

THE MILK MARKETING PLAN REGULATIONS – QUOTA

Order No. 26/16. The SASKATCHEWAN MILK MARKETING BOARD, pursuant to the provisions of The Milk Marketing Plan Regulations and *The Agri-Food Act, 2004*, hereby determines and orders as follows:

- 1** To reflect Saskatchewan's obligations as a signatory to the National Milk Marketing Plan, quota increases and decreases issued by the Board to licensed producers shall be allocated on a *pro rata* basis according to each licensed producer's percentage of Saskatchewan's total production quota, unless a licensed producer is in an underproduction penalty situation and is to have quota increases withheld in accordance with section 14. The Board will send written notification to licensed producers of increases or decreases to quota.
- 2** All milk quotas are fixed and allotted to licensed producers to be used only by those licensed producers and only in accordance with the terms and conditions of the Plan, this Order and any other terms and conditions and quota management programs that the Board may determine from time to time are required to ensure a steady and predictable supply of milk.
- 3** Every producer shall be licensed by the Board and shall provide the Board with any information that the Board requests in connection with licensing.
- 4** A licensed producer must be:
 - (a) an individual who maintains cattle for the purpose of producing qualifying milk and has obtained any approvals and licenses that may be required pursuant to the Plan, Orders and Policies of the Board, and The Public Health Act; or
 - (b) a partnership, association or corporation whose members or shareholders are personally engaged in the day to day operation of a production unit that maintains cattle for the purpose of producing qualifying milk and has obtained any approvals and licenses that may be required pursuant to the Plan, any Orders and Policies of the Board, and The Public Health Act.
- 5** To be considered for a total production quota allocation, a person shall first obtain approval of his or her premises for milk production pursuant to the Milk Production and Facility Standards Board Order.
- 6** Where a registered security interest holder or his or her assignee repossesses a production unit for which a total production quota has been allocated, the Board shall give the registered security interest holder or his or her assignee 12 months from the date of the last milk shipment from that production unit before it was repossessed to re-establish the production unit before cancelling the quota and recalling that total production quota to the Saskatchewan reserve.
- 7** A licensed producer who wishes to transfer all or part of his or her total production quota shall:
 - (a) apply to the Board on a form and in a manner determined by the Board;
 - (b) ensure that the quota or a portion of the quota that the licensed producer wishes to transfer will, at the time of transfer, be free and clear of all writs of execution, security interests and other encumbrances for which the licensed producer is liable;
 - (c) supply the Board with any information and additional material that the Board may require respecting the application; and

- (d) satisfy the Board that the licensed producer has otherwise complied with the Plan and all Orders and Policies of the Board.

8 The Board may approve or refuse the transfer of all or part of a licensed producer's total production quota, and may impose any terms and conditions on the transfer that the Board considers appropriate.

9 Where the Board is satisfied that it is fair and reasonable to do so for compassionate reasons associated with a licensed producer, the Board may exempt the licensed producer from all or any part of the provisions of section 7 and may impose any terms and conditions with respect to the exemption and may vary, alter, amend, change, cancel or substitute those terms or conditions.

10 No licensed producer shall ship milk under the name of another licensed producer and no licensed producer shall permit another licensed producer to ship milk under his or her name.

11 The Board may allow temporary leasing of quota to another licensed producer for up to 12 months in such circumstances, and with application in such form and manner, as determined by the Board.

12 Where a catastrophe befalls a licensed producer, he or she shall notify the Board immediately and:

- (a) may submit a written request to the Board that his or her quota allocation be held in abeyance (suspended) for a period of up to 12 months. The Board may agree or refuse to place the quota in abeyance and may impose any terms and conditions that the Board considers appropriate;
- (b) may apply to the Board in writing for an extension of the period of abeyance granted pursuant to (a) and the Board may extend the period of abeyance subject to any terms and conditions that it considers reasonable, or refuse to extend the period of abeyance;
- (c) the Board may require any information or justification from the licensed producer that it considers necessary to support a request pursuant to (a) or (b).

13 Subject to sections 11 and 12, where a licensed producer ships no milk for three consecutive months, the Board may cancel all or part of that licensed producer's quota, as follows:

- (a) the Board shall provide 30 days' written notice to the licensed producer that the quota will be cancelled;
- (b) the licensed producer will have the opportunity to be heard by providing the Board with a written submission addressing the Board's concerns and detailing his or her plans to either begin shipping within the 30 days or to transfer their quota;
- (c) following the producer's written submission, the Board may decide to withdraw their notice of cancellation or to allow it to stand;
- (d) if the licensed producer has not resumed shipping within 30 days, prior to cancelling the quota the Board will allow the licensed producer to sell the quota either privately or on the Quota Exchange in accordance with the Board's Quota Transfer Procedures for a period of three months;
- (e) if the licensed producer has not sold the quota pursuant to (d), the Board may allow the licensed producer to list all quota on the next Quota Exchange priced at 90% of the previously established market clearing price until the quota is sold;
- (f) if the licensed producer has not provided submissions pursuant to (b) or sold the quota pursuant to (d) or (e), the Board may cancel the licensed producer's quota and transfer it to the Saskatchewan reserve.

14 Subject to sections 11 and 12, where a licensed producer does not produce in accordance with the Board's quota management programs, the licensed producer may be subject to penalties or fees as follows:

- (a) for failing to meet their production obligations:
 - i. a financial penalty up to \$15 per kilogram of lost opportunity production plus any administration fees or costs the Board may determine;
 - ii. ineligibility to receive subsequent quota increases issued by the Board of up to 2% of the pro rata allocation the licensed producer would have otherwise received in accordance with section 1; and
 - iii. where a licensed producer has failed to produce in accordance with the Board's quota management programs for three or more months within a rolling 12-month period, the Board may cancel part of the licensed producer's quota equal to the average of lost opportunity kilograms of those three production months.
- (b) for pre-filling their production obligations:
 - i. not receiving payment for up to 100 percent of their pre-filled production, plus any administration fees or costs the Board may determine.

15 Where a licensed producer is subject to penalties in accordance with section 14, the following procedure applies:

- (a) the Board shall send a notice after the second month of lost opportunity underproduction within a rolling 12-month period that a third incident will result in the cancellation of a portion of the quota;
- (b) after receiving notice, and before a third infraction within the rolling 12-month period, the licensed producer has the opportunity to be heard by providing the Board with a written submission providing evidence that the licensed producer has complied with the quota management programs;
- (c) following the producer's written submission, the Board may decide to withdraw their notice of cancellation or to allow it to stand;
- (d) if the Board decides to proceed with the cancellation, the Board may allow the licensed producer to sell an amount of quota specified by the Board on the Quota Exchange prior to canceling the quota, subject to terms and conditions the Board considers appropriate.

16 This Order will remain in effect for a period no longer than ten years from the date this Order is approved by the Agri-Food Council.

17 Board Order 02/10 is hereby wholly revoked.

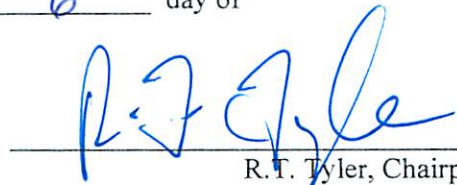
Order No. 26/16 is made pursuant to sections 5, 20.1 to 20.3 and 20.6 to 20.91 and clauses 7(1)(y), (z), (aa), (ee) and (ff) of *The Milk Marketing Plan Regulations* and shall be effective on August 1, 2016. By order of the Saskatchewan Milk Marketing Board.



Melvin Foth, Chairperson
Saskatchewan Milk Marketing Board

Pursuant to sections 5, 20.1 to 20.3 and 20.6 to 20.91 and clauses 7(1)(y), (z), (aa), (ee) and (ff) of The Milk Marketing Plan Regulations and section 12 of The Agri-Food Act, 2004, the above Order No. 26/16 of the Saskatchewan Milk Marketing Board is approved this 6 day of

July 2016.



R.T. Tyler, Chairperson
Agri-Food Council, Saskatchewan