

NEWSLETTER

Vol. 16, No. 8 - March 2016

CDC Takes Action

The Canadian Dairy Commission implemented new measures on March 1, 2016, to help limit the growing structural surplus of solids-non-fat. Referred to as a "soft cap," they have trimmed the processor margin paid for skim milk powder produced and tendered to the CDC above the levels sold two years ago. Butter/powder companies can still receive their full margin up to their share of the reference level, or by selling butter into the CDC's Plan A, or by investing in improved processing capacity.

The situation of record butterfat production to meet market demand continues, creating a skim milk surplus. With the country's skim milk powder dryers at full capacity, these measures are intended to stimulate investment in expanded capacity and technology.

Mid-year Audit Adjustment

The Canadian Dairy Commission's decision to roll back skim milk support prices by 30% starting February 1, 2016, was designed to help processors find markets for their products. The unintended consequence of this drastic decline meant that any powder and raw milk in inventory on January 31, 2016, would be subject to the price drop. A national audit adjustment was developed to cancel the negative impact this would have had on processors. For Nova Scotia, the adjustment was over \$700,000! Fortunately, it was agreed to spread the impact over three months, thereby spreading out and lessening the impact on producer blend returns.

Spring Regional Meeting Dates

Friday, April 8 9:45 to 3:00—Best Western Glengarry	
	y, Truro
Thursday, April 7 9:45 to 3:00—Old Orchard Inn, Wolfvi	ille
Wednesday, April 6 9:45 to 3:00—Claymore Inn, Antigonis	sh

Lunch Included

UPCOMING EVENTS & DEADLINES:

March 25 & 28, 2016......Good Friday/Easter Monday March 30-31, 2016.....Dairy Focus—Halifax April 13, 2016....Quota Exchange Deadline April 25, 2016....Quota Lease Deadline

Chair's Message

Hello fellow producers, winter is almost done. I heard some have been plowing (dirt, not snow) already! DFNS staff and board have been busy on your behalf. Here are some of the activities.

DFNS's executive, Brian Cameron, and Bryon Lamb met with Minister Colwell early in the month. The meeting covered three topics. There was a discussion, with lab services management present, to finalize an agreement doubling monthly IBC testing. Follow-up work continues with lab management. We had a touch point on cheese standards, asking the Minister to support us in asking the federal government to enforce the cheese standards by moving the audit responsibility to the Canadian Dairy Commission from the Canadian Food Inspection Agency. We closed our meeting with a brief discussion of dairy processing.

Brian Cameron, John Vissers, and Gerrit Damsteegt were in Ottawa for a face-to-face national producer meeting regarding the Ingredients Strategy. We are seeing some progress on this file. Details need a technical review before being presented to the boards for discussion. Our province is providing leadership in bringing a national solution forward. These gentlemen from our province are representing us well.

We had an all-day training workshop on dairy industry decision-making with the other Maritime provinces and Council, delivered by the CDC. It was a successful workshop. The topics included who has authority for what areas within the dairy industry. We were told who the players are at each level and the interactions of the players. It reinforced to me how interconnected the dairy industry is. We have a successful supply managed industry, but it takes work from all stakeholders to keep it functioning.

There is an upcoming meeting of the A4 (4 Atlantic provincial boards). Agenda items include DFC promotion, quota leasing discussion, and research. I am looking forward to working with our neighboring provinces on common issues.

Andrew McCurdy, DFNS Chair

DFNB Newsletter

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

Results of the March 2016 Quota Exchange Iteration (all buyers): 0.04 kgs Prorated for buyers: 0.28%				Dairy Services Lab Results February 2016				
KilogramsPurchased (actual)5.80Offered to Purchase975.32Offered to Sell5.80		ProducersBuying Quota77Offering to Buy77Selling Quota3Offering to Sell3		77 77 3	Bactoscan Individual Bacteria Count (IBC) Count Samples Percent <35,000 182 79.82 35-121,000 38 16.67 >121,000 8 3.51 TOTAL 228 100.00 96.49% meet provincial standard Avg. IBC – 31,579			
Price		ers to (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)	Somatic Cell Count (SCC) Average SCC – 191,868 Lab Pasteurized (LP) N/A	
\$24,000		5.80	5.80	-969.52	975.32	975.32	Count Samples Percent	
	Quota Exchange Payment Deadline Due Date		P5 QUOTA EXCHANGE MCP		GE MCP	>750		
April 13, 2016		Apr	il 27, 2016	PEI\$24,000 New Brunswick \$23,800 Ontario \$24,000			Adulteration (added water and/or antibiotics) Water (Farm Tanks) 0	
May 13, 2016		Ma	y 27, 2016				Antibiotics (Tankers) 0	
June 13, 2016 June 28, 2016		Quebec \$24,000						
					M/mma A atta		la s	

CQM/proAction Follow-Up:

Beginning February 29, 2016, 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



Fluid Utilization Percentage

Continuous Quota Positions

As of the end of January 2016, figures are expressed as a percent of each province's annual quota. Last month's adjustment for an expanded growth allowance was absorbed in all provinces with only minor changes in position taking place. Rebuilding CDC butter stocks and dealing with skim drying capacity continue to be challenges as milk production seasonally climbs.

Alta1.67%	Sask1.46%	Ont. +1.09%	NS -1.39%	PEI -4.01%	P5 -0.27%
BC -0.53%	Man3.04%	Que1.17%	NB -1.98%	NL -14.81%	WMP -1.47%

DFNS Presentations

DFNS made presentations to the provincial *Standing Committee on Resources,* the federal *Senate Standing Committee on Agriculture and Forestry* and the *Nova Scotia Institute of Agrologists* in the past month. These hearings represent an excellent opportunity to describe our industry and its importance to the provincial economy along with our challenges and opportunities. A strong supply management theme was included in the slides and speaking points used by Chairman McCurdy in Halifax/Truro, and John Vissers in Moncton. Follow-up questions from committee members allowed us to expand the messages about the stability and predictability afforded the industry by a governmentsupported supply management.

Fluid Drops Below 45%

Fluid processing volumes dropped below the 45% level for the first time since DFNS has been calculating this statistic. Even with the national fluid market contracting about 1% per year, this swing is cause for concern. Reasons include shifting fluid processing within the Maritimes, sluggish consumption, and competition from an ever-expanding array of non-dairy drinks. Within the P5, the sharing of markets and revenues across all producers helps minimize the impact of this decline. Ironically, when the P5 pool was formed twenty years ago, we negotiated a special deal due to our high fluid utilization. Now we are on par with Ontario, NB, and the pool average of approximately 40% fluid:60% industrial.

Cattle Health Declaration

Enclosed with this issue is the proAction "Cattle Health Declaration," which is to be completed annually and kept on-farm for reference. If you have any questions regarding this form, please contact Ashley Baskin or Nancy Douglas.

PID Information

Premises Identification (PID) numbers were issued by the Department of Agriculture to all producers last summer. They were requested by DFNS for the Livestock Traceability part of proAction to facilitate recording/ reporting. Both the Department and Nova Scotia Cattle Producers will be following up to collect additional information on other parcels of land where livestock reside, to confirm your facility maximum stocking rate, and if any beef cattle are present. Only one PID is required for dairy your farm, with this other information attached to it.

> East Coast Hoof Trimming Contact Neil Oulton 902-751-0152

Farewell to Gilles Froment

Gilles Froment recently left the Canadian Dairy Commission after twenty years of dedicated and valuable service to pursue another career path. CEO Jacques Laforge noted "Gilles' intricate knowledge of the industry, his leadership qualities, his vision, and his unwavering commitment will be greatly missed."

Among his many accomplishments, Gilles successfully chaired the CMSMC Secretariat for over ten years and was as well known for his industry knowledge as he was for patiently helping industry stakeholders find consensus on so many complicated issues over the years. Recently, he, Benoit Basillais, and Chantal Paul delivered an informative session for Maritime Boards and supervisory groups on the dairy industry. Gilles will be missed, but DFNS wishes him the best in all his future endeavours.

New Entrant Program Tweaked

The New Entrant Program has been tweaked to include some enhancements, hoping to stimulate applicants to come forward. Following no applications last fall, there are two spots available this fall. As well, the starting limit on combined quota (purchased plus loaned) when purchasing a dairy farm is 40 kg, up from 35 kg. With a loan of 12 to 16 kg for a period of ten years, raising this figure should give successful applicants a boost. The other change occurs during the quota reimbursement period where rules will defer returning quota to the board if a quota exchange is cancelled or insufficient quantities are offered for sale. Anyone considering applying for this program should review the revised program details, which will be posted on our website in April. Applications are due by the end of September, and successful applicant(s) start their dairy career sometime in the following calendar year.

Looking for Summer Employment on a Farm Dalhousie Agricultural College—pre-veterinarian program Please contact Taylor Bazinet 705-562-3797 Taylor.bazinet@hotmail.com www.pwc.com/ca **Business advisory services, accounting and auditing, estate and succession planning, personal and corporate income taxes.** Contact our Truro, Nova Scotia location at 902 895 1641.





DEADLINE FOR OFFERS IS LAST BUSINESS DAY BEFORE THE 14th OF EACH MONTH. 4060 Highway 236 Lower Truro NS B6L 1J9 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:
PLEASE NOTE: Effective February 1, 2016 Offers above the MCP Cap of \$24,000 will not be acco <i>kilogram (two decimal places). Prices must be for a whole I</i> <i>producer's total quota (exception for assisted new producer</i> <i>per exchange.</i>	epted . Quantities offered may be in hundredths of a kilogram. Offers must not exceed 10% of the
Offer to Purchase kgs of TPC	۱ per day @ \$per kg.
 Email address:	

Payment for quota must be made via the selected method below **on or before the** <u>third last business</u> <u>day</u> of the month</u>. Producers choosing option 2 must have completed a PAD agreement (available on the DFNS website or from the office) and a void cheque.

1. Cheque Payment 🔘	2. Pre-Authorized Debit 🔘
Producer will provide a cheque to DFNS by the	DFNS will withdraw required funds for quota
payment due date. Delivery method may be by	from producer's bank account on payment due
mail, XpressPost, courier, or hand delivery.	date; service fees will be processed within five
It is the producer's responsibility to ensure	business days of the exchange. Authorization
payment arrival and accuracy.	provided by producer will be used.

\$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:
a cash
b cheque
b PAD

Offer Received/Verified By:

01/16





TPQ Lease Agreement

100-4060 Highway 236 Lower Truro, NS B6L 1J9 Phone: (902) 893-6455 Fax: (902) 897-9768 www.dfns.ca

٦	THIS LEASE r	nade	day of		, A.D., 20
E	BETWEEN: _	hereinafter c	alled the "LESSOR" (L	DFNS Reg ender of the quota)	. # 2_
			- and -		
	-	hereinafter c	alled the "LESSEE" (B	DFNS Reg orrower of the quota)	j. #2_
	AGREEM			IM	PORTANT
Th	e Lessor and th	e Lessee agree that:			NOTES
	Production Que	ota (TPQ)	kilograms of dail	y I otal and will expir so any adjus	e for a one-month duration re at the end of the month, stments to provincial TPQ
2.		shall commence on the	e <u>first</u> day and terminate on (month).	Quota may b	e leased in denominations
3.		all pay to the Lessor \$_ bayable as described be	per kilogram per day f elow:	A producer of maximum of	Kilogram. can lease in or out up to a 25% of the sum of current on-saleable TPQ holdings.
					annot be both a lessor and ng the same month.
	This lease is no	-		month will be	applying to the current accepted.
5.	of each of the p	parties.	ors, administrators and succ	DFNS is not lease forms office. IT	responsible for receipt of mailed or faxed to our IS THE PRODUCER'S LITY TO CONFIRM
	Signature of LE	ESSOR	Date	RECEIPT.	
	Signature of LE	ESSEE	Date		EADLINES ease forms must be
	ITHORIZED BY		day of	delivered to t than 4:30 p.r business day lease will be	the DFNS office no later n. on the fifth (5th) last v of the month in which the effective.
				February March April	February 23, 2016 March 25, 2016 April 25, 2016

April



DEADLINE FOR OFFERS IS LAST BUSINESS DAY BEFORE THE 14th OF EACH MONTH. 4060 Highway 236 Lower Truro NS B6L 1J9 Phone: (902) 893-6455 Fax: NOT ACCEPTED www.dfns.ca

Quota Exchange Offer to SELL

(Exchange Month)

Registered Producer	Name:	
DFNS Registration N	umber:	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)

Seller's Service Fee must accompany offer as per schedule below (HST Reg No. 107788523)

	SELLERS FEE SCHEDULE
Amount Offered	<u>Fee Per Offer</u>
1 kg or less	\$115 (\$100 + \$15 HST)
1.01 – 10 kg	\$230 (\$200 + \$30 HST)
More than 10 kg	\$345 <i>(\$300 + \$45 HST)</i>

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.

DFC Pilot Project

Dairy Farmers of Canada (DFC) is currently running a national pilot project on the upcoming Biosecurity and Environment modules of the proAction® initiative. DFNS has seven producers participating with Nancy Douglas coordinating the pilot. These producers will undergo a herd risk assessment with a veterinarian, complete SOP and other requirements, followed by a mock validation with a validator. All parties involved in the pilot project will be invited to provide feedback to DFC on the proposed elements. The respective working groups at DFC will evaluate feedback and determine if changes are required. This pilot, like the Animal Care one last fall, are a great opportunities for producers to have a say in the development of proAction®. A huge thank you to those producers that have volunteered to participate!





Maximizing Calf Health - Best Practices for Colostrum Management By Dr. Marguerite Cameron, Maritime Quality Milk, and Dr. Luke Heider, AVC Farm Service, University of Prince Edward Island (milk@upei.ca)

Part II: Collection and Delivery of Colostrum for Achieving Adequate Immunity

This article is the second of a two-part series focusing on best practices for colostrum management. Part 1 focused on the cow and the steps that should be taken to ensure that she is producing the best quality colostrum; In Part 2, we will focus on the collection and delivery of colostrum to ensure that calves attain adequate levels of antibodies in their blood (\geq 10 mg lgG/mL) and the best possible start in life.

1. **Timing of collection** - You have already taken the steps to optimize colostrum quality (see Part 1), but now you have to collect the colostrum before that quality diminishes. The concentration of antibodies in colostrum is highest after calving and begins to decrease over time. Your goal should be to milk your cows within 1 - 2 hours after calving, and never wait more than 6 hours.

2. **Colostrum cleanliness** - Bacterial contamination of colostrum will negatively impact the absorption of antibodies by the calf. The goal for cleanliness is less than 100,000 cfu/mL total bacteria count and less than 10,000 cfu/mL total coliform count. Bacterial contamination can occur at every step, so always perform pre-milking udder prep (same as you would prior to regular milking), harvest colostrum into clean and sterilized containers, handle the colostrum using clean and sterilized feeding equipment, and refrigerate or freeze unconsumed colostrum within 1 hour of collection;

3. **Colostrum quality** - You cannot tell if colostrum is of good quality just by looking at it. High quality colostrum will have an IgG concentration of \geq 50 g/L. There are a few cow-side tests for colostrum quality, e.g. Colostrometer, Brix refractometer, etc. – talk to your veterinarian about your options.

4. Volume and timing of first feeding – In calves, the ability to absorb antibodies in the gut is greatest during the first 4 hours of life and decreases over time. By 24 hours, the gut is considered 'closed' and will no longer absorb antibodies. The goal is to feed at least 150 to 200 g of IgG within the first 1 - 2 hours of life (maximum 6 hours). As a general rule, you should aim to feed 4 L to Holstein calves and 3 L to Jersey calves in their first feeding, with an additional 2 L within 8 to 12 hours of birth. In summary, proper colostrum management is the single most important factor that determines the health and survival of a calf. Take the time to review your current colostrum management practices with your herd veterinarian to identify opportunities for improvement and give you calves the best start possible.

Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Daily NS production continued to increase slightly to 21,107 kgs per day in February, up from 20,713 kgs of butterfat per day in January. That production level is higher than last year's production by 5%. Also, the butterfat composition of raw milk declined to 4.09 kgs/hl, which was substantially lower than last February's composition of 4.14 kgs/hl.

Revised producer reports have been issued to all producers, and a few producers that have been affected financially have been notified about an adjustment for their March payment.

The equalized pool transportation rate for February declined from the previous two months' rate of \$2.57/hl to \$2.54/hl, with the implementation of a quarterly adjustment on February 1.

February's average in-quota price for raw milk declined to \$73.12/hl from \$76.34/hl. There was a substantial pooling credit of \$1.6 million; however, the \$2 million advance was repaid for January. The value of utilization reported by processors increased during the month of February compared to January, and the advance was \$655,000. The increased value reflected utilization in higher-value milk classes along with higher processor billing prices that increased 2.2%, effective February 1.

The other significant factor affecting this month's price was a one-time adjustment for processors to compensate for their inventory of skim milk powder, cream, and raw milk held on January 31. Because the CDC dropped their skim milk support price by 30% for February 1, the value of these inventories also dropped and the CMSMC agreed that a within-year, one-time adjustment would be made.

The impact could have been higher, except Agropur has agreed to spread the SMP portion of their claim over three months (about \$200,000 each month).

The adjustment will continue to negatively impact milk prices in March and April; however, the magnitude will not be as large.

Total Active Producers: 221

Milk Marketing Report February 2016

PRODUCTION		2016	20	15
Average Litres/Day		516,201	485	,915
Average kg Butterfat/Day Average Composition, kg/hl		21,107	20,	101
Butterfat		4.0890	4.1	367
Protein		3.3316	3.3	554
Other Solids		5.7335	5.7	499
Bulk Haulage (\$/hl)		2.54	2.	68
PRODUCER PRICES	Butter- fat (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
February In-Quota February Butterfat Premium	11.0502	6.1077	1.3232	73.12
(\$/kg) SNF/BF<2.35	0.0201			
February Over-Quota	0.0000	0.0000	0.0000	0.00
March Over-Quota Penalty	0.0000	0.0000	0.0000	0.00

PROCESSOR PRICES (per kg)	Butterfat \$/kg	Protein \$/kg	Other Solids \$/kg	\$/HL SNF
Class 1 (a) Homo, 2%, 1%, 0.5%, Skim, Flavoured milks	7.4556			75.1300
Class 1 (b) Fluid Creams	7.4556			60.9000
Class 2 Ice Cream, yogurt, sour cream	8.3597	5.8693	5.8693	
Class 3 (a) Fresh cheeses, specialty cheese	8.3597	13.6931	0.8602	
Class 3 (b) Cheddar Cheese	8.3597	13.2389	0.8602	
Class 4 (a) Butter and powders	8.3597	3.4593	3.4593	
Class 4 (b) Condensed & Evaporated milk for retail sale	8.3597	5.4215	5.4215	
Class 4 (c) New products	7.1057	2.9404	2.9404	
Class 4(d) Inventory, shrinkage	8.3597	3.4593	3.4593	
Class 4(m) Marginal milk products	0.1808	0.1808	0.1808	
Class 5 (a) Cheese for further processing	8.7793	3.8828	0.1107	
Class 5 (b) Non-cheese products for further processing	8.7793	1.8591	1.8591	
Class 5 (c) Confectionery products	4.6512	1.6148	1.6148	
Class 5 (d) Planned exports (contract by contract)	-	-	-	

