



Catastrophe Relief Policy

V2 2024 08

1. Purpose:

To support implementation of section 30 of the *Total Production Quota Regulation*. If a producer must reduce or discontinue production temporarily due to a catastrophe, the producer may lease out up to 100% of their quota to one or more licensed producer(s) if approved by the DFNS Board.

2. Catastrophe Types and Definitions:

A catastrophe is defined as:

Herd Illness or death: sudden death or loss of a significant part of the milking herd, resulting in production loss;

Herd Owner Illness or Death: injury, illness or death of the quota holder resulting in the farm not being able to operate;

Milking Facility Damage or Destruction: the damage or destruction, in full or part, of a producer's milking facilities, that significantly impacts milk production;

3. Application Process:

All information provided by the producer in relation to catastrophe relief must be received on a form provided by the Board in writing.

An application for catastrophe relief must be submitted in writing to the General Manager of DFNS as soon as possible after the catastrophe, but no later than within 30 days of the catastrophe being identified.

A producer cannot apply for Catastrophe relief for the same event twice. Any two or more applications from the same license must be unrelated and independent of any previously approved catastrophe application.

The applicant's name and any possible farm identifiers will be redacted by staff before presenting the application and documentation anonymously to the Board for consideration.

4. Approval:

All approvals for catastrophe leasing are decided by the Board on a case-by-case basis. The Board will approve the catastrophe for the maximum term relative to the nature of the catastrophe - provided the documentation meets the criteria contained in Table 1. If the documentation is not available at the time of application, the Board may approve one-month of relief, the extension of which will be conditional on receiving documentation as required before the remainder of the term is approved. The one-month relief is part of any approved relief term. (see Catastrophe Types). Some catastrophes may require that more than one section be completed (ex. – stray voltage would impact both animal health and the facility)

Catastrophe relief may begin coincident with the start of a month or proration may be applicable as follows:

- If a catastrophe occurs in the first five days of a month, any approved relief will apply for that entire month, which counts as the first month of the approved term.
- If a catastrophe occurs in the last five days of a month, any approved relief will apply the first day of the month following, which becomes the first month of the approved term.
- If a catastrophe occurs at any other time in a month, the approved relief is prorated for that month (days shipping versus days of relief) and that month becomes the first month of the approved term.

5. Catastrophe Relief Not Approved:

If the Board turns down a catastrophe relief request and the producer has stopped shipping, the producer has four exchanges to either resume shipping or sell their quota, as per section 17 of the *Total Production Quota Regulations*.

6. Producer Notification:

The producer will receive written confirmation of the application decision. Approved applications will receive written details of the timeframe, conditions of the approval and all relevant information. Applications not approved will be provided the reason why it was not approved.

DFNS immediately notifies all producers in the province that a producer (anonymously) has been approved for catastrophe relief. In that way, DFNS Directors have the same information as all producers in the province and are not in a conflict to lease quota from that producer. No confidentiality has been breached.

When a catastrophe application has been turned down, and the producer is no longer shipping, DFNS immediately notifies all producers in the province that a producer (anonymously) has not been approved for catastrophe relief and that their quota could be sold in the following four exchanges. In that way, DFNS Directors have the same information as all producers in the province and are not in a conflict to bid for quota on those exchanges. No confidentiality has been breached.

7. Catastrophe Types and Leasing Relief Terms:

Each catastrophe type has a maximum leasing relief term with no extensions.

Herd Illness or death	6 months
Herd Owner Illness or death	12 months
Milking Facility Damage or destruction	24 months

8. Documentation Required:

Table 1 outlines the required documentation that must be submitted for each category being applied for.

9. Abeyance Period:

After expiration of the relief term and regardless of the catastrophe type, if the producer has not resumed milking the following applies:

- A 12-month abeyance period automatically follows the leasing term. No leasing out is allowed during this abeyance period. This period allows the producer additional time to resume shipping or decide to sell their quota following the period of catastrophe relief. When a producer reaches the 12-month abeyance period, DFNS immediately notifies all producers in the province that a producer (anonymously) has reached this point and that their quota could be sold in the following year. In that way, DFNS Directors have the same information as all producers in the province and are not in a conflict to bid for quota on those exchanges. No confidentiality is breached.
- If the producer still has not resumed milking or sold their quota after the 12-month abeyance period, a final 4 quota exchange window applies. There is no leasing-out during this final period. This allows for the producer to resume shipping or decide to sell their quota following the 12-month abeyance period. When a producer reaches the 4-month final period, DFNS immediately notifies all producers in the province that a producer (anonymously) has reached this point and that their quota could be sold in the following four exchanges. In that way, DFNS Directors have the same information as all producers in the province and are not in a conflict to bid for quota on those exchanges. No confidentiality is breached.
- A producer who does not resume shipping or sell their quota during the 4 exchanges noted above has their quota cancelled by the Board. Board cancelled quota is redistributed to all producers at the next quota adjustment on a pro-rata basis.

10. Resuming milk shipments after Catastrophe:

Any producer who completely stopped shipping milk for a period exceeding 30 days and wishes to resume shipping milk, must:

- Notify DFNS staff, in writing (dfns@dfns.ca), within no less 7 days from the first expected shipment date;
- Have a full facility inspection completed by the provincial farm Inspector prior to the first expected shipment date. The Inspector must provide a report to DFNS confirming that the producer can resume shipping milk.

Table 1

Aspect	Herd Illness or Death	Herd Owner Illness or Death	Milking Facility Damage or Destruction
Application Documentation Required	<p>A letter from the producer's veterinarian¹ setting out the following:</p> <ul style="list-style-type: none"> - describing the problem with the herd's health; - the portion of the milking herd and therefore production affected; - the steps being taken to correct the problem. <p>PLUS: If the herd, or part of it, is not anticipated to recover, a description from the producer of their plans to acquire new cattle.</p> <p>{Note: No requirement for estimated possible herd recovery timeline because of set 6-month term.}</p>	<p>Illness of a Producer</p> <p>A letter or note from the producer's physician including:</p> <ul style="list-style-type: none"> - Confirmation that the producer suffers from an injury or illness that temporarily, not permanently, affects the producer's ability to perform the duties required to operate a dairy farm; - Description in general terms of the injury or illness. <p>PLUS: A written statement from the producer stating that there is no practical alternative to catastrophe leasing by having hired personnel or family members carry on the operation of the dairy farm, while the producer is recovering from their illness or injury.</p> <p>Death of a Producer</p> <p>Statement confirming the death of the producer, such as a death certificate or obituary. A written statement by a family member of the producer stating that there is no practical alternative to catastrophe leasing by having hired personnel or family members carry on the operation of the dairy farm.</p> <p>{Note: No requirement for estimated producer recovery timeline because of set 12- month term.}</p>	<p>A letter from the producer describing the facilities that were damaged or destroyed, the impact on the farm's milk production capacity and supporting documentation, consisting of photographs of the damaged or destroyed facilities, and other reports if available.</p> <p>PLUS: A written report from a qualified professional² confirming the facility is condemned for safe use.</p> <p>NOTE: Any facility that is deemed to be condemned for safe use will require the animals to be removed from that facility.</p> <p>{Note: No requirement for plans to rebuild or relocate to a different production site because of the set 24-month term}</p>

¹ Veterinary practice completing the farm's Annual Cattle Health Declaration for proAction

² Agricultural engineer, structural engineer or equivalent professional with designation. In the case of complete milking barn destruction – written confirmation from Dairy Inspector that the barn is no longer present or no longer meets industry regulations to produce milk is acceptable.