

**ORDER 2016-02**  
AN ORDER DEFINING THE MILK MARKETING PROCESS UNDER THE  
DAIRY FARMERS OF NEW BRUNSWICK  
(the "**DAILY QUOTA ORDER**")

**PURPOSE:** To establish the requirements to be recognized as a Producer by the Board, the farm premise requirements, the Daily Quota requirements, the Daily Quota holding limits, the means of obtaining an opening allotment of Daily Quota, the means of increasing or decreasing Daily Quota and the conditions that would lead the Board to suspend or cancel a Producer's Daily Quota.

**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.

**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 2015-06 – Daily Quota Order and replaces it with:

**2016-02**  
**DAILY QUOTA ORDER**

**1) DEFINITIONS**

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 in this Order the term will be defined below.

**2) REQUIREMENTS TO BE RECOGNIZED AS A PRODUCER BY THE BOARD**

The Board will identify a person as a Producer when that person has met the following requirements:

- i) is a New Brunswick resident; and
- ii) has completed the Board's required information forms; and
- iii) has current or proposed Farm Premise located in compliance with the requirements set out in Section 3 of this Order, and
- iv) holds a valid Provincial License issued by the Commission for the farm premises where milk will be produced and stored until picked up at the direction of the Board, and
- v) has a calibrated bulk milk tank of sufficient capacity to store more than two and one half days supply of Milk in the peak production period of his herd of cows; and
- vi) has a driveway that has been inspected and approved by the Board, and
- vii) has been issued a Producer number by the Board, and

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viii) obtains and maintains an allotment of Daily Quota in accordance with this and all of the Board's Orders, policies and decisions.

**3) FARM PREMISE REQUIREMENTS**

A Producer must obtain prior written approval from the Board of the location of the Farm Premise where the milk associated to their Daily Quota will be produced and must obtain prior written approval from the Board any time they wish to re-locate, which approval may be denied at the absolute discretion of the Board.

A Producer's Farm Premise must be located on a PID where no other Producer's farm premise is located and be located at least 300 feet away from the next nearest Producer's farm premise.

**4) DAILY QUOTA REQUIREMENTS**

The Board requires a Producer to produce Milk or produce and market Milk on a Daily Quota basis and abide by all of the Board's Orders, policies and decisions.

Upon the person being issued a Producer number by the Board, that Producer must successfully obtain Daily Quota in accordance with Section 3 or 4 of the Daily Quota Transfer Order and abide by the requirements set out in this and all of the Board's Orders, policies and decisions.

A Producer shall not be permitted to merge their Producer number and associated Daily Quota holdings with another Producer's.

Two or more Producers shall not house their respective herds under a common dairy barn or milk them from a shared milking system other than in situations of a Catastrophe or Construction Transfer.

A Producer who requests to transfer or relocate Daily Quota that could appear to be a merger of Daily Quotas will be denied at the absolute discretion of the DFNB Board.

A Producer's regular shipment of Milk must not be more than two and one half days' Milk Production.

A Producer must produce a sufficient quantity of Milk to provide for satisfactory cooling, sampling or measurement and furthermore must ship at least 25% of his Monthly Quota each month.

A Producer who has a Due Board over 60 days shall be required to appear before the Board to give reasons why the Due Board is not paid and why the Daily Quota should not be cancelled or suspended by the Board for failure to pay.

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**5) DAILY QUOTA HOLDING LIMITS**

All Producers, except those Producers that were granted an exemption to hold a minimum of two (2) kilograms by the Board on August 1, 2009, must hold a minimum of ten (10) kilograms of Daily Quota for the Board to give direction to pickup their milk.

- a) The Board will give direction to cease pickups from a Producer who sells any portion of their Daily Quota on the quota exchange that causes their quota holdings to fall below the above minimums.
- b) The Board will continue to give direction to pickup milk from a Producer whose quota holdings are caused to fall below the above minimums as a result of a general decrease applied to all Producers by the Board.
- c) A Producer who holds less than ten (10) kilograms of Daily Quota is prohibited from transferring quota under Section 4 of the Daily Quota Transfer Order and can only sell Daily Quota in accordance with Section 3 of the Daily Quota Transfer Order.

A Producer must make application to the Board and obtain written approval from the Board to hold Daily Quota in excess of 200 kilograms and every increment of 100 kilograms thereafter, which approval may be denied at the absolute discretion of the Board.

**6) OBTAINING AN OPENING ALLOTMENT OF DAILY QUOTA**

A Producer who does not have an allotment of Daily Quota can only attempt to acquire an opening allotment of Daily Quota by means of one of the following 3 options:

- a) the Quota Exchange as set in Section 3 of the Daily Quota Transfer Order,
- b) the On-Going Transfer as set out in Section 4 a) of the Daily Quota Transfer Order
- c) the New Producer Transfer as set out in Section 4 b) of the Daily Quota Transfer Order

**7) INCREASING DAILY QUOTA ALLOTMENT**

A Producer who has an allotment of Daily Quota can acquire additional Daily Quota by successfully purchasing Daily Quota on the Quota Exchange as set out in Section 3 of the Daily Quota Transfer Order or by means of a Top Up Transfer as set out in Section 4(c) of the Daily Quota Transfer Order.

Each Producer's Daily Quota designated by the Board to be increased will be adjusted on an equal percentage basis by the Board from time to time to equal New Brunswick's share of the national and/or P5 market requirements or for any other reason deemed necessary by the Board.

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**8) DECREASING DAILY QUOTA ALLOTMENT**

A Producer who has an allotment of Daily Quota can only attempt to reduce his or her allotment of Daily Quota by transferring all or part of their Daily Quota in accordance with Section 3 or 4 of the Daily Quota Transfer Order.

Each Producer's Daily Quota designated by the Board to be decreased will be adjusted on an equal percentage basis by the Board from time to time to equal New Brunswick's share of the national and/or P5 market requirements or for any such reason deemed necessary by the Board.

**9) SUSPENSION AND CANCELLATION OF DAILY QUOTA**

A Producer's Daily Quota will be suspended upon the Board receiving notification that the Producer's License as issued by the Commission has been suspended.

A Producer's Daily Quota will be cancelled upon the Board receiving notification that the Producer's License as issued by the Commission has been revoked and the Producer will be prohibited from transferring quota under Section 4 of the Daily Quota Transfer Order and will only have the option to sell Daily Quota in accordance with Section 3 of the Daily Quota Transfer Order.

A Producer who contravenes the Board Orders, policies and procedures will have all or part of such Daily Quota suspended by the Board and will be prohibited from transferring Daily Quota unless otherwise directed by the Board.

A Producer's Daily Quota can be cancelled at the discretion of the Board.

A New Producer acquiring Daily Quota on the Quota Exchange who is unsuccessful entering into Production within 90 days of acquiring such Quota (subject to further extension by the Board) shall be required to transfer his Daily Quota on or before the third consecutive Quota Exchange following the 90 day period.

A Producer must transfer his Daily Quota by way of the Daily Quota Transfer Order within six months from the payment for his last delivery of Milk.

The Board may transfer a Producer's cancelled Daily Quota in accordance with Section 3 of the Daily Quota Transfer Order.

The Board has the authority to cancel or suspend a Producer's Daily Quota that has not been transferred after the six month period has elapsed.

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The Producer may be given the opportunity to appear before the Board to give reasons why the Daily Quota should not be cancelled or suspended by the Board prior to the Board suspending or cancelling the Producer's Daily Quota.

This Order takes effect May 1, 2016

*This Board Order is a reproduction of the original Board Order which has been signed by the Chairman and the General Manager.*