

### Producer Component Prices

The producer component prices for the month of July are as follows: BF=\$16.5764, PT=\$2.3820, OS=\$0.6847. The average BC producer hectoliter return for the month is \$78.8556 compared to \$75.0842 in June – an increase of \$3.7714. The largest contributing factor to the increased producer return is overquota penalties received by the WMP. Because of the reinstatement of overquota penalties effective June 1 as agreed by the CMSMC in April and the position of the P5 compared to its limits at this time, the WMP received \$1.9M in overquota penalties from the P5 this month which caused a significant decrease in the P10/WMP Equalization payment. The payment charged to the producer pool in July for the production month of June was \$834,648, being approx. \$1.6M lower than the twelve-month average.



### BC Continuous Quota Position

as of June 2018: **-0.30%**  
July 2018 \*forecasted: **-0.54%**

### 2018 BCMMB Election – Voting & Nomination Registration Information

Election Information Packages will be mailed by late August to all producers by the Independent Elections Officer (IEO). Each package will contain the Election Rules and Procedures, a Voting Producer Registration Form, a Nomination Form and an Election Timeline. The IEO for the BCMMB Election is the BC Council of Marketing Boards (Kristianne Hendricks).

Producers operating as partnerships or corporations must submit their Voting Producer Registration Forms to the IEO by **September 28, 2018** if they want to vote in the election. Please note that producers operating as sole proprietors and those partnerships and corporations which previously registered a Voting Producer on behalf of the corporation or partnership are **not required** to submit Voting Producer Registration Forms, if the previously-designated Voting Producer remains the same.

**Future potential Board candidates for the election:** please be aware that **ONLY** “registered Voting Producers” can sign nomination forms, in support of your candidacy. All five of the signatures must be Voting Producers in order for your nomination to stand.

If you have any questions regarding the 2018 BCMMB Election process, please contact the Independent Elections Officer, Kristianne Hendricks, directly at 604.226.5451 or by email to [Kristianne.hendricks@gmail.com](mailto:Kristianne.hendricks@gmail.com).

### Price Adjustment -September 2018

The Milk Board, with the support of the Milk Industry Advisory Committee (MIAC) has approved a 4.52% price increase for an effective date of September 1, 2018. The price adjustment is a result of the exceptional circumstances policy that allows the Canadian Dairy Commission (CDC) to determine whether price adjustments are required outside of the annual national pricing formula. The price adjustment recognizes the increase in the cost of production for milk rising 5.1% in Canada last year. The increase in costs is mostly due to higher prices for fuel and feed. Rising interest rates also contributed.

The CDC issued a memo on July 23, 2018 to the Western Milk Pool Coordinating Committee (WMPCC) advising of its decision to increase current support prices for butter on September 1, 2018. The support price for butter is used by the CDC when buying and selling butter under its Domestic Seasonality Program. This program balances seasonal changes in demand on the domestic market. As of September 1, 2018, the support price for butter will therefore increase from \$8.0062/kg to \$8.3901/kg and the support price for skim milk powder will remain at \$4.5302 per kg. The margin received by processors for butter purchased by the CDC under the Domestic Seasonality Program will remain the same. Carrying charges collected by the CDC to pay for the storage of normal butter stocks will remain unchanged.

**This pricing review was conducted in advance of the annual February 1, 2019 formula adjustment; there will be no price adjustments for February 1, 2019.**

<b>Provincial Freight</b>		
The producer freight rate calculations for the months of June and July are summarized below:		
Freight Rates (\$/hl)	June	July
Zone Transportation Costs	3.09	3.07
Less: Vendor Billings	(0.07)	(0.11)
Gross Provincial Freight Rate	3.02	2.96
Add: Train/Volume Discounts	0.33	0.33
Less: Stop/Extra Pick-Up Charges	(0.14)	(0.14)
Transportation Department Costs	0.00	0.00
Adjustments from Prior Period	0.01	0.01
<b>Net Provincial Freight Rate</b>	<b>3.22</b>	<b>3.16</b>
<b>Continuous Quota</b>		
Cumulative Over/Under Production (with limits) as of:		
<b>June 2018</b>		
	<b>Kg of BF</b>	<b>%*</b>
<b>NL</b>	360,301	14.45%
<b>P5</b>	1,362,428	0.50%
<b>WMP</b>	-1,086,641	-1.16%
<b>P10</b>	636,088	0.17%
<b>BC</b>	<b>-99,858</b>	<b>-0.30%</b>
<i>*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.</i>		

<b>Milk Quality Report</b>		
The provincial averages and quality bonus data based on the official milk quality tests for June and July are:		
Milk Quality Data	June	July
Individual Bacteria Count	23,488	22,945
Somatic Cell Count	171,366	179,331
Quality Bonus Qualifiers(%)	73.39%	70.98%

<b>Producer Payments</b>		
Participants in the August   September   October Pools will receive their payments as follows:		
Month of Production:	Advance Payment	Final Payment
August	Sep 04	Sep 20
September	Oct 01	Oct 18
October	Nov 01	Nov 20

<b>Credit Transfer Average Prices</b>		
Effective July 1, 2018	<b>Conventional   Organic</b>	
Average Price	\$8.40	\$3.67
<i>A Summary of Credit Transfer Statistics can be found at <a href="http://bcmilk.com">bcmilk.com</a> with other credit transfer documents.</i>		

<b>Quota Management: Important Dates</b>			
Application Deadlines	Date & Time	Effective Date(s)	
Quota Exchange	Sep 4 @ 1:00pm	Oct 1	
CDQ Buy/Sell of Credits	Aug 24 @ 1:00pm	Aug 1	Sep 1
If you have any questions, please contact: Kathy Wallis 604.854.4471 <a href="mailto:kwallis@bcmilk.com">kwallis@bcmilk.com</a> Pam Gregory 604.854.4474 <a href="mailto:pgregory@bcmilk.com">pgregory@bcmilk.com</a>			

### New Entrant Program (NEP) Announced

Following its extensive stakeholder consultation process and review of the feedback gained through the process, including the NEP Committee’s recommendations, the BC Milk Marketing Board (the Board) is pleased to announce its New Entrant Program.

Please see the Notice to Industry from August 10, 2018: [Notice to Industry – New Entrant Program August 10, 2018](#)

Please note that NEP application forms will be available on the Board’s website in November 2018, with an application deadline of February 1, 2019 for the first intake of the NEP program (for production starts in 2020).

### Producer Calendars available on website

The BCMMB website provides convenient 24 hour/7 day a week access to the following useful producer deadline information:

- 2018-2019 Producer Payment Dates Calendar
- 2018 Producer BUY/SELL Credits and Quota Transfer Application Calendar
- 2018 Producer Quota Exchange Calendar

These calendars are all available on the BCMMB website. Simply click “Producer Calendars”.

### Quota Management – Inquiries

For all quota management inquiries please contact:  
**Kathy Wallis** – QE and all other transfers [kwallis@bcmilk.com](mailto:kwallis@bcmilk.com)  
**Pam Gregory** – Credit transfers [pgregory@bcmilk.com](mailto:pgregory@bcmilk.com)

### Important: Contacting BCMMB Staff

When contacting staff at the Milk Board it is important that you include the following information in your phone message or email:

- Name
- Farm “For Producers: IRMA (5-digit shipper number)”
- Contact number
- A brief, detailed message

This will save us time in returning your call or e-mail.

**[bcmilk.com](http://bcmilk.com)**