

CANADIAN DAIRY COMMISSION

Storage Assistance for Cheese Program

Appendix A (Program Guide)

January 2020

**For further information,
please contact:**

Commercial Operations and Marketing

Canadian Dairy Commission

Central Experimental Farm

NCC Driveway

960 Carling Avenue, Building 55

Ottawa, Ontario K1A 0Z2

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1. Introduction

This document was developed to provide cheese manufacturers applying to the Storage Assistance for Cheese Program (SAC) with the administrative procedures relating to the SAC, hereinafter referred to as the Program.

The Program and its funding are approved by the Canadian Milk Supply Management Committee (CMSMC) to whom the Canadian Dairy Commission (CDC) reports regularly.

This document forms an integral part of the SAC Agreement wherein participants confirm their acceptance of the terms and conditions of the Program.

2. Program Objectives

The main objective of the SAC program is to encourage cheese manufacturers to produce various types of cheese (fresh or frozen), aged cheeses and rennet casein for the domestic market during periods of the year when milk supply exceeds domestic requirements, as determined by Provincial milk marketing boards or agencies. The financial assistance provided under this Program serves to offset the carrying charges incurred by the cheese manufacturer associated with the storage of the product after its manufacture.

3. Eligibility of Participants:

In order to be eligible under the terms of this Program, a cheese manufacturer, hereinafter referred to as the Participant, must receive surplus milk and be a registered Canadian company who obtains its industrial milk requirements from a provincial marketing board/agency only.

Eligible volume of milk and quantity of product are subject to the approval of the provincial milk board that will confirm that the milk uptake is over and above the normal requisitioned volumes. A formal notice based on the template provided in Appendix B must be issued by a provincial milk board confirming the volume of industrial surplus milk being assigned to the cheese manufacturer in a given month. The volume of milk received under SAC will not be included in plant supply quotas (Ontario), historical volumes (Quebec) or part of traditional milk allocation (WMP).

The CDC, within its absolute discretion, reserves the right to refuse financial assistance to a Participant, notwithstanding anything to the contrary appearing herein.

4. Product Eligibility

- a) All types of cheese (fresh or frozen), aged cheeses and rennet casein, hereinafter referred to as the Product, are deemed eligible to the Program.
- b) The Product shall meet the appropriate specifications listed under the CAP Act and Dairy Products Regulations, as amended from time to time.
- c) The Product shall be manufactured in an establishment duly registered with the Canadian Food Inspection Agency.
- d) The Product shall be manufactured between January 23 and December 31, 2020.
- e) Provided all other conditions of the Program have been met and unless otherwise advised in writing by the CDC, the Participant shall be eligible to receive assistance for the storage of the Product:
 - from its date of manufacture, in the case of fresh or frozen cheeses and rennet casein;
 - from its date of cutting, in the case of aged cheese.

5. Duration of Assistance

- a) In the case of fresh or frozen cheeses and rennet casein:
 - i. The Product must be stored for a minimum period of 60 days, up to a maximum period of storage eligibility of 6 months, from the date of manufacture.
 - ii. Any Product removed prior to the first 60 days of storage eligibility shall not be entitled to any financial assistance.
- b) In the case of aged cheeses:
 - i. The Product must be stored for a minimum/maximum period of 12 months from the date of cutting (maximum 60 days after the manufacturing date).
 - ii. Any Product removed prior to the 12 month minimum/maximum storage period shall be entitled to receive financial assistance for the first 6 month period at the rate of \$0.045/kg, per month (as per section 5. a)ii).
- c) Subject to sections 5.a and 5.b, financial assistance shall cease as of the date on which a given lot of Product is shipped from the storage facility, whether in whole or in part.

6. Authorization

In order for a product to be eligible for financial assistance under the Program, a Participant must use the form provided in Appendix C to apply and provide the following information to the CDC:

- a) Type of Product
- b) Date(s) of manufacture of the Product and corresponding lot numbers
- c) Quantity in kilograms, cases, number of units per case and unit weight (not less than 750 cases per lot number, or as otherwise agreed)
- d) Quantity of surplus milk used to manufacture each lot (or theoretical yield)
- e) Manufacturing plant's registration number
- f) Name and address of storage location

For all types of cheese (fresh or frozen) and rennet casein, the Participant shall apply for authorization no later than 30 days from the date of manufacture of the cheese.

For aged cheeses, the Participant shall apply for authorization following the cutting of the cheese but not later than 60 days from the date of manufacture.

If deemed eligible, an authorization number will be forwarded in writing by the CDC to the Participant (SAC authorization number).

A lot must contain only one product type and size of package. "Mixed lots" will not receive financial assistance authorization. One SAC authorization number will be granted per lot.

7. Rate of Storage Assistance

The rate of storage assistance will only apply to a Product for which a SAC authorization number has been issued and shall be in effect until the cheese is sold/shipped from the storage facility but no later than 6 months from its date of manufacture for fresh or frozen cheeses and rennet casein, and no later than 12 months from its date of cutting for aged cheeses. The rates of storage assistance in effect for the period of January 23 to December 31, 2020 are:

- All types of cheese (fresh or frozen): \$0.045/kg, per month
- Aged cheeses: \$0.05/kg, per month
- Rennet Casein (frozen or not): \$0.027/kg, per month

8. Terms of payment

- a) Provided that all of the terms and conditions of the Program are met, the CDC shall pay the Participant within 30 calendar days of receipt by the CDC, of the documents referred to in Section 9.

- b) The Participant will invoice the CDC when the Product for which a SAC authorization number was granted is sold/shipped from the storage facility or at the end of the eligible period of storage for the Product.
- c) Payment shall be calculated on a daily basis when the Product is stored for part of a month, within the period of assistance.

9. Documentation

In order to receive payment, the participants must supply the following documents to the CDC after the product is sold or shipped from the storage facility.

- a) A proper invoice from the Participant to the CDC for the assistance being claimed accompanied by a completed Storage Period Declaration based on template provided in Appendix D, which identifies the quantity, product type, assistance rate, the SAC authorization number, date of production, date of cutting (for aged cheese), plant registration number, and the period of storage. Invoices shall be submitted to the CDC no later than 3 months after the end of the storage assistance period.
- b) Copy of a warehouse receipt issued to the Participant, identifying the date the product was received for storage, number of cases and lot numbers for which a SAC number authorization number was granted.
- c) Copy of shipping memo (where a public warehouse facility is used) or bill of lading signed and dated by the carrier (where the Participant's own storage facility is used). Documents must identify the date the product was shipped from storage, particular lot numbers and corresponding SAC authorization number. In cases where the product would remain in storage at the end of the eligible storage period, a copy of the inventory available at that date certified by an authorized auditor would have to be provided.

10. Duration of Program

The Program shall be in effect from January 23, 2020 and December 31, 2020.

11. Audit Requirements

The Participant shall:

- a) Keep records of specific bills of lading and corresponding invoices and/or other appropriate documents that relate to each claim. These documents should be retained for a minimum period of five (5) years.
- b) Maintain records, including production reports, inventory records, shipping memos, customer statements, etc. that relate to invoices submitted to the CDC for payment.

12. Termination

This Program and/or Agreement(s) may be terminated or temporarily suspended by the CDC, at any time, by written notice and no action shall lie against the CDC with respect to such termination or suspension.

Notwithstanding the above, where the Participant has, in the opinion of the CDC, performed satisfactorily within the terms and conditions set out in this Program and where it has been granted assistance authorization, the CDC shall honour said authorization.

13. Inventory Verification

The CDC reserves the right to conduct random physical counts on product which has qualified for financial assistance under this Program, for the purposes of verifying quantities and product type.

14. No former public office holder who is not in compliance with the post-employment provisions of the *Conflict of Interest Act* shall derive a direct benefit from this Program.

15. No member of the House of Commons shall be admitted to any share or part of this Program or to any benefit to arise there from, either directly or indirectly.

16. Where the Participant has been convicted in Canada, of an offence pursuant to section 121 (fraud upon the government), section 124 (selling or purchasing offence), or section 418 (selling defective goods to the government) of the Criminal Code of Canada, the participant shall immediately forfeit any and all rights and benefits which would have otherwise accrued to the participant under this Agreement.

17. Notices

The address, email and facsimile number where either party may be reached, where required by this Agreement, is as follows:

For the Canadian Dairy Commission

Christine Boutin
Senior Director, Commercial Operations and Marketing
Canadian Dairy Commission
Central Experimental Farm
960 Carling Ave., Building 55
NCC Driveway
Ottawa, Ontario K1A 0Z2
Email: Christine.Boutin@CDC-CCL.GC.CA

For the participant:

Name:
Title:
Company:
Address:
Email:

**STORAGE ASSISTANCE FOR CHEESE PROGRAM
AGREEMENT**

Entered into

This ____ day of _____ 2020

In consideration of the assistance provided under this agreement to:

**(hereinafter referred to
as the “company”)**

by the Canadian Dairy Commission, the company agrees to comply with the terms and conditions as described in Appendix A (Program Guide) attached hereto.

This Agreement constitutes the entire agreement between the Canadian Dairy Commission and the company and supersedes all previous agreements, negotiations and commitments, either orally or in writing, between the Canadian Dairy Commission and the company, relating to this Program.

In witness thereof the Company has executed this agreement by its duly authorized representative.

Name of Witness for the Company
Nom du témoin pour l'entreprise

Signature of Witness for the CDC
Signature du témoin pour la CCL

**PROGRAMME D'AIDE POUR L'ENTREPOSAGE DU
FROMAGE
ENTENTE**

Entrée en vigueur

Le ____ jour de _____ 2020

En considération de l'aide accordée en vertu de cette entente à :

**(ci-après dénommée
la « compagnie »)**

par la Commission canadienne du lait, la compagnie accepte de se soumettre aux modalités décrites à l'Annexe « A » ci-jointe.

La présente Entente constitue la totalité de l'entente entre la Commission canadienne du lait et la compagnie et a préséance sur toutes les ententes, négociations ou engagements antérieurs, écrits ou verbaux, entre la Commission canadienne du lait et la compagnie concernant le Programme.

En foi de quoi, la compagnie a exécuté la présente entente par l'entremise de son représentant dûment autorisé.

Name of Representative for the Company
Nom du représentant pour l'entreprise

Signature of Representative for the CDC
Signature du représentant pour la CCL

Appendix B - Confirmation of Surplus Milk Allocation Template

Provincial Milk Boards issuing industrial surplus milk to processors approved under the Storage Assistance for Cheese Program, should update and return this report on a monthly basis to the CDC at : cdc.innovation@cdc-ccl.gc.ca. An Excel version of this template is available.

Provincial Milk Board:		
The Provincial Milk Board confirms that the volumes of milk below were approved under the SAC and that the milk uptake is over and above the normal requisitioned volumes:		
Month	Cheese manufacturer under SAC Agreement	Volume of industrial surplus milk assigned to cheese manufacturer (Liters)
January 2020	<i>Participant A</i>	<i>Volume assigned to Participant A in January</i>
	<i>Participant B</i>	<i>Volume assigned to Participant B in January</i>
February 2020
March 2020		
April 2020		
May 2020		
June 2020		
July 2020		
August 2020		
September 2020		
October 2020		
November 2020		
December 2020		

Appendix C – Application Form

In order for a product to be eligible for financial assistance under the Program, a Participant must use the form provided in Appendix C to apply and provide the following information:

The following application has an Excel version of this template available for Cheese manufacturers under SAC Agreement.

Company Information / Information de l'entreprise							
Cheese manufacturer : Fabricant de fromage							
Address / Adresse:							
CFIA Registration # : Enregistrement ACIA							
CONTACT							
Main contact : Contact principal							
Telephone # / # Téléphone:							
Email / Courriel							
Participant Lot # / # Lot du participant	Product Category / Catégorie du produit	Type of Cheese / Type de fromage	Manufacture date YYYY-MM-DD / Date de fabrication AAAA- MM-JJ	Manufactured Qty (Kg) / Qté manufacturer (Kg)	Storage Date YYYY-MM-DD / Date d'entreposage AAAA-MM-JJ	Warehouse Receipt # (Optional) / # Recu d'entreposage (optionnel)	Surplus Milk Utilization (Liters) or Yield / Lait de surplus utilisé (litres) ou rendement

Appendix D : Storage Period Declaration Template

The following declaration will have to be provided with the SAC invoice to the CDC. *An Excel version of this template is available for Cheese manufacturers under SAC Agreement.*

Company Information / Information de l'entreprise														
Cheese manufacturer : Fabricant de fromage														
Address / Adresse:														
CFIA Registration # : Enregistrement ACIA														
CONTACT														
Main contact : Contact principale														
Telephone # / #Téléphone:														
Email / Courriel														
CDC Authorization #	Participant Lot # / # Lot du participant	Product Category / Catégorie du produit	Type of Cheese / Type de fromage	Manufacture date / Date de fabrication	Manufactured Qty (Kg) / Qté manufacturer (Kg)	Storage Date YYYY-MM-DD / Date d'entreposage AAAA-MM-JJ	Warehouse Receipt # / # Recu d'entreposage	Surplus Milk Utilization (Liters) or Yield / Lait de surplus utilisé (litres) ou rendement	Shipped Qty (Kg) / Qté expédier (Kg)	Ship Date YYYY- MM-DD / Date d'expédition AAAA-MM-JJ	Bill of Lading # / # Bordereau d'expédition	Balance	Assistance Rate / Taux d'assistance	