

NEWSLETTER

Informing Nova Scotia dairy producers on matters affecting their industry.

Vol. 21, No. 7 - March 2021

DDPP Registration

The deadline for registration for the Dairy Direct Payment Program (DDPP) is perilously close at March 31, 2021. If your farm is not registered by this date you will not receive your compensation for the lost market opportunity, which means no quota growth of this portion of the market because of the trade deals with CETA and CPTTP. The latest deal with the USA and Mexico (CUSMA) has also resulted in a compensation negotiation that is in progress. Stay tuned for developments on this front.

Do not miss your chance to receive your
\$\$\$ compensation \$\$\$

Directives Progress & Moratorium

We are making steady progress on the eight Directives that NPMC delivered to DFNS in January 2020. Six of the eight are nearing completion and when the data resulting from your Certificates of Interest has been analyzed we should be able to write policy to quiet the remaining two Directives.

At the March 11, 2021 Board meeting your Directors voted to lift certain aspects of the moratorium. You will have received a letter via e mail to this effect and most aspects of TPQ transfers have reverted to their original position. Limited share transfers will be allowed to take place as outlined in the letter.

SNF Pricing Criteria Coming August 1

The short story on this new pricing scheme is that our quota is based on butterfat and we need to manage the non-fat solids that are coming with that. The new payment model is designed to encourage more fat production and less of non-fat solids (i.e. protein, lactose & other solids).

Payment for your milk will now be slotted into one of four categories:

Over quota: Currently paid at \$0.00.

No-pay SNF > 2.3: Currently paid at \$0.00

Market Ratio SNF 2.0 <-> 2.3: Market based payment rate (\$2.2402/kg in Feb/21)

In quota: Rate based on sales, pooling and redistribution from No-pay & Market Ratio

We anticipate that monthly milk cheques may vary by some 2% up or down depending how your current feeding program impacts the SNF ratio.

As a producer your objective will be to stay in the "pay" range or even below but not above.

RFP for Strategic Plan

Request for Proposals (RFP) has been distributed to four major accounting/ business advisory firms in NS to develop a proposal to study selected aspects of the NS dairy Industry. These selected areas will be of no surprise to many of you and include such topics as: the Cap on quota value; Potential cap on farm sizes; Merger of farms; Multiple license holdings; TPQ transfers; Leasing options; Regional Processing Capacity; Niche Markets and Market Development to name a number of hot bottom items. The Board will make the selection of the proposals offered and decide whether or not to proceed with the selected proposal or go back to the market if none of them meet with approval.

Dairy Inspection NSDA

Consultation between Department of Agriculture Inspection group and DFNS are on going to establish an effective and fair method to enforce the mandate of the Inspection group without terminating a producers ability to ship milk until corrective action has been taken by the producer. DFNS also has a mandate to protect the integrity of the quality of milk produced by its shipper members. Both groups take these responsibilities very seriously. We know that most shippers are proactive in their efforts not to attract the kind of attention that may result in punitive action. It is critical however that you communicate effectively to both your inspector and DFNS if you find yourself off side with the regulations.

Spring Regional Meetings

In this Newsletter you will find information with regard to Spring Regional meetings. Please check out the time for your Region. Having a phone connection is just as good and some often find better than having the video feed. Most of you know what the Directors look like and I can tell you they have not gotten any younger since you saw them last in-person. The Directors are dealing with a large number of very significant issues that are directly impacting your day to day activities. They are taking an extraordinary amount of their own time, time that their farm is missing, in order to service and maintain the integrity of the Supply Management System and the Dairy Community of Nova Scotia. A good turn out for these meetings would be appreciated by your Directors and Staff.

That is all for now ... Greg

**The March 2021 Quota Exchange was cancelled.
There was no quota offered for sale.**

Quota Exchange Deadline	Payment Due Date
April 13, 2021	April 28, 2021
May 13, 2021	May 27, 2021
June 11, 2021	June 28, 2021

Lab Results February 2021

Average IBC: 27,307

Average Somatic Cell Count (SCC): 169,354

Adulteration: (Tankers) 0

Spring Regional Meetings

This year's Spring Regional Meetings will take place remotely via zoom or phone. Expect an email with login information for your region soon!

- Regions 1 & 2 March 30th 10 -12
- Region 3 March 30th 1 - 3
- Region 4 March 31st 10 - 12
- Regions 5 & 6 March 31st 1 - 3

Leased Quota

The total amount of quota leased in January 2021 was 843.9 kgs. February's total was 486.9 kg.

To view the Lease-In List click [here](#).

To add your farm to the list email farm name, contact name and phone number to dfns@dfns.ca

Agropur Club of Excellence - Animal Welfare Award

Announcing the launch of the 2nd edition of Agropur's Club of Excellence - Animal Welfare Award. This Award recognizes the concrete and exemplary actions in animal welfare implemented by Agropur members. It is a great opportunity to promote the sustainable essence of dairy production to the public.

Like last year, this competition is application based. Submissions are being accepted until April 9th, and the completed form can be submitted by the member, their family or employee, as well as anyone else willing to nominate an Agropur member. For more information, click on the link below:

[Animal Welfare Award](#)

Region 6 Milk Committee Elections Results

Brian Smit 46%

Robert Carree 37%

Abstain 17%

Congratulations Brian!

We also want to thank Robert Carree for his years of service. Your contribution to Dairy Farmers is greatly appreciated!

New Entrant Program

Each dairy year, DFNS will loan 20 kilograms of Total Production Quota to one successful applicant. DFNS will loan quota to the "assisted new producer" on a kilo-for-kilo basis for each kilogram of quota the assisted new producer purchases ("saleable quota") through the monthly Quota Exchange or obtains through a quota transfer. One successful applicant will be selected to receive assistance per year.

Dates/Timelines – for 2021	
March 1 st to April 30 th	application period
April 30 th	application deadline
May 31 st	successful applicant notified
January 1 st 2022 to December 31 st 2022	quota acquisition period
121 months after start milking cows	quota reimbursement period

DFNB Newsletter

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

UPCOMING EVENTS & DEADLINES:

April 2.....Good Friday, Holiday
 April 5.....Easter Monday, Holiday
 April 13.....Quota Exchange **Noon Deadline**
 April 26.....Quota Lease Deadline
 May 13.....Quota Exchange **Noon Deadline**
 May 24.....Victoria Day, Holiday
 May 25.....Quota Lease Deadline
 June 11.....Quota Exchange **Noon Deadline**
 June 24.....Quota Lease Deadline

Dairy Farmers of Canada Report

March 2021



Dairy farmers gather to discuss sector's future at DFC's Annual Policy Conference

On February 10th and 11th, some 500 dairy farmers from across Canada participated in a virtual edition of Dairy Farmers of Canada's (DFC) 2021 Annual Dairy Policy Conference (APC). The conference featured industry experts and former politicians from both sides of the border discussing top issues and opportunities for the Canadian dairy sector.

The industry is facing a number of headwinds, including : Market access concessions in recent trade agreements, tariff rate quota challenges from the U.S., rising interest in plant-based alternatives, and the increased emphasis from consumers and government on sustainability, just to name a few.

DFC President Pierre Lampron opened the conference by highlighting that the sector has a strong foundation to work from. Ours is an industry with a good track record on things like animal care, sustainability and innovation, powered by the thousands of Canadians who make their livelihoods from dairy farming.

"We have a good story to tell and need to do a better job telling it, but that is not enough," he said in his opening address to delegates. "As we think about the threats and challenges we are facing, now, more than ever, we need to be ambitious. This is not the time to retrench; for the long-term future of the sector, we need to choose to work together and speak with a common voice. We must seize the opportunity to establish our own destiny or someone else will define it for us."

Throughout the conference, speakers highlighted opportunities for growth in the market, viable sustainability options, and the importance of innovation to fuel COVID-19 recovery. A range of experts and thought leaders also provided their advice on trade relations. The speakers included former Prime Minister Stephen Harper, Former Vermont Governor Howard Dean, and Restaurant Brands International's (Tim Horton's) Chief Corporate Officer Duncan Fulton, to name a few.

The event concluded with a strategic planning session led by DFC CEO Jacques Lefebvre, providing an opportunity for farmers to weigh in on a number of issues from setting objectives and timelines on initiatives contributing to reduce climate change, to diversifying revenue streams. Insights from the session are key as part of DFC's annual strategic planning process.

For a full overview of the event, please visit to DFC's Dairy Express + app, available for download on [iOS](#) and [Android](#).

PRESS RELEASE



Expert working group on palm feed supplementation in dairy

March 15, 2021 (OTTAWA) – A group of experts from different fields is coming together to look into issues raised by consumers surrounding the consistency of butter and animal feed supplements containing palm by-products.

The working group includes prominent academics and experts from across Canada, with a diverse range of expertise. All are recognized as leaders in their fields, with specializations in areas such as dairy nutrition, animal health, sustainability, food science, and human nutrition. Consumers will have a clear voice, as the working group includes representation from the Consumers' Association of Canada. The working group also includes participation from dairy processors and farm-level experts.

"The working group is led by experts of high integrity and will examine issues related to butter hardness and fat supplementation using a rigorous, evidence-based approach," said Daniel Lefebvre, Chief Operations Officer of Lactanet and chair of the expert working group. "The working group will set the scope of its work, not industry associations, and will follow the science wherever it may lead, so that consumers can have the utmost confidence in our work."

For more details about members of the working group and its mandate, click [here](#).

DFC looks forward to the working group's conclusions as our industry prides itself on upholding the highest standards and best practices in dairy production rooted in science and data.

Milk produced in Canada is of high quality and subject to Canada's robust health and safety standards. As well, all animal feeds used on dairy farms are approved by the Canadian Food Inspection Agency and are safe for animals.

ABOUT DAIRY FARMERS OF CANADA

Dairy Farmers of Canada is the national policy, lobbying and promotional organization representing Canadian dairy producers. DFC strives to create stable conditions for the dairy sector in our country. It also seeks to maintain policies that promote the sustainability of Canadian dairy production and works to promote dairy products and their health benefits.

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RULES OF THUMB IN TRANSPORT

1. TRULY FIT FOR TRANSPORT

ULTIMATE GOAL: Load, transport, or cause one to load or transport animals that are **FIT** for transport and unload them or cause one to unload them with all the necessary measures to avoid them from unnecessary suffering, injury or death.

EACH ANIMAL MUST BE ASSESSED BEFORE BEING TRANSPORTED.

3 possibilities may arise:

1. **Animal fit for transport:** the animal can be transported
2. **Compromised animal:** Can be transported under **CERTAIN CONDITIONS**
3. **Unfit animal:** cannot be transported unless a veterinarian recommends that the animal be transported to receive veterinary care.
THIS DOES NOT INCLUDE TRANSPORT TO THE SLAUGHTERHOUSE



2. KNOWLEDGE AND SKILLS

Every person who loads or transports an animal in or unloads an animal from a vehicle shall have the necessary knowledge and skills to conduct those activities. (laws & regulations, animal welfare, handling, risk factors)

3. SHARED RESPONSABILITY

Animal transport: A shared responsibility between ALL the stakeholders who take part in the decision making process or the actions involved in the transport of an animal.

4. ASSESS ALL RISK FACTORS

Obligation to assess the animal's capacity to withstand the transport process without causing it unnecessary suffering or death. **When:** Evaluate **BEFORE** the start of process and monitor **DURING** the process at appropriate frequencies.

5. DOCUMENT YOUR ACTIONS

Make sure your records contain all the information you need to justify your risk factors assessment, your planning, your decisions and your modifications/corrective actions.

COMPROMISED ANIMALS CONDITIONS TO MEET

- a) Each animal is isolated;
- b) Animal is individually loaded and unloaded without having to negotiate any ramps inside the vehicle;
- c) Measures are taken that are necessary to prevent the animal's suffering, injury or death during loading, transport and unloading ;
- d) Transported directly to the nearest place, other than an assembly centre, where it can receive care or be humanely killed .

Example: A compromised cow cannot pass through an auction or any gathering place.

Nearest place = slaughterhouse

Local slaughterhouse (any type) = **OK**
Remote slaughterhouse or USA = **NO**



BOVINE COD IN ATLANTIC CANADA

Survey Results at a glance



42 % of respondents were considered high incidence farms whereas 58 % were considered low incidence



35% of respondents record cases of COD in their herd



84% of respondents had experienced at least one case of COD in their herd in the past year



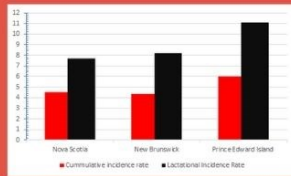
65 % of respondent's always treat COD



The Average Milk yield for high incidence farm was 9621.19 kg/cow/year



The Average Milk yield for low incidence farm was 10938.67 kg/cow/year



Lactational Incidence rates of COD by province



The overall LIR for Atlantic Canada was: 9.557 %

BLOOD DONATION IS A SIMPLE FOUR STEP PROCESS



The most common treatment for COD was GnRH and its analogs



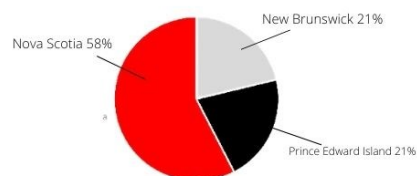
Respondents on high incidence farms reported performing fresh cow check on a more frequent basis



Individuals on low incidence farms performed herd health checks on a more regular basis (weekly or biweekly)




Individuals on high incidence farms were more likely to treat for COD



The percentage of respondents by province


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Produce more profits

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:

- year-end accounting and tax compliance,
- cash flow and financing plans for expansion
- family succession and estate planning
- 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

Nova Scotia raw milk production continued to exceed production levels a year ago by more than 5%. The butterfat composition was 4.21 kgs/hl for the month of February in both 2020 and 2021 which closed the large gap noticed in December.

The strong production levels continued at 108% greater than quota and there was another one-month increase in the average utilized tolerance from -5.0 days to -3.0 days.

The NS transportation rate for February increased to \$2.78/hl after the Feb 1 quarterly update which increased costs paid to transporters in NS. The increased costs will be pooled for Feb and the equalization adjustment in Mar will reflect the rate changes.

The average producer raw milk price for January decreased from \$84.42/hl in December to \$83.71/hl or \$19.87/kg of butterfat at average provincial composition.

As discussed in recent newsletters, it appears that the Nova Scotia in-quota average producer price may experience some added stability. The new advance calculation results in applying the previous month's P5 average prices to NS production for the month. Of course, if there are big swings in the P5 average prices, that could lead to the same for the NS prices, however the P5 average prices tend to be more consistent over time. Large fluctuations in any one province can be offset by the effect of pooling of other provinces and especially the larger provinces of Quebec and Ontario.

During February, the provincial utilization of raw milk for fluid products improved in Nova Scotia. It was interesting to see provincial fluid sales return to normal levels after a dip in January. Processors have not provided an explanation about the changes and DFNS will continue to monitor sales trends.

Nova Scotia shipped over 4.5 million litres to New Brunswick, PEI and Quebec with no raw milk or skimmed milk requiring to be dumped during February.

Total Licensed Producers in February: 200

Milk Marketing Report February

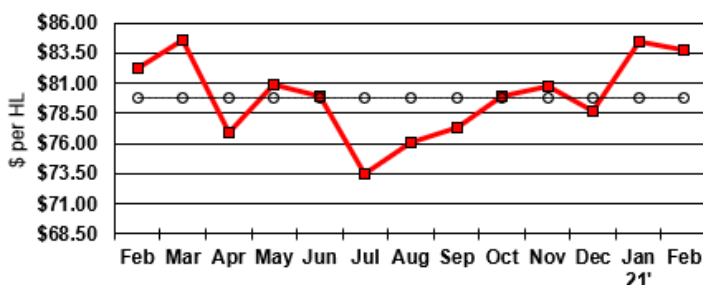
PRODUCTION

	2021	2020
Average Liters/Day	586,900	556,121
Average kg Butterfat/Day	24,703	23,429
Average Composition, kg/hl		
Butterfat	4.2090	4.2130
Protein	3.2694	3.2866
Other Solids	5.9409	5.9069
Bulk Haulage (\$/hl)	2.78	2.73

PRODUCER PRICES

	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
Jan In-Quota	10.6938	8.8685	1.6329	83.71
Jan BF Premium ratio<2.30	0.0269			
Jan Over-Quota	0	0	0	0
Feb Over-Quota Penalty	0	0	0	0

NS Average In-Quota Producer Price Per HL basis



Fluid Utilization Percentage

