

NEWSLETTER

Vol. 19, No. 7 - February 2019

Causeway Closure

Due to the Canso Causeway closure on February 10th, the milk truck was unable to cross and pick up eleven farms in Cape Breton. Because age of milk is a concern with late pick up, those producers were directed to record their milk volume, dispose of the milk, wash the tank, and start over. The next day, the DFNS board approved pooling their milk revenue losses across all NS February milk revenues. This is similar to situations in 2015, and White Juan in 2004. Such losses cannot be pooled within the P5 pool. Each affected farm needs to complete a statutory declaration documenting their lost milk volume, and that volume will be deemed to have been shipped—for quota use purposes. The estimated impact on the February producer blend returns will be less than 0.25%.

Lobby Day in Ottawa

On February 5th, all eight DFNS Directors joined their provincial counterparts from across the country in lobbying MPs and Senators. Main topics included the impact on our industry of three trade deals, and healthy eating strategies (includes Food Guide changes, Front-of-Pack warning labels, and restricted marketing to children). A total of ten elected officials from Nova Scotia (seven MPs and three Senators) agreed to meet with one of our three Director teams. A Dairy Farmers of Canada staff member also attended the Senator meetings to directly address the marketing to children Bill, currently under Senate review. DFNS Vice Chair Byron Lamb also visited with an Ontario MP.

Our messages were well received, and complimented concerns raised by producers in NS. Everyone agreed the federal Mitigation Working Group's report will frame government's promise of "*full and fair compensation*" to dairy producers and processors. DFC and DFNS staff will develop follow up questions for consideration going forward. Directors were pleased with the lobby effort, noting that with a federal election pending, the remaining MPs should have facilitated time to meet with our representatives.

UPCOMING EVENTS & DEADLINES:

March 13, 2019.....Quota Exchange Deadline
March 25, 2019.....Quota Lease Deadline

Milk and Cookie Day

On February 8th, local dairy farmers and volunteers gathered in ten retail locations across the province to thank consumers for purchasing Canadian milk by providing them with some free milk and cookies! While enjoying delicious milk and cookies, consumers were able to chat with their local farmers on topics ranging from how to recognize Canadian dairy products, to the importance of buying Canadian dairy products, to life on the farm. A special thank you to Agropur for graciously donating the milk and to stores who kindly donated



cookies. These events cannot happen without the help of volunteers like Jean Ward and Logan Vroegh. Thank you for your dedication to this event! Thank you to the following producers for helping out and sharing their experiences with the crowds: Dianne Cox, Mary MacPhee, Rhonda MacDougall, Mandy & Will Vosman, Arlene MacGregor, Donna MacDonald, Nick & Denzil Van Vulpen, RJ Dillman, Rebecca O'Connell, Chris Vissers, Joanne Ballam, Laura Hebb, Lori Vroegh, Jillian Bent, Sherry Croft, Rick Churchill, and Janet Linda Harrington of Masstown Creamery.

Valacta "When the rumen works, everything works"

9:30 to 3:00 - Lunch Provided

Workshops schedule:

Monday, March 25th

Claymore Inn, 137 Church St, Antigonish

Tuesday, March 26th

Haley Institute, Dal AC Campus

Wednesday, March 27th

Berwick and District Lions Community Centre

Call **1-800-266-5248** for more information.



The February 2019 Quota Exchange was cancelled.
There was no quota offered for sale.

Quota Exchange Deadline	Payment Due Date
March 13, 2019	March 27, 2019
April 12, 2019	April 26, 2019
May 13, 2019	May 29, 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

Lab Results January 2019

Average IBC: 38,483

Average Somatic Cell Count (SCC): 193,472

Adulteration: (Tankers) 2

P5 QUOTA EXCHANGE MCP

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

HST on Quota Leases

DFNS was recently informed that payments for leased quota are subject to HST. The lease form has been modified accordingly. DFNS cannot provide tax advice, so we recommend producers with questions consult with their accountant for further information.

...a long haul!



Ray Smith marked 47 years of driving a bulk milk truck on February 9th. Ray has a big heart and loves his job—so much in fact he wanted us to pass along his thanks to producers!! So DFNS would like to take this opportunity to thank Ray, along with all Bulk Milk Graders who pick up milk every day of the year. Below is list of drivers with long-term service—there are almost 500 years of experience with just those fifteen rock stars!!

In addition to those listed, there are many drivers who have been hauling milk out of province, as well as drivers who have delivered ice cream and milk products for many years. So to all of you..."thank you" for your hard work and dedication. We sincerely appreciate your efforts.

Years of Service

David Dean	11
Jonathan Ellis	11
Peter Oosterom	20
Bruce Castle	32
Neil Doiron	32
Terry Miller	32
Tom Courtney	35
Peter Connors	37
Gary Weidhaas	37
Grant Courtney	39
Danny McCully	39
James Muir (just retired)	39
Sterling Garvie	40
Ron Irving	40
Ray Smith	47

Federal Mitigation Working Group Report

A consensus report from the federal government's Mitigation Working Group (WG) was recently submitted to government for their consideration. The WG was comprised of producer and processor representatives, the CDC, and AAFC participants. DFNS Chair Gerrit Damsteegt and two Maritime staff represented the region on the WG. After meeting numerous times, a series of recommendations was agreed to. Part of the short timeframe was to ensure the recommendation was in the hands of government as they formulate the next federal budget. The federal government has also established a second WG to develop a long-term vision and strategy for Canada's dairy industry, which is yet to begin.

Bulk Haulage Regulation Change

DFNS recalculates the transporter within-province hauling rates quarterly, based on fuel changes (quarterly), plus changes for routes and salaries (semi-annually). All inputs are updated annually, and out-of-province hauling rates are negotiated with each transporter. Last month, the DFNS board approved the quarterly transporter rates, effective February 1, 2019, based on outputs from the P5 Transportation Model. In order to accommodate intermittent loads, an hourly rate was also established.

Two New Entrant Spots

The DFNS board approved carrying forward a second New Entrant spot for this fall's application period to purchase quota during 2020. This past fall one additional unfilled spot was carried forward from the previous year. Although there were two applicants last fall, only one was approved to purchase quota in 2019. Under the program, DFNS will loan an approved New Entrant up to 16 kg TPQ for ten years, with 1 kg/year being reimbursed after that. Application details can be found at www.dfns.ca or by contacting the office.

Letter to P5 Quota Committee

Based on member feedback from our recent AGM, the DFNS board sent the P5 Quota Committee a letter persuading them to return the pool to harmonized policies as soon as possible. The letter was copied to each board. Starting in March, producers will have a 1% quota issuance difference, along with Ontario's 2 days per month credit use policy. All provinces are charging "zero pay," less deductions for over quota milk, also effective March 1, 2019.

Federal Funding for proAction®

On January 28, 2019, Agriculture Minister Lawrence MacAulay announced a \$2.7 million investment in proAction, and environmental sustainability strategy.

Minister MacAulay said: *"our Government is pleased to support Canada's dairy farmers in their efforts to demonstrate that their products meet the highest standards for quality and safety, and are produced responsibly and sustainably. Building consumer confidence and trust helps ensure the growth and sustainability of Canada's dairy sector."*

DFC President Pierre Lampron responded: *"Dairy farmers across Canada are committed to the highest standards in regards to sustainable production. As such, our proAction® program has been instrumental in demonstrating farmers' responsible stewardship in producing milk that is of the highest quality. This funding will allow for ongoing improvement of proAction® and will ensure that the industry meets the expectations of consumers for decades to come."*

March 1 Price Change

The DFNS board approved a minor change to a fluid milk class price, effective March 1, 2019. The change corrects a minor conversion calculation error. The change was approved by the P5 Supervisory Body and then recommended by the Advisory Committee for Milk, prior to Board and Council approval.

New Continuous Quota

The December 2018 final pool positions for all ten provinces and the two pools are shown below in both kg BF and in percent of 12-month total quota. Under this new system, the P10 pool position (upper +1.25% & lower -2.0% limits) is used to monitor how milk butterfat production moves relative to market needs. The P10 position after December is -2.06%; however, consequences of being outside the limit were waived as part of introducing a new format. Since market demand typically increases August to December, a declining position means milk BF production falls short of market BF requirements (Total Quota). The shortfall is filled with butter and cheese stocks, both of which are plentiful.

	PEI	NS	NB	QC	ON	P5
Final Pool Positions - December, 2018	(82,568)	(101,085)	(87,854)	(3,621,199)	(769,821)	(4,662,528)
% of the 12-month Total Quota	-1.74%	-1.25%	-1.40%	-2.63%	-0.64%	-1.69%

	NL	MB	SK	AB	BC	WMP
Final Pool Positions - December, 2018	(750,651)	(194,965)	(1,095,898)	(815,658)	(2,857,172)	(7,688,813)
% of the 12-month Total Quota	-8.18%	-4.67%	-1.69%	-3.31%	-2.45%	-3.04%



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
January	January 25, 2019
February	February 22, 2019
March	March 25, 2019
April	April 24, 2019

v. 201902



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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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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.

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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 - Travel Coverage

Dairy Farmers of Nova Scotia's health plan with Medavie Blue Cross includes travel coverage for eligible members and their dependents. Use this coverage when faced with a medical emergency when travelling outside of the province in which you live. **Before you leave, please review your benefits booklet to get familiar with your coverage, including any limits or exclusions. For more information please contact Medavie Blue Cross at 1-888-873-9200.**

Remember to pack your Medavie Blue Cross ID Cards!

Employees and dependents should take their Medavie Blue Cross ID card with them while travelling (or have access to their card via the mobile app). The Worldwide Travel Assistance number is listed on the card, and take note that it is different than the Canadian customer service centre number.



Travelling to Cuba? Click here for more information on Cuba's requirements for travel insurance.

<http://web.medavie.bluecross.ca/en/individuals/traveling-to-cuba>



The Government of Canada issues important advisory information that plan members should review (prior to travelling). Travel advisories can be found online at: <http://travel.gc.ca/travelling/advisories>

For tips to stay safe and avoid illness when travelling, visit MBC's site at the link below:

<https://www.medaviebc.ca/en/members/articles/travel-tips>

Effective January 1, 2018, there were changes made to the travel plan. Some of the changes include:

- \$2,000,000 per participant per incident; limited to the first 90 days of a trip if under age 65, limited to the first 60 days of a trip if over age 65
- \$5,000 Trip Cancellation and Interruption
- \$500 Baggage Coverage
- Termination of Coverage -The earlier of retirement, termination of employment or age 70

For full details on your travel coverage, please refer to your benefits booklet or contact Medavie Blue Cross for further coverage information.

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

NS farm production increased during January from December; however, volumes were not quite as high as last January. Also, after peaking in December at 4.24 kgs/hl, the butterfat composition of raw milk declined to last January's level near 4.20 kgs/hl. The overall effect is a 1% reduction in butterfat kgs when comparing January 2018 to January 2019.

Quota utilization has reached 106.7% during January as a result of high seasonal production and the tightened pool quota issuance.

During January, the average producer utilized tolerance or so called "credit days" increased almost two full days from -9.2 to -7.3 days. That follows the large increase of 1.6 days in December.

The equalized pool transportation rate for January declined from \$2.65/hl to \$2.64/hl.

January's average raw milk price also decreased slightly from \$81.56/hl in December to \$81.33/hl.

The total value of milk sold by DFNS to processors increased slightly in January, but it was mostly volume driven. It is interesting in January that approximately 6 million litres were used in class 1, and an equivalent amount was sent to other provinces as part of the P5 Milk Movement Obligations, along with surplus milk unable to be processed in Nova Scotia. The value of the fluid milk is approximately \$6 million, and the milk sent to other provinces was valued at the 4(a) price and worked out very close to \$5 million.

Compared to December, there was slightly less fluid milk processing with an increase in milk sent to the other P5 provinces. That change had a negligible impact on the blend price. During January, 150,000 litres of skimmed milk was dumped as surplus to P5 processing capacity adding to the pool total skim milk disposal.

There was a significant annual audit adjustment applied in January; however, it was pooled first and therefore borne by all producers across the country with only our provincial share coming from the blend return.

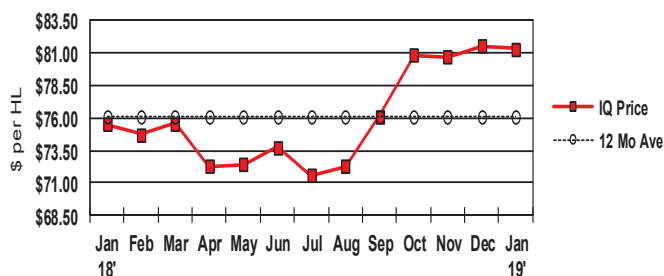
Total Licensed Producers in January: 203

Milk Marketing Report January 2019

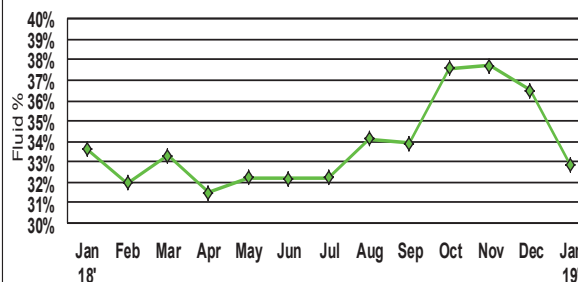
PRODUCTION	2019	2018
Average Liters/Day	564,959	568,849
Average kg Butterfat/Day	23,700	23,941
Average Composition, kg/hl		
Butterfat	4.1950	4.2087
Protein	3.2675	3.8820
Other Solids	5.9063	5.7327
Bulk Haulage (\$/hl)	2.64	2.57

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
January In-Quota	11.4053	7.5975	1.4657	81.33
January Butterfat Premium (\$/kg) SNF/BF<2.35	0.0116			
January Over-Quota	-2.7327	-1.9107	-0.3917	
Feb Over-Quota Penalty	-2.7327	-1.9107	-0.3917	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage



Shoreline Journal—AGM Coverage

Included with this month's issue is February's "Shoreline Journal." See the insert on pages 16-18 for detailed coverage of our AGM.

valacta

Feeding well to optimize
production, health and
the margin per cow.

WORKSHOP

When the rumen works, everything works!

COME RUMINATE
WITH US
ABOUT FEEDING
MANAGEMENT
AND BEHAVIOR

DURATION:

{5^H}

The
Menu
Concocted for
you by our chefs!



THE STARTER



THE APPETIZER



THE HORS-D'ŒUVRES

Objective: To interpret various rumen health indicators.

- What is a healthy rumen?
- How do I interpret the indicators that can give me information about my cow's rumen health?
- Do my results compare to common benchmarks and provincial averages?

Activity: Group brainstorming and taking a look at the situation on your farm.

Objective: To explain the role of various nutrients that are used to make concentrates and discuss their influence on the rumen health indicators.

- How do cows use starch, protein, fat and fibre?
- What about rumen microbes?
- How much is enough?
- What's new?

Objective: To look at the situations where various additives can be the most useful.

- How do these products work?
- What benefits can I expect and how long will it take for them to be measurable?
- Under what conditions would these products be most pertinent to my farm?



THE UTENSILS

Objective: To use the proper tools to prevent problems and monitor herd performance.

- How do I use analyses to predict the risks associated with forage preservation and its possible consequences on the rumen?
- Digestibility, what does that really mean?
- What can a fatty acid profile tell you?



THE MAIN COURSE

Objective: To apply the best feeding strategies in order to optimize performance.

- How does a cow's feeding behaviour influence her intake?
- Why do my cows eat more or less than what is predicted by their feeding program?
- Am I using the sources of fiber in my rations to their full potential?

Activity: Case studies: small groups reflect on actual cases.
A great way to look at situations similar to your farm.



DESSERT, AND CHEESE!

Objective: To combine various segments of the training session.

- Tools designed for reflection and decision making.



COFFEE AND THE BILL

Objective: To make educated choices and optimize profit per cow.

- Can I estimate the “cost: benefit ration” of certain ingredients?
- Does equipment exist that could help make my life easier while remaining profitable?
- Which practices could improve my profit per cow?

Want to reserve your spot?
Contact your technician,
advisor or call us at 1-800-266-5248.

Place:

Date:

Schedule: 9:30 to 15:30 • Including the meal

Rate: \$150 reduced to \$100* for dairy producers.
\$50 for the 2nd person from the same dairy farm.

* An amount of \$50 has been generously contributed
by Farm Credit Canada.

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