

December 19, 2016

Price Change Notification
Classes 1-4
February 1, 2017

Effective February 1, 2017 there will be the following changes in the British Columbia prices for milk utilized in Classes 1, 2, 3 and 4.

Class 1

The BC Milk Marketing Board has approved a 0.4109% fluid price decrease as per the following decisions made by the WMP Coordinating Committee;

- July 15, 2009 decision to adopt the national fluid pricing;
- October 17, 2012 decision to apply future changes in the milk pricing formula to a common price reference to both the P5 and the WMP;
- December 16, 2016 decision to apply 100% of the price decrease on SNF

This decrease amounts to a decrease of \$0.0446/kg of SNF for classes 1(A) and 1(B). In addition to this change for Class 1, a butterfat increase of \$0.15/kg for Classes 1(A) and 1(B) will be applied as per pricing decisions approved related to the P10 Ingredients Strategy in July 2016.

This increase was originally to be applied on November 1, 2016 and therefore a compensatory price adjustment for the estimated revenues on butterfat sales between November 1 2016 and January 31, 2017, for Class 1 will be applied for a 12-month period to adjust for the delay. The amount that will be applied is an increase of \$0.0390/kg on butterfat.

Classes 2- 4

As per the P10 Ingredients Strategy Agreement, the industrial price adjustments will now be determined using the same index formula that has been used for Class 1. This formula consists of CPI and COP (50%/50%) and will determine price adjustments annually for classes 1-4 in November of every year.



Notice to Processors

The BC Milk Marketing Board has approved a 0.4109% industrial price (classes 2-4) decrease on solids non-fat as per decisions made on December 16, 2016 at the WMP Coordinating Committee. This decrease amounts to a decrease of \$0.0446/kg of SNF for classes 2-4.

Please note there has been no change to CDC support prices as previously announced (September 1, 2016).

Classes 4(A) and 4(D)

The BC Milk Marketing Board has approved a solids non-fat adjustment to Class 4(A) and 4(D). This results in an increase of \$1.8914/kg on SNF which is intended to bring the class back to levels in January 31, 2016.

It was agreed by the WMP Coordinating Committee and the P5 Supervisory Body that this is necessary in order to adjust the class back to these levels in order to complement all decisions made in the P10 Ingredients Strategy Agreement.

In order for this adjustment to be cost and revenue neutral, a decrease of \$0.0767/kg on butterfat for classes 2-4 will be applied for February 1, 2017.

The CDC document for WMP Industrial prices is attached for your reference. The Board will release the monthly Schedule 4 – Prices for February 1, 2017 shortly.

If you have any questions regarding these price changes, please contact Zahra Abdalla-Shamji at zabdalla@milk-bc.com.



WMP INDUSTRIAL PRICES: ORIGINAL CDC / PRIX DU LAIT DE TRANSFORMATION DE LA MCLO : INITIAL CCL

Effective February 1st, 2017 / À compter du 1er février 2017

WMP Industrial Target Price Changes (\$/kg) / Modifications au prix cible du lait de transformation (\$/kg)				Milk Metering Adjustment (\$/kg) / Ajustement des compteurs de lait (\$/kg)		
	BF/MG	Prot. *	OS/AS*	BF/MG	P	OS/AS
Class(e) 1	0.1890	-0.41	-0.41	0.0000	0.0000	0.0000
Class(e) 2	-0.0767	-0.0446	-0.0446			
Class(e)s 3(a) and 3(c)1	-0.0767	-0.1108	-0.0070			
Class(e)s 3(b), 3(c)2, 3(d)	-0.0767	-0.1108	-0.0070			
Class(e)s 4(a) and 4(d)	-0.0767	1.8468	1.8468			
Class(e) 4(a)1	-0.0767	Established by CMSMC / déterminé par le CCGAL				
Class(e)s 4(b) and 4(c)	-0.0767	-0.0446	-0.0446			

*\$/hl for class 1 Prices - prix en \$/hl pour la classe 1

WMP INDUSTRIAL PRICES / PRIX DU LAIT DE TRANSFORMATION DANS LA MCLO

Butterfat/matière grasse				
Class/classe	November 1, 2016 / 1er novembre 2016	Adjustment/ Rajustement	Milk Metering Adjustment/Ajustement des compteurs de lait	February 1, 2017 / 1er février 2017
	(\$/kg)			
1(a)	\$6.8660	\$0.1890		\$7.0550
1(b)	\$6.8660	\$0.1890		\$7.0550
2(a)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
2(b)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
3(a)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
3(b)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
3(c)1	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
3(c)2	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
3(d) ¹	\$8.6677	-\$0.0767	\$0.0000	\$8.5910
4(a)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
4(a)1	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
4(b)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120
4(c)	Contract by contract basis in accordance with Western Milk Pool Innovation Program / Varie selon le contrat conformément au Programme d'innovation de la mise en commun de l'Ouest			
4(d)	\$8.6887	-\$0.0767	\$0.0000	\$8.6120

¹ Established by CMSMC / déterminé par le CCGAL

Protein/protéine				
Class/classe	November 1, 2016 / 1er novembre 2016	Adjustment / Ajustement	Milk Metering Adjustment/ Ajustement des compteurs de lait	February 1, 2017 / 1er février 2017
				(\$/hl)
1(a)	\$75.13	-\$0.41		\$74.72
1(b)	\$60.90	-\$0.41		\$60.49
				(\$/kg)
2(a)	\$5.8987	-\$0.0446	\$0.0000	\$5.8541
2(b)	\$5.8987	-\$0.0446	\$0.0000	\$5.8541
3(a)	\$13.9308	-\$0.1108	\$0.0000	\$13.8200
3(b)	\$12.5730	-\$0.1108	\$0.0000	\$12.4622
3(c1)	\$13.9308	-\$0.1108	\$0.0000	\$13.8200
3(c2)	\$13.9308	-\$0.1108	\$0.0000	\$13.8200
3(d) ¹	\$8.9337	-\$0.1108	\$0.0000	\$8.8229
4(a)	\$3.5515	\$1.8468	\$0.0000	\$5.3983
4(a)1		Established by CMSMC / déterminé par le CCGAL		
4(b)	\$5.4429	-\$0.0446	\$0.0000	\$5.3983
4(c)	Contract by contract basis in accordance with Western Milk Pool Innovation Program / Varie selon le contrat conformément au Programme d'innovation de la mise en commun de l'Ouest			
4(d)	\$3.5515	\$1.8468	\$0.0000	\$5.3983

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Other Solids/autre solides				
Class/classe	November 1, 2016 / 1er novembre 2016	Adjustment/Aj ustement	Milk Metering Adjustment/Ajuste ment des compteurs de lait	February 1, 2017 / 1er février 2017
				(\$/hl)
1(a)	\$75.13	-\$0.41		\$74.72
1(b)	\$60.90	-\$0.41		\$60.49
				(\$/kg)
2(a)	\$5.8987	-\$0.0446	\$0.0000	\$5.8541
2(b)	\$5.8987	-\$0.0446	\$0.0000	\$5.8541
3(a)	\$0.9067	-\$0.0070	\$0.0000	\$0.8997
3(b)	\$0.9067	-\$0.0070	\$0.0000	\$0.8997
3(c1)	\$0.9067	-\$0.0070	\$0.0000	\$0.8997
3(c2)	\$0.9067	-\$0.0070	\$0.0000	\$0.8997
3(d) ¹	\$0.8796	-\$0.0070	\$0.0000	\$0.8726
4(a)	\$3.5515	\$1.8468	\$0.0000	\$5.3983
4(a)1		Established by CMSMC / déterminé par le CCGAL		
4(b)	\$5.4429	-\$0.0446	\$0.0000	\$5.3983
4(c)	Contract by contract basis in accordance with Western Milk Pool Innovation Program / Varie selon le contrat conformément au Programme d'innovation de la mise en commun de l'Ouest			
4(d)	\$3.5515	\$1.8468	\$0.0000	\$5.3983

¹ Established by CMSMC / déterminé par le CCGAL

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