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This regulation shall be known as the "Quota Regulation 2006/2007" and shall come into force on 2006 and be in effect until 28th April 2007.

Quota

- 1. Quota shall be categorized as Primary Quota or Secondary Quota and a grower may hold multiple categories and types of quota.
- 2. Types of quota issued under the following programmes shall be categorized as Primary Quota

Commercial quota; and, Certified Organic quota.

Types of quota issued under the following programmes shall be categorized as Secondary Quota

Multiplier breeder quota; Breeder by-product quota; Export regrow quota; and Incentive quota.

- 3. Direct vendor (small lot) allowances are not quota of any category or type.
- 4. Personal consumption allowances are not quota of any category or type.
- 5. Secondary quota, direct vendor (small lot) allowances and personal consumption allowances shall not be transferred nor leased.

Commercial Quota

- 6. Commercial quota issued to a licensed grower may be used to produce any class or size of turkey except certified organic turkey unless specifically authorized by the Board.
- 7. The Board will consider applications to produce certified organic turkey by growers holding Commercial quota providing there is a demonstrated market demand that cannot be filled by existing organic growers.
- 8. In the event that the Board determines to approve the production of certified organic turkey by a grower holding Commercial quota, the Board will issue a three (3) year renewable approval to the grower in a defined amount of production. The grower will be required to produce the defined amount of certified organic turkey for a minimum of three (3) years before being permitted to convert the approved production volume back to commercial turkey. Applications to renew for a further three (3) years must be made on or before the 2nd anniversary of the approval or the approval may terminate at the third anniversary.
- 9. Commercial growers approved to produce certified organic turkey pursuant to s.8 shall be provided adequate time to have their facilities and production practices certified by an accredited agency before the start of three (3) year approval.

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Certified Organic Quota

- 10. Certified Organic quota issued to a licensed grower may be used to produce only organic turkey certified as such by an accredited third party agency approved by the Board.
- 11. In the event a licensed grower holding Certified Organic quota is unable to market a turkey flock as certified organic due to temporary production conditions resulting in the suspension or lack of certification for that flock, the grower must apply to the Board for approval to market the turkey as commercial turkey. Any such application must be accompanied by a plan demonstrating that future flocks will be certified organic. Failure to make application, including submission of a corrective action plan, may result in suspension or cancellation of some or all of the grower's quota.
- 12. Failure to maintain certification, or the inability to certify three (3) successive flocks, may result in the suspension or cancellation of some or all of the grower's Certified Organic quota.

Multiplier Breeder Quota

- 13. Upon application by a breeder, the Board may issue Multiplier Breeder Quota for the marketing of breeder toms and hens as mature turkeys.
- 14. The issuance of Multiplier Breeder Quota is conditional upon the placement of multiplier breeder hens and toms in accordance with the national agency's Multiplier Breeder Policy. The Board may suspend or revoke the Multiplier Breeder Quota of a breeder that fails to operate in accordance with that policy.
- 15. Multiplier Breeder Quota is subject to all regulations that apply to quota generally, including, without limitation, the payment of licensing fees, levies and dues, both provincial and national, over-marketing fees as well as any other regulations and orders issued by the Board.
- 16. Each breeder shall apply to the Board on a yearly basis for Multiplier Breeder Quota and for a conditional allocation for the marketing of spent breeder turkeys in accordance with the national agency's Multiplier Breeder Policy.
- 17. If a breeder to whom Multiplier Breeder Quota has been issued downsizes or discontinues its breeder operation, the Multiplier Breeder Quota issued to it shall revert to the Board.

Breeder By-product Quota

- 18. Upon application by a breeder, the Board may issue Breeder By-product Quota for the marketing of the "off-line" toms and culled breeder hens as young turkeys.
- 19. The issuance of Breeder By-product Quota is conditional upon the placement of multiplier breeder hens by the breeder in accordance with the national agency's Multiplier Breeder Policy. The Breeder By-product Quota issued to a breeder shall be equal to 10 kilograms of young turkey marketings for each multiplier breeder hen placed by the breeder in a quota year.

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- 20. Breeder By-product Quota is subject to all regulations that apply to quota generally, including, without limitation, the payment of licensing fees, levies and dues, both provincial and national, over-marketing fees as well as any other regulations and orders issued by the Board.
- 21. Each breeder shall apply to the Board on a yearly basis for Breeder By-Product Quota.
- 22. If a breeder to whom Breeder By-product Quota has been issued downsizes or discontinues its breeder operations, the Breeder By-product Quota issued to it shall revert to the Board.

Export Regrow Quota

- 23. An exporter who has fulfilled all of the conditions set by the national agency's Export Policy may apply to the Board for turkeys to be grown to replace turkeys or turkey parts exported in accordance with that policy.
- 24. The Board may issue quota to fulfill these requirements which shall be known as Export Regrow Quota.
- 25. Export Regrow Quota shall be issued to growers based on the volume of regulated product shipped to the exporter.
- 26. Export Regrow Quota is subject to all regulations that apply to quota generally, including, without limitation, payment of levies and dues both provincial and national, over marketing fees as well as any other regulations of the Board.
- 27. Any grower who leases out any of its Quota shall not be eligible to apply for Export Regrow Quota for the quota year of the lease.

Incentive Quota

28. The Board may, in response to exceptional circumstances within the British Columbia turkey industry, issue additional quota to growers to be known as Incentive Quota.

Allocation

- 29. An allocation as a percentage of each type of quota on issue in the Province will be fixed by the Board for each quota year, and may be varied by the Board from time to time during a quota year, in accordance with the market as estimated by the Board and its various advisors from time to time.
- 30. The allocation percentage set in accordance with s.29. will be applied pro-rata to all holders of that type of quota.
- 31. The Board shall prepare and submit to FIRB for prior approval all proposed quota allocations to each type or category of quota, including its rationale for the allocation to each type of quota.

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Allocation Rules

- 32. If a grower, regardless of license class, markets more than 95% but less than 100% of that grower's allocation in a quota year, that grower's allocation for the next quota year shall increase by the number of kilograms of the shortfall or 25,000 kilograms, whichever is less.
- 33. If a grower, regardless of license class, markets less than 95% but more than 80% of that grower's allocation in a quota year, that grower's allocation for the next quota year shall increase by 5% of the grower's allocation for the quota year of the shortfall or 25,000 kilograms, whichever is less.
- 34. If a grower markets regulated product that exceeds the grower's total allocation in a quota year,
 - a. if the excess is 5% or less of the grower's allocation and 25,000 kilograms or less, the grower's allocation for the next quota year shall be reduced by the amount of the excess;
 - b. if the excess is more than 5% of the grower's allocation or more than 25,000 kilograms, the grower's allocation for the next quota year shall be reduced by the lesser of 5% of the grower's allocation or 25,000 kilograms, plus twice the number of kilograms by which the excess exceeded 5% of the grower's allocation or 25,000 kilograms in the quota year; and
 - c. a grower to whom "b." applies shall pay an increased levy equal to 37.4 cents per kilogram live weight plus Goods and Services Tax of 7% (for a total of 40 cents per kilogram) on production that exceeds the total of his allowable allocation plus the lesser of 5% of his allocation or 25,000 kilograms.

Leasing of Allocation

- 35. A prospective lessor of allocation shall file with the Board a notice of intention for each proposed lease of allocation, which notice shall include:
 - a. the name of the prospective lessor;
 - b. the name of the contact person for the prospective lessor;
 - c. the address, telephone number, fax number and e-mail address of the contact person;
 - d. the number of kilograms of allocation to be leased; and
 - e. the proposed effective date of the lease, which shall be at least 28 days after the day on which the notice is filed with the Board.
- 36. The Board shall circulate a copy of the notice to all growers and any other person who has notified the Board that they are interested in leasing allocation. Any person who wishes to lease the allocation must contact the lessor directly for purposes of entering into negotiations for a lease.
- 37. Following successful negotiations, the proposed lessor and lessee(s) shall each apply to the Board in a form prescribed by the Board for approval of the lease. The applications must be filed with the Board at least 14 days after the notice is circulated and at least 14 days prior to

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- the date poults are to be placed on the leased allocation. The applications shall be accompanied by the required fees.
- 38. Each lessee of allocation must be a licensed grower at the effective date of the lease.
- 39. The regulated product grown on the lease must be marketed to the processor or turkey broker to whom the lessor was contracted or directed to market the regulated product.
- 40. Maximum and minimum quota restrictions set out in this regulation and the BCTMB General Order 2006 shall apply to the lessor and the lessee.
- 41. The right to produce under the direct vendor (small lot) grower programme is not considered to be quota, and may not be leased.

Sale of Excess Regulated Product by the Board

42. As a condition of the assignment of quota by the Board to a grower, the grower will make available to the Board or its agent all regulated product grown in excess of the grower's assigned allocation at a price not exceeding the difference, if any, between the price realized by the Board or its agent on the marketing of such regulated product and the Board's expenses related to such marketing.

New Entrant Growers Programme

- 43. The Board establishes a New Entrant Growers Programme which shall include the provision of a one time issuance of up to 15,000 kg of Primary Quota to each successful new entrant subject to the procedures set out below.
- 44. Quota to fund the issuance of Primary Quota to successful new entrants will be provided from transfer assessments. The Board will offer new entrant quota issuances in multiples of 15,000 kg to the extent quota is available in the pool established by the transfer assessments described in Sections 95, 97, 98, 99 and 100 below. Notwithstanding the amount provided to the new entrant pool from the transfer assessments, the Board will annually make available a minimum of 30,000 kgs of quota to the New Entrant Growers Programme.
- 45. The minimum New Entry quota allocation shall be subject to there being at least 30,000 kg available from the sum of increased allocation received from the CTMA for the upcoming quota year plus any amounts of quota realized from transfer assessment and not previously issued and allocated through the New Entrant Growers Programme.
- 46. Persons wishing to apply for consideration as a new entry grower shall be required to make application to the Board in a form acceptable to the Board.
- 47. Only persons being residents of British Columbia over the age of 19 years and not having previously held, either directly or as an associated person, supply management quota in the province of British Columbia, and not being related by marriage to a current or previous quota holder, shall be eligible to apply as a new entry grower.

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- 48. All applications shall be accompanied by a \$100 non-refundable application fee payable to the Board.
- 49. All applications shall be subject to annual renewal, and the non-refundable annual renewal fee shall be \$50.
- 50. All applications will be placed on a waiting list in the order in which they are received.
- 51. Waiting lists will be published on the Board's website, and will be updated semi-annually at a minimum.
- 52. Invitations to become a new entry grower will be offered annually by the Board in accordance with the following priorities:
 - 1st to persons indicating a plan to produce and direct market new, innovative specialty turkey products;
 - 2nd to persons indicating a plan to produce certified organic turkey, providing there is market demand for increased production of certified organic turkey;
 - 3rd to persons planning to produce and market locally for regional markets outside the Lower Fraser Valley region; and,
 - 4th to persons planning to produce commercial turkey anywhere in B.C.
- 53. Invitation priorities pursuant to s.52 will be considered additive insofar as an applicant fulfilling 2 or more of the priorities may be offered a new entrant opportunity ahead of applicants fulfilling only 1 of the priority criteria.
- 54. Persons receiving invitations shall have 60 days to submit a business plan to the Board in a form acceptable to the Board. The business plan must contain, at a minimum, details concerning the intended production, facility, and marketing plans together with an undertaking to comply with the Board's regulations as amended from time to time.
- 55. Business plans must be submitted together with a \$5,000 deposit, such deposit to be refundable upon the first placement of poults by the new entry grower. In the event the new entry grower fails to place poults within 12 months of licensing by the Board, the fee shall be forfeited and the new entrant invitation withdrawn.
- 56. Prospective new entry growers undertaking to produce certified organic turkey must include either their certification as an organic grower or the schedule upon which they will become certified. Failure to become certified within the intended and approved timeframe will cause the new entrant's license and quota allocation to be suspended or cancelled.
- 57. Upon approval of the applicant's business plan by the Board, the applicant shall be licensed as a new entry grower.
- 58. New Entry growers planning to produce certified organic turkey shall be issued up to a total of 15,000 kilograms of Certified Organic quota. All other new entrants shall be issued up to a total of 15,000 kilograms of Commercial quota.
- 59. New entry growers, whether producing innovative new products or certified organic products, serving local or regional markets by direct marketing, or supplying the commercial market

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- through processors or processor brokers, shall be obligated to comply with the provisions of all Orders of the Board.
- 60. Quota issued by the Board to a new entry grower that is not used by the new entry grower for two (2) consecutive years will be withdrawn by the Board and made available for reissuance by the Board through the New Entry Grower Programme.
- 61. Notwithstanding the Board's offer of up to 15,000 kg of quota, new entry growers may acquire additional quota by transfer, approved by the Board, from other growers.

Conversion of Existing Grower-Vendor Permittees

- 62. The Board introduced the Grower-Vendor program in [enter date].
- 63. The Board is amending this program by converting all permittees to quota holders and then terminating the program and replacing it with the New Entrant Grower Programme.
- 64. All Grower-Vendor permittees in good standing with the Board at April 2006 shall be issued either Commercial or Certified Organic quota in an amount equal to their 2005/06 production up to a maximum of 15,000 kilograms.
- 65. Permittees not already at 15,000 kilograms production in the 2005/06 quota year will have three (3) years, to the end of the 2008/09 quota year, to reach their intended level of production up to the maximum of 15,000 kilograms. After the 2008/09 quota year, no further increases in quota issuance will be provided under the Grower-Vendor conversion program.
- 66. Permittees indicating an intention to produce certified organic turkey will be issued Certified Organic Quota.
- 67. Permittees indicating an intention to produce commercial turkey will be issued Commercial Quota.
- 68. Permittees issued either Certified Organic or Commercial Quota pursuant to the conversion and termination of the Grower-Vendor Program shall be subject to and shall comply with all Orders of the Board.
- 69. Notwithstanding the Board's offer of up to 15,000 kilograms of quota, Grower-Vendor permittees may acquire additional quota by transfer, approved by the Board, from other growers.

Invitation to the Established Certified Organic Grower

- 70. During the B.C. Farm Industry Review Board's Specialty Review Process in 2005, one certified organic grower came forward and reported that they were producing and marketing certified organic turkey outside of existing Board programs.
- 71. The Board will issue to this grower an amount of Certified Organic Quota equal to their recorded and verifiable production in the 2005/06 quota year.

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72. Future increases in allocation to this and all other licensed certified organic growers arising from conversion of the Grower-Vendor program or the New Entrant Grower Programme will be subject to the Board's allocation policies and decisions.

Farm Gate Sales

- 73. Commercial Quota and Certified Organic Quota holders who engage in "farm gate sales" direct to the consumer must report such marketings and pay the applicably levies.
- 74. All direct "farm gate sales" will be considered production as part of the grower's quota allocation.

Direct vendor (small lot) allowance

- 75. An allowance, not considered to be quota, will be allowed to direct vendor growers who are permitted to place less than 301 poults (regulated product) in one quota year.
- 76. A direct vendor (small lot) grower shall not market any regulated product, other than at the farm gate, at a farmer's market, through an independent butcher, or through an independent restaurant, to any person who is not the end consumer of the regulated product.
- 77. A direct vendor grower shall not market any regulated product to any other grower, to any wholesaler or broker, to any processor broker or turkey broker, or to any retail grocery or commercial foodservice chain.
- 78. Direct vendor (small lot) allowances are restricted to a total placement of less than 301 turkey poults (regulated product) per quota year per family or farm production unit or legal land description.

Personal consumption allowance

- 79. An allowance, not considered to be quota, will be allowed to any person for personal consumption and consumption of the family. Personal consumption growers are permitted to place no more than 50 poults (regulated product) per quota year per family or farm production unit or legal land description.
- 80. No personal consumption grower shall market any regulated product to any other person, or to any other grower, any butcher shop or meat market, any wholesaler or broker, or to any processor broker or turkey broker.

Maximum Quota Holdings

81. Associated growers are considered to be one grower for purposes of this Regulation.

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- 82. No commercial grower or group of associated commercial growers shall hold or control quota, excluding Export Regrow Quota, in excess of 5% of the total quota, on issue to growers in British Columbia ("maximum allowable commercial quota").
- 83. The Board may issue two or more quotas to the same person provided that the combined total quota on issue to that person plus the total quota on issue to any associated grower(s) does not exceed the maximum allowable quota for that type or class of quota.
- 84. When a grower is a bona fide partnership or corporation, the Board may issue a separate quota to each partner or voting shareholder proportionate to their partnership interest or voting shareholding provided that the total of the quota issued to the partners or voting shareholders shall not exceed the maximum allowable quota.
- 85. Quota issued to new entry growers pursuant to the New Entrant Grower Programme is restricted to a total of no more than 15,000 kilograms per family, farm production unit or land legal description.
- 86. Direct vendor (small lot) allowances are restricted to placements of a total of no more than 300 turkey poults per year per family, farm production unit or land legal description, and are not defined as quota.

Transfer of Ownership

87. The Board may suspend or cancel a quota in whole or in part upon the sale, transfer or lease of a turkey production unit or an interest therein by a grower, or upon the sale, transfer, or other disposition of the controlling interest in a grower that is a corporation, or upon the creation of any trust, agreement or scheme whereby control of the corporation is sold, transferred or otherwise disposed of.

Quota Transfer

- 88. A grower may transfer quota with the written approval of the Board.
- 89. A notice of intention to transfer quota shall be filed with the Board by the proposed transferor and shall include;
 - a. the name of the prospective transferor (grower's name);
 - b. the name of the contact person for the transferor;
 - c. the address, telephone number, fax number and e-mail address of the contact
 - d. the number of kilograms of quota to be transferred; and
 - e. the proposed effective date of the transfer, which shall be at least 28 days after the
- 90. The Board shall circulate a copy of the notice to all growers and any other person who has notified the Board that they are interested in acquiring quota. Any person who wishes to acquire the quota must contact the transferor directly for purposes of entering into negotiations for a transfer.
- 91. Following successful negotiations, the proposed transferor and transferee(s) shall each apply to the Board in a form prescribed by the Board for approval of the transfer. The applications

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must be filed with the Board at least 14 days following the Board's circulation of the notice and at least 14 days prior to the proposed effective date of the transfer.

- 92. The transferee's application shall include:
 - a. a business plan in a form acceptable to the Board;
 - b. a notarized copy of the transferee's share register, if the transferee is a corporation; and
 - c. a copy of a valid and legally enforceable lease if the transferee does not own the
- 93. The applications of both the transferor and the transferee shall be accompanied by the required fees.
- 94. The Board shall assess the applications and may approve the quota transfer where the following criteria have been satisfied:
 - a. the business plan of the proposed transferee is acceptable to the Board;
 - b. the proposed transferee is a licensed grower or will be qualified to be licensed as a grower at the effective date of the transfer;
 - c. the proposed transferee can satisfy the minimum space requirements set out in the BCTMB Farm Practices Regulation; and
 - d. the proposed transferee shall not obtain a loan, a guarantee or other financial assistance from a person other than the transferor, a savings institution or a person who, in the opinion of the Board, has no financial interest in the turkey industry.
- 95. The Board will withhold from the transfer of quota a percentage of the amount transferred in accordance with the length of time elapsed since the transferor acquired the quota, as set out below:

within one year of acquisition	30%
between 1 and 2 years of acquisition	20%
between 2 and 3 years from acquisition	10%
over three years from acquisition	0%

For the purpose of this section, the quota being transferred shall be deemed to be the first quota acquired by the transferor.

- 96. When the majority voting shares of a grower corporation, which holds quota, are to be sold or otherwise disposed of, the grower must notify the Board of the transfer of ownership by supplying a copy of the share register of the corporation. The quota of the corporation may be revoked or cancelled upon order of the Board if it is found that such a change in the ownership contravenes this or any other regulation or the Board's General Order.
- 97. In addition to s. 95, the Board shall annually, in January, calculate a deemed transfer assessment based on all Primary Quota transferred in prior calendar years as further set out in s.98 below. This amount of quota will be set aside for issue by the Board to new entry growers through the New Entrant Grower Programme.
- 98. In January of each year the Board will calculate the sum of the prior 3 calendar year Primary Quota transfers and from this total calculate an average amount of Primary Quota transferred annually over the 3 year period. Five percent (5%) of the annual average calculated for the immediately preceding 3 year period will be set aside for the New Entrant Grower Programme.

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This deemed assessment amount will be provided from the general allocation received by the Board from CTMA for the quota year beginning May of the same year, and shall occur each year regardless of annual changes in CTMA allotments or quota transfers.

- 99. Sections 97 and 98 shall apply to all transfers, including those among direct family members and those pursuant to business reorganization.
- 100. New Primary Quota, or increases in allocation above the 2005/06 allocation, and including Commercial Quota and Certified Organic Quota issued on or after May 1, 2006, will be subject to restrictions in the amount that can be transferred as follows:

within the first year of issuance	total o	f	0%	
between 1 and 2 years of issuance		total of		10%
between 2 and 3 years from issuance	another 10%	total of	20%	
between 3 and 4 years from issuance	another 10%	total of	30%	
between 4 and 5 years from issuance	another 10%	total of	40%	
between 5 and 6 years from issuance	another 10%	total of	50%	
between 6 and 7 years from issuance	another 10%	total of	60%	
between 7 and 8 years from issuance	another 10%	total of	70%	
between 8 and 9 years from issuance	another 10%	total of	80%	
between 9 and 10 years from issuance	another 10%	total of	90%	
after ten years from issuance		total of		90%

- 101. For the purpose of s.100 the quota being transferred shall be deemed to be the last quota acquired by the transferor.
- 102. All quota restricted from being transferred in accordance with s.100 will be made available for the Board to reissue through the New Entry Grower Programme.

The Board, at its discretion, may exempt any person(s) of any of the sections of this Regulation upon an application by such a person and due consideration of the matter including consultation with any other person(s) who might be affected by such an exemption.

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Signed and dated at Surrey, British Columbia, this BRITISH COLUMBIA TURKEY MARKETING B	July 2006 for and on behalf of the SOARD.
Ron Charles, Chairman	Eric Andrew, Vice-Chairman
Les Burm, Member	Shawn Heppell, Member