



July 20, 2007

## DIRECTIVE NO. 2007 - 101

### MILK TRANSPORTATION RATES FOR HAULERS

Pursuant to Sections 24 and 25 of the *Alberta Milk Marketing Regulation (AR151/2002)*, the milk allocation system established by Directive No. 2005-101, and on recommendation of the Transportation Committee, Alberta Milk sets transportation rates for milk transferred from processor to processor.

#### Definitions

- 1 The definitions in the *Alberta Milk Plan Regulation* and the *Alberta Milk Marketing Regulation* apply to the interpretation of this directive.

#### Milk Movement Principles

- 2 There will be no unnecessary milk movement.
- 3 The cost of moving milk will be kept to a minimum.
- 4 The principle of producer and processor equality will be maintained as much as possible.
- 5 Producers are responsible for the cost of delivering the milk allocated to processors.

#### Milk Transferred Between Processors

- 6 The milk allocation system described by Directive No. 2005-101 establishes the priority of use of milk. Milk is directed by Alberta Milk between processors. If milk is moved beyond the established zones, the processor who moved the milk may be eligible for reimbursement through the producer payment pool.
- 7 A processor may refuse milk for a higher standard than the quality standards set by the *Dairy Industry Act*, however in these cases, the processor who refuses the milk is solely responsible for cost or redirecting the milk to another processor.

#### Milk Diversion Rates

- 8 Compensation for milk diversions will be:
  - (a) tandem \$1.13/km
  - (b) tridem \$1.23/km
  - (c) train \$1.32/km

- 9 The rate for interprovincial milk diversions is set at the above kilometre rate, plus additional interprovincial costs.

### **Milk Grade and Price Program**

- 10 Waiting time for inhibitor confirmation and load disposal under the *Alberta Milk Marketing Regulation* Milk Grade and Price Program will be paid to the milk transporter at a rate \$45.42 per hour for tandem and \$68.13 per hour for larger units.

### **Short Order Notice**

- 11 Less than 48 hours notice for ordering milk or cancelling a milk order incurs a charge of \$150.00 per load to the processor of who cancelled the order. These charges also apply to orders cancelled by Alberta Milk due to lack of payment or unusual circumstance. Payment for cancelled orders is directed to the processor who received the initial order.

### **Exemption**

- 12 This directive does not apply to goat and sheep milk.

### **Coming into Force**

- 13 This Directive comes into effect on August 1, 2007.

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Bill Feenstra, Chairman

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Mike Southwood, General Manager