchange

Iteration (all buyers): 0.38 kgs
Prorated for buyers: 2.90%

Kilograms

Purchased (actual)	48
Offered to Purchase	686.08
Offered to Sell	48

Producers

Buying Quota	52
Offering to Buy	52
Selling Quota	2
Offering to Sell	2

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	48	48	-638.08	686.08	686.08

Quota Exchange Deadline	Payment Due Date
May 13, 2020	May 27, 2020
June 12, 2020	June 26, 2020
July 13, 2020	July 29, 2020

P5 QUOTA EXCHANGE MCP

New Brunswick.....	\$24,000
Ontario	\$24,000
Quebec	\$24,000

Lab Results March 2020

Average IBC: 31,817

Average Somatic Cell Count (SCC): 170,427

Adulteration: (Tankers) 1

Send your **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

Micha Joop
(southern regions 4, 5, & 6)
Email: proAction@nbmilk.org
Fax: 506-432-4333
Call: 506-432-4330 Ext. 104

DFNB Newsletter

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

Continuous Quota at the Pool Level


The chart below shows calculations, by pool, of the change in continuous quota positions to the end of February 2020. Early spring production typically exceeds monthly quota allocated to pools, so each pool's position slightly increases. The P10 production exceeded quota by 1,816,361 Kg butterfat. This moved the continuous position from -1.13% to -0.66%. Looking ahead, the spring production should continue to exceed monthly quota resulting in a seasonal continuous position increase.

In response to Covid-19, all regional pools have sent production slowdown signals to their producers. The current market and production imbalance won't appear in this table for one or two months, due to the lag in reporting.

Table 1. Continuous Quota (BF Kg, Monthly) - February, 2020

	NL	P5	WMP	P10
Final Positions - Previous - January, 2020¹	(405,765)	(2,498,539)	(1,464,158)	(4,368,461)
<i>% of the Pool's 12-month Total Quota</i>	-16.69%	-0.88%	-1.48%	-1.13%
Monthly Total Quota - February, 2020	188,650	22,046,987	7,337,907	29,573,545
Monthly Production - February, 2020	162,116	23,208,780	8,019,009	31,389,906
Difference	(26,534)	1,161,793	681,102	1,816,361
Final Pool Positions Adjusted for Reimbursed	(432,299)	(1,336,746)	(783,055)	(2,552,100)
<i>% of the Pool's 12-month Total Quota</i>	-17.53%	-0.47%	-0.79%	-0.66%


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Grant Thornton LLP advisors are here to help. Our experienced, reliable and friendly advisors have been serving farmers and business owners in Nova Scotia for decades. We care about your family business, because we're part of your community.

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- personal and corporate tax planning, and
- financial and business advice.

Let's start the conversation.

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*By displaying advertisements, DFNS is not endorsing these businesses.
This is strictly for the information of dairy farmers.*

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

Daily milk production Increased during March from 23,429 kgs of butterfat per day to 23,576 kgs per day. This was almost exactly the same level of production as March 2019. The butterfat compositions of raw milk were also identical at 4.19 kgs per hl.

Production during March was 103% of quota and there was an additional production day in place that was utilized 47%. The result was a relatively small increase in the producer average utilized tolerance from -6.8 to -6.5 days. With both a 3% reduction in quota in April and on farm measures to curb production, individual producers are likely to experience some shifts in their utilized tolerance during April.

The NS equalized pool transportation rate declined to \$2.78/hl for March from 2.92/hl in February. Spring weight restriction costs for March will be pooled and likely to push the rate upwards for April and May.

The average producer raw milk price increased for the second straight month from \$82.28/hl in February to \$84.52/hl or \$20.16 per kg of butterfat at average provincial composition.

The value of milk utilized daily by processors remained almost as high in March as February with an initial retail fluid milk surge due to Covid-19 at plants until late March. There was a larger advance closer to the usual \$1 million used for the calculation of the March price compared to a smaller one repaid for February.

Looking ahead to April we can expect to see a reduction in milk volumes to plants and a corresponding reduction in the value of milk utilization. There was approximately 3 weeks during April that other provinces in the pool were not in a position to purchase usual quantities of NS milk production.

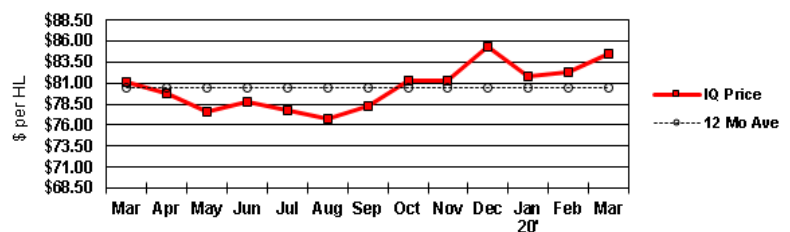
The efforts of producers to limit production were helpful however raw milk disposal was necessary. This will have an effect of diluting the price paid to producers for the month of April and it is possible that some of that value could possibly be recovered in May after April's pooling calculations are finalized. Of course, the monthly pooling adjustments are always dependent upon the relative milk production, disposal and utilization in the other provinces. Efforts are being made to stabilize the blend returns.

Milk Marketing Report March 2020

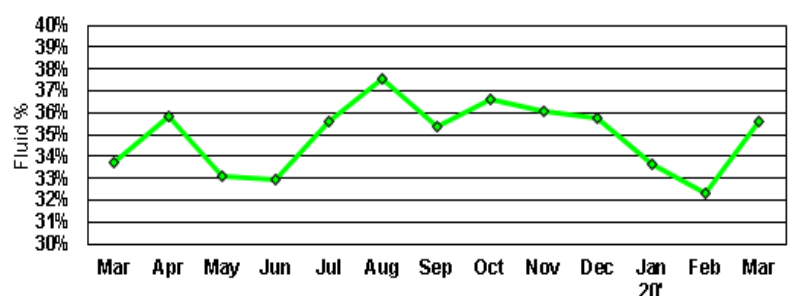
PRODUCTION	2020	2019
Average Liters/Day	562,979	562,734
Average kg Butterfat/Day	23,576	23,578
Average Composition, kg/hl		
Butterfat	4.1878	4.1899
Protein	3.2842	3.2741
Other Solids	5.9138	5.9248
Bulk Haulage (\$/hl)	2.78	2.75

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
March In-Quota	10.8101	8.9602	1.6606	84.32
Mar Butterfat Premium (\$/kg) SNF/BF<2.35	0.0476			
March Over-Quota	0.0000	0.0000	0.0000	
April Over-Quota Penalty	0.0000	0.0000	0.0000	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage



Total Licensed Producers in March: 199



LATEST NEWS

from Dairy Farmers of Canada



April
2020

A message from DFC President Pierre Lampron

Dear friends,

I am so proud that the dairy farming community continues to be hard at work in these unprecedented times and seeing our industry is stepping up. I also want to acknowledge the hard work done by our elected and staff, both at DFC and in the provinces to ensure continuity of supply in their respective regions in the face of fluctuating demand in an evolving marketplace. Canadian dairy farmers are known for being resilient and taking on huge challenges and we will get through this unpredictable time together.

We also salute the hard-working men and women throughout the supply chain, from the farm to the shelves of your grocery store, working in difficult conditions to meet Canadians' food needs.

DFC has been active in liaising with the dairy processing industry and the retailers to identify the source of the "hurdles" that has led to the current disposing of milk at the farm. As well, we are working with the provinces to collaborate on on-farm protocols providing guidance on how to manage and prepare for milk pickup.

Whether it is between dairy farmer organizations or with our partners in the supply chain, everyone is working in the spirit of collaboration to ensure consumers have continuous access to Canadian dairy products, even as foodservice and



restaurants retool themselves to move to pick-up and delivery only.

Communication is essential at a time like this, so we've been working to ensure farmers and consumers have the most up-to-date information – visit www.dairyfarmers.ca for the latest. We also encourage you to check with various organizations and government agencies like the Public Health Agency of Canada, the Canadian Food Inspection Agency, the Canadian Federation of Agriculture, the Canadian Agricultural Human Resource Council, as well as DFC or your provincial organization.

As dairy farmers, we play an essential role in providing quality, and safe dairy products to consumers. In times of need, Canadians can count on us!

Pierre Lampron

President of Dairy Farmers of Canada

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DFC reassuring consumers about Canadian milk

Across the country, Canadian dairy farmers continue to provide consumers with a safe, steady supply of high-quality milk. This mission remains unchanged under the COVID-19 pandemic, and to reassure consumers, DFC has launched a new digital campaign about the ongoing safety and quality of dairy products. Targeting millennials and gen-Zs, DFC utilizes consumer-friendly messaging and graphics to remind consumers of the stringent standards in Canadian dairy production and letting them know we're still here producing quality milk for Canadians. Most notably, the campaign will link to a complete 'frequently asked questions' website which will act as a resource for any and all consumer questions, covering a range of topics related to COVID-19.



In light of the COVID-19 outbreak in Canada, DFC has assembled several links and resources on mental health for dairy farmers. These resources are intended to better connect our farmers with available tools created by experts.

- Do More Agriculture Foundation:
<https://www.domore.ag/>
- Centre for Addiction and Mental Health (CAMH):
www.camh.ca
- Canadian Mental Health Association:
www.cmha.ca
- CMHA "Six tips to respond to employee anxiety about COVID-19":
<https://cmha.ca/news/6-tips-to-respond-toemployee-anxiety-about-covid-19>
- The Working Mind Self-Care and Resilience Guide:
<https://theworkingmind.ca/blog/working-mindcovid-19-self-care-resilience-guide>
- Centers for Disease Control and Prevention (US):
<https://www.cdc.gov/coronavirus/>

If you are in immediate distress, please contact your nearest crisis centre. If it is an emergency, call 9-1-1 or go to your local emergency department.

Mental health resources for farmers during COVID-19 pandemic

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Update on Temporary Foreign Workers Program

Canada's border is closed to all non-nationals due to COVID-19, but seasonal agricultural workers under the Temporary Foreign Worker Program are excluded from the travel ban. In addition to health screening protocols before travel, all individuals entering from abroad must isolate for 14 days upon their arrival in Canada. A temporary modification is being made to the Labour Market Impact Assessment process for agriculture and food processing employers, as the required 2-week recruitment period will be waived for the next 6 months. The government will increase the maximum allowable employment duration for workers in the low-wage stream of the Temporary Foreign Worker Program from 1 to 2 years.

If you already have a temporary foreign worker on your farm, there is a possibility of extending the length of stay of temporary workers in Canada. For more information on the implementation, you can contact the Temporary Foreign Workers Program toll-free at 1-800-367-5693 or consult the program's website: <https://www.canada.ca/en/employment-social-development/services/foreignworkers.html>.

Dairy as an Essential Service

Food is listed as one of Canada's ten critical infrastructure groups by Public Safety Canada. As dairy plays a central role in feeding Canadians, DFC had called on the government to make it clear that dairy is an essential component of food critical infrastructure. In so doing, the government would help alleviate any employee uncertainty in our value chain as to the importance of continuing to go to work and facilitate the movement of critical infrastructure workers and supplies between jurisdictions.

In early April, Public Safety Canada released information entitled "Guidance on Essential Services and Functions in Canada during the COVID-19 Pandemic," developed in consultation with provincial

and territorial partners. DFC also provided input to both AAFC and Public Safety Canada which helped to inform this document.

The stated purpose of the guide is to help provinces, territories and municipalities protect their communities while maintaining the reliable operation of critical infrastructure services and functions to ensure the health, safety, and economic well-being of the population.

Aligning with this guidance, provinces have and continue to identify essential sectors to facilitate the movement of critical infrastructure workers and supplies between jurisdictions.



The majority of functions and services within the dairy value chain are reflected in the list under the 'Food' pillar. DFC has asked the federal government to also consider how best to equip any essential workers to travel within or across provincial boundaries, taking into account provincial authorities.

To view the full list, visit:

<https://www.publicsafety.gc.ca/cnt/ntnl-scrt/crtcl-nfrstrctr/esf-sfe-en.aspx>

The guidance will continue to evolve and should not be considered a federal directive or standard at this time. Individual provinces maintain and enforce their own lists of essential services; however, in the event the federal government declares a national state of emergency, which would effectively centralize and consolidate powers, this document could supersede any provincial list.

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Looking Forward

DFC is preparing for COVID-19 will loom large for the next several months and we'll continue to reorient our government relations activities and policy development in collaboration with provinces in light of the changing circumstances.

The industry is implementing a three-pronged strategy to help address the bottleneck along the supply chain that result in disposing of milk at the farm. They include maximizing the opportunities offered by current programs, and as needed expanding them, stimulating consumption in the marketplace, and donations of dairy products to food banks.

On April 3rd, the federal government gave notice to the governments of the U.S. and Mexico that it is ready to implement CUSMA. Mexico followed suit on April 4th leaving the U.S. as the only signatory that hasn't yet given notice. The date for entry into force is not known at this point, but CUSMA will come into effect 90 days from that date. In a statement, the Canadian government said that it "will continue to work with the United States and Mexican governments to determine an 'entry into force' date that is mutually beneficial."

Should CUSMA enter into force prior to August 1st, 2020, the first-year cap of 55,000 metric tons for skim milk powder and milk protein concentrates would come into effect immediately and apply for just a few weeks before the second-year cap of 35,000 metric tonnes is triggered.

DFC President Pierre Lampron and provincial chairs wrote to Prime Minister Trudeau to express their dissatisfaction, and how an earlier coming into force of the trade agreement was not consistent with the assurances the dairy sector had been given.

As we emerge from the COVID-19 situation, DFC will continue working with our provincial counterparts and other stakeholders to ensure that government and opposition parties are attuned to the sector's needs in other areas, including the Healthy Eating Strategy, compensation and several private members' bills that could have an impact on the dairy sector.



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