



NEWSLETTER

Vol. 19, No. 3 - October 2018

USMCA Update

The Canadian government has announced completion of the USMCA, replacing NAFTA. While they say this is a good deal for Canada, it directly harms supply-managed industries, including our dairy sector. Once fully implemented, the increased dairy access of 3.9% of 2017 milk production (as calculated by DFC), removal of Class 7, and capping exports all combine to put pressure on market size and producer blend returns.

Converting these changes into dollar impacts has been difficult, largely because there is still no final text available. The text commonly quoted was posted September 30, 2018, on the US government website. Canadian trade officials say some content represents, "*American aspirations*," versus the actual negotiated wording. This is troubling, and has created a moving target to nail down dollar impacts.

While this will eventually be ironed out between governments, DFNS and our members have been very active, along with our counterparts across the country. So far, DFNS Directors and staff have responded to all media requests, totaling eight and counting, and held face-to-face meetings with four key MPs, and the Senate Standing Committee on Agriculture and Forestry chair. This last meeting was a Maritime approach, with all three Chairs, Executive members, and General Managers participating.

We know many dairy farmers and their families have voiced concerns and apprehension to elected politicians. Further meetings have been requested with all NS MPs, provincial government, and opposition parties. We need to keep the pressure on those who made the deal, and others who can influence them.

Another approach is encouraging consumers to seek out Canadian milk and dairy products to show their support for dairy farmers, their families, and rural communities that prosper from their businesses. See page two for a graphic developed to help consumers identify Canadian products.

Politicians want us to believe there will be "fair and full compensation" for USMCA. Compensation cannot replace lost milk markets, and producers have never asked taxpayers for support.

National initiatives are being developed, and once we see the final text and quantify the impact, government will be held accountable for harm caused by USMCA. All producers need to speak with one voice, and Dairy Farmers of Canada is in the best position to lead this initiative.

UPCOMING EVENTS & DEADLINES:

November 12, 2018.....Remembrance Day—Office Closed
November 13, 2018.....Quota Exchange Deadline
November 26, 2018.....Quota Lease Deadline
January 16-17, 2019.....AGM—Best Western Glengarry

DFNB Newsletter

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

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

A working lunch will be provided at 12:00 for producers attending the proAction sessions in the morning, and producers attending the Regional Meetings are also invited for lunch at noon.

*****Attendance at the proAction sessions is mandatory.**

Results of the October 2018 Quota Exchange

Iteration (all buyers): 0.59 kgs
Prorated for buyers: 3.88%

Lab Results September 2018

Average IBC: 28,537

Average Somatic Cell Count (SCC): 234,188

Adulteration: Antibiotics (Tankers) 1

Kilograms		Producers	
		Buying Quota	40
Purchased (actual)	48.13	Offering to Buy	41
Offered to Purchase	642.95	Selling Quota	7
Offered to Sell	48.15	Offering to Sell	7

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$10,000	0.00	0.00	-642.95	642.95	28.96
\$24,000 MCP	48.15	48.15	-565.84	613.99	613.99

P5 QUOTA EXCHANGE MCP

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

Quota Exchange Deadline	Payment Due Date
October 12, 2018	October 29, 2018
November 13, 2018	November 28, 2018
December 13, 2018	December 27, 2018

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

HOW TO FIND CANADIAN DAIRY PRODUCTS AT THE GROCERY STORE

Packaging on Canadian dairy products will usually include the processor name and location. Imported products are required to state the country of origin.



MILK:

All Canadian milk is produced on local Canadian dairy farms.

DAIRY PRODUCTS:

If the product packaging features either of these logos, the dairy product is made with 100% Canadian milk.



OR



OR

If not otherwise stated, please contact the processor or retailer directly to inquire about their products.



*Not all 100% Canadian dairy products have these logos on their packaging.



Bull Calf/Veal Workshop

Nova Scotia Cattle Producers and Boehringer Ingelheim Animal Health are presenting a workshop about bull calves. Dr. David Kelton will address "picking the best calves to survive and thrive," followed by Dr. Frank Schenkels detailing expectations of the *Veal Calf Code of Practice*. The workshop takes place Tuesday, November 13, 2018, from 7:00-8:30 pm at the Onslow-Belmont Fire Hall. Pre-registration by November 2 is required by calling Nathalie Newby at 289-921-6009. See the NSCP and DFNS websites for workshop and registration details.

Atlantic Farm Women's Conference

DFNS, and the other Maritime boards, are sponsoring this annual conference held in Moncton November 16-17, 2018. Organizers are pleased with participation from the dairy industry. Watch for a report of this year's conference in an upcoming newsletter.

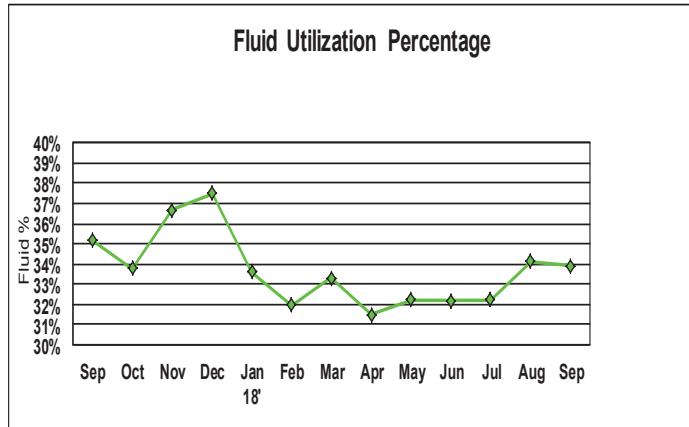
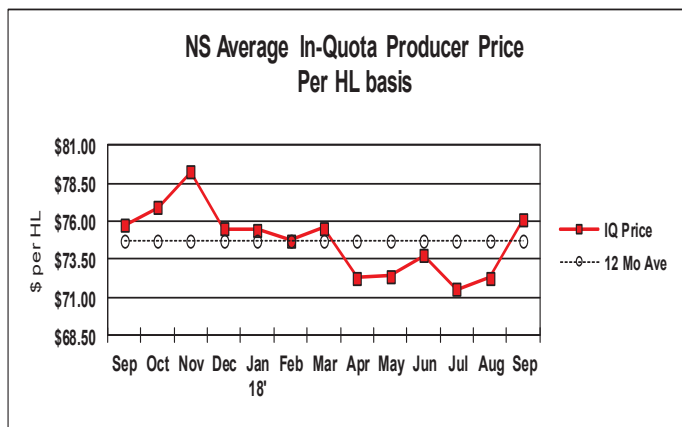
CMSMC Working Group

The Canadian Milk Supply Management Committee (CMSMC) established a producer:processor working group to investigate and recommend national policy following the loss of Class 7 under the USMCA.

Since its introduction on February 1, 2017, Class 7 has achieved the intended outcomes of finding a domestic home for more structural surplus, and stimulating processing reinvestment.

The CMSMC meets in late October, and again next January, to receive updates from the working group.

Class 7 is scheduled to be removed six months after the USMCA comes into force. This requires ratification within each country, the timing of which is unclear, but could stretch into the third or fourth quarter of 2019.



Continuous Quota Positions

As of the end of August 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. The P5 was slightly under the upper limit of 0.5%, largely because of NL underproduction credit sharing. All provincial positions remained very similar to July. The national position is essentially zero at 0.02%.

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. -0.99%	Sask. -0.64%	Ont. +1.41%	NS +0.27%	PEI -1.39%	P5 +0.45%
BC -0.61%	Man. -2.97%	Que. -0.28%	NB -0.03%	NL -3.49%	WMP -1.15%



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.

grantthornton.ca

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.

**Bluenose
Financial**

Ruth Scothorn - Insurance & Financial Advisor

T: 902-758-1448
C: 902-324-1969
F: 902-236-2444
rscothorn@eastlink.ca

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to the dairy industry**

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Nancy M. Frame, CPA, CA
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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 these advertisements, DFNS is not endorsing these businesses.
This is strictly for the information of dairy farmers.*



Got unwanted pesticides or livestock medications?

Farmers: safely dispose of unwanted or obsolete agricultural pesticides and livestock medications – **no charge!** Take them to the following locations on the dates noted between **9 a.m. and 4 p.m.**

AMHERST
November 5–16

Amherst Co-op
17 Lawrence St
902-667-1278

ANTIGONISH
November 5–16

Antigonish Farm &
Garden Co-op
91 Saint Andrews St
902-863-1436

BRIDGEWATER
November 5–16

Bridgewater
Farmers Co-op
123 Elm St
902-543-2471

COLDBROOK
November 5–16

Scotian Gold
Co-op Ltd
7027 Highway 1
902-679-7298

COLLINGWOOD
November 5–16

Bragg Lumber Co.
99 Bragg Rd
902-686-3254

HALIFAX
November 5–16

Halifax Seed Co. Inc.
5860 Kane St
902-454-7456 ext. 134

KENTVILLE
November 5–16

Cavendish Agri
Services Ltd
1205 Hwy 359
902-678-6191

MILFORD STATION
November 5–16

Corridor Co-op
2289 Hwy 2
902-758-2046

SYDNEY
November 5–16

United Farmers Co-op
502 Keltic Dr
902-564-8134

TRURO
November 5–16

Cavendish Agri
Services Ltd
38 Wade Rd
902-893-6950

TRURO
November 5–16

Truro Agromart Ltd
547 Onslow Rd
902-895-2857

WILMOT
November 5–16

Cavendish Agri
Services Ltd
14062 Hwy 1
902-825-4878

(Next Cleanfarms collection in these areas in 2021.)

PARTNERS



For more information: 1-877-622-4460

cleanfarms.ca

Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Nova Scotia raw milk production increased slightly in September over August as usual when summer temperatures cool. Compared to last September, daily production was virtually the same both in terms of volume and butterfat production. That was quite a reversal of this summer's trend of lower butterfat composition, noticeable especially during August.

Currently, the daily quota and production of slightly more than 22,000 kgs of butterfat per day match.

As a result, there was no significant change during September in the average producer utilized tolerance standing at -12 days. As production increases in the fall and winter, producers' production flexibility normally moves in the direction of the upper limit.

The equalized pool transportation rate increased significantly from \$2.50/hl to \$2.70/hl, reflecting an increase in August transportation costs paid and pooled by other P5 provinces.

September's average raw milk price paid to producers increased from \$72.27/hl to \$76.17/hl. That represents an increase of more than 5%, whereas the processor billing prices increased 4.1%, effective September 1, 2018. The revised processor billing prices are shown in the table to the right.

The billing rate almost matches the increase in value reported by processors; however, there were other offsetting factors affecting the milk price calculation.

One such factor was a larger advance of approximately \$1.5 million needed to be repaid for August, versus the \$951,000 that was received for September. Also, there was a pooling credit of approximately \$177,000 used to determine September's price, whereas a deduction of \$114,000 was required for the previous month.

Another positive factor in price determination for September was fewer components in a 30-day month, offset somewhat by raw milk with a higher concentration of butterfat.

Looking ahead to the fall milk price calculation, producers should benefit from higher processor billing prices and higher fluid utilization by processors across the P5.

Total Licensed Producers in September: 206

Milk Marketing Report September 2018

PRODUCTION	2018	2017		
Average Liters/Day	551,885	549,882		
Average kg Butterfat/Day	22,037	21,977		
Average Composition, kg/hl				
Butterfat	3.9930	3.9966		
Protein	3.1691	3.2775		
Other Solids	5.9119	5.7031		
Bulk Haulage (\$/hl)	2.79	2.61		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
September In-Quota	10.4468	8.0987	1.4874	76.17
Sept Butterfat Premium (\$/kg) SNF/BF<2.35	0.1037			
September Over-Quota	-2.7327	-1.9107	-0.3917	
October Over-Quota Penalty	-2.7327	-1.9107	-0.3917	

PROCESSOR PRICES (per kg)	Butterfat \$/kg	Protein \$/kg	Other Solids \$/kg	\$/HL SNF
Class 1 (a) Homo, 2%, 1%, 0.5%, Skim, Flavoured milks	8.0726			76.7800
Class 1 (b) Fluid Creams	8.0726			62.5500
Class 2 Ice Cream, yogurt, sour cream	9.0101	6.1566	6.1566	
Class 3 (a) Fresh cheeses, 3 (c)1 specialty cheeses	9.0101	14.0948	0.8770	
Class 3 (b) Cheddar cheese	9.0101	13.7273	0.8770	
Class 3 (c)2 specialty cheeses	9.0101	15.2450	0.8770	
Class 4 (a) Butter and powders	9.0101	5.6001	5.6001	
Class 4 (b) Condensed & Evaporated milk for retail sale	9.0101	5.7087	5.7087	
Class 4(d) Inventory, shrinkage	9.0101	5.6001	5.6001	
Class 5 (a) Cheese for further processing	7.3197	4.2919	0.4116	
Class 5 (b) Non-cheese products for further processing	7.3197	1.7614	1.7614	
Class 5 (c) Confectionery products	7.3335	1.3422	1.3422	

We are here to help !

Valacta is now offering support services to assist Maritime dairy farmers in meeting the requirements of the ProAction program. Our team has been trained in the various pillars of ProAction, so that they can better help you prepare for your upcoming validation.

Here is how we can help:

- Review the requirements of the program.
- Understand what to do, why do it and how to manage SOPs and records.
- Be in a better position for your validation and your day to day management.

For more information on this service, please call your Valacta technician, or our customer service

1-800-266-5248

www.valacta.com Follow us



Get support on SOPs and records for pillars such as

- ⇒ FOOD SAFETY
- ⇒ ANIMAL CARE
- ⇒ TRACEABILITY
- ⇒ BIOSECURITY
- ⇒ ENVIRONMENT

The pricing for this service is an hourly charge of \$38 if the support occurs with a milk recording visit. For any producers requiring a separate visit (non-Valacta customers included), there is a \$70 visit fee plus the hourly charge to provide the service on-farm.



Latest News...

Dairy Farmers of Canada

October 2018

GROUNDSWELL OF SUPPORT FOR CANADIAN DAIRY FARMERS

HOW TO FIND CANADIAN DAIRY PRODUCTS AT THE GROCERY STORE

Packaging on Canadian dairy products will usually include the processor name and location. Imported products are required to state the country of origin.

MILK:

All Canadian milk is produced on local Canadian dairy farms.

DAIRY PRODUCTS:

If the product packaging features either of these logos, the dairy product is made with 100% Canadian milk.

 OR  OR

If not otherwise stated, please contact the processor or retailer directly to inquire about their products.

*Not all 100% Canadian dairy products have these logos on their packaging.

Dairy farmers can rest assured that Canadians stand fiercely behind them. Following the announcement of the new USMCA, Canadian dairy farmers have been understandably upset, but the unexpected groundswell of support from Canadian consumers across the country helped alleviate the concerns.

In the weeks following the announcement, Dairy Farmers of Canada (DFC) and provincial dairy organizations have seen a significant increase in the number of calls and emails of consumers who want to support Canadian dairy farmers and ensure they are buying Canadian dairy products. The DFC logos have been shared widely on social media and several profile picture filters on Facebook have been created to further demonstrate support.

Dairy farmers across Canada have been doing a great job of garnering support and being active on social media. Ryan Wert from Ontario started a milk challenge similar to the "Ice Bucket Challenge" of years past with dairy farmers in their barns encouraging everyone to look for the aforementioned logos before drinking a glass of milk themselves. Bruce Sargent, also from Ontario, started a petition titled "Canadian Consumers Support Canadian Dairy Farmers" which, at the time of writing, has received over 6,100 signatures. The petition can be found here <https://dfcplc.ca/DairyPetition>. Marianne Parvais from Manitoba asked her local grocery store to help promote Canadian dairy products resulting in the store to print out an infographic of the DFC logos, which is now displayed in the dairy case.

Canadian dairy farmers can be proud of their work and Canadian consumers clearly stand behind them. Let's continue the conversation!

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](mailto:Rebecca.Ritchie@dfcplc.ca) who will happily add your name to the mailing list.



Dairy Farmers of Canada



@dfc_plc