

Producer Component Prices

The producer component prices for the month of January are as follows: BF=\$15.9353, PR=\$2.3411, OS=\$0.6946. The average BC producer hectoliter return for the month is \$80.0022 compared to \$81.9182 in December – a decrease of \$1.916.

The P10/WMP equalization payment charged to the producer pool in January for the production month of December was \$1,928,002. The equalization payment consists of shared costs across the P10 with respect to special class processing and other shared costs in both the P10 and WMP.

NEP Consultation: Spring Producer Meetings

The Board looks forward to further consultation on the new NEP program (with policy options that take into account the recent FIRB NEP directives) at the Spring Producer Meetings in March. Please visit the [NEP Consultation](#) page at [bcmilk.com](#) for NEP feedback received to date.

BC Continuous Quota Position

as of December 2017: -1.28%

January 2018 *forecasted:-0.36%

QTAR Final Directive

On February 2, 2018, the BCFIRB rendered its decision on the Quota Tools Assessment Review (QTAR) recommendations. Please refer to the Notice to Industry for complete details [Notice to Industry – QTAR Final Directive – February 5, 2018](#). The Milk Board will be reviewing the decision in detail at its February 15, 2018 Board meeting and will be providing communications relating to any changes as required. The following points summarize key areas of policy that were reviewed and changed through the FIRB directives. The Milk Board will present details of the policy implementation during the spring producer meetings [Notice to Producers – Notice of Spring Producers Meetings 2018](#).

1. 10/10/10 and LIFO

- The Board recommended the removal of the 10/10/10 and LIFO assessment policy;
- The FIRB rescinded the LIFO assessment and removed the 10% residual assessment in year 10 with the following conditions;
 - A 12 month forfeit on the receipt of any growth quota following the transfer (sale) of any quota;
 - The opportunity for a producer to decline or accept growth quota at the time of issue; growth quota cannot be deferred to a later date of acceptance;

2. 5% Assessment

- The Board recommended a 5% global assessment to support Board programs which require a quota incentive
- The FIRB rescinded the 5% transfer assessment on quota issued by the Board prior to 2005 and requires the Board provide a mechanism to ensure quota is available for Board programs;

3. New Entrants

- The Board recommended a 10/10/X assessment for any incentive quota allocated for Board programs;
- The FIRB directed a 10/10/0 assessment on new entrant quota and the provision that new entrant quota be treated the same as an established producer at the end of the 10-year assessment period;

4. Other

- No changes to the exempt transfer list
- All quota remains transferable in some form
- Policies and rules should be applied similar for all classes of quota with exception as required
- Boards are not to directly set the quota price
- Boards are not to charge levies in return for distributing quota to producers

Provincial Freight

The producer freight rate calculations for the months of December and January are summarized below:

Freight Rates (\$/hl)	December	January
Zone Transportation Costs	3.07	3.29
Less: Vendor Billings	(0.11)	(0.30)
Gross Provincial Freight Rate	2.96	2.99
Add: Train/Volume Discounts	0.34	0.34
Less: Stop/Extra Pick-Up Charges	(0.15)	(0.15)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.03	(0.01)
Net Provincial Freight Rate	3.18	3.17

Continuous Quota

Cumulative Over/Under Production (with limits) as of:

December 2017

	Kg of BF	%*
NL	-798,526	-32.21%
P5	9,163,041	3.40%
WMP	-5,331,255	-5.85%
P10	3,033,260	0.84%
BC	-413,218	-1.28%

*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.

Milk Quality Report

The provincial averages and quality bonus data based on the official milk quality tests for December and January are:

Milk Quality Data	December	January
Individual Bacteria Count	24,282	26,105
Somatic Cell Count	165,616	165,726
Quality Bonus Qualifiers(%)	73.42%	67.89%

Producer Payments

Participants in the February | March | April Pools will receive their payments as follows:

Month of Production:	Advance Payment	Final Payment
February	Mar 1	Mar 19
March	Apr 3	Apr 19
April	May 1	May 17

Credit Transfer Average Prices

Effective January 1	Conventional	Organic
Average Price	\$7.86	\$5.10

A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.

Quota Management: Important Dates

Application Deadlines	Date & Time	Effective Date(s)
Quota Exchange	Mar 14 @ 1:00pm	Apr 1
CDQ Buy/Sell of Credits	Feb 23 @ 1:00pm	Feb 1 Mar 1

If you have any questions, please contact:

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2018 Regional Spring Producer Meetings

Date	Region	Location	Time
March 6	Fraser Valley	Quality Hotel Abbotsford	7:30 PM
March 7	Okanagan	Prestige Inn Salmon Arm	10:30 AM
March 8	Bulkley Valley	Hudson Bay Lodge Smithers	11:30 AM
March 9	Cariboo & Peace River	Treasure Cove Hotel Prince George	11:00 AM
March 12	Fraser Valley	Rainbow Country Inn Chilliwack	7:30 PM
March 15	Kootenay	Ramada Inn Creston Creston	12:00 PM
March 19	Vancouver Island	Coast Bastion Hotel Nanaimo	7:30 PM

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Increased Inhibitor Testing for Producers – Effective February 1, 2018

Producers should be aware that no level of inhibitor (antibiotic) residue is permissible in milk and will result in the rejection of a load if positive results are found when the milk arrives at the processor.

The BCMMB has increased the frequency of inhibitor testing on individual producer samples effective February 1, 2018 as per the [Notice To Producer Feb 1, 2018](#). Inhibitor testing on individual producer samples will now increase by an additional 4x per year on a random basis and will be further tested for multiple drug families.

Producers are reminded to work with their veterinarians to ensure proper procedure is followed and NO inhibitor residue is present in their milk. Producers should be aware of all drugs being used on their farm and ensure milk is free and clear. For more information on the BCMMB Non-Qualifying Milk Policy as well as an overview of the Quality and Component Testing, please review the information on the [Milk Quality section](#) of our website.

If you have any further questions please contact Kelly Harris at 604-854-4479 or by email kharris@bcmilk.com

Test Result E-Mails

If you are missing some test results emails, please ensure that you add the NEW email: kharris@bcmilk.com to your “safe senders” list to continue to receive all emails. Otherwise your email program may reject the testing emails altogether or divert them to your “junk” or “spam” folders. If any questions, please contact Kelly Harris at: 604.854.4479