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

Chicken Broiler Quota Order*

Regulation 228/2006
Registered November 21, 2006

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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. 8, 2006 of Manitoba Chicken Producers.

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PART I
DEFINITIONS AND INTERPRETATION

Definitions

1 In this Order,

"**allotment**" means a basic allotment or a market allotment, or both as the context may require;

"**basic allotment**" means a base measurement, expressed in kilograms of chicken broiler, from which the market allotment of a producer for a category is established;

"**Basic Allotment List**" means the list of registered producers approved by the Board on March 14, 2006 under the heading "Basic Allotment List" as same may be amended by Resolution of the Board from time to time to reflect alterations or additions or deletions to same in accordance with the terms of this Order;

"**category**" means

(a) Cornish game hen,

(b) Regular chicken broiler, and

(c) Roaster,

"**Certificate of Production Premises**" means a certificate issued by the Board to a registered producer specifying the facility or facilities in or on which such producer must raise or keep the chicken broilers that such producer is entitled to produce or to market pursuant to the allotments and quotas allotted to such producer;

"**Chick Placement Permit**" means a permit issued by this Board to a person authorizing that person to purchase or to otherwise take delivery of a specified number of chicken broilers under the age of 10 days old during a specified time period from a specified vendor;

"**Cornish game hen**" means chicken broiler produced within Manitoba which weighs under 1.2 kilograms each (truck load average) when marketed by a producer;

"**extra-provincial amount**" means the number of kilograms of chicken broiler which the Board determines that person is authorized or permitted to produce or market, or is able to produce or market by virtue of an exemption or otherwise, in a marketing cycle or similar period, by an extra-provincial board other than the Chicken Farmers of Canada;

"**federal quota**" means the quantity of chicken broiler of a category that a producer is entitled to market in interprovincial or export trade by the Chicken Farmers of Canada in any marketing cycle;

"**immediate family**" means an individual's spouse, parent, child, grandchild, or the spouse of the individual's child, or grandchild;

"**market allotment**" for a category of chicken broiler means the sum total of a producer's marketing quota plus such producer's federal quota for that category of chicken broiler;

"**marketing cycle**" means the period of time specified by the Board during which a registered producer may produce and market chicken broiler of a category pursuant to a production quota and a market allotment allotted to such producer, provided however that no marketing cycle shall be less than:

(a) five weeks with respect to Cornish game hen,

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(b) seven weeks with respect to Regular chicken broiler, and

(c) ten weeks with respect to Roaster.

"**marketing quota**" means the quantity of chicken broiler of a category that a registered producer has been authorized by the Board to market in intra-provincial trade during any marketing cycle;

"**maximum allotment**" means:

(a) with respect to Cornish game hen only — an allotment or allotments aggregating 170,000 kilograms of chicken broiler per marketing cycle; provided that in determining the maximum allotment applicable to a person, such 170,000 kilograms amount shall be reduced by an amount equal to the extra-provincial amount attributed to that person,

(b) with respect to Regular chicken broiler only — an allotment or allotments aggregating 200,000 kilograms of chicken broiler per marketing cycle; provided that in determining the maximum allotment applicable to a person, such 200,000 kilograms amount shall be reduced by an amount equal to the extra-provincial amount attributed to that person,

(c) with respect to Roaster only — an allotment or allotments aggregating 275,500 kilograms of chicken broiler per marketing cycle; provided that in determining the maximum allotment applicable to a person, such 275,500 kilograms amount shall be reduced by an amount equal to the extra-provincial amount attributed to that person, and

(d) with respect to allotments to a producer consisting of a combination of Cornish game hen, Regular chicken broiler, and Roasters, an amount not to exceed the equivalent of 25,000 kilograms of chicken meat per week; provided that in determining the maximum allotment applicable to a person, such 25,000 kilograms shall be reduced by an amount equal to the extra-provincial amount attributed to that person;

"**Maximum Producer Allotment List**" means the list of certain registered producers approved by the Board on September 19, 1997 under the heading "Maximum Producer Allotment List", as same may be amended by Resolution of the Board from time to time;

"**On-Farm Food Safety Assurance Program**" means the program approved by the Board and designated with that name, as same may be amended or varied from time to time, whether published by the Board or published by the Canadian Food Inspection Agency or other party specified by the Board;

"**production quota**" means the maximum number of chicken broilers of a category that a registered producer has been authorized to produce during a marketing cycle;

"**quota**" means a production quota or a marketing quota, or both, as the context may require;

"**Regular chicken broiler**" means chicken broiler produced within Manitoba which weighs 1.2 kilograms and over each but not over 2.6 kilograms each (truck load average) when marketed by a producer;

"**Roaster**" means chicken broiler produced within Manitoba which weighs over 2.6 kilograms each (truck load average) when marketed by a producer;

"**specified processor**" means any processor who operates

(a) a poultry station registered under section 14 of the Processed Poultry Regulations made under the Canada Agricultural Products Act, or

(b) a poultry slaughtering and processing plant inspected pursuant to any meat inspection agreement made between the Government of Canada and the Government of Manitoba providing for meat inspection services to domestic plants in the Province of Manitoba.

Live weight references

2 All references to weight of chicken broiler in this Order are references to live weight of such chicken broiler (or equivalent).

PART II
ALLOTMENTS

Entitlement and criteria for allotment of quota

3 No person is entitled to be allotted a quota for a category of chicken broiler unless such person has been allotted a basic allotment and a market allotment for that category by the Board.

Facility requirement

4 Subject to section 5, each applicant for allotment of a quota and an allotment must be the registered owner or the sole operator of a facility that meets all of the requirements or standards for buildings and equipment established by the Board from time to time.

Conditional allotment

5 The Board may allot a quota and an allotment conditional upon the acquisition of a facility within a specified period of time.

Allocation to new entrants

6 From time to time the Board may select an individual or a Hutterite Colony to become a registered producer and may offer to allot a quota, basic allotment, and a market allotment for a category of chicken broiler to such person. In selecting such persons the Board may establish a system for receiving applications from such persons and a method of selecting such persons from among the applicants.

Each application shall be in writing in a form prescribed by the Board and must be signed by the applicant and accompanied by the processing fees established by the Board, and must be forwarded to the head office of the Board.

In the event the Board offers to allot a quota, a basic allotment, and a market allotment for a category of chicken broiler to a person, and such person does not accept the terms and conditions proposed by the Board in making such offer within the time specified by the Board, or in the event a person fails to comply with any term or condition established by the Board in making such offer or allotment to the person, the Board may withdraw such offer and allotment.

No individual and no Hutterite Colony shall be eligible to be selected for an allocation under this section if that individual or that Colony is or at any time has been a registered producer or has had an interest, direct or indirect in a registered producer. For the purpose of this provision any person who is or was a partner or a shareholder of an entity that is or was a registered producer at a point in time shall be deemed to have an interest in that registered producer at that time.

The fact that

(a) the parent of an individual is or at any time has been a registered producer or has had an interest, direct or indirect in a registered producer; and

(b) a Hutterite Colony was established from the membership of a Hutterite Colony which is or at any time has been a registered producer or has had an interest, direct or indirect in a registered producer,

shall not in itself disqualify an individual or a Hutterite Colony from being eligible to be selected under this section.

Determination of basic allotments by category

7 Subject to the provisions of this Order, a registered producer's basic allotment for each category of chicken broiler shall be equal to the number of kilograms of chicken broiler shown opposite such producer's name in the column for that category on the Basic Allotment List.

Allocation of market allotment from time to time

8 Subject to the provisions of this Order, each registered producer shall be allotted a market allotment for each category of chicken broiler for which such producer has been allotted a basic allotment.

Calculation of market allotment

9 The market allotment of each registered producer whose name is set out on the Basic Allotment List for each category of chicken broiler for which such producer has been allotted a basic allotment shall be calculated from time to time as follows:

(a) Subject to clauses (b) and (c), the market allotment allotted to each registered producer for a category shall be equal to the basic allotment allotted to such producer for that category;

(b) If the aggregate of all chicken broilers of a category which could be produced if allocations were made in accordance with clause (a) (after any adjustment under Part V and Part VI) would be more than the anticipated market demand for chicken broilers of that category raised in Manitoba during any period of time, the market allotment allotted to each registered producer for that category shall be determined by the Board in such manner that all registered producers share, as nearly as possible, a pro-rata reduction from the market allotment that they would have received under clause (a) (applying the equivalent calculation set out in section 20) in such manner as the Board deems reasonable, so that the anticipated market requirements for chicken broiler of that category during that period of time ought not to be exceeded; provided that the market allotment of regular chicken broiler for a marketing cycle of those registered producers on the Maximum Producer Allotment List shall not be reduced below the basic allotment for regular chicken broiler of each such registered producer unless the anticipated demand for regular chicken broiler raised in Manitoba during the seven-week period in which such registered producer is entitled to market such chicken broiler falls below 5,059,422 kilograms live weight,

(i) the aggregate market allotments of a producer shall not be reduced below 10,000 kilograms of regular chicken broiler (or the equivalent of Cornish Game Hen or Roasters or a combination thereof, applying the equivalent calculation set out in section 20), and

(ii) the market allotment of regular chicken broiler for a marketing cycle of those registered producers on the Maximum Producer Allotment List shall not be reduced below the basic allotment for regular chicken broiler of each such registered producer unless the anticipated demand for regular chicken broiler raised in Manitoba during the seven week period in which such registered producer is entitled to market such chicken broiler falls below 5,059,422 kilograms live weight;

(c) If the aggregate of all chicken broilers of a category which could be produced if allocations were made in accordance with clause (a) (after any adjustment under Part IV and Part V) during any period of time would be less than the anticipated market demand for chicken broiler of that category raised in Manitoba during that period of time (hereinafter called the "Shortfall"), the market allotment allotted to each registered producer for that category shall be determined by the Board in such manner that the market allotment allotted to each registered producer for each category shall be equal to the basic allotment allotted to such registered producer for that category, and unless the Board otherwise directs, the Shortfall will be allotted by

(i) allotting approximately one-half (½) of the Shortfall as basic allotment and an equal market allotment to selected persons wishing to engage in chicken broiler production who have applied for registration and an allotment on such terms as the Board may deem proper; provided no person shall be entitled to an allotment in excess of 30,000 kilograms of Regular chicken broiler (or the equivalent of Cornish game hen or Roasters, or a combination thereof, applying the equivalent calculation set out in section 20) under this provision, and

(ii) allotting the balance of the Shortfall as basic allotment and an equal market allotment in units not to exceed 30,000 kilograms of Regular chicken broiler (or the equivalent of Cornish game hen or Roasters, or a combination thereof applying the equivalent calculation set out in section 20) to registered producers who have applied for an increase in their allotment, in the order in which acceptable applications were received by the Board;

provided however that in the event the Board is of the opinion that such Shortfall is temporary in nature, the Board may issue Temporary Market Allotment Permits to registered producers for a term not to exceed two (2) consecutive marketing cycles, and in an amount not to exceed, in aggregate, such anticipated Shortfall.

Any allotment of the Shortfall made pursuant to subclause (c)(i) or (ii) will be conditional upon the selected person or the registered producer satisfying the board that such party is the registered owner or the sole operator of a facility that meets all of the requirements and standards for buildings or equipment established by the board for the purpose of producing such party's proposed allotment of the Shortfall within 12 months of the date of the receipt of notice from the board of the proposed allotment.

M.R. 110/2007

Market allotment not to exceed maximum allotment

10 Notwithstanding anything set out in section 9, the aggregate market allotments of a registered producer in any marketing cycle shall not exceed maximum allotment, provided that

(a) if a registered producer

(i) has, prior to the calendar year 1980, been effectively allotted basic allotments that aggregate in excess of maximum allotment, or

(ii) has, as permitted pursuant to section 43 of this Order, been effectively re-allotted a basic allotment in excess of maximum allotment, or has been permitted to acquire an interest in a substantial holder in an entity that has been allotted a basic allotment in excess of maximum allotment,

this limitation shall not apply to such registered producer; and

(b) the aggregate of the market allotments allotted to a registered producer in clause (a) shall not exceed the basic allotment effectively allotted to such registered producer.

Limitation on marketing quotas

11 No producer is entitled to be allotted a marketing quota in any marketing cycle that would be in excess of the market allotment allotted to such producer, less any quantity of chicken broilers marketed by such producer in interprovincial or export trade in any marketing cycle.

Determination of production quotas

12 The production quota of a registered producer for each marketing cycle for each category of chicken broiler for which that producer has been allotted a market allotment shall be equal to the number of chicken broiler determined

(a) for Cornish game hen, by dividing the market allotment allotted to the producer for Cornish game hen for that marketing cycle by 1.15 and multiplying the resultant figure by 1.07;

(b) for Regular chicken broiler, by dividing the market allotment allotted the producer for Regular chicken broiler for that marketing cycle by 1.75 and multiplying the resultant figure by 1.07; and

(c) for Roaster, by dividing the market allotment allotted to the producer for Roaster for that marketing cycle by 3.25. and multiplying the resultant figure by 1.07.

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PART III
TEMPORARY MARKET ALLOTMENT PERMITS

Application for permit
13 A registered producer may apply to the Board for a Temporary Market Allotment Permit.

Circumstances and terms of issue
14 If the Board is of the opinion that

(a) any Shortfall referred to in clause 9(c) is temporary in nature;

(b) special marketing circumstances exist whereby a particular type of chicken broiler is required by the market; or

(c) chicken broiler is required at any particular time of the year and cannot be fulfilled in the manner set out in section 9;

the Board may issue Temporary Market Allotment Permits to registered producers in an amount not to exceed in aggregate such anticipated Shortfall or requirement, in order to ensure that such market is filled by Manitoba producers.

Cap on permit
15 No producer will be allotted a Temporary Market Allotment Permit under section 14 with respect to a category of chicken broiler which exceeds in aggregate 25% of the market allotment for that category of chicken broiler allotted to such producer by the board.

M.R. 11/2011

Permit for special catch up
16 The Board may also issue Temporary Market Allotment Permits to registered producers as a result of undermarketings by such registered producers, as provided in section 25.

Permits for special circumstances
17 The Board may also issue Temporary Market Allotment Permits to registered producers in order to capitalize on special marketing circumstances which may be available to Manitoba producers.

Permit marketings not to be included
18 Chicken broiler marketed pursuant to a Temporary Market Allotment Permit will not be counted as part of a producer's marketing in any marketing cycle for the purpose of this Order.

Temporary production permits
18.1 The board will, in connection with any Temporary Market Allotment Permit issued by it, issue a Temporary Production Permit to the permit holder indicating the maximum number of chicken broilers of a category that the producer has been authorized to produce in connection with the Temporary Market Allotment Permit.

M.R. 11/2011

Permits for research

19 The board may issue a Temporary Production Permit and a Temporary Market Allotment Permit to a non-registered person to permit the production and marketing of chicken broiler for teaching or research purposes provided that

(a) the board is satisfied that such chicken broiler will be raised and marketed under conditions satisfactory to the board; and

(b) satisfactory arrangements have been made with respect to the payment of any penalties in connection with any activities of the applicant which may be inconsistent with the terms and conditions established by the board in issuing a Temporary Production Permit and a Temporary Market Allotment Permit to the applicant.

M.R. 11/2011

PART IV
CATEGORY CONVERSION

Method of conversion

20 A registered producer may apply to the Board to have all or a portion of the basic allotment allotted to such producer changed from one category of chicken broiler to another category either on a temporary or on a permanent basis.

If such an application is approved, the basic allotment for the new category shall be calculated and allotted by dividing the basic allotment of the category being converted by the number of weeks in the minimum marketing cycle of such category, and multiplying the result by the number of weeks in the minimum marketing cycle of the new category, provided that

(a) if the category being converted is Cornish game hen and the new category is Regular chicken broiler, the new basic allotment shall be reduced by multiplying the second result by .8405;

(b) if the category being converted is Cornish game hen and the new category is Roaster, the new basic allotment shall be reduced by multiplying the second result by .8088;

(c) if the category being converted is Regular chicken broiler and the new category is Roaster, the new basic allotment shall be reduced by multiplying the second result by .9625;

(d) if the category being converted is Regular chicken broiler and the new category is Cornish game hen, the new basic allotment shall be increased by multiplying the second result by 1.1901;

(e) if the category being converted is Roaster and the new category is Cornish game hen, the new basic allotment shall be increased by multiplying the second result by 1.2364; and

(f) if the category being converted is Roaster and the new category is Regular chicken broiler, the new basic allotment shall be increased by multiplying the second result by 1.0390.

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PART V
EXCESS MARKETINGS AND UNDERMARKETINGS

Reduction of market allotment for excess marketings
21 Where a registered producer has marketed chicken broiler of a category during a marketing cycle in excess of the market allotment for that category allotted to that producer for that marketing cycle, the market allotment allotted to that producer for that category shall be reduced by a quantity of chicken broiler equal to such excess in a subsequent marketing cycle specified by the Board.

Mitigation from reduction
22 The Board may reduce the reduction or postpone the reduction or exempt a producer from the reduction referred to in section 21 in the event the producer has paid all levies imposed on such producer with respect to such marketings pursuant to the *Chicken Broiler Penalty Levies Regulation* in the manner specified in that regulation, or in the event the Board has waived the application of all or a portion of the levy imposed on such producer pursuant to that regulation.

Reduction of basic allotment for undermarketings
23 Where a producer fails to market a total quantity of any category of chicken broiler equal to the market allotment allotted to such producer for that category for five (5) consecutive marketing cycles, the basic allotment allotted to such producer for that category shall be reduced to the greatest number of the actual kilograms of chicken broiler of that category marketed by such producer in any of those marketing cycles.

Automatic catch up
24 Where a producer markets less than the market allotment allotted to such producer during a marketing cycle, such producer's market allotment for the subsequent marketing cycle shall be temporarily increased by an amount equal to such undermarketings, up to a maximum of 5% of the subsequent preliminary allotment prior to such adjustment.

Application for special catch up
25 Where a producer's market allotment is temporarily increased as a result of the application of section 24, and such temporary increase is less than the amount of the undermarketings of the producer in the marketing cycle during which such producer undermarketed, the producer may apply to the Board for a Temporary Market Allotment Permit in an amount equal to such difference. In the event such an application is granted by the Board in whole or in part, the Board will indicate the period or periods for which such Temporary Market Allotment Permit is effective, and the amount of such Temporary Market Allotment Permit for such period or periods.

Force majeure and stand downs

26 The Board may exempt from the provisions of sections 23 or 24 any producer who

(a) can satisfy the Board that such producer placed a sufficient number of appropriate chicks that ought to have enabled such producer to market the full market allotment of chicken broiler of that category allotted to such producer;

(b) can satisfy the Board within a reasonable period of time after the end of any marketing cycle that such producer was unable to market the full market allotment of chicken broiler of that category allotted to such producer because such producer's facility was damaged due to fire or other causes beyond such producer's control, or because such producer's chicken broilers were subject to disease (as verified by a qualified veterinarian) or because major repairs and/or renovations to such producer's facility resulted in the temporary curtailment of production (provided an application has been received at least 9 weeks in advance of the commencement of such major repairs and/or renovations being relied upon), or because of suffocation of such producer's chicken broilers (verified by a veterinarian certificate), or because of a lack of replacement chicks, or because of the serious illness or death of the producer; or

(c) has otherwise obtained permission from the Board in writing to reduce such producer's marketings for a period of time, subject to such terms and conditions as the Board may establish at the time such permission is granted.

PART VI
OTHER REDUCTION OR CANCELLATION OF QUOTAS AND ALLOTMENTS

Cancellation of quotas and allotments on death, winding up, etc.

27 The Board may cancel the quotas and allotments allotted to a registered producer in the event of the death of the registered producer, the winding up or dissolution of the registered producer that is a corporation, or the dissolution of the registered producer that is a partnership.

Cancellation of quotas and allotments on cancellation of registration

28 The quotas and allotments allotted to a person shall be automatically cancelled in the event such person ceases to be a registered producer.

Other reduction or cancellation of quota and allotment

29 The Board may suspend, reduce or cancel, either on a temporary basis or on a permanent basis, the quota and an allotment

(a) as set out in this Order;

(b) where a producer has failed to comply with any Regulation, Order, or directive of the Board;

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(c) where a producer becomes insolvent or bankrupt or applies for a receiving order or has such an order made against it or takes the benefit from any Act for the time being in force for the relief of insolvent debtors, or if a receiver is appointed with respect to the facilities used by a producer;

(d) where a producer has entered into a contract or agreement that would

(i) deprive such producer of that producer's right to the proceeds from the marketing of chicken broilers raised by that producer,

(ii) deprive such producer of that producer's right to a payment or an entitlement to a payment or an anticipated payment from the Retirement and Basic Allotment Reallocation System to another person without the prior written consent of the Board,

(iii) require such producer to purchase a product or a service in connection with the marketing of chicken broilers produced by that producer, or

(iv) obligate such producer with respect to the marketing of chicken broilers produced by that producer in connection with the acquisition of a product or a service by that producer;

(e) where the Board has determined that a producer has failed to comply with the On-Farm Food Safety Assurance Program; or

(f) if the Board has reasonable grounds for believing that such action is in the interests of Manitoba producers, consumers, or the chicken broiler industry.

PART VII
OWNERSHIP OF QUOTAS

Quotas belong to Board
30 Quotas belong to the Board.

Quota non-transferable by producer
31 No person shall

(a) transfer, assign, or sell a quota to another person; or

(b) offer to transfer, assign, or sell a quota to another person, or receive payment for a quota, or offer to buy a quota from a producer, or make a payment to a producer for a quota.

Retirement and basic allotment reallocation system payments non-transferable
32 No person shall offer to assign or assign a payment or an entitlement to a payment or an anticipated payment from the Retirement and Basic Allotment Reallocation System to another person without the prior written consent of the Board.

PART VIII
PROHIBITIONS

Production prohibited without a production quota
33 No person shall raise or keep a chicken broiler of any category unless a production quota or a Temporary Production Permit has been allotted to such person in respect to that category.

M.R. 11/2011

No excess production
34 No producer shall produce a number of chicken broilers of any category in any marketing cycle in excess of the production quota allotted to such person for that category in that marketing cycle or in excess of the Temporary Production Permit issued to such person for that category.

M.R. 11/2011

No marketings without a market allotment
35 No producer shall market a chicken broiler of any category in intra-provincial trade unless a basic allotment and a market allotment have been allotted to such producer in respect of that category or unless a Temporary Market Allotment Permit has been allotted to such person for that category.

M.R. 11/2011

No excess marketings
36 No producer shall market a chicken broiler of any category in intra-provincial trade in excess of the market allotment for that category allotted to such producer, or in excess of a Temporary Market Allotment Permit issued to such producer for that category, except as directed by the Board.

Marketings to specified processor
37 No person shall market a chicken broiler in intra-provincial trade to a specified processor unless

(a) such person is a registered producer; or

(b) such person has proven to the satisfaction of the Board that such person marketed chicken broiler to a specified processor in Manitoba during two (2) of the calendar years 2002, 2003 and 2004, and has requested and has obtained from the Board an exemption authorizing such person to market chicken broilers to a specified processor during the current calendar year, and further provided that the marketings of chicken broiler by such person do not exceed 999 chicken broiler in the current calendar year.

Production limited to specified facilities
38 No person shall raise or keep a chicken broiler except in or on a facility that has been specified on a Certificate of Production Premises issued to such person by the Board for such purpose.

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No raising or keeping in excess of number specified for facility
39 No person shall raise or keep chicken broilers in or on a facility in excess of the number of chicken broilers specified by the Board to be raised or kept by such person in such facility at any point in time.

Marketings limited to specified facilities
40 No person shall market a chicken broiler unless such chicken broiler was raised and kept by that person in or on the facility specified on a Certificate of Production Premises issued to such person by the Board.

PART IX
MISCELLANEOUS

Unacceptable quality
41 Nothing in this Order requires the Board to include, in calculating the marketings of a producer, any chicken broiler which is not of an acceptable market quality.

Allotments to associated producers
42(1) If two or more producers are associated, the Board may treat the allotments and quotas allotted to one of them as having been allotted to any of them.

M.R. 84/2008

Acquisitions of interests in excess of maximum allotment prohibited
42(2) Notwithstanding anything contained in this Order, but subject to sections 43, 44 and 54, the Board will take appropriate action to prevent any person from acquiring control of or acquiring a direct or indirect interest in allotments in excess of maximum allotment.

M.R. 84/2008

Exception for grandfathered operations in excess of maximum allotment
43 Notwithstanding section 42, the Board may

(a) approve the reallotment of a quota and allotment in excess of maximum allotment to a person who does not have a direct or indirect interest in a quota or allotment at the time of such reallotment; and

(b) suspend the provisions of section 48 if the proposed new beneficial or legal owner does not have a direct or indirect interest in a registered producer at the time of the transfer of beneficial or legal ownership to such proposed new owner.

Exception for financial assistance to children
44 Notwithstanding section 42, the Board may approve the provision of financial assistance by a registered producer to one or more children of the registered producer, or of a shareholder of a registered producer, or of a partner of a registered producer, for the purpose of enabling such child or children to acquire facilities and to become a registered producer. Any such approval will be subject to the applicants' satisfying the Board that

(a) the chicken broiler production business of the child or children will be completely separate from and independent of the chicken broiler production business of such registered producer (i.e. the businesses will be carried on on separate parcels of land, in separate facilities; there will be no sharing on a day-to-day basis of labour; there will be no commingling of supplies or feed; there will be no mutual ownership of any assets used in the businesses; there will be no sharing of profits or losses; the parties keep and maintain separate financial statements and file income tax returns as separate entities);

(b) such financial assistance is unsecured, directly or indirectly, with respect to the facilities and chicken broilers owned by the child or children; and

(c) the chicken broiler production business to be carried on by the child or children of the registered producer will operate completely independent of the registered producer.

The applicants shall provide the Board with an Undertaking in a form acceptable to the Board with respect to the matters set out in clauses (a) to (c) above.

Step-transactions prohibited
45 Notwithstanding anything contained in this Order, the Board will take appropriate action to prevent a person from acquiring control of, or acquiring a direct or indirect interest in allotments or quotas through a process:

(a) that involves more than one application to the Board; or

(b) that does not disclose to the Board, in conjunction with an application to the Board for any re-allotment of an allotment or quota, particulars of all contemplated or proposed future transactions which may involve

(i) a subsequent reallotment of an allotment or quota,

(ii) a future change in the legal or beneficial ownership of an entity, or

(iii) an application to transfer an allotment or a quota from one facility to another facility.

PART X
CHANGES IN BENEFICIAL OWNERSHIP OF REGISTERED PRODUCERS

Special definitions
46 In this Part,

"**controlling party**" means a person who directly or indirectly is the legal or beneficial owner of an aggregate of more than 50% of any class of the issued shares of, assets of, or interest in an entity;

"**entity**" includes an association, partnership, body corporate, trust or other organization;

"**substantial holder**" means a person who directly or indirectly is the legal or beneficial owner of an aggregate of 10% or more of any class of the issued shares of, assets of, or interest in an entity;

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

M.R. 15/2013

Transfers by a substantial holder

47 In the event 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 such interest, the Board may cancel or reduce the quotas and allotments of such registered producer unless the parties to such transfer have requested in writing that the Board waive this provision and have each provided the Board, by Statutory Declaration and Certificate in a form acceptable to the Board, with full particulars of the proposed transfer, and any other information with respect to the assets and liabilities of the entity at the effective date of such transfer, and the Board has in its discretion waived this provision either conditionally or unconditionally.

The registered producer and the parties to the transfer 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 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 reallotment 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 waiver unless such party has first received the approval of the Manitoba Council to such application.

M.R. 110/2007

Grounds for non-waiver re transfer

48 Subject to section 43, the provisions of section 47 will not be waived by the Board if the Board has reasonable grounds for believing that as a result of such transfer a person would have a direct or indirect interest in allotments which aggregate in excess of maximum allotment.

Bankruptcy or receivership of a controlling party

49 In the event a controlling party in an entity that is a registered producer becomes bankrupt or applies for a receiving order or has a receiving order made against it or takes the benefit of any Act for the time being in force for the relief of insolvent debtors, or if a receiver is appointed with respect to any interest of the controlling party in such registered producer, the Board may cancel or reduce the quotas and allotments of such registered producer unless the registered producer or the trustee or receiver requests in writing that the Board waive this provision and provides the Board, by Statutory Declaration and Certificate in a form acceptable to the Board, with full particulars of such happening and the Board has in its discretion waived this provision either conditionally or unconditionally, provided however that the Board will only waive such provision on a temporary basis, and on terms and conditions, in order to allow the Trustee in Bankruptcy or Receiver reasonable time to dispose of such interest in the controlling party.

False or misleading information re transfers

50 In the event that the Board has reasonable grounds for believing that any information provided to it by Statutory Declaration or Certificate is false or misleading, or that any conditions established by the Board in waiving the provisions of section 47 or section 49 have not been met by the parties, the Board may cancel or reduce the quota and allotment of the registered producer whether or not the provisions of section 47 or section 49 have been previously waived by the Board.

Reduction of requirements re certain transfers

51 The Board may establish policies from time to time reducing its requirements under section 47

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, or

   (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,

   (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 66 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 50% 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

(A) 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

(B) the Board has obtained the approval of the Manitoba Council to waive the requirements under section 47 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 of such partnership is transferred to 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 50% or less of the entitlement of the partners to the profits of the partnership and 50% or less 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

(A) 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

(B) the Board has obtained the approval of the Manitoba Council to waive the requirements under section 47 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.

M.R. 15/2013

PART XI
ASSOCIATION OF REGISTERED PRODUCERS

Deemed association
52(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) if 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.

M.R. 84/2008

Association of producers
52(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.

M.R. 84/2008

Association of registered producers
53 In the event that are registered producer is or becomes associated with another registered producer, the Board may cancel or reduce the quotas and allotments 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.

M.R. 110/2007; 84/2008

Grounds for non-waiver re association

54 The provisions or section 53 will not be waived by the Board if the allotments allotted to such associated producers aggregate more than maximum allotment or if the Board has reasonable grounds for believing that a person would directly or indirectly have a legal or beneficial interest in allotments which aggregate more than maximum allotment; 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 allotments to such producers do not exceed 200% of maximum allotment.

M.R. 84/2008

False or misleading information re association

55 In the event that the Board has reasonable grounds for believing that any information provided to it by Statutory Declaration or Certificate is false or misleading, or that any conditions established by the Board in waiving the provisions of section 53 have not been met by the parties, the Board may cancel or reduce the quotas and allotments of the registered producers whether or not the provisions of section 53 have been previously waived by the Board.

PART XII
REALLOTMENT OF QUOTA AND ALLOTMENT

Complete farm sales

56 In the event a registered producer sells the land, buildings, and equipment used by such producer in producing chicken broilers, the Board may reallot the quotas and allotments used in association with such facility to any purchaser provided it is satisfied that no value has been attributed to such quotas and allotments and that no more than fair market value has been paid for such facility.

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

The applicants will each be required to provide a Statutory Declaration in a form acceptable to the Board confirming the sale and 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.

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 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 reallotment 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 reallotment unless such party has first received the approval of the Manitoba Council to such application.

In the event that the Board has reasonable grounds for believing that any information provided in a Statutory Declaration or any requested Certificate is false or misleading, the Board may reduce or cancel the quotas and allotments in question, whether or not such quotas and allotments were reallotted.

M.R. 110/2007

Sale of moveable buildings and equipment

57 In the event a registered producer sells a building used by such producer in producing chicken broilers, the Board may reallot the quotas and allotments used in association with such building (and any equipment included in such sale) to such purchaser provided it is satisfied that:

(a) the condition of such building allows for the moving of the building to a new foundation on property owned by the purchaser;

(b) the condition of such building and any such equipment included in such sale is such that same is capable of being used for a minimum period of five years after relocation and installation on the new foundation;

(c) no more than fair market value has been paid for such building and equipment; and

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

In applying this provision the Board may require an appraisal of the building and equipment by a qualified appraiser to ascertain the fair market value of the building and such equipment using an appraisal method or methods approved by the Manitoba Council, such costs to be borne by the applicant(s). In ascertaining whether no more than fair market value has been paid for the building and such equipment, the costs of removing such building and equipment and relocating same on a new foundation on property owned by the purchaser shall be borne by the purchaser and shall be deducted from the appraised value of such building and equipment.

The applicants will each be required to provide a Statutory Declaration in a form acceptable to the Board confirming the sale and purchase consideration (both direct and indirect) and any of the matters set out above. 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.

The purchaser will be required to give to the Board a written undertaking, in a form satisfactory to the Board, verifying that the purchaser will use such building and equipment in connection with the reallotted quotas and allotments for a minimum of five years after relocation and installation of such building and equipment on such new foundation.

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 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 reallotment 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 reallotment unless such party has first received the approval of the Manitoba Council to such application.

In the event that the Board has reasonable grounds for believing that any information provided in a Statutory Declaration or any requested Certificate is false or misleading, the Board may reduce or cancel the quotas and allotments in question, whether or not such quotas and allotments were reallotted.

M.R. 110/2007

Lease of complete farm

58 In the event a registered producer leases or licenses the land, buildings, and equipment used by such producer in producing chicken broilers, for a term not to exceed two (2) years in length, the Board may temporarily reallot the quotas and allotments used in association with such 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 such quotas and allotments and that no more than fair market rental for such facility is being paid under the lease or license arrangement directly or indirectly for the lease of such facility, or any other assets included in such lease (including any transaction with respect to chicken broilers).

In applying this provision the Board may require an appraisal of the facility to ascertain the fair market rental of the facility using an appraisal method or methods approved by the Manitoba Council, such cost to be borne by the applicant(s).

The applicants will each be required to provide a Statutory Declaration in a form acceptable to the Board confirming the rental consideration (both direct and indirect). All agreements between the registered producer and the lessee (including a detailed listing of all assets included in such lease) shall be appended to such Statutory Declaration.

In the event that the Board has reasonable grounds for believing that any information provided in a Statutory Declaration or any requested Certificate is false or misleading, the Board may reduce or cancel the quotas and allotments in question, whether or not the quotas and allotments were temporarily reallotted.

At the end of the lease term such quotas and allotments shall automatically be reallotted by the Board back to the lessor. Any extension or renewal of a term under a lease will be treated as a new lease.

Bankruptcy or receivership of a registered producer

59 Notwithstanding clause 29(c), where a person who is a registered producer becomes a bankrupt or applies for a receiving order or has such an order made against such person or takes the benefit of any Act for the time being in force for the relief of insolvent debtors, or if a receiver is appointed with respect to the production assets of a registered producer, the Board may, upon written request of the Trustee in Bankruptcy or the Receiver, temporarily reallot to the Trustee in Bankruptcy or Receiver, the quotas and allotments allotted to such producer upon terms and conditions as may be established by the Board at the time of such temporary reallotment.

Reallotment of quota and dispensing with financial information on death, disability or retirement

60 In the event of the death, disability or retirement of an individual who is a registered producer, the Board may, on written request of such registered producer or of the personal representative of such deceased registered producer, reallot the quotas and allotments allotted to such registered producer to the heir or designated member of such registered producer's immediate family

(a) who becomes the owner of the chicken broiler production business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for keeping chicken broilers; or

(b) who becomes the owner of the chicken broiler production business carried on by the registered producer and of any assets owned by such registered producer in connection with such business, and becomes entitled to possession of the land and buildings used by such registered producer in connection with such business as the successor in possession to such registered producer;

without the necessity to provide the Board with an appraisal of the facility or confirmation of any sale and purchase consideration.

Reallotment of quota and dispensing with financial information on establishment of family partnership

61 Where an individual who is a registered producer enters into a partnership with a member of such register producer's immediate family, the Board may, on written request of such registered producer, reallot the quotas and allotments allotted to such registered producer to such partnership

(a) which becomes the owner of the chicken broiler production business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for producing chicken broilers; or

(b) which becomes the owner of the chicken broiler production business carried on by the registered producer and of any assets owned by such registered producer in connection with such business, and becomes entitled to possession of the land and buildings used by such registered producer in connection with such business as the successor in possession to such registered producer;

without the necessity to provide the Board with an appraisal of the facility or confirmation of any sale and purchase consideration.

Reallotment of quota and dispensing with financial information on establishment of a corporation

62 Where an individual who is a registered producer incorporates a corporation controlled by such individual and/or members of such individual's immediate family, or where the partners who are registered producers incorporate a corporation owned by themselves in the same proportion as they owned interests in the partnership, or where a registered producer which is a corporation incorporates a wholly owned subsidiary, the Board may, on written request of such registered producer, reallot the quotas and allotments allotted to such registered producer to such corporation or subsidiary

(a) which becomes the owner of the chicken broiler production business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for producing chicken broilers; or

(b) which becomes the owner of the chicken broiler production business carried on by the registered producer and of any assets owned by such registered producer in connection with such business, and becomes entitled to possession of the land and buildings used by such registered producer in connection with such business as the successor in possession to such registered producer;

without the necessity to provide the Board with an appraisal of the facility or confirmation of any sale and purchase consideration.

Partial and complete reallotment of quota to related persons

63 The Board may, upon application of a registered producer in writing, (herein called "the applicant") reallot all or a portion of the quotas and allotments allotted to such applicant to another person who is not a registered producer (herein called "the recipient") 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 which 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. For the purpose of this provision a daughter-Hutterite Colony shall mean a Hutterite Colony recently created as a result of the division of the assets and the membership of a Hutterite Colony;

provided that no such reallotment will be made until

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

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

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

The applicants will each be required to provide a Statutory Declaration in a form acceptable to the Board setting out the information specified therein and in the event that the Board has reasonable grounds for believing that any information provided in a Statutory Declaration or an Application is false or misleading, the Board may cancel or reduce the quotas or allotments in question, whether or not such quotas or allotments were reallotted.

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 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 reallotment 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 reallotment unless such party has first received the approval of the Manitoba Council to such application.

M.R. 110/2007

Consolidation of existing chicken production operations

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

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.

The applicants will each be required to provide a Statutory Declaration in a form acceptable to the Board confirming such information as may be requested by the Board. All agreements between the applicants and with the intended recipient must be appended to such Statutory Declaration.

In the event the Board has reasonable grounds for believing that any information provided in a Statutory Declaration is false or misleading, the Board may reduce or cancel the quotas and allotments in question, whether or not such quotas and allotments were reallotted.

The applicant and the intended recipient will each be required to give 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 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 reallotment 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 reallotment unless such party has first received the approval of the Manitoba Council to such application.

M.R. 110/2007

Reallotment and maximum allotment

65 Subject to section 43, no quota or allotment will be reallotted to an applicant corporation or partnership if

(a) any beneficial shareholder of such applicant corporation or any beneficial owner of the assets of such applicant partnership is

(i) a registered producer,

(ii) a beneficial shareholder in a corporation which is a registered producer, or

(iii) a beneficial owner of the assets of a partnership which is a registered producer,

that has been allotted allotments which are equal to or aggregate in excess of maximum allotment; or

(b) the Board has reasonable grounds for believing that as a result of such reallotment a person would directly or indirectly control or have an interest in allotments which aggregate more than maximum allotment.

PART XIII
RETIREMENT AND BASIC ALLOTMENT REALLOCATION SYSTEM

Reallotment under system
66 Quotas and allotments may be cancelled and reallotted by the Board as a result of and in accordance with the procedure set out in the Schedule.

Acceptance of applications discretionary
67 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 Basic Allotment Reallocation System for such reasons or on such terms as they deem appropriate.

PART XIV
FACILITIES

Quota to be allotted for a facility
68 In allotting a quota to a registered producer, the Board may specify the facility in or on which the producer's chicken broilers, or any portion of such chicken broilers, must be produced.

Facility capacity
69 The Board may certify the capacity of the facility of each registered producer from time to time. Such certified capacity shall only include usable production floor space (excluding service rooms).

Production standards
70 It is the condition of an allotment of a quota to a registered producer that such registered producer

(a) equip and operate the facility in or on which such producer produces chicken broilers in such a manner as to provide adequate production floor space, proper ventilation, heating, feed and water, and sanitation for the chicken broilers kept in such facility and in accordance with the applicable provisions of the On-Farm Food Safety Assurance Program;

(b) otherwise care for and handle chicken broilers raised or kept by such producer in accordance with the applicable provisions of the "Recommended Code of Practice for the Care and Handling of Farm Animals - Chickens, Turkeys and Breeders from Hatchery to Processing Plant" distributed by Canada Agri-Food Research Council and in accordance with the applicable provisions of the On-Farm Food Safety Assurance Program; and

(c) allow representatives of the Board to enter such facility, inspect such facility and to take samples from such facility as well as observe and monitor production and marketing activities within such facility.

Relocation and consolidation of facilities

71 Subject to section 74, in the event that a registered producer has been allotted a portion of the quotas and allotments allotted to such producer for one facility and a portion for another facility or facilities, such producer may apply to the Board to transfer all or a portion of such quotas and allotments from one facility to another facility or facilities on a temporary or permanent basis. A registered producer may make application to relocate such producer's production facility to a new location.

Information and creditor consent for relocation

72 In conjunction with an application under section 71, a registered producer must provide the Board with such information as the Board may require and such consents which the Board may request from any creditor who has been given security on the facilities used by the registered producer.

Emergency relocation

73 The Board may allow a registered producer to temporarily relocate such producer's production and marketing activities to another location in the event of an emergency even if such producer is not the registered owner or the sole operator of the facility on that new location.

No application for change of facility for five years

74 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) reallots the quotas and allotments allotted to a registered producer pursuant to Part XII;

it shall be a condition of such reallotment or such approval that the applicants for such approval or reallotment must acknowledge that only in the event of an unforeseen contingency acceptable to the Manitoba Council will a party be permitted to apply to transfer such quotas and allotments from the facility specified for use in connection with such quotas and allotments at the time of the change, association or reallotment, to a facility located on another property for a period of at least five years following the approval of such change, association or reallotment.

M.R. 110/2007

Exception from five year moratorium on applications

75 The Board may exempt a person from the provisions of section 74 with respect to a transfer or change of the nature outlined in section 51, or with respect to the reallotment of quotas and allotments pursuant to sections 60 to 62 inclusive.

Examination of facilities
76 It is the condition of the allotment of a quota to a registered producer that such registered producer allow any duly authorized representative of the Board to examine and measure the interior and exterior dimensions of such producer's facility from time to time for the purpose of certification or re-certification of such facility by the Board and to examine such facility to ensure compliance of same with the provisions of section 70. Prior to such examination, the Board will give reasonable notice to such registered producer of its intention to conduct such examination.

PART XV
APPLICATION AND EXEMPTIONS

Application of Order
77 This Order applies only to the production or to the marketing of chicken broiler in intra-provincial trade.

Non-application of Order re commercial hatcheries
78 This Order does not apply to the production of chicken broiler by a commercial hatchery registered under *The Livestock and Livestock Products Marketing Act* which holds a certificate of hatchery accreditation from the Canadian Food Inspection Agency.

Limited non-application of Order re chick marketings
79 This Order does not apply to the marketing of chicken broiler less than ten days old

(a) pursuant to the terms of a Chick Placement Permit issued to the buyer of such chicken broilers; or

(b) if less than 1,000 of such chicken broilers are marketed by a vendor to the same recipient in a calendar year.

Exemption in Plan from Order
80 This Order is subject to the provisions of section 29 of the Plan which presently reads as follows:

"**Non-application**"
29 The provisions of this plan applicable to the production and marketing, or both, of chicken broilers, except sections 14 to 16, and section 28, do not apply to a person who produces fewer than 1,000 chicken broilers in a calendar year, or to any person who has provided the board with a satisfactory undertaking that he or she will market fewer than 1,000 chicken broilers in a calendar year, provided that such person markets fewer than 1,000 chicken broilers in that year."

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Repeal

81 The *Chicken Broiler Quota Order*, Manitoba Regulation 298/89, is repealed.

July 17, 2006

MANITOBA CHICKEN PRODUCERS:

Waldie Klassen, Chair

Wayne Hiltz , Secretary

APPROVED
November 20, 2006

MANITOBA FARM PRODUCTS MARKETING COUNCIL:

David Gislason, Chair

Gordon H. MacKenzie, Secretary

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SCHEDULE
(Section 66)

RETIREMENT AND BASIC ALLOTMENT 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 30 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 32 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 Basic Allotment 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 category under the System upon payment of an administration fee pursuant to the procedure set out in this Schedule;

"**bidder**" means a registered 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 Basic Allotment Reallocation System;

"**eligible person**" means a person who is not a registered producer and who has met the criteria set out in section 4 of this Order;

"**Notification List**" means the List maintained by the Designated Staff pursuant to section 12 of this Schedule;

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

"**offeror**" means a registered producer who in the opinion of Designated Staff has submitted an Offer in an acceptable form with respect to quota units allocated to that registered producer by the Board;

"**quota unit**" means a basic allotment equal to one kilogram of chicken broiler of a category;

"**Reallocation Day**" means the day on which a Retirement and Basic Allotment Reallocation Program is operated;

"**Retirement and Basic Allotment Reallocation Program**" means the procedure operated from time to time pursuant to this Schedule, whereby a registered producer may offer to have the whole or a portion of the quota units of a category allotted to such registered producer cancelled in the manner provided in this Schedule, and a registered producer or an eligible person may request that quota units of a category be allotted to such registered producer 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 basic allotment reallocation system administration

4 The Retirement and Basic Allotment 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 Basic Allotment 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 Basic Allotment Reallocation Program.

Except as provided in subsection 7(11) and section 13, 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 Basic Allotment Reallocation Program from time to time. The Designated Staff may accept a Bid or an Offer, or an amendment or a withdrawal of 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 Each Offer must be accompanied by a non-refundable application fee. The amount of the application fee will be established by Resolution of the Board from time to time. 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 Basic Allotment 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 each quota unit cancelled.

Retirement and basic allotment reallocation program procedures

7(1) Designated Staff may operate a Retirement and Basic Allotment Reallocation Program for each category on or before the sixth regular business day of the month following the month in which notification is given by the Board to registered producers of such Program.

7(2) Designated Staff may cancel, or may postpone, for up to seven days at any time, the operation of any Retirement and Basic Allotment Reallocation Program for a category for any reason they deem advisable.

7(3) A person wishing to submit an Offer must do so in writing, either by letter or telefax, in a form satisfactory to the Designated Staff, to the Board's head office.

7(4) Each Offer on a particular Retirement and Basic Allotment Reallocation Program must include any necessary application fee established by the Board for processing an Offer, together with the following information:

(a) the number of quota units offered for cancellation;

(b) the category of the quota units offered;

(c) the minimum retirement payment to the nearest cent per quota unit which the offeror is willing to accept upon cancellation of the quota units offered for cancellation;

(d) the name, address and signature of the offeror;

(e) the Producer Registration Number of the offeror.

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(5) Upon receipt of an Offer in an acceptable form, the Designated Staff shall determine the Reallocation Day for the operation of a Retirement and Basic Allotment Reallocation Program to deal with the Offer, and shall cause a notice to be mailed to each registered producer indicating the fact that an Offer has been received; the number of quota units offered for cancellation; the minimum retirement payment which the offeror is willing to accept upon cancellation of the quota units offered for cancellation; and the Reallocation Day. Provided the number of quota units offered for cancellation are at least 30,000 quota units, such notice shall also be mailed to each person on the Notification List.

7(6) A person wishing to submit a Bid on a Retirement and Basic Allotment Reallocation Program must do so in writing, either by letter or by telefax, in a form satisfactory to the Designated Staff, to the Board's head office, which must be received prior to 4:00 p.m. of the last working day before the month in which the Retirement and Basic Allotment Reallocation Program is to be held.

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Each Bid on a particular Retirement and Basic Allotment Reallocation Program must include the following information:

(a) the number of quota units requested for allotment;

(b) the category of the quota units requested;

(c) the administration fee, to the nearest cent per quota unit, which the bidder is willing to pay upon allotment of the quota units requested for allotment;

(d) the name, address and signature of the bidder;

(e) the Producer Registration Number of the bidder, where applicable.

Only one quantity of quota units may be specified in any Bid.

A registered producer may indicate on a Bid, in a form satisfactory to the Designated Staff, that, if the Bid is successful, a portion of the quota units requested are to be allocated to one or more other registered producers provided that the provisions of section 8 are met by each such registered producer.

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 payable to the Board (or other method of payment or security for payment acceptable to the Designated Staff) 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 Retirement and Basic Allotment Reallocation Program is to be held.

7(7) In the case of an omission or defect in a Bid or in 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 him/her 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(8) A Bid may be amended or withdrawn, provided such withdrawal or amendment is in writing and in the form of a letter or a telegram or a telefax 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 Retirement and Basic Allotment Reallocation Program is to be held. Such withdrawal or amendment must be clear and unambiguous and must identify 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.

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7(9) As provided in section 67 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 such decision in writing to the Board.

7(10) On each Reallocation Day, the Designated Staff shall qualify all valid Bids for the quota units offered for cancellation where the administration fee set out in a Bid is at least equal to the minimum retirement payment set out in the Offer. In the event only one such qualified Bid is received for the quota units offered for cancellation, that Bid will be deemed to be the successful Bid. In the event more than one such qualified Bid is received for the quota units offered for cancellation, the Bid offering the highest administration fee per quota unit will be deemed to be the successful Bid. In the event two or more such qualified Bids offering the highest administration fee per quota unit are identical, the Designated Staff shall conduct a lottery among such identical Bids to determine the successful Bid.

In the event the successful Bid offering the highest administration fee per quota unit is less than the number of quota units offered, the qualified Bid offering the next highest administration fee per quota unit where the administration fee is at least equal to the minimum retirement payment set out in the Offer will be deemed to be the next successful Bid with respect to all or a portion of the balance of the quota units offered for cancellation.

To the extent that the aggregate of the quota units comprising the qualified Bids deemed to be successful aggregate less than the number of quota units offered for cancellation, the qualified Bid offering the next highest administration fee per quota unit where the administration fee is at least equal to the minimum retirement payment set out in the Offer will be deemed to be the next successful Bid with respect to all or a portion of the balance of the quota units offered for cancellation, and such process shall be repeated until the successful Bids aggregate the number of quota units offered for cancellation. As a result of this process, in the event two or more such qualified Bids offering the highest administration fee per quota unit are identical, and the number of remaining quota units offered for cancellation are less than the aggregate of such Bids, the Designated Staff shall distribute the quota units rateably among such identical Bids.

In the event, as a result of the above procedure, the successful Bids still aggregate less than the number of quota units offered for cancellation the Designated Staff shall then qualify all valid Bids for the quota units offered for cancellation where the administration fee set out in the Bid is less than the minimum retirement payment set out in the Offer. The qualified Bid in this second grouping offering the next highest administration fee per quota unit will be deemed to be the next successful Bid with respect to all or a portion of the balance of the quota units offered for cancellation and such process shall be repeated until such successful Bids aggregate the number of quota units offered for cancellation. As a result of this process, in the event two or more such qualified Bids from this grouping are identical, and the number of remaining quota units offered for cancellation are less than the aggregate of such Bids, the Designated Staff shall distribute the quota units rateably among such identical Bids. In the event, as a result of this second procedure the aggregate administration fees which would be payable upon allotment of the quota units requested for allotment is less than the aggregate minimum retirement payment requested with respect to the quota units offered for cancellation, the Program shall be cancelled and the Offer and all Bids shall be deemed to be unsuccessful.

7(11) Following the operation of a Retirement and Basic Allotment Reallocation Program, the Designated Staff shall report to the Board particulars of the Offer, the number of Bids received, the number of quota units in each Bid, the administration fee offered with each Bid, and any particulars of the successful Bid(s). 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 Basic Allotment Reallocation Program, the Board may pass a resolution to accept such results.

Following the acceptance of the results of a Retirement and Basic Allotment Reallocation Program, the Board will pass a resolution to allot quota units to the successful bidder(s) and to cancel quota units of the successful offeror in order to implement such results and will determine the effective date or the process for determining the effective date to apply to such allotment(s) and to such cancellation(s).

In the event a successful bidder indicated on the Bid that a portion of the quota units are to be allotted to another registered producer or producers, the Board will allocate the quota units in accordance with such indication.

The allotment of quota units to a successful bidder who is a registered producer will be effective as of the first day of the marketing cycle of that bidder which occurs after the effective date established by the Board for such allotment.

The allotment of quota units to a successful bidder who is an eligible person will be effective upon a date satisfactory to the Board and the eligible person for the commencement of the eligible person's first marketing cycle.

The cancellation of quota units allotted to a successful offeror will be effective as of the last day of the marketing cycle of that offeror which occurs after the effective date established by the Board for such cancellation.

7(12) Following the Board's consideration of the results of a Retirement and Basic Allotment Reallocation Program, each participant in the Retirement and Basic Allotment 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, the effective date of the allotment or cancellation.

7(13) All funds submitted by unsuccessful bidders and all excess administration fees submitted by successful bidders as proposed administration fees will be returned to such bidder.

Limits on bids and offers

8 An Offer which would result in the remaining basic allotment allocated to that offeror being reduced to a level below 30,000 kilograms of chicken broiler for that category will be rejected by the Designated Staff. Any offeror allotted a basic allotment of 30,000 kilograms of chicken broiler of a category or less must offer to cancel all such quota units of that category to be eligible to be an offeror on the Retirement and Basic Allotment Reallocation Program.

No Offer of less than 1,000 quota units will be processed.

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

A person who has been allocated an increase in basic allotment under subclause 9(c)(i) of this Order shall not be entitled to submit an Offer which would result in the basic allotment allotted to such person being reduced below the level established prior to such allotment for a minimum of five years following the effective date of such allotment.

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

No Bid by an eligible person of less than 30,000 quota units of a category will be processed.

Retirement fund

9(1) All administration fees paid to the Board by successful bidders will be allocated to the Retirement Fund.

9(2) All retirement payments made by the Board to successful offerors will be paid from the Retirement Fund.

Limitation re new producers

10 In the event a person is allotted a basic allotment (the "initial allotment") and becomes a registered producer pursuant to an application to the Board under section 6 of this Order, such person shall not be entitled to submit an Offer which would result in the basic allotment allotted to that person being reduced below the initial allotment for a minimum of five years from the date of such initial allotment.

Additional transfer assessment

11 In the event the basic allotment allotted to a producer under Box 2 of the Basic Allotment List is greater than the basic allotment allotted to such producer under Box 1 of such List (such difference being referred to as the "difference"), any successful Offer submitted by that the registered producer shall be reduced by an amount equal to such difference for a period of five years from the effective date of the allotment of the difference.

Notification lists

12 Any person who is not a registered producer and who wishes to participate in a Retirement and Basic Allotment 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.

Information

13 The Board will forward to each registered producer, in a form approved by the Manitoba Council, within 15 days following Board approval, the results of the Retirement and Basic Allotment Reallocation Program.

M.R. 110/2007