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

**Producer Price and Milk Cost of Production Order, amendment**

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Regulation 2/2020  
Registered January 8, 2020

**Manitoba Regulation 77/94 amended**

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

**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 \$105.25 calculated according to the following component prices:

Butterfat	3.6 kilograms/hl @ \$7.7030/kilogram	= \$ 27.7308
Skim Value		= \$ 77.52
Total Price		\$105.25

**3 Clause 8(a) is amended by striking out "98.44" and substituting "99.99".**

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

**Coming into force**

**5 This order comes into force on February 1, 2020.**

January 8, 2020

**Manitoba Farm Products Marketing Council:**

Ed Helwer  
Chair

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 February 1, 2019, 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**

<b><u>Calculation of Manitoba Fluid Milk Price</u></b>	<b><u>3.6 kg/hl</u></b>	<b><u>End Use Test</u></b> <b><u>2.02 kg/hl</u></b>
February 1, 2019 Manitoba fluid milk price (before add-on program costs)	\$101.70/hl	\$89.93/hl
Price change butterfat (3.6 kg × \$0.2484)	0.89/hl	
Price change butterfat (2.02 kg × \$0.2484)		0.50/hl
Price change skim milk	0.74/hl	0.74/hl
*Add-on program costs	<u>1.92/hl</u>	<u>1.92/hl</u>
 Manitoba fluid milk price as of February 1, 2020	 \$105.25/hl	 \$93.09/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