

**CHICKEN FARMERS OF ONTARIO
MARKET DEVELOPMENT POLICY No. 157-2002**

GENERAL

- 1.01 This policy will be applied by the Board in conjunction with the Market Development Policy as implemented by the CFC on January 1, 2002. Processors must comply at all times with the CFC policy.
- 1.02 This policy shall be applied by the Board in conjunction with any other quota policy or supplemental quota policy made by it from time to time.
- 1.03 Where a provision of this policy is in conflict with any provision or meaning of any other policy made by the Board, the provision of this policy shall prevail.

PROCESSOR ELIGIBILITY

- 2.01 To qualify as a purchaser of chicken for market development, a processor must:
- a) be the holder of a licence as a processor in Form 10 issued by the Board;
 - b) be in full compliance with all the terms and conditions of that licence;
 - c) be the holder of a Market Development Licence issued by CFC;
 - d) be in full compliance with all the terms and conditions of such Market Development Licence;
 - e) have made a Market Development Request to the Board in accordance with Section 3.01; and
 - f) have included with the Market Development Request to the Board under Section 3.01 all information required to be filed with CFC pursuant to the Canadian Chicken Licencing Regulations made under the Farm Products Agencies Act.

REQUESTS FOR CHICKEN FOR MARKET DEVELOPMENT FROM PROCESSORS

- 3.01 For each crop quota period, every processor requesting chicken for market development purposes must submit a Total Request in Form 401 and pursuant to CFO Regulations setting out the volume of chicken requested by the processor for market development purposes and specifying the price offered to be paid by the processor for the chicken, which price shall be expressed as an adjustment relative to the price for chicken determined in accordance with the Farm Products Marketing Act and Regulation 402 in that regard.
- 3.02 If the sum of all received market development requests is in excess of the CFC market development cap then the processor or processors that have offered the lowest price will have their market development request all or partially excluded until the CFC market development cap is not exceeded.

**PRODUCER PARTICIPATION IN PRODUCING
AND MARKETING CHICKEN FOR MARKET DEVELOPMENT PURPOSES**

- 4.01 The Board will calculate the weighted average market development price adjustment offered by processors and inform all producers thereof on Form 101 for each crop quota period.
- 4.02 All producers who are allotted a crop quota for a crop quota period, with the exception of those producers who complete Form 101 for a crop quota period with a processor located outside of Ontario, will be entitled to participate in producing and marketing chicken for market development for that crop quota period.
- 4.03 Every producer requesting to produce and market chicken for market development must indicate such in the appropriate place on Form 101.
- 4.04 The Board will fix and allot to producers as market development crop quotas, the sum of all market development processor requests, provided that such producers have the required building area in aggregate to produce the market development processor requests.

**ALLOTMENT OF CROP QUOTAS FOR PRODUCING
AND MARKETING CHICKEN FOR MARKET DEVELOPMENT**

- 5.01 Market Development crop quotas will be fixed and allotted by the Board to participating producers on a per capita basis, subject to a producer having sufficient building area for the market development crop quota as determined by CFO Quota Policy. In no instance will a producer's market development crop quota exceed 40% of the producer's basic crop quota for the crop quota period.
- 5.02 The amount of building area available for a producer's market development crop quota will be determined after the producer's domestic crop quota has been determined.
- 5.03 A producer's market development crop quota will form part of each participating producer's total crop quota for the crop quota period. The Board's overmarketing and undermarketing policies will continue to apply to the producer's total crop quota for the crop quota period, including the producer's market development crop quota.

**PAYMENT FOR CHICKEN PRODUCED AND
MARKETED FOR MARKET DEVELOPMENT**

- 6.01 For each crop quota period participating producers will forward to the Board a cheque made payable to a processor specified by the Board in an amount equal to the sum obtained when the amount of the producer's market development crop quota is multiplied by the weighted average market development adjustment price. In this regard each participating producer will receive a Notice of Market Development Assessment from the Board for each crop quota period. The Notice of Market Development Assessment will set out the amount payable by the producer, the processor to whom the amount is payable and the deadline date upon which the producer's cheque is to be received by the Board.
- 6.02 The sum of cheques made payable to a processor will be equal to or will closely match the amount of kilograms of a processor's market development request multiplied by the processor's offered market development price adjustment.
- 6.03 A producer whose cheque is received more than 7 days following the deadline date as specified in the Notice of Market Development Assessment or a producer whose cheque is improperly completed or is not negotiable will be subject to a crop quota reduction of 500 kilograms to be applied in the sixth crop quota period following the crop quota period for which the Notice of Market Development Assessment was issued.
- 6.04 The Board will review the producer cheques for proper completion and will forward them to the appropriate processor in advance of the crop quota period.
- 6.05 When producers market chicken they must be paid by the processor the price determined in accordance with the Farm Products Marketing Act and Regulation 402 in that regard for all chicken marketed, including kilograms of chicken produced and marketed for market development.

REVOCATION AND EFFECTIVE DATE


- 7.01 Supplementary Quota Policy No. 142-1999 made by the Board on September 13, 1999 is revoked as of the effective date indicated below in Section 7.02 and this Policy is substituted therefore provided that such revocation shall not affect the previous effect of the previous regulations or anything duly done or suffered there under, or any right, privilege, obligations or liability acquired, accrued, accruing or incurred under the previous regulations or any offence committed against them or any penalty or forfeiture or punishment incurred in respect of any such right, investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid.
- 7.02 This Policy takes effect upon the Board's participation in the negotiating agency created by virtue of O.Reg 264/02 and as further amended by virtue of O.Reg 467/02 amending Regulation 402 of RRO 1990.

BY ORDER OF Chicken Farmers of Ontario

DATED at Burlington, Ontario this 20th day of November 2002.



Chairman



Secretary

CHICKEN FARMERS OF ONTARIO

SUPPLEMENTAL QUOTA POLICY No. 158-2003

made under THE FARM PRODUCTS MARKETING ACT

Amendments to Supplemental Quota Policy No 156-2002 and Supplemental Quota
Policy No. 157-2002

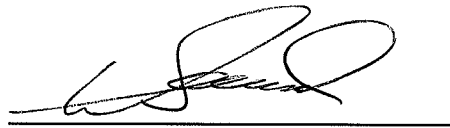
- 1) Section 7.02 of Supplemental Quota Policy No 156-2002 is hereby amended by striking out "O.Reg 467/02" in the last line and substituting "O.Reg 321/02".
- 2) Section 7.02 of Supplemental Quota Policy No. 157-2002 is hereby amended by striking out "O.Reg 467/02" in the last line and substituting "O.Reg 321/02".

BY ORDER OF Chicken Farmers of Ontario

Dated at Burlington, Ontario this 9th day of January 2003.



Chairman



Secretary

CHICKEN FARMERS OF ONTARIO

Policy No. 164-2004

Amending Marketing Development Policy No. 157-2002

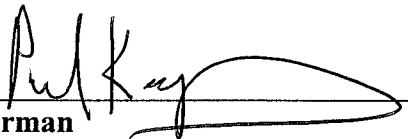
Effective August 19, 2004

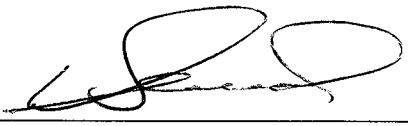
made under THE FARM PRODUCTS MARKETING ACT

1. Section 1 of Market Development Policy No. 157-2002 is amended by adding thereto the following paragraph:
 - 1.04 The objectives of this policy are to effect broad producer participation at reasonable prices while satisfying the market development requirements of processors. The Board may on occasion deem it appropriate to make certain specific Orders or Directions, or decisions, in relation to and as an adjunct of this policy for the purpose of furthering its intended effect and application.

BY ORDER OF Chicken Farmers of Ontario

Dated at Burlington, Ontario this 19th day of August, 2004.


Chairman


Secretary

CHICKEN FARMERS OF ONTARIO POLICY NO. 167-2005

Amending Market Development Policy No. 157-2003,
as amended by Policy No. 164-2004

Effective June 29, 2005

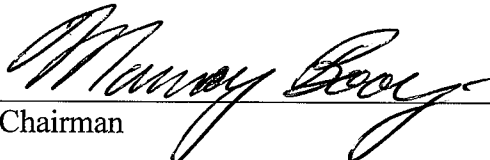
Made under the *Farm Products Marketing Act*

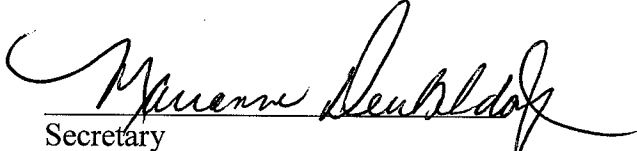
1. Market Development Policy No. 157-2005, as amended by Policy No. 164-2004, is further amended by revoking Section 1.04 and substituting therefor the following:

1.04 The Board may reject the market development component of a processor's Form 401 and its accompanying Form MD, on the basis of the price offered by the processor. The Board will notify the processor that it intends to reject a market development component of the processor's Form 401 and its accompanying Form MD but shall provide the processor with an opportunity to provide a rationale for its price offer or offers prior to making a final decision, provided that in no event shall the processor be permitted to submit a revised price offer or offers on Form MD, for the quota period.

BY ORDER OF CHICKEN FARMERS OF ONTARIO.

DATED at Burlington, Ontario this 29th day of June, 2005.


Chairman


Secretary