

ARTISAN DAIRY PROGRAM

Program Objective:

To increase the demand for dairy products by making cow's milk available for the manufacture of unique specialty or ethnic-type products by artisan dairy processors, excluding cheddar and mozzarella cheeses.

Definition:

The word "artisan" or "Artisanal" implies that a dairy product is processed primarily by hand, in small batches, with particular attention paid to the tradition of the processor's art, and thus using as little mechanization as possible in the production of the dairy product. Artisan dairy products may be made from all types of milk and may include various flavourings.

Overall Program Criteria:

1. Set aside a pool of milk, equivalent to 3.0 million litres that would be designated as "Artisan Dairy Milk". This pool of milk would be in addition to the amount of PSQ allocated to Ontario's existing industrial quota plants.
2. The milk for this program is to be made available for a period of three years or until the volume is fully utilized.
3. Up to 300,000 litres annually is to be made available to each new qualifying, artisan dairy processor, until the total volume equivalent to 3.0 million litres has been assigned
4. The Artisan Dairy Program will be reviewed by industry stakeholders after four years, or sooner, if the 3.0 million litres is fully utilized
5. Applications to receive milk under the Artisan Dairy program are to be reviewed by a joint committee of DFO/ODC staff, with recommendations to be made to the DFO Board for approval.
6. Any volumes of milk not utilized under the program would be re-allocated to the provincial PSQ pool
7. The industry will give consideration to the feasibility of setting aside a portion of future MSQ increases for the purpose of funding additional volumes of milk that would be made available for additional Artisan Dairy applications.

Applicant Criteria:

1. Only “new” processors are to be eligible to apply for milk under the Artisan Dairy Program, i.e. dairy processors licensed by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) subsequent to the programs introduction, i.e. April 1 2006. Processors licenced to process cow’s milk prior to April 1 2006, are not eligible for application to this program.
2. Artisan Dairy processors must first apply to the Canadian Dairy Commission for a Domestic Dairy Product Innovation Program (DDPIP) contract for each new product. Plants receiving a DDPIP contract for their products are not eligible to receive milk for that product under the Artisan Dairy Program. Failure to receive a DDPIP contract for a specific product may make that product eligible for consideration under the Artisan Dairy Program.
3. Milk received under this program may be utilized in the manufacture of all types of dairy products, with the exception of cheddar, and mozzarella cheeses, providing the product is manufactured mainly by hand, utilizing traditional manufacturing practices.
4. Applicants wishing to receive milk under this program must provide DFO with a list of the type(s) of product that they plan to manufacture and demonstrate that their product is not available within the region.
5. Raw milk cheeses manufactured from milk under this program must be manufactured in accordance with all Federal, Provincial and Municipal regulations and policies. Finished product must be tested to ensure that it meets all public health and safety requirements.
6. Artisan Dairy processors approved by DFO/ODC to receive milk under this program, must obtain a Licence to Operate a Plant License from the Ontario Ministry of Agriculture, Food and Rural Affairs, comply with all plant regulations under Regulation 761 and the DFO Milk General Regulation 07/06 under the Milk Act, including the industry’s credit requirements before receiving any milk.
7. Permanent Plant Supply Quota (PSQ) will be allotted to the Artisan dairy plant at the end of three years of continual utilization. The volume of PSQ issued will be the greater of the last year of utilization or the average of the last two years.
8. Any milk entitlement or permanent PSQ assigned to a new Artisan Dairy processor is **non-transferable** at any time, with exception of instances where there is a change in ownership of the company and the plant continues to operate as an on-going operation, at the same location. In instances where an Artisan Dairy processor ceases operation, all milk entitlement or permanent PSQ assigned to that processor under this program will be returned to the Artisan Dairy Milk Pool.
9. Artisan Dairy plants will not be permitted to lease or purchase additional PSQ during the first three years of continual utilization.
10. Milk deliveries to successful Artisan Dairy Program applicants will be in compliance with all appropriate sections of the Plant Supply Quota policy and prevailing transportation policies that apply to all other current licence holders.