

NOTICE TO PRODUCERS

May 17, 2018

Incentive Days

Over the past two years the Canadian producers increased production significantly to meet rising butterfat requirements and depleting butter stocks. This situation changed in January 2018 when butter stocks returned to manageable levels and the demand for butterfat began to stabilize.

At the April 2018 CMSMC meetings in Ottawa, all producer boards agreed to remove the 3% growth allowance from the Canadian requirements as it was applied to replenish butter stocks and therefore not needed. This policy change combined with the implementation of over/under provincial penalties returns the country to an environment of production accountability and discipline.

Coupled with the stability in market requirements, the Western Milk Pool has been faced with processing challenges. The Milk Board has communicated the issues regarding milk processing in the western milk pool and has advised that there will be no quota allocations and incentive days prior to August 1, 2018. These communications took place in the spring producer meetings and the newsletter.

Throughout the two -year period of growth the Milk Board has managed BC's production within the national limits of +0.5/-1.5% and will continue to strive to maintain stability for BC producers. The current market forecasts for the fall of 2018 indicate that there will be a cyclical need for additional milk supply to meet market requirements and the Milk Board will fill this requirement by using the flexible incentive days program.

Flexible Incentive Days - Producers are limited to a total of 8 incentive days between August and December, with the following maximum monthly limits:

- August 3 day maximum
- September 3 day maximum
- October 3 day maximum
- November 3 day maximum
- December 3 day maximum

[The total number of days from August to December cannot exceed 8 days.](#)

Due to the uncertainty of policy changes related to market requirements at the national and regional levels, the Board will continue to update producers as required to manage production accordingly.

If you have any questions regarding this notice, please contact Zahra Abdalla-Shamji at zabdalla@bcmilk.com.