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

Chicken Broiler Quota Order, amendment*

Regulation 29/2021
Registered April 19, 2021

Manitoba Regulation 228/2006 amended

**1 The *Chicken Broiler Quota Order, Manitoba Regulation 228/2006*,
is amended by this Order.**

2 Section 1 is amended in the definition "acquisition limit"

**(a) in clause (a), by striking out "170,000 kilograms" wherever it occurs and
substituting "195,000 kilograms";**

**(b) in clause (b), by striking out "200,000 kilograms" wherever it occurs and
substituting "230,000 kilograms";**

**(c) in clause (c), by striking out "275,500 kilograms" wherever it occurs and
substituting "317,000 kilograms"; and**

**(d) in clause (d), by striking out "25,000 kilograms" wherever it occurs and
substituting "28,750 kilograms".**

* This Order is made under the *Manitoba Chicken Broiler Producers Marketing Plan Regulation, Manitoba Regulation 246/2004*, and is Order No. 1, 2021 of Manitoba Chicken Producers.

3 Section 47 is replaced with the following:

Transfers by a substantial holder

47(1) If all or part of the beneficial or legal ownership of an interest in a substantial holder in an entity that is a registered producer is transferred by the legal or beneficial owner of the interest, the board may cancel or reduce the quotas and allotments of the registered producer unless the parties to the transfer have requested in writing that the board waive this subsection and have each provided the board, by statutory declaration and certificate, in a form acceptable to the board, full particulars of the proposed transfer, together with any other documents or information the board may require, and the board has in its discretion waived this subsection either conditionally or unconditionally.

47(2) The registered producer and the parties to the transfer must provide the board with a written undertaking, in a form satisfactory to the board, stating that the party will not apply

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

(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 reallocation of the quotas and allotments allotted to the registered producer pursuant to Part XII; or

(e) to relocate the facilities of the registered producer under section 71;

for a minimum of five years following the waiver unless the party has first received the approval of the board.

4 Section 48 is replaced with the following:

No transfer exceeding acquisition limit

48 Subject to section 43, the board must not grant a waiver under subsection 47(1) if the proposed transfer will result in a person having a direct or indirect interest in basic allotments exceeding the acquisition limit.

Board's further powers re waiver

48.1 Without limiting the generality of subsection 47(1), the board may refuse a request for a waiver in the following circumstances:

(a) any aspect of the proposed transfer contravenes this order;

(b) value has been attributed, whether directly or indirectly, in any manner whatsoever, to the quotas and allotments of the registered producer at issue;

(c) any statutory declaration, certificate, or other information or document provided to the board in relation to the proposed transfer is false or misleading;

(d) a party to the proposed transfer has contravened a regulation, order or directive of the board;

(e) any undertaking required of a party to the proposed transfer has not been adhered to;

(f) a party to the proposed transfer has not complied with any terms or conditions required by the board in relation to the transfer;

(g) a refusal is in the interests of Manitoba producers, consumers, or the chicken broiler industry.

5 Section 50 is replaced with the following:

False or misleading information

50 If the board determines that a statutory declaration, certificate, document or other information received by it under this Part is false or misleading, the board may cancel or reduce the quotas and allotments of the registered producer, whether or not the provisions of section 47 or 49 have been waived by the board, either conditionally or unconditionally.

6 Section 51 is repealed.

7 Section 56 is replaced with the following:

Complete farm sales

56(1) When a registered producer sells the land, buildings, and equipment used by the producer in producing chicken broilers, the board may reallocate the quotas and allotments used in association with the facilities to any purchaser if it is satisfied that no value has been attributed to the quotas and allotments and that no more than fair market value has been paid for the facilities.

56(2) The registered producer and the purchaser must each submit a statutory declaration in a form acceptable to the board confirming the sale and purchase consideration (both direct and indirect), and all agreements between the registered producer and the purchaser (including a detailed listing of all assets included in such sale) must be included with the statutory declaration.

56(3) 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 Basic Allotment Reallocation Program;

(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 reallocation of the quotas and allotments allotted to the registered producer pursuant to Part XII; or

(e) to relocate the facilities of the registered producer under section 71;

for a minimum of five years following such reallocation unless such party has first received the approval of the board.

8 Section 57 is replaced with the following:

Sale of moveable buildings and equipment

57(1) When a registered producer is selling a building used in producing chicken broilers, the board may reallocate the quotas and allotments associated with the building (and any equipment included in the sale) to the purchaser of the building if the board is satisfied that

(a) the building can be moved to a new foundation on the purchaser's property;

(b) the building and any equipment included in the sale are capable of being used for at least five years after being relocated and installed on the new foundation;

(c) the consideration for the building and any equipment included in the sale does not exceed their fair market value; and

(d) written consent is provided by all creditors of the registered producer who have been granted security with respect to the building (and any equipment included in the sale).

57(2) To be eligible for a reallocation under subsection (1), the registered producer and the purchaser must each provide the board with a statutory declaration that includes

(a) a statement of all consideration, both direct and indirect, in relation to the sale of the building and, if applicable, the equipment;

(b) confirmation that the purchaser is capable of complying with the requirements of clauses (1)(a) and (b);

(c) copies of all agreements between the registered producer and the purchaser in relation to the sale; and

(d) a detailed list of all assets included in the sale.

57(3) The board must not reallocate quotas and allotments under subsection (1) before receiving a written undertaking from the purchaser stating that

(a) the purchaser will use the building and any equipment included in the sale for at least five years after being relocated and installed; and

(b) the purchaser will not apply for any of the following within five years of the board reallocating the quota and allotment without leave of the board:

(i) for a retirement payment under the Retirement and Basic Allotment Reallocation Program,

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

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

(iv) for the reallocation of the quotas and allotments allotted to the registered producer pursuant to Part XII,

(v) to relocate the facilities of the registered producer under section 71.

57(4) A statutory declaration under subsection (2) or a written undertaking under subsection (3) must be in a form acceptable to the board.

9 Section 58 is replaced with the following:

Lease of complete farm

58(1) If a registered producer leases or licenses the land, buildings, and equipment used by the producer in producing chicken broilers, for a term not to exceed two years in length, the board may temporarily reallocate the quotas and allotments used in association with the land, buildings, and equipment to any lessee or licensee for the term of the lease or license provided it is satisfied that no value has been attributed to the quotas and allotments and that no more than fair market rental for the facility is being paid under the lease or license arrangement directly or indirectly for the lease of the facility, or any other assets included in the lease (including any transaction with respect to chicken broilers).

58(2) The applicants must provide a statutory declaration in a form acceptable to the board confirming the rental consideration (both direct and indirect), and all agreements between the registered producer and the lessee (including a detailed listing of all assets included in such lease) must be included with the statutory declaration.

58(3) At the end of the lease term such quotas and allotments shall automatically be reallocated by the board back to the lessor. Any extension or renewal of a term under a lease will be treated as a new lease.

10 Sections 60, 61 and 62 are amended by replacing the part after clause (b) with the following:

subject to any policies or directives of the board.

11 Section 63 is replaced with the following:

Partial and complete reallocation of quota to related persons

63(1) The following definitions apply in this section.

"**applicant**" means a registered producer who make an application to reallocate 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 the membership of a Hutterite Colony.

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

63(2) The board may, upon application of a registered producer in writing, reallocate all or a portion of the quotas and allotments allotted to such applicant to another person who is not a registered producer in the following circumstances:

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

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

63(3) The board must not reallocate quotas to a recipient under subsection (2) until

(a) the recipient has established a separate facility owned and operated by the recipient in or on which to produce chicken broilers;

(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 or allotments.

63(4) The applicant must provide the board with a statutory declaration in an acceptable form setting out the information required by the board.

63(5) The applicant and the recipient must each submit a written undertaking to the board, in a form satisfactory to the board, stating that they will not apply

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

(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 reallocation of the quotas and allotments allotted to the registered producer pursuant to Part XII; or

(e) to relocate the facilities of the registered producer under section 71;

for a minimum of five years following the reallocation unless they first receive the approval of the board.

12 Section 64 is replaced with the following:

Consolidation of existing chicken production operations

64(1) Any two or more registered producers (the "applicants") may apply to the board to have all of the quotas and allotments allotted to the applicants reallocated to a single entity (the "intended recipient") for use in connection with a single facility as a single business operation.

64(2) The intended recipient may be a corporation or a partnership which is wholly owned, both legally and beneficially, by the applicants in such manner as may be satisfactory to the board.

64(3) The applicants must each submit a statutory declaration in a form acceptable to the board confirming such information as may be requested by the board, and all agreements between the applicants and with the intended recipient must be included with the statutory declaration.

64(4) The applicants and the intended recipient must each provide the board with a written undertaking, in a form satisfactory to the board, stating that they will not apply

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

(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 reallocation of the quotas and allotments allotted to the registered producer pursuant to Part XII; or

(e) to relocate the facilities of the registered producer under section 71;

for a minimum of five years following the reallocation unless they have first received the approval of the board.

13 The following is added after section 65:

Board may refuse reallocation

65.1 Without limiting the powers of the board under this Part, the board may refuse to reallocate quota under this Part if it determines that

(a) any aspect of a proposed transfer contravenes this order;

(b) any statutory declaration, certificate, or other information or document provided to the board in relation to the proposed transfer is false or misleading;

(c) a party to the proposed transfer has contravened a regulation, order or directive of the board;

(d) any undertaking required of a party to the proposed transfer has not been adhered to;

(e) a party to the proposed transfer has not complied with any terms or conditions required by the board in relation to the transfer; or

(f) a refusal is in the interests of Manitoba producers, consumers, or the chicken broiler industry.

False or misleading information

65.2 If the board determines that any statutory declaration, certificate or other information or document provided to it under this Part is false or misleading, the board may cancel or reduce the quotas or allotments in question, whether or not such quotas or allotments were reallocated.

14 Section 74 is amended, in the part after clause (c), by striking out "Manitoba Council" and substituting "board".

15 Section 75 is amended by striking out "with respect to a transfer or change of the nature outlined in section 51, or".

16 Subsection 7(1) of the Schedule is amended by striking out everything after "for each category on" and substituting "such regular business day, as may be determined by Designated Staff, in consultation with the Offer or, provided that said regular business day is not less than 30 days or more than 60 days following the date on which notification is given by the board to registered producers of such program."

March 11, 2021

Manitoba Chicken Producers:

Jake Wiebe, Chair
Wayne Hiltz, Executive Director

APPROVED

April 16, 2021

Manitoba Farm Products Marketing Council:

Ed Helwer, Chair
Ingrid Peters-Fransen, Secretary