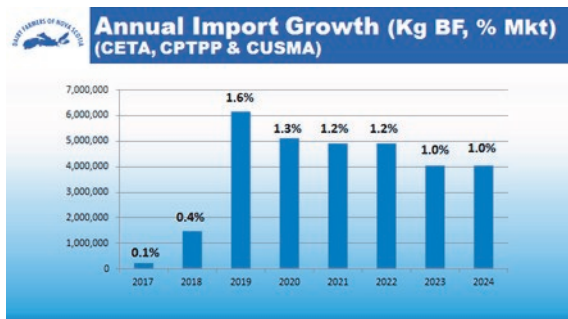


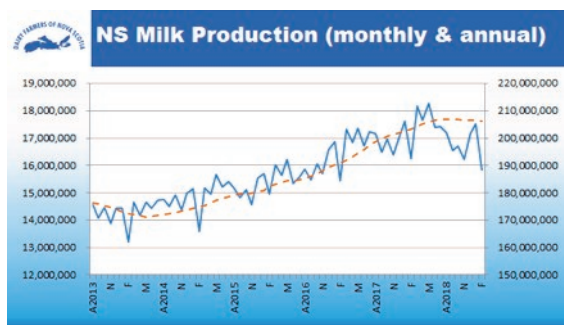
Spring Regional Meetings Roundup

Just over one hundred producers attended our six Spring Regional Meetings held the second week of April. They heard a number of updates from DFNS Chairman Gerrit Damsteegt, DFNS Directors, and General Manager Brian Cameron. The following slides and points cover the main issues:



The annual growth of imports from the three recent trade deals (CETA, CPTPP, and CUSMA) will be between 0.1% and 1.6%. In other words, if our domestic market for butterfat grows 2% per year, the increases in imports will be absorbed. But if annual market growth is, say, 1% per year, the amount of Canadian cow's milk needed will reduced.

Nova Scotia's monthly and annual milk production has increased over the past 3-4 years, but is levelling off recently. This is good, because the P5 processing capacity has been met and skimming/dumping is becoming a weekly safety valve. Concerns persist if milk continues its seasonal increase through May that whole milk may need to be dumped!



P5 Quota Policy Update

- Change sleeve from **+10/-30** to **+10/-15** days
- Return to harmonized quota issuance
- Move toward Credit Exchange replacing Leasing
- Reviewing Farm gate Price Determination - SNF
- P5 Quota Policy Review in 2020 (every 5 years)

Several P5 issues, including feedback from producers on narrowing the sleeve by 15 days on the low end by August 2021. NS is still looking at replacing leasing with a monthly credit exchange. The P5 is reviewing producer milk pricing methods, given the new market and trade realities on SNF. Another quota policy review will happen in 2020.

DFNS and DFC are negotiating a Services Agreement under which provincial and regional nutrition and marketing activities will be defined and carried out by DFC. The \$3 million collected annually from producers will be invested to get the biggest bang for our buck. DFC is also delivering Core Services and Strategic Objectives nationally.



New Approach for Promotion 2019



Includes:
Nutrition
Marketing
Prov. Initiatives

- All provinces signing 1:1 Promotion Services agreements with DFC starting 2019
- NS \$3 million / year investment across buckets

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

Quota Exchange Deadline	Payment Due Date
May 13, 2019	May 29, 2019
June 13, 2019	June 26, 2019
July 12, 2019	July 29, 2019

Lab Results March 2019

Average IBC: 39,072

Average Somatic Cell Count (SCC): 185,847

Adulteration: (Tankers) 0

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@nbnmilk.org
Fax: 506-432-4333
Call: 506-432-4330, ext 104

P5 QUOTA EXCHANGE MCP

PEI\$24,000

New Brunswick\$24,000

Ontario\$24,000

Quebec\$24,000

UPCOMING EVENTS & DEADLINES:

May 13, 2019.....Quota Exchange Deadline
May 27, 2019.....Quota Lease Deadline
July 31—August 1, 2019.....Policy Session—Hampton Inn

proAction® update

Cattle Health Declaration:

The Cattle Health Declaration is an annual requirement that must be signed by a veterinarian. The document must be present for your validation. This is a food safety requirement, not an animal care requirement. From the *proAction Reference Manual: The National Dairy Code*, Section 31, states that *no farmer shall sell or offer for sale milk that is obtained from an animal that shows evidence or visible signs of disease transmissible to humans by milk or that adversely affects the quality or flavor of the milk.*

Some countries require an official control on dairy farms to demonstrate that Section 31 is being followed. The majority of milk in Canada is destined for the domestic market; however, some is exported. Because milk in Canada is pooled, all farms must meet the requirement, and the Cattle Health Declaration is designed to satisfy the requirement. The Cattle Health Declaration does not include animal welfare.



"How dairy farmers are made!"

Submitted by Jane Burris

Final Cumulative Positions (Kg of BF and % of the 12-m Total Quota)

	NL	P5	WMP	P10
October, 2018	(95,249)	(1,653,911)	(1,862,827)	(3,611,987)
	-4.66%	-0.60%	-2.00%	-0.98%
November, 2018	(143,494)	(3,906,831)	(2,616,382)	(6,666,706)
	-6.89%	-1.41%	-2.78%	-1.79%
December, 2018	(169,113)	(4,662,528)	(2,857,172)	(7,688,813)
	-8.18%	-1.69%	-3.04%	-2.06%
January, 2019	(151,782)	(2,328,783)	(1,958,628)	(4,439,193)
	-7.23%	-0.84%	-2.07%	-1.19%
February, 2019	(135,973)	(1,350,109)	(1,268,283)	(2,754,364)
	-6.40%	-0.48%	-1.33%	-0.73%

- As expected, the underproduction deepened from October to December
- In December, the P10 was outside its lower flex of 2%, but no penalties were triggered due to the December exception clause in the continuous quota policy.
- As January and February demand dropped below production, the P10 went into overproduction, but overall the P10 cumulative position is still in underproduction by 0.73%

Trade Mitigation Funds

In the spring budget, the federal government announced \$3.9 billion to compensate Canada's five supply-managed farmer groups for negative impacts coming from CETA and CPTPP. No compensation was announced for CUSMA, since it is awaiting ratification in all three countries. The \$3.9 B breaks down as follows:

- \$1.5 billion for quota value guarantee program, which seems to be a carryover from the 2015 Conservative compensation announcement. Details are scarce but this is a demand-driven fund, likely triggered if supply-managed quota values drop.
- \$250 million to dairy farmers for CETA harm under the Dairy Farm Investment Program (see update article on DFIP to the right).
- \$2.15 billion for supply-managed farms. The split between commodities and method(s) of compensation are still unknown to the industry.
- Supply-managed processors will be compensated separately from these funds.

DFNS and DFC will keep producers informed as the next steps of distributing this compensation are available.

DFIP Update

Phase 1 of the Dairy Farm Investment Program is complete, as well as the two-step applications for phase 2. Here are the key numbers:

Phase 1: 2,568 farms apply with 1,903 accepted to receive \$129.8 million nationally, while 50 of 76 Nova Scotia applicants accepted to receive \$2.94 million.

Phase 2: 1,403 of 3,266 applicants nationally selected for full application for share of \$98 million remaining, while in Nova Scotia 28 of 55 applicants were randomly selected for full applications for \$2 million.

Milk Committee Elections

Elections were held for Milk Committee Members at our Spring Regional Meetings, with the following results:

Arnie Verschuren was re-elected in Region 1 as was John Oostvogels, Jr. in Region 2. Region 2 also had William Vosman elected for one year, filling the position when Tony Versteeg joined the board.

Alan Porter and Nick van Vulpen were returned in Region 3, as was Murray Holman in Region 4. The valley elections saw David Anderson returned to Region 5, while incumbents Kees Langelaan and James Kinsman remain in Region 6.

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

NS farm milk daily deliveries remained unchanged during February and March. March volumes delivered by producers declined 4 percent compared to last year to almost match the 5% reduction in quota during the year. On a butterfat basis, the production is roughly 3% lower than last March since the milk composition remained relatively higher at 4.19 kgs BF/hl, as opposed to 4.15 kgs/hl last March.

Provincial quota utilization remained high at 106% (which was the same in February), so producer average utilized tolerance continued to shift closer to zero ending at -4.3 days by the end of March.

The equalized pool transportation rate maintained the higher rate established in February at \$2.73/hl, resulting from the quarterly transporter rate adjustment effective February 1, 2019. The rate edged slightly higher to \$2.75/hl after pooling February, reflecting higher rates reported by other provinces. Likely the effect of higher costs pooled by Quebec with spring weight restrictions in effect were a factor. We shall see if the rate declines after they have been lifted and the one-month pooling lag has passed.

March's average raw milk price exceeded \$80/hl after February's price of \$78.63/hl. The final calculation was \$81.19/hl, and reflected a higher advance to be received by DFNS. The advance reflects special class utilization, and during March there was comparatively more ice cream reported by processors than in January and February.

Ice cream is originally reported in class 2, but the protein and other solids value is discounted to class 7 prices. Normally that could lead to lower producer returns; however, the P5 advance increased over \$200,000 as a result of NS pooling more special class activity for March.

The skimming of raw milk and dumping of skimmed milk has been limited to a few loads each month since Christmas. It is hoped that will continue, but surplus milk occurs when the supply of raw milk from farms exceeds the local processing needs. Usually the surplus is required in other provinces, but is subject to various production and processing factors outside of NS.

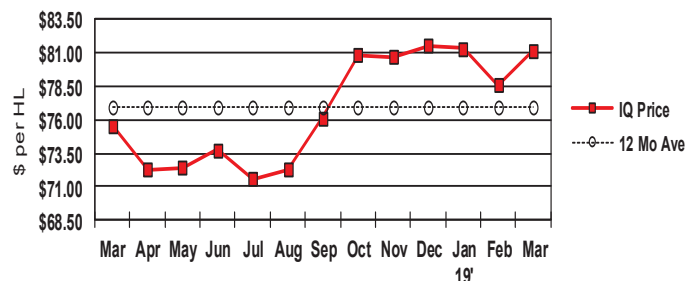
It is always ultimately pooled within the P5, but there can be fluctuations from month to month that can lead to variability in the NS producer raw milk price.

Total Licensed Producers in March: 202

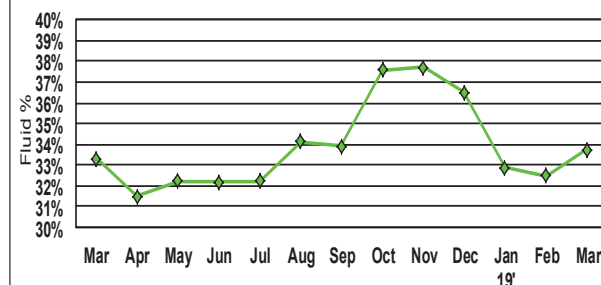
Milk Marketing Report March 2019

PRODUCTION	2019	2018		
Average Liters/Day	562,734	586,254		
Average kg Butterfat/Day	23,578	24,323		
Average Composition, kg/hl				
Butterfat	4.1899	4.1489		
Protein	3.2741	3.3566		
Other Solids	5.9248	5.7290		
Bulk Haulage (\$/hl)	2.75	2.95		
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
March In-Quota	10.8362	8.1445	1.5397	81.19
March Butterfat Premium (\$/kg) SNF/BF<2.35	0.0145			
March Over-Quota	0.0000	0.0000	0.0000	
April Over-Quota Penalty	0.0000	0.0000	0.0000	

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage





YOUR BENEFITS PROGRAM AT-A-GLANCE

This summary provides an overview of the main provisions of the group insurance program for eligible **members of the Dairy Farmers of Nova Scotia (DFNS)**.

This document is not a contract and is subject to change; it is provided for your convenience. If any discrepancies between the contents of this summary and the official plan contract should arise, the terms of the insurance contract will apply in all cases. In no way shall this document confer any contractual rights or obligations.

HEALTH AND TRAVEL	
Prescription Drugs <ul style="list-style-type: none"> Reimbursement Limitations 	Tiered Formulary: Tier 1 - dispensing fee; Tier 2 - 40% with a \$50 out of pocket maximum including dispensing fee Vaccines are covered at \$700 per 5 calendar years Erectile Dysfunction medication covered at an annual maximum of \$250 Fertility drugs are limited to \$1,500 in a Calendar Year up to a lifetime maximum of \$3,000 Generic Substitution; Prior Authorization may be required for some medications Smoking cessation \$800 per 5 calendar years
Chronic Disease Management	Chronic Disease Management module is added
Drug Card	Pay-Direct
Vision Care <ul style="list-style-type: none"> Lenses, Frames and Contact Lenses Eye Examinations 	100% reimbursement \$200 every 2 consecutive calendar years (adults); every calendar year for children under 21 years of age One eye examination up to usual and customary amounts every 2 consecutive calendar years (adults); every calendar year for children under 21 years of age
Paramedical Services	\$500 per practitioner at 100% reimbursement with an overall maximum of \$1,500; except Psychologist, Social Worker and Registered Counselling Therapist and Speech Therapist which is \$1,000 combined maximum reimbursed at 100%
Private Duty Nursing	100% reimbursement maximum is \$10,000 per calendar year with a lifetime maximum of \$25,000
Medical Supplies & Prosthetic Equipment	100% reimbursement Please refer to booklet for more details
Other Eligible Expenses <ul style="list-style-type: none"> Accidental Dental Ambulance Services Hearing Aids Molded Arch Orthotics Diabetic Equipment 	100% reimbursement Treatment within 90 days of accident To and from nearest hospital able to provide essential care; up to usual and customary \$1,000 max every 3 calendar years \$75 per calendar year \$200/CY Insulin pumps 1 per 5 calendar years Continuous Glucose Monitors and Flash Glucose Monitors: \$200 per calendar year
Emergency Travel Coverage	\$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 65 for Health and age 70 for Travel
Usual and Customary Charges	Expenses are reimbursed based on Medavie Blue Cross' assessment of usual & customary fees

DENTAL	
Reimbursement <ul style="list-style-type: none"> Basic and Preventative Services Major Restorative Care 	80% reimbursement - maximum \$1,000 per person in a calendar year 50% reimbursement - maximum \$1,500 per person in a calendar year
Fee Guide	Current Fee Guide for general practitioners in the member's province of residence
Recall Examination, Polish/Fluoride Frequency	One every 9 consecutive months
Implant Coverage	\$1,000 per tooth per 10 calendar years subject to Major Maximum
Termination of Coverage	The earlier of retirement, termination of employment or age 70

BASIC LIFE INSURANCE		OPTIONAL LIFE INSURANCE
Insured Persons	You Only	You and/or your Spouse
Coverage	Flat benefit of \$25,000; reduction by 50% at age 65 to \$12,500	Units of \$10,000 to a maximum of \$250,000 Evidence of insurability is required for all insured amounts
Termination of Coverage	Your coverage terminates the earlier of retirement, or termination of employment or age 70	Your coverage terminates the earlier of retirement, termination of employment or age 65
DEPENDENT LIFE INSURANCE		
Insured Persons	Your Spouse and your dependent(s)	
Coverage	Spouse - \$5,000 Child - \$2,000	
Termination of Coverage	The earlier of retirement, termination of employment or age 70	

This document was updated March 2019. Coverage is subject to change.

YOUR BENEFITS PROGRAM AT-A-GLANCE

ACCIDENTAL DEATH AND DISMEMBERMENT		OPTIONAL AD&D COVERAGE
Insured Persons	You Only	You, your Spouse and your dependents
Coverage	Amount Equal to your Employee Life Insurance In case of an accidental injury, the amount paid to you is based on the nature of your injury. See booklet for details.	You: <ul style="list-style-type: none"> Units of \$10,000 up to a maximum of \$250,000 Family Plan: <ul style="list-style-type: none"> Spouses only – In the event there are no dependent children covered, the amount of coverage applicable to the spouse will be 50% of the coverage you have Spouses and Dependent Children – 40% of your coverage applicable to the spouse and 5% of your coverage applicable to each dependent child Dependent Children only – In the event there is no spouse covered, the amount of coverage applicable to each dependent child will be 10% of your coverage
Termination of Coverage	Your coverage terminates the earlier of retirement, or termination of employment or age 70	You: The earlier of the Covered Employee's retirement, the Covered Employee's age 65 or when no longer an eligible Dependent. Spousal coverage ends on spouse's 65 th birthday if earlier than noted above.

OPTIONAL CRITICAL ILLNESS			
Insured Persons	You, your Spouse and your dependents		
Coverage and Covered Conditions	You and your Spouse have the option to buy coverage in units of \$10,000 up to a maximum of \$100,000. Children are eligible for \$10,000. Evidence of insurability is required for all amounts of coverage. Critical Illness insurance provides a non-taxable lump sum benefit to the employee and covers the following conditions:		
	Covered Conditions		
	<ul style="list-style-type: none">Aorta SurgeryBenign Brain TumorBlindnessLife Threatening CancerComaCoronary Artery Bypass Surgery	<ul style="list-style-type: none">DeafnessHeart AttackKidney FailureLoss of SpeechMajor BurnsMajor Organ Failure Requiring Transplant	<ul style="list-style-type: none">Motor Neuron DiseaseMultiple SclerosisParalysisParkinson’s DiseaseSenile DementiaStroke
Termination of Coverage	You: The earlier of retirement, termination of employment or age 65 Spouse: Spouse’s 65th birthday or earlier of retirement, termination of employment or Covered Employee’s 65th birthday Child: Ceases when no longer an eligible Dependent		
Note	Pre-existing Condition: A pre-existing condition means an illness or condition for which you or your dependent has received medical treatment, consultation, care or services (including diagnostic measures) or has been prescribed medication during the 24 months immediately prior to the effective date of the Critical Illness coverage. Critical Illness benefits are not payable as a result of any pre-existing condition unless commencement of the critical condition occurs after 24 consecutive months of coverage.		

ELIGIBILITY

To be eligible for group benefits, you must be a permanent employee who is a resident of Canada, covered under your provincial government plan, actively at work and working a minimum of 20 hours per week on a regular basis. There is a two (2) month waiting period before members can join the plan.

Spouse:

- Is the person who is legally married to the Covered Employee, or the person designated by the Covered Employee and with whom he has been living in a conjugal relationship for at least one (1) year.
- The Spouse is the person designated on the Covered Employee's application. At any one time, only one person may be covered as the Covered Employee's Spouse.

Dependent Child:

Your natural, legally adopted or stepchildren who are dependent upon you for financial care and support. Such Children must be:

- unmarried;
- unemployed;
- less than 21 years of age ; or, if 21 years of age but less than 26 years of age, they must be attending an accredited educational institution, college or university on full-time basis.

CONTACT INFORMATION

Enrolment in the Plan, Changes for Address/Banking or Family Status changes - Morneau Shepell

Telephone: 1-800-667-6328 (Angèle Aucoin)

Health and Dental Coverage Inquiries – Medavie Blue Cross

Telephone: 1-800-667-4511

Website: www.medavie.bluecross.ca

Download the Mobile App!

Travel – Medavie Blue Cross

In the event of an **emergency**, please call:

1-800-563-4444 – when calling from Canada or U.S.A or

1-506-854-2222 – Call collect from elsewhere in the world



Latest News...

Dairy Farmers of Canada

April 2019

PROACTION® RELEASES ITS FIRST PROGRESS REPORT

Canadian dairy farmers are world leaders in producing quality milk. Farmers have long been diligent caretakers of their animals, and they know that healthy, well-cared for animals enjoy a longer life and yield more high-quality milk. For this reason, farm leaders initiated the development of the proAction program to ensure that every Canadian dairy farm had the same quality assurance standard. The proAction initiative documents the farmer's proactive commitment to high standards and attention to detail.

proAction is a rigorous and credible program that allows farmers to continue to achieve the world-leading standards on food safety, animal care, and traceability. Not only are Canadian dairy farmers committed, with proAction, they also prove they do the right thing every day through procedures, record-keeping, and good management practices. In the past two years, an outstanding 99% of dairy farms have maintained their registration on proAction.

With validations having now covered three modules (food safety, animal care, and traceability), Dairy Farmers of Canada is pleased to share some of the highlights from this first progress report for proAction:

Third- Party Recognition

proAction is recognized by third parties such as the Canadian Food Inspection Agency (CFIA) for its meticulous and consistent record management and the National Farm Animal Care Council (NFACC) for its animal care component. This recognition means that proAction is relevant and meaningful for Canadians.

Spotlight on Animal Care

The Animal Care module serves as an evaluation tool to verify that farms meet or exceed the requirements of the code of practice. The results from the first year of on-farm validations show a high level of compliance with animal care requirements, reassuring our customers about farm practices, including the end of tail-docking and the level of care for animals on Canadian farms.

Continuous Learning and Improvement

Trained independent professionals audit each farm in person at least once every two years, ensuring that farms demonstrate they meet standards every day. Thanks to the measures of proAction, experts will always be able to monitor the progress of the industry over time and continue to implement innovative mechanisms to improve on-farm practices.

The outcomes of the proAction report not only provide sound empirical evidence and research-based approaches that show the effectiveness of the program, but also demonstrate that farmers are committed to improving their farm practices and achieving overall excellence.

Canadian dairy farms continue to increase their efficiency and improve their farm practices, resulting in a lower environmental footprint for a glass of milk. From 2011 to 2016, 7% fewer GHG emissions, 6% less water used, 11% less land used.

In the years to come, DFC will continue to measure and report on the work of Canadian dairy farmers as they implement farm practices that have a proven track record for efficiency and sustainability, and continue to produce the highest quality milk with healthy, well-cared for cows. Through credible metrics and independent validation, proAction shows Canadians how dairy farmers lead the way to meet clearly-defined, world-leading standards to produce safe, high-quality milk. This commitment is part of our pledge to always raise the bar within our industry and deliver quality milk to consumers.

To read the report and to learn more about the proAction program, please visit www.dairyfarmers.ca/proaction.

ABOUT DAIRY FARMERS OF CANADA

Founded in 1934, Dairy Farmers of Canada (DFC) is the national organization which defends the interests of Canadian dairy farmers and strives to create favourable conditions for the Canadian dairy industry. Working in accordance with supply management principles, DFC promotes safe, high quality, sustainable, and nutritious Canadian dairy products made from 100% Canadian milk through various marketing, nutrition, policy, and lobbying initiatives. Driven by a strong sense of community and pride, DFC and Canadian dairy farmers actively support a number of local and national initiatives. Visit dairyfarmersofcanada.ca for more information.

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

You are a dairy farmer? Sign up now for the *Dairy Express*, the monthly e-newsletter published by Dairy Farmers of Canada. To do so, simply send an email to communications@dfc-plc.ca who will happily add your name to the mailing list.



Dairy Farmers of Canada



@dfc_plc