

BUSINESS PLAN

2025



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Executive Summary

Dairy Farmers of Ontario is a marketing board incorporated under the *Milk Act* as a not-for-profit organization. Dairy Farmers of Ontario (DFO) is the designated authority to administer and enforce the Designated Legislation, which are the provisions of the *Milk Act*, including provisions of Regulation 761 related to cow's milk. DFO is accountable to the minister and the Ontario Ministry of Agriculture, Food and Agribusiness (OMAFA), which is responsible for DFO's fulfilment of its Statutory Mandate.

The long-term strategic goal of Dairy Farmers of Ontario (DFO) is to administer, enforce and meet all provision of Regulation 761 of the *Ontario Milk Act* delegated to them in relation to cow's milk. Ontario Regulation 761: Milk and Milk Products, under the *Ontario Milk Act*, outlines the regulations on the production, transportation, and processing of milk. Regulation 761 is available online (<https://www.ontario.ca/laws/regulation/900761>) on the Ontario government website. To accomplish their mandate, DFO ensures that appropriate resources are available to carry out the responsibilities delegated by OMAFA. Through funding partnerships with OMAFA and producer license fees, DFO ensures that financial capacity is available and regulations are enforced.

Mandate:

Dairy Farmers of Ontario is the regulator and sole delegated authority for the marketing of milk in Ontario. Our accountability to the Ontario Farm Products Marketing Commission and the Ministry of Agriculture, Food and Agribusiness remains steadfast. As the largest sector of Ontario agriculture, we continue to support a dynamic, profitable, growing Canadian dairy industry for the benefit of all Ontario producers collectively.

Mission:

To provide leadership and excellence in the production and marketing of Canadian milk.

Vision:

A dynamic, profitable, growing Canadian dairy industry.

Values:

Leadership: We lead by committing to continuous personal and organizational development.

Respect: We listen, accept differences and work together.

Trust: We create, build and maintain trust by being honest, open and transparent.

Integrity: We are consistent in our actions and values.

Teamwork: We help each other succeed through collaboration.

Fairness: We ensure equitable application of rules and benefits.

Accountability: We hold ourselves and each other responsible for delivering results.

Strategic Objectives & Activities

DFO's strategic objective is to meet or exceed all outcomes and measures required as defined in the delegated portions of Regulation 761. This is done to ensure regulatory compliance and food safety and ensure that Raw Milk Quality (RMQ) in Ontario continues to meet the needs of consumers.

The provisions of Regulation 761 delegated to DFO pertain to:

- a) Farm Premises
- b) Bulk Tank Milk Grader (BTMG) Certification Program
- c) Raw Milk Quality and Sample Testing
- d) Penalty Application
- e) Compliance Hearings

a) Farm Premises

Regulation 761 defines the regulatory requirements that producers must meet with regards to premises, milking equipment, and animal health and cleanliness. DFO enforces these regulations and ensures compliance by inspecting facilities. These inspections are conducted by appointed inspectors known as Field Service Representatives (FSR). There are 13 FSRs across the province. The inspection evaluates the following topics: milkhouse, cooling equipment, milking equipment, dairy facility, animals and animal housing.

- **Required Activity/Target:** All farms will be inspected bi-annually. Inspection frequency can increase based on risk, such as decreased milk quality, complaints or a history of non-compliance.

b) Bulk Tank Milk Grader (BTMG) Certification Program

The Bulk Tank Milk Graders (BTMG) are responsible for determining the volume of milk marketed by the producer and for the sampling of the milk to determine both its composition and quality. In addition, through their grading of the milk, they are responsible for ensuring that only quality milk leaves the farm. These requirements are outlined in Regulation 761. In addition, Regulation 761 requires that BTMGs be certified by the Director of Regulatory Compliance who issues the BTMG Certificate to those individuals who have received an apprentice evaluation and have successfully completed a BTMG course. The BTMG course is a two and a half-day session that provides the applicant with practical milk grading experience and an outline of the responsibilities of a BTMG. The apprentice evaluation consists of a supervised truck ride, where a DFO Marketing Officer evaluates the applicant's performance. Certificates are valid for 5 years. Performance evaluations are conducted during that 5-year period. Recertification courses are conducted prior to expiration.

Additionally, DFO has a BTMG accountability program which it implements as its own initiative. The purpose of the program is to ensure BTMGs meet all regulations and policies while conducting their duties. Infractions are assigned demerit points. BTMGs who reach a threshold for demerit points may be required to re-certify or attend a hearing before the Director.

Another program DFO has implemented above the regulatory requirements is Tank Truck Inspections. Tank truck inspections are conducted on an annual basis. The purpose of these inspections is to verify the vehicles being used to transport raw milk to the processors are clean, well-maintained and properly equipped.

- **Required Activity/Target:** All BTMGs will be required to successfully complete the BTMG course prior to Certification. DFO will hold at least one BTMG course annually to train BTMGs. More courses can be held based on demand.

c) Raw Milk Quality and Sample Testing

Producers are required to market milk that meets certain quality parameters outlined in Regulation 761. Those parameters include Bacteria, Somatic Cell Count (SCC), Freezing Point (FP) and the absence of inhibitors. Compliance with these parameters is measured through laboratory testing of the milk samples procured by BTMGs. In addition to quality, Regulation 761 requires that milk samples be tested for butterfat, protein, and other solids.

- **Required Activity/Target:** 1. Each producer will have one (1) sample of milk tested monthly for bacteria and SCC. 2. Each producer sample may be tested at any time to determine if the milk has an abnormal freezing point. 3. Each producer sample may be tested at any time for the presence of an inhibitor.

d) Penalty Application

Regulation 761 provides for the application of monetary penalties for producers that fail to meet quality parameters. Penalties are applied for Bacteria, Somatic Cell Count (SCC), Abnormal Freezing Point (AFP), Inhibitors and Grade A.

- **Abnormal Freezing Point:** AFP is an indication of abnormal milk. Low AFP may be an indication of several things such as an insufficient volume to agitate or cool the milk, an unbalanced ration, freezing of milk during cooling or excess water present in the milk due to either the first rinse going into the tank or water added to the bulk tank. A penalty is applied if the AFP is $>-0.507^{\circ}\text{C}$.
- **Somatic Cell Counts:** Somatic cells are white blood cells and epithelial cells commonly found at low levels in milk. When a pathogen infects the udder, the cow's immune system produces high numbers of white blood cells to combat the infection. High levels of these cells in milk indicate abnormal, reduced quality milk that is caused by an intramammary bacterial infection (mastitis). High SCC levels decrease yield, quality and the safety of cheese and other dairy products.

An SCC penalty is applied when a least one test result is greater than 400,000 cells/mL in the current month and at least forty percent of the tests in the current month and previous two months.

- **Bacteria Counts:** Bactoscan measures the number of bacteria present in a mL of the milk sample. Bacteria can lead to product quality and food safety issues. High bacteria levels can be caused by unclean equipment, improper sanitizing practices, inadequate udder preparation, mastitis infection or cooling problems. A bacteria penalty is applied when at least one test result is greater than 121,000 IBC/mL in the current month and at least 40 percent of the tests in the current month and previous two months.
- **Inhibitor Results:** Several tests are used to detect the presence of inhibitors in milk. Inhibitors in milk pose a serious human health hazard and should be avoided. Proper treatment protocols, identification of treated animals and accurate record keeping will help to prevent milk from treated cows entering the bulk tank. Adherence to withdrawal times, on-label administration, careful use of medicated feeds and topical treatments as well as inhibitor testing of purchased animals can minimize accidental introduction of inhibitors into milk. An inhibitor penalty is applied any time inhibitors are detected in milk.
- **Grade A:** To meet Grade A requirements, farm premises and surroundings, milking and cooling equipment must be clean and in a state of good repair. In addition, animals must be clean and receive appropriate care. Producers that fail to meet Grade A requirements upon inspection by an appointed FSR will be penalized. A penalty is applied if the farm is classified Non-Grade A at the time of inspection or the farm was classified as Conditional Grade A on the initial inspection and all of the required items were not completed upon a follow-up inspection. A penalty is applied for each month that a farm is not Grade A. Penalties stop in the month the farm is classified Grade A..

e) Compliance Hearings

Compliance hearings are held for producers if they are shut-off from the market twice in a 24-month period. The purpose of the hearings is to ensure producers understand the regulations as well as provide education and assistance in the production of milk that meets quality parameters.

Hearings are held at a date and time that is mutually convenient for the producer and the Director of Regulatory Compliance. Following the Hearing, the Director will establish the conditions for reinstatement.

The Director may also hold a Hearing for producers who repeatedly or chronically do not meet regulatory standards.

Penalty Application: DFO will penalize producers as per the requirements defined in Regulation 761 based on the results of milk sample testing and Grade A inspections. Penalties are applied as per the following chart.

Quality Area	Penalty Range	Test Frequency	Penalty Applied If	Penalties Applied Per	Penalty Levels				Shut-Off Levels
					1 st	2 nd	3 rd	4 th	
SCC	>400,000 cells/mL	Every Pick-up	There is at least one SCC demerit in the third month of a three-month period AND the percentage of SCC demerits in the three-month period is equal to or greater than 40%.	hL on monthly shipments	\$3	\$4	\$5	\$5	4 th and subsequent penalty in 12 months
Bacteria	>121,000 IBC/mL	Every Pick-up	There is at least one bacteria demerit in the third month of a three-month period AND the percentage of bacteria demerits in the three-month period is equal to or greater than 40%.	hL on monthly shipments	\$3	\$4	\$5	\$5	4 th and subsequent penalty in 12 months
AFP	>-0.507C	Every pick-up	AFP (Cryoscope) test result greater than -0.507C	hL on monthly shipments	\$0	\$3	\$4	\$5	4 th and subsequent penalty in 12 months
Inhibitors	Positive by official test	All loads screened plus random load testing	Positive bulk tank sample from a load that is positive.	hL on monthly shipments	\$6	\$9	\$12	\$12	2 nd and subsequent penalty in 12 months
Grade A	Non-Grade A/Unsanitary	Minimum once in a two-year period	Farm is Non-Grade A/Unsanitary upon inspection.	hL on monthly shipments	\$2	\$4	\$8	\$8	4 th and subsequent penalty in 12 months

Complaints Resolution Process

Any complaints regarding DFO's application of the legislation or challenge to a decision of the Director of Regulatory Compliance (DRC) are ultimately appealable to the Agriculture, Food and Rural Affairs Appeal Tribunal. Prior to that, however, DFO attempts to ensure that complaints and challenges are addressed in an efficient and logical manner in order to de-escalate and resolve issues, if possible, prior to the Tribunal process being initiated. Producers wishing to challenge a result or decision may do so by submitting a written challenge to DFO. The DRC will initiate an investigation based on the challenge. Depending on the nature of the challenge, the investigation could involve sample logistics, Time Temperature Recorder (TTR) data, University of Guelph Lab Services, Bulk Tank milk Graders, DFO Staff and Field Staff. The purpose of the investigation is to verify if proper procedures were followed or if there are any grounds to allow the Director to confirm, vary or rescind a sample result or decision.

In situations where a complainant is likely to contact the Minister, DFO would advise OMAFA staff.

Risk Management Plan

Dairy Farmers of Ontario has a process to identify, assess, and manage risks that may affect the organization's ability to achieve the objectives of the RMQ program. This process protects and serves all stakeholders and the public, mitigating risks, ensuring proactive control, and keeping identified risks at an acceptable level.

Performance Requirements

Performance Requirement	Target
Percent of Ontario Cow Farms receiving Grade A Inspections	50% of Ontario farms per year.
BTMG Training Course Provided	1 course per year or as required
BTMG Certification	Certify all BTMGs who successfully complete the BTMG course.
Conduct monthly Milk Sample Testing-Quality	1 test per month for BSN, SCC. Tested as required when suspected for inhibitors and AFP.
Apply Penalties in all instances where required. Penalty Application	All required instances.

Summary

DFO sets the Required Activities and Targets for its Strategic Objectives and Activities annually based on the regulatory requirements defined in Regulation 761 of the *Ontario Milk Act* delegated to them in relation to cow's milk. Achievements against the targets are then reported in the corresponding annual report. In order to ensure the highest quality for Ontario milk, DFO's practice is to exceed the minimum testing requirements set out by the regulations. Meeting these goals ensures DFO is maintaining its commitment to enforce Regulation 761 to the benefit of dairy consumers and the Ontario public.