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

Root Crop Quota Order*

Regulation 12/95
Registered February 7, 1995

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* This order is made under the *Manitoba Vegetable Producers' Marketing Plan*, Manitoba Regulation 249/87 R and is Order No. 4, 1994 of Peak Vegetable Sales.

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PART I

DEFINITIONS

Definitions

1 In this Order

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

"**bunched carrots**" means a group of 4 to 12 carrots with green foliage attached;

"**common unit**" means in respect of

(a) carrots – 50 pounds,

(b) parsnips – 20 pounds,

(c) Spanish-type onions – 50 pounds, and

(d) cooking onions – 50 pounds;

"**consumer**" means an individual who purchases a regulated product for preparation and consumption by that individual and by members of that individual's immediate family;

"**crop year**" for each type of root crop means a period of time commencing July 1st in any calendar year and terminating when all root crops of that type grown and harvested in that calendar year by registered producers have been marketed;

"**delivery period**" for a type of root crop means a portion of a crop year during which each registered producer shall be entitled to market a portion of the annual marketing quota allotted to that producer for that type of root crop, provided that such producer has complied with notification procedures of the Board and has suitable root crop available for delivery;

"**delivery quota**" for a type of root crop means the amount of root crop of that type that a registered producer is entitled to market during a delivery period;

"**maximum quota**" means in respect of

(a) carrots – 140,000 common units,

(b) parsnips – 35,000 common units,

(c) Spanish-type onions – 60,000 common units, and

(d) cooking onions – 80,000 common units;

"**minimum annual marketing quota**" means in respect of

(a) carrots – 14,000 common units,

(b) parsnips – 3,500 common units,

(c) Spanish-type onions – 6,000 common units, and

(d) cooking onions – 8,000 common units;

"**non-quota delivery period**" for a type of root crop means a period of time when this Board is unable to meet the market demand for root crops of a type from the marketings available from producers within their delivery quotas, during which period of time registered producers who are actively marketing root crops of that type to this Board immediately prior to the commencement of such non-quota delivery period (or who have recently advised the Board of their willingness to market root crops of that type) will be invited to market a quantity of root crops of that type up to a specified amount (which marketings will not be counted as part of a producer's annual marketing quota or delivery quota for that type), in order that this Board might meet the market demand for root crops of that type during that period of time;

"**open delivery period**" for a type of root crop means a portion of a delivery period during which time each registered producer may market to this Board a portion of that producer's root crops of that type in excess of that producer's delivery quota for that type, in order that this Board might meet the market demand for root crops of that type;

"**open quota**" means that portion of the annual marketing quota allotted to a producer which may be marketed during an open delivery period;

"**registered producer**" means a registered root crop producer;

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

"**root crops**" includes the following:

(a) carrots,

(b) parsnips,

(c) onions;

"**type**" or "**type of root crop**" means

(a) carrots, or

(b) parsnips.

M.R. 79/2016; 85/2016; 110/2016; 39/2017

PART II

QUOTA ALLOTMENT

Criteria for allotment of quota

2 Each applicant for the allotment of a quota must be the registered owner or the sole operator of land and equipment on which all root crops harvested by such person are grown.

Application for quota and increases in quota

3(1) Any registered producer wishing to engage in the marketing of a type of root crop shall make application to the Board for the allotment of a quota for each type of root crop such producer wishes to grow or harvest. Every application shall be in writing in a form prescribed by the Board and must be signed by the applicant and forwarded to the head office of the Board.

3(2) Any registered producer wishing an increase in an annual root crop quota for a type of root crop shall make application to this Board for such an increase. Each application shall be in writing and shall be in a form prescribed by this Board and must be signed by the applicant and forwarded to the head office of this Board between December 1 and December 31st in each year. Subject to the applicant meeting any criteria established by this Board, the applicant's name shall be placed on the appropriate waiting list of this Board for an increase in such quota for the following crop year. Once quotas have been established for that type of root crop for that crop year, such waiting list shall be cancelled.

M.R. 131/95

Waiting list for allocation of quota

4 Any individual wishing to engage in the marketing of a type of root crop shall make application to the Board for the allotment of an annual marketing quota for that type. Each application shall be in writing in a form prescribed by the Board and must be signed by the applicant and forwarded to the head office of this Board. Subject to the applicant meeting any criteria established by the Board, the applicant's name shall be placed on a waiting list of the Board for the allocation of an annual marketing quota of that type.

Any waiting list shall be effective for the period beginning January 1st of one year and terminating February 28th of that year (the "Allocation Period"). Applications to be placed on a waiting list will be accepted between December 1st and December 31st in the preceding year (the "Application Period"). Following December 31st of each year the Board will conduct a draw from the applications received during the Application Period to determine the order in which such applications will be placed on the waiting list for the Allocation Period. At the end of each Allocation Period the waiting list shall be cancelled and a new waiting list shall be established.

M.R. 84/95

PART III

ANNUAL MARKETING QUOTAS

Determination of annual marketing quotas

5 Subject to the provisions of the Plan, the Regulations and this Order, the annual marketing quota for each type of root crop allotted to a registered producer shall be equal to the annual marketing quota for that type of root crop allotted to such producer in the preceding crop year.

Notice of annual marketing quotas

6 The Board will advise each registered producer of the annual marketing quota(s) allotted to that producer on or about March 1st in each year and will advise that producer of any changes in such quotas from time to time.

M.R. 84/95

New and increased annual marketing quotas

7 Before March 1 in each year, the Board will analyze the potential production for each type of root crop by registered producers and the potential markets available for Manitoba produced root crops of each type. If after allowing for possible yield variations, the Board expects that the aggregate potential production in Manitoba for a type of root crop will not meet potential markets available for the type of root crop (in this section referred to as the "shortfall"), the Board may allot additional annual marketing quotas for the type of root crop equal to the shortfall in accordance with the following rules:

1. Approximately 1/3 of the shortfall is to be allocated to applicants who have not previously been allotted an annual marketing quota for the type of root crop and have applied for registration and an annual marketing quota for that type. For this purpose, annual marketing quotas are to be allotted to applicants who have met all of the criteria of the Board in the order of priority determined in accordance with section 4. No person may be allotted an annual marketing quota under this provision in excess of minimum annual marketing quota for that type of root crop.

2. Approximately 1/3 of the shortfall is to be allocated by increasing the annual marketing quota for the type of root crop of each registered producer who has been allotted an annual marketing quota for the type that is less than the average marketing quota of registered producers of the type if

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

    (b) the Board is satisfied that the producer has or will have marketed an amount of root crop of that type during the current crop year equal to 90% of the annual marketing quota allotted to the producer for that type;

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

3. The balance of the shortfall is to be allocated as annual marketing quota equally among registered producers who marketed root crops of that type in the previous crop year and applied for increases in the annual marketing quotas allotted to them. No producer may be allotted an increase in an annual marketing quota under this rule unless the Board is satisfied that the producer has marketed or will be able to market an amount of root crop of that type equal to at least 90% of the annual marketing quota allotted to the producer for that type during the current crop year (catastrophes excepted).

M.R. 84/95; 79/2016; 85/2016

Annual marketing quota not to exceed maximum quota
8 Notwithstanding anything set out in section 7, the aggregate annual marketing quota allotted to a registered producer shall not exceed maximum quota.

PART IV

DELIVERY SYSTEM

Delivery periods
9 This Board shall from time to time establish the method by which the termination date for delivery periods will be fixed for each type of root crop. If a delivery period for a type of root crop does not coincide with the pool period for that type of root crop, the Board will attempt to ensure that each eligible registered producer has an opportunity to deliver a proportionate share of that producer's delivery quota in each pool period.

Delivery quotas
10 Delivery quotas for each type of root crop (except pickling onions) are allotted to registered producers in accordance with the following rules:

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

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

M.R. 79/2016; 85/2016

Other delivery quotas
11 Delivery quotas for pickling onions will be allotted to registered producers who have been allotted an annual marketing quota for pickling onions based upon the anticipated market demand for pickling onions during a delivery period, and the proportionate share that each producer's annual marketing quota for pickling onions bears to the total of all annual marketing quotas for pickling onions allotted by the Board.

Notice prior to delivery

12 In each crop year each registered producer must give the Board at least 48 hours notice of that producer's desire to be placed on the delivery order list for each type of root crop and to commence deliveries for that type of root crop in that crop year. Satisfactory evidence of adequate size and maturity of each type of root crop shall be provided to the Board by the producer at the time of such notification.

Delivery order required

13 Each registered producer must obtain a delivery order or delivery order number from the Board office before delivering root crop to the Board.

Deletion from delivery order list

14 A registered producer will be removed from the current delivery order list for a type of root crop if that producer refuses or fails to fill a delivery order within a reasonable period of time after receiving 24 hours notice from the Board to deliver such type to the Board. No day in which the Board's plant is closed for business shall be included in determining the 24 hour period.

M.R. 131/95

Discontinuing deliveries re inferior quality

15 A registered producer whose root crops, in the Board's opinion, do not meet market requirements due to breakdown or inferior quality will be required to discontinue deliveries and will be removed from the delivery order list until such time as that producer can satisfy this Board that such producer has root crops of that type of an acceptable quality. It is the responsibility of each producer to follow proper procedure and to exercise precautions to ensure that such producer's root crops meet market requirements. In cases where the Board has withheld issuing delivery quotas to a producer because of quality problems, the Board may, by resolution, permit the resulting loss of delivery quota to be recovered in future delivery periods.

Resumption of accepting delivery orders

16 In the event that a registered producer is removed from a delivery order list for that type of root crop for any reason, such producer will not be placed on the delivery order list for that type of root crop until such producer has given the Board at least 48 hours advance notice of again wishing to commence deliveries and has provided the Board with satisfactory evidence that such producer is in a position to fill such delivery orders for that type of root crop. The onus of giving notice to this Board of such desire to resume delivery shall be upon the producer.

Pro-rating of root crop deliveries

17 A registered producer wishing to start deliveries part way through any delivery period will be given that portion of that producer's delivery quota equal to the percentage of delivery quota producers generally have left to be delivered during that delivery period.

Non-quota delivery period and open delivery period

18 Where, in the opinion of the Board, market demand makes it desirable to do so, a non-quota delivery period or open delivery period may be commenced by the Board for a specific grade, quality, or class of a type of root crop, without necessarily extending such period to other grades, qualities, classes or types of root crop.

Termination of non-quota or open delivery period

19 Before terminating a non-quota delivery period or an open delivery period for a type of root crop, the Board will endeavour to give at least one full business day's notice of such termination to registered producers who are able, and have been called upon to supply market demand during such non-quota delivery period or open delivery period. During such notice period no producer shall be entitled to deliver more than the average amount of that type which such producer delivered each day such producer delivered that type to the Board during such non-quota delivery period or open delivery period.

Non-quota deliveries not counted as annual marketing quota

20 Except for the purpose of calculating the amount of any type of root crop marketed by a producer in a crop year under Part VII hereof, deliveries made during a non-quota delivery period with the permission of the Board will not be considered part of, or entered against the producer's annual marketing quota for that crop year.

Surplus to quota deliveries

21 Once all registered producers have been given an opportunity to deliver a quantity of root crop of a type equal to the aggregate annual marketing quotas allotted to them for that type, the Board may declare a non-quota delivery period for that type of root crop. During such non-quota delivery period each registered producer who has been allotted an annual marketing quota for that type of root crop will be entitled to market an equal quantity of root crop of that type.

PART V

REDUCTION OR CANCELLATION OF ANNUAL MARKETING QUOTAS

Force majeure and stand downs

22 This Board may waive application of any provision of this Part if prior approval of this Board has been obtained to reduce or cease marketing root crop for a period of time, or if, in this Board's opinion, a producer's failure to market or reduction in marketings was beyond the control of that producer and such producer advised this Board in writing, in a form prescribed by the Board for such purpose, of the nature of such circumstances. In the event the circumstances beyond the control of a producer were related to the production or harvesting of root crop, such notification must be provided by the Board no later than June 30th of the year following the year in which such root crop was harvested.

M.R. 131/95

Reduction of annual marketing quotas for undermarketings

23 When a registered producer's annual marketings of any type of root crop in a crop year are less than 85% of the annual marketing quota for that type allotted to that producer for that crop year, the annual marketing quota for that type allotted to that producer for that next crop year shall be reduced by 1/3 of the difference between the annual marketing quota of that type allotted to that producer for that crop year and the actual marketings of that type by that producer during that crop year.

M.R. 131/95

Cancellation of annual marketing quotas
24 Where a registered producer has not marketed root crops of a type to or through this Board for a period of 2 consecutive crop years, the annual marketing quota allotted to that producer for that type of root crop shall be automatically cancelled.

Other reduction or cancellation of annual marketing quotas
25 In the event a registered producer is allotted new or increased annual marketing quota for any type of root crop in a crop year and, in the opinion of the Board, fails to produce sufficient root crop of that type in that crop year to enable such producer to market an amount of that type of root crop equal to the annual marketing quota allotted to that producer of that type, such new or increased portion of the annual marketing quota allotted to that producer for that type of root crop may be cancelled by the Board.

PART VI

OTHER REDUCTION OR CANCELLATION OF QUOTA

Cancellation of quotas on death, winding up, etc.
26 The Board may cancel an annual marketing quota allotted to a registered producer in the event of the death of the registered producer, the winding up or dissolution of a registered producer that is a corporation, or the dissolution of a registered producer that is a partnership.

Cancellation of quotas on cancellation of registration
27 The annual marketing quotas allotted to a person shall be automatically cancelled in the event that person ceases to be a registered producer.

Other reduction or cancellation of quota
28 The Board may suspend, reduce or cancel, either on a temporary basis or on a permanent basis, a quota

(a) as set out in this Order; or

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

(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 root crops grown and harvested by, or the land or facilities used by a producer; or

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

(i) deprive such producer of such producer's right to the proceeds from the marketing of root crops grown and harvested by such producer, or

(ii) require such producer to purchase a product or a service in connection with the marketing of root crops grown or harvested by such producer, or

(iii) obligate such producer with respect to the marketing of root crops grown or harvested by such producer in connection with the acquisition of a product or a service by such producer; or

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

PART VII

OWNERSHIP OF QUOTAS

Quotas belong to board
29 Annual marketing quotas belong to the Board.

Quota non-transferable by producer
30 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.

PART VIII

MARKETING PROHIBITIONS

No marketings without a quota
31 Unless otherwise directed by this Board, no person who grows or harvests root crops shall market a type of root crop unless an annual marketing quota has been allotted to such person in respect of that type of root crop.

Retirement and annual root crop quota reallocation system payments non-transferable
31.1 A person must not assign or offer to assign a payment or an entitlement to a payment or an anticipated payment from the retirement and annual root crop quota reallocation system to another person without the prior written consent of the Board.

M.R. 79/2016; 85/2016

No marketings in excess of annual marketing quota
32 Unless otherwise directed by this Board, no person who grows or harvests root crops shall market a type of root crop in any crop year in excess of the annual marketing quota for that type of root crop allocated to such person for that crop year.

No marketings in excess of delivery quota

33 Unless otherwise directed by this Board, no person who grows or harvests root crops shall market a type of root crop in any delivery period in excess of the delivery quota for that type of root crop allocated to such person for that delivery period.

PART IX

GENERAL

Unacceptable quality

34 Nothing in this Order requires the Board to include, in calculating the marketings of a producer, any root crops which are not of an acceptable market quality.

Effect of sharing

35(1) Where two or more persons grow or harvest root crops in partnership, or in circumstances where there is a sharing by them whether familial, communal, or otherwise, of the land, equipment, labour or services provided directly or indirectly by all or any of them, or pursuant to a contract jointly or severally with the same corporation, firm, or individual, for the purpose of this Order, the root crops grown, harvested or marketed by one of those persons may be treated by the Board as having been grown, harvested or marketed by the other or others, and the land on which one of those persons grows or harvests root crops may be treated by the Board as being the land on which the other or others grow or harvest root crops.

35(2) Notwithstanding subsection (1), the following activities by registered producers will not in themselves result in the type of treatment set out in subsection (1):

(a) the ownership or use of equipment not normally utilized on a day-to-day basis in producing or marketing the regulated product;

(b) the ownership or use of a facility to clean, grade or store a regulated product;

(c) the investment in or ownership of handling or transportation equipment or businesses;

(d) the formation of a purchasing group by which a registered producer may acquire supplies or equipment for use in the production or marketing of regulated product.

M.R. 140/2008

Acquisitions of interests in excess of maximum quota prohibited

36 Notwithstanding anything contained in this Order, but subject to section 37, the Board will take appropriate action to prevent any person from acquiring control of or acquiring a direct or indirect interest in quotas in excess of maximum quota.

Exception for financial assistance to children

37 Notwithstanding section 36, 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 land and facilities, and to become a registered producer. Any such approval will be subject to the applicants' satisfying the Board that

(a) the root crop production business of the child or children will be completely separate from the root crop production business of such registered producer (i.e. the businesses will be carried on on separate parcels of land; there will be no sharing on a day-to-day basis of facilities or labour; there will be no commingling of supplies; 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); and

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

(c) the root crop 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

38 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 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 a quota, particulars of all contemplated or proposed future transactions which may involve

(i) a subsequent re-allotment of a quota, or

(ii) a future change in the legal or beneficial ownership of an entity, or (iii) an application to transfer quota from one site to another site.

PART X

CHANGES IN BENEFICIAL OWNERSHIP OF REGISTERED PRODUCERS

Special definitions

39 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;

"**family corporation**" means a corporation in which all of the issued shares of the corporation are beneficially owned by individuals who are related to one another as parents, spouses, children, grandchildren, brothers, sisters, uncles, aunts, nieces, nephews, or the spouses or children of same;

"**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, purchase, mortgage, declaration of trust, or change in legal beneficial rights.

Transfers by a substantial holder

40(1) In the event all or part of the beneficial or legal ownership of an interest 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 annual marketing quotas 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.

40(2) The registered producer and each other party to the transfer must provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the party giving the undertaking will not apply

(a) for a retirement payment under the retirement and annual root crop quota reallocation system;

(b) for the approval of a change in the beneficial ownership of the registered producer under this section;

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

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

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

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

M.R. 79/2016; 85/2016

Grounds for non-waiver re transfer

41 The provisions of section 40 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 annual marketing quota(s) for a type of root crop which aggregate in excess of maximum quota for that type of root crop.

Bankruptcy or receivership of a controlling party

42 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 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

43 In the event that the Board has reasonable grounds for believing that any information provided to it by Statutory Declaration is false or misleading, or that any conditions established by the Board in waiving the provisions of section 40 or section 42 have not been met by the parties, the Board may cancel or reduce the annual marketing quotas of the registered producer whether or not the provisions of section 40 or section 42 have been previously waived by the Board.

Reduction of requirements re certain transfers

44 The Board may establish policies from time to time reducing its requirements under section 40

(a) with respect to the transfer of shares of a corporation;

(i) from an individual to a member of such individual's immediate family, or (ii) which is and after such transfer continues to be a family corporation unless 10% or more of the total outstanding shares of that class of the corporation are transferred; or

(iii) 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; and

(b) with respect to a change in the beneficial or legal ownership of an interest in a partnership that is a registered producer where the legal or beneficial ownership of an interest in such partnership is transferred from an individual to a member of such individual's immediate family; and

(c) 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.

PART XI

ASSOCIATION OF REGISTERED PRODUCERS

Deemed association

45 In this Part, a person is deemed to be associated with another person if

(a) one person is an entity of which the other person is an officer, director or substantial holder; or

(b) one person is an entity of which the other person is a partner; or

(c) one person is an entity that is controlled, directly or indirectly, by the other person; or

(d) 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; or

(e) both persons are members of a voting trust where the trust controls or operates or has an interest in the other person; or

(f) both persons are associated within the meanings of clauses (a) to (e) with the same person.

Association of registered producers

46(1) In the event that a registered producer becomes associated with another registered producer, the Board may cancel or reduce the annual marketing quotas 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, 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.

46(2) Each of the registered producers must provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the registered producer will not apply

(a) for a retirement payment under the retirement and annual root crop quota reallocation system;

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

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

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

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

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

M.R. 79/2016; 85/2016

Grounds for non-waiver re association

47 The provisions of section 46 will not be waived by Board if the Board has reasonable grounds for believing that as a result of such association a person would have a direct or indirect interest in annual marketing quota(s) for that type of root crop which aggregate in excess of maximum quota for that type of root crop.

False or misleading information re association

48 In the event that the Board has reasonable grounds for believing that any information provided to it by Statutory Declaration is false or misleading, or that any conditions established by the Board in waiving the provisions of section 46 have not been met by the parties, the Board may cancel or reduce the annual marketing quotas of the registered producers whether or not the provisions of section 46 have been previously waived by the Board.

PART XII

RE-ALLOTMENT OF ANNUAL MARKETING QUOTA

Complete farm sales

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

49(2) In applying this section, the Board may require an appraisal of the assets by a qualified appraiser to ascertain the fair market value of the assets using an appraisal method or methods approved by the Manitoba council. The costs of the appraisal must be paid by the registered producer.

49(3) The registered producer and the purchaser must provide a statutory declaration in a form acceptable to the Board, confirming the sale and the purchase consideration (both direct and indirect). All agreements between the registered producer and the purchaser (including a detailed listing of all assets included in the sale) must be appended to that statutory declaration.

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

49(5) The purchaser must provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the purchaser will not apply

(a) for a retirement payment under the retirement and annual root crop quota reallocation system;

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

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

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

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

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

M.R. 79/2016; 85/2016

Lease of complete farm

50 In the event a registered producer leases or licenses the land, buildings and equipment used by such producer in growing, harvesting and marketing root crops, for a term not to exceed 2 years in length, the Board may temporarily re-allot the quotas 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 annual marketing quota and that no more than fair market rental for such assets is being paid under the lease or license arrangement directly or indirectly for the lease of such assets, or any other assets included in such lease (including any transaction with respect to crops and inventory).

In applying this provision the Board may require an appraisal of the assets to ascertain the fair market rental of the assets 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 that the Board has reasonable grounds for believing that any information provided in such Statutory Declaration or any requested Certificate is false or misleading, the Board may reduce or cancel the quotas in question, whether or not the annual marketing quota was temporarily re-allotted.

At the end of the lease term such quotas shall automatically be re-allotted 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

51 Notwithstanding clause 28(c) hereof, where a person who is a registered producer becomes a bankrupt or applies for a receiving order or where such an order made against such a producer or where such a producer 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 or marketing assets of such a producer, the Board may, upon written request of the Trustee in Bankruptcy or the Receiver, temporarily re-allot to the Trustee in Bankruptcy or Receiver, the quotas allotted to such producer upon terms and conditions as may be established by the Board at the time of such temporary re-allotment.

Re-allotment of quota and dispensing with financial information on death, disability or retirement

52 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, re-allot the quotas 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 root crop production and marketing business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for growing and harvesting root crops; or

(b) who becomes the owner of the root crop production and marketing 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.

Re-allotment of quota and dispensing with financial information on establishment of family partnership

53 Where an individual who is a registered producer enters into a partnership with a member of such individual's immediate family, the Board may, on written request of such registered producer, re-allot the quotas allotted to such registered producer to such partnership

(a) which becomes the owner of the root crop production and marketing business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for growing and harvesting root crops; or

(b) which becomes the owner of the root crop production and marketing 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.

Re-allotment of quota and dispensing with financial information on establishment of a corporation

54 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, re-allot the quotas allotted to such registered producer to such corporation or subsidiary

(a) which becomes the owner of the root crop production and marketing business carried on by the registered producer and of the land, buildings and equipment used by the registered producer for growing and harvesting root crops; or

(b) which becomes the owner of the root crop production and marketing 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 re-allotment of quota to related persons

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

"**applicant**" means a registered producer who makes an application to re-allot all or a portion of the quotas allotted to a registered producer to another person.

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

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

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

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

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

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

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

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

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

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

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

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

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

55(6) The applicant and the recipient are each required to provide the Board with a written undertaking, in a form satisfactory to the Board, stating that the person giving the undertaking will not apply

(a) for a retirement payment under the retirement and annual root crop quota reallocation system;

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

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

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

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

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

M.R. 79/2016; 85/2016

Re-allotment and maximum quota
56 No quota will be re-allotted 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, or

(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 quotas which are equal to or aggregate in excess of maximum quota, or

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

PART XII.1

RETIREMENT AND ANNUAL ROOT CROP QUOTA REALLOCATION SYSTEM

Reallotment under system
56.1 Quotas may be cancelled and reallotted by the Board as a result of and in accordance with the procedure set out in the retirement and annual root crop quota reallocation system.

M.R. 79/2016; 85/2016

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

M.R. 79/2016; 85/2016

PART XIII

QUOTA AND CERTIFIED LAND

Quota to be allotted for certified land
57(1) In allotting a quota to a registered producer, the Board may specify the land on which the producer's root crops, or any portion of such root crops, must be grown and harvested.

57(2) A registered producer may apply to the Board to transfer a quota from currently certified land to other land on a temporary or a permanent basis.

57(3) In connection with an application under subsection (2), such registered producer shall 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 certified land used by the registered producer.

No application for change of land or buildings for five years
58 If the Board

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

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

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

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

M.R. 79/2016; 85/2016

Exception from 5 year moratorium on applications
59 The Board may exempt a person from the provisions of section 58 with respect to a transfer or change of the nature outlines in section 44, or with respect to the re-allotment of quotas pursuant to sections 52 and 54 inclusive.

Examination of certified land, storage facilities and inventory
60 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 such producer's certified land from time to time for the purpose of certification or re-certification of such land and to examine such producer's storage facilities and inventory. Prior to such examination, the Board will give reasonable notice to such registered producer of its intention to conduct such examination.

PART XIV

THE PLAN AND NON-APPLICATION

Non-application re direct consumer sales
61 As provided in the Plan, this Order does not apply to direct consumer sales.

Non-application re root crops of small root crop producer
62 This Order does not apply to the marketing of root crops of a type grown by a person who is a small root crop producer.

63 [Repealed]

M.R. 79/2016

Direct pricing sales
64 This Board may from time to time, by resolution, exempt certain registered producers from the provisions of this Order on such terms and conditions as it deems appropriate, for the purpose of encouraging and developing the marketing of root crops by this Board in market areas not traditionally supplied by root crop producers or for the purpose of dealing with special temporary marketing circumstances.

Exemptions re onions
65 As provided in the Plan, green onions are exempt from this Order.

Non-application re rutabagas and certain onions
66 This Order does not apply to rutabagas or to pickling onions, multiplier onion sets, red Spanish-type onions or white Spanish-type onions.

M.R. 79/2016; 85/2016; 39/2017

Non-application re bunched carrots
66.1 This Order does not apply to bunched carrots which are marketed by the producer directly to a consumer or to a retailer for resale by the retailer to a consumer with green foliage attached at that retailer's retail outlet.

M.R. 110/2016

Further non-application
67 This Order is subject to the provisions of section 28 of the Plan.

July 21, 1994

Peak Vegetable Sales:

David Jeffries
Chairman

John Kuhl
Secretary

APPROVED

January 17, 1995

The Manitoba Natural Products Marketing Council:

Howard Motheral
Chairman

Gordon MacKenzie
Secretary

SCHEDULE

[Repealed]

M.R. 79/2016; 85/2016