

February 1, 2021

Notice to Producers

Spring Production Restriction Reminder

As a reminder, the standing Spring Production Restriction Policy continues to be in effect for Spring 2021.

The policy restricts production in March, April, May, and June to your monthly quota (calculated as normal by multiplying your daily quota by your pickup days) plus 2 days.

Any milk shipped over this limit will be treated as overproduction: no payment will be made for the over-limit milk shipped, and deductions will still apply to all the milk shipped. The overshipment will still be considered ‘utilized’ for the purpose of cumulative position. (Please see page 2 for examples)

Fall 2021 Incentive Days

SaskMilk, along with the Western Milk Pool, continuously monitors processing capacity and demand to ensure that the milk produced in Saskatchewan is keeping with responsible production volumes. Increased requirements for fall are expected and SaskMilk is announcing flexible incentive days for Fall 2021.

Producers will be allowed a **total of ten (10) incentive days** between August and November, with the following monthly limits:

August
September
October
November

maximum of 3 days
maximum of 3 days
maximum of 3 days
maximum of 3 days



The total number of days from August to November cannot exceed 10 days

For any questions or assistance on your quota position and numbers please contact Bev Solie at #306-721-9488 or bev.solie@saskmilk.ca

Spring Production Policy Questions and Examples:

I am at -6 days, how much milk can I ship?

You can ship your monthly quota plus 2 days. If you did so, with no credit transfers, your cumulative position at the end of the month would be -4 days.

I am at +4.5 days, how much milk can I ship?

You can ship your monthly quota plus 0.5 days, which brings you to the maximum cumulative position of +5 days (the maximum cumulative position limit of -15 to +5 is still in place).

How much can I be under my monthly quota?

There is no limit on undershipment with this policy; however, the normal limit of -15 days before penalties apply is still in place.

I am at -3 days and transferred in credits this month to bring me to -5 days, how much milk can I ship?

You can ship your monthly quota plus 2 days. Your cumulative position at the end of the month will be -3 days.

If I transfer in credits, can I ship more milk without the restriction?

No, regardless of your cumulative position you may only ship your monthly quota plus 2 days. If you ship more, you will not be paid for the milk (and deductions will still apply), but your cumulative position will still increase.

Example 1:

You have 100 kgs of daily quota over 30 shipping days with a cumulative position of -5 days. You can ship $100 \text{ kgs} \times 30 \text{ days} = 3000 \text{ kgs}$ plus $2 \text{ days} \times 100 \text{ kgs} = 200 \text{ kgs}$ for a total of 3200 kgs. If you ship 3200 kgs, your cumulative position will be -3 days.

If you shipped 3300 kgs (quota plus 3 days) you will only be paid for 3200 kgs, but your cumulative position will still go to -2 days.

Example 2:

You have 200 kgs of daily quota over 30 shipping days with a cumulative position of +4 days. You can ship $200 \text{ kgs} \times 30 \text{ days} = 6000 \text{ kgs}$ plus $200 \text{ kgs} \times 1 \text{ day} = 200 \text{ kgs}$ for a total of 6200 kgs, as you will hit your +5 maximum flexibility range.

If you shipped more than 6200 kgs, your cumulative position will still be capped at +5 days.

Example 3:

You have 300 kgs of daily quota over 30 shipping days with a cumulative position of -10 days. You can ship $300 \text{ kgs} \times 30 \text{ days} = 9000 \text{ kgs}$ and $300 \text{ kgs} \times 2 \text{ days} = 600 \text{ kgs}$ for a total of 9600 kgs. With no transfer credits your cumulative position will be at -8 days.

If you shipped 9900 kgs, you would only be paid for the 9600 kgs (with deductions still applying to the total shipped), and your cumulative position would go to -7 days.