

NEW ENTRANT POLICY
A POLICY DEFINING THE RULES GOVERNING THE NEW ENTRANT POLICY
UNDER THE DAIRY FARMERS OF NEW BRUNSWICK
(the "APPENDIX A TO DAILY QUOTA ORDER")

PURPOSE: Dairy Farmers of New Brunswick's (DFNB) has established a New Entrant Policy that provides assistance in the form of a Temporary Daily Quota allotment that is provided to individuals who make application, appear before the the New Entrant Committee and who obtain the written approval from the Board to be recognized as a New Entrant in accordance with the terms and conditions outlined in the Daily Quota Order.

APPLICANT CRITERIA:

In order to be considered for the New Entrant Program, an applicant must:

- Be a Canadian Citizen or landed immigrant (proof required)
- Be 18 years of age or older
- Have an acceptable facility and location for a dairy operation or a detailed plan for an acceptable dairy facility
- Have never owned dairy quota
- Own and operate the dairy farm as a stand alone production unit within New Brunswick for the full seven-year term of the program or provide a bona fide seven-year lease agreement for the facility.
- Have the means to purchase and maintain 12 kg of Daily Quota

In addition, applicants planning on using an immediate family member's former dairy farm must confirm that the facility has not been used for milk production for a minimum of one year as of the date the application is submitted to DFNB.

APPLICATION CRITERIA:

Interested individuals must submit their 5 year business plan and their non-refundable \$100.00 application fee to Dairy Farmers of New Brunswick after September 1 but no later than October 10.

Individuals who wish to be considered for this Program are encouraged to become familiar with the requirements for milking facilities as outlined in Order 2010-19 Milk Quality Regulation under the Natural Products Act and Order 2010-05 Milk Quality and Premises Penalty Order of the New Brunswick Farm Products Commission. Individuals should also become familiar with Dairy Farmers of New Brunswick's marketing structure by reviewing its annual report and its Board Orders. Individuals also should become familiar with the various agricultural programs and policies that regulate general farming practices in New Brunswick. Understanding these requirements will ensure that you are prepared to become part of an industry that takes tremendous pride in producing a safe and nutritious food according to the highest standards of quality.

The following is a list of individuals that are familiar with the various rules and regulations.

- Louise Mason, Manager; Agri-Food Services / Health Phone: (506) 453-2427, Fax: (506) 453-8702 or e-mail: louise.mason@gnb.ca .
- Brian MacDonald, NB Dairy Specialist, Department of Agriculture & Aquaculture: Phone (506) 444-4951 or by e-mail at brian.macdonald@gnb.ca
- Dairy Farmers of New Brunswick: Phone: (506)-432-4330 or at nbmilk@nbmilk.org.
- Agriculture Alliance: website: <http://www.fermenbfarm.ca> ; Phone: 506-452-8101; Fax: 506-452-1085 or by e-mail: alliance@fermeNBfarm.ca .

The New Entrant Program Selection Committee made up of dairy industry representatives will review the material submitted by the applicant and interviews those candidates and make recommendations to the Board prior to December 31 to accept or reject the applicants to the New Entrant Program. In the event that the Selection Committee recommends more than 2 candidates, DFNB will select 2 successful

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candidates through a lottery process. Those candidates that are not selected will be given the opportunity to access the New Entrant quota allocation in the next year.

The Board will notify the individuals of the Board's decision on or after January 1st.

The Board will cancel an individual's New Entrant's status if he or she fails to ship milk 12 months following their approval to the program.

The Board will provide New Entrants with priority over the available quota to be purchased on 12 consecutive quota exchanges following their first bid or until the New Entrant has obtained 12 kilos.

The Board will allot the Temporary Daily Quota to the New Entrant on the first day of August in the calendar year in which he or she was deemed to be a New Entrant by the Board and he or she will be allotted additional Temporary Daily Quota each of the next 11 months or until 12 kilos of Temporary Daily Quota has been allotted, whichever comes first.

The Temporary Daily Quota will be reduced at the rate of 1 kilo per year with the first reduction occurring on August 1 of the sixth year of the Temporary Daily Quota being issued to the New Entrant. The annual 1 kilo reduction of the Temporary Daily Quota will be recovered from the New Entrant in 1/10th of a kilo increments in each of the following months. Subsequent annual reductions of 1 kilo, or part thereof, will occur every August 1 thereafter until all the Temporary Daily Quota allotted to the New Entrant is removed.

The Board will affect a sufficient reduction to a New Entrant's Temporary Daily Quota so that the sum of a New Entrant's Daily Quota purchased through the Quota Exchange and a New Entrant's Temporary Daily Quota does not exceed 35 kilos.

Temporary Daily Quota allotted to New Entrants will be excluded from all general increases or decreases calculations and will not be increased or decreased except in accordance with Section 7 ii) and 7 iii) herein. New Entrants will have to take into consideration that they may need to purchase Daily Quota to replace the Temporary Daily Quota as it is removed by DFNB.

New Entrants will be required to become registered on the Canadian Quality Milk Program within 12 months of their first shipment of milk.