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

Producer Price and Milk Cost of Production Order

Regulation 77/94
Registered April 28, 1994

TABLE OF CONTENTS

Section

- 1 Definitions
- 2 Formula for cost of production
- 3 Pricing system established
- 4 Price of fluid milk sold by producer or board
- 5 Price basis
- 6 Butterfat content
- 7 Volume of milk
- 8 Payment by fluid processor
- 9 Repeal
- 10 Coming into force

SCHEDULE

Definitions

1 In this order,

"**Act**" means *The Milk Prices Review Act*;

"**board**" means Dairy Farmers of Manitoba continued under *The Farm Products Marketing Act*.

M.R. 204/2009

Formula for cost of production

2 The cost of production formula set out in the Schedule is the cost of production formula established pursuant to subsection 3(2) of the Act.

Pricing system established

3 Pursuant to subsection 3(4) of the Act, the following pricing system of fluid milk is established:

- (a) the pricing system shall be based on the butterfat content and skim value of milk;
- (b) [repealed] M.R. 1/2015;
- (c) the unit value established for each component referred to in clause (a) shall be consistent with the unit value for each component as calculated by the board for pricing the components in milk other than fluid milk;
- (d) each product obtained by multiplying the quantity of the component by its unit value shall be added together;
- (e) an amount representing a fluid premium shall be added to the sum of the products under clause (d).

M.R. 1/2015

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 \$103.72 calculated according to the following component prices:

Butterfat	3.6 kilograms/hl @ \$7.483/kilogram	= \$ 26.94
Skim Value		= 76.78
Total Price		\$103.72

4(2) For purposes of determining the price of milk testing more or less than 3.6 kilograms of butterfat per hectolitre of milk, the quantity of butterfat per hectolitre of milk shall be the actual quantity as established by tests conducted in accordance with section 6.

M.R. 163/94; 70/95; 110/95; 162/95; 14/96; 157/96; 141/97; 82/98; 25/99; 91/99; 129/2000; 39/2001; 144/2001; 6/2002; 154/2002; 7/2003; 107/2004; 206/2004; 190/2006; 21/2007; 119/2007; 35/2008; 157/2008; 52/2009; 204/2009; 168/2010; 96/2011; 226/2011; 179/2012; 14/2014; 1/2015; 12/2016; 3/2017; 171/2017; 102/2018

Price basis

5 The price of fluid milk under section 4 is f.o.b. the processor's plant.

Butterfat content

6(1) The butterfat content of milk delivered by the board to a fluid processor's plant shall be established by tests conducted by Horizon Lab Ltd. on a sample of the milk.

6(2) For the purpose of the tests referred to in subsection (1), a sample of the milk shall be taken

(a) by the transporter of the milk from milk that is in the producer's bulk milk tank before the milk is transported to a fluid processor's plant; or

(b) with the permission of the board, from a proportionate sampling device approved by the board when the milk is transferred from a delivery truck to a fluid processor's plant.

M.R. 1/2015

Volume of milk

7 The volume of milk in a truckload shipment delivered from the board to a fluid processor's plant shall be determined

(a) from the manifest that is prepared by the transporter and accepted by the fluid processor; or

(b) with the permission of the board, by a metering device when the milk is transferred from a delivery truck to a fluid processor's plant provided the metering device and its installation meet the requirements of the *Weights and Measures Act* (Canada) and are approved by the board.

Payment by fluid processor

8 A fluid processor who purchases milk from the board shall pay to the board on account of the milk purchased in a month

(a) \$98.53 per hectolitre, payable by the 10th day of the month following the month in which the milk was delivered; and

(b) the balance, if any within 8 days of the date of the board's invoice to the fluid processor setting out the total selling price of the milk.

M.R. 70/95; 162/95; 14/96; 157/96; 141/97; 82/98; 25/99; 129/2000; 144/2001; 6/2002; 154/2002; 7/2003; 107/2004; 206/2004; 190/2006; 21/2007; 119/2007; 35/2008; 157/2008; 52/2009; 204/2009; 168/2010; 96/2011; 226/2011; 179/2012; 14/2014; 1/2015; 12/2016; 3/2017; 171/2017; 102/2018

Repeal

9 Manitoba Regulation 207/93 is repealed.

Coming into force

10 This order comes into force on May 1, 1994.

April 20, 1994

Manitoba Milk Prices Review Commission:

Omer Van Wallegghem
Vice-Chairperson

Garry W. Epp
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, 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 July 2018 cost of production survey.

FLUID MILK PRICE

<u>Calculation of Manitoba Fluid Milk Price</u>	<u>3.6 kg/hl</u>	<u>End Use Test (1.99 kg/hl*)</u>
February 1, 2018 Manitoba fluid milk price (before Add-On Programs)	\$ 98.01/hl	\$86.71
Price change (3.6 kg × \$0.4670)	1.68/hl	
Price change (1.99 kg × \$0.4670)		0.93/hl
Price change for skim	2.11/hl	2.11/hl
**Add-on program costs	<u>1.92/hl</u>	<u>1.92/hl</u>
Manitoba Fluid Milk Price as of September 1, 2018	\$103.72/hl	\$91.67/hl

* end use adjusted from 1.95 to 1.99 kg/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

M.R. 70/95; 162/95; 14/96; 157/96; 141/97; 82/98; 25/99; 91/99; 129/2000; 39/2001; 144/2001; 6/2002; 154/2002; 7/2003; 107/2004; 206/2004; 190/2006; 21/2007; 119/2007; 35/2008; 157/2008; 52/2009; 204/2009; 168/2010; 96/2011; 226/2011; 179/2012; 14/2014; 58/2014; 1/2015; 12/2016; 3/2017; 171/2017; 102/2018