



Alberta Milk

Producer Policy Handbook



August 1, 2011



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INTRODUCTION

This handbook outlines the policies and procedures effective as of August 1, 2011 and is prepared for information purposes. Producers are encouraged to familiarize themselves with these policies and procedures. If you need assistance in interpreting a specific policy, contact Alberta Milk.

Should there be changes in a policy or procedure after this handbook is printed, you can find updates at www.albertamilk.com.

Note: In all situations, the regulations in place supersede the policies. For quota information, see the Alberta Milk Marketing Regulation. For milk quality information, see the Alberta Milk Marketing Regulation and the Dairy Industry Regulation. These regulations can be obtained by contacting the Government of Alberta Queen's Printer, toll free within Alberta at 310-0000 then 780-427-4952. Alberta Milk's directives can be accessed at www.albertamilk.com.

Information Sources

- Alberta Milk office: call toll free 1-877-361-1231
- Website: www.albertamilk.com
- Email: policy@albertamilk.com
- The *MilkingTimes* newsletter
- Regional producer meetings held in fall and spring

SECTION 1: QUOTA

Definitions

- a) **Abeyance** - a state of temporary disuse or suspension.
- b) **Bid to Buy** - a bid on the quota exchange to receive a transfer of quota from another producer(s) (hereafter referred to as “a bid”).
- c) **Board** - the Board of Directors of Alberta Milk.
- d) **Buyer** - a producer who purchases quota or underproduction credits.
- e) **Catastrophe** - includes severe illness or death of the registered producer, severe injury or disability of the main operator, destruction of production facilities, sudden death of a significant part of the producing herd, severe infection of an uncontrollable disease or the presence of a disease which requires slaughter by health authorities.
- f) **Cumulative Quota Position** – a producer’s current quota position based on all previous over and underproduction.
- g) **Direct Transfer** - the transfer of quota directly between two licensed producers.
- h) **Family Transfer** - a direct transfer from the producer to a member of the producer’s immediate family or to a corporation in which all shares are held by the producer or members of the producer’s immediate family.
- i) **Going Concern Transfer** - a transfer by a licensed producer of the producer’s production facilities (barn, milk house, milk area, milking equipment and the land on which the facilities are located), the entire milking herd and entire quota at the beginning of a given month to another licensed producer who agrees to continue to operate the dairy farm at the same location for at least two years after the transfer.
- j) **Immediate Family** - includes a spouse, child, sibling, parent, son-in-law, daughter-in-law, and adult interdependent partner.
- k) **Monthly Quota Eligibility** - the kilograms of butterfat that a producer is allowed to ship based on their daily quota holdings and the number of days of milk shipped in a given month.

- l) **New Producer** - a producer who has registered with Alberta Milk and has not held active quota for the past two years; can be applied at the discretion of Alberta Milk.
- m) **New Producer Establishment Transfer** - a transfer of an existing licensed producer's entire quota to a new producer. The new producer agrees to lease the existing production facilities and to operate at this location for at least two years prior to moving the operation to the new producer's own location.
- n) **Offer to Sell** - an offer on the quota exchange to transfer quota to another producer(s), hereafter referred to as an "offer".
- o) **Private Transfer** - a direct transfer of at least 1.00 kg/day of TPQ, which is not a family transfer, a going concern transfer or a new producer establishment transfer as defined in this policy. In a private transfer, five per cent of the transferred quota is surrendered to Alberta Milk's reserves.
- p) **Producer** - a person, partnership or corporation licensed by Alberta Milk to produce and sell milk.
- q) **Production Incentive Credits** – credits issued to producers on a "use-or-lose" basis. Producers fill production incentive credits in the month they are available by producing above their monthly quota eligibility.
- r) **Processor** - any person who processes for sale 50 litres or more of milk or dairy product on any day. This excludes retail establishments that use a device to freeze a frozen dairy product mix.
- s) **Seller** - a producer who sells quota or underproduction credits.
- t) **Total Production Quota (TPQ) Holdings** - quota held by producers. Expressed in kilograms of butterfat per day, TPQ holdings determine how much butterfat an operation is permitted to ship and represents the operation's share of the quota allotted to the province.
- u) **Underproduction Credits** – a producer with a negative cumulative quota position holds underproduction credits. One credit is equal to one kilogram of butterfat and represents a producer's opportunity to temporarily overproduce in the future.

Producers Entering the Industry

All producers must register with, and be licensed by, Alberta Milk. They are subject to the terms and conditions of a licence as defined in the *Alberta Milk Marketing Regulation* or Board orders and directives. CQM (Canadian Quality Milk) registration is a mandatory condition of a producer licence. Call Alberta Milk for more information and to arrange a CQM workshop.

Application forms are available at the Alberta Milk office and on Alberta Milk's website at www.albertamilk.com. Before a licence is issued, an inspector from the Regulatory Services Branch of Alberta Agriculture and Rural Development must perform an inspection of the dairy buildings and equipment. Call 403-755-1474 for more information or to arrange an inspection.

Only one registration number and licence shall be issued to each production unit even if there are multiple owners. Each production unit must be separately registered even when owns owner controls multiple production units. The licence is not transferable.

Producers are required to reapply for a licence if there has been a change in:

- location of the milking facility,
- address of the operation,
- ownership, or
- registered name.

Producers need to contact the Regulatory Services Branch for approval with:

- a new bulk tank,
- new milking facility,
- new building site, or
- new building plans.

Producers Exiting the Industry

Producers who have decided to exit the industry must inform Alberta Milk of the date they expect to cease production. When a producer ceases production, Alberta Milk suspends the producer licence until such time as the quota is sold in accordance with the current transfer policies. The notice will allow Alberta Milk to cancel the pickups on that farm and reorganize transportation in that area. When a producer ceases production and no longer holds quota, the producer licence will be cancelled.

When a producer quits shipping to exit the industry, any remaining quota holdings must be sold within the following six quota exchanges. Once the six exchanges have passed, Alberta Milk will sell any remaining quota on behalf of the producer in the seventh exchange at a price equal to the lowest-priced offer received in that month.

Shipping

Alberta Milk directs all milk within the province of Alberta. Producers may only deliver milk to a licensed processor using the transportation services assigned to their farm by Alberta Milk. Raw milk, farm-separated cream or a product produced from raw milk or farm-separated cream may be sold only to a licensed dairy processor as directed by Alberta Milk.

It is illegal for milk producers to sell milk for human consumption which was produced by an animal within the period from 15 days before to three days after calving. It is illegal to sell raw milk for any purpose other than as directed by Alberta Milk. Colostrum can be sold for animal feeding purposes but milk may not be sold for this purpose.

Producers who sell raw milk illegally will face suspension and/or cancellation of producer licence.

Producers are expected to make deliveries at least every second day as directed by the *Dairy Industry Regulation*. If producers discontinue shipping milk for two consecutive weeks, their Total Production Quota reverts to the provincial reserve unless they have made arrangements to hold the quota in abeyance or have an offer to sell on the quota exchange. After two consecutive weeks without shipment, Alberta Milk may suspend the producer's licence.

Total Production Quota (TPQ)

TPQ is issued to the provinces in relation to the amount of butterfat needed to satisfy demand in the Canadian market. A change in demand results in a corresponding change to the quota allocated to the provinces. When TPQ is adjusted at the producer level to reflect changes in the provincial quota, it is done on a pro-rated basis so that each producer's share of the provincial TPQ is maintained.

Quota management at the producer level in Alberta applies a "continuous" methodology. Producers are permitted to produce a specified number of kilograms of butterfat every day, based on their individual TPQ holdings, and are provided a production flexibility range of +10 days to -30 days on their cumulative quota position.

Three management options are available to producers in Alberta to ensure they maintain a cumulative quota position within the permitted flexibility range:

1. Adjust levels of production
2. Buy or sell quota holdings
3. Buy or sell underproduction credits

Calculating Monthly Over/Under Production

At the end of every month, each producer's total production of butterfat and their total monthly eligibility is determined.

- Total production of butterfat is calculated by the producer's total volume of milk shipped and their average butterfat density during the month.
- Total monthly eligibility is the sum total of a producer's monthly quota eligibility, any filled production incentive credits and any transfer of underproduction credits.

The difference between total production of butterfat and total monthly eligibility determines a producer's monthly over- or underproduction.

Over-Production Example	January
Total Butterfat Production	3,350 kg
TPQ	100.00 kg/day
Days of Milk Shipped	32
Monthly Quota Eligibility	3,200 kg
Production Incentive Credits	0 days
Underproduction Credit Transfers	0 kg
Total Monthly Eligibility	3,200 kg
Monthly Over/Under Production	+150 kg

Cumulative Quota Position and Flexibility Limits

To balance the need for production flexibility and production discipline on the farm, producers are permitted to manage a cumulative quota position within a +10 day and -30 day range.

As monthly over- and underproduction accumulate over time, these are accounted for in the producer's cumulative quota position. Cumulative quota positions are reconciled at the end of each month.

Over-producing every month will eventually result in a cumulative quota position that reaches the upper limit of +10 days (10 x the producer's daily quota holdings). Once a producer's cumulative quota position has achieved the upper limit of +10 days, further over-production is penalized with zero pay. Regular assessments are still applied.

Underproduction can be carried forward into the next month but under-producing every month will eventually result in a cumulative quota position that reaches the lower limit of -30 days (-30 x the producer's daily quota holdings). Once a producer has accumulated this number of underproduction credits, any further underproduction cannot be carried forward into the next month and is a lost opportunity.

Upper Limit Example	September	October	November
TPQ	100.00 kg/day	100.00 kg/day	100.00 kg/day
Upper Limit (+10 days)	+1,000.00 kg	+1,000.00 kg	+1,000.00 kg
Monthly Over/Under Production	+300 kg	+350 kg	+300 kg
Cumulative Quota Position	+600 kg	+950 kg	+1,000 kg *

* In November, 250 kg of overproduction exceeds +10 days and receives zero-pay; the producer's cumulative quota position is held at +10 days.

Lower Limit Example	April	May	June
TPQ	100.00 kg/day	100.00 kg/day	100.00 kg/day
Lower Limit (-30 days)	-3,000.00 kg	-3,000.00 kg	-3,000.00 kg
Monthly Over/Under Production	-400 kg	-500 kg	-450 kg
Cumulative Quota Position	-2,400 kg	-2,900 kg	-3,000 kg *

* In June, 350 kg underproduction exceeds -30 days and is not carried forward; the producer's cumulative quota position is held at -30 days.

Production Incentive Credits

To increase milk production and supply the market in a timely manner, Alberta Milk will periodically issue production incentive credits to producers. When production incentive credits are issued, producers can fill these credits as they produce over their monthly quota eligibility.

- Production incentive credits are issued in "days".
- Producers can take advantage of production incentive credits regardless of their cumulative quota position.
- Buying or selling underproduction credits does not impact a producer's ability to take advantage of production incentive credits.
- Unfilled production incentive credits cannot be carried forward or transferred to other producers.

Production Incentive Credit Example	September	October
Total Butterfat Production	3,150 kg	3,200 kg
TPQ	100.00 kg/day	100.00 kg/day
Days of Milk Shipped	30	30
Monthly Quota Eligibility	3,000 kg	3,000 kg
Incentive Credits Available	2 days (200.00 kg)	1 day (100.00 kg)
Incentive Credits Filled	150.00 kg	100.00 kg
Underproduction Credit Transfers	0 kg	0 kg
Total Monthly Eligibility	3,150 kg *	3,100 kg
Monthly Over/Under Production	0 kg	+100 kg

* In September, this producer only filled 150 out of 200 kilograms of production incentive credits because their production (3,150 kg) was only 150 kg over their monthly quota eligibility (3,000 kg). The remaining 50 kg of unfilled incentive credits is a missed opportunity.

Transferring Underproduction Credits

As an additional quota management tool, producers are permitted to buy or sell underproduction credits. Buying underproduction credits will allow a producer to increase his total monthly eligibility and avoid the +10 day upper flexibility limit. Selling underproduction credits will allow a producer to decrease his total monthly eligibility and avoid the -30 day lower flexibility limit.

- Producers are permitted to buy or sell underproduction credits in a given month but they are not permitted to buy AND sell underproduction credits in the same month.
- Transfers of underproduction credits are effective in the month following the transfer deadline.
- Buyers are permitted to purchase any number of underproduction credits but will still be held accountable to the -30 day lower flexibility limit at the end of the month.
- Sellers are permitted to sell any number of underproduction credits up to a maximum of the underproduction credits they currently hold. Note: Total underproduction credits available for sale is equal to the producer's negative cumulative quota position at the end of the previous month minus any credits sold since that date.

Buying Underproduction Credits Example	March
Total Butterfat Production	3,000 kg
TPQ	100.00 kg/day
Days of Milk Shipped	32
Monthly Quota Eligibility	3,200 kg
Production Incentive Credits	0 days
Underproduction Credit Transfers	Bought 1,000 kg*
Total Monthly Eligibility	4,200 kg
Monthly Over/Under Production	-1,200 kg

* This transfer of underproduction credits was submitted before the February deadline.

Quota Transfers

Transfer Policies

- a) All quota transfers, including underproduction credit transfers, require Alberta Milk approval.
- b) Producers may directly transfer total production quota holdings.
- c) When quota is transferred, five per cent of the quota transferred must be surrendered to Alberta Milk with exception of:
 - i) transfers made on the quota exchange;
 - ii) family transfers;
 - iii) going concern transfers;
 - iv) or new producer establishment transfers.
- d) A transfer of an amount smaller than 1.0 kg/day of TPQ must go through the exchange, unless it qualifies as a family transfer.
- e) If a producer has quit shipping, either the quota must be transferred or the producer must obtain a new producer licence and their operation recertified for production.
- f) A producer must be registered and licensed with Alberta Milk before any quota may be transferred.
- g) Alberta Milk reserves the right to refuse any transfer.
- h) A producer may be asked to appear before Alberta Milk to justify a transfer request.
- i) Alberta Milk reserves the right to change the transfer policy at any time.

Direct Transfers

- a) **Family Transfers** - Where producers confirm and provide evidence, the transfer is made within the immediate family. Alberta Milk charges no surrender.
- b) **Going Concern Transfers** - Where quota is transferred as part of a going concern operation, Alberta Milk charges no surrender. The transfer can consist of a private transfer and a quota exchange offer. (See *“Selling out on the quota exchange”*.)

Mergers or splits of partnerships or corporations may be considered as going concerns; therefore, they may be exempt from surrender. However, they cannot be used for the purpose of transferring quota without surrender, and Alberta Milk reserves the right to either refuse or claim surrender from such transfers.

When buying an operation as a going concern, the buyer assumes all of the associated quota obligations going forward. This includes the cumulative quota position and current SNF/BF ratio. However, buyers do not assume any milk quality history, nor will they receive year-end refunds associated with milk deliveries made by the previous owners, including Western Milk Pool and the Canadian Dairy Commission (CDC) year-end refunds.

- c) **New Producer Establishment Transfer** - Where a new producer purchases an existing producer’s entire quota, leases the existing producer’s facilities and operates at this location for at least two years prior to moving the operation to the new producer’s own location, Alberta Milk charges no surrender.

- d) **Direct Transfer Procedures**

Submit applications for quota transfer to Alberta Milk, on forms supplied by Alberta Milk. Applications must be complete: they must include the names and signatures of the producers involved in the transfer, a corporate seal if appropriate, and quota volumes and values.

Alberta Milk must receive the transfer applications by 4:30 p.m. at least two weeks prior to the date of transfer (refer to Alberta Milk’s website for the specific dates). All transfers become effective on the first day of the month following approval of the transfer.

The approval process is as follows: Alberta Milk will acknowledge approval if the request meets policy requirements. Producers involved in the transfer will receive written notice of approval and the actual amounts transferred.

The settlement for quota should be completed only after written notice is received.

Quota Exchange Procedures

Alberta Milk operates a monthly quota exchange. For a detailed explanation of how the quota exchange works, please refer to the document “Understanding the Quota Exchange” available on the Alberta Milk website.

- a) **Dates of Operation** - The exchange operates monthly. All bids and offers must be received by the Alberta Milk office prior to 4:30 p.m. at least two weeks prior to the date of transfer (refer to Alberta Milk’s website for the specific dates).

All transfers through the quota exchange are effective on the first day of the month following the exchange.

- b) **Selling on the Exchange** - A producer submits up to six offers stating the volume they want to offer for sale and the minimum prices they are willing to accept. Offers to sell at or below the clearing price will be successful if there is a buyer and will receive payment according to their offer. Offers to sell above the clearing price will not be successful.
- c) **Buying on the Exchange** - A producer submits up to six bids stating the volume they want to buy and the maximum prices they are willing to pay. Bids to buy at or above the clearing price will be successful if there is a seller and will pay according to their bid. Bids below the clearing price will not be successful.
- d) **Submitting Bids or Offers** - Producers are permitted to buy quota or sell quota in a given quota exchange but are not permitted to buy AND sell quota in the same exchange.

Minimum size of bid or offer is 0.10 kg/day and maximum size of bid or offer is 5.00 kg/day. Providing multiple bids or multiple offers requires that each bid or offer have a different price. The minimum separation between prices is \$10 per kg/day.

Producers who submit a successful bid must be aware that they are financially responsible for their full bid and producers who submit an offer on the exchange must have sufficient quota to honour their offer. Each month, the quota exchange is run before private transfers are processed. Producers are accountable for transactions on the exchange over any private transaction.

Producers may submit their instructions to the exchange by obtaining and completing the appropriate quota exchange forms. You must provide your name, address, CDC number, volumes, bid or offer prices, and your signature. Fax to 780-455-2196 or mail to Alberta Milk, 1303-91 Street SW, Edmonton AB, T6X 1H1. These forms are available via the Alberta Milk website or by contacting the office.

Caution: Any fax or letter must have the quota holder's signature on the bid or offer or it will not be accepted. Alberta Milk assumes no responsibility for letters that do not reach us by the deadline. Producers concerned about the receipt of their bid or offer should call Alberta Milk prior to the running of the quota exchange. New producers who are in the process of getting licensed may contact Alberta Milk to place bids on the exchange.

- e) **Determining the Clearing Price** - Alberta Milk determines the clearing price after the exchange closes. The clearing price is the price where the accumulated volume bid to buy meets the accumulated volume offered for sale. The last unit of quota to trade is the last unit where the price that the buyer is willing to pay is still greater than the price that the seller is willing to receive.

The difference between the accumulated volume offered for sale and the accumulated volume of bids to buy will be balanced by pro-rating either the last bid to buy or the last offer to sell. All other successful bids and offers will be filled 100%.

- g) **Notification** - Alberta Milk will notify all participants of the status of their bid or offer by sending letters to them after the exchange closes.

Alberta Milk determines the clearing price the next working day after the exchange closes and will make information available within three working days.

- h) **Payment** - Successful buyers must pay Alberta Milk on the transfer date or the business day before the transfer date when the transfer date falls on a Saturday, Sunday or holiday. If a producer fails to make payment, Alberta Milk will put the quota into the reserve; for the next 12 months, all bids to receive quota by this producer must be covered by a certified cheque or a letter of credit before the bids will be accepted.

Alberta Milk will generate payment to sellers within five business days of the transfer date.

- i) **Selling Out on the Quota Exchange** - A producer whose licence has been suspended and has quit shipping will have his quota held in abeyance and the producer will be permitted to sell any remaining quota holdings within the following six exchanges. If six exchanges have passed after a producer has quit shipping, the quota will automatically be sold on behalf of the producer in the seventh quota exchange at a price equal to the lowest-priced offer received that month. If a producer wishes to sell more than 30 kg/day in one exchange, the 5.00 kg/day maximum size per offer can be waived if they divide their total volume evenly amongst the six offers.

Note: In exceptional circumstances, Alberta Milk may cancel a quota exchange.

Quota Market Information

Volumes transferred and prices obtained for quota exchanges, private transfers and loans are available on www.albertamilk.com. An electronic bulletin board is available on the website to post your messages about underproduction credits to buy or sell.

Power of Attorney

Alberta Milk provides a power of attorney document to financial lenders or individuals where some security on total production quota is deemed appropriate. Alberta Milk only allows one power of attorney per registered producer at any given time.

The lender may not seize the quota, as it remains an asset of the Crown. However, the power of attorney document does give the lender the right to receive any value present in the quota at the time of transfer.

When a producer who has signed a power of attorney offers quota for sale, Alberta Milk will direct the proceeds as instructed by the lender.

This is a legal document. Producers are encouraged to consult their lawyers or accountants prior to signing any such document.

Alberta Milk has approved vendor financing of quota so that, in addition to lending institutions, an individual may also hold a power of attorney.

SECTION 2: SOLIDS NON-FAT

Alberta Milk is contributing to the national effort of reducing the structural surplus of solids non-fat through policies that promote higher butterfat production per litre.

Minimum Butterfat Policy

All producer quota positions are calculated using a minimum butterfat density of 3.25 kg/hl.

While payment for milk deliveries is based on each producer's actual butterfat production, a producer who ships milk under 3.25 kg of butterfat per hl is considered to have shipped at 3.25 when calculating his cumulative quota position. In other words, producers with butterfat below 3.25 will fill their quota as though they had produced milk with 3.25 butterfat while only receiving payment for their actual butterfat content.

SNF/BF Target Ratios and Zero Payment

SNF/BF ratios are a measure of solids non-fat (SNF) production relative to butterfat (BF) production and target ratios are applied to encourage producers to maintain a higher level of butterfat production. Note: A low SNF/BF ratio means that butterfat production is high relative to solids non-fat.

If a producer's actual SNF/BF production is greater than their individual target ratio (on a year-to-date basis from August 1 to July 31), the portion of SNF production in excess of the ratio receives zero payment. Zero payment is applied monthly, but producers who meet their target by July 31 will be able to recover the lost payment.

Each producer's SNF/BF target ratio, monthly actual ratio and year-to-date actual ratio is reported on their monthly milk pay statement.

Calculating Monthly Actual SNF/BF Ratio

Example	March
Protein	3.31 kg/hl
+ Other Solids	5.67 kg/hl
= Total SNF	8.98 kg/hl
÷ Butterfat	3.82 kg/hl
= SNF/BF	2.35

SECTION 3: MILK QUALITY

Milk Testing

The Central Milk Testing (CMT) Lab tests every bulk tank sample for components (butterfat, protein, lactose and other solids), for somatic cell counts, milk urea nitrogen (MUN) and freezing points.

The lab also aims to test at least eight bulk tank samples per month for bacterial cells with the Bactoscan instrument.

The lab tests for drug residues once per month on a random basis. Every load of milk is tested for drug residues by the processor upon arrival at the processing plant.

Standards for Raw Milk

Quality Area	Infraction Level	Test Frequency	Grade and Price Deductions Applied if
Individual Bacteria Counts (IBC)	Over 121,000 cells/ml	Every qualifying bulk tank milk sample	The monthly average of IBC's is greater than 121,000 cells/ml
Somatic Cell Counts (SCC)	Over 500,000 cells/ml		The monthly average of SCC's is greater than 500,000 cell/ml
Freezing Point (FP)	Over -0.530°H		Two or more freezing points are over -0.530°H in the month
Inhibitor and Drug Residues	Over inhibitor concentrations the maximum levels prescribed by the <i>Food and Drugs Act</i> (Canada)	Once per month at random and any samples on loads testing positive	Any of a producer's milk samples test positive for inhibitors or drug residues at the Central Milk Testing Lab

Note: The somatic cell count standard will decrease to 400,000 cells per ml in August 2012.

Milk Grade and Price Program

The Milk Grade and Price Program provides for warnings, pay statement deductions, and licence suspensions and cancellations when a producer's milk quality does not meet regulatory standards. Alberta Milk administers this program under the authority of sections 30 and 31 of the *Alberta Milk Marketing Regulation*. Milk quality standards are set in Schedule 2 of the *Dairy Industry Regulation* and in the *Alberta Milk Marketing Regulation*.

Milk Grade and Pricing Summary Table:

The following table provide summary information on the Milk Grade and Price Program. A producer's milk will receive a bacteria grade, a somatic cell count grade, a freezing point grade and an inhibitor grade each month. Producers may receive a warning on an initial bacteria or somatic cell count infraction if their milk quality record has had no infractions in the prior eleven months.

If a producer has more than one milk quality infraction in a month, the deducted amounts may be additive to a maximum of 15 per cent of total gross pay for the month.

In addition to the deductions in the following table, producers who have inhibitor infractions are not paid for the shipment of milk and quota will be used to cover the shipment.

Samples submitted by the Food Safety Division of Alberta Agriculture and Rural Development may be used to determine grades in special circumstances.

All laboratory tests are performed by analysts at the Central Milk Testing Lab in Edmonton, which uses approved methods.

Regulatory requirements and more details may be found in sections 7, 19, 30 and 31 of the *Alberta Milk Marketing Regulation*.

If you have any questions regarding this summary of the Milk Grade and Price Program, please call Member Services at Alberta Milk, toll free at 1-877-361-1231.

Schedule of Grade and Price Deductions

		IBC	SCC	FP	Inhibitors
If infraction in current month: # of infractions in previous 11 months + 1	0	No infractions, no penalties applied		No infractions, no penalties applied (Grade 1)	
	1	Warning; 0% of gross monthly pay (Grade 1)		2% of gross monthly pay (Grade 2)	5% of gross monthly pay + \$3,000 (Grade 2)
	2	2% of gross monthly pay (Grade 2)		4% of gross monthly pay (Grade 3)	10% of gross monthly pay + \$3,000 (Grade 3)
	3	4% of gross monthly pay (Grade 3)		8% of gross monthly pay (Grade 4)	15% of gross monthly pay + \$3,000 + farm inspection (Grade 4)
	4	8% of gross monthly pay (Grade 4)		15% of gross monthly pay + farm inspection (Grade 5)	15% of gross monthly pay + \$3,000 + producer licence suspension may apply; 180 day probationary period for all milk quality tests applies (Grade 5)
	5	15% of gross monthly pay + farm inspection (Grade 5)		15% of gross monthly pay; Producer licence suspension may apply; 180 day probationary period for all milk quality tests applies (Grade 6,7)	15% of gross monthly pay + \$3,000 + producer licence may be cancelled; Quota may be sold (Grade 6)
	6	15% of gross monthly pay + Producer licence suspension may apply; 180 day probationary period for all milk quality tests applies (Grade 6,7)			
	7	15% of gross monthly pay + Producer licence suspension may apply; 180 day probationary period for all milk quality tests applies (Grade 6,7)		15% of gross monthly pay; Producer licence may be cancelled; Quota may be sold (Grade 8)	
8	15% of gross monthly pay + Producer licence cancellation may apply; 180 day probationary period for all milk quality tests applies (Grade 8)				

Milk Temperature

Milk should be maintained between 1 C and 4 C and should be cooled as fast as possible. Here is a summary of regulatory milk cooling standards:

	Cooling Period	Temperature
First Milking	One hour after completion of milking	Maximum 10 C
	Two hours after completion of milking	1 C to 4 C
Next Milkings	During the milking, cannot exceed	10 C
	One hour after completion of milking	1 C to 4 C

If the milk temperature is not in accordance with this regulation, the milk will be rejected by the bulk milk grader.

Rejected Milk

Bulk milk graders must grade milk before they accept it. The *Dairy Industry Regulation* Section 40(2)(d) states, "A bulk milk grader shall not collect milk from a bulk milk tank if the milk in the bulk milk tank is not acceptable on the basis of its appearance, odour, temperature or other observable abnormalities." Bulk milk graders are taught to take two samples of the milk that they reject. They are also taught to advise the affected producer, Alberta Milk and the Regulatory Services Division (dairy inspectors).

There may be several reasons for milk to be rejected by bulk milk graders. In addition to the temperature standards outlined above, the *Dairy Industry Regulation* Section 44(1)(b) states " No person shall sell milk for human consumption that contains blood, coagulation or other foreign particles." This regulation puts the onus on producers to ensure that their milk is acceptable before offering it for sale.

If a bulk milk grader accepts milk that is later rejected by the plant receiver for the presence of blood, the producer will receive zero payment for this volume and, for quota purposes, it will be deemed to have been shipped. The bulk milk grader is responsible for disposal costs of the milk and for compensating the innocent producers whose commingled shipments were also rejected.

If your milk is rejected, you may call Alberta Milk's Member Services staff for advice and assistance. Producers have the right to request that their milk be graded by the processor's milk receiver. The milk receiver will grade samples of the milk delivered by the bulk milk grader. It is the responsibility of the producer to follow up with the processor as to their decision to accept or reject the milk. If the receiver also rejects the milk,

the producer may ask an inspector to review the milk rejection. It is the responsibility of the producer to contact the inspector for their review of the rejection. Note: The decision of the inspector is final. Milk rejection requirements are detailed in section 17 of the *Dairy Industry Act*.

The contact list of milk receivers is available in the CQM Records binder. For other relevant telephone numbers, please refer to the back cover of this handbook.

Analysis of Extra Samples by Central Milk Testing Lab

Producers can get extra milk tests done at Central Milk Testing (CMT) for a fee. These fees to the producer are as follows:

Individual Cow Testing:

- Milk Components Testing \$2.00 per sample + \$50.00 Herd Fee
- Somatic Cell Testing \$2.00 per sample + \$50.00 Herd Fee
- MUN Testing \$2.00 per sample + \$50.00 Herd Fee
- Milk Components/SCC/MUN Testing \$3.75 per sample + \$50.00 Herd Fee

Quality Testing:

- IBC Testing (Bactoscan) \$5.00 per sample + \$10.00 Admin Fee
- Drug Residue Testing \$25.00 per sample + \$10.00 Admin Fee
- Freezing Point (cryoscope) \$2.00 per sample + \$10.00 Admin Fee

Producers can call the CMT lab to request any of these tests on the samples sent for component testing (not all samples will meet the criteria for bacteria testing). Producers are responsible for sending in their own samples for testing. It is important to call CMT first. CMT can be reached at 780-434-3440 or toll free at 1-866-816-5335.

Additional Laboratory Tests

Lab Pasteurization Count \$30 per sample + \$10.00 Admin Fee

- Tests for presence of thermophilic bacteria
- Some typical thermophilic bacteria are: Micrococcus, Microbacterium, Streptococcus, Lactobacillus, Bacillus, and Clostridium.
- Thermophilic bacteria (vegetative cells or spores) can survive pasteurization.
- High thermophilic bacteria counts are associated with unhygienic production practices. The thermophilic count indicates thoroughness of equipment sanitation and assists in detecting sources of organisms responsible for high counts in pasteurized milk products.

Psychrotrophic Bacteria Count \$30 per sample + \$10.00 Admin Fee

- Tests for presence of bacteria that grow at temperatures under 8 C.
- Some types of psychrotrophic bacteria are: Pseudomonas, Flavobacterium, Bacillus, and Lactobacillus.
- Growth of psychrotrophs in raw milk can reduce the quality of the pasteurized product: pasteurization eliminates most (but not all) of these cells.

Coliform Count \$30 per sample + \$10.00 Admin Fee

- Petrifilm Plate Method
- Common types of coliform bacteria are: Escherichia and Enterobacter.
- Presence of coliform bacteria may indicate the possibility of fecal contamination.

Samples must be taken in a hygienic manner and stored at 0 to 4 C. Samples can be delivered personally or shipped via Greyhound or courier to:

Central Milk Testing Lab
4th Floor, O.S. Longman Building
6909 – 116 Street
Edmonton, AB T6H 4P2

Canadian Quality Milk Program

What is the Canadian Quality Milk program?

The Canadian Quality Milk (CQM) program is a HACCP-based, on-farm food safety program that was developed by Dairy Farmers of Canada and adopted by all DFC members. It is technically recognized by the Canadian Food Inspection Agency. HACCP (Hazard Analysis and Critical Control Points) is an internationally-recognized food safety system designed to prevent or reduce food safety risks.

Food safety is an important issue for consumers. The Canadian Quality Milk program can help assure consumers that Canadian milk and meat are safe because producers record and monitor the steps they take to ensure the safety of their products. CQM registration is a mandatory condition of a producer licence.

Implementation of the CQM program:

- Enhances producers' ability to control food safety hazards related to milk and meat;
- Increases on-farm awareness and understanding of food safety risks;
- Improves on-farm communication;
- Increases profitability through decreased product losses;
- Ensures Canadian and international consumer confidence in Canadian dairy products and meat.

Producers on the program maintain 17 records:

- Records 1-7: Standard Operating Procedures (SOPs) are written for:
 1. pre-milking
 2. milking
 3. milking cattle with abnormal or treated milk
 4. post-milking cleaning
 5. treating cattle
 6. shipping cattle
 7. feeding medicated feed
- Record 8: Include veterinary prescriptions used for other than what the label defines, and drugs for other groups or species.
- Record 9: List medicines and chemicals used on livestock and is updated only as new medicines are purchased (if not already on the list).
- Record 10: Record livestock treatment daily or as animals are treated.
- Record 11: Record broken needles if they occur.
- Record 12: Bulk tank temperature log, (daily) chart recorder graphs or computer-encrypted data.

- Record 13: Record milking equipment sanitation (recommended weekly).
- Record 14: Chart cleaning and sanitizing process once; update if SOPs are changed.
- Record 15: Annual water test results for total coliforms and *E. coli*.
- Record 16: Complete corrective action plans once, to be changed only if contacts or systems change.
- Record 17: Record deviations and corrective actions as encountered.

Producers on the program are subject to an annual CQM validation. Validations are on a four-year cycle in which producers will: provide two self-declarations, receive one partial validation and (in the fourth year) receive one full validation. The sequence of the two self-declarations and partial validation will be random: producers will be notified of their validation in advance. Each year, five per cent of producers who complete the self-declaration will also be randomly selected for a partial validation.

Note: Producers are required to have their water tested, wash equipment analyzed, and their prescriptions renewed each year prior to the annual validation. Changes to the producer's SOPs are only required when a change is made to the producer's system.

New producers who are entering the industry will have six months to keep records and be recognized on the program. CDC funding for the initial evaluation will be available until July 31, 2012.

Producers who do not complete the annual validation or do not effectively maintain their CQM records will have their registration and producer licence withdrawn.

CQM forms, records and information can be accessed at www.albertamilk.com and clicking on the Milk Quality tab.

Annual Milk Quality Award Criteria

1. Must be an active producer who has produced milk for the entire previous dairy year.
2. Individual bacteria count (IBC) must average 15,000 per ml or less.
3. Somatic cell count must average 200,000 cells/ml or less, with a maximum of three counts permitted between 200,000 and 300,000.
4. All freezing points must be -0.535 Hortvet or lower.
5. No inhibitor infractions.

Monthly Quality Milk Bonus Program

To qualify for the monthly Quality Milk Bonus:

1. A producer must be recognized on CQM (a recognized producer is one that has implemented the program, completed the validation process and received their certificate).

Note: Producers who are in non-compliance with the CQM program are not eligible for the milk quality bonus in the month(s) they are in non-compliance. To remain in compliance with the CQM program, producers must submit their self declaration plus supporting documents by the due date; address all Corrective Action Requests on the validation report in the agreed upon time frame with the validator; maintain all the required CQM records.

2. A producer must meet the following criteria in a given month:

Test	Standard to Meet
Individual Bacteria Count (IBC)	Maximum average of 30,000 individual bacteria cells per ml.
Somatic Cell Count (SCC)	Maximum average of 250,000 cells/ml.
Inhibitors and Drug Residues	No Infractions.
Freezing Point	No Infractions. Maximum temperature: -0.530 H.

The Quality Milk Bonus is paid monthly and the value will vary depending on provincial Class 1 milk sales and the volume of qualified milk.

Producer Milk Quality and Component Notifications

Producers should make it a habit to regularly visit the Alberta Milk website to view their milk quality and component data in their Members Only section of the website. Producers must set up a password with Alberta Milk to view their Members Only webpage. Alberta Milk also makes milk quality and milk component test results available by weekly fax for a fee of \$40.00 per year. In addition, producers can ask Alberta Milk to send them an email whenever their milk quality results do not meet bacteria or freezing point standards. The email will not contain any test results but will advise producers to look at their quality results on their Members Only page.

Alberta Milk will not be doing routine phone alerts to producers when their milk quality does not meet standards. Producers will be advised by letter if there is a milk quality infraction, if grades are adjusted and warnings or financial deductions are made. Producers will be contacted by Regulatory Services if their milk tests positive for inhibitors.

SECTION 4: ON-FARM BULK MILK TANK

Installation

Bulk tank installations must be approved by an inspector. To make an appointment, contact the Regulatory Services Branch of Alberta Agriculture and Rural Development at 403-755-1474.

Minimum Capacity

A bulk tank (or a combination of more than one) on a farm must hold at least two and a half days of the herd's milk production during the peak production period.

All bulk tanks must be in accordance with the *Dairy Industry Regulation* [DIR 21-26]. Milk measurement and tank calibration requires the presence of a tank dipstick instead of a sightglass. All bulk tanks must meet the minimum cooling requirements for milk collection as defined in *3-A Sanitary Standards for Farm Milk Cooling and Holding Tanks*.

New tank installations must be calibrated as soon as possible.

Minimum Shipment

A minimum of 100 litres must be shipped every two days. Regulations do not permit partial pickups.

On a monthly basis, the volume portion of the producer transportation assessment will be applied using a minimum monthly volume of 6,000 litres (pro-rated if a producer is entering or exiting the industry during the month).

The Milk Grade and Price Program will apply to all milk produced monthly, regardless of the volume shipped. The current yard charge will be paid by all producers regardless of the volume shipped.

First Milking Specifications

The first milking placed in the bulk milk tank must:

- Have a minimum of five minutes of agitation every hour,
- Be at or above the minimum volume on the tank chart,
- Be properly cooled, and
- Be able to be sampled.

The Grader will notify Alberta Milk if these requirements are in question and the office will contact the producer to check on the volumes shipped.

Sanitization

A bulk tank must be emptied, cleaned and sanitized at least once every two days. It must be cleaned every time it is emptied.

Dual Tanks

Alberta Milk strongly encourages producers to have one bulk milk tank to meet their needs. If a two-day milk volume can be held in one tank, then only one tank should be used, unless approved by Alberta Milk.

With every additional tank, producers will pay extra costs including laboratory tests, calibration, cleaning and a separate yard charge for the pickup of each individual bulk milk tank. The Milk Grade and Price Program will apply to all milk produced monthly, regardless of the tank in which the violation occurred.

Additional tanks must be approved by an inspector prior to and after installation, and calibrated immediately. They must be clearly identified by a large, waterproof decal on the tank. The corresponding calibration chart, bar code labels and milk receipts must be identified accordingly: these record-keeping materials must not be interchanged. The primary tank should be labelled as #1.

The additional tank must meet cooling, clearance and washing requirements, and the producer must ensure there is a sufficient supply of hot water for washing all components.

Additional tanks should be placed so that all milk can be picked up on one stop with a standard eight-metre hose without moving the truck. If the truck must be moved within the same premises, each move will be at an additional \$20 cost. Pickup volume and distance moved have no bearing on this additional charge.

Due to load size or other reasons, the hauler may want to pick up the two tanks separately. The extra pickup charges to the producer and paid to the hauler will not apply in this case. If the producer requests his two tanks be picked up separately, the extra pickup charges will apply. Hauler and producer must agree to separate pickups, and they must be approved by Alberta Milk. In both cases, yard charge and CMT monthly sample charge for each bulk milk tank will still apply.

Extra Pickup

An extra pickup is defined as a separate pickup, other than the regular pickup cycle of once every two days at a usual time. Examples of extra pickups include:

- Bulk tank installations,

- Bulk tank calibrations,
- Bulk milk tank will not hold 2.5 days of production at peak production,
- Emergency pickups, or
- Late notice from a producer after an inhibitor violation.

The individual producer with the extra pickup will pay these costs:

- Current secondary fuel surcharge for additional route km traveled,
- Current secondary rate for additional route km traveled, and
- Current yard charge. The regular yard charge will apply only when the milk is picked up; for trips to the farm where the milk is not picked up, there will be no yard charge.

These invoiced costs must be approved by Alberta Milk and then the extra pickup charges will be deducted from the individual producer's pay. For multiple producers on the same route or a separate trip with an extra pickup, extra km traveled will be divided out between the producers.

For producers with more than one bulk tank who want them picked up separately, or if the hauler wishes to pick them up separately, please see the Dual Tank Policy.

Calibration Program

The Bulk Milk Tank Calibration Program for Alberta started May 1, 2005. After a bulk milk tank has been calibrated, it will be checked for recalibration in five-year intervals.

When tanks are initially calibrated, they may be re-sloped to ensure fast drainage which is important for today's larger milk pumps. All sight-glasses are to be replaced with dipsticks.

Producer calibration costs include:

- Labour costs for their individual calibration.
- Labour costs for the installation of dipstick holders (if required).
- Cost of supplying enough clean, potable water from an acceptable source free of air bubbles to completely fill the bulk tank. Bulk milk tanks with a capacity of over 1,000 gallons must have enough water available to fill at least half, if not all, of the tank. This water should be in a separate tank within 12 metres (40 feet) of the bulk milk tank.
- If a bulk tank without a dipstick is purchased, it is the producer's responsibility to acquire and install a holder and dipstick prior to installation.

Calibration Policy

Each bulk milk tank calibration must be rechecked, by a calibrator approved by Alberta Milk, every five years.

Calibration Priorities

Alberta Milk has contracted International Dairy Calibrations Alberta Ltd. to perform calibrations in Alberta. Alberta Milk is working with Mr. Terry Cunningham in coordinating the order of calibrations. Newly-installed tanks will receive the highest priority, followed by tanks on routes where excessive shrink has been identified. The calibrator works with haulers by route within a region in order to keep costs down. Producers are asked to try to accommodate the calibrator to make arrangements to calibrate or recalibrate their tank(s).

If you have any questions regarding Bulk Tank calibration or would like to enquire about scheduling a calibration please call Member Services at Alberta Milk, toll free at 1-877-361-1231.

Calibration Costs

The price for tank calibration is dependent on the size of the tank.

Capacity in US Gallons	Calibration Cost as of August 1, 2011	Re-Calibration Cost as of August 1, 2011
200 to 599	\$541	\$316
600 to 799	\$546	\$321
800 to 999	\$558	\$338
1,000 to 1,249	\$573	\$343
1,250 to 1,499	\$594	\$366
1,500 to 1,999	\$605	\$380
2,000 to 2,499	\$647	\$391
2,500 to 2,999	\$679	\$402
3,000 to 3,499	\$726	\$423
3,500 to 3,999	\$769	\$445
4,000 to 4,999	\$827	\$471
5,000 to 5,999	\$865	\$482
6,000 to 6,499	\$902	\$493
6,500 to 7,499	\$923	\$504
7,500 to 8,000	\$938	\$514

Pooled calibration costs covered by Alberta Milk include:

- Calibrator mileage and expenses
- Re-sloping of tanks (\$75/tank)
- Dipsticks (if required)

Milk hauling charges (if required)

SECTION 5: YARD

The purpose of these standards is to ensure greater farm safety and to maintain transportation efficiencies. Individual milk producers are responsible for ensuring that a safe and practical access to the milk house in all weather conditions is provided for the milk transporter and his vehicle configuration.

These standards will apply to all existing and new operations, with the minimum vehicle configuration being a tractor, tri-axle trailer combination and tractor, or B- train combinations. As changes occur in the dairy industry, larger configurations may be used to maintain and improve efficiencies.

Acquiring a producer license requires compliance with this policy.

These policies take into consideration the Dairy Industry Act (DIA) and Dairy Industry Regulations concerning yards and transporters.

Policy Administration

Producers are encouraged to meet these standards and make the necessary adjustments themselves. In every instance the application of this policy will be based on common sense and practical considerations.

Any farmyard or lane problem that is brought to the attention of the Provincial Milk Board staff will be dealt with on an individual basis. A staff representative will be available to act as a liaison between the producer and transporter, ensuring that all requests are within policy standards. After discussions with the producer and transporter, a Yard Report indicating any necessary changes for policy compliance will be completed. A reasonable amount of time will be granted for changes, according to each individual case.

If a producer chooses to appeal the Yard Report, a written request for appeal will be required and submitted to the Provincial Transportation Committee and the Provincial Milk Board for review.

Lane Requirements

Cross-Contamination

1.1.1 - Farmyards and lanes must be kept free of manure.

1.1.2 - Manure accumulations on farmyards or lanes are considered to be possible sources of contamination through soil and manure adhering to the underside of bulk milk tank trucks and truck tires. There is increasing pressure within the industry to minimize the spread of

pathogens from farm to farm and from farms to processing plants. Adherence to this requirement will help eliminate the spread of these pathogens.

1.1.3 - Livestock of any description shall not be allowed access to any portion of the lane or yard which is normally traveled by a bulk milk hauler.

Farm Gates and Fences

1.2.1 - A gate of any type, which requires opening and closing by the milk truck driver having to leave his vehicle, is not permitted.

1.2.2 - Fences must be set back a minimum of 2.43 metres (8 feet) from the edge of the lane.

Overhead Objects

1.3.1 - The traveled portion of the yard and lane should be free of all overhead objects such as branches and wires to a height of 4.5 metres (15 feet) from the surface of the yard and lane. Ice and snow build-up should be taken into consideration when determining the height. As well, all porch roofs or similar structures surrounding the loading area and traveled portion of the yard and lane must be considered.

Lane Bridges

1.4.1 - All bridges, culverts, and Texas-style gates should be clearly identified on all four corners where the lane meets the bridge. The weight-bearing load/capacity will depend on the length of bridge and the number of axles on the bridge at any one time. The weight-bearing load/capacity must accommodate the largest trailer assigned by Alberta Milk.

1.4.2 - The length of any necessary culvert will be dependent on the ditch location with respect to the driveway entrance. In addition if the type of vehicle used to pick up milk changes and has been approved by Alberta Milk, then the producer must ensure that the yard and lane entrance can accommodate the new vehicle type.

Lane Entrance

1.5.1 - The lane entrance must be such that it provides a safe and reasonable access for the type of vehicle operating in the area. If the type of vehicle used to pick up a producer's milk changes, and has been approved by the Provincial Milk Board, then the producer must ensure that the yard and the lane entrance can accommodate the new vehicle type.

1.5.2 - The entrance should angle from the shoulder of the road so that at 12.3 metres (40 feet) in from the edge of the traveled portion of the road the width of the lane must be a minimum of 3.66 metres (12 feet).

1.5.3 - The length of any necessary culvert will be dependent on the ditch location with respect to the lane entrance as illustrated in figure A.

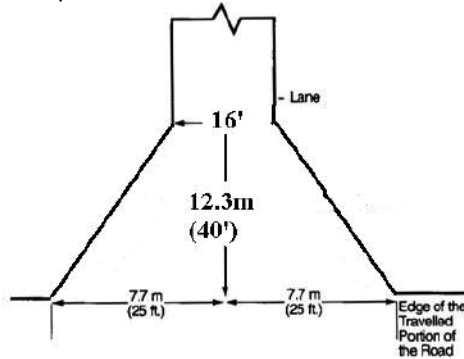


Figure A: Lane entrance

1.5.4 - Minimum width of the lane entrance is 3.77 meters (12 feet), preferred is 8.8 metres (16 feet).

Yard and Lane Construction:

1.6.1 - In order to provide adequate drainage and permit winds to carry snow over the laneway, the lane surface should be elevated with a gentle downward slope from the centre to each side of the lane. In addition, the lane shoulders should slope at an angle not greater than 45 degrees.

1.6.2 - The entire lane and traveled portion of any yard site shall be constructed so as to provide adequate weight bearing support for a fully loaded truck or tractor trailer. For the lanes that are not acceptable the following minimum standards will be applied. However, the amount of natural drainage will determine if more, or less, granular material is required compared to the specifications shown in Figure B.

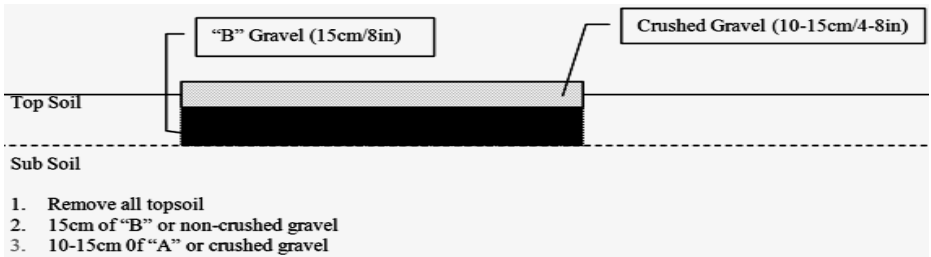


Figure B: Lane Construction Illustration

1.6.3 - For gravel yards and lanes, there must be adequate gravel. Proper construction guidelines, for those areas on which the milk truck travels, vary depending on the type of soil.

1.6.4 - That portion of the yard and lane through which the milk truck travels should be constructed so as to provide adequate drainage and prevent the build-up of mud.

Other road specifications

1.7.1 - Lane Width

1.7.1.1 - The minimum width of the lane is be 3.77 metres (12 feet) but the recommended is 4.88 metres (16 feet) for the entire length of the lane, and greater than this at the entrance and at points where the lane direction changes.

1.7.2 - Maintenance

1.7.2.1 - The lane and yard must be kept in good repair and have adequate gravel and proper drainage. It must be free of damaging potholes. In winter conditions, the portion of the driveway and yard that the tanker travels must be cleared of snow whenever necessary. Icy surfaces must be salted or gravelled.

1.7.2.2 - In all weather conditions, the lane and yard must be adequate to handle the maximum weight of the loaded milk truck.

1.7.3 - Blocked Access

1.7.3.1 - Cars, farm trucks, farm tractors and farm implements must not be located or parked in that portion of the yard and lane which is traveled by the milk truck in the process of picking up milk.

1.7.4 - Backing into a yard

1.7.4.1 - For safety reasons, it is not permissible for a bulk milk hauler to reverse into or out of a farm yard or lane.

1.7.5 - Turn around provisions

1.7.5.1 - A suitable turn around area must be provided within the yard as close to the milk house as possible. This turn around can either be a circular or a three point turnaround, whichever form the layout of the farm permits.

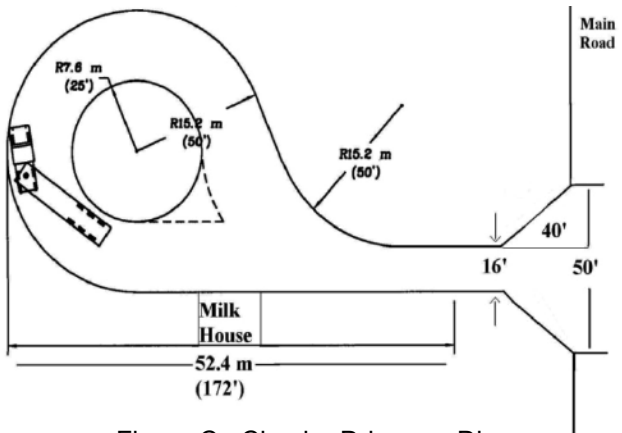


Figure C: Circular Driveway Diagram

If a circular driveway is not possible, a yard in which a milk tanker can be turned around by means of a three-point turn may be provided. An example of this type of turnaround area is shown in Figure D. The minimum width of a lane is 3.77 metres (12 feet); the recommended width is 8.8 metres (16 feet) as shown in Figure C.

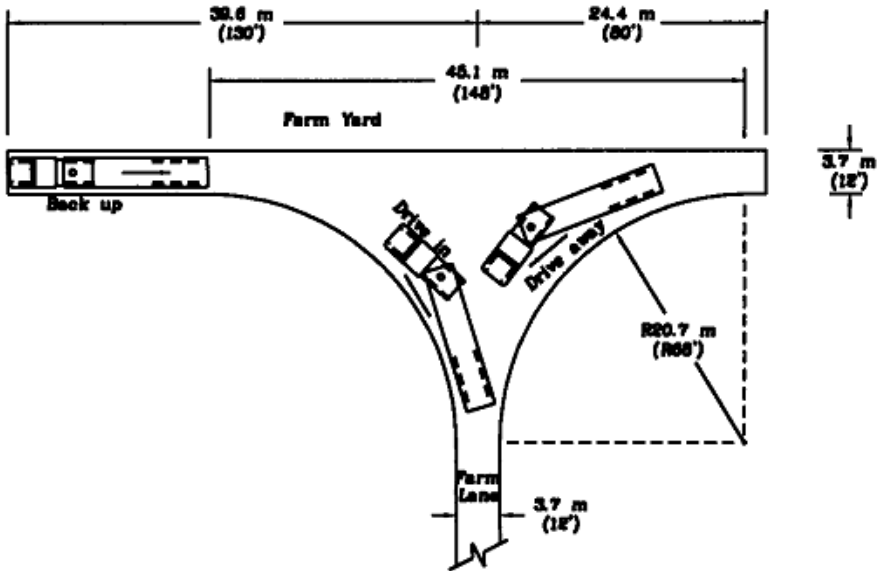


Figure D: Three Point Turn Diagram

Loading Area

1.8.1 - The area of the yard where the milk truck is parked while pumping on the milk must be reasonably level and dry. The inside and outside area used by the milk hose must be clean and free from mud, manure, and other contaminants. Sufficient clearance and lighting is required for inspection and sampling of the milk and reading the measuring device. An unobstructed view from the milk house to the transfer pump compartment is required.

Electrical Outlets

For driver safety reasons, a grounded 20 amp electrical outlet (on the exterior wall), controlled by a bipolar switch located on the interior wall of the milkhouse is required were applicable. This must meet the requirements of the provincial code.

For type of plug see Figure E.

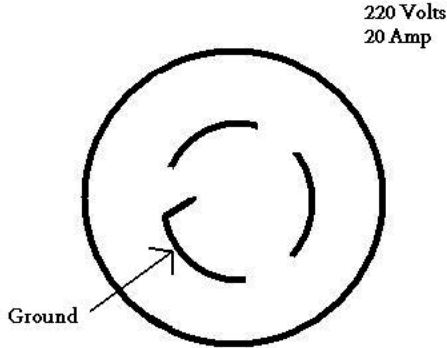


Figure E: Diagram of Electrical Outlet

Responsibility for Damages

When damage has incurred and a consensus cannot be reached between the hauler and the producer it will be reviewed by Alberta Milk. Whoever is deemed responsible or causes the damage is responsible for the costs incurred. It is the responsibility of the milk driver to drive professionally and the responsibility of the producer to comply with the Yard and Lane policy. If these responsibilities are compromised, then responsibility for costs or damages will occur.

Example 1:

Hauler cuts a corner short and becomes stuck. A tow truck is required and damage is caused to the trailer. There is ample room for the trailer to turn but due to poor judgment the driver's behalf, and the corner is cut short. The cost is carried by the hauler.

Example 2:

The hauler becomes stuck in the driveway. The driveway in question is compromised due to potholes and is very narrow. The driveway does not comply with the Yard and Lane policy, and the producer has been advised it is unsatisfactory. The producer is responsible for the costs.

Dairy Industry Regulation (DIR) and Act (DIA)

- DIR 8** The land surrounding a dairy barn and milk house must be
(a) kept free of refuse and animal and vegetable wastes,
(b) well drained.
- DIR 9** In order to permit passage by a milk transport vehicle, a producer's road to a milk house must be maintained by the producer so that access to the milk house is
(a) safe and easy in all weather conditions,
(b) free of animals, locked gates and other obstacles.
- DIA 13(1)** The buildings, land, equipment and utensils of a dairy farm that are used in connection with dairy purposes must meet the requirements of the regulations.
- DIR 16(4)(a)(i)** A milk house must be equipped with a pressurized, hot and cold running, potable water system that has taps, pipes, hoses and nozzles installed and arranged in a manner that permits cleaning of the milk house.
- DIR 19(2)** A milk house must have
(a)(i)(ii) outside the milk house and directly below the hose port, a concrete apron that is connected to the main entrance of the milk house by a concrete walkway; the walkway must be large enough so that the hose of the milk transport vehicle cannot contact any ground other than the concrete walkway.
(b) a grounded exterior electrical outlet adjacent to the hose port and controlled by a bipolar switch located on the interior wall of the milk house in a location accessible to the bulk milk grader.
(c) a window in the milk house that permits the bulk milk grader to observe the transfer pump compartment of the milk transport vehicle's tank from inside the milk house.
- DIR 24(1)(a)(b)** A bulk milk tank in a milk house must be located so that there is sufficient clearance for inspection and sampling of the milk and the removal of the dipstick, gauge or other measuring device, and at least 90 cm clearance on the outlet side.

Useful Phone Numbers

	Contact	Phone Number
Inspection to be licensed	Regulatory Services Division, Alberta Agriculture and Rural Development	(during office hours) 310-0000 (toll free)
Bulk tank installation approval		403-755-1474 (after hours) 1-866-252-6403
Canadian Quality Milk Program	Jim Eisen	1-877-361-1231
Member services: <ul style="list-style-type: none">• Bulk tank calibration• Milk Grade and Price Program	Kelly Mauthe	1-877-361-1231
Quota transactions	Sherrie Grapentine Cristin Vollrath	Phone: 1-877-361-1231 Fax: 780-455-2196
Transportation matters; Inhibitors in the tank	Bill Beisal John Mann	Phone: 1-877-361-1231 Emergency: 780-491-2666
Animal welfare concerns	ALERT Line, AFAC	1-800-506-2273
Dairy Code of Practice (animal care)	Emily McDonald	1-877-361-1231
Dairy Cost Study	Pauline Van Biert	780-415-2153

Useful Websites

Alberta Milk:

www.albertamilk.com

Alberta Agriculture and Rural Development:

www.agric.gov.ab.ca

Alberta Environment:

www.environment.alberta.ca

Alberta Farm Animal Care (AFAC):

www.afac.ab.ca

Natural Resources Conservation Board (NRCB):

www.nrcb.gov.ab.ca

DairyWeb:

www.dairyweb.ca



www.albertamilk.com

1303 – 91 Street SW
Edmonton, AB T6X 1H1
Phone: 780-453-5942
Toll Free: 1-877-361-1231
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