

NEWSLETTER

Vol. 16, No. 10 - May 2016

Rule Changes Nationally

At the April Canadian Milk Supply Management Committee meeting, several rules were modified to allow for the exceptional circumstances facing our industry. Record high market increases, low Plan A butter stocks, supplemental butter imports, and a growing SNF structural surplus are combining to put pressure on our system.

After increasing the growth allowance from 2% to 5% this winter, the CMSMC agreed to waive any over-quota or lost production consequences under the national continuous quota system through to the end of this dairy year.

The Canadian Dairy Commission also reassured provinces they would audit pooling declarations within the P5 and the P10 to ensure other provinces are isolated from any farm gate revenue impact from Ontario pursuing their class 6 program on April 1, 2016. The CMSMC also approved a three-month temporary program to ensure processors receive equal treatment relative to manufacturing liquid and dry SNF component products.

These decisions demonstrate the flexibility of supply management to balance market demands and sustainable producer revenues without impacting the competitive nature of the processing sector. Further adjustments are being considered on a national level to further strengthen these objectives.

Chair’s Message

After a busy week of fine weather and rain in the forecast, I have spent many hours focusing on our farm’s agronomy activities. It takes good planning, and a bit of hard work to get the entire job done. My team, including family and employees, all pull together to get the job done. Me and my team are in control of many aspects of growing our crops. I pick varieties, rotation, and fertility levels, and I make sure the equipment is ready to work when Mother Nature gives us the window, which is under my control. But she (Mother Nature) will decide the level of success of the crops we grow. Will it rain when needed, sun when required, enough heat but not too much? A level of success is out of farmers’ control.

Supply management is at a cross roads. There are comparisons to growing a crop and where supply management is right now. Out of control are such things like world prices, the exchange rate, impact of trade deals, and consumer demand—all influences that are beyond our direct control. Within our control is our ability to work together to collectively manage our marketing system. This requires active participation. One of the success stories of working together is the P5. It provides stability to our blend price and market changes.

Significant changes are coming to our marketing system. We are working together to improve our ability to sell SNF. I sense after months of effort the decision of “how” will come soon. The P5 did not form easily, and the new changes are not coming easily either, but at the end of the “storm,” the outcome will be better for all involved. A hectic spring planting season on our farms will be rewarded with a bountiful harvest because of good planning and hard work. I am predicting after hectic and frustrating discussions on the new changes for supply management, that there will be a success story. Your board and staff work hard to tackle the challenges presented to supply management.

Andrew McCurdy, DFNS Chair

UPCOMING EVENTS & DEADLINES:
June 13, 2016.....Quota Exchange Deadline
June 24, 2016.....Quota Lease Deadline
July 21-22, 2016.....Policy Session—Hampton Inn

DFNB Newsletter
Visit www.nbmilk.org/en/ and click on the “Milk Matters” link to read their monthly newsletter.

Results of the May 2016 Quota Exchange

Iteration (all buyers): 0.16 kgs

Prorated for buyers: 1.3%

Kilograms		Producers	
		Buying Quota	83
Purchased (<i>actual</i>)	25.92	Offering to Buy	83
Offered to Purchase	987.55	Selling Quota	1
Offered to Sell	25.92	Offering to Sell	1

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	25.92	25.92	-961.63	987.55	987.55

Quota Exchange Deadline	Payment Due Date	P5 QUOTA EXCHANGE MCP PEI\$24,000 New Brunswick\$24,000 Ontario\$24,000 Quebec\$24,000
June 13, 2016	June 28, 2016	
July 13, 2016	July 27, 2016	
August 12, 2016	August 29, 2016	

Dairy Services Lab Results April 2016

Bactoscan Individual Bacteria Count (IBC)

Count	Samples	Percent
<35,000	184	80.40
35-121,000	34	14.80
>121,000	11	4.80
TOTAL	229	100.00

95.20% meet provincial standard Avg. IBC – 32,910

Somatic Cell Count (SCC)

Average SCC – 183,450

Adulteration (added water and/or antibiotics)

Water (Farm Tanks)	0
Antibiotics (Tankers)	0

CQM/proAction Follow-Up:

Please send your Self Declarations or corrections to:

Nancy Douglas (northern regions 1, 2, & 3)

email ndouglas@dfpei.pe.ca
fax to 902-566-2755
call 902-394-1657

Ashley Baskin (southern regions 4, 5, & 6)

email ashley@nbmilk.org
fax to 506-432-4333
call 506-435-0077 or 1-866-432-6455

Atlantic Update

The four Atlantic marketing boards have formed a joint committee to delve into policy issues that could be better served on a regional basis. The hiring of Nancy Douglas and Ashley Baskin as Atlantic proAction Coordinators (plus CQM in NS and NL) is the best example of how working cooperatively pays dividends.

Recently, the joint committee took a closer look at credit exchange/quota leasing and farm catastrophe policies across the region. The challenge is to balance policy flexibility with harmonization. Later this spring, boards will review recommendations and hopefully move toward a more common policy. DFNS has raised the possibility of a second step where an inter-provincial credit transfer mechanism would exist. So far, it's one step at a time.

2016 Census of Agriculture Benefits Farmers—Reminder

By mid-May, all farmers should have received a letter with instructions to complete the Census of Agriculture questionnaire. Census of Agriculture data are used by local, provincial, and federal decision-makers and farm organizations in formulating policies and market development plans. The Census of Agriculture also identifies trends and provides factual information on emerging issues, opportunities, and challenges within the agricultural community. DFNS encourages members to complete your Census of Agriculture questionnaire in May 2016! It can be completed by anyone who is responsible for, or knowledgeable about, the day-to-day management decisions of your farming operation. As required by the *Statistics Act*, the information you provide will be kept confidential and used only for statistical purposes. Completing your questionnaire online is quick and easy:

- Go to Statistics Canada's website at www.statcan.gc.ca and select the online questionnaire.
- Use the secure access code you will receive in the mail in May and conveniently complete your questionnaire.

As a farm operator, you are legally required to participate under the *Statistics Act*.



4-H Night in NS

On May 7, 2016, DFNS was recognized as a long time contributor to "Friends of 4-H" over the past fifteen years. 4-H Night in NS was held at Cumming Hall, Dalhousie Agricultural College, and Phillip Vroegh attended on our behalf to accept the award, shown here with Heather Williams, President, Nova Scotia 4-H Council.



Morneau Shepell has partnered with DFNS for over 10 years to provide comprehensive group benefits

Group benefits at preferred rates are available for producers, their employees, and their families. Coverage includes life insurance, health, prescription drugs, disability, dental and more.

For more information, call 1.800.667.6328 and ask for Angèle Aucoin.

Business. Needs. People.

Who Pays Producers?

The DFNS Advisory Committee for Milk (ACM) could not reach consensus on the question "Who should pay all producers – DFNS or Agropur?" and have sent the issue to binding arbitration. That is the only resort when the ACM cannot reach consensus. This issue arose after Scotsburn notified DFNS at the end of March they will no longer act as a pay agent for the Board. Agropur is the only remaining pay agent in the province. Efforts are underway to find a solution to this issue. Stay tuned.

IBC/FP Reminder

Just a reminder that each farm will have two bacteria and freezing point results per month starting in April, and that the results are averaged to compare to the standards for infraction calculations. These results are available on the MQM website and should also be on the 1-800 MILKLINE service in June.

Record-Breaking Production

March's total provincial milk production topped 16 million litres, an all-time record! The last twelve months' total milk production is 183,200,000 litres, another record, and up from 175.4 million litres the previous twelve months. Finally, butterfat test averaged 4.04 kg/hl in the year ending March 2016, up from 4.02 kg/hl the previous year.

DFNS Rolls Out Electronic Bulk Milk Pickup Data Collection

During the week of May 16th, DFNS staff are training all bulk milk graders on the use of handheld devices for bulk milk pickup data collection. These devices will record all the information currently recorded on bulk milk pickup slips including tank dipstick readings, milk volume, and temperature.

Drivers will be delivering Record of Bulk Milk Pickups charts to all milk houses where this information will be recorded at every pickup. At the end of each month, the producer can tear off the page and retain the record of the full month.

DFNS will receive the electronic data daily and distribute it to payment agents and transporters. Initially, the system will be tested in parallel with the current manual collection system, until all drivers are adequately trained, reporting verified, and all parties are comfortable that the new system is working as it should.

www.pwc.com/ca

Business advisors to the dairy industry

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Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Raw milk production for the province continues to outpace the previous year, but the increase has declined to approximately 4% for the month of April. Butterfat composition declined compared to April 2015 from 4.10 kgs/hl to 4.06 kgs/hl.

Focusing on just the past two months, daily BF production has been maintained at close to 21,200 kgs per day which is above the issued quota for the province of 20,354 kgs per day. It is the continuation of an expected seasonal trend which normally causes an increase in the average producer utilized tolerance. This year has been no exception, and that figure has increased close to a day each month for the past three months, and stands at just under -10 days.

The equalized pool transportation rate for April has crept up to \$2.63/hl in April from March, which was \$2.56/hl. As indicated earlier, spring weight restrictions costs pooled in other provinces have influenced the transportation pooling settlements within the P5.

The average in-quota price for April's raw milk was \$77.62 per hl, which is the highest price since November 2015. Utilization reported by processors was similar to March, with a little more powder reported at 4(m). A portion of the 4(m) product was declared on a higher value contract than the rock-bottom priced animal feed category. Also, there was a small amount of powder declared as exported milk products under 5(d), which would attract a higher value.

There was approximately 436,000 litres of milk skimmed and dumped during April which again could not be processed in NS due to plant capacity limitations. As in March, close to 2 million litres of raw milk were sent to NB and Quebec to fulfill milk movement obligations, with some designated as surplus milk.

The average raw milk price improved mostly as a result of a larger pooling adjustment of close to \$800,000, which was approximately double February's pooling credit applied to determine March's price. April was the final month for the inventory price adjustment amount detailed in March's newsletter.

Total Licensed Producers: 223

Continuous Quota Positions

As of the end of March 2016, figures are expressed as a percent of each province's annual quota. All provinces moved up on their positions with the P5 nudging above zero. A pool is over quota above +0.5%. Forecasted P5 milk production has softened, in part because of the high on-farm flexibility position in Ontario. Manitoba and NL are both dropping. Manitoba is 6% under-issued on their quota due to processing capacity issues. Rebuilding CDC butter stocks and dealing with skim drying capacity continue to be challenges as milk production seasonally climbs toward the summer.

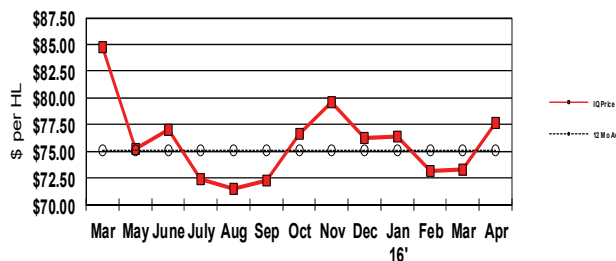
Alta. -1.33%	Sask. -1.17%	Ont. +1.68%	NS -0.68%	PEI -3.14%	P5 +0.30%
BC -0.02%	Man. -3.62%	Que. -0.65%	NB -1.22%	NL -18.23%	WMP -1.24%

Milk Marketing Report April 2016

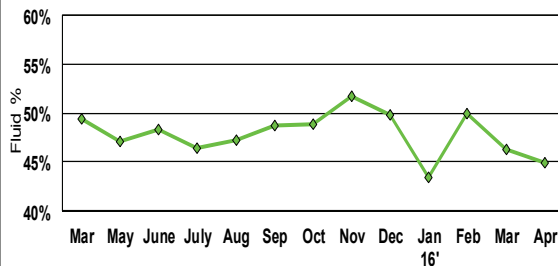
PRODUCTION	2016	2015
Average Litres/Day	521,574	498,343
Average kg Butterfat/Day	21,200	20,451
Average Composition, kg/hl		
Butterfat	4.0645	4.1039
Protein	3.3084	3.3057
Other Solids	5.7295	5.7216
Bulk Haulage (\$/hl)	2.63	2.65

PRODUCER PRICES	Butter-fat (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
April In-Quota	10.2745	8.0704	1.5982	77.62
April Butterfat Premium (\$/kg)				
SNF/BF<2.35	0.0252			
April Over-Quota	0.0000	0.0000	0.0000	0.00
May Over-Quota Penalty	0.0000	0.0000	0.0000	0.00

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage



Hello Producers,

I am planning to take a group of up to fifteen interested people to Europe in the fall of this year. This will be an opportunity to visit progressive dairy producers and talk about their management decisions and plans, having lived with a varying milk price for years, and now with no milk quota. We will visit other dairy-related businesses, and participate in some activities completely un-related to dairy!

I expect we will be there for five days, visiting one or more of the following countries: the Netherlands, France, Germany, and England. As a rough estimate, I would expect expenses to be approximately \$3,500 per person, including all flights (if we visit more than one country), accommodation, travel, training, excursions, and some meals.

In 2010, I took a group of thirteen dairy producers from Nova Scotia to the UK and the Netherlands for a similar trip. During the five days, we visited numerous dairy farms, undertook a Cow Signals training workshop in the Netherlands, visited the cities of London and Nijmegen, attended the European Dairy Event, took part in 4x4 off-road driver training, and visited the National Liberation Museum in Groesbeek, to name a few.

At this point I am looking to see who is interested in joining us. Please send me an email, text, or call to let me know if you are, and how many people that may include. Also, please pass this on to anyone you feel would be interested.

“The trip was well organized and interesting from start to finish with an excellent balance of farm tours, tourist attractions, good food, and accommodations. The farm tours and cow signals workshops provided me with an excellent starting point for planning our new robot barn.”

Rodney Beaton – Bayview Farm

“Everything was looked after with an excellent mix of tours and off farm activities. The farms toured were more than willing to show us around their farms, but it was the conversations facilitated by Dan that I enjoyed the most. Even though we are geographically so far away, we all shared the same concerns from the health of our animals, to getting a fair return in the marketplace.” Robbie MacGregor - Century Farm

I look forward to hearing from you!

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Latest News...

Dairy Farmers of Canada

May 2016

THE WINNER OF THE 2016 GRATE CANADIAN CHEESE COOK-OFF

In April, Toronto's Drake Hotel's Chef de Cuisine, Alexandra Feswick, emerged victorious in one of Canada's highest profile culinary comfort food battles, Dairy Farmers of Canada's (DFC) Grate Canadian Cheese Cook-Off. With Mac & Cheese once again as its theme, the biannual showdown took place at DFC's Canadian Cheese Counter at the Toronto Food & Drink Market.

Chef Feswick's truly unique Canadian macaroni & cheese experience starts with combining the distinctive nostalgia of home-styled comfort classics such as Cheddar, sage and mushrooms, and finishes by pairing them with the luxurious flavours of hazelnuts, Blue cheese and Jerusalem artichokes.



This year's three other fierce competitors included Andrew Farrell, Chef de Cuisine at 2 Doors Down Food + Wine in Halifax; Nicole Gomes, Executive Chef at Nicole Gourmet in Calgary; and Thompson Tran, Chef and Owner at The Wooden Boat, Port Moody. The esteemed judging panel consisted of Afrim Pristine, proprietor at The Cheese Boutique in Toronto; Vanessa Simmons, Cheese Sommelier at Savvy Company; Georgs Kolesnikovs of cheeselover.ca and the Great Canadian Cheese Festival; and Rita DeMontis, Sun Media food editor.

Cheese lovers across Canada can access these macaroni & cheese recipes and find tips for making the perfect dish by visiting allyouneedischeese.ca/cookoff.

A FRIENDLY REMINDER: STAY INFORMED WITH THE *DAIRY EXPRESS*

Sign up now for the *Dairy Express*, the bi-monthly newsletter published by Dairy Farmers of Canada. To do so, simply send an email to [Chantal Marcotte](mailto:Chantal.Marcotte@dfc-plc.com) who will happily add your name to the mailing list.



Dairy Farmers of Canada
100% Canadian Milk



@dfc_plc
100Canadianmilk

DFC HOSTS PROACTION MEDIA EVENT

Last April, DFC hosted a media event to launch Canadian dairy farmers' long standing commitment to sustainability through the farmer-led [proAction® Initiative](#).

Held at Ottawa's Canadian Museum of Agriculture and Food, the event showcased the six proAction modules: Animal Care, Milk Quality, Food Safety, Traceability, Biosecurity and Environment. DFC President Wally Smith kicked off the press conference portion of the event, and was joined by DFC Vice-Presidents Pierre Lampron and David Wiens, who also spoke and answered questions from the audience. Stakeholders and media were also given the chance to talk to dairy farmers and experts as they toured various kiosks and even met a milk truck driver who explained the meticulous data collection and quality testing all milk undergoes during collection.

DFC took this opportunity to release its [new proAction video](#), which demonstrates the organization's commitment to sustainability to the general public. The video was widely viewed on social media garnering about 4,000 views on Facebook alone, within the first 3 days! Take a look for yourself and share the video with family and friends!

On the same day as the media event, the Minister of Agriculture Lawrence MacAulay congratulated DFC for its Canadian Quality Milk program, now known as proAction's Food Safety module, for successfully completing the Canadian Food Inspection Agency's (CFIA) Food Safety Recognition Program (FSRP). Qualification for the FSRP is assessed through an extremely thorough review process. The recognition signifies that DFC has a solid infrastructure in place to manage the information related to on-farm audits conducted by validators, that the program is in line with Hazard Analysis Critical Control Point principles and that we offer comprehensive training capacity for those performing the audits. DFC is the second organization, after Chicken Farmers of Canada, to achieve this recognition for its food safety program.

