

June 30, 2022

## Organic Sleeve Reduction and Premium Top-Up Update

### Effective July 1, 2022, organic sleeve production will be 4%.

A pro-rata reduction of 3% will be applied to all organic producers. This decrease is being applied due to an industry wide reduction in demand for organic milk. Organic producers will be notified individually by the Milk Board regarding their current quota holdings and their adjusted sleeve requirements. This sleeve allocation will be applied from July 1 - August 31, 2022.

### Sleeve Calculations for September 1, 2022

A producer’s sleeve allocation for the current production period will be determined by the producer’s previous period’s sleeve production. The most recent available data will be used to calculate the sleeve utilization (i.e. the first 5 months of a 6-month period), since the sixth production month pool data is not available until the following month.

**For the September 1, 2022 – February 28, 2023, sleeve allocation, a producer’s sleeve will be determined by production data from March 1 – June 30<sup>th</sup>, 2022, due to the July 2022 sleeve adjustment.**

Date	Scenario	Date	Maximum Allocation
March 1	No sleeve produced	September 1	50% of available sleeve
March 1	≥ 90% sleeve produced	September 1	100% + additional available sleeve
March 1	Partial sleeve produced (<90% sleeve produced)	September 1	50% + sleeve utilization percentage over 50%

## Organic Premium Top-Up / Minimum Premium

The organic industry has consistently seen lower margins due to increases in costs and changes in demand. In an attempt to mitigate the adverse effects, for the duration of **June 1, 2022, to August 31, 2022**, the Organic Premium top-up program will be temporarily reinstated to guarantee a minimum premium to all producers at **\$0.30 per liter** of milk produced. The Board will review this situation further and meet with the Specialty Products Advisory Committee to consider further actions that should be taken.

If you have any questions regarding this notice, please contact [zabdalla@bcmilk.com](mailto:zabdalla@bcmilk.com)