

Producer Component Prices – July 2021

The producer component prices for the month of July are as follows: BF=\$16.5861, PT=\$2.5125, OS=\$0.6602. The average BC producer hectoliter return for the month is \$78.0310 compared to \$80.0717 in June, a decrease of \$2.0407. Expressed in revenue per KG of BF, these averages are \$19.4999 in July and \$19.5489 in June.

The producer return decline in the month is due to a relatively steady transfer payment to the WMP and P10, but also had the added impact of significant raw milk disposal in the month which is occurring in BC and throughout the country and into August. Processor challenges and the forest fires are both contributing to the disposals and lower return, but seasonality is also a factor. Summer is often when BC has a lower blend price and in fact comparing this month's producer return to the last 5 year's July price, July 2021 is less than a \$0.10/HL difference and \$0.87/HL higher than in 2020. With canceled incentive days in August there should be less disposal activity across BC and the country, but there is enough occurring and the seasonality of milk utilization that an impact to the return should be expected in August as well.

Continuous Quota			BC Continuous Quota Position
Cumulative Over/Under Production (with limits) as of June 2021			June 2021 Actual 1.64%
	Kg of BF	%*	
NL	(873,835)	-34.33%	
P5	(1,587,525)	-0.54%	
WMP	(114,114)	-0.11%	
P10	(2,575,474)	-0.65%	
BC	587,260	1.64%	
*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 June and July are summarized below:			Participants in the Aug Sep Oct Pools will receive payments as follows:		
Freight Rates (\$/hl)	June	July	Month of Production	Advance Payment	Final Payment
Zone Transportation Costs	3.22	3.15	Aug	Sep 1	Sep 20
Less: Vendor Billings	(0.14)	(0.13)	Sep	Oct 1	Oct 20
Gross Provincial Freight Rate	3.08	3.02	Oct	Nov 1	Nov 18
Add: Train/Volume Discounts	0.34	0.35	Please go to bcmilk.com to view all 2021-2022 Producer Payment Dates		
Less: Stop/Extra Pick-Up Charges	(0.12)	(0.12)			
Transportation Department Costs	0.00	0.02			
Adjustments from Prior Period	0.01	0.00			
Net Provincial Freight Rate	3.31	3.27			

Quota Management: Credit Transfer Average Prices			Milk Quality Report		
Effective Jul 1	Conventional	Organic	The provincial averages and quality bonus data based on the official milk quality tests for June and July are:		
Average Price	\$8.86	\$6.28			
<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	June	July
Application Deadlines	Date & Time	Effective Date(s)			
Quota Exchange	Sep 1@ 1 PM	Oct 1	Individual Bacteria Count	20,537	25,243
CDQ Buy/Sell of Credits	Aug 25@1 PM	Aug 1 or Sep 1	Somatic Cell Count	153,654	180,812
<i>If you have any questions, please contact:</i>			Quality Bonus Qualifiers (%)	79.30%	71.70%
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