

## PRICE POOLING PROGRAM

### APPLICATION PROCESS

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**NOTE:** No preprinted application form is available. Please present the following information in a letter format. Failure to provide information on all the areas outlined below may delay the evaluation of your application.

**Any documents such as a business plan, annual reports, brochures or pamphlets would be appreciated in order to assist us in assessing your organization.**

The following areas must be detailed in your application:

#### MARKETING AGENCY INFORMATION

Part of the assessment of your application will be an evaluation of the marketing agency's ability to administer the program. Therefore, include such things as:

1. Name, address, phone and facsimile numbers of your marketing agency;
2. Name of the person in your marketing agency that will be administering the Price Pooling Program (and a contact person, if different from the Administrator), and this person's position;
3. Description of the management structure including name and title of marketing agency's officers identifying those officers with signing authority for the Price Pooling Program;
4. Names of the members of the Board of Directors;
5. List of staff members with a description of their duties and their reporting relationships;
6. Explanation of the marketing agency's proposed process of decision making for the Price Pooling Program for all different items related to the program (for instance the evaluation of pool size, the breakdown of the different pools, the estimated costs, the information requested from the producers on the Agreement between the marketing agency and the producers, the interim and final payments);
7. If you have an Internet site, could you please provide your address;
8. Narrative of any other steps considered necessary for the proper administration of the Price Pooling Program.

#### BACKGROUND INFORMATION

Information must be provided concerning the marketing agency such as:

9. A brief history of the marketing agency, and its goals and objectives;
10. Date the marketing agency was formed;

BACKGROUND INFORMATION (continued)

11. Identify the geographical territory covered by the marketing agency (county, region, province, etc.);
12. Describe the structure of your marketing agency (cooperative association, processor, selling agent, etc.), attach copies of legal documents such as the certificate of incorporation;
13. Describe how the administrator operates relative to the production and marketing of crops for which this application pertains (for instance, negotiating or setting of selling prices);
14. The number of producers who are members of the marketing agency, the number of members expected to participate in the Price Pooling Program this crop year and the estimated total number of producers (members and non members) in the area represented by the marketing agency;
15. The estimated volume produced by all members in proportion to the total expected production for the entire region;
16. Does each member receive an equal share for same crop and grade?;
17. Attach a copy of your marketing agency's cooperative plan (see attached);
18. Describe how participation in the Price Pooling Program will contribute to improved orderly marketing, over what would occur without the Price Pooling Program.

GUARANTEE REQUEST

The Marketing agency must estimate an average wholesale price for the entire crop year. Please outline the following:

List for each grade and /or variety of commodity, if applicable:

19. Date by when the price agreement is needed;
20. The beginning date and the end date of the crop year for which this application pertains (not to exceed 12 months);
21. The expected volumes to be delivered to the pool;
22. The expected volumes to be sold;
23. List the prices received in the various markets including export markets for the past two years, the current year and the year for which the application is being made, see annexe 2 attached;
24. The expected average wholesale price (any substantiation of prices by providing documentation (ie. industry journals, commodity or market reports, contacts), would be helpful);
25. The requested price guarantee;
26. Breakdowns of the total price guarantee into the initial payments to producers and marketing costs, in dollars per unit (ie. \$/tonne);

GUARANTEE REQUEST (continued)

27. List all cost items that will be included in the cost portion of the guarantee for the past year, the current year and the year for which the application is being made, see annexe 1 attached. These cost classifications will be included in the agreement and should there be a claim, you will be restricted to these listed costs in the agreement. Where possible, please reference specific items in your financial statements.

### MARKETING STRATEGY

Describe your marketing program for the upcoming season. Detail how you will be selling your product and in what form. Any additional information that your marketing agency can supply in this regard will assist the Department in tailoring the guarantee to specific requirements.

28. How is the marketing done?
29. Is there any exporting activities, if yes what % and what portion goes to which country?
30. When and where is the product delivered to the pool?
31. When is the product graded and where is it stored?
32. Are there other products stored on your premises other than the product within the pool, if yes how is it accounted for and how is it identified?
33. How and when the marketing agency proposes to make the initial payment to the producers?
34. Are there other programs offered to producers other than the Price Pooling Program? If so, please explain these programs in detail.
35. Describe how your pool will function and attach any copies of agreements or undertakings with the producers. Indicate whether this pool is governed by any provincial legislation. If so, indicate and include relevant copies of acts or regulations;
36. Will the pool have any other dealings with producers that deliver the product to the pool, other than the purchase of their product? (Pool is involved only in arms length transactions.) If yes, please provide details;
37. Will any product be sold by the marketing agency or the producer delivering to the pool that is not covered by this agreement? If yes, please provide detailed information on the product to be sold, the volume estimated and please explain how separate accounting will be kept;
38. If volume of the previous years crop is remaining in the pool, could you please explain if and how these crops will be marketed;
39. If a portion of the crop is already sold, please provide us with volumes and prices received per agricultural product, grade and variety if applicable;
40. Are price protection methods used and if so, which one and when are they used?
41. What is the policy in place concerning the use, the timing, the decision making

### FINANCIAL INFORMATION

Please provide the following information:

42. The marketing agency's audited financial statements for the last three years;
43. The name, address, phone and facsimile numbers and contact person of the lender from which financing is to be obtained;
44. Name of the firm, address, phone and fax number and contact name of the marketing agency's auditor of record.
45. Name, address, phone and fax number and contact person for the brokerage firm with whom the marketing agency is dealing with in regards to the price protection methods used.

#### DECLARATION

- Please add statements as follows, to a letter prepared on behalf of the marketing agency, signed by the President or Secretary-Manager (or equivalent), confirming that:
  - i) Separate pooling accounts have been established;
  - ii) the marketing agency is in compliance with federal, provincial and municipal environmental requirements;
  - iii) there are no conflicts of interest situations either with producers or within the marketing agency relative to the Price Pooling Program;
  - iv) it is understood that an audit of the marketing agency may be undertaken at any reasonable time for current or past crop years by, or on behalf of Agriculture & Agri-Food Canada;
  - v) the information provided is true and accurate based on knowledge at the time of the application.
- Please provide us with a letter from the marketing agency's lawyer indicating that the marketing agency is properly registered and can sue or be sued in its own name.