

# MILK MATTERS

P.O. Box 5034, Sussex, NB E4E 5L2 Tel: (506) 432-4330 Fax: (506) 432-4333 E-mail: nbmilk@nbmilk.org

A monthly publication for New Brunswick milk producers

## January 13, 2012

**Blend Price:** The average price paid to New Brunswick producers who shipped milk in **December 2011** was \$81.84/hl for milk containing BF 4.0275kg/hl, Protein 3.3495 kg/hl and LOS 5.6797kg/hl.

**Quota Exchange Deadline:**  
Wednesday, February 1, 2012  
4:00 pm

**Credit Exchange Deadline:**  
Thursday, January 19, 2011  
4:00 pm

*(Please call DFNB Office to confirm your bid/offer was received)*

**Incentive Days—Fall 2012**  
August 2012—2 days  
September 2012—2 days  
October 2012—3 days  
November 2012—2 days

**Increase in support prices for skim milk powder and butter effective February 1, 2012**

### BOARD OF DIRECTORS

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Fons De Jong Woodstock	375-4049
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### Incentive Days – Fall 2012

The P5 Quota Committee met January 9<sup>th</sup> 2012 to review production trends in the P5 and to decide on the level of incentives days for the fall of 2012. The Committee was advised that current forecasts indicate that the P5 Producers will ship enough milk to fulfill 100.2% of the P5's quota for the 12 months ending July 2012. A recommendation was made to issue nine (9) fall incentive days with two (2) in August, two (2) in September, three (3) in October and two (2) in November so that producers would be encouraged to maintain these current production levels through the fall of 2012. This recommendation was circulated to all five provincial producer boards on January 10<sup>th</sup> and adopted by all five on January 12<sup>th</sup>.

### Increase in support prices for skim milk powder and butter - February 1, 2012

The Canadian Dairy Commission (CDC) announced December 2, 2011, increases in the support prices for butter and skim milk powder that will be effective February 1, 2012. The support price for butter will increase from \$7.1922 to \$7.2810 per kg and the support price for skim milk powder will increase from \$6.2721 to \$6.3673 per kg. Support prices are the prices at which the CDC buys and sells butter and skim milk powder to balance seasonal demand changes on the domestic market. They are also used as references by provincial marketing boards to price industrial milk used to make products such as yogurt, cheese, butter and skim milk powder.

For dairy producers, this increase in the support prices should translate into a revenue increase of 1.5% or \$1.14 per hectolitre for industrial milk. Prices received by producers for fluid milk and cream are determined by provincial authorities through a process independent of this announcement. The overall increase to producers may vary depending on the pricing decisions made by provincial authorities.

“Our data show that the cost of producing milk in Canada has increased by 2.2% over the last 12 months” said Randy Williamson, Chairman of the CDC. “In particular, the cost of feed increased by almost 10% and the cost of fuel, by over 20%. This 1.5% increase in support prices is about half of the current inflation rate for food” he adds.

The new support price of butter will also include a reduction of 2 cents per hectolitre in the carrying charges collected by the CDC to pay for the storage of the normal butter stocks. The margin received by processors for the skim milk powder purchased by the Canadian Dairy Commission will increase by 12 cents per hectolitre to take into account rising processing costs. The impact of this increase at the retail level will be influenced by many factors such as manufacturing, transportation, distribution and packaging costs throughout the supply chain.

The Canadian Dairy Commission, a federal Crown corporation created in 1966, is a key facilitator within the Canadian dairy sector. It is mandated to provide efficient dairy producers with the opportunity to get a fair return on their labour and investment, and to ensure that Canadian consumers are provided with adequate supplies of quality dairy products. The CDC helps design, implement, and administer policies and programs to address dairy producer and processor needs. **Source: Chantal Paul Communications Services, Canadian Dairy Commission [www.cdc-ccl.gc.ca](http://www.cdc-ccl.gc.ca)**

### Directors plan to meet with New Brunswick MPs and Senators on January 31st

DFNB's directors will be attending the DFC Annual Policy Conference in Ottawa from January 31 to February 2, 2012, and while in Ottawa, directors plan to meet with Members of Parliament and Senators from New Brunswick. Directors, with their peers from other provinces, will review various issues and policies directly impacting dairy farming and the dairy industry.

**SNF Policy:** DFNB has advised the other provincial producer boards in the P5 that it has accepted the principles of the P5 Solids Non-Fat Policy that is proposed to go into effect by August 1, 2014. In light of this decision, DFNB has decided to gradually adjust its own

**Dairy Farmers of New Brunswick**

**Quota Exchange for January, 2012**

Price in Dollars	# of Sellers	Total Cum Sellers	Kgs Offered By Sellers	Total Cum. kgs	Difference Between Sellers/Buyers	Total Cum. kgs	Kgs Wanted By Buyers	# of Buyers	Total Cum Buyers
\$15,000.00	0	0	.0	.0	39.8	39.8	1.0	1	20
\$21,900.00	0	0	.0	.0	38.8	38.8	.2	1	19
\$22,000.00	1	1	1.0	1.0	37.6	38.6	.0	0	18
\$23,000.00	0	1	.0	1.0	37.6	38.6	.1	1	18
\$24,800.00	1	2	.5	1.5	37.0	38.5	.0	0	17
\$25,000.00	2	4	2.0	3.5	35.0	38.5	14.1	7	17
\$25,500.00	0	4	.0	3.5	20.9	24.4	2.0	1	10
\$26,000.00	0	4	.0	3.5	18.9	22.4	4.4	3	9
\$26,250.00	0	4	.0	3.5	14.5	18.0	5.0	1	6
\$26,500.00	0	4	.0	3.5	9.5	13.0	2.0	1	5
\$26,999.00	0	4	.0	3.5	7.5	11.0	1.0	1	4
\$27,000.00	0	4	.0	3.5	6.5	10.0	7.0	2	3
QESP \$27,255.00	0	4	.0	3.5	-5	3.0	3.0	1	1
\$28,000.00	1	5	2.0	5.5	-5.5	.0	.0	0	0
<b>TOTALS</b>		<b>5</b>	<b>5.5</b>				<b>39.8</b>	<b>20</b>	

QESP = Quota Exchange Selling Price

QESP = Le prix de vente de quota

3.0 of 3.5 kgs offered at or below the QESP were sold.

3.0 des 3.5 kilos offert au prix de vente ou au dessous ont été vendu.

**Kgs Saleable = 1.80, Kgs Non-Saleable = 1.20**

**Next Exchange closes at 4:00 p.m., Wednesday February 1, 2012**

**Results are available Monday February 6, 2012**

**Tel. :(506) 432-4330 Fax: (506) 432-4333 Quota: (506) 432-4334**

Month	Jan	Dec	Nov	Oct	Sept	Aug	6 month avg.
Clearing Price	\$27,255	\$24,900	\$26,000	\$26,650	\$27,000	\$27,700	\$26,584
Kgs on Exchange	3.0	10.0	19.1	6.1	16.1	11.0	10.9
Kgs by Transfer	.0	.0	.0	.0	.0	.0	.0

**NB Domestic Milk Pool**

Domestic Market	Butterfat Quota	Butterfat Shipped	Fill Rate	Butterfat	Protein	Lactose	HL	Under SNF Incentive
December 2011	460,573	452,294	98.20%	\$10.3652	\$9.0413	\$1.7291	\$81.84	\$16,385.46
Dairy Year	2,232,726	2,168,758	97.13%	\$10.1130	\$8.8784	\$1.6778	\$79.26	\$76,353.20
Marginal Market								
December 2011		513		\$0.0000	\$0.0000	\$0.0000	\$0.00	
Dairy Year		1,372		\$0.0000	\$0.0000	\$0.0000	\$0.00	
Deductions & SNF Ratios	Transport Per HL	Promotion Per Kg of Total Solids	Admin	Lab Fee	Total Ded Per HL		SNF Ratios	Target Ratio
December 2011	\$2.64	\$0.0999	\$0.0590	\$0.0016	\$4.74	Current Month	2.2419	2.2937
Dairy Year	\$2.97	\$0.0999	\$0.0590	\$0.0016	\$5.05	Past 12 Mo's	2.2657	
Components & Quality	Somatic Cell Count	Standard Plate Count	Lab Past. Count	Butter Fat	Protein	Lactose & O.S.	Total solids	Rejected Loads
December 2011	222,046	8,200	268	4.0275	3.3495	5.6797	13.0566	0
Dairy Year	240,044	8,341	247	3.9822	3.3197	5.6684	12.9704	1

**December 2011 Credit Exchange \$2.50/kg**  
**Please call the DFNB Office to confirm your bid/offer was received.**

**DFNB Mission**

To represent the interests of New Brunswick dairy farmers in their pursuit of operating sustainable dairy farms that produce high quality milk within a supply management system.

### Quota Exchange Procedures

Bids/Offers must be submitted on forms provided prior to **4:00 p.m. on 1st working day of month.**

**All bids must be accompanied by confirmation of funds from your lending institution if bid is greater than prior month's "Due Producer". Producers will not be allowed to combine their "Due Producer" amount with their confirmation of funds from a financial institution to bid for quota equal to the combined amounts. Bids or offers above \$28,000 will not be accepted.**

Producers selling all of their quota on an exchange will be subject to a security deposit of \$1000/kg that will be returned 30 days after effective date of the transfer.

### Credit Exchange Procedures

Bids/Offers must be submitted on forms provided prior to **4:00 p.m. on the 4th working day after the 15th of the month.** Results are available on the morning of 25th. Producers exiting industry may purchase/sell credits one month following effective date of sale. *If you do not receive your statement in time to review your credit position, please call the office and we will fax /email your statement to you.*

### Milk Penalty Funding

**Re-active funding:** Producers subject to milk quality penalty may access \$100 from Milk Penalty Fund to offset, **once per year**, cost of visit from a milk quality technician.

**Pro-active funding:** Producers advised of second or subsequent milk quality infraction, prior to a penalty assessed, is allowed to offset, **once per year**, cost of a visit from milk quality technician to a **maximum of \$500.** Producers may apply for funding by forwarding paid invoices to DFNB office.

### Minimum Quota Holdings Policy

**The Board will cease picking milk up when the farm's saleable quota holdings fall below one (1) kilogram.**

**The Board will cease picking milk up the month following the farm's total daily quota falls below ten (10) kilograms.**

### Group Insurance

The Co-operators, Group insurance rates:

**Monthly Single Coverage: \$103.**

**Monthly Family Coverage: \$290.00**

Questions regarding claims, rates or enrolment? Please call:

**Emily Murphy of Alodium Financial at: 1-800-994-5155 or 863-0580**

**Email: emilymurphy@rogers.com**

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### Weekend/After Hour Quality Milk Problems

Should a producer require alternate transportation due to **quality related concerns**, R&G Transport Ltd. will now be the first contact (**432-9170**). *If no answer, please leave a message.* R&G personnel will advise of DFNB's policy with respect to extra transportation costs.

### Weekend/After-Hour Service:

Please call **432-4330**. The Answering Service will contact DFNB staff.

### SNF Policy, continued

Solids Non-Fat policy starting August 1, 2012. On that date, any producer that has an SNF Target that is below 2.35 will be given a new SNF Target of 2.35. Those with SNF Targets above that will retain their respective SNF Targets until July 31, 2014. On August 1, 2012, DFNB will also adopt the practice of measuring the producer's SNF Ratio for the month against the producer's SNF Target instead of the current practice of using the 12 month average. All other aspects of DFNB's SNF Policy will be retained until July 31, 2014.

This means that the SNF Ratio of 2.2937 will continue to be applied on purchased quota until July 31, 2013; that the SNF Targets of those producers having SNF Targets above 2.35 will be reviewed at July 31, 2012 and July 31, 2013 and reduced by 20% of the difference that they were below their SNF target in the previous 12 months. All revenues associated to SNF produced in excess of a producer's SNF Target will continue to be redistributed to those producers who have a SNF Ratio below 2.20 in that month until July 31, 2014. On August 1, 2014, all producers in New Brunswick, and across the P5 for that matter, will have to comply with a common SNF Target of 2.35 or possibly a different value determined by the P5.

On August 1, 2014 any revenues associated to SNF produced in excess of a P5 producer's SNF Target will be redistributed on in-quota butterfat shipped by all producers in the P5 with SNF Ratios below 2.35. The allocation of revenues to butterfat, protein and lactose should continue to be similar to what they are currently in New Brunswick.

### Bonus for SNF below 2.20

In December 2011, 48 producers shipped SNF above their target valued at 16,382.60, which was then redistributed to the 50 producers, who had a 12 month rolling SNF ratio below 2.20, as an SNF Bonus at the rate of \$0.1889/kilo on their respective kilos of butterfat shipments within quota.

### P5 Transportation Meeting - Dec 12 & 13, 2011:

All the five provinces came together to discuss mutual concerns and solutions for milk pick up and delivery. Each province presented their regional challenges in an attempt to find useful solutions as a transportation team effort. There will be ongoing meetings of this nature and we are going to keep working on trying to provide all the provinces with acceptable transportation rates by pooling our resources and information.

Transportation in New Brunswick has been experiencing some increases in producer milk production lately and this has caused some minor route changes to be made in the attempt to accommodate these increases. These changes are temporary and will be monitored over the next couple of months.

### Sustainability Award

Don't forget, you only have until January 31, 2012, to submit your nomination or to recommend another farmer who produces milk in a sustainable way. The dairy farm sustainability award recognizes Canadian dairy farmers that have adopted on-farm management of Canada's sustainability strategy to:

- Reduce greenhouse gas emissions from dairy farms,
- Promote the efficient and sustainable management of natural resources, and
- Benchmark the socio-economic performance of Canadian dairy farms.

The deadline for submissions is Tuesday, January 31, 2012. You can go to DFC's website to access all the information, including nomination forms for the award.

**<http://www.dairyfarmers.ca/what-we-do/programs/environmentand-sustainable-development/dairy-farm-sustainabilityaward-a-call-for-nominations>**

### NB Dairy Hall of Fame

The New Brunswick Dairy Hall of Fame was established in 1984 as a means of honouring individuals for their outstanding contributions made to the New Brunswick dairy industry. To qualify for induction, those nominating must provide a summary of the nominee's significant contributions to the improvement of the New Brunswick dairy industry through local, provincial, national or international efforts in the fields of marketing, organization, production, breeding, research, policy, communication or education. **Please forward any nominations for Inductees for the 2012 Dairy Hall of Fame to your Local Milk Committee.**

## ADS

**Advertising Rates:** Active producers will continue to be allowed to put dairy related word ads at no charge. For other parties interested in advertising, the rates will be \$400 (full page), \$225 (½ page), \$120 (¼ page) and \$65 (1/8 page). Please Note: Ads must be received by 8th of month and will be advertised for two months only unless otherwise notified.

**For sale:** Jersey heifers for sale open and bred various ages. Contact Mark Anderson 433-1423.

**For sale:** 1975 JD 544B loader—1000 hrs on new motor bushings tight 50% rubber. Comes with 2 tire chains, all manuals, bucket and 11 foot snow blade. Price \$25000 neg. Call 506-685-7137.

**Looking To Retire?** NB farm family looking to buy small to medium sized dairy farm. Would prefer turn-key operation. Please email: ocianbadmin@bellaliant.net or call 375-7697.

## SERVICES

**Dairy Specialist:** Brian MacDonald 444-4951 Cell:433-0509  
**IDCA: (Dairy Calibrations)** Eric Hope-Rapp 357-8399  
**Quality Milk Management:** Don Anderson 433-3188; 433-4958; Cell: 432-5598 or email: udder1@nb.sympatico.ca  
**AgExpert Analyst Certified Adviser:** On-farm accounting file setups & software training — David Christie 466-4305  
**Hoof Trimming:** E. Duivenvoorden 433-1864  
**Hoof Trimming:** Peter Jones 372-5215.  
**Hoof Trimming:** Dwayne Black 328-1866  
**Relief Milking, Farm Sitting, Barn Pipeline & Milk Room Cleaning, Cattle Clipping:** Lynn Beckwith 756-2337  
**Custom Manure Spreading:** 1-800-833-9899 or 433-0867  
**Custom Manure Spreading:** 756-3645 or 756-2957  
**Custom Forage/Corn Harvesting:** Ben Wohlgenuth 391-5713  
**Maritime Lime & Wood Ash:** Orders/spreader rentals: 433-0867  
**Agricultural Alliance of NB Environmental Farm Plan:** Josée Albert or John Russell 452-8101 or visit [www.fermenbfarm.ca](http://www.fermenbfarm.ca) under environment.

**Time Temperature Recorders:** Contact DFNB Office 432-4330  
**Cull Cows:** Sussex Co-op taking cull cows 4 days/week. Please call Sarah @ 432-1841 or Dave @ 432-1826 for info and pricing.  
**Atlantic Dairy & Forage Institute (ADFI)** Should you have any research that ADFI could be of assistance, please contact the Research Farm at 368-6241 or email [Josh.lamont@adfi.ca](mailto:Josh.lamont@adfi.ca)  
Bilingual Website: [www.adfiresearch.org](http://www.adfiresearch.org).

### Dairy Farmers of Canada Maritime Promotional Events

Please submit all Maritime Farm Tour and Promotional Event requests to: **Karen Aucoin**, Program Manager, Marketing, Dairy Farmers of Canada, 173 Mailhot Ave, Moncton, NB E1G 5B8, **Tel:506-384-4899** or e-mail: [kaucoin.dfc@bellaliant.net](mailto:kaucoin.dfc@bellaliant.net)

## Upcoming Events

**DFNB Board Meeting: January 23-24, 2012**

### NB HOLSTEIN BRANCH ANNUAL MEETING

Hosted by Moncton Club Wednesday February 8, 2012  
Elgin Community Center in Elgin  
10:30 a.m. members session; 11 a.m. meeting  
Tour of Lely Robot at VanGeest's in the afternoon.

## Upcoming FCC Workshops:

### Optimizing Dairy Revenue — January 16, 2012

Fairway Inn—216 Roachville Road, Exit 193 Hwy 1--Sussex  
**Time:** 10:00 a.m.—12:00 p.m. **Event Language:** English  
**Presenter:** Mario Leclerc **Cost:** Complimentary  
Get ready to learn and gain valuable insight during this interactive discussion. Learn how small changes can add up to big profits for your dairy operation.

### Benefits of Attending:

Learn how to identify your strengths and weaknesses; Improve profits by increasing incomes and decreasing expenses; Get tips to make the most out of every facet of your operation

### High Performance Management Workshop


**Location:** Crowne Plaza —Lord Beaverbrook Hotel  
659 Queen Street, Fredericton, NB **Cost:** Complimentary  
**Date:** January 18, 2012 **Time:** 9:00 a.m.—4:30 p.m.  
**Event Language:** English **Presenter:** Terry Betker  
Maximize your management potential by focusing on the four pillars of management: production, marketing, human resources and finance; Learn to develop an effective and balanced approach towards growing or transitioning your business and achieve your ultimate potential.

### Benefits of Attending:

Learn new skills and techniques to integrate and balance production, marketing, human resources and finance for your operation; Increase your management skills on par with your growing business.; network with visionary producers and entrepreneurs.

### Atlantic Agricultural Leadership Program (AALP) seeking applicants for Class 8

For information, visit the website at [www.agleaders.ca](http://www.agleaders.ca) or contact AALP's Executive Director Monique McTiernan at: [aalp@rogers.com](mailto:aalp@rogers.com) or call 506-204-5976.





## Job Opportunity with Dairy Farmers of Canada

Do you have experience in the dairy industry? Are you a student in livestock or agriculture?


Do you enjoy working with kids? Are you interested in teaching and promoting local Canadian dairy products to families?

Do you want to travel to fun events throughout the summer while building a great resume?



LAUNCH! is looking for energetic ambassadors who enjoy working on a team to execute Dairy Farmers of Canada's Mobile Experience Program, 'From Farm to Table' with Moonical, DFC's life-size mechanical cow travelling to events educating families on where their milk comes from.

To apply, please contact Ryan Ferguson at [Ryanelizabeth.ferguson@launchthis.com](mailto:Ryanelizabeth.ferguson@launchthis.com)



## Canadian Quality Milk Update

**Revised validation schedule:** With 99% of producers now registered on the CQM program, the Board has recently passed a motion revising the current 4 year validation cycle from its current (Full, Self, Self, Partial) to (Full, Self, Full, Self) in an effort to make it more practical, predictable and more consistent.

Due to an increased number of registrations in 2010, 68 producers will be asked to complete a Self-Declaration during their anniversary month in 2012 and 2013, and then resume with Full, Self, Full, Self validation schedule. All producers will be notified of their validation schedule and type in the coming months.

### Explaining the CQM registration withdrawal process and timing of quota suspension

Below is a diagram of the steps we take if a producer is not in compliance with the CQM program in the future. We strongly urge you to keep up with any monthly and annual checks that are required for the CQM Program and which must be validated during your full-validation/self-declaration so that you can avoid losing your registered status.

**If you have any questions, please contact Danielle Kennedy at the office at: 506-432-4330 or via email at: [danielle@nbmilk.org](mailto:danielle@nbmilk.org).**

CQM Date	Full Validation / Self Declaration
January 19	FV/SD anniversary (Due one month +/- registration date, thus is due Feb. 19)
February 19	SD/Corrective Action Requests deadline. SD/CARs not received or not fully completed, correctly completed, or verified. First optional 30 day extension granted.
March 19	SD/CARs deadline. SD/CARs not received or not fully completed, correctly completed, or verified. Second optional 30 day extension granted with WARNING that Withdrawal process will start if SD/CARs not correctly completed & verified in time.
April 19	SD/CARs deadline. SD/CARs not received or not fully completed, correctly completed, or verified. Withdrawal warning notice sent via registered mail requesting SD/CARs be fully & correctly completed & verified within 30 days.
May 19	SD/CARs deadline. SD/CARs not received or not fully completed, correctly completed, or verified. Withdrawal letter sent via registered mail stating registration will be withdrawn if SD/CARs not fully & correctly completed & verified within 14 days
June 2	SD/CARs deadline. SD/CARs not received or not fully completed, correctly completed, or verified. Registration withdrawn & letter sent stating registration is withdrawn. A Producer will also receive a 1% quota suspension for the month of June, and doubling each month there after until they reach 100% or the producer has reregistered with the CQM program.

## November—In support of Prostate Cancer Research



**Larry MacGillivray-Saputo Foods; Reginald Perry-Chairman of DFNB, Premier David Alward; Jack Christie-Northumberland Co-op; Jim Walker-Dairytown Processing Ltd.**

Premier David Alward initiated a tie auction at the DFNB Annual Meeting which resulted in NB Processors and NB Dairy Producers donating over \$3000 towards Prostate Cancer Research.

Looking To Retire From Farming?  
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