September 8, 2015

To: All Milk Processors Receiving Milk from DFO

Milk Utilization Verification and Record Keeping Requirements

We are writing to update and remind all Ontario dairy processors receiving milk from Dairy Farmers of Ontario (DFO) about your obligations pertaining to milk utilization declaration and record keeping requirements. As you are aware, DFO and Ontario Dairy Council (ODC) jointly administer the milk utilization verification program in Ontario. Attached is a copy of the Milk Utilization Audit Standards (MUAS) that applies to all processors receiving milk from DFO. These are the minimum acceptable standards. All plant and administrative staff responsible for milk utilization declarations and for preparing and maintaining production, sales records and other required information must comply with these requirements.

The authority to inspect books and records and other related milk utilization documents rests with DFO, as prescribed in the Milk Act. We take this opportunity to remind all processors engaged in producing or marketing that, when requested, you are required to produce such books, records and documents and permit inspection of processing premises. Therefore, it is every plant’s obligation to make available “books, records, documents and permit inspection and supply extracts” so as to permit authorized inspectors to properly determine the use of all milk at a plant as necessary.

In this regard, I wish to draw your attention to section 4.5 and Appendix C and D of the MUAS that specifies the supporting documentation requirements for audit purposes at fluid and industrial plants. All milk utilization declarations must be substantiated with proper and original records, such as original vat or floor records in industrial plants. Computer entries without original records are not sufficient.

It is equally important to note that failure to provide such proper books and records is a failure to report milk utilization declarations and, in accordance with the Milk Act and DFO Regulations, will result in the deeming of such milk utilization to Class 1 (a) for fluid processors and to the highest class utilized in the prior month for industrial processors, without exception.

Yours truly,

Patrick Hop Hing
Director,
Corporate Services