



Province of Alberta

## MARKETING OF AGRICULTURAL PRODUCTS ACT

# ALBERTA MILK MARKETING REGULATION

### **Alberta Regulation 151/2002**

With amendments up to and including Alberta Regulation 124/2013

### Office Consolidation

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(Consolidated up to 124/2013)

**ALBERTA REGULATION 151/2002**

**Marketing of Agricultural Products Act**

**ALBERTA MILK MARKETING REGULATION**

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**Part 1  
General****Interpretation****1(1)** In this Regulation,

- (a) “Bacteria Grade” means the grade of a producer’s milk determined under sections 30 and 30.1;
- (a.1) “Canadian Quality Milk Program” means the on-farm food safety program known as the Canadian Quality Milk Program as recognized or varied from time to time by the Canadian Food Inspection Agency;
- (a.2) “cheddar-type cheese” means a cheese that is firm or semi-soft, unripened, unwashed curd cheese with a minimum milk fat content of 25% and a maximum moisture content of 45%;
- (b) “cream” means fluid milk that contains not less than 5% milk fat but does not include farm-separated cream;
- (c) - (f) repealed AR 152/2005 s2;
- (g) “18% cream” means fluid milk that contains not less than 18.00% milk fat;
- (h) “dairy plant” means a building where a processor processes a dairy product, and the land associated with that building;
- (i) “dairy year” means the 12-month period as set by Alberta Milk;
- (j) “delivery” occurs when a processor receives, at the dairy plant, regulated product that cannot be rejected pursuant to this Act or the *Dairy Industry Act*;
- (k) “Director” means Director as defined in the *Dairy Industry Act*;
- (l) repealed AR 152/2005 s2;
- (m) “excess milk” means milk delivered by producers to a processor’s dairy plant that is not classified as sub-class 1a milk;

- (n) repealed AR 152/2005 s2;
- (o) “fluid milk” means any products of milk that are supplied, processed or marketed in fluid form, other than evaporated or condensed milk packaged in cans;
- (p) repealed AR 125/2008 s2;
- (q) repealed AR 152/2005 s2;
- (q.1) “Freezing Point Grade” means the grade of a producer’s milk determined under sections 30 and 30.12;
- (r) “homogenized milk” means fluid milk that has been subjected to a mechanical treatment that prevents separation of the milk fat;
- (s) “inhibitor” means inhibitor as defined in the *Dairy Industry Regulation* (AR 139/99);
- (s.1) “Inhibitor Grade” means the grade of a producer’s milk determined under sections 30 and 30.2;
- (t) “licence” means a licence issued by Alberta Milk under this Regulation;
- (u) repealed AR 125/2008 s2;
- (v) “milk component” means milk fat, protein and other solids or other components of milk designated by Alberta Milk;
- (v.1) “partly skimmed milk” means fluid milk that contains less than 3.25% milk fat and not less than 8.25% milk solids-not-fat;
- (w), (x) repealed AR 152/2005 s2;
- (y) “processed milk” means milk that is pasteurized, homogenized, packaged or treated so that its form or composition is altered in any manner from the form or composition in which it was received from the producer;
- (z) “provincial entitlement” means the combination of federal quota, as defined in the *Dairy Products Marketing Regulations* under the *Canadian Dairy Commission Act* (Canada), that is authorized for Alberta with respect to a dairy year and quota for intra-provincial trade authorized by Alberta Milk that is allocated by Alberta Milk to producers to ensure that the Provincial Market Sharing Quota allocated to Alberta under the federal-provincial

agreement known as the National Milk Marketing Plan is produced and marketed during that dairy year;

(aa) “provincial reserve” means an amount of unallocated total production quota resulting from

(i) a producer’s going out of business,

(ii) a producer’s delivering less than the maintenance requirement of the producer’s total production quota, or

(iii) any other source;

(aa.01) “Somatic Cell Grade” means the grade of a producer’s milk determined under sections 30 and 30.11;

(aa.02) “total production quota” means the number of kilograms of milk fat for a dairy year allotted by Alberta Milk pursuant to this Regulation to a producer as the producer’s share of the provincial entitlement.

(aa.1) repealed AR 125/2008 s2;

(bb) - (ee) repealed AR 152/2005 s2.

(2) A reference to a class or sub-class of milk means a class or sub-class of milk as set out in section 27.

(3) The words defined in the Alberta Milk Plan Regulation apply to this Regulation.

(4) A reference to the *Dairy Industry Act* includes a reference to the regulations under that Act.

AR 151/2002 s1;58/2003;152/2005;125/2008

#### **Licence required**

**2(1)** A person who is a producer or processor must hold a licence issued by Alberta Milk.

(2) A person who holds a licence must comply with the terms or conditions of the licence.

#### **Application for licence**

**3** An application for a licence must

(a) be made to Alberta Milk on a form satisfactory to Alberta Milk,

(b) include a recommendation by the Director,

- (c) include the approval of any municipality or other person or agency that Alberta Milk requires, and
- (d) for producers, be accompanied by a fee of \$25.

#### **Types of licences**

**4(1)** Alberta Milk may issue

- (a) a producer licence, or
- (b) a processor licence.

**(2)** A producer licence authorizes the licensee to produce regulated product for delivery to a processor to whom the licensee has been directed by Alberta Milk to deliver regulated product.

**(3)** A processor licence authorizes the licensee

- (a) to accept regulated product and agricultural product for processing, as directed by Alberta Milk,
- (b) to operate a dairy plant, and
- (c) to market dairy product from that dairy plant.

**(4)** A person may hold both a producer licence and a processor licence.

#### **Licence not transferable**

**5** A licence issued by Alberta Milk is not transferable.

#### **Issue, renewal or refusal of licence**

**6(1)** If Alberta Milk is satisfied that the applicant meets the requirements of this Regulation and the requirements of the *Dairy Industry Act*, it may issue a licence to an applicant.

**(2)** Alberta Milk shall not issue more than one producer licence with respect to a dairy farm operated as a unit at one location or more than one processor licence with respect to a dairy plant operated as a unit in one location.

**(3)** Alberta Milk may include conditions in the licence.

**(4)** In addition to conditions referred to in subsection (3), the requirements of the Act, this Regulation, the *Dairy Industry Act*, the *Alberta Milk Plan Regulation* and administrative orders and directives of Alberta Milk pursuant to this Regulation are conditions of a licence issued under this Regulation.

- (5) A licence issued under this Regulation may not apply to more than one dairy farm or dairy plant.
- (6) Effective August 1, 2009, Alberta Milk must be satisfied that a producer has met the qualifications of and has registered with the Canadian Quality Milk Program before issuing a licence to the producer.
- (7) When the applicant for a licence has not previously been licensed as a producer, Alberta Milk may grant a licence to the applicant for a period not exceeding 6 months to enable the applicant to meet the qualifications of and register with the Canadian Quality Milk Program.
- (8) A licence granted under subsection (7) expires on the earlier of
- (a) the end of the period specified by Alberta Milk in the licence, and
  - (b) the date on which the person meets the qualifications of and registers with the Canadian Quality Milk Program and Alberta Milk issues a producer licence to the person.

AR 151/2002 s6;125/2008

**Suspension or cancellation of licence**

- 7(1)** Licences issued by Alberta Milk continue in effect unless suspended or cancelled.
- (2) Alberta Milk may suspend or cancel a licence if
- (a) the Board finds that the licensee has not complied with the Act, the *Alberta Milk Plan Regulation*, this Regulation, the *Dairy Industry Act*, conditions of the licence or terms of an agreement entered into pursuant to the *Alberta Milk Negotiation and Arbitration Regulation*,
  - (b) the suspension or cancellation has been recommended by the Director, in the case of an alleged contravention of the *Dairy Industry Act*,
  - (c) an assessment or fee under the *Dairy Industry Act* or a levy, service charge, fee or assessment under the *Alberta Milk Plan Regulation* remains unpaid for a period of 30 or more days after it is due,
  - (d) there has been a change
    - (i) in the ownership or location of any dairy farm or dairy plant in respect of which the licence is issued, or

- (ii) in the address or ownership of the licensee,
- (e) a producer contravenes section 24(1),
- (f) a processor accepts delivery of regulated product from a producer other than a producer directed to the processor by Alberta Milk, or
- (g) a producer has failed to meet the qualifications of and register with the Canadian Quality Milk Program by August 1, 2009.

**(2.1)** Alberta Milk may suspend a producer's licence if Alberta Milk grades the producer's milk under sections 30, 30.1 and 30.2 as

- (a) Inhibitor Grade 5,
- (b) Inhibitor Grade 6,
- (c) Bacteria Grade 6,
- (d) Somatic Cell Grade 6,
- (e) Freezing Point Grade 6,
- (f) Bacteria Grade 7,
- (g) Somatic Cell Grade 7, or
- (h) Freezing Point Grade 7.

**(2.2)** Alberta Milk may cancel a producer's licence if Alberta Milk grades the producer's milk under sections 30, 30.1 and 30.2 as

- (a) Inhibitor Grade 7,
- (b) Bacteria Grade 8,
- (c) Somatic Cell Grade 8, or
- (d) Freezing Point Grade 8.

**(2.3)** Alberta Milk may cancel a processor's licence if the processor ceases processing milk or dairy products for a period of 6 consecutive months.

**(3)** If a licence is suspended or cancelled under this section, Alberta Milk must notify the Director and the person to whom the licence was issued of that suspension or cancellation.

- (4) If a licence is suspended or cancelled, the person to whom the licence was issued
- (a) must, on receiving a notice of the suspension or cancellation, immediately cease engaging in the activity authorized by the licence, and
  - (b) may apply to Alberta Milk for an order staying the suspension or cancellation pending the determination of a review or an appeal under Part 5 of the Act.

AR 151/2002 s7;152/2005;125/2008

#### **Reinstatement of licence**

**7.1(1)** Alberta Milk may reinstate a producer's licence that was suspended under section 7(2.1) if

- (a) Alberta Milk receives written confirmation from an analyst at an approved laboratory that samples of milk produced after the licence was suspended taken from the producer's bulk milk tanks meet the requirements of Schedule 2 to the *Dairy Industry Regulation* (AR 139/99), and
- (b) an inspector under the *Dairy Industry Act* inspects the producer's dairy farm after written confirmation is received by Alberta Milk under clause (a) and verifies that the producer's bulk milk tanks are empty and clean.

AR 152/2005 s4

#### **Processor records to be maintained**

- 8(1)** A processor must maintain books, records and accounts, including agricultural product sold and setting out clearly how the processor's business pursuant to the *Alberta Milk Plan Regulation* and this Regulation is carried out.
- (2)** A processor must maintain a record of all agricultural product transferred to any branch of that processor or to any dairy plant.
- (3)** A processor must keep at the processor's place of business complete records of the dairy product sales.
- (4)** A processor must make records available on request for reconciliation and verification audit purposes.
- (5)** Any fee for any reconciliation or verification audit under subsection (4) must be shared equally by the processor and Alberta Milk.

(6) Each dairy plant must be audited under this section at least once each dairy year in accordance with the directives and administrative orders of Alberta Milk.

#### **Container identification**

9 A processor must identify, by code on each container, the location of the dairy plant where each container of dairy product is processed and must file the code with Alberta Milk.

#### **Service charge**

10(1) A licensed producer must pay service charges for each hectolitre of raw milk, except farm-separated cream, received within the meaning of section 30(2).

(2) The service charges referred to in subsection (1) are the following:

- (a) for marketing and nutrition education \$1.50 for each hectolitre;
- (b) for research \$0.05 for each hectolitre;
- (c) for the proper administration of the plan, as set by a directive or administrative order of Alberta Milk.

(3) Alberta Milk may require processors to deduct service charges from producers and remit the amounts to Alberta Milk.

(4) Alberta Milk may charge interest on late payment of service charges at the rate of 1% per month.

(5) Repealed AR 58/2003 s3.

(6) Despite subsection (1), producers of farm-separated cream must pay service charges for the administration of the plan, with respect to each kilogram of milk fat delivered to a processor, as set by a directive or administrative order of Alberta Milk.

(7) A service charge and interest on it is a debt due to Alberta Milk and may be recovered by legal action.

AR 151/2002 s10;58/2003;152/2005;92/2007;  
125/2008;74/2012;124/2013

#### **Disposition, appeals**

11 An application to Alberta Milk for the disposition of any matter must be made in writing and must be signed by the person making the application.

**Written orders, etc.**

**12(1)** Any order, directive, permission, authorization or approval of Alberta Milk required or referred to in this Regulation made with respect to a particular producer or a particular processor does not have any effect unless that producer or processor is notified in writing.

**(2)** Subsection (1) does not apply to sections 24(1), (2) and (8), 35(1) and 36.

## **Part 2 Marketing**

### **Division 1 Quota**

**13 and 14** Repealed AR 125/2008 s6.

**Total production quota**

**15(1)** Alberta Milk may allot total production quota from the provincial entitlement to all producers on a basis as determined by Alberta Milk.

**(2)** Alberta Milk may retain a portion of the provincial entitlement of total production quota in a provincial reserve.

**(3)** Alberta Milk may allot all or part of the provincial reserve.

**(4)** Nothing in this section requires Alberta Milk to allot any total production quota if the provincial entitlement would be exceeded.

**(5)** When changes occur in the Canadian domestic market, Alberta Milk may, in accordance with the National Milk Marketing Plan, adjust the total production quota allotted to each producer.

AR 151/2002 s15;125/2008

**Transition of quotas**

**15.1** Effective August 1, 2008, all market share quotas and fluid milk quotas will, in accordance with the directives and administrative orders of Alberta Milk, be converted to total production quotas.

AR 125/2008 s8

**Total production quota maintenance adjustment**

**16(1)** A licensed producer must deliver no less than 90% of the producer's total production quota in accordance with directives and administrative orders issued by Alberta Milk.

**(2)** Subject to section 18(3), if a producer delivers less than the amount prescribed in subsection (1), Alberta Milk may reduce the producer's total production quota by the number kilograms of milk fat that the producer failed to deliver in accordance with subsection (1).

**(3)** If a producer's total production quota is reduced under subsection (2), a producer may apply to Alberta Milk to have that quota reinstated.

AR 151/2002 s16;125/2008

**Quota adjustment**

**17** Alberta Milk shall not reduce a producer's quota under section 16 because all or any part of the regulated product received within the meaning of section 30(2) is subsequently rejected by the processor pursuant to the *Dairy Industry Act*.

AR 151/2002 s17;152/2005;125/2008

**Quota abeyance**

**18(1)** Despite section 16, a producer may apply to Alberta Milk to hold the producer's quota in abeyance

- (a) if the producer's herd or production from the herd is affected by a catastrophe, including but not limited to severe illness or death of the quota holder, sudden death of a significant part of the producing herd, destruction of the production facilities, severe infection of an uncontrollable disease in the dairy herd or a disease for which the health authorities require that the dairy herd be slaughtered, or

- (b) for any other reason that is acceptable to Alberta Milk.

**(2)** On receipt of an application under subsection (1), Alberta Milk may hold the producer's quota in abeyance for a period as determined by Alberta Milk.

**(3)** If quota is held in abeyance, sections 16 and 19(1) do not apply.

AR 151/2002 s18;152/2005;125/2008

**Cancellation of quota**

**19(1)** Subject to section 18(3), Alberta Milk may cancel a quota if

- (a) the producer's licence is suspended for 2 weeks or more, or cancelled,
- (b) repealed AR 125/2008 s12,
- (c) the producer does not deliver in accordance with the producer's total production quota for 2 consecutive weeks,
- (d) the producer contravenes the terms and conditions of the producer's licence, or
- (e) the producer contravenes the Act, the *Alberta Milk Plan Regulation*, this Regulation or the *Dairy Industry Act*.

**(1.1)** Alberta Milk may suspend a producer's quota if the producer's licence is suspended under section 7(2.1).

**(1.2)** Alberta Milk must reinstate a producer's quota suspended under subsection (1.1) if the producer's licence is reinstated under section 7.1.

**(2)** If a producer's quota is cancelled under subsection (1) or suspended under subsection (1.1), the producer may apply to Alberta Milk to have that quota reinstated.

AR 151/2002 s19;167/2004;152/2005;125/2008

#### **Quota transfer exchange**

**19.1(1)** Subject to section 20, Alberta Milk may, by administrative order, provide for a quota transfer exchange.

**(2)** Without limiting the generality of subsection (1), an administrative order may include provisions respecting

- (a) dates, times, policies and procedures respecting transfers of quota,
- (b) the surrender of quota,
- (c) increasing or reducing quota,
- (d) service charges,
- (e) forms, and
- (f) any other matter Alberta Milk considers necessary to effect the orderly transfer of quota.

AR 167/2004 s3

**Quota transfers**

**20(1)** A quota may be transferred only with prior written approval of Alberta Milk.

**(1.1)** Alberta Milk shall not approve a transfer of quota if, in the opinion of Alberta Milk, the transferee or transferor is in contravention of the *Dairy Industry Act*, the regulations under that Act, this Regulation, the *Alberta Milk Plan Regulation* (AR 150/2002), the *Canadian Dairy Commission Act* (Canada), the regulations under that Act or Alberta Milk's administrative orders or directives.

**(2)** A licensed producer may apply, or another person with the written approval of Alberta Milk may apply, pursuant to section 19.1, to transfer quota or to receive a transfer of quota.

**(3)** A transfer of quota is effective on the first day of a month.

**(4)** If a producer transfers all of the total production quota allotted to the producer to another producer,

- (a) the unused portion of the total production quota is available to the transferee for the quota period in which the transfer is approved by Alberta Milk, and
- (b) the whole of the acquired total production quota is available to the transferee in the next quota period,

subject to the delivery requirements in section 16.

**(5)** Repealed AR 125/2008 s13.

AR 151/2002 s20;167/2004;125/2008

**Appointment of attorney**

**21(1)** A person who has loaned money to a producer may apply to Alberta Milk to register an appointment of attorney.

**(2)** An appointment of attorney must be in a form satisfactory to Alberta Milk.

**(3)** An appointment of attorney is only effective from the date Alberta Milk acknowledges in writing that it is registered.

**(4)** Only one appointment of attorney may be registered in respect of a producer.

**(5)** Alberta Milk shall not register an appointment of attorney unless it is signed by the producer that is affected by it.

**Quota lease**

**22(1)** A producer may lease quota for any monthly period within the dairy year.

**(2)** A quota may be leased only with prior written approval of Alberta Milk.

**(3)** A producer applying to lease quota must submit the application to Alberta Milk at least 14 days prior to the proposed lease date on forms supplied by Alberta Milk or within any other time frame set by a directive or administrative order of Alberta Milk.

**(4)** A lease of quota is effective on the first day of a month.

**(5)** A producer who holds leased quota is subject to the service charges for the regulated product deliveries made under the leased quota and subject to any interest charges for late payment under section 10.

AR 151/2002 s22;125/2008

## **Division 2 Milk Delivery, Prices**

**Milk volume**

**23(1)** A bulk milk tank must be levelled and calibrated in accordance with directives and administrative orders of Alberta Milk to ensure accurate measurement of the volume of milk contained in the bulk milk tank.

**(1.1)** A meter owned by a processor must be calibrated in accordance with the directives and administrative orders of Alberta Milk to ensure accurate measurement of the volume of milk.

**(2)** The volume measured in a bulk milk tank calibrated in accordance with subsection (1) by a bulk milk grader pursuant to the *Dairy Industry Act* is the volume on which producer payment is based.

**(3)** The volume measured in a bulk milk tank calibrated in accordance with subsection (1) by a bulk milk grader pursuant to the *Dairy Industry Act* or calibrated by a meter owned by the processor in accordance with subsection (1.1) is the volume on which processor payment is based.

AR 151/2002 s23;125/2008

**Milk delivery**

**24(1)** A producer may only allow transportation of regulated product from the dairy farm, in accordance with the *Dairy Industry Act* and with directives and administrative orders of Alberta Milk.

- (2) The operator of a milk transport vehicle must transport regulated product from a producer to a processor as required by directives and administrative orders of Alberta Milk.
- (3) Alberta Milk has no obligation to direct that milk be delivered to a particular processor, and without limiting the generality of the foregoing, Alberta Milk may decline to direct that milk be delivered to a processor that is indebted to Alberta Milk.
- (4) The period of time between 2 deliveries of milk from a producer must be in accordance with the *Dairy Industry Regulation* (AR 139/99).
- (5) If Alberta Milk is notified by the Director under the *Dairy Industry Act* of a change in the period between 2 deliveries of milk referred to in subsection (4), Alberta Milk must notify the affected processor.
- (6) A processor shall not reject any regulated product that is delivered in accordance with this Regulation and the *Dairy Industry Act* by producers directed to deliver to the processor by Alberta Milk.
- (7) Alberta Milk may set transportation rates and routes.
- (8) A person operating a milk transport vehicle will be paid compensation in accordance with directives and administrative orders of Alberta Milk.
- (9) This section does not apply to farm-separated cream.

AR 151/2002 s24;125/2008

#### **Milk allocation**

- 25(1)** Subject to an agreement entered into pursuant to the *Alberta Milk Negotiation and Arbitration Regulation* (AR 153/2002), regulated product may be allocated and directed to processors or transferred between processors in accordance with the directives and administrative orders of Alberta Milk.
- (2) Payment for milk transferred under subsection (1) must be calculated and then invoiced or credited to processors in accordance with the directives and administrative orders of Alberta Milk.
- (3) Subject to an agreement between Alberta Milk and a processor, all costs related to the transportation of milk under this section are the responsibility of Alberta Milk.

AR 151/2002 s25;58/2003;152/2005

- 26** Repealed AR 152/2005 s9.

**Regulated product classification**

**27(1)** Regulated product is classified in accordance with subsection (2) according to how a processor uses it.

**(2)** Regulated product is classified as follows:

- (a) class 1 milk, which consists of the following sub-classes of milk:
  - (i) sub-class 1a milk, which means milk and milk beverages in liquid form for retail and food service and includes the following:
    - (A) standard milk, partly skimmed or skimmed milk, whether or not the milk is treated for lactose intolerance, is flavoured or has had vitamins or minerals added to the milk;
    - (B) eggnog;
    - (C) cordials;
    - (D) cultured milk;
    - (E) all types of milkshake mixes;
    - (F) concentrated milk to be reconstituted as fluid milk;
  - (ii) sub-class 1b(i) milk, which means all types of cream with a butterfat content of not less than 5% for retail and food service;
  - (iii) sub-class 1b(ii) milk, which means milk used pursuant to an authorization by Alberta Milk in the manufacture of fresh cream with a milk fat content of 32% and higher that is used to make fresh baked goods;
  - (iv) sub-class 1c milk, which means milk used in the manufacture of new fluid milk products of the types set out in class 1a and class 1b for retail and food service approved by Alberta Milk for an introductory period;
  - (v) sub-class 1d milk, which means milk used in the manufacture of fluid milk products of the types set out in class 1a and class 1b marketed outside the provinces that are signatories to the federal provincial agreement known as the National Milk

Marketing Plan but within the territorial jurisdiction of Canada;

- (b) class 2 milk, which consists of the following sub-classes of milk:
  - (i) sub-class 2a milk, which means milk used in the manufacture of all types of yogurts including yogurt beverages, Kefir and Lassi, excluding frozen yogurts;
  - (ii) sub-class 2b milk, which means milk used in the manufacture of all types of ice cream, ice cream mix, whether frozen or not, other frozen dairy products including frozen yogurts, all types of sour cream, all types of milkshake mixes, fudge, puddings, soup mixes, caffeinate and Indian sweets;
- (c) class 3 milk, which consists of the following sub-classes of milk:
  - (i) sub-class 3a milk, which means milk used in the manufacture of all types of cheese other than those identified in sub-class 3b, sub-class 3c and sub-class 3d;
  - (ii) sub-class 3b milk, which means milk used in the manufacture of all types cheddar cheese, stirred curd, cream cheese, creamy cheese bases, cheddar and cheddar-type cheeses which are sold fresh;
  - (iii) sub-class 3c milk, which means milk used in the manufacture of all types of Mozzarella, except those classified as sub-class 3d milk, Asiago, Brick, Canadian Style Munster (Muenster), Colby, Farmer, Feta, Gouda, Havarti, Jack, Monterey Jack, Parmesan and Swiss cheeses;
  - (iv) sub-class 3d which mean milk used in the manufacture of all types of standardized Mozzarella cheeses to be used strictly on fresh pizzas by establishments registered with the Canadian Dairy Commission under the terms and conditions approved by the Canadian Milk Supply Management Committee created under the National Milk Marketing Plan;
- (d) class 4 milk, which consists of the following sub-classes of milk:
  - (i) sub-class 4a milk, which means milk used in the manufacture of the following:

- (A) all types of butter and butteroil;
  - (B) all types of milk powder;
  - (C) concentrated milk used as an ingredient in the food industry;
  - (D) all products not referred to elsewhere in this section;
- (ii) sub-class 4a1 milk, which means milk components used pursuant to an authorization by Alberta Milk for the manufacture of rennet casein (dry or curd), milk protein concentrate (dry or liquid) or skim milk (dry or liquid) to be used in the manufacture of non-standardized final products in the processed cheese category or in weight or muscle gain formulations, meal replacement products, medical and sports recovery beverages and infant food formulations destined for retail sale;
  - (iii) sub-class 4b milk, which means milk used in the manufacture of concentrated milk for retail sale whether sweetened or not;
  - (iv) sub-class 4c milk, which means milk used in the manufacture of new industrial products as approved by Alberta Milk for an introductory period;
  - (v) sub-class 4d milk, which means milk involved in inventory and dairy plant losses;
  - (vi) sub-class 4m milk, which means milk components for marginal markets as established from time to time by the Canadian Milk Supply Management Committee under the National Milk Marketing Plan;
- (e) class 5 milk, which consists of the following sub-classes of milk:
    - (i) sub-class 5a milk, which means milk used pursuant to an authorization by Alberta Milk in the manufacture of cheese used as an ingredient for further processing for the domestic and export market;
    - (ii) sub-class 5b milk, which means milk used pursuant to an authorization by Alberta Milk in the manufacture of other dairy products used as ingredients for further processing for the domestic and export market;

- (iii) sub-class 5c milk, which means milk used pursuant to an authorization by Alberta Milk in the manufacture of dairy products used as ingredients for the confectionery sector destined for domestic and export market;
- (iv) sub-class 5d milk, which means milk used pursuant to an authorization by Alberta Milk in the manufacture of planned exports and other exports approved by the Canadian Milk Supply Management Committee, the total of which shall not exceed Canada's World Trade Organization commitments.

(3) In this section, "inventory and dairy plant losses" means milk receiving and processing losses as confirmed by audit, including extraordinary losses such as transportation or shipping accidents, spillage prior to processing, processing losses in the production of finished products, class 1 returns and unaccounted milk losses at the dairy plant up to 2% of milk delivered to the dairy plant.

(4) Losses in excess of the losses classified as sub-class 4d milk must be prorated to each class and sub-class of milk processed in the dairy plant.

AR 151/2002 s27;58/2003;152/2005;125/2008;124/2013

### **Class prices**

**28(1)** Subject to this section, a processor must make payment for all milk delivered to the processor on behalf of producers at not less than the prices set out in the directives and administrative orders of Alberta Milk.

(2) Repealed AR 125/2008 s19.

(3) Alberta Milk may set the conversion rates for the purpose of determining the volume of class 1 milk used to process class 1 dairy products.

(4) Alberta Milk may, by directives or administrative orders, set a minimum price for excess milk

- (a) on its own initiative, or
- (b) if requested in writing by an organization of processors or 5% of the producers.

(5) Subject to any agreement entered into pursuant to the *Alberta Milk Negotiation and Arbitration Regulation*, Alberta Milk may set prices for the components of milk.

(6) The price for excess milk is the price set out in a directive or administrative order of Alberta Milk.

(7) Alberta Milk must announce prior to the effective date the minimum price for sub-class 1a milk and excess milk set in accordance with the *Alberta Milk Plan Regulation* and this Regulation.

(8) Repealed AR 58/2003 s6.

AR 151/2002 s28;58/2003;254/2007;125/2008

### Pooling

**29(1)** Alberta Milk may operate one or more producer payment pools for the purpose of sharing milk revenue derived from the sale of sub-class 1a milk and excess milk in Alberta by producers to processors, and may make directives and administrative orders respecting pricing and payment mechanisms for the purposes of the pools.

(2) If milk is rejected pursuant to the *Dairy Industry Act*, Alberta Milk must use money collected for grade price adjustments under this Regulation to

- (a) pay producers directly on behalf of processors or pay processors who in turn must pay producers whose milk yielded a negative inhibitor test result, and
- (b) pay milk transportation compensation claims in accordance with directives and administrative orders of Alberta Milk for shipments of milk rejected at a dairy plant.

(3) Any money remaining under subsection (2) after making payments under subsection (2)(a) and (b) must be paid on a monthly basis to a producer payment pool operated under this section.

(4) If in a month payments under subsection (2)(a) and (b) are greater than the money collected that month for grade and price adjustments, the payments must be made first from that money and the balance of the payments must be made from the producer payment pool operated under this section.

(5) Alberta Milk must publish monthly the results of each producer payment pool showing how payment to producers was determined.

(6) Alberta Milk may, in conjunction with the producer payment pools operated by Alberta Milk under this section

- (a) set out all amounts payable among processors, producers and Alberta Milk under this Regulation and the *Dairy Industry Act*, and
- (b) direct processors to pay the net amounts determined by Alberta Milk to be owing,

and on such setting out and direction the processors, producers and Alberta Milk must pay the net amounts so determined and are relieved from payment of the constituent obligations included in determining the net amounts owing.

(7) Repealed AR 58/2003 s7.

(8) Alberta Milk may deduct an amount from the pool for expenses with respect to the operation of the pool.

(9) Alberta Milk may deduct service charges and levies from producers, including but not restricted to inspection costs, transportation, testing and grading costs and other costs required to ensure the proper operation of the plan.

AR 151/2002 s29;58/2003

#### **Raw milk grades**

**30(1)** In this section,

- (a) “raw milk” does not include farm-separated cream;
- (b) “Schedule 2” means Schedule 2 to the *Dairy Industry Regulation* (AR 139/99).

(2) For the purposes of this section, milk is received when it is transferred from a bulk milk tank to a milk transport vehicle.

(3) Each month Alberta Milk must determine the Bacteria Grade, Somatic Cell Grade and Freezing Point Grade of a producer’s milk that is received by a processor in accordance with this section and section 30.1.

(4) Each month Alberta Milk must determine the Inhibitor Grade of a producer’s milk that is received by a processor in accordance with this section and section 30.2.

(5) To determine the Bacteria Grade, Somatic Cell Grade, Freezing Point Grade and Inhibitor Grade of the producer’s milk Alberta Milk must only use the results of tests carried out by an analyst at an approved laboratory of the following samples of a producer’s raw milk:

- (a) samples taken by a bulk milk grader under section 40 of the *Dairy Industry Regulation* (AR 139/99) on or after

- August 1, 2005 and delivered under subsection (6) of that section;
- (b) samples taken by the Director or an inspector under section 8(2) of the *Dairy Industry Act* on or after August 1, 2005.
- (6) For the purpose of determining the grades of a producer's milk,
- (a) a bacteria infraction has occurred
    - (i) if the average of test results of samples referred to in subsection (5)(a) that were taken in a month and tested for bacteria indicate that the producer's milk does not meet the requirements of Schedule 2 with respect to bacteria, or
    - (ii) each time a test of a sample referred to in subsection (5) indicates that the producer's milk does not meet the requirements of Schedule 2 with respect to total living mesophyllic aerobic bacteria count,
  - (b) a somatic cell infraction has occurred
    - (i) if the average of test results of samples referred to in subsection (5)(a) that were taken in a month and tested for somatic cells indicate that the producer's milk does not meet the requirements of Schedule 2 with respect to somatic cells, or
    - (ii) each time a test of a sample referred to in subsection (5)(b) indicates that the producer's milk does not meet the requirements of Schedule 2 with respect to somatic cells,
  - (c) a freezing point infraction has occurred if
    - (i) there are 2 or more test results in a month of samples referred to in subsection (5)(a) that indicates that the producer's milk does not meet the requirements of Schedule 2 with respect to freezing point, or
    - (ii) each time a test of a sample referred to in subsection (5)(b) indicates that the producer's milk does not meet the requirements of Schedule 2 with respect to freezing point,
- and
- (d) an inhibitor infraction has occurred each time a test of a sample referred to in subsection (5) indicates that the

producer's milk does not meet the requirements of  
Schedule 2 with respect to inhibitors and drug residues.

AR 151/2002 s30;152/2005;125/2008;124/2013

### **Bacteria Grade**

**30.1(1)** The Bacteria Grade of a producer's milk for a particular month is Grade 1 if any of the following apply:

- (a) there is no bacteria infraction that month;
- (b) there is a bacteria infraction that month and there were no other bacteria infractions in the preceding 11 months.

**(2)** The Bacteria Grade of a producer's milk for a particular month is Grade 2 if there is a bacteria infraction during that month and one other bacteria infraction in the preceding 11 months.

**(3)** The Bacteria Grade of a producer's milk for a particular month is Grade 3 if there is a bacteria infraction during that month and 2 other bacteria infractions in the preceding 11 months.

**(4)** The Bacteria Grade of a producer's milk for a particular month is Grade 4 if there is a bacteria infraction during that month and 3 other bacteria infractions in the preceding 11 months.

**(5)** The Bacteria Grade of a producer's milk for a particular month is Grade 5 if there is a bacteria infraction during that month and 4 other bacteria infractions in the preceding 11 months.

**(6)** The Bacteria Grade of a producer's milk for a particular month is Grade 6 if there is a bacteria infraction during that month and 5 other bacteria infractions in the preceding 11 months.

**(7)** The Bacteria Grade of a producer's milk for a particular month is Grade 7 if

- (a) there is a bacteria infraction during that month and 6 other bacteria infractions in the preceding 11 months, or
- (b) there is a bacteria infraction during that month and in the 180 days preceding the bacteria infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(c).

**(8)** The Bacteria Grade of a producer's milk for a particular month is Grade 8 if

- (a) there is a bacteria infraction during that month and 7 other bacteria infractions in the preceding 11 months, or

- (b) there is a bacteria infraction during that month and in the 180 days preceding the bacteria infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(f).

AR 152/2005 s11;125/2008

**Somatic Cell Grade**

**30.11(1)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 1 if any of the following apply:

- (a) there is no somatic cell infraction that month;
- (b) there is a somatic cell infraction that month and there were no other somatic cell infractions in the preceding 11 months.

**(2)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 2 if there is a somatic cell infraction during that month and one other somatic cell infraction in the preceding 11 months.

**(3)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 3 if there is a somatic cell infraction during that month and 2 other somatic cell infractions in the preceding 11 months.

**(4)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 4 if there is a somatic cell infraction during that month and 3 other somatic cell infractions in the preceding 11 months.

**(5)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 5 if there is a somatic cell infraction during that month and 4 other somatic cell infractions in the preceding 11 months.

**(6)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 6 if there is a somatic cell infraction during that month and 5 other somatic cell infractions in the preceding 11 months.

**(7)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 7 if

- (a) there is a somatic cell infraction during that month and 6 other somatic cell infractions in the preceding 11 months, or

- (b) there is a somatic cell infraction during that month and in the 180 days preceding the somatic cell infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(d).

**(8)** The Somatic Cell Grade of a producer's milk for a particular month is Grade 8 if

- (a) there is a somatic cell infraction during that month and 7 other somatic cell infractions in the preceding 11 months, or
- (b) there is a somatic cell infraction during that month and in the 180 days preceding the somatic cell infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(g).

AR 125/2008 s21

#### **Freezing Point Grade**

**30.12(1)** The Freezing Point Grade of a producer's milk for a particular month is Grade 1 if there is no freezing point infraction that month.

**(2)** The Freezing Point Grade of a producer's milk for a particular month is Grade 2 if there is a freezing point infraction during that month and no other freezing point infractions in the preceding 11 months.

**(3)** The Freezing Point Grade of a producer's milk for a particular month is Grade 3 if there is a freezing point infraction during that month and one other freezing point infraction in the preceding 11 months.

**(4)** The Freezing Point Grade of a producer's milk for a particular month is Grade 4 if there is a freezing point infraction during that month and 2 other freezing point infractions in the preceding 11 months.

**(5)** The Freezing Point Grade of a producer's milk for a particular month is Grade 5 if there is a freezing point infraction during that month and 3 other freezing point infractions in the preceding 11 months.

**(6)** The Freezing Point Grade of a producer's milk for a particular month is Grade 6 if there is a freezing point infraction during that month and 4 other freezing point infractions in the preceding 11 months.

- (7) The Freezing Point Grade of a producer's milk for a particular month is Grade 7 if
- (a) there is a freezing point infraction during that month and 5 other freezing point infractions in the preceding 11 months, or
  - (b) there is a freezing point infraction during that month and in the 180 days preceding the freezing point infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(e).
- (8) The Freezing Point Grade of a producer's milk for a particular month is Grade 8 if
- (a) there is a freezing point infraction during that month and 6 other freezing point infractions in the preceding 11 months, or
  - (b) there is a freezing point infraction during that month and in the 180 days preceding the freezing point infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(h).

AR 125/2008 s21

**Inhibitor Grade**

- 30.2(1)** The Inhibitor Grade of a producer's milk for a particular month is Grade 1 if there is no inhibitor infraction during that month.
- (2) The Inhibitor Grade of a producer's milk for a particular month is Grade 2 if there is one inhibitor infraction during that month and no other inhibitor infractions in that month or in the preceding 11 months.
- (3) The Inhibitor Grade of a producer's milk for a particular month is Grade 3 if there is an inhibitor infraction during that month and one other inhibitor infraction in that month or in the preceding 11 months.
- (4) The Inhibitor Grade of a producer's milk for a particular month is Grade 4 if there is an inhibitor infraction during that month and 2 other inhibitor infractions in that month or in the preceding 11 months.
- (5) The Inhibitor Grade of a producer's milk for a particular month is Grade 5 if there is an inhibitor infraction during that month and 3

other inhibitor infractions in that month or in the preceding 11 months.

**(6)** Notwithstanding subsections (1) to (5), the Inhibitor Grade of a producer's milk for a particular month is Grade 6 if there is an inhibitor infraction during that month and

- (a) there were 4 other inhibitor infractions in that month or in the preceding 11 months, or
- (b) in the 180 days preceding the first inhibitor infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(a).

**(7)** Notwithstanding subsections (1) to (6), the Inhibitor Grade of a producer's milk for a particular month is Grade 7 if there is an inhibitor infraction during that month and

- (a) there were 5 or more other inhibitor infractions that month or in the preceding 11 months, or
- (b) in the 180 days preceding the first inhibitor infraction that occurred during that month the producer's licence was reinstated under section 7.1 after being suspended under section 7(2.1)(b).

AR 152/2005 s11;125/2008

#### **Waiving of infraction**

**30.3** Notwithstanding sections 30, 30.1, 30.11, 30.12 and 30.2, Alberta Milk may waive the test results of a bacteria, somatic cell, freezing point or inhibitor test if Alberta Milk is satisfied that the test results are not representative of the producer's milk, considering any factors Alberta Milk reasonably considers relevant, including the following:

- (a) public interest in good quality milk supply;
- (b) reasonable requirements of manufacturers and processors;
- (c) effects of the contravention on other milk producers;
- (d) any special circumstances of the contravention or the producer;
- (e) any measures taken by the producer to prevent further contraventions.

AR 125/2008 s23

**Price adjustment**

**31(1)** Subject to subsections (2) and (4), Alberta Milk must reduce the price payable to a producer for regulated product for the month in which an infraction described in section 30 occurs by the amount set out for the Bacteria Grade, Somatic Cell Grade and Freezing Point Grade of the producer's milk in clauses (a) to (o) and by the amount set out for the Inhibitor Grade of the producer's milk in clauses (p) to (s) as follows:

- (a) Bacteria Grade 1: 0% off of the producer's gross producer returns;
- (b) Somatic Cell Grade 1: 0% off of the producer's gross producer returns;
- (c) Freezing Point Grade 1: 0% off of the producer's gross producer returns;
- (d) Bacteria Grade 2: 2% off the gross producer returns;
- (e) Somatic Cell Grade 2: 2% off the gross producer returns;
- (f) Freezing Point Grade 2: 2% off the gross producer returns;
- (g) Bacteria Grade 3: 4% off the gross producer returns;
- (h) Somatic Cell Grade 3: 4% off the gross producer returns;
- (i) Freezing Point Grade 3: 4% off the gross producer returns;
- (j) Bacteria Grade 4: 8% off the gross producer returns;
- (k) Somatic Cell Grade 4: 8% off the gross producer returns;
- (l) Freezing Point Grade 4: 8% off the gross producer returns;
- (m) Bacteria Grades 5 to 8: 15% off the gross producer returns;
- (n) Somatic Cell Grades 5 to 8: 15% off the gross producer returns;
- (o) Freezing Point Grades 5 to 8: 15% off the gross producer returns;
- (p) Inhibitor Grade 1: 0% off the gross producer returns;
- (q) Inhibitor Grade 2: 5% off the gross producer returns;

- (r) Inhibitor Grade 3: 10% off the gross producer returns;
- (s) Inhibitor Grades 4 to 7: 15% off the gross producer returns.

(2) The maximum total reduction that may be made under subsection (1) for a month is 15%.

(2.01) Subject to subsection (2), the maximum total reduction that may be made for any month is the sum of all of the deductions for Bacteria Grade, Somatic Cell Grade, Freezing Point Grade and Inhibitor Grade.

(2.1) In addition to the price reductions under subsection (1)(f) to (i) and the maximum total reduction under subsection (2), Alberta Milk may deduct from the price payable to a producer for regulated product in a month \$3000 for each inhibitor infraction that occurs during the month.

(3) If a producer is subject to a price reduction under subsection (1) or a deduction under subsection (2.1), Alberta Milk must deduct the appropriate amounts from the gross producer returns and pay the amount deducted to the pool on or before the 15th day after the end of the month in which the infraction occurred.

(4) Alberta Milk may waive or reduce a price reduction under subsection (1) if it is satisfied that it is appropriate to do so, considering any factors Alberta Milk reasonably considers relevant, including the following:

- (a) public interest in a good quality milk supply;
- (b) reasonable requirements of manufacturers and processors;
- (c) effects of the contravention on other milk producers;
- (d) any special circumstances of the contravention or the producer;
- (e) any measures taken or promised by the producer to prevent further contraventions.

AR 151/2002 s31;58/2003;152/2005;164/2007;  
125/2008

#### **Inhibitors, drug residue ramifications**

**32(1)** A processor that uses any shipment of milk from a producer that is found, when tested in accordance with the *Dairy Industry Regulation* (AR 139/99), to contain an inhibitor or a drug residue must pay to Alberta Milk the gross producer return in respect of that shipment that is withheld from the producer on or before the

15th day after the end of the month in which the shipment was delivered.

(2) If a shipment of milk is rejected by a processor because of a positive inhibitor or drug residue test conducted in accordance with the *Dairy Industry Regulation* (AR 139/99) on a sample taken from the shipment at the dairy plant, Alberta Milk, on behalf of the processor, may ensure that the gross producer returns of the producers whose milk in the shipment yielded negative drug residue tests are not adjusted because of the positive inhibitor or drug residue test results for the shipment.

(3) Notwithstanding subsection (2), if none of the producer samples in a shipment of milk rejected under subsection (2) test positive in an inhibitor or drug residue test conducted in accordance with the *Dairy Industry Regulation* (AR 139/99), the processor is liable to pay producers for the milk.

(4) If a processor rejects milk for the presence of inhibitors or drug residues and the presence of inhibitors or drug residues is confirmed by a test in an approved laboratory, the processor is not liable to pay the producers for the milk and the producers whose milk that forms part of the rejected milk and did not test positive for inhibitors or drug residues must be paid for that milk pursuant to section 29(2).

(5) A processor shall not pay a producer in respect of milk that does not meet the requirements of Schedule 2 of the *Dairy Industry Regulation* (AR 139/99) with respect to inhibitors and drug residues.

### **Division 3 Reports, Payments**

#### **Information to be provided**

**33(1)** A producer or processor must provide information that Alberta Milk requires for the purposes of this Regulation in the form and at the times required by Alberta Milk.

(2) Alberta Milk must, on or before the 13th day of each month, notify each processor with respect to regulated product delivered in the previous month of

- (a) the prices for milk and excess milk,
- (b) the amount of milk in each class, and
- (c) the totals of the amounts computed under section 37.

AR 151/2002 s33;58/2003

**Monthly report**

**34(1)** A processor must, on or before the 8th day of each month furnish Alberta Milk with a report of the following for the preceding month in a form satisfactory to Alberta Milk:

- (a) the total regulated product;
- (b) the source of the milk;
- (c) the volume used in each class of milk;
- (d) the kilograms of components in each class of milk;
- (e) the volume of any rejected regulated product;
- (f) the amount and package size of each milk product;
- (g) the production of special classes of milk.
- (h) repealed AR 58/2003 s10.

**(2)** The report must be accompanied by an itemized invoice for any costs incurred by the processor in respect of matters referred to in section 25 for the preceding month.

AR 151/2002 s34;58/2003

**Payment to producers**

**35(1)** Subject to subsection (2) and any deductions or adjustments permitted by this Regulation, a processor or Alberta Milk on behalf of processors, must make payment for all milk delivered to them from a producer at not less than the prices set out in the directives and administrative orders of Alberta Milk.

**(2)** Repealed AR 58/2003 s11.

**(3)** Despite subsection (1), if Alberta Milk accepts money for payment to producers on behalf of processors, processors must pay Alberta Milk the full amount for milk delivered to them, without any deductions.

**(4)** When a payment is made by a processor to Alberta Milk pursuant to subsection (3) Alberta Milk assumes the liability to pay to the producers on behalf of the processor the money it received, subject to the pooling, deductions and adjustments provided for by this Regulation.

AR 151/2002 s35;285/2002;58/2003;254/2007;125/2008

**Payments**

**36(1)** In managing the pool Alberta Milk may, on behalf of processors, pay each producer directed to deliver milk to a

processor for milk delivered based on the amount of each class of milk delivered and the price in accordance with section 28.

(2) In managing the pool Alberta Milk may, on behalf of processors, pay each producer for milk delivered the same price for the milk calculated on the same basis.

(3) Subject to subsection (7), in managing the pool Alberta Milk may, on behalf of processors, make an interim or advance payment of at least 50% of the payment under subsection (1) on or before the first day after the end of each month to a producer for milk delivered to a dairy plant from the producer during the previous month.

(4) Subject to subsection (7), if Alberta Milk is paying producers on behalf of processors, a processor must make payment to Alberta Milk for pooling purposes

- (a) for the first 15 days of milk receipts 4 banking days before the beginning of each month, and
- (b) for a final payment on or before the 15th of the month following receipt of milk.

(5) Subject to subsection (7), Alberta Milk may, by directive or administrative order, require a processor to provide security satisfactory to Alberta Milk.

(6) Alberta Milk is authorized to take legal action to collect money owing to producers for regulated product.

(7) Subsections (3), (4) and (5) are subject to any agreement entered into pursuant to the *Alberta Milk Negotiation and Arbitration Regulation*.

(8) Any money accepted by Alberta Milk from processors for payment to producers on behalf of processors pursuant to subsection (4) must be paid to producers, subject to the pooling, deductions and adjustments provided for by this Regulation.

AR 151/2002 s36;285/2002

#### **Processor payment adjustment**

**37** Subject to any agreement entered into pursuant to the *Alberta Milk Negotiation and Arbitration Regulation*, if a processor is required by Alberta Milk to pay a producer more or less than the total price obtained by the processor for the milk marketed by the processor, as calculated pursuant to directives and administrative orders referred to in section 35,

- (a) on or before the 15th day after the end of the month during which the milk was received within the meaning of section 30(2), that processor must pay to Alberta Milk the amount by which the price obtained for the milk marketed by the licensee is greater than the amount that the processor must pay to producers pursuant to sections 28 and 35, and
- (b) on or before the 17th day after the end of the month during which the milk was received within the meaning of section 30(2), Alberta Milk must pay to every processor the amount by which the price obtained for the milk marketed by the licensee is less than the amount that the processor must pay to a producer pursuant to sections 28 and 35.

#### **Payment statement**

**38** A producer's payment statement must include the following:

- (a) the name of the producer and the producer's Canadian Dairy Commission registration number;
- (b) the statement period covered;
- (c) the number of days in the statement period;
- (d) the date of receipt of deliveries;
- (e) the hectolitres in each delivery;
- (f) the total volume and milk components of milk delivered;
- (g) the milk fat, protein and other solids test results;
- (h) the price for milk used for each producer payment pool established by Alberta Milk under this Regulation;
- (i) details of all advances and adjustments;
- (j) deductions under section 29(9).

#### **Adjustments**

**39** If in the process of verification of receipts or payments of a processor Alberta Milk discovers any error resulting in money due

- (a) to Alberta Milk from a processor,
- (b) to a processor from Alberta Milk, or
- (c) to a producer from a processor,

Alberta Milk must promptly notify the processor of any amount due, and payment must be made on or before the next due date for making a payment into or out of the pool under section 29 as determined pursuant to section 37.

#### **Division 4 Variation in Authorized Marketing**

**40 and 41** Repealed AR 152/2005 s13.

#### **Division 5 Prohibitions**

##### **Purchasing below minimum price**

**42(1)** A processor shall not purchase regulated product for an amount that is less than the minimum price that is established by Alberta Milk.

**(2)** Repealed AR 58/2003 s14.

AR 151/2002 s42;58/2003;254/2007;125/2008

##### **Processed milk prohibition**

**43** A person shall not market any dairy product or agricultural product unless it falls within a class or sub-class described in section 27.

AR 151/2002 s43;58/2003

##### **Processed milk marketing prohibition**

**43.1(1)** A processor shall not market a dairy product set out in column 1 of the table in the Schedule if it does not meet the content requirements set out in column 2 of the table for that product.

**(2)** A processor shall not market a dairy product that is not set out in column 1 of the table in the Schedule if the milk fat and milk solids-not-fat content of the product is not as described on the container in which the product is being marketed by the processor.

AR 152/2005 s14

##### **Substance removal prohibition**

**44** During or after the production or manufacture of fluid milk, no person shall, without the prior approval of Alberta Milk, directly or indirectly or through another person, remove any substance from fluid milk, except milk fat or water.

AR 151/2002 s44;125/2008

**Condition prohibition**

**45** A processor shall not demand, accept or offer or agree to accept from any producer any property, money or security as consideration for or as a condition of the purchase or agreement to purchase by the processor of any regulated product of or from the producer.

**Licence required to market**

**46** Subject to the *Alberta Milk Plan Regulation*, no person shall market

- (a) regulated product produced in Alberta unless it is produced under a producer licence, or
- (b) a dairy product processed in Alberta unless it is processed under a processor licence.

**Licence required**

**47(1)** No person shall produce regulated product unless the person holds a producer licence.

**(2)** No person shall process regulated product or agricultural product unless the person holds a processor licence.

### **Part 3**

## **Expiry and Coming into Force**

**Expiry**

**48** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on February 28, 2019.

AR 151/2002 s48;29/2008;125/2008;124/2013

**Coming into force**

**49** This Regulation comes into force on the coming into force of the *Dairy Industry Omnibus Act, 2002*.

**Schedule**

<b>Regulated Product</b>	<b>Requirements</b>
<b>sub-class 1a</b> (a) chocolate milk	fluid milk that contains not less than 3.25% and not more than 3.60% milk fat, and not

	less than 8.25% milk solids-not-fat, to which a chocolate flavour has been added
(b) chocolate partly skimmed 1% milk	fluid milk that contains not less than 1.00% and not more than 1.50% milk fat and not less than 8.25% milk solids-not-fat, to which a chocolate flavour has been added
(c) chocolate partly skimmed 2% milk	fluid milk that contains not less than 2.00% and not more than 2.50% milk fat and not less than 8.25% milk solids-not-fat, to which a chocolate flavour has been added
(d) flavoured milk	standard milk, partly skimmed 2% milk, partly skimmed 1% milk or skim milk to which a flavour has been added
(e) partly skimmed milk	fluid milk that contains less than 3.25% milk fat and not less than 8.25% solids-not-fat
(f) 1% partly skimmed milk	fluid milk that contains not less than 1.00% and not more than 1.50% milk fat and not less than 8.25% milk solids-not-fat
(g) 2% partly skimmed milk	fluid milk that contains not less than 2.00% and not more than 2.50% milk fat and not less than 8.25% milk solids-not-fat
(h) skim milk	fluid milk that contains not more than 0.10% milk fat and not less than 8.50% milk solids-not-fat
(i) standard milk	fluid milk that contains not less than 3.25% milk fat and not more than 3.60% milk fat and not less than 8.25% milk solids-not-fat
(j) buttermilk	fluid milk that contains not less than 8.25% milk solids-not-fat and to which lactic acid producing bacteria or similar culture has been added
(k) eggnog	fluid milk to which has been added flavouring ingredients and sweeteners plus emulsifiers or stabilizers
<b>sub-class 1(b)(i)</b>	
(l) cream	fluid milk, whether flavoured or not, that contains not less than 5.00% milk fat
(m) 6% cream	fluid milk that contains not less than 6.00%

- milk fat
- (n) 10% cream fluid milk that contains not less than 10.00% milk fat and not more than 10.50% milk fat
- (o) 18% cream fluid milk that contains not less than 18.00% milk fat
- (p) whipping cream fluid milk that contains not less than 32.00% milk fat
- (q) heavy cream fluid milk that contains not less than 40.00% milk fat and that may have sugar added

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