



NEWSLETTER

Vol. 19, No. 5 - December 2018

Meat Consumption Research

University of Guelph and Dalhousie University researchers surveyed 1,027 Canadian adults about their meat consumption habits. Forty-nine percent said they consume meat, or meat-containing products, daily, and forty percent said they consume meat once or twice per week. Two percent are vegetarian, one percent are vegan (no animal-based products, including honey), and one percent are lacto-ovo vegetarian (no animal flesh, but eggs and milk products permitted). Ontario residents generally consume less meat than residents of Atlantic Canada. Overall, the survey found that high income, highly educated females consume less meat. Animal welfare, environment, health, and taste are major factors in the shift away from meat consumption.

A move away from meat consumption, and towards plant-based consumption raises the question of how this might relate to consumers' perceptions and behaviors around dairy consumption. A 2018 Statistics Canada report indicates the percentage of Canadians who eat the following animal and plant-based protein sources on any given day: dairy products 93%; meat 63.4%; eggs 56.2%; poultry 43.5%; fish or shellfish 17.4%; nuts or seeds 33.7%; and legumes 14.3%.

Animal-based proteins such as eggs, milk, and meat are generally higher in quality than plant-based proteins, with the exception of soy. This is because animal-based proteins contain a more complete balance of amino acids that more closely match human requirements, and have better digestibility, with fewer anti-nutrients than plant-based proteins. Given the issues driving a decline in meat consumption, as identified in Guelph and Dalhousie research, overlap to some degree with dairy, including concerns with animal welfare and the environment, it is important to address public perception relative to dairy. Think proAction.

There is an ongoing need to promote the benefits of dairy protein for health, and increase the awareness of dairy as a key source of high quality protein.

DFNB Newsletter

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

CUSMA & CPTPP Mitigation

Dairy Farmers of Canada (DFC) has been working with provincial boards and technical staff to develop a multi-pronged mitigation package for both the CPTPP and the CUSMA (new NAFTA) agreements. As well, the Mitigation Working Group, set up by the federal government, is meeting for the first time on December 14, 2018. It includes fourteen producer representatives, fourteen processor representatives, and involves DFC, AAFC, the CDC, and the National Processor Association. The mitigation package assembled by DFC and provincial representatives will form the basis of what producer representatives bring to the working group table. DFC is aligned with processors on overlapping portions of our mitigation proposal. AAFC has been actively promoting their methodology for calculating industry harm by both trade deals.

While elected politicians seek dairy producer feedback on government impact calculations and forms of compensation, DFNS feels the federal Mitigation Working Group needs to complete their work and report, which is due in January 2019. Having a variety of viewpoints, calculations, and individual assessments is a recipe for government inaction, choosing the least cost mitigation path, and is politically-motivated. These two deals have impacted your farm, family, workers, and rural community. Producers should continue to reiterate dissatisfaction surrounding recent trade concessions, and elected officials must be prepared to accept a robust and effective mitigation package put forward from within the industry. It is more important than ever to keep pressure on government. The federal budget will likely be tabled in the coming months, and 2019 will be an election year, so government needs to know we will make this an election issue! The Mitigation Working Group is actively pursuing a national plan, and this is where the focus should remain. We will keep you updated on the progress of this important work.

UPCOMING EVENTS & DEADLINES:

December 24, 2019.....Office Closing at Noon
December 25-26.....Holidays—Office Closed
January 1, 2019.....New Year's Day—Office Closed
January 11, 2019.....Quota Exchange Deadline
January 16-17, 2019.....AGM—Best Western Glengarry
January 25, 2019.....Quota Lease Deadline
March 5-8, 2019.....Western Canadian Dairy Seminar

Results of the December 2018 Quota Exchange

Iteration (all buyers): 0.07 kgs
Prorated for buyers: 0.43%

Kilograms

Purchased (**actual**) 6.0
Offered to Purchase 629.76
Offered to Sell 6.0

Producers

Buying Quota 47
Offering to Buy 47
Selling Quota 2
Offering to Sell 2

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	6.0	6.0	-623.76	629.76	629.76

Quota Exchange Deadline	Payment Due Date
December 13, 2018	December 27, 2018
January 11, 2019	January 29, 2019
February 13, 2019	February 26, 2019

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 & Phil Parlee
(southern regions 4, 5, & 6)
Email: lindy.brown@nbmilk.org
Fax: 506-432-4333
Call: 506-432-4330, ext 104



Bluenose
Financial

Ruth Scothorn - Insurance & Financial Advisor

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

Life, Disability & Critical Illness
Health Plans - Group & Individual
Mortgage Loan Insurance
RRSPs, RESPs, & TSFAs
RRIFs & Annuities

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

Lab Results November 2018

Average IBC: 33,402

Average Somatic Cell Count (SCC): 200,116

Adulteration: Antibiotics (Tankers) 0

P5 QUOTA EXCHANGE MCP

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

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

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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Feed Nova Scotia SMP Donations

DFNS has a long history of donating Skim Milk Powder on behalf of all NS dairy farms to Feed Nova Scotia, who in turn distributes it to over 150 member agency food banks in the province. Since 2004, we have donated over 55,000 kgs, which includes this December's semi-annual donation of 1,575 kgs. Brian Cameron recently met with Feed Nova Scotia representatives, who ensured him the product is well received and used by member agencies in making soup bases and baked goods. These donations are funded with \$8,000 of promotional funds returned to DFNS from DFC to support provincial initiatives.

www.pwc.com/ca

Business advisors to the dairy industry

Business advisory services, accounting and auditing, estate and succession planning, personal and corporate income taxes.

Nancy M. Frame, CPA, CA
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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DFNS Scholarship Winner

On November 22, 2018, the annual DFNS Bursary was presented to Cynthia Campbell of Brook Village, NS. Ms. Campbell is enrolled in BSc (Agriculture), Animal Science program. Esben Arnfast presented the award on behalf of DFNS. Congratulations Cynthia!

DFIP – Phase II Quick Facts

The Dairy Farm Investment Program is a \$250 million, five-year federal investment, launched in August 2017. The program is designed to support productivity and the competitiveness of dairy farmers through targeted contributions, and help the sector adapt to the anticipated impacts from the Canada-European Union Comprehensive Economic and Trade Agreement. Dairy farmers will have until February 8, 2019, to apply for Phase II funding, valued at \$98 million. There will be a two-step application process for phase II. Applicants will have five weeks to submit a request for funding. They will then be selected at random from this process and invited to submit a full application form. This new process replaces the first come, first served process used for applications during phase I of the program. Eligible expenditures remain the same as Phase I. Based on demand, the program will strive to support investments in all provinces over the five-year life of the program, approximately in proportion to their share of total milk quota. In order to ensure as many farms as possible are able to benefit from this initiative, for the second intake period of the program, priority will be given to farms that have not already received funding.

New Continuous Quota

The new chart below shows the transition to a new way of calculating continuous quota positions. Starting from the old system positions at the end of July 2018, each monthly position is shown as a percent of the twelve-month total quota. With the measurement of both demand and quota on a monthly basis, the variation is expected to increase. So, looking at the national position (P10, right hand column) we remain within the new upper limit (+1.25%) and lower limit (-2%). Each pool's position changes based on their pool BF production compared to their monthly quota. Since market demand typically increases August to December, a declining position means milk BF production falls short of market BF requirements (total quota). The gap is filled with butter and cheese stocks, both of which are plentiful. Adjustments for the P10 (national) position moving outside the upper or lower limits will be described if we approach those thresholds.

Continuous Quota July to October 2018 (BF Kg, Monthly)

	NL	P5	WMP	P10
Final Pool Positions - July, 2018¹	(49,980)	1,361,529	(1,004,001)	307,548
% of the 12-month Total Quota	-2.44%	0.50%	-1.08%	0.08%
Final Pool Positions - August, 2018	(45,889)	1,438,426	(878,240)	514,297
% of the 12-month Total Quota	-2.24%	0.52%	-0.94%	0.14%
Final Pool Positions - September, 2018	(80,525)	(1,041,088)	(1,714,322)	(2,835,935)
% of the 12-month Total Quota	-3.93%	-0.38%	-1.84%	-0.77%
Final Pool Positions - October, 2018	(95,249)	(1,653,911)	(1,862,827)	(3,611,987)
% of the 12-month Total Quota	-4.66%	-0.60%	-2.00%	-0.98%

¹July 2018 Final Pool Positions refer to the previous continuous quota method (NL = 49,980; P5 = 1,361,529; WMP = 1,004,001)





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>
December	December 21, 2018
January	January 25, 2019
February	February 22, 2019
March	March 25, 2019

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

Raw milk volumes produced by NS farms have increased slightly in November; however, remain down 1% from November 2017. There is a decline in the butterfat as well, but that is only 0.4 percent with a higher butterfat composition of 4.22 kgs/hl, compared to 4.19 kgs/hl a year ago.

With a lower quota allocation by 4% compared to November one year ago, production is exceeding quota issued to producers by approximately 3%.

This has translated into additional over quota production within the province, and producers as a whole have moved up in their utilized tolerance from -11.6 days to -10.8 days

The equalized pool transportation rate for November declined slightly from \$2.75/hl to \$2.74/hl.

November's average raw milk price paid to producers maintained the large increase noticeable in October, only declining 20 cents/hl from October's price of \$80.88 to \$80.68/hl.

Most of the price factors remained similar between October and November; however, a larger advance was repaid. That was offset by a pooling credit of approximately \$93,000 used in November, versus a pooling deduction in October of approximately \$188,000.

The significant processor billing price increase in September has led to increased returns to producers in October and November.

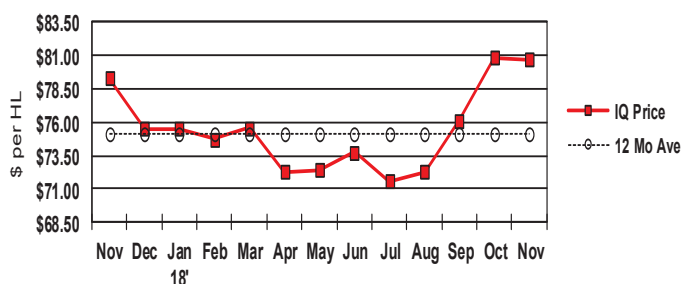
This is also the time of the year that normally corresponds with higher than average prices due to high fluid sales and strengthening milk supply. The challenge comes in winter months to maintain utilization of all milk components in high valued milk products with ever increasing production.

Total Licensed Producers in November: 204

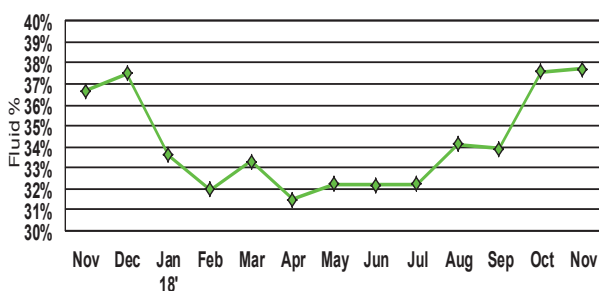
Milk Marketing Report November 2018

PRODUCTION	2018	2017		
Average Liters/Day	540,774	546,316		
Average kg Butterfat/Day	22,825	22,908		
Average Composition, kg/hl				
Butterfat	4.2207	4.1932		
Protein	3.2967	3.3897		
Other Solids	5.8940	5.7037		
Bulk Haulage (\$/hl)	2.74	1.94		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
November In-Quota	10.8437	7.8728	1.5204	80.68
Nov Butterfat Premium (\$/kg) SNF/BF<2.35	0.0142			
November Over-Quota	-2.7327	-1.9107	-0.3917	
Dec Over-Quota Penalty	-2.7327	-1.9107	-0.3917	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage



Benefits Bulletin: 2019 Renewal Update



About your group benefits program

Dairy Farmers of Nova Scotia provides a comprehensive, cost-effective group insurance plan for the benefit of DFNS producers, their employees, and families. Premium rates for the benefits are reviewed annually and below you will find a summary of the new monthly rates effective **January 1, 2019**.

Benefit		Current Monthly Rates	Renewal Monthly Rates January 1, 2019
Life (\$25,000)		\$10.00	\$10.00
Dependent Life (per family)		\$2.25	\$2.37
Accidental Death & Dismemberment (AD&D) (\$25,000)		\$1.08	\$1.13
Health (including travel)	Single	\$82.62	\$79.16
	Family	\$246.40	\$235.62
Dental	Single	\$46.53	\$53.51
	Family	\$89.62	\$103.07
Total Overall Change			+1.6%

Health and Dental Premium Holiday – January 2019

We are pleased to advise that this coming January 2019 there is a premium “holiday” month for health and dental premiums.

As a result of health and dental claims being below budget, the plan has taken in more premium dollars than was necessary to cover claim costs. **Accordingly, there is no health and dental premium due for the month of January 2019.**

- When you receive your January 2019 invoice(s), ***it will not include medical or dental premiums for the month of January only.***
- The January invoice ***will include your other group insurance benefit premiums*** (Life, AD&D and Dependent Life) as usual.

DFNS COMMITTEE & MORNEAU SHEPELL

The DFNS Benefits Committee is mindful of the cost issues related to benefits and welcomes your feedback.

Morneau Shepell has partnered with DFNS for over ten years and we appreciate the opportunity to serve your group. Together we will work to maintain a comprehensive benefits plan, with a cost-containment focus, while also being proactive to risks and opportunities relating to benefits and the health of DFNS members.

For more information on the DFNS group insurance plan including coverage and claims inquiries, please contact Medavie Blue Cross at 1-800-667-4511 or to apply for coverage, please contact Morneau Shepell at 1-800-667-6328 and ask for Angèle Aucoin.

Plan Member Communication: Medavie Blue Cross – Get the Most out of your Benefits Plan

As a member of the Dairy Farmers of Nova Scotia group insurance program, health and dental coverage is with Medavie Blue Cross (MBC). In addition to paying your claims and providing coverage information, Medavie Blue Cross offers additional online resources for members and their families. Check them out at medavie.bluecross.ca today!

GET THE **MOST** OUT OF YOUR BENEFITS PLAN

HELPING YOU MAKE SMART CHOICES

We are proud to help you and your family enjoy peace-of-mind and take control of your health through an active lifestyle and thoughtful health care decisions.

 <p>Know yourself</p> <ul style="list-style-type: none"> ▶ Get a personalized health risk assessment. Just click the My Good Health link at medavie.bluecross.ca ▶ Check out our healthy living blog, medaviesmallsteps.com 	 <p>Save money</p> <ul style="list-style-type: none"> ▶ Make sure your provider charges usual and customary fees ▶ Compare equivalent drugs using the cost compare section of our mobile app ▶ Visit blueadvantage.ca to receive exclusive discounts on products and services 	 <p>Get active</p> <ul style="list-style-type: none"> ▶ Incorporate physical activity in your daily routine ▶ Regular physical activity correlates to lower cancer rates and improved mental health
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A Tip to save up-front costs:

Certain types of health professionals can submit your claim directly to Medavie Blue Cross using the ePay electronic payment network. That means, instead of paying the entire bill and waiting for a claims reimbursement, you pay only the portion not covered by your plan.

Who can offer ePay?

Many other health professionals can also offer ePay. Remember to ask!

Dentists
Vision care specialists
Chiropractors
Physiotherapists
Massage therapists

Want to find an ePay professional?
Download the Medavie Mobile App for members and search for one near you.

<http://web.medavie.bluecross.ca/>

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