AN ORDER ESTABLISHING THE ADMINISTRATIVE HARMONIZED MILK CLASSIFICATION SYSTEM PRICES FOR DAIRY FARMERS OF NEW BRUNSWICK (the "ADMINISTRATIVE HARMONIZED MILK CLASSIFICATION SYSTEM PRICING ORDER")

PURPOSE: To establish those administrative class prices associated to each of the administrative classes that are both exclusively available to the Board and the Processors who are mutually bound to keep this information confidential.

WHEREAS the Commission, has delegated to the Board the powers conferred on the Commission under subsections 11(2) (e), (f) and (g) of the Natural Products Act:

- 2(e) to establish classifications for milk or cream based on the use made of the milk or cream by milk dealers and other persons processing milk or processing or manufacturing cream in the Province;
- 2(f) to establish a price or the method of determining the price paid by milk dealers or other persons processing milk or processing or manufacturing cream in the Province for each classification of milk or cream established under paragraph (e);
- 2(g) to prescribe the time within which payment of the price established under paragraph (f) shall be made;

NOW THEREFORE BE IT ENACTED pursuant to Commission Delegation and Repeal Order and subsections 11(2) and 16(1) of the Natural Products Act;

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 2024-03– Administrative Harmonized Milk Classification System Pricing Order and replaces it with:

2025-05

ADMINISTRATIVE HARMONIZED MILK CLASSIFICATION SYSTEM PRICING ORDER

SHORT TITLE

1. This Order may be cited as the "Administrative Harmonized Milk Classification System Pricing Order".

DEFINITIONS

- 2. The terms referenced herein have the same meaning as given in the document in which the term was originally defined. If a term originates herein, the term will be defined below. In this Order:
 - (a) "Auditor" means the party appointed by the Commission to audit the invoicing of milk and components in accordance with the National Milk Utilization Audit Standards and report any resulting adjustment to the Commission or Board for settlement;
 - (b) "Class Prices" means the prices per litre, per kilogram of butterfat, protein and lactose and other solids made exclusively available to processors by the Board in accordance

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with the AHMCS;

- (c) "Commission" means the New Brunswick Farm Products Commission;
- (d) "Harmonized Milk Classification System (HMCS)" is the summary of the AHMCS grouped in accordance with the HMCS and refreshed periodically.
- (e) "Harmonized Milk Classification Price System (HMCPS)" is the average of the Class Prices of the most recent utilization reported in the AHMCS grouped in accordance with the HMCS and adjusted periodically.
- (f) "Administrative Harmonized Milk Classification System (AHMCS)" defines the each class and dairy product grouping made exclusively available by the Board to a processor.
- (g) "Administrative Harmonized Milk Classification Price System (AHMCPS)" defines the prices per litre, kilogram of butterfat, protein and lactose and others solids by class and dairy product grouping made exclusively available by the Board to a processor.
- (h) "Milk Utilization and Verification or MUV" means the electronic data collection software program for dairy processors to submit their monthly milk utilization report to the Board in accordance with the AHMCS and to which the AHMCPS prices will be applied and the processor invoiced for all of the raw milk so utilized;
- (i) "Milk Utilization Report" means the reporting of the litres of raw milk and kilograms of components that the processor utilized in each AHMCS and is subject to audit by the Auditor;
- (j) "producer" means a person who produces raw milk;
- (k) "processor" has the meaning prescribed in the Commission's Board-Processor Sales Order No. 2016-08 and means a milk dealer licensed by the Commission, a federally registered industrial milk plant, or a milk processing plant licensed by the Province of New Brunswick;

ORDER

- 3. All milk supplied to a processor by a producer shall be sold by the Board and bought by the processor at a price or prices as provided in the Administrative Harmonized Milk Classification Pricing System Order and made exclusively available by the Board to the processor who are mutually bound not to disclose the contents of this Order to any other party.
- 4. The Administrative Harmonized Milk Classification Price System are published below and are made exclusively available by the Board to the Processor.

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Class of Milk	Per kg of Butterfat	Per KG of Protein	Per kg Lactose and Other solids	\$/hl
1A1	\$10.3684			\$84.47
1A2	\$10.3684	\$5.9221	\$5.9221	
1A3	\$10.3684	\$9.0037	\$9.0037	
1B	\$10.3684			\$70.24
1C	Established as per the P5 1(c) / 4(c) program			
1D				
2A	\$11.2627	\$5.9422	\$5.9422	
2B1	\$11.2627	\$6.9778	\$6.9778	
2B3	\$11.2627	\$3.7466	\$3.7466	
2B4	\$11.2627	\$5.9422	\$5.9422	
2B5	\$11.2627	\$6.9778	\$6.9778	
3A1	\$11.2627	\$15.8813	\$0.8893	
3A2	\$11.2627	\$14.6783	\$0.8893	
3B1	\$11.2627	\$16.0151	\$0.8893	
3B2	\$11.2627	\$14.3734	\$0.8893	
3C1	\$11.2627	\$11.3702	\$0.8893	
3C2	\$11.2627	\$15.8813	\$0.8893	
3C3	\$11.2627	\$14.6783	\$0.8893	
3C4	\$11.2627	\$15.6331	\$0.8893	
3C5	\$11.2627	\$13.3981	\$0.8893	
3C6	\$11.2627	\$11.9454	\$0.8893	
3D	\$11.3565	\$9.7035	\$0.8921	
4A	\$11.2627	As per CMSMC decision, please refer to CDC website for month price details.		
4B1	\$11.2627	\$4.4609	\$4.4609	
4B2	\$11.2627	\$6.5299	\$6.5299	
4C	Established as per the P5 1(c) / 4(c) program			
4D	\$11.2627	\$6.4213	\$6.4213	
4M	\$11.2627			
5A-5B-5C	As per CMSMC decision, please refer to CDC website for month price details			

FAILURE TO DECLARE

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5. A processor who fails to submit a Milk Utilization Report within the allotted time will have all of the milk received by that plant deemed to have been utilized in Class 1a1 in accordance with the terms set out in the Commission's Board-Processor Sales Order.

FAILURE TO PAY

6. The Board shall stop delivering milk to a processor who fails to pay the Board in accordance with the payment terms set out in the Commission's Board-Processor Sales Order.

INVOICE ADJUSTMENTS

7. The Board shall adjust a processor's invoice when directed to do so by the Auditor or upon the Board or the Plant identifying the required adjustment prior to an audit taking place.

LIMITED LIABILITY

8. The Board's liability for raw milk shall be limited to that raw milk refused by a processor as permitted under subsection 4.(3) of Commission's Board-Processor Sales Order No. 2016-08.

This Order comes into effect on February 1, 2025

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