

**SCHEDULE 1  
TO THE BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION  
CONSOLIDATED ORDER**

**New Producer Program Rules**

**Application Under New Producer Program**

1. (1) A Person may apply to participate in the New Producer Program only when the Commission has announced on its website that a lottery will be conducted for the purpose of selecting applicants to fill unoccupied places on the prospective producer list hereunder.
- (2) Applications to participate in the New Producer Program are made by filing with the Commission:
  - (a) an application form, obtainable from the Commission, duly completed by the applicant;
  - (b) a copy of the applicant's birth certificate or other proof of age acceptable to the Commission;
  - (c) proof of Canadian citizenship or permanent resident status;
  - (d) proof of permanent residence status in the Province of British Columbia; and
  - (e) a non-refundable application fee of \$250.00, payable to the Commission by way of cheque.
- (3) Spouses may submit a joint application, but no more than one application may be submitted by both spouses, or either of them.
- (4) An applicant for the New Producer Program may be a partnership in which case each partner must qualify under subsection (5).
- (5) A Person seeking to participate in the New Producer Program must have the following qualifications:
  - (a) a genuine intention to be actively engaged in broiler hatching egg production;
  - (b) be a Canadian citizen or permanent resident of Canada;
  - (c) be a permanent resident in the Province of British Columbia;

- (d) be at least 19 years of age at the time of application; and
- (e) neither the applicant, nor the spouse of the applicant, nor any co-applicant, may have, or have had at any time, any financial interest in Placement Quota, or any other licence, permit or quota issued or granted by any other supply management commodity board or commission in British Columbia, whether directly or indirectly, through any organization or entity.

### **Prospective Producer List**

- 2. (1) The first ten eligible applicants on the prospective producer list under the New Producer Program as it existed prior to [*effective date of revised program*] are deemed to be on the prospective producer list hereunder, and the order in which such applicants were placed on that previous prospective producer list is unchanged.
- (2) When there are five or less eligible applicants on the prospective producer list, the Commission will arrange for an independent third party to conduct a lottery for the purpose of selecting eligible applicants to fill the unoccupied places on the prospective producer list.
- (3) Where an applicant is in breach of Commission Orders, or applicable legislation, that applicant will not be eligible to participate in the lottery and will not be placed on the prospective producer list.
- (4) Positions on the prospective producer list are:
  - (a) non-transferable, under any circumstances; and
  - (b) not available to be pledged as security.
- (5) Persons on the prospective producer list may have their applications rejected and their prospective producer list position cancelled for any of the following:
  - (a) breach of Commission Orders or applicable legislation;
  - (b) making false statements on the application form;
  - (c) changes in circumstances such that an applicant no longer qualifies under the New Producer Program;
  - (d) changes in legislation adversely affecting the New Producer Program; or

- (e) an NSF cheque for the application fee.

### **Entry in Program**

- 3. (1) The Commission will maintain a new producer allocation pool. All Placement Quota surrendered pursuant to the transfer assessment provisions of the Commission's Consolidated Order will be allocated to that pool by the Commission for the purpose of issuing production permit under the New Producer Program.
- (2) When the new producer allocation pool contains 10,000 units of Placement Quota not already assigned by the Commission for the issuance of production permit under the New Producer Program, the Commission will invite one applicant to enter the New Producer Program.
- (3) Where an applicant from the prospective producer list is invited by the Commission to become an entrant to the New Producer Program, the applicant shall submit to the Commission, within 60 days from the date of such invitation:
  - (a) proof, in a form satisfactory to the Commission, of the applicant's financial ability to establish an acceptable Production Unit for the production of broiler hatching eggs; and
  - (b) proof, in a form satisfactory to the Commission, that the applicant has economically viable plans to sustain the production of broiler hatching eggs;
  - (c) proof, in a form satisfactory to the Commission, that the applicant will be able to establish an acceptable Production Unit for the production of broiler hatching eggs within [time] from the date of the invitation to become an entrant to the New Producer Program;
  - (d) proof, in a form satisfactory to the Commission, that the applicant's Production Unit will be within economic access of a licensed Hatchery; and
  - (e) any other information deemed necessary by the Commission.
- (4) An applicant who has complied with subsection (3) to the satisfaction of the Commission will be issued a production permit equivalent to a notional allotment of 10,000 units of Placement Quota allocated by the Commission to the new producer allocation pool. Such production permit will be issued to the applicant when the acceptable Production Unit has been established.

## Special Restrictions on Production Permit Issued Under the Program

4. (1) A production permit issued under the New Producer Program may be held for production by the entrant only for so long as the entrant:
  - (a) permits Commission audits of the farm operation to ensure compliance with Commission orders and all applicable legislation, including all terms and conditions of the New Producer Program;
  - (b) is in good standing with all applicable Commission orders and all applicable legislation, including all terms and conditions of the New Producer Program; and
  - (c) is actively engaged in broiler hatching egg production;failing which the production permit so allotted shall thereupon be subject to immediate cancellation on notice by the Commission to the entrant.
- (2) A production permit issued by the Commission under the New Producer Program:
  - (a) is valid only for the Quota Period in which it was issued;
  - (b) will be renewed for subsequent Quota Periods, on application to the Commission by the entrant, provided that the entrant:
    - (i) continues to permit Commission audits of the farm operation to ensure compliance with Commission orders and all applicable legislation, including all terms and conditions of the New Producer Program;
    - (ii) is in good standing with all applicable Commission orders and all applicable legislation, including all terms and conditions of the New Producer Program; and
    - (iii) is actively engaged in broiler hatching egg production;
  - (c) is subject to immediate cancellation, at the sole discretion of the Commission, if it appears to the Commission that the entrant is not in good standing with any applicable Commission order or any applicable legislation, or no longer conforms to all of the terms and conditions under the New Producer Program;
  - (d) is not Transferable under any circumstance.

## **Purchase or Acquisition of Additional Placement Quota**

5. (1) An entrant may purchase or acquire Placement Quota.
- (2) Entrants under the New Producer Program are eligible to receive general allotments of new Placement Quota and are subject to general adjustments or reductions of Placement Quota, and for that purpose, such receipts, adjustments or reductions shall be calculated against the notional allotment of Placement Quota providing the basis for the current production permit issued to the entrant and any Placement Quota then allotted to the entrant.
- (3) Subject to subsection (4), Placement Quota acquired or received by an entrant may not be Transferred until such time as all production permit issued to the entrant under the New Producer Program is cancelled by the Commission at the request of the entrant. Any Transfer of Placement Quota contrary to the terms of this provision will result in the cancellation of all production permit issued to the entrant under the New Producer Program.
- (4) The Commission may, at its sole discretion, permit the Transfer of Placement Quota without cancellation of all production permit issued to the entrant where the Commission is satisfied that such Transfer is necessitated by financial distress.

## **Determination as to Whether the Entrant is Actively Engaged in Broiler Hatching Egg Production**

6. (1) The Commission will determine, in its sole discretion, whether an entrant is actively engaged in broiler hatching egg production for the purposes of the New Producer Program. Without limiting the generality of the foregoing, the Commission will have regard to the following factors:
  - (a) whether the production permit allotted under the New Producer Program is being used for the benefit of the entrant;
  - (b) whether the entrant is active in the day-to-day affairs of the Production Unit, including matters of animal husbandry;
  - (c) whether the entrant operates and controls the Production Unit;
  - (d) whether the entrant owns, leases or rents the Production Unit;
  - (e) whether the entrant pays for feed and other farm supplies utilized on the Production Unit; and

- (f) whether the entrant enjoys the chance of profit and bears the risk of loss in relation to the operations of the Production Unit.
- (2) For the purpose of determining whether the entrant is actively engaged in the production of broiler hatching eggs, the Commission shall have regard to the substance and effect of any arrangement made between the entrant and any other Person, irrespective of the form of that arrangement.
- (3) Where it appears to the Commission that the entrant is primarily engaged in the business of administering production permit allotted under the New Producer Program, and that some other Person is primarily engaged in the business of broiler hatching egg production associated with that production permit, the entrant shall be deemed not to be actively engaged in broiler hatching egg production.

### **Changes to the New Producer Program**

- 7. (1) Applicants on the prospective producer list and entrants under the New Producer Program are subject to all changes that the Commission may make from time to time to the terms and conditions of the New Producer Program.
- (2) Notwithstanding subsection (1), the Commission may, in its sole discretion, provide to an entrant a written exemption from any term or condition of the New Producer Program that has come into effect after the entrant's entry into the New Producer Program, in which event the entrant shall continue to be governed by the terms and conditions of the New Producer Program as they existed at the time of the entrant's entry into the New Producer Program except insofar as those terms and conditions may conflict with any subsequent term or condition for which a written exemption had not been granted.