Newsletter
September 2013

Chairman's Message *by Blaine McLeod*

In this Issue:

As I write this message I am returning home from national meetings focused on exploring the potential of forming a national pool of producers, or as it is more commonly referred to as a P10 pool. At this point the conversations are involving producers and their respective organizations from each of the ten provinces. If we take the next steps we will at some point be reengaging with all of our industry stakeholders as we seek to establish the framework for a renewed system of supply management. Many of the things we do now have a national focus and we are already sharing the costs and benefits of pooling in our special classes. If we are to go further in forming a national pool of producers there is a need to establish common values and then move on to working through principles of governance that would manage the industry. The work to date has focused on establishing those values and beginning to talk about proper governance that is timely and effective in its decision making. There is a strong sense that all producers in Canada need to be treated equitably no matter where you reside. Understanding that equitable treatment may not be the same as equal treatment is a value that is paramount in my mind as this process moves forward.

On behalf of producers, SaskMilk is engaged with our government and our processing community in a review of our Fluid Milk Compositional Regulations. At our government's request, we have been asked to provide a submission to the proposed changes. We have sought additional clarity around the proposed changes and are now in the development stage of our submission as we seek to fully research and answer the questions that are being asked. This review is being taken very seriously because producer income is 50% derived from the sale of fluid milk products. In an increasingly nationally focused marketplace, what is done in one province has impact across Canada. That national focus has also involved our DFC partners and I would like to thank them for their support and help in fully understanding and commenting on the proposed regulations. We will expend every effort to ensure a successful conclusion to this initiative.

On a final note, we are nearing the closing of the nomination period for anyone interested in becoming involved on the board of directors of SaskMilk. Completed nomination papers need to be submitted by 5:00pm on September 24th. A strong organization will have an engaged and active membership. If you have an interest in ensuring the continued success of the dairy industry in Saskatchewan and Canada please consider allowing your name to stand for election. Speak to your neighbors and don't let this opportunity pass by. I look forward to seeing many of you this fall and wish you every success in this busy harvest season.

RESEARCH REPORT

I hope that harvest is going well for all of you, I know that in my area because of several years of flooding, we finally received a good crop, first time in 5 years! I was starting to think that a good crop was impossible, just like I sometimes thought our new research facility would never happen!

The University cows have adapted well to the new facility even though there were many hot days during August and September. It is difficult to compare milk production before and after the move due to variables such as heat, but it did show a small increase.

Cows adapted well to the new parlour. On September 3 the robot was put into operation and the cows adapted smoothly within two days. At present (September 12) 29 cows are milked with the robot and this AM one cow had to be fetched. The total number of cows milked with the robot is still low, but this will grow as shortly there will be quite a few calvings as the herd expands to 100 milking cows.

The adaptation of the cows to the new facility and parlour and robot systems is remarkable and the excellent cow handling skills and practices of the staff must be given credit.
The cows are remarkably calm and are aware of and curious about their surroundings. They lined up to see the first cows moved to the robot and some tried to follow.
I, for one, never would have expected the cows to adapt that quickly, we must remember that in a span of 40 days many of these cows were forced to adapt to a new milking system 3 times! Almost makes me think that cows are smarter than people.

The contractor and suppliers are still making adjustments to facilities and equipment.

Presently there are two research projects underway, including a feed trial evaluating specialty feed additives glycerol, DDGS from Northwest Terminal in Unity, and High Oil Canola Meal from Milligan Biotech in Foam Lake. This trial is sponsored by ACS-CAAP and SaskMilk, with additional financial support and ingredients from Northwest Terminal and Milligan Biotech.

The first year Veterinary students are now having their milking parlour practical experience and at the start of the term first year Veterinary and Agriculture students were provided detailed two-hour tours of the facility as an introduction to dairy management, with assistance from Dave Christensen.

There have been quite a few requests for tours of the gallery, but we must hold off as we are starting to install displays with completion by October 8. There is no specific date yet for the formal opening of the facility but the target date is in mid- October. Details of the official grand opening of the facility will be announced as soon as available.

Every SaskMilk member should be extremely proud of what we have accomplished with our partners from the university as well as several other commodity groups and both levels of senior government not to mention all the private donors.

-submitted by Jack Ford

Dairy Survey Results February 2013

Dr. Colleen Christensen of the Feeds Innovation Institute http://agbio.usask.ca/feeds-innovation-institute is currently working with producers to understand what new feed research projects should be developed at the CFRC. The purpose of this survey was to determine what are the most common methods dairy producers in Saskatchewan use in manufacturing feed, as well as what are the most common interests of dairy producers in their feed.

1. Do you currently purchase concentrates from a commercial source? Do you buy as a pellet, crumble or mash?

No	2/16	Yes, mash and pellet	1/16
		Yes, mash	2/16
		Yes, crumble	3/16
		Yes, pellet	6/16
		Yes, form not specified	2/16

2. Do you process your own cereal grains or split peas for your concentrate?

No	1/16	Yes, mill or hammermill	3/16
		Yes, roll barley or oats	5/16
		Yes, didn't specify process	8/16
		Other grains mentioned	Peas, corn, high moisture barley

3. Have you ever tried steam flaking cereal grains?

No	14/16	Yes	2/16

4. Do you use any special supplements (ie from biodiesel, soybean meal, etc) in your rations?

No	3/16	Yes	13/16

5. What aspects of feed manufacturing are you interested in?

- Chopped barley vs rolled barley
- Better feed for our milking herd
- Finding a program to interchange feed sources for better returns
- On farm feasibility of complete mill setup
- Roasted whole soybeans
- Complete feed
- How much bypass protein a cow really needs
- How to feed whole flax and how much of it
- How much mineral do we really need to feed (not how much the companies want to sell)
- Low priced feed with amazing results
- In everything!
- What the mineral and actual protein and energy levels and requirements are
- What and how much of each ingredient is in the feed
- All of the different pieces of equipment
- Making my own dairy ration

6. What would you like to know more about with the feed that you purchase?

- I am content knowing what I know
- We would like to know if the concentrates we buy are really necessary
- If there were alternatives to bring the price down
- Pellet vs mash
- Cost of all ingredients
- Proteins and how they balance them
- What the ingredients are
- Interested in all aspects as commercial nutritionists are there to sell their own feed
- What do the DHI numbers mean? How is milk urea nitrogen connect to feed total protein
- The protein and energy in cereal

Researchers need your input on dairy cattle care standards

A University of Guelph research team is seeking help from key dairy industry stakeholders to determine what an ideal herd of dairy cows looks like in Canada. Various groups from across Canada, including producers, veterinarians, researchers and nutritionists, are being offered the opportunity to weigh-in on cow comfort issues on the farm, and provide their opinions on developing optimum standards of care.

The ultimate aim is to identify achievable and realistic optimum standards for the care and handling of dairy cattle in Canada, based on the experience of those working within the industry. This is being done through a web-based survey process.

If you would like to participate, you can access the survey online at www.ovc.uoguelph.ca/dairy or send an e-mail to dairy01@uoguelph.ca for more information. The survey will be open until early to mid-October 2013.

Dairy Conference and AGM

Watch for information coming soon on the
Dairy Conference and SaskMilk AGM
to be held in Saskatoon on November 20th and 21st!

For the first time, SaskMilk's AGM will be held in conjunction with Saskatchewan Holstein Branch – we are excited about this joint conference and look forward to seeing everyone there!

REMINDER: FALL INCENTIVE DAYS

September: 2 days **October**: 1 day **November**: 1 day

QUOTA EXCHANGE

The market-clearing price established for the September 2013 Quota Exchange was **$31,000.00**.

The next Quota Exchange will be held on **October 15, 2013**. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, **October 6, 2013**. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

When making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

SEPTEMBER 2013 QUOTA EXCHANGE RESULTS SUMMARY

Market Clearing Price per kilogram of butterfat	**$ 31,000.00**	
Daily Kilograms offered to Purchase		**49.00**
Kilograms offered to Sell		**14.76**
Kilograms sold		**12.76**
Number of Producers		
- offered to purchase	**5**	
- purchased quota	**1**	
- offered to sell	**5**	
- sold quota	**4**	

SEPTEMBER 2013 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
$28,000.00	1	1	1.00	1.00	-48.00	49.00	0.00	5	0
$28,350.00	1	2	1.00	2.00	-47.00	49.00	0.00	5	0
$30,000.00	1	3	8.50	10.50	-38.50	49.00	4.00	5	1
$30,500.00	1	4	2.26	12.76	-32.24	45.00	30.00	4	3
$31,000.00	**0**	**4**	**0.00**	**12.76**	**-2.24**	**15.00**	**15.00**	**1**	**1**
$32,000.00	1	5	2.00	14.76	14.76	0.00	0.00	0	0

*** Please contact Bev Solie at 306-949-6999 for inquiries dealing with quota management sheets, the Quota Exchange, for transfer credits, or with any other quota transactions.**

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
August	8	9	7,748
September	17	15	16,499
October	22	16	17,681
November	25	22	21,887
December	27	23	29,882
January, 2013	14	17	13,158
February	16	15	10,369
March	19	18	14,543
April	14	15	8,912
May	11	10	6,139
June	16	11	12,221
July	14	10	8,560
August	16	14	13,911

PRIVATE TRANSFERS PROCESSED

MONTH	DAILY KILOGRAMS
Sept	54.93
Oct	30.20
Nov	0.00
Dec	25.24
Jan-2013	41.98
Feb	0.00
Mar	81.66
Apr	59.62
May	20.00
June	17.00
July	0.00
Aug	111.00

OVER QUOTA (OVER 5 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
August	4	403
September	7	367
October	8	1,035
November	13	2,403
December	15	2,847
January, 2013	19	4,848
February	17	3,436
March	21	4,621
April	11	1,303
May	11	846
June	10	655
July	8	2,058
August	8	1,145

SUMMARY REPORT OF CREDITS August, 2013 – 167 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+ 5	10	8,702
0 to + 5	35	9,706
TOTAL	45	18,408
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-15	15	-29,719
-10 to -15	25	-40,868
-5 to -10	37	-45,052
0 to -5	45	-18,445
TOTAL	122	-134,084

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
August	22	13,704
September	24	15,137
October	20	12,061
November	13	7,449
December	13	6,389
January, 2013	10	4,550
February	11	4,520
March	10	3,572
April	13	3,960
May	14	6,967
June	11	6,596
July	13	9,398
August	14	7,625

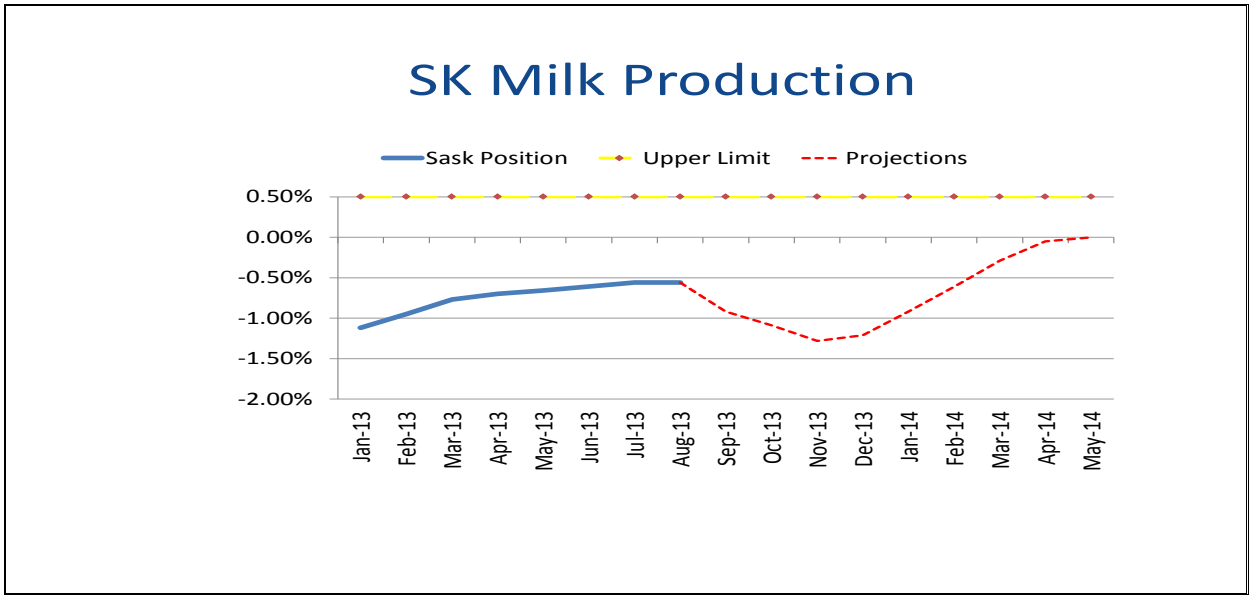
WEIGHTED AVERAGE COMPONENT TESTS & PRICES August, 2013

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8624	11.744467
Protein	3.2615	8.744467
Other Solids	5.7044	1.249921

Based on the average component tests for the province, the average price received was **$81.0117** per hectolitre. **The average butterfat price received per kilogram was $20.94**

SASKATCHEWAN MILK POOL RESULTS August 2013

Milk Sale Revenue	$ 14,866,336.67
Western Milk Pool	$ 1,094,192.08
Plant of Last Resort Service	$ (57,119.82)
Total Pool Value	**$ 15,903,408.93**



Did you know…?

Over the last 20 years, Canada has signed **eleven** trade agreements while maintaining supply management and delivering on Canada's WTO commitments!

In August, Saskatchewan had a monthly CDC allocation of **743,937 kilograms** of butterfat. In the month of August, Saskatchewan production was **15,416** of butterfat **over** and cumulatively **under** by **-35,322 kilograms** of butterfat. On a percentage basis, Saskatchewan is **-0.39%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in - % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Aug-12	721,786	735,300	(13,514)	(135,181)	45,060	**(47,511)**	**-0.53%**	0	9,012,093
Sept-12	710,635	733,804	(23,169)	(135,045)	45,015	**(72,158)**	**-0.80%**	0	9,002,999
Oct-12	756,961	776,372	(19,411)	(135,079)	45,026	**(91,611)**	**-1.02%**	0	9,005,253
Nov-12	739,624	763,489	(23,866)	(135,022)	45,007	**(115,477)**	**-1.28%**	0	9,001,456
Dec-12	775,085	787,512	(12,427)	(134,977)	44,992	**(126,691)**	**-1.41%**	0	8,998,476
Jan-13	788,550	767,300	21,251	(134,846)	44,949	**(100,685)**	**-1.12%**	0	8.989,708
Feb-13	712,149	695,378	16,771	(134,400)	44,800	**(84,357)**	**-0.94%**	0	8,960,033
Mar-13	782,825	767,146	15,680	(134,368)	44,789	**(69,000)**	**-0.77%**	0	8,957,872
Apr-13	746,839	740,033	6,806	(134,442)	44,814	**(62,444)**	**-0.70%**	0	8,962,781
May-13	754,967	753,453	1,515	(134,427)	44,809	**(60,815)**	**-0.68%**	0	8,961,796
Jun-13	725,872	721,132	4,740	(134,402)	44,801	**(54,515)**	**-0.61%**	0	8,960,160
Jul-13	734,662	730,741	3,922	(134,525)	44,842	**(50,515)**	**-0.56%**	0	8,968,338
Aug-13	759,353	743,937	15,416	(134,654)	44,885	**(35,322)**	**-0.39%**	0	8,976,941

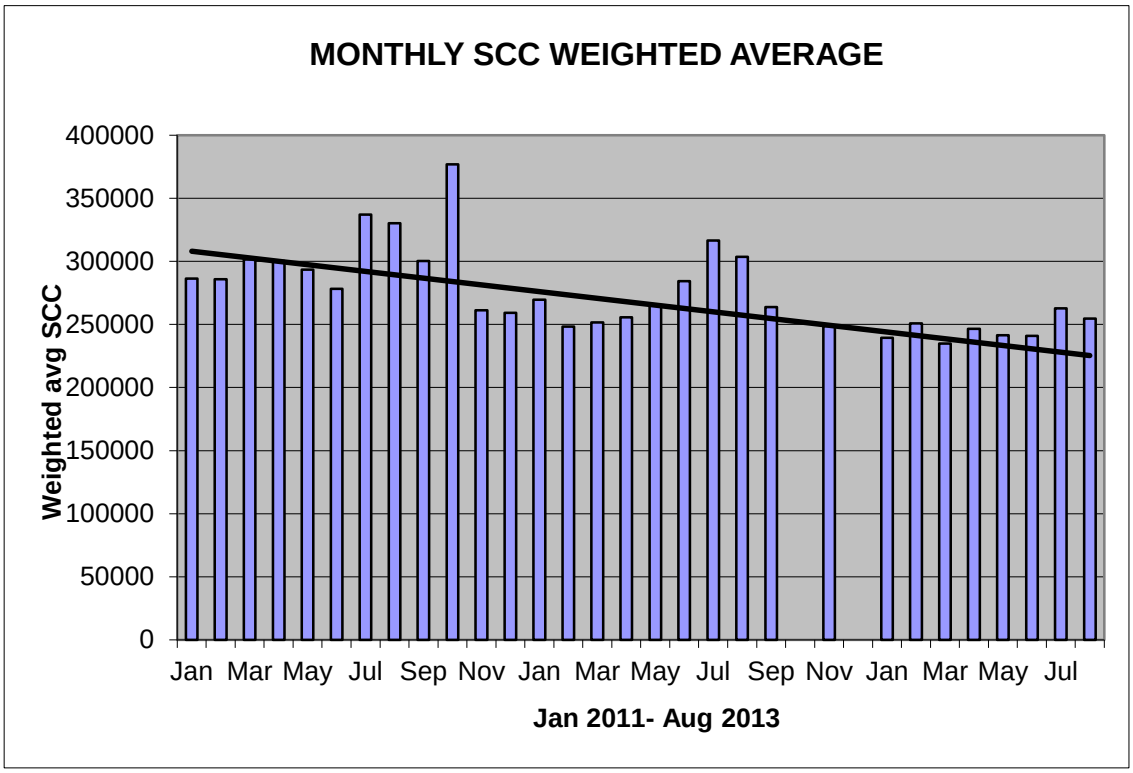
(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

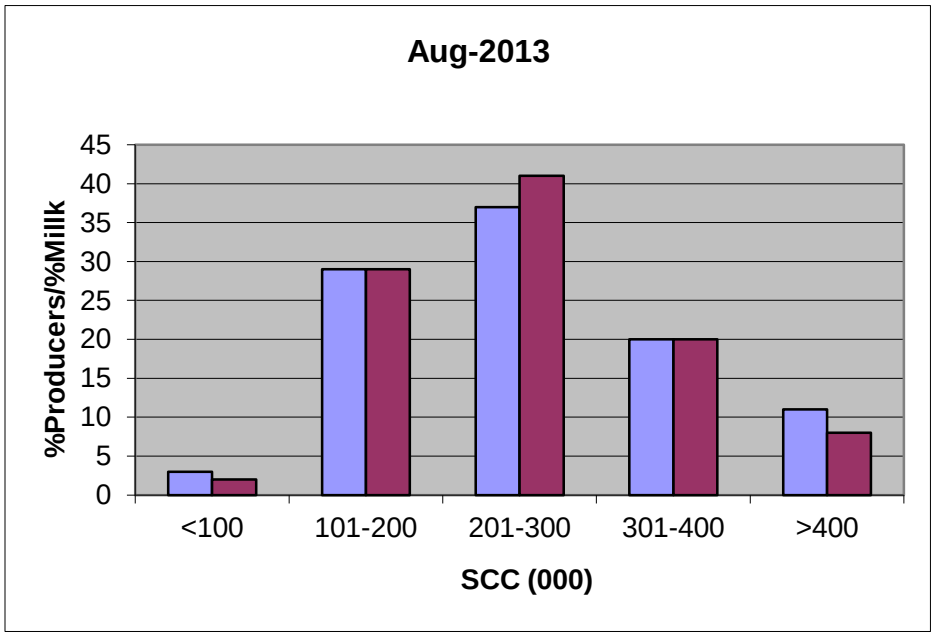
SCC LIMIT NOW 400,000

Effective January 1, 2013, the SCC limit has changed to 400,000. Penalties and violations will be applied based on the new limit.

The following graphs provide producers with an overview of the Provincial Somatic Cell Count weighted average on a monthly basis as well as a breakdown of the % of producers in each SCC level for the month of August 2013.

If you have any questions or comments you can contact: Deb Haupstein at 306-721-9486.





INHIBITOR TEST STATIONS

SaskMilk has established a number of inhibitor test stations around the province. Producers needing to check their bulk tanks for inhibitors can take a sample to the test station closest to their location.

Charm test strips are available to test for:
Beta-Lactams- the Charm 3 SL3 Beta Lactam test strip tests for amoxicillin, ampicillin, ceftiofur, cephapirin, cloxacillin, and penicillin G

Tetracyclines- the Charm Tetracycline test strip tests for chlortetracycline, oxytetracycline and tetracycline.

Sulfas- the Charm Sulfa test strip tests for sulfacetamide, sulfachlorpyridazine, sulfadiazine, sulfadimethoxine, sulfadoxine, sulfaethoxypyridazine, sulfamerazine, sulfamethazine, sulfamethizole, sulfamethoxazole, sulfamethoxypyridazine, sulfapyridine, sulfaquinoxaline, sulfathiazole,and sulfisoxazole.

Test stations are located at the following locations:

1. Swift Current, SK - Agrifoods truck bay - 675 Cheadle Street West
   Office 306-773-1991 or Rodger Ruf 306-741-3261
2. Harris, SK - Cairnside Farm – Wes Cairns 306-665-4807
3. Star City, SK - Star City Colony - Reuben Tschetter 306-921-9381
4. Grenfell, SK - Jim Ross 306-697-2232
5. Yorkton, SK - Ford Dairy Farms Inc. - Bud and Margaret Ford 306-782-7240
6. Saskatoon, SK – Agrifoods Truck Bay - east of the Saputo plant receiving bay
   lead hand - Jim or Clint 306-664-0202 after hours: 306-668-8135

Charm tests strips and Charm testers are now available for purchase through SaskMilk. Agrifoods is now carrying SNAP test kits for tetracylcines as well as beta lactams.

For further information you can contact: Deb Haupstein 306-721-9486

Did you know…?

Canadian dairy farmers receive no direct subsidies: European farmers receive €55 billion in subsidies per year and Americans paid $4 billion in dairy subsidies in 2009 – or about 31 cents per litre – **in addition** to retail prices!

Code of Practice

Accommodation, Housing, and
Handling Facilities

1.1 Housing Systems

Housing conditions have a significant impact on the welfare of dairy cattle. Dairy cattle in Canada are housed according to their reproductive state, size, age, and lactation period using a variety of systems. Systems may include loose housing, free stalls, or tie stalls, each with or without outdoor and/or pasture access. Each type of housing system has advantages and disadvantages.

The welfare of dairy cattle depends not only on the specific housing system, but also on the details and management of a particular system. Details would include stall design, type of flooring, feeding system design, stocking density, cattle traffic patterns, location of water bowls or troughs, and handling system. Housing system design should take into consideration environmental and management factors (18).

At all stages of life, cattle should be housed under conditions conducive to health, comfort, nourishment, and safety. The system should allow cattle to express innate behavior and be designed to avoid suffering from pain, fear, injury or distress.

1.1.1 Unweaned Calves

There are distinct advantages to housing unweaned calves in either individual pens, calf hutches, or in small groups. Most of the problems that affect calves in the first few weeks of life are associated with infectious agents or nutrition. However, individual housing may place limits on a calf's opportunity for exercise and social contact.

REQUIREMENTS

Calves must have a bed that provides comfort, insulation, warmth, dryness and traction. Bare concrete is not acceptable as a resting surface.

Housing must allow calves to easily stand up, lie down, turn around, adopt normal resting postures, and have visual contact with other calves.

The bedded area for group-housed calves must be large enough to allow all calves to rest comfortably at the same time.

RECOMMENDED BEST PRACTICES

a. house unweaned calves individually or in well managed groups of less than 10 calves (9)
b. provide bedding suitable for the housing system and seasonal conditions (e.g., straw offers more insulation than shavings for housing during cold months)
c. provide calves with an opportunity to exercise and engage in normal social behavior
d. position hutches to minimize environmental impacts (e.g., out of the wind, facing south, shaded areas)

QUOTA LISTING or CLASSIFIED AD SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk.

Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.

Classifieds

- **Selling: Registered Heifers, bred and unbred**. Contact: Sheldon Peifer (306) 862-7140

- If you need help on the farm during harvest, baling, silage or whatever field work is needed - for a week or months - call Matt at #306-491-2773

- Experienced relief milker wants to help you take a holiday with relief cow & calf care! A1 breeding equipment operator – take a holiday for a weekend, week, or month! Call Matt at #306-491-2773

- **For Sale:** Registered purebred herd of Holsteins and quota. Contact Lyle Pretty at #306-771-2777