



NEWSLETTER

Vol. 19, No. 2 - September 2018

NAFTA Update

Dairy Farmers of Canada and DFNS have been active during ongoing NAFTA trade talks in Washington. Some highlights:

Last week, DFC's President and CEO, and their processing counterparts, met with Minister Freeland and Canada's Chief Negotiator to reinforce the message that Canada must not sign a deal negatively impacting dairy farmers or processors. The Minister was impressed with estimated recent industry investments, including \$600M at the farm level, and equally by processors.

DFNS Chair Gerrit Damsteegt represented our family dairy farms at a national press conference on Wednesday, September 19th in Ottawa. Producer leaders from all provinces used the platform to send a united message to politicians and negotiators - that our industry must not be negatively impacted by any new trade agreement.

Gerrit, and his fellow DFC board directors, also recorded short video spots highlighting the national importance of the dairy industry. They can be found at <https://www.youtube.com/user/DairyFarmersofCanada/videos>

Producers are reminded that it's never too late to contact your MP and tell them about your farm, its benefits to your rural economy, and to insist our industry not be negatively impacted by NAFTA!

UPCOMING EVENTS & DEADLINES:

October 8, 2018.....Thanksgiving—Office Closed
October 12, 2018.....Quota Exchange Deadline
October 25, 2018.....Quota Lease Deadline
November 12, 2018.....Remembrance Day—Office Closed

DFNB Newsletter

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

Recent Changes

It was an unusually busy summer on the policy front. In case you missed the announcements, here is a summary of changes:

- July 1: Quota policy change removing all Additional Production Days, reducing quota issuance by 3.5%, and increasing the over quota penalty to \$20 per hl.
- July 1: proAction documents and sample SOPs available on the DFNS website at www.dfns.ca.
- July 1: P5 provinces no longer share revenue from individual producer over quota. This will be reversed once quota issuance is at the same level again across the pool.
- September 1: Switch from total to true protein measurement in milk for payment purposes. The difference is approximately 0.19 less Protein, which is added to Other Solids, making this a revenue-neutral change.
- September 1: All Self Declaration forms will cover the three proAction modules of Food Safety, Animal Care, and Livestock Traceability.
- September 1: Processor billing price increase of about 4%, which should convert into a blend price return of similar increase, depending on farm components and milk utilization by processors.

Feel free to quiz your DFNS Directors on any of these topics. Enjoy the fall.

proAction Sessions & Fall Regional Meetings

proAction Sessions	10:30 am to 12:00 pm
Fall Regional Meetings	1:00 pm to 3:00 pm

Monday, November 5	Claymore Inn, Antigonish
Tuesday, November 6	Best Western Glengarry, Truro
Wednesday, November 7	St. Bridget's Hall, Shubenacadie
Friday, November 9	Old Orchard Inn, Wolfville

***Hot lunch will be provided

Results of the September 2018 Quota Exchange

Iteration (all buyers): 0.23 kgs
Prorated for buyers: 1.50%

Kilograms

Purchased (**actual**) 18.82
Offered to Purchase 619.50
Offered to Sell 18.82

Producers

Buying Quota 42
Offering to Buy 42
Selling Quota 1
Offering to Sell 1

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000 MCP	18.82	18.82	-600.68	619.50	619.50

Quota Exchange Deadline	Payment Due Date
September 13, 2018	September 26, 2018
October 12, 2018	October 29, 2018
November 13, 2018	November 28, 2018

Nathalie Roy Moves On

A familiar face and friendly smile at our AGM, Nathalie Roy is stepping down as DFC's Assistant Director, Nutrition—Maritimes. After more than eighteen years serving our industry, Nathalie is finalizing her MBA studies and plans to take her career in another direction. Plans are underway to replace Nathalie, who worked from her Moncton-based office in New Brunswick.

A Registered Dietitian, Nathalie was a very strong and credible advocate for our industry, and dairy products as part of a healthy diet. She influenced countless health providers and educators on the benefits of dairy products, largely behind the scenes. Her efforts helped grow our industry and laid the foundation for future generations of dairy consumption.

Recently, a NS dairy farmer's children were warned against dairy consumption by a dental professional. Nathalie collected facts, contacted the dentist's office, and coordinated an education session with those involved to correct the misinformation. Nathalie also played a key role in our provincial School Milk Program to uncover reasons for the decline in consumption. DFNS, and all our dairy farms, thank Nathalie for her dedicated service to our industry and wish her well in her future endeavors.

Lab Results August 2018

Average IBC: 38,543

Average Somatic Cell Count (SCC): 254,113

Revised July Average IBC: 35,860

Adulteration: Antibiotics (Tankers) 1

P5 QUOTA EXCHANGE MCP

PEI\$24,000
New Brunswick \$23,400
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@nbnmilk.org
Fax: 506-432-4333
Call: 506-435-2117

Producer Payment Dates

Interim payments will be deposited into each producer's bank account on the first of the month. If the first of the month is not a business day, the deposit is the previous business day.

Final payments are calculated and transferred on the dates listed below, but may not arrive in your account for up to 48 hours.

Month	Interim	Final
September	October 1	October 15
October	November 1	November 15
November	November 30	December 17
December	December 31	January 15, 2019



Atlantic Johne's Disease Initiative 2

The Atlantic Johne's Disease Initiative (AJDI) continues to be successful with strong participation, which we hope will continue going forward.

To keep this program sustainable, there were some fundamental changes made to the program as part of AJDI 2. Firstly, the risk assessment form was simplified. This condensed form focuses on the major areas of risk with areas that consistently did not produce action points being removed. Additionally, we also made the form an optional "self-assessment" that the producer can fill out with the AJDI sampling staff at the time of environmental sample collection. Producers can also choose to do the self-assessment online at a later date.

One of the other changes made was to stop using the TREK culture system and move to direct fecal PCR to minimize cost and expedite lab time. Both tests have been evaluated showing there was no loss in result accuracy. Overall, across the Atlantic provinces, we have seen a small decrease of about 4% in the number of positive testing herds. More importantly, we have also seen herds move from having 6 sites out of 6 six samples positive, to lower infection rates of 1 to 2 positive sites out of six.

In combination, the revised risk assessment and "self-assessment," along with the changes in laboratory testing, make the continuation of the AJDI very feasible. We have shown gradual reduction of both herd level and within herd prevalence through the continued efforts of dairy producers.

Evaluation of Screening Methods for BVD virus in Maritime Dairy Herds

Bovine Viral Diarrhea virus (BVDv) is a significant production limiting disease of cattle that can remain active within herds due to persistently infected (PI) cows that are infected in the womb yet look like normal cows. To identify a PI animal, samples from every animal must be tested. Therefore, costs of identifying the PI individuals and eradicating them from the herd is expensive. In order to reduce the costs of identifying PI animals within a herd, we evaluated various screening methods to reduce the number of animals tested.

The screening methods evaluated included the use of sentinel (unvaccinated) animals and a consumption surface swab assay (CSSA), or feedbunk swabs. It was assumed that if a BVDv PI animal was present in the herd, the screening methods would indicate BVDv on the farm. We found that 1.5% of dairy herds in the Maritime provinces had animals persistently infected with BVDv.

The CSSA test classified all PI-free herds correctly, and when a herd tested positive on CSSA, there was likely a PI animal on the farm and we could determine which group they were in. However, the CSSA test only detected 3 of 7 herds with PI animals. Therefore, it is not a perfect test, but was an easy sample to collect, and further evaluation may better determine if it can replace sentinel animal testing for BVDv herd level screening.

Full Atlantic Healthy Herd reports are available on www.dfns.ca or from the DFNS office.

Surplus Feed

After a hot, dry season, dairy producers in parts of New Brunswick and Prince Edward Island found themselves short on feed. In late August, Dairy Farmers of Nova Scotia sent out a mass email to our producers requesting anyone with surplus feed to step forward. The response was quick and generous, with thirty producers adding their names to the list. This list was then circulated to all producers in the Maritime provinces, and a second list will be circulated later this fall, if necessary. Thank you to all who offered to help.



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 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.

<u>Lease Month</u>	<u>Deadline</u>
September	September 24, 2018
October	October 25, 2018
November	November 26, 2018
December	December 21, 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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For more information, please contact our Truro, Nova Scotia location at 902 895 1641.



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This is strictly for the information of dairy farmers.*



DFC and Holstein Canada Reach Deal on Animal Assessments

In July, DFC and Holstein Canada (HC) signed a new agreement to extend HC's cattle assessment services for the Animal Care module of proAction®. The new contract designates HC as sole service provider in all provinces, except Saskatchewan and British Columbia, where additional options will be available. The new four year contract starts October 15, 2018.

HC will continue to use their highly qualified assessors and classifiers to conduct cattle assessments, and provide excellent services to farmers. However, there are some changes that will apply to the scheduling process, fees, and invoicing.

Scheduling an assessment - Farmers' assessments are prioritized based on farmers' validation due dates. HC will send a letter to farmers three weeks prior to the time an assessor is expected to arrive in their area, advising them of their upcoming opportunity for cattle assessment. At any time, farmers can verify the assessment schedule on the **Classification and Animal Assessment Schedule** on www.Holstein.ca

Once in the area, the assessor will contact the farmers on the priority list to set up an appointment. It is very important that farmers respond to the assessors' attempts to contact them. This way, they will avoid additional service fees resulting from a cattle assessment needing completion outside of the original window of the schedule. This additional service fee, also known as "re-entry fee," depends on the service turnaround time requested by the farmer.

Assessment Fees & Invoicing - The cost of a standard cattle assessment will be \$7 per animal assessed, plus a \$125 herd visit fee. This fee structure will apply to all farms, whether they use classification services or not, and will be invoiced directly by HC. If the assessment is conducted during a classification visit, HC will credit the \$125 visit fee back to the farmer. The herd visit fee covers overhead costs such as travel, assessor training, administration, and information technology infrastructure.

The following service fees apply, in addition to the herd visit fee and the individual animal fee:

- \$1,450 if the farmer requests the cattle assessment be conducted within 21 days;
- \$1,000 if the farmer requests the cattle assessment be conducted within 90 days; and
- \$150 if the farmer requests the cattle assessment be conducted within 6 months.



Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Nova Scotia raw milk production continued the normal seasonal decline in August to 21,542 kgs of butterfat per day. Also, compared to last August, production has declined 1.5%. That continues the predictable decline noticed in June following the quota reductions and removal of Additional Production Days. A related factor was the sharp decline in the butterfat test to 3.88 kgs/hl, compared to last August, which was 3.95 kgs/hl.

For the month of August, on average, 97% of the provincial TPQ was filled, and the resulting decline in average producer utilized tolerance was -11.1 to -11.9 days.

The equalized pool transportation rate declined from \$2.59/hl to \$2.50/hl.

Following July's \$2/hl drop in the average milk price paid to producers, August's price increased \$0.77 cents for each HL of raw milk to \$72.27. There was very little difference in the total value of raw milk reported by processors for the month of August, compared to July at close to \$12.8 million. The effect of generating the same value from fewer components supplied by producers resulted in the higher component prices, and also the resulting average per hectolitre amount.

The net pooling adjustment after considering the effect of advances resulted in an approximately \$350,000 reduction for both months. It is likely that the higher values relative to the components produced will lead to a larger pooling deduction to use in the September price calculation. That could offset the beneficial effect of the price increase announced earlier to take effect September 1.

Later in the fall, typically, the effect of higher fluid utilization in larger provinces is a positive factor through improved pooling adjustments.

Total Licensed Producers in August: 207

Continuous Quota Positions

As of the end of July 2018, figures are expressed as a percent of each province's annual quota. Note that starting June 1, provincial positions and the upper (+0.5%) and lower (-1.5%) limits were reinstated. For both June and July, the P5 was slightly above the upper limit, leading to an over quota penalty, which shaved 33 cents per hl off the P5 blend price. Approximately 80% of these penalty dollars come back to the P5, while 20% goes to the western provinces and NL. The national position is slightly positive at 0.18%.

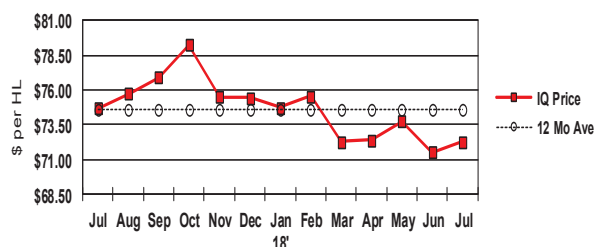
Recent measures to slow down P5 milk production, perhaps combined with the hot, humid weather, are expected to align milk production with market requirements. Further discussions are ongoing at the national level to adopt a monthly total requirements/total quota model, which will generate more timely market information. If this is approved and implemented in the next few months, the upper and lower limits will need to be expanded to account for greater month-to-month market variation.

Alta. -0.95%	Sask. -0.76%	Ont. +1.70%	NS +0.31%	PEI -1.59%	P5 +0.64%
BC -0.38%	Man. -2.93%	Que. -0.16%	NB -0.05%	NL -3.13%	WMP -1.06%

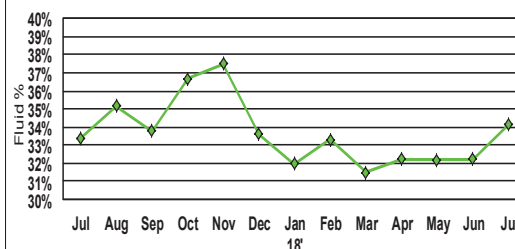
Milk Marketing Report August 2018

PRODUCTION	2018	2017		
Average Liters/Day	555,176	553,196		
Average kg Butterfat/Day	21,542	21,878		
Average Composition, kg/hl				
Butterfat	3.8801	3.9548		
Protein	3.2816	3.2414		
Other Solids	5.7345	5.6952		
Bulk Haulage (\$/hl)	2.50	2.41		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
August In-Quota	10.3878	7.1932	1.4584	72.27
August Butterfat Premium (\$/kg) SNF/BF<2.35	0.0851			
August Over-Quota	-2.7327	-1.9107	-0.3917	
Sep Over-Quota Penalty	-2.7327	-1.9107	-0.3917	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage





Latest News...

Dairy Farmers of Canada

September 2018

INTRODUCING MISSFRESH PARTNERSHIP

With the growing popularity of online food subscription services across Canada, Dairy Farmers of Canada (DFC) is excited to announce a partnership with MissFresh, a Canadian company that strives to help people lead a healthier lifestyle by making eating healthy at home easy and accessible to everyone. The service is perfect for those who don't have much time to spare in their busy lifestyles for meal planning and preparation but appreciate the health benefits associated with cooking nutritious healthy meals at home and choosing smarter food options, to which farmers and consumers alike can relate.

The partnership launched August 12, providing recipe options to MissFresh customers made with Canadian dairy products. This includes recipes like aged cheddar, pancetta, apple and arugula pizza and shepherd's pie au gratin. The recipes offered change on a weekly basis providing for a variety of choices and the opportunity to feature a number of Canadian dairy products. In addition, the 100% Canadian dairy certification mark of origin is highlighted on the MissFresh website promoting the partnership and is attached to each recipe featuring Canadian dairy products.



DFC President Pierre Lampron is enthusiastic about the partnership saying, "Canadian dairy is a highly nutritious product and I am pleased to see more Canadian dairy enter the homes of Canadians as they explore ready to prepare meal kits as a healthy and convenient option."

Ready to try MissFresh for yourself? Get cooking with \$80 off your first 2 orders <http://bit.ly/DFCTryMissFresh>.

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

You are a 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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