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

Processing Potato Penalty Levies Regulation

Regulation 37/2008
Registered February 27, 2008

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>PART I</td>
</tr>
<tr>
<td>PENALTY LEVIES</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

PART II
GENERAL

| 2 | Collection of levies by processors |
| 3 | Collection of levies by purchasers |
| 4 | Payment of levies by producer     |
| 5 | Effect of payment                 |
| 6 | Non-application                   |

PART I
PENALTY LEVIES

Penalty levies
1 A levy is imposed on every producer who markets regulated product,

(a) if that producer is not a registered producer at the time such regulated product is marketed;

* This order is made under the Manitoba Processing Potato Marketing Regulation, Manitoba Regulation 206/2006, and is Order No. 1, 2008 of Keystone Potato Producers Association.
(b) if the purchaser of such regulated product was not a registered processor at the
time such regulated product is marketed; or

(c) if the regulated product is not marketed pursuant to

(i) a potato growing agreement approved by this Board entered into prior to
the planting of the seed to produce such regulated product,

(ii) a permit issued by this Board, or

(iii) an exemption granted by this Board;

of $5 for each 100 pounds or portion thereof of regulated product so marketed.

PART II

GENERAL

Collection of levies by processors

2 Each processor shall, at the time it receives regulated product, deduct from
the monies payable for such regulated product all levies payable to this Board
under this regulation by the producer of such regulated product, and shall forward
such levies to this Board at its office, 3-2401 Saskatchewan Avenue West,
Portage la Prairie, Manitoba R1N 4A6, not later than three (3) days following the
receipt of such regulated product by such processor.

Collection of levies by purchasers

3 Each purchaser other than a processor shall, at the time the purchaser
receives regulated product, deduct from the monies payable for such regulated
product all levies payable to this Board under this regulation by the producer of such
regulated product, and shall forward such levies to this Board at its
office, 3-2401 Saskatchewan Avenue West, Portage la Prairie, Manitoba R1N 4A6, not
later than seven (7) days following the receipt of such regulated product by such
producer.

Payment of levies by producer

4 Each producer shall pay to this Board at its office, 3-2401 Saskatchewan
Avenue West, Portage la Prairie, Manitoba R1N 4A6, all levies payable by that
producer under this regulation that were not deducted and forwarded to this Board
by the person who received such regulated product from that producer, not later than
seven (7) days following the marketing of regulated product by that producer.

Effect of payment

5 The payment of any levies pursuant to this Part shall not be construed
as an approval or a sanctioning in any way by this Board of the marketing of such
regulated product, and the provisions of all regulations and orders of this Board, and
all sanctions provided under the Act, shall apply to such marketing notwithstanding
such payment of levies.
Non-application

6 This regulation is subject to the provisions of section 25 of the Plan.

January 21, 2008

Keystone Potato Producers Association:

Dan Sawatzky
Chairperson

Chad Berry
Vice-Chairperson

APPROVED

February 25, 2008

Manitoba Farm Products Marketing Council:

David Gislason
Chair

Gordon H. MacKenzie
Secretary