

Producer Component Prices – January 2021

The producer component prices for the month of January are as follows: BF=\$16.4287, PT=\$2.5974, OS=\$0.7061. The average BC producer hectoliter return for the month is \$83.4831 compared to \$85.2804 in December, a decrease of \$1.7973. Expressed in revenue per KG of BF, these averages are \$19.3199 in January and \$19.6206 in December.

The monthly transfer payments the Western Milk Pool makes to the P5 for P10 pooling remains high due to the lower valued product mix in that pool. December marked the sixth month the P10 pooling arrangement has been in place and we are starting to see trends in the transfers and each pool's processing, although this data is still heavily influenced by the pandemic which makes forecasting and determining if this is a long-term trend difficult. Fortunately, in December the other Western provinces had very little skimming and similar processing mixes to that of BC so transfers from BC to other provinces were lower than average and helped reduce BC's transfer payment for December.

| Continuous Quota | | | BC Continuous Quota Position |
|--|------------------|---------------|---------------------------------------|
| Cumulative Over/Under Production (with limits) as of December 2020 | | | December 2020 Actual -1.05% |
| | Kg of BF | %* | |
| NL | (732,876) | -29.72% | |
| P5 | (5,868,504) | -2.04% | |
| WMP | (2,659,933) | -2.68% | |
| P10 | (9,261,313) | -2.38% | |
| BC | (367,145) | -1.05% | |
| *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 December and January are summarized below: | | | Participants in the Feb Mar Apr Pools will receive payments as follows: | | |
| Freight Rates (\$/hl) | December | January | Month of Production | Advance Payment | Final Payment |
| Zone Transportation Costs | 3.18 | 3.18 | February | Mar 1 | Mar 17 |
| Less: Vendor Billings | (0.14) | (0.14) | March | Apr 1 | Apr 21 |
| Gross Provincial Freight Rate | 3.04 | 3.04 | April | May 3 | May 19 |
| Add: Train/Volume Discounts | 0.35 | 0.35 | Please go to bcmilk.com to view all 2020-2021 Producer Payment Dates | | |
| Less: Stop/Extra Pick-Up Charges | (0.12) | (0.12) | | | |
| Transportation Department Costs | 0.00 | 0.00 | | | |
| Adjustments from Prior Period | 0.02 | 0.02 | | | |
| Net Provincial Freight Rate | 3.29 | 3.29 | | | |

| Quota Management: Credit Transfer Average Prices | | | Milk Quality Report | | |
|---|---------------------|-------------------|---|----------|---------|
| Effective January 1 | Conventional | Organic | The provincial averages and quality bonus data based on the official milk quality tests for December & January are: | | |
| Average Price | \$8.83 | \$6.66 | | | |
| <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 | December | January |
| Application Deadlines | Date & Time | Effective Date(s) | Individual Bacteria Count | 17,318 | 15,471 |
| Quota Exchange | Mar 1@ 1 PM | Apr 1 | | | |
| CDQ Buy/Sell of Credits | Feb 25@1 PM | Feb 1 or Mar 1 | Somatic Cell Count | 156,543 | 156,935 |
| <i>If you have any questions, please contact:</i> | | | | | |
| Kathy Wallis T. 604.854.4471 kwallis@bcmilk.com | | | Quality Bonus Qualifiers (%) | 80.10% | 79.70% |
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