

NEWSLETTER

Vol. 18, No. 10 - May 2018

New CEO for Canadian Dairy Commission

On May 3, 2018, Agriculture and Agri-Food Minister, Lawrence MacAulay, announced the appointment of Serge Riendeau as the new Chief Executive Officer of the Canadian Dairy Commission (CDC), following a transparent and merit-based selection process. This appointment is for a three-year term, effective May 14, 2018. Serge is a prominent leader in the Canadian dairy industry. He has been operating a dairy farm for over forty years and had an illustrious twenty-five year career on the Agropur Board of Directors, including nearly fifteen years as President of the Cooperative, Canada's largest dairy processor. He is a recognized member of his community and an active supporter of a charity for children facing bullying and violence.

The Minister expressed his gratitude to outgoing Chief Executive Officer, Jacques Laforge, for his service at the helm of the Commission since 2012, and for his many years of leadership in agriculture both nationally, and in his home province of New Brunswick. DFNS welcomes Serge, and thank you Jacques for your years of dedicated service.

Words of Concern

Dairy Farmers of Canada and the Dairy Processors Association of Canada sent a joint letter to Canadian Ambassador David MacNaughton seeking clarification on further dairy concessions as part of NAFTA, made by the Deputy Ambassador in Washington, Kirsten Hillman. Deputy Ambassador Hillman signaled there was room for negotiation on dairy market access within NAFTA. Her comments of most concern cited both CETA and CPTPP as examples of trade deals that included Canada giving up dairy market access, without the destruction of the supply management system. The industry letter concluded, "Our common position is that our sector should not be impacted negatively by any trade agreement. CETA and CPTPP are not examples by which we believe the standard should be set for trade agreements and their impacts on Canada's domestic dairy sector."

UPCOMING EVENTS & DEADLINES:

June 13, 2018.....Quota Exchange Deadline
June 25, 2018.....Quota Lease Deadline
August 1-2, 2018.....Policy Session—Hampton Inn, Dartmouth

Ag Minister Supports Supply Management

In a letter to Federal Ministers MacAulay (Agriculture) and Champagne (International Trade), N.S. Agriculture Minister Colwell sought reassurances that supply managed sectors are supported throughout NAFTA negotiations.

"Nova Scotia's supply managed industries produce annual farm gate revenues of \$300 million, along with providing primary jobs and supporting rural economies," noted Minister Colwell. The secondary jobs in processing, transportation, retail sales, and engineering also rely on primary production. Minister Colwell also wrote, "Supply-managed sectors require the protection of the government to ensure they are not subject to further undermining as a result of providing additional access to our Canadian market for supply-managed goods."

DFNS, and our members, appreciate the ongoing support of our provincial government and the message to the federal government of no more market access. NAFTA continues to present a challenge at the time of writing, with an Agreement in Principle seemingly hanging on success of the auto portion of the agreement.

Welcome Tom

Tom Oostvogels is joining the DFNS office team as our Operations Coordinator. Tom is assuming most of the duties that Dwane Mellish has performed as Operations Officer since 2002. Dwane is retiring at the end of June.

Tom was born and raised in Antigonish County on the family dairy farm and completed his degree in Bio-Environmental Systems Management at NSAC (Dal 'AC). His practical experience on many dairy farms is supplemented with five years with Cargill Ag Horizons/Animal Nutrition in Saskatchewan and Ontario as a Production Supervisor, and most recently a Ruminant Sales Consultant. DFNS looks forward to Tom's experience in scheduling logistics, driving operational efficiency, and strong interpersonal and technical skills. We also thank Dwane for his many years of dedicated service, and look forward to formally honoring him in the future.

DFNB Newsletter

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

Results of the May 2018 Quota Exchange

Iteration (all buyers): 2.66 kgs
Prorated for buyers: 18.25%

Kilograms		Producers	
		Buying Quota	38
Purchased (<i>actual</i>)	200.73	Offering to Buy	38
Offered to Purchase	650.06	Selling Quota	3
Offered to Sell	200.73	Offering to Sell	3

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000 MCP	200.73	200.73	-449.33	650.06	650.06

Quota Exchange Deadline	Payment Due Date
May 11, 2018	May 29, 2018
June 13, 2018	June 27, 2018
July 13, 2018	July 27, 2018

Lab Results April 2018

Average IBC: 33,678

Average Somatic Cell Count (SCC): 181,857

Adulteration: Antibiotics (Tankers) 0

P5 QUOTA EXCHANGE MCP

PEI\$24,000
New Brunswick.....\$24,000
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

Lindy Brown
(southern regions 4, 5, & 6)
Email: lindy.brown@nbmilk.org
Fax: 506-432-4333
Call: 506-435-2117

What Canadians Think about Dairy and NAFTA

On April 26 and 27, 2018, IPSOS conducted a survey on behalf of Dairy Farmers of Canada. The survey gauged public attitudes towards the Government of Canada's ongoing defense of the dairy sector during the NAFTA negotiations. The results were clear: 75% of Canadians believe the Canadian dairy sector should be defended, and the federal government should vigorously defend it around the NAFTA negotiating table.

Highlights of the results:

7/10 Canadians agree the Canadian dairy sector should be defended in the context of the NAFTA renegotiations.

8/10 Canadians share Canadian dairy farmers' concerns with regard to the NAFTA renegotiation and any potential concessions that could result from this renegotiation.

6/10 Canadians declared the extent to which the federal government protects Canada's dairy industry will have an impact on their vote in the next election.

9/10 Canadians believe U.S. dairy products should be subject to the same standards as Canadian products, and this should be part of the terms of the new NAFTA agreement.

The results of this survey can be found at <https://www.ipsos.com/en-ca/news-polls/canadian-feds-should-make-more-effort-dairy-nafta>

Nova Scotia's Wide World of Agriculture

Twice a year, the commodity general managers join the NS Federation of Agriculture staff to update each other on our industries and hear about new programs. It is an enlightening experience to hear the challenges and opportunities facing other supply-managed and non-supply managed commodities. Here are some highlights from this spring's meeting:

Opportunities and concerns relative to NAFTA were the main focus. Our province's four supply-managed industries (dairy, egg, chicken, and turkey) are concerned about more market access being granted by the federal government. These concerns contrast with strong market growth in all groups, to the detriment of beef and pork markets. Export-oriented groups, such as blueberries and apples, welcome trade deals which open more markets for their products or ingredients.

Animal-based sectors are adopting animal care and traceability requirements similar to proAction, along with updated Codes of Practice. Housing modifications in the laying hen and mink barn industries are underway. A change in provincial slaughterhouse inspection hours was a major concern.

Crop-based commodities are trying to better understand implications of a Pest Management Regulatory Agency review of available pesticides. Perennia is assisting industries in the review process and alternatives. That change, combined with pesticide applicator license renewal training, creates a frustration for many growers. Overall farm labour is a constant challenge for all commodities.

The day rounded out with presentations on the Animal and Crop Lab Services, Farm Safety initiatives, Federal CAP programs, and Employment NS. The NSFA anticipates a re-opening of the provincial CAP programs in the coming weeks.

Fall Election

DFNS is holding an election this fall for three board positions, currently occupied by Derick Canning, Greg Archibald, and David Bekkers. With eight Directors and three-year terms, this is the fall when three 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.

AHH Project Supported

The DFNS board reviewed and approved five-year funding of an application from the Atlantic Healthy Herd (AHH) initiative. The Atlantic Vet College and Maritime Quality Milk jointly propose to expand their valuable work relating to Johnes Disease, Bovine Viral Diarrhea, and Bovine Leucosis. The projects are Atlantic in scope, and once industry funding is confirmed, applications under the federal Canadian Agricultural Partnership program will move forward.

This approval, conditional on approval by the other three Atlantic dairy boards, is a continuation of AHH projects dating back eight to ten years. Many NS producers have enrolled on the Johnes Disease Initiative, and all farms have received bulk tank milk results for BVD and BLV, allowing benchmarking of herd prevalence.

The board also increased the research funding line in the upcoming 2018/19 budget from \$10,000 to \$40,000. This figure was derived from the research checkoff rates in both PEI and NB, multiplied by NS production. The difference between a checkoff for research and a budgeted amount is the budget is utilized when qualifying projects come forward. While the board felt the time was not right to introduce a research checkoff, they also realized NS will be committed to jointly funding projects under the Atlantic Dairy Research Council. This Council is being formed and should commence activities this coming fall. Stay tuned for outcomes from this valuable work, and more about Pan-Atlantic cooperation on research.

Anti-Microbial Resistance

By December 2018, all livestock farmers will need a prescription to buy virtually any livestock antibiotic. Later this year, Health Canada will introduce major changes to how livestock producers across Canada can access antibiotics. For more information on this change, and the list of antibiotics impacted, see the articles in the Resources & Links/Industry Resources section of the DFNS website www.dfns.ca.

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:

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.



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.

1. Cheque Payment ☐

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.

2. Pre-Authorized Debit ☐

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.

\$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



TPQ Lease Agreement

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

THIS LEASE made _____ day of _____, A.D., 20____

BETWEEN: _____ DFNS Reg. # _____ 2
hereinafter called the "LESSOR" (Lender of the quota)

- and -

_____ DFNS Reg. # _____ 2
hereinafter called the "LESSEE" (Borrower of the quota)

AGREEMENT

The Lessor and the Lessee agree that:

1. The Lessor shall lease to the Lessee _____ kilograms of daily Total Production Quota (TPQ)
2. The lease term shall commence on the first day and terminate on the last day of _____ (month).
3. The Lessee shall pay to the Lessor \$_____ per kilogram per day for milk quota leased, payable as described below:

4. This lease is not assignable.
5. This lease shall bind the heirs, executors, administrators and successors of each of the parties.

Signature of LESSOR

Date

Signature of LESSEE

Date

AUTHORIZED BY _____

on behalf of Dairy Farmers of Nova Scotia this _____ day of _____, 20____.

IMPORTANT NOTES

Leases will be for a one-month duration and will expire at the end of the month, so any adjustments to provincial TPQ do not apply to leases.

Quota may be leased in denominations of tenths of a kilogram.

A producer can lease in or out up to a maximum of 25% of the sum of current owned and non-saleable TPQ holdings.

A producer cannot be both a lessor and a lessee during the same month.

Only leases applying to the current month will be accepted.

DFNS is not responsible for receipt of lease forms mailed or faxed to our office. **IT IS THE PRODUCER'S RESPONSIBILITY TO CONFIRM RECEIPT.**

DEADLINES

Completed lease forms must be delivered to the DFNS office no later than 4:30 p.m. on the fifth (5th) last business day of the month in which the lease will be effective.

Lease Month	Deadline
May	May 25, 2018
June	June 25, 2018
July	July 25, 2018
August	August 27, 2018

Produce more profits

It takes long hours and careful management to run a successful dairy farm. Success is also built on the decisions you make about succession, herd size, barn expansion and quotas.

Grant Thornton LLP advisors are here to help. Our experienced, reliable and friendly advisors have been serving farmers and business owners in Nova Scotia for decades. We care about your family business, because we're part of your community.

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Laura MacLaughlin
Partner, Assurance
T + 902 896 2542
E Laura.MacLaughlin@ca.gt.com

Peter Murray
Partner, Assurance
T +1 902 752 7053
E Peter.Murray@ca.gt.com

Ryan Power
Partner, Tax
T +1 902 690 2012
E Ryan.Power@ca.gt.com



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

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*Welcomes you
to our Open House*

June 16th 11am – 4pm

381 Bayview Road, Pictou NS



Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Provincial raw milk production continued at a pace above last year's expanded production levels by slightly more than 5%. That closely matches the growth in quota of 6% during that same period. The milk composition is virtually unchanged from April 2017 at 4.14 kg/hl.

April is the first month since last fall without production incentives in place, so it is not surprising the utilized tolerance has increased quite sharply by over 1 day from -14.4 days to -13.1 days. In March, producers were utilizing over 50% of the Additional Production Day available.

The equalized pool transportation rate increased to \$3.67 per hl and, as discussed in April's newsletter, includes an adjustment from pooling. Also, the spring weight restriction costs have pushed the rate upwards as it normally does during the spring months.

The April raw milk average in-quota price decreased to \$72.26/hl from \$75.57/hl paid in March.

The reduction in the blend price was attributable to the combined effect of three factors. The first was a minor decline in the value of the utilized milk reported by processors for the month of April. There was a slight decline in the amount of fluid processing within the province, leaving more milk priced at lower valued categories.

Secondly, during April there was the repayment of a larger CDC pooling advance for March than received for April by approximately \$200,000.

The final factor was a larger pooling adjustment paid by NS to the pool for March by approximately \$100,000.

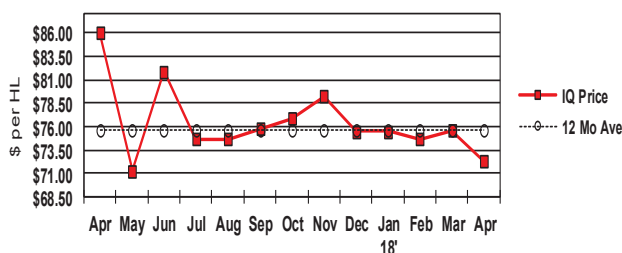
There is concern about producer blend prices in other provinces, and national discussions will be held looking for possible ways to improve the value of raw milk paid to producers.

Total Licensed Producers in April: 211

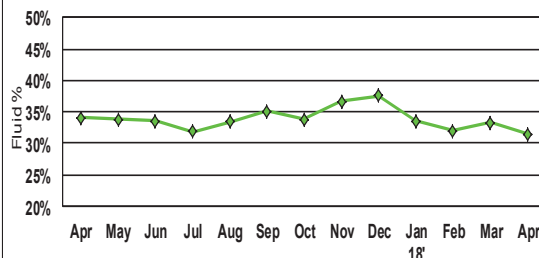
Milk Marketing Report April 2018

PRODUCTION	2018	2017		
Average Liters/Day	588,029	558,689		
Average kg Butterfat/Day	24,341	23,118		
Average Composition, kg/hl				
Butterfat	4.1393	4.1380		
Protein	3.3754	3.3289		
Other Solids	5.7359	5.7445		
Bulk Haulage (\$/hl)	3.67	2.50		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
April In-Quota	10.6148	6.1128	1.3407	72.26
April Butterfat Premium (\$/kg) SNF/BF<2.35	0.0127			
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



Continuous Quota Positions

As of the end of March 2018, figures are expressed as a percent of each province's annual quota. All provinces except NL saw increases in their positions in March as a result of increased milk production. The national position increased from + 2% to +2.44%. The Canadian Milk Supply Management Committee removed the 3% temporary national growth allowance, effective May 1, 2018. The permanent 2% growth allowance (calculated on MSQ) remains in place. They also agreed to reinstate the upper (+0.5%) and lower (-1.50%) thresholds on June 1, 2018. This would put the P5 significantly over quota and result in many lost credits for both the WMP and NL. Therefore, it was agreed to reset all provincial positions to the March 31, 2016, levels, when the over/under thresholds were originally suspended. A revised table will be available with June's data (appearing in our August newsletter). Skimming continues in both pools with skim milk supply exceeding the collective drying capacity.

Alta. -4.91%	Sask. -6.01%	Ont. +8.72%	NS +6.66%	PEI + 7.76%	P5 +5.26%
BC -0.15%	Man. -13.26%	Que. +2.10%	NB +5.10%	NL - 35.96%	WMP -4.79



Latest News...

Dairy Farmers of Canada

May 2018

REGULATORY CHANGES FOR CATEGORIZATION OF MEDICALLY IMPORTANT VETERINARY DRUGS

On December 1, 2018, the Veterinary Drugs Directorate (VDD) will classify all medically-important antimicrobials (for human health) as prescription. This means that farmers will need to obtain a prescription from a veterinarian to purchase products that fall in Categories I, II and III.

Products previously available over-the-counter that will be re-classified as prescription will only be available through a veterinarian clinic, pharmacist, or commercial feed mill for medicated feed used for some farm animals. Growth promotion claims will also be removed from labels. These changes are part of a package of regulatory and policy changes that Health Canada is implementing to strengthen the oversight of veterinary drugs in Canada, and keep them working to benefit humans and animals for a longer time in the future.

Medically important antimicrobials are essential for the treatment of serious and life-threatening human infections. If these drugs become ineffective due to the development of bacterial resistance, alternative antimicrobials may not be available. All users of antimicrobials all have a role to play in the responsible use of medically-important antimicrobials to preserve their effectiveness and minimize the development and spread of antimicrobial resistance. It is important to note that you as an end user cannot give or sell a prescription drug in any form, including medicated feed, to someone else.

Criteria for antimicrobial drug classification

Category	Preferred option for treatment of serious human infections	No or limited alternatives available
I – Very High Importance	Yes	Yes
II – High Importance	Yes	No
III – Medium Importance	No	No/Yes
IV – Low Importance	Not applicable	Not applicable

Source: [Veterinary Drugs Directorate](#), Health Canada

ABOUT DAIRY FARMERS OF CANADA

Founded in 1934, Dairy Farmers of Canada (DFC) is the national organization which defends the interests of Canadian dairy farmers and strives to create favourable conditions for the Canadian dairy industry. Working in accordance with supply management principles, DFC promotes safe, high quality, sustainable, and nutritious Canadian dairy products made from 100% Canadian milk through various marketing, nutrition, policy, and lobbying initiatives. Driven by a strong sense of community and pride, DFC and Canadian dairy farmers actively support a number of local and national initiatives. Visit dairyfarmers.ca for more information.

The Canadian Animal Health Institute (CAHI) has published a [list of brand names of veterinary drugs](#) that will be impacted with the new regulation.

The regulatory changes emphasize the importance of maintaining a close relationship with your veterinarian. Not only can veterinarians help with herd and animal health monitoring, they can suggest preventative measures and alternative solutions to relying on medically-important antimicrobials. In addition, this relationship will be important as the proAction® biosecurity module moves forward in 2019!

Consult your provincial authority for further details as some provinces may authorize certain facilities beyond veterinary clinics to sell prescription drugs. For more information on the responsible use of medically-important antimicrobials in animals, visit [Health Canada's website](#)



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

Are you a Canadian dairy farmer? Sign up now for the *Dairy Express*, the bi-monthly e-newsletter published by Dairy Farmers of Canada. To do so, simply send an email to [Rebecca Ritchie](#), who will happily add your name to the mailing list.



Dairy Farmers of Canada



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