



# NEWSLETTER

**Vol. 20, No. 11.5 - June 2020**

## **.DFNS June Levy Holiday**

The DFNS Board recently reviewed third quarter financial statements and a projected administration budget to July 31, 2020, our year end. Largely due to travel and meeting restrictions, expenses are below budget in a number of categories, reflecting less Director and staff travel since mid-March. The Board still meets regularly, and staff are working from home. The Covid restrictions are likely to have a similar impact for most or all of the remaining budget year.

As such, the Directors voted to give producer members a one-month DFNS Levy holiday for June. The collection of 16 cents per kg BF marketed to DFNS will be waived for June, representing a savings of approximately \$110,000 for producers. This one-month holiday should bring the year-end budget closer to a balanced position, based on 9-month projections. Further discussions about the 2020-21 budget and operating surplus will happen during our Annual General Meeting scheduled for November 25 and 26, 2020 at the Truro Holiday Inn.

## **Send Your Pictures**

Please send in any pictures to DFNS [dfns@dfns.ca](mailto:dfns@dfns.ca) you have to share on your farm's reaction to Covid, including unique safety measures taken, messages to Canadians, etc. These will be shared at during Dairy Farmers of Canada's virtual AGM in July.

### **UPCOMING EVENTS & DEADLINES:**

June 12, 2020.....Quota Exchange **Noon Deadline**  
July 1, 2020.....Canada Day  
July 13, 2020.....Quota Exchange **Noon Deadline**  
August 3, 2020 .....Civic Holiday  
August 13, 2020 .....Quota Exchange **Noon Deadline**

### **Reminder:**

Quota leasing is suspended until further notice

## **One Day in June**

The situation with COVID-19 continues to evolve at a rapid pace. The P5 board's primary objective is to meet milk market demand in the most optimal way, however these are uncertain times and we must be able to adapt to market changes. In order to meet the current market requirements, the P5 boards have approved issuing one (1) incentive day, effective for the month of June, on a non-cumulative basis to conventional milk producers only. Due to anticipated market requirements and milk production, the P5 Boards have agreed to issue an incentive day. The credit day limitation and over quota penalty policies as previously announced on April 24, 2020, remain unchanged. The P5 quota committee will closely monitor the evolving milk market situation as provinces gradually relax restrictions to react to any possible COVID-19 related transportation or processing disruptions.

## **Food Bank Donations**

DFNS, several milk processors and the provincial government have cooperated to supply Feed Nova Scotia with a variety of welcome dairy products during April, May and June. Donations have featured fluid milk and a variety of cheeses, which are distributed across the province to Feed NS' member food banks.

In order to make the donations possible, DFNS has donated the raw milk used to make donated products, financed with promotion funds. Processors have contributed the processing, packaging and distribution in exchange for a grant from the provincial government, which is repurposing their financial support for school milk.

DFNS has also continued with donating skim milk powder for use in baking and soup kitchens. Overall the donations have been well-received by Feed NS and their clients during the height of the Covid impacts.

## proAction Validations Resume

Although the dairy industry is deemed an essential service, many service providers stopped on-farm services for their employees at the beginning of the Covid-19 pandemic. proAction validations were temporarily suspended as well. As Nova Scotia slowly reopens, the DFNS Board has reinstated validation activities, effective immediately. proAction staff must first consult government agencies for clear approval before authorizing validations to resume.

Producers who are regularly validated in the months of July and beyond, will be expected to be validated as per their normal timeframes. Those producers whose validations were temporarily suspended over the last three months will be expected to complete their validations by August 31, 2020. Validators will contact producers directly to set up appointments.

What to expect for future validations:

### Social Distancing and Safety Measures:

These procedures will be put in place for the personal safety of farmers and validators:

- Validators will confirm with farmers that they, and their staff, are symptom free, not having travelled, etc.
- Validator biosecurity will continue to be in place. This includes, upon arriving at a farm, putting on a clean pair of coveralls and disinfecting boots. Coveralls are to be removed at the end of the farm visit before getting back in the vehicle and placed in a plastic bag or tote. Boots washed and disinfected at the end of the farm visit.
- Social distancing of 2 m (6 ft) is to be maintained as much as possible. Ideally select a meeting area outdoors (weather permitting) or an open area of the barn, not in a small office space. Location will be chosen to ensure low risk and space for social distancing.
- Where 2 m of social distancing can't be maintained, validators are required to wear a face mask. In these situations, we recommend producers wear a face mask as well. Validators will be required to wear gloves during the validation.
- Producers should organize records ahead of time and have them set out prior to the validator's arrival. Record review can be done without the producer in the office.
- Only one person representing the farm may be present during the validation. Farm staff can be working around the farm and in the barn, but not directly involved in the validation process and always maintaining at least 2 m of social distance.
- Once the in-person portion of the validation is complete the producer representative may leave, until they have the final review with the validator.
- The validator can complete the facility tour alone, before reviewing and confirming the overall validation outcomes with the producer.

These are different times that we are moving forward in. We appreciate your cooperation, patience and respect for these procedures as we all figure things out. Policies may change without prior notice. Please contact your provincial coordinator directly if you have any questions or concerns regarding proAction®.

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### World Milk Day

Please visit the link below to see Dairy Farmer's of Canada celebration of World Milk Day:

[www.dairyfarmersofcanada.ca/en/happy-world-milk-day-2020](http://www.dairyfarmersofcanada.ca/en/happy-world-milk-day-2020)



## Letter to DFNS

In late May the Board received and reviewed a letter from Scothorn Farms Ltd. A common letter had been circulated and was signed by 34 producers. The main request in that letter was:

***“We request DFNS re-evaluate the “One License - One Facility” rule. Relaxing this rule would allow farmers to further pool resources and create efficiencies within operations. Under current regulations, investments in on farm infrastructure will be virtually impossible considering the future uncertainty of the market, the result will be many farmers being forced out of the industry. Giving dairy producers the opportunity to work together will help to alleviate the financial and operational stress of trying to operate their farms in an unprofitable or unsustainable way. Changing this rule will not impact or disadvantage farms that choose to not take advantage of these situations.”***

The Board had a brief discussion about the request in the context wanting to hear producer opinions but not being allowed to hold face-to-face meetings. The Board committed to finding ways to facilitate policy discussions with our members.

## COVID-19: Perennia’s Plan

As of May 27<sup>th</sup>, Perennia has started limited restart scenarios for on-farm visits. This means our Agriculture Field Staff are now permitted to conduct emergency farm calls, trials and monitoring programs. To ensure that we are working with our community in a way that maintains the health and safety for all, we have developed an “Operating in Partnership Under COVID-19” agreement for review before we enter the farm.

Our Agriculture Services Team continues to work remotely, which means that our in-person services are limited, but we are available to help with your needs. You can continue to get in touch with our team by phone, through email, and where deemed necessary by an in-person visit through your Perennia Specialist.

For further details, please review our document [“How Perennia Agriculture Services is Adapting to Working in COVID-19.”](#) If you have any questions or concerns, please feel to reach out to our Manager of Horticulture, Jennifer Haverstock, at 902-670-5003 or to our Manager of Livestock and Field Crops Jonathan Wort at 902-890-0303.

## Market Outlook

Our industry of supply management is founded on stability and being able to forecast market changes and adjust production signals to producers to ensure there is enough, but not too much, milk. Of course the last three months have been anything but stable, making forecasting future milk needs very difficult. The Canadian Dairy Commission economists, DFC and provincial staff have been developing new models to forecast the changing markets. We will soon have two full months of Covid-impacted sales data to provide a stronger foundation for predicting where the markets are heading. This model relies not as much on historical and seasonal trends, but more on retail and HRI (food service) consumption of all dairy products and how those seem to be shifting. We are also including a three-tier market drop factor for pessimistic, moderate and optimistic negative impacts. Based on April and preliminary May data, the moderate forecast scenario seems to align best.

As the picture becomes clearer for market demand between now and the end of December, provinces will further adjust production signals to producers. Adding an additional production day for June is an example of addressing short term milk requirements, while we get a better handle on medium term demand.