

ORDER 2025-14

**AN ORDER DEFINING HOW MILK IS ALLOCATED TO NEW BRUNSWICK PROCESSING
PLANTS AND TO OTHER PROVINCIAL MILK MARKETING BOARDS
(the "MILK ALLOCATION ORDER")**

PURPOSE: To establish the processes by which Dairy Farmers of New Brunswick determines how it allocates its available supply of raw milk to plants operating in New Brunswick and to other provincial milk marketing boards.

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 enacts:

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MILK ALLOCATION 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.
- a) **Agreement on Eastern Canadian Milk Pooling (P5):** The agreement among provincial entities dated March 15, 2010, or any successor agreement.
 - b) **Board:** Dairy Farmers of New Brunswick.
 - c) **On-Demand Classes:** Raw milk required by a plant to fulfill Class 1, 2a, 3a, and Growth Program markets, as designated priority markets under the P10 and P5 Agreements.
 - d) **Dairy Year:** August 1 to July 31 annually.
 - e) **DFNS:** Dairy Farmers of Nova Scotia
 - f) **DFPEI:** Dairy Farmers of Prince Edward Island.
 - g) **Fluid Milk Reserve:** The difference between provincial fluid consumption and provincial fluid processing, calculated annually, as determined under the July 14, 1999, P5 Supervisory Body decision.
 - h) **Growth Programs:** P10 or P5 allocation programs granting milk supply to specific plants (e.g., Market Growth Program or Dairy Innovation Program).
 - i) **Industrial Growth Reserve:** An annual reserve of 10 million liters managed in cooperation and coordination between DFNS and DFNB, used to supply Small and Medium Processors when their Plant Reference Volume (PRV) is insufficient and to supply new approved Small and Medium Processors who have not been issued a PRV.

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- j) **Industrial Milk:** the raw milk dedicated to be processed in Class 2b, Class 3b, Class 3c, Class 3d and Class 4. The volume of raw milk required will be determined by excluding the raw milk equivalent of the butterfat declared in Class 4b.
- k) **Large Plant:** A plant processing over 10 million liters of industrial milk in a Dairy Year.
- l) **Maritime Milk Movement Holdback:** A maximum of 5 million liters held back per the P5 Milk Allocation Policy, made available to Small and Medium Processors manufacturing non-Class 3a cheese before drawing from the IGR.
- m) **Milk Movement Obligations:** Raw milk volumes the Board must offer to P5 Boards before allocating the remaining supply to New Brunswick Plants under the P5 Agreement.
- n) **Plant Reference Volume:** Annual volume allotted to each Plant by DFNb as set out in this Order for DFNb to use when allocating its Provincial Share of Remaining Milk.
- o) **Processor:** Licensed operator of a dairy processing plant or plants in New Brunswick
- p) **P5 Boards:** Dairy farmer boards in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island.
- q) **Provincial Share of Remaining Milk:** Volume established under the P5 Agreement to insulate provincial industrial milk supplies while sharing markets.
- r) **Reference Volume Classes:** Raw milk required to fulfill non-On-Demand markets.
- s) **Small and Medium Plant:** A plant processing 10 million liters or less of Industrial Milk in a Dairy Year.
- t) **Residual Milk:** Remaining raw milk not requested by NB processors.
- u) **Weekly Milk Supply:** Raw milk collected weekly from New Brunswick farms and such other volumes DFNb accepts from other P5 Boards.

2) PLANT REFERENCE VOLUMES (PRV)

- a) Annual Determination:
 - i) After each Dairy Year, the Board will calculate each plant's PRV using its average Industrial Milk utilization from the two previous Dairy Years.
 - ii) **Increase:** A PRV increases if a plant's two-year average Industrial Milk use exceeds its PRV, up to volumes granted through the IGR.
 - iii) **Temporary Increase:** PRVs may increase temporarily within a Dairy Year to reflect allocations under P10 or P5 Growth Programs.
 - iv) **Decrease:** A PRV decreases if a plant's two-year average Industrial Milk use is below its PRV. Reductions shall not exceed 3%.
 - (1) For processors operating multiple Large Plants in New Brunswick and Nova Scotia, the combined PRV reduction shall not exceed 3%.
- v) Plants will be notified in writing of their updated PRVs within 60 days of the close of the Dairy Year.

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b) Transfers

- i) A Processor operating Large Plants with PRVs in both New Brunswick and Nova Scotia may transfer PRVs among their plants, with 30 days' notice to DFNS and DFNB. DFNB and DFNS will cooperate and coordinate the transfer of those PRVs.
- ii) Transfers will be considered in future PRV adjustments.

c) Total Issuance Limit

- i) The combined PRVs for all New Brunswick plants shall not exceed the Provincial Share of Remaining Milk.
- ii) If volume is insufficient to increase all Large Plants' PRVs, increases will be prorated.

3) INDUSTRIAL GROWTH RESERVE (IGR)

- a) An initial IGR of 10 million liters of raw milk shall be set aside from the combined Provincial Shares of Remaining Milk of DFNS and DFNB upon this Order taking effect.
 - i) DFNB's shall be granted 4.4 Million litres to supplement Small and Medium Plant PRVs.
 - ii) The volume within the IGR will be reduced following the close of each Dairy Year based on the net change to Small and Medium Plant PRVs or its use to supply new Small and Medium plants that did not have a PRV during that dairy year.
 - iii) In instances where the IGR is reduced between 0 and 4.4 million litres, the IGR will be replenished to a maximum of 4.4 million litres by first drawing from any increases of DFNB's Provincial Shares of Remaining Milk.
 - iv) In instances where DFNB's or DFNS's share of the IGR is insufficient, DFNB and DFNS will coordinate and collaborate the temporary transfer of IGR to satisfy Small and Medium Plant PRVs.

4) ALLOCATING WEEKLY MILK SUPPLY (WMS)

- a) On-Demand Classes: Filled first. Shortages are distributed proportionally among plants.
- b) Milk Movement Obligations (MMO): Met per the P5 Agreement.
- c) Small and Medium Plants:
 - i) Weekly deliveries capped at 1/52 of their total PRVs, supplemented by available IGR.

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- ii) Shortages distributed proportionally to PRVs.
- iii) Plants under 360,000 litres annually are treated as On-Demand until they exceed 30,000 litres monthly for two consecutive months, after which they are assigned a PRV of 360,000 litres.
- d) Large Plants:
 - i) Remaining WMS is allocated proportionally to PRVs.
 - ii) Any surplus is offered to Large Plants until they cannot accept more. Shortages are distributed proportionally.
- e) Residual Allocation: Any remaining unallocated WMS is offered in the following order:
 - i) DFNS (Nova Scotia)
 - ii) DFPEI (Prince Edward Island)
 - iii) Quebec and Ontario Boards (P5 Agreement)
 - iv) If still unallocated, milk is disposed of per P5 Supervisory Body guidelines.

5) SCHEDULING WMS DELIVERIES

- a) Weekly delivery schedules are prepared by Tuesday noon and finalized by Thursday noon.
- b) Unallocated milk is offered to Plants or Boards willing to accept it.
- c) Changes to delivery schedules require 48 hours' notice.

6) RECEIVING BAY COMMITMENTS

- a) All Processors must adhere to the Receiving Bay Policy as set out in Appendix A of this Order.

7) DISPUTES

- a) Processors disputing this Order, the **Board's application of this Order or any Board** decisions arising from this Order shall submit in writing the items they are disputing to the Board for consideration.
- b) The Board will review and respond to the appellant's written submission within 30 days of receiving it. The response to the appellant will state that:
 - i) the Board has amended the Order to resolve the matter being disputed, or
 - ii) the Board upholds the Order and informs the appellant of their right to file an appeal on their dispute with the New Brunswick Farm Products Commission in accordance with the process outlined in Section 65 of the Natural Products Act.

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This Order comes into effect November 1, 2025

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

APPENDIX A MILK ALLOCATION ORDER 2025-14 (the "MILK RECEIVING BAY POLICY")

PURPOSE: To ensure efficient, timely, and hygienic unloading of raw milk deliveries to processing plants. This policy is established to ensure that the drivers have sufficient time to complete their pickup, delivery, tanker cleaning tasks as well as their return drive to their depot without exceeding their legally allowed hours for the day thereby ensuring that the equipment is available for the next day's milk pickups.

SCOPE: This policy applies to all raw milk shipments delivered to the facility, including bulk tankers and compartmentalized milk trucks. It governs unloading processes, scheduling, sanitation, and truck turnaround times.

OBJECTIVES:

- Establish Receiving Bay scheduling and queue management
 - Unload milk trucks promptly upon arrival.
- Set benchmarks to ensure receiving bay policy is achieving desired results.
 - Minimize wait times and queuing at receiving bays.
- Establish communication protocols to promote fairness, transparency, and communication between transporters and plant staff.
- Define roles and responsibilities
- Establish processes to evaluate metrics for continuous improvement.
- Identify process to manage exceptional circumstances.

POLICY GUIDELINES

Receiving Bay Scheduling and Queue Management

- A centralized scheduling tool shall be used to assign delivery windows.
- A weekly delivery schedule will be coordinated by the scheduling authority in consultation with transporters and receiving plants.
- The scheduling authority will cooperate and collaborate with other provincial organizations to amend the weekly schedule once finalized when possible.
 - Cancellations of scheduled deliveries require the scheduling authority to locate an alternative processing facility for that milk; if no alternative is available, the delivery must proceed as scheduled.
 - Requests for additional deliveries will only be considered if the scheduling authority can secure delivery slots by reallocating scheduled volumes from another plant.
- Trucks arriving within their assigned window shall receive priority unloading.
- Unscheduled or late arrivals will be serviced as capacity permits, without displacing scheduled trucks.

APPENDIX A
MILK ALLOCATION ORDER 2025-14
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UNLOADING BENCHMARKS

Performance Metric	Target Benchmark
Maximum wait time before unloading	30 minutes from check-in
Maximum unloading time	45 minutes
Maximum total bay time (arrival to departure inclusive of CIP)	90 minutes
% of trucks meeting unloading target	95% weekly compliance rate
Daily volume	Volume assigned to the plant must be unloaded and CIPs completed within an 8 hours window and not later than 5pm.

COMMUNICATION PROTOCOLS

- Any delay exceeding 20 minutes must be immediately reported to the shift supervisor.
- A real-time truck tracker system will be implemented to notify drivers of expected unloading times.
- Drivers must have access to a waiting area with amenities if delays exceed 45 minutes.

ROLES AND RESPONSIBILITIES

Role	Responsibility
Receiving Bay Supervisor	Oversee scheduling, queue management, and unloading coordination and ensure timely and complete sanitation of all incoming trucks.
Logistics Coordinator	Liaise with transporters to schedule deliveries and ensure next-day readiness
Drivers	Arrive within scheduled windows and comply with unloading and sanitation protocols

CONTINUOUS IMPROVEMENT AND COMPLIANCE

- Weekly metrics will be reviewed in operations meetings and shared with transport partners.
- Chronic delays will trigger a root cause review and require corrective action.

EXCEPTIONS

- In case of emergencies (mechanical failure, weather events), flexibility will be granted if communicated in advance.
- Processing equipment breakdowns must be reported with estimated resolution times to all incoming haulers.