

The Milk Control Regulations

being

Chapter M-15 Reg 1 (effective January 1, 1985) as amended by Saskatchewan Regulations 14/85, 70/85, 94/85, 108/85, 51/86, 86/86, 87/86, 65/87, 19/88, 84/88, 117/88, 27/89, 53/89, 58/89, 62/90, 74/90, 6/91, 70/91, 1/92, 15/92, 38/92, 96/92, 1/93, 11/93, 58/93, 60/93, 61/93, 12/94, 17/94, 61/94, 62/94, 64/94, 65/94, 89/94, 33/95, 56/95, 58/95, 74/95, an Errata Notice (Gazetted December 31, 1992), 3/96, 27/96, 28/96, 52/96, 61/96, 63/96, 65/96, 72/96, 81/96, 89/96, 1/97, 2/97, 7/97, 11/97, 15/97, 19/97, 30/97, 31/97, 45/97, 68/97, 82/97 89/97, 98/97, 104/97, 1/98, 4/98, 21/98, 24/98, 36/98, 42/98, 43/98, 47/98, 64/98, 65/98, 75/98, 79/98, 86/98, 94/98, 10/1999, 12/1999, 16/1999, 25/1999, 33/1999, 59/1999, 61/1999, 65/1999, 66/1999, 70/1999, 80/1999, 90/1999, 95/1999, 3/2000, 9/2000, 21/2000, 30/2000, 31/2000, 38/2000, 57/2000, 65/2000, 75/2000, 84/2000, 94/2000, 105/2000, 1/2001, 6/2001, 10/2001, 20/2001 and 25/2001.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER M-15 REG 1
The Milk Control Act, 1992

Title

- 1 These regulations may be cited as *The Milk Control Regulations*.

PART I
Interpretation

Interpretation

- 2 In these regulations:

- (a) **“Act”** means *The Milk Control Act, 1992*;
- (b) **“agent”** means Agrifoods International Co-operative Ltd.;
- (c) **Repealed.** 31 Jly 98 SR 64/98 s3.
- (d) **“board”** means The Milk Control Board constituted pursuant to section 3 of the Act;
- (e) **“catastrophe”** means:
 - (i) the severe illness or death of the quota holder;
 - (ii) destruction of the production facilities;
 - (iii) severe infection of the producing herd by an uncontrollable disease or by a disease which results in a requirement from health authorities that the herd be slaughtered; or
 - (iv) any hardship suffered by a quota holder that the board considers to be similar to one described in subclause (i), (ii) or (iii);
- (f) **Repealed.** 29 Aug 86 SR 87/86 s3.
- (f.1) **“commercial export contract”** means a contract pursuant to which a producer sells commercial export milk to an exporter;
- (f.2) **“commercial export milk”** means milk that is produced for export from Canada, whether processed or not;
- (g) **“commission”** means the Canadian Dairy Commission;
- (g.1) **“complete dairy unit”** means a continuously operative dairy farm business, including all lands and buildings and milking cows used in the operation of the business;
- (g.2) **Repealed.** 31 Jly 98 SR 64/98 s3.
- (h) **Repealed.** 31 Jly 98 SR 64/98 s3.

- (i) **“distributor”** means any person who distributes or sells milk to the consumer directly or through stores or other agencies;
- (i.1) **“exporter”** means a person who purchases commercial export milk and includes a processor who purchases commercial export milk for processing before the milk is exported from Canada;
- (j) **“fluid milk products”** means milk of any composition, other than condensed or evaporated milk, that is to be used in liquid form, and includes chocolate drink containing milk and buttermilk;
- (k) **Repealed.** 25 Aug 2000 SR 65/2000 s3.
- (l) **Repealed.** 25 Aug 2000 SR 65/2000 s3.
- (m) **“fluid sales”** means the amount of milk accepted from a producer and sold in fluid form;
- (n) **“immediate family”** means a grandfather, grandmother, father, mother, husband, wife, son, daughter, brother, sister, grandson, granddaughter, son-in-law or daughter-in-law;
- (o) **Repealed.** 5 Jun 98 SR 42/98 s3.
- (p) **“market share quota”** means a quota fixed and allotted by the board, and expressed in kilograms of milk or butterfat to represent a producer’s share of the market in a quota period;
- (q) **Repealed.** 31 Jly 98 SR 64/98 s3.
- (q.1) **“National Milk Marketing Plan”** means a plan regulating the marketing of dairy products in relation to Canadian domestic requirements and any additional Canadian industrial milk requirements in the manner determined by agreement between the Government of Canada and the provinces of Canada;
- (r) **“pool”** means a milk pool conducted by the board with respect to all registered producers for the distribution of money received from the sale of milk other than the sale of commercial export milk;
- (s) **“process”** means to alter the form or composition of milk in any way that is different from the form and composition in which it is received from the producer;
- (t) **“processor”** means a person who processes milk;
- (u) **“producer”** means:
 - (i) an individual who; or
 - (ii) a partnership or association, whose members or shareholders are personally engaged in the day to day operation and management of a production unit that;

maintains cattle for the purposes of producing qualifying milk and has obtained any approvals and licences that may be required pursuant to the regulations made pursuant to *The Animal Products Act* and *The Public Health Act*;

- (v) **“qualifying milk”** means milk that complies with the fluid milk quality standards established pursuant to “The Dairy Producers Regulations”, being Saskatchewan Regulations 52/79;
- (w) **“quota period”** means the 12 month period commencing on August 1 in one year and ending on July 31 in the next year;
- (x) **“Saskatchewan plan”** means the Saskatchewan plan for milk market sharing;
- (y) **“Saskatchewan reserve”** means the amount of market share quota which the board has not allocated to producers and includes amounts returned to the board pursuant to these regulations;
- (z) **“Saskatchewan’s entitlement”** means Saskatchewan’s milk market share as determined by:
- (i) the Western Milk Pooling Agreement; and
 - (ii) the National Milk Marketing Plan;
- (aa) **Repealed.** 31 Jly 98 SR 64/98 s3.
- (bb) **“total production quota”** means a quota in kilograms of milk or butterfat allocated to a producer by the board for a quota period;
- (cc) **“Western Milk Pooling Agreement”** means the agreement between Saskatchewan, British Columbia, Alberta and Manitoba for the purpose of pooling producer revenue, sharing markets, improving competitiveness and making use of the regional pooling provisions pursuant to the National Milk Marketing Plan.

28 Dec 84 cM-15 Reg 1 s2; 22 Nov 85 SR 108/85 s3; 29 Aug 86 SR 87/86 s3; 24 Jly 87 SR 65/87 s12; 9 Aug 96 SR 61/96 s2; 5 Jun 98 SR 42/98 s3; 31 Jly 98 SR 64/98 s3; 25 Aug 2000 SR 65/2000 s3.

PART II Production

Application of Part

3(1) This Part applies throughout Saskatchewan.

(2) Notwithstanding subsection (1), this Part does not apply to persons engaged in the production, processing or marketing of commercial export milk.

25 Aug 2000 SR 65/2000 s4.

Quotas property of board

4 All milk quotas are the property of the board, and are fixed and allotted to registered producers to be used only by those producers and only in accordance with the terms and conditions of these regulations.

28 Dec 84 cM-15 Reg 1 s4; 31 Jly 98 SR 64/98 s4.

Registration

5 Every producer shall register with the board by communicating to the board in writing that he is a producer and providing any information that the board requests in connection with registration.

28 Dec 84 cM-15 Reg 1 s5.

Quotas

6(1) Repealed. 25 Aug 2000 SR 65/2000 s5.

(2) Where a producer is registered with the board, he is entitled, as provided in this section and as long as the Saskatchewan reserve permits, to be allotted a total production quota.

(3) To be considered for a total production quota, a producer shall, before shipping milk, obtain approval of his or her premises for fluid milk production pursuant to *The Animal Products Act*.

(4) **Repealed.** 25 Aug 2000 SR 65/2000 s5.

(5) **Repealed.** 25 Aug 2000 SR 65/2000 s5.

(6) **Repealed.** 31 Jly 98 SR 64/98 s5.

(7) Where a producer delivers less than 90% of his total production quota in a quota year, his total production quota for the next quota year is an amount equal to 111% of the amount of milk actually delivered by him in the immediately preceding quota year.

(8) Where a producer acquires a dairy herd during the quota year and the board approves the transfer of the quota to him pursuant to section 7, his total production quota for the next following quota year is calculated as though all deliveries from that facility during the quota year in which he made the acquisition were made by him.

(9) Where a producer did not have a total production quota in the previous quota year, the board may allot him a total production quota based on his anticipated deliveries in the current quota year as long as the Saskatchewan reserve permits.

(10) Where a vendor or his assignee repossesses a production unit for which a total production quota has been allocated, the board shall give the vendor or his assignee 12 months from the date of the last milk shipment from that production unit before it was repossessed to re-establish the production unit before recalling that total production quota to the Saskatchewan reserve.

(11) **Repealed.** 31 Jly 98 SR 64/98 s5.

(12) **Repealed.** 31 Jly 98 SR 64/98 s5.

28 Dec 84 cM-15 Reg 1 s6; 22 Nov 85 SR 108/85 s4; 29 Aug 86 SR 87/86 s4; 9 Aug 96 SR 61/96 s4; 31 Jly 98 SR 64/98 s5; 25 Aug 2000 SR 65/2000 s5.

7 Repealed. 29 Aug 86 SR 87/86 s5.

Approval required to transfer

8(1) No producer shall transfer all or part of his or her total production quota except with the prior approval of the board.

(2) Subject to subsection (3), a producer who wishes to transfer all or part of his or her total production quota shall:

(a) with respect to a maximum of 80% of the quota or portion of quota that the producer wishes to transfer, apply to the board, on a form provided by the board, for approval to transfer the quota;

(b) with respect to a minimum of 20% of the quota or portion of quota that the producer wishes to transfer, apply to the board, on a form provided by the board, for approval to transfer the quota by means of the quota exchange operated by the board; and

(c) supply the board with any information that the board may require respecting the application.

(3) A producer is not required to comply with subsection (2) if the producer is transferring:

(a) all or any part of his or her production quota to his or her immediate family; or

(b) all of his or her total production quota as a single unit.

9 Aug 96 SR 61/96 s5.

8.1 Repealed. 9 Aug 96 SR 61/96 s6.**Conversion factor**

8.2 For the purposes of calculating the total production quota in the case of a transfer of a complete dairy unit and a total production quota, 100 kilograms of milk is equal to 3.5 kilograms of butterfat.

29 Aug 86 SR 87/86 s6.

Restrictions on approvals

8.3(1) **Repealed.** 9 Aug 96 SR 61/96 s7.

(2) Subject to any terms and conditions that it considers appropriate, the board may approve the transfer of part of a producer's total production quota to another producer.

(3) Where a producer proposes to transfer his total production quota to a person who is not a milk producer, the board shall not approve the transfer unless:

(a) the board is satisfied that the location where the person proposes to produce milk is appropriate; and

(b) the production facilities to be used by the person are approved pursuant to *The Animal Products Act* and the regulations made pursuant to that Act.

(4) The board may approve the transfer by two or more producers who are individuals of their total production quotas to a partnership or association of which they are members or shareholders.

- (5) Where a producer who is an individual:
- (a) has transferred his total production quota to a partnership or association in accordance with subsection (4); and
 - (b) subsequent to the transfer mentioned in clause (a), applies to the board to withdraw from the partnership or association and to retransfer his total production quota to his own name;

the board may approve the transfer.

- (6) The board may refuse to approve a transfer of all or any part of a total production quota if, as a result of the transfer, the total production quota of the transferee would exceed 4,500 kilograms per day.

29 Aug 86 SR 87/86 s6; 9 Aug 96 SR 61/96 s7.

Distribution of available quotas

8.4 If a total production quota is returned to the board or is otherwise available to be distributed among producers, the board shall distribute the total production quota to existing producers.

9 Aug 96 SR 61/96 s8.

Effective date

8.5 Where the board approves the transfer of a total production quota, the transfer is effective:

- (a) on a date set by the board, which date may be earlier than the date on which the approval is granted; or
- (b) if the board does not set a date, on the first day of the month following the month in which the board granted the approval.

29 Aug 86 SR 87/86 s6.

Use of unused quota

8.6 A producer who acquires additional total production quota during a quota period may use the full amount of any unused portion of the acquired total production quota in that quota period.

29 Aug 86 SR 87/86 s6.

Exemption

8.7(1) Where the board is satisfied that it is fair and reasonable to do so for compassionate reasons associated with a producer, the board may exempt the producer from all or any part of the provisions of sections 8 to 8.6 and may impose any terms or conditions on that producer or any other producer with respect to the exemption and may vary, alter, amend, change, cancel or substitute those terms or conditions.

- (2) No producer shall fail to comply with any terms or conditions imposed pursuant to subsection (1).

29 Aug 86 SR 87/86 s6.

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Security interest in quota

8.8(1) No producer shall grant a security interest in all or part of the total production quota allocated to that producer except with the prior written approval of the board, granted in accordance with this section.

(2) A producer who wishes to grant a security interest in all or part of the total production quota allocated to that producer shall:

(a) file with the board a joint application for approval to grant a security interest in the quota, in Form A of Part III of the Appendix to these regulations, signed by both the producer and the party to whom the 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 producer, it shall indicate its approval by signing the joint application form filed by the producer.

(4) Where the board approves the granting of a security interest in all or part of the total production quota allocated to a producer, the approval:

(a) is subject to the condition that the producer and the secured party comply with the terms and conditions contained in the joint application form filed by the producer; and

(b) may be made subject to any other terms and conditions, not inconsistent with the Act and these regulations, that the board considers appropriate in the public interest.

22 Jly 94 SR 61/94 s3.

Obligation to ship under own quota

9 No producer shall ship milk under the name of another producer and no producer shall permit another producer to ship milk under his name.

28 Dec 84 cM-15 Reg 1 s9.

No alteration of butterfat content

9.1 No producer shall vary the butterfat content of milk obtained from a milking animal before he delivers it pursuant to these regulations.

22 Nov 85 SR 108/85 s5.

Catastrophe

10(1) Where a catastrophe befalls a producer, he shall notify the board immediately and may submit a written request to the board that his milk quota and his participation in the plan be held in abeyance for a period of up to 12 months.

(2) The board may agree or refuse to place a quota in abeyance pursuant to subsection (1).

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(3) A producer may apply to the board in writing for an extension of the period of abeyance granted pursuant to subsection (2), and the board may:

- (a) extend the period of abeyance on any terms and conditions that it considers reasonable; or
- (b) refuse to extend the period of abeyance.

(4) The board may require any information or justification from the producer that it considers necessary to support a request pursuant to subsection (1) or (3).

28 Dec 84 cM-15 Reg 1 s10.

Where no deliveries

11(1) Subject to subsection (2) and section 10, where a milk producer ships no milk for three consecutive months, the board shall transfer that producer's total production quota to the Saskatchewan reserve.

(2) **Repealed.** 31 Jly 98 SR 64/98 s6.

(3) Where a producer's total production quota is transferred to the Saskatchewan reserve pursuant to subsection (1) or (2), the producer may apply to the board to have his total production quota or part of it reinstated.

28 Dec 84 cM-15 Reg 1 s11; 31 Jly 98 SR 64/98 s6.

Board may change quotas

12 Where Saskatchewan's entitlement is altered or in any other circumstances where the board considers it to be necessary, the board may, in its discretion, adjust total production quotas during the quota year by sending written notice to quota holders.

28 Dec 84 cM-15 Reg 1 s12.

Levies

13(1) Every producer shall pay the amounts levied by the board to cover the costs of the administration of the Act and the fees and levies to be remitted to the commission.

(2) The amounts required pursuant to subsection (1) may be deducted by a processor from payments made to a producer, and the processor shall forward such amounts to the board not later than the 15th day of the month following the month in which the deductions were made.

28 Dec 84 cM-15 Reg 1 s13.

Advisory committee

14(1) The board shall appoint an advisory committee to advise the board and make recommendations to the board:

- (a) on matters relating to Saskatchewan's entitlement; and
- (b) on any other matters that the board considers necessary.

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- (2) The advisory committee appointed pursuant to this section is to consist of:
- (a) the members of the board;
 - (b) two members nominated by Agrifoods International Co-operative Ltd.;
 - (c) two producers nominated by the Saskatchewan Milk Producers Association;
 - (d) two members nominated by the Saskatchewan Dairy Foundation;
 - (e) one member nominated by the University of Saskatchewan;
 - (f) one member nominated by the Department of Agriculture and Food (Saskatchewan);
 - (g) one member nominated by the Western Canadian Dairy Herd Improvement Services (W.C.D.H.I.S.);
 - (h) one processor nominated by Parmalat Canada; and
 - (i) any additional members that the board considers necessary.
- (3) At the first meeting of the advisory committee, and annually after that, the members of the committee shall elect a chairperson from among their number.
- (4) The advisory committee shall meet at the request of the board and at any other time that the committee considers necessary.
- (5) The members of the advisory committee appointed pursuant to this section are entitled to any remuneration and reimbursement for expenses that the board may determine.
- (6) Notwithstanding any other provision of these regulations, the members of the advisory committee who hold office pursuant to this section, as it existed on the day before the coming into force of this section, continue to hold office until members of the advisory committee are appointed pursuant to this section.

5 Jun 98 SR 42/98 s4.

PART III
Marketing

Application of Part

15(1) This Part applies throughout Saskatchewan.

- (2) Notwithstanding subsection (1), this Part does not apply to persons engaged in the production, processing or marketing of commercial export milk.

25 Aug 2000 SR 65/2000 s6.

Licence required to process milk

16(1) No person shall carry on the business of processing milk or operate a milk plant without holding a processor's licence issued pursuant to section 18.

(2) No holder of a processor's licence issued pursuant to section 18 shall fail to comply with the Act, these regulations or any terms and conditions imposed on the licence.

31 Jly 98 SR 64/98 s7.

Application for processor's licence

17 Every person applying for a processor's licence shall:

- (a) apply to the board in any form that is acceptable to the board;
- (b) provide the board with any information that the board may reasonably require in order to determine whether or not to approve the application and issue the licence; and
- (c) pay a fee of \$25.

31 Jly 98 SR 64/98 s7.

Issuance of licence

18(1) If the board receives an application pursuant to section 17 and is satisfied that the applicant has complied with the Act and these regulations and that it is in the public interest to do so, the board may issue a processor's licence to the applicant.

(2) The holder of a processor's licence shall only operate the milk plants noted in the processor's licence.

31 Jly 98 SR 64/98 s7.

Licence not transferable

19 A processor's licence is not transferable.

31 Jly 98 SR 64/98 s7.

Distribution

Pools

20 The board shall establish and administer milk pools in Saskatchewan, for the distribution of all moneys received from the sale of the milk of the producers in a pool.

28 Dec 84 cM-15 Reg 1 s20.

21 Repealed. 29 Aug 86 SR 87/86 s8.

Regulations govern all sales

22 The agent shall not sell, and no distributor shall acquire, milk except in accordance with these regulations.

28 Dec 84 cM-15 Reg 1 s22.

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All sales through agent

23 No distributor shall buy or acquire milk from anyone other than the agent, except with the written permission of the board.

28 Dec 84 cM-15 Reg 1 s23.

Assignment of producers to distributors

24(1) The board may, in its discretion, assign particular producers to supply milk to particular distributors.

(2) Where a distributor notifies the board that his needs are not being met by the producers assigned to him, the board may assign further producers to him.

(3) Where a distributor notifies the board that he is receiving more milk than he requires from the producers assigned to him, the board shall reduce the number of producers supplying that distributor.

28 Dec 84 cM-15 Reg 1 s24.

Records and reports

25 Every distributor shall:

(a) maintain a record, on the form provided by the board or the agent, of all milk received by him;

(b) sign the forms kept pursuant to clause (a) and send them by first class mail to the board at any times that the board may establish;

(c) complete and sign a milk utilization report on the form provided by the board; and

(d) mail the milk utilization report to the board by first class mail before the seventh day of the month next following the month of the report.

28 Dec 84 cM-15 Reg 1 s25.

Payments to Producers**Agent to pay producer**

26(1) Subject to subsection (2), the agent shall pay to a producer the prices established by the board in Section 3 of Part II of the Appendix for milk.

(2) The agent shall make payments pursuant to this section at least twice in each month or at more regular intervals as approved by the board.

(3) Instruments that are not immediately negotiable at face value, such as postdated cheques, promissory notes or other undertakings of distributors, are not considered to be payments for the purposes of these regulations.

28 Dec 84 cM-15 Reg 1 s26.

Board or agent to calculate deliveries

27 The board or the agent shall prepare, in respect of each month, a statement regarding the amount of milk supplied to a distributor in that month to be used in calculating the amount payable by the distributor to the agent.

28 Dec 84 cM-15 Reg 1 s27.

M-15 REG 1**MILK CONTROL****Distributors to pay agent**

28(1) A distributor shall pay to the agent:

- (a) an amount on account at a rate per 100 kilograms, set by the board, of all milk received by the distributor between the 1st and the 15th day of the month, which amount is to be paid not later than the 25th day of that month;
 - (b) the balance owing after the payment made pursuant to clause (a) is deducted from the amount owing as calculated pursuant to section 27, which amount is to be paid not later than the 10th day of the next following month.
- (2) A distributor shall identify for the agent the plant in respect of which each payment is made pursuant to this section.

28 Dec 84 cM-15 Reg 1 s28.

Where no licence

29 Where a distributor does not hold a valid distributor's licence, the board shall cease to supply milk to that distributor.

28 Dec 84 cM-15 Reg 1 s29.

Where failure to report

30 Where a distributor fails:

- (a) to pay the agent, at the times and in the manner prescribed by the board, the amounts payable for milk supplied to him; or
- (b) to forward to the agent the copy of the milk collection report or utilization report in the manner prescribed in these regulations;

the board may cease to supply milk to that distributor.

28 Dec 84 cM-15 Reg 1 s30.

Milk content

31(1) For the purposes of this section and section 39.4, "**content**" means the amount of butterfat, protein and other solid components in milk.

(2) All milk delivered by a producer must be tested pursuant to *The Animal Products Act* for content, and the tester shall provide the producer and the agent with a statement of the content of the milk.

(3) Where a load of milk is received by a distributor from a producer whose milk was diverted to the distributor, the content of that milk is deemed to be the weighted average of the content of all the producers' milk for the test period.

(4) Where a distributor receives milk that is diverted to the distributor by another distributor who cannot identify the producer, the content of the milk is deemed to be the average of three samples taken from throughout the tank from which the milk was received.

25 Aug 2000 SR 65/2000 s7.

Products and Consumers

Interpretation, butterfat content

32(1) In this section and in the Appendix:

- (a) **“chocolate partly-skimmed 2% milk”** means fluid milk that contains not less than 2.0% and not more than 2.5% of butterfat and to which a chocolate flavouring has been added;
 - (a.1) **“chocolate partly skimmed 1% milk”** means fluid milk that contains not less than 1.0% and not more than 1.5% of butterfat and to which a chocolate flavouring has been added;
 - (b) **“cultured buttermilk”** means fluid milk in which lactic acid-producing bacteria or a similar culture has been added;
 - (c) **“flavoured partly-skimmed milk”** means fluid milk that contains not less than 2% of butterfat and to which flavouring has been added;
 - (d) **“2% partly-skimmed milk”** means fluid milk that contains:
 - (i) not less than 2.0% and not more than 2.5% of butterfat; and
 - (ii) not less than 8.25% of milk solids other than fat;
 - (d.1) **“1% partly-skimmed milk”** means fluid milk that contains:
 - (i) not less than 1.0% and not more than 1.5% of butterfat; and
 - (ii) not less than 8.25% of milk solids other than fat;
 - (e) **“skim milk”** means fluid milk that contains not more than 0.3% of butterfat and not less than 8.25% of milk solids other than fat;
 - (f) **“substandard cream”** means milk that is standardized to contain not less than 10% and not more than 12% of butterfat;
 - (g) **“UHT milk”** means milk which has been subjected to direct or indirect ultra heat treatment and aseptically packaged, and includes partly-skimmed milk, chocolate partly-skimmed milk and flavoured partly-skimmed milk that has been subjected to such a process;
 - (h) **“whipping cream”** means cream that contains not less than 32% of butterfat;
 - (i) **“whole milk”** means fluid milk that contains not less than 3.25% of butterfat and not less than 8% of milk solids other than fat.
- (2) No person shall distribute chocolate partly-skimmed milk, cultured buttermilk, partly-skimmed milk, skim milk, substandard cream, UHT milk, whipping cream or whole milk that does not conform to the standard set out in subsection (1).

Consumer Prices

33 to 39 Repealed. 31 Jly 98 SR 64/98 s8.

**PART IV
Commercial Export Milk****Application of Part**

39.1 This Part applies only to those persons engaged in the production, processing or marketing of commercial export milk.

25 Aug 2000 SR 65/2000 s8.

Purpose of Part

39.2 The purpose of this Part is to enable the board to ensure:

- (a) that, subject to subsection 39.6(1), milk destined for export from Canada does not enter the domestic milk supply; and
- (b) that milk quality standards are maintained.

25 Aug 2000 SR 65/2000 s8.

Contracting mechanism

39.3(1) The board shall, at the request of an exporter, provide that exporter with a list of all registered producers for the purpose of permitting the exporter to inform producers of the terms of potential commercial export contracts.

(2) A producer may enter into a commercial export contract without any involvement by the board and without owning a domestic market share quota.

25 Aug 2000 SR 65/2000 s8.

Auditing and reporting

39.4(1) An exporter shall provide the following information to the board for each commercial export contract:

- (a) the contract volumes offered to, and accepted by, each producer;
- (b) the name of each producer;
- (c) the quantity of milk contracted and supplied by each producer;
- (d) the term of the commercial export contract.

(2) An exporter shall, for each commercial export contract, provide the board, on request, with details of the content respecting milk received and products manufactured and exported by the exporter.

(3) The board, or its designate, may audit information relating to the details of content respecting commercial export milk, and any costs associated with the audit are the responsibility of the export contract parties with costs calculated at commercially comparable rates.

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(4) Any commercial export milk that enters the domestic market is subject to a levy equal to the class 1a milk price at the time the milk enters the domestic market.

(5) The levy mentioned in subsection (4) is to be imposed on the processor based on the volume of milk that enters the domestic market or, in the case of a milk product, the volume of milk required to manufacture the product that enters the domestic market.

(6) The board may collaborate with other provincial and federal agencies respecting a comprehensive audit of commercial export contracts to ensure that commercial export milk does not enter domestic provincial or regional markets.

(7) The board shall keep confidential all reported export activities to the extent permitted by the laws of Saskatchewan.

(8) The board shall, when requested, report to the commission in a manner approved by the commission respecting export activities occurring in Saskatchewan.

25 Aug 2000 SR 65/2000 s8.

Quality standards

39.5(1) All producers of commercial export milk shall comply with the regulations respecting production and processing standards that apply to domestic milk and milk products pursuant to *The Animal Products Act* and *The Public Health Act, 1994*.

(2) No producer shall vary the butterfat content of commercial export milk.

25 Aug 2000 SR 65/2000 s8.

Milk delivery and payment arrangements

39.6(1) Commercial export milk and domestic milk may be co-mingled in the delivery system, but delivery of commercial export milk from the producer to a processing facility is the responsibility of the exporter.

(2) The board shall not administer any payments respecting milk delivered pursuant to a commercial export contract.

25 Aug 2000 SR 65/2000 s8.

PART V General

Application of Part

39.7(1) This Part applies throughout Saskatchewan.

(2) Notwithstanding subsection (1), this Part does not apply to persons engaged in the production, processing or marketing of commercial export milk.

25 Aug 2000 SR 65/2000 s8.

General

Assessment, producer

40(1) Every milk producer shall pay to the board an assessment of 8.00 cents for each 100 kilograms of milk sold by him to the agent, which assessment is to be deducted by the agent from payments made to producers and remitted by the agent to the board.

(2) Every milk producer shall pay to the board a pool administration levy of 8.00 cents for each 100 kilograms of milk sold by him to the agent, which assessment is to be deducted by the agent from payments made to producers.

28 Dec 84 cM-15 Reg 1 s40; 27 Mar 92 SR 15/92 s3.

Assessment, distributor

41(1) Every distributor shall pay to the board an assessment of 8.00 cents for each 100 kilograms of milk that he receives from the agent.

(2) Every distributor shall pay to the board a pool administration levy of 8.00 cents for each 100 kilograms of milk that he receives from the agent.

(3) **Repealed.** 31 Jly 98 SR 64/98 s9.

28 Dec 84 cM-15 Reg 1 s41; 27 Mar 92 SR 15/92 s4;
31 Jly 98 SR 64/98 s9.

Payment of assessment

42 On or before the 15th day of each month, the agent or the distributor, as the case may be, shall forward to the board the amount for the immediately preceding month that is due the board pursuant to section 40 or 41.

28 Dec 84 cM-15 Reg 1 s42.

Records, reports, resources

43 Every distributor shall:

(a) keep such books, records and accounts as will afford an intelligent understanding of the conduct of his business;

(b) make available at all times the books, records and accounts kept pursuant to clause (a) for inspection by the board or its authorized representative;

(c) on or before the tenth day of each month furnish to the board, in a form acceptable to the board, a true and detailed report of operations for the immediately preceding month; and

(d) within three months after the end of the distributor's fiscal year, furnish to the board a copy of a financial statement, including a balance sheet and profit and loss statement, certified by the distributor's auditors, with respect to the operations of each plant operated by the distributor for the last fiscal year of the distributor.

28 Dec 84 cM-15 Reg 1 s43.

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Act of God

44 A failure of the board, the agent or a distributor to carry out a provision of these regulations as a result in whole or in part of an act of God, adverse weather, fire, strike, lock-out, invasion or order of a civil or military authority, is deemed not to be a contravention of these regulations.

28 Dec 84 cM-15 Reg 1 s44.

Repeal

45 Saskatchewan Regulations 301/74, 302/74, 247/80, 162/81 and 163/81 are repealed.

28 Dec 84 cM-15 Reg 1 s45.

Appendix

PART I
Designated Areas

Repealed. 31 Jly 98 SR 64/98 s10.

PART II
Prices

Interpretation

2 In this Appendix:

(a) **“class 1a milk”** means milk in its liquid form and includes whole milk, 2% milk, 1% milk, skim milk, modified enriched milk, kosher milk and all types of U.H.T. milk;

(b) **“class 1b milk”** means cream in liquid form and includes whipping cream, 18% cream, 10% cream and all types of U.H.T. cream;

(b.1) **Repealed.** 3 Nov 2000 SR 84/2000 s2.

(c) **“class 1c milk”** means specialty milk in liquid form and includes buttermilk, 80% eggnog, cordials, acidophilus milk, kefir, 90% chocolate milk, flavoured drink and concentrated liquid milk;

(d) **“class 2 milk”** means milk used in the manufacture of sour cream, yogurt, cultured products, ice cream, frozen yogurt or other frozen products, meal replacement beverages, soup bases, puddings, whipped milk or infant formulas;

(e) **“class 3a milk”** means milk used in the manufacture of cottage cheese, fresh curd or any other cheese that, in the opinion of the board, is a specialty cheese;

- (f) “**class 3b milk**” means milk used in the manufacture of cheddar cheese, light cheddar cheese, kosher cheddar cheese, stirred curd, creamy cheese bases or cheese mixes;
- (g) “**class 4a milk**” means milk used in the manufacture of all types of butter, all types of milk powder, casein, caseinate, condensed milk as an ingredient in the food industry and butteroil;
- (h) “**class 4b milk**” means milk used in the manufacture of condensed milk and sweetened condensed milk for retail sale;
- (i) “**class 4c milk**” means milk used in the manufacture of products that are classified by the board as new to the Saskatchewan market;
- (j) “**class 4d milk**” means milk used in the manufacture of processed animal feed or a new product that has not yet been classified by the board or milk involved in inventory or plant losses;
- (j.1) “**4d(i) milk**” means milk used for inventory adjustments for interprovincial milk movement purposes;
- (j.2) “**4m milk**” means milk used for sleeve production, structural surplus and over quota production within the meaning of the Comprehensive Milk Marketing Plan issued by the commission pursuant to the *Canadian Dairy Commission Act*;
- (k) “**class 5a milk**” means milk used for further processing of cheese products pursuant to a Special Class permit;
- (l) “**class 5b milk**” means milk used for furthering processing of non-cheese products pursuant to a Special Class permit;
- (m) “**class 5c milk**” means milk used for confectionary products pursuant to a Special Class permit;
- (n) “**class 5d milk**” means milk used for processing products not included in class 5a, 5b or 5c;
- (o) **Repealed.** 3 Nov 2000 SR 84/2000 s2.
- (p) “**Special Class permit**” means a Special Class permit issued by the commission pursuant to the *Canadian Dairy Commission Act*.

9 Aug 96 SR 61/96 s11; 9 Apr 99 SR 16/1999 s2;
 3 Sep 99 SR 65/1999 s2; 25 Aug 2000 SR 65/
 2000 s9; 3 Nov 2000 SR 84/2000 s2.

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Distributor and producer prices

3(1) Subject to subsection (2), a distributor shall pay the following prices to the board or the agent respecting milk delivered in Saskatchewan:

- (a) in the case of class 1a milk:
 - (i) \$44.39 per 100 kilograms of skim milk; and
 - (ii) \$5.30 per kilogram of butterfat;
- (b) in the case of class 1b milk:
 - (i) \$44.39 per 100 kilograms of skim milk; and
 - (ii) \$5.30 per kilogram of butterfat;
- (c) in the case of class 1c milk:
 - (i) \$44.39 per 100 kilograms of skim milk; and
 - (ii) \$5.30 per kilogram of butterfat;
- (d) in the case of class 2 milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$4.3661 per kilogram of protein; and
 - (iii) \$4.3661 per kilogram of other solids;
- (e) in the case of class 3a milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$9.9562 per kilogram of protein; and
 - (iii) \$0.6264 per kilogram of other solids;
- (f) in the case of class 3b milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$9.9562 per kilogram of protein; and
 - (iii) \$0.6264 per kilogram of other solids;
- (g) in the case of class 4a milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$4.2257 per kilogram of protein; and
 - (iii) \$4.2257 per kilogram of other solids;
- (h) in the case of class 4b milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$4.2257 per kilogram of protein; and
 - (iii) \$4.2257 per kilogram of other solids;

- (i) in the case of class 4c milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$4.2257 per kilogram of protein; and
 - (iii) \$4.2257 per kilogram of other solids;
 - (j) in the case of class 4d milk:
 - (i) \$5.7875 per kilogram of butterfat;
 - (ii) \$4.2257 per kilogram of protein; and
 - (iii) \$4.2257 per kilogram of other solids;
 - (k) in the case of class 4d(i) milk:
 - (i) \$5.8536 per kilogram of butterfat;
 - (ii) \$4.0223 per kilogram of protein; and
 - (iii) \$4.0223 per kilogram of other solids;
 - (l) in the case of class 4m milk:
 - (i) \$1.068 per kilogram of butterfat;
 - (ii) \$1.068 per kilogram of protein; and
 - (iii) \$1.068 per kilogram of other solids;
 - (m) in the case of class 5a milk:
 - (i) \$5.7791 per kilogram of butterfat;
 - (ii) \$5.3567 per kilogram of protein; and
 - (iii) \$0.3684 per kilogram of other solids;
 - (n) in the case of class 5b milk:
 - (i) \$5.7791 per kilogram of butterfat;
 - (ii) \$2.9985 per kilogram of protein; and
 - (iii) \$2.9985 per kilogram of other solids;
 - (o) in the case of class 5c milk:
 - (i) \$1.9000 per kilogram of butterfat;
 - (ii) \$2.6010 per kilogram of protein; and
 - (iii) \$2.6010 per kilogram of other solids;
 - (p) in the case of class 5d milk, the price stated on a contract-by-contract basis as determined by the commission.
- (1.01) **Repealed.** 3 Nov 2000 SR 84/2000 s2.

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- (2) Where milk sold by the Board or the agent to a distributor contains:
- (a) more than 3.5% of butterfat, the price set out in subsection (1) is to be increased by \$0.5473 per 100 kilograms of milk for each one-tenth per cent by which the butterfat content of the milk exceeds 3.5%;
- (b) less than 3.5% of butterfat, the price set out in subsection (1) is to be decreased by \$0.5473 per 100 kilograms of milk for each one-tenth per cent by which the butterfat content is less than 3.5%.
- (3) Subject to subsection (3.1), the price per 100 kilograms of milk, or per kilogram of butterfat, protein or other solids, to be paid from the pool by the board or the agent to a producer is the price to be paid by the distributor, as set out in subsection (1).
- (3.1) The price to be paid from the pool by the board or the agent for milk described in subsection (1) or is the price to be paid by the distributor as set out in that subsection.
- (4) to (6) **Repealed.** 3 Sep 99 SR 65/1999 s2.

13 Jan 89 SR 117/89 s4; 6 Aug 93 SR 58/93 s2; 27 Aug 93 SR 60/93 s2; 24 Sep 93 SR 61/93 s2; 19 Aug 94 SR 65/94 s2; 6 Jan 95 SR 89/94 s2; 25 Aug 95 SR 58/95 s2; 22 Dec 95 SR 74/95 s2; 16 Feb 96 SR 3/96 s2; 31 May 96 SR 27/96 s2; 7 Jun 96 SR 28/96 s2; 12 Jly 96 SR 52/96 s2; 9 Aug 96 SR 61/96 s11; 23 Aug 96 SR 63/96 s2; 6 Sep 96 SR 65/96 s2; 1 Nov 96 SR 81/96 s2; 24 Jan 97 SR 1/97 s2; 31 Jan 97 SR 7/97 s2; 7 Mar 97 SR 11/97 s2; 27 Mar 97 SR 15/97 s2; 2 May 97 SR 19/97 s2; 30 May 97 SR 30/97 s2; 4 Jly 97 SR 45/97; 25 Jly 97 SR 68/97 s2; 5 Sep 97 SR 82/97 s2; 26 Sep 97 SR 89/97 s2; 31 Oct 97 SR 98/97 s2; 12 Dec 97 SR 104/97 s2; 16 Jan 98 SR 1/98 s2; 13 Feb 98 SR 4/98 s2; 6 Mar 98 SR 21/98 s2; 27 Mar 98 SR 24/98 s2; 8 May 98 SR 36/98 s4; 5 Jun 98 SR 42/98 s5; 5 Jun 98 SR 43/98 s2; 3 Jly 98 SR 47/98 s2; 31 Jly 98 SR 64/98 s10; 4 Sep 98 SR 65/98 s2; 2 Oct 98 SR 75/98 s2; 23 Oct 98 SR 79/98 s2; 18 Dec 98 SR 86/98 s2; 8 Jan 99 SR 94/98 s2; 5 Feb 99 SR 10/1999 s2; 12 Mar 99 SR 12/1999 s2; 9 Apr 99 SR 16/1999 s2; 7 May 99 SR 25/1999 s2; 4 Jun 99 SR 33/1999 s2; 16 Jly 99 SR 59/1999 s2; 13 Aug 99 SR 61/1999 s2; 3 Sep 99 SR 65/1999 s2; and SR 66/1999 s2; 1 Oct 99 SR 70/1999 s2; 5 Nov 99 SR 80/1999 s2; 3 Dec 99 SR 90/1999 s2; 31 Dec 99 SR 95/1999 s2; 28 Jan 2000 SR 3/2000 s2; 3 Mar 2000 SR 9/2000 s2; 20 Apr 2000 SR 21/2000 s2; 12 May 2000 SR 30/2000 s2; 9 Jun 2000 SR 31/2000 s2; 30 Jun 2000 SR 38/2000 s2; 4 Aug 2000 SR 57/2000 s2; 25 Aug 2000 SR 65/2000 s9; 13 Oct 2000 SR 75/2000 s2; 3 Nov 2000 SR 84/2000 s2; 1 Dec 2000 SR 94/2000 s2; 5 Jan 2001 SR 105/2000 s2; 26 Jan 2001 SR 1/2001 s2; 9 Feb 2001 SR 6/2001 s2; 2 Mar 2001 SR 10/2001 s2; 6 Apr 2001 SR 20/2001 s2; 27 Apr 2001 SR 25/2001 s2.

- 4 **Repealed.** 31 Jly 98 SR 64/98 s10.
- 5 **Repealed.** 31 Jly 98 SR 64/98 s10.

TABLE 1

Repealed. 31 Jly 98 SR 64/98 s10.

TABLE 2

Repealed. 31 Jly 98 SR 64/98 s10.

TABLE 3

Repealed. 31 Jly 98 SR 64/98 s10.

TABLE 4

Repealed. 31 Jly 98 SR 64/98 s10.

PART III

Forms

FORM A

[Section 8.8]

Joint Application for Approval to Grant Security Interest in Quota

PRODUCER

I apply to the Saskatchewan Milk Control Board for approval to grant a security interest in:

- _____ kilograms of the total production quota allotted to me
- _____ all of the total production quota allotted to me
- _____ all of the present and future acquired total production quota allotted to me

and if approval is given, I:

- (a) authorize the Board to release to the secured party any information concerning the quota held by me;
- (b) will not request the Board to sell the quota covered by this application on the quota exchange without the written consent of all parties having a security interest in the quota;
- (c) will not request the Board to transfer the quota covered by this application without the written consent of all parties having a security interest in the quota;
- (d) state that I have already granted a security interest in the quota to the following:

Secured Party	Kilograms	Date Granted

and will not grant security interest in an amount of kilograms that exceeds the total amount of quota allocated to me; and

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(e) release and indemnify the Board, its officers and employees, with respect to anything done or omitted to be done by them respecting this notice.

C.D.C. REGISTRATION # _____ PRODUCER I.D. # _____
(milk producer)

ENTERPRISE NAME: _____

SIGNATURE: _____

TELEPHONE: _____ BARN LAND LOCATION: SW SE NW NE

ADDRESS: _____

RECEIVING PLANT: _____ R.M. # _____

LOCATION: _____ POSTAL CODE _____

AMOUNT OF TOTAL PRODUCTION QUOTA HELD _____ KILOGRAMS
(see reverse)

SECURED PARTY

SECURED PARTY'S NAME: _____

apply to the Saskatchewan Milk Control Board for approval to obtain a security interest in quota, as described in this application, and, if approved:

- (a) agree to comply with *The Milk Control Act, 1992* and the regulations, as amended from time to time, and the terms and conditions of any approval given to the producer to grant a security interest in quota;
- (b) agree to notify the Board when the security in the quota is released;
- (c) will not assign the security interest in the producer's quota to any other person;
- (d) agree that, on seizure of the quota, we will only have the same rights and obligations as the producer had pursuant to *The Milk Control Act, 1992* and the regulations; and
- (e) release the Board, its officers and employees, with respect to anything done or omitted to be done by them respecting this application and the producer's quota.

SECURED PARTY: _____

PER: _____

ADDRESS: _____ TELEPHONE: # _____

POSTAL CODE: _____

APPROVED BY: _____

SASKATCHEWAN MILK CONTROL BOARD
#620 - 2045 Broad Street
REGINA, Saskatchewan S4P 1Y4
Telephone: 787-5319

APPROVED ON: _____

