

Chicken Farmers of Ontario Market Development Policy No. 210-2016

Made under the *Farm Products Marketing Act*

**Effective Commencing Quota Period A-137
(May 15, 2016 to July 9, 2016)**

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Section 1.0 – Purpose

- 1.01 The purpose of this Policy is to provide the opportunity for the Ontario chicken industry to take advantage of new and emerging international markets in conjunction with Chicken Farmer of Canada's ("CFC") Market Development Policy amended on July 9, 2013.

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 to achieve domestic economic growth by positioning the Ontario chicken industry to take advantage of new and emerging international markets.
- 2.03 Key Result Areas are:
- a) To unlock the entrepreneurial and innovative energies of the industry to meet new and emerging international market opportunities;
 - b) To consistently grow superior quality, safe chicken while achieving an appropriate level of animal welfare and care by CFO farmer-members; and

- c) To create the environment to accelerate the profitable growth of Ontario's organic and other chicken sectors for both existing and new farmers.

Section 3.0 - The Role of CFO

3.01 CFO, as the steward and regulator intends to:

- a) become the strategic business partner of farmer-members and processors by providing leadership, knowledge and resources to grow and market chicken domestically and internationally under this policy; and
- b) become a trusted and reliable business partner to participants by providing leadership, knowledge and resources to successfully grow Ontario's chicken industry.

Section 4.0 – Definitions

4.01 In this Policy,

- a) “Identity Preservation” means the practice of isolating and tracking the unique characteristics of chicken that otherwise would be lost through co-mingling during normal production, handling, transportation or processing procedures; and
- b) “Certification” means the confirmation of identity preservation characteristics.

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 CFO.

Section 5.0 – Program Fundamentals

- 5.01 This policy will be applied by CFO in conjunction with the Market Development Policy adopted by CFC on November 15, 2007, and amended on July 9, 2013. Processors must comply at all times with the CFC policy.
- 5.02 This policy shall be applied by CFO in conjunction with any other quota policy or policy made by it.
- 5.03 Where a provision of this policy is in conflict with any provision or meaning of any other policy made by CFO, the provision of this policy shall prevail.
- 5.04 CFO may reject the market development component of a processor's Form 401 and its accompanying Form MD, on the basis of the price offered by the processor. CFO will notify the processor that it intends to reject a market development component of the processor's Form 401 and its accompanying Form MD and shall provide the processor with an opportunity to provide a rationale for its price offer or offers prior to making a final decision. The processor is not permitted to submit a revised price offer or offers on Form MD, for the quota period.

Section 6.0 – Processor Eligibility

- 6.01 To qualify as a purchaser of chicken for market development, a processor must:
- a) be the holder of a Class A licence as a processor issued by CFO;
 - b) be in full compliance with all the terms and conditions of that licence;
 - c) be the holder of a Market Development licence issued by CFC;
 - d) be in full compliance with all the terms and conditions of such Market Development licence;
 - e) have made a Market Development request to CFO in accordance with Section 4.01; and
 - f) have included with the Market Development request to CFO under Section 4.01 all information required to be filed with CFC pursuant to the *Canadian Chicken Licencing Regulations* made under the *Farm Products Agencies Act*.

Section 7.0 – Requests for Chicken for Market Development from Processors

- 7.01 For each crop quota period, every processor requesting chicken for market development purposes shall;
- a) submit a Total Request in Form 401;
 - b) submit a CFC Market Development Commitment Form;
 - c) submit a request for volume and the price adjustment from the domestic live price on a CFO Form MD; and
 - d) express the price offered to be paid by the processor for the chicken on CFO Form MD as an adjustment relative to the price for chicken determined in accordance with the *Farm Products Marketing Act* and Regulation 402 in that regard.
- 7.02 If the sum of all received market development requests by processors, is in excess of the CFC market development cap then the processor or processors that have offered the lowest price will have their market development request all or partially excluded until the CFC market development cap is not exceeded.

Section 8.0 – Farmer-Member Participation in Producing and Marketing Chicken for Market Development

- 8.01 CFO will calculate the weighted average market development price adjustment offered by processors and inform all farmer-members thereof on Form 101 for each crop quota period.
- 8.02 All Farmer-members who are allotted a crop quota for a crop quota period, with the exception of those farmer-members who complete Form 101F and Form 101 for a crop quota period

with a processor located outside of Ontario, will be entitled to participate in producing and marketing chicken for market development for that crop quota period.

- 8.03 Every farmer-member requesting to produce and market chicken for market development must indicate such in the appropriate place on Form 101N and Form 101.
- 8.04 A Form 101N and subsequently a Form 101 must be filed with CFO by the appropriate deadline date for each crop quota period in which a farmer-member chooses to vary their participation in the market development program.
- 8.05 CFO will allot to farmer-members as market development crop quotas, the sum of all market development processor requests, provided that such farmer-members have the required building area in aggregate to produce the market development processor requests.

Section 9.0 – Allotment of Crop Quotas to Farmer-Members for Producing and Marketing Chicken for Market Development

- 9.01 Market Development crop quotas will be allotted by CFO to participating farmer-members on a per capita basis, subject to a farmer-member having sufficient building area for the market development crop quota as determined by CFO's Quota Policy. In no instance will a farmer-member's market development crop quota exceed 40% of the farmer-member's basic crop quota for the crop quota period.
- 9.02 The amount of building area available for a farmer-member's market development crop quota will be determined after the farmer-member's domestic crop quota has been determined.
- 9.03 A farmer-member's market development crop quota will form part of each participating farmer-member's total crop quota for the crop quota period. CFO's over marketing and under marketing policies will continue to apply to the farmer-member's total crop quota for the crop quota period, including the farmer-member's market development crop quota.
- 9.04 CFO will allot only one market development crop quota to a farmer-member in a quota period, even though a farmer-member may have ownership, control or an interest in more than one registered premises.
- 9.05 When determining all marketings made by a farmer-member in a crop quota period, the kilograms of chicken associated with the market development crop quota will be deemed to have been the chicken that was placed first at the registered premises and that was marketed first from the registered premises for the crop quota period.

Section 10.0 – Payment to Farmer-Members for Chicken Produced and Marketed for Market Development

- 10.01 For each crop quota period participating farmer-members will forward to CFO a cheque made payable to a processor specified by CFO in an amount equal to the sum obtained when the amount of the farmer-member's market development crop quota is multiplied by the

weighted average market development adjustment price. In this regard each participating farmer-member will receive a Notice of Market Development Assessment from CFO for each crop quota period. The Notice of Market Development Assessment will set out the amount payable by the farmer-member, the processor to whom the amount is payable and the deadline date upon which the farmer-member's cheque is to be received by CFO.

- 10.02 The sum of cheques made payable to a processor will be equal to or will closely match the amount of kilograms of a processor's market development request multiplied by the processor's offered market development price adjustment.
- 10.03 CFO will review the farmer-member cheques for proper completion and will forward them to the appropriate processor in advance of the crop quota period.
- 10.04 When farmer-members market chicken they must be paid by the processor the price determined in accordance with the *Farm Products Marketing Act* and Regulation 402 in that regard for all chicken marketed, including kilograms of chicken produced and marketed for market development.

Section 11.0 – Partial Exemptions

- 11.01 Where identity preservation and ongoing certification of chicken from placement during production and through to marketing and processing is an essential and required component of a production and marketing plan that has been approved by CFO, then CFO may exempt in whole or in part the production and marketing of such chicken from the application of sections 7.01, 8.01, 9.01, 9.02 and 9.03 of this Policy.
- 11.02 Where an exemption has been granted by CFO to a farmer-member and processor, a binding agreement for the production and marketing of chicken made between such farmer-member and processor on Form 101 will still be required. Further, the farmer-member and processor must still qualify to engage in market development in accordance with the CFC Policy. The identity preservation characteristics and related certification must be maintained at all times. Crop quotas will be allotted to the farmer-member in accordance with the quantities specified by the farmer-member and processor on the agreement for the production and marketing of chicken made between them on Form 101, subject to available production space.
- 11.03 Where an exemption has been granted by CFO to an identity preserved and certified organic farmer member, Market Development crop quotas will be allotted by CFO to participating farmer-members on a per farmer-member basis, subject to a farmer-member having sufficient building area for the market development crop quota as determined by CFO's Quota Policy. In no instance will a farmer-member's market development crop quota exceed 25% of the farmer-member's basic crop quota for the crop quota period to a maximum of 50,000 kilograms of live chicken per allocation cycle.

Section 12.0 – Revocation and Effective Date

- 12.01 CFO Policy No. 206-2014 made by CFO on April 24, 2014, is hereby revoked as of the effective date and this Policy, provided that such revocation shall not affect the previous effect of said Policy.



BY ORDER OF Chicken Farmers of Ontario

DATED AT Burlington, Ontario this 25th day of May, 2016.

A handwritten signature in blue ink, appearing to be 'A. J. Key', written above a horizontal line.

Chair

A handwritten signature in blue ink, appearing to be 'A. S.', written above a horizontal line.

Secretary