

# Saskatchewan Milk Statement Explanation

(The numbers on this page correspond to those in brackets on the sample statement)

1. **Producer number:** 5 digit number issued by the Saskatchewan Milk Control Board
2. Registered name and address.
3. **Month Ending:** calendar month in which shipments were made.
4. **Daily Quota:** fluid and market sharing quota allocated to a producer in kilograms of butterfat per day
5. **Pickup Days:** the # of days from the last pick-up of the previous month to the last pick-up of the current month or # of pickups in the current month x 2 ( ie 16 pkups x 2= 32 pickup days)
6. **SNF:BFat Ratio:** Solids Non Fat : ButterFat ratio for the month  
Month: (kgs of protein + kgs of Other Solids)/ kgs of Butterfat = SNF:BFat ratio
7. **SNF:BFat Ratio:** Solids Non Fat : ButterFat ratio for the last 12 months (rolling 12 months)  
ROLL:(Roll kgs prot + Roll kgs Other solids)/Roll kgs Butterfat=Roll SNF:BFat ratio
8. **BFat:** weighted average percent butterfat for all milk shipped in the month.
9. **Protein:** weighted average percent protein for all milk shipped in the month.
10. **LOS:** weighted average percent other solids for all milk shipped in the month.

## Product Information

11. Indicates the litres of milk for each pickup and the monthly total.
12. **Total Litres:** Litres of milk shipped per month and for the Rolling 12 Months
13. **Class 1-5 Litres:** Total litres of milk shipped in Class 1-5 for the month and for the Rolling 12 months
14. **Over Quota:** Total litres of milk shipped for the month and the Rolling 12 months that are over quota.
15. **Butterfat:** total kgs of Butterfat shipped for the month.  
(Total litres of milk shipped for the month X (% butterfat/100).  
The Rolling 12 Months figure is the accumulated kgs of butterfat shipped in the last 12 months.
16. **Protein:** total kgs of Protein shipped for the month.  
(Total litres of Milk Shipped for the month) X (% Protein/100).  
The Rolling 12 Months figure is the accumulated kgs of protein shipped in the last 12 months.
17. **Other Solids:** total kgs of Other Solids (lactose + mineral) shipped for the month.  
(Total litres Milk Shipped for the month) X (% Other Solids/100).  
The Rolling 12 Months figure is the accumulated kgs of other solids shipped in the last 12 months.
18. **Allocated Kg:** Monthly allocation of the Daily Quota<sup>(4)</sup> in kilograms of butterfat.  
(Daily Quota<sup>(4)</sup> X Pickup Days<sup>(5)</sup>) = Monthly Allocated Kgs of Butterfat  
The Year to Date figure is the accumulated allocated kgs of Butterfat from Aug. 1, 2009 forward.
19. **Transfer Credit Kg:** # of credits, +positive or -negative, (kgs of butterfat) transferred from one producer to another to change each producer's cumulative position  
The Year to Date figure is the total credits transferred from Aug.1, 2009 forward.
20. **Incentive:** Incentive day credits are temporary quota allocations issued for a specific month. The Year to Date figure is the total temporary quota allocations issued from Aug. 1, 2009 forward.
21. **Produced Kg:** kilograms of butterfat shipped in the month.  
This number is the same as <sup>(15)</sup> above.  
The Year to Date figure is the total kgs of Butterfat shipped from Aug. 1, 2009 forward.
22. **Over/-Under:** The difference between the allocated kgs of Butterfat<sup>(18)</sup> and the produced kgs of Butterfat<sup>(21)</sup>.  
The Year to Date figure is the difference between the Year to Date Allocated Kgs and the Year to Date Produced Kgs.
23. **Over Quota:** Total kgs of butterfat shipped for the month that are over quota.  
(The total kgs of butterfat shipped that have exceeded the positive credit limit)  
The Year to Date figure is the total kgs of butterfat shipped from Aug. 1, 2009 forward that have exceeded the positive credit limit.
24. **Lost Opportunity:** Total kgs of butterfat that a producer has lost the opportunity to produce. (The total kgs of butterfat not shipped, that have exceeded the negative credit limit)  
The Year to Date figure is the total kgs of butterfat not shipped from Aug. 1, 2009 forward that have exceeded the negative credit limit.
25. **Cumulative Pos:** The cumulative credit position with the credit limits (+ve or -ve) applied.  
The Year to Date figure is the cumulative credit position from Aug. 1, 2009 forward.
26. **Days Over/-Under:** # of credit days over /-under  
Cumulative pos<sup>(25)</sup>/Daily quota<sup>(4)</sup>= Days Over/-Under

## Payment Information

### Incomes:

27. **Class 1-5 Milk:** Litres of Class 1-5 milk that were shipped.
28. **Butterfat:** Kilograms of butterfat shipped in Class 1-5 for the month  
(Litres of Class 1-5 milk shipped<sup>(27)</sup> x (% Butterfat<sup>(8)</sup>/100))
29. **Protein:** Kilograms of protein shipped in Class 1-5 for the month  
(Litres of Class 1-5 milk shipped<sup>(27)</sup> x (% Protein<sup>(9)</sup>/100))
30. **Other Solids:** Kilograms of other solids shipped as Class 1-5 for the month  
(Litres of Class 1-5 milk shipped<sup>(27)</sup> X (% Other Solids<sup>(10)</sup> /100))
31. The price of Class 1-5 Butterfat per kilogram. (\$/kg)
32. The price of Class 1-5 Protein per kilogram. (\$/kg)
33. The price of Class 1-5 Other Solids per kilogram. (\$/kg)
34. The current month and Rolling 12 Months revenue earned for kilograms of Class 1-5 butterfat shipped.
35. The current month and Rolling 12 Months revenue earned for kilograms of Class 1-5 protein shipped.
36. The current and Rolling 12 Months revenue earned for kilograms of Class 1-5 Other Solids shipped.
37. **Over Quota:** litres of milk shipped that are over quota (exceed the positive credit limit)
38. **Butterfat:** kilograms of butterfat shipped in over quota milk for the month  
(Litres of over quota milk shipped<sup>(14)</sup> x (% Butterfat<sup>(8)</sup>/100))
39. **Protein:** kilograms of protein shipped in over quota milk for the month  
(Litres of over quota milk shipped<sup>(14)</sup> x (% Protein<sup>(9)</sup>/100))
40. **Other Solids:** kilograms of other solids shipped in over quota milk for the month  
(Litres of 4M milk shipped<sup>(14)</sup> X (% Other Solids<sup>(10)</sup> /100))
41. The price of over quota butterfat per kilogram.
42. The price of over quota protein per kilogram.
43. The price of over quota other solids per kilogram.
44. **Gross Revenue:** The current month and Rolling 12 Months totals for all of the income items.

### Other income that may appear on producer statements:

**CDC Surplus Refund:** CDC surplus is the excess dollars the CDC made from selling SMP, Butter and any other structural surplus products. Every active producer receives this when there is a surplus.

### Deductions:

45. **MCB Assessment Fees:** operating/administrative costs of the MCB are covered by an assessment fee. Currently the assessment is \$.2157 per hectolitre
46. **Dairy Farmers of SK:** operating/administrative/promotional costs for Dairy Farmers of Saskatchewan are covered by a producer levy of \$.3573 per kg of butterfat
47. **Producer Basic Haulage:** Basic haulage calculation = Volume Rate + (standard rate multiplied by kilometers from Saskatoon)  
See the Saskatchewan Milk Transportation Policy for volume rates.  
<http://www.saskmilkcontrolboard.ca/haulagepolicy2006-07.doc>
48. **Producer Provincial Haulage:** cost of moving milk interprovincially outside of the Saskatoon milk shed, shared equally by all producers.
49. **Dairy Herd Improvement Service:** fee for milk recording program
50. **GST(R865664064):** 5% GST payable on Dairy Farmers of Saskatchewan levy
51. **Component Testing:** monthly fee assessed for component testing and administering the producer regulations.

### Other deductions that may appear on producer statements:

**Food Bank:** voluntary monthly contribution made by a producer to the food bank

**Carrot River Valley Milk Producers:** voluntary assessment paid by producers in the Carrot River Valley Milk Producers assoc.

**Quality Penalty Antibiotics:** a penalty is assessed when a producer tests positive for antibiotics. The current penalty structure is 1<sup>st</sup> penalty – 11% off the average provincial milk price for all milk shipped during the month that the penalty occurred. 2<sup>nd</sup> -15%, 3<sup>rd</sup> -23%, 4<sup>th</sup> – 31%

#### Antibiotic penalties are assessed over a two month period.

Ex. September average provincial milk price was \$75.4038/hl and this was penalty 1  
(11/100) x \$75.4038/hl = \$8.294/hl \$8.294/hl x 1620.75hl = \$13,442.501 penalty  
\$13,422.501 assessed over two months = \$6721.59 per month

**Quality Penalty Non-Antibiotics:** a penalty is assessed when a producer has two violations out of three tests for SPC or Freezing Point and three violations out of five tests for SCC. The penalty levels are 1<sup>st</sup> – 2%, 2<sup>nd</sup> – 4%, 3<sup>rd</sup> -8%, 4<sup>th</sup> - 10%, 5<sup>th</sup> -17%

These are calculated in the same way as an antibiotic penalty but the penalty is assessed in the month that it occurred, not spread out over two months.

**Freight Rate:** Haulage charges for costs over and above the Producer Basic Haulage and the Producer Provincial Haulage. This deduction would be on a Producer Statement if there were charges for every day pickup or for disposal costs for a dumped load. Everyday pickups are charged \$50.00 or \$1.00 per kilometer round trip from farm to plant, whichever is greater.

52. **Total Deductions:** total deductions for the current month and YTD

53. **Net Revenue:** net revenue for the current month and Rolling 12 Months  
(Gross Revenue <sup>(44)</sup> – Total Deductions <sup>(52)</sup>)

54. **Advance Pay:** mid month advance already received for the month

55. **Net Pay:** net pay for the month is (Net Revenue <sup>(53)</sup> – Advance Pay <sup>(54)</sup>)

56. **Estimated Next Month Advance:** The amount that will be paid as an advance for the next pay period. It is approximately  $\frac{1}{2}$  the Net Revenue<sup>(53)</sup> for the month.  
(Net Revenue/2 = Next Month Advance)

Version Date: September, 2009