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

Root Crop Quota Order, amendment*

Regulation 79/2016
Registered April 8, 2016

Manitoba Regulation 12/95 amended

1 The Root Crop Quota Order, Manitoba Regulation 12/95, is amended by this Order.

2(1) Section 1 is amended by replacing the definitions "annual marketing quota", "maximum quota" and "type" or "type of root crop" with the following:

"annual marketing quota" means the number of common units of a type of root crop that a registered producer is authorized to market during a crop year;

"maximum quota" means in respect of

- (a) rutabagas – 32,000 common units,
- (b) carrots – 140,000 common units,
- (c) parsnips – 35,000 common units,
- (d) Spanish-type onions – 60,000 common units, and
- (e) cooking onions – 80,000 common units;

* This Order is made under the *Manitoba Vegetable Producers Marketing Plan Regulation*, Manitoba Regulation 117/2009, and is Order No. 3, 2014 of Peak of the Market.

"type" or "type of root crop" means

- (a) rutabagas,
- (b) carrots,
- (c) parsnips,
- (d) yellow Spanish-type onions, or
- (e) cooking onions.

2(2) Section 1 is amended by adding the following definitions:

"common unit" means in respect of

- (a) rutabagas – 50 pounds,
- (b) carrots – 50 pounds,
- (c) parsnips – 20 pounds,
- (d) Spanish-type onions – 50 pounds, and
- (e) cooking onions – 50 pounds;

"minimum annual marketing quota" means in respect of

- (a) rutabagas – 3,200 common units,
- (b) carrots – 14,000 common units,
- (c) parsnips – 3,500 common units,
- (d) Spanish-type onions – 6,000 common units, and
- (e) cooking onions – 8,000 common units;

3 Section 7 is replaced with the following:

New and increased annual marketing quotas

7 Before March 1 in each calendar year, the Board will analyze the potential production for each type of root crop by registered producers and the potential markets available for Manitoba produced root crops of each type. If after allowing for possible yield variations, the Board expects that the aggregate potential production in Manitoba for any type of root crop will not meet potential markets available for that type of root crop (herein called the "shortfall"), the Board may allot additional annual marketing quotas for that type of root crop equal to the shortfall on the following priority:

(a) by allotting approximately 1/3 of the shortfall to applicants who have not previously been allotted an annual marketing quota for that type of root crop and who have applied for registration and an annual marketing quota for that type of root crop. Such annual marketing quotas will be allotted to applicants who have met all of the criteria of the Board in the order of priority determined in accordance with section 4. No person shall be entitled to be allotted an annual marketing quota under this provision in excess of minimum annual marketing quota for that type of root crop;

(b) by allotting approximately 1/3 of the shortfall by increasing the annual marketing quota for that type of root crop of each registered producer who has been allotted an annual marketing quota for that type of root crop which annual marketing quota for that type is less than the average marketing quota of registered producers of that type (provided such producer has applied for an increase in the annual marketing quota allotted to such producer, and further provided that the Board is satisfied that such producer has or will have marketed an amount of root crop of that type during the current crop year equal to 90% of the annual marketing quota allotted to such producer for that type), to bring each such registered producer up to a level where the annual marketing quota allotted to such producer is equal to the average size of annual marketing quota issued for that type of root crop (catastrophes excepted); and

(c) by allotting the balance of such shortfall as annual marketing quota equally among registered producers who marketed root crops of that type in the previous crop year and who applied for increases in the annual marketing quota allotted to such producer of that type. No producer shall be entitled to an increase in an annual marketing quota allotted to such producer for any type under this provision unless the Board is satisfied that producer has marketed or will be able to market an amount of root crop of that type equal to at least 90% of the annual marketing quota allotted to such producer for such type of root crop during such crop year (catastrophes excepted).

4 Section 10 is replaced with the following:

Delivery quotas

10 Delivery quotas for each type of root crop (except pickling onions) will be allotted to registered producers based on the following scale:

(a) registered producers who have been allotted an annual marketing quota for a type of root crop aggregating 8,000 common units or less for that type shall be allocated a delivery quota for that type for each delivery period equal to 1/7 of the annual marketing quota allocated to the producer for that type;

(b) registered producers who have been allotted an annual marketing quota for a type of root crop of more 8,000 common units for that type is to be allocated a delivery quota for that type for each delivery period equal to 1,143 common units plus an amount equal to 1/9 of the annual marketing quota allocated to that producer for the type in excess of 8,000 common units.

5 The following is added after section 31:

Retirement and annual root crop quota reallocation system payments non-transferable

31.1 No person shall offer to assign or assign a payment or an entitlement to a payment or an anticipated payment from the Retirement and Annual Root Crop Quota Reallocation System to another person without the prior written consent of the Board.

6 Section 40 is amended by renumbering it as subsection 40(1) and adding the following as subsection 40(2):

40(2) The registered producer and the parties to the transfer will each be required to provide 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 Annual Root Crop Quota Reallocation System;
- (b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part X;
- (c) for the approval of an association of the registered producer with another registered producer pursuant to Part XI;
- (d) for the re-allotment of the quotas allotted to the registered producer pursuant to Part XII; or
- (e) to change the certified land or buildings specified by the Board for use by the registered producer to other land or buildings pursuant to section 58;

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 46 is amended by renumbering it as subsection 46(1) and adding the following as subsection 46(2):

46(2) 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 Annual Root Crop Quota Reallocation System;
- (b) for the approval of a change in the beneficial ownership of the registered producer pursuant to Part X;
- (c) for the approval of an association of the registered producer with another registered producer pursuant to Part XI;

(d) for the re-allotment of the quotas allotted to the registered producer pursuant to Part XII; or

(e) to change the certified land or buildings specified by the Board for use by the registered producer to other land or buildings pursuant to section 58;

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

8 Section 49 is replaced with the following:

Complete farm sales

49(1) In the event a registered producer sells the land, buildings, and equipment used by such producer in growing, harvesting and marketing a type of root crop, the Board may re-allot the quotas used in association with such assets to any purchaser provided it is satisfied that no value has been attributed to such quotas and that no more than fair market value has been paid for such assets.

49(2) In applying this section, the Board may require an appraisal of the assets by a qualified appraiser to ascertain the fair market value of the assets using an appraisal method or methods approved by the Manitoba Council, such costs to be borne by the applicant(s).

49(3) The applicants will each be required to provide a statutory declaration in a form acceptable to the Board, confirming the sale and the purchase consideration (both direct and indirect). All agreements between the registered producer and the purchaser (including a detailed listing of all assets included in such sale) shall be appended to such statutory declaration. In the event that the Board has reasonable grounds for believing that any information provided in such statutory declaration or any requested certificate is false or misleading, the Board may reduce or cancel the quotas in question, whether or not such quotas were re-allotted.

49(4) 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 Annual Root Crop Quota Reallocation System;

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

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

(d) for the re-allotment of the quotas allotted to the registered producer pursuant to Part XII; or

(e) to change the certified land or buildings specified by the Board for use by the registered producer to other land or buildings pursuant to section 58;

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

9 Section 55 is replaced with the following:

Partial and complete re-allotment of quota to related persons

55(1) The following definitions apply in this section.

"applicant" means a registered producer who makes an application to re-allot all or a portion of the registered producer's quota to another person.

"daughter-Hutterite colony" means a Hutterite Colony recently created as a result of the division of the assets and membership of a Hutterite Colony.

"recipient" means the person who is to be re-allotted all or a portion of a registered producer's quotas as the result of an application under this section.

55(2) The Board may, upon application of a registered producer in writing, re-allot all or a portion of the quotas allotted to such applicant to another person in the following circumstances:

(a) with respect to an individual applicant, where the recipient is a member of such applicant's immediate family;

(b) with respect to a partnership applicant, where all partners in the partnership are members of the same immediate family and where the recipient is a member of that immediate family;

(c) with respect to a corporation applicant, where all legal and beneficial shareholders in such applicant are members of the same immediate family and where the recipient is a member of such immediate family;

(d) with respect to a Hutterite Colony applicant (or a corporation applicant that is a wholly owned subsidiary of a Hutterite Colony), where the recipient is a wholly owned subsidiary of such applicant, or a daughter-Hutterite colony, or a corporation wholly owned by a daughter-Hutterite colony.

55(3) The Board shall not re-allot quotas to a recipient under subsection (2) until:

(a) the recipient has established a separate farm owned and operated by the recipient on which the recipient will grow, harvest and market root crops;

(b) the Board is satisfied that the new operation of the recipient and the resulting operation of the applicant will both be economically viable; and

(c) the Board is satisfied that no value has been attributed to such quotas.

55(4) The applicant and the recipient will each be required to provide a statutory declaration, in a form acceptable to the Board setting out the information specified therein. In the event that the Board has reasonable grounds for believing that any information provided in such statutory declaration or an application is false or misleading, the Board may cancel or reduce the quotas in question, whether or not such quotas were re-allotted.

55(5) 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 Retirement and Annual Root Crop Quota Reallocation System;

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

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

(d) for the re-allotment of the quotas allotted to the registered producer pursuant to Part XII; or

(e) to change the certified land or buildings specified by the Board for use by the registered producer to other land or buildings pursuant to section 58;

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

10 The following is added after section 56:

PART XII.1

RETIREMENT AND ANNUAL ROOT CROP QUOTA
REALLOCATION SYSTEM

Reallotment under system

56.1 Quotas may be cancelled and reallocated by the Board as a result of and in accordance with the procedure set out in the Schedule.

Acceptance of applications discretionary

56.2 The Designated Staff referred to in the Schedule may refuse to accept or postpone the processing of any application to participate in the Retirement and Annual Root Crop Quota Reallocation System for such reasons or on such terms as they deem appropriate.

11 Section 58 is replaced with the following:

No application for change of land or buildings for five years

58 In the event the Board

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

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

(c) re-allots the quota allotted to a registered producer pursuant to Part XII;

it shall be a condition of such re-allotment or such approval that the applicants for such approval or re-allotment must acknowledge that only in the event of an unforeseen contingency acceptable to the Manitoba Council will a party be permitted to change the certified land or buildings specified by the Board for use by such registered producer in connection with such quotas at the time of the change, association or re-allotment, to other lands or buildings for a period of at least five years following the approval of such change, association or re-allotment.

12 Section 63 is repealed.

13 Section 66 is replaced with the following:

Non-application re certain onions

66 This Order does not apply to pickling onions, multiplier onion sets, red Spanish-type onions or white Spanish-type onions.

14 The Schedule to this Order is added at the end of the Order.

March 20, 2014

Peak of the Market:

Keith Kuhl, Chair

Peter Loewen, Secretary

APPROVED

April 8, 2016

Manitoba Farm Products Marketing Council:

Ken Caldwell, Chair

Ingrid Peters-Fransen, Secretary

SCHEDULE
(Section 56.1)

RETIREMENT AND ANNUAL ROOT CROP
QUOTA REALLOCATION SYSTEM

Quotas belong to Board

1 Notwithstanding the terms and provisions in this Schedule or of any forms or materials used in connection with this Schedule, as stated in section 29 of this Order, quotas belong to the Board, and any quota units allotted pursuant to the procedure set out in this Schedule may be suspended, reduced or cancelled in accordance with this Order.

No assignment of payment

2 As stated in section 31.1 of this Order, no person shall offer to assign or assign a payment or an entitlement to a payment or an anticipated payment under the Retirement and Annual Root Crop Quota Reallocation System to another person without the prior written consent of the Board.

Definitions

3 In this Schedule,

"Bid" means a request to be allotted a quota unit of a type under the System upon payment of an administration fee pursuant to the procedure set out in this Schedule;

"bidder" means an eligible producer or an eligible person, who in the opinion of Designated Staff has submitted a Bid in an acceptable form;

"Designated Staff" means those employees and other individuals designated by the Board from time to time to operate the Retirement and Annual Root Crop Quota Reallocation System;

"Effective Retirement Payment" means, for Offers received during the period commencing September 1 of one calendar year and terminating on March 31 of the following calendar year, a sum per quota unit established by a resolution of the Board prior to the commencement of such period; provided the Board may by resolution amend such sum from time to time during such period, but no such amendment shall take effect earlier than the first day of the calendar month at least 30 days after the date of the resolution establishing such amended sum;

"eligible person" means a person who is not a registered root crop producer and who has met the criteria set out in section 2 of this Order;

"eligible producer" means a registered root crop producer;

"Notification List" means the List maintained by the Designated Staff pursuant to section 14 of this Schedule;

"Offer" means an application to have quota units of a type under the System cancelled upon receipt of a retirement payment pursuant to the procedure set out in this Schedule;

"offeror" means a registered root crop producer who is current with all payments owing to the Board and is otherwise in good standing with the Board, and who in the opinion of Designated Staff, submitted an Offer in an acceptable form with respect to quota units allocated to the registered producer by the Board;

"quota unit" means an annual root crop for a type equal to one common unit for that type of root crop;

"Reallocation Day" means the day on which a Retirement and Annual Root Crop Quota Reallocation Program is operated;

"Retirement and Annual Root Crop Quota Reallocation Program" means the procedure operated from time to time pursuant to this Schedule, whereby a registered root crop producer may offer to have the whole or a portion of the quota units of a type allotted to such registered producer cancelled in the manner provided in this Schedule, and an eligible producer or an eligible person may request that quota units of a type be allotted to such person in the manner provided in this Schedule;

"Retirement Fund" means a trust account established by the Board to which all administration fees paid by successful bidders shall be credited and from which all retirement payments made to successful offerors will be debited.

Retirement and annual root crop quota reallocation system administration

4 The Retirement and Annual Root Crop Quota Reallocation System shall be operated by the Designated Staff. The Designated Staff shall be responsible for receiving and processing Offers, establishing the date of each Reallocation Day, publishing such dates, receiving and processing Bids, operating each Retirement and Annual Root Crop Quota Reallocation Program, and reporting such results to the Board.

The Manitoba Council may appoint Members of its Staff to act as observers and auditors of each Retirement and Annual Root Crop Quota Reallocation Program.

Except as provided in subsection 7(14) and section 15 of this Schedule and to the extent necessary to provide the notices under subsection 7(8) or as otherwise required in this Schedule, all particulars with respect to an individual Offer or to an individual Bid shall be kept confidential by the Designated Staff and Manitoba Council observers and auditors, and shall not be disclosed to the Members of the Board, Board staff who are not Designated Staff, or any other person whatsoever.

The Board may prescribe forms to be used in the operation of a Retirement and Annual Root Crop Quota Reallocation Program from time to time. The Designated Staff may accept a Bid or an Offer which is not in a prescribed form, as long as same is in writing and in the opinion of the Designated Staff substantially complies with any such prescribed form.

Application fees

5 The Board may by Resolution from time to time establish a non-refundable application fee for Offers under this Schedule. Each Offer must be accompanied by any necessary application fee. All application fees shall be credited to an operating account of the Board.

Administration fees and retirement payments

6 In this Schedule, and in all forms and materials used in connection with the Retirement and Annual Root Crop Quota Reallocation System, all references to administration fees, and all references to retirement payments shall be expressed or shall be assumed to be expressed on a quota unit basis.

Each administration fee paid by a successful bidder must be paid on each quota unit allocated to such person.

Each retirement payment paid to a successful offeror will be paid on 90% of the quota units cancelled (see section 10 re Transfer Assessment).

Retirement and annual root crop quota reallocation program procedures

7(1) Upon receipt of an Offer, the Designated Staff shall operate a Retirement and Annual Root Crop Quota Reallocation Program for that Offer on or before the last business day of the month following the month in which notification of receipt of the Offer was given by the Board to eligible producers and eligible persons.

7(2) For greater certainty, the Board may operate a Retirement and Annual Root Crop Quota Reallocation Program for more than one Offer during the same period of time.

7(3) Designated Staff may cancel, or may postpone, for up to 14 days at any time, the operation of any Retirement and Annual Root Crop Quota Reallocation Program for an Offer for any reason they deem advisable.

7(4) A person wishing to submit an Offer must do so in writing, by letter, in a form satisfactory to the Designated Staff, to the Board's head office, which must be received between September 1 of one calendar year and March 31 of the following calendar year.

7(5) Each Offer must include any necessary application fee established by the Board for processing an Offer, together with the following information:

- (a) the name, address and signature of the offeror;
- (b) the Producer Registration Number of the offeror;
- (c) the number of quota units offered for cancellation;
- (d) the type of the quota units offered;
- (e) an undertaking that the offeror is willing to accept a retirement payment equal to the then current Effective Retirement Payment upon cancellation of the quota units offered for cancellation;

(f) an undertaking that the Offer will not be withdrawn by the offeror once a notice of the Offer has been given pursuant to subsection 7(8);

(g) such other particulars with respect to the marketings or anticipated marketings of the offeror which may be required in order to complete the form of Offer;

(h) an acknowledgment that in the event that Bids received for a Program are less than the number of quota units offered for cancellation on that Program, the Offer of the offeror may be reduced to a lesser number.

The Designated Staff may require an offeror to provide proof of the consent of any secured creditor of the offeror to the submission of such Offer.

7(6) An Offer which would result in the remaining annual root crop quota of a type allocated to that offeror being reduced to a level below minimum annual marketing quota for that type of root crop will be rejected by the Designated Staff unless the offeror is offering to cancel all quota units of that type allocated to the Offeror.

7(7) No Offer of quota units of a type for less than minimum annual marketing quota for that type of root crop will be processed unless the offeror has been allotted an annual root crop quota of less than minimum annual marketing quota for that type of root crop, in which instance the offeror must offer to cancel all such quota units of that type.

7(8) Upon receipt of one or more Offers in an acceptable form during any calendar month between September 1 of one calendar year and March 31 of the following calendar year, the Designated Staff shall cause a notice to be mailed, faxed or e-mailed to each eligible producer and each eligible person indicating the fact that an Offer has been received; the Effective Retirement Payment per quota unit which an offeror is willing to accept upon cancellation of the quota units offered for cancellation for each Offer; the number of quota units offered for cancellation for each Offer; the type of quota units offered for each Offer; and the Reallocation Day. The notice may contain such other information with respect to each Offer and the options available to the registered producer as the Designated Staff deems appropriate.

7(9) An eligible producer or an eligible person wishing to submit a Bid on a Retirement and Annual Root Crop Quota Reallocation Program with respect to any Offer must do so in writing, by letter, to the Board's head office, in a form satisfactory to the Designated Staff, which Bid must be received by the Designated Staff prior to 4:00 p.m. on the last working day before the month in which the proposed Retirement and Annual Root Crop Quota Reallocation Program is to be held.

Each Bid for the allotment of quota units must be for the type and for the total number of quota units offered for cancellation.

In addition to the above disclosure, each Bid on a particular Retirement and Annual Root Crop Quota Reallocation Program must include the following information:

- (a) the name, address and signature of the bidder;
- (b) the Producer Registration Number of the bidder, where applicable;
- (c) the Offer to which the Bid is applicable;
- (d) the administration fee which shall be equal to the Effective Retirement Payment per quota unit set out in the notice referred to in subsection 7(8) for the number of quota units comprising the Bid;
- (e) an acknowledgement that the bidder is prepared to accept less than the number of quota units comprising the Bid;
- (f) an acknowledgement, in the case of an eligible person, that the Bid will not be valid if the number of quota units available for allocation to successful bidders upon the initial operation of a Retirement and Annual Root Crop Quota Reallocation Program would result in an annual root crop quota to be allotted to such eligible person in an amount being less than minimum annual marketing quota for that type of root crop;
- (g) an acknowledgement, in the case of a registered root crop producer, that the Bid will not be valid if the number of quota units available for allocation to successful bidders upon any operation of a Retirement and Annual Root Crop Quota Reallocation Program would result in an annual root crop quota to be allotted to such registered producer in an amount being less than minimum annual marketing quota for that type of root crop;
- (h) an acknowledgment that the Bid will not be valid if the number of quota units requested when taken together with the number of quota units comprising the bidder's quota exceeds maximum quota.

In order for a Bid to be eligible to be processed on a Program, the bidder must submit a separate bank draft or credit union primary order (or other method of payment acceptable to the Designated Staff) payable to the Board representing the full amount of the administration fee such bidder proposes to pay in connection with that Bid which must be received at the Board's head office no later than 4:00 p.m. of the last working day before the month in which the proposed Retirement and Annual Root Crop Quota Reallocation Program is to be held.

7(10) In the case of an omission or defect in a Bid or an Offer, the Designated Staff may not make changes or additions to such Bid or Offer, and the Bid or Offer will be rejected. A member of the Designated Staff shall attempt to contact the bidder or offeror and to advise such person of such rejection. The fact that a Bid or an Offer is rejected shall not preclude the bidder or offeror from submitting a subsequent Bid or Offer.

7(11) A Bid may be amended or withdrawn, provided such withdrawal or amendment is in writing and in the form of a letter satisfactory to the Designated Staff, sent by the bidder, and is received at the head office of the Board prior to 4:00 p.m. of the last working day before the month in which the proposed Retirement and Annual Root Crop Quota Reallocation Program is to be held. Such withdrawal or amendment must be clear and unambiguous and must specify the bidder by name and by Producer Registration Number, where applicable, and must specify the Bid that is to be withdrawn or amended.

Any Bid which is received after any deadline for submission for that Program will be rejected by the Designated Staff.

No Bid of a type will be accepted if the number of quota units offered for cancellation is less than minimum annual marketing quota for that type of root crop unless the bidder has already been allocated an annual root crop quota of that type.

No Bid will be processed if the number of quota units comprising the Bid, when aggregated with the quota units allocated to such bidder, would exceed maximum quota.

7(12) As provided in section 56.2 of this Order, the Designated Staff may refuse to accept or may postpone processing of any Bid or any Offer. Any decision to postpone the processing of a Bid or an Offer, or to reject a Bid or Offer made by the Designated Staff shall be final. The Designated Staff may also establish terms and conditions before a Bid or an Offer will be processed in the future. Any person who is not satisfied with the terms and conditions established by the Designated Staff before a Bid or Offer will be processed in the future may appeal the decision in writing to the Board.

7(13) On each Reallocation Day, the Designated Staff shall qualify all valid Bids with respect to each Offer.

If there is more than one valid Bid with respect to an Offer, the amount available for allotment shall be apportioned among all such eligible bidders in equal amounts, provided that any Bid received from eligible persons shall be rejected if the amount available for allotment among such eligible bidders is less than minimum annual marketing quota for that type of root crop (and, following such rejection, the Designated Staff shall recalculate the amount available for allotment amongst all remaining eligible bidders in equal amounts); and further provided that upon recalculation any Bid received from a registered root crop producer bidder shall be rejected if the amount available for allotment amongst the remaining eligible bidders is less than minimum annual marketing quota for that type root crop and such bidder has not been allocated a root crop quota of that type.

7(14) Following the operation of a Retirement and Annual Root Crop Quota Reallocation Program for an Offer, the Designated Staff shall report to the Board particulars of the Offer, the number of Bids received, and particulars of the successful Bids. The board will review such report and if satisfied, in its sole discretion, that there have been no irregularities or deficiencies in the operation of that Retirement and Annual Root Crop Quota Reallocation Program, the Board may pass a resolution to accept such results.

Following the acceptance of the results of a Retirement and Annual Root Crop Quota Reallocation Program for an Offer, the Board will pass a resolution to allot quota units to the successful bidder and to cancel quota units of successful offerors in order to implement such results.

The allotment of quota units of a type to a successful bidder who is a registered root crop producer will be effective on the first day of July after the date on which the results of a Retirement and Annual Root Crop Quota Reallocation Program were accepted by the Board and shall be applicable to the marketing of root crops harvested after such effective date.

The allotment of quota units of a type to a successful bidder who is an eligible person will be effective upon the first day of July after the date on which the results of a Retirement and Annual Root Crop Quota Reallocation Program were accepted by the Board, provided that such allotment shall only be applicable with respect to crop grown by that successful bidder during the crop year commencing on such date.

The cancellation of quota units of a type allotted to a successful offeror will be effective as of the last day of June after the date on which the results of a Retirement and Annual Root Crop Quota Reallocation Program were accepted by the Board, provided however that the offeror shall be entitled to continue marketing root crops of that type after such date, provided those root crops were produced in the prior crop year and are of an acceptable quality, under the systems operated by the Board.

7(15) Following the Board's consideration of the results of a Retirement and Annual Root Crop Quota Reallocation Program, each participant in the Retirement and Annual Root Crop Quota Reallocation Program will be advised in writing by the Designated Staff whether such participant's Offer or Bid was successful, and if the Bid or Offer was successful, and if successful, the effective date of the allotment or cancellation.

7(16) All funds submitted by unsuccessful bidders as proposed administration fees will be returned to such bidder.

All surplus funds submitted by successful bidders as proposed administration fees will be returned to such bidder.

Retirement fund

8(1) All administration fees paid to the Board by successful bidders will be allocated to the Retirement Fund.

8(2) All retirement payments made by the Board to successful offerors will be paid from the Retirement Fund.

Transfer assessment and transfer assessment pool

9(1) Each Offer shall be deemed to be reduced by a Transfer Assessment equivalent to 10% of the quota units offered for cancellation. In the event such calculation results in a fraction, the Transfer Assessment shall not include such fraction.

9(2) If an Offer is accepted, in whole or in part, as provided herein, the Transfer Assessment shall be credited to the Transfer Assessment Pool.

9(3) A Transfer Assessment Pool will be maintained for each type of root crops.

Allocation from the transfer assessment pool

10(1) The quota units credited to the Transfer Assessment Pool may, from time to time, be allocated by the Board as follows:

(a) a total of 50% to eligible producers who have applied in writing for an increase in their annual root crop quota for that type of root crop during the application period commencing December 1, and terminating December 31 of the previous calendar year, in equal numbers of quota units, provided that the quota units allocated to an eligible producer shall not be increased above maximum quota;

(b) a total of 50% to those persons who are on the waiting list referred to in section 4 of this Order, in the order of priority set out on such waiting list, in amounts of not less than minimum annual marketing quota for that type of root crop.

10(2) Applicants who are allotted quota units pursuant to clause (1)(b) shall be eligible to request allocation of additional quota units in subsequent allocations pursuant to clause (1)(a).

10(3) A person who receives an allotment under clause (1)(b) shall not be entitled to submit an Offer which would result in the annual root crop quota allotted to such person being reduced below minimum annual marketing quota for that type of root crop for a minimum of five years from the date of such allotment.

10(4) An eligible producer may be a successful bidder and may receive an allotment of quota units under clause (1)(a) on the same Reallocation Day.

Type and effective date of allocation from pool

11 In making an allocation from the Transfer Assessment Pool, the Board will specify the type of such allocation and the effective date of the allotment.

Five-year moratorium re new producers

12 In the event a person is allotted an annual root crop quota of a type (the "initial allotment") and becomes a registered root crop producer pursuant to an application to the board under section 4 of this Order, such person shall not be entitled to submit an Offer which would result in the annual root crop quota allotted to that person for that type being reduced below the initial allotment for a minimum of five years from the date of such initial allotment.

Five-year moratorium re bidders

13 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 90% of the balance of such quota units, and the quota units so debited shall be credited to the Transfer Assessment Pool.

Notification lists

14 Any person who is not an eligible producer and who wishes to participate in a Retirement and Annual Root Crop Quota Reallocation Program as a bidder may request in writing, in such form as the Board may prescribe for such purposes, that such person's name be added to the Notification List.

Any person added to the Notification List shall be deleted from that List one year after being added to such List. A person on such List may request, in such form as the Board may prescribe for such purposes, that such person's name be included on such list for a further one-year period, provided such application is made not earlier than one month prior to the date upon which such person's name would otherwise be deleted from such List.

Five-year moratorium re increased annual root crop quota

15 In the event a person is allocated an increase in annual root crop quota of a type under section 7 of this Order, such person shall not be eligible to receive a retirement payment in connection with the cancellation of the equivalent number of quota units of that type under the System within five years of such increase. In the event such person submits an Offer of quota units of that type allotted to such person during such five-year period, a number of quota units of that type equal to the number of quota units allocated to such person under section 7 of this Order within such five-year period shall be debited against the number of quota units of that type offered, so that the offeror will only be entitled to receive a retirement payment with respect to 90% of the balance of such quota units of that type, and the quota units so debited shall be credited to the Transfer Assessment Pool.

Information

16 The Board will forward to each eligible producer, in a form approved by the Manitoba Council, within 15 days following Board approval, the results of the Retirement and Annual Root Crop Quota Reallocation Program.