

Laying Hen Quota Order, amendment*

Regulation 108/2007
Registered August 15, 2007

Manitoba Regulation 128/98 amended

1 The *Laying Hen Quota Order*, Manitoba Regulation 128/98, is amended by this Order.

2 Section 1 is amended by replacing the definition "rate of lay multiplier" with the following:

"rate of lay multiplier" means 24.99;

3 Subsection 24(1) is replaced with the following:

Interest expanded

24(1) For the purpose of section 23, a person shall be considered to have a direct or indirect interest in the quota or the permit allotted to an egg producer if that person has an interest in an employment arrangement, a management arrangement or a loan or a guarantee involving that egg producer; provided however that the lending of money to an egg producer in the ordinary course of business by a bank, credit union, trust company, the Farm Credit Canada, the Manitoba Agricultural Services Corporation, or any other commercial lender recommended by the board and approved by the Manitoba Council, shall not be considered a direct or indirect interest in the quota allotted to or the permit issued to that egg producer for the purpose of this section.

4 Section 7 is replaced with the following:

Allocation of overbase

7 If the global allocation is estimated to be in excess of 54.189 million dozen eggs in any calendar year, after any adjustments under Part IV, such excess (the "Overbase") shall be allocated using the rate of lay multiplier to registered producers and to other applicants in accordance with the following formula:

* This order is made under the *Manitoba Egg and Pullet Producers Marketing Plan Regulation*, Manitoba Regulation 70/2005, and is Order No. 1, 2007 of Manitoba Egg Producers.

(a) allotting approximately one-half of the Overbase as laying hen quota to persons who are not registered producers at that time and who have applied for registration, certification of a facility, and the allotment of a quota (a "selected person"), subject to any other terms or conditions established by the board with respect to such allotment, on such basis as the board may deem proper, provided no selected person shall be entitled to a quota in excess of 10,000 laying hens under this provision; and

(b) allotting the balance of the Overbase to registered producers who have applied for an increase in their quota subject to any other terms and conditions established by the board with respect to such increase, on a pro rata basis.

Any allotment of the Overbase made pursuant to (a) or (b) will be conditional upon the selected person or the registered producer satisfying the board that such party is the registered owner or the sole operator a facility that meets all of the requirements and standards for buildings, equipment, operation, egg storage, and animal care, and any other terms and conditions established by the board for the purpose of producing such party's proposed allotment of the Overbase within 12 months of the date of the receipt of notice from the board of the proposed allotment.

5 Section 28 is amended by adding the following at the end:

The registered producer and the parties to the transfer will each be required to provide to the board a written undertaking, in a form satisfactory to the board, stating that such party will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association of the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following such waiver unless such party has first received the approval of the Manitoba Council to such application.

6 Section 34 is amended by adding the following at the end:

The registered producers will each be required to provide to the board a written undertaking, in a form satisfactory to the board, stating that such party will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following such waiver unless such party has first received the approval of the Manitoba Council to such application.

7 Section 37 is amended by adding the following at the end:

The purchaser will be required to provide to the board a written undertaking, in a form satisfactory to the board, stating that the purchaser will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association of the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following such reallocation unless such party has first received the approval of the Manitoba Council to such application.

8 The fourth paragraph of section 38 is replaced with the following:

The purchaser will be required to provide to the board a written undertaking, in a form satisfactory to the board, stating that the purchaser will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association of the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following such reallocation unless such party has first received the approval of the Manitoba Council to such application.

9 Section 44 is amended by adding the following at the end:

The applicant and the recipient will each be required to provide to the board a written undertaking, in a form satisfactory to the board, stating that such party will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association of the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following the reallocation unless such party has first received the approval of the Manitoba Council to such application.

10 The last paragraph of section 44.1 is replaced with the following:

The applicant and the intended recipient will each be required to give to the board a written undertaking, in a form satisfactory to the board, stating that such party will not apply

(a) for a retirement payment under the Retirement and Quota Reallocation Program;

(b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part VIII;

(c) for the approval of an association of the registered producer with another registered producer pursuant to Part IX;

(d) for the reallocation of the quotas allotted to the registered producer pursuant to Part X; or

(e) to relocate the facilities of the registered producer under section 52;

for a minimum of five years following the reallocation unless such party has first received the approval of the Manitoba Council to such application.

11 Section 49.1 is replaced with the following:

Standards for operating facilities

49.1 Subject to the provisions of the Plan, it is a condition of the allotment of a quota or a permit to a registered producer that such producer care for and handle chicks and laying hens raised or kept by such producer in accordance with the applicable provisions of the *Recommended Code of Practice for the Care and Handling of Pullets, Layers and Spent Fowl* distributed by Canadian Agri-Food Research Council (2003 and updates).

12 Clause 50(a) is replaced with the following:

(a) maintain, either in the facility specified for use in connection with such quota or a permit, or in close physical proximity thereto, an egg storage room that is capable of:

(i) maintaining a controlled temperature of 10°C to 13°C (50°F to 55°F) at all times of the year, and

(ii) accommodating such producer's egg production until such time as such producer markets such production;

13 Subsection 51(1) is replaced with the following:

Capacity limitations for facilities

51(1) The board may certify the capacity of the facility of a registered producer from time to time. Such certified capacity shall only include useable production space, and shall be calculated by the board using the *Recommended Code of Practice for the Care and Handling of Pullets, Layers and Spent Fowl* distributed by Canadian Agri-Food Research Council (2003 and updates).

14 Section 53 is replaced with the following:

No application for change of facility for five years

53 In the event the board

(a) approves a change in the beneficial ownership of a registered producer pursuant to Part VIII;

(b) approves an association of persons who are registered producers pursuant to the provisions of Part IX; or

(c) reallots the quotas allotted to a registered producer pursuant to Part X;

it shall be a condition of such reallotment or such approval that the applicants for such approval or reallotment must acknowledge that only in the event of an unforeseen contingency acceptable to the Manitoba Council will a party be permitted to apply to transfer such quotas from the facility specified for use in connection with such quotas at the time of the change, association or reallotment, to a facility located on another property for a period of at least five years following the approval of such change, association or reallotment.

15(1) Subsection 9(1) of Schedule A is replaced with the following:

Limits on bids and offers

9(1) A successful bidder will not subsequently be eligible to receive a retirement allowance in connection with the cancellation of the equivalent number of quota units under the System if all quota units allotted to such producer are cancelled within five years of such successful Bid. In the event such person subsequently submits an Offer of all quota units allotted to such person during such five-year period, an equivalent number of quota units shall be debited against the number of quota units offered, so that the offeror will only be entitled to receive a retirement payment with respect to the balance of such quota units, and the quota units so debited shall be credited to the Reserve.

A person who has been allocated an increase in laying hen quota under section 7 of this Order shall not be entitled to submit an Offer which would result in the laying hen quota allotted to such person being reduced below the level established prior to such allotment for a minimum of five years following the effective date of such allotment.

15(2) Section 12 of Schedule A is replaced with the following:

Limitation re new producers

12 In the event a person is allotted a laying hen quota (the "initial allotment") and becomes a registered producer pursuant to an application to the board under section 6.1 of this Order, such person shall not be entitled to submit an Offer which would result in the remaining quota allotted to that person being reduced below the initial allotment to such person for a minimum of five years from the date of such initial allotment and thereafter the general limitations in section 9 of this Schedule will continue to apply to such person.

June 25, 2007

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August 13, 2007

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