

# **BRITISH COLUMBIA EGG MARKETING BOARD**

## **CONSOLIDATED ORDER OF December 31, 2023**

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# PART I - INTRODUCTORY

## 1. Purpose of Order

The purpose and intent of the BCEMB Consolidated Orders is to provide for the effective promotion, control and regulation of the production, transportation, packing, storage and marketing of the regulated product within the Province, including the prohibition of such production, transportation, packing, storage and marketing in whole or in part

## 2. Definitions

In this and all Orders of the British Columbia Egg Marketing Board, except as otherwise provided herein, or unless the context requires otherwise, the definitions contained in the Natural Products Marketing (BC) Act, R.S.B.C. 1996, c. 330 and the British Columbia Egg Marketing Scheme, 1967 (B.C. Reg. 173/67) shall have effect together with the following additional definitions:

**“Allocation”** means the number of dozens of eggs, expressed in laying hens, that Producers are entitled to market in interprovincial or export trade through normal marketing channels, or to have marketed on their behalf by Egg Farmers of Canada in interprovincial or export trade, as determined by Egg Farmers of Canada.

**“Base Quota”** means Layer Quota that has been transferred at least once or growth Layer Quota that has been in production for 11 years or Layer Quota issued under Part IV that has been in production for 11 years.

**“Board”** means the British Columbia Egg Marketing Board.

**“Business Unit”** means Registered Producers where the direct or indirect interest in which is exclusively held by the same Person or Persons, in the same proportion, for each such Registered Producer.

**“Chick”** means a hen that is less than one week old.

**“Chick Hatchery Operator”** means a Person who owns, operates or maintains hatching facilities for the purpose of hatching chicks for the purpose of table egg production.

**“Chick Sales Agent”** means a Person who Markets chicks but does not operate or maintain hatching facilities or hatching flocks.

**“Chicken Hatching Egg Producer”** means a Person who owns, leases, keeps or maintains a flock of breeder hens for the purpose of producing eggs intended to hatch into chicks to be grown for meat production.

**“Commercial Hatching Egg Producer”** means a Person who owns, leases, keeps or maintains a flock of breeder hens for the purpose of producing eggs intended to hatch into chicks to be grown and utilized for egg production.

**“Conventional Housing”** means a housing system where birds are housed in enclosures predominantly made from wire with wire or solid walls, with equipment for provision of water, automated feeding, and egg collection.

**“Corrective Action Request”** means a request for a producer to correct a deficiency that was noted during an audit within a specific time frame.

**“Downtime”** refers to the timeframe that a Layer Barn is not housing any pullets or layers.

**“EFC”** means the Egg Farmers of Canada.

**“Egg Production Unit”** means the land and buildings comprising a poultry farm at which a registered producer keeps layers owned by them and used for the purpose of producing eggs to be marketed.

**“Enriched Housing”** means an enclosure predominantly made from wire with wire or solid walls, outfitted with perches, nest area, scratch area and more head room compared to conventional housing; group sizes in enriched colony housing can range from 10 to over 100 Layers, depending on the model.

**“EXW”** means Ex Works (EXW) as defined in the Incoterms 2020. The seller must make the goods available, suitably packaged, at the specified place, usually the seller’s place of business. The buyer is responsible for (a) loading the goods onto a vehicle; (b) transport; and (c) all costs arising after collection of the goods. The purchaser bears the risk of loss after the goods are received by the purchaser at the seller’s place of business.

**“Federal Quota”** means the number of dozens of eggs that a Producer is entitled to Market in interprovincial and export trade during a Quota Period.

**“Fixed Costs”** means the sum of the operation costs, depreciation and ROI as outlined in the Cost of Production Summary issued by EFC on a periodic basis, multiplied by the current Rate of Lay.

**“Free Range Housing”** means a system where birds roam freely inside a barn and are allowed access to an outdoor pasture or range area.

**“Free Run Housing”** means a system where birds roam freely inside a barn but do not have access to the outdoors.

**“Going Concern Sale”** means a Transfer where:

- a) up to 80% of a Transferor’s Layer Quota is Transferred to one or more purchasers, at the same time and together with the Transferor’s total legal and beneficial fee simple interest in the associated Egg Production Unit (including the Transferor’s total legal and beneficial interest in all buildings, facilities, poultry equipment and Layers used in connection with that Egg Production Unit including the land on which it resides);
- b) the Transferor retains no legal, beneficial or conditional interest in either the Layer Quota or the associated Egg Production Unit (including any buildings,

facilities, equipment or Layers used in connection with that Egg Production Unit); and

- c) the remaining 20% of the Transferor's Layer Quota, minus surrender requirements as per Part V 3., is forthwith Transferred through the Quota Exchange;

**“Good Standing”** means a producer who is up to date with respect to any fees, charges or levies due to the Board and is in compliance with all Board orders.

**“Grading Station Operator”** means a Person who grades Regulated Product by mechanical means or otherwise, and who Markets the Regulated Product so graded.

**“Growth Layer Quota”** means new Layer Quota that is issued by the Board as a consequence of an increase to the Province's allocation.

**“Industrial Product”** means Regulated Product delivered to a Processor or Regulated Product designated by the Board as industrial product.

**“Interior”** means that part of the Province which excludes those areas defined as the Lower Mainland and Vancouver Island.

**“Issuance”** means layer quota that has been issued to a Registered Producer in the Province of BC.

**“Layer”** means laying hens and layers and any class of female chicken hatched for the purpose of egg production, that is at least nineteen (19) weeks of age.

**“Layer Barn”** means a building, or part of a building separated from the remainder of the building by walls, that is used by a Producer to keep or maintain Layers for the purpose of producing eggs.

**“Layer Quota”** means the number of layers which may at any time be kept or maintained for the purpose of egg production by a Registered Producer that may be used for the purpose of producing any class of table eggs.

**“Lower Mainland”** means that part of the Province bounded as follows: Commencing at the intersection of the 49<sup>th</sup> parallel of latitude with the 121<sup>st</sup> meridian of longitude, thence due North to the 50<sup>th</sup> parallel of latitude, thence due West to the 123<sup>rd</sup> meridian of longitude, thence due North to the 51<sup>st</sup> parallel of latitude, thence due West to the western boundary of the Province, thence southerly and easterly along the western and southern boundaries of the Province to the point of commencement, but excluding Vancouver Island and all the other islands lying along the coast of the Province.

**“Management Contract”** means an arrangement under which operational control of a Registered Producer's Layer Quota is vested by contract in a Person that performs the necessary managerial functions in return for a fee.

**“Marketing”** includes producing, buying, selling, disposing of, and offering for sale or other disposition.

**“Member”** means a member of the Board and includes the Chair of the Board.

**“Nest-Run Production”** means unsorted eggs, produced by an identified flock over a Quota Period, and which meet the minimum weight requirement from time to time set by the Board and which have not been altered by the addition or removal of any eggs.

**“Organic Housing”** means an egg production system that has been certified organic according to the requirements of a provincial, federal, or international body.

**“Permit”** means permission given in writing by the Board to any person with regard to the Marketing of the Regulated Product.

**“Person”** means a person as defined in the *Interpretation Act*<sup>1</sup> and includes an individual.

**“Processor”** means a Person who changes the nature of eggs by mechanical means or otherwise into a processed or manufactured product, and markets, offers for sale, sells, stores or transports the processed or manufactured product.

**“Producer”** means a Person who owns, keeps or maintains Layers in the Province of British Columbia.

**“Producer-Grader”** means a Registered Producer who grades their own production, has been issued a Grader licence by CFIA.

**“Producer-Vendor”** means a Producer who produces and markets, offers for sale, sells, stores or transports all or any portion of the regulated product produced by them but does not process, market, offer for sale, sell, store or transport the regulated product produced by any other person.

**“Provincial Quota”** means the number of Layers that a Producer is entitled to house for the purpose of marketing table eggs in intra-provincial trade during a Quota Period.

**“Pullet”** means a female chicken raised for the purpose of egg production that is less than nineteen (19) weeks of age.

**“Pullet-Grower”** means a Person who grows Pullets.

**“Quota Period”** means the period specified in Schedule 1 to the *Canadian Egg Marketing Agency Quota Regulations, 1986*, as amended.

**“Region”** means the Interior, the Lower Mainland, or Vancouver Island, as the case may be.

**“Registered Producer”** means a Producer who is registered under the *Scheme* holds Layer Quota and a licence.

**“Regulated Product”** means layers and all classes of eggs of the domestic hen, including eggs wholly or partly manufactured or processed.

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<sup>1</sup> Person as defined in the *Interpretation Act* “includes a corporation, partnership or party, and the personal or legal representatives of a person to whom the context can apply according to law”



**“Related Corporate Producers”** mean corporate producers, the direct or indirect interest in which is exclusively held by the same Person, or by Persons who are related as spouse, child, child and the child’s spouse, or sibling.

**“Specialty Egg Class”** means eggs produced under a Free-Run Housing System, Free-Range Housing System and Organic Housing System.

**“Transfer”** means a direct or indirect, legal or equitable, permissible or impermissible transfer of an interest in Layer Quota, or the grant of an option to transfer an interest in Layer Quota, and in the case Layer Quota Issued to a corporation includes a transfer of shares or an interest in shares of the corporation or the issuance of additional shares or redemption of existing shares which results in a change in the proportion of shares held by each shareholder; but does not include the grant of a security interest in Layer Quota in favour of a bona fide lender.

**“Transferee”** means the Person to whom Layer Quota is being Transferred.

**“Transferor”** means the Person from whom Layer Quota is being Transferred.

**“Unregistered Producer”** means a Producer, other than a Registered Producer, who either holds a valid permit in accordance with Part II of the BCEMB Consolidated Orders, or keeps or maintains less than one hundred Layers.

**“Valid Licence”** means a current and subsisting licence of the applicable class issued by the Board to a Person in good standing with respect to each and every requirement therefor.

**“Vancouver Island”** means that part of the Province consisting of Vancouver Island and all the other islands lying along the coast of the Province.

## **PART II - LICENSING/PERMITTING**

### **1. Requirement to Hold Licence**

- (1) Subject to subsection (2), no Person shall act as a Producer, Producer-Vendor, Producer-Grader, Commercial Hatching Egg Producer, Grading Station Operator, Processor, Chick Hatchery Operator or Chick Sales Agent unless in possession of a Valid Licence, and no Person shall be relieved of compliance with this requirement in respect of any class of licence on the grounds that such Person is the holder of a Valid Licence of another class.
- (2) Notwithstanding subsection (1), an Unregistered Producer may act as a Producer without a Producer Licence issued by the Board.
- (3) Where Persons carry on business in partnership, each with the other, a Valid Licence may be issued by the Board in the names of each of the partners and in the business name carried on by those partners, if any. Such licence is subject to cancellation by the Board in the event of a change in the membership of the partnership with respect to a Person or Persons having an interest in that partnership.
- (4) Where a Valid Licence has been issued by the Board to a corporation, such licence is subject to cancellation by the Board in the event of a change in the ownership, direct or indirect, of the majority voting shares of the corporation.

### **2. General Conditions**

- (1) It is a condition of issuance and maintenance of every licence that the applicant or holder complies with the Orders of the Board from time to time in force and all applicable legislation and regulations.
  - (a) Producer-vendors and Producer-graders must comply with all applicable provisions of the Egg Grading and Standards Regulation (B.C. Reg. 306/2016) and the Food and Agricultural Products Classification Act, SBC 2016.
- (2) Licences are issued on an annual basis expiring on the last day of the Quota Period for which it was issued.
- (3) Licences issued under this Consolidated Order are not transferable.
- (4) A condition to hold a Licence as a Grading Station Operator, Processor, or Chick Hatchery Operator is the applicable Canadian Food Inspection Agency certification or equivalent.
- (5) All Persons holding a licence with the Board must retain Canadian citizenship or Permanent Resident status.

### **3. Permitting**

- (1) A Producer who keeps or maintains not more than ninety-nine (99) Layers in aggregate, whether in a single facility, or in concert with another Person or Persons, or in facilities that are contiguous to, or a part of, each other do not require a permit or licence. These producers are encouraged to register with the Board to receive

food safety, biosecurity and animal care updates as well as with the BC Ministry of Agriculture Premises ID program.

- (2) A Producer who keeps or maintains not more than three-hundred and ninety-nine (399) and not less than one-hundred (100) Layers in aggregate, whether in a single facility, or in concert with another Person or Persons, or in facilities that are contiguous to, or a part of, each other, and who:
  - (a) is at least nineteen years of age;
  - (b) is not a holder of Layer Quota and whose Spouse is not a holder of Layer Quota;
  - (c) produces organic eggs, heritage breed eggs, free range eggs or free run eggs, in accordance with the applicable requirements of a certification program established under the Food and Agricultural Products Classification Act or other provincially, nationally or internationally recognized standards accepted by the Board as a qualifying certification program;
  - (d) markets their ungraded eggs directly to the end consumer at the farm gate or farmers markets, or markets their eggs that have been graded by a Registered Shell Egg Station directly to the end consumer; and
  - (e) is compliant with all applicable provisions of the Egg Grading and Standards Regulation where ungraded eggs are direct-marketed at the farm gate or farmers markets;
  
- (3) A Producer who keeps or maintains not more than the maximum number of Layers specified in writing by the Board, and who:
  - (a) has applied annually for, and been issued, a written, non-transferrable “Unregistered Research Producer Permit”, authorizing the keeping or maintaining of a maximum number of Layers for a research or market development purpose approved by the Board, on such terms and conditions as the Board may determine in its discretion;
  - (b) keeps or maintains not more than the maximum number of Layers authorized by the Board for the research or market development purpose approved by the Board; and
  - (c) is compliant with all applicable provisions of the Egg Grading and Standards Regulation (B.C. Reg. 306/2016) and the Food and Agricultural Products Classification Act, SBC 2016 where ungraded eggs are direct-Marketed at the farm gate;

## PART III - ISSUANCE AND REGISTRATION OF LAYER QUOTA

### 1. Form in Which Layer Quota is Issued

- (1) All Layer Quota is a revocable licence to produce only and remains the exclusive property of the Board.
- (2) All Layer Quota Issued to a Producer shall be expressed as a number of Layers per Quota Period.
- (3) Layer Quota Issued to a Producer shall be deemed to be derived from an Issuance of a concurrent quantity of Provincial Quota and Federal Quota expressed as a number of Layers per Quota Period.

### 2. Issuance of Layer Quota

- (1) The Board may issue Layer Quota to Persons or adjust, reduce, alter or cancel Layer Quota issued to such Persons, at such time or times, in such amounts and in such a manner as may be determined by it.
- (2) Upon notification of a Layer Quota increase, Registered Producers will be given 30 days to provide the Board of what date they intend to utilize their issuance. Failure to respond within the timeframe will result in forfeiture of the issuance.
- (3) Unless otherwise determined by the Board, Layer Quota shall not be issued:
  - (a) to any individual who is under the age of nineteen years;
  - (b) to any corporation controlled by any individuals under the age of nineteen years;
  - (c) to any partnership with respect to which any individual member is under the age of nineteen years;
  - (d) to any Registered Producer/Person if it results in that Producer having Layer Quota in excess of 5% of the total of all such Layer Quotas issued
  - (e) to any Producer who fails to maintain active Egg Production Units housing 50% or more of their Layer Quota;
  - (f) to any Producer who is delinquent with respect to any fees, charges or levies due to the Board;
  - (g) to any Producer who is not in Good Standing with all Board Orders;
  - (h) to any Producer who has failed to resolve a corrective action request in the manner and within such time as may be specified by the Board in a written notice of default and demand for rectification;
  - (i) to any Person producing conventional white production who is housing Layers at less than 67 square inches per Layer;
  - (j) to any Person producing conventional brown production who is housing Layers at less than 75 square inches per Layer;

- (k) to any Person whose Egg Production Units cannot accommodate the proposed issuance of Layer Quota in accordance with the requirements of this Consolidated Order.
  - (l) to a Producer while that Producer is leasing Layer Quota to another producer under Part VII 1..
  - (m) to any Person who has transferred any Layer Quota within the last 12 months, including exempt and non-exempt transfers, with one exception as follows:
    - (i) If a Layer Quota transfer does not result in an overall change in total Layer Quota holdings within a business unit, Layer Quota holders within that business unit remain eligible to receive growth.
- (4) Where a Person is ineligible to receive an issuance of Layer Quota by reason of paragraph (3)(i), (j), (k) or (l), the Layer Quota that cannot be so accommodated:
- (a) may be made available by the Board to another Person on a temporary, non-transferrable basis, provided that such other Person pays to the Board, in advance, a charge as per the posted Fee Schedule;
  - (b) may be received by that Person at a subsequent date not later than three years from the date that the Layer Quota first became available for issuance, provided that the Person's Egg Production Unit is then able to accommodate that issuance of Layer Quota in accordance with the requirements of this Consolidated Order;

### **3. Registration of Layer Quota to Egg Production Units**

- (1) Layer Quota Issued by the Board to a Registered Producer, or held for production by a Registered Producer under a Permissible Lease, shall be registered to the Egg Production Units described in the Registered Producer licence.
- (2) Layers shall be kept on and Marketed from the Egg Production Units described in the Registered Producer licence in a manner consistent with the Consolidated Orders, unless the Board otherwise consents in writing.
- (3) A Layer Barn to which Layer Quota is registered shall not be changed in whole or in part, unless the Board otherwise consents in writing.
- (4) A Layer Barn shall only be registered to one Registered Producer.

### **4. Registration of Layer Quota to Producer**

- (1) Where a Registered Producer carries on business as a sole proprietor, Layer Quota Issued to that Registered Producer, or held for production by that Registered Producer under a Permissible Lease, will be registered by the Board in the name of the Registered Producer and in the business name carried on by that Registered Producer, if any.
- (2) Where Registered Producers carry on business in partnership, each with the other, Layer Quota Issued to those Registered Producers, or held for production by those Registered Producers under a Permissible Lease, is deemed to have been Issued in proportion to the interest of each such Registered Producer in the control or financial growth of the partnership, and will be registered by the Board in the names of each

of the partners and in the business name carried on by those partners, if any. At the time of first registration, and subsequently as required by the Board, the partners shall file with the Board a true copy of the partnership agreement showing the name of each partner and the interest that each partner has in the partnership. The partners shall further inform the Board in writing one calendar month before any change is made with respect to the interest of each partner in the partnership.

- (3) Where a Registered Producer is a corporation, Layer Quota Issued to that Registered Producer, or held for production by that Registered Producer under a Permissible Lease, is deemed to have been Issued in proportion to the interest of each individual having a direct or indirect interest in the control or financial growth of that corporation, whether by means of shares in that corporation (and irrespective of the class of shares) or by way of a share interest in a parent corporation, and will be registered by the Board in the name of the corporation and in the names of each of the individuals having such a direct or indirect interest in that corporation. At the time of first registration, and subsequently as required by the Board, the corporation shall file with the Board a true copy of its Certificate of Incorporation and Register of Members, together with true copies of the Certificates of Incorporation and Registers of Members for each parent corporation having a direct or indirect interest in that corporation. The corporation shall further inform the Board in writing one calendar month from the date of any change made with respect to the share Issuance within, or structure of, the corporation.
- (4) Failure by a Registered Producer to provide the Board with any of the documents required by the Board within the time specified by the Board may result in the suspension of the offending Licensee's licence and Layer Quota until the required document is filed and approved by the Board.

## PART IV - NEW PRODUCER PROGRAM RULES

### 1. Application to Participate in the New Producer Program

- (1) The Board may from time to time announce on its website that a draw or draws will be conducted for the purpose of selecting a specified number of applicants to become entrants in the New Producer Program. In such event, the announcement will remain on the Board's website for a period not less than 30 days before the expiry of the deadline for the submission of applications to participate in a draw.
- (2) The Board may, in its sole discretion:
  - (a) restrict participation in a New Producer Program draw to applicants who will:
    - (i) be actively engaged in production of, or from, a specified class or classes of Regulated Product;
    - (ii) engage in egg production within a Region, identified by the Board as warranting additional production capacity having regard to the interests of the industry as a whole; and/or
    - (iii) employ a specified mode of production or marketing of Regulated Product.
  - (b) establish, impose and announce special terms, conditions and restrictions with respect to any New Producer Program Draw, including terms, conditions and restrictions governing continued participation in the New Producer Program, and/or the terms, conditions and restrictions regarding the allotment, purchase, suspension or cancellation of Layer Quota.
- (3) A Person may apply to participate in a New Producer Program draw only when the Board has announced on its website that a draw or draws will be conducted for the purpose of selecting an applicant to become an entrant in the New Producer Program, and within the deadline for the submission of applications to participate in a draw which shall not be less than 30 days from the date of the Board's announcement.
- (4) Applications to participate in a New Producer Program draw are made by filing with the program administrator:
  - (a) an application form, obtainable from the Board, duly completed by the applicant;
  - (b) a certified true copy of the applicant's birth certificate or other certified true copy of proof of age acceptable to the Board;
  - (c) a certified true copy of the applicant's Canadian passport, Canadian citizenship card, or Canadian permanent resident card;
  - (d) a certified true copy of the applicant's British Columbia driver's license or British Columbia identification card;
  - (e) a non-refundable application fee of \$750.00, payable to the "British Columbia Egg Marketing Board" by way of cheque;

- (f) proof, in a form satisfactory to the Board, of the applicant's financial ability to establish an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw for the production of eggs;
- (g) proof, in a form satisfactory to the Board, that the applicant has economically viable plans to sustain the production of eggs;
- (h) proof, in a form satisfactory to the Board, that the applicant will be able to establish an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw for the production of eggs within a time period acceptable to the Board;
- (i) proof, in a form satisfactory to the Board, that the applicant's Egg Production Unit will be within economic access of a Grading Station Operator. This may include grading station sign-off or a plan to become a producer-vendor;
- (j) proof, in a form satisfactory to the Board, that the applicant owns, or will own prior to the commencement of egg production, an Egg Production Unit, independent of any other supply managed production unit, conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw;
- (k) if applicable, further proof, in a form satisfactory to the Board, that the applicant meets the program requirements as determined by the Board;
- (l) an essay communicating:
  - (i) why the applicant wishes to be actively engaged in egg production;
  - (ii) the applicant's past experience in, or knowledge of, farming in general and egg production in particular;
  - (iii) why it would be in the interests of the industry as a whole for the applicant to be actively engaged in egg production;
- (m) a statutory declaration declaring:
  - (i) that the applicant understands, and agrees to be bound by and to comply with the terms and conditions of the New Producer Program as specified herein;
  - (ii) that the applicant does not object to the publication of the applicant's identity by the Board;
  - (iii) that the applicant owns, or will own prior to the commencement of egg production, an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw;
  - (iv) if applicable, further details specifying that the applicant meets the program requirements as determined by the Board;
  - (v) that neither the applicant, nor the Spouse of the applicant, nor any co-applicant, holds, or has held at any time, any legal or beneficial interest in



quota or any similar transferable production right issued by a supply management commodity board or commission in Canada, including Layer Quota, whether directly or indirectly, through any organization or entity.

- (n) proof, in a form satisfactory to the Board, the demonstrated market need for the number of Layers requested and the timeframe to be in production.
- (5) No Person may submit more than one application for any one draw, either directly, or indirectly as a partner or as an officer, director or shareholder of a corporate applicant. Spouses may submit a joint application, or they may each submit their own applications, but they may not submit a joint application and individual applications. If an applicant applies for more than one draw and is successful in a draw, that applicant is immediately ineligible for all future and concurrent draws.
- (6) An applicant for a New Producer Program draw may be a partnership in which case each partner must qualify under subsection (8).
- (7) Where the Board has announced on its website that it will be conducting more than one draw because it has decided to restrict participation in one or more draws to any of the categories described in subsection 1(2), an applicant for a New Producer Program draw must specify on the application form (or in each application form, if the applicant is applying under more than one category) the draw in which the applicant seeks to participate. If an applicant applies under more than one category, the applicant must comply with all of the requirements hereunder for each application.
- (8) A Person seeking to participate in a New Producer Program draw must have the following qualifications:
- (a) a genuine intention to be actively engaged in egg production from an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw that is owned by the applicant, or will be owned by the applicant prior to the commencement of egg production;
  - (b) be a Canadian citizen, or permanent resident, and a permanent resident in the Province of British Columbia;
  - (c) be at least 19 years of age at the time of application;
  - (d) neither the applicant, nor the Spouse of the applicant, nor any co-applicant, may hold, or have held at any time, any legal or beneficial interest in quota or any similar transferable production right issued by a supply management commodity board or commission in British Columbia, including Layer Quota, whether directly or indirectly, through any organization or entity;
  - (e) must be willing to produce 400 to 3000 Layers, based on their demonstrated market needs.
  - (f) must be able to demonstrate financial ability to establish an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw for the production of eggs.
- (9) An applicant will not be eligible to participate in a New Producer Program draw where:

- (a) the applicant is in breach of Board Orders, or applicable legislation;
  - (b) the applicant has failed to provide the requisite information in the application form, or has made false statements in the application form;
  - (c) the applicant has failed to specify on the application form the draw in which the applicant seeks to participate, if the Board had announced on its website that it will be conducting more than one draw;
  - (d) the applicant does not qualify to participate in a draw having regard to the restrictions, if any, imposed by the Board pursuant to subsection 1(2);
  - (e) there have been changes in circumstances such that an applicant no longer qualifies to participate in a New Producer Program draw;
  - (f) there have been changes in legislation adversely affecting the New Producer Program; or
  - (g) the applicant's cheque for the application fee is returned NSF.
- (10) Applications to participate in a New Producer Program draw:
- (a) are non-transferable, under any circumstances;
  - (b) are not available to be pledged as security; and
  - (c) must be mailed or sent by courier to the Board and marked "Attention: Program Administrator" (applications received other than by mail will not be processed).

## **2. Determination of Eligibility**

- (1) From the applications received, the Board will first make determinations concerning the ineligibility of applicants to participate in a New Producer Program draw by having regard to the technical requirements specified in section 1. For that purpose, the Board may, in its sole discretion, require an applicant to provide such supplemental documentation and information as the Board may deem necessary to make that determination. Failure to satisfy the technical requirements specified in section 1, or to provide any required supplemental documentation or information within the time specified by the Board, will result in immediate termination of the applicant's participation under the program.
- (2) After having made the determinations described in subsection (1), the Board will then grade each of the remaining applications that have satisfied the technical requirements specified in section 1 as follows:
  - (a) the Board will award between 0 and 75 points to a viable business plan based on the extent to which the applicant has economically viable plans to sustain the production and marketing of eggs within their region. The business plan must include an Operations Management section that describes in detail how the applicant will conform to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw;
  - (b) the Board will award between 0 and 25 points for an essay containing the following information:

- (i) the applicant's past experience in, or knowledge of, farming in general and egg production in particular, and an explanation of why the applicant wishes to be actively engaged in egg production;
  - (ii) why the applicant's involvement in egg production would be in the interests of the industry as a whole.
- (3) An applicant must score a minimum of 50 out of 75 points for the business plan and 15 out of 25 points for the essay, plus a total minimum of 75 points in order to be considered further. Any applicant scoring less than what has been outlined will not be given any further consideration. Applicants that have scored 75 points or more will be eligible to participate in a New Producer Program draw.
- (4) The Board may appoint a review committee for the purposes of grading the applications as per subsection (2). The committee shall be chaired by the Program Administrator and be comprised of a minimum of three and a maximum of six well-respected and knowledgeable representatives that may include:
  - (a) A Registered Producer that is not a Director of the BCEMB;
  - (b) A current NPP Registered Producer;
  - (c) A representative from the financial sector;
  - (d) A representative from the agri-business sector;
  - (e) A representative from the BC Egg Processors Council;
  - (f) An Egg Industry Advisory Committee Member; and
  - (g) A BCEMB Producer-Vendor.
- (5) The Board may, in its sole discretion, interview candidates who scored 75 points or more. In the interview, candidates should be prepared to answer questions about themselves and their applications and should be prepared to provide additional information about their proposed egg operations.
- (6) Based on the interview the Board may, in its sole discretion, determine a candidate does not meet all criteria and should be removed from the New Producer Program.
- (7) After all qualifying applications have been reviewed, all applicants will receive formal notification from the Board regarding the status of their applications.
- (8) The Program Administrator will request the Performance Deposit from qualifying applicants who scored 75 points or more either 30 days after qualifying applicants were notified of their scores, or after the conclusion of any appeals resulting from the comprehensive review process. At that time, the applicants will have 30 days to provide a \$10,000 deposit.
- (9) Failure to make the said deposit within the time specified will result in immediate termination of the eligible applicant's participation under the program, in which event the applicant will not be permitted to participate in a New Producer Program draw. Any interest earned on this account will remain with the administration.

### **3. Conduct of Draw**

- (1) Where an applicant is randomly selected by the Board under a New Producer Program draw, the applicant's name will be published on the Board's website for a minimum of 30 days.
- (2) The draw administrator will simultaneously inform all Grading Station Operators of the name and contact information of each successful applicant.
- (3) Following the conduct of the draw, the Board will return to each unsuccessful applicant the \$10,000.00 deposited by the unsuccessful applicant.

### **4. Entry in Program**

- (1) When a person is notified of their opportunity to start, the Program Administrator will simultaneously inform all Grading Station Operators of the name and contact information of each entrant.
- (2) If a person is unable or unwilling to start when directed to do so by the Board, their further participation under the program will be immediately terminated.
- (3) Where an entrant has established an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw within such period as the Board may determine in its sole discretion:
  - (a) that successful applicant will be issued between 400 and 3,000 units of Layer Quota as determined through the application process; and
  - (b) the Board will return to that successful applicant the deposit of \$10,000.00.
- (4) Where an entrant has failed to establish an Egg Production Unit conforming to all applicable requirements under the Consolidated Order and the applicable New Producer Program draw within such period as the Board may determine in its sole discretion:
  - (a) the entrant's further participation under the program will be terminated; and
  - (b) the deposit of \$10,000.00 will be forfeited to the Board.

### **5. Special Terms, Conditions and Restrictions on Layer Quota Issued Under the Program**

- (1) Layer Quota issued under the New Producer Program may be held for production by the entrant subject to all special terms, conditions and restrictions imposed with respect to the applicable New Producer Program draw, and only for so long as the entrant:
  - (a) permits Board audits of the farm operation to ensure compliance with Board orders and all applicable legislation, including all terms and conditions of the New Producer Program;
  - (b) is in good standing with all applicable Board orders and all applicable legislation, including all terms and conditions of the New Producer Program;

- (c) is actively engaged in egg production;
- (d) continues to own an Egg Production Unit conforming to all applicable requirements under the Consolidated Order;
- (e) continues to be actively engaged in production of, or from, the applicable class or classes of Regulated Product; within the applicable Region; and in accordance with the applicable mode of production or marketing; as outlined in their original application and as made applicable under the New Producer Program draw;

failing which the Layer Quota so issued shall thereupon be subject to immediate cancellation on notice by the Board to the entrant.

(2) An entrant issued Layer Quota under the New Producer Program may only change:

- (a) production of, or from, the applicable class or classes of Regulated Product;
- (b) the applicable Region; or
- (c) the applicable mode of production or marketing;

upon the express, written approval of the Board.

## **6. Purchase or Acquisition of Additional Layer Quota**

(1) Subject to any special terms, conditions and restrictions imposed under a New Producer Program draw regarding the allotment, purchase, suspension or cancellation of Layer Quota:

- (a) an entrant may purchase or acquire Layer Quota; and
- (b) entrants under the New Producer Program are eligible to receive general issuances of new Layer Quota arising from an increase to the Province's allocation, and are subject to general adjustments or reductions of Layer Quota, and for that purpose, such receipts, adjustments or reductions shall be calculated against the Layer Quota then issued to the entrant.

## PART V - TRANSFER OF LAYER QUOTA

### 1. Application for Transfer of Layer Quota

- (1) Layer Quota may only be Transferred upon application by the Transferor to, and with the written approval of, the Board.
- (2) Applications for Transfer of Layer Quota must be accompanied by:
  - (a) the applicable administration fee payable by the applicant to the Board as set out in the Fee Schedule;
  - (b) a letter from the applicant's Grading Station Operator releasing the applicant from any outstanding accounts with the Grading Station Operator.
- (3) Layer Quota may only be Transferred through the Provincial Quota Exchange and in accordance with the Provincial Quota Exchange Rules set out in Part VI, except where:
  - (a) Layer Quota is Transferred, or deemed to have been Transferred, to the Transferor's spouse, child, or child and the child's spouse;
  - (b) Layer Quota is Transferred among Related Corporate Producers;
  - (c) subject to subsections (4), (5), (6) and (7) Layer Quota is Transferred in a *bona fide* Going Concern Sale;
  - (d) Layer Quota is Transferred by way of a Permissible Lease;
  - (e) one or more Producers Transfer Layer Quota to a corporate Producer and the direct or indirect interest of each such Transferor in the corporate Producer is proportionate to the Layer Quota so Transferred by each such Transferor;
  - (f) there is a deemed Transfer between partners or shareholders.
- (4) The Board will determine, in its sole discretion, whether a Transfer is a *bona fide* Going Concern Sale having regard to the following factors:
  - (a) whether the Transferee intends, and has committed to the satisfaction of the Board, to engage in egg production from all of the Layer Quota so Transferred at the Egg Production Unit that is the subject of the Going Concern Sale;
  - (b) whether there is a legitimate business purpose for the structure of the Transfer unconnected with the mere objective of circumventing a requirement to Transfer all or any part of the Layer Quota through the Provincial Quota Exchange;
  - (c) the reasons, if any, as to why it would not be possible or practical for the Transferor or the Transferee to Transfer Layer Quota on the Provincial Quota Exchange.
  - (d) whether the parties to the Transfer have entered into any oral or written agreements as might suggest that the Transfer was structured for the primary purpose of circumventing a requirement to Transfer all or any part of the Layer Quota through the Provincial Quota Exchange; and

- (e) any other facts or circumstances as might suggest that the Transfer was structured for the primary purpose of circumventing a requirement to Transfer all or any part of the Layer Quota through the Provincial Quota Exchange.
- (5) For the purpose of determining the bona fides of a Going Concern Sale, each party to the proposed transaction must provide to the Board a sworn statutory declaration attesting to the factors described in subsection (4) and exhibiting all draft and executed written agreements in connection with the proposed transaction. The Board may require any party to the proposed transaction to provide such further information and documentation as it may deem necessary, and shall have regard to the substance and effect of any arrangement made between the parties to the Transfer, irrespective of the form of that arrangement.
- (6) Where it appears to the Board that parties to a Going Concern Sale have structured the transaction for the primary purpose of circumventing the requirement that Layer Quota be Transferred through the Quota Exchange, the Transfer shall be deemed to lack bona fides.
- (7) Notwithstanding any previous determination that may have been made by the Board concerning the bona fides of a Going Concern Sale, if at any time it appears to the Board that a Going Concern Sale is not or was not a bona fide Going Concern Sale, the Board may cancel all or any part of the Layer Quota Issued to any or all of the parties to the Transfer.

## **2. Limitations on Transfer of Layer Quota**

- (1) The Board may refuse to approve a Transfer of Layer Quota where:
  - (a) the Transferor or Transferee is not in compliance with the Orders of the Board from time to time in force and all applicable legislation and regulations;
  - (b) the Transferee is not a citizen of Canada, or a permanent resident of Canada, or in the case of a body corporate, not controlled in Canada;
  - (c) the Transferee has existing direct or indirect financial interests in the egg industry or a trade allied to egg production;
  - (d) the Transferee is an individual who is under the age of nineteen years, or a corporation controlled by any individuals under the age of nineteen years, or a partnership with respect to which any individual member is under the age of nineteen years;
  - (e) the Transfer would result in a Registered Producer holding an Issuance of Layer Quota exceeding 5% of the Layer Quota Issued by the Board to all Registered Producers.
  - (f) all or any part of the Layer Quota issued to the proposed Transferee cannot be accommodated by that Producer's Egg Production Units in accordance with the requirements of this Consolidated Order.
  - (g) the transfer would result in a Registered Producer holding less than 400 Layer Quota units.
- (2) The Board may require a Transferee of Layer Quota to be interviewed by the Board.

- (3) The Board may impose conditions with respect to any approval of a Transfer of Layer Quota.
- (4) The Board may suspend the approval of Transfers for a definite or indefinite period of time.
- (5) No Registered Producer may Transfer Layer Quota to another Person prior to the expiration of two years from the date of that Registered Producer's last Transfer of Layer Quota from another Person, provided nevertheless, that a Registered Producer may elect in writing, once and no more than once, to be exempt from this restriction.
- (6) No Registered Producer may Transfer Layer Quota from another Person prior to the expiration of two years from the date of that Registered Producer's last Transfer of Layer Quota to another Person, provided nevertheless, that a Registered Producer may elect in writing, once and no more than once, to be exempt from this restriction.
- (7) Layer Quota may not be transferred from one Region into another Region unless that layer quota has transferred through the Provincial Quota Exchange.
- (8) Where a Registered Producer has relocated from one Region into another Region, all Layer Quota held by that Registered Producer is ineligible for Transfer until the expiry of two years from the date of relocation.
- (9) A Registered Producer may only transfer up to 80% of their total Layer Quota holdings through the Going Concern Sale. The remaining transferrable Layer Quota, after assessments are taken, will be transferred through the Quota Exchange.
- (10) If the Transferor is deemed not in Good Standing, the Board reserves the right to direct any transfers to the Quota Exchange.

### 3. Surrender of Layer Quota on Transfer

- (1) Subject to subsection (3), where Layer Quota is Transferred, on the first transfer of any growth Layer Quota issued, or Layer Quota issued under Part IV, the Transferor shall surrender to the Board an amount of Layer Quota calculated as follows:

Day 1 to day 364	100% reverts to the Board
After Year 1 anniversary date	90% reverts to the Board
After Year 2 anniversary	80% reverts to the Board
After Year 3 anniversary	70% reverts to the Board
After Year 4 anniversary	60% reverts to the Board
After Year 5 anniversary	50% reverts to the Board
After Year 6 anniversary	40% reverts to the Board
After Year 7 anniversary	30% reverts to the Board
After Year 8 anniversary	20% reverts to the Board
After Year 9 anniversary	10% reverts to the Board
Year 10 anniversary date and beyond	0% reverts to the Board

- (2) Where the proportionate interest of a Producer in a partnership is increased, decreased or transferred, a proportionate Transfer of the Layer Quota deemed to have been Issued to such Producer is deemed to occur.
- (3) A surrender of Layer Quota pursuant to paragraph 3. (1) is not required where:



- (a) Layer Quota is Transferred, or deemed to have been Transferred, to the Transferor's spouse, child, or child and the child's spouse;
- (b) Layer Quota is Transferred among Related Corporate Producers;
- (c) Layer Quota is Transferred between siblings provided it remains with the associated Egg Production Unit(s);
- (d) Layer Quota is Transferred by way of a Permissible Lease;
- (e) one or more Producers Transfer Layer Quota to a corporate Producer and the direct or indirect interest of each such Transferor in the corporate Producer is proportionate to the Layer Quota so Transferred by each such Transferor;
- (f) two or more Producers enter into an agreement of partnership and the partnership interest of each such Producer is proportionate to the Layer Quota registered in that Producer's name;
- (g) the amount of Layer Quota deemed to have been Issued to a Producer having an interest in a partnership remains registered in that Producer's name upon dissolution of the partnership.
- (h) upon the death of a Producer, the Layer Quota allotted to that Producer is deemed to have been Transferred to that Producer's executor, administrator or trustee, as the case may be.
- (i) Layer Quota is Transferred by the executor, administrator or trustee of a deceased Producer to a beneficiary of the deceased Producer.

**4. Deferral or Waiver of Surrender on Deemed Transfer to Executor, Administrator or Trustee**

- (1) In the event of a deemed Transfer to a Producer's executor, administrator or trustee, the Board may, in its sole discretion, defer or waive the imposition of a surrender of Layer Quota if the Board is satisfied that there will be, within a reasonable time frame, a subsequent Transfer of that Layer Quota from the executor, administrator or trustee which would not be subject to a surrender of Layer Quota if that subsequent Transfer had been made by the deceased Producer.
- (2) Where the Board has declined to exercise its discretion to defer or waive the imposition of a surrender of Layer Quota under section 3.(1), and there is a subsequent Transfer of Layer Quota from the executor, administrator or trustee which would not be subject to a surrender of Layer Quota if that subsequent Transfer had been made by the deceased Producer, the Board may, in its sole discretion, allot to the Transferee an amount of Layer Quota equivalent to the amount surrendered to the Board on the deemed Transfer to the Producer's executor, administrator or trustee.

## PART VI - PROVINCIAL QUOTA EXCHANGE RULES

### 1. General

- (1) The Board reserves the right to limit a Person's participation in the Provincial Quota Exchange.
- (2) The Board has no liability or obligation to a Person in the event a Provincial Quota Exchange is cancelled, or in the event that Layer Quota does not Transfer.
- (3) Provided that at least one offer to sell has been submitted by a prospective Transferor, a Provincial Quota Exchange will be held on the first Wednesday of March, June, September and December.
- (4) Notice of a pending Provincial Quota Exchange will be published on the Board's website at least 21 days in advance of the date on which the Provincial Quota Exchange is to be held.
- (5) All Transfers of Layer Quota shall be effective on the first Wednesday of the month following the date on which the Provincial Quota Exchange is held.
  - (a) Transferees will be responsible for levy on the Layer Quota as of the effective date.
  - (b) If a transferee is unable to house the layers immediately, they may choose to lease the transferred Layer Quota to another Registered Producer for a maximum of one year. Part IX 1. Obligation to Produce applies.
    - i. transferees unable to house the layers immediately may choose to instead earn quota credits on their transferred Layer Quota for a maximum of 182 days. The total days that the transferee chooses to earn quota credits will be deducted from the one year allowance in Part VII 1. (3).
- (6) All Provincial Quota Exchanges will be conducted by a Provincial Quota Exchange Administrator who will:
  - (a) receive offers to sell, offers to buy, and applicable administration fees; and
  - (b) administer the exchange of monies.
- (7) To be eligible to participate in a Provincial Quota Exchange, prospective Transferees must be in good standing with all applicable requirements of the Consolidated Order at least 10 days prior to the date on which the Provincial Quota Exchange is to be held.
- (8) Where a prospective Transferor is not in good standing, all applicable fees and levies will be deducted from sale proceeds.
- (9) Where applicable, one exchange will be conducted for each region. Layer Quota must first be offered to Prospective Transferees within the Transferors region. If the offer to sell is not fulfilled from within the Transferors Region, the Layer Quota will be placed on the exchange in the region with the lowest offer to buy fill rate.

## 2. How to Use the Exchange

- (1) Prospective Transferors must provide the Provincial Quota Exchange Administrator with a completed offer to sell (available from the Board's website or at the Board's office) together with the applicable administration fee not less than 28 days before the date on which the Provincial Quota Exchange is to be held.
- (2) Prospective Transferors must specify in the offer to sell the date of the Provincial Quota Exchange in which the Layer Quota is to be offered for sale (which must be the first Wednesday of a month).
- (3) If a prospective Transferor has given an assignment or other form of security to a financial institution with respect to Layer Quota sought to be transferred, the applicable financial institution must complete the section on the reverse of the offer to sell acknowledging the prospective Transferor's intention to participate in the Provincial Quota Exchange.
- (4) Prospective Transferees must provide the Provincial Quota Exchange Administrator with a completed offer to buy (available from the Board's website or at the Board's office) together with the applicable administration fee:
  - (a) no sooner than 27 days before the date on which the Provincial Quota Exchange is to be held; and
  - (b) no later than 4:00 pm on the Tuesday immediately preceding the date on which the Provincial Quota Exchange is to be held.
- (5) Every offer to buy must include:
  - (a) confirmation of an automatic download of funds to the Board's trust account (administered by the Provincial Quota Exchange Administrator), or a certified cheque drawn on a bank account of the prospective Transferee, or irrevocable letter of credit, made payable to the Board "in trust", in an aggregate amount equal to or in excess of ten percent (10%) of the full value of the offer to buy; and
  - (b) certification by a responsible financial institution indicating that the prospective Transferee has made the necessary financial arrangements to purchase the full value of the Layer Quota set out in the offer to buy.
- (6) A Person or Business Unit may submit only one offer to sell or offer to buy on each Provincial Quota Exchange
- (7) Any monies received on behalf of the Board hereunder shall be payable to the Board "in trust", as a deposit payment towards the purchase price of Layer Quota and such monies shall be non-refundable except where:
  - (a) the offer to buy is withdrawn prior to 4:00 pm on the Tuesday immediately preceding the date on which the Provincial Quota Exchange is to be held;
  - (b) the offer to buy is unsuccessful; or
  - (c) the Board elects, in its sole discretion, not to retain the deposit payment.

- (8) Offers to sell and offers to buy must be signed by the prospective Transferor or the prospective Transferee, as the case may be. In the case of a partnership, or corporation, the offer must be signed by all partners, or by the corporation's legally authorized signatories, as the case may be. All signatures must be witnessed.
- (9) No offer to sell may be withdrawn unless written notice of withdrawal is received by the Provincial Quota Exchange Administrator no later than 4:00 pm 28 days prior to the date on which the Provincial Quota Exchange is to be held.
- (10) No offer to buy may be withdrawn unless written notice of withdrawal is received by the Provincial Quota Exchange Administrator no later than 4:00 pm on the Tuesday immediately preceding the date on which the Provincial Quota Exchange is to be held.
- (11) All offers to sell and all offers to buy that are not received by the Provincial Quota Exchange Administrator within the applicable deadline will be rejected, and must be resubmitted for a subsequent Provincial Quota Exchange in order to be processed.
- (12) Where an offer to sell or an offer to buy has been rejected, the Provincial Quota Exchange Administrator will notify the applicable prospective Transferor or prospective Transferee, as the case may be.
- (13) A Registered Producer who relies on one or more Grading Station Operators to market the majority of their Regulated Product over the past 12 months must obtain signed confirmation from each Grading Station Operator.

### **3. Minimum and Maximum Amounts**

- (1) A prospective Transferor may specify in an offer to sell that the offer is to be withdrawn from the Quota Exchange if there are insufficient offers to buy to clear 100% of the Layer Quota offered for sale in that offer to sell.
- (2) A prospective Transferee may specify in an offer to buy that the offer is to be withdrawn from the Quota Exchange if there are insufficient offers to sell to clear a specified minimum amount of Layer Quota sought to be purchased in that offer to buy.
- (3) The total amount of Layer Quota offered for sale must not exceed the amount of Layer Quota that the Person has available for Transfer.
- (4) The maximum amount of Layer Quota which may be contained in an offer to buy is 20,000 Layers, less the number of Layers acquired by the prospective Purchaser through the Provincial Quota Exchange in the preceding 5 year period.

### **4. Market Clearing Price**

- (1) The market clearing price for the first Provincial Quota Exchange conducted after October 29, 2015 shall be \$345.00 for each unit of Layer Quota. All future exchanges will remain the same market clearing price from the previous exchange except where the conditions set out in subsections (2) or (3) are met.

- (2) Subject to subsection (1), if:
  - (a) the volume of Layer Quota subject to offers to sell was greater than 6,000 Layer Quota units; and
  - (b) the volume of Layer Quota subject to offers to buy has exceeded the volume of Layer Quota subject to offers to sell; and the offers to buy have been filled to 50% or less;
  - (c) the market clearing price shall be increased by \$5.00 per Layer Quota unit for the next Provincial Quota Exchange.
- (3) Subject to subsection (1), if the volume of Layer Quota subject to offers to sell exceeds the volume of Layer Quota subject to offers to buy by 50% or more, the market clearing price shall be reduced by \$5.00 per Layer Quota unit for the next Provincial Quota Exchange.

## 5. Fulfillment

- (1) Where there are insufficient offers to sell to satisfy all offers to buy, the available Layer Quota will be Transferred from each prospective Transferor on a *pro rata* basis to prospective Transferees as follows:
  - (a) the first 1,000 units of available Layer Quota will be Transferred to each prospective Transferee who then has an issuance of not more than 6,000 units of Layer Quota, in an amount that is the lesser of:
    - (i) 1,000, divided by the number of prospective Transferees who then each have an issuance of not more than 6,000 units of Layer Quota; and
    - (ii) the amount of Layer Quota contained in the offer to buy.
  - (b) any remaining Layer Quota will be Transferred to each prospective Transferee who still has an offer to buy that has not been satisfied in full, in an amount that is the lesser of:
    - (i) the amount of the remaining Layer Quota divided by the number of prospective Transferees who still have an offer to buy that has not been satisfied in full; and
    - (ii) the amount of Layer Quota contained in the offer to buy.
- (2) Where there are insufficient offers to buy to satisfy all offers to sell:
  - (a) the Quota Exchange Administrator may, in their sole discretion, cancel the Quota Exchange, in which event no offers to sell or offers to buy will be satisfied in whole or in part;
  - (b) if the Quota Exchange Administrator elects to run the Quota Exchange, the available Layer Quota will be Transferred from each prospective Transferor (other than those that have had their offers withdrawn because they had specified in their respective offers to sell that the offer is to be withdrawn from the Quota Exchange if there are insufficient offers to buy to clear 100% of the Layer Quota offered for sale in their offer to sell) on a *pro rata* basis to prospective Transferees.

## 6. Notification and Payment

- (1) The Board will notify all Persons participating in a Provincial Quota Exchange of the results of the Provincial Quota Exchange when known.
- (2) The Board will provide all successful Transferors and Transferees with payment statements. Every successful Transferee shall be required to pay an amount equal to the balance of the purchase price required for the purchase of Layer Quota. Such payment shall be made to the Provincial Quota Exchange Administrator, not later than the Monday immediately preceding the effective date of Transfer, by direct deposit, certified cheque, money order or bank draft.
- (3) If payment is not made in accordance with subsection (2):
  - (a) the offer to buy made by the defaulting Transferee shall be deemed to have been withdrawn;
  - (b) the whole or any part of the deposit paid by the defaulting Transferee, together with any accrued interest thereon, shall be forfeited to the Board; and
  - (c) the amount of Layer Quota sold by all successful Transferors will be reduced proportionately by the amount of Layer Quota not Transferred to the defaulting Transferee.
- (4) Payment to a Transferor will be calculated by multiplying the market clearing price for a Provincial Quota Exchange by the amount of Layer Quota sold by that Transferor on that Provincial Quota Exchange.
- (5) Payment to a successful Transferor will be made by cheque drawn on the Board's trust account on the effective date of Transfer.
- (6) Interest earned on account of a deposit payment made by a successful Transferee shall remain with the administration.

## PART VII - LEASE AND TEMPORARY ALLOTMENTS

### 1. Application for Lease between Registered Producers

- (1) Layer Quota may only be leased between Registered Producers upon application to, and with the written approval of, the Board.
- (2) Applications for Lease must be accompanied by proof, satisfactory to the Board, that:
  - (i) the leasor is renovating, retooling or rebuilding an egg production unit
  - (ii) the leasor has just purchased Layer Quota off the Provincial Quota Exchange, or
  - (iii) the lease is between exempt parties detailed in Part V Section 3 (3), whereby a surrender of Layer Quota is not required.
  - (iv) the leasor is unable to keep or maintain the number of layers which they are eligible to keep or maintain due to:
    - a) natural disaster
    - b) short placement of at least 5% of the intended 19 week placement
    - c) unexpected bird losses
    - d) other extraordinary circumstance (excluding disease), or
  - (v) the lease is to assist a producer with a flock realignment due to new construction.
- (3) Applications for Lease must be made for a term of not more than one year unless otherwise permitted by the Board due to exceptional circumstances.

### 2. Temporary Allotment Pool A Program

- (1) Layer Quota may be Temporarily Allotted from the Board to New Entrants for a maximum of five years, commencing:
  - (i) When a New Entrant who has been transferred Layer Quota commences production, or
  - (ii) When a NPP winner receives their maximum allotment as determined through the NPP rules and guidelines
- (2) Allotments will be issued at a one to one ratio to a maximum of 1,000 allotted Layers based on current Layer Quota holdings. Any Layers received in growth allocations will be deducted from the maximum 1,000 leased Layers.
- (3) The allotment amount may be decreased on a month to month basis, however it may not be increased unless additional Layer Quota has been purchased and placed. The five year termination date will remain the same.

- (i) an exception may be made if the New Entrant is unable to maintain the number of layers which they are eligible to maintain through the TAP A program due to:
  - a) natural disaster
  - b) short placement of at least 5% of the intended 19 week placement
  - c) unexpected bird losses
  - d) other extraordinary circumstances (excluding disease)

(4) Eligibility Requirements:

- (a) a producer must not have sold or transferred Layer Quota since beginning production. Any sale or transfer of Layer Quota will result in disqualification from Pool A. Any purchase of Layer Quota by the producer will not affect their lease amount, unless requested by the producer;
- (b) the Layers must be placed and remain in production in order to receive the allotment, except during regular downtime. Temporarily Allotted quotas will be eligible for quota credits for the duration of the producer's regular downtime;
- (c) a producer may not lease Layer Quota out to another producer while participating in the program unless otherwise permitted by the Board due to the circumstances described in subsection (3) i. In this situation the TAP A Allotment would be reduced to zero and the New Entrant may lease available regular Layer Quota if permitted by the Board;
- (d) the opportunity for the Temporary Allotment Pool A will only be provided once per person/entity. In order to be considered a new producer or regular new entrant under this program, all shareholders involved must be first time Layer Quota holders in BC;
- (e) the producer must be in good standing with the BCEMB Consolidated Orders. Failure to remain in good standing while participating in the Temporary Allotment Program will result in removal from the program. Compliance includes:
  - (i) maintain a minimum score of 95% on their Start Clean Stay Clean audit with no outstanding Critical Control Elements. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (ii) obtain a pass on the annual Animal Care Program audit. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (iii) obtain a pass on the annual BC Biosecurity Program audit. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (iv) have your current flocks Chick Placement Permits (CPP) submitted with an additional two years of CPPs for active barns;



- (v) no outstanding levies and charges;
  - (vi) all CSV files received by Producer/Vendors on or before their due date;
  - (vii) a producer must maintain SE and AI Insurance through CEIRA or other insurance agency. Proof, in a form satisfactory to the Board, of alternate insurance must be provided prior to allotment.
- (5) The fee for any Layer Quota provided by the Board for the Temporary Allotment Pool A will be \$1 per month per Layer Quota unit, plus the applicable weekly levy.
- (6) To apply for the Temporary Allotment Pool A an application form, obtainable from the Board, must be duly completed by the applicant along with the following:
- (a) a detailed plan illustrating how the producer will sustain the production at the end of the five years;
  - (b) applicants wishing to be producer-vendors or producer-graders will be required to provide a detailed plan on how they will process and market the additional production.

### **3. Temporary Allotment Pool B Program**

- (1) In the event that Layer Quota is being held in the reserve and will not be used for a minimum of 12 months, the Layer Quota will be made available for temporary allotment to all registered producers with the exception of those who are eligible for Pool A;
- (2) Layer Quotas will be allotted at a one to one ratio based on current Layer Quota holdings.
- (3) Eligibility Criteria:
- (a) if the applicant is a producer-vendor or producer-grader, a business plan must be submitted that outlines how the product will be marketed and sold.
  - (b) the Layers must be placed and remain in production in order to receive the allotment, except during regular downtime.
    - (i) temporary allotment quotas will be eligible for quota credits for the duration of the producer's regular downtime;
    - (ii) an exception may be made if the Producer is unable to maintain the number of layers which they are eligible to maintain through the TAP B program due to:
      - (i) natural disaster
      - (ii) short placement of at least 5% of the intended 19 week placement
      - (iii) unexpected bird losses

- (iv) other extraordinary circumstances (excluding disease)
- (c) any sale or transfer out of Layer Quota will result in removal from the program.
- (d) a producer may not lease Layer Quota out to another producer while participating in the program;
- (e) the producer must be in good standing with the BCEMB Consolidated Orders. Failure to remain in good standing while participating in the Temporary Allotment Program will result in removal from the program. Compliance includes:
  - (i) maintain a minimum score of 95% on their Start Clean Stay Clean audit with no outstanding Critical Control Elements. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (ii) obtain a pass on the annual Animal Care Program audit. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (iii) obtain a pass on the annual BC Biosecurity Program audit. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (iv) have your current flocks Chick Placement Permits (CPP) submitted with an additional two years of CPPs for active barns;
  - (v) no outstanding levies and charges;
  - (vi) all CSV files received by Producer/Vendors on or before their due date;
  - (vii) a producer must maintain SE and AI Insurance through CEIRA or other insurance agency. Proof, in a form satisfactory to the Board, of alternate insurance must be provided prior to allotment.
- (4) The Pool B program will run annually, on the first Wednesday in July after the Quota Exchange, with the available reserve quota using the following process:
  - (a) qualifying producers will be given 28 days to apply for the Temporary Allotment;
    - (i) the producers will indicate on the application form the minimum and maximum amounts that they are willing to receive as well as the duration, to a maximum of 12 months;
  - (b) the allotment will be distributed equally to all applicants up to their maximum requested amount.
- (5) The fee for any Layer Quota provided by the Board for a Temporary Allotment Pool B will be \$1 per month per Layer Quota unit, plus the applicable weekly levy.

#### 4. Temporary Allotment Pool C Program

- (1) In the event the Board declares an industry disaster, the Board may initiate the utilization of TAP C. Through the program, producers who are unable to keep or maintain the number of Layers authorized under the Layer Quota issued to that Producer due to the industry disaster, can lease Layer Quota to the Board which will be made available for temporary allotment to all registered producers through a TAP C program. To be deemed an industry disaster, the event must impact two or more facilities and have an impact on egg supply.
- (2) Layer Quotas will be allotted at a one to one ratio based on current Layer Quota holdings.
- (3) Eligibility criteria for Lessor:
  - (a) a Producer who lost layers during the industry disaster declared by the Board and who are unable to keep or maintain the number of Layers authorized under the Layer Quota issued to that Producer for an amount of time determined by the Board;
  - (b) a Producer is eligible to lease up the maximum amount of birds lost by their farm in the industry disaster and cannot exceed the Producer's Layer Quota allotment; and
  - (c) a TAP C Lessor form must be completed and submitted to the Board.
- (4) Eligibility criteria for Lessee:
  - (a) if the applicant is a producer-vendor or producer-grader, a business plan must be submitted that outlines how the product will be marketed and sold.
  - (b) the Layers must be placed and remain in production in order to receive the allotment, except during regular downtime. Temporary Allotment quotas will be eligible for quota credits for the duration of the producer's regular downtime;
  - (c) any sale or transfer out of Layer Quota will result in removal from the program;
  - (d) a Producer may not lease Layer Quota out to another producer while participating in the program;
  - (e) a Producer lessee can withdraw from the TAP C program prior to the date specified on their initial TAP C application with a minimum of four weeks notice;
  - (f) the Producer must be in good standing with the BCEMB Consolidated Orders. Failure to remain in good standing while participating in the Temporary Allotment Program will result in removal from the program. Compliance includes:
    - (i) maintain a minimum score of 95% on their Start Clean Stay Clean audit with no outstanding Critical Control Elements. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
    - (ii) obtain a pass on the annual Animal Care Program audit with no outstanding Critical Control Elements. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;

- (iii) obtain a pass on the annual BC Biosecurity Program audit with no outstanding Critical Control Elements. Any CARs outstanding must be completed by the PLO/auditor's prescribed due date;
  - (iv) have their current flock's Chick Placement Permits (CPP) submitted with an additional two years of CPPs for active barns;
  - (v) no outstanding levies and charges;
  - (vi) all CSV files received by Producer/Vendors on or before their due date;
  - (vii) a producer must maintain SE and AI Insurance through CEIRA or other insurance agency. Proof, in a form satisfactory to the Board, of alternate insurance must be provided prior to allotment.
- (5) The Board will determine a timeline for TAP C, with the available Layer Quota declared through the TAP C Lessor forms using the following process:
- (a) qualifying producers will be given an initial application window of seven days to apply for the Temporary Allotment. Following that window, new applications will continue to be accepted, however the earliest start date will be the first Sunday 28 days after the application is submitted;
    - (i) the producers will indicate on the application form the minimum and maximum amounts that they are willing to receive as well as the duration;
    - (ii) the application form will require grading station sign off.
      - a. applicants who are producer-vendors or producer-graders will be required to provide a detailed plan on how they will process and market the additional production.
  - (b) the allotment will be distributed equally to all applicants up to their maximum requested amount.
- (6) The fee for any Layer Quota provided by the Board for a Temporary Allotment Pool C will be \$1 per month per hen, paid to the Lessor, plus the applicable weekly levy.
- (a) the Board will facilitate the payments from the Lessee to the Lessor with no money being retained by the Board.

## **5. Limitations on Lease and Temporary Allotment of Layer Quota**

- (1) The Board may refuse to approve a Lease or Temporary Allotment where:
- (a) the Lessor or Lessee/Allotmentee is not in compliance with the Orders of the Board and all applicable legislation and regulations;
  - (b) the Lessee/Allotmentee does not have an Egg Production Unit of adequate capacity.
  - (c) the Lessee/Allotmentee does not have enough Layers to cover their total allotment, including the Lease and/or Temporary Allotment.

## PART VIII - QUOTA CREDITS

### 1. General

- (1) The Board may, in its discretion and in order to allow for recovery from lost production, issue to a Registered Producer a quota credit which may be utilized at a future flock cycle.
- (2) No claim for quota credit earnings will be considered in respect of flock adjustments planned by a Registered Producer unless the Registered Producer notifies the Board of such planned adjustments in advance of the adjustment and obtains Board approval for the adjustment prior to the adjustment being undertaken, e.g. renovations or flock cycle adjustments.
- (3) Quota credits may be used only where the Board has granted prior, written approval to use the quota credits, and then only in accordance with the terms and conditions of that approval.
- (4) Late applications to use quota credits will be subject to a penalty equal to two times (2x) the Layer Quota usage for the time interval between placement date and application date in addition to the required licence for that time period.

Example: Licence required for 275 quota credits per week  
13 week period of May 29, 2016 to August 28, 2016

Application date:	June 5, 2016 (one week penalty)		
	275 X 13 weeks	=	3575 Credits used
	275 X 2	=	550 Penalty credits
			<u>4125</u> Total credits used

- (5) As levies in BC are paid by bird, it is assumed levy has already been paid on any production resulting from quota credit layers. Therefore, there is no levy reduction while earning quota credits and no change in levy when utilizing them.
- (6) Quota credits expire five years from the original date earned at the sole discretion of the Board.
- (7) No quota credits will be given for moulting.

### 2. Fowl Removal

- (1) To be eligible to earn quota credits for fowl removal, producers must not amend their requested fowl removal date less than two months prior to requested removal month unless due to exceptional circumstances
- (2) Quota credits will be earned from the date of fowl removal up to the day before their next 19 week date.
  - (a) if downtime is less than 7 days, the producer is ineligible to earn quota credits for that fowl removal.
  - (b) if downtime exceeds 28 days, the producer must complete the early fowl removal section at the bottom of the Fowl Removal Booking Form and have grading station sign off.

- (c) quota credits will be earned at a rate of 1 quota credit per Layer Quota bird per week.

### **3. Disease on-going mortality – 5% minimum loss**

- (1) In the event of on-going mortality loss due to disease, producers may apply to earn quota credits based on an on-going bird loss.
  - (a) uninsurable losses greater than 5% of flock placement will qualify for issuance of quota credits.
  - (b) applications must be submitted prior to the affected barns' replacement flocks' 19-week date.
  - (c) producers must supply supporting documentation showing disease confirmation such as veterinary laboratory results, inventory loss and a copy of the chick placement permit pertaining to the affected flock.

### **4. Transfer or Trade of Quota Credits**

- (1) Quota credits are transferrable on Going Concern Sales.
- (2) Producers may trade quota credits.
  - (a) a quota credit transfer form must be completed by both parties and forwarded to the Board offices prior to the trade date.
  - (b) all quota credit transfers will be processed on the last business day of the month received.
    - (i) Upon quota credit trade processing date, any quota credit licence already in progress by the transferee will not be adjusted to accommodate the expiry date of the traded quota credits.

### **5. Quota Credit Usage**

- (1) The Board reserves the right to manage quota credit usage and timing, based on market needs and utilization rates.
- (2) Applications must be for a minimum of 13 weeks and must be received as far in advance as possible. At least seven days' notice should be given.
- (3) Producers will have the opportunity to adjust their first 19 week placement quota credit licence prior to their first verification count by the BC Egg Marketing Board without penalty.
- (4) Producers are not able to run a negative quota credit balance.
- (5) Only one quota credit licence will be issued per registered producer licence.
- (6) Quota credits will be utilized on a First Issued First Out basis.

# PART IX - PRODUCTION REQUIREMENTS AND LIMITATIONS

## 1. Obligation to Produce

- (1) The Board may cancel all or any part of the Layer Quota:
  - (a) issued to a Producer who:
    - (i) for 180 consecutive days, fails to keep or maintain the number of Layers authorized under the Layer Quota issued to that Producer; or who
    - (ii) fails to maintain an active Egg Production Unit(s), housing greater than 50% of their layer quota, whereby the total legal and beneficial fee simple interest of the Egg Production Unit is held by that Producer or shareholders of that Producer.
  - (b) issued to a Person who has not commenced keeping or maintaining the number of Layers authorized to be produced under the Layer Quota issued to that Person within 180 calendar days from the date that such Layer Quota was issued to such Person;
- (2) The Board may cancel any licence held by:
  - (a) a Producer who:
    - (i) for 180 consecutive days, fails to keep or maintain the number of Layers authorized under the Layer Quota issued to that Producer; or who
    - (ii) fails to maintain an active Egg Production Unit(s), housing greater than 50% of their layer quota whereby the total legal and beneficial fee simple interest of the Egg Production Unit is held by that Producer or shareholders of that Producer
  - (b) a Person who has not commenced keeping or maintaining the number of Layers authorized to be produced under the Layer Quota issued to that Person within 180 calendar days from the date that such Layer Quota was issued to such Person.
- (3) The mere fact that a Producer has entered into a Lease of Layer Quota is not, by itself, a factor indicating that the Producer is not actively engaged in egg production.
- (4) Management Contracts are acceptable subject to Section 1(1) above.

## 2. Overproduction

- (1) A Registered Producer may only place the number of Layers allowable through Layer Quota, quota credits and other Board programs.
- (2) If a Producer keeps or maintains more than the allowable Layers, Late Application of Quota Credits applies. If a producer does not hold enough quota credits, a penalty of 3 times levy on the over quota birds applies.

### **3. Chick Placement Permits**

- (1) No Producer or Pullet-Grower shall request or obtain Pullets without first:
  - (a) submitting a duly completed chick placement permit
  - (b) obtaining approval of aforementioned Chick Placement Permit.
- (2) Failure to apply for a CPP prior to Chick placement will result in a reduction of Quota Credits to the Producer equal to the number of Chicks placed for the time interval between the Hatch Date and the received application date.

### **4. Restrictions on Class of Production**

- (1) Unless otherwise authorized in writing by the Board, a Registered Producer using Layer Quota for the purpose of producing a class of egg must continue to use that Layer Quota for the purpose of engaging in the production of that class of egg.
- (2) A Registered Producer may change the production type only with the prior, written approval of the Board and that producer's grading station.

### **5. Relationship Between Registered Producer and Grading Station Operator**

- (1) The Grading Station Operator through which a Registered Producer's Regulated Product is Marketed is designated by the Board as the agency through which that Registered Producer must Market its Regulated Product.
- (2) A Registered Producer may change the agency through which it Markets its Regulated Product only with the prior, written approval of the Board. A minimum of 21 days notice is required for approval.
- (3) Where a Grading Station Operator receives regulated product from a Registered Producer, the Grading Station Operator and the Registered Producer shall be deemed to have contracted for the purchase and sale of regulated product in accordance with all applicable requirements and obligations specified in the Consolidated Order.
- (4) The BCEMB, as a regulatory agency, is acting as a facilitating intermediary in the payment of producers for the regulated product.
- (5) The BCEMB does not act as an agent on behalf of the producer or the grader.
- (6) The BCEMB assumes no responsibility with respect to the merchantability of any regulated product.

### **6. Operational Standards**

- (1) On Farm Programs
  - (a) every Producer shall carry on operations such that they maintain a minimum score of 95% for the Start Clean Stay Clean food safety program by Egg Farmers of Canada.
  - (b) every Producer shall comply with the Animal Care program by Egg Farmers of Canada.



- (c) every Producer shall carry on operations in accordance with the Codes of Practice for the Care and Handling of Pullets and Laying Hens by the National Farm Animal Care Counsel.
  - (d) every Producer shall comply with the BC Poultry Biosecurity Program.
  - (e) every Producer shall comply with the EFC National SE Protocol for Layers and Pullets.
  - (f) every Producer producing a specialty egg class must be certified by the Board Approved Program for that egg class.
  - (g) every Producer shall comply the BCEMB Barn Fitness Policy.
  
  - (h) Effective July 1, 2023 that, at a minimum, portable toilet facilities complete with supplies and hand sanitizer are required to be available at all times for the use of farm personnel, catching crews and chick delivery crews working on site at the farm.
- (2) Cage Density
- (a) every Producer must, by April 1, 2010, commence housing Layers at a minimum of 67 square inches per Layer (75 square inches per Layer for brown Layers).
  - (b) as of July 1, 2016 no new construction, retro-fits, renovations or add-ons of conventional cages will be approved by the Board.
- (3) Egg Storage Rooms
- (a) every Producer shall maintain, at each Egg Production Unit an egg storage room that meets the requirements outlined in the Start Clean Stay Clean Program.
- (4) Controlled Moulting is only permitted with prior approval of the Board and under the supervision of a veterinarian.
- (a) layers in moult and those being prepared for moult should have access to drinking water at all times and should be provided with a commercially approved moult feed.
- (5) Without limiting any other remedy available to the Board, any producer who fails to comply with the Operational Standards will be ineligible to use quota credits or to place additional Layer Quota acquired by purchase or otherwise.
- (6) Without limiting any other remedy available to the Board, any producer who refuses any microbiological testing as per the sampling protocols will result in eggs from that producer (or scheduled to come from that producer) to be considered high risk, and as such will result in those eggs being diverted to the Industrial Products Program and the producer will be paid the Industrial Products price as set out by Egg Farmers of Canada.

## **7. Fowl Removal**

- (1) No Person shall sell or offer for sale or otherwise dispose of Layers in a live condition other than through the processing plant authorized by the Board for that purpose, or to a Registered Producer or Permit holder for the purpose of egg production.
- (2) Every Producer must notify the Board of their requested fowl removal date a minimum of two months prior to their requested month of removal.

## PART X - PRICES AND METHOD OF PAYMENT

### 1. Minimum Price

- (1) The price or prices to be paid for Regulated Product shall not be less than the minimum prices fixed and published by the Board from time to time, except whereas;
  - (a) conventional Producers will be paid forty (40) cents per dozen less than the posted nestrun price after the first pregrade failure until a further CFIA inspection passes the eggs, or the flock is shipped out.
  - (b) Specialty Producers will be paid forty (40) cents per dozen less than the posted nestrun price after the first pregrade failure until a further CFIA inspection passes the eggs, or the flock is shipped out. In addition, Specialty producers will not be paid a Specialty premium unless recaptured by the Board through the IP program.
  - (c) every Producer will be paid forty (40) cents per dozen less than the last grade-out if that Producer's cooler is found to be unable to maintain the required temperature range for more than 24 hours. The eggs may be directed to the Processor until the Producer can demonstrate that adequate cooler temperatures can be maintained.
  - (d) Producers found to be non-compliant with their certification requirements will have their premium deducted to a maximum penalty of \$20,000 based on total value of unearned premium that Producer has been paid.
- (2) The minimum prices fixed and published by the Board are EXW the farm-gate, and for greater certainty, the cost of supplying and maintaining flats, pallets, plywood or other packaging materials shall be borne by the purchaser.

### 2. Timing and Manner of Payment

- (1) The purchase price payable for Regulated Product shall be paid by delivering directly to the Board, at the commencement of each such period as the Board may specify, a cheque made payable to the Board, in an amount equal to the purchase price of the Regulated Product so supplied during the previous period, without deduction, withholding or abatement of any kind except as may be expressly authorized or required by the Board.
- (2) The Board may, in its discretion, purchase Regulated Product and pick-up, package, process, including grading and breaking, store including cooling, ship, insure, export, sell or otherwise dispose of the Regulated Product and may vary such ownership from time to time and may pay or receive monies for the purchase or sale of the Regulated Product or any other transaction of the Board via electronic transfer, direct deposit systems and may vary such systems from time to time.

## PART XI - LEVIES & FEES

### 1. Producer Levies

(1) Levies are fixed and imposed, as published by the BCEMB, on each:

- (a) Registered Producer;
- (b) Producer, including Unregistered Producers whose product is graded;
- (c) Commercial Hatching Egg Producer; and
- (d) Chicken Hatching Egg Producer;

### 2. Grading Station Operator Responsibility Regarding Levies

(1) Each Grading Station Operator, before making payments to or on the account of a Registered Producer, shall deduct from the total payable to such Registered Producer, the amount of levies assessed against the Registered Producer and shall within 10 business days of receipt of Regulated Product from that Registered Producer, remit the amount so deducted to the Board.

(2) In the event levies so assessed against a Registered Producer are greater than the total amount payable to or on the account of the Registered Producer by the Grading Station Operator, the deficient amount shall be added to subsequent levy assessments, and the Grading Station Operator shall deduct from subsequent payments to that Registered Producer the aggregate amount of such levies assessed against that Registered Producer, and shall forthwith thereafter remit the amount so deducted to the Board.

(3) Should any Grading Station Operator:

- (a) fail to deduct from amounts payable to a Registered Producer the levies assessed against that Registered Producer; or
- (b) fail to remit such levies to the Board;

then at the Board's direction, any other Grading Station Operator who has received Regulated Product from the defaulting Grading Station Operator shall deduct from the payment due to the defaulting Grading Station Operator the levies due to the Board and shall immediately remit such levies to the Board.

### 3. Abatement of Levy

(1) The Board may, on application to it, provide for the abatement of levy payable where a Registered Producer establishes to the satisfaction of the Board that owing to special circumstances, the Registered Producer is, for a period, unable to keep or maintain the number of layers which the Producer is eligible to keep or maintain.

(2) No claim for levy abatement will be considered in respect of flock adjustments planned by a Registered Producer unless the Registered Producer notifies the Board of such planned adjustments in advance of the adjustment and obtains Board approval for the adjustment prior to the adjustment being undertaken, e.g. renovations or flock cycle adjustments.

(3) Exclusions from abatement include:

(a) claims for one week or less than \$100. Exceptional effects of disease and catastrophe or acts of God are exempt from the one week exclusion.

(b) claims where the event in question gave rise to equivalent offsetting benefits.

#### **4. Fees**

(1) Fees are fixed and imposed on various services provided by the Board and published periodically.

#### **5. Interest on Outstanding Accounts**

(1) Interest is charged on every account outstanding to the Board at the rate of 18% per annum, calculated and compounded monthly.

## PART XII - INDUSTRIAL PRODUCT

### 1. General

- (1) The B.C. Egg Marketing Board (BCEMB) is offering, as Agent for the Egg Farmers of Canada (EFC), to purchase industrial product eggs each week from grading stations or producer graders. This program will be continued each week for as long as the Board deems necessary. The following procedures applicable to industrial product offerings in B.C. are to be read in conjunction with EFC's "Regulations and Guidelines".
- (2) The Board agrees, as agent for EFC, to purchase B.C. eggs of the following grades:
  - (a) Canada Grade A Jumbo loose pack;
  - (b) Canada Grade A Extra Large loose pack;
  - (c) Canada Grade A Large loose pack;
  - (d) Canada Grade A Medium loose pack;
  - (e) Canada Grade A Small loose pack; and
  - (f) Canada Grade Nestrún
- (3) Eggs must be in skid lots of 720 or 900 dozens.
- (4) All eggs are to be packaged on clean plastic trays in skid lots unless otherwise directed.
- (5) A sheet of plastic or plywood must separate each layer of the skid (maximum five layers in height).
- (6) Each skid must have CFIA approved skid tags showing grade, size, week number and skid number starting with 01 through to 999 and must be used consecutively with no duplicated numbers and corresponding with the Industrial Product Verification Form. (Tags for nestrún skids must also show the producer number.)
- (7) All product delivered to the Processor must be accompanied by a five-part EFC Industrial Product Verification Form.
- (8) An EFC release number must be obtained from the BCEMB prior to any product being delivered to the Processor. This number signifies EFC's confirmation of their agreement to purchase the size and quantity of product offered and these cannot be varied without prior approval of the BCEMB.
- (9) An estimate for the current week and a pre-estimate for the following must be received by noon Tuesday from each station offering Industrial Product declaring:
  - (a) the number of equivalent 15 dozen boxes of each grade and size or nestrún;
  - (b) estimated delivery date to Processor; and
  - (c) whether the station is long or short of any sizes of product

- (10) A confirmation of industrial product offered must be received by noon each Thursday. If the price remains unchanged the confirmation is extended until noon Friday and adjustments are allowed until 9:00 a.m. the following Monday. The confirmation must include:
- (a) the number of equivalent 15 dozen boxes by grade and size or nestrún;
  - (b) any payment adjustments for nestrún;
  - (c) confirmation of any interprovincial movement and/or use of global import permits;
  - (d) confirmation of any “trades” that did take place; and
  - (e) a written confirmation to be sent by email to the Board offices before 9:00 a.m. of the Monday following the week the product is declared. (Details of any nestrún payment adjustments must be included.)
- (11) The buyback prices will be as advised from time to time by the Board.
- (12) The Board may reject an offer or hold funds resulting from any tender if levies or reports are not current.
- (13) All product remains the property of the grader until delivered to the Processor, at which time it becomes EFC's, subject to the terms and conditions of EFC's “Regulations and Guidelines”.
- (14) Invoices for industrial product should be provided to the Board offices by the Wednesday following the week of declaration. All things being in order, the invoices will be paid by the second Wednesday following the week of declaration.
- (15) It is the policy of the Board that graders who purchase eggs from out of province or are handling such eggs for the shell market, will not have their offers for the size purchased accepted for two weeks following the week of arrival of the out of province eggs. In addition, where the size purchased from out of province is Extra Large, Large or Nestrún, 22 pounds per box or greater, it is the policy of the Board not to accept graders' offers for any of these sizes of product for two weeks following the week of arrival of the out of province eggs. Further, where Specialty (Free-Run, Free-Range, Organic) and/or feed enhanced eggs (Veggie Fed, Omega) are purchased from out of province, it is the policy of the Board not to accept graders' offers for any product for three weeks following the week of arrival of the out of province eggs, unless efforts to source within the province, within a reasonable period of time, are demonstrated to the satisfaction of the Board. If efforts of sourcing such product within the province are not demonstrated to the satisfaction of the Board, grading stations in question will be issued a 3-week notice prior to closing the pool.

## PART XIII - REPORTING AND INSPECTION

### 1. Commercial Hatching Egg Producer Reporting to Board

- (1) Every Commercial Hatching Egg Producer shall, on or before the 3<sup>rd</sup> day of each month, provide to the Board a copy of each duly completed Agriculture and Agri-Food Canada "Report of Chicken Hatchery Operations" for the weeks ending in the immediately preceding month.

### 2. Chick Hatchery Operator Reporting to Board

- (1) Every Chick Hatchery Operator shall, on or before the 3<sup>rd</sup> day of each month, provide to the Board a copy of each duly completed Agriculture and Agri-Food Canada "Report of Chicken Hatchery Operations" for the weeks ending in the immediately preceding month.

### 3. Pullet Grower Reporting to Board

- (1) Every Pullet Grower shall, on or before the 3<sup>rd</sup> day of each month, provide to the Board a copy of each duly completed BC Egg Marketing Board "Report of Pullet Grower Operations" for the weeks ending in the immediately preceding month.
  - (a) this report shall contain the number of pullets sold, breed and production type, who they were sold to and the Production address of the purchaser for all purchasers who are not registered producers.

### 4. Chick Sales Agent Reporting to Board

- (1) Every Chick Sales Agent shall, on or before the 3<sup>rd</sup> day of each month, provide to the Board a copy of each duly completed BC Egg Marketing Board "Report of Layer Chick Sales" for the weeks ending in the immediately preceding month.
  - (a) this report shall contain the number of chicks sold, breed of chick, who they were sold to and the Layer Barn address of the purchaser.

### 5. Producer-Vendor and Producer-Grader Reporting to Board

- (1) Every Producer-Vendor and every Producer-Grader shall, prior to 10:00am Friday, of each week, provide to the Board a true and detailed report disclosing, by production type:
  - (a) the number of eggs produced in the immediately preceding week;
  - (b) the number of eggs purchased in the immediately preceding week; and
  - (c) the number of eggs sold in the immediately preceding week;
- (2) Every Producer-Grader shall, prior to 10:00am Friday, of each week, provide to each Producer from whom the Grading Station Operator has received eggs, a true and detailed report disclosing:
  - (a) the total number of eggs received from each barn in the immediately preceding week;



- (b) the production category of eggs received from each barn in the immediately preceding week;
  - (c) the number of jumbo, extra large, large, medium, small and pee-wee eggs received from each barn in the immediately preceding week;
  - (d) the number of cracked eggs originating from each barn in the immediately preceding week;
  - (e) the number of broken eggs originating from each barn in the immediately preceding week; and
  - (f) the amount paid to the Producer on account of eggs received from each barn in the immediately preceding week.
- (3) Every Producer-Grader shall, prior to 10:00am Friday, of each week, provide to the Board a true and detailed report aggregating the information described in subsections (1) & (2) for all Producers. As well as:
- (a) the number of eggs imported and from which province/country in the preceding week as well as the production category and size.
  - (b) any additional information as required by the Board from time to time.
- (4) If the information above is not provided, the Board may withhold payments until such time as the information is received.

## **6. Grading Station Operator Reporting to Board**

- (1) Every Grading Station Operator shall, prior to 10:00am Friday, of each week, provide to each Producer from whom the Grading Station Operator has received eggs, a true and detailed report disclosing:
- (a) the total number of eggs received from each barn in the immediately preceding week;
  - (b) the production category of eggs received from each barn in the immediately preceding week;
  - (c) the number of jumbo, extra large, large, medium, small and pee-wee eggs received from each barn in the immediately preceding week;
  - (d) the number of cracked eggs originating from each barn in the immediately preceding week;
  - (e) the number of broken eggs originating from each barn in the immediately preceding week; and
  - (f) the amount paid to the Producer on account of eggs received from each barn in the immediately preceding week.
- (2) Every Grading Station Operator shall, prior to 10:00am Friday, of each week,, provide to the Board a true and detailed report aggregating the information described in subsection (1) for all Producers. As well as:

- (a) the number of eggs imported and from which province/country in the preceding week as well as the production category and size.
  - (b) any additional information as required by the Board from time to time.
- (3) If the information above is not provided, the Board may withhold payments until such time as the information is received.

## **7. Fowl Slaughter Reporting to Board**

- (1) Every Person who operates a Government Registered Poultry Processing Plant shall, on or before the 15<sup>th</sup> day of each month, provide to the Board a true and detailed report disclosing the number of spent Layers received from each Producer in the immediately preceding month.

## **8. Books, Records and Accounts**

- (1) Every Producer, Producer-Vendor, Producer-Grader, Commercial Hatching Egg Producer, Grading Station Operator, Processor, Chick Hatchery Operator and Chick Sales Agent, and every other Person engaged in the Marketing of Regulated Product, shall keep complete and accurate books, records and accounts of all matters relating to the production, transportation, packing, storage and Marketing of Regulated Product.
- (2) All books, records and accounts required to be kept under subsection (1) must be retained for a period of two years and shall be available for inspection by:
- (a) the Board;
  - (b) any officer or auditor of the Board; and
  - (c) any other Person as may be authorized by the Board from time to time to make an inquiry, report or corrective action request.

## **9. Licensees to Furnish Information and Permit Inspection**

- (1) Every Producer, Producer-Vendor, Producer-Grader, Commercial Hatching Egg Producer, Grading Station Operator, Processor, Chick Hatchery Operator and Chick Sales Agent, and every other Person engaged in the Marketing of Regulated Product, shall, upon request, furnish to the Board, or to any officer or auditor of the Board, or to any other Person as may be authorized by the Board from time to time to make an inquiry, report or corrective action request, any information or documentation relating to the production, transportation, packing, storage and Marketing of Regulated Product.
- (2) Every Person licensed by the Board shall make specific answers to any questions submitted to that Person by the Board, or by any officer or auditor of the Board, or by any other Person as may be authorized by the Board from time to time to make an inquiry, report or corrective action request.
- (3) Every Person licensed by the Board shall permit the Board, or any officer or auditor of the Board, or any other Person as may be authorized by the Board from time to time to make an inquiry, report or corrective action request, to search vehicles in which the Regulated Product is transported, and to inspect all Farm or business premises owned, occupied or controlled by such licensed Person.

## PART XIV - PROHIBITIONS

### 1. Producer

- (1) No Person shall engage in the production of Regulated Product for Marketing unless that Person is:
  - (a) a Registered Producer who is the holder of a Valid Licence issued by the Board and has an Issuance of Layer Quota in accordance with the Orders of the Board;  
or
  - (b) an Unregistered Producer
- (2) No Person shall Market Regulated Product to a Person who does not hold a Valid Licence.
- (3) No Producer shall purchase or acquire Pullets other than from a Person who is the holder of a Valid Licence unless due to exceptional circumstances and with prior approval of the Board.

### 2. Grading Station Operator

- (1) No Person shall act as a Grading Station Operator unless that Person is the holder of a Valid Licence issued by the Board.
- (2) No Grading Station Operator shall receive Regulated Product from a Producer who is not:
  - (a) a Registered Producer who is the holder of a Valid Licence issued by the Board and has an Issuance of Layer Quota in accordance with the Orders of the Board;  
or
  - (b) an Unregistered Producer

### 3. Processor

- (1) No Person shall act as a Processor unless that Person is the holder of a Valid Licence issued by the Board.
- (2) No Processor shall receive Regulated Product from a Producer who is not:
  - (a) a Registered Producer who is the holder of a Valid Licence issued by the Board and has an Issuance of Layer Quota in accordance with the Orders of the Board;  
or
  - (b) an Unregistered Producer; or
  - (c) a Commercial Hatching Egg Producer; or
  - (d) a Chicken Hatching Egg Producer

## PART XV - FAILURE TO COMPLY

### 1. Suspension or Cancellation

- (1) In addition to any other remedies available to the Board in respect of a contravention of an Order of the Board or other applicable legislation and regulation, the Board may suspend or cancel the licence or permit held by, or Layer Quota allotted to, a Person determined by the Board to be in contravention.

### 2. General Non-compliance

Unless there is a reason to act otherwise, the Board will endeavor to use the following approach:

- (1) Upon initial notification of the non-compliance, the Board will work with the producer to determine a reasonable timeframe to correct the non-compliance. This initial notification may be the audit report or other notification/letter from the Board office.
- (2) If the deadline has passed and the non-compliance has not been corrected, a second warning will be issued to the producer stating that they have 30 days to correct the deficiency or their license may be revoked in accordance with Part II of the Consolidated Orders.
- (3) If the second deadline passes and sufficient progress has not been made to correct the deficiency, revoke the producer's license until such time as the deficiencies have been corrected. For the first 30 days that the producer's license is revoked, all product will be diverted to the Processor and the producer shall be paid Processor price. Board staff will attend the farm on a regular basis (daily or weekly depending on the severity of the problem) in order to ensure that the Layers are being properly cared for and the producer is making progress towards completing their corrective actions.
- (4) If after 30 days of receiving Processor price, the producer has not corrected the deficiencies the producer will no longer receive payment for their product, Board staff will arrange to have the farm depopulated and all Layer Quota will be cancelled.

### 3. Non-compliance related to Animal Care

Unless there is a reason to act otherwise, the Board will endeavor to use the following approach:

- (1) Upon initial notification of a non-compliance where Layers are caused to be in distress the producer will be provided with written notice and given 24 hours to correct the deficiency.
- (2) If the deadline has passed and the non-compliance has not been corrected, a second warning will be issued to the producer stating that they have 24 hours to correct the deficiency or their license will be revoked in accordance with Part II of the Consolidated Orders.
- (3) If the second deadline passes and sufficient progress has not been made to correct the deficiency, the producer will be sent notice, by registered mail, of the Board's intention to revoke that producer's license. This notice will include the date, time and place of the Board hearing. Board staff will arrange to have the farm depopulated

and all Layer Quota will be cancelled two weeks after the date on the registered letter.

#### **4. Operational Standards**

- (1)** Any Producer who fails to comply with the Operational Standards will be ineligible to use quota credits, participate in Temporary Allotment Programs or to place additional Layer Quota acquired by purchase or otherwise. The ability to lease Layer Quota will be at the discretion of the Board.

## PART XVI - SPECIALTY INDUSTRY ADVISORY COMMITTEE

### 1. Committee

- (1) The Specialty Committee is hereby continued and is composed of:
  - (a) 1 voting Registered Producer representative engaged in the production of a certified organic Specialty Egg Class (who is not a Member of the Board) appointed by the Board;
  - (b) 1 voting Registered Producer representative engaged in the production of a free run Specialty Egg Class (who is not a Member of the Board) appointed by the Board;
  - (c) 1 voting Registered Producer representative engaged in the production of a free range Specialty Egg Class (who is not a Member of the Board) appointed by the Board;
  - (d) 1 voting Registered Producer representative engaged in the production of any Specialty Egg Class (who is not a Member of the Board) appointed by the Board;
  - (e) 1 voting certified organic Processor, Grading Station Operator or Producer-Grader representative engaged in the processing of any Specialty Egg Class appointed by the Board;
  - (f) 1 voting Processor, Grading Station Operator or Producer-Grader representative engaged in the processing of any Specialty Egg Class appointed by the Board;
  - (g) 1 non-voting observer (who is a Member of the Board) who shall be the independent Chair of the Committee.
- (2) All appointments to the Committee:
  - (a) shall be communicated by the Board in writing to the Person or representative so appointed; and
  - (b) shall be held at the pleasure of the Board.
- (3) The Committee shall designate a Vice-Chair from among the appointees.

### 2. Duties of the Committee

- (1) The Committee shall advise the Board, upon the request of the Board, or upon the initiative of the Committee, concerning any of the following matters:
  - (a) policy concerning Specialty markets and Specialty production;
  - (b) Specialty egg supply, demand, pricing and levies;
  - (c) periodic allocations from EFC;
  - (d) policies and procedures concerning the distribution of allocation among Specialty egg quota holders;

- (e) whether new innovative products meet the criteria in order to be designated as a Specialty Egg;
- (f) when and where exemptions may be warranted;
- (g) the development of on-farm food safety and biosecurity protocols appropriate for Specialty Producers.

### **3. Procedures**

- (1) Meetings of the Committee:
  - (a) shall be conducted in accordance with Roberts Rules except where varied herein;
  - (b) shall be held at the Board's offices, and the Board will provide its board room and the secretariat at no cost, upon reasonable notice;
  - (c) shall be recorded in minutes approved by the Committee.
- (2) A quorum of the Committee shall be four appointees and shall include:
  - (a) the Chair or Vice-Chair;
  - (b) one Registered Producer representatives;
  - (c) one Processor, Grading Station Operator or Producer-Grader representative; and
  - (d) one other appointee.
- (3) Voting shall be by simple majority.

### **4. Manner of Providing Advice**

- (1) The Committee shall endeavour to provide advice to the Board in the form of a written unanimous recommendation.
- (2) Where the Committee is unable to formulate a unanimous recommendation, the Chairperson of the Committee shall provide to the Board a written position report detailing the majority and minority positions of the Committee members, and the number of votes cast in favour of each such position.

### **5. Time**

- (1) Where the Board has requested the advice of the Committee, the Committee shall provide its advice, whether by way of a written unanimous recommendation or by way of a written position report, within such period of time as the Board may request.

### **6. Remuneration**

- (1) The Board may at its discretion pay a per diem to member of the Committee.
- (2) The Board will pay the reasonable out of pocket expenses of members of the Committee at the rates provided for in the Board employee's union contract.

## PART XVII - REVIEW PROCESS

### 1. General Information

The Board may, in its sole discretion, review a decision or determination of the Board if a review is requested by a Person that is directly affected by the decision of the Board.

- (1) A Registered Producer aggrieved or dissatisfied with an order, decision or determination of the Board may request a review by the BOD.
- (2) All requests for review must be received by the Board in writing within 45 days of the decision being made available (by mail, email or posted minutes) to the Registered Producer by the Board. The written request must include the following:
  - (a) the decision being reviewed.
  - (b) why the decision should be changed.
  - (c) the outcome requested of the BOD.
  - (d) A SAFETI Analysis on the requested outcome. A guidance document on the SAFETI principles can be found on the BC FIRB website:  
[https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/organizational-structure/boards-commissions-tribunals/bc-farm-industry-review-board/about-bcfirb/board-members-staff/governance/11\\_sept\\_13\\_safeti\\_definitions\\_guidance\\_-\\_6\\_principles\\_v2.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/organizational-structure/boards-commissions-tribunals/bc-farm-industry-review-board/about-bcfirb/board-members-staff/governance/11_sept_13_safeti_definitions_guidance_-_6_principles_v2.pdf)
- (3) Upon receipt of the review request the Board will:
  - (a) send the producer a letter acknowledging receipt of the review request
  - (b) arrange for a hearing of the review at the next available Board meeting, usually within 60 days of receiving the notice of the review. The producer may be requested to be present.
- (4) The Person requesting the review will be notified of the outcome of the review within 30 days of the review.



## PART XVIII - MISCELLANEOUS

### 1. Revocation and Transition

- (1) This Consolidated Order supersedes and replaces all Orders made by the Board prior to the effective date hereof and all such prior Orders are hereby revoked, but such revocation shall not affect any contraventions committed or any penalties incurred under the Orders so revoked.
- (2) From time to time, situations may arise due to exceptional circumstances that requires the Board to vary from the Orders. Such decisions may be made provided they follow SAFETI principles.

### 2. Commencement

- (1) This Consolidated Order comes into effect on December 31, 2023

DATED AT ABBOTSFORD, BRITISH COLUMBIA, THIS 20<sup>th</sup> DAY OF September 2023.

BRITISH COLUMBIA EGG MARKETING BOARD

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Gunta Vitins  
Chair

**SCHEDULE 1  
TO THE BRITISH COLUMBIA EGG MARKETING  
BOARD CONSOLIDATED ORDER**

**Election Rules and Procedures**<sup>1,2</sup>

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<sup>2</sup> Parts of these Election Rules and Procedures paraphrase certain provisions of the British Columbia Egg Marketing Scheme, 1967 (B.C. Reg. 173/67) and the Natural Products Marketing (BC) Act Regulations (B.C. Reg. 328/75) (collectively, the “Regulations”). These provisions should be read in the context of the Regulations in which they appear. Further, the Regulations are subject to change from time to time. In the event of any conflict between the Regulations and these Rules and Procedures, the Regulations will govern. Persons who need to rely on the text of these Rules and Procedures for legal or other purposes should also review the Regulations.