

# Chicken Farmers of Ontario

## Quota Policy No. 256-2021

Made under the *Farm Products Marketing Act*

**Effective: March 31, 2021**

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### Section 1.0 - Purpose

- 1.01 The purpose of this policy is to provide the basis upon which core business farmer-members produce and market chicken in Ontario on a quota basis.

### Section 2.0 - Strategic Vision

- 2.01 The strategic intent of this Policy is reflected in the following Statement of Vision.
- 2.02 The strategic vision is an evolving, transforming and strengthened quota system.

### Section 3.0 - The Role of CFO

- 3.01 CFO, as the steward and regulator will foster, through governance, strategy, policy and professionalism in any and all respects the producing and marketing of chicken on a quota basis.

### Section 4.0 - Policy Fundamentals

#### Crop Quota Periods and Crop Cycles

- 4.01 Crop quota periods are 56 days (8 weeks) in duration. The crop quota period commencing on March 23, 2014 shall be designated as Crop Quota Period A-123 and subsequent crop quota periods shall be designated thereafter consecutively in increments of one.

- 4.02 CFO will allot crop quotas to farmer-members based on a crop cycle of 56 days (8 weeks), 63 days (9 weeks), 70 days (10 weeks) or 84 days (12 weeks). Effective crop quota period A-142 (February 19, 2017), CFO will also allot crop quotas to farmer-members based on a crop cycle of 49 days (7 weeks) and no longer allot crop quotas based on a crop cycle of 84 days (12 weeks).
- 4.03 CFO will allot two crop quotas in one of seven consecutive crop quota periods for a farmer-member growing on a 7 week crop cycle, based on a farmer-member's selected home week and any changes made to one of these crops will apply to the other crop in the a same quota period.

### Crop Quotas

- 4.04 CFO will allot crop quotas in Schedule 1 to farmer-members by regulation for each crop quota period.
- 4.05 A farmer-member must be issued, and in receipt of, a crop quota in Schedule 1 prior to producing and marketing chicken in a crop quota period.
- 4.06 Crop quotas will be allotted to farmer-members on the following basis with respect to each farmer-member's basic quota and crop cycle as designated on a Form 101 or Form 101F:
- a) A farmer-member producing on a 7 week cycle will be allotted 1.75 kilograms per basic quota unit;
  - b) A farmer-member producing on a 8 week cycle will be allotted 2 kilograms per basic quota unit;
  - c) A farmer-member producing on a 9 week cycle will be allotted 2.25 kilograms per basic quota unit; and
  - d) A farmer-member producing on a 10 week cycle will be allotted 2.5 kilograms per basic quota unit.
- 4.07 CFO acknowledges that in some circumstances a farmer-member will want to arrange for a corporate structure to facilitate personal income tax benefits and succession planning. For example, a corporation may wish to be allotted quota and the shareholders of the corporation are the beneficial owners of the premises.

For the purposes of this paragraph, "beneficial owner" means a registered owner of land that: (a) has the right, full power and absolute authority to convey or encumber the lands; and (b) has from time to time and at all times quiet possession of the lands.

In this context, CFO may allot quota to a corporation provided the farmer-member satisfies CFO that at all times the common shares of the corporation are wholly owned by the same person as the owner of the premises. In the event that there are multiple common shareholders of the corporation or multiple owners of the premises, the owners of the common shares of the corporation and the owners of the premises must be the same with the proportionate ownership of the premises and the proportionate ownership of the common shares of the corporation. If CFO approves such a structure, such premises shall be deemed to be the registered premises and CFO may impose any terms, conditions, limitations or restrictions as CFO deems appropriate.

A crop quota is personal to the farmer-member to whom it is allotted. All chicken must be produced and marketed pursuant to a crop quota by the farmer-member to whom the crop quota has been allotted and at the registered premises in respect of which that farmer-member's basic quota has been allotted.

- 4.08 A farmer-member who does not intend to produce any or all kilograms of chicken to be allotted for a crop quota period shall notify CFO in writing by 18 weeks prior to the commencement of the effective crop quota period.
- 4.09 Notwithstanding anything herein contained in this policy to the contrary, a farmer-member will not be allotted an additional crop quota, an under marketing, an over marketing, a missed additional crop quota or a market development crop quota that singly or in combination exceeds the maximum additional crop quota that may be allotted in respect of a farmer-member's premises calculated in accordance with Schedule A of this Quota Policy.

### **Additional Crop Quotas**

- 4.10 The total additional to be allotted for a crop quota period will be determined as the amount of the provincial allotment less the total basic, less the sum of all under marketings allotted, less the sum of all missed additional crop quotas allotted, plus the sum of all crop quota penalties issued by CFO for the crop quota period, plus the sum of all over marketing reductions for the crop quota period and adjusted by the amount of kilograms that will be allotted for the crop quota period but will not be marketed in the crop quota period and adjusted by the amount of kilograms that will be marketed in the crop quota period but were allotted for other crop quota periods.
- 4.11 The total additional will be divided and allotted to farmer-members as additional crop quotas on the basis of the number of basic quota units allotted to a farmer-member in relation to the total number of basic quota units allotted to all farmer-members who are allotted a crop quota in the crop quota period.
- 4.12 In the case where the total additional is a negative number it will be allotted to farmer-members in the same fashion as described in Section 4.11 and will result in a reduction to each farmer-member's crop quota for the crop quota period.
- 4.13 In the case where the farmer-member is on a 7 week crop cycle, total additional for the crop quota period will be distributed equally to the two crop quotas allotted in the crop quota periods when the farmer-member is growing two crops.
- 4.14 CFO will not allot to a farmer-member in any crop quota period an additional crop quota greater than the maximum additional crop quota that may be allotted in respect of a farmer-member's premises calculated in accordance with Schedule A of this Quota Policy.
- 4.15 An annual review by CFO of additional crop quotas will be conducted to determine if additional crop quotas are to be converted into permanent basic quota.

### **Exception Periods**

- 4.16 Every farmer-member who is allotted crop quotas on a 9 week or 10 week cycle pursuant to Section 4.06 will be subject to an exception crop quota period once every 72 weeks and once every 40 weeks respectively.

- 4.17 An exception crop quota period is the 8 week crop quota period in which the farmer-member will not market chicken as determined by the farmer-member's home week on a Form 101 or Form 101F. Where the farmer-member has 2 or more home weeks, the last home week shall be deemed to be the only home week for determining the exception crop quota period.
- 4.18 Farmer-members who are subject to an exception crop quota period will not be allotted a crop quota for each crop quota period as determined in Section 4.15.
- 4.19 Where a farmer-member is not allotted a crop quota due to an exception crop quota period, the farmer-member shall be eligible to receive an additional crop quota determined in accordance with this Quota Policy and Schedule A. This will be referred to as a "missed additional crop quota".
- 4.20 Where a farmer-member applies to market on a nine or ten week cycle, any additional crop quota to which the farmer-member is entitled due to an exception crop quota period will be allotted to the farmer-member in equal amounts in the three crop quota periods immediately following the exception crop quota period.
- 4.21 Any over marketing adjustment, under marketing adjustment, penalty adjustment or any other increase or decrease to a farmer-member's crop quota that CFO may from time to time determine that is not allotted to a farmer-member due to an exception crop quota period will be allotted to the farmer-member in the subsequent crop quota period.
- 4.22 Where a farmer-member markets chicken in an exception crop quota period the chicken shall be deemed to be marketed in the crop quota period to which it was allotted provided the chicken was marketed in accordance with the farmer-member's home week(s) as designated in a Form 101 or Form 101F.
- 4.23 Home week and cycle changes will be permitted for the purpose of affording flexibility in the producing and marketing of chicken. However, such changes having a consequence of enabling a farmer-member to be allotted a greater amount of kilograms as crop quotas than the amount allotted to a farmer-member on an eight week cycle measured over the same period of time, will result in an adjustment in a future allotment.

### **Under Marketing**

- 4.24 Where a farmer-member markets in the crop quota period fewer kilograms than the crop quota, the farmer-member may be allotted the amount of the under marketing, not exceeding ten per cent of the crop quota, in equal amounts in the sixth and seventh crop quota periods following that in which the under marketing occurred.
- 4.25 Notwithstanding Section 4.23, where a farmer-member, who is the allottee of crop quotas allotted in respect of more than one registered premises, markets in the crop quota period less than 90% of the crop quota allotted in respect of one or more of the registered premises and where the total kilograms marketed in respect of all the registered premises is equal to or greater than 90% of the total crop quotas, the farmer-member may be allotted the amount of all the under marketings in equal amounts in the sixth and seventh crop quota periods following that in which the under marketing occurred.
- 4.26 A farmer-member shall place a sufficient number of chicks for the production of the full amount of the crop quota.

- 4.27 Notwithstanding Sections 4.23 and 4.25, CFO shall not allot a crop quota (including any under marketing from a previous crop quota period) to a farmer-member in excess of the maximum number of kilograms that may be produced on a registered premises pursuant to this Quota Policy and Schedule A.
- 4.28 Where a farmer-member elects to not produce a crop quota in a crop quota period or makes no reasonable efforts to produce the crop quota, in addition to any other action that CFO may consider that farmer-member will not be entitled to claim any under marketing for that period.
- 4.29 Every farmer-member shall immediately advise CFO following the occurrence of an unanticipated event that may cause the farmer-member to experience an under marketing of more than ten percent (10%) of the crop quota.

### Over Marketing and Over Placement

- 4.30 A farmer-member shall not market chicken in excess of the crop quota in any crop quota period.
- 4.31 A farmer-member who markets chicken in a crop quota period in excess of the crop quota shall be subject to the applicable over marketing levy imposed pursuant to the Licence Fees, Levies, Service Charges and Penalties Regulation made by CFO under the *Commodity Boards and Marketing Agencies Act*.
- 4.32 A farmer-member shall not place more than the maximum number of chicks required to produce the crop quota as specified on Schedule 1 at the weight category specified on a Form 101 or Form 101F for the crop quota period.
- 4.33 Where a farmer-member's lands and premises have been used for the production or marketing of another person's chicken, all such production and marketing shall be deemed to have been that of the farmer-member on whose lands and premises the chicken was produced and marketed and that farmer-member shall be assessed and be liable for all such production and marketing and subject to any subsequent reduction, cancellation, or refusal to allot and any excess production levies as CFO may determine.
- 4.34 Where a farmer-member markets chicken in a crop quota period in excess of the crop quota, CFO shall reduce the farmer-member's crop quota by an amount equal to the weight of chicken marketed in excess of the farmer-member's crop quota. The reduction shall be made, in equal amounts, in the sixth and seventh crop quota periods following that in which the farmer-member marketed in excess of the crop quota.
- 4.35 In this part,
- a) "over marketing kilogram control" means a crop quota adjustment applied as the result of an over marketing; and
  - b) "over marketing financial control" means an over marketing levy imposed pursuant to the CFO Licence Fees, Levies, Service Charges and Penalties Regulation made under the *Commodity Boards and Marketing Agencies Act*.

- 4.36 Commencing for A-170, continuing thereafter, where a farmer-member markets chicken in a crop quota period in excess of the crop quota, CFO shall apply over marketing kilogram controls and reduce the farmer-member's crop quota by the corresponding number of kilograms prescribed in Schedule B. The reduction shall be made, in equal amounts, in the sixth and seventh crop quota periods following that in which the farmer-member marketed in excess of the crop quota.
- 4.37 Commencing for A-170, continuing thereafter, in addition to an over marketing kilogram control, a farmer-member who markets chicken in a crop quota period in excess of the crop quota shall be subject to an over marketing financial control.

### Production Buildings

- 4.38 Any building used for the production of chicken must be approved by CFO and meet the requirements specified in Section 4.41, and any other applicable CFO policies or regulations.
- 4.39 Where a farmer-member's building no longer meets the requirements of Section 4.41 the farmer-member shall inform CFO at the time when the building fails to meet the requirements.
- 4.40 When a farmer-member intends to increase the size of a building or buildings or construct a new building for a crop quota period the farmer-member must inform CFO in writing at least 16 weeks prior to the commencement of the effective crop quota period specifying the amount of building space to be added and the completion date.
- 4.41 The farmer-member must satisfy CFO that all buildings are safe, suitable for the production and marketing of chicken on a year-round basis, equipped with adequate heating, ventilation, feeders, waterers, loading doors, are accessible at any time by poultry live haul vehicles and have a water supply that meets the minimum acceptable bacteriological standards as indicated in the On Farm Food Safety and Animal Care Policy.
- 4.42 Subject to section 4.41, all production buildings must have the following:
- a) Washroom facilities available when farm workers are present;
  - b) Turn-around areas for transport trucks. Existing facilities that have land issues must provide traffic control when vehicles are forced to back into the farm off the roadway;
  - c) Eavestroughs above each loading door;
  - d) Lighting at each loading door;
  - e) First aid kits;
  - f) Loading platforms at each loading door on buildings with a second storey;
  
  - g) Loading platforms fitted with railing systems at each loading door on buildings with a second storey;
  - h) Load-out holes with no obstructions, such as floor joists, and be equipped with fall prevention railing systems for buildings with a third storey or greater; and
  - i) Scaffolding for transfer of birds through the load-out holes for buildings with a third storey or greater.

4.43 Farmer members constructing new production buildings or modifying existing production buildings to add production space must have the following:

- a) For a barn greater than 300 m<sup>2</sup> , an anteroom with a minimum space of 10 m<sup>2</sup> and with a 4 m<sup>2</sup> designated controlled access zone (the “CAZ”) dedicated to a Biosecurity change area;
  - b) Portable brooders or huts must demonstrate a biosecurity change area;
  - c) For barns smaller than 300m<sup>2</sup>, an adequately sized ante-room with a step-over barrier to demonstrate an effective biosecurity change area;
  - d) A physical barrier or step over barrier that separate the Controlled Access Zone (“CAZ”) and the RA;
  - e) A minimum one metre wide barrier strip of <sup>3</sup>/<sub>4</sub> crushed stone, no less than 8 cm deep, that encircles the non-driveway areas of the permanent production building for a rodent deterrent;
  - f) A designated visitor parking area with signage outside the CAZ’
  - g) A two feed bin system to facilitate the management of antimicrobials in the feed. Farmer-members may use other systems of feed delivery and storage, if the proper management of antimicrobials and biosecurity of the feed supply is documented in a standard operating procedure and can be demonstrated; and
  - h) A concrete pad or similar non-porous surface floors installed on the ground floor for sanitation and ease of cleaning.
- 4.44 Registered premises without an inhabited, supervising residential building must have gates or barriers at the entrance to the CAZ that are lockable during times of heightened biosecurity. It is highly recommended for all registered premises to have gates or barriers that are lockable at the entrance to the CAZ, to be used during times of heightened biosecurity.
- 4.45 Production buildings that have been equipped for modular loading and are being used by a farmer-member who is marketing chicken to a processor that is also equipped for modular loading are exempt from paragraphs (f) and (g) of section 4.42.
- 4.46 All farm premises must have non-residential washroom facilities which must adhere to the following minimum standard: are regularly maintained, well lit, private, and provide toilet paper and proper hand hygiene capabilities by making alcohol-based hand rub or soap and running water available when farm workers are present.
- 4.47 A farmer-member may produce the crop of chicken for which the crop quota was allotted in any building approved for the production of chicken by CFO on the registered premises to which the quota is allotted.
- 4.48 Where a farmer-member is prevented from producing chicken in a building on a registered premises in respect of which quota was allotted by reason of the destruction of the building by fire, lightning, tempest, disease, or if the farmer-member is contemplating major renovations, the farmer-member may produce up to three crop quotas at a temporary premises provided that there is insufficient registered production area remaining at the registered premises to grow the crop quota and CFO is satisfied that the following criteria are met:
- a) A timely application must be submitted to CFO that includes the following information:
    - i. The reason for the request with sufficient detail;
    - ii. The approximate number of kilograms to be grown at the temporary premises;
    - iii. The specific quota period(s) the temporary premises is required; and
    - iv. Complete information regarding the temporary premises (owner, location - including lot, concession, the emergency or road number, road name, township, county, barn details including square footage and the specific floor if applicable).



- b) If renovations are the reason for the application, a CFO inspector must determine that such renovations warrant such a request.
- c) The temporary premises must be inspected by a CFO inspector and be suitable for production as provided in Sections 4.41 and 4.42.
- d) There must be sufficient space to grow the approximated number of kilograms in the temporary premises so as not to exceed a stocking density of 31 kg/m<sup>2</sup> or 38 kg/m<sup>2</sup> and comply with the On-Farm Food Safety and Animal Care Policy.
- e) If the temporary premises are also the registered premises of another farmer-member, the proposed production area must be completely separate from that of the production space utilized by the other farmer-member and there must be sufficient space available for both the registered production and the requested number of kilograms to be grown in the separate area.
- f) A copy of the temporary growing agreement which must include the following criteria must be filed with CFO as soon as is practicable:
  - The lot, concession, township, county, emergency or road number, road name, and barn details including the specific floor if applicable;
  - I. The approximated number of kilograms to be grown at the temporary premises;
  - II. The period of time the temporary growing agreement is in effect;
  - III. The financial consideration pertaining to the temporary growing agreement; and
  - IV. The responsibilities of the farmer-member and the grower and be signed and dated by both parties.

### **Section 5.0 - Quota Transfers and General Information**

- 5.01 In this Section and in Sections 6.0, 7.0, and 8.0, quota means basic quota unless otherwise indicated.
- 5.02 Effective quota period A-147, all quota administration related to the transfer of quota with or without registered premises, relocations of quota, changes in ownership information and all supporting documentation required by CFO will be administered digitally through the CFO Connects portal.
- 5.03 Farmer-members with the intent to transfer quota are required to post the intention to do so on the CFO Market Place Bulletin Board located on the CFO Connects Farmer-Member portal. The intention must be posted in advance of the quota period that CFO accepts quota transfers for the specified crop quota period as outline in the PSA calendar.
- 5.04 CFO will post the intent to transfer quota on behalf of farmer-members who have been approved to conduct business in an alternative method under the Digital Communication and Transactions Regulation.



- 5.05 All quota transfers are to be reflected on the Form 101 or Form 101F for the effective quota period.
- 5.06 CFO will not recognize or accept any notice, filing, registration or action that purports to create, preserve, perfect or enforce a security interest in quota. Where a farmer-member has filed a Direction with CFO, CFO will not accept or act upon any application for quota transfer or quota relocation by the farmer-member until the farmer-member delivers to CFO written authorization for the application from the lending institution.
- 5.07 Quota belongs to CFO. CFO transfers quota by Regulation made under the *Farm Products Marketing Act* by canceling the basic quota allotted to the transferor in respect of registered premises and allotting a like amount of quota to the transferee in respect of premises of which the transferee is the beneficial owner.

### **Transfer Assessment**

- 5.08 Every transferor of quota shall pay to CFO a transfer assessment fee for each application in an amount determined by the Board (the "Transfer Fee"). The Transfer Fee is hereby fixed at \$350. The transaction and transfer of quota shall not be granted final approval until payment of the Transfer Fee has been received. Payment of the Transfer Fee is due upon the date of issuance of the invoice. A late payment of 10% will be applied on all Transfer Fees that are not paid within 30 days.

### **Quota Transfer With or Without Registered Premises**

- 5.09 Subject to section 8.04, where the owner of a registered premises proposes to transfer title of that registered premises and to have the quota allotted in respect of them transferred to the transferee, the owner and transferee shall apply digitally to CFO for approval in principle of the quota transfer.
- 5.10 A farmer-member may apply digitally to CFO to transfer quota without a transfer of title of the registered premise in respect of which the quota is allotted. The earliest effective crop quota period of a quota transfer without registered premises shall be the crop quota period beginning not sooner than twenty-one (21) weeks following the date the application for approval in principle is digitally received.
- 5.11 Where CFO is satisfied that the application is in order, CFO will notify the transferor and transferee in writing that it approves the transfer in principle with final approval being subject to the transferor's payment of the transfer assessment, a copy of the registered deed of the premises showing the transferee to be the beneficial owner thereof and such other information that may be required of the transferor or the transferee.
- 5.12 Upon compliance with the above, CFO may cancel the quota allotted to the transferor and allot a like amount of quota to the transferee.
- 5.13 Where a quota transfer has been approved pursuant to Section 5.12, CFO will cancel the crop quotas allotted to the transferor beginning in the effective crop quota period of the transfer and will allot to the transferee crop quotas in an amount equal to that which would have been allotted to the transferor.

- 5.14 Where a quota transfer has been approved pursuant to Section 5.12, the transferee shall be liable for any over marketing of the transferor and shall receive the benefit of any under marketing of the transferor prior to the effective crop quota period of the transfer. Any over marketing or under marketing shall be allotted to the transferee in the crop quota period in which it would have been allotted to the transferor. Any other adjustments to the transferor's crop quota shall be treated in the same manner as over marketing or under marketing adjustments to the transferee's crop quota.
- 5.15 Where a quota transfer has been approved pursuant to Section 5.12, the transferee shall assume any marketing and contractual obligations and be responsible for any of the transferor's Forms 101 /101F in effect at the time of the transfer.

### **Restriction on Subsequent Quota Transfer Without Registered Premises**

- 5.16 Six crop quota periods must elapse before a transferee of quota without registered premises may again transfer quota without registered premises.

### **Change in Ownership of Corporation or Partnership**

- 5.17 Any change in the common shareholdings of a corporation or in the percentage interest of a partnership constitutes a transfer of the quota allotted to that corporation or partnership and is subject to the approval of CFO.
- 5.18 Where a change described in Section 5.17 is contemplated, the corporation or partnership shall communicate to CFO digitally the changes in common shareholdings and the manner in which it is to be effected.
- 5.19 Where CFO is satisfied that it has obtained sufficient information relating to the proposed change it may approve the transfer and the corporation or partnership shall be notified in writing thereof.
- 5.20 CFO may take such action as it determines necessary to effect the quota transfer.
- 5.21 Where a quota transfer application has been approved in principle and the transferor and transferee have satisfied the requirements for final approval, CFO may consider final approval of the transfer without further notice to the transferor and transferee.

### **Section 6.0 - Quota Relocation**

- 6.01 A farmer-member may apply digitally to CFO to relocate quota from a registered premises to another registered premises of which the farmer-member is the beneficial owner and shall deliver to CFO a copy of the registered deed showing the farmer-member to be the beneficial owner of the premises to which quota is to be relocated.
- 6.02 Application dates for quota relocations are outlined in the PSA calendar posted on the CFO website – [ontariochicken.ca](http://ontariochicken.ca).
- 6.03 Upon compliance with the above, CFO may cancel the quota in respect of which the application was made and may allot a like amount of quota to the farmer-member in respect of the premises to which the quota is to be relocated.

- 6.04 Where a quota relocation has been approved pursuant to Section 6.02, CFO will allot a crop quota when satisfied that there is a building on the registered premises approved by CFO pursuant to Section 4.41 for the production of chicken and having floor area sufficient for production of a crop quota at a stocking density not greater than 31 kg/m<sup>2</sup> or 38 kg/m<sup>2</sup> as the transferee may elect.

### **Section 7.0 – Temporary Growing Agreement**

- 7.01 Subject to section 4.48, the owner of a registered premises may apply to CFO to produce up to three crop quota periods at a temporary premises by submitting an application and temporary growing agreement on a timely basis.
- 7.02 Subject to approval, CFO will allot the crop quotas in respect of the registered premises to the grower during the period of the temporary growing agreement.
- 7.03 Upon termination of the temporary growing agreement, CFO shall allot the next crop quota allotted to the owner of the registered premises.

### **Section 8.0 - Restrictions of Quota Transfer, Quota Relocation, and Temporary Growing Agreements of Registered Premises Overriding Restriction**

#### **Information on Ownership**

- 8.01 Every proposed transferee, by making an application to CFO, specifically authorizes CFO to inspect all books, records, and documents relating in any way to the transfer, including where appropriate, the minute books, shareholders' register, and any other corporate or partnership record of agreements that deal with ownership and control of the proposed transferee and to take such action as CFO deems necessary to verify any such information.
- 8.02 Where a proposed transferor or transferee is a partnership or corporation, it shall disclose to CFO full particulars on partners or shareholders. Every transferor or transferee which is a partnership or corporation (other than a corporation whose shares are traded on a stock exchange) shall file with CFO a Form 109 prior to consideration of approval in principle of a transfer by CFO or when requested to do so by CFO.
- 8.03 Where a corporation or partnership is owned in whole or in part by a corporation or partnership, every such corporation or partnership having any interest therein shall likewise complete and file a Form 109 until the individual ownership of all corporations or partnerships is determined to the satisfaction of CFO.

#### **Minimum Quota**

- 8.04 CFO will not allot quota of less than 14,000 units in respect of a premises.
- 8.05 Notwithstanding Section 8.04, CFO will consider an application for quota transfer without registered premises of less than 14,000 units where the transferee is a new farmer-member with a detailed proposal to increase his/her total quota holdings to a minimum of 14,000 units within the following three quota periods and the application is to transfer the entire quota of the transferor.

- 8.06 Notwithstanding Section 8.04, CFO will consider an application for quota relocation from a registered premises in respect of which less than 14,000 units is allotted (or will be allotted following the relocation) to another registered premises provided that the quota is subsequently relocated back to the original registered premises not later than six crop quota periods following the relocation.
- 8.07 Notwithstanding Section 8.04, CFO may allot up to 10,000 units to an approved Local Niche Chicken farmer-member.

### **Approval in Principle**

- 8.08 Any quota transfers or relocations shall be governed by the policies in force on the date the application was received at CFO, provided the transferor and transferee or the farmer-member relocating quota comply with the requirements for final approval of the transactions within 90 days of the date on which approval in principle of the quota transfer or relocation was granted.

### **Prohibition of Transfer**

- 8.09 CFO may refuse to approve any application for quota transfer or quota relocation where any licence fees, levies, or other monies are owing to CFO in respect of any production or marketing pursuant to the quota or the transferor is in violation of any regulation, policy, order, or direction of CFO.
- 8.10 CFO will not approve a building in respect of which the Egg Farmers of Ontario, Ontario Broiler Hatching Egg and Chick Commission, or Turkey Farmers of Ontario has allotted a quota.

### **Liability of Transferee**

- 8.11 A farmer-member to whom quota is transferred pursuant to this Quota Policy, shall be liable to CFO for any over marketings, unreported marketings, excess production or other breaches or violations of any policies, orders, directions, or regulations of CFO by the transferor or tenant.
- 8.12 Where CFO has made available the technology so that persons can file forms digitally, then persons who notwithstanding choose to file forms otherwise may be subject to a service charge in relation to the additional costs incurred by CFO in processing such forms. Digitally filed forms are enforceable and the persons filing same are bound by the terms and provisions of the digitally filed forms to the same extent as if they had signed them with a handwritten signature.

### **Exemptions**

- 8.13 In special circumstances, CFO may provide persons with an exemption to, or relief from the application of, all or part of this quota policy. Persons may apply at any time but must set out the reasons prior to being considered. An application form is available at [www.ontariochicken.ca](http://www.ontariochicken.ca).

### Section 9.0 - Failure to Comply

- 9.01 CFO may refuse to allot a quota, or may reduce, refuse to increase, or cancel a quota allotted to a farmer-member who fails to comply with or has contravened any provision of the *Farm Products Marketing Act* or Regulations, any Plan, order or direction of The Ontario Farm Products Marketing Commission or any regulation, policy, order or direction of CFO. In addition, CFO may take similar action against every other farmer-member who has been a party with a farmer-member to any production and marketing of chicken contrary to this Policy.

### Section 10.0 - Orders and Directions

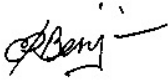
- 10.01 CFO may on occasion deem it appropriate to make certain specific orders and directions in relation to and as an adjunct of this Quota Policy for the purpose of furthering its intended effect.

### Section 11.0 - Revocation

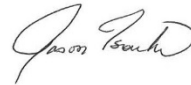
- 11.01 Quota Policy No. 253-2020 made by CFO on November 10, 2020 is hereby revoked as of the effective date and this Quota Policy, provided that such revocation shall not affect the previous effect of said Policies.

BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 31<sup>st</sup> day of March, 2021.



Chair



Board Secretary

## Schedule A

The maximum additional crop quota, market development crop quota, missed additional crop quota and under marketing that may be allotted in respect of a farmer-member's registered premises for any crop quota period may be determined as follows:

$$\text{MAX ACQ} = 31 \text{ or } 38(\text{PRDN SPACE}) - (0.2500 \times \text{CYCLE} \times \text{BASIC QUOTA UNITS})$$

Where:

MAX ACQ = the maximum additional crop quota (in kg) that may be allotted in respect of a premises;

31 or 38 = the allotment/m<sup>2</sup> at a density of 31 kg/m<sup>2</sup> or at a density of 38 kg/m<sup>2</sup> as the case may be;

PRDN SPACE = the approved production space (in m<sup>2</sup>) on the registered premises;

0.2500 = the allotment/unit of basic quota/week;

CYCLE = the farmer-member's cycle in weeks (7, 8, 9, or 10); and

BASIC QUOTA UNITS = the number of basic quota units allotted in respect of the registered premises.

**Schedule B**

<b>Production Level Percentage</b>	<b>Over Marketing Kilogram Controls Kilogram Factor</b>
100 - 101 %	0.0
101 to 102 %	0.0
102 to 103 %	1.0
103 to 104 %	1.0
104 to 105 %	1.2
105 to 106 %	1.3
106 to 107 %	1.5
107 to 108 %	1.7
108 to 109 %	1.7
109 to 110 %	1.7
> 110 %	1.7