
THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Producer Price and Milk Cost of Production Order, amendment

Regulation 3/2019
Registered January 11, 2019

Manitoba Regulation 77/94 amended

1 The *Producer Price and Milk Cost of Production Order, Manitoba Regulation 77/94*, is amended by this regulation.

2 Subsection 4(1) is replaced with the following:

Price of fluid milk sold by producer or board

4(1) Pursuant to subsection 3(3) of the Act, and based on the cost of production formula established in section 2 and the pricing system established in section 3, the price at which milk may be sold by a producer or the board for use as fluid milk for 1 hectolitre of milk testing 3.6 kilograms of butterfat is \$103.62 calculated according to the following component prices:

Butterfat	3.6 kilograms/hl @ \$7.4546/kilogram	= \$ 26.84
Skim Value		= 76.78
Total Price		\$103.62

3 Clause 8(a) is amended by striking out "\$98.53" and substituting "\$98.44".

4 The Schedule is replaced with the Schedule to this order.

January 9, 2019

Manitoba Farm Products Marketing Council:

Ed Helwer
Chairperson

Ingrid Peters-Fransen
Secretary

SCHEDULE

COST OF PRODUCTION FORMULA

Pursuant to subsection 3(2) of the Act, the Manitoba Farm Products Marketing Council hereby establishes the following as the formula by which the price of milk sold by a producer or the producer board for use as fluid milk is determined:

$$\text{Cost of production} = A + (A \times B)$$

In this formula,

- A is the Manitoba fluid milk price as of September 1, 2018, excluding add-on program costs;
- B is the amount of the price adjustment adopted by the Canadian Dairy Commission as a result of the Commission's cost of production survey.

FLUID MILK PRICE

	<u>3.6 kg/hl</u>	End Use Test <u>1.99 kg/hl</u>
<u>Calculation of Manitoba Fluid Milk Price</u>		
September 1, 2018 Manitoba fluid milk price (before Add-On Programs)	\$101.80/hl	\$89.75
Price change (3.6 kg × -\$0.0284)	-0.10/hl	
Price change (1.99 kg × -\$0.0284)		-0.06/hl
*Add-on program costs	<u>1.92/hl</u>	<u>1.92/hl</u>
 Manitoba Fluid Milk Price as of February 1, 2019	 \$103.62/hl	 \$91.61/hl

***Add-On Program Costs**

Inhibitor pre-screening	\$0.18/hl
Quality testing	0.21/hl
Milk metering	0.26/hl
Canadian Quality Bonus Program	0.40/hl
Environmental compliance costs	0.47/hl
Administration Costs	<u>0.40/hl</u>
 Total Add-On Program Costs	 \$1.92/hl