

Producer Component Prices – December 2021

The producer component prices for the month of December are as follows: BF=\$16.6303, PT=\$2.5494, OS=\$0.7247. The average BC producer hectoliter return for the month is \$85.2912 compared to \$82.2317 in November, an increase of \$3.0595. Expressed in revenue per KG of BF, these averages are \$19.5120 in December and \$18.9748 in November.

The province of BC disposed of 700K litres of raw milk due directly to inaccessibility and highway closures caused by the severe flooding in late November, and associated damage to main highways in mid-December. Transporters worked extremely hard to continue milk pickups wherever possible despite significant challenges throughout the province. While there were extra transportation costs billed to producers for November that are added to the provincial freight rate, BC Milk acknowledges a significant donation of \$120K by Vedder Transportation & Resources to contribute to relief efforts. Another 1.2M litres of raw milk was disposed in December related to market supply issues caused by pandemic restrictions. These disposals bring no revenue to BC, but the implication will be shared by our pooling partners across the country.

Producers will notice that the provincial freight rate paid in the province is \$3.81/HL which is approx. \$0.40/HL more than the 12 month average. This is due to in part to the net impact of the extra transportation costs incurred in November noted above, but also due to the annual increase in the rate formula for all transporters which recognizes rising fuel costs, inflation, payroll, etc. of operating a transportation business.

Continuous Quota			BC Continuous Quota Position
Cumulative Over/Under Production (with limits) as of November 2021			November 2021 Actual: -1.55%
	Kg of BF	%*	
NL	(1,050,835)	-40.91%	
P5	(4,982,939)	-1.69%	
WMP	(2,083,538)	-2.05%	
P10	(8,117,312)	-2.03%	
BC	(556,930)	-1.55%	
*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 November and December are summarized below:			Participants in the Jan Feb Mar Pools will receive payments as follows:		
Freight Rates (\$/hl)	November	December	Month of Production	Advance Payment	Final Payment
Zone Transportation Costs	3.16	3.65	Jan	Feb 1	Feb 17
Less: Vendor Billings	(0.08)	(0.03)	Feb	Mar 1	Mar 17
Gross Provincial Freight Rate	3.08	3.62	Mar	Apr 1	Apr 21
Add: Train/Volume Discounts	0.34	0.34	Please go to bcmilk.com to view all 2021-2022 Producer Payment Dates		
Less: Stop/Extra Pick-Up Charges	(0.09)	(0.12)			
Transportation Department Costs	0.02	0.02			
Adjustments from Prior Period	0.06	(0.05)			
Net Provincial Freight Rate	3.41	3.81			

Quota Management: Credit Transfer Average Prices			Milk Quality Report		
Effective Dec 1	Conventional	Organic	The provincial averages and quality bonus data based on the official milk quality tests for November and December are:		
Average Price	\$8.51	\$6.57			
A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.					
Quota Management: Important Dates			Milk Quality Data	November	December
Application Deadlines	Date & Time	Effective Date(s)			
Quota Exchange	Feb 1 @ 1 PM	Mar 1	Individual Bacteria Count	17,920	20,730
CDQ Buy/Sell of Credits	Jan 25 @ 1 PM	Jan 1 or Feb 1	Somatic Cell Count	153,800	150,147
If you have any questions, please contact:			Quality Bonus Qualifiers (%)	80.90%	78.10%
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