

Producer Component Prices

The producer component prices for the month of March are as follows: BF=\$17.1164, PT=\$2.6059, OS=\$0.7171. The average BC producer hectoliter return for the month is \$84.8693 compared to \$85.4741 in February, a decrease of \$0.6048. In mid-March as the COVID-19 pandemic heightened in the province, processors were ramping up fluid production and demand for raw milk was high, but quickly fell off with the closure of restaurants, schools and other industrial users. Although fluid sales traditionally represent high returns, the lack of a need for cream and associated low value processing for other milk components means that the return for March was both lower than the previous month and expectations. Adding to the processing difficulties driving down the return, the February equalization payment to the WMP and P5 pooling partners processed in the March pool was higher than the previous five months by approx. \$1M, but in-line with the payment amounts for this time of year for the previous three years.

Continuous Quota			BC Continuous Quota Position
Cumulative Over/Under Production (with limits) as of February 2020			February 2020 Actual 0.70%
	Kg of BF	%*	
NL	(432,299)	-17.53%	
P5	(1,336,746)	-0.47%	
WMP	(783,055)	-0.79%	
P10	(2,552,100)	-0.66%	
BC	245,666	0.70%	
*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.			

Provincial Freight			Producer Payment Dates		
The producer freight rate calculations for the months of February and March are summarized below:			Participants in the April May June Pools will receive payments as follows:		
Freight Rates (\$/hl)	February	March	Month of Production	Advance Payment	Final Payment
Zone Transportation Costs	3.25	3.25	April	May 1	May 20
Less: Vendor Billings	(0.12)	(0.10)	May	June 1	June 17
Gross Provincial Freight Rate	3.13	3.15	June	July 2	July 20
Add: Train/Volume Discounts	0.34	0.35	Please go to bcmilk.com to view all 2019-2020 Producer Payment Dates		
Less: Stop/Extra Pick-Up Charges	(0.13)	(0.13)			
Transportation Department Costs	0.00	0.00			
Adjustments from Prior Period	(0.12)	(0.01)			
Net Provincial Freight Rate	3.22	3.36			

Quota Management: Credit Transfer Average Prices			Milk Quality Report		
Effective March 1	Conventional	Organic	The provincial averages and quality bonus data based on the official milk quality tests for February and March are:		
Average Price	\$10.11	\$5.83			
<i>A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.</i>					
Quota Management: Important Dates			Milk Quality Data	February	March
Application Deadlines	Date & Time	Effective Date(s)			
Quota Exchange	May 1 @1 PM	Jun 1	Individual Bacteria Count	22,378	21,244
CDQ Buy/Sell of Credits	Apr 24 @1 PM	Apr 1 or May 1	Somatic Cell Count	157,453	151,919
<i>If you have any questions, please contact:</i>			Quality Bonus Qualifiers (%)	76.97%	81.37%
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