

# DAIRY FARMER UPDATE

*Business Highlights*

*from DFO*

**Jan. 13, 2012**

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## **Board Member recovering from tree-felling accident**

Sid Atkinson, Board Member for DFO Region 4, is recovering in hospital from a tree-felling accident that occurred on December 31.

The Atkinson family operate a 600-acre dairy farm near Roseneath in Northumberland County.

## **Most producers signed up on time for direct payment**

More than 99 per cent of dairy farmers met the January 6th deadline, and are now on direct deposit.

Interim milk payment for January 2012 will be in their bank accounts on February 1st.

If you are one of the few remaining producers who have yet to sign up, please do so before January 24, 2012. This will ensure you receive your payment by direct deposit for January milk shipments by February 15th. Payments by cheque have been discontinued.

If you have any questions about DFO's Direct Deposit service, please contact your Field Services Representative or Loraine Baker-Richards or Uma Para in DFO's office at 905-821-8970.

*Current production levels are strong, incentives in place for fall*

## **Fall incentive days for August through November**

**T**he DFO Board approved the P5 Quota Committee recommendation on fall incentive days for 2012. Incentive days will be available on a non-cumulative basis for the months of August, September, October and November.

There will be two days in August and September, three days for October and two days for November. An extra day has been added for October because it is the month with the lowest production in the fall.

Milk production levels are strong and appear to be on target to meet the four per cent increase in quota that has taken place within the last year.

*Emmott, Murray and Harrop continue as DFO executive team*

## **DFO Board elects 2012 executive**

**B**ill Emmott was elected chair of Dairy Farmers of Ontario, David Murray was elected 1st Vice-Chair and Ian Harrop was elected 2nd Vice-Chair at a DFO board meeting on January 12.

Bill Emmott has served as chair since 2009 and prior to that was vice-chair from January 2005 to January 2009. He has been on the board since 1999. He represents dairy farmers in Brant, Haldimand, Halton, Niagara, Norfolk and Wentworth counties.

David Murray has served as board member representing dairy farmers in Huron and Perth counties since 2006.

Ian Harrop has served as board member representing dairy farmers in Dufferin, Peel, Simcoe and Wellington counties since 2006.

*Hold on applications while DFO reviews new producer policy*

## **New producer policy review for P5 harmonization**

**A**t its December Board meeting, the DFO Board agreed, as part of P5 Quota Harmonization, to review the new producer policy that permits one new producer per month to have priority access on the quota exchange for up to 35 kilograms of quota.

It will be discussed with Dairy Producer Committees at the Spring Policy Conference in March. While the policy is under review no new applications will be accepted.

Dairy farmers will also be invited to provide feedback to DFO during the review period.

January 2012 Quota Exchange Offers and Bids Quota Price Cap = \$25,000/kg	
Amount bid for	8518.05 kg
Amount purchased	264.66 kg
Amount offered/sold	264.60 kg
Number of producers buying	828
Number of producers selling	24
Quota purchased by a new entrant (with assistance)	n/a
Quota purchased by new producer	35.00 kg
Maximum quota by allotment round(s)	0.2 kg
Buyer proration	0.772%
Non-saleable quota as of January 1, 2012	5.185%

Explaining Changes to This Month's Blend Price			
	December 2011	November 2011 (Figures in \$ per hectolitre)	Difference
Revenue From Processors	\$84.13	\$84.17	-\$0.04
Contribution from Over-Quota	\$0.34	\$0.54	-\$0.20
Pool Adjustments	-\$0.68	-\$1.90	\$1.22
Other	-\$1.18	-\$1.56	\$0.38
<b>Producer Blend Price</b>	<b>\$82.61</b>	<b>\$81.25</b>	<b>\$1.36</b>

### TO PLACE A BID OR OFFER ON THE QUOTA EXCHANGE

#### OPTION 1 - Producer Self-Service ([www.milk.org](http://www.milk.org))

- (a) Bids and offers are accepted from the 20<sup>th</sup> of a month to 11:59:59 p.m. on the first of the following month. It is recommended that you submit your bid or offer a few days prior to the deadline (the first day of each month) so that, if there is an error or error message, there is adequate time for you to provide the additional information to the Quota Administrator in advance of the exchange closing.
- (b) To place a bid or offer on the quota exchange yourself or have it placed by someone on your behalf, go to [www.milk.org](http://www.milk.org) and select Login. When prompted, enter your Username (your licence number) and your primary Password. Select Quota Exchange and then Buy or Sell Quota. Follow the screen instructions to submit your bid or offer.

#### OPTION 2 - Customer Service Representative (CSR)

Have your most recent milk statement available so that the CSR can verify the caller is the licence holder or licence holder's representative.

- (a) Bids and offers are accepted from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding holidays, from the 20<sup>th</sup> of the month to the first of the following month.
- (b) Write down your bid or offer in the space below before making your call.  
Buy \_\_\_\_\_ kg of quota at \_\_\_\_\_ dollars per kilogram. Advise if you will be paying by cheque or milk proceeds deduction. (Note: You can ask the CSR to put 10% in the kg section and the kg will automatically be calculated.)

OR

Sell \_\_\_\_\_ kg of quota at \_\_\_\_\_ dollars per kilogram. (Note: You can ask the CSR to put ALL in the kg section if you are selling your total quota.)

- (c) Call 1-866-518-2525 and a CSR will take your buy or sell information. Record the confirmation number provided by the CSR at the end of your call with your written bid or offer information.