

The Real Dairy Company of Newfoundland

Attn: Joanne Sweeney,
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June 3, 2022

Re: Environmental Assessment submittal for The Real Dairy Company of Newfoundland's proposed project - *The Establishment of Dairy Secondary Processing*

Dear Ms. Sweeney,

Please find enclosed documentation from The Real Dairy Company of Newfoundland for the Undertaking of *The Establishment of Dairy Secondary Processing*, proposed for Deer Lake, NL. Four copies of the documents are included in total along with a portable memory stick containing a PDF file of the printed documents.

These documents are submitted if the purposes of Environmental Assessment Registration in accordance with the documentation set forth by the Government of Newfoundland and Labrador Environment, Department of Environment, Climate Change and Municipalities. Specifically, "ENVIRONMENTAL ASSESSMENT ...A Guide to the Process"

If there are any questions or comments concerning the above-mentioned submissions, please feel free to reach out to us.

Thank you for your assistance in this matter,



Brent Chaffey, Interim Director / Executive officer
St. David's, NL. Canada.
Director / Executive officer
Phone: 709 649 0163
Email: brent@ncws.ca

The Real Dairy Company of Newfoundland
Environmental Assessment Registration Proposal for
The Establishment of Dairy Secondary Processing

Submitted To: The Environmental Assessment Division
of the Department of Environment, Climate
Change and Municipalities

Submitted By: The Real Dairy Company of Newfoundland.

Submitted Date: June 22, 2022

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1.0 The Proponent

The Proponent is a corporate body registered (March 20, 2020) in the province of Newfoundland and Labrador operating under the name of The Real Dairy Company of Newfoundland (RDCN).

The corporation is a private company owned by 14 NL dairy producers and Glenstal Foods of Ireland (20% shareholder).

Company shareholder participation is open to any licensed dairy producer in the province through a unanimous shareholders' agreement. Individual shareholder ownership is limited to 49% of the company's common shares. The Real Dairy Company of Newfoundland, which will own and operate the proposed processing plant.

The present corporate address is:

49-51 Park Street

Corner Brook, NL, Canada.

A2H 2X1

The Real Dairy Company of Newfoundland's Directors / Executive officers are:

Brent Chaffey, Interim Director / Executive officer of:

St. David's, NL, Canada.

Director / Executive officer

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Principal contact person for purposes of the environmental assessment can be either Mr. Brophy or Mr. Chaffey listed above.

2.0 The Undertaking

The name of the proposed Undertaking will be 'The Establishment of Dairy Secondary Processing'.

This undertaking will require the construction of a new facility on industrial lot #2 to #14 inclusively (10 acres) of the Deer Lake Veteran's Memorial Industrial Park within the town of Deer Lake, NL. The Facility would be used to process raw milk into secondary dairy products, butter and skim milk powder (SMP). The proponent shall be the owner and operator of the facility and will be the producer of the secondary products, butter and skim milk powders. These processes happen simultaneously through a closed piping system. The end products, (SMP) and Butter shall be sold to local, national and international distributors and vendors.

In general, the process steps are:

1. Raw milk collection, delivery, intake and storage
Raw milk which has been collected from the participating local dairy farms (primarily from the large cluster of dairy farms in the areas of Cormack, Deer Lake and Bay St. George) shall be transported by Dairy Farmers of Newfoundland and Labrador (DFNL) to the facility using specialized tanker trucks with a 30,000 liters capacity. A regular schedule of milk pick-ups, depending upon the size of the farm and the volume of milk produced at each farm will be established. The collection schedule is estimated to be every two days from smaller farms, and daily from the largest farms.

The loading, transportation and unloading of raw milk at the facility holding silo shall be carried out and monitored directly by DFNL personnel under the established protocols to ensure quality and minimize the risk of spilling. The raw milk is then chilled and held in the silo ready to begin processing.

2. Initial processing – pasteurizing
The chilled raw milk is first pasteurized by being pumped from storage tanks, through a High Temperature short time pasteurizing system (HTST). Pasteurized milk is held and cooled in an aging tank and the pasteurizing is verified through Peroxidase testing. Pasteurized milk is then pumped to a separator where the Butter Fat is separated from the other solids.
3. Initial processing – separation
The pasteurized milk is separated (skimmed) by centrifugation into two phases:
 - a) Skim Milk – to be used for Skim Milk Powder (SMP) making operation
 - b) Cream – to be used in the butter making operation
4. Butter production
The cream is piped to a butter churn. After exiting the churn, butter is packaged in 25kg boxes or other packaging preference at time of manufacturing.
The butter (25 kg. boxes) will be stored in refrigeration until full container loads are ready for shipment.

Most of the butter will be sold and shipped to the Canadian Dairy Commission warehouses, at their direction. A small volume of the butter will be packaged for retail (1 lb. and perhaps 1/2 lb. packs) and sold in NL.

5. SMP Production
The Skim milk from the separating process will be piped to dryer equipment. As powder exits the drying cycle it is bagged for short term storage and shipping to customers in Canada and potentially the US.

2.1 Rational for the Undertaking

The Undertaking which The Real Dairy Company of Newfoundland is proposing would be the construction and operation of a facility which has a primary function of secondary processing of milk from the Province of Newfoundland.

The rational for the Undertaking is as follows:

Definition of terms

<u>Raw milk</u> -	<i>milk which is not yet processed into industrial or fluid milk.</i>
<u>Industrial milk</u> -	<i>milk used for products such as butter, cheese and milk powder.</i>
<u>Fluid milk</u> -	<i>milk used for beverages (table milk).</i>

The production of industrial milk is important for a balanced, healthy dairy industry. Fluid milk consumption fluctuates with seasonality, market shifts and other factors. The industry must be capable of satisfying peak fluid milk demand, thus industrial milk quotas exist. Quotas ensure that peak fluid milk requirements are met, and allow the raw material for secondary products such as cheese, yogurt, various cream and ice cream products, milk powders, etc.

Within Canada's milk supply management system, all provinces produce fluid and industrial milk. The proportional relationship between fluid and industrial milk produced in any province is largely dependent upon the extent of secondary processing being conducted and supplied by its dairy farms and varies amongst provinces. As an example, in Prince Edward Island approximately 60% of their total milk production is industrial, while in Newfoundland and Labrador approximately only 30% of our milk production is industrial.

Newfoundland and Labrador joined Canada's milk supply management system in 2001, at that time importation and consumption of secondary dairy products was estimated to equal more than 80 million L of industrial milk.

The current annual production of Newfoundland industrial milk is approximately 17 million L, equivalent to approximately 15% - 20% of the secondary dairy products consumed in the province today.

To process the 17 million L of Newfoundland industrial milk, it has to be shipped to the Maritimes due to the lack of secondary processing capacity in NL. This industrial milk is later shipped back to this province as the secondary product and sold to Newfoundlanders.

This imbalance is a fundamental deficiency in NL's dairy industry representing foregone economic opportunity and demonstrates the need for increased food self-sufficiency.

These realities have been recognized by the provincial government and are reflected in the province's agricultural vision statement and strategy, *The Way Forward*.

The deficiency results in increased costs associated with the production of industrial milk due to transportation. The cost industrial milk transportation to Maritime processing plants is currently \$0.11 to \$.135 per liter of milk. This added cost reduces the return to NL's dairy producers and stands as a disincentive to the growth of farms and maturation of the Newfoundland dairy industry.

Exported with the milk is the opportunity to add value, employment and economic activity in local economy.

From an environmental viewpoint, the additional transportation out of the province creates an unnecessarily heavy carbon footprint and is counter to the global, national and provincial objectives of reducing green house gas emissions.

A lack of secondary processing capacity in the Newfoundland dairy industry has been recognized as a fundamental weakness impeding growth, industry maturation and threatening the sustainability of dairy farming in Newfoundland, see Appendix A

The critical need to develop secondary processing within the province has been recognized by NL dairy producers, the Canadian Dairy Commission, the Canadian Milk Supply Management Committee, Dairy Farmers of Canada, and by the Federal and Newfoundland Provincial governments. These stakeholders have been collaborating to seek solutions, see Appendix A.

2.2 Expected socioeconomic benefits of the Undertaking

Sustainability and growth opportunities for NL's dairy industry are the principal benefits of the facility's establishment. In addition to the facility itself creating employment, more significant employment and spin off economic activities will be created on NL's dairy farms and their supply chain through expanded milk production within the province.

Increased milk production will create incremental employment and economic activity, primarily in rural NL communities.

Peripheral benefits will accrue to the nascent food processing and functional food production sector in NL. The plant is predicted to become a catalyst for incremental value-added local food production while enhancing security of the food supply in NL.

The Undertaking will complement the provincial government's *Way Forward* strategy that seeks to improve the province's self-sufficiency in food production.

Elimination of transporting tens of millions of litres of industrial milk annually to Maritime processing plants will shrink the considerable carbon footprint created by this current industry deficiency.

Processing industrial milk in this province will immediately reduce rising transportation costs and strengthen the viability of Newfoundland industrial milk production.

3.0 Geographic location of the Undertaking

3.1 The Undertaking site considerations

The Real Dairy Company of Newfoundland representatives along with their consulting team, Moorepark Technology Limited* examined seven industrial sites in the Corner Brook, Pasadena and Deer Lake areas and assessed them as potential locations for the dairy processing plant. The site in the expansion section of the Deer Lake Industrial Park proved to be the clearly superior location and was recommended as the preferred site by Moorepark Technology Limited*.

**Moorepark Technology Limited (MTL) opened in September 1993. MTL operates to ISO 9002 Standards and is accredited with I.S. EN 22000:2005 (Food Safety Management System) and PAS 220 standards. MTL is joint venture company established by Teagasc with shareholders from the Irish Dairy Industry to provide commercial pilot plant and research services for food industry customers and a key constituent of Teagasc Food Research Centre Moorepark in the process of knowledge and technology transfer.*

Below is Table 3.1 which demonstrates some of the criteria used to assist with selection of the proposed site.

Criteria	Comment
Acreage Required – Min 6 Acres, ideal 6-10 acres	Up to 10 acres available – will be presented in turnkey state
Location- Proximity to Milk Production areas	Located in close proximity to the major milk producing area of Cornack and Deer Lake. Nearest port is Corner Brook.
Site Access-Proximity to TCH	Adjacent to TCH
Site Zoning – Compatibility of surrounding properties	Zoned industrial. The location is an expansion to the existing industrial park owned by the Town of Deer Lake. (64 acres for development)
Site Services Availability	Adequate water supply to meet demand; 3 phase power supply at site; Industrial park provided sewer services connected to Town owned effluent treatment - 3 stage aerated lagoon
Support Services Availability	Good. Ample skilled trades available within an hour

Table 3.1 Site selection criteria

3.2 The selected site for the Undertaking

The proposed development site is located on the Western region of Newfoundland within the municipal planning boundary of the Town of Deer Lake (population ~4900). The town is located at the North end of Deer Lake at the junction of the Trans-Canada Highway and the Great Northern Peninsula Highway, see *Exhibit 1.0A, 1.0B, 1.0C, 1.0D and 1.0E* below.

The Town of Deer Lake is a primary gateway and the transportation hub for Western Newfoundland. The town is located at the crossroads of the Trans-Canada Highway serving points East, West and North of the province.

The Deer Lake site is the closest of the evaluated sites to the dairy producing area of Cormack / Goose Arm Road. It is immediately adjacent to the TCH with excellent access and egress. The Town has committed to provision of a fully serviced industrial park location with potable water, sanitary sewer and electrical power. The location is a prime site within the industrial park with ample room for expansion and is owned and managed by the very progressive and business-friendly Deer Lake Town Council.



Exhibit 1.0A Location of the Town of Deer Lake and adjacent towns in Newfoundland and Labrador.



Exhibit 1.0B Location of the Town of Deer Lake and adjacent towns within the Western region of Newfoundland and Labrador.

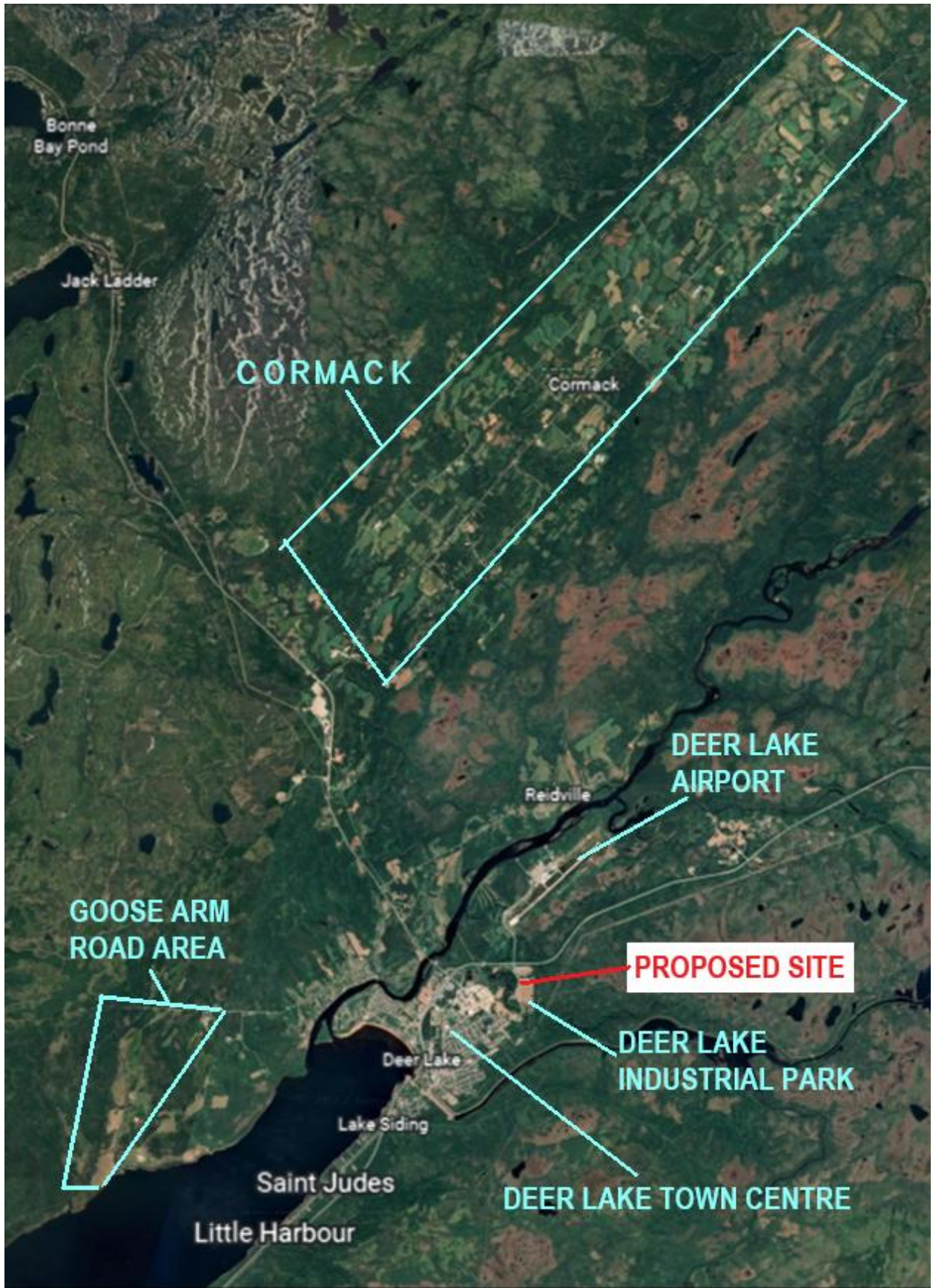


Exhibit 1.0C Proposed location for the Undertaking with respect to adjacent areas / town Western region of Newfoundland and Labrador.

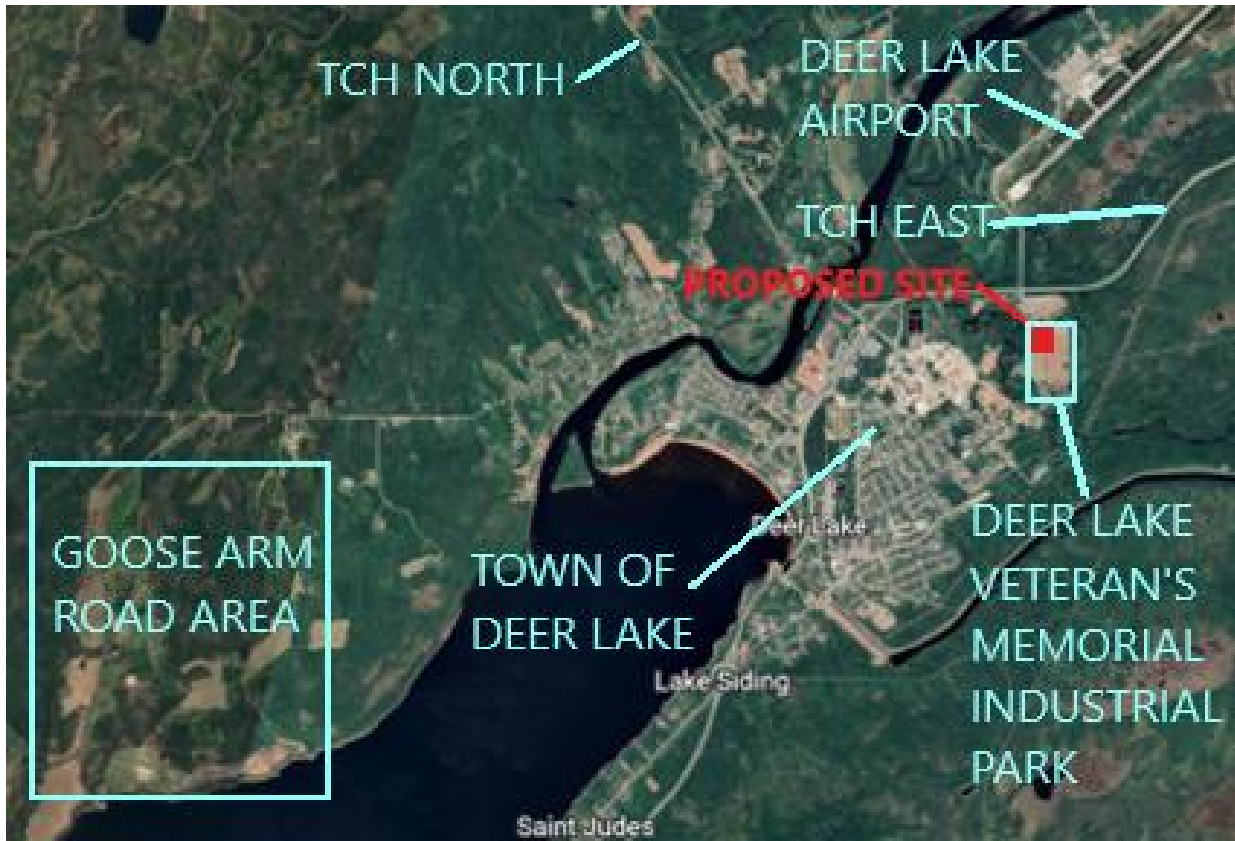


Exhibit 1.0D Location of the Deer Lake Veteran's Memorial Industrial Park area with respect to the Town of Deer Lake.

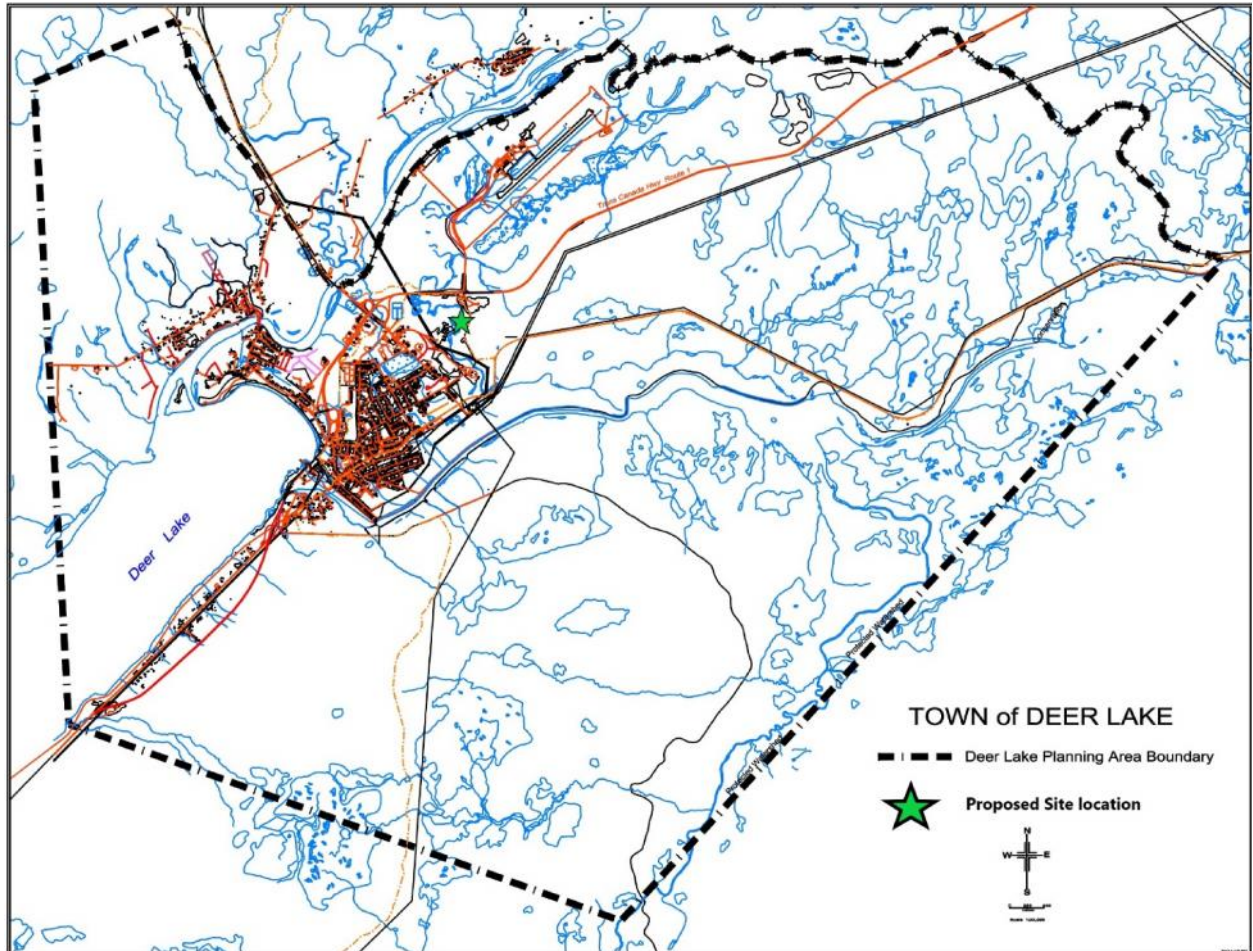


Exhibit 1.0E Proposed site location in relation to the town of Deer Lake's planning boundaries.

The proposed site is bounded by the property lines of industrial lot #2 to 14 located on the North West side of the Deer Lake Veteran's Memorial Industrial Park (49°11'17"N, 57°24'16"W), about 500m South of the Trans-Canada Highway and about 1500m East of the of Deer Lake town center, see *Exhibit 1.1* and *1.2* below. The nearest communities to the North are Reidville, Cormack and Bonbay Pond. The nearest communities to the West are Pynn's Brook, Pasadena, Little Rapids, Steady Brook, Massey Drive and Corner Brook. The nearest communities to the East is Howley. There are not any communities near in the South direction. The proposed site's civic address would be 2 - 14 Veteran's Memorial Industrial Park, Deer Lake, Newfoundland and Labrador, Canada.



Exhibit 1.1 Proposed site location within the town of Deer Lake, Newfoundland.

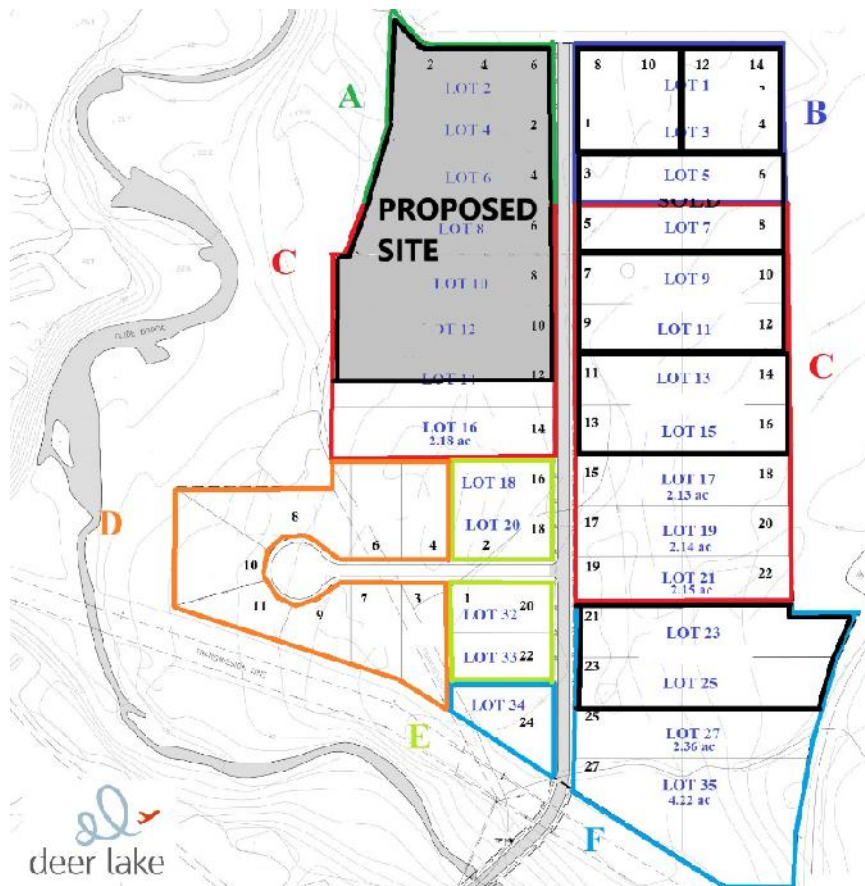


Exhibit 1.2 Proposed site location within Deer Lake's Veteran's Memorial Industrial Park.

3.3 Selected site zoning compliance

The Town of Deer Lake's Municipal Plan 2019-2029, has been reviewed for zoning classification and compliance. The proposed use of the site has been found to be in keeping with the Land Use Zones as presented in the Municipal plan document. See Appendix B for excerpt of The Town of Deer Lake's Municipal Plan 2019-2029,

The proposed location is zoned as Industrial General (I.G.) and the municipal plan specifically states," The *Industrial General zone accommodates general industrial uses such as fuel storage, manufacturing and processing, fabrication and construction yards, trucking and heavy equipment depots, bulk storage, warehouse, industrial storage, concrete plants, and salvage yards. The designation may also accommodate light industrial and compatible commercial uses such as plumbing shops, fabrication and repair shops, heavy equipment dealers, etc.*"

This proposed usage, which would be for manufacturing/processing with some bulk storage, falls within the limits of permitted land use of section 5.4.11.1 in *The Town of Deer Lake's Municipal Plan 2019-2029* and has been found to be acceptable by the Town of Deer Lake.

Please see Appendix D for an Offer of sale from the Town of Deer Lake, 10 Acres, Industrial Park

3.4 Adjacent spaces to the selected site

The adjacent spaces of the proposed location consist of the following (see *Exhibit 1.3* below):

1. Industrial General zoned property, the nearest neighboring properties to the East and the South are zoned for similar uses as the proposed facility.
2. Reserved green space, located from the West boundary of the proposed location to Glide Brook. This space is intended to provide protection for the waterway and wildlife.
3. Glide brook, an existing natural waterway.
4. Two Transmission easements, Electrical power lines to the far Southwest and Southeast of the proposed location.
5. Trans-Canada Highway access roadway, Piercey drive, directly adjacent, West of the proposed site. Intended to provide access to the Industrial Park, maintained by the Town of Deer Lake.
6. The Deer Lake town Center, to the far West, Southwest of the proposed site.



Exhibit 1.3 Proposed site adjacent spaces and transportation routing.

3.5 Transportation Routes

Transportation of raw materials and finished product would utilize an access and egress route to the Trans-Canada highway by way of Piercey drive, the roadway directly opposite of Airport Road in Deer Lake. This existing route is currently be used as access to the Veteran's Memorial Industrial Park and has been proposed by the Town of Deer Lake as the preferred option.

4.0 Physical features of the proposed facility

4.1 Buildings and Structures

The Undertaking would consist of a processing facility housed in a single building of approximately 19,000 to 20,000 square feet constructed from pre-engineered steel package. The building would have a main plant and processing on the 1st level with a mezzanine style 2nd level for administration and quality control laboratory, see *Exhibit 2.0* for details. In general, the building would house of the following areas:

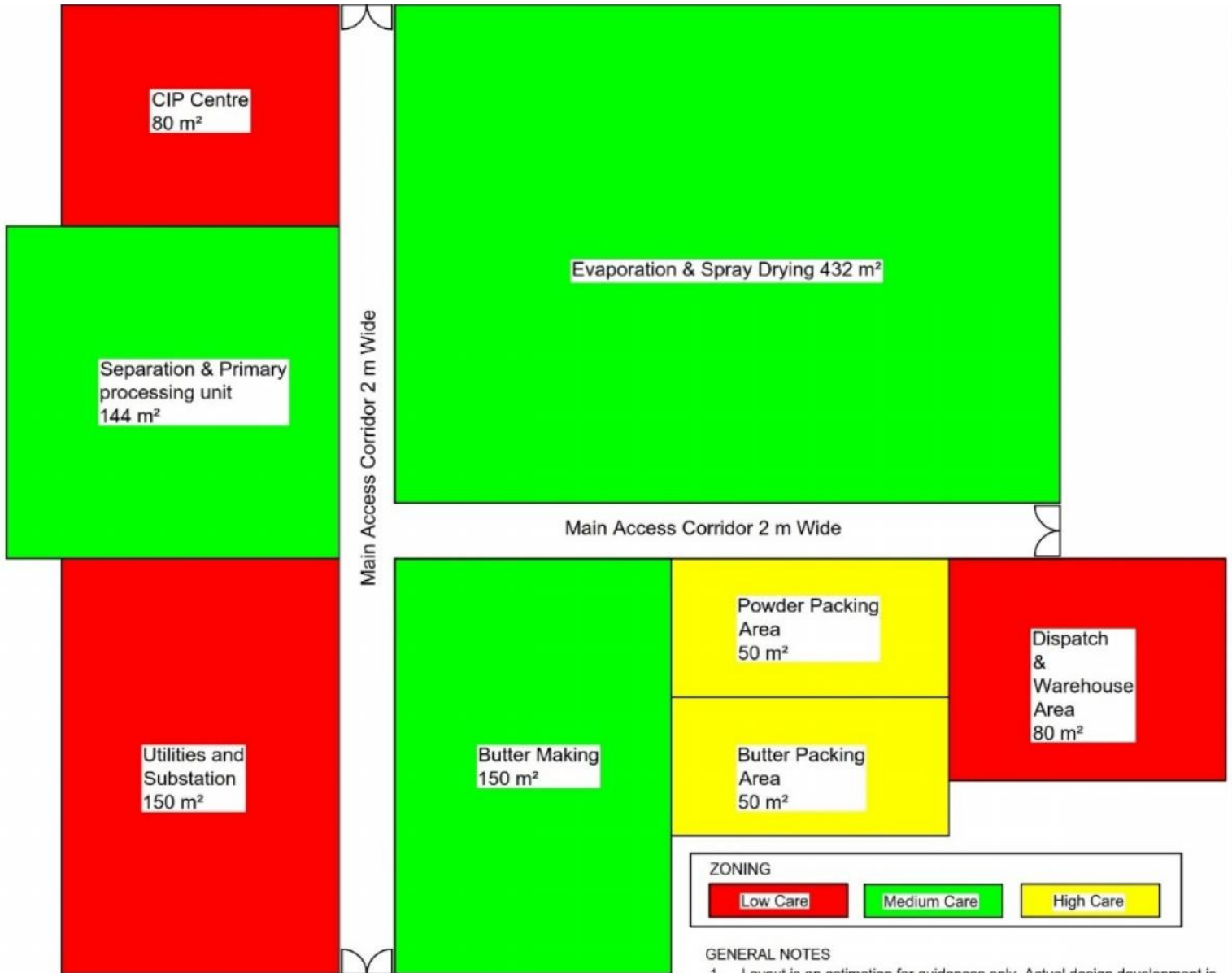
1. Milk Intake, separation & primary processing unit
2. Butter making and packing Room
3. SMP production and packing room
4. Dry warehouses for dispatch of product and receipt of packing material. Bulk butter, when manufactured, will be transferred to a refrigerated container for onward dispatch.

The outside utilities that would be required for the operation of the facility would be:

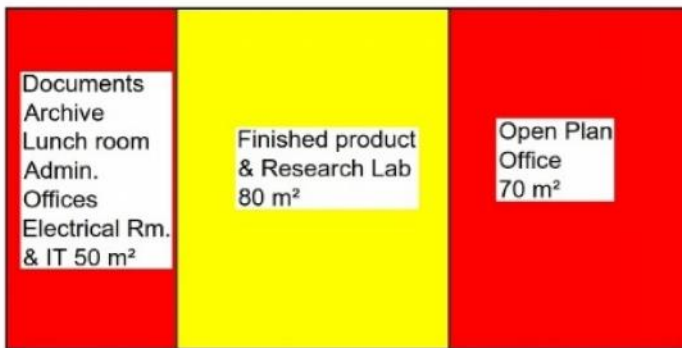
1. Potable water & distribution
2. Fire protection water
3. Storm wastewater services
4. Sanitary wastewater services
5. Electrical power

In-house equipment required for operations would include:

1. Steam generation, distribution, including condensate collection and return/reuse.
2. Cold water system distribution.
3. Refrigerant system and distribution.
4. Compressed air system and distribution.
5. Electrical system including pad mount transformer, distribution for MVB and MCC.
6. HVAC and lighting systems.
7. Life safety systems, sprinkler, standpipe, fire / smoke alarm, emergency, and egress lighting.
8. Conveying, Palletizing and elevating systems.



PROCESSING AND UTILITIES AREAS - LEVEL 1



NON PROCESSING AREAS - LEVEL 2

GENERAL NOTES

1. Layout is an estimation for guidances only. Actual design development is subject to equipment requirements.
2. Critical design aspects hygiene, safety, security and energy efficiency.
3. 1st floor, personnel / reception, including offices, locker rooms, meeting room, archives, lunch room, administration office, electrical closet for laboratory, comms and computer server.
4. Large silos to be outside with alcove access from inside. Smaller tanks housed inside.

POTENCIAL UTILITIES

1. Main water entry and treatment
2. CWS&R distribution
3. Boiler feed water
4. Steam generation
5. Steam distribution & condensate return
6. Refrigeration systems
7. Compressed air systems
8. HVAC Systems
9. Waste water treatment systems
10. Mechanical packaging and conveying systems
11. Electrical services & substation
12. Electrical distribution systems
13. Safety systems compliant to OHSNL codes

Exhibit 2.0 - Preliminary sketch demonstrating the layout of the facility spaces.

4.2 Lot finishing

The majority of the 10 acre lot shall be leveled and graded to allow access to shipping and receiving through the year. Paths of travel and parking shall be impervious surfaces for dust control. Storm water control will be accomplished by employing precast catch basins and piping infrastructure connected to the town's municipal infrastructure in accordance with the Town of Deer Lake's Development Regulations.

Sections of the lot will be designated for:

1. Snow clearing in the winter months.
2. Pad mount electrical transformer
3. Installation of storage tank structures
4. Personnel parking
5. Raw material and finished product transportation access and egress.
6. Signage
7. The traffic entrance /exits to the lot.

No storage of petroleum products will be required on the lot.

4.3 The existing environment surrounding the Undertaking

The closest body of water near to the proposed site for the Undertaking is Glide Brook. Flowing from upper Glide Lake, lying approximately 120m measured from the proposed Undertaking's closest boundary to the center line of Glide Brook. The brook drains about 150sq kms discharging, in spring, up to 2.6 Cubic meter / sec. into the Upper Humber River.

The brook and river are home to various species of trout and salmon native to the area.

The land between the proposed site and Glide Brook is zoned as a reserved green space and it's uses and ownership are regulated and prohibited in accordance with the Town's Municipal Plan. The reserved green space allows a passage corridor and protection around the industrial park in general for large and small game animals native to the area.

The Undertaking shall not encroach upon the reserved green space with any structures or outfall flows or in any other means. All wastewater from the Undertaking shall be discharged to the municipal infrastructure owned and maintained by the Town of Deer Lake. All structures and passages shall be constructed within the boundaries of the proposed building lots and built within the regulations of the applicable AHJs.

The elevation change between the proposed site for the Undertaking and the center line of Glide Brook is approximately (-)15 metres.



Exhibit 3.0 – Adjacent waterway to the proposed project location.

4.4 Physical and biological Affects on the environment within the area of the Undertaking

1. The proposed lot has been cleared and grubbed completely before the planning of the proposed Undertaking. No further diminishment of vegetation is intended during the completion of the project or the operation of the facility.
2. The proposed Undertaking does not conflict with the current Habitat Conservation Plan for the town of Deer Lake (2017)
3. The proposed Undertaking is not anticipated to encroach or conflict with any:
 - a. Provincial Wilderness Reserves
 - b. Provincial Ecological Reserves
 - c. Provincial Park
 - d. Provincial Wildlife Park
 - e. Provincial Special Management Area.
 - f. Federal National Park.
 - g. Federal Historic Site.
 - h. Wildlife sanctuaries of protected species or habitats.
4. The proposed Undertaking will not require a permit to alteration to a body of water.
5. There will not be any outfalls from the operation of the Undertaking.
6. The proposed area for the Undertaking does not appear as an “at risk area” on any provincial 1:100 or 1:20 flood risk mapping studies.

5.0 General Construction

The Undertaking shall utilize general methods of construction known and proven for the region with a history of acceptance from the Authorities Having Jurisdiction (AHJ) for the site area.

The foundations and floor slabs shall be buried, frost protected, concrete and rebar construction as prescribed in the National Building Code of Canada (NBCC).

The main structure shall consist of a pre engineered steel building package designed to resist the regional snow and wind loads and be constructed in accordance with the NBCC.

The building structure shall be insulated in accordance with the requirements of the NBCC.

The interior finishes for the administration areas shall be of a painted gypsum type and the interior finishes in the processing areas shall be clad in a material which is easily sanitized and cleanable.

5.1 Construction Duration

The predicted duration of design and construction process is approximately 18 months. The Design and construction times overlap due to the expected design/ build approach to be employed. The construction phase is expected to take place for the last 54 weeks (see Appendix C for predicted project schedule).

The first physical construction would be expected to begin late summer (August) of 2022. This construction would consist of civil site works and the construction of the building foundations. The remainder of the project would be continued early spring 2023 and reach completion in the late fall of 2023.

One of the main factors effecting scheduling is equipment and material lead times. Some of the specialized processing equipment can have delivery dates nearly 12 months out after orders are placed.

5.2 Construction waste and pollutants

The expected sources of waste / pollutants are common in construction of this nature. Below is a description of the possible waste generated during the construction and the control actions to be employed to minimize their impact.

The waste materials which are expected to require disposal during construction will be collected and disposed of in a controlled landfill site.

Examples of these materials are concrete, wooden materials, pallets, shipping packaging, glass, insulation materials, plaster, gypsum, sheetrock.

The waste materials which are expected to require recycling during construction will be collected and delivered to the applicable recycling site. Examples of these materials are nails, screws, wiring, rebar, scrap metal, cardboard, plastics, beverage containers.

Contractors operating heavy equipment shall be required to have disposable spill kits in adequate quantities to contain spills of any chemicals/hazardous waste if they occur.

Excavated fill from Undertaking site shall be reused on the same site wherever possible.

6.0 Operation of the Undertaking

Non managerial staff will carry out operations for 12 hours per day and rotate to cover 5 days per week. Shifts worked and days worked can increase to handle required volumes.

Management staff will carry out their duties for 8 hours per day for 5 days a week unless special circumstances arise.

The estimated period of operation is 12 months a year.

6.1 Potential sources of pollutants during operation

The noise, odor and lighting pollution are not expected to be a concern and shall be well below the acceptable levels for this area which is zoned for General Industrial (IG) uses. Potential sources of tangible by-products or pollutants from the operation of the secondary processing would be found in the wastewater exiting the plant. Dairy wastewater can be divided into three categories:

1. Cooling wastewater
2. Sanitary wastewater
3. Industrial wastewater

Cooling wastewater is potable water from the town supply and is drained to the town sewer infrastructure. The water doesn't contain any additives either organic or inorganic. Cooling water does not come in contact with the product or process.

Sanitary wastewater would be the same for this facility as any other commercial or residential sanitary wastewater and is drained to the town sewer infrastructure.

Industrial wastewater from the facility is expected to only result from the Cleaning In Place (CIP) and Cleaning out of Place (COP) processes required to sanitize the equipment at set intervals. The CIP process involves any surface which has encounter any dairy product. These surfaces in general, include tanks, piping, and processing equipment. The sanitizing process starts with rinsing all surfaces with potable water cooled to a specific temperature. The next stage of sanitizing requires all processing surfaces to be washed down with a food grade, environmentally friendly soap, then an acidic wash. Immediately before the process begins again all surfaces are given an initial rinse.

Equipment such as tankers used to transport raw milk and the equipment to transfer it from the tanker to the silos within the facility are regulated to the sanitized immediately after the transfer. The sanitization process is similar to the CIP process with the exception that it is completed manually by the tanker driver.

All the sanitizing products are specifically manufactured for the dairy process, are bio-compatible, environmentally friendly and do not contain toxic or harmful materials. The discharge of the sanitizing process shall be handled by the sanitary drains in the facility connected to the town sewer infrastructure.

The transfer point for the raw milk from the tanker to the silo is completely housed within the building. The tanker is parked within the facility's indoor unloading /wash bay. This is mandated to allow for inspection and testing of the milk prior to accepting it at the facility and to ensure sanitary conditions during the transfer and sanitization process. Spillage during the transfer process is normally kept to a minimum with specific protocols required when working with dairy transfer. A small amount of milk spillage is expected when disconnecting the tanker from the facility. This spillage is required to be sanitized in the same way as all other equipment within the facility. The wastewater resulting from this cleanup is captured in the integrated floor drains in the unloading / wash bay of the facility and is drained to the town treatment facility.

7.0 Occupations

7.1 Construction human resource requirements.

The design, construction and project management of the Undertaking will require human resources on a contractual basis. The durations and enumeration of the contracts will vary with the nature of the work to be accomplished. Below is a table identifying these contract positions, their expected duration and estimated enumeration for the work based on other recent Undertaking similar in nature within the province.

Number employed	Project Roll	Approximate Duration	Total Wages
1	Owner's Representee	24 Months	\$250k
8	Architect / Engineering Personnel	18 Months	\$480K
2	General Contractor Personnel	14 Months	\$300K
3	Heavy Eq. Sub-contractor Personnel	3 Months	\$72K
8	Mason Sub-contractor Personnel	2.5 Months	\$96K
8	Steel Worker Sub-contractor Personnel	2.5 Months	\$96K
4	Carpenter Sub-contractor Personnel	3 Months	\$96K
4	Electrical Sub-contractor Personnel	4 Months	\$75K
5	Mechanical Sub-contractor Personnel	5 Months	\$120K

Table 7.1 - Contract positions for construction phase

7.2 Operational human resource requirements and enumeration.

The table below demonstrating the expected number directly hired staff required to operate the facility for the first five years of operation. These staffing estimates are based on the typical requirements to handle 20,000,000 to 30,000,000 litres of milk production per year.

Year of Operation	1	2	3	4	5	Annual Enumeration / person
Butter & SMP Operators	4	4	5	6	6	\$52,000.0
Craft & Forklift Operators	2	2	2	2	2	\$65,000.0
Dairy plant managers	1	1	1	1	1	\$85,000.0
Lab. Tech	1	1	1	1	1	\$65,000.0
Total	8	8	9	10	10	

Table 7.2 – Direct hire positions for facility operations

7.3 Occupancy breakdown IAW National Occupational Classification 2016

The occupancies listed above as direct hired staff have the following National Occupational Classifications

RDCN job title	N.O.C Title	N.O.C. Code
Butter and Skim Milk Powder Operator	Process control and machine operators, food and beverage processing	9461
Craft & Forklift Operators	Material Handlers	7452
Dairy plant manager	Manufacturing manager	0911
Laboratory Tech.	Biological technologists and technicians	2221

All normal operations and tasks required in the production of processing industrial milk shall be completed by direct hire employees.

The following tasks are required on a frequent basis to ensure continued operation of the Undertaking and shall be completed by contract employees:

1. Bookkeeping and accounting
2. Winter snow clearings and summer lot upkeep
3. Speciality procedures for maintenance

7.4 Addressing employment equity

RDCN will endeavor to identify and remove all barriers to employment, career development and promotion, in the absence of creating undue hardship.

The facility will comply to the latest requirements of barrier free design.

The facility systems, processes of selecting staff and the organizational culture and work environment shall be designed to offer equal opportunities based on equal merit without limitations based on age or gender. This approach of removing barriers which prevent people from performing jobs shall accommodate differences to allow all people the same chances based on their ability to do the work required by the position.

The workplace shall be setup in such a way that barriers related to age employment equity are not a factor in the workplace rather than dealing with situations on a case-by-case approach. This will be accomplished at RDCN by preparing an employment equity plan.

The Plan shall specify positive measures to be implemented in the short term (1-3 years) for the hiring, training, promotion and retention of members of the designated groups to correct any under-representation and measures to eliminate barriers.

The plan will specify the policies and practices that shall be in place to outline all reasonable efforts to implement employment equity. Additionally, in accordance with the Employment Equity Act, an analysis of the workforce to determine the degree of under-representation of persons shall be conducted to identify employment barriers.

8.0 Approvals required for the Undertaking

The required local, provincial, and federal permits, licenses, approvals, and other forms of authorization required for the Undertaking along with the authorities of issuance are listed in Table 8.0 of Appendix C.1.

8.1 Construction schedule limitations

Please refer to Appendix C for the preliminary schedule of construction.

The anticipated date for the beginning of the project is Mid July , 2022. This date is based on the required time for the EA evaluation process. The designers and the constructors will be selected before this date during the period of EA review.

The building structural package is anticipated to be ordered before the end of July 2022 as is the beginning of the site work.

The limitation of weather conditions after the month of October 2022 would make a construction start later then this undesirable.

9.0 Sources of funding

The capital cost projected for land, building, equipment and establishment of the facility is \$23.1 million, plus \$2 million in working capital, for a project cost of \$25.1 million. Please see Appendix A and Appendix E for funding details for the Undertaking.

The financing includes the shareholders' commitment of \$5 million equity investment and conventional debt of \$2.1 million with a \$2 million operating line.

The provincial government of NL has committed a \$5 million grant.

The Atlantic Canada Opportunities Agency has been requested to make an interest free loan of \$5 million.

Agriculture and Agrifoods Canada has been requested to make an \$8 million non-repayable contribution.

In summary, the proposed financing sources of the initiative are:

Equity	\$5,000,000
Bank Debt	\$2,100,000
ACOA Long Term Debt	\$5,000,000
Provincial Grant	\$5,000,000
Federal Grant (AAFC)	\$8,000,000
Total Sources	\$25,100,000

Cost recovery appears to be applicable with respect to the Cost recovery policy.

Appendix A

Letter of support from the NL Federal caucus of MPs to
Ministers Bibeau and Morneau

Appendix A.1

Canadian Dairy Commission - Commitment Letter

Appendix A.2

Dairy Farmers of Canada - Letter of support

Appendix A.3

Letter of support from Dairy Farmers of Newfoundland and
Labrador

Scott Simms
MP, Coast of Bays-Central-Notre Dame

Fronne Jones
MP, Labrador

Gudie Hutchings
MP, Long Range Mountains



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Ken McDonald
MP, Avalon

Shurence Rogers
MP, Bonavista-Burin-Trinity

Hon. Marie-Claude Bibeau, P.C., M.P.
Minister of Agriculture and Agri-Food

Hon. Bill Morneau, P.C., M.P.
Minister of Finance

Wednesday, July 15th, 2020

Ministers,

We write to you today to address our serious concerns with the lack of secondary processing in Newfoundland and Labrador's dairy industry, creating a structural weakness which has impeded growth and threatens the viability of our dairy farms and the sustainability of the industry in the province. We are the only province in Canada without secondary processing in its dairy industry.

This lack of secondary processing necessitates the shipping of industrial milk produced on farms in Newfoundland and Labrador to plants in the Maritime provinces for further processing. The cost associated with shipping industrial milk across the Gulf of St. Lawrence for processing in Maritime plants not only significantly reduces the financial return to NL dairy producers, but also forgoes and exports the opportunity to add value, employment and economic activity in our communities. The exportation for secondary processing also has a negative impact on our green economy goals as it creates an unnecessary heavy carbon footprint and with the changing climate patterns, the ferry, the mode of transportation off the Island of Newfoundland, is often delayed or cancelled causing milk to be dumped.

The development of food self-sufficiency is critically important for our province. Currently Newfoundland and Labrador imports the equivalent of 100 million litres of industrial milk in secondary dairy products, while producing none. Dairy Farmers of Newfoundland and Labrador (DFNL) has advocated for secondary processing capacity in the province for many years. NL dairy farmers formed a company proposing to establish a processing plant in Deer Lake, NL, adjacent to a concentration of dairy farms. The proposed plant would utilize up to 30 million litres of industrial milk to start.

The \$25 million plant will commence with production of butter and skim milk powder blends, but will subsequently develop value added niche products such as a suite of cultured products of cheeses and yogurts. DFNL has also been working with the globally recognized food laboratory at Grenfell Campus of Memorial University and they will partner with them as the line of products develops. The Canadian Dairy Commission has been requested to provide a Plan A butter contract to facilitate establishment of operations.

The proponents will contribute \$5 million in equity and borrow \$2.1 million. The provincial government of Newfoundland and Labrador has committed \$5 million (this investment is solely provincial dollars and would

Newfoundland and Labrador Federal Liberal Caucus,
c/o MP Scott Simms, Caucus Chair,
Suite 608, Wellington Building, Parliament Hill, Ottawa, Ontario, K1A 0A6

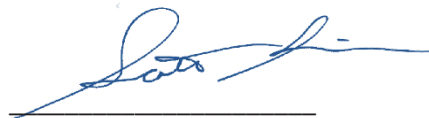
use no CAP funding) and ACOA, having supported the DFNL initiative for several years, is evaluating a request for \$5 million. The proponents have sought federal funding for the remaining capital requirement of \$8 million. Discussions are being held with AAFC officials on behalf of the federal government.

While DFNL has advocated for federal funding for a processing plant for several years, the response has been that the request didn't fit AAFC funding criteria. DFNL has not been able to access the federal funding required to finance the initiative, nor has the province benefited from mitigated funding for processors in relation to Canada's recent trade deals.

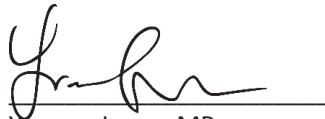
The request to AAFC and the federal government is to provide the remaining \$8 million in required financing and to affirm the Plan A butter contract request of the Canadian Dairy Commission.

The urgent need to develop secondary processing within the province has been recognized by NL dairy producers, the Canadian Dairy Commission, the Canadian Milk Supply Management Committee, Dairy Farmers of Canada, and by the federal and provincial governments. These industry stakeholders have collaborated to seek potential solutions. They believe that establishment of this plant is a solid solution and they have the full support of the Newfoundland and Labrador Federal Liberal Caucus. We ask that you look into the request and that our government provide the remaining \$8 million in financing.

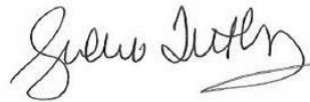
Thank you,



Scott Simms, MP
Coast of Bays-Central-Notre Dame



Yvonne Jones, MP
Labrador



Gudie Hutchings, MP
Long Range Mountains



Ken McDonald, MP
Avalon



Churence Rogers, MP
Bonavista-Burin-Trinity

CC: Hon. Mélanie Joly, P.C., M.P.
Minister of Economic Development and Official Languages

Hon. Maryam Monsef, P.C., M.P.
Minister of Women and Gender Equality and Rural Economic Development

Hon. Mary Ng, P.C., M.P.
Minister of Small Business, Export Promotion and International Trade



Canadian Dairy Commission
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Central Experimental Farm
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Ottawa, Ontario
K1A 0Z2
(613) 792-2000
Fax: (613) 792-2009
E-Mail: cdc-ccl@cdc-ccl.gc.ca
Internet: www.cdc-ccl.gc.ca

Commission canadienne du lait
Édifice 55, Promenade de la CCN
Ferme expérimentale centrale
960, avenue Carling
Ottawa (Ontario)
K1A 0Z2
(613) 792-2000
Télééc : (613) 792-2009
Courriel: cdc-ccl@cdc-ccl.gc.ca
Internet : www.ccl-cdc.gc.ca

November 18, 2020

Via E-Mail

Messrs. Brent Chaffey and Les Brophy
The Real Dairy Co. of Newfoundland

Dear Brent and Les,

Your company has asked the CDC to allocate it a volume under Plan A (butter in 25 kg units) for the first 5 years of operation of the plant that you intend to build in Newfoundland. We are pleased to inform you that your application has been approved by the CDC Board of Directors. The volumes accepted are indicated in Appendix A and represent the amounts that will be accepted by the CDC. However, please note that if the overall situation of the industry justifies it, we could sometimes accept larger quantities. Conversely, if you have more advantageous outlets for this butter, you are not obligated to sell it to us.

Once your plan has been finalized and the plant is under way, you must sign the Plan A contract, as all the other Canadian processors have done.

This request was approved in the context of the mandate conferred upon the CDC by the CMSMC and by the Joint Committee of the P5 and the WMP to assist Newfoundland in developing an industrial dairy processing project in its territory.

As mentioned during our many conversations, we are also available to guide you in the use of the other programs promoted by the CDC for the industry, to foster innovation and seasonality management.

If you have any further questions, please feel free to contact Ms. Christine Boutin by e-mail at christine.boutin@cdc-ccl.gc.ca.

We wish you all possible success in carrying through with your project.

Sincerely,

Serge Riendeau
Chief Executive Officer

Cc: Lee Noel

Canada

Appendix A

Table 1. – CDC Plan A Volume Commitment towards The Real Dairy Co. of Newfoundland over the first 5 years of operation

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Volume commitment (MT)	980	1,020	870	490	250	3,610



September 15, 2020

Mr. Lee Noel
Chair
Dairy Farmers of Newfoundland & Labrador
308 Brookfield Rd Building 5
St. John's, NL A1E 0B2

Via email: ln Noel@dfnl.ca

RE : DFNL Initiative

Mr. Noel,

Through you as Chair of DFNL, I want to thank the promoters of the Real Dairy Company of Newfoundland (RDNL) for their presentation at our Board. This was very helpful in providing our Board members with a better understanding of the project and some of its benefits.

Our Board acknowledges the challenges linked to a lack of secondary processing in your province, and in the whole region of the Atlantic. This is why the Dairy Farmers of Canada Board is supportive of the goal that RDNL has set out as it would contribute to addressing the lack of dairy processing in the region.

We have considered the request from the promoters, and consistent with our not-for-profit mandate, we invite them to engage with our Business Stakeholders Relations team led by Pamela Nalewajek, Vice President of Marketing at DFC. The mandate of this group includes developing partnerships with industry stakeholders in order to grow dairy consumption in Canada.

If you wish to further discuss, do not hesitate to contact me directly at [Pierre.Lampron@dfc-plc.ca](mailto: Pierre.Lampron@dfc-plc.ca).

On behalf of DFC's Board of Directors, we wish the promoters great success in this important initiative for the region.

Regards,

Pierre Lampron
President



December 8, 2020

The Honourable Marie-Claude Bibeau
Minister of Agriculture & Agri-Food Canada
1341 Baseline Road
Ottawa ON K1A 0C5

Email: Marie-Claude.Bibeau@parl.gc.ca

Dear Minister Bibeau,

I write on behalf of the Dairy Farmers of Newfoundland and Labrador, following our letter on July 28, 2020 in support of the proposal by The Real Dairy Company of Newfoundland to establish a secondary processing plant in Deer Lake, NL.

This plant will help increase the viability of the NL dairy industry and help address a structural imbalance in NL's dairy industry. Furthermore, increased processing within Newfoundland and Labrador will also help enhance the overall viability of the dairy sector within Atlantic Canada. We understand the proponents of this plant have been in extensive discussions with your officials for some time.

As you know, the provincial government has committed \$5 million to this project, the proponents have agreed to invest the additional \$2 million as you requested for a total equity investment of \$5 million dollars, and the Canadian Dairy Commission has supported their request for a Plan A butter contract. ACOA is also looking favorably on the request that they contribute \$5 million.

We urge you to approve the \$8 million requested of AAFC, which could be contributed over two or three fiscal years.

The timing is crucial, we hope and look forward to your support in this essential matter to our provincial industry.

Sincerely,

Lee Noel

Lee Noel
Chair

204 Brookfield Road, Building 5A
St. John's, NL A1E 6J5
Tel: (709) 364-6634
Fax: (709) 364-8364
Email: milk@dfnl.ca

Don't Miss Milk it Does So Much!

Appendix B

Excerpt of The Town of Deer Lake's Municipal Plan 2019-
2029

5.0 LAND USE DESIGNATIONS

The Town's growth and development will be managed by designating lands within the Planning Area according to broad land use categories. These designations are shown on Future Land Use Maps 1, 2, and 3. Policies outlined in this section specify Council's intent related to land use and forms of development in each of the following land use designations.

Future Land Use Designations	Zones	
Conservation	Environmental Protection Protected Watershed Floodway	EP PW FW
Residential	Residential Medium Density Residential High Density Residential Mini-Home Residential Floodway Fringe Rural Community	RMD RHD RMH RFF RC
Town Centre	Town Centre	TC
Commercial/Industrial	Commercial General Commercial-Light Industrial Commercial Highway Tourism Recreation Industrial General	CG CLI CH TR IG
Public Use	Public Use	PU
Open Space	Open Space	OS
Airport	Airport	AIR
Utility	Utility	UT
Highway Corridor	Highway Corridor	HC
Rural	Mineral Working Rural	MW RU

5.1 Conservation

The overriding goal of the Conservation designation is to protect environmentally vulnerable and important lands and natural resources including Deer Lake's drinking water supply, other surface water resources, wetlands, flood risk areas, steep slopes, and protected waterfowl habitat.

5.1.1 Land Use Zones

The Development Regulations will establish three land use zones within the Conservation designation.

(2) Area Plan Adoption

An Area Plan will be a professionally prepared document with text and accompanying maps. It will be reviewed by Council to determine conformity to the Municipal Plan and Development Regulations. Prior to approving an Area Plan, Council at its discretion may give public notice, make the plan available for public review, and consider all objections and representations received.

5.4.6 Land Use Zones

The Development Regulations shall establish five land use zones within the Commercial-Industrial designation.

Commercial-Industrial Designation - Land Use Zones		
Zone	Purpose	Application
Commercial General	Recognize existing general retail sites and accommodate future retail development needs.	Existing and future commercial lands in vicinity of Commercial Street.
Commercial-Light Industrial	Recognize existing mixed commercial-light industrial areas and provide for future development.	Existing and future commercial lands south and north of Old Bonne Bay Road.
Commercial Highway	Recognize existing highway service areas and provide for future development.	Existing highway and commercial accommodation service area along Trans Canada Highway.
Tourism Recreation	Provide lands for a mix of land-extensive visitor accommodation and passive recreational uses.	Existing and future mixed-use tourism and recreation areas south and north of Humber River.
Industrial General	Provide lands for exclusive general industrial development.	Some small existing areas as well as new industrial land north of Old Bonne Bay Road towards the Trans Canada Highway.

5.4.7 Commercial General Zone

The Commercial General zone applies to land fronting onto Commercial Street as well as land designated for future general commercial development north of Commercial Street. The intent of this zone is to facilitate general commercial development to enhance Deer Lake’s position as a regional retail and service centre.

1. Land Use

- (1) The Commercial General zone will allow for the development of various types of retail and service businesses, as well as certain cultural and public service uses.
- (2) Permitted business uses include shops, catering, general and personal services, indoor and outdoor markets, offices, take-out food services, and veterinary services.

- (5) At Council's discretion, a subsidiary apartment may be permitted in a main use if it is deemed necessary for the operation and/or security of that use.

3. Protecting Environmentally Sensitive and Scenic Areas

Council may restrict or set conditions on development in locations that it deems to be environmentally or aesthetically sensitive. In such areas protection and conservation will take priority over development.

5.4.11 Industrial General Zone

The Industrial General zone applies to a new industrial park under development to the north of Old Bonne Bay Road and abutting the Trans Canada Highway in proximity to the entrance to Deer Lake Airport. Other areas zoned Industrial General include a site at the end of South Main Street and another at the end of Gatehouse Road.

The Industrial General zone is established to accommodate general and light industrial uses and may include uses that are potentially hazardous in nature.

1. Land Use

The Industrial General zone accommodates general industrial uses such as fuel storage, manufacturing and processing, fabrication and construction yards, trucking and heavy equipment depots, bulk storage, warehouse, industrial storage, concrete plants, and salvage yards. The designation may also accommodate light industrial and compatible commercial uses such as plumbing shops, fabrication and repair shops, heavy equipment dealers, etc.

- (1) Permitted Uses in the Industrial General zone include general industries, light industries, general garages, general services, emergency services, communications, offices, service stations and transportation.

Open space and conservation are complementary uses that are permitted.

- (2) Uses that may be permitted at Council's discretion include energy generation facilities, funeral homes, crematoriums, hazardous industries, mineral and petroleum exploration, mineral working, mining, recycling facilities, salvage yards, waste transfer stations, take-out food services, and recreational open space.
- (3) At Council's discretion, a shop may be permitted that is accessory to a main use if it is deemed by Council to be an integral component of that use.
- (4) At Council's discretion, a subsidiary apartment may be permitted in a main use if it is deemed necessary for the operation and/or security of that use.

5.5 Public Use

The Public Use designation refers to lands used for institutional uses such as schools, churches, public medical facilities, and government buildings.

5.5.1 General Intent

Lands are designated Public Use in order to permit the development of public and institutional uses such as churches, schools, community facilities, medical facilities, and government buildings.

Appendix C

Project Constructing Scheduling

Appendix C1

Table 8.0. Permits, licenses, approvals, authorizations.

Required approvals for the Undertaking										
Description of submission	Governance Level	Receiving department	Legislation	Regulations	Regsit.	Cert.	License	Permit	Review	Approval
CONSTRUCTION RELATED										
Municipal Building Permit	Municipal	Township - Municipal	N/A	Local Development Regulations				X	X	
Compliance Letter	Municipal	Township - Municipal	N/A	Local Development Regulations					X	
Municipal Water and Sewer Connection Permit	Municipal	Township - Municipal	N/A	Local Development Regulations				X		
Signage Permit	Municipal	Township - Municipal	N/A	Local Development Regulations				X		
Building accessibility design registration	Provincial	Digital Govt & Service NL	Building Accessibility Act	Building Accessibility Regulations	X				X	
Fire and life safety plan review	Provincial	Digital Govt & Service NL	Fire Protection Serv. Act	Building Accessibility Regulations	X				X	
Electrical Permit	Provincial	Digital Govt & Service NL	Public Safety Act	Electrical Regulations				X	X	
Elevating Device	Provincial	Digital Govt & Service NL	Public Safety Act	Amusement rides & Elevating Devices Reg.	X					
Pressure plant registration	Provincial	Digital Govt & Service NL	Public Safety Act	B.P.V & C.G. Reg.		X			X	
Pressure piping system registration	Provincial	Digital Govt & Service NL	Public Safety Act	B.P.V & C.G. Reg.	X				X	
Environmental Assessment Registration	Provincial	Environment & Climate	Environmental Protection Act	Environmental Assessment Regulations 2003	X					
FOOD PROCESSING / MANUFACTURING / SALES										
Manufacturing / processing food premises	Provincial	Digital Govt & Service NL								
License to operate	Provincial	DFNL	Agricultural Products Marketing Act				X			
Weighing and measuring	Federal									
Safe Food for Canadians	Federal	Can. Food Insp. Agency					X			

Please Note: Items in the "Review" column denoted with a border required all submissions in the border before any one permit, registration or certification can be released separately. Example: Building accessibility, fire & life safety and the electrical design must be review completely before an electrical permit can be issued rom Service NL.

Appendix D

Town of Deer Lake Offer of sale, 10 Acres, Industrial Park

Town of Deer Lake
34 Reid's Lane
Deer Lake, NL A8A 2A2



Date: February 25, 2020

Attn: Mr. Chaffey, Mr. Brophy, Mr. Dyer *et al* (aka. ProCo Group)

Re: Veteran's Memorial Industrial Park – Request for Land Pricing

This letter is to confirm that the Town of Deer Lake is prepared to sell a ten acre block of land as outlined in the accompanying visual in Veteran's Memorial Industrial Park and as described below.

In lieu of meetings in 2019 with the ProCo group, the town sought professional expertise and a more up to date cost per acre Industrial Park Lot Sales Analysis was completed for reference. The recommendation to the town was to set the cost covering price (inclusive of water, sewer and HST) at \$84,809 per acre.

In recognition of the purchase of multiple lots (in this case 10 in total), the town has recently agreed to extend a 10% per acre discount to the recommended cost covering rate above which would set the revised per acre price at \$76,328 (inclusive of water, sewer and HST).

The Town of Deer Lake remains excited about this development while continuing to act in a responsible manner on behalf of the taxpayers of the town when considering both ProCo's and the town's plans for overall success and continued growth.

We look forward to meeting with the group to advance the process of securing the land and moving forward with other necessary regulatory approvals at your convenience.

Respectfully,

Mark Lamswood
Economic Development Officer/Town Planner

cc. Mayor Dean Ball
Deputy Mayor Michael Goosney
Town Manager Maxine Hayden
Public Works Superintendent David Thomas

Appendix E.1

Fisheries, Forestry & Agriculture – press release July 31,
2020

Appendix E.2

Letter from Bank of Montreal

Appendix E.3

ACOA and AAFC Press release

Milk, Butter and Beyond: Province Commits \$5 million for Secondary Processing

- **Executive Council**
- **Fisheries and Land Resources**

July 31, 2020

The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Gerry Byrne, Minister of Fisheries and Land Resources, today announced \$5 million in Provincial Government funding to help establish a proposed \$25-million secondary processing dairy facility in Deer Lake. The initiative will support economic growth in the dairy sector and enhance food self-sufficiency in Newfoundland and Labrador.

The Real Dairy Company of Newfoundland Ltd. – a new company consisting of 13 Newfoundland and Labrador dairy farmers and partner Glenstal Foods Limited of Limerick, Ireland – is proposing to establish a facility that will process milk into salted butter and skim milk powder, with potential to eventually expand into cultured products such as cream cheese, sour cream, and yogurt.

Provincial Government funding for this project was identified to support employment in rural communities and help open new markets and products for renewable resource-based businesses during the COVID-19 global pandemic. Along with Provincial Government and private investment, the proponent is also seeking Federal Government funding to support this initiative, expected to employ eight to 10 people.

More information on the dairy industry in Newfoundland and Labrador can be found in the backgrounder below.

The Way Forward on Agriculture – Agriculture Sector Work Plan established growth targets to increase food self-sufficiency by at least 20 per cent by 2022, and to increase secondary processing of food products, including industrial milk.

Quotes

“Newfoundland and Labrador’s dairy sector is strong and vital, despite the gap left by the loss of local secondary dairy processing facilities in 2013 and 2016. With a combined production and processing value of \$125 million annually – and a skilled workforce of more than 1,200 people at 24 dairy facilities across the province – our dairy producers have the knowledge and drive required to bring secondary dairy processing back to this province to create more local jobs and support food self-sufficiency. I’m pleased to offer the Provincial Government’s support for this important and welcome initiative.”

Honourable Dwight Ball
Premier of Newfoundland and Labrador

“Newfoundland and Labrador’s dairy producers work tirelessly to ensure high-quality, nutritious, local dairy products are sustainably produced for, distributed to, and enjoyed by the people of the province. Our dairy producers have identified an exciting and much-needed opportunity to process milk into secondary products that can and should be made right here, the way our supply management system intended. I look forward to seeing this initiative move forward with the full support and cooperation of our federal counterparts.”

Honourable Gerry Byrne
Minister of Fisheries and Land Resources

“We thank the Provincial Government, and particularly Premier Ball and Minister Byrne, for their wholehearted support of this exciting new initiative, and look forward to getting down to the business of once again processing local milk right here at home.”

Lee Noel
Chair, Dairy Farmers of Newfoundland and Labrador

– 30 –

Follow us on Twitter: @GovNL and @FLR_GovNL

Media contacts

Jeremy Reynolds
Office of the Premier
709-729-3558
jeremyreynolds@gov.nl.ca

Linda Skinner
Fisheries and Land Resources
709-637-2284, 632-8167
lindaskinner@gov.nl.ca

Lee Noel
Dairy Farmers of Newfoundland and Labrador
709-636-1890
lee.noel@nf.sympatico.ca

BACKGROUNDER

Information on the Dairy Industry in Newfoundland and Labrador

Newfoundland and Labrador’s dairy sector is comprised of fluid milk consumed as table milk, and industrial milk utilized for further processing. Industrial milk can be processed into products such as butter, ice cream, milk powders, and cheese.

The closure of two secondary dairy processing facilities in 2013 and 2016 eliminated most industrial milk processing in the province. Smaller niche processors produce less than one per cent of Newfoundland and Labrador's industrial milk production. As a result, most industrial milk – approximately 16.5 million litres annually, is shipped out of province.

The Deer Lake Industrial Park was selected as the site due to its proximity to dairy farms, adjacency to the Trans-Canada Highway, and available site services. The proponent's initial product development will involve 20 million litres at start-up and increase to 30 million litres of industrial milk annually as new markets are developed.

Linda Skinner
Media Relations Manager
Fisheries, Forestry & Agriculture
(709) 637-2284, (709) 632-8167
lindaskinner@gov.nl.ca

December 21, 2020

The Real Dairy Company of Newfoundland Ltd.
51 Park Street - Unit 49
Corner Brook, NL
A2H 2X1

Re: Letter of Interest

This letter is for discussion and negotiation purposes only. This is not a statement of intent or commitment on the part of the Bank or the Borrower.

Dear Brent Chaffey and Leslie Brophy,

This will confirm our ongoing discussions relative to the proposed secondary processing project for The Real Dairy Company of Newfoundland. Below I have summarized our discussions over the past period of time and on a high-level how the financing could be structured.

Our understanding is that there are two components to this request, the term debt requirement for capital acquisitions and an operating working capital requirement.

Term Debt Requirement:

We are evaluating a request from TRDCN to provide a term loan for \$2.1 million for planned capital expenditures. The security requirements will be determined once the borrowing is finalized. The loan amount would be amortized over 120 months with 1 to 5 year terms.

Working capital requirement:

TRDCN will require working capital of \$2.0 million to facilitate this project and ongoing operation. The \$2.0 million will be structured as an operating line.

For both instruments, BMO would require a first mortgage charge over the new facility, general security agreement and other additional security items that could be determined as we move forward. The terms of repayment would be finalized once the structure of the financing facilities is determined.

As we move forward in our discussions, a more detailed discussion document would be provided to ensure all parties appreciate how the request would be structured. Once an agreement is reached, BMO would move forward with credit underwriting to finalize the approval.

Sincerely,



Troy Wiseman
Senior Relationship Manager
Mid-Market, Diversified Industries

Government of Canada helps The Real Dairy Company of Newfoundland Ltd. develop secondary processing capacity

From: [Atlantic Canada Opportunities Agency](#)

News release

July 27, 2021 · Deer Lake, Newfoundland and Labrador · Atlantic Canada Opportunities Agency (ACOA)

The Canadian agriculture and agri-food sector is a powerhouse of the economy, spurring job creation and prosperity across the country. That is why the Government of Canada is helping The Real Dairy Company of Newfoundland Ltd. provide stability to the dairy industry and enhance food self-sufficiency in Newfoundland and Labrador.

Federal government support for dairy industry growth

Today, Gudie Hutchings, Member of Parliament for Long Range Mountains, announced a federal investment from the Atlantic Canada Opportunities Agency of \$5 million (repayable) for The Real Dairy Company of Newfoundland Ltd. to establish a secondary dairy processing facility.

Agriculture and Agri-Food Canada is prepared to make an investment of up to \$8 million towards the new facility. Funding would be partially repayable, and is conditional on finalizing departmental due diligence, including an external review, and on the successful negotiation of agreeable terms of a contribution agreement.

The announcement was made on behalf of the Honourable Mélanie Joly, Minister of Economic Development and Official Languages and Minister responsible for ACOA, and the Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food.

The new facility will create capacity for secondary processing of all excess industrial milk produced in Newfoundland and Labrador, which is currently shipped out of province.

Today's announcement demonstrates the Government of Canada's commitment to investing in the dairy industry so it is well-positioned for sustainable future growth.

Quotes

“This last year has taught us many things, particularly around self-sufficiency and food security. By supporting projects like this one with The Real Dairy Company of Newfoundland Ltd., the Government of Canada is working to address those issues and help strong, resilient businesses contribute to a swift economic recovery and a prosperous future for all Atlantic Canadians.”

- *The Honourable Mélanie Joly, Minister of Economic Development and Official Languages and Minister responsible for ACOA*

“The Real Dairy Company of Newfoundland’s initiative to reinstitute secondary milk processing capacity in the province has the potential to bring important benefits to the dairy industry in Atlantic Canada. The Government of Canada is committed to working with the provinces and the sector in ensuring the long-term economic viability of the dairy industry, keeping local rural communities strong and ensuring a sustainable future for the next generation of Canadian dairy producers.”

- *The Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food*

“The establishment of a secondary processing facility in the Long Range Mountains is significant for all of Newfoundland and Labrador. This facility is exactly what is needed for food security, rural economic development, growth in our agriculture sector and reducing our carbon footprint. We all look forward to tasting the products, developed and processed in Deer Lake from dairy farmers all across the province. It is exciting and we cannot wait for various other goods through innovative research and development, to showcase the phenomenal locally made items. Congratulations to the Real Dairy Company, and all those that worked so hard to make this project a reality.”

- *Gudie Hutchings, Parliamentary Secretary for rural Economic Development and Women and Gender Equality and Member of Parliament for Long Range Mountains*

“Dairy farmers are a vital sector of our rural economy and critical to local food security and healthy communities. Expanding the production of dairy products locally builds on the success of this sector, to create jobs and drive growth”.

- *The Honourable Seamus O’Regan Jr., Minister of Natural Resources and Member of Parliament for St. John’s South—Mount Pearl*

“Dairy farmers play an important role in food security in Newfoundland and Labrador, and I would like to extend a special thank you to the farmers in my district of Humber-Gros Morne for their hard work on this file. We are delighted to have

worked closely with our federal partners and The Real Dairy Company of Newfoundland Ltd. to confirm this funding, building on the \$5 million our government invested last summer.”

- The Honourable Andrew Furey, Premier of Newfoundland and Labrador

"Our company and Dairy Farmers of Newfoundland and Labrador are extremely appreciative of ACOA's support of efforts over the past several years to establish critically needed secondary processing in NL's dairy industry. We're also very thankful to Premier Furey and his government for their steadfast support and their significant financial contribution to the development of the processing plant in Deer Lake.

We are confident AAFC will recognize that this initiative is essential to the survival and maturation of NL's dairy industry. This initiative will correct the structural imbalance of NL being the only province without commercial scale secondary processing and being forced to ship our industrial milk out of the province for processing. This plant will greatly enhance our food self-sufficiency and will enable NL to participate more fully in Canada's supply management system.

We are especially grateful for the efforts over the past nineteen months of Minister Seamus O'Regan Jr., MP Gudie Hutchings, Premier Furey and former Premier Ball."

- Les Brophy and Brent Chaffey, Interim Directors, The Real Dairy Company of Newfoundland Ltd.

Quick facts

- The Real Dairy Company of Newfoundland Ltd. – a private company made up of 13 Newfoundland and Labrador dairy farmers and Glenstal Foods Limited of Limerick, Ireland – will build the processing facility in Deer Lake, NL.
- The [Atlantic Canada Opportunities Agency \(ACOA\)](#) is providing a repayable contribution of \$5 million through the [Business Development Program \(BDP\)](#). This investment will go towards capital costs of building construction and equipment purchase and installation.
- This funding is in addition to a \$5 million investment from the Government of Newfoundland and Labrador, announced in July 2020.
- The new facility will create 10 new full time year-round secondary processing jobs in rural Newfoundland and Labrador and will help sustain 100 jobs.

- Newfoundland and Labrador currently ships 30 per cent of its milk production outside the province for secondary processing. At present, the dairy industry employs over 1200 people and has a value of over \$125 million to the local economy. This project will further enhance the value and sustainability of the sector.

Associated links

- [Milk, Butter and Beyond: Province Commits \\$5 million for Secondary Processing](#)

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Appendix F

Project related document Bibliography

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Habitat Conservation Plan for the town of Deer Lake (2017)

[Deer-Lake-Conservation-Plan-Updated-2017-v2-1.pdf \(deerlake.ca\)](#)

Provincial Wilderness Reserves

[Wilderness Reserves - Environment and Climate Change \(gov.nl.ca\)](#)

Provincial Ecological Reserves

[Ecological Reserves - Environment and Climate Change \(gov.nl.ca\)](#)

Provincial Park

[Parks - ParksNL](#)

Provincial Wildlife Park

[Provincial Wildlife Reserves - Fisheries, Forestry and Agriculture \(gov.nl.ca\)](#)

Provincial Special Management Area.

[Main River Canadian Heritage River - Environment and Climate Change \(gov.nl.ca\)](#)

Federal National Park.

[National Parks \(pc.gc.ca\)](#)

Federal Historic Site.

[National Historic Sites \(pc.gc.ca\)](#)

Wildlife sanctuaries of protected species or habitats.

[Newfoundland and Labrador Special Marine Areas Guide 2nd Edition \(cpawsonl.org\)](#)

Provincial 1:100 or 1:20 flood risk mapping

[Flood Risk Mapping Studies / Public Information Maps - Environment and Climate Change \(gov.nl.ca\)](#)

[waterres-flooding-deer-lake-large.jpg \(1525×1024\) \(gov.nl.ca\)](#)