

NEWSLETTER

Vol. 21, No. 3 - October 2020

New DFNS General Manager

Dear Fellow Producers,

On behalf of the Board, I am pleased to announce that Alana Croft has been selected as DFNS' new General Manager. She will be replacing Brian Cameron, who is retiring as of the end of November after 17 ½ years with DFNS.

A familiar face to many of you, Alana brings to the position close to 20 years of dairy industry experience from both the producer and processor perspectives. She understands our mandate well, having been previously employed with DFNS for the first seven years following the formation of our organization in 2001. In her subsequent position at Agropur Cooperative she has worked extensively with producers, government and other industry stakeholders across the Atlantic region. She has a proven track record of relationship building and leadership, along with a sound knowledge of board governance. She understands the issues, challenges and opportunities facing us going forward, and is deeply committed to the work of our industry.

Alana will join the DFNS staff on November 2, and officially assume the role of General Manager effective December 1, 2020. Welcome Alana!

Gerrit Damsteegt, Chair

Quota Exchange Deadline

As a reminder, the deadline for submitting quota exchange bids to buy or offers to sell is **NOON** on the business day before the 14th each month. Several farms have submitted late bids the past few months which need to be rejected by DFNS.

The quota exchange deadline is included in every newsletter, as well as appearing on the DFNS website home page and under Quota Hub. With only one exchange in the last seven months it's a shame to miss out by sending a late bid.

FREE Johnes Disease (JD) Testing

The Atlantic JD program is under-way again across the Maritimes. As a result of the continued surveillance and risk management on participating farms, we have seen a reduction of the infection severity on some positive farms that made a concerted effort to address their issue. The number of positive environmental samples predicts the proportion of infected cows in the herd. Some farms that had 5-6 of the 6 collected samples test positive originally, indicating moderate to high within herd prevalence, have seen this number drop to \leq 3 samples, with some farms as low as 1 per 6 samples tested, positive. This indicates they have become low or moderate within herd prevalence. Some farms also moved from positive (low prevalence) to test negative. The region is making progress in JD control.

The program continues the JD herd surveillance program. While there is no quick fix for JD, the impact can be reduced, and in some cases infection even eliminated, by a concerted effort over time.

The program will also examine sampling strategies, including a) the number of samples required, b) the types of samples required (sites on the farm, number of samples, sampling methods) and c) alternative sample collection process to reduce the surveillance cost.

It is still FREE to participate in the JD testing program. Any producers in the Maritimes not currently receiving the JD testing can enrol in the program by contracting Norman or Theresa at AVC at 902-566-0725 or email atlanticjohnes@upei.ca.

UPCOMING EVENTS & DEADLINES:				
November November November December December	11,Quota Excha 23,Q 25 & 26. 11Quota Excha 23Quota Excha	.Remembrance Day inge Noon Deadline uota Lease Deadline .DFNS Virtual AGM inge Noon Deadline ota Lease Deadline		

Results of the October 2020 Quota Exchange

Iteration (all buyers): 0.06kgs Prorated for buyers: 0.42%

Quota Exchange Deadline	Payment Due Date		
November 13, 2020	November 26, 2020		
December 11, 2020	December 29, 2020		
January 13, 2021	January 27, 2021		

P5 QUOTA EXCHANGE MCP

P.E.I.....\$24,000 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 September 2020

Average IBC: 32,337

Average Somatic Cell Count (SCC): 204,690

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

Continuous Quota at the Pool Level

The chart below shows calculations, by pool, of the change in continuous quota positions to the end of August 2020. The trend of monthly production falling short of monthly total quota continued into August. The deficit was 696,568 kg of butterfat so the P10 collectively dropped up from -0.91% to -1.14%. The lower limit is -2%. A seasonal dip in fall milk production could move this continuous position even lower. Monthly quota calculations will be impacted by consumption recovery after the first wave of Covid-19, but of course it appears wave two and a return to restrictions is happening in many populous areas of Canada. Production beyond August may be stronger with additional production days issued through the fall. Any shortfall of the continuous quota position is being served by stored butter and cheese.

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

	NL	P5	WMP	P10
Final Positions - Previous - July, 2020 ¹	(615,248)	(2,305,603)	(773,978)	(3,694,829)
% of the Pool's 12-month Total Quota	-24.90%	-0.80%	-0.78%	-0.95%
Monthly Total Quota - August, 2020	203,706	24,094,850	8,230,842	32,529,399
Monthly Production - August, 2020 ²	160,508	23,621,719	8,050,604	31,832,831
Difference	(43,198)	(473,131)	(180,238)	(696,568)
Final Pool positions	(658,447)	(2,778,734)	(954,216)	(4,391,396)
% of the Pool's 12-month Total Quota	-26.91%	-0.97%	-0.97%	-1.14%



Save the date . . .

DFNS will be hosting a virtual Annual General Meeting this year. The AGM will take place on November 25 & 26 from 10 am to 1 pm. Nov 25 is open to the public while Nov 26 is for producers only. More details to follow.

Virtual Maritime Beef Conference

The Maritime Beef Conference is going virtual this year with a conference series and we have one evening segment created around dairy-beef and will have some international guests such as Sarah Bolton, who works for Dairy Australia and did her Nuffield Study on the topic of dairy-beef. That segment will be Thursday November 5th at 7pm Atlantic time. Pre-registration will be required, but if you register- you will be able to access the recording afterwards. Free of Charge! https://maritimebeef.ca/virtual-conference-series/

Western Canadian Dairy Seminar 2021

WCDS 2021 will be held on a virtual platform. There will be opportunity to hear about the latest research and connect with fellow delegates and our industry sponsors. Registration is \$50 and opens at the end of November 2020 at www.wcds.ca.

Dairy Trace Has Arrived!

Lactanet Canada announced the launch of DairyTrace, the national dairy cattle traceability program for dairy farmers. It is designed and built to be a centralized national system for the management of all dairy cattle traceability data.

Alongside the traceability module of the proAction® initiative, DairyTrace will support the dairy industry by protecting the economic livelihood of dairy producers, as well as bring peace of mind to consumers in the event of an animal health emergency. As dairy farmers embrace the DairyTrace system and report their traceability data, a significant benefit will be state-of-the-art traceback capabilities in the event of an emergency or animal health crisis.

DairyTrace includes two new traceability tools; a mobile app and on-line database portal, to streamline and simplify the recording and reporting of animal identification and movement. In addition to these tools offering convenience and efficiency, the DairyTrace launch includes the release of a modern national website at <u>www.DairyTrace.ca</u>, that hosts information for dairy producers, other custodians of dairy cattle and consumers. The program also includes outstanding customer service support, improved animal tags, and instructional materials in print, on-line and via video.

Under federal regulations and/or proAction® requirements, everyone who owns or has the possession, care or control of dairy cattle must record and report animal identity, movement, location, and custodianship information. "DairyTrace has been developed to provide dairy farmers with easy-to-use tools for managing their traceability obligations." says Gert Schrijver, dairy producer and Chairman of Lactanet's DairyTrace Advisory Committee. Adding "All dairy farmers will also have access to a one-stop-shop for ordering their tags and receiving full customer support from the DairyTrace customer services and National Livestock Identification for Dairy (NLID) program offered through Holstein Canada or from Agri-Traçabilité Québec (ATQ) in the province of Québec where producers have successfully practiced this traceability model for many years using the SimpliTRACE system."

Also, to accommodate non-producer affiliates outside Québec, such as abattoirs, assembly yards and auction facilities, exchange systems have been built to allow information to be funnelled into the DairyTrace database. This will allow affiliates the option of using the new DairyTrace system or CCIA's Canadian Livestock Tracking System (CLTS).

Traceability affects over 1.4 million dairy cattle on over 10,000 farms. By harmonizing data under a common, national framework, DairyTrace will also promote information sharing and potentially add value to research and genetics initiatives, all while aligning with the traceability module of DFC's proAction® program. Lactanet and DFC acknowledge and express appreciation to Agriculture and Agri□Food Canada for financial support provided through its Canadian Agricultural Partnership (CAP) program.



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AND COL	
Card Constanting	

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

TH	IS LEASE m	nadeday of	, A.D., 20
BE	TWEEN: _	hereinafter called the "LESSOR" (Lender of th	DFNS Reg. #2_ e quota)
		- and -	
	_	hereinafter called the "LESSEE" (Borrower of	_DFNS Reg. #2_ the quota)
The L		NTT e Lessee agree that: I lease to the Lessee kilograms of daily Total	IMPORTANT NOTES
Р 2. ТІ	roduction Quot he lease term a	ta (TPQ) shall commence on the <u>first</u> day and terminate on the <u>last</u> (month).	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
3. TI Ki	he Lessee sha logram per daj	all pay to the Lessor \$(plus any applicable HST) per y for milk quota leased, payable as described below:	of tenths of a kilogram. A producer can lease in or out up to a maximum of 25% of current TPO holdings.
			A producer cannot be both a lessor and a lessee during the same month.
	his lease is not	-	Only leases applying to the current month will be accepted.
ot	his lease shall ' each of the pa ignature of LES		DFNS is not responsible for receipt of lease forms mailed or faxed to our office. IT IS THE PRODUCER'S RESPONSIBILITY TO CONFIRM RECEIPT.
S	ignature of LES	SSEE Date	DEADLINES
	ORIZED BY	mers of Nova Scotla this day of, 20	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.



DEADLINE FOR OFFERS IS LAST BUSINESS DAY BEFORE THE 14th OF EACH MONTH. 4060 Highway 236 Lower Truro NS 86L 1J9 Phone: (902) 893-6455 Fax: (902) 897-9768 dfns@dfns.ca www.dfns.ca

Quota Exchange Offer to SELL

(Exchange Month)

Registered Producer Name: _____

DFNS Registration Number: _____ Phone: _____

Offer to Sell _____. ____kgs of TPQ per day @ \$______ per kg.

PLEASE NOTE: Offers above the MCP Cap of \$24,000 will not be accepted. Quantities offered for sale may be in hundredths of a kilogram (two decimal places). Prices must be for a whole kilogram. Offers are limited to one buy or sell per producer per exchange. Each participant in an exchange will be notified in writing of whether or not their offer was successful.

Successful Sellers will be paid for their quota sold on the last business day before the 10th day of the month following the exchange. If the sold quota is assigned to a lender, cheques will be jointly payable to the producer and lending institution.

QUOTA CURRENTLY ASSIGNED:

kgs

Name of Lending Institution(s)

\$115 Seller's Service Fee must accompany offer (\$100 + \$15 HST) (HST Reg No. 107788523)

All offers must be signed by the registered quota holder. An offer must be signed by all partners of a partnership, or the designated signing officer(s) of a partnership or corporation. It is the producer's responsibility to confirm receipt of offers by DFNS.

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 most up-to-date policies and procedures, or you may contact office staff for assistance.

FOR DFNS OFFICE USE ONLY

Service Fee Received: Cash Cheque PAD Offer Received/Verified By:

05/17



Caller Party	Quota Exchange Bi	SEPORE THE 14"	S IS LAST BUSINESS DAY OF EACH MONTH.	4060 Highway 298 Lower Truro NS BBL 1J0 Phone: (902) 893-8455 Fax: (902) 897-9768 www.dfns.ce Email: dfns@dfns.ce
Regis	tered Producer Name:		[addition	
DFNS	Registration Number:		P	hone:
kilogra	above the MCP Cap of \$24,0 m (two decimal places). Prices n er's total quota (exception for as hange.	nust be for a whole i	alogram. Offers must	not exceed 10% of the
	to Purchase		(perday@\$	per kg.
day of	ent for quota must be made v the month. Producers choo NS website or from the office	sing option 2 must	t have completed a l	
	1. Cheque Payment 🔘		2. Pre-Authorized	Debit 🔾
	Producer will provide a cheque payment due date. Delivery my mail, XpressPost, courier, or ha It is the producer's responsibilit payment arrival and accuracy.	sthod may be by nd delivery.	from producer's ban date; service fees wil	equired funds for quota k account on payment due I be processed within five exchange. Authorization r 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 depasit, or whe 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 DINS 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 c cheque c PAD

Offer Received/Verified By: ____

CONTRA-



Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

NS milk production in September increased to 22,883 kgs/day and that level represented a 3.1 % increase over last September. The raw milk butterfat composition jumped from 3.96 kgs/hl in August to 4.08 kgs/hl in September. It is normal to see production improvements between August and September however these changes have been more noticeable this year compared to recent years.

The additional production for September represented 102% of producer allocated quota and normally this would lead to an increased average producer tolerance. Instead the utilized tolerance for the average NS producer declined to -8.4 days, down from -7.8 days in August. This is explained by a significant uptake of 40% of the 3 available additional production days for the month.

The NS equalized pool transportation rate increased from \$2.55/hl in August to \$2.63/hl in September after pooling increased NS costs for August.

The average producer raw milk price increased from \$76.09/hl to \$77.31/hl or \$18.88 per kg of butterfat at average provincial composition.

Producer raw milk prices have remained below the 12-month average of approximately \$80/hl for the past 3 months and that period coincides with the start of monthly price adjustments for lower-valued products as discussed in previous month's newsletters. In September an additional approximately \$277,000 adjustment was required with P10 pooling agreement yet to be finalized.

The value of raw milk utilized by processors remained relatively unchanged during September from August. There was an additional \$50,713 added to milk sales for Milk Quality and proAction Penalties collected during the 2019-2020 dairy year in excess of the \$60,000 budgeted.

Total Licensed Producers in September: 200

Milk Marketing Report September

PRODUCTION	2020	20)19	
Average Liters/Day		560,239	547	7,935
Average kg Butterfat/Day Average Composition, kg/hl		22,883	22	,203
Butterfat		4.0845	4.()520
Protein		3.2313	3.1	1862
Other Solids		5.9179	5.8789	
Bulk Haulage (\$/hl)		2.63	2	.77
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
Sep In-Quota	10.3048	8.1196	1.5179	77.31
Sep BF Premium ratio<2.30	0.1713			
Sep Over-Quota	0	0	0	0
Oct Over-Quota Penalty	0	0	0	0

NS Average In-Quota Producer Price Per HL basis















2020

A message from Pierre Lampron, President of DFC

Dairy Farmers of Canada continues to pressure the federal government for an announcement on the schedule for the remaining seven years of compensation for concessions made under the Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). DFC is also seeking details on the "full and fair" compensation promised by the federal government for the Canada-U.S.-Mexico Agreement (CUSMA).

When combined with Canada's obligations under the World Trade Organization, import concessions made by the government under these three agreements will see 18% of Canadian domestic dairy production transferred to dairy farmers in other countries by 2024.

Prime Minister Trudeau, Deputy Prime Minister Freeland and Agriculture Minister Bibeau have all acknowledged that dairy farmers deserve compensation for recent trade deals. The promise was reiterated once again in September's Speech from the Throne but beyond that, details have been scant.

The Speech from the Throne sent a message to dairy farmers that the government's commitment to compensate them for the losses they incurred from CETA, CPTPP, and more recently, CUSMA is still part of its deliverables. But, when every year, you lose \$450 million in domestic production being transferred to foreign dairy farmers, words aren't enough – only when we see details will we know if a promise made is a promise kept. DFC is working with provincial milk associations to ask farmers to help deliver the message directly to their MPs. It is essential that local MPs be made aware of the federal government's commitments to compensate dairy producers for recent trade agreements and how important that compensation is to dairy farmers in terms of planning for the future.

We have prepared materials to help you discuss the subject of compensation with your MP either in person or in writing. You can download them from our DairyExpress+, app, available on the App Store and on Google Play.

Help us tell the government to honour its promises!



Pierre Lampron, President of DFC

proAction progress report

The proAction program continues to be an essential indicator of the high-standards and excellent practices Canadian dairy producers apply on farms every day. In recognition of this, DFC has released the 2019-20 proAction[®] progress report, highlighting achievements and progress made over the past year, including the launch of proAction's biosecurity module, the announcement of new partnerships and programs, and the ongoing commitment to the values of proAction demonstrated by farmers and industry partners during the COVID-19 pandemic.

Under proAction, dairy farmers show consumers, in a transparent and demonstrable way, how they adhere to some of the most stringent standards in the world.

DFC would like to thank Canadian dairy producers for their invaluable support and contributions to proAction, which ensures it continues to be a collaborative national success story. In the spirit of continuous improvement, DFC looks forward to building on this momentum in 2020-21 and beyond.



To view the progress report, please visit: <u>dairyfarmersofcanada.ca/</u> <u>en/proaction-progress-report</u>

Changes coming to proAction's traceability and animal care modules

One of the core principles of Dairy Farmers of Canada's (DFC) proAction[®] program is a commitment to continuous improvement, ensuring the program reflects the latest available research, technology, feedback from farmers and input from experts. To that end, DFC recently issued notices of change for two of the proAction modules: traceability and animal care.

The changes made to the traceability module include new requirements for reporting traceability data to DairyTrace, instead of the Canadian Livestock Tracing System (CCIA), following the designation of Lactanet Canada as the official national administrator responsible for the traceability of dairy bovine animals. proAction will require reporting by September 2021, but farmers are encouraged to report to DairyTrace immediately. Other changes include acceptance of a new single white button tag which farmers can use to identify calves born on farm and destined for the beef industry. This tag will gradually replace the use of single yellow button tags by fall 2023. These changes will not only help DairyTrace provide a full pan-Canadian picture of the movements of dairy cattle, they will also have direct impacts on the overall strength and responsiveness of the industry's traceability system and keep tag revenues within the dairy industry, ensuring a financially sustainable system.

The changes made to the animal care module include fixed peer report zones established based on the benchmark data, the temporary implementation of a new scoring category for cattle assessments, escalating continuous improvement expectations over time if targets are not met (e.g. increase in cattle assessment frequency and the number of cattle evaluated), and the release of a corrective action plan template to drive advancements. The temporary inclusion of the new category aims to prioritize focus on farms which need improvement, while the corrective action plan is designed to provide more structure to guide this improvement and ensure timely follow-up.

In an effort to ensure the proAction program reflects the latest best practices, the program is reviewed at regular intervals and the program is updated as necessary. While herd scores are improving across Canada, there is still an opportunity for further progress to highlight the industry's commitment to action. For some changes, transition periods have been put in place to provide time for the farmers, dairy professionals, and provincial staff to adjust, as needed, while ensuring timely action on areas requiring improvement.

A detailed list of changes can be found in the notices at dairyfarmers.ca/proaction/resources. The changes will also be incorporated into the next version of the proAction Workbook and Reference Manual in 2021.

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