



TPQ Transfer Policy V1 (2025 04)

1. Purpose:

Section 15 (1) of the *Total Production Quota Regulation* (“*TPQ Regulations*”) states that ‘A transfer of TPQ is not effective until authorized by the Board.’ This document is to provide guidance for producers, DFNS staff and all parties involved, to direct the process of Board transfers, and applies to all transfers of TPQ that do not take place on the TPQ exchange, transfers of shares and partnership interests of producers, and issuances of shares by a producer that is a corporation.

2. Required information to be submitted:

A request must be made in writing from the legal representative of the buyer/seller to DFNS and provide the following:

- (a) the details of the proposed transaction, including a copy of the Agreement of Purchase and Sale of the farm’s assets or shares, as applicable.
- (b) explanation of why the transaction is permitted under the *TPQ Regulations* or Board policy, with reference to the applicable provisions
- (c) If the purchaser is a new producer, completed Milk Producer license application, including the date of NSDA Facility Inspection that must have been completed in the last 12 months to be considered valid.
- (d) any other information requested by DFNS.
- (e) application fee.

3. Fee for Application:

- a. For an intergenerational or within family transfer - \$250
- b. For other transfer (not to family) - \$1250

4. Producer History

- a. For a transfer of TPQ with a dairy farm to a new producer under s. 15(2)(a) or a transfer of TPQ from a parent to a child under s. 15(2)(b) of the *TPQ Regulations*, the purchaser will NOT inherit the former owner’s history (“history” means milk quality history, proAction status, penalty status and history, bulk tank information, and the producer’s position on their quota sleeve)
- b. For other transfers of TPQ under s. 15(2) of the *TPQ Regulations*, the purchaser WILL inherit the former owner’s history
- c. For transfers of shares of a producer, the purchaser WILL inherit the former owner’s history unless the purchaser requests otherwise in their request for Board approval of the transaction. The Board may refuse the purchaser’s request if the former owner continues to have an ownership interest in the producer or continues to be involved in the management or operation of the producer.

5. Approval Process:

- a. Requests will only be reviewed during the monthly Board meetings.
- b. Requests for authorization of a transfer may be submitted at any time, but to ensure a request is considered at the next regular meeting of the Board, the request and all required information must be received by DFNS at least 3 weeks before the Board meeting. This

allows all parties adequate time to review information. Requests received less than 3 weeks before the next Board meeting may not be considered until the following Board meeting.

- c. DFNS will redact all personal information.
- d. Summary document is presented to the Board of Directors for consideration.
- e. Depending on the nature of the transaction, it may take the Board as little as a few days or as long as several weeks to make its decision.

6. Producer Notification:

- a. Both parties of the transfer will receive written confirmation of the transfer request decision.
- b. Responses are sent back to the requesting parties, in many cases, this is through their legal representative.
- c. Approved applications will receive written details of the timeframe, conditions of the request and all relevant information.
- d. Requests not approved will be provided with the reason why they were not approved.

7. Effective date: April 1, 2025