

## **Implications of level of milk deliveries in recent years for sale of quota**

This note concerns the position of quota holders in certain circumstances who may be considering whether to offer their quota for sale in the 2012/2013 Milk Quota Trading Scheme.

### **Dormancy**

Under the Milk Quota Regulations, if a producer makes no deliveries for two consecutive years, the quota is liable to be added to the National Reserve at the start of the third year.

1. A person who held quota in 2010/2011 and holds quota in 2011/2012 but does not make any deliveries in the 2-year period, will be able to sell the entire quota into the 2012/2013 Scheme. However, if this option is not availed of, the quota is liable to be added to the National Reserve with effect from 1<sup>st</sup> April, 2012 unless
  - (a) the person becomes a producer early in the 2012/2013 milk quota year;
  - (b) the non-delivery in at least one of the two years was due to *force majeure* or other duly justified cases where production capacity has been temporarily affected.
2. Former producers who are leasing their quota with land, where the lease is due to expire on 31<sup>st</sup> March 2012, have the option of renewing the lease, selling their quota to the lessee, selling it into the Trading Scheme, selling it with land, or resuming production. Otherwise, the quota is liable to be added to the National Reserve from 1st April 2013.

### **Part Dormancy**

3. Producers who made deliveries in 2010/2011 year and in the 2011/2012 year will be allowed to sell their entire saleable quota into the 2012/2013 Scheme. The level of deliveries made will not determine the volume available for sale.
4. Persons who made deliveries in the 2010/2011 year, and who hold quota in 2011/2012 but do not make any deliveries, will be able to dispose of their entire saleable quota into the 2012/2013 trading scheme.
5. Producers who have made deliveries in both 2010/2011 and 2011/2012 but have filled less than 85% of their quota will be able to sell their entire saleable quota into the 2012/2013 trading scheme.

### **Temporary Leasing**

6. Persons who deliver less than 20% of their quota in a milk quota year may apply to temporarily lease the unused quota only if they receive approval from the Department to do so. Such approvals are granted in situations where production capacity has been temporarily affected due to *force majeure* or other duly justified cases.
7. Producers who deliver at least 20% of their quota in a milk quota year may apply to lease the balance into the Temporary Leasing Scheme.