

Chicken Farmers of Ontario
New Chicken Farmers Entrant Policy
No. 213 - 2015

Made under: *The Farm Products Marketing Act*

Effective: September 15, 2015

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Section 1.0 – Purpose

- 1.01 The purpose of this Policy is to enable persons to enter the Ontario chicken industry.
- 1.02 This Policy sets out the terms and conditions by which the CFO New Chicken Farmers Entrant Program will provide assistance through the temporary fixing and allotting of basic quota, over 15 years, to approved new entrant farmers.

Section 2.0 – Strategic Vision and Focus

- 2.01 The strategic intent of this Policy is reflected in the following Statement of Vision and identification of key outcomes.
- 2.02 The Vision is an Ontario chicken industry that is continuously rejuvenated with new farmers, growing and marketing fresh, high quality, locally farmed chicken.
- 2.03 The key outcomes to be measured are:
 - a) focus on new farmer-members: to increase the number of new CFO farmer-members who enter the Ontario chicken industry under this policy; and
 - b) focus on the highest quality and safety standards: to grow safe, high quality chicken.

Section 3.0 – The Role of CFO

3.01 CFO, as the steward and regulator, to:

- a) offer a program that creates interest among those interested in becoming a CFO farmer-member;
- b) administer the application review process based on transparent evaluation criteria and an independent review panel; and
- c) enable approved new entrant farmers to successfully enter the Ontario chicken industry.

Section 4.0 – Definitions

4.01 This policy includes the following terms:

- a) “New Entrant Farmer” means a person making application to the Board for the purpose of carrying on business as a new chicken farmer in the Ontario chicken industry.
- b) “New Entrant Farmer-Member” means a person whose application has been approved by the Board.
- c) “New Entrant Quota” means an amount of basic quota units fixed and allotted by the Board on a temporary basis and in accordance with this policy.
- d) “New Chicken Farmers Entrant Program” (“Program”) means the program established by the Board to make basic quota units available on a temporary basis to qualified applicants and in accordance with the terms of this policy.
- e) “New Entrant Term” means the fifteen (15) year period or less measured from the date when New Entrant Quota is fixed and allotted to the registered premises by the Board to the date when the New Entrant Quota is cancelled by the Board.

4.02 Other words and phrases used in this policy shall have the same meaning as found in the “Words and Meanings Regulation” made by the Board.

Section 5.0 – Program Fundamentals

5.01 This Program is to provide assistance, through the temporary fixing and allotting of basic quota, to approved new entrant farmers, which will enable them to enter the Ontario chicken industry.

5.02 An amount of basic quota will be fixed and allotted to a new entrant farmer-member on a temporary and non-transferable basis.

5.03 The basic quota will then be cancelled by the Board on a graduated basis. The new entrant farmer-member will replace the cancelled basic quota with equivalent amounts of

basic quota acquired by the new entrant farmer-member, so that the cancellation and acquisition is carried out in a coordinated fashion.

- 5.04 This policy is made pursuant to The *Farm Products Marketing Act* and Regulations and the Board's authority in relation to quotas.

Section 6.0 – Applications

- 6.01 In order to be eligible to be approved by the Board as a New Entrant Farmer-Member, every applicant must:
- a) be a Canadian citizen and permanent resident of Ontario;
 - b) be the beneficial owner of lands and buildings suitable for the production of chicken within a period of 18 months from the date the New Entrant Farmer application is approved. In that regard, the applicant will be required to deliver to Chicken Farmers of Ontario a registered transfer evidencing such ownership.
 - c) be the allottee of a minimum of 4,000 units of basic quota within a period of 18 months from the date that the application as a New Entrant Farmer is approved by the Board, which basic quota units have been fixed and allotted by regulation of the Board and in relation to the premises described in clause (b);
 - d) be the allottee of a minimum of 14,000 units of basic quota, with such quota units being derived from two sources: an acquisition by the New Entrant Farmer applicant in accordance with the Board's quota policies relating to transfers of basic quota plus an allotment of New Entrant Quota as provided in this Policy.
- 6.02 Every applicant shall file a written application with the Board which shall include a financial business plan, consisting of the particulars as described in the program application forms.
- 6.03 A non-refundable application fee of \$250.00 payable to Chicken Farmers of Ontario must accompany the application. Applications will be reviewed by the Board on an annual basis and must be received by CFO on or before October 31st.
- 6.04 Priority to be given to a person who does not, currently or in the past, have or is a spouse or child of someone who has a financial interest in a supply-managed sector.
- 6.05 Subject to section 6.0, all applications will be evaluated by a "New Chicken Farmers Entrant Program Industry Panel" (the "Panel") established by the Board and regardless of the order in which such applications were received by the Board. The function of the Panel is to annually evaluate applications submitted and to prepare a recommendation for approval or non-approval for the Board.

Section 7.0 – New Entrant Farmer-Member

- 7.01 All applicants will be notified in writing by the Board of the outcome of their applications by March of the year following the year in which the applications have been submitted to the Board.
- 7.02 Notwithstanding anything herein contained to the contrary, a new entrant farmer-member will be required to comply with all current and subsequent regulations and policies of the Board in the same manner as any other licenced Ontario chicken farmer-member.

Section 8.0 – New Entrant Quota

- 8.01 The maximum allotment to a new entrant farmer-member is 10,000 basic quota units. A maximum of 50,000 basic quota units will be allotted annually under the New Chicken Farmers Entrant Program. All allotments will be non-transferable.
- 8.02 The allotment of New Entrant Quota will follow the approval of registered premises by the Board and coincide with the allotment of basic quota to the registered premises as contemplated in clause 7.01 (d) of this policy.

Section 9.0 – Cancellation of New Entrant Quota

- 9.01 Allotments of New Entrant Quota will be cancelled by the Board in accordance with the schedule set out below and coordinated with the acquisition by the New Entrant Farmer of an equivalent amount of basic quota units to replace the cancelled amount. The cancellation period will occur over a term of 15 years commencing from the date the New Entrant Quota is fixed and allotted to the new entrant farmer-member's registered premises, unless earlier cancelled as described in clause 11.01 of this Policy.
- 9.02 The cancellation schedule for New Entrant Quota is as follows:
- a) 30 percent of the New Entrant Quota shall be cancelled by the end of the fifth (5th) year, following the date of allotment;
 - b) 30 percent of the New Entrant Quota shall be cancelled by the end of the tenth (10th) year, following the date of allotment;
 - c) 40 percent of the New Entrant Quota shall be cancelled by the end of the fifteenth (15th) year, following the date of allotment.

Section 10.0 – Acquisition of Supplemental Basic Quota Units

- 10.01 Subject to the provisions set out in this section, during the New Entrant Term, a new entrant farmer-member may seek to acquire basic quota units in accordance with the Board's quota policies, in addition to the basic quota units acquired to replace the New Entrant Quota as it is cancelled:
- a) during the first 5 years, any supplemental basic quota acquired, will result in the immediate cancellation of an equivalent amount of New Entrant Quota allotted;

- b) during years 6 to 10, supplemental basic quota may be acquired in an amount that is less or equal to 30 percent of the amount of New Entrant Quota then remaining;
- c) during years 6 to 10, the acquisition of supplemental basic quota in an amount that is in excess of 30 percent of the amount of New Entrant Quota then remaining will result in a corresponding cancellation of an equivalent amount of New Entrant Quota allotted;
- d) during years 11 to 15, supplemental basic quota may be acquired in an amount that is less or equal to 40 percent of the New Entrant Quota then remaining;
- e) during years 11 to 15, the supplemental of additional basic quota that is in excess of 40 percent of the amount of New Entrant Quota then remaining will result in a corresponding cancellation of an equivalent amount of New Entrant Quota allotted.

Section 11.0 – Cancellation of New Entrant Quota Prior to Expiry

11.01 The Board may cancel all or part of a New Entrant Quota prior to the expiry of a New Entrant Term for any of the following reasons:

- a) the new entrant farmer-member is bankrupt, insolvent, has made an arrangement or proposal with creditors, is incapacitated to such an extent as to be unable to carry on business as an active chicken farmer for a period of six consecutive months or more in a calendar year or is deceased;
- b) the new entrant farmer-member is found to have contravened regulations or policies of the Board;
- c) the new entrant farmer-member has failed or refused to acquire an equivalent amount of basic quota units to be fixed and allotted in conjunction with the cancellation of New Entrant Quota as described in Section 11.0 of this policy;
- d) the new entrant farmer-member requests early termination, and in such case, as a condition of the Board approving early termination, the new entrant farmer-member will be required to either make satisfactory arrangements to transfer the remaining basic quota fixed and allotted to the new entrant farmer-member or acquire a sufficient amount of basic quota so that the new entrant farmer-member is in compliance with the minimum quota requirements then in effect pursuant to the Board's quota policies.

Section 12.0 – Continuous Improvement

12.01 CFO will monitor and analyze the performance of the New Chicken Farmers Entrant Program, so that the intended outcomes of this Policy are achieved.

12.02 The New Chicken Farmers Entrant Policy will be reviewed on an annual basis, and determined whether to vary, amend or revoke it. CFO may also review the status of any new entrant farmer-members and issue such orders and directions as it may deem appropriate to give effect to this Policy.

12.03 If the Board decides to revoke the New Chicken Farmers Entrant Program, then the New Chicken Farmers Entrant Program will cease on the 30th day of December of the year in which the Board has decided to revoke the New Chicken Farmers Entrant Policy; provided that the terms and conditions of the New Chicken Farmers Entrant Program will continue to be in effect and apply to a new entrant farmer who have been fixed and allotted new entrant quota pursuant to the New Chicken Farmers Entrant Program until the specific New Entrant Term expires with respect to such New Entrant Farmer.

Section 13.0 – Revocation and Effective Date

13.01 CFO Policy No. 181-2012 made by the Board on the 1st day of March 2012, is hereby revoked as of the effective date, date policy signed, and this Policy is substituted therefor, provided that such revocation shall not affect the previous effect of said Policy or anything duly done or suffered thereunder, or any right, privilege, obligation or liability acquired, accrued, accruing or incurred under said Policy; or any contravention committed against said Policy or any penalty or forfeiture or punishment incurred in respect thereof or any such right, investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid.

13.02 This Policy is effective on the 15th day of September, 2015.

BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 15th day of September, 2015



Chair



Secretary