

Progressive Penalty Program (PPP)

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OABP Spring CE Meetings



Topics

- Enhanced Lab Services
- Progressive Penalty Program (PPP)
- Next Steps
- SMS notifications



Historic Quality Changes in Ontario

- Raw Milk Quality has always been a priority in Ontario.
- Program changes have been made over time encouraging constant improvement.



Historic Ontario Raw Milk Quality Changes

- 1980: Bacteria: 100,000 cfu/mL to 50,000 cfu/mL.
 - 1996: SCC lowered from 750 to 500
 - 2012: SCC lowered from 500 to 400
 - 2018: BSN and SCC changed from weighted monthly average to demerit system.
-
- Ontario producers have always been able to adapt and improve when penalty program changes were made.

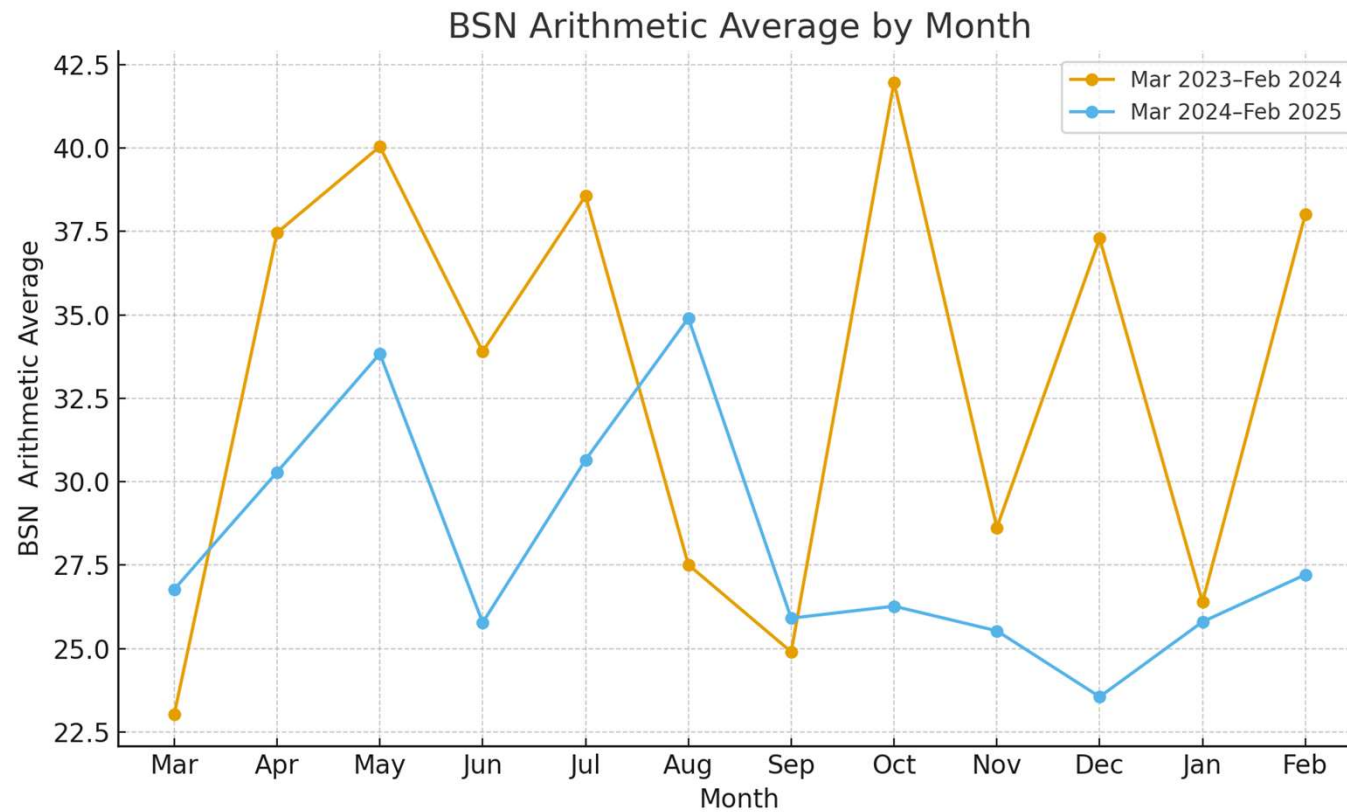


Enhanced Lab Services (ELS)

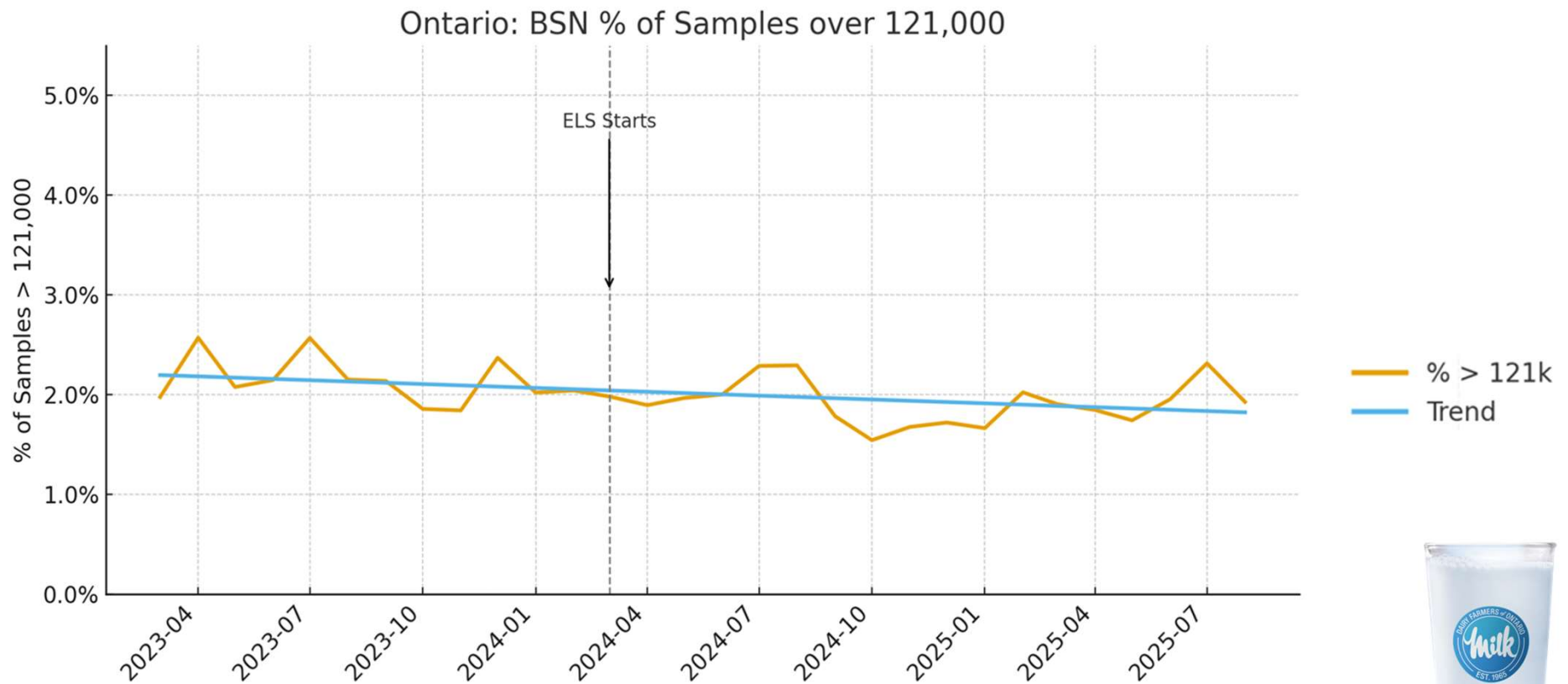
- ELS launched: March 1, 2024
- Scope: Every sample, full panel incl. BSN (~15/month)
- Lab operations: U of G 7 days/week (from 5)
- Coverage: 355 days/year (except stat holidays)
- Goals: Consistent, faster results; more data for producer decisions



BSN Average by Month: Before vs After ELS

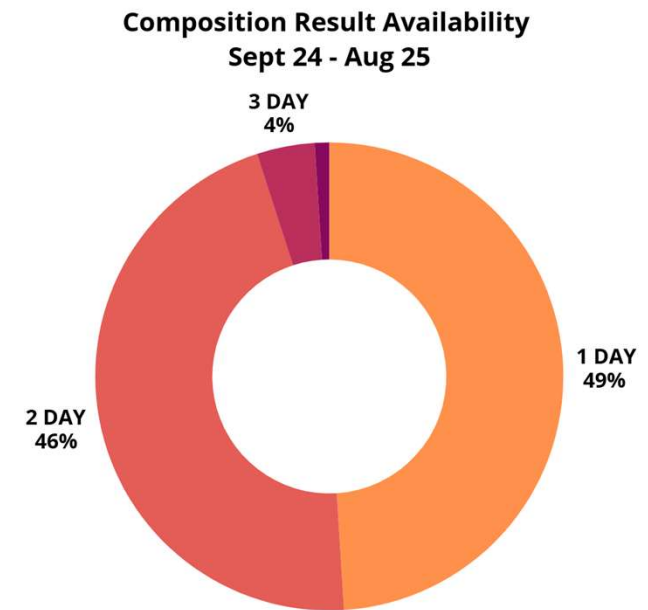


Penalty Level Bacteria



Sample Logistics and Testing

- 7 day per week sample testing
- Result upload every two hours from 10 am – 10 pm
- 99.8% of suitable BSN results delivered within 2 days
- 95.4% of samples are delivered within 2 days and are tested for composition and BSN.
- Overall, 98% sample suitability for composition testing from Sept 2024 – Aug 2025



Progressive Penalty Program

- Each bulk tank is tested.
- Penalty applied to each shipment that is above regulatory limit.
- Not a monthly penalty.
- Penalty rates increase based on how many penalty level tanks (>121 BSN, >400 SCC) of milk are shipped within a rolling 12-month period.



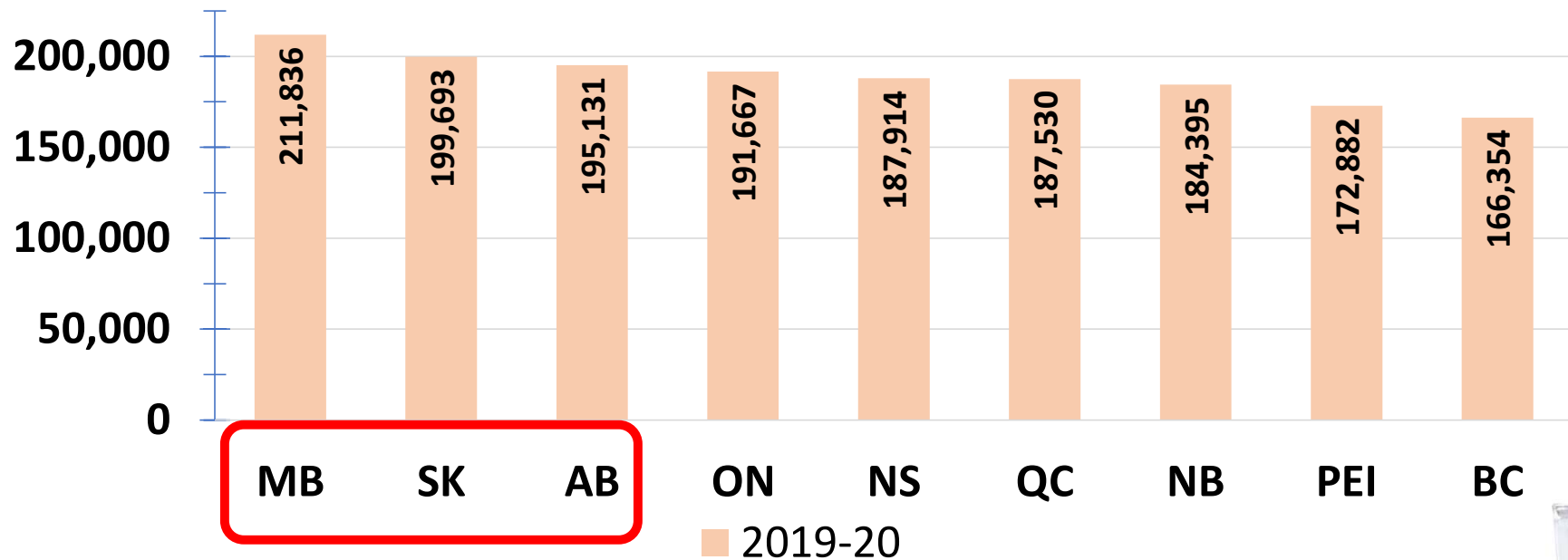
Progressive Penalty Program

- Designed to be a more responsive system.
- ELS provides data and feedback sooner.
- Encourages producers to take corrective action sooner.
- Penalties are on the volume of the tank not the total volume per month.
- Approved by Western Provinces and in place in Manitoba, Saskatchewan and Alberta, pending in BC.
- DFO has presented their intention to the P5.



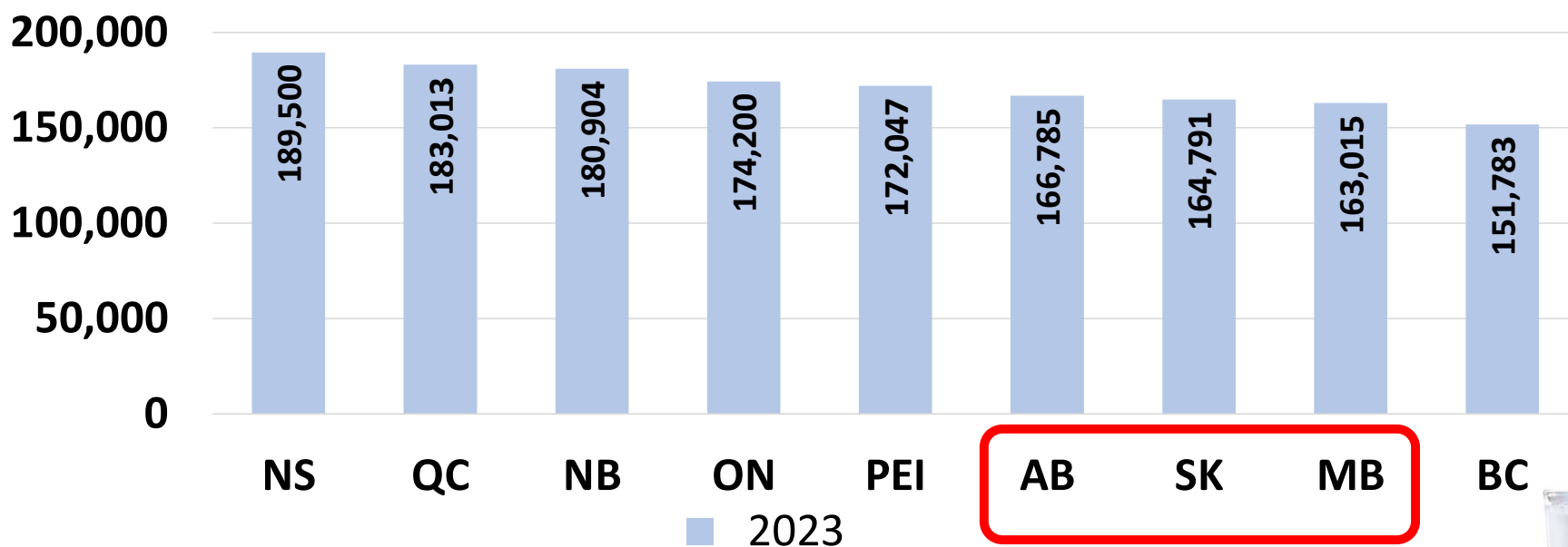
Western Provinces Before PPP

Yearly SCC Averages by Province



Western Provinces After PPP

Yearly SCC Averages by Province



PPP in Ontario

- PPP was approved at the September 2025 Board Meeting.
- Similar to Western model but tailored for Ontario.
- Differences are intentional and based on the thorough examination by Quality Assurance committee and Board.



PPP in Ontario

Penalty Level	Violation	Penalty
1	1 to 5 violations	\$0/hL
2	6 to 10 violations	\$5/hL
3	11 to 20 violations	\$15/hL
4	21-30 violations	\$30/hL
5	31 or more violations	\$45/hL and shut off at violation 31, 41 and 51.



PPP in Ontario Differences

Violations 1-5 at \$0.

- Similar to Freezing Point Penalty
- Provides producers an opportunity to address issues before there are any monetary consequences.

4th level Penalty = \$30 (vs. \$45 in West)

- \$30 seen as adequate to encourage producer action.

Shut-off at violation 31, 41 and 51 in a 12-month period.

- Shut-offs at 31, 32, 33 seen as too aggressive.
- Provides producers a reasonable opportunity to avoid a shut-off.
- **Minimum Shut-Off: 1st SO=6 days, 2nd SO=12 days**



PPP

- Two Bulk Tanks
- Linked Facilities
- Everyday Pick-Up



Two Bulk Tanks

Under the Progressive Penalty Program (PPP) a violation on either or both tanks will be calculated as one violation when pick-ups occur on the same day.

Additionally, under PPP, penalties will only be applied on the volume of milk from the tank in violation.

*New Policy



Linked Facilities

For linked dairy facilities, shipments and test results are distinct for each farm.

*Existing Policy



Multiple Pick-Ups

For farms with multiple pick-ups on the same day, Bacteria and Somatic Cell count penalties calculated under the PPP will have a penalty applied on the volume of milk that was in violation.

A violation on the initial and/or subsequent pick-ups on the same day will be calculated as one violation under the PPP.

*New Policy



Everyday Pick-Up

For farms on Every-day pick-up, a violation on either or both pick-ups in a two-day period will be calculated as one violation.

*New Policy



Everyday Pick-Up cont.

Two-day periods will be calculated as follows:

- *Period 1 = 1st & 2nd day of the month*
- *Period 2 = 3rd & 4th day of the month*
- *Period 3 = 5th & 6th day of the month, etc.*

For months that end in an odd number, the last day is included in the last two-day period, i.e.:

- *For months with 31 days, the 29th, 30th & 31st all count as period 15.*
- *For February 29th (leap year), the 27th, 28th & 29th all count as period 14.*

*New Policy



Everyday Pick-Up cont.

30 Day Month						
Sun	M	T	W	T	F	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

31 Day Month						
Sun	M	T	W	T	F	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February (Non-Leap)						
Sun	M	T	W	T	F	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

February (Leap 2024 +/- 4)						
Sun	M	T	W	T	F	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					



PPP in Ontario- Next Steps

- Milk Act: Regulation 761
 - Request submitted to the Farm Products Marketing Commission to amend the regulation.
 - Potentially lengthy process.
 - Government Policy advisors must review.
 - Government Legal Department must craft new regulation wording.
 - Public Posting of Regulation changes (45 days)
 - Review Feedback.
 - Approve new Regulation with Implementation date. (March 2027-request)



PPP in Ontario- Next Steps

- DFO
 - IT programming for new system.
- Communication and Education
 - Producers
 - Industry



PPP Education and Awareness

- Producers will receive advisory letters each month.
- Letter will advise what potential penalty level and dollar value would have been for the previous month IF PPP had been in effect.





DAIRY FARMERS OF ONTARIO

6780 Campobello Road, Mississauga, Ontario L5N 2L8
Telephone: 905-821-8970 Fax: 905-821-3160

May 31, 2026

PRODUCER NAME 1
1234 MAIN ST EAST
GUELPH ON N1G 2W1

Licence # 111111

Milk Quality Results - Progressive Penalty Program (For Information Only)

Dairy Farmers of Ontario (DFO) is providing this letter to share information about your recent milk quality test results and to help you understand how these results would be assessed under the proposed Progressive Penalty Program (PPP) for Somatic Cell Count (SCC) and Bacteria (BSN). This letter is for information only.

The PPP is not yet in effect, and no penalties or shipping suspensions are being applied based on this notice. This information does not impact your current milk shipments. However, the table below summarizes your position under the proposed PPP, with the status for SCC and Bacteria (BSN) reported separately. The informational reporting begins with your April milk results (Month 1), and violations will be added each month to reflect a rolling 12-month total.

PPP Status Summary (12-Month Rolling Period Ending 04/2026)

Month	SCC				BSN			
	Number of Violations	Violations to Date	Max Penalty Level	Total Monthly Penalty (\$)	Number of Violations	Violations to Date	Max Penalty Level	Total Monthly Penalty (\$)
APR 26	2	2	1	\$0.00	0	0	0	\$0.00
MAY 26								
JUN 26								
JUL 26								
AUG 26								
SEP 26								
OCT 26								
NOV 26								
DEC 26								
JAN 27								
FEB 27								
MAR 27								

Total Penalty for month of April 2026 for SCC Penalty + BSN Penalty = \$0.00
Total Penalty dollars since April 2026 for SCC Penalty + BSN Penalty = \$0.00

- Please see the reverse for more details -

PPP Mailout for Licence 111111

Total Number of SCC Violations at Start of April 2026: 0

Total Number of BACTERIA Violations at Start of April 2026: 0

Day	Pickup Date	PPP Period	Milk Volume	SCC x1000	Violations	\$ per hL	Total Deductions	Bacteria x 1000	Violations	\$ per hL	Total Deductions
1	01APR26	1									
2	02APR26										
3	03APR26	2	478	327				109			
4	04APR26										
5	05APR26	3	546	164				45			
6	06APR26										
7	07APR26	4	450	204				55			
8	08APR26										
9	09APR26	5	478	191				68			
10	10APR26										
11	11APR26	6	551	153				64			
12	12APR26										
13	13APR26	7	574	169				73			
14	14APR26										
15	15APR26	8	450	226				103			
16	16APR26										
17	17APR26	9	450	212				54			
18	18APR26										
19	19APR26	10	488	187				43			
20	20APR26										
21	21APR26	11	540	180				48			
22	22APR26										
23	23APR26	12									
24	24APR26										
25	25APR26	13	543	283				49			
26	26APR26										
27	27APR26	14	549	710	1	\$0.00	\$0.00	56			
28	28APR26										
29	29APR26	15	601	563	2	\$0.00	\$0.00	37			
30	30APR26										
TOTAL			6,786				\$0.00				
TOTAL DEDUCTIONS FOR APRIL 2026:						\$0.00					

DFO Training and Assistance

- FSRs are trained and available to conduct Quality Investigations.
 - Preventative
 - Problem-Solving
- Dealer Training Sessions
 - Began last year.
 - Advise dealers on our issues and requirements.
 - Well received. More to come.



SMS notification

- Dairy Farmers of Ontario (DFO) now offers an optional SMS (text message) notification service that delivers milk quality test results directly to producers
- Producers can register up to three mobile phone numbers through their profile on the DFO website to receive notifications automatically
- Approx 60 % producers enrolled so far...



Thank you



Questions?

