

ORDER 2025-09
AN ORDER DEFINING THE QUOTA POLICIES OF THE
DAIRY FARMERS OF NEW BRUNSWICK
(the "**DAILY QUOTA TRANSFER ORDER**")

PURPOSE: To establish the rules governing the transfer of Daily Quota and imposes such conditions and procedures on the transfer of Quota as the Board considers proper and designed in a manner that allows them to be administered by DFNB's employees

WHEREAS by the Milk Plan and Levies Regulation - Natural Products Act the Board has been vested with the power to require Milk to be marketed or produced and marketed on a Quota basis in New Brunswick.

WHEREAS the Board has the vested power to market and regulate the production of Milk and to require Producers to offer to sell and to sell the Milk to or through the Board and to regulate or prohibit the transfer of Quota and to impose such conditions and procedures on the transfer of Quota as the Board considers proper.

AND WHEREAS in accordance with P(10) and P(5) the Board pools revenues from the sales of Milk and Milk components produced and marketed in New Brunswick in special classes of Milk to service domestic and external markets.

AND 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.

AND WHEREAS these recitals form part of this Order.

NOW THEREFORE BE IT ENACTED pursuant to

i. *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 2025-01– Daily Quota Transfer Order and replaces it with:

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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.

Catastrophe means a situation, which occurs suddenly, over which the Producer has little or no control, and which severely affects the health of the Producer or of the producing herd of cows.

Due Producer means the amount presented on the Producer's monthly milk statement that represents the net proceeds associated to the milk that the Producer delivered within that month

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less any advance and after removing all marketing charges and other deductions including any debts that may be owed to the Board.

Host Farm means a Producer who will be granted another Producer's Daily Quota subject to the terms set out in Section 4 herein for Catastrophe Daily Quota Transfers or Construction/Renovations Transfers.

Lending Institution means a Domestic Bank regulated under Canada's Bank Act or a parent or grandparent of the majority owner of the farm or an individual, partnership or corporation that has supplied the appropriate legal papers demonstrating their lender status over the farm and accompanied by a completed and signed DFNB letter of direction form.

New Producer means a person who is interested in starting a farm operation but has never been a Producer before.

New Entrant means a Producer that has been granted certain provisions under the New Entrant Order and other Board Orders.

On-going Farm Operation means either of the following:

- 1) a Licence as issued by the Commission, the associated Daily Quota as issued by the Board, the land, buildings and milking herd of cows of that continuously operating dairy farm business, or
- 2) a Licence as issued by the Commission and the associated Daily Quota as issued by Board in the case where the continuously operating dairy farm business is being relocated to a new site.

Parent/Grandparent/Child/Grandchild means a child or grandchild that is biologically related to or legally adopted by the parent or grandparent.

Quota Exchange means the conditions and procedures established herein through which a Producer may offer to sell or bid to buy Daily Quota at certain stated prices and the terms and conditions applicable to such sales and purchases when the Quota Exchange operates.

Quota Exchange Selling Price, or QESP means that price at which a volume of Daily Quota offered for sale by Producers will equal, or very nearly equal, a volume of Daily Quota bid for purchase by Producers.

Quota Exchange Price Cap or QEPC means the maximum price at which a Producer may offer to sell or bid to buy Daily Quota and which is currently set at \$24,000 per kilogram of Daily Quota.

Transfer means the exchange of Daily Quota between Producers as authorized and approved by the Board.

Temporary Daily Quota shall carry such designations as determined by the Board and be subject to such other conditions as determined by the Board from time to time and is prohibited from being transferred.

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- 2) **DAILY QUOTA TRANSFERS CONDITIONS AND PROCEDURES:** Transfers are subject to the conditions and procedures of this Order and other such conditions and procedures as the Board considers proper from time to time::
- a) Transfers must be made directly by and between the Producers without the involvement of any intermediary or third party acting or participating for financial benefit.
 - b) Temporary Daily Quota issued to a New Entrant is
 - i) non-saleable, and
 - ii) not subject to general increases or decreases, and
 - iii) issued or revoked as set out in the New Entrant Order
 - iv) prohibited from being transferred through an On-going or Top-Up Transfer and
 - v) temporarily transferable through a Catastrophe or Construction transfer
 - c) Producers involved in a Transfer of Daily Quota as set out in **Section 4** herein are prohibited from participating in the Quota Exchange of the month in which the Transfer is to take effect. .
 - d) 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 100% of their Daily Quota including hundredths in accordance with Section 3 of the Daily Quota Transfer Order.
 - e) Transfers must be completed by the Producer on forms provided by the Board or, if available, submitted electronically by the Producer within their Producer Portal account.
 - f) Completed and signed Transfer forms, with the exception of Catastrophe Transfers must be submitted by the Producer's business representatives on or before 4pm on the 1st business day of any calendar month for their transfers to take effect the 1st calendar day of the following month.
 - i) Such transfers shall be subject to meeting any additional conditions such as, but not limited to, the licensing of the premises and the close of the sale before the effective date.
 - ii) Failure to meet those additional conditions before the effective date of the Transfer shall cause the date of the transfer to be delayed to the 1st calendar day of the month that follows those additional conditions being fulfilled.
 - iii) Failure to meet those additional conditions within 3 months after the original effective date of the Transfer shall cause the Transfer to be canceled.
 - g) Completed and Signed Catastrophe Transfer forms must be submitted by the Producer's business representatives at any time following the catastrophe's occurrence and up to 3 months following the occurrence of the Catastrophe.

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- i) The Catastrophe DQ transfers take effect the day of the month the Board receives the completed and signed Catastrophe Transfer forms from all involved parties but not later than the first day of the following month.
 - h) Transfers received by the Board after the deadline for submission or any incomplete Transfers shall not be accepted.
 - i) Producers may withdraw or amend their Transfer forms, provided such amendment is in writing in prescribed form and received by the Board prior to the submission deadline.
 - j) A Producer selling all or part of their Daily Quota in accordance with Section 3, 4 b) or 4 c) herein that causes their accumulated credit position to exceed the post sale Maximum Credit Limit will cause such excess Credits to be designated as an overpayment of Domestic Market Rate Production that the Board will recover from that Producer at the prevailing Domestic Market Rate in the month the transfer takes effect..
 - k) The Daily Quota Transfer shall only take effect when the selling Producer has paid in full any debts owed to the Board.
 - l) Multiple Producers shall not be permitted to merge their Producer numbers and associated quota holdings under one Producer number.
 - m) An individual, partnership or corporation can be a minority, majority or sole owner in multiple farm sites which must be operated on separate Parcel Identification (PID) registered in the Province of New Brunswick with the farm premises being 300 feet apart.
- 3) **TRANSFERS THROUGH THE QUOTA EXCHANGE**
- a) **The Exchange**
This mechanism called the Quota Exchange is offered to Producers to buy or sell Daily Quota based on the terms and conditions set out herein.
 - b) **Requirements to Participate on the Exchange**
 - i) Producers whose quota has been cancelled by the Board is prohibited from participating on the Quota Exchange.
 - (1) The Board can participate in the Quota Exchange for the purpose of offering to sell a Producer's cancelled Quota.
 - ii) Producers whose quota has been suspended by the Board is prohibited from submitting Bids to Buy Daily Quota on the Quota Exchange but is permitted to submit Offers to Sell Daily Quota on the Quota Exchange.
 - iii) A Producer cannot offer to sell Daily Quota and bid to buy Daily Quota on the same Quota Exchange.
 - iv) A Producer cannot offer to sell Daily Quota or bid to buy Daily Quota at a price which exceeds the QEPC; and

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- v) Offer to Sell forms signed by the Producer's Business Representative or those submitted through the Board's Producer Portal requiring a secure login known to the Producer's Business representative or those submitted by the Board when selling a Producer's cancelled Daily Quota are to be submitted to the Board in accordance with **Section 2 herein** that legibly state:
- (1) the amount of Daily Quota offered for sale in increments of kilograms and tenths of a kilogram; or
 - (a) Offers to sell hundredths of a kilogram shall be accepted by the Board when all of a Producer's Daily Quota is offered for sale, and
 - (2) the offer to sell price to the nearest dollar per kilogram at or below the QEPC; and
 - (3) the month of the Quota Exchange the offer to sell is submitted.
- vi) Bid to Buy forms signed by the Producer's Business Representative or those submitted through the Board's online application requiring a secure login know to the Producer's Business representative are to be submitted in accordance with **Section 2 herein** and legibly state:
- (1) the amount of Daily Quota in increments of kilograms and tenths of a kilogram (bids for hundredths of a kilogram are rejected).
 - (2) the bid price to the nearest dollar per kilogram at or below the QEPC (Bid Price).
 - (3) the month of the Quota Exchange the Bid to Buy is submitted.
- c) **Clearing the Exchange**
Volumes of Daily Quota offered for sale are ranked in ascending order of price. Volumes of Daily Quota bid for purchase are ranked in descending order of Bid Price. The point where the difference between the cumulative volume offered for sale and the cumulative volume bid for purchase is the least will determine the price at which the exchange will be cleared and the volume that will be transferred between successful purchasers and successful sellers. This cleared price is the Quota Exchange Selling Price (QESP).
- d) **Determining the QESP**
The QESP shall be the price that the Daily Quota is sold and bought for on that Quota Exchange. When there are two QESP prices where the exchange clears, the lesser of the two prices, on the purchaser's side, will be chosen as the QESP.
- e) **Distributing Daily Quota to be Sold and Purchased when amounts available to sell at the QESP are equal to the amounts bid for.**
In the event the cumulative amount of Daily Quota of the Offers to Sell at or below the QESP equals the cumulative amount of Daily Quota of the Bids to Buy at or above the QESP, the Daily Quota will be sold and purchased as follows:
- i) each successful seller at or below the QESP will sell 100% of the Daily Quota they offered for sale and be paid the QESP less any debts owed to the Board, if any; and
 - ii) each successful purchaser will buy 100% of the Daily Quota they bid to buy and pay the QESP.

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f) Distributing Daily Quota to be Sold and Purchased when amounts available to sell at the QESP are less than the amounts bid for.

In the event the cumulative amount of Daily Quota of the Offers to Sell at or below the QESP is less than the cumulative amount of Daily Quota of the Bids to Buy at or above the QESP, the Daily Quota will be sold and purchased as follows:

- i) each successful seller at or below the QESP will sell 100% of the Daily Quota they offered for sale and be paid the QESP less Due Board, if any; and
- ii) each successful purchaser at or above the QESP will receive an allotment of the available quota in the following priority:
 - (1) Each Producer who is a New Entrant will purchase all or a portion of the available Daily Quota up to a maximum of 30 kilograms prior to their first milk pickup.
 - (2) Each New Entrant that is returning Temporary Daily Quota will purchase all or a portion of the available Daily Quota up to the 1/10th of a kilogram that they are returning in that month.
 - (3) Each Producer, excluding a New Entrant who purchased quota in Section 3f)ii)(1) or 3f)ii)(2) herein, will purchase at least one or possibly multiple increments of 0.01kilograms that will be allocated in series to each purchaser in descending order of price until 100% of the available Daily Quota remaining is distributed. In cases where there is insufficient Daily Quota to complete the distribution of 0.01 increments to all successful purchasers, considered a Partial Round for the purpose of this definition, the available quota will be distributed in 0.01 increments to randomly selected purchasers until the balance of quota remaining has been distributed.
- iii) If a New Entrant purchases Daily Quota under Section 3f)ii)(1) or 3f)ii)(2) herein, and part of their successful buy offer remains unsatisfied, the New Entrant shall not be allocated any Daily Quota under Section 3f)ii)(3) of that exchange.

g) Distributing Daily Quota to be Sold and Purchased when amounts available to sell at the QESP are greater than the amounts bid for.

In the event the cumulative amount of Daily Quota of the Offers to Sell at or below the QESP is greater than the cumulative amount of Daily Quota of the Bids to Buy at or above the QESP, the Daily Quota will be sold and purchased as follows:

- i) Each successful seller will sell at least one or possibly multiple increments of 0.01 kilograms that will be allocated in series to each seller until 100% of the available Daily Quota remaining is distributed. In cases where there is insufficient Daily Quota to complete the distribution of 0.01 increments to all successful sellers, considered a Partial Round for the purpose of this definition, the available quota to be sold will be distributed in 0.01 increments to randomly selected sellers until the balance of quota remaining has been distributed.
- ii) each successful purchaser will buy 100% of the Daily Quota they bid to buy and pay the QESP.

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h) Adding Quota to the Quota Exchange

The Board shall only add Daily Quota to the Quota Exchange to exactly balance the Quota Exchange upon having made a motion to that effect at a Board Meeting held prior to that Quota Exchange being finalised and upon having defined, through a motion, the use of any resulting revenues obtained from the sale of such added quota.

i) Communication of Exchange Results

The results of the clearing of the Quota Exchange will be made available to Producers three working days after the first working day of the month.

j) Collecting from Successful Purchasers

Producers must pay the Board the QESP for the Daily Quota so purchased on or before noon of the 20th day of the month or noon of the first working day thereafter if the 20th falls on a holiday or weekend. Payment received after that is subject to a 2% penalty applied on the value of the purchased Daily Quota and deducted from the producer's statement. The producer will also be prohibited from purchasing on the following month's exchange.

k) Consequences of Payment Default

Producers who fail to pay by the last working day of month will have their purchased quota revoked. that revoked Daily Quota will be offered for sale on the next month's exchange by the Board. Any losses incurred from the resale of the revoked Daily Quota will be charged back to the producer along with an additional 2% penalty. That Producer will be prohibited from submitting offers to Purchase quota on the twelve subsequent Quota Exchanges and be prohibited from being a purchasing party to any Transfers set out in Section 4 for 12 months.

l) Payment to Successful Sellers

Producers who are successful in selling Daily Quota on the Quota Exchange will be advised in writing and paid by the Board on or before the last day of the month of that Quota Exchange;

i) The Board shall deduct from a Producer who has been successful in selling Daily Quota on a Quota Exchange that causes their Daily Quota holdings to fall below 10 kilograms shall have such Daily Quota sold subject to a Security Deposit equivalent to \$1,000 per kilogram of Daily Quota being sold or any other additional amount that is sufficient to cover any debts owed to the Board.

ii) The Board will refund the Security Deposit, if any, after recovering any debts the Producer owed to the Board, the month following the effective date of the sale of Quota

iii) The Board will return the proceeds obtained from the successful sale of a Producer's cancelled Daily Quota less any debt owed to the Board back to the Producer.

m) Rights of Board to Cancel or Postpone Exchange

The Board reserves the right to instruct staff through a motion to cancel or postpone a Quota Exchange at any time for any reason it deems necessary; and

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i) If the Board cancels or postpones a Quota Exchange, Producers must resubmit their bids or offers before the next Quota Exchange in accordance with the procedures set out in this section.

n) **Sequence of Quota Adjustments**

- i) Daily Quota sold in accordance with Section 3 or 4 herein will be removed from the successful Seller's Daily Quota holdings at the close of the last calendar day of the month in which the Quota Exchange cleared or the conditions of Transfers were met.
- ii) Daily Quota purchased in accordance with Section 3 or 4 herein will be added to the successful Purchaser Daily Quota holdings at the opening of the 1st calendar day of the following month in which the Quota Exchange cleared or the conditions of Transfers were met.
- iii) Upon having applied the Daily Quota adjustments set out in Section 2 n) i) and 2 n) ii) herein, Producers will then be issued their respective share of any General Daily Quota Increases or Decreases that are to take effect on the 1st calendar day of that same month based on their Daily Quota holdings;
 - (1) including suspended Daily Quota, and
 - (2) including all of Producer's Daily Quota owned by the Producer who has transferred Daily Quota to a Host Farm in accordance with Section 4 d) or Section 4 e) herein, and
 - (3) excluding the Daily Quota Transferred to a Host Farm in accordance with Section 4 d) or Section 4 e) herein, and
 - (4) excluding a Producer's cancelled or revoked Daily Quota

4) **TRANSFERS EXEMPT FROM THE QUOTA EXCHANGE AND THE TERMS AND CONDITIONS OF THE EXEMPTED TRANSFERS**

Subject to the Producer:

- 1) being licenced by the Commission inclusive of having a driveway that has been inspected and approved in keeping with the Board's Bulk Milk Pickup Order and the guidelines set out in the Farm Driveway Policy, and
 - 2) providing the Board prior written consent of an exempt quota transfer under this part from the Lender Institution(s) named in the Producer's Letter(s) of Direction(s) and Undertaking(s), if any, and
 - 3) having no financial debts to the Board, and
 - 4) being a Transferor holding more than 10 kilos of Daily Quota
- the following types of Transfers are exempt from being transferred through the Quota Exchange

a) **On-Going Farm Operation / Name Change**

- i) a Producer who holds at least 10 kilos of Daily Quota may request to transfer the ownership of the dairy farm associated with the Producer's license as issued by the Commission and the associated Daily Quota and Credits as issued by the Board to a

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- new owner by completing the designated On-Going Transfer form along with any other supporting documentation that may be required; and
- ii) a Producer who holds between 20 kilograms and 30 kilograms of Daily Quota may request to transfer the ownership of the dairy farm associated with the Producer's license as issued by the Commission and the associated Daily Quota and Credits as issued by the Board to a New Entrant:
 - (1) approved by DFNB on or after January 1, 2021; and
 - (2) who holds no quota; and
 - (3) by completing the designated On-Going Transfer form along with any other supporting documentation that may be required.
 - iii) a Producer or New Entrant who has been granted an On-Going Transfer will not be allowed to sell any Daily Quota on the quota exchange for 6 months following the Transfer becoming effective;
 - iv) Temporary Daily Quota is not transferable.
 - v) Credits are transferred.
 - vi) The Transfer of the Daily Quota associated with an On-Going Transfer takes effect on the first calendar day of the month following the Board having received completed forms and the sale having closed.
 - vii) The recipient of the transfer will retain the existing producer number and any and all history inclusive of but not limited to temporary quota suspensions, milk quality or premise penalty, proAction validation and corrective actions.
 - viii) a Producer who wishes to change the name without modifying the ownership associated with the Producer's license as issued by the Commission and on record with the Board must do so by completing the designated Name Change form along with any other supporting documentation that may be required; and the recipient of the name change will retain the existing producer number and any and all history inclusive of but not limited to temporary quota suspensions, milk quality or premise penalty, proAction validation and corrective actions.
 - ix) All submissions for either On-Going transfer or Name Change must be accompanied by the following:
 - (1) Updated Producer Information Form
 - (2) Updated Letter of Direction
 - (3) Any other supporting documentation as indicated on On-Going Transfer form or Name Change form, Producer Information Form or as indicated by board staff.
 - x) Upon confirmation of an approved On-Going transfer or Name Change it is the responsibility of the producers to make any necessary modifications to producer requested deductions as administered by the Board.
- b) **New Producer or New Entrant being transferred a portion of Producer's Daily Quota**
- i) A New Producer or New Entrant must not have held any quota on or before the transfer request is submitted, nor prior to the transfer taking effect.
 - ii) A New Producer or New Entrant can only obtain Daily Quota using this transfer method once and from one Producer;

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- iii) A family relative of a Producer is permitted to obtain Daily Quota using this transfer method.
 - iv) a Producer may request to transfer up to 50% of the Daily Quota on the condition that the Transfer provides:
 - (1) a New Producer with a minimum of 10 kilos of Daily Quota; or
 - (2) a New Entrant that was selected on or after January 1, 2021 with a minimum of 20 kilograms and a maximum of 30 kilograms of Daily Quota.
 - v) New Producers or New Entrants obtaining Daily Quota in this manner will not be allowed to sell any Daily Quota for 12 months following the Transfer becoming effective;
 - vi) Temporary Daily Quota is not transferable.
 - vii) Credits are not transferred.
 - viii) The Transfer of the Daily Quota takes effect on the first calendar day of the month following the Board having received the completed forms and the sale having closed.
 - ix) The recipient of the transfer will be:
 - (1) issued a new producer number by the Board.
 - (2) be reinstated the temporary quota suspension imposed on the previous owner equivalent to the proportion of the portion of the Producer's Daily Quota being transferred, and
 - (3) not carry forward any milk quality or premise penalty history that the previous owner may have accumulated, and
 - (4) be given 12 months to comply with the requirements of the proAction Order.
- c) **Top Up Transfer:**
- i) A parent can transfer quota to a child and a grand-parent can transfer quota to a grand-child who does not hold any quota on the condition that the child agrees to ship milk on a continuous basis for five years from the effective date of the transfer before being able to transfer the quota.
 - ii) A child or grand-child who hold quota or purchase quota as part of an on-going operation, or purchase quota on an exchange are eligible to receive a quota transfer from a parent or grand-parent under the following conditions:
 - (1) At the time of transfer the parent or grand-parent must have been licenced and continuously produced and marketed milk for a minimum of 10 years;
 - (2) The parent or grand-parent can transfer quota to more than one child or grand-child on separate licences or to a licence held by one or more of their child(ren) or grand-child(ren),
 - (3) The parent or grand-parent can transfer up to 50 per cent of their quota, the eligible amount based on the parent's or grand-parent's quota holdings at the time of their first transfer;
 - (4) The parent or grand-parent can transfer quota to the same licence held by their child(ren) or grand-child(ren) up to three times;
 - (5) The parent or grand-parent must have started to produce and market milk prior to the child or grand-child;

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- (6) The child or grand-child must ship milk on a continuous basis for a minimum of five years from the effective date of the transfer to be eligible to transfer the quota received from the parent as part of an on-going farm operation or to a child or grand-child;
 - (7) The child or children or grand-child or grand-children, if the license is held by two or more children or grand-children, must hold at least 50% of the quota prior to the first transfer and maintain the same or greater level of quota ownership after the first or subsequent transfers for at least five years from the effective date of the transfer or the quota must be sold on the quota exchange.
 - iii) If any of the conditions in item (ii) above are not met, the transfer may be denied and/or previous transfers reversed and/or the Board may issue an order to sell, on the quota exchange, the quota acquired from a transfer.
 - (a) The Board requires the child or grand-child to enter into a letter of direction directing it to remit the proceeds of the sale of Daily Quota received from the parent or grand-parent back to those parties or their estate should the child or grand-child not comply with the minimum shipment terms set out herein.
 - iv) A child or grand-child cannot transfer quota from their licence back to the license of a parent or grand-parent.
 - v) The Board may require verification and a sworn affidavit by legal counsel or accountant regarding the parent to child or grand-parent to grand-child relationship.
 - vi) Parents or Grand-Parents who transfer quota to a child or grand-child cannot at any time:
 - (1) be added to the licence of the child or grand-child; and
 - (2) take over the licence of the child or grand-child or their successors.
 - vii) The Transfer of the Daily Quota takes effect on the first calendar day of the month following the Board having received the completed forms and the sale having closed.
- d) **Catastrophe Transfer**
Producers who have suffered a Catastrophe as defined within Section 1 of this Order may apply for the Catastrophe Daily Quota Transfer.
- i) **Catastrophe Daily Quota Transfer:**
Producers who wish to have all or a portion of their Daily Quota fulfilled by a Host farm shall complete the Catastrophe Daily Quota Transfer form within three months of the occurrence of the Catastrophe.
 - (1) The Catastrophe form shall include details of the catastrophe, report the impact to that farm's production, the Daily Quota that is to be transferred to each Host Farm, the duration of such transfers and be signed by the farm that suffered the Catastrophe and by the Host Farms.
 - (a) A Catastrophe Farm, who is unable to find a Host Farm, may instruct the Board to inform all Producers to submit their expression of interest to becoming a Host Farm directly to the Catastrophe Farm's contact.
 - (b) Should the Catastrophe Farm be unable to secure a Host Farm, the Board reserves the right to assign the Catastrophe Farm's Daily Quota to one or more

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Host Farms or issue it as Temporary Daily Quota to all New Brunswick dairy farms. The Board reserves the right to determine a compensation rate payable, if any, to the Catastrophe Farm.

- (2) The Catastrophe DQ transfers take effect the day of the month the Board receives the completed and signed Catastrophe Transfer forms from all involved parties but not later than the first day of the following month and will remain in effect for a maximum duration of 18 months from that effective date unless notified by the Catastrophe farm to terminate the transfer prior to the expiration of the 18 months.
- (3) The Catastrophe Farm retains the Credit range associated with its total owned quota. That total owned quota includes any quota temporarily transferred out to a Host Farm under provisions of the Catastrophe Policy.
- (4) The Catastrophe Farm shall have access to the On-Going Farm Transfer as set out in Section 4 a) herein for 6 months following the Catastrophe Transfer being granted.
- (5) The Catastrophe Farm shall have access to the Quota Exchange as set out in Section 3 herein between the 7th and 18th month of the Catastrophe to sell all or part of their quota and shall be obligated to sell all of their Daily Quota on or before the end of 18th month of their Catastrophe Transfer should they decide not to resume shipping milk.
- (6) The Catastrophe Transfer shall be terminated when a Producer sells Daily Quota that causes their total Daily Quota holdings to fall below 10 kilograms.
- (7) The Host Farm retains the Credit range associated with its total owned quota. That total owned quota excludes any quota a Host Farm has temporarily received as a result of a Catastrophe Transfer.
- (8) The Producer who suffered the Catastrophe shall advise the Board and Host Farms in writing of the date the Catastrophe Transfer is to conclude and milk pickups are to resume.

e) **Renovation and Construction of New Facilities Transfer**

Producers who's plans to renovate or construct new milking or housing facilities for **their** milking herd that will negatively impact their ability to fulfil all or a portion of their Daily Quota and who wish to Transfer all or a portion of that Daily Quota to Host Farms shall:

- i) Provide the Board with a completed and signed Construction/Renovation Transfer form and provide:
 - (1) a copy of construction/renovation plans that have been approved by the New Brunswick Farm Products Commission, and ,
 - (2) a letter indicating that they have the finances necessary to carry out the construction or renovations,
 - (3) details on the impact to the farm's production of milk,
 - (4) details on the Daily Quota that is to be transferred to each Host Farm,
 - (5) the expected duration of such transfers and
- ii) The Construction/Renovation Transfer will take effect on the first calendar day of the month following the Board having received the completed forms and will remain in effect for a maximum duration of 12 months from that effective date unless notified by

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- the Construction/Renovation farm to terminate the transfer prior to the expiration of the 12 months.
- (a) A Construction Farm, who is unable to find a Host Farm, may instruct the Board to inform all Producers to submit their expression of interest to becoming a Host Farm directly to the Construction Farm's contact, and
 - (b) Should the Construction Farm be unable to secure a Host Farm, the Board reserves the right to assign the Construction Farm's Daily Quota to one or more Host Farms or issue it as Temporary Daily Quota to all New Brunswick dairy farms. The Board reserves the right to determine a compensation rate payable, if any, to the Construction Farm and any compensation so provided may be recovered, in part or in full from the Construction Farm should that farm decide not to re-enter milk production.
- iii) The Transferor retains the Credit range associated with its total owned quota. That total owned quota includes any quota temporarily transferred out to a Host Farm by means of the Construction Transfer.
 - iv) The Host Farm retains the Credit range associated with its total owned quota. That total owned quota excludes any quota a Host Farm has temporarily received by means of the Construction Transfer.
 - v) The Producer who was granted the Transfer shall advise the Board in writing when he wants to conclude the Transfer and the date he wishes to resume milk shipments.
 - vi) A Producer who was granted the Transfer and later determines that 12 months is insufficient shall may submit a written request to the Board for such an extension of time to continue the transfer to complete the project. The Board reserves the right to perform a site visit before granting the requested extension and reserve the right to deny the Transfer extension.
 - vii) A Producer who is unable to complete the Construction/Renovation within the 12 months, or within the extension granted by the Board, shall reimburse the Board the amount equal to the Daily Quota transferred to a Host Farm in each month multiplied by that month's credit exchange clearing price which the Board will deduct from that Producer's future Daily Quota sales.
 - viii) A Producer who is unable to complete the Construction/Renovation within the 12 months, or within the extension granted by the Board, will be required to sell their quota through the Quota Exchange.

This Order takes effect February 1, 2025

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