

NEWSLETTER

Vol. 19, No. 10 - May 2019

proAction® Progress Report

Several years after implementing proAction as an expansion of the CQM program, Dairy Farmers of Canada published the first progress report. It can be found on the DFNS website by following the proAction link at the bottom of our home page www.dfns.ca

The report encompasses the 2017/18 period, highlighting that 99% of Canadian dairy farms are registered on the program. This report focuses on the Animal Care element.

In the coming years, DFC will measure and report the continuous work of Canadian dairy farmers in employing the most efficient and sustainable practices, and producing the highest quality milk with healthy, well-cared for cows.

Through continued research and participation in programs like proAction® Canada's dairy farmers will continue to stay on the leading edge of sustainable milk production into the future. This commitment is part of our pledge to always raise the bar and deliver the best.

Fall Election

DFNS is holding an election this fall for three board positions, currently occupied by Gerrit Damsteegt, Byron Lamb, and Andrew McCurdy. 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. If there are more candidates than seats, 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.

UPCOMING EVENTS & DEADLINES:

June 13, 2019.....Quota Exchange Deadline
June 24, 2019.....Quota Lease Deadline
July 31—August 1, 2019.....Policy Session—Hampton Inn

Milk Supply Update

Fortunately the milk supply crunch that was materializing in early May was averted, through the collaborative hard work of P5 milk board staff, processors and transporters. While a larger than normal volume of milk was skimmed that week, there was no whole milk surplus. We also thank producers for doing their part in voluntarily slowing down milk production during this period.

Nationally, there were additional cheese export permits issued (within our WTO limits) to processors to make space for more milk deliveries to their cheese plants. Also the Canadian Dairy Commission adjusted their seasonal butter program rules to encourage more raw milk processing.

The conditions which created specific concerns for that week in May persist and boards don't expect the balancing act of milk supply, demand and processing capacity to subside until the end of June or longer.

Ironically, we predict that once new processing initiatives come fully on line later this summer and fall and the spring milk surge backs off, more butter and cheese stocks will be used to meet market demands. This is all part of supply management tools to balance supply with demand.

As for the impact on producer blend returns, there should be a slight reduction for April which could carry over for a couple of months, depending on the pooling transfers. See page 8 of this newsletter for more details.

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, until pick-up. The proAction program 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.

DFNB Newsletter

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

Results of the May 2019 Quota Exchange

Iteration (all buyers): 0.26 kgs
Prorated for buyers: 1.87%

Kilograms

Purchased (**actual**) 38.30
Offered to Purchase 1019.53
Offered to Sell 38.30

Producers

Buying Quota 76
Offering to Buy 76
Selling Quota 2
Offering to Sell 2

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	38.30	38.30	-981.23	1019.53	1019.53

Quota Exchange Deadline	Payment Due Date
May 13, 2019	May 29, 2019
June 13, 2019	June 26, 2019
July 12, 2019	July 29, 2019

Lab Results April 2019

Average IBC: 41,238

Average Somatic Cell Count (SCC): 187,895

Adulteration: (Tankers) 0

P5 QUOTA EXCHANGE MCP

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

Send your **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

MSQ and Skim off

Market Sharing Quota (MSQ) and Skim off are terms from the earlier days of supply management. MSQ defines the amount of quota/milk needed to serve the “industrial” market, which is distinguished from the on-demand supply for the fluid market. Skim off is what links these two markets.

Although we moved to a single quota (replacing fluid and MSQ) in the 1990’s, MSQ remains an important part of the calculations. Skim off is the butterfat normally left over after farm raw milk is processed into table milk and cream. It flows from fluid plants, as cream, for making industrial products like ice cream, cheese, or butter at another plant. Both MSQ and Skim off are still used to calculate Total Quota, and for pooling of revenues among provinces.

Recently, some provinces’ fluid milk plants were not receiving sufficient butterfat in the raw milk to make their product mix of fluid milk and cream. They needed additional butterfat. This led to those plants having a cream deficit, versus the more traditional surplus cream and a “negative Skim off.” Around the same time, a slight difference in the old and new MSQ calculations was also discovered.

The Canadian Dairy Commission presented detailed documents to the Secretariat, which recommended a solution to the Canadian Milk Supply Management Committee earlier this month in Edmonton. Sample calculations and results will be technically reviewed before provinces agree to them.

There are many checks and balances in our supply management system. As we adjust dairy policy in anticipation of, or reaction to, internal and external forces, the resulting calculations become increasingly complex and prone to unintended consequences. The above issues will eventually be resolved to all provinces’ satisfaction.

Biosecurity SOP Templates Available

As a follow-up to the proAction Biosecurity training sessions last fall and this spring, producers can find template SOP forms on the DFNS website. To access these SOPs, and many other proAction resources, click on the proAction link at the bottom of our homepage www.dfns.ca. Producers can download, print, and modify each SOP. If you do not have WEB access, please contact Jennifer at the DFNS office to have a set of these documents mailed to you.

To assist in completing the four Biosecurity SOPs, a quick tips document is also provided. Producers needing assistance in completing their SOPs before Biosecurity is added to validations, starting September 1, 2019, can always contact their proAction Coordinator. See page two for contact information.

Welcome Back Lindy!



After five months of maternity leave, Lindy Brown is returning as proAction Coordinator on a part time basis, effective May 6. Lindy will generally working

outside the office, but monitoring voicemail, emails, and taking calls. Any producer who wishes to have a face to face meeting with Lindy is asked to contact her directly.

Lindy plans to continue this part time schedule until September 1, when she plans to return full time. DFNS thanks Phil Parlee for stepping in for Lindy as proAction Coordinator.

Lindy can be reached at (506) 435-2117 or by email at lindy.brown@nbmilk.org.

Climate Change Research

Submitted by Dalhousie Faculty of Agriculture

Dalhousie is currently investigating the relationship between Dairy Farming and greenhouse gasses which can lead to climate change. Livestock farming has been blamed for making a significant contribution to greenhouse gasses in the form of methane from cow flatulence and nitrogen from manure. We would like to find out if Nova Scotia dairy farmers are aware of these issues, and if they think they are important enough to invest in alternate methods which may reduce greenhouse gas outputs from their farm.

To gather important views from dairy farm managers, we will conduct 45-60 minute interviews with cooperating dairy farmers about their feelings toward the role of their farms in climate change, and public perception of that role. Agriculture students will conduct most of the interviews and record the confidential responses for summary and analysis. Dr. Hartt and his team realize this is a very busy time of year for you, and they were hoping to start this project by mid-June.

If you are interested in being a part of this study, or if you have any questions about the interview, you can contact Dr. Hartt at chris.hartt@dal.ca or 902-893-6224. Thank you for considering making time for our study.

Biosecurity Approved

Based on a recommendation from the DFNS Advisory Committee for Milk, the Board recently approved the Biosecurity module being added to the *Milk Producer Licensing Regulations*. Adding Biosecurity to the current Food Safety, Animal Care and Livestock Traceability proAction® requirements is planned to be effective September 1, 2019.

Following DFNS approval, the regulation change is in the hands of Natural Products Marketing Council for final approval.

Continuous Quota Positions March 2019

	NL	P5	WMP	P10
Final Pool Positions - February, 2019 ^a	(135,973)	(1,350,109)	(1,268,283)	(2,754,364)
% of the 12-month Total Quota	-6.40%	-0.48%	-1.33%	-0.73%
Final Pool Positions - March, 2019	(154,869)	(903,047)	(1,130,602)	(2,188,517)
% of the 12-month Total Quota	-7.22%	-0.32%	-1.18%	-0.58%

The above table shows each pool's and the national (P10) cumulative positions when comparing 12-month production to 12-month quota (market requirements). As expected the P5 and Western Milk Pool are both increasing (production > quota) leading to a national position increase to -0.58% by the end of March. This seasonal trend is expected to last at least another two months. High cheese and butter stocks persist to help serve market demand.



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
dfns@dfns.ca
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 \$_____ (plus any applicable HST) 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 current 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
April	April 24, 2019
May	May 27, 2019
June	June 24, 2019
July	July 25, 2019

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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.

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Dwayne A. MacKay, CPA, CA
Lisa A. Poehl, CPA, CA

For more information, please contact our Truro, Nova Scotia location at 902 895 1641.



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Eastern Dairy Services Ltd.

30th Anniversary Open House

June 14, 2019

10:00 am to 3:00 pm

Food, door prizes, and specials.

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.

Our team can help you with:

- year-end accounting and tax compliance,
- cash flow and financing plans for expansion
- family succession and estate planning
- personal and corporate tax planning, and
- financial and business advice.

Let's start the conversation.

grantthornton.ca

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By displaying advertisements, DFNS is not endorsing these businesses.
This is strictly for the information of dairy farmers.



Plan Member Communication

Wise Prescription Drug Spending

Wise consumer spending when it comes to prescription drugs can benefit you in many ways. Not only can it help save you money on your co-pay at the pharmacy counter, it can also help keep benefit plan premiums affordable, today and for future generations to come.

What makes up the cost of a drug?

- **Ingredient/manufacturer cost:** The sale price charged by the manufacturer for the drug
- **Wholesaler mark-up:** The amount added to the drug's cost to cover the distribution supply chain
- **Pharmacy dispensing fees:** A separate amount charged by a pharmacy to fill your prescription—intended to cover services such as dispensing the drug and conversations about the drug with the patient
- **Pharmacy mark-up:** An additional amount added to the drug cost that is charged by the pharmacy to cover other overhead and operational costs

HELPFUL TIPS TO SAVE MONEY:

Call around to pharmacies to compare the cost of your prescription

Ask the pharmacist for a **three-month supply** on maintenance medications; this may help reduce the dispensing fee

Consider an **online pharmacy** for maintenance medications- they tend to have less pharmacy mark-up

Always ask the pharmacy to **fill your prescription with the generic drug** instead of brand name drug

Use the Medavie Mobile app to **compare the ingredient cost** of drugs instantly, even while meeting with your health care professional

Source: <http://web.medavie.bluecross.ca/en/members/save>

For further information about the Plan Member website or questions about your health and dental benefit plan coverage, you may contact Medavie Blue Cross at their toll-free number 1-800-667-4511.

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

NS farm daily milk BF production continued to slowly decline as it normally does in the spring to 23,309 kgs/day. There has been a production rate decline from last April of 4.2%, which closely matches the 4% drop during the same 12 months. The butterfat composition has declined to 4.15 kgs butterfat/hl which is very close to last year's BF test of 4.14 kgs/hl.

Quota credit utilization has begun to decline to roughly 104%, so the increase in average utilized tolerance has also begun to slow to about 1 day per month. During April, the shift was from -4.3 days to -3.3 days.

The equalized pool transportation rate declined slightly from \$2.73/hl in March to \$2.70/hl in April. With the lifting of spring weight restrictions, rates could decrease after a month's pooling lag if other factors remain the same.

April's average raw milk price declined from \$81.19/hl in March to \$79.72/hl. There was a small decline in the overall milk utilization value caused by a decrease in raw milk sold to Quebec and NB during the month. That was partly offset by a small increase in fluid milk sales by processors.

Another factor in the minimal raw milk price decline was that a larger advance received in March than April, and the March advance needed to be repaid. The advance is calculated by formula and helps to offset the borrowing required by DFNS to bridge the one-month pooling delay of milk sales to other provinces.

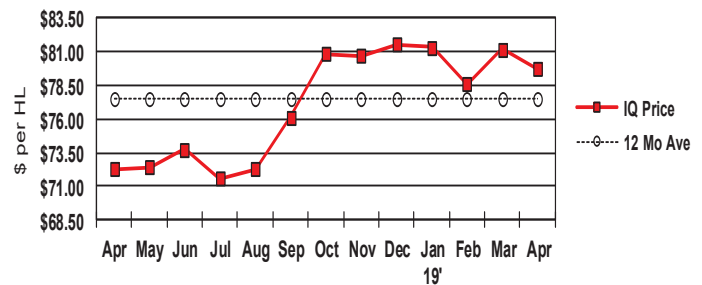
One further difference in April was the first month of an approximately \$50K retroactive adjustment among the P5 provinces for the fall period of September to December 2018. These adjustments will occur each of the next two months until the total transfers are fulfilled.

Total Licensed Producers in April: 201

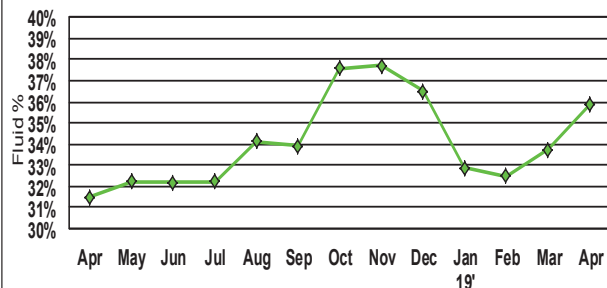
Milk Marketing Report April 2019

PRODUCTION	2019	2018		
Average Liters/Day	561,443	588,029		
Average kg Butterfat/Day	23,309	24,341		
Average Composition, kg/hl				
Butterfat	4.1515	4.1393		
Protein	3.2551	3.3754		
Other Solids	5.9215	5.7359		
Bulk Haulage (\$/hl)	2.70	3.67		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
April In-Quota	10.8117	7.9601	1.5063	79.72
April Butterfat Premium (\$/kg) SNF/BF<2.35	0.0178			
April Over-Quota	0.0000	0.0000	0.0000	
May Over-Quota Penalty	0.0000	0.0000	0.0000	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage



Nova Scotia Newfoundland Holstein Branch Summer Social



July 27th, 2019

11:00am-3:00pm

Hosted by the MacEachern Family of Folly River Farms.
347 Gray Road, Debert, NS B0M 1G0



SUMMER Picnic Checklist

- * Complimentary Buffet Barbeque 1:00pm
(Free will offering to the NS TD Classic Dairy Team)
- * Live Entertainment
- * Bouncy House
- * Face Painting
- * Games for All Ages!



*Mark your
Calendar to
Attend!*





Latest News...

Dairy Farmers of Canada

May 2019

Canada's Code of Practice for the Care and Handling of Dairy Cattle to be Updated

Canadian dairy farmers have always been committed to providing excellent care for their cattle. For this reason, Dairy Farmers of Canada initiated, in January of 2019, a regular update to the 2009 Code of Practice for the Care and Handling of Dairy Cattle. The update will be guided by the National Farm Animal Care Council (NFACC).

Canada's Codes of Practice are valuable mechanisms within the industry because they set the guidelines for the care and handling of farm animals. They reflect our national understanding of animal care requirements, current science, and recommended practices, and serve as educational tools, as reference materials for regulations, and as the foundation for farm animal care assessment programs.



The update process includes both a Scientific Committee and a Code Development Committee. The Scientific Committee reviews current science on priority animal welfare issues and the resulting report provides valuable information to the Code Development Committee. As the Scientific Committee's report will be made public, the transparency and credibility of the Code process and the recommendations within are enhanced.

In April 2019, a survey was conducted as part of the Code development process. The survey attempted to capture top-of-mind welfare topics from all stakeholders, including farmers. The input received will help the Code Development Committee understand the top elements of animal welfare people wish to see considered in the update. The development process can take two to three years from start to finish.

Once the Code Development Committee has a draft, it is posted for a 60-day public comment period. The Code Development Committee considers the feedback and works on the final version of the Code. This final version will be submitted to NFACC, published by DFC and NFACC, and the dairy sector will take on the implementation process. This is anticipated for the fall of 2021.

"We are looking forward to updating our Code of Practice to reflect the most recent science and best farm practices. Farmers continue to demonstrate their commitment for animal care through proAction®, our quality assurance program," says Pierre Lampron, President of Dairy Farmers of Canada.

Please visit the following link to learn more about the process: <https://www.nfacc.ca/codes-of-practice/dairy-cattle>

- DFC initiative revision process January 2019
- NFACC surveys stakeholders April 2019
- Scientific committee and Code Development Committee are named April 2019
- Development of Code 2019-2021
- Public consultation on the new draft Code Oct 2020 to Jan 2021
- Publication of the Code Fall 2021

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

You are a dairy farmer? Sign up now for the *Dairy Express*, the monthly e-newsletter published by Dairy Farmers of Canada. To do so, simply send an email to the communication team at communications@dfc-plc.ca and they will happily add your name to the mailing list.

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 dairyfarmersofcanada.ca for more information.



Dairy Farmers of Canada



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