



Notice to all Saskatchewan Producers Overshipment Penalties

April 23, 2020

As you know, the purpose of the provincial quota management is to manage the provincial production position to appropriately utilize quota issued to the province. SaskMilk has various tools available to help manage this provincial position, including:

- Quota allocation (under-issue, over-issue, increase or reduce quota);
- Issue incentive days for high-demand times of year;
- Spring Restriction policy for low-demand times of year;
- Minimize risk by participating in WMP (flexibility of over/under); and
- Setting policies that encourage appropriate producer production.

With quota management tools (transfer credits, catastrophe, leasing, quota exchange, private sales, long lead times on incentive days) it is expected that producers will manage their production/quota to stay within the -15 to +5 cumulative position range. Additional penalties and costs apply outside of these limits.

To provide further consistency and balance between penalties for undershipment and overshipment, **production over +5 days will now have deductions of a \$100 base administration fee plus \$5/kg.** This is the same financial penalty level normally assessed to underproduction (i.e. lost opportunity kgs under -15 days). This penalty is in addition to the existing overproduction policies (i.e. zero payment for milk shipped over +5 days and capping position at +5 days).

This change is effective May 1, 2020. Attached is the updated Continuous Quota Policy with this change appearing on Page 3, Section 4(a)iv.

If you have any questions, please contact SaskMilk Board or staff, and if you require assistance with your quota management, please contact Bev Solie at #306-721-9488 or bev.solie@saskmilk.ca.