



Daily Pick-up Policy

Bulk Haulage Regulations (revised effective May 1, 2017)

Bulk haulage charges paid by producers

7A The following rates shall be the maximum bulk haulage rates to be charged to a producer by a transporter and shall be applicable to all transporters in the Province:

- (a) for milk transported from a farm that has milk pick-up every day: mandatory charge, calculated on all milk, in accordance with a Board policy established for the purpose of calculating the rate for every day pick-up;
- (b) for a second trip in one day by a bulk milk truck to a farm for milk pick up: charge of \$50 per return trip, in addition to the amount payable by the Board pursuant to subsection [clause] 7(a);
- (c) minimum charge: if the total amount payable during a week by the Board to a transporter pursuant to subsection [clause] 7(a) for milk transported from a farm is less than \$63, the producer that owns that farm must pay to the transporter the difference between \$63 and the amount paid by the Board for that week.

Section 7A added: N.S. Reg. 64/2017.

DFNS Board Policy for Daily Pick-up

The DFNS Board of Directors has approved the wording of following daily pick-up policy:

- Any producer requiring daily pick-up must notify DFNS of the requirement;
- In the case of tanker top-up, there will be no additional charge and it will occur with the producer's agreement and at the transporter's discretion;
- In cases of seasonal flush milk¹, waiting for delivery of a larger tank², or other extraordinary circumstances³ the transporter must calculate and charge a \$/extra visit fee (represents actual additional costs plus reasonable margin) from the producer;
- If none of the above cases apply, transporters must charge the producer at a rate of 150% of their hauling rate for all milk produced.

1 Seasonal Flush duration cannot exceed 50 extra pick-ups in a year – if it does then 150% on all milk produced is charged after 50 extra pick-ups.

2 Satisfactory proof of larger (or additional) tank on order and anticipated delivery date must be provided to DFNS by producer.

3 The decision as to whether there are "extraordinary circumstances" will be made by DFNS after consulting with the producer and transporter.

Administrative Procedures to Implement Daily Pick-up

1. Producers must make written request of daily pick-up to DFNS with at least five business days' notice before the intended start. A DFNS form will be provided to drivers and available from our office.
2. DFNS, in consultation with transporters, will determine if daily pick-up is possible. All requests will be dealt with on a case-by-case basis. Criteria used will include:
 - a. Tanker capacity on an alternate route
 - b. Hours of service requirements for Bulk Milk Grader (BMG)
 - c. Delivery implications to plant destination (i.e. receiving hours)
 - d. Reasonableness of the request related to overall logistics
3. If approved, an incremental charge for daily pick-up will be calculated as follows:
 - a. \$2.50 per extra km travelled; AND
 - b. Extra Stop Charge of \$25 per extra pick-up

Example: A producer requiring daily pick-up is 10 km out of the way on their alternate pick-up day, their incremental charge will be calculated as follows: $2 \times 10 \text{ km} = 20\text{km} \times \$2.50 = \$50 + \25 for total \$75/extra pick-up. For an additional 15 pick-ups (30 day month) the total monthly charge would be \$1,125
4. Transporter will submit their daily pick-up charges incurred to DFNS monthly. DFNS will work through the payment agent to have these fees collected from the producer and settle with the transporter.
5. DFNS will track the seasonal flush 50 extra pick-ups based on transporter and HH information. The 50 pick-ups will be tracked on a rolling twelve-month basis.
6. DFNS will direct the payment agent to collect the 150% charge, as per the policy, with the premium amounts being paid to the transporter.

Implementation timeline:

- Modify and Implement Policy of extra charges and administrative procedures **effective August 1, 2017.**
- Inform producers through June DFNS newsletter and separate email communication.
- Transporters to inform DFNS of which farms are currently on daily pick-up.
- DFNS to directly contact producers who are currently on daily pick-up immediately to advise them of the policy, related charges and the effective date.