

Chicken Farmers of Ontario
Poultry Disease Insurance Policy
No. 240-2018

Made under the *Farm Products Marketing Act*

Section 1.0 – Overview and Purpose

- 1.01 Poultry diseases constitute a serious and ongoing threat to the Ontario chicken industry.
- 1.02 Chicken Farmers of Ontario’s (“CFO”) mandate under the *Farm Products Marketing Act* includes acting proactively to anticipate and respond to potential outcomes such as poultry diseases that could adversely impact the production and marketing of chicken within Ontario and, as well, CFO’s commitment to the national chicken marketing system. CFO has prioritized Effective Risk Management which includes mitigating the risk of loss or disruption of chicken production and its implications throughout the supply chain including potentially adverse impacts on purchasers of live chicken and ultimately the consumer.
- 1.03 Part of CFO’s Effective Risk Management strategy includes requiring chicken farmers to satisfy the requirements of the Chicken Farmers of Canada (“CFC”) On-Farm Food Safety Program. CFO considers poultry disease insurance coverage to be an important component of each chicken farmer’s commitment, made through OFFS Program compliance, to produce safe and healthy chicken.
- 1.04 Accordingly, the Board has determined that it is in the best interests of CFO, the Ontario chicken industry and chicken farmers to require that, as a condition of continuing to produce and market chicken, chicken farmers obtain and maintain insurance against losses caused by or attributed to poultry diseases.
- 1.05 Initially, the Board has designated avian influenza as the poultry disease in relation to which insurance must be obtained. Avian influenza includes highly pathogenic avian influenza and low pathogenic H5 or H7 strains. The CFO Poultry Disease Insurance Policy will be the platform utilized by CFO, if it determines to expand insurance coverage requirements in relation to other poultry diseases.
- 1.06 As well as making avian influenza insurance mandatory, the Board has determined that all chicken farmers will obtain such basic avian influenza insurance from the Poultry Insurance Exchange Reciprocal of Canada (“PIE”). PIE is an insurance reciprocal licenced to operate under the *Insurance Act* (Ontario).
- 1.07 Accordingly, for purposes of obtaining avian influenza insurance, all chicken farmers will be required to become subscribers of PIE.
- 1.08 CFO intends to manage the collection of premiums from chicken farmers and the delivery of such premiums to PIE on behalf of chicken farmers.
- 1.09 As a result of this initiative, the chicken production of chicken farmers that occurs pursuant to the allocation received by CFO from CFC will be insured through PIE for avian influenza.

- 1.10 All chicken farmers are licenced by CFO to engage in chicken production. The majority of chicken farmers are also issued a crop quota to produce and market chicken. On the effective date, all licences to engage in chicken production, as well as all crop quotas, all specialty breeds allotments and all annual Artisanal Production Licences, will be issued subject to the condition of the chicken farmer having obtained avian influenza disease insurance through PIE.
- 1.11 The requirements in this Policy are not intended to cause the replacement, alteration or prohibition of existing insurance that individual chicken farmers may already have obtained. All chicken farmers may continue to secure insurance from other providers in relation to various perils, including poultry diseases, as they may determine is most appropriate for their individual circumstances.

Section 2.0 – Interpretation

2.01 In this Policy:

- (a) “*avian influenza*” means highly pathogenic avian influenza and low pathogenic H5 or H7 strains of avian influenza;
- (b) “*barn*” means a structure used for the production of chicken that has been approved by the Board for such purpose;
- (c) “*chicken farmer*” means a person licenced by the Board to produce chicken and to whom the Board has allotted quota or has issued a specialty breeds allotment or has issued an annual Artisanal Production Licence;
- (d) “*Chicken Farmer Profile*” means any and all information respecting a chicken farmer that the Board considers necessary to support the production and marketing of chicken;
- (e) “*Disease Insurance Platform*” means a scalable, adaptable approach for providing disease insurance for insurable perils;
- (f) “*On-Farm Food Safety Program* (“OFFS Program”) means the monitoring and hygiene programs for the reduction of risk of biological, chemical and physical hazards in respect to the operations of a subscriber promulgated by the Chicken Farmers of Canada (“CFC”) and adopted, implemented and enforced by CFO and includes the CFC Free Range On Farm Food Safety Program and the CFC Animal Care Program;
- (g) “*poultry disease*” means a poultry disease that has been designated by the Board for purposes of mandatory poultry disease insurance;
- (h) “*poultry disease insurance*” means a contract of insurance made between a chicken farmer as the insured and a designated insurer that provides financial compensation for chicken losses due to poultry disease and in accordance with the terms contained in the contract of insurance;

- (i) “*Poultry Insurance Exchange Reciprocal of Canada (PIE)*” means the organization having its head office in Arnprior, Ontario and established as a reciprocal pursuant to the provisions of the *Insurance Act* (Ontario);
- (j) “*premises*” means a parcel or lot of real property as identified by a Property Identifier Number or, in the absence thereof, by another legal description by lot and/or parcel number or similar legal description or by other appropriate description using metes and bounds coordinates including the barns existing on such real property;
- (k) “*premium*” means a payment made to PIE by or on behalf of a subscriber for insurance coverage;
- (l) “*Property Identifier Number*” means the property identifier assigned to a property in accordance with the *Registry Act*, R.S.O. 1990, c. R.20, or in accordance with the *Land Titles Act*, R.S.O. 1990, c. L.5;
- (m) “*registered premises*” means the premises in respect of which the Board has allotted quota to an allottee;
- (n) “*subscriber*” means a chicken farmer who has completed a Subscribers’ Agreement with PIE; and
- (o) “*Subscribers’ Agreement*” means an agreement made between a chicken farmer as the subscriber and PIE that sets out the terms and conditions relating to the operation of the reciprocal exchange of contracts of insurance among participating chicken farmers.

2.02 Other words appearing in this Policy shall have the same meaning as found in the Words and Meanings Regulation made by the Board.

Section 3.0 – Designated Poultry Diseases

- 3.01 Avian influenza is designated as a poultry disease under CFO’s Disease Insurance Platform.
- 3.02 The Board, in conjunction with poultry industry collaboration, may designate other poultry diseases under CFO’s Disease Insurance Platform and provide for the method that chicken farmers must follow to obtain insurance therefor.

Section 4.0 – Avian Influenza Disease Insurance

- 4.01 On or before December 31, 2018, every chicken farmer shall obtain avian influenza disease insurance by completing a Subscribers’ Agreement with PIE and such other documentation as may be required to obtain the issuance of a valid and subsisting contract of insurance with the chicken farmer as the insured party.
- 4.02 Every chicken farmer shall pay annual insurance premiums to PIE within the time required by the Subscribers’ Agreement and subject to such additional terms and methods respecting payment as may be required by the Board or as a term of the Subscribers’ Agreement.

- 4.03 Every chicken farmer who has made an agreement with a processor for the marketing of chicken on Form 101 shall, by virtue of executing such Form 101, be considered to have authorized the processor to deduct the PIE premium.
- 4.04 The premium payable by a chicken farmer shall be deducted from the monies otherwise payable to the chicken farmer by a processor and remitted by that processor to CFO or, in the case of a chicken farmer who is not marketing chicken pursuant to a Form 101 made with a Class A processor, shall be remitted directly by such chicken farmer to CFO. CFO will manage the collection of premiums from chicken farmers including the delivery of such premiums to PIE on behalf of chicken farmers in accordance with invoices issued by PIE to chicken farmers in that regard.
- 4.05 Class A processors shall have no other obligation under this Policy besides deducting premium monies and then remitting such premium monies to CFO.

Section 5.0 – Poultry Disease Insurance Platform

- 5.01 The Board may designate additional poultry diseases under CFO's poultry Disease Insurance Platform and prescribe the premium and manner of premium payment, the insurance provider, if any, and other relevant terms and conditions.
- 5.02 Every chicken farmer shall obtain other poultry disease insurance for a designated poultry disease under CFO's Poultry Disease Insurance Platform by completing such documentation as may be required between the chicken farmer and a designated insurance provider.
- 5.03 Every chicken farmer shall pay annual insurance premiums to the designated insurance provider within the time required.

Section 6.0 – Licencing and Crop Quotas

- 6.01 As a condition of licence and as a condition of being issued a crop quota, a specialty breeds allotment or an annual Artisanal Production Licence, every chicken farmer shall:
- (a) obtain poultry disease insurance in respect of their chicken production and the premises or registered premises at which such production occurs;
 - (b) complete a Subscribers' Agreement with PIE;
 - (c) complete such other documentation as the Board may require, in order to obtain a poultry disease insurance policy; and
 - (d) maintain their premises or registered premises in good standing and strictly in accordance with the requirements of the OFFS Program.

Section 7.0 – Filings and Notices

- 7.01 All filings to be made and notices given in accordance with this Policy shall be complete and accurate in all respects, done exclusively utilizing CFO Connects, and within the timelines prescribed.

- 7.02 All chicken farmers shall submit a Chicken Farmer Profile, as required by the Board, and as may be amended from time to time.
- 7.03 The chicken farmer shall update and keep current a complete and accurate Chicken Farmer Profile.

Section 8.0 – Consequences of Contravention

- 8.01 Where a chicken farmer is found to have contravened this Policy, the Board may take such action it considers appropriate, including making a decision to:
- (a) refuse to grant or renew, suspend or revoke the chicken farmer's licence to produce chicken;
 - (b) refuse to issue, suspend or revoke a chicken farmer's crop quota, specialty breeds allotment or annual Artisanal Production Licence; or
 - (c) suspend or prohibit chick placements.

Section 9.0 – Orders and Directions

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

Section 10.0 – Effective Date and Conflict

- 10.01 This Policy is made effective on the 10th day of December, 2018.
- 10.02 If there is a conflict or discrepancy between any term or provision in this Policy and any term or provision in another CFO policy, the term or provision in this Policy shall supersede the term or provision in the other policy, to the extent of such conflict or discrepancy.

BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 10th day of December, 2018

DATED AT Burlington, Ontario this.



Chair



Secretary