

Alberta Milk Producer Handbook



August 1, 2024



Alberta Milk is a non-profit organization established under the [Marketing of Agricultural Products Act](#) (MAPA) of Alberta. Alberta Milk is a strategic partner in Canada's dairy industry and conducts its business within a regional framework, through the Western Milk Pool, and a national framework, through the Canadian Milk Supply Management Committee.

[Through Alberta Milk's regulatory framework under MAPA](#), Alberta Milk is responsible to provide for the effective control and regulation of the production and marketing of bovine milk and dairy products. This includes the authority to make regulations, with the approval of the Minister of Agriculture and Irrigation, and establish directives, administrative orders, policies, and operational procedures to support Alberta Milk's mandate.

This mandate includes, but is not limited to, licensing producers, managing quota allocation, collecting service charges and other payments, allocating milk to processors, and maintaining the supply of high quality responsibly produced milk through programs like proAction® and the Western Milk Pool Harmonized Progressive Penalty Program (WMP PPP).

Alberta's dairy producers are also subject to other relevant legislation, such as the [Dairy Industry Act](#) and the [Dairy Industry Regulation](#), and Alberta Milk complies with this legislation as well.

This handbook is prepared for information purposes and is accurate as of August 1, 2024. Dairy producers are encouraged to familiarize themselves with the information in this handbook. If you need assistance, please contact Alberta Milk at 1-877-361-1231.

Should there be changes to this handbook after it is printed, you can find updates on the Producer Portal at portal.nitamms.com

Note: In all situations, the regulations in place supersede policies. These regulations can be viewed online at the [King's Printer](#), or physical copies may be obtained by contacting the Government of Alberta, toll free within Alberta at 310-0000.

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SECTION 1: LICENCING AND QUOTA POLICIES

Producer Licences and Entering the Dairy Industry

All dairy producers in Alberta must register with and be licenced by Alberta Milk. Obtaining and maintaining a valid producer licence is subject to the terms and conditions of a licence as defined in the [Alberta Milk Marketing Regulation](#) and in the Alberta Milk Board of Directors' policies, orders, and directives.

Only one registration number and licence shall be issued to each dairy operation, even if there are multiple owners of that dairy operation. Each dairy operation must be separately registered even when one owner controls multiple dairy operations. A temporary licence can be issued at the discretion of Alberta Milk to allow a producer to obtain quota prior to entering production, but a temporary licence does not entitle the licensee to sell raw milk. A temporary licence may be converted into a producer licence when the required criteria for a producer licence are met. A producer licence or a temporary licence is not transferable and the cost of obtaining a producer licence or temporary licence is \$25. Alberta Milk reserves the right to reject any application which does not meet the licencing criteria.

Licence application forms are available at the Alberta Milk office and on [Alberta Milk's website](#). Before a producer licence is issued, an inspector from the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation must perform an inspection of the dairy buildings and related equipment. Please call 1-866-252-6403 to arrange an inspection or for more information.

Licensed producers are required to reapply for a producer licence if there has been a change in any of the following:

- Location of the milking facility
- Address of the operation
- Ownership of the operation
- Registered name of the operation

Licensed producers need to contact the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation for approval of any of the following:

- A new bulk tank
- A new milking facility
- A new building site
- New building plans
- Any change in the existing facility not mentioned above

Shipping Milk

Alberta Milk directs the sale and delivery of all bovine raw milk from licensed dairy producers, which may be sold only to licensed dairy processors. Producers may only ship raw milk to a licensed dairy processor using the transportation services assigned to their farm by Alberta Milk.

Selling raw milk for any purpose other than as directed by Alberta Milk is illegal. Licensed producers who engage in the illegal sale of raw milk may face serious consequences from the Board, including quota suspension and/or the cancellation of their producer license.

It is also illegal for dairy producers to sell milk for human consumption that was produced by a cow within 15 days before to 3 days after calving. While colostrum may be sold for animal feeding purposes, raw milk cannot legally be sold for this purpose.

Producers are expected to provide raw milk shipment at least every second day, as directed by the [Dairy Industry Regulation](#). After two consecutive weeks without a shipment of raw milk, Alberta Milk may suspend the producer's licence. Upon suspending their licence, Alberta Milk will treat them as though they are exiting the dairy industry. If the Producer wishes to re-enter the industry, they would be required to re-apply for a dairy licence.

Continuous Daily Quota

Continuous Daily Quota (CDQ), also known simply as quota, is measured in terms of kilograms of butterfat per day (kg/day). CDQ grants licenced producers both the opportunity and obligation to produce raw milk for sale as directed by Alberta Milk.

A producer's monthly quota eligibility is determined by multiplying their CDQ by the number of shipping days in the given month. The number of shipping days in each month is also determined by subtracting the last pickup date in the previous month from the expected last pickup date in the current month. If the last pickup date in the previous month does not exist, the last calendar day in the previous month will be used instead.

For example, a producer's number of shipping days in July is given by the last pickup date in July minus the last pickup date in June. If the last pickup date in the June does not exist, the last calendar day in June (i.e., June 30th) will be used instead.

Quota Issuance Adjustments

Quota issuance at the producer level is adjusted by the Alberta Milk Board of Directors to reflect changes in the provincial quota. Quota is adjusted on a percentage basis so that each active producer's share of the Alberta provincial quota is maintained.

Producers who have ceased production of milk and have had their licence suspended, but still hold some quota, will be subject to any quota issuance decreases but will not be eligible for any quota issuance increases.

Continuous Quota Management and Flexibility Limits

Quota management at the producer level in Alberta is applied on a continuous basis. As monthly over and under production accumulates over time, it is accounted for in the producer's cumulative quota position (CQP). A producer's CQP is measured in days or kilograms of butterfat and is reconciled at the end of each month.

Producers are permitted to produce a specified number of kilograms of butterfat each day, determined by their quota holdings, with a production flexibility range of +5/-15 days. The upper flexibility limit is five times the producer’s quota holdings in kilograms of butterfat, while the lower flexibility limit is negative fifteen times the producer’s quota holdings. Within this range, producers may cumulatively produce butterfat without incurring a penalty.

Cumulative quota positions (CQP) are reconciled with monthly production and quota eligibility at the end of each month. Producers with a CQP within their flexibility limits will carry that position forward to the next month. However, if a producer’s CQP reaches the upper flexibility limit of +5 days, any further overproduction will be penalized with zero pay, and the excess milk shipped will incur an overproduction levy of \$10 per kilogram of butterfat. Additionally, their CQP will be reset to +5 days. Regular milk pay assessments apply to all milk shipped, including over-quota milk. Conversely, if a producer’s CQP reaches the lower flexibility limit of -15 days, any further underproduction credits accumulated cannot be carried forward into the next month, and their CQP will be reset to -15 days.

The difference between total production of butterfat and total monthly quota eligibility determines a producer’s monthly over or under production.

The following two examples show the cumulative effects of a month of overproduction followed by a month of underproduction:

Overproduction Example – April	
Starting Cumulative Quota Position	+0 kg / +0 days
Total Butterfat Production	3,350 kg
Quota Holdings x April Quota Days	100.00 kg/day x 30 days
Monthly Quota Eligibility	3,000 kg
Monthly Over/Under Production	+350 kg
Ending Cumulative Quota Position	+350 kg / +3.5 days

Underproduction Example – May	
Starting Cumulative Quota Position	+350 kg / +3.5 days
Total Butterfat Production	2,700 kg
Quota Holdings x May Quota Days	100.00 kg/day x 32 days
Monthly Quota Eligibility	3,200 kg
Monthly Over/Under Production	-500 kg
Ending Cumulative Quota Position	-150 kg / -1.5 days

Continuous Quota Management Options

Three management options are available to producers in Alberta to ensure they maintain a cumulative quota position within their permitted production flexibility limits:

1. Adjust their level of production.
2. Buy or sell quota to expand or contract their flexibility range.
3. Buy or sell underproduction credits.

Transferring Underproduction Credits

A producer with a negative cumulative quota position (CQP) holds underproduction credits equal in number to their negative CQP in kilograms of butterfat. Producers are permitted to buy or sell underproduction credits each month, but they are not permitted to buy and sell underproduction credits in the same month.

All underproduction credit transfer requests must be received by Alberta Milk by mail, fax, or e-mail, on [forms provided by Alberta Milk](#), no later than the credit transfer deadline, which is 4:30 p.m. at least seven days prior to the first day of the following month. See [Alberta Milk's website](#) for the exact date of the credit transfer deadline for each month.

Underproduction credit transfers become effective on the first day of the same month as the credit transfer deadline. A producer may sell some or all of their accumulated credits as of the last day of the previous month, but no more than that. For example, for credit transfers effective July 1st, the deadline for transfer requests is 4:30 p.m.

at least seven days prior to August 1st, and a producer may sell some or all of their accumulated underproduction credits as of June 30th.

A producer may buy any number of underproduction credits they wish; however, they are still responsible for maintaining a cumulative quota position within their flexibility limits at the end of each month.

Caution: All forms submitted by mail, fax, or email must be signed by the appropriate signing authorities; otherwise, they will not be accepted. Alberta Milk assumes no responsibility for forms that do not reach us by the deadline. Producers concerned about the receipt of their bid(s) or offer(s) should contact Alberta Milk before the credit transfer deadline. Absolutely no late forms will be accepted after the posted deadline.

Overproduction Example with Underproduction Credit Purchase – June	
Starting Cumulative Quota Position	-50 kg / -0.5 days
Purchase 500 Underproduction Credits Effective June 1 st *	-500 kg
Starting Cumulative Quota Position (After Credit Transfer)	-550 kg / -5.5 days
Total Butterfat Production	3,050 kg
Quota Holdings x June Quota Days	100.00 kg/day x 30 days
Monthly Quota Eligibility	3,000 kg
Monthly Over/Under Production	+50 kg
Ending Cumulative Quota Position	-500 kg / -5.0 days

*This purchase of underproduction credits was submitted before the June credit transfer deadline.

Underproduction Example with Underproduction Credit Sale - July	
Starting Cumulative Quota Position	-500 kg / -5.0 days
Sell 500 Underproduction Credits Effective July 1 st	+500 kg
Starting Cumulative Quota Position (After Credit Transfer)	0 kg / 0 days
Total Butterfat Production	2,800 kg
Quota Holdings x July Quota Days	100.00 kg/day x 32 days
Monthly Quota Eligibility	3,200 kg
Monthly Over/Under Production	-400 kg
Ending Cumulative Quota Position	-400 kg / -4.0 days

*This sale of underproduction credits was submitted before the July credit transfer deadline and represented the maximum number of credits the producer was eligible to sell, based on their cumulative quota position at the end of June.

An electronic bulletin board is available on the [Producer Portal](#) for producers to post underproduction credits they desire to buy or sell. Financial settlement for these credit transfers can be arranged privately between producers at no cost, without involvement from Alberta Milk. Alternatively, Alberta Milk can facilitate the settlement in the final producer payment for the prior month, for a \$50 fee paid by the seller. This option requires approval from both parties, as indicated on the transfer form.

All underproduction credit transfers are subject to approval by Alberta Milk, and Alberta Milk reserves the right to change underproduction credit transfer policies or procedures at any time.

Credit-Sale Restriction

A Credit-Sale Restriction (CSR) policy limits the amount of underproduction credits that a producer can sell over a rolling 12-month period. Effective August 1, 2021, producers may sell up to 10 per cent of their annual quota eligibility over a rolling 12-month period,

subject to the Board’s ability to implement policies to either incentivize or reduce production as needed.

The 10 per cent CSR policy, limits a producer’s rolling annual cumulative credit sales to no more than 10 per cent of their rolling annual quota eligibility. This eligibility is calculated by multiplying the producer’s rolling 12-month average quota holdings by the number of days in the 12-month period.

A producer’s “remaining credit-sale eligibility” refers to the available credit-sale eligibility under the CSR policy. This information is reported in the comments section of the monthly milk pay statement.

Credit-Day Restriction

A Credit-Day Restriction (CDR) policy, also referred to as credit-use restriction policy, is a policy that limits the amount of overproduction that is allowed beyond a producer’s quota holdings in a specific month.

To decrease milk production, Alberta Milk may implement a CDR policy to limit how much a farm’s production can exceed its quota holdings. When the CDR is not in effect, producers can overproduce without restriction using credits. However, when the CDR is issued, farms are only allowed to exceed their monthly quota by the specified number of CDR days, utilizing underproduction credits accordingly.

When the CDR policy is in effect, payment for overproduction will only be made up to the CDR limit. Any production exceeding the CDR limit will not be paid for, and will be classified as over-quota milk, fully utilizing the corresponding underproduction credits.

Any milk shipped over the CDR limit will be classified as over-quota production. No payment will be made for the milk exceeding the CDR limit, and all standard deductions will still apply to the total milk shipped. Additionally, the over-CDR production will be considered “utilized” when calculating the producer’s cumulative quota position.

The following is a summary of how the CDR policy is implemented:

- regardless of the number of underproduction credits available on your farm, you are only permitted to over-ship by the number of CDR days issued; AND
- if you over-ship beyond what the CDR policy permits, you will only be paid for the amount allowed by the CDR; AND
- all available credits will be utilized according to your over-shipment, regardless of the CDR limit; AND
- you must purchase credits (if you don't already have them) to be able to fill any issued CDR allowance.

Transferring Quota

Producers can buy or sell quota through the following options:

- 1) The Alberta Milk Quota Exchange
- 2) Direct Quota Transfers
 - a) Family Transfer
 - b) Going Concern/New Producer Establishment Transfer
 - c) Name Change

Submitting Bids or Offers for the Alberta Milk Quota Exchange

Producers may buy or sell quota each month but are prohibited from both buying and selling in the same month. This means they cannot submit offers to sell and bids to buy quota for the same month.

All quota exchange bids and offers should be submitted online through the [Producer Portal](#) by the deadline, which is 4:30 p.m. at least 14 days prior to the 1st day of the following month. Alternatively, bids and offers can be submitted by mail, fax, or email, on completed forms provided by Alberta Milk on [our website](#), or by contacting our office. Forms may be faxed to 780-455-2196 or emailed to quota@albertamilk.com, or mailed to Alberta Milk, 1303-91 Street SW, Edmonton AB T6X 1H1.

The quota exchange is run monthly. For specific deadlines, please refer to [Alberta Milk's website](#). Quota exchange transfers take effect on the 1st day of the following month.

Caution: *All forms submitted by mail, fax, or email must be signed by the appropriate signing authorities; otherwise, they will not be accepted. Alberta Milk assumes no responsibility for forms that do not reach us by the deadline. Producers concerned about the receipt of their bid(s) or offer(s) should contact Alberta Milk before the quota exchange deadline. Absolutely no late forms will be accepted after the posted deadline.*

Producers are permitted up to six bids for purchasing quota through Alberta Milk's quota exchange. The minimum bid size is 0.10 kg/day, with a maximum bid size of 5 kg/day, and a monthly cap of 30 kg/day.

Similarly, producers can make up to six offers to sell quota. The minimum offer size is 0.10 kg/day. If the total volume of offers exceeds 30 kg/day, the offered quantity must be distributed as evenly as possible across the six offers. Otherwise, the maximum offer size is 5 kg/day. Additionally, a minimum price spread of \$10 per kg/day is required between bids and offers.

For a detailed explanation of how the quota exchange works, please refer to the document “Understanding the Alberta Milk Quota Exchange”, which is available on the [Alberta Milk website](#).

Determining the Exchange Clearing Price and Determining Successful Buyers and Sellers on the Quota Exchange

The clearing point of the Quota Exchange is determined by matching the highest bid with the lowest offer until the total quantity of quota for sale equals the total quantity demanded. The Exchange Clearing Price (ECP) is calculated as the average of the last successful bid price and the last successful offer price.

At the clearing point, if the total volume of successful bids to buy quota exceeds the total volume of successful offers to sell, the final bid(s) will be pro-rated to balance the buying and selling volumes. Similarly, if the total volume of successful offers to sell exceeds the total volume of successful bids, the final offer(s) will be pro-rated to achieve balance.

Sellers who offer to sell quota at or below the ECP will be successful, provided there are corresponding buyers at or above the ECP, and they

will receive the price they offered. Sellers who set their offer price above the ECP will not be successful and will retain their quota.

Likewise, buyers who bid at or above the ECP will be successful, provided there are corresponding sellers at or below the ECP, and they will pay the price they bid. Buyers who bid below the ECP will not be successful, and no quota will be transferred to them.

This method ensures efficient allocation of quota by matching sellers willing to sell at lower prices with buyers willing to pay higher prices.

Payment for Successful Bids and Offers

Offers to sell quota at or below the Exchange Clearing Price (ECP) will be successful if a corresponding buyer exists, with the seller receiving payment according to their offer. Offers to sell above the ECP will not be successful. Similarly, bids to buy quota at or above the ECP will be successful if there is a corresponding seller, with the buyer paying the price they bid. Bids below the ECP will not be successful.

Since successful buyers are required to pay their bid price while successful sellers receive their offer price, a surplus is created between what buyers must pay and what sellers receive. This surplus is redistributed to all successful participants as refund dollars per kilogram of quota bought or sold. The refund amount is calculated by dividing the surplus dollars by twice the total volume of quota transferred that month. The resulting refund is deducted from the total amount the buyer must pay and added to the total amount the seller will receive.

Successful buyers must make payment to Alberta Milk on or before the transfer date, or the previous business day if the transfer date falls on a Saturday, Sunday, or holiday. If a producer fails to make payment, Alberta Milk may settle the account and retain the quota rather than transferring it to the defaulting producer. For the following 12 months, any bids from the defaulting producer must be secured by a certified cheque or letter of credit before acceptance. Producers who sell quota on the exchange can expect payment from Alberta Milk within 5 business days after the transfer date.

Notification of Quota Exchange Results

Alberta Milk runs the quota exchange and determines the Exchange Clearing Price (ECP) no later than the next working day after the exchange closes. All participants on the exchange will be notified of the status of their bid(s) or offer(s) via email and letters once the exchange has concluded. Alberta Milk will also post information regarding the results of the quota exchange, including prices and volumes, on its [website](#) within three working days after the exchange closes.

All quota transfers are subject to Alberta Milk's approval. Alberta Milk reserves the right to modify quota exchange policies or procedures at any time, as well as to cancel the quota exchange in any given month for any reason it deems necessary.

Direct Quota Transfers

Direct quota transfers involve the transfer of quota between two licenced producers. Each month, the quota exchange is run before direct quota transfers are processed. Producers are accountable for quota transactions on the exchange before any direct quota transfer will be processed. Alberta Milk permits the following types of direct quota transfers: Family Transfers, Going Concern/New Producer Establishment Transfers, and Name Changes.

Family Transfers

Where transacting producers can confirm and provide evidence of an immediate family relationship between the two parties, a direct quota transfer can be made at no cost. This may include transfers between corporations where all shares are owned by immediate family members. An immediate family relationship is defined as a spouse, child, sibling, parent, son-in-law, daughter-in-law, or adult interdependent partner.

Going Concern/New Producer Establishment Transfers

A going concern transfer is the direct transfer of quota as part of the sale of an operating dairy farm. A dairy farm is defined as a premise where one or more dairy animals are kept, and from which at least a part of the milk produced is sold, offered for sale, or supplied for human consumption. This definition includes all

buildings and land used in connection with the production of milk from the dairy animals.

The buyer of the dairy farm under a going concern transfer must continue operating as a licenced dairy farm at the same location for at least two years before the quota can be transferred again. If this condition is not met, the transfer is subject to a 5% surrender of the entire quota being transferred by the seller to Alberta Milk, regardless of the type of transfer used.

A new producer establishment transfer is similar to a going concern transfer, except that the new producer may lease the dairy farm rather than purchasing it.

When acquiring an operation through a going concern transfer or leasing it under a new producer establishment transfer, the buyer assumes all associated obligations, including the cumulative quota position and the current Solids Non-Fat to Butterfat (SNF/BF) ratio. However, the buyer does not inherit any milk quality history from the previous owner(s) and will not receive year-end refunds related to milk shipments made by the previous owner(s), including refunds from the Western Milk Pool and the Canadian Dairy Commission. This policy also applies to participants of the New Producer Assistance Program who use the Going Concern/New Producer Establishment Transfers option.

Name Changes

A name change is considered a direct transfer of quota that occurs due to changes in the business structure of a farm, without necessarily altering the underlying ownership. This can involve adding or removing registered owners or incorporating the farm. Despite the change in name, the farm must continue operating at its existing location with the same license number. The quota history and milk quality history will also transfer to the new name.

To complete a name change, a producer must submit the following documents, which are available on [Alberta Milk's website](#) or can be obtained by contacting Alberta Milk directly:

- Producer licence application under the new farm name
- Application for direct transfer of quota from the old farm name to the new farm name
- New banking information (if applicable)
- Instructions from the lender to withdraw an existing power of attorney from the old farm name (if applicable)
- Power of attorney form for the new farm name (if applicable)
- Certificate of incorporation and a list of directors (if applicable)
- Other supporting documents not mentioned above which may be requested by Alberta Milk.

Producers participating in Alberta Milk’s New Producer Assistance Program (NPAP) are not permitted to form partnerships of any type, and NPAP quota loans are non-transferable. Exceptions to this restriction include: NPAP producers may incorporate their farm, provided the shares remain exclusively with the original applicants; and NPAP producers may add their spouse as a joint owner or signing authority, whether the farm is incorporated or unincorporated.

Submitting Direct Transfer Applications

All direct quota transfer applications must be received by Alberta Milk—via mail, fax, or email—using the completed forms provided by Alberta Milk, which can be accessed on [our website](#) or by contacting our office. Applications must be submitted by the deadline of 4:30 p.m., at least 14 days prior to the 1st day of the following month, which is the same deadline as for the quota exchange. Forms should be faxed to 780-455-2196, emailed to quota@albertamilk.com, or mailed to Alberta Milk, 1303-91 Street SW, Edmonton, AB T6X 1H1. Quota transfers become effective on the 1st day of the following month.

Alberta Milk will acknowledge approval if the direct transfer request meets policy requirements. Producers involved in the transfer will receive written notice of approval and details of the transferred amounts. Alberta Milk reserves the right to refuse any transfer request,

and a producer may be required to appear before Alberta Milk to justify their request.

Financial settlement for direct quota transfers should only be completed after receiving written notice from Alberta Milk confirming that the transfer has been received and approved.

Alberta Milk reserves the right to change direct quota transfer policies at any time.

Incentive Days

Alberta Milk periodically issues incentive days to producers, which can be either fixed or flexible. These incentive days allow producers to exceed their monthly quota eligibility by producing additional milk.

When incentive days are issued, producers receive incentive credits, calculated by multiplying their quota holdings by the number of incentive days allowed in that month. Producers can use these credits regardless of their cumulative quota position and any underproduction credit transfers for that month. Incentive credits are filled after monthly quota eligibility but before accumulated underproduction credits.

Fixed Incentive Days

Fixed incentive days are issued for a specific month and must be used within that month on a use-or-lose basis. For example, if Alberta Milk issues two fixed incentive days for December, producers can use these incentive credits only in December. Any unused credits for that month will be lost and cannot be carried forward.

Flexible Incentive Days

Flexible incentive days are issued for a consecutive number of months with a set monthly utilization limit. For example, Alberta Milk might issue a total of 10 flexible incentive days from August to November, with a monthly limit of three days. These credits must be used within the specified period and cannot be carried over to future months.

Unused incentive credits from both fixed and flexible incentive days are non-transferable between producers and cannot be carried forward beyond the issuance period. Additionally, producers are not permitted to alter their pickup schedules or routes to maximize the use of incentive days.

The following examples illustrate how the 10 flexible incentive days in the example above would be applied in managing producer quota:

Flexible Incentive Day Example – August	
Starting Cumulative Quota Position	0 kg / 0 days
Total Butterfat Production	3,700 kg
Quota Holdings x August Quota Days	100 kg/day x 32 days
August Quota Eligibility	3,200 kg
<i>Total Flexible Incentive Days Available</i>	<i>1,000 kg / 10 days</i>
Incentive Credits Utilization Limit	100 kg x 3 day = 300 kg
Incentive Credits Filled in August	300 kg = 3 days
August Quota + Incentive Credits Used	3,200 +300 = 3,500 kg
August Over/Under Production	+200 kg
Ending Cumulative Quota Position	200 kg / +2.0 days
<i>Total Flexible Incentive Days Remaining</i>	<i>700 kg / 7 days</i>

Flexible Incentive Day Example - September	
Starting Cumulative Quota Position	200 kg / +2.0 days
Total Butterfat Production	3,250 kg
Quota Holdings x September Quota Days	100 kg/day x 30 days
September Quota Eligibility	3,000 kg
<i>Total Flexible Incentive Days Available</i>	<i>700 kg / 7 days</i>
Incentive Credits Utilization Limit	100 kg x 3 days = 300 kg
Incentive Credits filled in September	250 kg = 2.5 days
September Quota + Incentive Credits Used	3,250 kg
Monthly Over/Under Production	0 kg
Ending Cumulative Quota Position	+200 kg / +2.0 days
<i>Total Flexible Incentive Days Remaining</i>	<i>450 kg / 4.5 days*</i>

* The remaining 450 kg (i.e., 4.5 days) of Flexible Incentive credits will be available for use in October and November, subject to the maximum utilization limit of 3 days per month.

Solids Non-fat to Butterfat Ratio

The Solids Non-fat to Butterfat ratio (SNF/BF) measures the production of proteins and other solids (i.e., solids non-fat or SNF) relative to the production of butterfat (BF). If a producer's monthly SNF/BF ratio exceeds the policy limit of 2.4167 (the target ratio), the portion of SNF production above this threshold receives zero payment. The zero payment is applied monthly; however, producers can regain their lost SNF payment if they cumulatively fall below the target ratio later in the dairy year. Any lost payment that accumulates due to exceeding the target ratio is forfeited permanently on July 31st, with each producer starting fresh on August 1st with no cumulative SNF position.

The SNF/BF target ratio of 2.4167, along with each producer's monthly and year-to-date actual ratios, are reported on the producer's monthly milk pay statement.

The following is an example of how the SNF/BF is calculated:

Solids Non-Fat to Butterfat Ratio Calculation Example
Protein Density + Other Solids Density = Total SNF Density
$3.3248 \text{ kg/hl} + 5.7376 \text{ kg/hl} = 9.0624 \text{ kg/hl}$
Butterfat Density = 4.0992 kg/hl
Total SNF Density / Butterfat Density = SNF/BF Ratio
$9.0624 \text{ kg/hl} / 4.0992 \text{ kg/hl} = 2.2108$

Western Milk Pool Over-quota Penalty Policy

The Western Milk Pool (WMP) has implemented a harmonized Over-quota Penalty Policy (OPP) to enhance the management of milk supply. The OPP applies under specific conditions, as detailed below:

When a Credit-day Restriction (CDR) policy is in effect, and a producer overproduces beyond the CDR limit, but their closing Cumulative Quota Position (CQP) remains below the upper flexibility limit of +5 days:

- **No Payment for Overproduction:** The producer will receive no payment for any butterfat produced beyond the CDR limit, although all standard deductions will still apply to the total milk shipped; AND
- **Credit Usage:** Butterfat production exceeding the CDR limit will result in the use of credits to account for the overproduction.

Regardless of whether a CDR policy is in effect, if a producer ships milk that exceeds their upper flexibility limit of +5 days:

- **No Payment for Overproduction:** The producer will not be paid for any butterfat produced beyond the CDR limit (if applicable), and all deductions will continue to apply to the total milk shipped; AND
- **Overproduction Penalty:** A financial penalty, or over production levy, of \$10.00 per kilogram of butterfat will be applied to all butterfat production exceeding the producer's upper flexibility limit of +5 days.

Appointment of Attorney

Alberta Milk provides an Appointment of Attorney document, commonly known as a Power of Attorney, to allow lenders or individuals to secure loans against the value of a licensed dairy producer's quota. Alberta Milk permits the registration of only one Power of Attorney per registered producer at any given time. Once registered, this Power of Attorney applies to all current and future quota holdings until it is voluntarily discharged by the lender.

It is important to note that lenders may not seize quota, as it is a right to produce milk granted to registered producers by Alberta Milk under the [Marketing of Agricultural Products Act](#) and the [Alberta Milk Regulations](#). The quota remains an asset of the Crown. However, the Power of Attorney grants the lender the right to receive any value associated with the quota at the time of its transfer to another registered dairy farm.

If a producer has a Power of Attorney registered against their quota and requests a transfer or sale, Alberta Milk is obligated to notify the lender of the application and will direct the sale proceeds as instructed by the lender.

To discharge a Power of Attorney, the lender must submit a written request to Alberta Milk. If the lender wishes to discharge a Power of Attorney and replace it with a new one, both the discharge request and the new Power of Attorney document can be submitted together. A Power of Attorney may only be registered with Alberta Milk on an original form obtained directly from Alberta Milk; copies of the form will not be accepted.

Catastrophic Events

Any producer who experiences a catastrophic event should contact Alberta Milk at their earliest reasonable convenience to request accommodation for any adverse quota management consequences that may arise from the event.

A catastrophic event is defined as:

- The severe illness, injury, disability, or death of the registered producer or the main operator of the farm.
- Destruction of, or severe damage to, production facilities.
- The sudden death of a significant portion of the producing herd.
- Severe infection of the producing herd by an uncontrollable disease.
- The presence of a disease that necessitates the slaughter of the producing herd by health authorities.
- Any other event not mentioned above that is beyond the producer's control.

Producers who experience a catastrophic event in another commodity (e.g., Bovine Tuberculosis, Porcine Epidemic Diarrhea) are also required to promptly notify Alberta Milk.

Producers Exiting the Dairy Industry

Producers who have decided to exit the industry must inform Alberta Milk of the date they will cease production. Alberta Milk will then suspend the producer's licence at the end of the day of their final shipment.

A producer whose licence has been suspended due to exiting the industry is ineligible to sell underproduction credits. Any cumulative quota position held by the producer at the time of exiting will be absorbed by the province, meaning that any remaining underproduction credits will be forfeited to Alberta Milk.

After having their licence suspended, the producer has six months to sell or transfer their remaining quota holdings to another licensed producer. If the suspended producer still holds quota after six months, Alberta Milk will sell the remaining quota on the next quota exchange at a price equal to the lowest successful offer received that month. Once a producer has ceased production and no longer holds quota, their producer licence will be cancelled.

SECTION 2: PROACTION® AND MILK QUALITY POLICIES

To offer the best milk every day, Canadian dairy farmers have excellent standards and practices. Dairy Farmers of Canada and all of its provincial members including Alberta Milk initiated the development of proAction® to show how farmers responsibly produce milk. With proAction, farmers offer proof to customers that they work to ensure milk quality and safety, and to continually improve animal health and welfare as well as environmental stewardship.

proAction includes six modules under one umbrella. These modules are implemented according to the same timeline across Canada:

1. Milk Quality
2. Food Safety - previously known as Canadian Quality Milk (CQM)
3. Animal Care
4. Livestock Traceability
5. Biosecurity
6. Environment

proAction registration is a mandatory condition of a producer licence. Producers are subject to an annual proAction validation, alternating between a full validation or self-declaration. Each year, a random 5% of producers who complete the self-declaration will be selected for a full validation.

New producers or newly licenced farms will have six months to keep records and become registered on the proAction program.

Every two years, producers are required to complete a Cattle Assessment as conducted by Holstein Canada, a Biosecurity Risk Assessment Questionnaire in consultation with their herd veterinarian and Environment Questionnaire via the National Electronic Administrative System (NEAS – dairyproaction.ca). These activities align with when the producer's full proAction validation is due.

Standard Operating Procedure (SOP) and Record templates can be used and found at: www.albertamilk.com/for-industry/proaction-records

Producers who do not complete the annual proAction validation or do not effectively maintain their proAction records are subject to having their registration and producer licence withdrawn.

proAction registration is reinforced by the Compliance Policy described below, also known as the registration withdrawal process.

Full Validation Compliance Policy

(Effective September 1, 2024, all full validations must be completed before the end of the month in which it is due and the deadline for all Corrective Action Requests (CARs) is 30 days).

1. **Day 0:** Validation completed; CARs due in 30 days.
2. **Day 30:** CAR deadline, Withdrawal Letter 1 sent stating 30 days until Withdrawal Letter 2 and ineligible for milk quality bonus.
3. **Day 60:** Withdrawal Letter 2 stating proAction registration will be withdrawn in 14 days and ineligible for milk quality bonus.
4. **Day 75:** Withdrawal Letter 3 stating proAction registration has been withdrawn. Producer must reapply for proAction and a penalty of 2% gross monthly pay is applied until registration obtained (minimum 3 months) or until day 185.
5. **Day 185:** assuming no proAction registration obtained, 4% penalty of gross monthly pay.
6. **Day 215:** 8% penalty of gross monthly pay
7. **Day 245:** 15% penalty of gross monthly pay
8. **Day 275:** assuming no proAction registration obtained, the penalty will remain at 15% and cancellation of producer licence and milk pick-up may apply.

Self-Declaration Compliance Policy

(Effective September 1, 2024, Self-Declarations must be submitted into NEAS before the end of the month in which it is due. Self-Declarations with outstanding items (i.e., R6, R14b, R15), will be due in 30 days from the day in which it was submitted into NEAS, submission must still be before the end of the month in which it is due).

Self-Declaration or Self-Declaration Items due.

1. **Day 0 (Due Date):** Withdrawal Letter 1 sent stating 30 days until Withdrawal Letter 2 and ineligible for milk quality bonus.
2. **Day 30:** Withdrawal Letter 2 stating proAction registration will be withdrawn in 14 days and ineligible for milk quality bonus.
3. **Day 45:** Withdrawal Letter 3 stating proAction registration has been withdrawn. Producer must reapply for proAction and a penalty of 2% gross monthly pay is applied until registration obtained (minimum 3 months) or until day 155.
4. **Day 155:** assuming no proAction registration obtained, 4% penalty of gross monthly pay.
5. **Day 185:** 8% penalty of gross monthly pay
6. **Day 215:** 15% penalty of gross monthly pay
7. **Day 245:** assuming no proAction registration obtained, the penalty will remain at 15% and cancellation of producer licence and milk pick-up may apply.

Milk Testing

Laboratory tests are performed by analysts at the Central Milk Testing (CMT) lab in Edmonton or other approved provincial labs which all use the same approved methods and have the same accreditation.

The CMT lab tests every bulk tank sample for components (butterfat, protein, and other solids), somatic cell counts (SCC), milk urea nitrogen (MUN), freezing points (FP) and bacteria (IBC). Inhibitor (INH) testing for different drug families is conducted randomly both monthly and quarterly using several different tests.

The CMT lab is open 6 days a week, Monday to Saturday excluding statutory holidays.

Sampling / Sample Turn Around Time (STAT)

All shipments from all bulk tanks will be sampled by a licenced bulk milk grader. Samples are then delivered to a processor or collection depot and shipped by courier to the CMT lab.

Alberta Milk strives to have a provincial average STAT of 1.5 days including weekends and holidays.

Samples submitted by the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation may be used to determine grades in special circumstances.

Milk Test Codes

Producer test results are published online on the [Producer Portal](#). Test results may have a code applied indicating the reason a sample will not be used.

Code	Description
C – Contention	The sample butterfat varies from the other samples that month by more than +/- 0.5 kg/hL.
D – Discard	The sample has been found to be unsuitable and is “discarded”.
S – Stale Dated	The sample is too old for testing.
Q – Questionable	The IBC results for the producer do not match up with the corresponding truck compartment IBC result.

WMP Progressive Penalty Program

Effective January 1, 2023, Alberta along with Manitoba and Saskatchewan adopted the new Western Milk Pool Progressive Penalty Program (PPP).

The PPP provides for pay deductions, and licence suspensions and cancellations when a producer’s milk quality does not meet regulatory standards. Alberta Milk administers this program under the authority of the WMP Progressive Penalty Program Directive and sections 30 and 31 of the [Alberta Milk Marketing Regulation](#). Milk quality standards are set in Schedule 2 of the [Dairy Industry Regulation](#) and in the Alberta Milk Marketing Regulation.

The WMP PPP has four penalty levels. Penalty rates increase based on how often a farm has marketed substandard milk within the last rolling 12 months:

WMP PPP Penalty Level	Penalty Amount	Number of Infractions (rolling 12 months)
1	\$5/hL	First 10 infractions (#1 – 10)
2	\$15/hL	Next 10 infractions (#11-20)
3	\$45/hL	Next 10 infractions (#21-30)
4	\$45/hL + Suspension	Next 1 or more infractions (#31 and up)

Every occurrence over 30 infractions in a rolling 12-month period triggers a penalty plus a suspension:

- a) 1st suspension (in the past 12 months) is minimum 6 days shut off – must get a sample into the lab for testing in that 6-day period to prove the issue is corrected.
- b) 2nd suspension (in the past 12 months) is minimum 12 days shut off – must get a sample into the lab for testing in that 12-day period to prove the issue is corrected.
- c) 3rd suspension (in the past 12 months) is minimum 24 days shut off – must make a request/appeal to the board in that 24-day period. Board may set conditions that must be met for pickups to resume or choose to cancel licence.

Reinstatement after a suspension or cancellation is dependent upon the producer providing a sample to the CMT lab that meets the criteria of Schedule 2 of the [Dairy Industry Regulation](#).

PPP and Multiple Tanks

Alberta Milk only applies a penalty to the volume of milk in the tank containing substandard milk. For example, if a farm's first tank contains substandard milk, but the milk in the second tank meets quality standards:

- Alberta Milk applies a penalty to the volume of milk shipped from the first tank, and
- The farm receives full payment for milk in the second tank.

PPP and Multiple Pickups

To ensure equal treatment for farms with multiple pickups in a two-day period, all shipments of substandard milk in each two-day period of the month fall under a single infraction, i.e.:

- Period 1 = 1st & 2nd day of the month
- Period 2 = 3rd & 4th day of the month
- Period 3 = 5th & 6th day of the month, etc.

For months that end in an odd number, the last day is included in the last two-day period, i.e.:

- For months with 31 days, the 29th, 30th & 31st all count as period 15.
- For February 29th (leap year), the 27th, 28th & 29th all count as period 14.

Standards for Raw Milk – What triggers an Infraction?

Quality Area	Infraction Level	Test Frequency	PPP Deductions Applied if
Individual Bacteria Counts (IBC)	Over 121,000 cells/ml	Every qualifying bulk tank milk sample	Any individual IBC test is greater than 121,000 cells/ml
Somatic Cell Counts (SCC)	Over 400,000 cells/ml	Every qualifying bulk tank milk sample	Any individual SCC test is greater than 400,000 cells/ml
Freezing Point (FP)	Over -0.525°H	Every qualifying bulk tank milk sample	Any individual freezing point test is over -0.525°H
Inhibitor and Drug Residues	Over inhibitor concentrations the maximum levels prescribed by the <i>Food and Drugs Act</i> (Canada)	Once per month or quarterly at random, and any samples on loads testing positive	Any of a producer's milk samples test positive for inhibitors or drug residues at the Central Milk Testing Lab or any approved lab.

Inhibitor Penalties

The CMT lab tests individual producer samples for several different drug residues on a random basis. Every load of milk is tested for drug residues by the processor upon arrival at the processing plant. Inhibitor penalty deductions can be calculated using the following formula:

- Per cent reduction in gross pay in the month of the infraction (dependent on grade);
- A penalty fee of \$3,000;
- A charge equal to the value of the contaminated shipment will be deducted off the producer's gross pay; and
- Quota will be deemed as filled by the shipment.

Infraction # in the past 12 months	Inhibitor Deductions
1	5% of gross monthly pay + \$3,000 (Grade 2)
2	10% of gross monthly pay + \$3,000 (Grade 3)
3	15% of gross monthly pay + \$3,000 + farm inspection (Grade 4)
4	15% of gross monthly pay + \$3,000 + producer licence suspension may apply (Grade 5)
5	15% of gross monthly pay + \$3,000 + producer licence may be cancelled; Quota may be sold (Grade 6)

Producers notified of a positive inhibitor result will be suspended from shipping milk by the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation. Reinstatement of the producer licence will occur when a negative test **using the same inhibitor type test as the original positive** is reported to the investigating dairy inspector.

If you have any questions regarding this summary of the WMP PPP, please call Alberta Milk’s Member Services staff at 1-877-361-1231.

Milk Temperature

Milk should be maintained at a temperature between 0° C and 4° C and should be cooled as fast as possible. Here is a summary of the Dairy Industry Regulations milk cooling standards:

Milking	Cooling Period	Temperature
First Milking	One hour after completion of milking	Maximum 10° C
	Two hours after completion of milking	0° C to 4° C
Next Milkings	During the milking, cannot exceed	10° C
	One hour after completion of milking	0° C to 4° C

If the milk is harvested using an automated milking system:

Milking	Cooling Period	Temperature
Start of Milking	Within two hours after the start of milking	0° C to 4° C
Blend Temperature	Must not rise above 4° C for more than 15 consecutive minutes	Not above 4° C for 15 min

If the milk temperature is not in accordance with these rules, the bulk milk grader will reject the milk.

Rejected Milk

Bulk milk graders must grade milk before they accept it. The [Dairy Industry Regulation](#) Section 40(2)(d) states, “A bulk milk grader shall not collect milk from a bulk milk tank if the milk in the bulk milk tank is not acceptable on the basis of its appearance, odour, temperature or other observable abnormalities.” Bulk milk graders are instructed to take two samples of the milk that they reject. They are also instructed to advise the affected producer, Alberta Milk and the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation.

There may be several reasons for milk to be rejected by bulk milk graders. In addition to the temperature standards outlined above, Section 44(1)(b) of the [Dairy Industry Regulation](#) states, “No person shall sell milk for human consumption that contains blood, coagulation or other foreign particles.” This regulation puts the onus on producers to ensure that their milk is acceptable before offering it for sale.

If a bulk milk grader accepts milk that is later rejected by the plant receiver for the presence of blood, the producer will receive zero payment for this volume, and it is deemed shipped and will fill quota eligibility accordingly. The milk hauling company is responsible for disposal costs of the milk and for compensating the innocent producers whose commingled shipments were also rejected.

If your milk is rejected, you may call Alberta Milk’s Member Services staff for advice and assistance (1-877-361-1231). Producers have the right to request that their milk be graded by the processor’s milk receiver. The milk receiver will grade samples of the milk delivered by

the bulk milk grader. It is the responsibility of the producer to follow up with the processor as to their decision to accept or reject the milk. If the receiver also rejects the milk, the producer may ask an inspector to review the milk rejection. It is the responsibility of the producer to contact the inspector for their review of the rejection. *Note: The decision of the inspector is final. Milk rejection requirements are detailed in section 17 of the [Dairy Industry Act](#).*

Once the rejection is finalized, producers will need to discard all of the offending milk. Any volume discrepancies in the immediate shipment after a rejection will be adjusted as necessary. No payment will be received for milk that should have been discarded.

The contact list of milk receivers is available in the Document Manager section of the [Producer Portal](#).

Analysis of Extra Samples by the Lactanet Central Milk Testing Lab

Producers can get extra milk tests done at the Central Milk Testing (CMT) laboratory as per the following fee schedule.

Individual Cow Testing (plus \$50.00 Herd Fee)

Somatic Cell	\$3.25/sample
Milk Components/SCC	\$5.10/sample
MUN	\$3.25/sample
Milk Components/SCC/MUN	\$10.00/sample

Quality Testing (plus \$50.00 Admin Fee)

IBC Testing (Bactoscan)	\$ 9.10/sample
Drug Residues	
• Beta Lactam – [BL] (Disk Assay)	\$25.00/sample
• BL, Sulfa, Tetra (Trio)	\$61.00/sample
• Freezing Point (Cryoscope)	\$ 9.20/sample

Additional Supplies

Sample Vials	\$ 0.90/vial
Sample box (64 vials with pills)	\$30.00/box

Producers can call the CMT lab to request any of these tests on the samples sent for component testing (though not all samples will meet the criteria for bacteria testing). Producers are responsible for sending in their own extra samples for testing.

It is important to call the CMT lab prior to sending samples for extra testing. The CMT lab can be reached at 780-434-3440 or toll free at 1-866-816-5335.

Additional Laboratory Tests

Lab Pasteurization Count - \$31 per sample + \$50.00 Admin Fee

- Tests for the presence of thermotolerant bacteria.
- Some typical thermotolerant bacteria are Micrococcus, Microbacterium, Streptococcus, Lactobacillus, Bacillus, and Clostridium.
- Thermotolerant bacteria (vegetative cells or spores) can survive pasteurization.
- High thermotolerant bacteria counts are associated with unhygienic production practices. The thermotolerant count indicates thoroughness of equipment sanitation and assists in detecting sources of organisms responsible for high counts in pasteurized milk products.

Psychrotrophic Bacteria Count - \$41 per sample + \$50.00 Admin Fee

- Tests for the presence of bacteria that grow at temperatures under 8° C.
- Some types of psychrotrophic bacteria are Pseudomonas, Flavobacterium, Bacillus, and Lactobacillus.
- Growth of psychrotrophs in raw milk can reduce the quality of the pasteurized product: pasteurization eliminates most (but not all) of these cells.

Coliform Count - \$35 per sample + \$50.00 Admin Fee

- Petrifilm Plate Method.
- Common types of coliform bacteria are Escherichia and Enterobacter.

- Presence of coliform bacteria may indicate the possibility of fecal contamination.

Samples must be taken in a hygienic manner and stored at 0° C to 4° C. Samples can be delivered personally or shipped by courier to:

Central Milk Testing Lab
1303 91 St SW
Edmonton, AB T6X 1H1
1-800-549-4373

Milk Quality Incentive Programs

Alberta Milk offers two incentive programs to producers to encourage the production of high-quality milk that exceeds all regulatory requirements. The qualification criteria for the Annual Milk Quality Award program and the Monthly Milk Quality Bonus Program are presented below.

Annual Milk Quality Award Criteria

1. Must be an active producer, who has produced milk in all 12 months of the previous dairy year.
2. A producer must be recognized on proAction (a recognized producer is one that has obtained proAction registration and is not in the proAction registration withdrawal process).
3. The average of the twelve-monthly individual bacteria counts (IBC) must be 15,000 cells/ml or less.
4. The average of the twelve-monthly somatic cell counts must average 200,000 cells/ml or less, with a maximum of three-monthly counts permitted between 200,000 and 300,000 cells/ml.
5. All freezing points must be -0.530 Hortvet or lower during the year.
6. There must be no inhibitor infractions during the year.

Monthly Milk Quality Bonus Program Criteria

To qualify for the monthly Milk Quality Bonus:

- A producer must be recognized on proAction (a recognized producer is one that has obtained proAction registration and is not in the proAction registration withdrawal process).

- A producer must meet the following criteria in each month:

Test	Standard to Meet
Individual Bacteria Count (IBC)	Maximum average of 30,000 cells/ml.
Somatic Cell Count (SCC)	Maximum average of 250,000 cells/ml.
Inhibitors and Drug Residues	No Infractions.
Freezing Point	No Infractions. Maximum temperature: -0.525 H.
Rejected Milk on Farm	No rejected milk on farm

The Milk Quality Bonus is paid monthly; the value of the bonus will vary depending on Western Milk Pool Class 1 sales and will vary depending on the volume of qualified milk produced in Alberta. The average bonus in the past two years has been approximately \$0.2215/hL.

Note: A producer who is in non-compliance with proAction is not eligible for the milk quality bonus in the month(s) they are in non-compliance. A producer is considered to be in non-compliance once receiving Withdrawal Letter 1 of the proAction Compliance Policy (see pages 22-23). To remain in compliance with proAction, each producer must submit their self-declaration by the due date; address all applicable Corrective Action Requests on the validation report within the assigned time frame; and maintain all the required proAction records. Non-compliance applies to all proAction modules.

Producer Milk Quality and Component Test Notifications

Milk quality and milk component test results are available from Alberta Milk by e-mail, text, or on the [Producer Portal](#). Producers can access their account using a password. Receiving test results by e-mail is a setting that producers can customize through their online account.

Alert notifications for test results over threshold values are sent as soon as the data is imported into the Alberta Milk database. The threshold levels are initially set by Alberta Milk but are customizable by producers.

Alberta Milk does not do routine phone alerts to producers when their milk quality does not meet standards. Producers are advised to check their Monthly Penalty Page under the Test Results menu option to see any PPP penalties and penalty dollar amounts. Producers will be contacted by the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation if their milk tests positive for inhibitors, if their IBC values exceed 1,000,000 cells/ml, or if their FP values is warmer than -0.514 H.

Contaminated Milk

Alberta Milk recognizes that unexpected events happen on the farm and possibly during milk transportation which may impact milk quality or food safety. These unexpected events include the issue of potential milk contamination which can be caused by mis-labelled feed, treated cows or any other incident on your farm which may have jeopardized the quality and safety of the milk in your tank.

Producers must take the following steps should they ever have an event of possible contaminated milk:

- Producers **MUST** call Alberta Milk immediately once they are made aware of a possible milk contamination on their farm.
TRANSPORTATION EMERGENCY LINE at 780-491-2666
- Producers **MUST** call the Alberta Milk Transportation Emergency Line at 780-491-2666 immediately after learning from the Alberta Ministry of Agriculture and Irrigation staff or Canadian Food Inspection Agency (CFIA) staff about possible contamination of the milk in your tank.
- Follow the proAction SOPs for contaminated milk.

Producers may be held liable if these steps are not followed.

SECTION 3: ON-FARM BULK TANK POLICIES

Bulk Tank Installation

Bulk tank installations must be approved by an inspector before Alberta Milk is allowed to take shipments from that tank. To make an appointment, contact the Inspection and Investigation Section of the Alberta Ministry of Agriculture and Irrigation at 403-755-1474.

All newly installed bulk tanks must have a minimum three-inch outlet and an available reducer from three inches down to two and a half inches for the transporter's loading hose to maintain efficiency when loading the milk.

All newly installed Automated Milking Systems must also provide a minimum three-inch outlet and an available reducer from three inches down to two and a half inches.

New bulk tank installations must be calibrated as soon as possible.

Minimum Bulk Tank Capacity

A bulk tank (or a combination of more than one) on a farm must hold at least two and a half days of the herd's milk production during the peak production period.

All bulk tanks must be in accordance with the [Dairy Industry Regulation](#) (DIR 21-26). Milk measurement and tank calibration requires the presence of a tank dipstick. All bulk tanks must meet the minimum cooling requirements for milk collection as defined in 3-A Sanitary Standards for Farm Milk Cooling and Holding Tanks.

New bulk tank installations must be calibrated as soon as possible.

Minimum Shipment Policy

A minimum of 100 litres must be shipped every two days.

On a monthly basis, the volume portion of the producer transportation assessment will be applied using a minimum monthly volume of 6,000

litres (pro-rated if a producer is entering or exiting the industry during the month).

The yard charge will be paid by all producers regardless of the volume shipped.

First Milking Specifications

The first milking placed in the bulk milk tank must:

- Have a minimum of five minutes of agitation every hour;
- Be at or above the minimum volume on the tank chart;
- Be properly cooled; and
- Be able to be sampled.

The bulk milk grader will notify Alberta Milk if these requirements are in question and the office will contact the producer to check on the volumes shipped.

Sanitization of Bulk Tanks

A bulk tank must be emptied, cleaned, and sanitized at least once every two days. It must be cleaned every time it is emptied.

Extra Pickup and Dual Tank Policy

An extra pickup (EPU) is defined as an additional pickup, other than the regular pickup cycle of once every two days at a usual time.

Dual Tanks are defined as two or more tanks that have a regular pickup cycle of once every two days.

Examples of EPU (but not limited to):

- Bulk tank installations;
- Bulk tank calibrations;
- Emergency pickups;
- Late notice from a producer with a follow up bulk tank sample after an inhibitor violation; or
- Tank(s) capacity will not hold two days of production: section 25(1) (c) of the [Dairy Industry Regulation](#) requires that a tank must have capacity to hold at least 2.5 days of milk production by the dairy animal herd during its peak production period.

Producer Cost/Payment

EPU can be requested by either the individual producer who will then pay or by Alberta Milk who will then pay, regardless of the tank's capacity.

The following costs will apply to the individual producer who requests EPU:

- For 0 to 100 km per EPU a flat rate fee of \$40 for each EPU.
- For EPU over 100 km a flat rate fee of \$40 plus an additional km charge for the km over 100 as calculated by the transportation hauling formula.
- Current yard charge - The regular yard charge will apply only when the milk is picked up; for trips to the farm where the milk is not picked up, there will be no yard charge.
- If the EPU is to manage bulk tank volumes, then the flat rate fee will apply for a minimum of two months, regardless of the number of EPU within the two months.
- Producers with dual tanks and the regular pickup cycle of once every two days will only be charged one yard-charge within the two-day pickup cycle. If the producer requests EPU, then the above costs will apply.

The following payments and non-charges will apply to the individual producer when Alberta Milk requests EPU:

- The producer will be paid a token payment of \$40 for each of these EPU.
- The producer will not be charged the flat rate \$40 fee nor the current yard charge fee for these EPU.

Extra Pickup Administration

All producer costs and payments for EPU will be deducted from or added to the individual producer's pay.

Dual Tank Specifics

The Western Milk Pool Progressive Penalty Program (PPP) will apply to all milk produced monthly, regardless of which tank the violation occurred.

With every additional tank, producers will pay extra costs including additional laboratory (no monthly prorated), calibration, and cleaning costs.

If a producer chooses to have additional tanks, they must meet the same [Dairy Industry Regulation](#) requirements as the first tank. The following requirements must also be met:

- Tanks must be clearly identified by numbers and the corresponding calibration chart, milk house bar code labels, and milk receipts must be identified accordingly. The tank that is primarily used must be labelled as #1.
- The additional tanks must be situated so that all farm bulk tanks can be picked up on one stop with a standard 8-meter hose without moving the truck.

Bulk Milk Tank Calibration Program

The Bulk Milk Tank Calibration Program for Alberta started on May 1, 2005. After a bulk milk tank has been initially calibrated, it will be checked for recalibration or calibration at five-year intervals.

When bulk tanks are calibrated, they may be re-sloped to ensure fast drainage, which is important for large milk pumps to operate.

Producer calibration costs include:

- Labour costs for their individual calibration.
- Cost of supplying enough clean, potable water from an acceptable source free of air bubbles to fill the bulk tank. Bulk milk tanks with a capacity of over 1,000 gallons must have enough water available to fill at least half, if not all of the tank. This water should be in a separate tank within 12.19 metres (40 feet) of the bulk milk tank.

- If a bulk tank without a dipstick is purchased, it is the producer's responsibility to acquire and install a holder and dipstick prior to installation.

Each bulk milk tank calibration must be rechecked, by a calibrator approved by Alberta Milk, every five years.

Calibration Priorities

Alberta Milk has contracted International Dairy Calibrations Alberta Ltd. (Mr. Shaun Byers) to perform calibrations in Alberta. Newly installed tanks and tanks on farms that have changed ownership will receive the highest priority, followed by tanks on routes where excessive shrink has been identified. The calibrator works with haulers by route within a region in order to keep costs down. Producers are asked to try to accommodate the calibrator to arrange to calibrate or recalibrate their tank(s).

If you have any questions regarding Bulk Tank calibration, or would like to inquire about scheduling a calibration, please call Alberta Milk Member Services toll free at 1-877-361-1231.

Calibration Costs

The price for tank calibration is dependent on the size of the tank.

Capacity in US Gallons	Capacity in Litres	Calibration Cost as of Aug 1, 2024	Re-Calibration Cost as of Aug 1, 2024
200 - 599	757 - 2,267	\$ 805	\$ 500
600 - 799	2,271 - 3,025	\$ 815	\$ 508
800 - 999	3,028 - 3,782	\$ 830	\$ 529
1,000 - 1,249	3,785 - 4,728	\$ 851	\$ 536
1,250 - 1,499	4,732 - 5,674	\$ 879	\$ 569
1,500 - 1,999	5,678 - 7,567	\$ 896	\$ 588
2,000 - 2,499	7,571 - 9,460	\$ 952	\$ 602
2,500 - 2,999	9,464 - 11,352	\$ 9995	\$ 618
3,000 - 3,499	11,356 - 13,245	\$ 1,059	\$ 647
3,500 - 3,999	13,249 - 15,138	\$ 1,118	\$ 676
4,000 - 4,999	15,142 - 18,923	\$ 1,197	\$ 711
5,000 - 5,999	18,927 - 22,709	\$ 1,250	\$ 727
6,000 - 6,499	22,712 - 24,601	\$ 1,300	\$ 741
6,500 - 7,499	24,605 - 28,387	\$ 1,329	\$ 758
7,500 - 8,000	28,391 - 30,283	\$ 1,349	\$ 770

Pooled calibration costs covered by Alberta Milk include:

- Calibrator mileage and expenses
- Re-sloping of tanks (\$75/tank)
- Milk hauling charges (if required)

Buffer Tank Policy

Buffer tanks are required on all new Automated Milking Systems.

SECTION 4: YARD AND LANE POLICIES

Note: This policy has been revised for a transition from the current tri-axle trailers over to b-trains for milk pickup. The 10-year transition will involve producers, processors, and haulers. Please contact Bill Beisal directly for any inquiries of the new b-train criteria.

The purpose of these standards is to ensure greater farm safety and to maintain transportation efficiencies. Individual milk producers are responsible for ensuring that a safe and practical access to the milk house in all weather conditions is provided for the milk transporter and his vehicle.

These standards will apply to all operations during the transition from tractor, tri-axle trailer combination over to a tractor, b-train trailer combination. This 10-year transition will be completed on August 1, 2028, when all operations will be required to have b-train accessibility.

Effective August 1, 2018, all existing and new producers who construct a barn where facilities did not already exist are required to have a yard and lane that is accessible to b-trains.

****Note:** This policy will note the specific b-train requirements for these operations to adhere to (i.e., constructing a barn where facilities did not already exist).

Acquiring a producer licence requires compliance with this policy.

These policies take into consideration the [Dairy Industry Act](#) and [Dairy Industry Regulations](#) concerning yards and transporters. As changes occur in the dairy industry, larger configurations may be used to maintain and improve efficiencies.

Policy Administration

Producers are encouraged to meet these standards and make the necessary adjustments themselves. In every instance, the application of this policy will be based on common sense and practical considerations.

Any farmyard or lane problem that is brought to the attention of Alberta Milk staff will be dealt with on an individual basis. A staff representative will be available to act as a liaison between the producer and milk hauler, ensuring that all requests are within policy standards. After discussions with the producer and milk hauler, a Yard Report indicating any necessary changes for policy compliance will be completed. A reasonable amount of time will be granted for changes, according to each individual case.

If a producer chooses to appeal the Yard Report, a written request for appeal will be required and submitted to the Alberta Milk Board of Directors for review.

Lane Requirements

Producers must have the following lane requirements in place:

Cross-Contamination Prevention

- Farmyards and lanes must be kept free of manure.
- Manure accumulations on farmyards or lanes are considered to be possible sources of contamination through soil and manure adhering to the underside of milk trucks and truck tires. Adherence to this requirement will help eliminate the spread of pathogens.
- Livestock of any description shall not be allowed access to any portion of the lane or yard that is normally traveled by a milk hauler.

Farm Gates and Fences

- A gate of any type, which requires opening and closing by the milk hauler having to leave his vehicle, is not permitted.
- Fences must be set back a minimum of 2.44 metres (8 feet) from the edge of the lane.

Overhead Objects

- The traveled portion of the yard and lane should be free of all overhead objects such as branches and wires to a height of 4.57 metres (15 feet) from the surface of the yard and lane. Ice and snow build-up should be taken into consideration when determining the

height. As well, all porch roofs or similar structures surrounding the loading area and traveled portion of the yard and lane must be considered.

Lane Bridges

- All bridges, culverts, and Texas-style gates should be clearly identified on all four corners where the lane meets the bridge. The weight-bearing load/capacity will depend on the length of bridge and the number of axles on the bridge at any one time. The weight-bearing load/capacity must accommodate the largest trailer assigned by Alberta Milk.
- The length of any necessary culvert will be dependent on the ditch location with respect to the driveway entrance. In addition, if the type of vehicle used to pick up milk changes, and has been approved by Alberta Milk, then the producer must ensure that the yard and lane entrance can accommodate the new vehicle type.

Lane Entrance

- The lane entrance must be such that it provides a safe and reasonable access for the type of vehicle operating in the area. If the type of vehicle used to pick up a producer's milk changes, and has been approved by Alberta Milk, then the producer must ensure that the yard and the lane entrance can accommodate the new vehicle type.
- The lane entrance should angle from the shoulder of the road so that at 12.19 metres (40 feet) in from the edge of the traveled portion of the road the width of the lane must be a minimum of 3.66 metres (12 feet).
- The length of any necessary culvert will be dependent on the ditch location with respect to the lane entrance as illustrated in Figure A.
- Minimum width of the lane entrance is 3.66 meters (12 feet), preferred is 4.88 metres (16 feet).

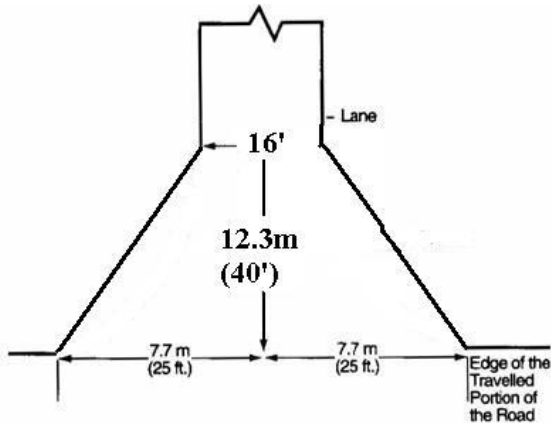
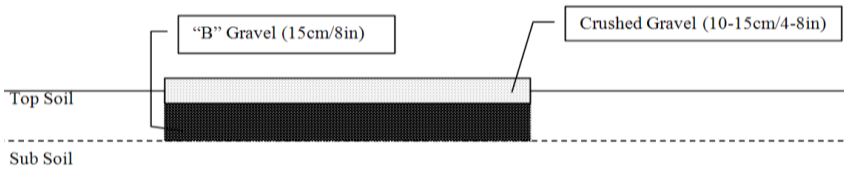


Figure A: Lane Entrance

Yard and Lane Construction

- In order to provide adequate drainage and permit winds to carry snow over the laneway, the lane surface should be elevated with a gentle downward slope from the centre to each side of the lane. In addition, the lane shoulders should slope at an angle no greater than 45 degrees.
- The entire lane and travelled portion of any yard site shall be constructed to provide adequate weight bearing support for a fully loaded truck or tractor-trailer. For the lanes that are not acceptable, the following minimum standards will be applied. However, the amount of natural drainage will determine if more, or less, granular material is required compared to the specifications shown in Figure B.
- For gravel yards and lanes, there must be adequate gravel. Proper construction guidelines, for those areas on which the milk truck travels, vary depending on the type of soil.
- That portion of the yard and lane through which the milk truck travels should be constructed to provide adequate drainage and prevent the build-up of mud.



1. Remove all topsoil
2. 15cm of "B" or non-crushed gravel
3. 10-15cm of "A" or crushed gravel

Figure B: Lane Construction Illustration

Other Road Specifications

- Lane Width - The minimum width of the lane is 3.66 metres (12 feet) but the recommended is 4.88 metres (16 feet) for the entire length of the lane, and greater than this at the entrance and at points where the lane direction changes.
- Maintenance - The lane and yard must be kept in good repair and have adequate gravel and proper drainage. It must be free of damaging potholes. In winter conditions, the portion of the driveway and yard that the tanker travels must be cleared of snow whenever necessary. Icy surfaces must be salted or gravelled. In all weather conditions, the lane and yard must be adequate to handle the maximum weight of the loaded milk truck.
- Blocked Access - Cars, farm trucks, farm tractors and farm implements must not be located or parked in that portion of the yard and lane that is traveled by the milk truck in the process of picking up milk.
- Backing into a Yard - For safety reasons it is not permissible for a milk hauler to reverse into or out of a farmyard or lane.
- Turn Around Provisions - A suitable turn around area must be provided within the yard as close to the milk house as possible. This turn around must be a circular turnaround or a drive-through.
- The minimum width of a lane is 3.66 metres (12 feet); the recommended width is 4.88 metres (16 feet) as shown in Figure C.

Note: Three-point turn around areas are not permissible with b-trains.

Note: b-trains are required to have the minimum of 172 feet of a straight away drive path in front of the milk house and must not have reverse travel in the yards and lanes (see Figure C).

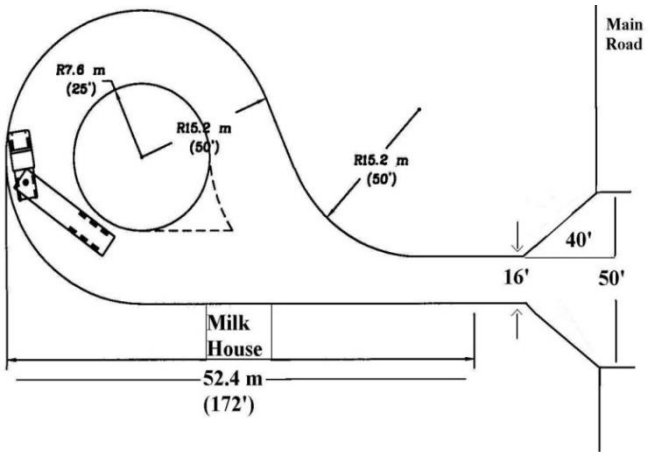
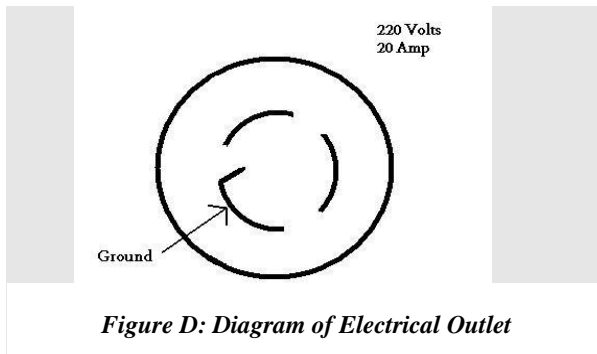


Figure C: Circular Driveway Diagram

- **Loading Area** - The area of the yard where the milk truck is parked while pumping on the milk must be reasonably level and dry. The inside and outside area used by the milk hose must be clean and free from mud, manure, and other contaminants. Sufficient clearance and lighting is required for inspection and sampling of the milk and reading the measuring device. An unobstructed view from the milk house to the transfer pump compartment is required.

Electrical Outlets

For driver safety reasons, a grounded 20 amp electrical outlet located outside and adjacent to the milk hose porthole is required. This electrical outlet must be controlled with a bipolar switch located inside the milk house. The electrical outlet and the bipolar switch must meet the requirements of the provincial code. For type of plug, see Figure D.



Note: For b-trains a grounded 30 amp 250 volt electrical outlet located outside and adjacent to the milk hose porthole is required, a 30 amp breaker is required for the 30 amp electrical outlet.

Responsibility for Damages

When damage has incurred and a consensus cannot be reached between the milk hauler and the producer, it will be reviewed by Alberta Milk. Whoever is deemed responsible, or causes the damage, is responsible for the costs incurred. It is the responsibility of the milk hauler to drive professionally and the responsibility of the producer to comply with the Yard and Lane policies. If these responsibilities are compromised, then responsibility for costs or damages will occur.

Example 1:

The milk hauler turns a corner too sharply and their truck becomes stuck. A tow truck is required and damage is caused to the trailer. There is ample room for the trailer to turn but due to poor judgment on the driver's behalf, the corner is taken too sharply. The cost is borne by the hauler.

Example 2:

The milk hauler becomes stuck in the driveway. The driveway in question is compromised due to potholes and is very narrow. The driveway does not comply with the Yard and Lane policy, and the producer has been advised it is unsatisfactory. The producer is responsible for the costs.

Dairy Industry Regulation (DIR) and Act (DIA)

DIR 8 The land surrounding a dairy barn and milk house must be

- (b) kept free of refuse and animal and vegetable wastes,
- (c) well drained.

DIR 9 In order to permit passage by a milk transport vehicle, a producer's road to a milk house must be maintained by the producer so that access to the milk house is

- (a) safe and easy in all weather conditions,
- (b) free of animals, locked gates and other obstacles.

DIR 16(4)(a)(i) A milk house must be equipped with a pressurized, hot and cold running, potable water system that has taps, pipes, hoses and nozzles installed and arranged in a manner that permits cleaning of the milk house.

DIR 19(2) A milk house must have

- (a) outside the milk house and directly below the hose port, a concrete apron,
 - (i) that is connected to the main entrance of the milk house by a concrete walkway and
 - (ii) that is large enough so that the hose of the milk transport vehicle cannot contact ground other than the concrete walkway.
- (b) a grounded exterior electrical outlet adjacent to the hose port and controlled by a bipolar switch located on the interior wall of the milk house in a location accessible to the bulk milk grader,
- (c) a window in the milk house that permits the bulk milk grader to observe the transfer pump compartment of the milk transport vehicle's tank from inside the milk house.

DIR 24(1) A bulk milk tank in a milk house must be located so that there

- (a) is sufficient clearance for inspection and sampling of the milk and the removal of the dipstick, gauge or other measuring device,
- (b) is at least 90 cm clearance on the outlet side, the pouring side and the sink side.

DIA 13(1) The buildings, land, equipment and utensils of a dairy farm that are used in connection with dairy purposes must meet the requirements of the regulations.

SECTION 5: BOARD REVIEWS

As defined under the [Review and Appeal Regulation](#) and section 36(1) of the [Marketing of Agricultural Products Act](#), a person who is affected by a decision of Alberta Milk may apply to the board to review its decision.

A “review” is a request to the board to review and reconsider a decision and gives the applicant an opportunity to present information or evidence and comments to the board for consideration as part of the review.

Board Review Process

The applicant must make an application to Alberta Milk within 60 days after being notified, served with or otherwise becomes aware of the decision. The application must be made in writing, clearly stating the following:

- a) the name and address and telephone number of the applicant
- b) a description of the decision being contested
- c) the reason and grounds for contesting the decision
- d) the outcome requested
- e) will applicant attend the hearing or provide a written submission only
- f) signature of the applicant

SECTION 6: USEFUL PHONE NUMBERS AND WEBSITES

Topic	Contact
Alberta Milk Office	877-361-1231
Milk Quality <ul style="list-style-type: none"> • Milk test results • penalty program/milk quality bonus/milk quality award • Bulk tank calibrations 	Kelly Mauthe 780-577-3314 kmauthe@albertamilk.com
Central Milk Testing Lab <ul style="list-style-type: none"> • Inhibitor testing • Extra lab testing 	866-816-5335
Alberta Ministry of Agriculture and Irrigation <ul style="list-style-type: none"> • Premise inspection • Bulk tank installation approval • On-farm milk rejection 	866-252-6403
Transportation <ul style="list-style-type: none"> • Hauler issues or yard concerns • Extra pick-ups • Incorrect pick-up volume on barn sheet and/or website Transportation Emergency Line (<i>after hours only</i>)	Bill Beisal 780-577-3310 bbeisal@albertamilk.com Audrey Kirtzinger 780-577-3311 akirtzinger@albertamilk.com 780-491-2666
Quota Management, Licensing, Signing Authorities <ul style="list-style-type: none"> • Quota exchange • Credit transfers • Updating contact information 	Cristin Vollrath 780-577-3312 cvollrath@albertamilk.com Jonathan Ntoni 780-577-3313 jntoni@albertamilk.com Fax: 780-455-2196
proAction®	Morgan Hobin 780-577-3318 mhobin@albertamilk.com

Topic	Contact
Dairy Research and Extension	Mike Slomp 780-577-3316 mslomp@albertamilk.com
Animal Care Concerns	ALERT Line 800-506-2273
Animal Rights Activity	Megan Madden 780-577-3305 mmadden@albertamilk.com
Emergency	911
Dairy Cost Study	Pauline Van Biert 780-415-2153

Alberta Milk Producer Portal: portal.nitamms.com

Alberta Ministry of Agriculture and Irrigation:
www.alberta.ca/agriculture-and-irrigation.aspx

Natural Resources Conservation Board: nrcb.ca

proAction: dairyfarmers.ca/proaction



Vision:

Better Together for Canadian Dairy

Mission:

**Inspiring, innovating, and collaborating to
build a healthy Canadian dairy industry.**

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