

SASKATCHEWAN MILK MARKETING BOARD POLICY

MILK TRANSPORTATION

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 s.7 of the *Plan*;

AND WHEREAS the guiding principles for transportation policies are:

- *Equity and fairness to producers;*
- *Efficiency in industry transportation;*
- *A sustainable industry with both producers and processors located throughout the province; and*
- *Transparency;*

AND WHEREAS SaskMilk determines that a single or pooled rate system without stop fees and without a volume discount most closely fit the identified guiding principles and represented the most equitable and fair solution for all members regardless of where they are located within the province and regardless of farm size.

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. After considering the feedback from producers, the Board implemented and maintains a single-rate transportation cost pooling system.
2. All transportation costs incurred for the hauling of milk from licensed producers to licensed processors will be pooled on a monthly basis.
3. Producers will equally share in the pooled transportation costs based on the volume of milk (in hectolitres) that each producer ships each month.
4. The pooled cost per hectolitre will be calculated on a monthly basis (total pooled cost divided by total hectoliters shipped) and will be established at a rate sufficient to fully fund the costs incurred for milk transportation.
5. Every day pick-up is available to producers who request milk pick-up more frequently than once every two days, subject to truck availability. These producers will be charged the pooled cost per hectolitre plus \$100, or \$3 per kilometer on a round-trip basis, whichever is greater. These charges will not be made if every day pickup is determined to be more efficient or cost-saving by SaskMilk. SaskMilk may pickup every day from farms with two tanks, without imposing additional charges.

6. Any producer who proposes to begin shipping milk from a production unit that is located 16 kilometres or further from an existing truck route will be charged the pooled cost per hectolitre and may be charged the actual cost incurred for the additional distance travelled. Producers may have any extra charge reduced or waived if they make application to the Board and the Board determines that the requested location is beneficial to the industry.
7. Production facilities that begin shipping after the effective date of this policy that are holding less than thirty (30) kilograms of daily quota will be deemed for the purpose of billing to be charged as though they are shipping thirty (30) kilograms of daily quota (converted to hectolitres using the provincial average). Existing licensed facilities are not subject to this minimum unless and until the licensed production facility or the quota changes possession.
8. Production facilities must ensure that their yard and lane meet the requirements that contribute to the greatest efficiency of the industry. Production facilities that begin shipping after the effective date of this policy must be train accessible. Existing production facilities may be required to be train accessible at any time after June 2021 as required by SaskMilk if it is determined to be in the best interest of industry to make it so.
9. Production facilities placing restrictions on pickup times may be subject to review. The Board will work with the transporter to determine the actual additional cost of the restrictions, consider the best interests of the industry, and make a determination as to what, if any, of the additional cost may be borne by the producer as a surcharge.
10. Individual licensed producer's share of provincial pooled haulage costs are shown as a separate line deduction on the Producer Statement to provide for transparency for all haulage costs incurred.

This policy is effective on the 1st of December 2021.