

NEWSLETTER

Vol. 20, No. 6 - January 2020

AGM Business Round Up

We completed our 19th Annual General Meeting in the second week of January with a decent turnout of 178 people and 85 farms registering. The main topics and presentations are covered in the Shoreline Journal link on our website.

From a business standpoint, members reviewed the 2018/19 financial statements that showed a clean audit. Members also approved the 2019/20 budget as presented by the board, including a modest \$48,000 deficit. This is a deliberate deficit to reduce the \$985,000 operating surplus. Based on a recommendation from the Board, members approved Bishop & Company as the new auditor for the current fiscal year.

DFNS thanks both our sponsors and out-of-town guests for making the AGM a success. Sponsors included FCC, Royal Bank, CIBC, Scotiabank, TD, Agropur, Saputo and Nova Scotia Cattle Producers. Any producer wishing to receive a copy of the AGM booklet should contact the office.

Traditionally DFNS Board's have set their Executive and made committee appointments immediately following the AGM. This year the Board set the executive and committees at their January 24 meeting. Gerrit Damsteegt retains the chair position and our member on the DFC Board. Byron Lamb is vice chair again as well as our National Director. Hans Vermeulen is the third member of the executive plus he will shadow Byron at the P5 and CMSMC meetings in the coming year. Dustin Swinkels remains on the P5 Quota Committee.

UPCOMING EVENTS & DEADLINES:

February 13, 2020.....Quota Exchange **Noon Deadline**
February 17, 2020.....Heritage Day, Office Closed
February 24, 2020.....Quota Lease Deadline
March 17-19, 2020.....Dairy Focus Atlantic

Council Investigation Update

Recently your Board and managers received detailed findings coming from Council's investigation. The Board needs time to formulate solutions and will be working with Council to make the necessary regulation, policy and administrative procedure changes to address the findings in a timely fashion.

DFNS Directors and management will not be providing further information until we have completed more work. The Board will share details of pending changes with members at our Spring Regional Meetings.

DFNS Welcomes Brett Purdy

Brett Purdy joined our team in early December. Brett will be filling the Systems Data Analyst role here at DFNS. He is a graduate from NSCC Truro and Mount Saint Vincent University in Bedford with a business degree and a major in accounting. Despite not being in an accounting role at DFNS he will transfer his reconciliation and analytic skills over to his new role at DFNS. Born and raised in Truro, Brett is happy to have a great opportunity here with us close to home. Please welcome Brett to our team!



**The January 2020 Quota Exchange was cancelled.
There was no quota offered for sale.**

Quota Exchange Deadline CHANGE

Please note that the quota exchange submission deadline is moving to NOON, instead of 4:30 pm, on the same day (business day before the 14th each month). This change is now in regulation so DFNS will have to reject any buy or sell form received after 12 noon starting with the February 13, 2020 exchange.

Quota Exchange Deadline	Payment Due Date
February 13, 2020	February 24, 2020
March 13, 2020	March 25, 2020
April 13, 2020	April 24, 2020

P5 QUOTA EXCHANGE MCP

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

DFNB Newsletter

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

Lab Results December 2019

Average IBC: 42,191

Average Somatic Cell Count (SCC): 180,631

Adulteration: (Tankers) 0

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

As of February 1st Micha Joop will be replacing Lindy Brown while Lindy is on maternity leave.
Congratulations Lindy and welcome Micha!

Congratulations to the following Excellence Award Winners for 2018-2019:

A & J Bent Farms
Allan MacDonald
Amber Hill Farm
Bacon Farms Limited
Dalhousie University
Fort Land Farm Limited
Lone Willow Farm Incorporated
Mark & Randy Keddy
Windcrest Farm Limited

In order to receive the DFNS Excellence Award, a producer must have:

- ◆ All individual bacteria count (IBC) results less than 30,000/ml for the dairy year;
- ◆ All monthly SCC averages are less than or equal to 150,000/ml;
- ◆ A farm inspection score from the NSDA of 94 or higher;
- ◆ An appearance score on the farm inspection report of five or higher;
- ◆ No freezing point or antibiotic infractions during the dairy year;
- ◆ Maintain proAction registration for the entire dairy year.

New RMPT Regulations

As reported earlier, the new Raw Milk Production and Transportation regulations have been established by Natural Products Marketing Council and will come into force on March 15, 2020. We advise members to review the regulations (link at bottom of our home page) with their facilities / practices. If you have questions or concerns, we encourage you to contact Scott MacKenzie, NSDA Dairy Inspector Specialist. DFNS continues to work on behalf of producers with Council and will pass along any written comments producers submit.

Slippery Yards and Lanes

Recently at least four bulk milk graders fell in dairy farm yards due to icy conditions. These incidents can result in injury, exposing the dairy farmer to liability claims. If transporters cannot safely navigate lanes and yards, they may be forced to refuse pick up. To avoid these serious consequences, producers must clear snow away and apply salt, sand or gravel to their laneways and yards. Please act accordingly to help with efficient and safe milk pick-up.

Milk Price Change Feb 1

The P5 provinces have approved a farm gate milk price increase of approximately 1.9% for February 1, 2020. This change comes from the annual review of changes in both costs of producing milk and the Consumer Price Index – an indicator of inflation. Both COP and CPI have increased, triggering the farm gate change. We note that producers may not see exactly this 1.9% change each month as producer payments are tied to monthly milk component production with the dollars being paid out coming from the milk utiliza-



Esben Arnfast presented the DFNS Bursary to Emilie Davison at Dalhousie University's Faculty of Agriculture Scholarship Banquet November 21, 2019



DEADLINE FOR OFFERS IS LAST BUSINESS DAY
BEFORE THE 14th OF EACH MONTH.

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Lower Truro NS B6L 1J9
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Fax: (902) 897-9768
www.dfns.ca
Email: dfns@dfns.ca

Quota Exchange Bid to BUY _____

(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.

1. Cheque Payment ☐

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.

2. Pre-Authorized Debit ☐

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.

\$17.25 Service Fee must accompany offer (\$15 + \$2.25 HST) Reg No. 107788523

In the event of a cancelled exchange or if the producer's offer to buy quota is at a price equal to or higher than the market clearing price but does not result in the producer purchasing any quota on the 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: _____

08/19





TPQ Lease Agreement

100-4060 Highway 236
Lower Truro, NS B6L 1J9
Phone: (902) 893-6455
Fax: (902) 897-9768
dfns@dfns.ca
www.dfns.ca

THIS LEASE made _____ day of _____, A.D., 20____

BETWEEN: _____ DFNS Reg. # _____ 2
hereinafter called the "LESSOR" (Lender of the quota)

- and -

_____ DFNS Reg. # _____ 2
hereinafter called the "LESSEE" (Borrower of the quota)

AGREEMENT

The Lessor and the Lessee agree that:

1. The Lessor shall lease to the Lessee _____ kilograms of daily Total Production Quota (TPQ)
2. The lease term shall commence on the first day and terminate on the last day of _____ (month).
3. The Lessee shall pay to the Lessor \$_____ (plus any applicable HST) per kilogram per day for milk quota leased, payable as described below:

4. This lease is not assignable.
5. This lease shall bind the heirs, executors, administrators and successors of each of the parties.

Signature of LESSOR

Date

Signature of LESSEE

Date

AUTHORIZED BY _____

on behalf of Dairy Farmers of Nova Scotia this _____ day of _____, 20____.

IMPORTANT NOTES

Leases will be for a one-month duration and will expire at the end of the month, so any adjustments to provincial TPQ do not apply to leases.

Quota may be leased in denominations of tenths of a kilogram.

A producer can lease in or out up to a maximum of 25% of current TPQ holdings.

A producer cannot be both a lessor and a lessee during the same month.

Only leases applying to the current month will be accepted.

DFNS is not responsible for receipt of lease forms mailed or faxed to our office. **IT IS THE PRODUCER'S RESPONSIBILITY TO CONFIRM RECEIPT.**

DEADLINES


Completed lease forms must be delivered to the DFNS office no later than 4:30 p.m. on the fifth (5th) last business day of the month in which the lease will be effective.

<u>Lease Month</u>	<u>Deadline</u>
February	February 24, 2020
March	March 25, 2020
April	April 24, 2020
May	May 25, 2020

v. 201902




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It takes long hours and careful management to run a successful dairy farm. Success is also built on the decisions you make about succession, herd size, barn expansion and quotas.

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.

Our team can help you with:

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- financial and business advice.

Let's start the conversation.

grantthornton.ca

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For more information, please contact our Truro, Nova Scotia location at 902 895 1641.

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

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DAIRY FOCUS
Atlantic
MARCH 17-19, 2020



Presented by:



Combining and replacing Nova Scotia's Dairy Focus conference and New Brunswick's Milk 2020 to be Atlantic Canada's leading dairy conference with 400 industry participants; an expert speaker program including Gordie Jones, Elaine Froese, and Al Mussell; complimentary farm tours; over 60 exhibitors; farmer games; a chance to win \$2000 for a trip of your choice, and a hospitality experience that will make it

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Casino NB - February 20

www.dairyfocus.org



DAIRY FARMERS OF
NEWFOUNDLAND AND LABRADOR



Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

December milk production increased compared to November and was approximately 1% less than the December 2018 rate of production. The butterfat test of 4.24 kgs per hl was unchanged from both November and compared to last December.

Additional production day usage reached 57% of the 1 day available in December. Not surprisingly, with fewer days available in December than during the fall months, the producer average utilized tolerance reversed the drop in November (when it declined to -8.7 days of quota) to finish December at -8.3 days. The additional production incentive days, as intended, limit the effect of additional production on producer credit increases.

The NS equalized pool transportation rate remained at \$2.91/hl in December exactly matching November's deduction. This means that DFNS pooled transportation costs matched the P5 Pool average for November after DFNS recovered their costs paid to transporters for hauling milk to other provinces in November.

The average producer raw milk price increased sharply to \$85.34/hl or \$20.09/kg of butterfat at average provincial composition. This was well ahead of the monthly average price which is nearing \$80/hl for the past 12 months.

Compared to November, the total daily value of milk utilized by processors was unchanged however in November, there was significant exported milk priced at approx. \$89/hl and minimal special class activity in classes 5 and 7. Normally DFNS applies for an advance from the P5 to cover the difference between special class proceeds and an estimate of the pool average price for special class activity greater than 15% of production. Since special class activity was less than 15% in November there was no advance.

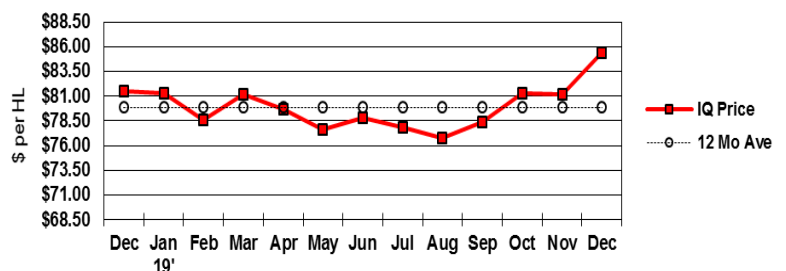
Not having to repay an advance for November when determining December's price is a benefit but December's special class activity also put DFNS in a position to receive an advance for the month of \$935,000. Both led to the favorable price for December.

The advance will need to be repaid for December's borrowing but under normal circumstances, it would be offset by the effect of a possible advance for January's utilization.

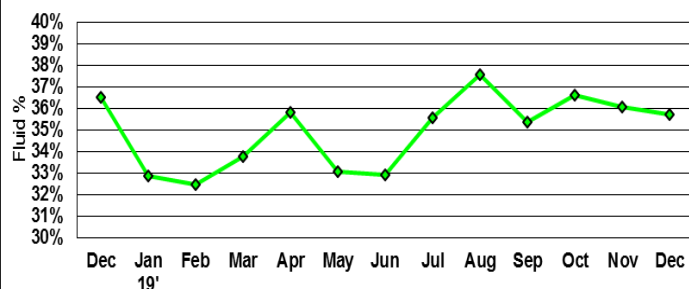
Milk Marketing Report December 2019

PRODUCTION	2019	2018		
Average Liters/Day	549,871	554,173		
Average kg Butterfat/Day	23,337	23,476		
Average Composition, kg/hl				
Butterfat	4.2440	4.2363		
Protein	3.3072	3.2857		
Other Solids	5.8932	5.8895		
Bulk Haulage (\$/hl)	2.91	2.65		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
December In-Quota	10.5943	9.1682	1.7072	85.34
Dec Butterfat Premium (\$/kg) SNF/BF<2.35	0.0079			
December Over-Quota	0.0000	0.0000	0.0000	
January 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 December: 198