

Quota Reserve Policies and Procedures

Introduction

Quota that is “held in reserve” is quota held by BCEMB that has not been allocated to any specific producer. There are five reasons why BCEMB holds quota in its reserve:

1. Quota assessments that occur on non-exempt transfers (5% assessment, 10/10/10).
2. Quota that has been set aside from national allocations for the New Producer Program or other public policy objectives.
3. Quota that has been returned from the Temporary Allotment Program.
4. Quota that has been allotted to a producer who cannot place the birds until a later date.
5. Quota that has been approved nationally by Farm Products Council of Canada (FPCC) but has not yet been distributed to BC’s producers.

The quota that is available for our reserve programs will come from quota assessments, allocation set asides and returns from the Temporary Allotment Program.

Reserve Programs

The amount of quota that is held in the reserve must remain at a level that will sustain any of our reserve programs; these currently include the New Producer Program and the Temporary Allotment Program.

Temporary Allotment Program

The reserve will be required to hold 34,216 units of quota for the launch of the Temporary Allotment program. On an ongoing basis, the requirements for the reserve may be less than at the onset of the program, until all regular New Entrants and New Producer Program Applicants have had the opportunity to participate. The allotments will ‘cycle back’ into the reserve upon completion of each producer’s 5 year timeline. On an ongoing basis, beyond 2025, the reserve will be required to hold 15,000 quota units for this program.

- Based on the Board’s commitment of an average of 6000 units provided annually for the NPP draws, the NPP new entrants will require a maximum of 10,000 units over the five year period.
- Based on the current growth rates and the number of regular new-entrants that have started in the last five years, the BCEMB is estimating that regular new entrants will require a maximum of 15,000 quota units in a five year period.

As described above, the requirements for the first five years of the Temporary Allotment program will be 34,216 quota units. This takes into account the growth quota provided to these New Entrants in 2019.

- 8,139 units required for New Producer Program start-ups between 2011 and 2020
- 10,000 units required for New Producer Program start-ups between 2021 and 2025
- 1,077 units for regular New Entrants who started between 2011 and 2018
- 15,000 units for regular New Entrants who start between 2019 and 2025

New Producer Program (NPP)

The reserve will be required to maintain 30,000 quota units for the New Producer Program. Unlike the Temporary Allotment program, this quota is provided to producers on a permanent basis as a way to help them enter the industry and therefore needs to be replenished by alternate sources.

The BCEMB will maintain its commitment to start a minimum of two new producers and maximum of 6,000 quota units per year, on average, with draws to be held every five years. This will require 30,000 quota units held for the program.

At times, the portion of the reserve that is held for the New Producer Program may drop below 30,000 units, however the policy of the BCEMB is to maintain 20,000-40,000 units in the reserve for this purpose.

This will ensure that there is some quota available in years where there may not be growth with few assessments taken.

Reserve Requirements

Based on the needs of the Temporary Allotment Program and the New Producer Program, the reserve will be required to maintain a quota balance of at least 30,000 quota units and no more than 60,000 quota units; with the goal of maintaining a balance of approximately 45,000 quota units.

Reserve Funding

Whenever the BCEMB receives an allocation, the BCEMB will assess the amount of quota in the reserve against the reserve requirements. The BCEMB will consider the following factors:

1. How much quota is required for current New Producer Program draw winners?
2. When is the next producer program draw?
3. How much quota has been taken up with the Temporary Allotment Program?
 - a. When will it be returned?
4. How much quota has been placed in the reserve from transfer assessments?
 - a. Forecast the amount that may be obtained prior to the next New Producer Program Draw.

Based on the above factors, the BCEMB will determine if more quota is required for reserve programs and the time frame needed to fill those requirements. The BCEMB will then determine how much quota is required to be set aside from that allocation. For example, if there are 60,000 quota units in the reserve, the BCEMB may not set aside any quota, however if there is only 30,000 quota units in the reserve and a NPP draw is draw is near, the BCEMB may wish to set aside 20,000 quota units.