

NEWSLETTER

Vol. 20, No. 3 - October 2019

Expanded Processing

The DFNS Board has undertaken an initiative to reach out to dairy processors, within and outside our province, to explore opportunities for growing this sector. It is critically important to have a vibrant dairy processing sector to maintain a strong milk production base.

In an introductory letter, Chairman Gerrit Damsteegt wrote: "As you likely know, Nova Scotia produces milk that is surplus to our provincial processor milk orders. This high quality milk is sold to other P5 provincial boards and trucked considerable distances to supply other processors. Considering this, and some natural advantages we feel exist in Nova Scotia for milk processing, we want to partner with processors to help enhance the province's dairy processing sector."

Our initiative is similar to steps taken in other provinces to help create a positive environment for processor investments.

We anticipate this initiative leading to confidential one on one discussions with processors on options and opportunities to produce more high quality milk and dairy products within Nova Scotia.

FALL REGIONAL MEETING DATES

November 4 1:00 – 3:00 pm Skye Glen Hall, Mabou
November 4 7:00 – 9:00 pm Claymore Inn, Antigonish

November 5 1:00 – 3:00 pm Debert Hospitality Centre, Debert
November 5 7:00 – 9:00 pm St. Bridget's Hall, Shubenacadie

November 6 1:00 – 3:00 pm Lawrencetown Fire Hall, Lawrencetown
November 6 7:00 – 9:00 pm Super 8, Windsor

Bring your neighbor!

UPCOMING EVENTS & DEADLINES:

November 11, 2019	Remembrance Day—Office Closed
November 13, 2019	Quota Exchange Deadline
	Quota Lease Deadline
January 15-16, 2020	AGM—Best Western Glengarry

Milk Pricing Update

Processor billing prices charged by marketing boards are typically adjusted in provinces annually, effective February 1st.

Nationally, producers and processors agreed a formula will be used to determine that adjustment.

The formula has two components: 50% weight for the year-over-year change in Costs of Production (COP); and 50% weight for Consumer Price Index (CPI) change over last year.

The last annual change using this formula was implemented February 1, 2018. In late summer 2018, the Canadian Dairy Commission determined, based on preset criteria, that exceptional circumstances influenced the gap between the costs of producing milk, and the all-milk blend return to producers.

This triggered a 4.1% increase in producer gross returns, effective September 2018. Part of the agreement for this first-time intervention was the February 2019 adjustment would be delayed until February 2020.

National meetings in late October will confirm actual adjustments producers can expect February 1, 2020. The September 2018 adjustment is considered "an advance," and will be netted out of the February 2018 to 2020 adjustments.

Annual adjustments in COP and CPI will determine the degree of adjustment for this February, and more information will be circulated at that time

Temporary Plant Closure Pending

Agropur will temporarily close their Salmon River plant for up to four weeks for maintenance, beginning late October.

This creates a huge challenge for DFNS, transporters, and other boards, as it effectively more than doubles our out of province milk movement from 1 million litres per week to 2.4 million litres per week.

DFNS is working diligently to utilize all available options to ensure all milk has a home.

Phone: (902) 893-MILK

Fax: (902) 897-9768

Results of the October 2019 Quota Exchange

Iteration (all buyers): 0.05 kgs Prorated for buyers: 0.38%

Kilogram	Producers		
_		Buying Quota	60
Purchased (actual)	6.00	Offering to Buy	60
Offered to Purchase	797.23	Selling Quota	2
Offered to Sell	6.00	Offering to Sell	2

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	6.00	6.00	-791.23	797.23	797.23

Quota Exchange Deadline	Payment Due Date	
October 11, 2019	October 29, 2019	
November 13, 2019	November 27, 2019	
December 13, 2019	December 27, 2019	

DFNB Newsletter

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

Lab Results September 2019

Average IBC: 37,570

Average Somatic Cell Count (SCC): 209,795

Adulteration: (Tankers) 2

P5 QUOTA EXCHANGE MCP

PEI	\$23,500
New Brunswick	\$24,000
Ontario	\$24,000
Quebec	\$24,000

Send your **proAction** Self Declarations or corrections to:

Nancy Douglas (northern regions 1, 2, & 3) Email: ndouglas@dfpei.pe.ca Fax: 902-566-2755 Call: 902-394-1657

Lindy Brown (southern regions 4, 5, & 6) Email: lindy.brown@nbmilk.org Fax: 506-432-4333

Call: 506-435-2117 Office: 506-432-4330 Ext. 104

DFNS Meets With DFC

As part of the two-year Services Agreement between DFNS and DFC, the board recently met with three DFC managers to learn more about promotion, nutrition, and advertising initiatives in 2019, and plans for 2020. Directors identified priorities going forward, which should be incorporated into DFC's plans for Nova Scotia in 2020.

There is considerable benefit derived from aligning provincial, and even regional, efforts with national campaigns as creative designs and messages can be duplicated. DFNS is fully committed to leveraging the \$3 million annual investment of our members in DFC-led lobby, government relations, research, nutrition, and marketing work.

As a new undertaking, the Services Agreement sets out quarterly reporting and board input relative to support. After meeting, we believe DFNS and DFC are closer to a common understanding. More details should be available from DFC at our AGM on the successes of 2019, and focus for 2020.

Heather Boyd Resigns

After fourteen years with DFNS, Heather Boyd has resigned to pursue a new career path. DFNS thanks Heather for her hard work and service and wish her well in the future.



Council Panel Ruling

In a written decision, the Natural Products Marketing Council's appeal panel recently overturned DFNS's decision to not extend a producer's catastrophe leasing. The immediate outcome is DFNS is directed to review an additional three-month window of catastrophe leasing this fall for the producer. As well, the panel directed DFNS to develop a clear policy around catastrophe leasing.

Catastrophe leasing rules are contained in the *Total Production Quota* regulations. DFNS is following these directives, and a new policy will be considered by the Board in the near future.

NSCP Levy Collection

Producers not signed up for the 2020 annual levy collection can do so by completing the form and returning it to the DFNS office by December 31, 2019. The deduction is based on an industry-derived formula which converts quota held into levy owing. The levy is collected once in February for the calendar year. Producers already enrolled, and those who enroll this year by the deadline, will have their levy automatically collected and submitted to NSCP, and will not need to re-register in future years.

The authorization form is available in the Resources and Links/Forms and Documents section of our website, or you can contact the office.

proAction Biosecurity Module



The proAction Biosecurity Module was implemented on September 1st, 2019, and is based on best practices outlined in the *National Biosecurity Standard* for dairy farms, which was developed by Dairy Farmers of Canada, and the Canadian Food

Inspection Agency. DFNS has provided two signs to every producer. Producers must post signage at the main access points to their barn, visible from the parking area. Signage is intended to inform visitors there is a biosecurity plan in place, and they must speak with the producer prior to entering any building. If you have not received your signs, please contact the DFNS office at 902-893-6455.

Inhibitor Penalties Double

The DFNS board approved *Milk Producer Licensing* regulation changes that will double inhibitor violation penalties from \$3, \$4.50, & \$6/hl to \$6, \$9, & \$12/hl for penalties 1, 2, and 3 in twelve months. This brings NS penalties in line with P5 provinces, and meets the requirement of the P5 Agreement. The regulation change also establishes a minimum of three sample results for a bacteria or abnormal freezing point penalty, and at least 17 SCC results in a three-month window. Final approval is expected in late November.

Continuous Quota at the Pool Level

The chart below shows calculations, by pool, of the change in continuous quota positions between July and August 2019. August production typically is less than market requirements (monthly quota), so each pool's position decreased. The P10 monthly deficit of 2.58 million kg BF was offset by using butter and cheese stocked by processors. This deficit also dropped the national position from -0.35% to -1.02%. The lower limit is -2%, and the upper limit is +1.25% at the P10 level. Both regional pools are sending positive production signals to their producers. This is seen in the recently announced seasonal incentive days for November to January within the P5. Currently, P5 producers have 3 days in October, 3 in November, and 1 day per month for both December and January. All days are non-cumulative. Milk requirements into early 2020 will be examined by the P5 Quota Committee in mid-November.

Table 1. Continuous Quota (BF Kg, Monthly) - August, 2019				
	NL	P5	WMP	P10
Final Positions - Previous - July, 2019 ¹	(295,929)	(333,410)	(718,557)	(1,347,896)
% of the 12-month Total Quota	-12.80%	-0.12%	-0.74%	-0.35%
Monthly Total Quota - August, 2019	228,278	24,956,878	8,794,962	33,980,118
Monthly Production - August, 2019	169,709	23,026,904	8,202,900	31,399,513
Difference	(58,569)	(1,929,973)	(592,063)	(2,580,605)
Reimbursed Prefilled Quota (Table 4)	-		-	Ψ:
Final Pool Positions Adjusted for Reimbursed Quota - August, 2019	(354,498)	(2,263,383)	(1,310,620)	(3,928,501)
% of the 12-month Total Quota	-14.99%	-0.80%	-1.34%	-1.02%





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 accident with the second structure of the second struc	kilogram. Offers must not exceed 10% of the
Offer to Purchase kgs of TPC	Q per day @ \$per kg.
 ○ Email address:	t have completed a PAD agreement (available on
1. Cheque Payment (2. Pre-Authorized Debit
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.	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 offe In the event of a cancelled exchange or if the producer's offer to clearing price but does not result in the producer purchasing any producer (or not collected in the case of PAD). Please note that	buy quota is at a price equal to or higher than the market quota on the exchange, service fees are returned to the
All offers must be signed by the registered quota holder. In the case of a padesignated signing officer(s). It is the producer's responsibility to confirm deadline, or the buyer's payment is dishonoured, the quota purchased by associated with non-payment, the producer is not eligible to purchase on a purchase TPQ on a future exchange using a bank draft, direct deposit, or v	receipt of offers by DFNS. If the buyer does not pay by the payment the buyer will return to DFNS, the producer is liable for all costs the exchange for a period of 12 months, and the producer may only
	ature(s)
The information on this form is a summary of the applicable rules, Manual on our website contains the current policies and p	5
FOR DFNS OFF	ICE USE ONLY
Service Fee: □ cash □ cheque □ PAD	Offer Received/Verified By:



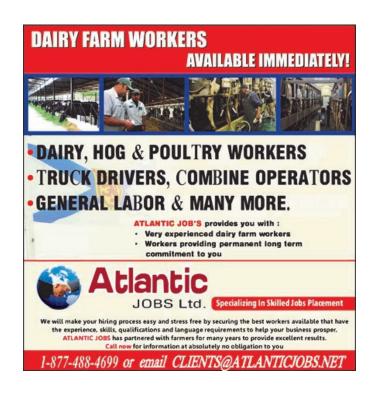


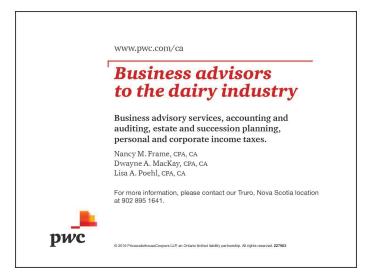
TPQ Lease Agreement

100-4060 Highway 236 Lower Truro, NS B6L 1J9 Phone: (902) 893-6455 Fax: (902) 897-9768 dfns@dfns.ca www.dfns.ca

٦	THIS LEASE mad	deday of	, A.D., 20
E	BETWEEN:	hereinafter called the "LESSOR" (Lender of t	_DFNS Reg. # <u>2</u> he quota)
		- and -	. ,
		hereinafter called the "LESSEE" (Borrower of	DFNS Reg. # <u>2</u> f the quota)
	AGREEMEN	Т	IMPORTANT
Th	e Lessor and the L	essee agree that:	NOTES
1.	The Lessor shall le	ease to the Lesseekilograms of daily Total (TPQ)	Leases will be for a one-month duration and will expire at the end of the month, so any adjustments to provincial TPQ
2.		all commence on the <u>first</u> day and terminate on the <u>last</u> (month).	do not apply to leases. Quota may be leased in denominations
3.		pay to the Lessor \$(plus any applicable HST) per or milk quota leased, payable as described below:	of tenths of a kilogram. A producer can lease in or out up to a
	og. a por aay	o quota toutou, purjuint de coot	maximum of 25% of current TPQ holdings.
			A producer cannot be both a lessor and a lessee during the same month.
	This lease is not a		Only leases applying to the current month will be accepted.
5.	of each of the part		DFNS is not responsible for receipt of lease forms mailed or faxed to our office. IT IS THE PRODUCER'S RESPONSIBILITY TO CONFIRM
	Signature of LESS	SOR Date	RECEIPT.
	Signature of LESS	SEE Date	DEADLINES
			Completed lease forms must be delivered to the DFNS office no later
AU	THORIZED BY		than 4:30 p.m. on the fifth (5th) last business day of the month in which the lease will be effective.
on	behalf of Dairy Farme	ers of Nova Scotia this day of, 20	<u>Lease Month</u> <u>Deadline</u>
v. 20	01902		October October 25, 2019 November November 25, 2019 December December 20, 2019 January January 27, 2020







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 plannina
- personal and corporate tax planning, and
- · financial and business advice.

Let's start the conversation.

grantthornton.ca

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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 - Diabetes

Effective May 1, 2019 your benefit plan with Medavie Blue Cross covers Chronic Disease Management. This new benefit provides personalized health coaching and disease management education to help you better understand your chronic condition and manage it. The benefit plan was also amended to include: Continuous Glucose Monitoring Sensors and Insulin pumps which are limited to 1 every 5 consecutive calendar years. Please review your benefits booklet to get familiar with your coverage, including any limits or exclusions. Please contact your



Plan Administrator Morneau Shepell at 1-800-667-6328 and ask for Angele Aucoin if you have any questions.

Check out the My Good Health® Wellness Portal

Create your own personal profile for customized advice, information and tips on how to be and stay healthy. Use the interactive health-risk assessment tool to assess your current health, set and track personal goals, and learn about lifestyle changes you can make for a longer and healthier life. Use your ID number on your Medavie Blue Cross card to login at https://medaviebc.mygoodhealth.ca/

Some Common Risk Factors for Type 2 Diabetes:



Having a close relative who has Type 2 diabetes

Having a history of prediabetes

Having high blood pressure/cholesterol

Being overweight

Best Doctors

Best Doctors can also support you with diabetes management. Specifically they can:

- Provide useful information on the condition and lifestyle modifications.
- Help locate various diabetes specialists and chiropodists/podiatrists that specialize in diabetic foot-care.
- Provide an in-depth analysis on the diabetes diagnosis or the side effects the member may be experiencing. All medical files will be reviewed by an expert and a detailed report will be given to the member about their diagnosis and treatment.

Toll Free Phone #: 1-877-419-2378
Website: www.bestdoctors.com/canada

Call to Action:

Research has shown that if you take steps to manage your blood sugar when you have prediabetes, you can delay or prevent type 2 diabetes from developing.

The important thing to remember about prediabetes is that it does not always lead to diabetes. You may be able to reduce blood sugar levels with simple lifestyle changes such as increasing your physical activity and enjoying a healthy, low-fat meal plan. *Source: 2018 The Canadian Diabetes Association

To learn more information about Diabetes visit: https://www.diabetes.ca/en-CA/managing-my-diabetes
Check out the CANRISK diabetes risk calculator at: https://www.healthycanadians.gc.ca/en/canrisk)



Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

As expected, September's milk production increased from August's, which is normally the lowest of the year. August's low of 21,340 kgs/day of butterfat increased to 22,203 kgs/day in September. It is interesting that, compared to last September, the volumes were down 0.7%, but the butterfat production was up by 0.8%. This is due to the butterfat composition of raw milk improving from 3.99 kgs/hl in September 2018 to 4.05 kgs/hl this September.

Monthly quota utilization has increased to 99%, and that increase includes the effect of adding the extra three production days for the month of September. The rate of usage of Additional Production Days was 32%, or close to one of the three days. September's production has resulted in an average producer utilized tolerance change from -6.1 days to -7.3 days. Another factor for future months will be an increase in producers' allocated quota of 1%, as planned for November 1

The NS equalized pool transportation rate remained at \$2.77/hl, which indicates that the August 1 rates after being pooled, at least for August, reflected, on average, increased costs in other provinces.

The average producer raw milk price improved from \$76.79/hl in August to \$78.33/hl. Although approximately half a million dollars less was sold to NS processors compared to August, that amount was offset by an increased value of milk sent to NB and Quebec processors. The pooling adjustments (net of advances) were similar as well, leaving the same total payout amount to producers as August. The main difference remaining was attributable to an improved composition of one hectolitre of raw milk. The concentration of butterfat and protein were higher and contributed more value per hectolitre as a result.

September likely marks the last month that all milk picked up at farms will have a processing home in NS, or exported to other provinces in the P5. There would be no revenue on the SNF portion of raw milk if it is skimmed and dumped in October. With revenue pooling, P5 provinces are affected equally, but there is a one-month lag for pooling adjustments. As discussed in last month's column, the new producer/processor cost-sharing agreement for milk composition testing resulted in an adjustment being applied between September-November, after which producers should see a monthly rate return closer to \$100/farm.

Total Licensed Producers in September: 200

Milk Marketing Report September 2019

PRODUCTION		2019	20)18
Average Liters/Day		547,935	551	1,885
Average kg Butterfat/Day		22,203	22	,037
Average Composition, kg/hl				
Butterfat		4.0522	3.8	3801
Protein		3.1862	3.2	2816
Other Solids		5.8789	5.7	7345
Bulk Haulage (\$/hl)		2.77	2	.79
PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
September In-Quota Sep Butterfat Premium	10.6857	8.1954	1.5169	78.33
(\$/ka) SNF/BF<2 35	0.0531			

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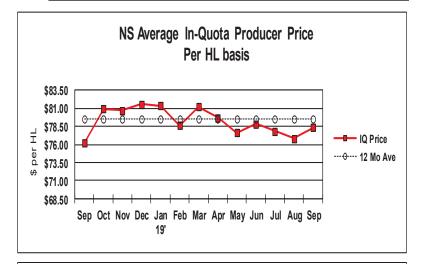
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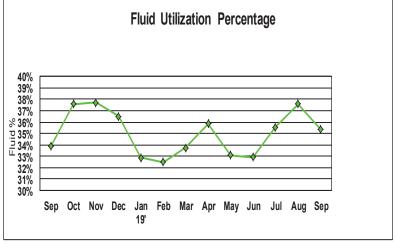
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September Over-Quota

October Over-Quota Penalty















NS/NL Holstein Branch Annual Info Sessions

9:30 AM Registration - Coffee, tea & muffins provided by Jeff Gunn, Lactanet

10:00 AM Welcome - Lindsay Greenough, President NS/NL Branch

North Florida Holsteins, 20 000kg average on thousands of cows - Don Bennink

11:15 AM Holstein Canada Updates and "Compass" presentation - Tasha McKillop & Harry Van der Linden

12:00 PM Lunch provided by NSAB

12:30 PM East Nova, West Nova or Central Nova Annual General Meeting (all welcome)

1:00 PM North Florida Holsteins, Breeding The Modern Cow - Don Bennink

Pre-registration is required as lunch will be provided. Contact club directors or secretary to pre-register. See dates below.









East Nova

December 3rd John Paul Center, Antigonish

West Nova

December 4th
Wolfville Lions Club,
Wolfville

Central Nova

December 5th
Best Western Glengarry,
Truro



LATES T NEWS from Dairy Farmers of Canada



The results are in: Dairy's latest campaign changes perceptions, inspires new consumption among millennials

DFC's Dairy Farming Forward campaign wrapped up in August and the results show a marked change in attitudes towards dairy among the campaign's primary target audience: millennials.

The campaign reached an impressive 9.4 million Canadians overall, including half of all millennials. Post-campaign analysis showed that 52% of the millennials reached reported consuming more dairy as a result of the campaign, while 30% took time to research the industry further and 35% shared or talked about the advertisement with others.

"We are extremely pleased with outcomes of the Dairy Farming Forward campaign," said Pamela Nalewajek, Vice-President, Marketing at Dairy Farmers of Canada. "The results suggest that campaigns like this can be extremely effective in inspiring attitudinal or behavioral changes that drive additional dairy consumption."

The campaign employed a two-pronged strategy to reframe and enhance perceptions of the dairy

industry among millennials: first, by responding to some of their concerns and addressing misconceptions head-on, and second, by highlighting how dairy farmers continuously embrace innovation on the farm and advance the industry's commitment to environmentally and socially-responsible practices.

Campaign results showed a 4% increase in the level of agreement with a series of statements about the industry's commitment in these areas, which translates to an increase of approximately 295,000 individuals. Results also showed that blue cow logo awareness is at its highest point since introduction, approaching half of all consumers.

The success of this campaign demonstrates the power of strategically placed, clear messaging in changing the attitudes and behaviours of target audiences. As such, DFC will continue working on enhancing public perception of dairy in its upcoming campaigns.



Dairy launches latest consumer campaign *Milk. It's in the stuff you love*

The latest campaign by the Dairy Farmers of Canada launches on October 22nd, repositioning milk for a whole new generation of consumers. *Milk. It's in the stuff you love* focuses on millennial and Gen Z consumers by highlighting the presence of milk in all kinds of foods that people enjoy every day. By creating new emotional connections between consumers, dairy and key food products, the new campaign raises the profile of milk and the dairy category as a whole by showing that dairy is more than just a glass of milk. Anchoring the campaign is a sixfoot-tall glass of milk that reminds viewers that milk is in all the foods that people love.

Our memorable, tall glass of milk character shows up throughout the campaign to let people know that he's in their ice cream, coffee, yogurt smoothie, grilled cheese and buttered popcorn. The *Milk. It's* in the stuff you love campaign ads will be strategically placed to reach the millennial audience with a presence at various consumer touchpoints throughout their day. Look for the campaign on film, online video ads, digital display ads, outdoor display ads, web and social media advertising, and in-store, which is ultimately where the consideration to purchase dairy is made.

Farm visits helping to improve perceptions, dispel myths about dairy among young health and nutrition professionals

What's the most effective way to dispel young Canadians' misconceptions about dairy?

Bring the next generation of chefs, dietitians and nutritionists right to the farm, so they can see first-hand how the finest dairy in the world is produced.

Last month, 124 culinary arts and nutrition students from several different post-secondary institutions had the opportunity to visit dairy farms in communities across Canada, including Nova Scotia's own Bokma Farms.

Farm tours are an important way to build understanding of our industry's commitment to the highest standards of quality, food safety and animal welfare among the next generation of young health professionals in the food and beverage sector.

The visits helped students gain a better understanding of farm practices and the dairy industry, knowledge they can apply in their future careers. Participating students also demonstrated an improved understanding of the dairy industry and farm life, demonstrating that these visits play an important role in changing perceptions among the next generation of culinary and health professionals.





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