Producers have until Dec. 29 to comment on changes to Reg. 761

In July 2016, Dairy Farmers of Ontario (DFO) requested changes to Ontario Regulation 761 to the Ontario Farm Products Marketing Commission (OFPMC) to implement the P5 harmonized penalty programs for somatic cell count (SCC), bacteria and abnormal freezing point (AFP). DFO’s request also included the addition of provisions related to animal care and welfare, as well as the bulk tank milk grade’s ability to reject milk if milkhouse conditions prevent its grading by sight and smell.

The OFPMC informed DFO the proposed changes to Regulation 761 would not be finalized until a communication plan was completed by Ontario Ministry of Agriculture, Food and Rural Affairs staff and the proposal was posted for comment.

Summary of changes

SCC
- A SCC demerit applies each time a bulk tank test result is greater than 400,000 cells/ml;
- A SCC penalty applies when the producer has at least one SCC demerit in the third month of a rolling three-month period AND the percentage of SCC demerits in the rolling three-month period is equal to or greater than 40 per cent.

Bacteria
- A bacteria demerit applies each time a bulk tank test result is greater than 121,000 IBC/ml;
- A bacteria penalty applies when the producer has at least one bacteria demerit in the third month of a rolling three-month period AND the percentage of bacteria demerits in the rolling three-month period is equal to or greater than 40 per cent.

Key elements
A bacteria penalty applies when the producer has at least one bacteria demerit in the third month of a rolling three-month period AND the percentage of bacteria demerits in the rolling three-month period is equal to or greater than 40 per cent.

- A demerit is a penalty level test result:
  - SCC greater than 400,000;
  - Bacteria greater than 121,000.
- Penalties are administered in a rolling three-month period;
- The demerit percentage is calculated over each rolling three-month period (not for each individual month in the rolling three-month period);
- SCC and bacteria penalties are calculated separately.

Abnormal Freezing Point
Under the upcoming regulation, an AFP penalty applies when the producer has a second or subsequent AFP test result greater than -0.507°C in a rolling 12-month period no sooner than 18 days from the previous AFP in penalty range.

Animal care and welfare
The new animal care and welfare regulations will become part of the Grade A inspection program and include:
- Prohibition of docking cattle’s tails unless medically necessary as approved in writing by a veterinarian;
- Housing to prevent injuries and lameness;
- Provision of hoof care to prevent lameness;
- Provision of adequate ration and access to water;
- Proper animal identification for traceability and herd management;
- Proper storage of deadstock until removal or disposal according to provincial regulations;
- Adherence to provincial and federal animal transportation regulations;
- Provision of veterinary report and requirement to follow veterinarian recommendations when there is evidence of potential animal welfare issues.

The proposed changes to Ontario Regulation 761 were posted for comment on Ontario’s Regulatory Registry on Nov. 14, 2017. The comment period will close Dec. 29, 2017. The comments received will be evaluated by the OFPMC before granting final approval. If approved, the new regulation could come into force as early as March 1, 2018. DFO will provide updates to producers as information becomes available.

To review the proposed changes and submit comments, please visit the Ontario Regulatory Registry online at http://www.ontariocanada.com/registry/view.do?postingId=23042&language=en.

Timing matters education team formed

Dairy Farmers of Ontario (DFO), along with Ontario agriculture organizations, have created a response team to increase awareness and educate farmers about best management practices for spreading manure during the winter months.

The Timing Matters Peer Response Team, comprised of representatives from participating commodity groups, will be working with farmers who have been observed by Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) field staff to have spread manure on frozen or snow-covered ground.

If OMAFRA field staff observe manure spreading at the wrong time, they will record the information and determine if followup with the response team is necessary. If they do, OMAFRA will contact DFO, and a field services representative will help individual farmers develop practical solutions for nutrient use and reduce the environmental impact on local creeks, rivers and lakes.

Spreading manure on frozen or snow-covered ground is a highly visible practice undertaken by a small number of producers. The practice may impact the environment and create a negative image for agriculture. Negative public reactions could drive regulations or rule changes that affect everyone’s competitiveness.

Look for more information in future DFO communications.

Food bank reminder
If you would like to participate in the food bank program from February to July 2018, you must complete the food bank donation form that was included in the November issue of Milk Producer magazine. The form must be completed and returned to Dairy Farmers of Ontario by Jan. 1, 2018.

Holiday office hours
Dairy Farmers of Ontario’s (DFO) head office will be closed between Dec. 25, 2017 to Jan. 1, 2018. Producers requiring DFO services over the holiday period should contact their local field services representative. DFO will be maintaining key services for dairy farmers, transporters and processors during the holiday period. Staff will be available or on call as needed.

Placing bids and offers on January quota exchange

Bids and offers on the January quota exchange will be accepted through Dairy Farmers of Ontario’s website (www.milk.org) from Dec. 20, 2017 to Jan.1, 2018. Producers who prefer more personal service will be able to call a customer service representative toll-free at 1-866-518-2525, from 8:30 a.m. to 4:30 p.m. on the following business days: Dec. 20, 21, 22, 27, 28 and 29.
December 2017 Quota Exchange Offers and Bids
Quota Price Cap = $24,000/kg

<table>
<thead>
<tr>
<th>Amount bid for</th>
<th>9,903.82 kg</th>
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</thead>
<tbody>
<tr>
<td>Amount purchased</td>
<td>750.66 kg</td>
</tr>
<tr>
<td>Amount offered/sold</td>
<td>750.70 kg</td>
</tr>
<tr>
<td>Number of producers buying</td>
<td>639</td>
</tr>
<tr>
<td>Number of producers selling</td>
<td>131</td>
</tr>
<tr>
<td>Quota purchased by new entrant (with assistance)</td>
<td>32.00 kg</td>
</tr>
<tr>
<td>Quota purchased by new producer</td>
<td>35.00 kg</td>
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<tr>
<td>Maximum quota by allotment round(s)</td>
<td>0.6 kg</td>
</tr>
<tr>
<td>Buyer proration</td>
<td>3.258 %</td>
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<tr>
<td>Non-saleable quota as of December 1, 2017</td>
<td>0 %</td>
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Explaining Changes to This Month's Blend Price

<table>
<thead>
<tr>
<th></th>
<th>November 2017</th>
<th>October 2017</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue From Processors</td>
<td>$83.45</td>
<td>$83.97</td>
<td>-$0.52</td>
</tr>
<tr>
<td>Contribution from Over-Quota</td>
<td>$0.12</td>
<td>$0.11</td>
<td>$0.01</td>
</tr>
<tr>
<td>Pool Adjustments</td>
<td>-$5.30</td>
<td>-$4.15</td>
<td>-$1.15</td>
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<tr>
<td>CDC Surplus</td>
<td>$0.00</td>
<td>$1.16</td>
<td>-$1.16</td>
</tr>
<tr>
<td>Other</td>
<td>-$1.56</td>
<td>-$1.93</td>
<td>$0.37</td>
</tr>
<tr>
<td><strong>Producer Blend Price</strong></td>
<td><strong>$76.71</strong></td>
<td><strong>$79.16</strong></td>
<td><strong>-$2.45</strong></td>
</tr>
</tbody>
</table>

To Place a Bid or Offer on the Quota Exchange

**OPTION 1 - Producer Self-Service (www.milk.org)**

(a) Bids and offers are accepted from the 20th 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 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 20th 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. (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.