

NEWSLETTER

Vol. 16, No. 12 - July 2016

New DFNS Policy

The DFNS Board recently approved this policy clarifying that all licensed producers must only sell their raw milk to the Board.

Whereas the Dairy Industry Act allows for Natural Products Marketing Council to delegate the authority to DFNS to regulate “providing for the purchasing of raw milk from producers and the selling of the raw milk to processors”, and

Whereas the Delegation of Powers to DFNS Regulations also provides for DFNS to regulate “providing for the purchasing of raw milk from producers and the selling of the raw milk to processors”, and

Whereas Health Canada made pasteurization of milk mandatory in 1991, meaning it is illegal to sell raw milk for human consumption:

Therefore be it resolved that DFNS approve the following policy effective May 5, 2016:

All Nova Scotia licensed milk producers must only sell their raw milk to the Board.

School Milk Survey Prize

This spring the NS School Milk Committee had DFC conduct a survey of school principals and of parents. The objectives were to learn how well the program is accepted in schools and to identify areas needing improvement. The return rate was quite high with generally positive comments. Good news!

DFC drew one participating school to win as an incentive. Tantallon Senior Elementary School was selected and they picked as their prize two iPads, one for the music teacher and one for the gym teacher. It will facilitate teaching and every student will benefit of this, as all have students to take gym and music. Congratulations Tantallon SES and thank you to all schools and principals who participated.

Chair’s Message

I am at DFC AGM in Charlottetown while writing this article. Your board is here along with Hans Vermeulen as a “young delegate”.

The ingredient strategy is an agreement in principle now. The industry is working through the process of education and implementation. This agreement will strengthen the domestic dairy industry for years to come and represents a new relationship between producers and processors. It is about making good choices that will make Canadian dairy competitive.

The DFNS board, along with all the other provincial marketing boards, will review the agreement. Eventually the agreement will be ratified by all ten marketing boards. This agreement will require creation of an ingredients class. The Canadian Milk Supply Management Committee meets the last week of July to work on the creation of the new class and other aspects requiring agreement of this national body. Provinces, including ours, will be asking for regulation changes to implement the modifications that are required. All this will take time.

We will be updating the milk committee members at the policy session on July 21. We will continue to update the membership as we are able.

Andrew McCurdy, DFNS Chair

UPCOMING EVENTS & DEADLINES:
August 1, 2016.....Natal Day—Office Closed
August 12, 2016.....Quota Exchange Deadline
August 25, 2016.....Quota Lease Deadline

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

Results of the June 2016 Quota Exchange

Iteration (all buyers): 0.02 kgs

Prorated for buyers: 0.09%

Kilograms		Producers	
		Buying Quota	76
Purchased (<i>actual</i>)	2.34	Offering to Buy	76
Offered to Purchase	891.94	Selling Quota	3
Offered to Sell	2.34	Offering to Sell	3

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	2.34	2.34	-889.60	891.94	891.94

Quota Exchange Deadline	Payment Due Date
July 13, 2016	July 27, 2016
August 12, 2016	August 29, 2016
September 13, 2016	September 28, 2016

Dairy Services Lab Results June 2016

Bactoscan Individual Bacteria Count (IBC)

Count	Samples	Percent
<35,000	185	81.5
35,001-121,000	33	14.5
>121,000	9	4.0
TOTAL	230	100.0

96 %meet provincial standard

Average IBC – correction - May 2016 27,298

June 2016 35,881

Average Somatic Cell Count (SCC): 191,654

Adulteration (added water and/or antibiotics)

Water (Farm Tanks) 0

Antibiotics (Tankers) 0

P5 QUOTA EXCHANGE MCP

PEI\$24,000

New Brunswick . \$23,000

Ontario \$24,000

Quebec \$24,000

Animal Assessors Trained

Twenty eight classifiers and Holstein Canada staff participated in an Animal Care Assessors training session. The course was offered by Clémence Nash, from Novus Canada, with the assistance of Steve Adam, from Valacta, and Penny Lawlis from the Ontario Ministry of Agriculture, Food and Rural Affairs.

The purpose of the course was to train participants to consistently score cattle for Body Condition Score, injuries (hock, knee, neck) and lameness (gait scoring and stall lameness scoring). For each measure, participants learned the procedure to follow and then practiced scoring different examples via pictures and videos in class.

The group then visited two tie-stall barns and one large free-stall with a rotary parlour to learn how to score animals on a farm and in different facilities.

proAction Animal Care Assessments will commence in the fall of 2016 as a lead-up to proAction validations starting in September 2017. This timing will accommodate dairy farms having the animal assessment within 12 months of their proAction validation. Holstein Canada classifiers are the contract assessors for the first two years.

Send your **CQM/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

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

Email: ashley@nbmilk.org

Fax: 506-432-4333

Call: 506-435-0077 or 1-866-432-6455



Challenges in the dairy industry can mean opportunities. We can help you look.

Grant Thornton LLP has been advising farmers and business owners in communities across Nova Scotia for decades. And it's more important than ever for those in the dairy business to make good decisions because the last thing you want is to overpay your taxes.

So if want to buy, sell or plan for the next generation, or need corporate or personal tax advice, contact the Grant Thornton office nearest you.

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For more information, call **1.800.667.6328**
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DEADLINE FOR OFFERS IS LAST BUSINESS DAY BEFORE THE 14th OF EACH MONTH.

4060 Highway 236
Lower Truro NS B6L 1J9
P phone: (902) 893-6455
Fax: (902) 897-9768
www.dfns.ca

Quota Exchange Offer to PURCHASE _____ (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.

<p>1. Cheque Payment <input type="radio"/></p> <p>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.</p>	<p>2. Pre-Authorized Debit <input type="radio"/></p> <p>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.</p>
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\$17.25 Service Fee must accompany offer (\$15 + \$2.25 HST) Reg No. 107788523

In the event of a cancelled 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: _____

06/16



Messages for FPT

DFNS provided NS Agriculture Minister Keith Colwell with a briefing on major issues we expect our government to raise at the Federal/Provincial/Territorial Agriculture Ministers meeting. The briefing covers the following five issues we need the federal government to act on:

1. Enforce the Canadian Compositional Standards for Cheese to ensure that the required composition of milk and ingredients in cheese are respected.
2. Exclude milk and dairy products from the Duty Deferral Program.
3. Commit to compensating Canadian dairy farmers for revenues lost as a result of milk being displaced by the imports of additional European cheeses at the implementation of the CETA.
4. Develop a funding program to attract new investments into dairy processing capacity across the country.
5. Commit to make advance rulings for import classification transparent and work with the industry to address tariff circumvention issues.

Soil Survey

Carolyn Mann, MSc. Candidate

Producers are invited to take part in a research study on soil health through the Dal Faculty of Agriculture. Participation involves completing a **five-minute online survey** of your ideas about soil health. Click here to access the survey: <https://surveys.dal.ca/opinio/s?s=33578>.

Participants who complete the survey by July 31st have a chance to receive **free soil tests for your farm!** Please provide the requested information at the end of the survey. Up to 50 farms may participate, and if your farm is selected for free soil tests, the researcher will schedule a farm visit with you during August or September 2016.

Information provided will be kept confidential, you will not be identified in any way in reports. To withdraw your participation, simply close your browser window prior to submitting your response. Further information contact carolyn.mann@dal.ca

Hot Weather Reminder

With the hot months upon us, producers are reminded to take preventative steps to ensure their milk is cooled quickly and stored properly before pick-up. The CQM program section 6.1 provides the following helpful reference points:

Critical Limit: Bulk tank temperature. The 1st milking must be cooled to 10°C or less within one hour and to a temperature greater than 0°C and less than or equal to 4°C within two hours after milking and maintained at that temperature.

When subsequent milkings enter the tank, blend temperature shall not rise above 10°C for longer than 15 consecutive minutes and milk shall be cooled to a temperature greater than 0°C and less than or equal to 4°C within one hour after milking and maintained at that temperature.

Special Event Milk Notification

Any special events in Nova Scotia where milk pick up is required must complete the Special Event Milk Notification form. The form must be submitted to DFNS, Dairy Inspector and the appropriate bulk milk transporter a minimum of two weeks in advance of the event. The DFNS policy and a revised event form are available from the DFNS office. The revised form requires the event to indicate if the milk at the event is being recorded and credited to each producer at the event or being credited to the event.

Ingredient Strategy Agreement in Principle

On July 13, 2016, Dairy Farmers of Canada and dairy processor associations announced the successful conclusion of the ingredient strategy negotiations, which started in 2015, by representatives of dairy farmers and processors to evolve the Canadian dairy system for the future.

The agreement in principle will now be submitted to industry constituents for ratification. The national agreement includes the creation of an ingredient strategy. The highlights of the agreement will be made public after its final ratification. The anticipated implementation date for the agreement is September 2016.

Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Raw milk production has returned to close to last summer's levels. Although volumes are slightly higher, the butterfat production is lower resulting from a lower butterfat composition in raw milk. Last June the composition was 4.02 kgs/hl compared to this year at 3.93 kgs/hl.

Daily production remains slightly lower than the provincially issued quota allocated to producers of 20,354 kgs per day. The average producer utilized tolerance has decreased slightly in June from May's -8.9 days to -9.2 days. The quota allocated to producers will increase effective July 1st and August 1st by one percent for each month.

The equalized pool transportation rate, no longer affected by the lagged effect of spring weight restriction costs, dropped from \$2.76/hl in May to \$2.63/hl for June.

The raw milk average in-quota price for June was \$78.28 per hl. The utilization value declared by producers declined and in contrast to May's pricing calculation, Nova Scotia was eligible for an advance of just over \$500,000 from the pool to support June's price.

There was some protein and other solids declaration by processors in class 4(m) during June, however, a much larger portion of the skim milk powder used was reported as utilized in class 5(d) exports which attracts higher prices.

Close to 3 million litres of raw milk was delivered to NB and Quebec to fulfill milk movement obligations, with some designated as surplus milk. There was only one load of milk skimmed due to processing capacity limitations.

There has been a 2.7% increase in support prices for butter and skim milk powder announced by the Canadian Dairy Commission effective September 1st. It is estimated to affect overall producer blends by an amount slightly over \$1 per/hectolitre once the provincial/pool approvals are made.

Continuous Quota Positions

As of the end of May, 2016 figures are expressed as a percent of each province's annual quota. Four provinces, including NS, are above zero. The prior agreement to waive provincial overquota and unrecoverable consequences until July 31st is being recommended to be extended to the end of February 2017. Skim drying capacity is only being exceeded periodically. The July 1st and August 1st 1% quota issuance increases in the P5 are designed to maintain milk production and replenish butter stocks through the fall.

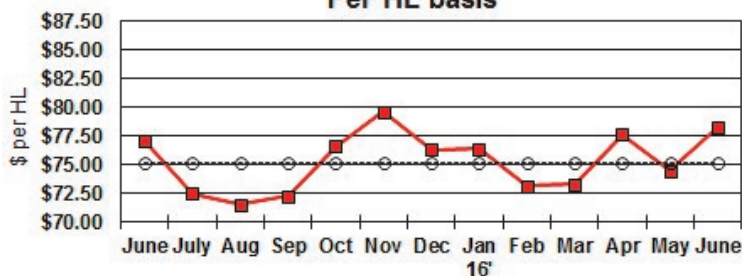
Alta. - 0.58%	Sask. - 0.82%	Ont. + 2.38%	NS - 0.33%	PEI - 1.84%	P5 + 1.06%
BC + 0.12%	Man. - 4.18%	Que. - 0.12%	NB - 0.25%	NL - 21.94%	WMP - .98%

Milk Marketing Report June 2016

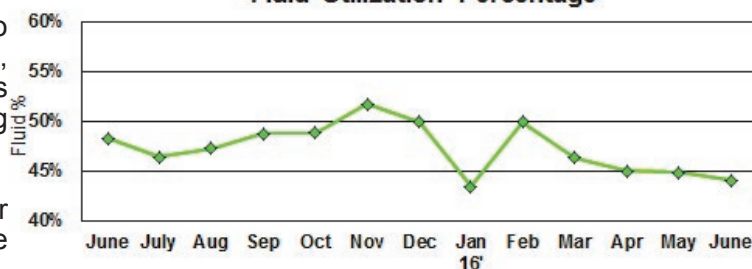
PRODUCTION	2016	2015
Average Liters/Day	512,017	507,515
Average kg Butterfat/Day	20,122	20,380
Average Composition, kg/hl		
Butterfat	3,9299	4,0157
Protein	3,2820	3,2867
Other Solids	5,7308	5,7378
Bulk Haulage (\$/hl)	2.64	2.63

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
June In-Quota	9.7388	9.1511	1.7399	78.28
June Butterfat Premium (\$/kg SNF/BF<2.35)	0.0483			
June Over-Quota	0	0	0	0
July Over-Quota Penalty	0	0	0	0

NS Average In-Quota Producer Price Per HL basis



Fluid Utilization Percentage



Total Licensed Producers in June: 222