
Chicken Farmers of Ontario
Requirements for the Marketing of
Chicken by Farmer-Members to Out-
of-Province Processors Regulation
No. 2520-2015

Made under: The *Farm Products Agencies Act* (Canada)
The *Farm Products Marketing Act* (Ontario)

Effective February 18, 2015

Section 1.0 – Interpretation

1.01 In this Regulation:

- (a) “*approved scale*” means a weigh scale located in Ontario used to determine the net weight of chicken sold by a farmer-member to a processor and approved by the Board;
- (b) “*Form 101A*” means an application made by the processor to the Board on the form prescribed by the Board for approval to contract with Ontario chicken farmer-members in an agreement for the purchase and sale of chicken and in which the applicant processor agrees to comply with certain terms and conditions.
- (c) “*processor*” means a person who slaughters chicken and who holds a valid and subsisting licence to engage in the business of operating a registered establishment under the *Meat Inspection Act* (Canada) and Regulations thereto or a plant under the *Agricultural Products, Marine Products and Food Act* and regulations thereto and whose plant or establishment is located outside of Ontario;
- (d) “*transporter*” means a person engaged in the delivery of chicken from the premises of a farmer-member to the plant or establishment of a processor or from one processor to another processor and includes the owner or lessee and the driver of the vehicle used to deliver the chicken and “transport”, “transporting”, “transported”, and “transportation” have corresponding meanings;

1.02 Other words appearing in this Regulation shall have the same meaning as found in the Words & Meanings Regulation made by the Board.

Section 2.0 - Application

- 2.01 This Regulation provides for the control and regulation in any or all respects of the marketing by farmer-members of chicken produced by them in Ontario to a processor whose plant or establishment is located outside of Ontario.
- 2.02 Ontario farmer-members may contract with an out-of-province processor in Phase 2 contracting only, provided that qualified farmer-members may contract with a Quebec processor in the Opening Phase.

2.03 Ontario farmer-members may contract with a Quebec processor up to the approved volume of supply of the Quebec processor as determined by EVQ. A Quebec processor that contracts in excess of the approved volume of supply will have any contracts or parts of contracts with farmer-members that cause the Quebec processor to exceed the approved volume of supply refused by CFO.

Section 3.0 - Purchase and Sale of Chicken

3.01 Subject to paragraph 3.02, every farmer-member and processor shall enter into an agreement for the purchase and sale of chicken using the digital means permitted by the Board ("Form 101").

3.02 Every qualified farmer-member and processor shall enter into an agreement for Opening Phase for the purchase and sale of chicken using the digital means permitted by the Board ("Form 101F").

3.03 Every processor who has made an agreement to purchase chicken from a farmer-member is responsible for payment to the farmer-member for all chicken marketed by that farmer-member pursuant to this Regulation.

3.04 A processor who applies to purchase chicken produced in Ontario shall first complete and file with the Board an application and agreement ("Form 101A").

3.05 In addition to Form 101A, the processor shall provide in support of its application:

- i. A comprehensive business plan that includes details of ownership, financial viability, key business objectives and strategies, and a marketing plan;
- ii. Proposed procurement, contracting procedures, payment procedures to farmer-members, chicken catching arrangements and animal care protocols and safety protocols, transportation arrangements and satisfactory evidence that animal care protocols in relation to transportation are in place;
- iii. Anticipated volume of supply to be sourced from Ontario farmer-members each crop quota period;
- iv. Particulars of the source of current supply and, in the case of a Quebec processor, the particulars of the approved guaranteed supply currently provided to the processor by EVQ;
- v. Verification that the applicant has or is seeking a CFIA or provincial inspection approval;
- vi. Facilitate a processing facility site visit by CFO Field Service Representative
- vii. Confirmation from a recognized financial institution that the applicant will be able to provide a Letter of Credit in the manner and amount required by this Regulation (Section 9.0); and
- viii. Such other information as the Board may require.

3.06 The Board will advise the applicant regarding the outcome of its application made in Form 101A.

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- 3.07 All approved Form 101A will expire at the end of each calendar year. A processor must reapply by completing, filing, and obtaining approval by the Board, via Form 101A as outlined in Section 3.04, 3.05 and 3.06 each year in which they intend to purchase chicken produced in Ontario.
- 3.08 A processor approved by the Board to purchase chicken produced in Ontario shall immediately disclose to the Board any material changes to their organization.
- 3.09 An agreement made pursuant to section 3.01 or 3.02 may be revised no later than 16 weeks prior to the commencement of the relevant crop quota period. All revision(s) with regards to cycle, home week, marketing week, planned thinning, self-imposed limitation or any other revision that will impact the relevant crop quota period allocation must be digitally filed and approved by the farmer-member, the processor and the Board on or before the deadline date specified by the Board for contracting in Phase 2.
- 3.10 Subject to section 3.11, every agreement for the marketing of chicken shall be digitally filed in a means permitted by the Board and shall be:
- i. Filed by the processor or farmer-member with the Board on or before the Phase 2 contracting deadline date specified on the relevant Form 101;
 - ii. Shall include all marketings that occur within the 8 weeks of the relevant crop quota period as specified on the Form 101;
 - iii. In effect for one crop quota period only as specified on the Form 101;
 - iv. Entered into during the Phase 2 contracting period only; and
 - v. Approved by the Board.
- 3.11 Every agreement for the marketing of chicken made by a qualified farmer-member shall be on a Form 101F and be:
- i. Filed by the processor or qualified farmer-member with the Board on or before the Opening Phase contracting deadline date, 16 weeks prior to the relevant quota period;
 - ii. Shall include all marketings that occur within the 8 weeks of the relevant crop quota period as specified on the Form 101F;
 - iii. Entered into during the Opening Phase contracting period only approved; and
 - iv. Approved by the Board.
- 3.12 A farmer-member who has not filed an agreement for the marketing of chicken by the contracting deadline date in Phase 2 will be directed by the Board to enter into an agreement with an Ontario processor designated by the Board.
- 3.13 Notwithstanding section 3.09, prior to any marketing occurring and upon request to the Board, the marketing week on the Form 101 and the Form 101F may be revised by filing with the Board a new Form 101 for the relevant crop period, provided that the revision must not move marketings to another crop quota period, must not change a crop exception period for quota periods already allotted and may only be done in regards to the Form 101 and the Form 101F for the same farmer-member by the same processor once every six quota periods.

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- 3.14 A farmer-member shall market the crop quota for each crop quota period in accordance with the farmer-member's home week(s) as specified on a Form 101 or Form 101F.
 - 3.15 A farmer-member, at the request of the processor, may market the number of units of basic quota specified to be marketed on a Form 101 or Form 101F in the week prior to or the week following the home week for that number of units.
 - 3.16 Where an application for a transfer of basic quota with registered premises has been approved, the farmer-member shall file with the Board a Form 101 or a Form 101F for the applicable crop quota period associated with the next filing deadline.
 - 3.17 All chicken shall be purchased and sold "Freight on Board" at the farmer-member's premises at the time of receipt by the processor.
 - 3.18 The processor shall give the farmer-member not less than 48 hours documented notice of the day and time of pick up at the farmer-member premises. However, the required notice may be less than 48 hours provided the processor and farmer-member mutually agree in writing.
 - 3.19 All of the chicken that a farmer-member has agreed to sell and a processor has agreed to purchase on a Form 101 or Form 101F shall be processed at the plant or establishment of the contracting processor on the Form 101 or Form 101F. A processor shall have obtained prior approval from the Board for any arrangement whereby chicken is to be processed at the plant or establishment of another processor.
 - 3.20 The Board will decline to accept any subsequently filed Form 101 and Form 101F from a processor that it determines has not complied with the provisions of Section 3.19 or Sections 9.01 and 9.02.
 - 3.21 Every filed Form 101 and Form 101F shall be deemed to contain a term permitting the Board through its authorized inspectors to have full and complete access to all books, records and documents relating to the marketing of the chicken, access to trucks and other means of transporting the chicken from the premises of a farmer-member to the plant or establishment of the processor, and full access to the approved scales used by the processor and the plant or establishment of the processor.
 - 3.22 The provisions of this part shall prevail if they conflict with any term, condition or other provision of any agreement made between a farmer-member and a processor relating to the marketing of chicken.
 - 3.23 The parties to a Form 101 or Form 101F shall acknowledge and comply with their respective obligations under the Farm Worker Safety Standard and will ensure that, where the context reasonably requires, persons with whom they contract for services have been made aware of their respective obligations contained in the Farm Worker Safety Standard.

Section 4.0 – Form Requirements for Receiving and Marketing Chicken

- 4.01 Every farmer-member shall digitally confirm with the Board, within 8 days of receipt of chicks from a hatchery, the chick placement particulars for each placement.

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- 4.02 Every farmer-member shall file with the Board a complete Flock Production and Marketing Form ("Form 3") regardless of whether they ship to federally or provincially inspected processing plants.
- i. Prior to the sale of chickens and at the request of the processor the farmer-member shall provide the processor with the average weight of the chickens on the date requested by the processor and complete the appropriate transaction(s) in Form 3; and
 - ii. At a minimum of 4 days prior to marketing, every farmer-member shall file with the Board a Form 3 with the required transaction(s) completed to each contracted processing plant to inform the processing plant of the status and condition of the chickens they will be receiving (including, but not limited to, diseases/treatment and mortality rate).
- 4.03 At the time of marketing, the farmer-member and the transporter shall file with the Board a complete Flock Information Reporting Form ("Form 6) for each load of chicken received by the processor. The farmer-member and the transporter shall ensure their respective particulars required of them are complete and accurate in all respects and are in relation to the registered premises on which the chicken was produced.
- 4.04 Any farmer-member who purchases chicks from a hatchery located outside of Ontario shall, within 10 business days of receipt of the chicks, complete and file with the Board an out-of-province chick purchase report in a Form 4.

Section 5.0 - Transporting and Weighing Chicken

- 5.01 Every transporter shall file with the Board at the time of receipt of the chickens a Form 6 for each load of chicken from the farmer-member. The transporter shall file all the necessary information specified by the Board in a complete and accurate manner.
- 5.02 Prior to the weighing of chicken, the approved scale shall be set to a zero reading and recorded with time and date on a weigh ticket.
- 5.03 Every transporter shall, in respect of each load of chicken transported from a farmer-member to a processor, proceed directly from the farmer-member's premises to attend at an approved scale and obtain a weight ticket for the chicken being transported showing the exact date and time and weight of the chicken including the zero weight, tare weight of the vehicle, the gross weight of the vehicle and the net weight of the chicken. The transporter shall obtain the completed weight ticket and deliver a copy of it to the processor. The chicken shall be weighed immediately upon arrival at the approved scale.
- 5.04 Where the plant or establishment of a processor is equipped with a weigh scale, the chicken shall be weighed at the plant or establishment of the processor in addition to being weighed at an approved scale.
- 5.05 The same tractor and trailer combination shall be used when weighing at the approved scale and when weighing at the weigh scale located at the plant or establishment of the processor.
- 5.06 To determine the weight of the chicken, the tractor and trailer shall be weighed on a combined basis or separately.

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- 5.07 When chicken are weighed, the fuel tank of the vehicle transporting chicken shall be full when weighing empty and when weighing loaded with chicken and the processor or the processor's agent shall make accurate allowances for the tare weight of the empty vehicle and crates.
- 5.08 For the purpose of making accurate allowances for the tare weight of the empty vehicle and crates, the empty vehicle and crates shall be weighed at an approved scale as soon as possible prior to the loading of the chicken. The tare weight is to be taken at the same approved scale as the gross weight taken following the loading of the chicken.
- 5.09 The processor or the processor's agent shall ensure that the time and date of weighing is on the tare weight ticket and provide a duplicate copy of the weight ticket to the farmer-member at the time of loading.
- 5.10 Every approved scale weight ticket shall clearly identify the vehicle weighed and the approved scale at which the chicken was weighed.
- 5.11 The approved scale shall be equipped with a clock and a printer capable of furnishing a clear and legible hard copy of the zero weigh(s), tare weight and gross weight showing the date and time that each was taken.
- 5.12 The processor or the processor's agent shall attach true copies of the tare and gross weigh tickets to the processor's settlement to the farmer-member. Each true copy of the weigh tickets will show that the scale was set to a zero reading immediately before the weights were taken.
- 5.13 The processor shall, upon request by the Board, immediately reweigh any chicken at the nearest available weigh scale.
- 5.14 Despite anything in this Section to the contrary, the Board may by order or direction require a processor to weigh under the direct supervision of the Board or its designated agents at such time or times or within such period of time or times as may be specified in the order or direction of the Board.

Section 6.0 - Payment to Farmer-Members

- 6.01 Payment for chicken shall be calculated based on the weight of the chicken obtained at an approved scale less an allowance for shrink of one percent (1%). The processor, in calculating payment for the chicken shall make no other deduction in the weight of the chicken.
- 6.02 Every processor shall pay to the farmer-member the purchase price of all chicken received at the premises of the farmer-member other than chicken condemned at the plant of the processor by reason of:
- i. Disease, or
 - ii. Emaciation.
- 6.03 No processor may make any deduction for chicken that are dead on arrival at the plant or establishment or condemned due to bruising or cyanosis.
- 6.04 Parts condemned by reason of disease or emaciation only may be charged to the farmer-member. Parts condemned for any other reason shall not be charged to the farmer-member.

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- 6.05 Condemnation of chicken, or parts thereof, shall be determined by a Meat Hygiene Inspector of the Canadian Food Inspection Agency or the Ministère De L'Agriculture, Des Pêches Et De L'Alimentation Du Quebec who shall issue a certificate of Condemnation to the processor.
- 6.06 Where chicken are processed on Sunday, Monday, Tuesday or Wednesday, the processor shall make payment available to the farmer-member on the Thursday following the day on which the chicken are processed.
- 6.07 Where chicken are processed on Thursday, Friday, Saturday, the processor shall make payment available to the farmer-member on the Monday following the day on which the chicken are processed. Where the Monday specified by this Section or the Thursday specified in Section 6.06 is a statutory holiday, the processor shall make payment available to the farmer-member on the day following the statutory holiday.
- 6.08 The processor shall be responsible for arranging for the catching of chicken at the farmer-member's premises and all costs associated with such catching. The processor may either provide a catching crew or arrange for the farmer-member to provide a catching crew and then reimburse the farmer-member his costs accordingly.
- 6.09 The price to be paid by a processor to a farmer-member for chicken shall not be less than the price determined in accordance with Regulation No. 402 made under the *Farm Products Marketing Act* and which is in effect when the chicken is received by the processor at the premises of the farmer-member, regardless of the price that was in effect for the quota period for which the chicken was allotted.
- 6.10 Where a processor requires a change in a farmer-member's planned marketing date as a result of an event or circumstance that is within the control of the processor, and that change results in the processor acquiring chickens that are not in accordance with the marketing specifications on a Form 101, the processor shall pay the farmer-member the greater of the live weight category price or the Form 101 weight category price.
- 6.11 Every processor who receives chicken shall deduct from the monies payable for the chicken, any licence fees payable to the Board by the farmer-member and shall forthwith forward such licence fees to the Board at its office not later than 7 days from the last day of the week the chicken was received.

Section 7.0 - Processor Information

- 7.01 Every processor shall complete and file with the Board within 7 days of the date on which chicken were received by the processor, a Buyer Purchase Report in a Form 68 showing with respect to each farmer-member the farmer-member's name, address, the lot, concession, township and county of the farmer-member's premises, the purchase date, Form 6 number, number of chickens purchased, condemned and paid for, the net weight, the Board licence fee and HST and the CFC levy and HST
- 7.02 Every Buyer Purchase Report in a Form 68 shall be accompanied by true copies of all farmer-member Settlement Statements for all chicken purchased by the processor showing with respect to each farmer-member the loads of chicken purchased by the processor, the total weight of each load, the Form 6 number for each load, the full purchase price paid to the farmer-member, the deductions including the licence fees of the Board and the levies of the CFC and the net amount paid to the farmer-member, true copies of all Certificates of

Condemnation issued to the farmer-member in respect of chicken and true copies of the tare and gross weight tickets obtained from the approved scale with respect to each load of chicken and true copies of the tare and gross weight tickets obtained from the processor's weigh scale with respect to each load of chicken.

Section 8.0 - Cancellation and Non-Fulfillment

- 8.01 Either party to an agreement in a Form 101 or Form 101F shall be excused for non-fulfillment of the agreement caused by inability beyond the control of either party due to acts of God, fire, floods, strikes, wind, hail, explosion or order of civil or military authorities, to the extent that fulfillment of the agreement has been prevented, in whole or in part, by such cause or causes.

Section 9.0 - Furnishing of Financial Security

- 9.01 Every processor shall, not later than 20 weeks prior to the commencement of each crop quota period, file a Letter of Credit in a Form "LC" with the Administrator in favour of the Board, in an amount not less than twelve percent (12%) of the dollar value of the volume of kilograms of chicken to be processed by that processor in the crop quota period.
- 9.02 The Letter of Credit shall be irrevocable and the beneficiary of the Letter of Credit shall be the Board. The term of the Letter of Credit shall be for a minimum of 16 weeks beyond the end of the quota period for which the request was made.

Section 10.0 - Forfeiture and Disposition of Letters of Credit

- 10.01 A Letter of Credit delivered by a processor to the Administrator may be forfeited to the Board in whole or in part upon the occurrence of any of the following:
- i. A processor has refused to accept all or part of the kilograms of chicken contracted for by it on a Form 101 or Form 101F for any crop quota period.
 - ii. A processor has failed to pay a farmer-member for kilograms of chicken received by it contrary to Section 6.01 to 6.11 of this Regulation regarding time of payment or any order or direction of the Board.
- 10.02 The Board will notify a processor, in writing, that it has determined to authorize and direct the Administrator to draw, in whole or in part, on the letter of credit filed by the processor. In such case the processor may within 48 hours of delivery of the notice request that the Board hold a hearing to reconsider its decision. The Board will then arrange a hearing as soon as possible at which the processor shall be required to show cause as to why a draw on its letter of credit should not be made in the circumstances.
- 10.03 When the Board has determined that a processor has contravened either paragraph of Section 10.01, it will authorize and direct the Administrator on a Form "DT" to draw, in whole or in part, on the Letter of Credit filed by the processor as follows:
- i. If a processor has refused to accept the kilograms of live chicken contracted for by it on a Form 101 or Form 101F, then the Letter of Credit will be drawn on in an amount equal to the monies lost by the farmer-member, if any, due to the processor's refusal to accept the kilograms of chicken; and
 - ii. If a processor has failed to pay a farmer-member for chicken marketed to it, then the Letter of Credit will be drawn on in an amount equal to the amount of money the processor has failed to pay the farmer-member for kilograms of chicken received by it.

10.04 The Administrator will draw on a Letter of Credit by filing a Demand and Certificate on a Form "DC" with the financial institution that issued the Letter of Credit. The Administrator will distribute all monies received in accordance with the Board's direction. The Board may authorize the Administrator to pay all or part of the monies to it or such other persons and in amounts as it may determine.

Section 11.0 - Orders and Directions

11.01 The Board may on occasion deem it appropriate to make certain specific orders and directions in relation to and as an adjunct of this Regulation for the purpose of furthering the intended effect of its application.

Section 12.0 – Effective Date

12.01 This Regulation is effective on the 18th day of February, 2015 and shall apply to such persons and licencees as designated by order of the Board.

BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 18th day February, 2015



Chair



Secretary