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

**Root Crop Quota Order, amendment\***

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Regulation 85/2016  
Registered May 16, 2016

**Manitoba Regulation 12/95 amended**

**1 The Root Crop Quota Order, Manitoba Regulation 12/95, is, except for subsection 12(1) of this order, amended by this order.**

**2(1) Section 1 is amended by replacing the definitions "annual marketing quota", "common unit", "maximum quota", "minimum annual marketing 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;

**"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;

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\* This Order is made under the Manitoba Vegetable Producers Marketing Plan, Manitoba Regulation 117/2009, and is Order No. 2, 2016 of Peak of the Market.

**"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;

**"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;

**"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 further amended by adding the following definition:**

**"retirement and annual root crop quota reallocation system"** means the retirement and annual root crop quota reallocation system approved by the Board on December 18, 2014;

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

**New and increased annual marketing quotas**

**7** Before March 1 in each 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 a type of root crop will not meet potential markets available for the type of root crop (in this section referred to as the "shortfall"), the Board may allot additional annual marketing quotas for the type of root crop equal to the shortfall in accordance with the following rules:

1. Approximately 1/3 of the shortfall is to be allocated to applicants who have not previously been allotted an annual marketing quota for the type of root crop and have applied for registration and an annual marketing quota for that type. For this purpose, annual marketing quotas are to 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 may be allotted an annual marketing quota under this provision in excess of minimum annual marketing quota for that type of root crop.
2. Approximately 1/3 of the shortfall is to be allocated by increasing the annual marketing quota for the type of root crop of each registered producer who has been allotted an annual marketing quota for the type that is less than the average marketing quota of registered producers of the type if

(a) the producer has applied for an increase in the producer's annual marketing quota; and

(b) the Board is satisfied that the 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 the producer for that type;

to bring each producer meeting the criteria of this rule up to a level where the annual marketing quota allotted to the producer is equal to the average size of annual marketing quota issued for that type of root crop (catastrophes excepted).

3. The balance of the shortfall is to be allocated as annual marketing quota equally among registered producers who marketed root crops of that type in the previous crop year and applied for increases in the annual marketing quotas allotted to them. No producer may be allotted an increase in an annual marketing quota under this rule unless the Board is satisfied that the 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 the producer for that type during the current 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) are allotted to registered producers in accordance with the following rules:

1. A registered producer who has been allotted an annual marketing quota for a type of root crop of 8,000 common units or less for the type is to be allocated a delivery quota for the type for each delivery period equal to 1/7 of the annual marketing quota allocated to the producer for the type.
2. A registered producer who has been allotted an annual marketing quota for a type of root crop of more than 8,000 common units for the 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 the producer for the type in excess of 8,000 common units.

**5 Section 31.1 is replaced with the following:**

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

**31.1** A person must not assign or offer to 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 Subsection 40(2) is replaced with the following:**

**40(2)** The registered producer and each other party to the transfer must provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the party giving the undertaking 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 under this section;

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

(d) for the re-allotment of the quotas allotted to the registered producer under 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 under section 58;

for a minimum of five years after the waiver under this section unless the party has first received the approval of the Manitoba council to the application.

**7 Subsection 46(2) is replaced with the following:**

**46(2)** Each of the registered producers must provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the registered producer 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 under Part X;

(c) for the approval of an association of the registered producer with another registered producer under this section;

(d) for the re-allotment of the quotas allotted to the registered producer under 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 under section 58;

for a minimum of five years after the waiver under this section unless the registered producer has first received the approval of the Manitoba council to the 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 those assets to the purchaser if it is satisfied that no value has been attributed to the quotas and that no more than fair market value has been paid for the 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. The costs of the appraisal must be paid by the registered producer.

**49(3)** The registered producer and the purchaser must 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 the sale) must be appended to that statutory declaration.

**49(4)** In the event that the Board has reasonable grounds for believing that any information provided in the statutory declaration or any requested certificate is false or misleading, the Board may reduce or cancel the quotas in question, whether or not the quotas were re-allotted.

**49(5)** The purchaser must provide the Board with 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 under Part X;

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

(d) for the re-allotment of the quotas allotted to the registered producer under this section; or

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

for a minimum of five years following the re-allotment under this section unless the purchaser has first received the approval of the Manitoba council to the 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 quotas allotted to a registered producer 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 the quotas allotted to a registered producer 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 the applicant to another person in the following circumstances:

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

(b) with respect to an application by a partnership, if all the partners are members of the same immediate family and the recipient is a member of that immediate family;

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

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

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

(a) the recipient has established a separate farm that it owns and operates and on which it grows, harvests and markets 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 the quotas.

**55(4)** The applicant and the recipient are each required to provide the Board with a statutory declaration in a form acceptable to the Board, setting out the information specified in the form.

**55(5)** In the event that the Board has reasonable grounds for believing that any information provided in the statutory declaration or an application is false or misleading, the Board may cancel or reduce the quotas in question, whether or not the quotas were re-allotted.

**55(6)** The applicant and the recipient are each required to provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the person giving the undertaking 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 under Part X;

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

(d) for the re-allotment of the quotas allotted to the registered producer under 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 under section 58;

for a minimum of five years following the re-allotment under this section unless the person has first received the approval of the Manitoba council to the application.

**10 Sections 56.1 and 56.2 are replaced with the following:**

**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 retirement and annual root crop quota reallocation system.

**Acceptance of applications discretionary**

**56.2** The designated staff referred to in the retirement and annual root crop quota reallocation system may refuse to accept or may postpone the processing of any application to participate in the retirement and annual root crop quota reallocation system for any reason or on such terms as they consider appropriate.

**11 Section 58 is replaced with the following:**

**No application for change of land or buildings for five years**

**58** If the Board

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

(b) approves an association of registered producers under the provisions of Part XI; or

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

it is a condition of the re-allotment or approval that the applicants for it 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 the quotas to other lands or buildings for a period of at least five years after the approval of the change, association or re-allotment.

**12(1) Section 12 of the Root Crop Quota Order, amendment, Manitoba Regulation 79/2016, is repealed.**

**12(2) Section 63 of the Root Crop Quota Order, Manitoba Regulation 12/95, 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 is repealed.**

May 13, 2016

**Peak of the Market:**

Keith Kuhl, Chair

Peter Loewen, Secretary

APPROVED

May 16, 2016

**Manitoba Farm Products Marketing Council:**

Ken Caldwell, Chair

Ingrid Peters-Fransen, Secretary