DEFINITIONS

1. In this Regulation,

(a) "acceptable ratio" means the ratio of solids-not-fat (SNF) to milk-fat that producers cannot exceed in order to receive payment for SNF within-quota production;

(b) “Assurance Program” means the Canadian Quality Milk Program or proAction Program, whichever is applicable;

(c) “Assurance Program requirements” means the requirements prescribed in the Canadian Quality Milk Program or proAction Program manual(s), whichever is applicable;

(d) “validator” means a fieldperson appointed by the Board under the Milk Act and who has been approved by the Director of Regulatory Compliance to assess compliance with the Assurance Program;

(e) “Board” means the DFO Board, as defined by the Milk Act;

(f) “CQM Program” means Canadian Quality Milk Program;

(g) “DFO” means the marketing board known as Dairy Farmers of Ontario;

(h) “foreign substance” means something not normally found in milk, including blood, making the milk unacceptable for marketing;

(i) “fluid milk plant” means a plant processing fluid milk products or on whose behalf fluid milk products are processed, and includes plants engaged in the processing of concentrated liquid milk, concentrated liquid chocolate milk, concentrated liquid partly-skimmed milk or concentrated liquid skim-milk;

(j) “industrial milk plant” means a cheese factory, concentrated milk plant, creamery or milk receiving station;

(k) “milk” means milk from cows;

(l) “other milk solids” means the total solids of milk less milk-fat content and milk-protein content;

(m) “proAction” means the Assurance Program which includes requirements for food safety (CQM Program), animal care, livestock traceability, biosecurity, and environmental sustainability;

(n) “processor” means the operator of a fluid milk plant or an industrial milk plant;

(o) “producer” means a producer of milk;
“quota” means a quota in litres of milk or kilograms of butterfat fixed and allotted to a producer by DFO for the sale of milk to DFO;

“self-declaration” means an attestation by a producer of compliance with the Assurance Program requirements;

“self-declaration audit” means an on-farm assessment by a validator to verify a self-declaration;

"solids-not-fat (SNF)" means the total solids of milk less milk-fat content;

“transporter” means a person appointed by DFO as its agent for the transportation of milk, but does not include a person whose appointment as a transporter is terminated; and

“validation” means an on-farm assessment by a validator to determine compliance with the Assurance Program requirements.

APPLICATION OF REGULATION

2. (1) This Regulation provides for the control and regulation in any or all respects of,

(a) the producing and marketing within Ontario of milk, including the prohibition of that producing or marketing in whole or in part, and

(b) the quality of milk within Ontario.

(2) Subject to subsections (3) and (4), this Regulation does not apply to milk as described in section 5(1)(a)(i) (colostrum) exempted by section 1.1(1)(a) (colostrum sold or offered for sale for non-food use) of Regulation 761 or to producers in respect of the marketing of such milk.

(3) No person shall commence or continue to engage in the marketing of colostrum milk without filing with DFO and complying with an undertaking containing terms and conditions for the marketing of such milk satisfactory to DFO.

(4) Producers involved in the marketing of colostrum milk for non-food use must be licenced and have a quota fixed and allotted by DFO.

PRODUCERS

PURCHASE AND SALE OF MILK

3. (1) Every producer shall offer to sell and sell the milk produced by the producer to DFO.

(2) No producer shall offer to sell or sell the milk produced by the producer to any person other than DFO.
(3) No person other than DFO shall buy milk from a producer.

(4) No person shall market any milk except by, from and through DFO.

**LICENCES**

4. (1) No person shall commence or continue to engage in the producing or marketing of milk except under the authority of a licence to produce or market milk in Form 1 and except in compliance with the terms and conditions of the licence.

(2) A licence in Form 1 is not transferable, except in accordance with the terms and conditions set out in DFO’s Quota Policy.

(3) It is a term and condition of each licence to engage in the producing or marketing of milk that:

(i) subject to subsection (1) and (4), a licence in Form 1 remains in effect so long as the producer continues to produce or market milk after which it is cancelled;

(ii) the farm of the applicant or licensee meets Grade A premises and quality requirements of Regulation 761 and conforms to DFO’s Farm Yard and Lanes Policy;

(iii) the producing or marketing of milk occur from Grade A premises at the milkhouse location specified in Form 1;

(iv) the producer meets Assurance Program requirements;

(v) the producer meets the DFO requirements of providing and maintaining a provincially issued Premises Identification Number; and

(vi) the producer meet the requirements of the *Code of Practice for the Care and Handling of Dairy Cattle*.

(4) DFO may refuse to grant or renew or may suspend or revoke a licence to engage in the producing or marketing of milk,

(i) where the applicant or licensee is not qualified by experience, financial responsibility or equipment to properly engage in the business for which the application was made or the licence granted; or

(ii) where the applicant or licensee has failed to comply with or has contravened the Act, the regulations, the plan or any order or direction of DFO or any term or condition of the licence.
**PRODUCER LICENCE FEES**

5. Every producer shall pay licence fees as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation, for each hectolitre, or fraction thereof of all milk marketed by the producer.

**PRODUCER LEVIES**

6. (1) Every producer shall pay levies to DFO as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation, for each hectolitre of milk marketed by the producer.

(2) DFO shall pay the levies collected under subsection (1) to the Ontario Dairy Herd Improvement Corporation for the purpose of stimulating, increasing and improving the producing of milk.

**QUOTAS**

7. (1) DFO requires that milk be marketed on a quota basis.

(2) No person to whom a quota has not been fixed and allotted for the marketing of milk or whose quota has been cancelled shall market any milk.

(3) No person to whom a quota has been fixed and allotted for the marketing of milk shall market any milk in excess of the quota except in accordance with DFO’s Quota Policy.

(4) No person to whom a quota has been fixed and allotted for the marketing of milk shall be paid for solids-non-fat (SNF) within-quota production that is in excess of the acceptable ratio of SNF to milk-fat, except in accordance with DFO’s Quota Policy.

**TRANSPORTATION**

8. (1) All milk shall be transported by persons appointed by DFO as its agents for that purpose.

(2) No person shall transport milk other than a person appointed by DFO as its agent for that purpose.

**POOLS**

9. (1) DFO shall conduct a pool or pools for the distribution of all money received from the sale of the milk of producers.

(2) DFO, after deducting all necessary and proper disbursements and expenses, shall distribute the remainder of the money received from the sale of milk in a pool in such manner that every producer in the pool receives a share of the remainder of the money received from the sale in relation to the amount, content and grade of
the milk supplied by the producer and the amount and type of quota for the marketing of milk held by the producer and the sales by DFO of the classes of milk.

**INHIBITOR AND FOREIGN SUBSTANCE DAMAGE CLAIMS**

10. It is a term and condition of each agreement for the sale of milk by a producer that,

   (1) a producer whose milk is found to contain an inhibitor and/or a foreign substance pursuant to Regulation 761 shall, in respect of such milk, and in addition to any penalties imposed by the Director under the Regulations,

   (a) be liable to DFO for all damages and costs incurred by it in respect thereto, including but not limited to the value of other milk contaminated based on the average price per hectolitre for all milk from the previous payment period and all disposal and additional transportation costs incurred by DFO,

   (b) pay the amount of the claim as invoiced by DFO within 90 days of receipt thereof, failing which DFO may deduct same from milk and/or quota proceeds due to that producer, or take other action as necessary to collect the amount owing.

   (2) where a claim involves more than one producer with contaminated milk, liability for damages and costs will be apportioned by DFO on the relative percentage of milk from each such producer in the contaminated quantity of milk.

**RAW MILK QUALITY SERVICE CHARGES**

11. (1) Every producer with two farm bulk tanks in a milk house, except those producers who are shipping greater than 20,000 litres of milk per day, shall pay DFO a monthly service charge as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation.

   (2) Every producer whose farm fails to meet Grade A standards on an initial inspection and one follow-up inspection, shall pay DFO a service charge as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation for each inspection that is required thereafter until the farm meets Grade A standards.

   (3) Every producer whose farm milk and/or water fails to meet acceptable test results required for reinstatement following a milk quality shut-off, as set out in Ontario Regulation 761 and DFO’s Quota Policy, shall pay DFO a service charge as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation for each additional sampling until acceptable milk and/or water test results are obtained for the farm to be reinstated.

   (4) Every producer who requires more than two validation visits to meet Assurance Program requirements, shall pay DFO a service charge, as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation, for the third and each additional visit required thereafter, until validation occurs.
Every producer who does not have an Assurance Program self-declaration form approved by the end of the month following the month during which the form is due, as provided in the notice from DFO, shall pay DFO a service charge as prescribed in DFO’s Fees, Charges, Levies and Penalties Regulation for the first and each reminder notice sent thereafter, until the self-declaration form is received.

FINANCIAL PENALTIES

11.1. (1) Every producer who does not meet Assurance Program requirements may be subject to financial penalties as prescribed in this Regulation and in DFO’s Fees, Charges, Levies and Penalties Regulation.

(2) No financial penalty pertaining to the Assurance Program will be assessed by DFO unless the Board has first conducted a hearing into the matter, or the producer affected has waived the requirement of a hearing.

(3) No financial penalty pertaining to the Assurance Program assessed by DFO will exceed 10 per cent of the price payable to the producer for milk marketed by the producer during a rolling 12-month period.

PROCESSORS

PURCHASE AND SALE OF MILK

12. (1) All milk shall be sold by DFO and purchased by the processor from DFO in accordance with an agreement in Form 2 and in accordance with DFO’s applicable Pricing Regulation.

(2) Every agreement in Form 2 attached is deemed to include all the terms and conditions prescribed in this Regulation.

(3) The terms and conditions of the DFO Credit Program attached as Schedule A are hereby prescribed as additional terms and conditions for the purposes of subsection (2).

13. (1) Subject to subsection (2),

(a) no processor shall buy milk from any person other than DFO;

(b) no person other than DFO shall sell milk to a processor; and

(c) no processor shall sell the milk produced by a producer.

(2) A processor upon application and with the approval of DFO, may sell milk to or buy milk from another processor.

14. No processor shall process, pack or package any milk that has not been sold by DFO.
15. (1) Every person shall pay to DFO the price or prices for all milk sold to the person by DFO in accordance with DFO’s applicable Pricing Regulation.

(2) DFO may recover from any person by suit in a court of competent jurisdiction any price or prices for milk payable to DFO.

**SUPPLY OF MILK**

16. (1) Subject to section 20, a processor while in compliance with the regulations and policies of DFO shall have assigned to it by DFO a sufficient supply of milk to meet the processor’s requirements.

(2) Except as otherwise provided in this Regulation, every processor shall receive all milk assigned to the processor by DFO.

**REJECTED MILK**

17. If a tank-truck load of milk supplied to a processor is rejected by a milk grader at a plant under Regulation 761, Revised Regulations of Ontario, 1990,

(a) the processor shall notify DFO forthwith;

(b) DFO and the processor may agree that the processor can utilize the milk-fat content, milk-protein content and other milk solids content in the load and, failing such agreement DFO shall have the rejected milk removed from the premises of the processor at no cost to the processor;

(c) where an agreement is made under subsection (b), the processor shall pay DFO for the rejected milk at the price determined by DFO for Class 4(d) milk;

(d) the processor shall notify DFO of the salvage value, if any, of each of the milk-fat content, milk-protein content and other milk solids content in the load; and

(e) DFO shall credit the processor with the difference between the price paid by the processor to DFO under subsection (c) and the salvage value of the milk-fat, milk-protein and other milk solids content of the milk referred to in subsection (d).

**INSUFFICIENT SUPPLY OF MILK**

18. (1) Where the supply of milk assigned to a processor by DFO is not sufficient for the processor’s requirements, the processor may notify DFO respecting the amount of additional milk required.

(2) On receipt of a notice under subsection (1),

(a) where milk is readily available; and

(b) where the notice is received not less than thirty-six hours preceding the time the milk is required;
DFO shall supply to the processor the amount of additional milk required.

(3) DFO shall not assign or supply additional milk to a processor under subsection (2) unless the processor is utilizing all the milk supplied each week by DFO.

**EXCESS SUPPLY OF MILK**

19. (1) Where the supply of milk assigned to a processor by DFO is in excess of the processor’s normal requirements, the processor may notify DFO respecting the amount of excess milk not required.

(2) On receipt of a notice under subsection (1),

(a) where another processor will take the excess supply; and

(b) where the notice is received not less than thirty-six hours preceding the time the milk is not required;

DFO shall re-assign the supply of milk in excess of the processor’s normal requirements to another processor.

**DIVERSION OF MILK**

20. (1) Despite sections 18 and 19 and subject to subsection (2), DFO may divert milk assigned to a processor.

(2) Where milk is to be diverted under subsection (1) for a period in excess of twenty-four hours, DFO shall give notice to the processor not less than twenty-four hours before the diversion takes effect.

**CEASING TO SUPPLY MILK**

21. (1) DFO shall cease to supply milk to a processor situated in Ontario which is not the holder of a licence under Regulation 761 of Revised Regulations of Ontario, 1990.

(2) DFO may cease to supply milk to a processor which,

(a) fails to comply with terms and conditions of the DFO Credit Program,

(b) fails to pay DFO at the times and in the manner prescribed by section 26 the amounts payable for milk supplied to the processor,

(c) fails to forward to DFO the copy of the milk collection report or the copy of the milk collection summary referred to and in the manner prescribed by section 23, or

(d) fails to declare the milk utilization referred to in section 24(1)(a) or to submit the said milk utilization to DFO at the times and in the manner prescribed by section 24(1)(b).
DELIVERY OF MILK

22. (1) Milk shall be delivered to a processor on the days and at the time agreed upon by DFO and the processor.

(2) Every processor shall,

(a) provide space and facilities for the unloading of milk in accordance with Regulation 761 of Revised Regulations of Ontario, 1990;

(b) unload the milk within two hours of the time of arrival at the plant where the arrival is at a time agreed upon under subsection (1), or notify DFO immediately;

(c) acknowledge receipt of the milk by signing the milk collection report made and signed by the operator; and

(d) make and forward to DFO a milk collection summary in the manner prescribed by DFO.

(3) Copies of the milk collection report signed by the tank-truck operator and the processor as referenced in subsection (2)(c) shall be made available to the processor and the transporter through the DFO website.

REPORTS

23. A processor who receives milk on any day shall, on the next following day that is not a Saturday or a holiday, unless DFO and the processor agree that it be done less frequently, forward to DFO by courier, fax or electronic transmission, one copy of the milk collection report referred to in section 22(2)(c) and one copy of the milk collection summary referred to in section 22(2)(d).

24. (1) Every processor shall, in respect of each month,

(a) complete a milk utilization report through the Milk Utilization Verification (MUV) system; and

(b) submit to DFO such milk utilization declarations through the MUV system, by the seventh day of the next following month or the next business day when the seventh falls on a holiday or weekend.

(2) Subject to subsection (3), where a processor fails to comply with subsection (1) in respect of any month,

(a) all milk supplied to the processor in the month shall be deemed to have been utilized by the processor as Class 1(a) for fluid milk processors or the highest class utilized in the prior month for industrial milk processors; and

(b) the processor shall pay DFO for the milk at the price referred to under subsection (2)(a).
Upon receipt of the milk utilization declaration mentioned in subsection (1), DFO shall adjust the amount determined under subsection (2)(b) in a subsequent month in accordance with the utilization of the milk as declared.

PERSONNEL

25. For the purposes of dealing with issues such as excess supply of milk, diversion of milk or rejected milk, DFO shall have personnel available on Monday to Friday, both inclusive, and a statutory holiday from 9 a.m. until 5 p.m.; and on Saturday and Sunday as required, on call.

PAYMENT FOR MILK

26. DFO shall in respect of each month,
   (a) prepare a statement of the milk supplied to the processor in the month that determines the amount that the processor shall pay to DFO, for milk supplied to the processor in the month;
   (b) prepare a statement setting out,
       (i) a list of all truck loads of milk received by the processor in the month;
       (ii) the volume of milk in each truck load; and
       (iii) the milk-fat content, milk-protein content and other milk solids content of the milk in each truck load.
   (c) send such statements to the processor, by prepaid first class mail, courier or electronic transmission not later than the tenth day of the next following month or the next business day when the tenth falls on a holiday or weekend.

27. (1) Every processor shall pay, through electronic fund transfer, to DFO the amount payable for milk supplied to the processor in any month in accordance with DFO’s applicable Pricing Regulation.
   (2) Every payment made to DFO under subsection (1) shall be identified with the plant of the processor in respect of which it is made.

28. (1) For the purposes of this Regulation, milk shall be tested by an infrared milk analyzer for each of its milk-fat content, milk-protein content and other milk solids content at a laboratory approved by the Director of Regulatory Compliance in accordance with Regulation 761, Revised Regulations of Ontario, 1990 or at a laboratory operated by the Ontario Dairy Herd Improvement Corporation.
   (2) Subject to subsections (3) and (4), for each load of milk received by a processor from a transporter, the weighted average of each of the milk-fat, milk-protein and other milk solids content of the milk of the producers for the test period established for such producers under Regulation 761, Revised Regulations of
Ontario, 1990 in which the load was received shall be the milk-fat, milk-protein and other milk solids content of the milk in the load, unless a processor utilizes an approved proportional sampler, in which case the milk-fat, milk-protein and other milk solids content of the milk in the load shall be determined in accordance with the Memorandum of Understanding for Plant Sampling.

(3) Where a processor receives milk that is diverted by another processor and the identity of the producers supplying the milk is unknown, the milk-fat, milk-protein and other milk solids content of the milk shall be agreed upon by such processors and shall be recorded on the milk collection report that accompanies the tank-truck of diverted milk and, failing such an agreement, the weighted average of the milk-fat, milk-protein and other milk solids content of the diverted milk shall be the average milk-fat, milk-protein and other milk solids content of the milk received by the diverting processor during the immediate preceding month, as determined by DFO.

(4) Where a processor receives Class 1(a), Class 1(b), Class 1(b)(ii), Class 1(c) or Class 1(d) milk, the weight of the milk-protein and the weight of the other milk solids shall be determined in accordance with DFO’s applicable Pricing Regulation.

VERIFICATION OF MILK VOLUMES

29. (1) For the purposes of determining the amount payable by a processor for milk supplied to the processor in any month, the processor shall accept as the volume of milk received:

(a) the volume of milk recorded on the milk collection reports by the operator of each tank-truck; or

(b) if the processor utilizes an approved volumetric meter, the volume of milk recorded by the processor’s approved meter in accordance with the Memorandum of Understanding for Plant Metering.

(2) Where,

(a) a processor is informed by a transporter that milk has been spilled by the transporter;

(b) the processor does not measure the volume of milk received in accordance with section 30(1); and

(c) the processor is furnished by the transporter with particulars in writing of the milk made available or delivered by the producers to the transporter;

the processor shall ensure that the amount of milk made available or delivered by the producers to the transporter is entered on the milk collection report and may submit a claim for payment to DFO for the amount of milk that was spilled by the transporter.
30. (1) For the purposes of payment by volumetric meter under section 29(1)(b), the volume of milk received by a processor shall be verified by measuring the volume in litres of milk in the tank-truck by means of a measuring machine equipped with a meter and a meter installation and approved, verified and stamped under the Weights and Measures Act (Canada).

(2) Where the volume of a tank-truck is being verified under subsection (1), the operator of the tank-truck shall be present during the verification and shall sign the meter-slip.

PRE-SCREENING FOR VETERINARY DRUG RESIDUES

31. All milk not pre-screened by a method approved by DFO for beta-lactam, sulpha and tetracycline veterinary drug residues is purchased by the processor at the sole risk of the processor.

TRANSPORTERS

TRANSPORTER APPOINTMENT

32. (1) Every transporter shall transport milk on the terms and conditions prescribed in this Regulation and in the order appointing the transporter as its agent.

(2) No person other than a transporter shall transport milk.

33. (1) An appointment as a transporter is not transferable unless and until DFO has, upon application by the transporter and the proposed transferee, granted its approval, which approval is in the absolute discretion of DFO.

(2) Where a transporter who is an individual dies, the executor or administrator of the estate of the deceased may continue as the transporter for a period not to exceed twelve months after the death provided this Regulation is complied with.

34. A transporter shall notify DFO in writing by prepaid registered mail or electronic transmission of any change in the transporter’s address which notice shall be deemed to have been received by DFO on the second day in the case of pre-paid mail or the first day in the case of electronic transmission that is not a holiday after the date of sending.

PRODUCER ASSIGNMENTS AND MILK PICKUP

35. (1) Subject to subsection (2), a transporter shall transport the milk of such producers as DFO may assign to the transporter from time to time.

(2) Subject to subsection (3), DFO may assign two or more producers to or from a transporter only by notice in writing to the transporter not less than fifteen days before the assignment takes effect.

(3) Subject to subsection (4), DFO may assign an individual producer to or from a transporter without prior written notice.
(4) Where DFO assigns an individual producer to or from a transporter, DFO shall confirm that assignment by notice in writing to the transporter within five days of the date of the assignment.

36. A transporter shall,

(a) take delivery of the milk of the producers from time to time assigned to the transporter by DFO,

   (i) on the days prescribed by DFO, and
   
   (ii) at any time between 8:00 a.m. and 5:00 p.m. and if otherwise, with the consent of the producer, and

(b) transport such milk to the plant or plants designated by DFO.

37. Where access to the premises of a producer assigned to a transporter is such that transportation of the milk is impracticable, the transporter shall forthwith notify DFO.

38. (1) Where the farm bulk tank of a producer assigned to a transporter is moved, the transporter shall forthwith notify DFO.

   (2) On receipt of a notice under subsection (1), DFO shall forthwith ensure that the calibration of the farm bulk tank complies with Regulation 761, Revised Regulations of Ontario, 1990.

MILK COLLECTIONS

39. (1) At the time of taking delivery of milk from a producer on a route of a transporter, every operator of a tank truck shall,

   (a) sign and record on the producer’s milkhouse chart the volume of milk collected, the date the milk was collected and the temperature of the milk when collected; and,

   (b) make a milk collection report in the manner as prescribed by DFO.

   (2) No operator of a tank truck, in recording the volume of milk delivered to the operator by a producer, shall record on the milk collection report the volume of any milk that was not actually delivered to the operator by that producer.

PLANT ASSIGNMENTS

40. A transporter shall deliver milk to a plant on the days and at the time designated by DFO.

41. Where access to the premises of a plant designated to receive milk from a transporter is such that transportation of the milk is impracticable, the transporter shall forthwith notify DFO.

42. Subject to section 53,
(a) where milk is delayed in transit for a period in excess of four hours, the transporter shall compensate DFO for any loss incurred thereby; or

(b) where milk is delayed in transit for a period in excess of four hours from a direction of DFO and rejected by a plant upon delivery under Regulation 761, the transporter shall compensate DFO for any loss incurred unless the transporter can demonstrate that at the time of pickup the milk was properly graded in accordance with section 46.

**PLANT DELIVERIES**

43. Where a transporter is requested by the operator of a plant to which the transporter delivers milk, or by DFO, as the case may be, to verify the volume of a tank-truck of milk, the transporter shall verify the volume by weighing the tank-truck of milk on a weighing machine approved, verified and stamped under the *Weights and Measures Act* (Canada) and converting the kilograms to litres on the basis that one litre of milk weighs 1.0297 kilograms at 4 degrees C.

44. Where a transporter verifies the volume of milk under section 43, the operator of the plant or DFO, as the case may be, shall pay,

(a) any weighing charges; and

(b) where extra distance is required in transporting the milk for the purpose of weighing, any charges therefore in respect of each tank-truck if the extra distance for the tank-truck exceeds 32 kilometres in any month, calculated in accordance with the rates contained in Schedule 2 of the order of DFO appointing the transporter as its agent.

45. Where it occurs regularly that,

(a) the total volume of milk of producers on a route of a transporter is less than the total volume recorded on the milk collection report for such producers; and

(b) the shortage in volume exceeds 0.35 per cent of the volume recorded,

DFO on a request in writing by the transporter shall ensure that the calibration of the farm bulk tank of every producer on the route complies with Regulation 761, Revised Regulations of Ontario, 1990.

**REJECTED AND SPILLED MILK**

46. (1) Subject to subsection (3), no transporter shall take delivery from a farm bulk tank of milk that the transporter is required to reject under section 51 of Regulation 761, Revised Regulations of Ontario, 1990.

(2) Subject to subsection (3), where a transporter takes delivery of milk mentioned the transporter shall compensate DFO for any loss incurred thereby.

(3) A transporter is not liable to compensate DFO under subsection (2) where,
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(a) the transporter refuses to take delivery of milk under subsection (1);
(b) the producer of the milk notifies DFO; and
(c) DFO directs the transporter to take delivery of the milk.

47. Where DFO directs a transporter,

(a) to take delivery of milk that was rejected under section 51 of Regulation 761, Revised Regulations of Ontario, 1990; or
(b) to take delivery of milk of a producer who has not been assigned to the transporter,

DFO shall pay the transporter at the rates prescribed in the Schedule to the order of DFO appointing the transporter as its agent.

48. (1) Where milk of a producer is spilled during the course of delivery or transportation, the transporter shall notify the operator of the plant and DFO as to particulars of the amount of milk made available or delivered, as the case may be, to the transporter by the producer.

(2) The transporter shall pay DFO for the amount of milk spilled at the price determined by DFO for the class of milk to which the lowest price applies.

**TERMS OF PAYMENT**

49. (1) DFO shall pay any money payable to a transporter for milk transported in any month not later than the twentieth day of the next following month.

(2) Every payment made by DFO under subsection (1) shall be accompanied by an itemized statement showing the amounts payable to and deducted from the transporter.

50. Except as otherwise provided in this Regulation, where a transporter fails to take delivery of and transport the milk of a producer assigned to the transporter,

(a) the transporter shall compensate DFO for any extra costs incurred by it in transporting the milk of the producer; and
(b) DFO may deduct such extra costs from the money payable by DFO to the transporter.

**INSURANCE**

51. (1) Every transporter shall,

(a) effect, maintain and pay for insurance on milk transported by the transporter in an amount not less than the full insurable value of the milk being transported.
(b) effect, maintain and pay for insurance in accordance with the Compulsory Automobile Insurance Act providing third party liability coverage with not less than $1,000,000 inclusive limits and accident benefits insurance on all vehicles owned or operated by or on behalf of the transporter used in transporting milk.

(c) If requested by DFO, furnish to DFO a certified copy of any insurance policies effected under paragraph (a) or (b) hereof.

STRIKES AND LOCK-OUTS

52. A transporter who has knowledge of an impending strike by or lock-out of the transporter’s employees shall forthwith notify DFO.

FORCE MAJEURE

53. Where the observance, performance or carrying out of any provision of this Regulation is prevented in whole or in part by an act of God, adverse weather, fire, strike, lock-out, invasion or order of a civil or military authority, a failure by DFO or a transporter or a processor, as the case may be, to observe, perform or carry out the provision by reason of such prevention shall not be deemed to be a contravention of this Regulation.

REVOCATION

54. DFO Regulation 06/16 is revoked on the day this regulation becomes effective.

EFFECTIVE DATE

55. This Regulation comes into effect on the 1st day of September, 2017.

DAIRY FARMERS OF ONTARIO

Chair

Secretary

Dated at Mississauga, this 31st day of July 2017.