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

Chicken Broiler Quota Order*

Regulation 298/89
Registered December 19, 1989

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* This order is made under the *Manitoba Chicken Broiler Producers' Marketing Plan Regulation*, Manitoba Regulation 241/87 R and is Order No. 2, 1989 of The Manitoba Chicken Broiler Producers' Marketing Board.

All persons making use of this consolidation are reminded that it has no legislative sanction. Amendments have been inserted into the base regulation for convenience of reference only. The original regulation should be consulted for purposes of interpreting and applying the law. Only amending regulations which have come into force are consolidated. This regulation consolidates the following amendments: 42/90; 50/91; 51/91; 105/91; 1/92; 198/92; 223/92; 25/93; 184/93; 56/94; 120/95; 31/96; 91/96; 129/96; 200/97; 201/97; 222/97; 33/98; 57/98; 194/98; 195/98; 196/98; 151/99; 36/2000; 120/2000; 95/2001; 96/2001; 97/2001; 135/2002; 205/2003; 146/2004; 108/2006.

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PART I
INTERPRETATION

Definitions

1 In this order:

"**allotment**" means a basic allotment or a market allotment, or both;

"**basic allotment**" means a base measurement 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 September 19, 1997 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 issue 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 he is entitled to market pursuant to the allotments and quotas allotted to him;

"**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 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;

"facility" means any building, structure, equipment or land used for the raising or keeping of chicken broilers;

"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 quota plus his 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 market chicken broiler of a category pursuant to 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,
- (b) seven weeks with respect to Regular chicken broiler, and
- (c) ten weeks with respect to Roaster;

"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;

"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;

"quota" means the quantity of chicken broiler of a category that a producer is entitled to market or to have marketed on his behalf by the Board in intraprovincial trade during any marketing cycle;

"Regular chicken broiler" means chicken broiler 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 which weighs over 2.6 kilograms each (truck load average) when marketed by a producer;

"specified processor" means any processor who operates a poultry station registered under section 14 of the *Processed Poultry Regulations* made under the *Canada Agricultural Products Standards Act*.

M.R. 42/90; 198/92; 56/94; 120/95; 91/96; 129/96; 201/97; 194/98; 95/2001; 97/2001; 205/2003; 108/2006

Liveweight references

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

PART II

ALLOCATION OF QUOTA AND ALLOTMENT

Entitlement and criteria for allotment of quota

3(1) No producer is entitled to be allotted a quota for a category of chicken broiler unless he has been allotted a basic allotment and a market allotment for that category by the Board.

M.R. 1/92

3(2) Subject to subsection (3), 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.

M.R. 1/92; 57/98

3(3) The Board may allot a quota and an allotment conditional upon the acquisition of a facility within a specified period of time.

M.R. 1/92

Allocation to new entrants

4 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.

Continues on page 7.

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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.

M.R. 201/97; 96/2001

Determination of basic allotments by category

5 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 his name in the column for that category on such list.

M.R. 198/92; 97/2001

Changes in categories

6 A registered producer may apply to the Board to have all or a portion of the basic allotment allotted to him 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 changed 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 changed 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 changed 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 changed 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 changed 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 changed 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 changed 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.

M.R. 42/90; 91/96; 201/97; 57/98

Allocation of market allotment from time to time

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

Calculation of market allotment

8(1) 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 he 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 his basic allotment 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 IV and Part V] 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 6] 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 approved by the Board on September 19, 1997, as same may be amended by Resolution of the Board from time to time, 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 his basic allotment for that category, and unless the Board otherwise directs, the Shortfall will be allotted by:

(i) allotting approximately one-third ($\frac{1}{3}$) 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 6] 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 6] 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.

M.R. 51/91; 198/92; 201/97; 33/98; 194/98

8(2) Repealed, M.R. 97/2001.

M.R. 198/92; 97/2001

Market allotment not to exceed maximum allotment

9 Notwithstanding anything set out in subsection 8(1), 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 34 of this Order, been effectively 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 described in clause (a) shall not exceed the basic allotment effectively allotted to such registered producer.

M.R. 198/92; 56/94

PART III

TEMPORARY MARKET ALLOTMENT PERMITS

Application for permits

10 A registered producer may apply to the Board for a Temporary Market Allotment Permit.

Circumstances and terms of issue

11(1) If the Board is of the opinion that

(a) any Shortfall referred to in clause 8(1)(c) is temporary in nature; or

(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 8,

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.

M.R. 151/99; 95/2001

11(2) No producer will be allotted a Temporary Market Allotment Permit under subsection (1) with respect to a category of chicken broiler which exceeds in aggregate 10% of the market allotment for that category of chicken broiler allotted to him by the Board.

M.R. 151/99

Other circumstances

12(1) The Board may also issue Temporary Market Allotment Permits to registered producers as a result undermarketings by such registered producers, as provided in section 17.

M.R. 151/99

12(2) 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.

M.R. 151/99

Permit marketings not to be included

13 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.

M.R. 151/99

PART IV

EXCESS MARKETINGS AND UNDERMARKETINGS

Reduction of market allotment for excess marketings

14(1) 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.

M.R. 105/91; 196/98; 135/2002

14(2) The Board may reduce the reduction or postpone the reduction or exempt a producer from the reduction referred to in subsection (1) 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.

M.R. 105/91; 196/98; 135/2002

Reduction of basic allotment for undermarketings

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

Automatic catch up

16 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.

M.R. 198/92; 25/93; 151/99; 135/2002

Application for special catch up

17 Where a producer's market allotment is temporarily increased as a result of the application of section 16, 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.

M.R. 198/92; 151/99; 135/2002

Force majeure and stand downs

18 The Board may exempt from the provision of sections 15 or 16 any producer who:

(a) can satisfy the Board that he placed a sufficient number of appropriate chicks that ought to have enabled him to market his full market allotment of chicken broiler of that category; or

(b) can satisfy the Board within a reasonable period of time after the end of any marketing cycle that he was unable to market his full market allotment of chicken broiler because his facility was damaged due to fire or other causes beyond his control, or because his chicken broilers were subject to disease (as certified by a qualified veterinarian) or because major repairs and/or renovations to his 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 his chicken broilers, 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 his marketings for a period of time, subject to such terms and conditions as the Board may establish at the time such permission is granted.

M.R. 36/2000

PART V

OTHER REDUCTION OR CANCELLATION OF ALLOTMENT

Cancellation of allotments on death, winding up, etc.

19 The Board may cancel an allotment allotted to the registered producer in the event of the death of a 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 allotments on cancellation registration

20 The allotments allotted to a person shall be automatically cancelled in the event he ceases to be a registered producer.

Other reduction or cancellation of allotment

21 The Board may suspend, reduce or cancel, either on a temporary basis or on a permanent basis, an allotment:

- (a) as set out in this Order; or
- (b) where a producer has failed to comply with any regulation, order, or directive of this 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 facilities used by a producer; or
- (d) where a producer has entered into a contract or agreement that would
 - (i) deprive him of his right to the proceeds from the marketing of chicken broilers raised by him, or

Continues on page 13.

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- (ii) deprive him of his 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, or
- (iii) require him to purchase a product or a service in connection with the marketing of chicken broilers produced by him, or
- (iv) obligate him with respect to the marketing of chicken broilers produced by him in connection with the acquisition of a product or a service by him; or
- (e) where the Board has determined that the 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.

M.R. 1/92; 205/2003

PART VI

OWNERSHIP OF QUOTAS

Quotas belong to board

22 Quotas belong to the Board.

M.R. 1/92

Quota non-transferable by producer

23 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.

M.R. 1/92

Retirement and basic allotment reallocation system payments non-transferable

23.1 No person shall offer to assign or assign a payment or an entitlement to a payment or an anticipated payment from the Retirement and Basic Allotment Reallocation System to another person without the prior written consent of the Board.

M.R. 1/92

Limitation on quotas

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

PART VII

PROHIBITIONS

No marketings without a market allotment

25 No producer shall market a chicken broiler of any category in intraprovincial trade unless a basic allotment and a market allotment have been allotted to him in respect of that category.

No excess marketings

26 No producer shall market a chicken boiler of any category in intraprovincial trade in excess of his market allotment for that category, or in excess of a Temporary Market Allotment Permit issued to such producer for that category.

Marketings to specified processor

27 No person shall market a chicken broiler in intraprovincial 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 he marketed chicken broiler through a registered poultry station during two of the calendar years 1981, 1982 and 1983, and has requested and has obtained from the Board an exemption authorizing him 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.

M.R. 198/92

Marketings from certified facility only

28 No person shall market a chicken broiler unless such chicken broiler was raised and kept in or on a facility that has been certified by the Board for such purpose.

No raising or keeping in excess of number specified for facility

29 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.

M.R. 120/2000

Marketings from specified facility

30 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 or Production Premises issued to such person by the Board.

PART VIII

GENERAL

Unacceptable quality

31 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.

Effect of Sharing

32 Where two or more persons keep chicken broilers in partnership, or in circumstances where there is a sharing by them whether familial, communal, or otherwise, of facilities, 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 chicken broiler marketed by one of those persons may be treated by the Board as having been marketed by the other or others.

M.R. 95/2001

Acquisitions of interests in excess of maximum allotment prohibited

33 Notwithstanding anything contained in this Order, but subject to sections 34 and 35, the Board will take appropriate action to prevent any person from acquiring control of or acquiring a direct or indirect interest in allotments or quotas in excess of maximum allotment.

For the purpose of this section, a person shall be considered to have a direct or indirect interest in the quotas and allotments allotted to a registered producer if that person has an interest in an employment arrangement, a management arrangement or a loan or a guarantee involving that registered producer; provided however that the lending of money to a registered producer in the ordinary course of business by a bank, credit union, trust company, the Farm Credit Corporation, the Manitoba Agricultural Credit Corporation, or any other commercial lender recommended by the Board and approved by the Manitoba Council, shall not be considered a direct or indirect interest in the quotas and allotments allotted to that registered producer for the purpose of this section.

M.R. 57/98

Exception for grandfathered operations in excess of maximum allotment

34 Notwithstanding section 33, the Board may:

- (a) approve the re-allotment 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 re-allotment; and
- (b) suspend the provisions of section 39 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 him.

Exception for financial assistance to children

35 Notwithstanding section 33, 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); and

(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 or 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

36 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 re-allotment of an allotment or quota, or

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

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

PART IX

CHANGES IN BENEFICIAL OWNERSHIP OF REGISTERED PRODUCERS

Special definitions

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

Transfers by a substantial holder

38 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.

Grounds for non-waiver re transfers

39 Subject to section 34, the provisions of section 38 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

40 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

41 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 38 or section 40 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 38 or section 40 have been previously waived by the Board.

Reduction of requirements re certain transfers

42 The Board may establish policies from time to time reducing its requirements under section 38:

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

(i) from an individual to a member of his immediate family, or

- (ii) 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 eighteen (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 his 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 X

ASSOCIATION OF REGISTERED PRODUCERS

Deemed association

43 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

44 In the event that a registered producer 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.

Grounds for non-waiver re association

45 The provisions of section 44 will not be waived by the 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 allotments or quotas which aggregate in excess of maximum allotment.

False or misleading information re association

46 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 44 have not been met by the parties, the Board may cancel or reduce the quota and allotments of the registered producers whether or not the provisions of section 44 have been previously waived by the Board.

PART XI

RE-ALLOTMENT OF QUOTA AND ALLOTMENT

Complete farm sales

47 In the event a registered producer sells the land, buildings, and equipment used by him in raising chicken broilers, the Board may re-allot 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.

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 re-allotted.

Sale of moveable buildings and equipment

48 In the event a registered producer sells a building used by him in raising or keeping chicken broilers, the Board may re-allot 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; and

(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; and

(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 reallocated 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 give to the Board a written undertaking, in a form satisfactory to the Board, verifying that the purchaser will not apply for a retirement payment under the Retirement and Basic Allotment Reallocation System, or to relocate facilities under section 58, for a minimum period of five years.

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 re-allotted.

M.R. 1/92

Lease of complete farm

49 In the event a registered producer leases or licenses the land, buildings, and equipment used by him in raising and keeping chicken broilers, for a term not to exceed two (2) years in length, the Board may temporarily re-allot 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 re-allotted.

At the end of the lease term such quotas and allotments 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

50 Notwithstanding clause 21(c) hereof, where a person who is a registered producer becomes a bankrupt or applies for a receiving order or has such an order made against him 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 re-allot 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 re-allotment.

M.R. 1/92

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

51 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 and allotments allotted to such registered producer to the heir or designated member of such registered producer's immediately 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.

M.R. 50/91

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

52 Where an individual who is a registered producer enters into a partnership with a member of his immediate family, the Board may, on written request of such registered producer, re-allot 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 keeping 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.

M.R. 50/91

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

53 Where an individual who is a registered producer incorporates a corporation controlled by himself and/or members of his 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 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 keeping 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.

M.R. 50/91

Partial and complete re-allotment of quota to related persons

54 The Board may, upon application of a registered producer in writing, (herein called "the applicant") re-allot 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 re-allotment will be made until the recipient has established a separate facility owned and operated solely by him in or on which to keep chicken broilers, and further provided that 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 re-allotted.

M.R. 1/92

Consolidation of existing chicken production operations

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

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 in question, whether or not such quotas were reallocated.

The applicants and the intended recipient will be required to give to the Board a written undertaking, in a form satisfactory to the Board, verifying that no change will be made to the legal or beneficial ownership of the intended recipient for a minimum period of five years following such reallocation.

M.R. 195/98

Re-allotment and maximum allotment

55 Subject to section 34, no quota or allotment 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 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 re-allotment a person would directly or indirectly control or have an interest in allotments which aggregate more than maximum allotment.

PART XI.1

RETIREMENT AND BASIC ALLOTMENT REALLOCATION SYSTEM

Reallotment under system

55.1 Quotas and allotments may be cancelled and re-allotted by the Board as a result of and in accordance with the procedure set out in Schedule "A".

M.R. 1/92

Acceptance of applications discretionary

55.2 The Designated Staff referred to in Schedule "A" 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.

M.R. 1/92

PART XII
FACILITIES

Quota to be allotted for a facility

56 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 raised or kept.

57(1) 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).

M.R. 42/90

57(2) 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 raises or keeps 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; and

(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 and in accordance with the applicable provisions of the On-Farm Food Safety Assurance Program.

M.R. 42/90; 120/2000; 205/2003

Relocation and consolidation of facilities

58(1) Subject to section 59, in the event that a registered producer has been allotted a portion of the quotas and allotments allotted to him for one facility and a portion for another facility or facilities, he 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 his production facility to a new location.

M.R. 1/92

Creditor consent for relocation

58(2) In conjunction with an application under subsection (1), 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 facilities used by the registered producer.

M.R. 1/92

Emergency relocation

58(3) The Board may allow a registered producer to temporarily relocate his chicken broilers to another location in the event of an emergency even if the registered producer is not the registered owner or the sole operator of the facility on that new location.

M.R. 1/92

No application for change of facility following re-allotment or change in beneficial ownership for five years

59 In the event the Board re-allots the quotas and allotments allotted to a producer pursuant to Part XI, or approves the change in beneficial ownership of a registered producer pursuant to Part IX, or approves an association of persons who are registered producers pursuant to the provisions of Part X, it shall be a condition of such re-allotment or such approval that such transferees must acknowledge that only in the event of an unforeseen contingency will such producer 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 re-allotment or approval to a facility located on another property for a period of at least five years following such re-allotment, change, or association.

M.R. 1/92

Exception from two year moratorium on applications

60 The Board may exempt a person from the provisions of section 59 with respect to a transfer or change of the nature outlined in section 42, or with respect to the reallocation of quotas and allotments pursuant to sections 51 and 53 inclusive.

Examination of facilities

61 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 his facility from time to time for the purpose of certification or re-certification of such facility by this Board and to examine his facility to ensure compliance of same with the provisions of subsection 57(2). Prior to such examination, this Board will give reasonable notice to such registered producer of its intention to conduct such examination.

PART XIII

THE PLAN AND NON-APPLICATION

Application of order

62 This order applies only to the marketing of chicken broiler in intraprovincial trade.

Limited non-application of Order re chick marketings

63(1) This order does not apply to the marketing of chicken broilers less than 10 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.

M.R. 223/92; 120/95

63(2) This order does not apply to the marketing of chicken broiler raised or kept by the Department of Animal Science of the University of Manitoba for teaching or research purposes, provided that notice has been given to the Board prior to the acquisition of such chicken broiler indicating the number of chicken broiler to be raised or kept, the time when such raising or keeping might commence, and the date when such chicken broiler are expected to be marketed; and further provided that a report in a form satisfactory to the Board is submitted to the Board disclosing details of the sale or other disposition of such chicken broiler.

M.R. 223/92; 120/95

Exemption in Plan from order

64 This order is subject to the provisions of subsections 27(2) and 27(3) of the Plan which presently read as follows:

"27(2) This regulation does not apply to any person who is exempt from registering with the producer board under subsection (3) hereof in respect of any chicken broiler raised by that person and delivered by him directly to an individual for consumption by that individual and his immediate family or any one of them.

Continues on page 27.

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27(3) Any person in any year who, in the year immediately preceding that year, has marketed less than 1000 chicken broilers raised or kept by him, is exempt from registering with the producer board, until such time in that year that he does market in that year 1000 or more chicken broilers; but where two or more persons raise or keep chicken broilers, in partnership, or in circumstances in which there is a sharing by them, whether familial, communal, or otherwise, of facilities, 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 purposes of this exemption any chicken broilers marketed in any year by one of these persons shall be deemed to have been marketed in that year by the other or others."

Repeal

65 Manitoba Regulations 154/81, 168/83, 176/84, 4/86, 5/86, 6/86, 124/87 and 266/88 are repealed.

November 9, 1989

THE MANITOBA CHICKEN BROILER
PRODUCERS' MARKETING BOARD
Per:

Waldie Klassen
Chairman

Burton F. Waters
Secretary

APPROVED:

December 11, 1989

THE MANITOBA NATURAL PRODUCTS
MARKETING COUNCIL
Per:

Howard Motheral
Chairman

Gordon H. MacKenzie
Secretary

SCHEDULE
(Section 55.1)

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 22 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.

M.R. 1/92; 200/97

No assignment of payment

2 As stated in section 23.1 of this Order, no person shall offer to assign or assign a payment or an entitlement to a payment or an anticipated payment under the Retirement and Basic Allotment Reallocation System to another person without the prior written consent of the Board.

M.R. 1/92; 200/97

3 Repealed, M.R. 97/2001.

M.R. 184/93; 200/97; 97/2001

Continues on page 29.

Definitions

4 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 subsection 3(2) of this Order;

"Notification List" means the List maintained by the Designated Staff pursuant to section 15 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 him 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 him 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 him 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.

M.R. 1/92; 200/97

Retirement and basic allotment reallocation system administration

5 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 8(11) and section 14, 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.

M.R. 1/92; 200/97; 95/2001

Application fees

6 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.

M.R. 1/92; 200/97

Administration fees and retirement payments

7 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.

M.R. 1/92; 31/96; 200/97; 95/2001

Retirement and basic allotment reallocation program procedures

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

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 9 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.

M.R. 1/92; 200/97; 222/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(9) As provided in section 55.2 of this Order, the Designated Staff may refuse to accept or may postpone processing of any Bid or any Offer. Any decision to postpone the processing of a Bid or an Offer, or to reject a Bid or Offer made by the Designated Staff shall be final. The Designated Staff may also establish terms and conditions before a Bid or an Offer will be processed in the future. Any person who is not satisfied with the terms and conditions established by the Designated Staff before a Bid or Offer will be processed in the future may appeal such decision in writing to the Board.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 222/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

8(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.

M.R. 1/92; 200/97; 146/2004

Limits on bids and offers

9 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 him 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 allotment under subclause 8(1)(c)(i) or (ii) 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 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.

M.R. 1/92; 184/93; 31/96; 200/97; 33/98; 95/2001

Retirement fund

10(1) All administration fees paid to the Board by successful bidders will be allocated to the Retirement Fund.

M.R. 1/92; 200/97

10(2) All retirement payments made by the Board to successful offerors will be paid from the Retirement Fund.

M.R. 1/92; 200/97

Limitation re new producers

11 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 4 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.

M.R. 1/92; 31/96; 200/97; 95/2001

Additional transfer assessment

12 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.

M.R. 1/92; 200/97; 222/97; 95/2001; 97/2001

Notification lists

13 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.

M.R. 1/92; 200/97; 222/97; 33/98; 95/2001

Information

14 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. 1/92; 200/97; 95/2001

14.1 Repealed.

M.R. 222/97; 95/2001

14.2 Repealed.

M.R. 222/97; 95/2001

15 Repealed.

M.R. 1/92; 200/97; 95/2001

16 Repealed.

M.R. 1/92; 200/97; 95/2001

17 Repealed.

M.R. 200/97; 95/2001

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