

DAIRY FARMERS OF PRINCE EDWARD ISLAND

Order: DFPEI 2011-07

EFFECTIVE: 1 August 2011

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

PRODUCER PAYMENT ORDER

- Application 1. This Order directs the payment of funds to dairy producers for all milk components marketed from farms in Prince Edward Island.
- 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 unless differentiated herein and as hereinafter defined:
- (a) "Components" means butterfat, protein and other solids contained in milk.
- (b) "Unscheduled Pick-Up" means the removal of milk from the farm for sale to a processor by a licensed dairy transporter, or by any other means, at a time other than the normal time scheduled by the milk transporter assigned to pick up milk on that farm.
- Component Prices
Paid to Producers 3. Producers shall be paid for the components present in the milk they offer for sale and sell to the Board, or to a purchasing agent designated by the Board, based on the provisions outlined in this Order. The prices for those components shall be determined under the Agreement on the Eastern Canadian Milk Pooling , net of any valid adjustments, fees, costs and levies determined by the Board.
- In-quota
Production 4. All components produced each month within the limits permitted by a producer's quota holdings and not subject to other payment adjustments established in this Order, any other Board Order, or any other regulation or Order applicable to the production and marketing of milk, shall be paid on a per kilogram basis established by calculating:
- a) The total revenue for each component paid to the Board by milk processors, net of any adjustments or allowances;
- b) Adding or subtracting any additional revenue or payments due under regional and national pooling arrangements or any other agreements that the Board is participating in;
- c) Adding or subtracting any additional funds resulting from the application of Board Orders; and

d) Dividing the resulting total revenue for each component by the number of kilograms of each component marketed within quota limits that month.

Over Quota

Production

5. Producers shall be paid \$0 for components contained in milk marketed that exceeds their quota limits in any month. However, normal levies for transportation, administration and promotion will be applied to any milk so marketed. Any advance payment for milk produced that is later determined to be over quota shall be recovered through adjustments to the producer's final payment for that month, advances in future months or any other monies payable to that producer from the Board.

Unscheduled Milk

Pick Up

6. Producers shall be paid \$0 for the components contained in milk that is removed from a farm by an unscheduled pick-up at their own request, unless that request was made because of a bona fide equipment failure or other operational emergency. Normal levies for transportation, administration and promotion will be applied to all milk marketed through unscheduled pick ups.

Net Producer

Revenues

7. Net monthly revenue for each producer is calculated by multiplying the component prices established in Sections 3. and 4. of this Order by the number of kilograms of each component contained in the milk marketed in the month, net of any valid adjustments and levies determined by the Board.

Deductions

8. Producers shall have monthly fees and levies deducted from their net monthly revenues for services rendered, including transportation, promotion, administration, milk testing, taxes and other deductions.

Revocation

9. DFPEI Order 2011-02 effective the 1st day of February 2011 is hereby revoked.

Commencement

10. This Order comes into force on the 1st day of August 2011.

DATED at Charlottetown, Prince Edward Island, this 15th day of July 2011.

<< ORIGINAL SIGNED BY >>

Harold MacNevin, Chair

<< ORIGINAL SIGNED BY >>

Ronald Maynard, Secretary