

NEWSLETTER

Vol. 17, No. 4 - November 2016

Agropur Payments Start December 1, 2016

Agropur commences paying all NS producers for November’s milk with the December 1, 2016, advance. The orderly transfer of information and payment testing has been completed. DFNS appreciates the efforts of both Agropur and Scotsburn, who indicated last March they would cease being a payment agent, during this transition. Some producers will see a new payment form along with the Producer Report with the final payment on December 15, 2016. Please direct any questions to the DFNS office.

Great Turnout!

Almost 250 dairy farm personnel attended the Fall Regional Meetings to learn more about two new proAction modules and an update on issues and happenings in our industry. Crowded rooms made for comfortable discussion. Farms who could not participate will be contacted soon about how they will receive this information. DFNS thanks those who participated.

Election Results

Congratulations to Gerrit Damsteegt, Andrew McCurdy, and Byron Lamb on being re-elected to the DFNS Board for another three-year term. While Andrew and Byron are beginning their second terms at our AGM in January, Gerrit is entering his fourth term. DFNS thanks the other candidates, Doug Bacon and Matt Brosens, for letting their names stand.

DFNS acknowledges the quality job performed once again by Liz Crouse, her Natural Products Marketing Council staff as returning officers, and volunteer producers who assisted with the ballot count. At a recent board meeting, Ms. Crouse reported on the percent of returned ballots for the last number of elections: 2012—40%; 2013—71%; 2014—61%; 2015—68%; and 53% this fall.

UPCOMING EVENTS & DEADLINES:
December 13, 2016.....Quota Exchange Deadline
December 28, 2016.....Quota Lease Deadline
January 25-26, 2017.....AGM—Best Western Glengarry

Chair’s Message

DFNS just finished our Fall Regional Meetings. I was very impressed with the turnout to the meetings. The membership asked good questions about proAction, with Coordinators Ashley and Nancy providing comprehensive answers.

The two new modules, Animal Care and Livestock Traceability, which join CQM to become proAction, will take some additional effort on the farm to get the required Standard Operating Procedures (SOP) written and be ready for animal assessments. Validations for proAction on the existing two-year schedule start in September 2017.

Thanks to Nancy Douglas and Ashley Baskin for providing good SOP templates and thorough explanations relative to these new requirements. They are available to assist all NS farms to adopt proAction. There will be extra effort to incorporate these requirements into day to day routines and to keep traceability on track.

It is hard for us to connect to the consumer with what we do on our farms. As society has less rural and dairy direct contacts, it is important for us to understand that people want to consume local food produced in a sustainable, ethical manner.

The processors have had demands placed on them from retailers and food service industry. This trickles down to everyone involved in primary production, including dairy.

We as producers have control of the content of proAction, but it has to meet the minimum standard that society expects from us growing and producing food for them and caring for our animals.

Enjoy the rest of our fall, and I look forward to seeing you at our AGM on January 25 & 26, 2017, in Truro.

Andrew McCurdy, DFNS Chair

DFNB Newsletter
Visit www.nbmillk.org/en/ and click on the “Milk Matters” link to read their monthly newsletter.

Results of the November 2016 Quota Exchange

Iteration (all buyers): 2.58 kgs
 Prorated for buyers: 27.68%

Kilograms		Producers	
		Buying Quota	54
Purchased (<i>actual</i>)	267.97	Offering to Buy	54
Offered to Purchase	617.62	Selling Quota	21
Offered to Sell	267.97	Offering to Sell	21

Price	Offers to Sell (kgs)	Cumulative Sales	Difference	Cumulative Buys	Offers to Buy (kgs)
\$23,999	20	20	-597.62	617.62	0.00
\$24,000	247.97	267.97	-349.65	617.62	617.62

Quota Exchange Deadline	Payment Due Date
November 10, 2016	November 28, 2016
December 13, 2016	December 28, 2016
January 13, 2017	January 27, 2017

Dairy Services Lab Results October 2016

Bactoscan Individual Bacteria Count (IBC)		
Count	Samples	Percent
<35,000	181	80.8
35,001-121,000	32	14.3
>121,000	10	4.9
TOTAL	224	100.0

95.1% meet provincial standard

Average IBC – October 2016: 23,316

Average Somatic Cell Count (SCC): 202,702

Adulteration (added water and/or antibiotics)

Water (Farm Tanks)	0
Antibiotics (Tankers)	0

P5 QUOTA EXCHANGE MCP

PEI	\$22,995
New Brunswick	\$20,500
Ontario	\$24,000
Quebec	\$24,000

The “New Normal”

Nova Scotia farm gate milk prices have steadily declined from an average of almost \$81/hl (at provincial components) two years ago to \$75.77/hl for the twelve-month period ending September 2016. Due to revenue sharing, the same trend occurred in all P5 provinces. This has become known as the “*new normal*” – milk prices in the low- to mid-\$70’s. While this reality is setting in, dairy producers have been issued more quota than ever before to help fill growing markets.

Producing more milk for a lower blend price may be difficult, but it generally works in favor of more efficient farms that control production costs and can milk more cows. But what are the causes of the dropping blend price? The monthly blend price is a combination of many factors including which dairy products were made with milk within the P5, the processor billing prices for those components, and monthly farm components produced. Together these determine the gross revenue to farms. With growing markets, the mix of dairy products produced tend to have more butterfat content meeting changing consumer demand.

Despite supply management being domestically-focused, close to 17% of milk components produced are sold at world prices - the SNF prices are particularly depressed right now. This, and the sale of skim milk powder into animal feed or for export, draws down blend returns. Looking forward, the introduction of an ingredients class should help reduce the structural surplus and bring competitive returns for skim milk solids. Other factors, such as processor billing prices, are not expected to vary much in the next fifteen months. See the back page article of this issue for monthly details influencing blend returns.

Send your **CQM/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

Ashley Baskin (southern regions 4, 5, & 6)
 Email: ashley@nbmilk.org
 Fax: 506-432-4333
 Call: 506-435-0077 or 1-866-432-6455



New DFC Logo

DFC has changed its logo to better represent producer image and product quality.

New National Dairy Research Strategy

Dairy Farmers of Canada has adopted a new strategy to direct its investments in dairy production and human nutrition and health research. Four major themes have been identified:

1. Dairy farm efficiency and sustainability
2. Animal health and welfare
3. Milk composition, quality, and safety
4. Milk products and components in human nutrition and health.

Each theme has targeted outcomes established to ensure that dairy research projects will address the major issues Canadian dairy farmers want solved by research. Please visit www.dairyresearch.ca to view a copy of the strategy.

Challenges in the dairy industry can mean opportunities. We can help you look.

Grant Thornton LLP has been advising farmers and business owners in communities across Nova Scotia for decades. And it's more important than ever for those in the dairy business to make good decisions because the last thing you want is to overpay your taxes.

So if you want to buy, sell or plan for the next generation, or need corporate or personal tax advice, contact the Grant Thornton office nearest you.

Kelly Kolke, CA
T +1 902 896 2535
E Kelly.Kolke@ca.gt.com

Ryan Power, CA
T +1 902 690 2012
E Ryan.Power@ca.gt.com

Dave Stewart, CA
T +1 902 867 4827
E Dave.Stewart@ca.gt.com



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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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CRDC Launched

The Canadian Dairy Research Council (CDRC) is a new committee with representation from all provinces and members of the Board of Directors of DFC. The CDRC reports to the DFC Board, and guides the overall development, implementation, and delivery of research activities for dairy production, and human nutrition and health research. The CDRC completed its first mandate in June 2016 and developed DFC's National Dairy Research Strategy to better coordinate dairy farmers' research investments at the national and provincial levels. The National Dairy Research Strategy was approved by DFC's Board of Directors in June 2016, and presented to its General Council in July 2016.

Two Assisted New Entrants

The DFNS Board recently approved two new entrants to start their dairy farming careers in 2017. Applications from Alex Archibald & Rebecca O'Connell of Middle Musquodoboit, and Aron & Elma Penner of Lake Killarney, were approved by the New Entrant Program Selection Committee. Two applicants were approved since there were no applications last fall, and NS has one new entrant position available each year. The 16 kg of quota loaned to each new entrant comes from the P5 quota allocation. The full loan lasts ten years, after which one kg per year is reimbursed to DFNS. Congratulations to both quality applicants and best of luck in 2017!



Morneau Shepell has partnered with DFNS for over 10 years to provide comprehensive group benefits

Group benefits at preferred rates are available for producers, their employees, and their families. Coverage includes life insurance, health, prescription drugs, disability, dental and more.

For more information, call 1.800.667.6328 and ask for Angèle Aucoin.

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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.

<p>1. Cheque Payment <input type="radio"/></p> <p>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.</p>	<p>2. Pre-Authorized Debit <input type="radio"/></p> <p>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.</p>
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\$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





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 Offer to SELL _____ (Exchange Month)

Registered Producer Name: _____

DFNS Registration Number: _____ Phone: _____

Offer to Sell _____ . _____ kgs of TPQ per day @ \$ _____ per kg.

PLEASE NOTE: Offers above the MCP Cap of \$24,000 will not be accepted. Quantities offered for sale may be in hundredths of a kilogram (two decimal places). Prices must be for a whole kilogram. Offers are limited to one buy or sell per producer per exchange. Each participant in an exchange will be notified in writing of whether or not their offer was successful.

Successful Sellers will be paid for their quota sold on the last business day before the 10th day of the month following the exchange. If the sold quota is assigned to a lender, cheques will be jointly payable to the producer and lending institution.

QUOTA CURRENTLY ASSIGNED:

_____ kgs _____ Name of Lending Institution(s)

Seller's Service Fee must accompany offer as per schedule below (HST Reg No. 107788523)

SELLERS FEE SCHEDULE	
<u>Amount Offered</u>	<u>Fee Per Offer</u>
1 kg or less	\$115 (\$100 + \$15 HST)
1.01 – 10 kg	\$230 (\$200 + \$30 HST)
More than 10 kg	\$345 (\$300 + \$45 HST)

All offers must be signed by the registered quota holder. An offer must be signed by all partners of a partnership, or the designated signing officer(s) of a partnership or corporation. It is the producer's responsibility to confirm receipt of offers by DFNS.

_____ 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 most up-to-date policies and procedures, or you may contact office staff for assistance.

FOR DFNS OFFICE USE ONLY

Service Fee Received: cash cheque Offer Received/Verified By: _____

10/16



ATTENTION ATLANTIC YOUNG FARMERS!



PROUDLY PRESENT:

2ND ANNUAL

ATLANTIC YOUNG FARMER TRAINING EVENT

Bridging the Gap: Succession & Transition Planning Workshop for Farm Families!

February 9th and 10th

Glengarry Hotel - Truro, Nova Scotia

The **Bridging the Gap Workshop** welcomes farm families to work with renowned farm family coach Elaine Froese and farm management consultant Cedric MacLeod to address some the elephants in the room that are preventing or hindering succession planning back on the farm.



Elaine Froese
Farm Family Coach



Cedric MacLeod
Management Consultant

In partnership with:



Canada's Outstanding
Young Farmers
Jeunes agriculteurs
d'élite du Canada



Farm Management Canada is funded in part by:



Innovate for Value Chain Management

February 10th and 11th

Dalhousie Agricultural Campus - Bible Hill, Nova Scotia

Innovate for Value Chain Development isn't just about adding value, it is so much more. This course is about customer value and how by understanding what customer value is, and its importance along the supply chain, you can identify areas in your farm business to innovate and grow. Led by Dr. Simon Somogyi, Associate Professor, Dalhousie Faculty of Agriculture, with keynote address by Dr. Sylvain Charlebois, Dean Dalhousie Faculty of Management.



Dr. Simon Somogyi
Associate Professor



Dr. Sylvain Charlebois
Dean

Event Sponsors:



Extended Learning at the Dalhousie Faculty of Agriculture, is pleased to provide a one-stop-shop to register for these events!

Those who register for both events will receive a 15% discount.

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www.dal.ca/faculty/agriculture/extended-learning/programs-courses/professional-development/AYF17innovate.html

Register for Succession & Transition Planning Workshop for Farm Families:

www.dal.ca/faculty/agriculture/extended-learning/programs-courses/professional-development/BTG.html

Milk Production and Pricing

Esben Arnfast, Finance and Systems Administrator

Raw milk production continued the normal fall trend, increasing to over 21,000 kgs of butterfat per day. As observed with September, the increase over the previous year was close to 7%. The average raw milk butterfat composition has increased to 4.08 kgs/hl which matches October 2015.

The decline in average producer utilized tolerance to -3.6 days was smaller than observed in recent months, with the gap between production and quota narrowing as it normally does in the fall. Additional Production Days played a factor as well, with producers utilizing 39% of the available three days. The 3% quota adjustment, effective November 1, 2016, will lessen the anticipated seasonal return to increasing average producer utilized tolerance.

The equalized pool transportation rate for October increased three cents to \$2.57/hl.

The October raw milk average in-quota price increased substantially to \$80.86/hl. If other factors remain constant, a price increase can be observed when fluid milk consumption across the pool recovers from the slower summer sales. It usually is noticed in October because of a one-month pooling lag before NS receives our equalization adjustment for September.

Utilization within Nova Scotia remained relatively unchanged during October compared to September. There was an increase in the size of the CDC advance available. A remaining factor affecting the average in-quota price stated on a volume basis is the increase in raw milk composition typical in the fall.

As was the case in September, monthly raw milk moved to NB and Quebec continued at over 4 million litres to fulfill Milk Movement Obligations and some surplus milk above provincial processing needs. Of the raw milk remaining in NS for processing, a significant amount of the SNF portion was exported. No skim milk has been dumped during the current dairy year.

Total Licensed Producers in September: 218

Continuous Quota Positions

As of the end of September 2016, figures are expressed as a percent of each province's annual quota. Only Ontario is above zero and all provinces moved down from August. Nationally, the provincial positions moved down 0.3%. Butterfat demand continues to outstrip supply, despite three successive 1% quota issuance increases in the P5 and similar production stimulus signals out west. November's 3% quota issuance increase in the P5 should bring forward more milk leading up to the pre-Christmas peak in dairy demand. Provincial, not producer, consequences for over quota and unrecoverable were suspended to the end of July 2016.

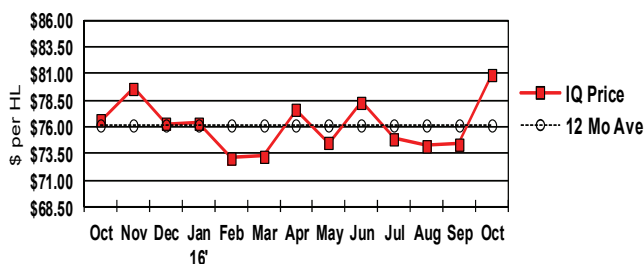
Alta. -1.34%	Sask. -2.22%	Ont. +1.74%	NS -1.00%	PEI -1.86%	P5 +0.21%
BC -1.04%	Man. -7.66%	Que. -0.91%	NB -1.40%	NL -8.19%	WMP -2.42%

Milk Marketing Report October 2016

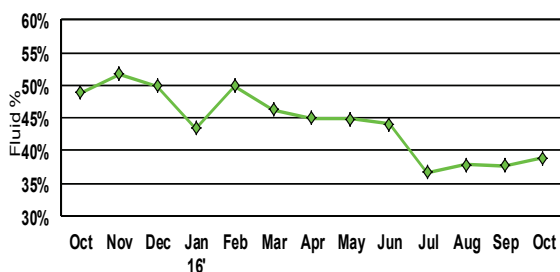
PRODUCTION	2016	2015
Average Liters/Day	517,618	487,590
Average kg Butterfat/Day	21,140	19,822
Average Composition, kg/hl		
Butterfat	4.0840	4.0654
Protein	3.3329	3.3540
Other Solids	5.7025	5.7147
Bulk Haulage (\$/hl)	2.57	2.60

PRODUCER PRICES	BF (\$ per kg)	Protein (\$ per kg)	LOS (\$ per kg)	Avg. per HL
October In-Quota	10.6160	8.4028	1.6661	80.86
October Butterfat Premium (\$/kg) SNF/BF<2.35	0.0553			
October Over-Quota	0.0000	0.0000	0.0000	0.00
Nov Over-Quota Penalty	0.0000	0.0000	0.0000	0.00

NS Average In-Quota Producer Price
Per HL basis



Fluid Utilization Percentage





Latest News...

Dairy Farmers of Canada

November 2016

DAIRY FARMERS OF CANADA UNVEILS ITS NEW LOGO

Dairy Farmers of Canada (DFC) unveiled its new organizational logo during a press conference held in Ottawa, in November. The new logo symbolizes Dairy Farmers of Canada the organization, representing Canadian dairy farmers who believe in the power of dairy to give Canada a healthier future. A slightly different logo that reads "Quality Milk" will be used as a certification mark of origin for 100% Canadian milk and Canadian dairy products. The new logo will heighten consumer awareness of both Canadian dairy farmers and Canadian quality milk and is part of DFC's new brand conviction, which will bring most of DFC's numerous programs under one umbrella.

While the 100% Canadian milk blue cow symbol has been in the marketplace for several decades to represent dairy products of Canadian origin, its use had been extended over time to stand for dairy farmers generally. DFC research clearly indicated that it needed to be revisited and enhanced. Canadians want Canadian quality milk, which is produced following farming best practices by dairy farmers who have animal welfare, environmental protection and Canadian families' health and well-being at heart. The new organizational logo, and its complementary certification of origin logo, have been designed to be eye-catching, easier to understand, to create a stronger brand identity and to leverage the positive relationship farmers have with consumers.

In revamping its organizational logo and certification mark of origin logo, DFC kept what consumers loved about the 100% Canadian milk blue cow symbol, the cow, the maple leaf, and the rich blue colour—and used those as inspiration. The new logos portray the dairy industry in a more accurate way; a real cow that inspires confidence and the professionalism of a proud industry.

The standing cow was inspired by the simple, natural purity of milk. It stands proudly forward-looking, bearing the Canadian maple leaf prominently. The box the cow stands on can represent different kinds of farm ground and bedding and gives the sense of an honest product. The bright blue, which is slightly lighter than the former logo, is optimistic and speaks to freshness. The mark balances a sense of power and purpose with a feeling of being real and authentic.

The logos represent the farming community, their pride and commitment to the animals they raise and care for, and the natural healthy products they provide Canadians. The words "Dairy Farmers of Canada" are included on the organizational logo, whereas the certification of origin logo will be differentiated with the words "Quality Milk." The 100% Canadian milk blue cow and the Quality Milk certification of origin logos will coexist during the transition period.

During the press conference, a video stating the reasons why DFC chose to shift towards a master brand approach was presented. The video, which garnered more than 30,000 views in just three days, can be accessed through the organization's Facebook page. A well-attended cocktail was held on the evening of the event to celebrate DFC's stepping into a new era. Guests included Board members, MPs and staffers, industry stakeholders as well as DFC staff.



A FRIENDLY REMINDER: STAY INFORMED WITH THE DAIRY EXPRESS

Sign up now for the *Dairy Express*, the bi-monthly e-newsletter published by Dairy Farmers of Canada. To do so, simply send an email to [Chantal Marcotte](mailto:Chantal.Marcotte@dfc-plc.com) who will happily add your name to the mailing list.



Dairy Farmers of Canada
100% Canadian Milk



@dfc_plc
100Canadianmilk

Kiln-Dried Shavings

We produce Kiln-Dried Shavings for your complete animal bedding requirements. Spruce, Pine and Fir (SPF) shavings provide a cost-effective alternative for your animal bedding needs. Finer flakes make for easy clean up while still providing comfort and cleanliness.

- Made from 100% natural wood – sourced from our own mills.
- Our shavings all come from sustainably managed forests and our facilities are all SFI® certified.
- Made from kiln-dried lumber, our shavings naturally remove excess moisture and limit the risk of possible irritants such as mold.
- We have four production facilities for more delivery options.
- Shavings are available in bulk. We also provide the option of plastic or paper bag – either palletized or hand stacked.
- Sawdust for animal bedding is also available at all locations.

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Kedgwick
Chipman
Nova Scotia
Truro

Sawdust Only

New Brunswick
Sussex



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