

# NEWSLETTER

Informing Nova Scotia dairy producers on matters affecting their industry.

**Vol. 22, No. 8 - May 2022**

## An Evolving Path

The last few months have seen significant changes in the way DFNS operates. Everyone should be aware that the GM's position is now shared with Dairy Farmers of PEI (DFPEI), and that has forced the organization to reinvent some of the ways things are done.

In the past, the GM was responsible for all policy work in the province as well as management of the organization. However, the past twenty years have seen significant growth in the policy workload, as more committees and national programs required attention. The policy environment has grown more complicated, with more issues under consideration at any one time.

The piece of the puzzle that has been deferred until it is now a high priority is succession. This is becoming a critical factor to DFNS as two of the senior employees (including me) are nearing retirement age and two senior staff members have already retired. The situation was mirrored in PEI, where the three most senior staff members are approaching the end of their careers.

Dairy Farmers of New Brunswick stepped ahead of the other Maritime boards several years ago by making a policy analyst part of their staffing structure. This allowed that organization to train a second person in the policy area and split the policy workload. The policy analyst attends the technical meetings, and the GM was given time to focus on management, while still participating in the major national and regional committees. This also provided redundancy in policy knowledge and an opportunity to have another employee learning what it takes to manage a dairy organization.

DFPEI recognized the succession issue in 2019 and made the first step toward preparing for the future by hiring a policy analyst to be trained in the policy role and understudy the management of the organization. DFNS has now moved in a similar direction and has also hired a policy analyst, Emma Eisses, to focus on the province's needs.

### UPCOMING EVENTS & DEADLINES:

|                 |                                     |
|-----------------|-------------------------------------|
| June 1 .....    | World Milk Day                      |
| June 13.....    | Quota Exchange <b>Noon Deadline</b> |
| June 24.....    | Quota Lease Deadline                |
| July 1 .....    | Canada Day                          |
| July 13 .....   | Quota Exchange <b>Noon Deadline</b> |
| July 25.....    | Quota Lease Deadline                |
| August 1 .....  | Natal Day Holiday                   |
| August 12 ..... | Quota Exchange <b>Noon Deadline</b> |
| August 25.....  | Quota Lease Deadline                |

You should expect changes at DFNS. Emma's hiring meets the need for development in policy, but the operational complexity of the Canadian dairy system means that both new and current employees will see their roles evolve to meet the needs of accounting, IT and operations functions in the future. There will be additional costs in the short term. This can't be helped as it will take time to teach people what is needed in time for succession from senior staff. Dairy business processes aren't taught in schools – they are very specific to our system and staff need to learn them from within our organizations.

The shared GM position is working. DFNS saves part of the cost of my position while new employees have a chance to learn their roles for today and the future. I am still able to bring my knowledge and experience to bear when it is appropriate, and I will be looking for other opportunities for our provinces to share services and find operating economies for the future. Change is inevitable, but the plan is to make the best of what we have while moving to what we need.

Doug Thompson, General Manager

Hello all! My name is Emma Eisses and I'm excited to be joining the team at DFNS as the Policy Analyst. If you recognize my last name, it's because I had the privilege of growing up on Folly River Farm in Glenholme which was owned and operated by my family until 2012. As you know, there's no better way to grow up! With an appetite to explore the world while continuing to be involved in agriculture, I studied International Food Business at the NSAC.

My university degree led me to many opportunities to study and work throughout the world. Some of the dairy experiences include producing gouda in the Netherlands and working on a small dairy farm in the mountains in Ecuador. I'll never forget the day the truck broke down and we had to haul the milk jugs up the mountain using the horses. Certainly not one of the challenges we dealt with on the farm in Nova Scotia! Some of my professional experiences range from working in trade development between Iceland and Nova Scotia as well as managing sales and marketing for a craft brewery in the Annapolis Valley.

Nova Scotia is home for me now and I'm thrilled to have found my way back into dairy. There's a lot happening nationally and provincially and I'm eager to be here tackling the challenges and supporting the team and board at DFNS in order to provide a sustainable and economic future for the dairy industry here in Nova Scotia.

**The May Quota Exchange was Cancelled as there was no quota for sale**

| Quota Exchange Deadline | Payment Due Date |
|-------------------------|------------------|
| June 13, 2022           | June 28, 2022    |
| July 13, 2022           | July 27, 2022    |
| Aug 12, 2022            | Aug 29, 2022     |

**Leased Quota**

The total amount of quota leased in April 2022 was 1016.2 Kgs

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](mailto:dfns@dfns.ca)

**DFNB Newsletter**

Visit [www.nbmilk.org/en/](http://www.nbmilk.org/en/) and click on the "Milk Matters" link to read their monthly newsletter.

**Lab Results  
April 2022**

Average IBC: 24,868

Average Somatic Cell Count (SCC): 152,553

Adulteration: (Tankers): 0

Send your **proAction** Self Declarations or corrections to:

Nancy Douglas  
(northern regions 1, 2, & 3)  
Email: [ndouglas@dfpei.pe.ca](mailto:ndouglas@dfpei.pe.ca)  
Fax: 902-566-2755  
Call: 902-394-1657

Phil Parlee  
(southern regions 4, 5, & 6)  
Email: [proAction@nbmilk.org](mailto:proAction@nbmilk.org)  
Fax: 506-432-4333  
Call: 506-432-4330 Ext. 104

Dear fellow producers,

We are coming to the end of May, and I can only imagine how busy all of you have been and still are. With the beautiful weather over the last couple of weeks many crops have been planted and first cut harvest has started. Please stay safe and hopefully everything will go well.

Having said that, all of us are experiencing the increased prices on fuel, fertilizer, plastics, chemicals, and feed costs to name just a few. All costs have gone up, not just for us, but for every Canadian. We have also experienced an increase in our milk price as of February 1st. With the price increase of 8.4 % and a strong world milk price, our milk statement has reflected this increase.

Nevertheless, many provincial boards have had discussions to determine if a further price adjustment needs to be made. At the national level, discussions are on going whether another price adjustment is required, if we need to be looking for a timelier price adjustment mechanism in the years to come, and what it would take to implement this. Processors are also feeling the pressure of increased cost such as fuel, packaging materials and labour. However, the demand for dairy products is strong; let's hope that trend continues.

As you are aware, the US has challenged Canada regarding the TRQ's allocation (tariff rate quotas) granted under the new CUSMA deal. There was a panel put together and the decision of the panel spoke clearly about Canadian sovereignty and supply management. The panel asked Canada to make a slight change in the way the allocation is done. Our Canadian government made the requested changes and provided the US with that information. The US informed the Canadian government that they were dissatisfied regarding measures concerning the newly implemented allocation policy of dairy TRQ's. New negotiations will start soon with the possibility of a new panel.

We also received complaints from New Zealand regarding the TRQ allocation under CPTPP. The Canadian government is dealing with this as well and has stated that they feel strongly about their position and promised to defend our dairy industry.

Lastly, I would like to remind you of the change of the lower limit on your credit days. As of **August 1st**, your lower limit will change from minus 30 to minus 15. For those producers who find themselves below the minus 15, please consider your options. After August 1st, anything below minus 15 will be lost. Please read the article in February newsletter for clarification.

Thank you,  
Gerrit Damsteegt, DFNS Chair



Welcome to spring and May; one of the most dizzying months of the year, when everything has to happen at the same time .. or so it seems !! We missed the April Newsletter as there were a series of meetings happening at the very end of April and we wanted to wait on the outcomes from these discussions.

### **Strategic Plan**

To start with I am sure that many of you are wondering about the strategic plan and where things stand. On April 27 we had our first face to face meeting with Intersol. This was a very interesting meeting and proved to all the Directors that we still have a ways to go before we can move forward with regulatory changes on the issues that we have been discussing. The DFNS Board members believe that they are on the right track, but the issues are difficult. Your Board is going to take the time required to bring consensus to the table.

The P5 Chairs and GM's have been formally requested to review where the DFNS Board is on the "merger" issue. While the P5 has a no merger policy, many P5 provinces allow a variety of "merger like" transactions. DFNS is requesting the P5 to comment on our more direct and transparent version of a merger; where a farm could be purchased and the quota rolled into one license. Safeguards against a merger wildfire include: a cap size on farms units of 4.5%; a 30% or greater allocation of the purchased quota to the exchange; and a restriction on the number of mergers that any given farm can enter in a certain period (currently thinking of no more than one in a three year period). The P5 have been aware of our planning from early in the process, as all GM's and many Chairs were interviewed by Intersol. With this formal and more specific request, we are waiting on their comments and guidance.

In the mean-time the Board is planning a Policy Conference for August 9 and 10 with the Regional Milk Committees to discuss the merger issue; allocation of quota to the exchange on whole farm sales; changes to the leasing policy to provide more equity of access; and several related topics. It is expected that at the end of this Policy Conference the Board will have a more complete view of the way forward. The Board members are hopeful that the P5 will have provided guidance on the merger issue prior to the conference.

### **Temporary Prohibition Change**

The Board took steps at the April 28 Board meeting to reduce the impact of the current Temporary Prohibition (TP) on farms by now allowing a "new producer" to buy a portion of a farm, that is to say a partial percentage of a corporation's common shares. Prior to this change a "new producer" had to purchase 100% of the farm shares. This change provides additional flexibility for certain farm transactions.

The Board looks forward to the day when the new regulations that flow from the planning exercise above, allow for the prohibition to be terminated completely.

### **New Hand- Held Device Roll Out**

DFNS staff are expecting to roll out the new hand-held (HH) units to the transporters during June and hopefully will have sorted out the break -in issues prior to full utilization starting in July or sooner. While the PLQ are not 100% ready for the new system we believe that we can capture all the critical data and make adjustments as required. DFNS are currently following this procedure and it is working well for them. At present DFNS is supporting both the old HH and the new HH system that has not been operating to date, due to IT issues at the PLQ. We are looking forward to only having one system to consider. Jordan McCue is heading up this project with IT support from Bradley Wood. Emma Eisses will be participating in the training to support the transporters.

### **Barn Inspection Regulations**

Barn inspection regulations are in the process of being changed to add incentives to get the required work done in a more timely matter. Currently significant lag time is being experienced to address certain infractions outlined in the barn inspection reports. The Inspector is spending too much time on noncompliant sites and is not able to cover all 200 farms in a normal inspection cycle. As DFNS and NSDA work toward implementation of these regulation changes you will be advised of the details.

### **Sampling Issues**

Dwane Mellish has been hired, on a contract basis, to look into the issues associated with sampling. Dwane has been studying data gathered over the past 5 months. Please refer to his articles in this newsletter.

### **Hiring Update**

We are welcoming Emma Eisses to the DFNS staff as a Policy Analyst. Emma is the daughter of Henry and Janet Eisses and she is introducing herself to you today. Please join us in welcoming Emma. DFNS is still in the process of searching for a solution to our accounting requirements. We expect, in the next few months, to have a solution, so stay tuned.

All the best ... Greg Cox

## Sample Collection and Transfer Initiative

DFNS has begun an initiative to improve the collection and transfer of both Official Bacteria and Component samples to improve the success rate of results reporting.

Currently fresh samples (payment samples-Somatic cells, components) are collected 2 times a week and analyzed at the RPC laboratory in Fredericton NB. Results of fresh sample analysis are important management tools for producers, an indication of milk quality and determines the amount processors are billed for a load of milk (processors are billed based on the components for the producers who make up the load delivered to the plant).

Official bacteria samples are collected weekly and must be delivered in required condition to the NS Department of Agriculture laboratory in Bible Hill. Results of bacteria analysis is a strong indicator of milk quality and a very helpful herd management tool. Bacteria samples must be at the lab within 2 days of sampling and have much more stringent quality requirements.

The success of a milk testing program relies on many individuals in various entities. The bulk grader/driver must sample correctly as per the scheduled sampling and ensure the samples get to the processing plant in a timely fashion in a required condition. Plant staff are responsible for receiving the samples, storing them correctly until it is time to properly pack the samples and ship them via courier as per the schedule. The labs receive the samples, evaluate them for acceptable quality and age before analyzing and reporting the results.

The study initially reviewed the success rate for reporting of both fresh and bacteria samples in the months of December, January, February, and March. During this period there was a possibility of 34 fresh sample results. Fifty-nine producers (30%) had 32-34 results, 86% of producers had 28 or more results, while 28 (14%) had 26-27 results. No producers had less than 26 of the possible 34 results.

Official Bacteria samples for the same period were less successful. During this period 15 test results were expected.

| Successful Results | Producers | % Of all producers |
|--------------------|-----------|--------------------|
| 8                  | 14        | 7                  |
| 9                  | 16        | 8                  |
| 10                 | 23        | 12                 |
| 11                 | 22        | 11                 |
| 12                 | 52        | 26                 |
| 13                 | 26        | 13                 |
| 14                 | 16        | 8                  |
| 15                 | 31        | 16                 |

The successfulness of results for both Official bacteria and fresh samples were compared for all 38 milk pick up routes in the province. There is variability among routes which would be expected considering the length and destinations of the various routes.

The study will continue to gather additional information from transporters, milk plants and designated couriers. The intent is to identify what aspects of the program are working and what areas need to be addressed. After consultation with all parties, recommendations will be made to the DFNS Board of Directors on how the success of the milk testing program may be improved.

Dwane Mellish M.Sc.  
MDR Transportation Logistics



## Maritime Dairy Farms — key part of sector’s sustainability solution



*Photo courtesy of McCrea Farms*

Canadian dairy farmers are naturally committed to environmental sustainability due to the nature of their work: not only do dairy farmers rely on the land to make a living, but as many farms are passed down from generation to generation, being able to keep thriving on that land is imperative for today – and tomorrow. Here are a few initiatives that Maritime dairy farmers are implementing as part of our sector’s commitment to sustainability:

### **McCrea Farms is harnessing the power of the sun**

McCrea Farms Ltd. built their 95-kilowatt solar array as part of a pilot project through the Smart Energy Company in the summer of 2021. This array of 216 panels is projected to offset all electricity consumption on the dairy operation. They are also taking measures to manage and protect forests and wetlands around their agricultural land.

### **Ferme Gallant is fueling efficiently**

Ferme Gallant Ltée knows the importance of sustainability and takes advantage of incentive programs to help make their dairy farm more efficient, especially around fuel sources. Recently, they were able to heat their entire farm with two naturally dead trees that were otherwise unusable. Ferme Gallant is also helping restore wetlands on their farm with help from Ducks Unlimited Canada.

### **Stone Ridge Dairy is supporting regenerative agriculture**

Stone Ridge Dairy is focusing on growing more plants to build organic matter in the soil. Their land is 70 percent rolling hills and 30 percent potential flood acres. This means soil erosion is always on their minds. They are also interested in environmental efficiencies like air washing systems that allow farmers to make fertilizer off the gasses from their manure.

*For more information on the sustainability projects taking place on dairy farms across Canada, visit <https://dairyfarmersofcanada.ca/en/who-we-are/our-commitments/sustainability>.*

## Maritime Dairy Farmers - CALL FOR RECIPES!

Does your family have the **BEST** homemade pie?  
Do you make a casserole that **NO ONE** can resist?  
Have you ever made a cocktail and thought – **EVERYONE** needs to try this?

Year after year, our community tells us that they want new recipes, and especially family recipes from our Maritime Dairy Farmers!

So we are calling on YOU, our Maritime Dairy Farmers to send us your favourite *family recipes* to potentially be featured in upcoming campaigns on social media, print, website etc....

### Recipes Must:

- 1) **Be uniquely YOURS** – We can't use recipes from a website or published cookbooks - Inspiration is OK though! If you've taken inspiration from a cookbook and put your own unique spin on it, send it over!
- 2) **Feature or include 100% Canadian Dairy Products** – butter, milk, yoghurt, cheese, etc... you know the drill!

### Now bring it HOME to the farm:

- 1) Coupled with the recipe, send us a **high-quality family photo** so we can show everyone that it's made with love from the farm.

### How to submit:

Email your recipe and family photo to [darryn.renaud@dfc-plc.ca](mailto:darryn.renaud@dfc-plc.ca)

Thank you!

ON-FARM CLIMATE ACTION FUND  
FOR NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

**OFCAF**

Helping farmers improve  
nitrogen management,  
cover cropping and  
rotational grazing.

perennia ofcaf.perennia.ca

On-Farm Climate Action Fund (OFCAF) is an initiative to help farmers improve soil health, protect soil from erosion, and tackle climate change by adopting beneficial management practices that store carbon and reduce greenhouse gases.

The program offers funding to help farmers implement nitrogen management, cover cropping, and rotational grazing practices.

In addition, the OFCAF program supports professional training for agronomists, certified crop advisers, and farmers.

The program is implemented by Perennia Food and Agriculture in Nova Scotia and in Newfoundland and Labrador, and funded by the Government of Canada.

For more information, visit :  
[ofcaf.perennia.ca](http://ofcaf.perennia.ca)

## Milk Production and Pricing

*Esben Arnfast, Chief Financial Officer*

Daily NS raw milk production increased during March and April very slightly to 570,000 litres per day which was a drop of less than 1% compared to last April. Recall that the last drop noticed for February 2022 compared to 2021 was 4.2%. This narrowing difference, year-over-year, may be an indication that the earlier production signals offering additional production days along with the April 1 quota increase may be stimulating production, as intended by the P5 Quota Committee.

The butterfat composition of raw milk in March (4.22 kgs/hl) and April (4.18 kgs/hl) is tracking close to 2021 levels. With the provincial butterfat production matching the producer quota allocation closely, the inflection point on under-production credits occurred in March at -3.1 days and then moved down slightly to -3.3 days in April.

The NS transportation rate declined from \$3.15/hl in February to \$2.94/hl in March and, then, back up again in April to \$3.17/hl. DFNS adjusted transporter rates April 1 and other provinces are pooling higher costs including the usual extra spring weight restriction costs in Quebec.

The Nova Scotia average producer raw milk price for in-quota, below market SNF/BF, for March jumped to \$95.52/hl and \$21.86/kg b.f. for milk of average composition. The large increase was mostly maintained in April at \$93.70/hl and \$21.54/kg b.f.

Both months were the highest returns in history for producers. We expect the producer returns for May and coming months to stabilize and reflect the February 1 billing price adjustment. Another positive for Canadian producers has been the improvement in world prices that affects all of the lower priced categories of milk components.

The pooling factors had a large effect on the in-quota price with DFNS receiving a \$1.8 million pooling adjustment resulting from the month of February (applied in March) and \$1.3 million for April. More significantly, the advances have been increasing substantially with larger portions of milk being moved to other provinces. The advances are based on volumes between 5 and 6 million litres and priced on higher average P5 pool prices.

A new graph is shown for gross producer payment at various SNF butterfat ratios on a per kilogram of butterfat basis. Producer's with relatively lower butterfat composition and higher SNF/BF ratio have higher returns if measured on a butterfat basis rather than volume.

**Total Licensed Producers in Apr: 200**

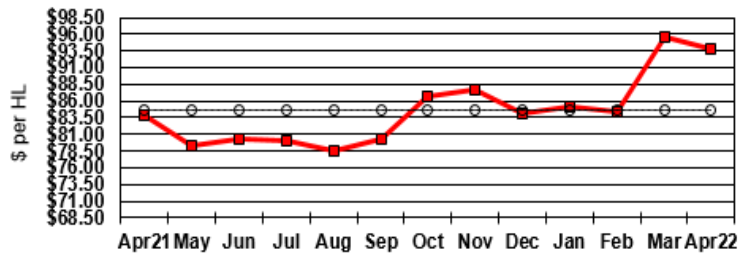
## Milk Marketing Report

### April

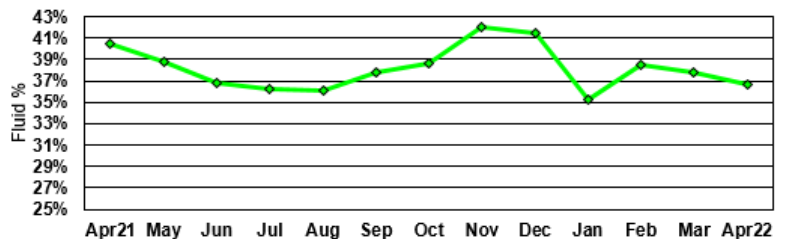
| PRODUCTION                 | 2022    | 2021    |
|----------------------------|---------|---------|
| Average Liters/Day         | 570,413 | 575,551 |
| Average kg Butterfat/Day   | 23,864  | 24,047  |
| Average Composition, kg/hl |         |         |
| Butterfat                  | 4.1836  | 4.1781  |
| Protein                    | 3.2557  | 3.2555  |
| Other Solids               | 5.9184  | 5.9446  |
| Bulk Haulage (\$/hl)       | 3.17    | 2.89    |

| PRODUCER PRICES                                | BF (\$ per kg) | Protein (\$ per kg) | LOS (\$ per kg) | Avg. per HL |
|--|----------------|---------------------|-----------------|-------------|
| Apr In-Quota, Below Market                     | 12.8721        | 10.5965             | 0.9000          | 93.70       |
| Apr Market SNF Rate (\$/kg) SNF/BF = 2.00-2.30 | 0.000          | 4.1753              | 4.1753          |             |
| Apr Over-Quota (Penalty)                       | -2.7327        | -1.9107             | -0.3917         | -20.00      |
| May Over-Quota (Penalty)                       | -2.7327        | -1.9107             | -0.3917         | -20.00      |

**NS Average In-Quota Below Market SNF/BF Producer Price Per HL basis**



**Fluid Utilization Percentage**



**Apr 22 In-Quota Raw Milk Price Per KG B.F. at SNF Ratios**

