

NEWSLETTER

Informing Nova Scotia dairy producers on matters affecting their industry.

Vol. 22, No. 3 - October 2021

This may come as much of a surprise to you as it is to me, but I find myself back in the position of Interim GM of DFNS. While I am happy to be back, I must confess that it is with a heavy heart as the newly hired GM did not pan out as hoped. I am sure that most of you have faced similar issues on your own farm; one always holds out great expectations for a new employee and are disappointed in equal measure when it does not work out. Your Board, and more specifically the Selection Committee of the Board, spent countless hours working with Knightsbridge Roberts and Surret (KBRs), a professional head-hunting organization, to determine the most qualified person in their list of potential candidates. All that effort has not paid dividends and once again we are left without the leadership that the organization needs. In their effort to identify candidates there was not even one with significant dairy experience. This is an unfortunate consequence of having a complex industry where only existing employees within that industry have developed the skill set to handle the demands of this GM position. Many people with the skill set are fully employed and understand the demands of the position too well to apply. We all know that somewhere that person exists, but it's a matter of patiently seeking further. The alternative may be to look within the Maritimes to consider working more closely with sister organizations to identify potential synergies that would serve the larger organization better. Regardless of the approach to filling the void, rest assured that the work will continue to be done at DFNS to serve the critical needs of the dairy industry, which is so vital to the overall health of NS Agriculture.

I understand that this was a summer of difficulty for DFNS. In early July the organization was hit by a computer virus (malware) that arrived at about the time that the June milk payments were to be processed. This caused extreme misery for all, with the staff absorbing their share of it. The computers just nicely got up and running again in time be hit with significant issues that surrounded the transition taking place in milk transportation. The overall impact was a double hit two months in a row impacting milk payments for several weeks and creating excessive stress all the way around. This was in addition to all the background stress created by what appears to many to be the "slow boat to China" approach to

policy development around quota transfers, farm amalgamations / share transfers. Perception and reality never match up for individual farm circumstances and needs. The fact that your Board and Staff have been working very hard to correct all the issues, where they have minimal control, seems to have been missed by many. The level of "nastiness" experienced by staff has been unprecedented arriving in the form of e-mail, texts and voice mail. While they understand the nature of frustrations being vented, the fact remains that this is unacceptable, especially given the level of effort being put into meeting the demands of their work on your behalf.

I am looking forward to working with you all over the next few months to sort out a plan forward. You will very shortly hear a great deal about the DFNS's Strategic Planning process being carried out by the "Intersol Group" out of Ottawa. This group has a great deal of dairy experience working with both DFC and DFO. They will be presenting their process and speaking to you at the December AGM.

Best Regards ... Greg Cox
Interim General Manager

DFNS AGM

This year's AGM will take place December 1 & 2. Day 1 will be a virtual meeting and day 2 will be a producer only in-person meeting. We are excited to host the in-person meeting at a new location: The Inn on Prince Hotel in Truro.

Registration information will available soon —keep an eye on your email!

UPCOMING EVENTS & DEADLINES:

November 11.....	Remembrance Day
November 12.....	Quota Exchange Noon Deadline
November 24.....	Quota Lease Deadline
December 1 & 2	DFNS AGM
December 13.....	Quota Exchange Noon Deadline
December 22.....	Quota Lease Deadline
December 25.....	Christmas Day
December 26.....	Boxing Day
January 1.....	New Years Day
January 13.....	Quota Exchange Noon Deadline
January 25.....	Quota Lease Deadline

Results of the October 2021 Quota Exchange

Iteration (all buyers): 0.02 kgs

Prorated for buyers: 0.09%

Kilograms		Producers	
Purchased (<i>actual</i>)	2.5	Buying Quota	71
Offered to Purchase	1159.48	Offering to Buy	71
Offered to Sell	2.5	Selling Quota	2
		Offering to Sell	2

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$24,000	2.5	2.5	1156.98	1159.48	1159.48

Quota Exchange Deadline	Payment Due Date
November 12, 2021	November 26, 2021
December 13, 2021	December 29, 2021
January 13, 2022	January 27, 2022

Leased Quota

The total amount of quota leased in September 2021 was 459.73 kgs.

To view the Lease-In List click [here](#).

To add your farm to the list email farm name, contact name and phone number to dfns@dfns.ca

Lab Results

September 2021

Average IBC: 34,597

Average Somatic Cell Count (SCC): 196,747

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

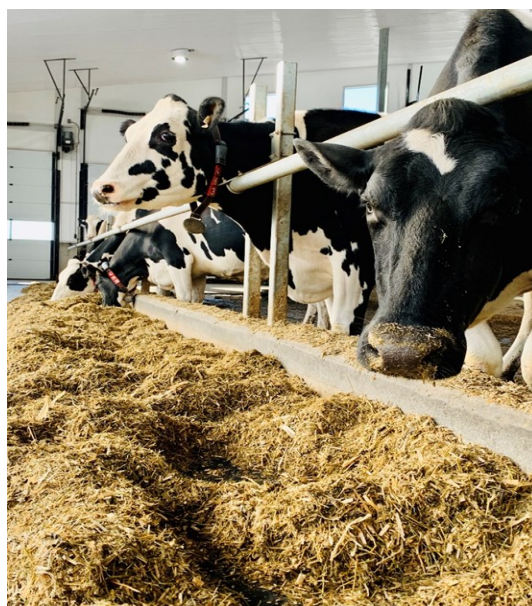
Phil Parlee
(southern regions 4, 5, & 6)
Email: proAction@nbmilk.org
Fax: 506-432-4333
Call: 506-432-4330 Ext. 104

DFNB Newsletter

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

DFC launches new interactive, virtual dairy farm tours for students

DFC has launched virtual dairy farm tours for post-secondary dietetic and nutrition students, which began in October. This is an evolution and expansion of the on-farm tours that have been offered by DFC to dietetic students in the past. These interactive tours are tailored to each university setting and available in both official languages. The tours address the questions and concerns of these younger Canadians to support them in their careers as food and nutrition experts. They aim to build trust, support and understanding of dairy farming and dairy foods, particularly around sustainable production, animal welfare and milk quality and safety standards.



Dear fellow producers,

Having gone through the month of October with the beautiful weather and having most of the harvesting done it is hard to believe we are now heading into November. As we all know it can be a busy time when, besides our regular barn chores, all the cropping takes place.

For us at DFNS, it has been very busy for quite some time. As you are all aware, we as an organization had no choice but to let our GM go because of a personal decision on his own behalf. Our staff at DFNS have been “a rock” through all of this and their commitment and dedication is outstanding. I also want to thank the directors of the board for their commitment of picking up when needed. Nevertheless, all of this put us back at where we started after Brian Cameron’s retirement.

As a board we are having discussions with the input of staff about what is needed to do the task in a way that is manageable for all involved and serves you as producers and other stakeholders in the best way possible. Please stay tuned and we will provide you with a progress update as soon as possible.

I would like to focus in on a few other topics:

1. The board has made progress on the directives given by council. As part of this we started the process of a strategic planning exercise which hopefully will give us more clarity on where we see our industry go in the future. At our AGM, which will be held on December 1 (virtual) and December 2 (in person/virtual) the Intersol group, who is doing the work on behalf of DFNS, will explain to you the process with timelines to complete this exercise. We also ask for your cooperation and participation in all of this.
2. Our dairy industry operates under the Code of Practice for the Care and Handling of Dairy Cattle, which is reviewed and updated once every 10 years. Our proAction program is built on the code. NFACC (National Farm Animal Care Council) is the national lead for codes of practice development and farm animal care in Canada and they oversee the whole process. A committee was put together of many different stakeholders and they have finished their work for now and on November 29 the proposed new code will be released for a public comment period of 60 days. I believe it is important for us to pay attention to and participate in this.
3. February 1 is when there will be a price adjustment in our milk price. At the time of writing this article, we do not know the number yet. It is the CDC that determines the price adjustment after consultation with DFC, DPAC, Consumers organization, Restaurant Canada to name a few. We all realize that our cost has gone up significantly. The challenge is a balance between price and sales.
4. The US has challenged Canada on their allocation of the TRQ granted under CUSMA and out of that a dispute panel was put together to deal with this. They have gone through their first round and are in a comment period now for questions of clarification. The expectation is that a final outcome will be known by the end of this year or the beginning of next year. Our Canadian government feels very strongly that they have a good case to defend our TRQ allocation.
5. Our yearly milk tank calibration took place between the middle of September and beginning of October. 21 tanks were calibrated, and the discrepancies were not too bad which is good news. We want to thank all of you that were part of this for your cooperation.
6. I would also like to thank those that put their name forward for the election of director for the DFNS board. The votes will be counted the beginning of November and we are looking forward to working with those that are elected to the board.

Gerrit Damsteegt,
On behalf of the board

Milk Production and Pricing

Esben Arnfast, Chief Financial Officer

Provincial raw milk shipments were 1.3% higher than September 2020 however that was a departure from the 5% experienced for the past several months. Also, the butterfat composition was lower than a year ago at 4.06 kgs/hl compared to 4.08 kgs/hl last September. These changes may be, at least, partly in response to P5 quota committee signals reducing previously announced additional production days. Underproduction credits increased to -3.7 days of quota from -2.6 days in August.

The NS transportation rate declined from \$2.83/hl in August to \$2.78/hl in September.

The Nova Scotia average producer raw milk price for in-quota, below market SNF/BF for September was \$80.20/hl or \$18.78/kg of butterfat using average provincial composition. That compares to August's price of \$78.57/hl.

Although the NS processor utilization value improved somewhat in September, with lower production, there was 1 million fewer litres of raw milk transferred to other provinces. Also, there was a large processor adjustment in producer's favor that was recognized in September. These provincial variations however are offset by pooling advance calculations. In the end, September's producer prices are determined using an advance based on average P5 price from the previous month. Any difference gets pushed ahead to the October price calculation.

For the new SNF pricing model implemented on August 1, 2021, last month's new graph now shows the total gross in-quota milk payment per hl for all 200 producers at varying SNF/BF ratios. The average producer payment rate for September is lower than the \$80.20 quoted above but that results from the blending of protein and other solids kgs falling between SNF BF of 2.0 and 2.3 at lower market ratio SNF payment at lower component prices (currently \$2.05/hl).

Some producers with much higher milk composition (more kgs of components per HL) than the provincial average were able to receive an overall higher milk price per HL. Those are producers that typically have the highest butterfat and therefore lowest SNF/BF ratio and would have most, if not all, of their SNF components paid at the below market rate. The new SNF pricing model rewards producers that can produce milk with higher butterfat (and relatively lower SNF) to more closely match the market requirements.

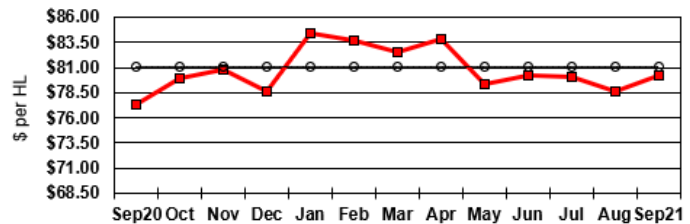
Total Licensed Producers in September: 200

Milk Marketing Report September

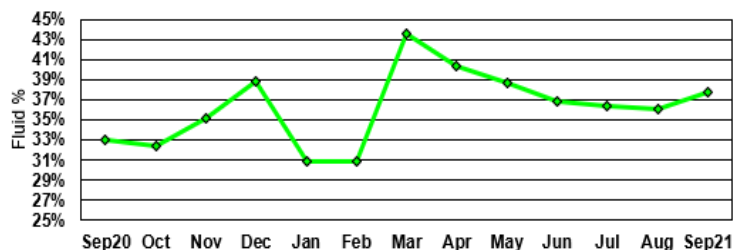
PRODUCTION	2021	2020
Average Liters/Day	567,547	560,239
Average kg Butterfat/Day	23,048	22,883
Average Composition, kg/hl		
Butterfat	4.0609	4.0845
Protein	3.2003	3.2313
Other Solids	5.8909	5.9179
Bulk Haulage (\$/hl)	2.78	2.63

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
Sep in-Quota	10.7308	9.7882	0.9000	80.20
Sep BF Premium ratio 2-2.30	0.000	2.0500	2.0500	
Sep Over-Quota	-2.7327	-1.9107	-0.3917	0
Oct Over-Quota Penalty	-2.7327	-1.9107	-0.3917	0

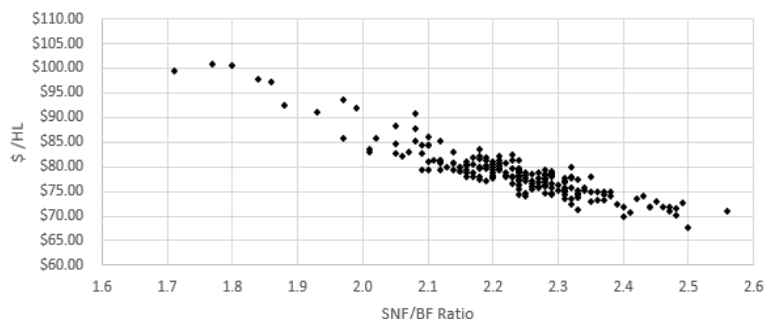
NS Average In-Quota Below Market SNF/BF Producer Price Per HL basis



Fluid Utilization Percentage



Sep 21 In-Quota Raw Milk Price/HL at SNF Ratios



DFC Welcomes Lactalis Canada's Historic Balderson Cheese Brand to the Blue Cow Family



DFC's iconic Blue Cow logo will soon appear on Balderson cheese products as the brand celebrates 140 years of Canadian heritage. In adopting the Blue Cow logo on this historic and beloved brand, Lactalis Canada is helping consumers recognize products made with 100% high-quality, nutritious Canadian milk, produced in accordance with some of the most stringent standards in the world.

As one of the nation's leading dairy processors, Lactalis Canada first began adopting the Blue Cow logo in 2018 and has since committed to rolling it out on hundreds of milk, cream, cheese and cultured products under the **Lactantia, Beatrice, Black Diamond, Cracker Barrel, P'tit Quebec, Astro and Stonyfield yogourt** brands. With Balderson joining this line-up, the Blue Cow will appear on over 40 additional products starting in the Spring 2022.

The Blue Cow logo will also appear on Lactalis Canada's digital advertising and in-store (point-of-sale) signage, as well as in Balderson's first national television media campaign beginning October 4 and aptly named "*The Old Ways*." The campaign is a celebration of the brand's enduring Canadian craftsmanship, centring around the notion that nothing ages as well as Balderson Cheese has over the last 140 years.

"Lactalis Canada's decision to feature the logo on Balderson products as the brand celebrates this significant milestone speaks volumes about the trust consumers, processors and retailers have in our practices," said Pierre Lampron, President of Dairy Farmers of Canada. "We are thrilled to expand our partnership further."