

Frequently asked questions

Q What is the difference between the *Natural Products Act* and the *Dairy Industry Act*?

A The *Natural Products Act* establishes the Natural Products Marketing Council and provides for the establishment of commodity boards by the Governor in Council by way of a marketing plan. Most of the regulated commodities in Nova Scotia are governed under the *Natural Products Act*. The *Dairy Industry Act* applies only to the dairy industry. Through the *Dairy Industry Act*, some governance powers are delegated to the Natural Products Marketing Council, while others are delegated to the Dairy Farmers of Nova Scotia subject to the supervision of Council.

Q What is supply-management?

A The commodity boards that manage dairy, eggs, chicken and turkey operate according to a national marketing strategy called supply-management. There are three pillars of supply-management:

- **Production Discipline:** Production levels are regulated through a system of quotas. Quotas are production targets designed to assure supply while preventing surplus; surpluses are controlled because the sale of surplus production can destabilize prices.
- **Import Controls:** Import controls include a series of special trade agreements and tariffs between Canada and other countries, in addition to agreements and regulations that control trade between provinces. These controls help to prevent production surplus in one area from disrupting orderly marketing in another.
- **Fair Price:** Economic models are used to set a fair price based on cost of production and a reasonable rate of return on producer investment.

Q What is a regulated product?

A A regulated product is a natural product (as defined in the *Natural Products Act*) for which production and marketing is governed by a marketing plan under the *Natural Products Act*.

Q What is a licence?

A A licence permits a person to engage in the production or marketing of a regulated product, subject to any specified terms and conditions.

Q What is quota?

A A quota is the volume of product that a producer is entitled to market during a specified period of time. There are quota limits on production of dairy, egg, chicken and turkey as part of the federal system of supply-management.

Q What is a levy?

A A levy is a charge collected by a commodity board from producers that is used to fund the administrative and operational activities of the commodity board.