

ORDER 2026-02
AN ORDER ESTABLISHING THE PRODUCER MILK POOLING OF
DAIRY FARMERS OF NEW BRUNSWICK
(the "**PRODUCER MILK POOLING ORDER**")

PURPOSE: This Order establishes rules governing:

- a) The collection and pooling of proceeds from milk sales; and
- b) The imposition of production controls on producers; and
- c) The distribution of proceeds to producers.

AUTHORITY:

Dairy Farmers of New Brunswick (the “Board”) is, among other things, vested with the power to make such orders as it considers necessary or advisable to regulate effectively the marketing or production and marketing of milk in New Brunswick.

Pursuant to the **Milk Plan Order**, and its amendments or successors the Board exercises its Federal and Provincial powers to repeal **Order 2025-03** and replace it with **Order 2026-02**

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1) COLLECTION OF PROCEEDS FROM MILK SALES:

The Board shall collect proceeds from its milk sales from:

- a) **New Brunswick processors**, per the **Board-Processor Sales Order**; and
- b) **other jurisdictions**, per national and regional revenue-sharing agreements, and
- c) the Board shall increase or reduce the above Proceeds prior to their redistribution to producers resulting from the Board’s support and participation in provincial, regional, or national market development initiatives.

2) MONTHLY OVER/(UNDER) QUOTA AFTER INCENTIVES:

- a) **Current Daily Quota (CDQ):** Producer’s prior month’s Daily Quota, adjusted for purchases, sales, suspensions, or other Board approved quota adjustments.

Quota Days (QD): The number of days between the prior month’s last pickup and the last pickup in the current month, except in instances where:

- i) QD is greater than one plus the number of days in the current calendar month, or less than the number of days in the current calendar month minus one, at which time QD will be set to the calendar days of the current month.
- ii) No pickups occurred in the last two days of the current month or prior month, at which time QD will be set to calendar days in the current month.

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- b) **Total Monthly Quota (TMQ)**: CDQ multiplied by QD, supplemented by any Monthly Leased Quota when applicable.
- c) **Total Butterfat Production (TBF)**: Sum of individual milk pickups multiplied by their applicable butterfat tests.
- d) **Over/(Under) Before Incentive (OUBI)**: TBF minus TMQ.
- e) **Incentives**: Additional kilograms equivalent to incentive days issued for that month.
- f) **Over/(Under) After Incentive (OUAI)**: Over/(Under) Before Incentive adjusted for Incentives.

3) MONTHLY IN/OVER/(UNDER) QUOTA AFTER CREDITS:

- a) **Opening Credit Position (OCP)**: Prior month's Ending Credit Position, adjusted for Credit Exchange transactions and applicable limits resulting from changes in quota holdings or adjustments to provincial Credit Day limits.
- b) **Credit Position Before Limits**: Sum of OCP and OUAI.
- c) **Ending Credit Position After Limits**:
 - i) Production exceeding the Upper Credit Limit or such other Credit Limit imposed by the Board shall be classified as Over Quota; or
 - ii) Credits below the Lower Credit Limit or such other Credit Limit imposed by the Board are classified as Lost Production Opportunity.
- d) **Over Quota Litres (OQL) Over Quota Butterfat (OQBF), Protein (OQP), and Lactose and Other Solids (OQLOS)**: Excess production above quota and credit limits for which the Producer will not receive any revenues and shall be subject to applicable Over Quota Levy Rates.
- e) **Credits Utilized**: Applied to offset Over Production without exceeding the Upper Limit.
- f) **Credits Accumulated**: Under Production within the Lower Limit.
- g) **Total In-Quota Butterfat (IQBF) Kgs After Credits**: Eligible for In-Quota Butterfat Rate.

4) MONTHLY FULL/MARKET/NO PAY SNF AFTER SNF/BF RATIO.

- a) **Solids Non-Fat (SNF)**: Sum of kgs Protein and Lactose and other solids shipped in the month.
- b) **SNF Ratio**: SNF divided by TBF.
- c) **Full Value SNF Kilograms (FVSNF)**: Those kgs of Protein (PT) and those Kgs of Lactose and Other Solids (LOS) that collectively make up the kgs of SNF that are equal

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or less than the number prescribed for this category by the P5 Quota Committee and approved by the Board times the IQBF.

- d) **Market Value SNF Kilograms (MVSNF)**: Those kgs of PT and those Kgs of LOS that collectively make up the kgs of SNF that fall within the FVSNF and the NPSNF times the IQBF.
- e) **No Pay SNF Kilograms (NPSNF)**: Those kgs of PT and those Kgs of LOS that collectively make up the kgs of SNF that exceed the number prescribed for this category by the P5 Quota Committee and approved by the Board times IQBF.

5) PAYMENT TO PRODUCERS: Proceeds from Section 1 shall be distributed as follows:

- a) **Over Quota Levy Rates**, OQL, OQBF, OQPT and OQLOS as determined in Section 3 shall not qualify for any revenues and shall also be subject to applicable levies and marketing service charges, and
- b) **In-Quota Butterfat Rate** as set by the Board and applicable to IQBF as determined in Section 3, and
- c) **Full Value SNF Rate** are respectively set by the Board for PT and LOS applicable to the respective PT and LOS kgs that make up the FVSNF as determined in Section 4, and
- d) **Market Value SNF Rate** are respectively set by the Board for PT and LOS applicable to the respective PT and LOS kgs that make up the MVSNF as determined in Section 4, and
- e) **No Pay SNF Rate** are respectively set to zero dollars and are applicable to the respective kgs of PT and LOS that make up the NPSNF as determined in Section 4, and
- f) The Board shall then deduct from each Producer's proceeds their applicable Marketing Service Charges and Producer Deductions in accordance with the **Marketing Charges Order** and the Board may distribute or deduct such other funds as the Board may deem necessary from time to time.

6) ADVANCE AND FINAL PAYMENTS

- a) **Advance Payment:** Issued on the last calendar day of the production month (or first working day thereafter if that day falls on a holiday or weekend), at **50% of the previous month's net proceeds**
 - i) The Board shall exclude financial transactions from the Credit Exchange, Producer/Processor Invoices, or such other items that the Board determines would cause the Advance to be over or under stated, and
 - ii) If no shipment occurred in the prior month, the advance is calculated by multiplying **the provincial average dollars per hectoliter** from the previous month by the producer's hectoliters of production in the first 15 days of the current month.

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- b) **Final Payment:** Issued on the **15th calendar day** of the following month (or the first working day thereafter if that day falls on a holiday or weekend).
- c) Additional adjustments, if necessary, will be reflected in the Producer's monthly statement at the Board's discretion.

7) EFFECTIVE DATE

This Order takes effect **June 1, 2026**.

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