

NEWSLETTER

Vol. 17, No. 10 - May 2017

proAction Starts in September

While fall may seem a long way off, it will be here before we know it, along with the kick-off of proAction. Atlantic proAction Coordinators Nancy Douglas and Ashley Baskin were both thrilled with the strong producer turnout at our fall and spring training sessions. They feel this will smooth the transition into proAction validations starting this fall.

Producers are reminded that if your next activity after September is a full validation, it will cover all active modules of proAction (CQM, Animal Assessment/Animal Care and Livestock Traceability). If your next scheduled activity is a Self-Declaration, it will only be for CQM (as in the past). New Brunswick and Nova Scotia are jointly hiring three proAction validators to ensure coverage of all farms and consistent validations. Validator training will take place next month, followed by an on-farm exercise to ensure everyone is validating the requirements against what they see on the farm.

CETA a Go

Bill C-30 (CETA) has received Royal Assent in the House of Commons. We can expect the government to start the implementation of the \$250 million CETA transition program in the coming weeks. DFC is in contact with the Agriculture Minister's office, and is awaiting details on both program specifics and public announcements for the transition program. The passing of Bill C-30 also triggers release of details from the government on the allocation and administration of the import Tariff Rate Quotas. With a total of 17,700 MT of new cheese imports once CETA is fully implemented, these TRQs are quite lucrative. DFC has advocated that the small to medium cheese makers, who will be impacted by the new cheese coming into Canada, should receive a larger portion of the TRQs allocated.

UPCOMING EVENTS & DEADLINES:

June 13, 2017.....Quota Exchange Deadline
June 26, 2017.....Quota Lease Deadline
August 2-3, 2017.....Policy Session—Hampton Inn

DFNB Newsletter

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

P5 Deal with DFNL

After several months of discussions, it has been agreed that the P5 boards will work cooperatively with Dairy Farmers of Newfoundland & Labrador (DFNL). Both groups have determined that forming a P6 pooling arrangement is not feasible. In spite of that realization, this is a positive step forward which encompasses the following arrangements, starting August 1, 2017:

- P5 will purchase up to 12.5 million litres per year from DFNL within our transportation and processing capacity.
- P5 will credit DFNL a price difference on volumes of packaged fluid product manufactured in the P5 and sold in NL.
- DFNL agrees to pool with the P5 all costs of any milk skimming/disposal.
- P5 will assist with the cost of moving surplus milk from DFNL within limits.
- DFNL will make any unused industrial milk quota credits (estimated at ~300,000 kg credits per year) available to be shared between the P5 and the Western Milk Pool (WMP).
- The P5 and WMP agree to limit DFNL exposure to special class and other transfers at \$1 million annually, adjusted based on NL industrial milk production.
- DFNL sets aside \$100,000 per year in a fund to attract new processing.
- The P5 and DFNL agree to meet at least quarterly to discuss issues of common interest.
- DFNL supports national issues and any veto vote by NL on an issue having no financial impact on NL, beyond what is covered in this agreement; mediation follows, and if unsuccessful the agreement ends.

The terms of this agreement were recently approved by the P5 Supervisory Body, the WMP Coordinating Committee, and the Canadian Milk Supply Management Committee. The unique production circumstances in NL—higher COP, fluid milk proportion and returns, and processing limitations, are fully respected in this agreement. All parties are pleased with this renewed working relationship. This agreement removes several irritants which have hampered national policy development in the last few years, and is seen as a win:win deal for all provinces.

Results of the May 2017 Quota Exchange

Iteration (all buyers): 0.37 kgs
Prorated for buyers: 3.08%

Kilograms		Producers	
		Buying Quota	56
Purchased (<i>actual</i>)	41.13	Offering to Buy	56
Offered to Purchase	683.75	Selling Quota	5
Offered to Sell	41.13	Offering to Sell	5

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	41.13	41.13	-642.62	683.75	683.75

Quota Exchange Deadline	Payment Due Date
June 13, 2017	June 28, 2017
July 13, 2017	July 27, 2017
August 11, 2017	August 29, 2017

Dairy Services Lab Results April 2017

Bactoscan Individual Bacteria Count (IBC)

Count	Samples	Percent
<35,000	177	79.4
35,001-121,000	36	16.1
>121,000	10	4.5
TOTAL	223	100.0

95.5% meet provincial standard

Average IBC – April 2017: 43,343

Average Somatic Cell Count (SCC): 191,296

Adulteration (added water and/or antibiotics)

Water (Farm Tanks)	0
Antibiotics (Tankers)	0

P5 QUOTA EXCHANGE MCP

PEI	\$24,000
New Brunswick	\$23,202
Ontario	\$24,000
Quebec	\$24,000

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

Bovine Leukosis Research Project Update

Emily John, AVC

The Atlantic Healthy Herds research project at the Atlantic Veterinary College has been running a research project on Bovine Leukemia Virus (BLV) since early January 2016. We are looking into the prevalence of leukosis infections here in Atlantic Canada, as well as what risk factors and management practices are associated with high levels of infection within dairy herds.

Testing of bulk tank milk samples from all four Atlantic provinces showed that 88% of all dairy farms in Atlantic Canada have at least one infected cow, and that 87% of Nova Scotia dairy farms are BLV-positive. 34% of NS dairy farms have at least half their cows infected with BLV, and approximately 80% of farms have 15% or more infected cows.

The AVC has been working closely with veterinarians in Nova Scotia on two aspects of the BLV research project. Many farms have completed a risk assessment questionnaire (a RAMP) to help us identify risk factors for infection in our region of Canada. We are also actively recruiting farms to participate in a study to determine at what age a cow becomes infected with BLV. This study involves collecting blood samples from different ages of calves and heifers and completing a questionnaire about age-specific risk factors.

We are very grateful for the ongoing support of the Nova Scotia dairy industry, and if you are interested in participating in any aspect of the BLV research project, please contact Emily John (ejohn@upei.ca, 902-393-2500) for further information.

Keeping up with the Market

At the April Canadian Milk Supply Management Committee (CMSMC) meeting, provinces approved measures to help lead the growing market for dairy butterfat. A 2% permanent Growth Allowance (GA), which is only 1% this year, was endorsed to start August 1, 2017.

This is an allowance above Canadian Requirements (formerly MSQ) that is necessary in times of growing markets. Doubling the permanent GA is a recognition that growth is expected to continue in the coming years. The CMSMC also approved adding a 1% temporary GA to be reviewed at the end of January 2018.

The other decision, which was extended through the first six months of the next dairy year until at least the end of January 2018, is the suspension of provincial over-quota and under-production penalties. These thresholds are suspended from the national Continuous Quota calculations (see page eight). Pool and provincial policies remain as they are today.

MQM Changes

The popular Maritime Quality Milk website had a tough winter and was reborn this spring with a new, simpler format. Programming issues prevented the UPEI IT staff from resurrecting the former site. In its place, MQM is now a table of your milk test results all the way back to December 2007. Missing are the interpretative tables on the right and the graphing functions. Authorized advisors can still access client farm results.

MQM will remain in this format until it is replaced, in approximately one year, with Milk Marketing System, the jointly-developed program among NS, PEI, and the four western provinces. Results are also available on the toll-free MILKLINE service.

Fall Election

DFNS is holding an election this fall for two board positions, currently occupied by John Vissers and Dustin Swinkels. With eight Directors and three-year terms, this is the fall when two seats are available. Nominations can be submitted between September 1 and 21, followed by a seven-day cooling off period when nominees are known and can choose to withdraw. Ballots are sent by October 7 and due to be returned by October 23.

The Board encourages members to seriously consider letting their name stand for election to the board. They find the experience rewarding and challenging, as they address complex issues at the provincial, pool, and national levels, while keeping in mind what is best for the industry as a whole.

Environmental Farm Plan Stewardship Award Now Open for Applications

To celebrate achievements and outstanding sustainable farming practices, the Environmental Farm Plan Program has launched its 2017 Stewardship Award for the ninth year.

Have you or a farmer in your area implemented projects to protect water, soil quality, or wildlife habitat? Maybe you use improved soil management practices, have installed energy efficient technologies, or demonstrate water conservation.

Farmers are doing a lot of environmental sustainable activities every day; this award is an opportunity to give them recognition for their work.

Other projects or areas that would support the application are innovative waste handling and storage, proper fuel storage, nutrient management activities, and biodiversity. You can nominate your neighbour, a friend, CSA Farm, or submit an application for your own farm.

The award winner will receive a painting of their farm by a local artist, as well as a cash prize of \$2000. For more information and to get your application, visit: www.nsfa-fane.ca/efp or call 902-893-2293.

Need some help with the application? Contact someone on the EFP team at 902-893-2293. The deadline to receive nominations is July 7, 2017.

New Entrant Loan Period Extended

The DFNS Board approved a P5 Quota Committee recommendation to extend the quota loan period for the original New Entrant producers from five years to ten years. This change was seen as helping New Entrants develop the production base and cash flow to better facilitate when loaned quota begins being returned to the Board. The four New Entrants affected by this have another five years added on from their original shipping month.

Any loaned quota already reimbursed to the Board is not reinstated, and further reimbursement is frozen. Loaned quota is returned to the Board at a rate of one kg per year/0.1 kg per month within that year. Once returned, DFNS uses that quota to loan to the next New Entrant.

Two New Entrants started in 2017, filling a vacant space from 2016. The application period for the 2018 quota loan is August 1 to September 30, 2017. Anyone interested in learning more and applying for the program is encouraged to visit "New Entrant Program" in the Forms & Publications section of our website, and then speak with staff to discuss more specific details.



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
Email: dfns@dfns.ca

Quota Exchange Bid to BUY

(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: _____

10/16





DEADLINE FOR OFFERS IS LAST BUSINESS DAY BEFORE THE 14th OF EACH MONTH.

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www.dfns.ca

Quota Exchange Offer to SELL _____ (Exchange Month)

Registered Producer Name: _____

DFNS Registration Number: _____ 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)

\$115 Seller’s Service Fee must accompany offer (\$100 + \$15 HST) (HST Reg No. 107788523)

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.

FOR DFNS OFFICE USE ONLY

Service Fee Received: cash cheque PAD Offer Received/Verified By: _____

05/17



Exchange Seller Fee Change

Starting with June's monthly quota exchange, the quota seller fee has been changed to \$115 (\$100 + \$15 HST). This replaces a tiered seller fee which escalated from \$100 to \$300 as larger quantities of quota were offered for sale. Going forward, all sellers will be charged the flat rate of \$115 (\$100 + \$15 HST) per offer. Buyer fees remain unchanged.

Hot Weather Reminder

With the hot months ahead, 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 first 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.



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Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Production reduced slightly during April to 22,965 kgs of butterfat per day. The increase over last April has exactly matched the quota increase over the past year at 8.2%.

The butterfat composition of raw milk in April was 4.09 kgs/hl, compared to 4.065 kgs/hl last April.

Producers continue to take advantage of Additional Production Day incentives at a 60% rate, and in spite of this the average producer utilized tolerance increased from -11.3 days to -10.7 days. The equalized pool transportation rate for April increased to \$2.61/hl, up from March's rate of \$2.50/hl. The additional costs associated with spring weight restrictions in P5 provinces have pushed the price up.

The April raw milk average in-quota price was calculated as \$86.06/hl, returning to the high level experienced in January.

The utilization has been relatively stable over the past few months; however, a large error in March was pooled and returned dollars to the province when it was pooled.

The pooling settlement for the month of March (one month behind) was approximately \$1.9 million, and there was a doubling effect since the error was corrected in April as well. When pooling those dollars for April, there will be a significant opposite impact on May's average producer price.

The advance, roughly representing the relative participation of NS in pooling of special class (lower-priced ingredients and products) activity in the P10, remained close to \$1.3 million for both months of March and April.

Total Licensed Producers in April: 215

Continuous Quota Positions

As of the end of March 2017, figures are expressed as a percent of each province's annual quota. The P5 provinces all moved up since February, resulting in the pool average exceeding +2%. All western provincial positions varied slightly up or down, and their pool average dropped slightly. The national position jumped from +0.04% to +0.45%. Butter demand continues to outstrip supply as the CDC is still importing butter and selling it to further processors. Seasonal upward milk production in the spring months will keep pressure on drying facilities and processors' ability to purchase all components in the milk. Some expansion of SNF processing has helped this situation.

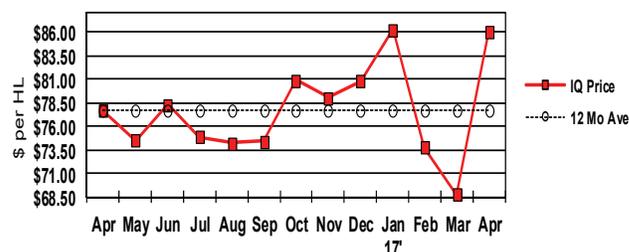
Alta. -3.58%	Sask. -3.53%	Ont. +4.45%	NS +1.80%	PEI +1.37%	P5 +2.16%
BC -1.45%	Man. -11.37%	Que. +0.30%	NB +0.59%	NL -17.70%	WMP -4.15%

Milk Marketing Report April 2017

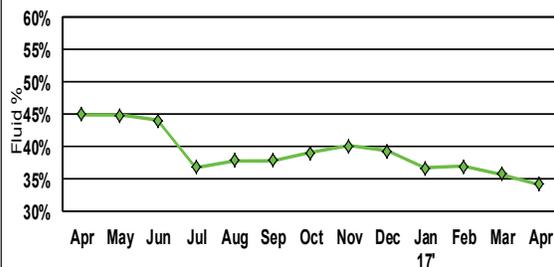
PRODUCTION	2017	2016
Average Liters/Day	561,166	521,574
Average kg Butterfat/Day	22,965	21,200
Average Composition, kg/hl		
Butterfat	4.0925	4.0645
Protein	3.3182	3.3084
Other Solids	5.7397	5.7295
Bulk Haulage (\$/hl)	2.61	2.63

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
April In-Quota	10.1199	10.1652	1.9025	86.06
April Butterfat Premium (\$/kg) SNF/BF<2.35	0.0120			
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





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