

Producer Component Prices – February 2022

The producer component prices for the month of February are as follows: BF=\$17.1547, PT=\$2.6141, OS=\$0.7353. The average BC producer hectolitre return for the month is \$86.8899 compared to \$88.5179 in January, a decrease of \$1.6280/hl to the blend price. Expressed in revenue per KG of BF, these averages are \$20.1514 in February and \$20.2016 in January (decrease of \$0.0502). There was a 10% decrease in the volume of milk produced in March compared to last month, along with an 8% decrease in net pool revenue, resulting in a slight increase to the pre-pooling blend price. The March deduction for P10/WMP equalization increased by \$1,270,000 over the previous month resulting in an increase of \$1.96/hl deduction to the blend price. The province of BC has been making a recovery from some of the impacts of the past flooding and heavy snowfall, which caused milk disposal directly related to inaccessibility and highway closures in the last few months. There was an uptick in milk disposals this month, compared to last month. However, we expect the milk disposals to be minimal over the next month. Producers will notice that the provincial freight rate paid in the province has decreased by \$0.09/hl, but still higher than normal. The higher rate is mostly due to highway 1 being closed and having to re-route trucks to other highways. The increase in fuel costs are expected to put additional pressure on the freight rate.

| Continuous Quota | | | BC Continuous Quota Position |
|---|------------------|---------------|---|
| Cumulative Over/Under Production (with limits) as of January 2022 | | | January 2022 Actual - (1.68%) |
| | Kg of BF | %* | |
| NL | (1,142,217) | -45.21% | |
| P5 | (4,304,982) | -1.47% | |
| WMP | (2,224,606) | -2.21% | |
| P10 | (7,671,805) | -1.93% | |
| BC | (597,241) | -1.68% | |
| <small>*Cumulative Over/Under Production (with limits) expressed as a % of the most recent 12 months total quota.</small> | | | |

| Provincial Freight | | | Producer Payment Dates | | |
|---|-------------|-------------|---|-----------------|---------------|
| The producer freight rate calculations for the months of January and February are summarized below: | | | Participants in the Mar Apr May Pools will receive payments as follows: | | |
| Freight Rates (\$/hl) | January | February | Month of Production | Advance Payment | Final Payment |
| Zone Transportation Costs | 3.83 | 3.72 | Mar | Apr 1 | Apr 21 |
| Less: Vendor Billings | (0.03) | (0.03) | | | |
| Gross Provincial Freight Rate | 3.80 | 3.69 | Apr | May 2 | May 18 |
| Add: Train/Volume Discounts | 0.35 | 0.34 | May | Jun 1 | Jun 17 |
| Less: Stop/Extra Pick-Up Charges | (0.12) | (0.12) | Please go to view all 2021-2022 Producer Payment Dates | | |
| Transportation Department Costs | 0.02 | 0.02 | | | |
| Adjustments from Prior Period | (0.01) | 0.02 | | | |
| Net Provincial Freight Rate | 4.04 | 3.95 | | | |

| Quota Management: Credit Transfer Average Prices | | | Milk Quality Report | | |
|---|---------------------|-------------------|---|---------|----------|
| Effective Feb 1 | Conventional | Organic | The provincial averages and quality bonus data based on the official milk quality tests for January and February are: | | |
| Average Price | \$9.44 | \$7.00 | | | |
| <small>A Summary of Credit Transfer Statistics can be found at bcmilk.com with other credit transfer documents.</small> | | | Milk Quality Data | January | February |
| Quota Management: Important Dates | | | | | |
| Application Deadlines | Date & Time | Effective Date(s) | Individual Bacteria Count | 24,169 | 20,456 |
| Quota Exchange | Apr 1 @ 1 PM | May 1 | | | |
| CDQ Buy/Sell of Credits | Mar 25 @ 1 PM | Mar 1 or Apr 1 | | | |
| <small>If you have any questions, please contact:</small> | | | Somatic Cell Count | 145,974 | 144,031 |
| Kathy Wallis T. 604.854.4471 kwallis@bcmilk.com | | | | | |
| Pam Gregory T. 604.854.4474 pgregory@bcmilk.com | | | Quality Bonus Qualifiers (%) | 77.10% | 82.40% |