Dairy Farmers of Ontario Organic New Entrant Quota Assistance Program (NEQAP)
Application *deadline: September 30, 2026*

Introduction

The P5 (Ontario, Quebec, Prince Edward Island, New Brunswick, and Nova Scotia) New Entrant Quota Assistance Program (NEQAP) is designed to assist those with an interest in dairy farming who may not otherwise have the financial means or opportunity to get started in the industry. The P5 makes available 160 kilograms of loaned quota per year for the program in Ontario. DFO is giving access for 1position from the 2028 Organic New Entrant Quota Assistance Program. Subject to DFO issuing a license to produce and market milk and approving an order to issue quota, DFO will match 20 kilograms of loaned quota to each successful applicant. DFO matches 20 kilograms of loaned quota for ten years and takes back 1.2 kilogram per year starting in year eleven.

What are the eligibility requirements?

In order to be considered for the ONEQAP, applicants:

- Must be 18 or more years of age and shall not be an undischarged bankrupt by September 30, 2026.
- Cannot have been previously licensed to produce and market milk in Canada.
- Can only submit one application and can only be listed on one application. If multiple applications are received from the same applicant(s), all of these applications will be cancelled.
- Can only submit one application per farm facility. If multiple applications are received for the same farm facility, all applications for the same farm facility will be cancelled.
- May use a provincially registered business name. When the necessary ownership and farm location information has not been provided, the application will be cancelled.
- Cannot apply for assistance if they will be starting on a licensed dairy facility from which their parents were licensed and shipped milk in the previous five years.
- Must produce and market milk from their own separately licensed dairy facility and can therefore not share facilities.
- Cannot be spouses of current or previously licensed milk producers in Canada.
- Cannot be DFO staff members or contract employees, their spouses, their children, or their children's spouses.
- Must have sufficient certified organic crops to feed the projected number of mature animals.
- Must be able to ship all of their milk as organic within 16 months of starting to produce and market milk. If organic new entrants do not start shipping organic milk within 16 months of starting to produce and market milk, an order will be issued by DFO Board to sell the quota acquired on the exchange and DFO will take back any quota loaned in assistance.
- Must produce and market organic milk continuously for a minimum of five years, in one of the following counties identified in below:

  Glengarry, Prescott, Russell, Carleton, Dundas, Stormont, Frontenac, Grenville, Lanark, Leeds, Renfrew, Hastings, Lennox & Addington, Northumberland, Prince Edward, Peterborough, Kawartha Lakes, Durham, Wellington, Waterloo, Grey, Bruce, Huron, Perth, Oxford, Middlesex, Elgin, Lambton, Wentworth, and additionally the three Dufferin County townships of Amaranth, East Luther, and East Garafraxa as well as the area in Brant County north of Highway 403.

What does the application process involve?

Send the following by registered mail or email to neqap@milk.org, on or before September 30, 2026, in a single package:

(a) Application Form

The application form needs to be complete, signed and dated.

(b) Financial Business Plan

In order to be considered for the ONEQAP-2028, applicants are required to have a certified accountant prepare or review a 10-year business financial plan and have the **certified accountant verify, in writing, that the plan is legitimate and indicate per the assumptions made that the business has the ability to generate profit.**

The financial business plan must include the following sections:

(i) pro forma income statements, cash flow statements and balance sheets for the 10-year period;
(ii) sufficient detail on the ownership structure and governance of the business;
(iii) a description of the proposed dairy enterprise;
(iv) a description of the assets to be employed;
(v) the location of the farm facility where milk will be produced and marketed;
(vi) if there is more than one lender, the provision of a liquidity order agreement signed by all lenders indicating the sources and the liquidity order. This applies to financial institutions and private lenders (e.g. family and/or friends);
(vii) the highest education achieved by the applicant(s);
(viii) dairy and agricultural experience; and

(c) Agreement to Finance

Provide a signed letter from their lender (if only one) or from all lenders (if more than one) indicating that they have seen and reviewed the business plan and agree to provide the financing that is stipulated in the plan. The letter should also state the principal amount and term of the loan. This applies to both financial institutions and private lenders. The financing plan cannot contain any contingencies such as, "based on property appraisals".

Application and Selection Dates

July 31, 2026

DFO will provide applications for the ONEQAP-2028 on DFO's website during the application period, July 31, 2026 to September 30, 2026.

A complete three-section application package must be sent by registered mail or email to neqap@milk.org, on or before September 30, 2026, with a date stamp of no later than September 30, 2026. Any costs or fees associated with applying for the ONEQAP-2028 are the responsibility of the applicant.

October 2026

An independent third party will determine which applications meet the established criteria. **Selection priority will be given to applicants if they or their spouse have not currently or in the past held a licence in another supply-managed sector in Canada.** If there are more applicants who qualify than positions available, the third party will use a lottery system to select the successful applicants and will advise DFO of those who have been selected. The third party's decision is final with no appeal explanation required.

DFO staff will do an initial review of all selected application packages to ensure the application meets DFO policy requirements.

Successful applicants will be notified in October 2026 that they have been selected to participate in the ONEQAP. Applicants will then be required to complete the necessary DFO forms to become a licenced producer. Please note, applicants must meet the requirements of all DFO policies and provincial regulations.

Beginning on the June 2028 Quota Exchange
The successful applicant will be assigned to the exchange month of June 2028 Quota exchange and will be required to hold a minimum of 20 kilograms of their own Quota while receiving ONEQAP loaned Quota.

Successful applicants must obtain 20 to 30 kilograms of own Quota on their assigned exchange month, which will be effective on the same date as the allotment of ONEQAP loaned Quota. Should an applicant decide not to proceed with acquiring a minimum of 20 kilograms of Quota, they will no longer be eligible for ONEQAP-2028. Successful applicants are required to submit a letter signed by their lender(s) 60 days prior to their assigned exchange month, indicating agreement to provide the financing that is required. This applies to both financial institutions and private lenders. Communication will be provided to successful applicants by DFO in advance of their assigned exchange month. Payment for the initial Quota purchase is required by the 15th of the assigned Quota exchange month.

Quota Exchange
Quota exchange policies for new entrants:

- DFO will assign the exchange month of June 2028.
- The new entrant is permitted to change their assigned exchange month with another new entrant on the condition that a signed letter by both parties is submitted to DFO.
- The new entrant is permitted to change their assigned exchange month for an available exchange month not assigned to another new entrant.
- The number of new entrants who may participate on a single quota exchange is limited to one when the quota price cap is in effect.
- A new entrant's bid will be cancelled if there is an insufficient volume available on a quota exchange. The new entrant whose bid was cancelled will be notified immediately. New entrants will maintain their selection order if an exchange is cancelled.

How are DFO's ONEQAP-2028 policies administered?
DFO quota allotted in assistance to new entrants cannot be encumbered.

- General increases or decreases will be applied to the new entrant's saleable quota and not to the quota provided by DFO in assistance.
- New entrants will have priority access from 20 to 30 kilograms of quota on the assigned exchange month.
- New entrants cannot conduct a quota transaction that would reduce their own quota below the minimum level of 20 kilograms but are not required to replace their own quota that is reduced through a general quota decrease that applies to all producers.
- If a new entrant conducts a quota transaction and reduces their own quota below 20 kilograms, DFO will take back all quota provided in assistance.
- New entrants cannot transfer quota to any other party, with the exception that a new entrant who receives assistance can add their spouse to the licence.
- DFO may provide quota to a new entrant for a period not exceeding twenty-eight years. Starting on the anniversary date at the beginning of the eleventh year DFO will take back from the quota provided in assistance, 0.1 kg per month to a maximum of 1.2 kg per 12-month period.

Frequently Asked Questions

What are some helpful hints for filling out the application package?

i) Start the application process as early as possible to allow for the appropriate review time by the accountant and lender(s).
ii) The certified accountant's letter must state that the plan is legitimate and indicate per the assumptions made that the business has the ability to generate profit.
iii) The lender(s) letter must include the principal amount and term of the loan and must indicate that he/she has seen and reviewed the financial business plan and agree(s) to provide the financing that is stipulated in the plan.
iv) Clearly identify all sections of the financial business plan in your completed application, asper *(b) Financial Business Plan* on page 1 of this document. The financial business plan is to be comprised of all items (i) to (viii).
v) The responsibility remains with the applicant to ensure that all application requirements have been met and submitted.

My parents are licensed dairy farmers; can I apply for the New Entrant Quota Assistance Program?
If you meet the application criteria, you are eligible to apply. However, applicants cannot start on a licensed dairy facility from which their parents were licensed and shipped milk in the previous five years. Applicants who take over their parents' operation are not eligible for the NEQAP-2028. You are required to establish your own dairy facility to produce and market milk.

My parents are licensed dairy farmers and operate a primary and a linked dairy facility; can I apply for the New Entrant Quota Assistance Program using one of their farm facilities as the location of my facility?
Since both of your parents' dairy facilities (primary and linked) are currently licensed, you cannot use either of these as the location of your facility. Applicants cannot start on a licensed dairy facility from which their parents were licensed and shipped milk in the previous five years.

I am a previous licence holder in another supply-managed sector in Canada. Am I eligible to apply for the ONEQAP?
If you are a current or previous licence holder, or the spouse of a current or previous licence holder, in another supply-managed sector in Canada, whether as an individual or as a shareholder in a corporation you would be eligible to apply for the ONEQAP; however, selection priority will be given to applicants if they or their spouse have not currently or in the past held a licence in another supply-managed sector in Canada. Supply-managed sector refers to, dairy, poultry, or egg.

I will be leasing land from a family member or friend, am I required to submit supporting documentation?
Yes, regardless of who you are renting land from there should be a document signed, dated, and witnessed by all parties to demonstrate that there is an agreement in place for the lease.

I will be receiving a gift of land, equipment, feed, etc., do I require supporting documentation of this?
Yes, regardless of the value of the gift there should be some sort of documentation supporting this transaction signed, dated, and witnessed by all parties involved.

My brother, sister, and I would all like to apply for the ONEQAP-2028. Is this allowed?
You can either apply as one applicant on one farm or make three single applications on three different farms. Please note that if you are submitting three applications and the dairy facility is the same for all three applications, all applications listing the same farm facility will be cancelled.

My husband was on his parents' licence in Alberta, but since moving to Ontario he is no longer on the licence. Can I apply for the ONEQAP-2028?
Since your husband was previously licensed to ship milk in Canada, you, as the spouse, cannot apply for the ONEQAP.

To increase my chance of being selected for the ONEQAP-2028, can I send in more than one application for different farm locations and/or under different business names?
If multiple applications are received from the same applicant, all applications listing the same applicant(s) will be cancelled.

Can I apply using a non-registered business name?
The business name must be provincially registered. If the necessary ownership information has not been provided, the application will be cancelled.

If DFO issues a general quota increase or decrease, will it affect quota provided by DFO in assistance?
General increases or decreases will be applied to the new entrant's saleable quota and not the quota provided by DFO in assistance.

Is there an appeal process if I am not selected?
The decision in choosing the successful candidates by lottery is final with no appeal process provided.

If I am not selected, will you let me know if my application was cancelled?
DFO will not advise applicants whose applications were cancelled and/or not selected for the program. It is the responsibility of the applicant to meet the application requirements.

If I submit an incomplete package or the package arrives late, will I be notified?
Please ensure that the package is complete and arrives on or before September 30, 2026. A letter from DFO will be sent to applicants acknowledging receipt of the package. There will be no further correspondence between DFO and applicants until the successful applicants are announced. Late arriving packages will not be accepted. DFO will not advise applicants whose applications were cancelled.

If I am selected as a successful applicant, can I acquire more than 30 kilograms of quota on the initial exchange?
No, if an initial bid submitted is greater than 30 kilograms, it will administratively be reduced to 30 kilograms.

I am currently 17 years of age, but will be 18 in September 2026, can I apply?
You must be 18 years of age on or before September 30, 2026, the deadline for application.

Do I need to have a farm facility to apply?
You need to list the farm you intend to produce and market milk from on the application. If you are not able to start producing and marketing milk from your own dairy facility within six months of acquiring Quota, you will need to sell your Quota, and the Quota provided in assistance will be taken back by DFO.

Do my farm premises need to be Grade A before applying?
Farm premises will need to be Grade A before shipping milk, not at the time of application.

If I am a successful applicant in the ONEQAP-2028, can I transfer quota?
Participants in the ONEQAP-2028 cannot at any time transfer quota, other than adding their spouse to the licence.

If I submit financial statements only, with no business plan or only submit notes to the financial statements, will my application be accepted?
No. The business plan is a distinct document that should describe how the business will operate. Financial statements are one section of the business plan.

Where can I find further information on DFO policies and provincial regulations in general?
The most recent DFO Quota and Milk Transportation Policies book is available on our website, as well as a link to Ontario Regulation 761. Ontario Regulation 761 describes quality and safety regulations including consequences for non-compliance.

If you have any other questions regarding the New Entrant Quota Assistance Program, please contact:

Dairy Farmers of Ontario
6780 Campobello Road
Mississauga, Ontario L5N 2L8
Telephone: 905-821-8970 FAX: 905-821-3160 Email: neqap@milk.org
Website: new.milk.org

Organic New Entrant Quota Assistance Program

Application Checklist

This application checklist is provided as a guide to assist in the completion of the Organic New Entrant Quota Assistance Program. The responsibility remains on the applicant(s) to ensure that their application is completed and submitted in full. Dairy Farmers of Ontario will not be held responsible for any applications which have been submitted incorrectly.

APPLICATION PACKAGE REQUIREMENTS

Applicants are required to send the following by registered mail or email, in a single package:

- ☐ *Completed application form for Dairy Farmers of Ontario (DFO) Organic New Entrant Quota Assistance Program.*
- ☐ *Completed business financial plan.*
- ☐ *A signed document or letter from a certified accountant verifying that the business plan is legitimate and indicate per the assumptions made that the business plan has the ability to generate profit.*
- ☐ *A signed letter from your lender (if only one) or from all lenders (if more than one) indicating that they have seen and reviewed the business financial plan and agree to provide the financing that is stipulated in the plan. The letter must also state the principal amount and term of the loan. This applies to both financial institutions and private lenders.*

APPLICATION FORM

- ☐ *Signed and dated by all applicants.*
- ☐ *Questionnaire initialed by all applicants.*

BUSINESS FINANCIAL PLAN

In order to be considered for the ONEQAP, applicants are required to have an accountant prepare or review a 10-year business financial plan and have the certified accountant verify, in writing, that the plan is legitimate and indicate per the assumptions that the business that the ability to generate profit. In addition, the business plan must include the following:

- ☐ *Pro forma income statements, cash flow statements, and balance sheets for the 10-year period.*
- ☐ *Sufficient detail on the ownership structure and governance of the business.*
- ☐ *A description of the proposed dairy enterprise.*
- ☐ *A description of the assets to be employed.*
- ☐ *The location of the farm facility where milk will be produced and marketed.*
- ☐ *If there is more than one lender, the provision of a liquidity order agreement signed by all lenders indicating the sources and the liquidity order. This applies to financial institutions and all private lenders (e.g.: family and/or friends).*
- ☐ *The highest level of education achieved by all applicants.*
- ☐ *Relevant dairy and agriculture experience for all applicants.*

Note: The business financial plan and agreement to providing financing cannot contain any contingencies such as, “based on property appraisals.”

AGREEMENT TO FINANCE

Provide a signed letter from your lender (if only one) or from all lenders (if more than one) indicating the following: Note these apply to both financial institutions and private lenders.

- ☐ The lender(s) has/have seen and reviewed the business plan and agree to provide the financing stipulated in the plan.
- ☐ The lender(s) letter includes the principal amount and the term of the loan.
- ☐ The lender(s) letter does not contain any contingencies such as, “based on property appraisals”.

DAIRY FARMERS OF ONTARIO
6780 Campobello Road, Mississauga, Ontario L5N 2L8
Telephone (905) 821-8970

APPLICATION FOR DAIRY FARMERS OF ONTARIO (DFO) ORGANIC NEW ENTRANT QUOTA ASSISTANCE PROGRAM

Name of Applicant (as it is to appear on DFO Licence) _____

Given name(s) (if above is a business or corporate name) _____

Given name(s) (if above is a business or corporate name) _____

Given name(s) (if above is a business or corporate name) _____

Note: *If more than three 'Given name(s)', use an additional form.*

Please refer to list of qualifying areas listed on page 1 of the application.

Mailing Address _____

City/Town _____

Province _____ Postal Code _____

Farm Location Address _____

City/Town _____ County _____

Province _____ Postal Code _____

Contact Phone Number (_____) _____ Alternate Phone Number (_____) _____

E-Mail _____ Fax (_____) _____

Language Preference: ☐ English ☐ French

Please answer the following questions by placing your INITIALS in the appropriate box. Initials from ALL applicants are required.	**Yes**	**No**
Are all applicants 18 years of age or older?		
Are any applicants an undischarged bankrupt?		
Have any applicants been current or previously licensed to produce and market milk in Canada?		
Have any of the applicants' spouses been current or previously licensed to produce and market milk in Canada?		
Are any applicants an employee or contract employee of DFO?		
Are any applicants a spouse, a child or child's spouse of an employee or contract employee of DFO?		
Are any applicants starting on a licensed dairy facility from which their parents were licensed and shipped milk in the previous five years?		
Are any applicants currently in the New Producer Program (NPP) queue?		
Are any applicants a current or previous licence holder, or the spouse of a current or previous licence holder, in another supply-managed sector in Canada, whether as an individual or as a shareholder in a corporation?		
I/we understand that if my/our application is successful, I/we will be assigned to a Quota exchange queue position in 2028.		

APPLICATION PACKAGE REQUIREMENTS CHECKLIST

Applicants are to send by registered mail or email to neqap@milk.org, in a single package:

- ☐ Application form for Dairy Farmers of Ontario (DFO) Organic New Entrant Quota Assistance Program.
- ☐ The business plan and financial plan including items (i) to (ix).
- ☐ A signed document or letter from a certified accountant verifying that the plan is legitimate and indicate per the assumptions made that the business has the ability to generate profit.
- ☐ A signed letter from your lender (if only one) or all lenders (if more than one) indicating that they have seen and reviewed the business financial plan and agree to provide the financing that is stipulated in the plan. The letter should also state the principal amount and term of the loan. This applies to both financial institutions and private lenders.

Completed 3-section application packages must be received by **September 30, 2026,** and sent by registered mail or email to neqap@milk.org with a date stamp no later than **September 30, 2026**. Only complete application packages will be considered for selection.

Any costs associated with applying for the ONEQAP are the responsibility of the applicant.

The undersigned certify the information herein contained is complete, true and correct in all respects. Furthermore, the undersigned acknowledges that any breach of these requirements will entitle DFO to take appropriate action.

Witness' Name (non-family member)	Witness' Signature	1st Applicant's Name	Applicant's Signature	Date
Witness' Name (non-family member)	Witness' Signature	2nd Applicant's Name	Applicant's Signature	Date
Witness' Name (non-family member)	Witness' Signature	3rd Applicant's Name	Applicant's Signature	Date

Please send by registered mail to New Entrant Quota Assistance Program at the above address

FOR OFFICE USE ONLY Date Package Received _____ Date Acknowledged _____