

# NEWSLETTER

**Vol. 19, No. 12 - July 2019**

## Strong Statement to Ag Leaders

A resolution unanimously adopted on July 17th at DFC's Annual General Meeting is being sent to the Federal-Provincial-Territorial Agriculture Minister's meeting. It reads as follows:

**WHEREAS** the Federal-Provincial-Territorial Agriculture Ministers are meeting in Quebec from July 18 -19, 2019; and

**WHEREAS** the Prime Minister stated on January 18, 2019, in Saint-Hyacinthe, Quebec that there will be proper compensation to dairy farmers, as determined by dairy farmers, to fully and fairly compensate dairy farmers on the losses arising CPTPP and CETA; and

**WHEREAS** the Dairy Farmers of Canada General Council desires that all provincial and territorial ministers intercede on behalf of dairy farmers to ask that the Government follow through on its commitment to compensate dairy farmers on the negative impact of CPTPP and CETA;

**BE IT RESOLVED** that Dairy Farmers of Canada, while assembled in Saskatchewan, ask that all provincial-territorial ministers intercede on behalf of all dairy farmers to request that the Federal Government follow through on its commitment to fully and fairly compensate dairy farmers, by means of direct payments for income losses, for the negative impact of CPTPP and CETA as soon as possible.

## New Entrant Starts this Summer

Our New Entrant approved last fall purchased all of the quota offered for sale on July's quota exchange in priority. Priority access enables New Entrants to align their quota purchase plans with herd establishment and commencing milk shipments. Once they purchase quota, DFNS matches that purchase up to a maximum of 16 kg. When other bidders do not receive any quota, the \$15 service fee is refunded.

### UPCOMING EVENTS & DEADLINES:

August 5, 2019.....Civic Holiday—Office Closed  
August 13, 2019.....Quota Exchange Deadline  
August 26, 2019.....Quota Lease Deadline

## DFC Annual Meeting

Producer leaders and industry stakeholders from across Canada attended the Dairy Farmers of Canada Annual General Meeting in Saskatoon in mid-July. DFNS was represented by Chairman Gerrit Damsteegt (who is also the province's DFC Board member), Vice Chair Byron Lamb, and General Manager Brian Cameron. The usual AGM business included reports on government relations, promotion and advertising, operations, and 2018 audited financial statements. DFC announced a one-year partnership with Cineplex which will see the DFC logo appear in all theatres across Canada, urging Canadians to use real butter on their popcorn. The quarterly promotion campaign was previewed, and well received by delegates.

DFC President Pierre Lampron was acclaimed for a second two-year term. In his address, Pierre stressed the need, now more than ever, for producers to speak with one voice and act collectively. This was a recurring theme throughout the meeting as producers seek support for supply management from all federal parties. During an address from Agriculture and Agri-Food Minister, Marie-Claude Bibeau, she confirmed the CETA/CPTPP compensation commitment in the 2019 federal budget. Details were still being finalized and dairy producers should expect an announcement before the October election. In closing, the Minister promised her government would *"ensure that Canadian dairy farms remain the pillar of rural communities for generations to come."*

This is an election year, and participants heard from a political media expert and viewed video messages from party leaders Jagmeet Singh and Elizabeth May. Both declared their support for supply management and compensation for dairy farmers after the trade access granted by the Liberals. Andrew Scheer, Leader of the Official Opposition, joined the meeting and engaged in an informative discussion of their platform and various ways they support agriculture and our sector. Mr. Scheer capped a positive presentation by committing, if his party forms the next government, to recreate Canada's Food Guide based on science, and eliminate front-of-package labeling. SaskMilk hosted the event which was well organized, with good meetings and networking opportunities for participants. Next July, Nova Scotia hosts the DFC AGM in Halifax.



## Results of the July 2019 Quota Exchange

After satisfying a New Entrant, there is no remaining quota for this exchange.

### Kilograms

Purchased ( <b>actual</b> )	14.12
Offered to Purchase	971.58
Offered to Sell	14.12

### Producers

Buying Quota	1
Offering to Buy	73
Selling Quota	3
Offering to Sell	3

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	14.12	14.12	-957.46	971.58	971.58

Quota Exchange Deadline	Payment Due Date
July 12, 2019	July 29, 2019
August 13, 2019	August 28, 2019
September 13, 2019	September 26, 2019

### DFNB Newsletter

Visit [www.nbmilk.org/en/](http://www.nbmilk.org/en/) and click on the "Milk Matters" link to read their monthly newsletter.

## Lab Results June 2019

Average IBC: 33,853

Average Somatic Cell Count (SCC): 188,068

Adulteration: (Tankers) 0

### P5 QUOTA EXCHANGE MCP

PEI .....None Established  
New Brunswick ..... \$23,500  
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](mailto:ndouglas@dfpei.pe.ca)  
Fax: 902-566-2755  
Call: 902-394-1657

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

## May Continuous Quota

As shown in the table 1 below, P5 and WMP monthly production of butterfat exceeded monthly quota so May's ending positions are closer to zero than April's. NL slightly under-shipped their monthly quota and dropped a small amount. As seen on the last page of this newsletter, we know June's production dropped seasonally which could translate into a dropping position, at least within the P5, for June.

**Table 1. Continuous Quota (BF Kg, Monthly) - May 1, 2019**

	NL	P5	WMP	P10
Final Pool Positions - April, 2019 <sup>1</sup>	(255,254)	(1,294,908)	(1,568,438)	(3,118,600)
% of the 12-month Total Quota	-11.16%	-0.46%	-1.62%	-0.82%
Monthly Total Quota - May, 2019	189,642	22,932,392	7,956,803	31,078,837
Monthly Production - May, 2019	177,056	23,981,222	8,297,492	32,455,770
Difference	(12,586)	1,048,829	340,690	1,376,933
Final Pool Positions - May, 2019	(267,841)	(246,078)	(1,227,749)	(1,741,668)
% of the 12-month Total Quota	-11.64%	-0.09%	-1.26%	-0.46%



DEADLINE FOR OFFERS IS LAST BUSINESS DAY  
BEFORE THE 14<sup>th</sup> OF EACH MONTH.

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Lower Truro NS B6L 1J9  
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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

## Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

June milk production continued the normal summer decline both in terms of volume shipped by NS producers, and also the butterfat content of the milk shipments. The drop in daily butterfat production was to 22,050 kgs of butterfat per day, from 22,731 kgs per day in May. Compared to the month of June a year ago, milk production has declined around six percent, similar to the trend observed in May.

The provincial allocation of quota compared to last June is 1% less. Quota utilization has fallen to 98.3% during June, so a reversal in the direction of average utilized tolerance has occurred. Average producer utilized tolerance has decreased from a high of -3.0 days at the end of May to -3.7 days.

The NS equalized pool transportation rate increased for the second straight month from \$2.83/hl in May to \$2.88/hl in June, with higher than average costs pooled both by Quebec and Ontario for the month of May.

June's average in-quota raw milk price increased from \$77.60/hl in May to \$78.80/hl. The total daily value of milk processed in June was virtually the same as May. The big difference was there was a change in the pooling adjustment.

In May, there was a DFNS payment of over \$200,000 for the pooling month of March, versus a \$140,000 credit for the month of April used in June's price calculation.

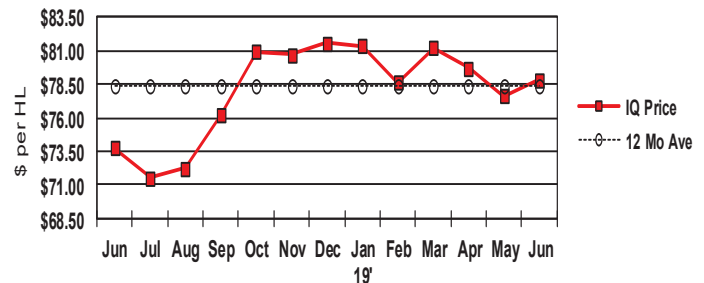
Roughly 50,000 litres of skimmed milk was not processed into dairy products during June.

**Total Licensed Producers in June: 200**

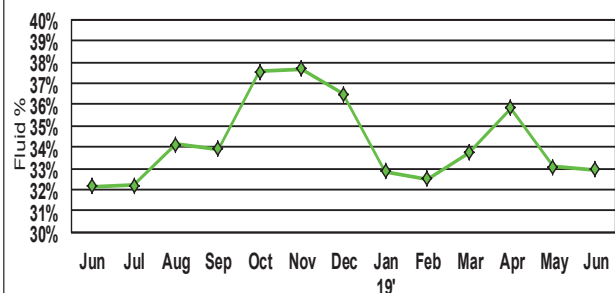
## Milk Marketing Report June 2019

PRODUCTION	2019	2018		
Average Liters/Day	544,418	579,906		
Average kg Butterfat/Day	22,050	23,539		
Average Composition, kg/hl				
Butterfat	4.0503	4.0591		
Protein	3.1802	3.3485		
Other Solids	5.9028	5.7476		
Bulk Haulage (\$/hl)	2.88	3.10		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
June In-Quota	10.7257	8.2954	1.5214	78.80
June Butterfat Premium (\$/kg) SNF/BF<2.35	0.0361			
June Over-Quota	0.0000	0.0000	0.0000	
July Over-Quota Penalty	0.0000	0.0000	0.0000	

NS Average In-Quota Producer Price  
Per HL basis



Fluid Utilization Percentage





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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# 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](http://grantthornton.ca)

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





# Nova Scotia Newfoundland Holstein Branch Summer Social

NS/NL HOLSTEINS



**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!*

