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THE FARM PRODUCTS MARKETING ACT  
(C.C.S.M. c. F47)

**Broiler Breeder Laying Hen Quota Order, amendment\***

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Regulation 132/2016  
Registered September 15, 2016

**Manitoba Regulation 43/2008 amended**  
**1 The Broiler Breeder Laying Hen Quota Order, Manitoba Regulation 43/2008, is amended by this Order.**

**2(1) Subsection 19(1) is replaced with the following:**

**Allotments to associated producers**

**19(1)** If two or more producers are associated, the Board may treat the quotas allotted to one of them as having been allotted to any of them.

**Acquisitions of interests in excess of maximum quota prohibited**

**19(1.1)** Notwithstanding anything contained in this Order, but subject to subsection 19(2) and sections 20 and 30, the Board may take appropriate action to prevent any person from acquiring control of or acquiring a direct or indirect interest in quotas in excess of maximum quota.

**2(2) Subsection 19(2) is amended in the part before clause (a) by striking out "Notwithstanding subsection (1)" and substituting "Notwithstanding subsection (1.1)".**

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\* This Order is made under the *Manitoba Chicken Broiler Producers Marketing Plan Regulation*, Manitoba Regulation 246/2004, and is Order No. 1, 2016 of Manitoba Chicken Producers.

**3 The definition of "transfer" in section 22 is replaced with the following:**

"transfer" includes a sale, assignment, gift, bequest, devolution, purchase, mortgage, declaration of trust, or change in legal or beneficial rights.

**4 Section 27 is replaced with the following:**

**Reduction of requirements re certain transfers**

**27** The Board may establish policies from time to time reducing its requirements under section 23 in the circumstances set out in any or all of items 1, 2 and 3.

1. With respect to a change in the membership of a Hutterite Colony where that Hutterite Colony is a registered producer or is the sole legal and the sole beneficial owner of all of the issued shares of a corporation that is a registered producer.
2. With respect to the transfer of shares of a corporation that is a registered producer

(a) from an individual to a member of that individual's immediate family;

(b) listed on a public stock exchange unless 10% or more of the total outstanding shares of that class of the corporation are transferred, provided that this clause does not apply in respect of a series of transfers of shares within a period of 18 months by or to any one person that in the aggregate total 10% or more of the outstanding shares of that class of the corporation; or

(c) from a shareholder of the corporation (the "departing shareholder") to another shareholder of the corporation (the "continuing shareholder") provided that

(i) the continuing shareholder is the legal and beneficial owner of at least 2/3 of the issued voting shares of the corporation prior to the proposed transfer, or

(ii) the shares being transferred by the departing shareholder represent no more than 1/2 or less of the total issued voting shares of the corporation, and the shares being acquired by the continuing shareholder do not represent more issued voting shares of the corporation than are already held by the continuing shareholder,

and further provided this clause (c) does not apply unless

(iii) the continuing shareholder and the departing shareholder have each held such shares for a minimum period of five years prior to the date of the proposed transfer, and

(iv) the Board has obtained the approval of the Manitoba Council to waive the requirements under section 23 without the necessity for the applicants to submit to the Board information relating to the consideration paid and received with respect to the proposed transfer.

For the purpose of this clause (c) the voting shares of the corporation must include a pro rata right, with all other voting shares issued by the corporation, to any and all dividends declared by the corporation and to a pro rata share of the assets of the corporation upon winding up of the corporation.

3. With respect to a change in the beneficial or legal ownership of an interest in a partnership that is a registered producer

(a) where the legal or beneficial ownership of an interest in such a partnership is transferred by an individual to a member of that individual's immediate family; or

(b) where a partnership interest is transferred from a partner of the partnership (the "departing partner") to another partner of the partnership (the "continuing partner") provided that

(i) the partnership interest of the continuing partner immediately prior to the transfer entitles the continuing partner to at least 2/3 of the profits of the partnership and makes the continuing partner responsible for at least 2/3 of the losses of the partnership, or

(ii) the partnership interest of the departing partner being transferred represents not more than 1/2 of the entitlement of the partners to the profits of the partnership and not more than 1/2 of the responsibilities of the partners for losses of the partnership, and the partnership interest being acquired by the continuing partner does not represent a larger entitlement to the profits of the partnership or a larger responsibility for the losses of the partnership than the partnership interest possessed by the continuing partner immediately prior to the transfer,

and further provided this clause (b) does not apply unless

(iii) the continuing partner and the departing partner of each held such partnership interests for a minimum period of five years prior to the date of the proposed transfer, and

(iv) the Board has obtained the approval of the Manitoba Council to waive the requirements under section 23 without the necessity for the applicants to submit to the Board information relating to the consideration paid and received with respect to the proposed transfer.

**5 Section 28 is replaced with the following:**

**Deemed association**

**28(1)** For the purpose of this Order, a person is deemed to be associated with another person if

- (a) both persons are members of the same immediate family;
- (b) an individual has a legal or beneficial interest in the person and a member of that individual's immediate family has a legal or beneficial interest in the other person;
- (c) one person is an entity of which the other person is an officer, director or substantial holder;
- (d) one person is an entity of which the other person is a partner;
- (e) one person is an entity that is controlled, directly or indirectly, by the other person;
- (f) both persons are entities and one entity is controlled, directly or indirectly, by the same individual or entity that controls, directly or indirectly, the other person;
- (g) both persons are members of a voting trust where the trust controls or operates or has an interest in the other person; or
- (h) both persons are associated within the meanings of clauses (a) to (g) with the same person.

**Association of producers**

**28(2)** For the purpose of this Order, a producer shall be deemed to be associated with another producer if one person has a direct or indirect legal or beneficial interest in the producer, and a person associated with that person has a direct or indirect interest in the other producer.

**6 Section 29 is replaced with the following:**

**Association of registered producers**

**29** In the event that a registered producer is or becomes associated with another registered producer, the Board may cancel or reduce the quotas of such registered producers unless the registered producers have requested in writing that the Board waive this provision and have each provided the Board, by statutory declaration and certificate, with full particulars of all persons having a direct or indirect interest in such registered producers and the Board has in its discretion waived this provision either conditionally or unconditionally.

**7 Section 30 is replaced with the following:**

**Grounds for non-waiver re association**

**30** The provisions of section 29 will not be waived by the Board if the quotas allotted to such associated producers aggregate more than maximum quota or if the Board has reasonable grounds for believing that a person would directly or indirectly have a legal or beneficial interest in quotas which aggregate more than maximum quota; provided however that this provision shall not apply to producers which are associated solely as a result of individuals being members of the same immediate family, as long as the aggregate quotas to such producers do not exceed 200% of maximum quota.

June 29, 2016

**Manitoba Chicken Producers:**

Jack Wiebe, Chair

Wayne Hiltz , Secretary

APPROVED

September 15, 2016

**Manitoba Farm Products Marketing Council:**

Ken Caldwell, Chair

Ingrid Peters-Fransen, Secretary