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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 102/2018  
Registered August 28, 2018

**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 \$103.72 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

**3 Clause 8(a) is amended by striking out "\$94.93" and substituting "\$98.53".**

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

**Coming into force**

**5 This order comes into force on September 1, 2018.**

August 27, 2018

**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 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

<b><u>Calculation of Manitoba Fluid Milk Price</u></b>	<b><u>3.6 kg/hl</u></b>	<b><u>End Use Test (1.99 kg/hl*)</u></b>
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