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SaskMilk Acts, Orders, Regulations and Policies

As members of a supply managed industry, producers are subject to regulations put in place by their elected board. These acts, orders, policies, and regulations are put in place to ensure efficient and balanced production, and are of utmost importance to individuals who want to produce in any commodity under supply management.

It is important that producers familiarize themselves with all SaskMilk acts, orders, regulations and policies to ensure that their operation is within the rules set out by the SaskMilk board. This information is available on the SaskMilk website (<http://www.saskmilk.ca/about-us/regulations-acts-orders/>). If you have any questions on this information, please contact the office.

In addition, producers are reminded of the deadlines for quota transfers and the quota exchange:

Quota Transfer:

Applications for transfer of quota should be submitted as early as possible, and in no event later than midnight of the 6th of the month prior to the month in which the transfer is intended to become effective. The Saskatchewan Milk Marketing Board is required to undertake appropriate due diligence for every quota transfer in Saskatchewan and makes no guarantees that it will have sufficient time to complete such due diligence even if the Application is received by the 6th of the month prior to the month in which the transfer is intended to become effective. Buyers and Sellers should not assume that applications will be processed within such period.

Quota Exchange:

Applications to buy or sell should be submitted as early as possible, and in no event later than midnight of the 6th of the month in order to be part of that same month's Exchange. The Saskatchewan Milk Marketing Board is required to undertake appropriate due diligence for every quota transaction in Saskatchewan and makes no guarantees that it will have sufficient time to complete such due diligence even if the Application is received by the 6th of the month. Buyers and Sellers should not assume that applications will be processed within such period.

Required forms for quota transfers, exchange, leases, and license application forms have changed. It is recommended that producers review the new forms (available at <http://www.saskmilk.ca/farmers/forms/>) to become familiar with them and to ensure that there is adequate time allowed for the producer to prepare their documentation.



LATEST NEWS

from Dairy Farmers of Canada



July
2020

DFC highlights extraordinary efforts taken by farmers to mitigate impacts of COVID-19

As the COVID-19 pandemic stretches on, DFC continues to work with government and provincial milk boards to ensure that dairy farmers can continue to feed the nation with high-quality and nutritious milk and dairy products.

On May 27th, DFC President Pierre Lampron and Vice-President David Wiens appeared before the House of Commons Standing Committee on Agriculture and Agri-Food as part of their Study of the Canadian Response to the COVID-19 Pandemic. This was the first opportunity for representatives from DFC to appear on the record before MPs since the crisis began.

In their presentation, Wiens and Lampron highlighted the key challenges dairy farmers have had to face since the onset of the pandemic in early March, from fluctuations in consumption to workforce challenges at the retail, distribution and processing levels. The presentation highlighted the extraordinary efforts and leadership of dairy farmers, who have worked with partners throughout the supply chain to lessen the impacts of COVID-19 on the sector. They also touched on the additional challenge and significance of the Canada-United States-Mexico Agreement (CUSMA) coming into force on July 1, 2020.

DFC highlighted how, thanks to supply management, the dairy sector was able to move quickly to mitigate the impacts of the COVID-19 crisis by adjusting production. Furthermore, our advocacy efforts paid off when Parliament approved an extension to the Canadian Dairy Commission (CDC) line of credit for the

additional storage programs. Finally, dairy farmers showed their community spirit by offering food donations valued at more than \$10 million across Canada.

Compared to other industries and other countries that do not have supply management such as the U.S. and the E.U., Canadian farmers were better positioned to act quickly or collectively to respond to the crisis.



Positive first steps

The recent increase to the CDC's borrowing capacity from \$300 million to \$500 million, was welcomed, as the existing level of borrowing would not have provided the level of flexibility needed to respond to any surplus milk situation should there be additional market shocks. DFC's presenters also noted the government's moves to facilitate the entry of new temporary foreign workers into Canada during the pandemic while safeguarding public health, given that some of them work on dairy farms.

Although we have welcomed these announcements which will benefit the broader agricultural sector, some industries have been more severely affected than others and will require additional government support, such as dairy processing.

DFC seeking full and fair compensation

DFC did not seek financial support from government to address the impacts of COVID-19. Rather, it highlighted the more significant issue of market access concessions, and called upon MPs to formalize the government's previous commitments to compensate dairy farmers for the domestic dairy production that was given up in CETA, CPTPP, and most recently with the early adoption of CUSMA. These agreements have eroded the supply management system – by 2026, 18% of our Canadian dairy production will have been transferred to imports coming from abroad. Unlike COVID-19 which created a market disruption, trade concessions mean Canadian product on the shelf will be replaced by dairy from other countries.

While the government committed to a compensation package for CETA and CPTPP, with a balance of \$1.75 billion to be delivered over eight years, only \$345 million has been made available under the Dairy Direct Payment Program, which ended on March 31, 2020. DFC continues to request that the remaining seven years of full and fair compensation for CETA and CPTPP be delivered in the form of direct payments, but the government has yet to make a commitment in this regard.

“A big part of our market was ceded to foreign production, and that's why we need this compensation, and like the first round of compensation, we are seeking it in direct payments,” said Lampron.



‘Every time there’s more access given, it weakens us’

“The losses that we will incur have been well documented, and they will be felt even sooner than we had anticipated,” said Lampron. “We were really hoping that CUSMA would take effect in August because that would align with the start of the dairy year, but these lower limits will be imposed on our exports and our industry will have to adjust.”

“Part of what we’re really trying to emphasize here is that with supply management, we can handle things like downturns, although this was extreme – we have never experienced something like this so that tested us to our limits,” said Wiens when asked about the impact of CUSMA on dairy farmers. “But what supply management cannot do is to have the foundation continuously being undermined, and whenever we allow further access to the Canadian dairy market, that is in fact what is happening. So every time there’s more access given, it weakens us and then it makes it more difficult for us to withstand the kind of challenges that we’ve seen with the pandemic, that concerns us, the in the future it does make us a little bit weaker.”

STAY UP TO DATE WITH THE LATEST DFC NEWS!

DAIRY EXPRESS – DFC'S NEWSLETTER

Monthly updates straight to your inbox! To subscribe, email communications@dfc-plc.ca

DAIRY EXPRESS+

Timely news and tools, all at your fingertips! **Download the app today on iOS or Android.**

Who Should I Call?

Who at the SaskMilk office should producers call? Here's a handy guide!

<i>For...</i>	<i>Call...</i>	<i>At...</i>
<ul style="list-style-type: none"> ➤ Sponsorship Requests ➤ Donation Requests ➤ Dairyanna's Costume and Events ➤ School Milk Program ➤ Nutrition Resource Ordering 	Anita Medl	306-721-9483
<ul style="list-style-type: none"> ➤ Quota Exchange and Private Quota Transfers ➤ Transfer Credits ➤ Security Applications ➤ Estimates for production ➤ Name Changes ➤ Designation of Signing Authority ➤ Monthly production numbers for producers ➤ Producer information for lending institutions ➤ Passwords for quota management sheet access 	Bev Solie	306-721-9488
<ul style="list-style-type: none"> ➤ Dairy Conference ➤ Producer statements ➤ Banking info for direct deposit of milk pay ➤ Milk pick-up issues –variances in volumes, planning to quit shipping, etc. 	Darlene Weighill	306-721-9491
<ul style="list-style-type: none"> ➤ On Farm- licensing, facilities, equipment, driveways, yards, animal care ➤ Lab testing results ➤ Bulk truck drivers- licensing, complaints/issues ➤ Bulk tank calibrations ➤ Pro Action- Food Safety (CQM), Animal Care, Traceability, Biosecurity, Environment 	Deb Haupstein	306-721-9486
<ul style="list-style-type: none"> ➤ Monthly milk prices paid to producers ➤ Provincial & National production updates 	Doug Miller	306-721-9485
<ul style="list-style-type: none"> ➤ Adding, editing information on Producer Transfer Credit List 	Jenn Buehler	306-721-9492
<ul style="list-style-type: none"> ➤ Media or news stories <i>or</i> if you have been contacted by any media agency or reporter ➤ Trade agreements, international trade updates ➤ DEAP policy/program enquiries ➤ Research enquiries or proposals 	Joy Smith	306-721-9482
<ul style="list-style-type: none"> ➤ Social media enquiries (Twitter, Instagram, Facebook) ➤ Website enquiries ➤ Newsletter advertising 	Julie Ell	306-721-9493

QUOTA EXCHANGE

The market-clearing price established for the June 2020 Quota Exchange was **\$40,000.00**.

The next Quota Exchange will be held on **July 15, 2020**. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, **July 6, 2020**. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

When making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase. The results of the Quota Exchange are outlined in the following Table.

JUNE 2020 QUOTA EXCHANGE RESULTS

Market Clearing Price per kilogram of butterfat	\$ 40,000.00
Daily Kilograms offered to Purchase	119.25
Kilograms offered to Sell	213.76
Kilograms sold	99.25
Number of Producers	
- offered to purchase	6
- purchased quota	4
- offered to sell	8
- sold quota	3

JUNE 2020 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price (\$/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative bidders	No. of buyers
\$35,000.00	0	0	0.00	0.00	-119.25	119.25	10.00	7	1
\$35,500.00	0	0	0.00	0.00	-109.25	109.25	10.00	6	1
\$39,500.00	1	1	6.00	6.00	-93.25	99.25	0.00	5	0
\$40,000.00	2	3	107.00	113.00	13.75	99.25	52.00	5	3
\$40,100.00	1	4	4.67	117.67	70.42	47.25	0.00	2	0
\$40,300.00	0	4	0.00	117.67	70.42	47.25	25.00	2	1
\$41,000.00	2	6	45.14	162.81	140.56	22.25	22.25	1	1
\$42,000.00	1	7	25.00	187.81	187.81	0.00	0.00	0	0
\$43,000.00	1	8	25.95	213.76	213.76	0.00	0.00	0	0

* Please contact Bev Solie at 306-949-6999 for inquiries dealing with quota management sheets, the Quota Exchange, for transfer credits, or with any other quota transactions.

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
May, 2019	19	19	13,404
June	22	21	15,814
July	24	24	13,461
August	27	27	18,297
September	29	29	20,166
October	24	24	15,246
November	32	32	23,235
December	26	26	15,625
January, 2020	27	27	18,191
February	26	26	14,525
March	17	17	7,531
April	10	10	6,670
May	6	6	3,000

PRIVATE TRANSFERS PROCESSED

MONTH	DAILY KILOGRAMS
May, 2019	0.00
June	35.00
July	158.51
August	55.00
September	5.10
October	32.00
November	34.80
December	122.55
January, 2020	60.00
February	0.00
March	0.00
April	232.64
May	49.00

OVER QUOTA (OVER 5 DAYS)

REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
May, 2019	10	2,556
June	14	2,559
July	7	1,148
August	4	898
September	4	484
October	4	750
November	3	291
December	6	1,257
January, 2020	8	1,275
February	7	1,360
March	11	1,008
April	7	1,286
May	4	764

OVER QUOTA (Spring Restriction)

REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
March Quota + 2 days	25	3,304
April Quota + 0 days	35	4,059
May Quota + 0 days	34	2,973

*The Spring Restriction Policy restricts production to a maximum of the production unit's monthly quota plus an established limit. Any production above that is deemed overproduction.

SUMMARY REPORT OF CREDITS MAY 2020 – 163 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+ 5	4	2,195
0 to + 5	35	13,922
TOTAL	39	16,117
DAYS	# OF PRODUCERS	NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
-15	9	13,699
-10 to -15	22	49,193
-5 to -10	37	54,605
0 to -5	56	37,096
TOTAL	124	154,592

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
May, 2019	2	1,345
June, 2019	3	1,719
July, 2019	6	2,220
August, 2019	5	1,883
September, 2019	6	450
October, 2019	5	1,398
November, 2019	5	1,253
December, 2019	5	1,026
January, 2020	3	1,374
February, 2020	3	1,183
March, 2020	1	648
April, 2020	4	1,416
May, 2020	9	2,479

WEIGHTED AVERAGE COMPONENT TESTS & PRICES MAY 2020

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	4.1453	17.011457
Protein	3.2214	2.575379
Other Solids	5.8988	0.703213

The average butterfat price received per kilogram was \$20.01.

SASKATCHEWAN MILK POOL RESULTS MAY 2020

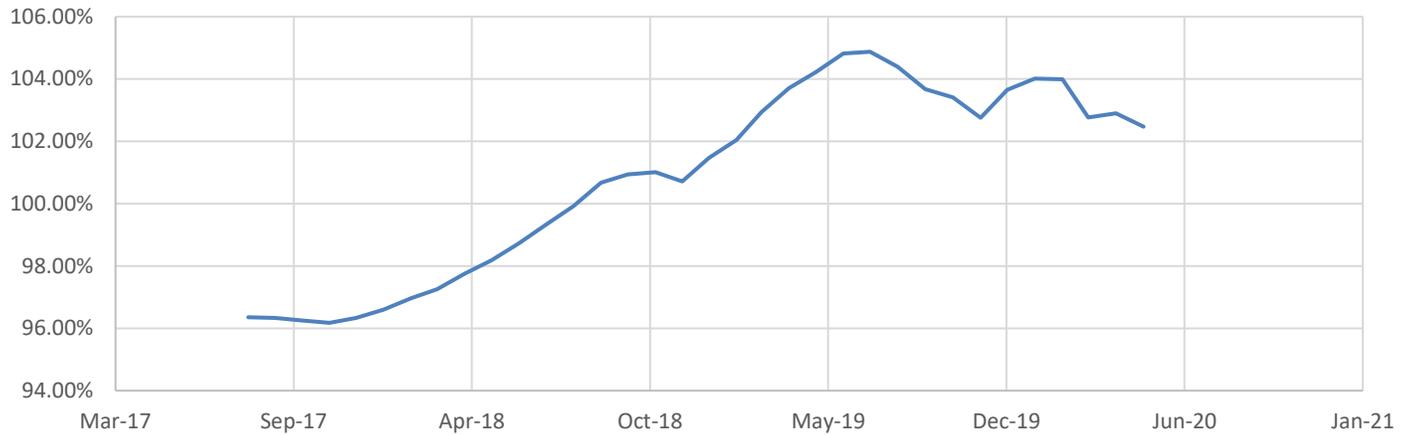
Milk Sale Revenue	\$20,055,028.74
WMP Revenue	\$300,000.00
Total Pool Value	\$20,355,028.74

In May, Saskatchewan had a monthly CDC allocation of **998,600 kilograms** of butterfat. In the month of May, Saskatchewan production was **22,047 kgs** of butterfat **over** and cumulatively **over** by **600,121 kgs** of butterfat. On a percentage basis, Saskatchewan is **4.96% above** our CDC allocation flexibility limits based on the Continuous Quota model. The -2.00% lower flexibility limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit -2.00% Kgs bf col. 8 * -1.5%	(5) Upper Flexibility Limit 1.25% Kgs bf col. 8 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits (%) col. 6 / 8	(8) Rolling 12 Month Total Quota Kgs bf
May-19	1,036,056	975,850	60,206	-235,510	147,193	109,973	0.93%	11,775,477
Jun-19	1,002,199	921,880	80,319	-235,031	146,894	190,292	1.62%	11,751,546
Jul-19	1,023,972	989,207	34,765	-235,709	147,318	225,056	1.91%	11,785,438
Aug-19	1,038,800	1,078,644	(39,844)	-237,795	148,622	185,212	1.56%	11,889,763
Sep-19	1,022,245	1,065,838	(43,593)	-240,186	150,116	141,619	1.18%	12,009,314
Oct-19	1,082,691	1,143,505	(60,814)	-242,523	151,577	80,805	1.07%	12,126,134
Nov-19	1,047,766	1,085,754	(37,988)	-242,752	151,720	91,402	1.56%	12,137,583
Dec-19	1,088,248	1,063,255	24,993	-242,958	151,849	214,717	1.77%	12,147,887
Jan-20	1,095,413	920,697	174,716	-242,944	151,840	389,433	3.21%	12,147,191
Feb-20	1,001,524	899,946	101,578	-243,932	152,458	491,011	4.03%	12,196,610
Mar-20	1,055,461	1,073,511	(18,050)	-245,108	153,192	472,961	3.86%	12,255,382
Apr-20	970,693	865,580	105,113	-241,673	151,046	578,074	4.78%	12,083,667
May-20	1,020,647	998,600	22,047	-242,128	151,330	600,121	4.96%	12,106,417

- (1) Monthly Production in Saskatchewan
- (2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
- (3) Difference between the monthly production (1) and the total monthly quota (2)
- (4) The Lower Flexibility Limit is -2.00% of Rolling 12 Month Total Quota (9)
- (5) The Upper Flexibility Limit is 1.25% of Rolling 12 Month Total Quota (9)
- (6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
- (7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
- (8) Total Monthly CDC Quota Allocation for the previous 12 months

SK Milk Production SK Position



INHIBITOR TEST STATIONS

SaskMilk has established a number of inhibitor test stations around the province. Producers needing to check their bulk tanks for inhibitors can take a sample to the test station closest to their location.

The test stations have the Charm Trio test strips available for testing. The Charm Trio test is the test that the plant uses. It tests for the following drugs:

Beta-lactam Drug	Detection Level [†] (ppb*)	US Safe Level or Tolerance / Canadian MRL (ppb*)	Sulfa Drug	Detection Level [†] (ppb*)	US Safe Level or Tolerance / Canadian MRL (ppb*)
Amoxicillin	3.1	10 / None	Sulfadimethoxine	4.7	10 / 10 [∞]
Ampicillin	7.7	10 / 10	Sulfamethazine	7.7	10 / 10 [∞]
Ceftiofur and Metabolites [^]	53	100 / 100	Tetracycline Drug	Detection Level [†] (ppb*)	US Safe Level/Tolerance / Canadian MRL (ppb*)
Cephapirin	14	20 / 20	Chlortetracycline	54	300 / 100
Cloxacillin	7.4	10 / None	Oxytetracycline	66	300 / 100
Penicillin G	2.2	5 / 6 ^{&}	Tetracycline	21	300 / 100

[†] Positive at least 90% of the time with 95% confidence.

* parts per billion or ng/mL

[^] Ceftiofur parent drug sensitivity is approximately 1/2 that reported in the table.

[&] Canadian MRL for penicillin G is 0.01 IU/ml, equivalent to 6 ppb.

[∞] Canadian MRL for sulfa drugs are singly or in combination with other MRL listed sulfonamides.

Test stations are located at the following locations:

1. Swift Current, SK - Agrifoods truck bay - 675 Cheadle Street West Office 306-773-1097 or Rodger Ruf 306-741-3261
2. Star City, SK - Star City Colony - Reuben Tschetter 306-921-9381
3. Grenfell, SK - Jim Ross 306-697-2232
4. Yorkton, SK - Ford Dairy Farms Inc. - Bud and Margaret Ford 306-782-7240
5. Saskatoon, SK - Agrifoods Truck Bay - east of the Saputo plant receiving bay
lead hand - Mike V. or Mike K. 306-664-0202 after hours: 306-668-8135

Charm tests strips and Charm testers are now available for purchase through SaskMilk. Agrifoods is now carrying SNAP test kits for tetracyclines as well as beta lactams. For further information you can contact: Deb Haupstein 306-721-9486

SaskMilk Upcoming Promotional Events

Due to Covid-19, many events sponsored by SaskMilk have been postponed until Fall. Advertising on radio and television is continuing.



Solving Your Recruitment Issues with Proactive Solutions



- ☞ Are you experiencing a shortage of labour in your farm?
- ☞ Are you struggling with your hiring structure?
- ☞ Are you having hard time finding a qualified candidate with a long-term commitment?

As a recruitment expert that specialize in Agriculture industry, we can help! Please contact Greentech Resources Ltd. at farm@greentechresources.ca or phone number at 306-550-4819 or visit our website at www.greentechresources.ca/farming/ for more information!

Code of Practice

4.7 Tail Docking

Cows use their tails as a natural fly swat, and with each swat, the tail comes into contact with parts of their body. Some producers believe that tail docking contributes to cleaner cows, decreased risk of udder infections, and improved working conditions for milkers. However, research has not identified any differences in udder or leg hygiene, somatic cell count, or prevalence of intramammary pathogens that could be attributed to tail docking.

Tail docking of calves or adults causes pain and discomfort. Docked heifers show signs of chronic pain as indicated by greater sensitivity to heat and cold of the tail stump. Neuroma formation, risk of post-operative infections and loss of the switch for fly control are welfare considerations associated with tail docking.

REQUIREMENTS

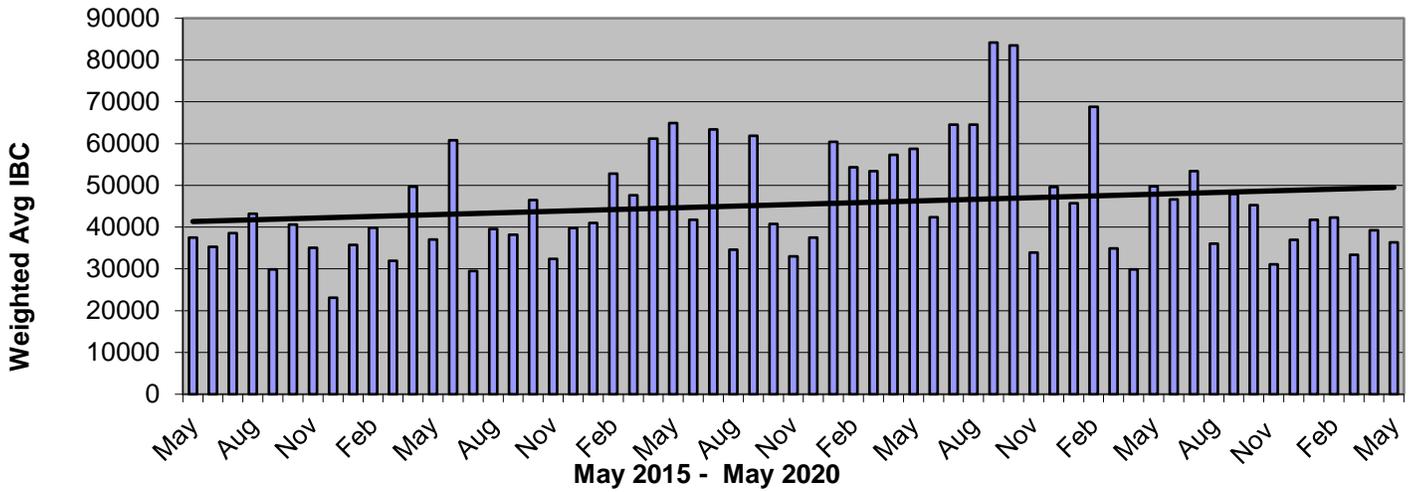
Dairy cattle must not be tail docked unless medically necessary.

RECOMMENDED BEST PRACTICES

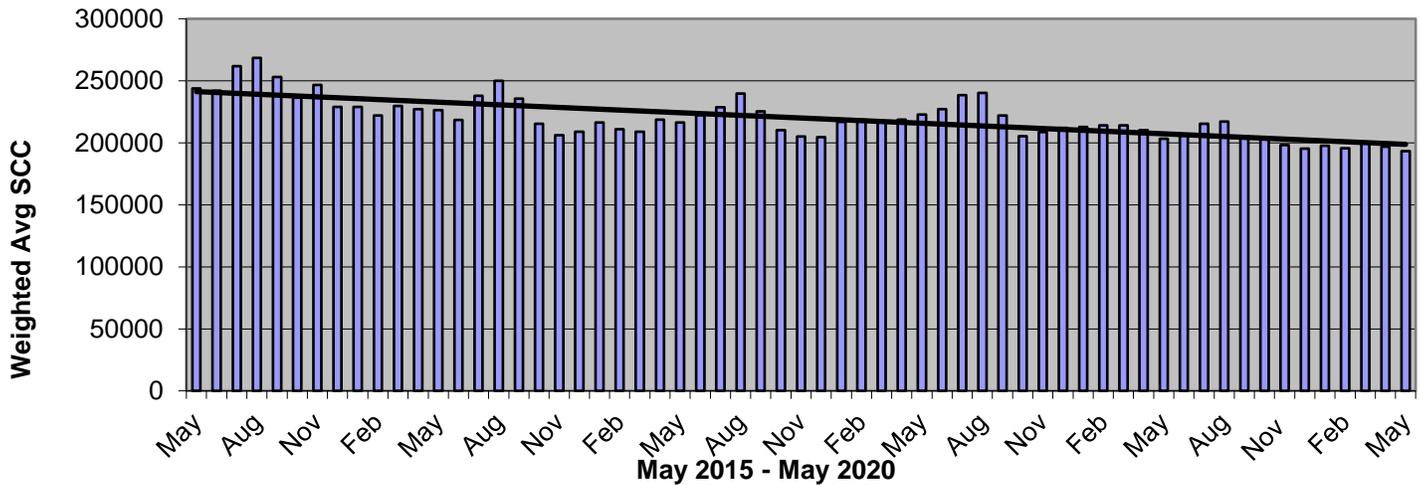
- a. use alternatives to tail docking (e.g., switch trimming)
- b. build stalls and floors that contribute to cow cleanliness
- c. clean stalls and floors frequently to ensure cow cleanliness (refer to Section 1 Accommodation, Housing and Handling Facilities)
- d. trim tail switches two to three times per year.

Provincial Weighted Average

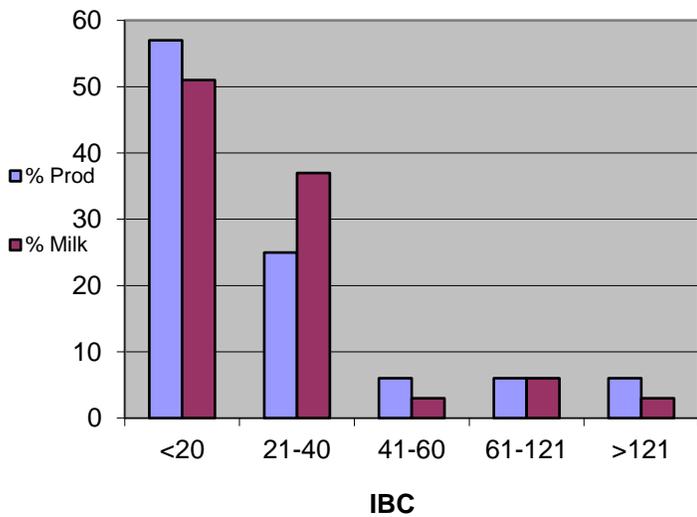
Monthly Weighted Average IBC



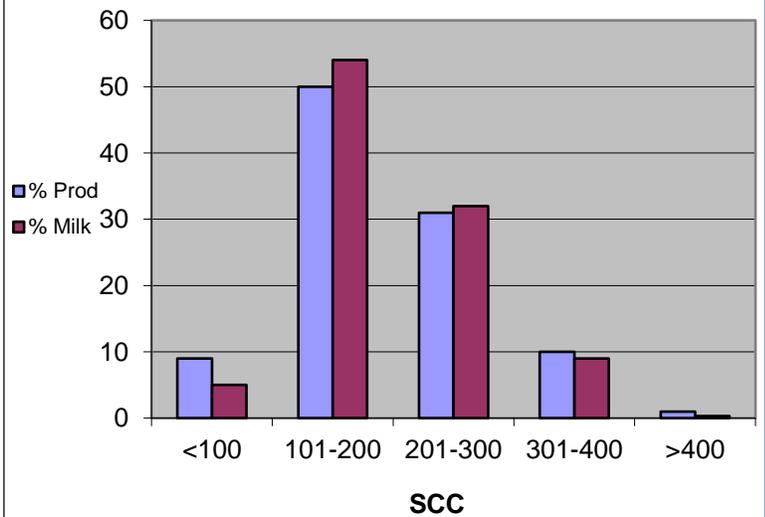
Monthly Weighted Average SCC



May 2020



May 2020



QUOTA LISTING or CLASSIFIED AD SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota, cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk. **Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.**

CLASSIFIEDS

Dairy barn for rent. 50 cow tie-stall barn for rent. Fully equipped with milking equipment. Available September 1st. **Call or text (306) 220-0890**

New start up looking for 10 kgs quota.
Please call or text Sheldon (306) 841-7485

Reminder!

The deadline date for Quota Transfer, Quota Exchange, and 10% Transfer Limit Exemptions is the 6th of each month

Your Quota Transfer, and 10% Exemption Applications must be received on or before the 6th of the month in order to be effective the 1st of the following month

Quota Exchange forms must be received in the SaskMilk office on or before the 6th of the month for that month's Exchange

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