

DFPEI 2016-03
DAIRY FARMERS OF PRINCE EDWARD ISLAND

ORDER: DFPEI 2016-03
EFFECTIVE: 1 April 2016

Under the Dairy Farmers of Prince Edward Island Regulations and under the ***Natural Products Marketing Act***, R.S.P.E.I. 1988, Cap. N-3, Dairy Farmers of Prince Edward Island makes the following Order:

Raw Milk Allocation Order

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|---------------------------|---|
| Application | 1. This order establishes rules for allocating raw milk from farms to processors. |
| Definitions | 2. The words herein shall have the meanings as found in the Prince Edward Island Natural Products Marketing Act and the Dairy Farmers of Prince Edward Island Regulations under the Act, unless differentiated herein and as hereinafter defined:

(a) "DFPEI" means Dairy Farmers of PEI;

(b) "fluid milk product", also called "class 1 milk product" means any product made from milk or cream that is prepared for sale in liquid or fluid form;

(c) "milk" means the normal milk produced by cows;

(d) "milk allocation" means a volume of milk assigned to a processing enterprise;

(e) "processing enterprise" means an entity that includes in its business activity the processing of raw milk purchased from dairy farms;

(f) "raw milk" means milk that has not been heated beyond 40°C or undergone any treatment that has an equivalent effect. |
| Historical Allocations | 3. It is recognized that processing enterprises have an established interest in the historical milk supply. Therefore, existing enterprises shall retain access to residual industrial milk volumes in proportion to their share of the milk processed in the 12-month period ending 31 July 2015. |
| Fluid-Product Allocations | 4. Milk intended for processing into fluid milk products shall be allocated to fluid milk processing enterprises on demand, provided that there is sufficient raw milk available for this market; |

Federal
Provincial
Agreements

5. Milk remaining after fluid milk product allocations are met shall first be allocated to fill requirements established under Federal Provincial Agreements.

Residual
Milk Allocations

6. Milk remaining after the requirements established in Sections 4 and 5 are met shall be deemed as residual milk and allocated in the following sequence:

(a) to processing enterprises for established interests in the historical milk supply;

(b) to classes 2, 3, 4 and 5 in priority as requested by processing enterprises;

(c) in any instance where more than one processing enterprise requests residual milk in excess of the available supply, and after historical allocations have been met, milk shall be allocated in proportion to the respective volumes processed by each processing enterprise in the preceding 12-month period.

Temporary
Surrender of
Allocation

7. A processing enterprise may, at their discretion, temporarily surrender any volume to another processing enterprise. Volumes to be surrendered shall be determined on a weekly basis.

Consultation
Required

8. DFPEI shall consult with PEI dairy industry stakeholders and the Government of PEI to determine the best use of any unused milk allocations. Similar consultations will be held for the development of future milk allocation policies needed for the evolution of the industry, including but not limited to policies for governance of processing industry growth, rationalization, consolidation, or new entrants.

Execution

9. This Order comes into force on the 1st day of April 2016.

DATED at Charlottetown, Prince Edward Island, this 29th day of March 2016.

<Original signed by>

Harold MacNevin, Chair

<Original signed by>

Ronald Maynard, Secretary