



British Columbia Turkey Marketing Board

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May 18, 2005

Mr. Richard Bullock
BC Farm Industry Review Board
PO Box 9129 Stn. Prov. Govt.
Victoria, BC V8W 9B5

Dear Mr. Bullock:

Attached is the BC Turkey Marketing Board's revised draft proposal for regulating the marketing of specialty turkey and accommodating new entrants into the BC turkey industry.

In preparing the revised draft, the Board has followed your recommendations for further consultations with industry and its own Advisory Committee. The document has responded to your request for more information on the turkey market in BC, quota allocation and the procedures for administering new classes of quota.

The Board has forwarded this draft to industry stakeholders and advised them to direct their comments to BC Farm Industry Review Board (FIRB)

We look forward to further discussion of the revised draft with FIRB.

Yours truly,

Ron Charles
Chair

BC TURKEY MARKETING BOARD

REVIEW OF SPECIALTY PRODUCTION & NEW ENTRANT PROGRAMS

May 18, 2005



BC Turkey Marketing Board Specialty Production and New Entrant Programs

This document provides a discussion, analysis and summary of the BC Turkey Marketing Board's proposed plan for specialty production and new entrants into the turkey industry. The document is organized as follows:

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INTRODUCTION

In January 2005, British Columbia Farm Industry Review Board (FIRB) issued directions to commodity boards regarding its review of specialty production and new entrant programs as they relate to improving access to the supply managed system.

The BC Turkey Marketing Board following consultation with industry stakeholders submits the following report detailing proposals for regulation change required to meet the objectives as prescribed by the FIRB.

2.0 CURRENT MARKET CONDITIONS

2.1 Allocation

British Columbia receives 11.7 % of the national allocation for turkey. During the past seven years BC's annual allocation has averaged 16.1 million kg (evis. wt.). Current allocation falls short of retail market requirement and is insufficient to service the HRI market. As a result of a complaint lodged by the BC Turkey Marketing Board, the Farm Industry Review Board and the Ministry of Agriculture, Food and Fisheries the National Farm Products Counsel has directed the Canadian Turkey Marketing Agency to review its national allocation policy. This review is currently underway and BC is optimistic that the outcome will be a market responsive allocation policy.

Please refer to the following table which shows that there has been no allocation growth in BC and in fact growth has been decreasing. The 1998/99 quota year has been used as the benchmark (100%). This is also the year that CTMA converted from a growth allocation policy to a pro rata allocation policy.

Table 1 - Allocation

QUOTA YEAR	ALLOCATION	% OF 132 MKG 15,563,401	COND. ALLOC & POOL	LEASED	EXPORTS	TOTAL ALLOWED PROD.	% of 1998/99 16,241,942
1998/99	14,206,160	91.28%	732,800	+67,537	1,235,444	16,241,942	100.00%
1999/00	15,229,793	97.86%	622,536	0	1,300,251	17,152,581	105.61%
2000/01	15,396,597	98.93%	0	0	872,549	16,269,147	100.17%
2001/02	16,396,597	98.93%	0	0	1,166,680	16,563,278	101.98%
2002/03	14,671,936	94.27%	0	0	1,369,681	16,041,618	98.77%
2003/04	14,671,936	94.27%	102,114	0	674,816	15,448,867	95.12%
2004/05	15,051,691	96.71%	389,085	-1,130,750	388,302	14,698,329	90.50%

At present there is no allocation set aside for specialty production at the national level, therefore any allocation for specialty product in BC will come from the provincial allocation. (Please see Appendix "A") BC currently supplies approximately 67% of the BC market leaving 33% to be serviced by other provinces.

The BC Turkey Marketing Board has presently set aside 150,000 kgs for new entrants. The Board will increase the pool available for GVP licensees and new entrants (the new entrant pool) from 150,000 kg (live) to 285,000 kg (live) by taking a portion of growth in the base allocation and placing it in this pool. To realize this 100% increase, the Board intends to take [10%] of annual growth in allocation, starting with the 2004/05 level of 15.1 MM kg (evis), and put this amount into the new entrant pool until the pool reaches 285,000 kg. For instance, if the 2005/06 base allocation was 15.5 MM kg, 10% of 400,000 kg, or 40,000 kg, would be placed in the new entrant pool.

On the basis of this proposed allocation methodology to meet the projected obligations to existing new entrants, the new entrant pool will reach the required 285,000 kg level at approximately the same time as the allocation to primary quota holders recovers to its 16.4 MM kg level.

Priority Given:

1. Existing grower-vendor and new entrants to provide them with the opportunity to reach their desired level up to 15,000 kgs. maximum.
2. Primary Producers
3. Make available to new entrants as need demands.

In the last three years there has been a 33% increase in turkey growers due to the implementation of the grower-vendor program.

Turkey sales are primarily seasonal, with peak sales at Thanksgiving, Christmas and Easter. Today's consumers are looking for a smaller bird for these occasions as family size has declined over the years. While whole bird sales have been declining, further processed and fresh cutup sales have been increasing in market share.

2.2 Processing

For several years BC has had one major processor and two smaller processors who did custom slaughters. Recently two additional large processors have entered the turkey market. There are five (5) processors licensed by the BCTMB. They are:

Lilydale Foods
Superior Poultry Processors
Sunrise Poultry Processors
Farm Fed
Wingtat Game Bird Packers

Lilydale Foods is still the major processor of turkey in British Columbia accounting for 96% of total slaughters.

2.3 Specialty Market

In the fall of 2003 the BCTMB with the help of a consultant, met with various retailers to assess the retail market for specialty turkey. The major retailers indicated that the specialty market was being supplied by the mainstream commercial producers. The major retailers felt that 'specialty' was being used as a marketing tool which allowed a premium to be charged for the product.

Capers was the only retailer that carried organic turkey and indicated that the market was adequately serviced at that time, and furthermore the high price for organic turkey did not support increased sales.

2.4 Quota

The Board currently issues two categories of quota, Primary and Secondary.

Quota transfer is permitted only within primary quota; secondary quota is non-transferable and is not to be leased.

Growers holding primary quota may grow any class of turkey, i.e. mainstream or specialty.

Secondary Quota is issued under the following categories:

Multiplier Breeder Quota

Breeder By-product Quota

Export Regrow Quota

Incentive Quota (Quota Regulation 2003/05, P 5, Para 33, "The Board may, in response to exceptional circumstances within the BC turkey industry, issue additional quota to growers to be known as Incentive Quota.")

Grower-Vendor Quota

The board will be adding new entrant specialty (certified organic).

3.0 GENERAL PRINCIPLES:

1. All persons producing turkey for the purpose of human consumption in the province of BC are subject to the BCTMB General Order 2003, BCTMB Regulations and the BC Turkey Marketing Scheme, 1966 including amendments thereto. The regulations all have sunset clauses and therefore are reviewed every two to three years.
2. All persons producing turkey for sale in the province of BC must be registered by the BCTMB and obtain an annually (May to April) renewable license from the BCTMB. The cost of the license will be set by the Board and varied from time to time, currently \$100 per year plus GST.
3. Licenses expire at the end of each quota year and may be renewed yearly with the approval of the Board.
4. All licensed growers are subject to production and On-Farm Food Safety Program (OFFS) audits.
5. Where required or specified, yearly third-party verification records for specialty production must be filed with the Board along with the annual license application.
6. All quotas remain the property of the Board and may be issued, revoked or amended at the discretion of the Board.
7. No licensed grower will be restricted by the board from acquiring any amount of primary quota up to the maximum farm size, currently 1,375,000 kgs.
8. The BCTMB is a member of the Canadian Turkey Marketing Agency (CTMA) and a signatory to the Federal-Provincial Agreement for Turkey and therefore has national obligations that must be honoured and upheld.
9. All products sold or offered for sale to the general public must be slaughtered at a registered government inspected poultry facility. Where documentation is not provided by the processing plant, the Board will require that the grower provide a letter from the local health authority verifying compliance with meat regulations in the area.
10. All turkey farms will be subject to bio-security protocols endorsed by industry as stipulated in the BC Poultry Industry Bio-security Manual. All licensed growers will be provided with a bio-security manual.
11. The Board recognizes that there may be differential market demand requirements between mainstream and specialty production.

12. All classes of transferable quota are only transferable within their specific class.

4.0 NEW ENTRANTS

4.1 New Entrant Quota Pool

The Board proposes to create a quota pool to be used for new entrants into the turkey industry.

1. 150,000 kgs (live weight) will form the initial pool for specialty and mainstream new entrants.
2. All quota transfers will be subject to a 5% assessment to fund the quota pool for new entrants.
3. Based on quota transfers between 2002 and 2005, an estimated 27,000 kgs of quota would be available to the quota pool per year.
4. Corporate reorganizations (name changes, merging or splitting) and immediate family member transfers will be exempt from the 5% assessment.
5. The current Grower-Vendor pool of 150,000 kgs live weight will be used to bring in specialty production and new entrants in the first year. Of the 150,000 kilograms of grower-vendor quota, 136,257 kilograms is presently allocated, this leaves 14,000 kilograms to be reallocated to the specialty/new entrant pool for the coming year.
6. The current grower-vendors will be given the opportunity to enter the new entrant (specialty and mainstream) programs.
7. Distribution to qualifying specialty/new entrant growers will be up to a maximum of 15,000 kgs per year.
8. The split between specialty and mainstream new entrant will ideally be set at 50/50 but may be adjusted periodically by need as assessed by the Board.
9. All kilogram amounts referred to in this proposal are based on live weight.
10. The Board's General Order and Regulations will apply to all quota transfers and issuances.

4.2 Allocation for the New Entrant Program

The Board believes it has already entered into GVP agreements that put an obligation on the Board to provide up to 270,000 kg (live) of allocation by some point in the future. In addition, the Board intends to provide up to 15,000 kg (live)

to the one certified organic grower known to the Board. This amounts to a total existing allocation obligation of 285,000 kg against an amount previously set aside of 150,000 kg.

As outlined in the Table in Section 2.1, CTMA's base allocation, before conditional allotments, to B.C. turkey producers have ranged from 14.2 MM kg (evis) in 1998/99 to 16.4 MM kg (evis) in 2001/02. In 2004/05, CTMA's base allocation to B.C. was 15.1 MM kg (evis).

The Board believes that existing primary quota holders have a reasonable expectation to see their allocation grow at least back to the 2001/02 level of 16.4 MM kg, and to receive a significant majority of any increases in allocation above this amount.

The Board also recognizes its obligation to ensure the market is adequately served, including mainstream and specialty markets and channels.

The Board proposes to increase the pool available for GVP licensees and new entrants (the new entrant pool) from 150,000 kg (live) to 285,000 kg (live) by taking a portion of growth in the base allocation and placing it in this pool. To realize this 100% increase, the Board intends to take [10%] of annual growth in allocation, starting with the 2004/05 level of 15.1 MM kg (evis), and put this amount into the new entrant pool until the pool reaches 285,000 kg. For instance, if the 2005/06 base allocation was 15.5 MM kg, 10% of 400,000 kg, or 40,000 kg, would be placed in the new entrant pool.

On the basis of this proposed allocation methodology to meet the projected obligations to existing new entrants, the new entrant pool will reach the required 285,000 kg level at approximately the same time as the allocation to primary quota holders recovers to its 16.4 MM kg level.

Growth in the pool above 300,000 kg live will come from a combination of transfer assessments (see Section --) and retraction of non-transferable quota in accordance with quota regulations for secondary quotas.

The Board intends to provide future new entrant opportunities, in amounts of up to 15,000 kg (live) each, and in addition to the existing nineteen (19) already established new entrants, based on the unallocated and uncommitted amount available in the pool.

4.3 Growth above 15,000 kg

Grower – Vendors wishing to grow above 15,000 kg (live) will be required to obtain primary quota to cover the increased production above 15,000 kg.

Designated specialty producers holding specialty quota, whether transferable or non-transferable, will be eligible for a pro-rata share of growth in allocation received from CTMA. For instance, if the base allocation grows 1%, the amount of production allocated to the specialty quota will also grow by 1%.

The Board is currently working with the FIRB and BCMAFF to achieve changes in the CTMA allocation policy. Any improvements realized will be distributed pro-rata amongst both primary and secondary specialty quota, with the exception that GVP quota will be capped at 15,000 kg live.

The Board reserves the right to consider exceptional circumstances and allocate differentially to specialty quota based on demonstrated market growth, anticipated market demand, and a proven track record of meeting projections by individual specialty producers.

4.4 Specialty Representation

The Board intends that all producers who hold licenses within the supply managed system be eligible for representation through an advisory committee of the Board.

At the present time the BCTMB receives advice from the BC Turkey Association and the BC Turkey Advisory Committee. The specialty/new entrant growers can provide input to Board decisions through these avenues at present.

The Board intends to establish a Special Advisory Committee when the number of specialty producers justifies such a committee. In the interim the Board will appoint a specialty grower to the B.C. Turkey Advisory Committee.

All growers (primary and secondary quota holders) are members of the BC Turkey Association and as members have all voting privileges on Association matters and have a representative on the Association Directorship.

Secondary quota holders do not have voting privileges for the BCTMB, but do have a representative on the BC Turkey Board Advisory Committee. Eligibility to vote on board issues is outlined in General Order 2003, Page 5, Division 2 – Register of Growers.

5.0 DEFINITIONS

5.1 Specialty Turkey

Specialty Turkey is defined as:

Turkey produced with unique farm-based attributes that are preserved to the final consumer through third-party certification.

Certification should be enabled under the Agri-Food Choice and Quality Act (AFCQA) or other national or international certification standards that comply in principle with AFCQA and is approved by the Board.

Third-party certification, defines the differentiating attributes of specialty production. They are:

Represented and traceable to the final consumer.

Kept intact and marketed as specialty to the final consumer.

Do not cross over into mainstream product segments.

Specialty turkey requires significant extra on-farm effort and specialized attention. Turkey produced under a protocol that requires only changes in diet, genetics and/or production density does not qualify as specialty turkey.

Specialty turkey is expected to receive a price premium in the market. At present, specialty turkey is direct marketed; therefore a minimum Board price is not required.

At this time the Board recognizes Certified Organic turkey as meeting the criteria for specialty turkey. In future the Board may consider additional classes of specialty turkey.

5.2 Other Definitions

Mainstream Turkey is defined as turkey produced without Board-approved third party certification.

NTQ is defined as non-transferable quota (mainstream).

TQ is defined as transferable primary quota (mainstream)

NTSQ is defined as non-transferable specialty quota.

TSQ is defined as transferable specialty quota.

Specialty Quota is issued by the Board for the production of Board approved specialty product.

Grower-Vendors are holders of the grower-vendor quota, which is eligible to be converted to primary quota (TQ) at the maturity date of the program.

6.0 EXEMPTIONS

1. Individuals who place less than 50 turkeys per quota year for their own consumption are exempt from Board levies and are not required to hold quota. (Individuals wishing to sell any amount of turkey must have quota issued to them and must be licensed by the BCTMB.)
2. Exempt producers will be encouraged to register with the Board.
3. There will be only one exemption per person or entity per property title.
4. All exempt amounts will apply against provincial allocation.
5. The board has provided for anyone wishing to grow more than 50 birds per year within the existing grower-vendor/new entrant program (specialty or mainstream). To date we have not been provided with any information that would indicate that there is market that is not being serviced by the grower-vendor/new entrant program.

7.0 GROWER-VENDOR PROGRAM

7.1 Background

1. The Board introduced a new entrant program in 2002/03 quota year. This program is called the Grower-Vendor Program.
2. The intentions of the program are to provide opportunity for individuals not already in the supply management industry to enter the turkey industry and to encourage expansion of turkey consumption.
3. The program is targeted to individuals who are prepared to grow turkeys, have them custom processed in an approved manner, and then market them direct to consumers.
4. Each successful GVP applicant is provided the opportunity for up to a maximum of 15,000 kg (live) of secondary quota.
5. GVP quota is annually renewable, and amounts authorized are based on the licensee's request, prior year[s] actual reported production, and subject to the maximum available under the program of 15,000 kg (live).
6. GVP licensees pay a special administration levy of \$0.1925/kg live wt marketed in addition to regular BCTMB and CTMA levies in the amount of \$0.04/kg live wt marketed.
7. After twelve (12) consecutive years in the program, GVP licensees may apply to have their GVP quota amount converted to primary quota.

7.2 Program Performance

1. In the 1st year (2002/03), the Board received 17 applications for GVP licenses in an aggregate amount of 156,050 kg (live).
2. The Board set aside a quota allocation in the amount of 150,000 kg (live) from the global allocation received from the CTMA. The GVP pool represents approximately 0.8% of the allocation, excluding conditional allocations, received from CTMA.
3. The full amount of 150,000 was authorized for production by GVP licensees in 2002/03, and actual reported GVP marketings in 2002/03 were 99,497 kg (live).
4. In 2003/04, 4 additional applications were accepted, total requests were 189,670 kg (live), the Board authorized 140,811 kg (live) and actual reported GVP marketings were 121,804 kg (live).

5. In 2004/05, no new applicants were accepted, 18 licensees renewed their licenses requesting a total allocation of 173,486 kg, the Board issued 131,604 kg, and actual reported GVP marketings were 132,916 kg.
6. For 2005/06, the Board has accepted no new applicants, 18 renewals are expected requesting approximately 182,000 kg, and the Board intends to authorize approximately 137,000 kg.

Table 2. Grower Vendor Program Statistics

Quota Year	# of GVP producers kg live	Allocation Requested kg live	Allocation Authorized kg live	Reported Production kg live
2002/03	17	156,050	150,000	99,497
2003/04	21	189,670	140,811	121,804
2004/05	18	173,486	131,604	132,196
2005/06	18 (e)	182,000 (e)	137,000 (e)	

7. From the preceding record of GVP production it is clear that requested GVP allocation is greater than actual reported GVP production and GVP production has been increasing.
8. The Board has declined to accept any new applicants in 2005/06 who were not previously accepted and licensed into the program pending the outcome of the specialty review.

7.3 Transitioning Existing GVP licensees

1. The Board takes the position that all existing GVP licensees have an expectation of being eligible for up to a maximum of 15,000 kg (live) of secondary quota that has a conversion right to primary quota in the future.
2. The Board believes some existing GVP licensees may not wish to grow to the 15,000 kg level. In these cases, the licensee will be required on their 2006/07 license application to clearly state the maximum amount they intend to utilize under the GVP program. They will be authorized to grow to this level from their 2004/05 level over four (4) years in four (4) equal increments. At the end of four (4) years, they will be capped at the level applied for in their 2006/07 license application.
3. The Board believes some existing GVP licensees not currently at 15,000 kg will desire to grow to this level. These licensees will be required to indicate their intention to grow to the 15,000 kg level, and to provide a plan

for doing so over four (4) years beginning with the 2006/07 quota year. The licensee will be restricted from growing to the 15,000 level from their 2004/05 level by more than 25% in any one year.

4. GVP licensees already at the 15,000 kg level will be capped at this level and subject to all quota regulations, including the requirement to produce the quota allotted on an annual basis.
6. GVP licensees will all be provided two (2) options regarding the class of quota offered. Option A will provide the opportunity to convert authorized GVP quota to primary quota after twelve (12) consecutive years in good standing with the Board, including the payment of a \$0.1925/kg special administration levy related to administering the program and having the right to convert to primary quota. Option B will provide the opportunity to hold GVP quota in perpetuity, with no conversion rights to primary quota, and the Board will reimburse all special administration levies paid by the licensee to date.
7. GVP licensees will have until [Sept. 30th, 2005] to indicate, in writing on a form prescribed by the Board, their choice of either Option A or B. Failure to provide a choice to the Board by Sept. 30th, 2005 will cause the Board to determine that the licensee has chosen Option B.

7.4 Rationale for Continuing Lease Quota Fees

The Grower-Vendor Program was implemented as a form of a new entrant program to provide an opportunity for growers to service their regional and niche markets. The Board entered into an agreement with the growers that would see them receiving transferable quota after a 12 year period. Consultations with program participants indicate a majority desire to continue the program under the terms of the initial agreement. Those terms included a 'lease quota' levy of \$.1925 per kg.

8.0 EXISTING SPECIALTY QUOTA REQUIREMENTS & GUIDELINES

As of January 1, 2005:

1. Any existing specialty production having third-party certification standards approved by the Board will be grandfathered. Existing specialty growers will be allocated specialty quota based on the development period (Stage 1) and on the previous five years verifiable production levels to a maximum of 15,000 kgs.

The stages being:

Stage 1: Years 1 to 5 quota is non-transferable.

Stage 2: Over 5 years quota is transferable within its class, with facility.

2. The Board will require:
A business plan with signatures from a processor and a hatchery that are licensed by the Board.
Proof of land ownership.
OFFS Program and certification when available
3. Leasing of specialty quota will not be permitted.
4. No limit on the amount of transferable quota that can be purchased (to maximum farm size – 1,375,000 kgs).
5. Over/Under marketing sleeves, levies and penalties apply.
6. Marketing levies and license fees apply.
7. All quotas remain the property of the Board.
8. A maximum of one specialty quota per person or entity per property.
9. All regulated product grown under specialty quota must be slaughtered in a federally or provincially inspected registered poultry processing facility. Where documentation is not provided by the processing plant, the Board will require that the grower provide a letter from the local health authority verifying compliance with meat regulations in the area.
10. All specialty turkey must be marketed in a manner that maintains its identification through processing, distribution and labelling.

11. Board order minimum prices in effect at the time of shipment will apply. Currently, specialty turkey is direct marketed and therefore there is no need for a minimum Board price for specialty product. The Board will establish minimum pricing for specialty product when required.
12. If the grower acquires primary quota this quota may be used to grow any class of product upon approval of the Board.
13. If third party certification is lost, or production ceases for some other reason, the grower must advise the Board immediately in writing with rationale that must include the anticipated date of re-certification and/or resumption of production. If 3rd party certification is not achieved or production resumed within an acceptable amount of time as determined by the Board, the Board reserves the right to cancel the specialty quota. No production for a period of twelve months will result in the revocation of quota.
14. Specialty quota will not be used to produce mainstream product regardless of market conditions. Product that cannot be shipped as specialty turkey may not be marketed as mainstream turkey without prior approval of the Board and may be subject to penalties and costs.
15. Future growth of specialty class of quota will come from provincial allocation .

8.1 Transitioning the Existing Certified Organic Grower

1. The Board is aware of one (1) certified organic turkey grower. This grower has refused to be licensed by the Board, and the Board has not pursued enforcement action pending the outcome of the specialty review.
2. The Board intends that this producer become registered with the Board and licensed to produce certified organic turkey as a designated class of specialty quota.
3. This producer will be offered up to a maximum of 15,000 kg (live) of quota. For five (5) years beginning May-05 the quota will be non-transferable. During this time, the producer will have the opportunity to grow from existing production levels up to the maximum volume of 15,000 kg allowed under the new entrant program. After five (5) years, the quota will be transferable with the facility.
4. While the Board is not able to verify the current production volumes of this producer, the Board has been led to understand the production level is in the 8,000 – 10,000 kg range. Accordingly, by providing the opportunity for growth up to 15,000 kg over the next five (5) years, the Board believes it has provided ample room for business growth by this producer.

9.0 NEW ENTRANT SPECIALTY QUOTA – REQUIREMENTS & GUIDELINES

1. Entry will be at the stage one level for specialty production.
The stages being:
Stage 1: Years 1 to 5 quota is non-transferable.
Stage 2: Over 5 years quota is transferable within its class, with facility.
2. The Board will require:
A business plan with signatures from a processor and a hatchery that are licensed by the Board.
Proof of land ownership.
OFFS Program and certification when available.
A notarized affidavit confirming no current or previous ownership of supply managed quota.
3. Leasing of specialty quota will not be permitted.
4. Qualifying growers will be eligible for a maximum of 15,000 kg of non-transferable quota to be used for R & D of specialty product or production system for specialty product.
5. No limit on the amount of transferable quota that can be purchased (to maximum farm size – 1,375,000 kgs).
6. Over/Under marketing sleeves, levies and penalties apply.
7. Marketing levies and license fees apply.
8. All quotas remain the property of the Board.
9. A maximum of one specialty quota per person or entity per property.
10. All regulated product grown under specialty quota must be slaughtered in a federally or provincially inspected registered poultry processing facility. Where documentation is not provided by the processing plant, the Board will require that the grower provide a letter from the local health authority verifying compliance with meat regulations in the area.
11. All specialty turkey must be marketed in a manner that maintains its identification through processing, distribution and labelling

12. Board order minimum prices in effect at the time of shipment will apply. Currently, specialty turkey is direct marketed and therefore there is no need for a minimum Board price for specialty product. The Board will establish minimum pricing for specialty product when required.
13. If the grower acquires primary quota this quota may be used to grow any class of product upon approval of the Board.
14. If third party certification is lost, or production ceases for some other reason, the grower must advise the Board immediately in writing with rationale that must include the anticipated date of re-certification and/or resumption of production. If 3rd party certification is not achieved or production resumed within an acceptable amount of time as determined by the Board, the Board reserves the right to cancel the specialty quota. No production for a period of twelve months will result in the revocation of quota.
15. Specialty quota will not be permitted to produce mainstream product regardless of market conditions. Product that cannot be shipped as specialty turkey may not be marketed as mainstream turkey without prior approval of the Board and may be subject to penalties and costs.

10.0 NEW ENTRANT NON-TRANSFERABLE QUOTA – REQUIREMENTS & GUIDELINES

1. The Board intends to expand its existing new entrant to assist individuals to enter the turkey industry as grower-vendors, specialty producers or mainstream producers.

Priority will be given to designated specialty producers and/or grower-vendors based on a business plan that clearly demonstrates intent to serve specialty markets, either with specialty products or by way of a specialty market channel.

The number of new entrant opportunities provided annually will be based on the quota available in the new entrant pool and the maximum amount provided to the new entrant as an incentive amount.

2. The Board will require:
A business plan with signatures from a processor and a hatchery that are licensed by the Board.
Proof of land ownership.
OFFS Program and certification when available.
A notarized affidavit confirming no current or previous ownership of supply managed quota.
3. Leasing of non-transferable new entrant quota will not be permitted.
4. Up to 15,000 kgs maximum per qualifying grower.
5. Marketing levies collected and license fees apply.
6. No limit on the amount of transferable quota that can be purchased (to maximum farm size - 1,375,000 kgs).
7. Non-transferable new entrant quota reverts to the Board upon farm sale or cessation of production.
8. Over/Under marketing sleeves, levies and penalties apply.
9. Marketing levies and license fees apply.
10. All quotas remain the property of the Board.
11. A maximum of one non-transferable new entrant quota per person or entity per property.

12. All regulated product grown under non-transferable new entrant quota must be slaughtered in a federally or provincially inspected registered poultry processing facility. Where documentation is not provided by the processing plant, the Board will require that the grower provide a letter from the local health authority verifying compliance with meat regulations in the area.
13. Board order minimum prices in effect at the time of shipment will apply.
14. If the grower acquires primary quota this quota may be used to grow any class of product upon approval of the Board.

11.0 WAITING LIST

1. There will be one waiting list for new entrants. The list will be maintained and managed by the Board's auditor and will contain a maximum of 6 prospective new entrants.
2. As required, the Board will advertise vacancies on the list. The advertisement will commence when the list has been drawn down to 3.
3. The advertisement will contain the specifics of the program and a deadline for application. When the deadline has passed, a random draw will be held to determine the order of placement of potential new entrants on the list. Names not drawn will have their application and cheque returned to them advising that they may apply for the next openings on the list.
4. An applicant can only receive one quota (specialty, non-transferable mainstream or non-transferable small lot).
5. An applicant and spouse/partner will be considered one applicant.
6. The list will be available for viewing on the BCTMB website. The lists will be updated and sent to all applicants twice per year.
7. Persons on the list must advise the Board's auditor of any change in status, address or contact information.
8. Applicants will be required to produce proof of Canadian citizenship or landed immigrant, residency in BC, and must be no less than 19 years of age.
9. Application must include a \$100 non-refundable fee that will be used to cover the costs of maintaining lists and providing mail-outs.
10. Upon notification by Board staff of available specialty quota and/or new entrant quota, the applicant has 60 days to submit a detailed business plan to the Board. The applicant may be contacted and asked to appear before the Board or committee of the Board for a personal interview. The Board may retain the services of a third party to review and recommend the best business plans.
11. The Board will retain the right to monitor progress and may require the applicant to appear before the Board.
12. Any applicant may request removal from the waiting list at any time, but will forfeit the \$100 fee.

13. Applicants will be kept on the list in the order by which they were drawn. The Board reserves the right to consider the needs of regional requirements for specialty quota or new entrant quota as indicated by processors and may give priority based on regional need regardless of seniority on the waiting list.

Proposed Turkey Specialty Market and New Entrant Program

Providing for Specialty Turkey Markets & New Entrants

