

Royal



Gazette

Part II

Regulations under the Regulations Act

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Contents

Act	Reg. No.	Page
Dairy Industry Act		
Bulk Haulage Regulations—amendment	252/2009	600
Milk Utilization Audit Committee Regulations	254/2009	603
Total Production Quota Regulations	255/2009	607
Petroleum Products Pricing Act		
Prescribed Petroleum Products Prices	253/2009	601

In force date of regulations: As of March 4, 2005*, the date a regulation comes into force is determined by subsection 3(6) of the *Regulations Act*. The date a regulation is made, the date a regulation is approved, the date a regulation is filed and any date specified in a regulation are important to determine when the regulation is in force.

*Date that subsections 3(6) and (7) and Sections 11 and 13 of the *Regulations Act* and amendments to the *Regulations Act* made by Chapter 46 of the Acts of 2004 were proclaimed in force.

N.S. Reg. 252/2009

Made: June 25, 2009

Approved: July 17, 2009

Filed: July 24, 2009

Bulk Haulage Regulations

Order dated June 25, 2009

Amendment to regulations made by the Dairy Farmers of Nova Scotia and approved by the Natural Products Marketing Council pursuant to clause 15(1)(b) of the *Dairy Industry Act*

Dairy Farmers of Nova Scotia

The Dairy Farmers of Nova Scotia, pursuant to clause 15(1)(b) of Chapter 24 of the Acts of 2000, the *Dairy Industry Act*, at a meeting held on June 25, 2009, amended the *Bulk Haulage Regulations* in the manner set out in the manner attached to this certificate as Schedule "A", effective on and after August 1, 2009.

Dated and signed at Truro, Nova Scotia July 17, 2009.

Sgd.: *Dwane Mellish*/for
Brian Cameron
General Manager
Dairy Farmers of Nova Scotia

Approved by the Natural Products Marketing Council at Truro, Nova Scotia, July 17, 2009.

Sgd.: *E. A. Crouse*
Elizabeth A. Crouse
Acting General Manager
Natural Products Marketing Council

Schedule "A"

**Amendments to the *Bulk Haulage Regulations*
made by the Dairy Farmers of Nova Scotia
pursuant to clause 15(1)(b) of Chapter 24 of the Acts of 2000,
the *Dairy Industry Act***

Clause 7(a) of the *Bulk Haulage Regulations* made by the Dairy Farmers of Nova Scotia and approved by the Natural Products Marketing Council on August 13, 2002, is amended by

- (a) striking out "\$2.270" directly opposite "Farmers Co-operative Dairy Limited" and substituting "\$2.220";
- (e[b]) striking out "\$2.990" directly opposite "Scotsburn Co-operative Services Limited" and substituting "\$3.160";
- (d[c]) striking out "\$1.580" directly opposite "Fisher Transport Limited" and substituting "\$1.530";
- (e[d]) striking out "\$2.550" directly opposite "Winterthur Farm - Rudolph Burghardt" and substituting "\$2.490";
- (f[e]) striking out "1.770" directly opposite "Cook's Dairy Farm Limited" and substituting "\$1.710".

N.S. Reg. 253/2009

Made: July 23, 2009

Filed: July 29, 2009

Prescribed Petroleum Products Prices

Order dated July 23, 2009
made by the Minister of Service Nova Scotia and Municipal Relations
pursuant to Section 14 of the *Petroleum Products Pricing Act*

**In the Matter of Section 14 of Chapter 11 of the Acts of 2005
the *Petroleum Products Pricing Act***

- and -

**In the Matter of Sections 14 to 18 of the *Petroleum Products Pricing Regulations*
made by the Governor in Council
pursuant to Section 14 of the *Petroleum Products Pricing Act***

- and -

**In the Matter of an Order Prescribing Prices for Petroleum Products
made by the Minister of Service Nova Scotia and Municipal Relations
pursuant to Section 14 of the *Petroleum Products Pricing Act* and
Sections 14 to 18 of the *Petroleum Products Pricing Regulations***

Order

I, Ramona Jennex, Minister of Service Nova Scotia and Municipal Relations for the Province of Nova Scotia, pursuant to Section 14 of Chapter 11 of the Acts of 2005, the *Petroleum Products Pricing Act*, and Sections 14 to 18 of the *Petroleum Products Pricing Regulations*, hereby

- (a) repeal the Order dated July 16, 2009, which prescribed prices July 17, 2009; and
- (b) prescribe prices for petroleum products in the Province as set forth in the tables in Schedule "A".

This Order is effective on and after 12:01 a.m. on July 24, 2009.

Made at Halifax, in the Halifax Regional Municipality, Nova Scotia, on July 23, 2009.

Sgd.: *Ramona Jennex*
Honourable Ramona Jennex
Minister of Service Nova Scotia and Municipal Relations

Schedule "A"

**Prices Prescribed for Petroleum Products
under the *Petroleum Products Pricing Act* and the
Petroleum Products Pricing Regulations
effective on and after 12:01 a.m. on July 24, 2009**

Table 1: Benchmark Prices for Regulated Petroleum Products (cents/litre)	
Regular unleaded gasoline	52.2
Mid-grade unleaded gasoline	55.2
Premium unleaded gasoline	58.2
Ultra-low-sulfur diesel oil	50.7

Table 2: Fixed Wholesale Prices, Retail Mark-ups and Retail Prices for Regulated Petroleum Products (cents/litre)									
	Fixed Wholesale Price (excludes GST)	Retail Mark-up				Retail Price (includes all taxes)			
		Self-Service		Full-Service		Self-Service		Full-Service	
		Min	Max	Min	Max	Min	Max	Min	Max
Zone 1									
Regular Unleaded	84.0	4.0	5.5	4.0	999.9	99.4	101.1	99.4	999.9
Mid-Grade Unleaded	87.0	4.0	5.5	4.0	999.9	102.8	104.5	102.8	999.9
Premium Unleaded	90.0	4.0	5.5	4.0	999.9	106.2	107.9	106.2	999.9
Ultra-Low-Sulfur Diesel	76.4	4.0	5.5	4.0	999.9	90.9	92.5	90.9	999.9
Zone 2									
Regular Unleaded	84.4	4.0	5.5	4.0	999.9	99.9	101.6	99.9	999.9
Mid-Grade Unleaded	87.4	4.0	5.5	4.0	999.9	103.3	105.0	103.3	999.9
Premium Unleaded	90.4	4.0	5.5	4.0	999.9	106.7	108.4	106.7	999.9
Ultra-Low-Sulfur Diesel	76.8	4.0	5.5	4.0	999.9	91.3	93.0	91.3	999.9
Zone 3									
Regular Unleaded	84.9	4.0	5.5	4.0	999.9	100.5	102.2	100.5	999.9
Mid-Grade Unleaded	87.9	4.0	5.5	4.0	999.9	103.8	105.5	103.8	999.9
Premium Unleaded	90.9	4.0	5.5	4.0	999.9	107.2	108.9	107.2	999.9
Ultra-Low-Sulfur Diesel	77.3	4.0	5.5	4.0	999.9	91.9	93.6	91.9	999.9
Zone 4									
Regular Unleaded	84.9	4.0	5.5	4.0	999.9	100.5	102.2	100.5	999.9
Mid-Grade Unleaded	87.9	4.0	5.5	4.0	999.9	103.8	105.5	103.8	999.9
Premium Unleaded	90.9	4.0	5.5	4.0	999.9	107.2	108.9	107.2	999.9
Ultra-Low-Sulfur Diesel	77.3	4.0	5.5	4.0	999.9	91.9	93.6	91.9	999.9
Zone 5									
Regular Unleaded	84.9	4.0	5.5	4.0	999.9	100.5	102.2	100.5	999.9
Mid-Grade Unleaded	87.9	4.0	5.5	4.0	999.9	103.8	105.5	103.8	999.9
Premium Unleaded	90.9	4.0	5.5	4.0	999.9	107.2	108.9	107.2	999.9
Ultra-Low-Sulfur Diesel	77.3	4.0	5.5	4.0	999.9	91.9	93.6	91.9	999.9
Zone 6									
Regular Unleaded	85.7	4.0	5.5	4.0	999.9	101.4	103.1	101.4	999.9
Mid-Grade Unleaded	88.7	4.0	5.5	4.0	999.9	104.8	106.4	104.8	999.9
Premium Unleaded	91.7	4.0	5.5	4.0	999.9	108.1	109.8	108.1	999.9
Ultra-Low-Sulfur Diesel	78.1	4.0	5.5	4.0	999.9	92.8	94.5	92.8	999.9

N.S. Reg. 254/2009

Made: July 21, 2009

Filed: July 29, 2009

Milk Utilization Audit Committee Regulations

Order dated July 21, 2009
made by the Natural Products Marketing Council
pursuant to Section 9 of the *Dairy Industry Act*

I certify that the attached document is a true copy of the *Milk Utilization Audit Committee Regulations* made by order of the Natural Products Marketing Council under Section 9 of Chapter 24 of the Acts of 2000, the *Dairy Industry Act*, on July 21, 2009.

Signed and dated at Truro, Colchester County, on July 22, 2009.

Per: sgd: *E. A. Crouse*
Liz Crouse
General Manager, Natural Products Marketing Council

Schedule "A"

**Regulations Respecting the Milk Utilization Audit Committee
made by the Natural Products Marketing Council under Section 9 of
Chapter 24 of the Acts of 2000, the *Dairy Industry Act***

Citation

1 These regulations may be cited as the *Milk Utilization Audit Committee Regulations*.

Definitions

2 In these regulations,

- (a) "Act" means the *Dairy Industry Act*;
- (b) "audit year" means the 12-month period between August 1 and July 31 which is the subject of the audit;
- (c) "Committee" means the Milk Utilization Audit Committee established by Section 3;
- (d) "contract auditor" means the auditor appointed by the Council to conduct milk utilization audits in accordance with Section 10;
- (e) "Milk Classes and Categories Regulations" means the *Milk Classes and Categories Regulations* made under the Act;
- (f) "Milk Pricing Regulations" means the *Milk Pricing Regulations* made under the Act;
- (g) "milk utilization adjustment" means an adjustment required to be made by a processor in the event of a difference between the processor's monthly report as originally submitted to the Board under the *Milk Pricing Regulations* and the processor's monthly report as recalculated based on the contract auditor's findings;

- (h) “Milk Utilization Audit Standards” means the Milk Utilization Audit Standards approved by the Canadian Milk Supply Management Committee and referred to in the *Milk Pricing Regulations*;
- (i) “Provincial auditor” means the individual appointed to the Committee by the Canadian Dairy Commission under clause 4(1)(a).

Milk Utilization Audit Committee established

3 The Milk Utilization Audit Committee is established to assist the Provincial auditor with

- (a) ensuring that processors follow the Milk Utilization Audit Standards;
- (b) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- (c) ensuring that processors adopt, maintain, and apply appropriate milk utilization reporting processes and procedures as required by the *Milk Pricing Regulations* and the *Milk Classes and Categories Regulations*.

Constitution of Committee and appointment of members

4 (1) The Committee must consist of no more than 7 members as follows:

- (a) 1 member appointed by the Canadian Dairy Commission to serve a 2-year term and to act as the Provincial auditor, who must
 - (i) be a non-producer, non-processor and non-distributor, and
 - (ii) be an inspector appointed under both the *Canadian Dairy Commission Act (Canada)* and the Act;
 - (b) 2 members appointed by the Council from among members of the Council, each to serve a 2-year term, except that initially one must be appointed for a 1-year term and the other for a 2-year term;
 - (c) 2 members appointed by the Board from among members of the Board, each to serve a 2-year term, except that initially one must be appointed for a 1-year term and the other for a 2-year term;
 - (d) 2 members to be appointed by the Processor Association from among members of the Processor Association, each to serve a 2-year term, except that initially one must be appointed for a 1-year term and the other for a 2-year term; and
 - (e) Committee members must not be a member of more than one of: the Council, the Board, or the Processor Association, while serving on the Committee.
- (2)** At least 60 days before the expiry date of the terms of members appointed by the Board and the Processor Association, the Council must contact both the Board and the Processor Association requesting the names of appointees for the coming year.
- (3)** If no appointments are made within the 60 days referred to in subsection (2), the Council must send a second request by registered letter.

- (4) If no response is received within 7 days of the receipt of the registered letter, the Council may appoint processors and Board members to increase the number of members to 7.
- (5) If a Committee member dies or resigns or becomes unavailable to act before their term expires, the organization that appointed the member must appoint a person as a member for the remainder of the term.
- (6) If a Committee member cannot attend a meeting, the organization which appointed that Committee member may send a substitute from their organization.
- (7) Any Committee member may be reappointed.

Chair of Committee

- 5** (1) The Provincial auditor is the Chair of the Committee.
- (2) The Chair is responsible for planning and conducting meetings, and must report the contract auditor's general findings and recommendations to the Committee.
 - (3) The Chair must ensure that meeting agendas are sent to Committee members and that minutes of meetings are recorded and distributed.

Provincial auditor carries out Committee decisions and recommendations

- 6** (1) The Provincial auditor must carry out the decisions and recommendations of the Committee and must ensure that milk utilization adjustments are made by the deadline specified in subsection 10(1).
- (2) The Committee has no administrative powers to carry out its decisions and recommendations.

Responsibilities of Committee

- 7** (1) The Committee must do all of the following:
- (a) create and annually review the selection process for the contract auditor;
 - (b) select a contract auditor and recommend the appointment of the contract auditor to Council;
 - (c) review the performance of the contract auditor;
 - (d) annually review the Provincial audit plan and provide the Provincial auditor with suggested changes;
 - (e) review the contract auditor's general recommendations and provide the Provincial auditor with suggestions for carrying out the Committee's decisions and recommendations; and
 - (f) keep the Council informed of Committee matters.

Committee meetings

- 8** (1) The Chair must call a meeting of the Committee at least once a year to review reports provided by the contract auditor and consult on audit matters.
- (2) In addition to the annual meeting, the Chair must call a meeting of the Committee
 - (a) if a majority of Committee members submit a written request; or
 - (b) if the contract auditor submits a written request.

- (3) The quorum for a meeting is 5 members with at least 1 representative from each of: the Council, the Processor Association, and the Board.
- (4) The minutes of all Committee meetings must be circulated to Committee members as soon as practicable.
- (5) The minutes from the previous meeting are subject to approval at each Committee meeting.
- (6) At the Committee's discretion, the chief executive officer and other executives from member organizations, and other external experts, may be invited to attend Committee meetings.

Committee voting and decisions

- 9 (1) Each Committee member, including the Chair, has 1 vote.
- (2) All decisions of the Committee must be reached by consensus, but if consensus cannot be reached, the issue must be resolved by the Council.

Contract auditor's responsibilities

- 10 (1) The contract auditor must complete all audits for an audit year in accordance with the contract agreement between the contract auditor and the Council, including notifying the processors of the required milk utilization adjustments for that audit year and arranging for the adjustments to be forwarded to the Provincial auditor so that the adjustments can be processed by the Board within 12 months following the end of the dairy year subject to audit.
- (2) The contract auditor must meet or exceed the minimum standards set out in the current version of the Milk Utilization Audit Standards.

The processor's responsibilities

- 11 (1) The processor, subject to the audit, must cooperate with requests from the contract auditor.
- (2) The processor must submit completed milk utilization adjustments in hard copy to the Provincial auditor within the 12 months following the end of the dairy year subject to audit.

If audit discloses non-compliance

- 12 If an audit discloses that a processor is not in compliance with the *Milk Pricing Regulations*, the *Milk Classes and Categories Regulations*, the Milk Utilization Audit Standards, or these regulations, the Committee must refer the matter to Council, who may
- (a) require the processor's area or regional senior representative or designate to appear before Council to explain the non-compliance and to indicate the actions they will undertake to remedy the non-compliance, and require the representative or designate to re-appear before Council to follow up on the agreed-on action plan; or
 - (b) suspend or cancel the processor's licence for non-compliance.

N.S. Reg. 255/2009

Made: May 21, 2009

Approved: July 21, 2009

Filed: July 31, 2009

Total Production Quota Regulations

Order dated July 21, 2009
made by the Dairy Farmers of Nova Scotia and
approved by the Natural Products Marketing Council
pursuant to clause 14(1)(e) of the *Dairy Industry Act*

I certify that the Dairy Farmers of Nova Scotia, pursuant to clause 14(1)(e) of Chapter 24 of the Acts of 2000, the *Dairy Industry Act*, as delegated by clause 2(1)(h) of the *Delegation of Powers to Dairy Farmers of Nova Scotia Regulations*, N.S. Reg. 136/2001, at a meeting held on May 21, 2009, repealed the *Total Production Quota Regulations*, N.S. Reg. 271/2007, made by the Dairy Farmers of Nova Scotia on March 29, 2007, and made new regulations respecting total production quota in the form attached as Schedule "A", effective on and after August 1, 2009.

Dated and signed at Truro, Colchester County, Nova Scotia, July 30, 2009.

Sgd.: *Brian Cameron*
Brian Cameron
General Manager
Dairy Farmers of Nova Scotia

Approved as to form only by the Natural Products Marketing Council at Truro, Nova Scotia, on July 21, 2009.

Sgd.: *E. A. Crouse*
Liz Crouse
Acting General Manager
Natural Products Marketing Council

Schedule "A"

**Regulations Respecting Total Production Quota
made by the Dairy Farmers of Nova Scotia
under clause 14(1)(e) of Chapter 24 of the Acts of 2000,
the *Dairy Industry Act***

Citation

1 These regulations may be cited as the *Total Production Quota Regulations*.

Interpretation

2 In these regulations,

- (a) "Act" means the *Dairy Industry Act*;
- (b) "assisted new producer" means a new producer who is receiving assistance under a policy of the Board established under Section 5;
- (c) "base TPQ" means

- (i) for a producer existing on August 1, 2009, the producer's TPQ on August 1, 2009, as adjusted in accordance with these regulations, or
 - (ii) for a new producer after August 1, 2009, the producer's TPQ at the time production begins, as adjusted in accordance with these regulations;
- (d) "dairy farm" includes all of the following:
- (i) land and buildings necessary for a producer's dairy operation,
 - (ii) a producer's dairy and farm equipment,
 - (iii) all of a producer's cows that have calved at least once and are required to support the producer's Total Production Quota as determined by the Board;
- (e) "immediate family member", in relation to a producer, means the producer's spouse, child, grandchild, son-in-law, daughter-in-law, niece, nephew, grandson-in-law, granddaughter-in-law, or another person who stands in a relationship to a producer as determined by the Board;
- (f) "market clearing price" means the price at which TPQ is deemed bought or sold on the TPQ exchange, as determined under Section 26;
- (g) "new producer" means a person who
- (i) is not selling milk to the Board,
 - (ii) is licensed by the Board to produce milk under the Act,
 - (iii) is located within a reasonable area for bulk milk pick-up, as determined by the Board,
 - (iv) has never previously held a licence to produce milk under the Act, and
 - (v) is none of the following:
 - (A) a director, officer, partner, shareholder or spouse of a producer,
 - (B) a corporation or partnership of which a producer, or a producer's spouse, is a director, officer, partner or shareholder,
 - (C) a corporation or partnership that has any directors, officers, partners or shareholders in common with a producer,
 - (D) in the opinion of the Board, otherwise related to a producer;
- (h) "non-saleable adjustment quota" or "NSAQ" means a quota designated as such by the Board and allotted by the Board in accordance with these regulations to represent a portion of an individual producer's share of the Provincial TPQ, calculated as a percentage of TPQ, and expressed in kilograms of butterfat;
- (i) "pay period" means the period customarily followed by the Board for paying transporters and producers;

- (j) “Provincial total production quota” or “Provincial TPQ” means the total annual butterfat required to meet the Province’s annual butterfat or equivalent milk volume requirements and supply Provincial demand for fluid milk, as allotted under the *Dairy Products Marketing Regulations* made under the *Canadian Dairy Commission Act* (Canada);
- (k) “Quota Committee” means the committee established under Section 13;
- (l) “total production quota” or “TPQ” means a quota allotted by the Board in accordance with these regulations to represent a portion of an individual producer’s share of the Provincial TPQ expressed in kilograms of butterfat;
- (m) “total quota” for a producer means the sum of that producer’s TPQ and NSAQ;
- (n) “TPQ exchange” means the exchange for the buying and selling of TPQ administered by the Board in accordance with these regulations and the *Interprovincial Milk Quota Regulations* made under the Act; and
- (o) “year” means the dairy year as determined by the Board.

Application of regulations

3 These regulations apply only to producers of cows’ milk.

Producer quota allotment and registration

4 (1) TPQ and NSAQ may be allotted only to a producer who meets all of the following criteria:

- (a) the producer is eligible for registration with the Canadian Dairy Commission;
 - (b) the producer meets the requirements of the *Milk Producers Licensing Regulations* made under the Act;
 - (c) except for a new producer, the producer is selling milk to the Board in accordance with these regulations.
- (2) Each producer who meets the criteria in subsection (1) must be assigned a registration number by the Board.
- (3) There must be only 1 registration number for 1 dairy farm, and 1 producer must hold only 1 registration number regardless of whether the producer operates 1 or more dairy farms.
- (4) The Board must allot only one TPQ and one NSAQ for each producer.

Assistance to new producers

5 The Board may establish a policy to assist some or all new producers, and the policy may authorize an allotment by the Board of up to 12 kg of butterfat per day of TPQ each year to a new producer selected in accordance with the policy, with the assisted new producer returning any such allotment of TPQ to the Board over a period of time determined by the Board.

Location of dairy farms

- 6 (1) All dairy farms established after these regulations come into force must be located within a reasonable area for bulk milk pick-up, as determined by the Board.
- (2) In determining whether a location is within a reasonable area for bulk milk pick-up, the Board must consider all of the following:

- (a) the incremental milk transportation costs;
 - (b) any logistical constraints such as roads or bridges that would be difficult or hazardous for transporters to travel and whether adding the location would extend the time required for a milk pick-up route beyond the time permitted for a driver to operate a truck;
 - (c) any additional factors that the Board considers relevant.
- (3) If, after consideration of the factors in subsection (2), the Board determines that a location may not be within a reasonable area for bulk milk pick-up, the Board must refer the issue to the Advisory Committee for Transportation established under the *Advisory Committee Regulations* made under the Act for advice and a recommendation.
- (4) The Board will not purchase milk from a producer whose dairy farm is not within a reasonable area.

Duty to comply with regulations

- 7 (1) Except as provided for in these regulations, TPQ and NSAQ must not be sold, assigned, leased or transferred.
- (2) If a producer contravenes these regulations, the Board may revoke or suspend any or all TPQ and NSAQ registered to the producer on any terms and conditions that the Board considers appropriate in the circumstances.

Prohibited uses of milk shipment

- 8 (1) A producer must not ship milk to a processor on the basis of either of the following:
- (a) TPQ and NSAQ allotment registered in the name of another producer;
 - (b) the producer's TPQ and NSAQ allotment, if the milk is from cows other than those located on the producer's dairy farm.
- (2) A producer must not ship milk to another producer for the purpose of shipment or reshipment to a processor.

Board order to dispose of NSAQ or TPQ

- 9 The Board may order a producer to dispose of the producer's NSAQ first and then their TPQ, after the producer's allocation of NSAQ has been reduced to zero, in either of the following circumstances:
- (a) the producer's production is too low to provide satisfactory cooling, sampling or measurement;
 - (b) the producer has shipped at an average daily rate of less than 110 L per day for 2 or more consecutive pay periods.

Assignment of TPQ

- 10 (1) In this Section, "recognized lending institution" means any of the following:
- (a) a bank listed in Schedule I or Schedule II of the *Bank Act* (Canada);
 - (b) a credit union to which the *Credit Union Act* applies;
 - (c) the Nova Scotia Farm Loan Board;

- (d) Farm Credit Canada;
 - (e) a lender approved by the Board.
- (2) On receiving a completed assignment of TPQ in a form approved by the Board, made between a recognized lending institution and a producer for the purpose of a secured transaction, the Board may consent to the assignment on any terms and conditions that the Board considers appropriate.
 - (3) The consent of the Board to an assignment of TPQ does not in any circumstances, nor is it deemed to, warrant the validity of the assignment, and the Board is not liable for any loss or damage that may be suffered by the lending institution as a result of its reliance on the assignment.
 - (4) The Board must not consent to an assignment of TPQ that has a term of longer than 10 years.

Calculating producer payment and quota utilization

11 To calculate producer payment and quota utilization, each producer's monthly total quota is calculated by multiplying the producer's daily total quota by the number of days of milk production shipped during that month.

Adjusting Provincial total production quota

- 12** (1) The Board may make an interim adjustment to Provincial TPQ to ensure that an adequate supply of milk is available to meet market requirements.
- (2) After consulting with the Quota Committee, the Board may allot any adjustment to the Provincial TPQ to producers based on the following conditions:
- (a) if a producer has NSAQ, an increase in Provincial TPQ will be allotted to their NSAQ as a percentage of the producer's TPQ as of the date of the adjustment;
 - (b) if a producer does not have NSAQ and their TPQ is less than their base TPQ, an increase in Provincial TPQ will be allotted as follows:
 - (i) first to their TPQ as a percentage of their TPQ holdings as of the date of the adjustment until their TPQ is equal to their base TPQ, and
 - (ii) then to their NSAQ;
 - (c) if a producer has NSAQ, a decrease in Provincial TPQ will be deducted as follows:
 - (i) first from their NSAQ allotment as a percentage of their TPQ as of the date of the adjustment, and
 - (ii) then from their TPQ after the producer's allotment of NSAQ has been reduced to zero;
 - (d) if a producer does not have NSAQ, a decrease in Provincial TPQ will be deducted from their TPQ as a percentage of the producer's TPQ as of the date of the adjustment.

Quota Committee

- 13** (1) A Provincial quota committee must be established to administer Sections 15, 29 and 30 on behalf of the Board, and to make recommendations to the Board on the remainder of these regulations.
- (2) The Quota Committee is composed of the Executive Committee of the Board.

- (3) Each member of the Quota Committee has one vote.
- (4) The Quota Committee must appoint one of its members as Chair.

TPQ flexibility for individual producers

- 14** (1) In this Section, “cumulative over-production” refers to the amount by which a producer’s cumulative production exceeds their cumulative total quota and “cumulative under-production” refers to the amount by which a producer’s cumulative production is less than their cumulative total quota.
- (2) For all producers whose cumulative over-production is equal to or less than 10 times the producer’s daily total quota on August 1, 2009, the over-production limit is 10 times their daily total quota.
 - (3) For all producers whose cumulative over-production exceeds 10 times their daily total quota, the over-production limit is equal to their cumulative over-production.
 - (4) For producers described in [subsection] (3), in months their production is less than their daily total quota, taking into account any necessary adjustments for leased quota under Sections 29 and 30, the producer’s over-production limit is reduced by the amount of the under-production, and when the cumulative over-production is equal to or less than 10 times the daily total quota, the over-production limit will be 10 times their daily total quota.
 - (5) The portion of a producer’s cumulative over-production that exceeds the over-production limit in subsection (2) or (3), as applicable, is classed as over-quota production.
 - (6) The limit of cumulative under-production is 30 times the daily total quota.
 - (7) Under-production up to the limit in subsection (6) may be carried forward indefinitely.
 - (8) Under-production in excess of the limit in subsection (6) must not be carried forward.
 - (9) When a producer sells their entire TPQ on the TPQ exchange,
 - (a) all cumulative over-production at the time of sale is classed as over-quota production; and
 - (b) the selling producer must reimburse the Board for all over-quota production described in clause (a), based on the difference between the most recent component prices and the over-quota component prices.

Transfers of TPQ or NSAQ

- 15** (1) A transfer of TPQ or NSAQ is not effective until authorized by the Board.
- (2) A transfer of TPQ must take place on the TPQ exchange, except in any of the following circumstances:
 - (a) a transfer of TPQ with a dairy farm to a new producer or to an immediate family member;
 - (b) up to 1 transfer of TPQ in a calendar year from a parent to a child;
 - (c) a transfer by a producer of all of their TPQ to a corporation
 - (i) if the transferring producer is an individual and the only shareholder in the corporation is the transferring producer; or

- (ii) if the transferring producer is a partnership and the only shareholders in the corporation are the partners of the transferring producer;
- (d) a transfer by a producer of all of their TPQ to a partnership in which the transferring producer is a partner, if the partnership does not hold any TPQ at the time of the transfer, and holds only the TPQ of the transferring producer immediately after the transfer;
- (e) a transfer of TPQ by a corporation to 1 or more of its shareholders on the sale of their shares in the corporation, or on the wind-up or dissolution of the corporation;
- (f) a transfer of TPQ by a partnership to 1 or more of its partners on the sale of their interest in the partnership, or on the wind-up or dissolution of the partnership.

- (3) For all TPQ transfers, the formula for base TPQ is

$$\text{base TPQ transferred} = \text{TB(a)} \times \text{transferred TPQ/T(a)}$$

in which

TB(a) = transferor's base TPQ immediately before the transfer

T(a) = transferor's TPQ immediately before the transfer

transferred TPQ = the TPQ being transferred

- (4) For all TPQ transfer[s], the formula for NSAQ is

$$\text{NSAQ transferred} = \text{TNSAQ(a)} \times \text{transferred TPQ/T(a)}$$

in which

TNSAQ(a) = transferor's NSAQ immediately before the transfer

transferred TPQ = the TPQ being transferred

T(a) = transferor's TPQ immediately before the transfer

- (5) Except for the transfer of NSAQ as set out in subsection (4), no transfers of NSAQ are permitted.
- (6) A new producer or immediate family member who purchases or acquires a dairy farm must acquire the TPQ allotted to the previous owner.
- (7) Except as otherwise approved by the Board, all transfers of TPQ and NSAQ must occur at the beginning of a pay period.

Minimum TPQ

- 16** (1) A producer must hold total quota of at least 10 kg of butterfat per day.
- (2) If a producer's total quota falls below 10 kg of butterfat per day, the producer must acquire enough TPQ and NSAQ within 1 month to hold total quota of at least 10 kg of butterfat per day.

- (3) If a producer fails to comply with subsection (2), the Board must not purchase the producer's milk, and the producer must either acquire TPQ and NSAQ until they have total quota of at least 10 kg of butterfat per day, or sell their TPQ in accordance with Section 17.
- (4) This Section does not apply to any of the following:
 - (a) producers who were producers on August 1, 2009;
 - (b) new producers;
 - (c) producers who were new producers in the previous 12 months.

TPQ and NSAQ of producer who ceases producing

- 17** (1) A producer who ceases production must sell their TPQ before the 5th TPQ exchange after the date of the producer's last milk shipment, except that if the 4th TPQ exchange after the date of the last milk shipment is pro-rated for sellers, the producer must sell all their remaining TPQ in the next TPQ exchange that is not pro-rated for sellers.
- (2) If a producer fails to comply with the time limits set out in subsection (1), their TPQ and NSAQ must be cancelled by the Board.

2-step transfers

- 18** (1) If authorized by the Board, a producer may complete a transfer to a partnership or corporation under subsection 15(2) in 2 steps, with part of the TPQ and NSAQ being transferred in step 1 and the balance being transferred in step 2.
- (2) During the period between step 1 and step 2 of a 2-step transfer,
 - (a) the producer and the partnership or corporation are deemed to be 1 producer; and
 - (b) there is deemed to be 1 dairy farm between the producer and the partnership or corporation.
- (3) A producer must undertake a 2-step transfer by
 - (a) submitting a written request for approval to the Board;
 - (b) completing the 2-step transfer of the dairy farm within no more than 5 business days; and
 - (c) completing the 2 steps within the same calendar month.

Operation of TPQ exchange

- 19** (1) A producer, including a new producer, or an authorized designate of a producer, may offer to sell or buy TPQ on a TPQ exchange.
- (2) A TPQ exchange may operate in any month of the year.
- (3) TPQ is transacted on a TPQ exchange in units of kilograms of butterfat per day.

Offers to buy and sell

- 20** (1) A producer wishing to participate on a TPQ exchange must submit an offer to buy TPQ or an offer to sell TPQ in a form approved by the Board, and each offer must include all of the following information:

- (a) whether the offer is to buy or sell TPQ;
 - (b) the amount of TPQ the offer is for, expressed as a number of kilograms or, for a portion of a kilogram, expressed in hundredths of a kilogram;
 - (c) the offer price per kilogram rounded to the nearest dollar value;
 - (d) the name of the producer, their signature, if applicable, and their producer registration number;
 - (e) the month of the TPQ exchange to which the offer applies.
- (2) Each offer to buy TPQ must be accompanied by
- (a) a personal cheque, certified cheque or other form of payment made payable to the Board for the full amount of the offer price; and
 - (b) a \$10.00 non-refundable service fee.
- (3) Each offer to sell TPQ must be accompanied by a non-refundable service fee, as follows:

TPQ offered for sale	Fee
Up to 1.0 kg	\$100.00
1.01 to 10 kg	\$200.00
More than 10 kg	\$300.00

- (4) An offer to buy or sell TPQ must be received by the Board by the last business day before the 19th day of the month of the TPQ exchange.
- (5) A producer must not offer to sell and buy TPQ on the same TPQ exchange in the same pay period.
- (6) Subsection (5) does not apply to an assignee under an assignment of TPQ, to which the Board has consented, who places an offer to sell assigned TPQ on the TPQ exchange.
- (7) The Board must reject the offer of any producer to buy an amount of TPQ on the TPQ exchange greater than 10% of the producer's total quota at the time the offer is submitted.
- (8) Subsection (7) does not apply to new producers or to a producer who was a new producer in the 6 months before the date the offer to buy TPQ is submitted.

Market clearing price cap

21 The Board must reject any offer to buy or offer to sell TPQ on a TPQ exchange at a price greater than the amount set out in Schedule A for the month of the TPQ exchange.

NSF cheques

- 22** (1) If a cheque that is submitted to the Board is returned marked "insufficient funds", the TPQ bought with the NSF cheque returns to the Board and may be sold on a later TPQ exchange.
- (2) A producer attempting to buy TPQ with an NSF cheque is liable for all resulting costs incurred by the Board, and the costs must be paid before any of the producer's future offers are accepted.
 - (3) A producer who has attempted to buy TPQ with an NSF cheque must submit a certified cheque with any offer to buy quota on a TPQ exchange for the next 12 months.

Withdrawal or amendment of offer

23 A producer may withdraw or amend an offer by submitting the amendment in a form approved by the Board by no later than the deadline specified in subsection 20(4).

When money to be paid out by Board

- 24** (1) Before the 28th day of the month of a TPQ exchange, the Board must return
- (a) to unsuccessful buyers in that TPQ exchange, the offer prices paid; and
 - (b) to successful buyers in that TPQ exchange, refunds due as a result of the difference between the offer prices paid and the market clearing price.
- (2) Before the 10th day of the month immediately after the month of a TPQ exchange, the Board must pay producers any money due to them as a result of selling TPQ on that TPQ exchange.

Canceling TPQ exchange

- 25** (1) The Board may cancel a TPQ exchange for a particular pay period if, in the Board's opinion,
- (a) there are insufficient offers; or
 - (b) it is advisable or necessary to do so.
- (2) A producer who submits an offer for a TPQ exchange that is cancelled may resubmit their original offer or an amended offer for a later exchange.

Clearing TPQ exchange

- 26** (1) In this Section, "exiting producer" means a producer whose total volume of TPQ is 10 kg or less of butterfat per day and who has submitted an offer to sell their entire TPQ on the TPQ exchange.
- (2) At the time a particular TPQ exchange is to operate, the Board must match the volumes and prices that have been submitted by the producers in the offers to sell and buy and must determine the point at which offers to buy and offers to sell most closely match on the basis of price and volume according to the following table:

TPQ					
\$ Price Lowest to Highest	Kilograms Offered For Sale at Price	Cumulative Sales	Difference	Cumulative Buys	Kilograms Offered to Buy at Price

- (3) The procedure described in this Section is known as "clearing" the TPQ exchange.
- (4) The market clearing price as determined by clearing the TPQ exchange is the price that TPQ is deemed to be sold or bought for on the TPQ exchange.
- (5) If a producer offers to buy TPQ at a price equal to or higher than the market clearing price, then that offer is deemed to be successful and the transaction will take place at the market clearing price.
- (6) If a producer offers to sell TPQ at a price equal to or lower than the market clearing price, then that offer is deemed to be successful and the transaction will take place at the market clearing price.

- (7) Subject to subsections (8) and (9), if, at the market clearing price, the cumulative volume of the successful offers to buy is greater than the cumulative volume of the successful offers to sell, the TPQ sold at the market clearing price must be pro-rated for buyers to the extent necessary to balance the exchange, so that each producer who has a successful offer to buy buys the volume of TPQ calculated as follows:

$$\text{Volume bought} = \text{volume producer offered to buy} \times \frac{\text{(cumulative volume of successful offers to sell)}}{\text{(cumulative volume of successful offers to buy)}}$$

- (8) If a TPQ exchange would otherwise be pro-rated for buyers, and 1 or more of the producers who has a successful offer to buy is a new producer, then, before pro-rating the exchange,
- (a) all of the TPQ offered to be bought by the new producer or producers with successful offers to sell must be bought; and
- (b) the exchange must then be pro-rated for buyers, based on the remaining cumulative volume offered to be bought and the remaining cumulative volume of successful offers for sale at the market clearing price.
- (9) If the total volume of TPQ offered to be bought by all new producers who have successful offers to buy is greater than the cumulative volume of successful offers for sale at the market clearing price,
- (a) the total volume of TPQ offered to be bought by the new producers must be pro-rated for the new producers; and
- (b) no other TPQ must be sold at that exchange.
- (10) Subject to subsections (11) and (12), if, at the market clearing price, the cumulative volume of successful offers to sell is greater than the cumulative volume of the successful offers to buy, the TPQ sold at the market clearing price must be pro-rated for sellers to the extent necessary to balance the exchange, so that each producer who has a successful offer to sell sells the volume of TPQ calculated as follows:

$$\text{Volume sold} = \text{volume producer offered for sale} \times \frac{\text{(cumulative volume of successful offers to buy)}}{\text{(cumulative volume of successful offers to sell)}}$$

- (11) If a TPQ exchange would otherwise be pro-rated for sellers, and one or more of the producers who has a successful offer to sell is an exiting producer, then, before pro-rating the exchange,
- (a) all of the TPQ offered for sale by the exiting producer or producers who have successful offers to sell must be sold; and
- (b) the exchange must then be pro-rated for sellers, based upon the remaining cumulative volume offered for sale and the remaining cumulative volume of successful offers to buy at the market clearing price.
- (12) If the total volume of TPQ offered for sale by all exiting producers who have successful offers to sell is greater than the cumulative volume of successful offers to buy at the market clearing price,
- (a) the total volume of TPQ offered for sale by the exiting producers must be pro-rated for exiting sellers; and

(b) no other TPQ must be sold at that exchange.

(13) In subsections (8) and (9) only, “new producer” includes a producer who was a new producer in the 6 months before the TPQ exchange.

Notifying participants of results of offers

27 The Board must individually notify each participant on a TPQ exchange in writing of whether or not their offer was successful.

When transfer of quota effective

28 TPQ bought on a TPQ exchange is transferred to the successful buyer effective at the beginning of the following pay period.

Leasing TPQ

29 (1) A TPQ lease is not effective until it is approved by the Board.

(2) Only an active producer may enter into a lease of TPQ and, except as provided in subsection 30(6), the maximum amount of TPQ that a producer may lease is 25% of their total quota.

(3) A TPQ lease must be submitted to the Board in writing and on the standard form supplied by the Board, and must be accompanied by payment of a non-refundable administrative fee in an amount set by the Board.

(4) A TPQ lease starts at the beginning of a pay period and ends on the last day of that same pay period.

(5) Leased TPQ reverts to the lessor on expiry of the lease.

(6) Any adjustment to Provincial TPQ made under Section 12 applies to all TPQ leased.

(7) Subject to subsection (6), on the expiry of a lease, the adjusted amount of the leased TPQ will be returned to the lessor.

(8) A producer must not be both a lessor and a lessee at the same time.

Leasing TPQ in event of catastrophe

30 (1) In this Section, “catastrophe” includes

(a) severe injury to, or the illness or death of, a producer or a producer’s dairy herd; and

(b) destruction of a producer’s dairy facilities.

(2) If, because of a catastrophe, a producer reduces production or discontinues production temporarily, the producer may lease up to 100% of their total quota to 1 or more producers.

(3) A lease under this Section must be submitted in accordance with subsection 29(3) as soon as possible and no later than the end of the pay period immediately before the start of the lease, and must include evidence of the catastrophe that is satisfactory to the Board.

(4) The Board may approve a lease under this Section for up to 6 months, and may allow the lease to be renewed for up to a further 6 months.

- (5) Any renewals or extensions of a lease beyond 12 months must be decided by the Board on a month-to-month basis.
- (6) If a producer is milking cows from the dairy herd associated with TPQ leased under this Section, the Board may allow the producer to also lease TPQ under Section 29, but the TPQ leased under Section 29 must not exceed the maximum set out in subsection 29(2).
- (7) If a producer is not milking cows from the dairy herd associated with TPQ leased under this Section, the total amount of TPQ leased by the producer under this Section and Section 29 must not exceed the maximum set out in subsection 29(2).

Over-quota milk price

31 All shipments of over-quota production must be paid at the over-quota price for the pay period in which it is produced.

Additional production days

- 32**
- (1) A producer may receive additional production days of TPQ if the producer has fully utilized their TPQ, NSAQ and any TPQ leased to them under Section 29 for the current month.
 - (2) Despite the allowance for carrying over under-production in subsection 14(6), any additional monthly allocation of TPQ that is not utilized in the month in which it is issued must be carried forward for future use, unless the Board decides otherwise.
 - (3) A producer who is leasing TPQ to another producer under Section 29 is not eligible to receive additional production days of TPQ for the current month.

Nova Scotia Agricultural College exemption

33 The following Section and subsections do not apply to the Nova Scotia Agricultural College:

- (a) Section 9, respecting Board orders to dispose of NSAQ and TPQ;
- (b) subsections 14(5), (6) and (7), respecting the limit of cumulative under-production and the carrying forward of under-production.

Schedule A: Market Clearing Price Cap (Total Production Quota Regulations, Section 21)

Month	Price
August, 2009	\$29 861.11
September, 2009	\$29 722.22
October, 2009	\$29 583.33
November, 2009	\$29 444.44
December, 2009	\$29 305.56
January, 2010	\$29 166.67
February, 2010	\$29 027.78

Month	Price
March, 2010	\$28 888.89
April, 2010	\$28 750.00
May, 2010	\$28 611.11
June, 2010	\$28 472.22
July, 2010	\$28 333.33
August, 2010	\$28 194.44
September, 2010	\$28 055.56
October, 2010	\$27 916.67
November, 2010	\$27 777.78
December, 2010	\$27 638.89
January, 2011	\$27 500.00
February, 2011	\$27 361.11
March, 2011	\$27 222.22
April, 2011	\$27 083.33
May, 2011	\$26 944.44
June, 2011	\$26 805.56
July, 2011	\$26 666.67
August, 2011	\$26 527.78
September, 2011	\$26 388.89
October, 2011	\$26 250.00
November, 2011	\$26 111.11
December, 2011	\$25 972.22
January, 2012	\$25 833.33
February, 2012	\$25 694.44
March, 2012	\$25 555.56
April, 2012	\$25 416.67
May, 2012	\$25 277.78
June, 2012	\$25 138.89
July, 2012 and every month after July, 2012	\$25 000.00