

ORDER 2011-02
AN ORDER RECOGNIZING THE IMPLEMENTATION OF THE
CANADIAN QUALITY MILK PROGRAM
UNDER THE DAIRY FARMERS OF NEW BRUNSWICK
(the "CANADIAN QUALITY MILK ORDER")

PURPOSE: To outline the means by which the Board will implement the Canadian Quality Milk Program.

WHEREAS the Board, inter alia, is vested with the power to make such orders as are considered by the Board necessary or advisable to regulate effectively the marketing or production and marketing of milk in New Brunswick.

AND WHEREAS the CQM Program was developed under the guidance of Dairy Farmers of Canada to improve and provide consistently safe, high quality raw milk. Dairy Farmers of Canada is committed to implementing the CQM Program in all provinces so the CQM Program can become mandatory by 2010. In exercising its power to cooperate and act conjointly with the Dairy Farmers of Canada the Board deems it necessary to enact this Order.

AND WHEREAS these recitals form part of this Order.

NOW THEREFORE BE IT ENACTED pursuant to

- *Milk Plan Order – Dairy Farmers of New Brunswick and all of its Orders*, and amendments or successor thereto;

DAIRY FARMERS OF NEW BRUNSWICK (hereinafter called the "Board") in its exercise of its Federal and Provincial powers, where applicable, in whole or in part, concurrently and in combination hereby repeals Order 2009-06 – The Canadian Quality Milk Order and replaces it with:

2011-02
THE CANADIAN QUALITY MILK ORDER

- 1) **DEFINITIONS:** The terms referenced herein have the same meaning as given in the by-law, act, regulation, order or agreement in which the term was originally defined. If a term originates herein the term will be defined below.

Canadian Quality Milk Program (the "CQM Program"): The CQM Program is an on-farm food safety program developed under the guidance of Dairy Farmers of Canada to improve and provide consistently safe, high quality raw milk, that is based on the principles of Hazard Analysis Critical Control Points (HACCP). The CQM Program provides a framework for Producers to identify critical points on the farm that might impact the safety of milk and meat. In addition, control systems are monitored and implemented to decrease the likelihood of a hazard occurring and traveling into the food chain. The CQM Program is technically recognized by the Canadian Food Inspection Agency as adhering to HACCP principles and being scientifically sound.

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Enrolled Producer: A Producer is deemed to be Enrolled in the CQM Program when he has been instructed in the best management practices and the record keeping requirements of the Program and has completed the standard operating procedures.

Validated Producer: A Producer who has been visited by a CQM Program validator who has performed an evaluation of the Producer's conformance to the requirements of the CQM Program.

Registered Producer: A Producer is deemed registered on the CQM Program when he has successfully passed a CQM Program validation conducted by one of the Program's certified validators.

2) PROGRAM IMPLEMENTATION:

- a) The Board has been promoting the CQM Program to Producers since 2002.
- b) The costs associated to provide the services of a CQM Program coordinator to assist Producers in enrolling in the Program or any costs associated with the Validation of a Producer will be part of the administration fees of the Board.
- c) The Board, in keeping with the commitment stated in **Section 2(a) herein** has established incentives for Producers to become Registered Producers on the CQM Program.

3) FINANCIAL INCENTIVE TO REGISTERED PRODUCERS

- a) Subject to the availability of funds under the *Canadian Dairy Commission CQM Agreement* Producers who become Registered for the first time prior to August 1, 2012 shall receive a \$300.00 payment.

4) IMPLICATIONS FOR PRODUCERS WHO ARE NOT REGISTERED

- a) All Producers must be Registered on the CQM Program before August 1, 2011.
- b) New Producers and New Entrants will be given 12 months from their first shipment of milk to the Board to become Registered on the CQM Program.
- c) A Producer who is not Registered on the CQM Program prior to the end of any calendar month, inclusive of July 2011, shall have a percentage of his or her Daily Quota suspended as set out below:
 - i) 1% for the duration of the 1st month that follows the month or part thereof in which the Producer was not Registered

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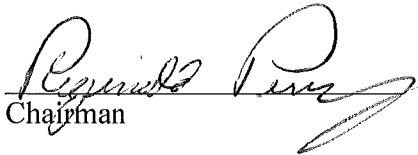
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- ii) 2% for the duration of the 2nd month that follows the month or part thereof in which the Producer was not Registered
- iii) 4% for the duration of the 3rd month that follows the month or part thereof in which the Producer was not Registered
- iv) 8% for the duration of the 4th month that follows the month or part thereof in which the Producer was not Registered
- v) 16% for the duration of the 5th month that follows the month or part thereof in which the Producer was not Registered
- vi) 32% for the duration of the 6th month that follows the month or part thereof in which the Producer was not Registered
- vii) 64% for the duration of the 7th month that follows the month or part thereof in which the Producer was not Registered
- viii) 100% for the duration of the 8th month and any subsequent months or part thereof in which the Producer was not Registered

A Producer's suspended Daily Quota will be returned in the month that follows the Producer becoming Registered on the CQM program.

A Producer will be subject to Section 5 "Obligations to Maintain Quota" as set out in the Daily Quota Order

This Order comes into effect March 1, 2011


Chairman


Secretary/Manager