

April 25, 2018

Notice to Producers 2018 Quota Increases **POSTPONED**

SaskMilk is announcing changes to the 2018 quota in order to better align our production with the demand and processing situations.

There is continued pressure on processing capacity both in the west and across Canada, as processing struggles to keep up with growth in demand. Processors have announced interest in the west (both expansion of capacity and new capacity), and discussions have been taking place to try to reach agreements as quickly as possible. **There is confidence that there will be additional capacity, adding higher value to producers, within 18-24 months.**

Skimming has become a reality due to BF demand; however, there is also a capacity limit to skimming. The western provinces have agreed to delay further quota increases until the processing increases are closer to starting up. With continuing strong demand, there will still be increases in the future; the issuance of these increases is simply delayed until a more firm timeline on the processing can be assured. It is important to note that Saskatchewan is still committed to fulfilling our production obligations under the national system, but with adjusted timing.

For these reasons, the previously announced quota increases for Fall of 2018 are postponed until further notice.

When increases are reinstated in the future, every effort will be made to give as much advance notice as possible.

If you have any questions, please do not hesitate to contact Directors of the Board or the SaskMilk office. Any questions regarding your quota position should be directed to Bev Solie at the SaskMilk office at #306-721-9488 or bev.solie@saskmilk.ca

