

SCHEDULE 1 – NEW PRODUCER PROGRAM RULES

Definitions

1. In these Rules:

“**Spouse**” means a partner in a marriage, or a Person with whom there has been cohabitation in a conjugal relationship, having so cohabitated for a continuous period of at least one year.

Application

2. (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 quota or any similar transferable production right issued or allotted by a supply management commodity board or commission in British Columbia, including Placement Quota, whether directly or indirectly, through any organization or entity.

Prospective Producer List

3. (1) The Commission will arrange for an independent third party to conduct a lottery for the purpose of establishing a prospective producer list. The prospective producer list, when first established, shall consist of five prospective producers, provided that a sufficient number of persons apply to participate in the New Producer Program.
- (2) When there are three 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

4. (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 Placement Quota under the New Producer Program.
- (2) When the new producer allocation pool contains 5,000 broiler breeder pullets of Placement Quota not already assigned by the Commission for the allotment of Placement Quota 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 Independent 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 Independent Production Unit for the production of Broiler Hatching Eggs within one year 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 Independent 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 allotted 5,000 broiler breeder pullets of Placement Quota when the acceptable Independent Production Unit has been established.

Special Restrictions on Placement Quota Alloted Under the Program

5. (1) Placement Quota allotted 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 Placement Quota so allotted shall thereupon be subject to immediate cancellation on notice by the Commission to the entrant.

Purchase or Acquisition of Additional Placement Quota

6. (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 Placement Quota then allotted to the entrant.

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

7. (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 Placement Quota 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 Independent Production Unit, including matters of animal husbandry;

- (c) whether the entrant operates and controls the Independent Production Unit;
 - (d) whether the entrant owns, leases or rents the Independent Production Unit;
 - (e) whether the entrant pays for feed and other farm supplies utilized on the Independent 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 Independent 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 Placement Quota 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 Placement Quota, the entrant shall be deemed not to be actively engaged in Broiler Hatching Egg production.

Changes to the New Producer Program

8. (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.