Quota Management

DHMCP

June 2019

Ray Reynen

Quota Management

Framework

Ontario is member of P5

fat based system

Quota Management

Framework

kg fat

production level

return per kg fat

traded in kg fat

Quota Management

Production

kg owned / average fat test

example

85 kg with average 4.12 fat test

85/0.0412

2063 litres per day

Quota Management

Production

over /under production credits

presently 10 days over and 30 days under

Quota Management

Production

incentive days

extra milk that can be produced without buying quota

“use it or lose it” for each month it is allotted

Quota Management

Production

example

own 85 kg

Oct has 2.5 incentive days

fat test is 4.12

how much to ship to fill incentive and quota for October?

Quota Management

Production

October is a 31 day month
quota based on pick up days
15 pickups- for this example

answer[(85 x 32.5)/0.0412] /30
2235litre per day
4470 litre per pickup

Quota Management

Production

Example

June is a 30 day month
no incentive days
producer has 150 kg over production credits

how much can they ship, if they use all 150kg in June?

Quota Management

Production

answer

150 kg/ 30 = 5kg/day more
85+5= 90
90/0.0412=2184 litre per day
4368 litre per pickup

what happens to extra milk?

Quota Management

Production

Over production

if over all quota+incentive+credit

then charged all transport/admin etc

sometimes penalty ,currently is $ 20.00/Hl

Quota Management

Production

cost of over production

Dec 2018
herd over shipped by 2%
$/kg for in quota was 18.86
$/kg for all milk was 18.37

Quota Management

Production

under

if a producer uses more than 30 days under credits, can not accumulate more credits

bigger issue - owns the quota with no return

30 under likely to change

Quota Management

Monitor

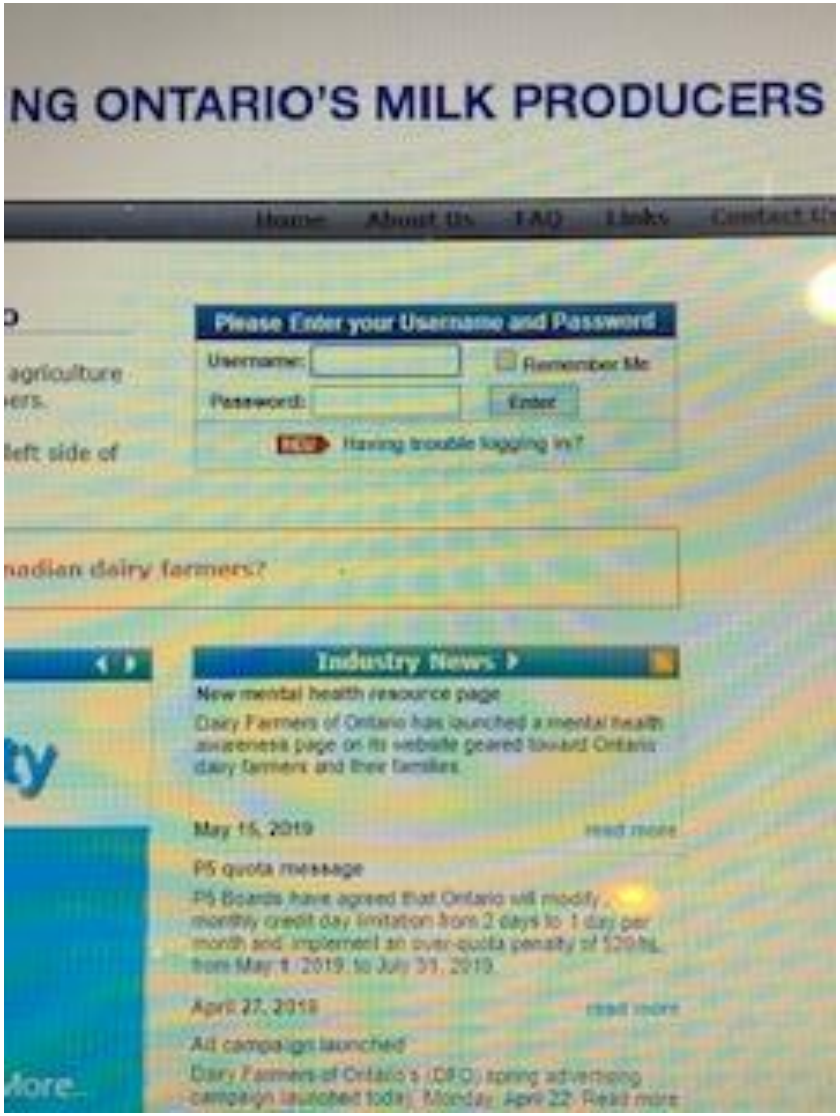
DFO passwords

Primary access to everything

Secondary access to everything except milk cheque, buy/sell quota

Quota Management

Monitor



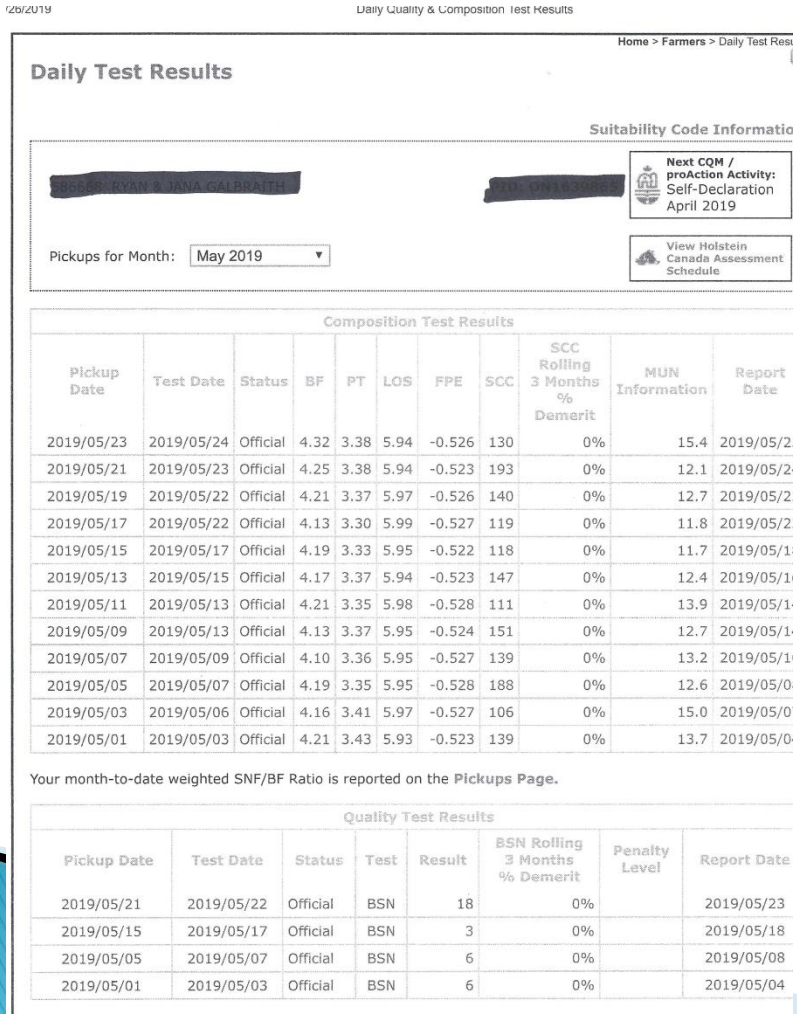
Quota Management

Monitor

fat test, protein test, “split between them”
quota filling
mun
SCC
bactoscan
FPE

Quota Management

Monitor



Daily Quality & Composition Test Results

Home > Farmers > Daily Test Resu

Daily Test Results

Suitability Code Informatio

[redacted]

Next CQM / proAction Activity: Self-Declaration April 2019

Pickups for Month: May 2019

View Holstein Canada Assessment Schedule

Composition Test Results

Pickup Date	Test Date	Status	BF	PT	LOS	FPE	SCC	SCC Rolling 3 Months % Demerit	MUN Information	Report Date
2019/05/23	2019/05/24	Official	4.32	3.38	5.94	-0.526	130	0%	15.4	2019/05/2
2019/05/21	2019/05/23	Official	4.25	3.38	5.94	-0.523	193	0%	12.1	2019/05/2
2019/05/19	2019/05/22	Official	4.21	3.37	5.97	-0.526	140	0%	12.7	2019/05/2
2019/05/17	2019/05/22	Official	4.13	3.30	5.99	-0.527	119	0%	11.8	2019/05/2
2019/05/15	2019/05/17	Official	4.19	3.33	5.95	-0.522	118	0%	11.7	2019/05/1
2019/05/13	2019/05/15	Official	4.17	3.37	5.94	-0.523	147	0%	12.4	2019/05/1
2019/05/11	2019/05/13	Official	4.21	3.35	5.98	-0.528	111	0%	13.9	2019/05/1
2019/05/09	2019/05/13	Official	4.13	3.37	5.95	-0.524	151	0%	12.7	2019/05/1
2019/05/07	2019/05/09	Official	4.10	3.36	5.95	-0.527	139	0%	13.2	2019/05/1
2019/05/05	2019/05/07	Official	4.19	3.35	5.95	-0.528	188	0%	12.6	2019/05/0
2019/05/03	2019/05/06	Official	4.16	3.41	5.97	-0.527	106	0%	15.0	2019/05/0
2019/05/01	2019/05/03	Official	4.21	3.43	5.93	-0.523	139	0%	13.7	2019/05/0

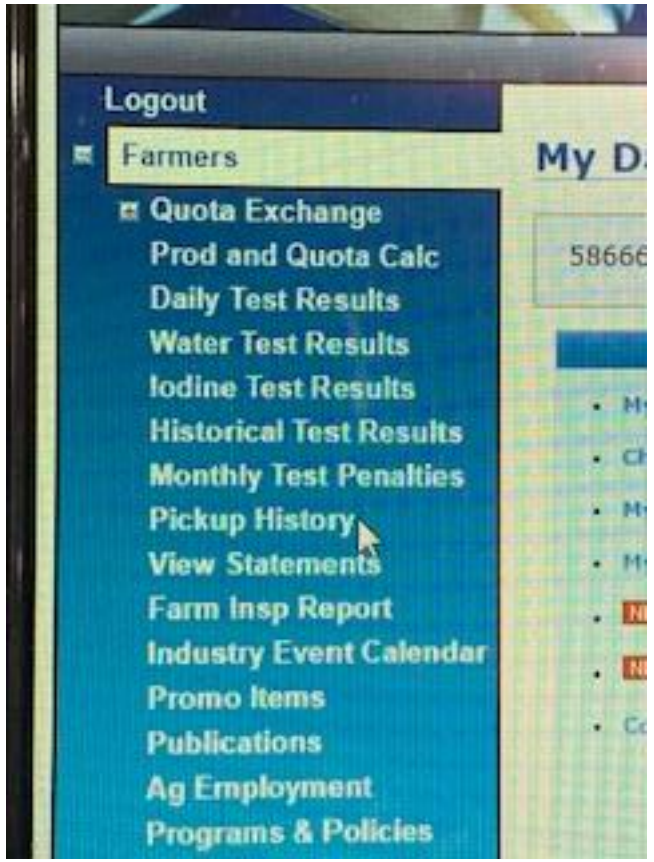
Your month-to-date weighted SNF/BF Ratio is reported on the Pickups Page.

Quality Test Results

Pickup Date	Test Date	Status	Test	Result	BSN Rolling 3 Months % Demerit	Penalty Level	Report Date
2019/05/21	2019/05/22	Official	BSN	18	0%		2019/05/23
2019/05/15	2019/05/17	Official	BSN	3	0%		2019/05/18
2019/05/05	2019/05/07	Official	BSN	6	0%		2019/05/08
2019/05/01	2019/05/03	Official	BSN	6	0%		2019/05/04

Quota Management

Monitor



5/26/2019 Pickup History

Home > Farmers > Pickup History

Producer Pickups

[redacted] PID: ONT639865

Pickups for Month: May 2019

This table displays pickups that are on file at this moment before any errors or omissions are corrected. Verify pickups against your 'Record of Milk Pickups' chart before taking any action related to over production. When available, sample test results will be linked to the applicable milk pickup. If a sample test result is missing, the previous suitable test result will be used.

Pickup Date	Volume	BF Test	/ Kgs	PT Test	/ Kgs	OS Test	/ Kgs
2019/05/25	5,101						
2019/05/23	5,172	4.32	223.43	3.38	174.81	5.94	307.22
2019/05/21	5,361	4.25	227.84	3.38	181.20	5.94	318.44
2019/05/19	5,202	4.21	219.00	3.37	175.31	5.97	310.56
2019/05/17	5,260	4.13	217.24	3.30	173.58	5.99	315.07
2019/05/15	5,357	4.19	224.46	3.33	178.39	5.95	318.74
2019/05/13	5,153	4.17	214.88	3.37	173.66	5.94	306.09
2019/05/11	5,246	4.21	220.86	3.35	175.74	5.98	313.71
2019/05/09	5,335	4.13	220.34	3.37	179.79	5.95	317.43
2019/05/07	5,232	4.10	214.51	3.36	175.80	5.95	311.30
2019/05/05	5,172	4.19	216.71	3.35	173.26	5.95	307.73
2019/05/03	5,251	4.16	218.44	3.41	179.06	5.97	313.48
2019/05/01	5,269	4.21	221.82	3.43	180.73	5.93	312.45
Totals:	68,111		2,639.53		2,121.32		3,752.24

Month-To-Date SNF/BF Ratio: (2,121.32 + 3,752.24) / 2,639.53 = 2.23

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Quota Management

SNF

Solid non fat

created to control amount of protein produced relative to fat

historically had too much protein

Quota Management

SNF

$$\frac{\text{kg protein} + \text{kg other solids}}{\text{kg fat}}$$

2.35 is the goal

Quota Management

SNF

maximizing your SNF has huge implication for return per kg fat

below 2.35 - loss opportunity as under shipped protein relative to fat

above 2.35 - do not get paid for extra protein and other solids that put producer over 2.35

Quota Management

SNF

what drive gross return

price per kg of each fat - protein - los

amount of protein and los relative to fat

Quota Management

SNF

fat % 4.06
protein % 3.36
los % 5.98

SNF ratio is 2.30

at April milk price, return is 19.40 gross

Quota Management

SNF

Producer Milk Prices

Dairy farmers are paid according to the composition of the raw milk components (butterfat, protein and other solids) of their milk. The prices are for a kilogram per component. This information is for your convenience only.

Producer Milk Prices for the last 12 Months

Effective Date	Within Butterfat	Within Protein	Within Other Solids	Butterfat Premium	Over Quota Butterfat	Over Quota Protein	Over Quota Other Solids
April 2019	$10.92	$7.66	$1.45	$0.0178	$0.00	$0.00	$0.00
March 2019	$10.96	$7.77	$1.47	$0.0145	$0.00	$0.00	$0.00
February 2019	$10.95	$7.45	$1.42	$0.0140	$-2.73	$-1.91	$-0.39
January 2019	$10.98	$7.63	$1.45	$0.0116	$-2.73	$-1.91	$-0.39
December 2018	$11.03	$7.82	$1.48	$0.0106	$-2.73	$-1.91	$-0.39
November 2018	$11.03	$8.22	$1.55	$0.0142	$-2.73	$-1.91	$-0.39
October 2018	$10.88	$7.87	$1.48	$0.0484	$-2.73	$-1.91	$-0.39
September 2018	$10.95	$7.78	$1.42	$0.1037	$-2.73	$-1.91	$-0.39
August 2018	$10.72	$7.50	$1.49	$0.0851	$-2.73	$-1.91	$-0.39
July 2018	$10.48	$7.16	$1.43	$0.0589	$-2.73	$-1.91	$-0.39
June 2018	$10.55	$6.45	$1.35	$0.0315	$0.00	$0.00	$0.00
May 2018	$10.63	$6.39	$1.36	$0.0166	$0.00	$0.00	$0.00

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Quota Management

SNF

Return per kg fat

1.0 kg fat	@10.9215	10.9215
3.36/4.06		
0.8276 kg protein	@ 7.6644	6.3429
5.98/4.06		
1.4729 kg Los	@ 1.4480	2.1327
		19.397

Quota Managment

SNF

can we alter milk composition

los	not at all
protein	very little/slowly
fat	a lot and quickly

Quota Management

SNF

4.06F 3.36P 5.98Los = 2.30 SNF

4.22F 3.30P 5.98Los = 2.20 SNF

3.99F 3.40P 5.98Los = 2.35 SNF

Quota Management

SNF

practically by altering fat test can maximize return per kg of quota

4.06 F 3.36 P 5.98 Los	SNF 2.30	$ 19.40
4.22 F 3.30 P 5.98 Los	SNF 2.20	$ 18.97

For 85 kg herd increase annual gross revenue
13,340.75$$$$

Quota Management

SNF

quota calculator

available with both passwords

does not show SNF ratio

assumes always filling quota, so less fat percent need more litres for same filling of kg of fat

Quota Management

SNF

example

herd presently filling 1.31 kg fat per cow
present SNF 2.25 4.14F 3.36P 5.98 Los
increase ration energy
add 1.0 kg dry corn(af)
remove 2.5 kg corn silage (35dm)
trading .88 kg dry matter

Quota Management

SNF

65 cows(85/1.31) x 1.0 kg dry corn
corn @ 250.00$/tonne
increase cost $ 16.25/day

reduced corn silage fed
65 x2.5kg
corn silage at 45.00$ /tonne at 35%dm
decrease feed cost $ 7.31/day

net increase feed cost per herd per day8.94$

Quota Management

SNF

previous production was 1.31 kg
4.14F 3.36P 5.98Los 31.64 litre
SNF 2.25 19.23$/kg quota

assume production is now 1.31kg
3.99F 3.40P 5.98Los 32.83 litre
SNF 2.35 19.62$/kg quota

Quota Management

SNF

increase value of quota filling

85 kg x (19.62-19.23)=	33.15$
increased feed cost	8.94$
increased return/day	24.21$
increased return /year	8836.65$

Quota Management

SNF

?? – will it always pay
?? – will we always get the milk response

?? – during incentives times is shipping the fat more important than the value of the protein

Quota Management

SNF

2.35 or above
penalty for over producing protein and Los

generally as SNF goes above 2.35 the returns are minimal to nil

Quota Management

SNF

ratio usually tightens with lower fat and slight increase in protein

3.99F 3.40P 5.98Los 2.35 SNF 19.62
3.97F 3.40P 5.98Los 2.36 SNF 19.62
3.95F 3.41P 5.98Los 2.38 SNF 19.63
3.91F 3.41P 5.98Los 2.40 SNF 19.63

3.95F 3.45P 5.98Los 2.39SNF 19.67

Quota Management

SNF

$$ to be made moving up to 2.35, especially when no incentives

minimal to no $$ when going above 2.35

Quota Management

Feed additives

SNF useful for economic assessment

many have to trust the science

- Monensin

some you can measure

- palm fats

Quota Management

Feed additives

This table displays pickups that are on file at this moment before any errors or omissions are corrected. Verify pickups against your 'Record of Milk Pickups' chart before taking any action related to over production. When available, sample test results will be linked to the applicable milk pickup. If a sample test result is missing, the previous suitable test result will be used.

Pickup Date	Volume	BF Test / Kgs		PT Test / Kgs		OS Test / Kgs	
2019/04/30	6,161	4.07	250.75	3.11	191.61	5.90	363.50
2019/04/28	6,200	4.09	253.58	3.08	190.96	5.89	365.18
2019/04/26	6,279	3.95	248.02	3.11	195.28	5.89	369.83
2019/04/24	6,342	3.85	244.17	3.12	197.87	5.89	373.54
2019/04/22	6,253	3.83	239.49	3.13	195.72	5.91	369.55
2019/04/20	6,216	3.85	239.32	3.11	193.32	5.90	366.74
2019/04/18	6,111	4.01	245.05	3.14	191.89	5.88	359.33
2019/04/16	6,033	4.03	243.13	3.18	191.85	5.88	354.74
2019/04/14	5,967	3.92	233.91	3.13	186.77	5.91	352.65
2019/04/12	5,600	3.85	215.60	3.17	177.52	5.96	333.76
2019/04/10	5,471	3.69	201.88	3.08	168.51	5.92	323.88
2019/04/08	6,061	3.76	227.89	3.18	192.74	5.92	358.81
2019/04/06	6,216	3.70	229.99	3.16	196.43	5.93	368.61
2019/04/04	6,216	3.72	231.24	3.13	194.56	5.92	367.99
2019/04/02	6,205	3.71	230.21	3.17	196.70	5.90	366.10
Totals:	91,331		3,534.22		2,861.70		5,394.22

Month-To-Date SNF/BF Ratio: (2,861.70 + 5,394.22) / 3,534.22 = 2.34

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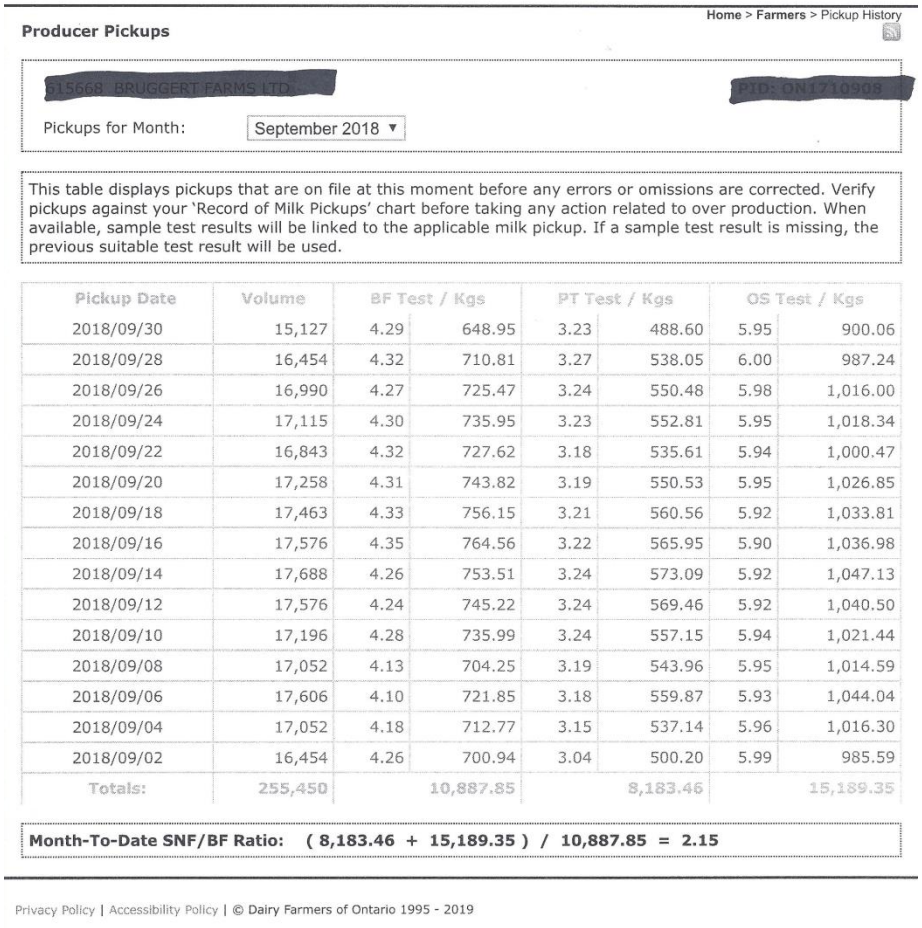
Quota Management

Feed additives



Home > Farmers > Pickup History

Producer Pickups

[redacted] BRUGGERT FARMS LTD [redacted]

Pickups for Month: September 2018

This table displays pickups that are on file at this moment before any errors or omissions are corrected. Verify pickups against your 'Record of Milk Pickups' chart before taking any action related to over production. When available, sample test results will be linked to the applicable milk pickup. If a sample test result is missing, the previous suitable test result will be used.

Pickup Date	Volume	BF Test	/ Kgs	PT Test	/ Kgs	OS Test	/ Kgs
2018/09/30	15,127	4.29	648.95	3.23	488.60	5.95	900.06
2018/09/28	16,454	4.32	710.81	3.27	538.05	6.00	987.24
2018/09/26	16,990	4.27	725.47	3.24	550.48	5.98	1,016.00
2018/09/24	17,115	4.30	735.95	3.23	552.81	5.95	1,018.34
2018/09/22	16,843	4.32	727.62	3.18	535.61	5.94	1,000.47
2018/09/20	17,258	4.31	743.82	3.19	550.53	5.95	1,026.85
2018/09/18	17,463	4.33	756.15	3.21	560.56	5.92	1,033.81
2018/09/16	17,576	4.35	764.56	3.22	565.95	5.90	1,036.98
2018/09/14	17,688	4.26	753.51	3.24	573.09	5.92	1,047.13
2018/09/12	17,576	4.24	745.22	3.24	569.46	5.92	1,040.50
2018/09/10	17,196	4.28	735.99	3.24	557.15	5.94	1,021.44
2018/09/08	17,052	4.13	704.25	3.19	543.96	5.95	1,014.59
2018/09/06	17,606	4.10	721.85	3.18	559.87	5.93	1,044.04
2018/09/04	17,052	4.18	712.77	3.15	537.14	5.96	1,016.30
2018/09/02	16,454	4.26	700.94	3.04	500.20	5.99	985.59
Totals:	255,450		10,887.85		8,183.46		15,189.35

Month-To-Date SNF/BF Ratio: (8,183.46 + 15,189.35) / 10,887.85 = 2.15

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Quota Management

Feed additives

?? – do feed additives pay

?? – did we ship more fat or more quota

Quota Management

in a herd health program

helpful for farm economics

inventory control

helpful to assess ration changes, feed additives