

## SASKATCHEWAN MILK MARKETING BOARD POLICY

### QUOTA SECURITY INTEREST

WHEREAS the purpose and objectives of the Saskatchewan Milk Marketing Board includes matters set out in s. 5 of The Milk Marketing Plan Regulations;

AND WHEREAS the Board has the power to do those things set out in ss. 7, 20.6, 20.8, 20.9, and 20.91 of the *Plan*;

AND WHEREAS s. 20.7 of the *Plan* establishes that all quotas are the property of the Board, and quotas are fixed and allotted to licensed milk producers to be used only by those licensed milk producers and only in accordance with the terms and conditions in the *Plan*;

AND WHEREAS the Board has determined that it is in the best interests of the dairy industry in Saskatchewan to grant security interest in quota allocated to licensed milk producers by the Board;

AND WHEREAS the Milk Control Board granted security interest in quota allocated to licensed milk producers by the Milk Control Board;

THE SASKATCHEWAN MILK MARKETING BOARD, pursuant to the provisions of The Milk Marketing Plan Regulations and *The Agri-Food Act, 2004* hereby determines as follows:

1. No milk producer shall grant a security interest in all or part of the total production quota allocated to that milk producer except with the prior written approval of the Board, granted in accordance with this Policy.
2. A milk producer who wishes to grant a security interest in all or part of the total production quota allocated to that milk producer shall:
  - a) file with the Board a joint application for approval to grant a security interest in the quota, on the form provided by the Board and signed by both the milk producer and the party to whom the milk producer wishes to grant the security interest; and
  - b) provide the Board with any information it may require respecting the application.
3. Where the Board approves the granting of a security interest in all or part of the total production quota allocated to a milk producer, it shall indicate its approval by signing the joint application form filed by the milk producer.

4. Where the Board approves the granting of a security interest in all or part of the total production quota allocated to a milk producer, the approval:
  - a) is subject to the condition that the milk producer and the secured party comply with the terms and conditions contained in the joint application form filed by the milk producer; and
  - b) may be made subject to any other terms and conditions, not inconsistent with the Act the Regulations, any Board Orders, and this Policy, that the Board considers appropriate.

This policy is effective on the 1<sup>st</sup> day of October, 2010.