

Chicken Farmers of Ontario

Kosher Chicken Processing Supply Policy No. 224-2016

Made under the *Farm Products Marketing Act*

Effective Commencing with Quota Period A-139
(September 4 to October 29, 2016)

- 1.00 In allotting crop quotas to farmer-members, Chicken Farmers of Ontario (“CFO”) will distribute, in respect of a particular processor, the quantity of chicken, which that processor is authorized to purchase from farmer-members through CFO pursuant to this Policy.
- 2.00 This Policy sets out the conditions pursuant to which CFO will provide a maximum of 700,000 kilograms of chicken supply to a kosher chicken processor.
- 3.00 Subject to paragraphs 4.00 and 7.00, commencing for Quota Period A-139 and continuing each quota period thereafter, CFO will increase the amount of Dedicated Kilograms as described in Schedule A of Chicken Farmers of Ontario *Determination and Distribution of Supply Policy No. 204-2014* (the “Supply Policy”) by a maximum of 700,000 kilograms.
- 4.00 In the event that Chicken Farmers of Canada (“CFC”) increases Ontario’s allocation for a quota period, specifically to provide supplies to support kosher chicken processing, then the supply provided under this Policy will be adjusted by an amount that corresponds to the allocation increase made by CFC. The adjustment will be made in such a manner, that the distribution of supply to the kosher processor will be uninterrupted and the net effect of the adjustment will be to not change the amount of supply available to the kosher chicken processor, while providing a corresponding increase in supply to all other Class A processors.
- 5.00 “Kosher chicken processing” means the processing of chicken in accordance with the conventional kosher processing requirements, which include ritual slaughter by hand, cold water feather removal, cold water soaking and salting and rinsing; specific inspection of the meat and organs and ongoing segregation of kosher chicken once processed.
- 6.00 Subject to section 7.00, a person approved to become licensed as a new kosher chicken processor shall have made a written application to CFO for its consideration, which application shall include:
 - a) A comprehensive business plan that includes a marketing plan;
 - b) Verification of relevant experience as a meat protein processor;
 - c) Verification that the applicant has or is seeking a Canadian Food Inspection Agency or provincial inspection approval;

- d) 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 the Processor Regulation; and
 - e) Such other information as CFO may require, as identified on www.ontariochicken.ca, including but not limited to particulars regarding procurement of chicken, contracting procedures, payment procedures to farmer-members, transportation arrangements and animal care protocols, chicken catching arrangements and animal care protocols and safety protocols.
- 7.00 If there is no licensed kosher chicken processor in operation, no part of the kosher processor supply described in this Policy will be added to the Dedicated Kilograms.
- 8.00 Once an applicant has been approved as a kosher chicken processor, it shall be licensed as a Class A processor in accordance with the General Regulation 2518-2015, provided that it shall not be required to satisfy clause (iii) of section 6.04 of the General Regulation.
- 9.00 A kosher chicken processor shall pay to CFO a license fee, an amount to be determined annually by CFO, in each quota period in which it utilizes the supply of chicken provided to it under this Policy.
- 10.00 Except as described in this Policy, a kosher chicken processor shall be required to meet all applicable CFO regulations and policies, the provisions of the *Farm Products Marketing Act* and the Regulations made under the *Farm Products Marketing Act*.
- 11.00 Subject to paragraph 12.00, the amount of the kosher chicken processor's supply shall be determined in advance of each quota period by CFO and will be the lesser of the supply amount requested by the kosher chicken processor and 700,000 kilograms. If the kosher chicken processor does not require the full 700,000 kilograms of supply in a quota period, the unrequired amount will not be included as part of the Dedicated Kilograms.
- 12.00 If the kosher chicken processor has seasonal or specific processing requirements, it may apply to CFO for adjustment to its supply to reflect these needs. The kosher chicken processor will be required to demonstrate an established pattern of historic marketing and any adjustments in supply must balance to zero in the subsequent crop quota period.
- 13.00 The kosher chicken processor will enter into Form 101 Agreements with Ontario farmer-members during Phase 1 intra-provincial contracting to a maximum amount of 700,000 kilograms. A sleeve of up to 20,000 kilograms will be available provided that the kosher processor makes reasonable efforts to contract, in each quota period, as close to the maximum 700,000 kilograms as possible, without exceeding it.
- 14.00 At approximately 14 weeks in advance of each crop quota period and upon receipt of the authorized volume of production from CFC, CFO will provide to the kosher chicken processor with a listing of farmer-members' final crop quotas currently contracted with the kosher chicken processor.

- 15.00 CFO shall audit the kosher chicken processor to ensure there is adherence to this Policy and the supply is being processed and marketed as kosher.
- 16.00 The supply for kosher chicken processing is not tradable, transferable, rentable and cannot be pledged as security for indebtedness.
- 17.00 In the event that a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the property, business or assets of the kosher chicken processor, the supply will be cancelled by CFO in the crop quota period of allotment immediately following the terminal event.
- 18.00 In the event the lease or any of the kosher chicken processor's property, business or assets or any part thereof, are taken under a writ of execution and such writ is not stayed or vacated within 15 day after the date of such taking, the kosher chicken processor supply will be cancelled by CFO in the crop quota period of allotment immediately following the terminal event.
- 19.00 In the event that the kosher chicken processor becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes a proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the kosher chicken processor's existence or the liquidation of its assets, the kosher chicken processor supply will be cancelled by CFO in the crop quota period of allotment immediately following the terminal event.
- 20.00 In the event that a mortgagee, a landlord of the kosher chicken processor, or any other person or entity takes possession of the property, business or assets of the kosher chicken processor, or takes any steps to repossess or sell the property, business or assets of the kosher chicken processor, the kosher chicken processor supply will be cancelled by CFO on the crop quota period of allotment immediately following the terminal event.
- 21.00 In the event the kosher chicken processor sells or agrees to sell its property, business or assets, the kosher chicken processor supply will be cancelled by CFO in the crop quota period of allotment immediately following the sale.
- 22.00 Once a kosher chicken processor is approved by CFO that processor is expected to be an active participant within the industry.
- 23.00 CFO may suspend or revoke its approval of Dedicated Kilograms for kosher for any reason it considers proper including, but not limited to, that the kosher chicken processor has been found in substantive non-compliance with this Policy.
- 24.00 CFO may on occasion deem it appropriate to make certain specific orders and directions in relation to and as an adjunct of this Policy for the purpose of furthering the intended effect of its application, which is to provide a stable supply for kosher chicken processing to a processor within Ontario in order to enable such processor to enter into marketing agreements on Form 101 with Ontario farmer-members.

- 25.00 A licensed kosher chicken processor may not apply as a new entrant processor in accordance with the Supply Policy or any successor policy thereof.
- 26.00 A kosher chicken processor may acquire calculated base without affecting its ability to continue to receive up to 700,000 kilograms of kosher chicken processing supply as contemplated by this Policy.
- 27.00 In the event of a conflict between the provisions of this Policy and the provisions of the Supply Policy or any successor policy thereto, the provisions of this Policy will prevail.
- 28.00 CFO may periodically review the provisions of this Policy and will evaluate whether the objectives of it are being achieved.

BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 9th day of March, 2016.



Chair



Secretary